



U.S. Employers and Workers Are Desperate for Real Talk About Drug and Alcohol Use

National Survey

Pelago 2024 Annual State of Substance Use Management Trend Report

A survey of working Americans reveals the heavy personal and professional toll of substance and alcohol use — and a notable opportunity to create a recovery-ready workplace.



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EXECUTIVE SUMMARY

Why Employers and Workers Need a Recovery-Ready Workplace

“Real talk’ only comes when workers are empowered to ask for the help they need – without fear, without shame.”

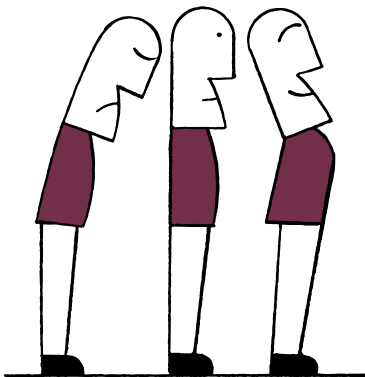
Employers and workers are desperate for real talk about substance use.

But “real talk” only comes when workers are empowered to ask for the help they need – without fear, without shame.

And when employers are prepared to listen and offer assistance – without judgment.

“Real talk,” in short, demands what the U.S. Department of Labor calls a “recovery-ready workplace.”

The Pelago 2024 Annual Substance Use Management Survey drills down into the ongoing crisis among American workers, revealing that 60 million employees – roughly 35% of the workforce – experience personal or family problems related to substance or alcohol use. The scale and economic impact of this crisis are all too clear when one considers that the Centers for Disease Control and Prevention estimate that substance use disorders cost employers more than \$15,000 per affected employee annually.



As long as substance use and mental health issues continue to threaten productivity, safety, and overall employee well-being, environments that facilitate open, stigma-free communication about substance use management are not just beneficial but essential.

Because substance use management works. Our survey data shows that four out of five workers who received assistance from their employer for substance use problems report that it was helpful; 41% of them describe it as “very helpful.”

And yet there’s a “support gap” preventing most workers from getting what they



“Our employees were actively seeking help. So offering a substance use management solution was just the right thing to do.”

– Sarah Neas, Employee Well-being Manager, Lumen Technologies

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need. Although more than half of workers surveyed believe that employer support for substance and alcohol issues is crucial, only 14% report having access to such a benefit. Furthermore, more than half of employees (54%) aren't comfortable asking for help, thwarted by shame or humiliation.

All of which explains why Pelago remains committed to fostering recovery-ready workplaces that:

- Reduce stigma and encourage open dialogue about substance use and mental health.
- Offer evidence-based substance use management programs, including cognitive behavioral therapy (CBT) and medication-assisted treatment (MAT).
- Protect employee privacy and provide confidential access to treatment and support services.

I invite business and benefits leaders to join us in creating the kinds of workplaces that support “real talk,” not to mention employee well-being and operational excellence.

Four out of five workers who received assistance from their employer for substance use problems report that it was helpful.



Yusuf Sherwani
CEO and Co-founder of Pelago



At-a-Glance Fact Sheet



1 One-third of American workers are affected by substance use.

- The Pelago 2024 Annual Substance Use Management Survey reveals a significant crisis among American workers, with 60 million employees – about 35% of the total U.S. workforce – experiencing personal or family problems related to substance or alcohol use.
- Substance use issues affect employees across all job types and work arrangements, impacting absenteeism, productivity, safety, and healthcare costs.

2 Substance use takes a heavy and costly toll on worker health and productivity.

- The substance use crisis is significantly impacting workforce productivity across all job categories. A shocking 42% of employees report missing work due to personal or family substance use issues.
- There is a strong correlation between substance use and work missed as a result of mental health issues, with 38% of those with substance concerns also reporting mental health-related absences.
- The [Centers for Disease Control and Prevention](#) estimates the annual direct and indirect costs of substance use disorders at more than \$15,000 per affected employee enrolled in employer-sponsored insurance.

3 Substance use and mental health challenges disproportionately affect the most vulnerable workers.

- Our survey suggests that certain worker demographics – women, younger, less educated, LGBTQ+, Black – are at increased risk for substance use and mental health challenges.
- The strong correlation between substance use and mental health issues underscores the need for comprehensive support programs.

4 Substance use management is effective — but most workers do not receive the treatment they need.

- Employer substance use management programs, including personalized treatment and behavioral therapy, have proven highly effective, with four out of five employees who made use of them saying they were helpful.
- Despite this success rate, however, a significant support gap exists: only 14% of workers have access to such benefits, and just one in four with substance or alcohol issues have sought employer assistance.



“Without my company partnering with Pelago and making this offering widely known and accessible to us as employees, I’m not sure I ever would have made that leap of faith to...have a healthier relationship with alcohol and with myself.”

– Elizabeth, Corning employee and Pelago member

5 Employers must create stigma-free, recovery-ready workplaces.

- Emotional barriers like shame and fear prevent many workers from seeking substance use help. Over half (54%) of employees feel uncomfortable asking for assistance.
- A communication gap also exists, with more than 70% of employees reporting they are unwilling to discuss personal or family health struggles with their employers.
- Creating a recovery-ready workplace entails reducing stigma, encouraging open conversation, and providing confidential access to evidence-based programs. The result of such workplaces is often enhanced productivity, improved morale, and reduced healthcare costs.

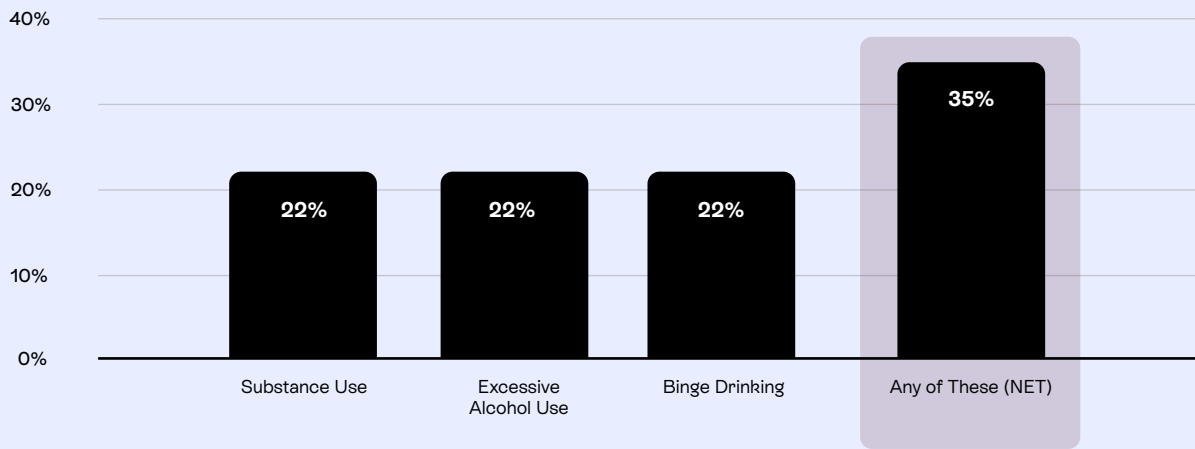
What Is Substance Use Management?

Substance use management is a personalized approach to understanding the impacts of substance use on one’s body and managing one’s substance use to a healthy state. Substance use management can range from managing unhealthy substance consumption habits to medication-assisted treatment of active substance use disorders. It is a system of resources and a process for managing substance use based on individual health, habits, genetics, and goals.

Methodology: The survey is based on a representative sample of 1,210 working adults and was conducted online from March 27 to April 2, 2024. (The margin of error is 2.9% at a 95% level of confidence for a random sample.) Respondents for this survey were selected from those who have volunteered to participate in online surveys and polls. The data have been weighted to reflect the demographic composition of the 18+ population. Interviewing and tabulation of data was conducted by Big Village (Formerly Opinion Research Corporation) using their Caravan platform under the direction of David Michaelson, PhD.

One-Third of American Workers Are Affected by Substance Use

Experienced Concerns, Issues, or Problems for Myself Or Family Member With Drugs or Alcohol



About 60 million American workers have experienced personal or family problems involving substance or alcohol use (35% of the workforce)

Nearly one in four workers report personal or family problems with substance use (22%), excessive alcohol use (22%), or binge drinking (22%)

Many also report having concerns, issues, or problems with **two or more** of these behaviors.

The Pelago 2024 Annual Substance Use Management Survey reveals an ongoing crisis among American workers, with 60 million employees – roughly 35% of the workforce – experiencing personal or family problems related to substance or alcohol use.

The survey suggests that nearly one in four workers report personal or family problems with substance use (22%), excessive alcohol use (22%), or binge drinking (22%). Of even greater concern, many individuals report struggling with multiple substance use behaviors simultaneously.



Pelago's survey data underscores the pervasive nature of this workforce crisis and its impact on productivity and employee well-being.

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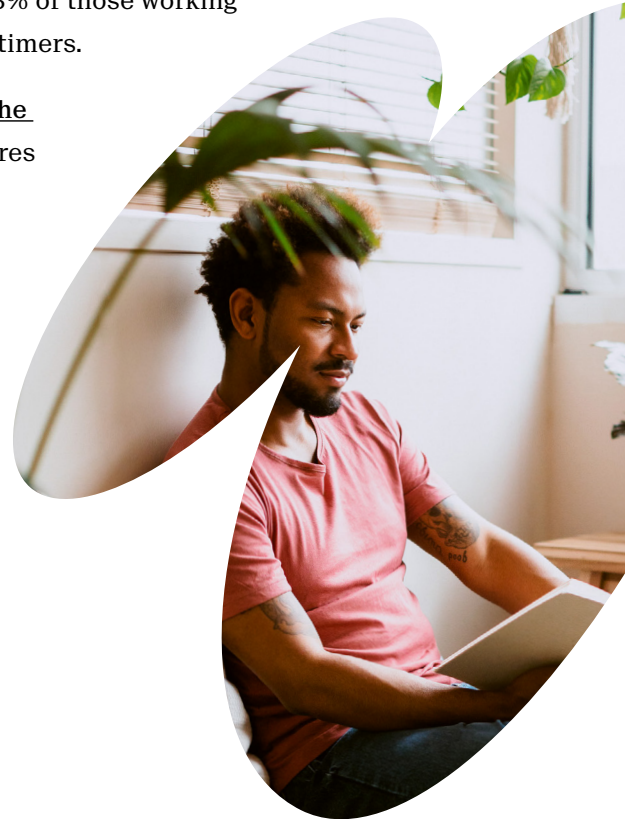
While one in five workers (19%) report personal problems with drugs or alcohol, many more (30%) report substance or alcohol use problems among their immediate family members. More specifically, 23% report issues with adult members and 7% with teens.

A significant all-sector impact

Our data suggests that substance use issues can affect any employee, regardless of job type or work arrangement. The effects of substance use on individuals and their families, as reported by surveyed employees, are relatively consistent across workforce demographics: 40% of blue-collar workers report concerns, issues, or problems for themselves or family members compared with 32% of white-collar workers; 36% of those working outside the home compared with 33% of those working remotely, and 37% of those working full-time compared with 29% of part-timers.

Pelago's survey data, which broadly correlates with the [latest data from the Substance Abuse and Mental Health Services Administration](#), underscores the pervasive nature of this workforce crisis and its potential impact on absenteeism and productivity, safety, and related healthcare costs.

But our data reflects more than just affected cohorts. It also begins to quantify the significant economic and operational impact of substance use, its social-emotional toll, the stigma that prevents individuals from seeking help, and the positive impact that substance use management can have.

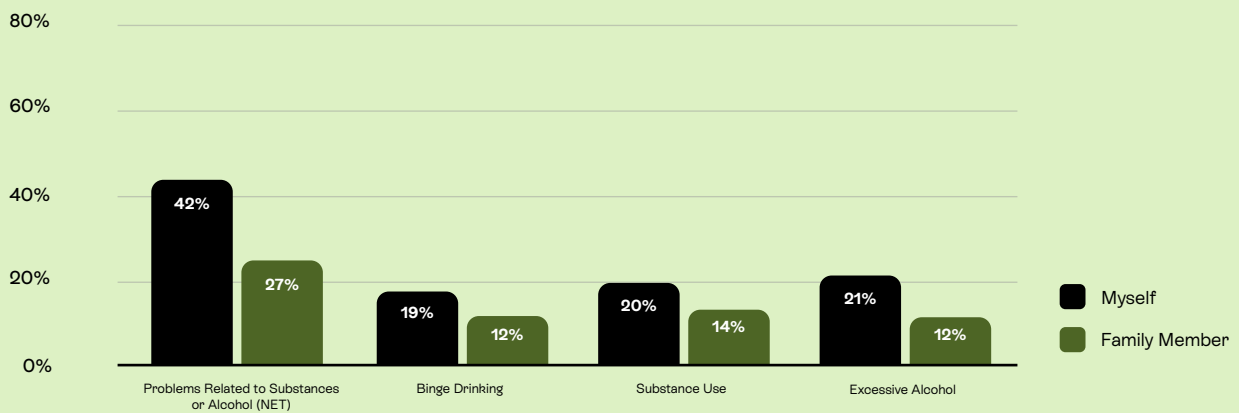


Action Item: Business leaders must recognize the scope of the workforce crisis.

Substance Use Takes a Heavy and Costly Toll on Worker Productivity

Missed Work Because of Problems Related to Substances or Alcohol

Experienced Problem with Alcohol or Substances (Myself vs Family Member)



Mental health concerns and problems related to substance or alcohol use are leading reasons for absenteeism.

Overall, **more than 4 in 10** workers (42%) have missed time due to personal or family concerns, issues, or problems related to alcohol or substance use.

More than half (52%) of those who report missing work specifically because of substance use also report missing work because of mental health issues.

The substance use crisis in the workforce is fueling absenteeism – which recent CDC estimates say cost \$226 billion annually, or \$1,685 per employee. The consequent downturn in productivity prevails across all major job categories.

A shocking 42% of people who report problems with alcohol or substance use also report missing work as a result. In addition, 27% report work missed as a result of family members' problems.

All those lost hours due to substance use come with hidden – and not-so-hidden – costs to employers.

We note a strong correlation between substance use and missed work due to mental health concerns: 38% of those reporting personal problems with alcohol or substances also report missing work because of depression, anxiety, or other mental health concerns. Moreover, more than half (52%) of those who report missing work specifically because of substance use also report missing work because of mental health issues.

Also of note is the fact that younger adults are more likely to miss work as a result of substance or alcohol use: 20% of those under age 45 who report experiencing personal or family problems with substances or alcohol also report missing work, compared with just 5% aged 45 or older. In addition, younger workers are significantly more likely to report missing work due to mental health concerns (36%, compared with 25% of all survey respondents).



“The biggest reason I wanted to change my relationship with alcohol was the hangovers. If I really felt bad, I would take a day off and was worried I would get fired because I ran out of my sick time.”

– Julie, Lumen Technologies employee and Pelago member

The problem is deeper than lost hours

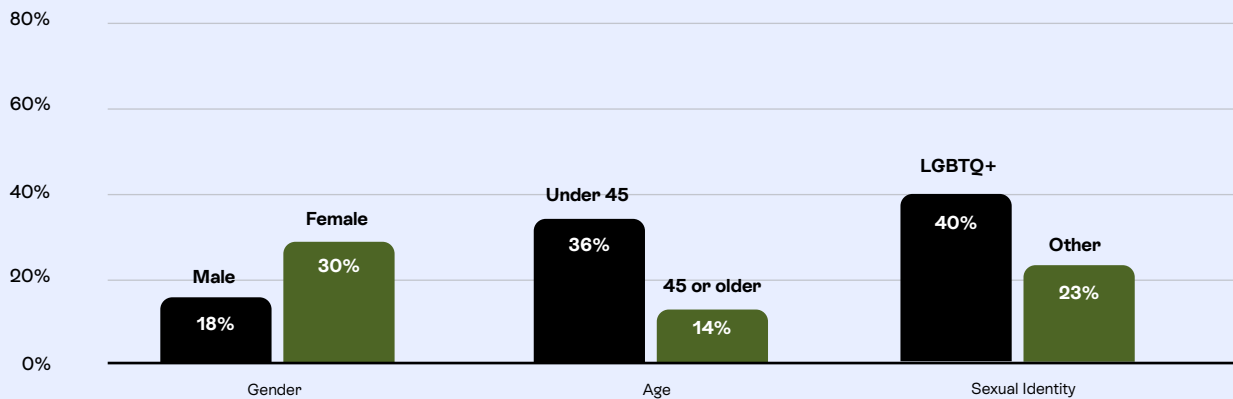
All the missed time comes with hidden – and not-so-hidden – costs to employers. In fact, absenteeism is just the most visible liability. Others include “presenteeism” (working while impaired or otherwise unable to perform at full capacity), higher on-the-job accident rates, reduced morale and teamwork, and increased healthcare costs. The Centers for Disease Control and Prevention estimates the annual minimum direct costs of substance use disorders at more than \$15,000 per affected employee enrolled in employer-sponsored insurance.

Action Item: Business leaders must recognize how substance use impacts their organization.

Substance Use and Mental Health Challenges Disproportionately Affect the Most Vulnerable Workers

Missed Work Because of Problems Related to Depression, Anxiety and Mental Health Concerns

By Gender, Age, and Sexual Identity



Women, those who are younger, and those who identify as LGBTQ+ are more likely to miss work because of mental health concerns.

People who identify as LGBTQ+ are more likely to report personal problems with substance or alcohol use than the general population (28% vs. 18%).

At the same time, **84%** of that cohort say mental health counseling benefits are important, compared with **65%** overall.

One in three women (30%); 36% of those under age 45; and 40% who identify as LGBTQ+ who are experiencing depression, anxiety, or mental health concerns, report missing work. This compares to 18% of men and 14% of those 45 or older who missed work due to these concerns.



62% of employees with personal substance or alcohol problems also report mental health concerns.

Our data shows a strong correlation between alcohol and substance problems and mental health issues: 62% of employees with substance or alcohol problems also report mental health concerns, nearly double the rate of those reporting mental health issues alone (36%).

Digging deeper, though, our survey includes fresh data that strongly suggests that a worker's gender, education level, sexual orientation, age, or ethnicity can put them at increased risk for substance use, mental health challenges, or both. Possible reasons that these groups appear to be more vulnerable could include financial insecurity, discrimination, or cultural barriers, including stigma associated with accessing treatment for substance use or mental health issues.

Disparities in substance use incidence

Education level is one significant differentiator for substance use, with 41% of workers with a high school education or less reporting related concerns, compared with 31% of those with higher education levels. Similarly, 53% of workers under age 35 report such concerns, compared with 28% of older workers. Somewhat surprisingly, family status also appears to play a role, with 44% of workers with children at home reporting substance use problems, compared with 31% of those without children, and 39% of unmarried workers reporting substance use issues, compared with 30% of married workers.

While Black workers are not significantly more likely than whites or Hispanics to report substance use, more of them (70%) say benefit programs for substance and alcohol treatment are important than do Hispanics (59%) and whites (52%). Similarly, 77% of workers who identify as LGBTQ+ say such programs are important, compared with 54% of other workers.

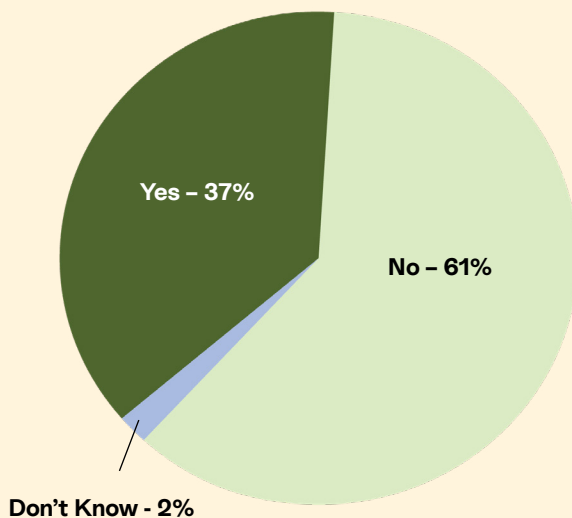


Action Item: Business leaders must expand benefits programs to include support for substance use disorder and related mental health problems.

Substance Use Management Is Effective – But Most Workers Don’t Receive the Treatment They Need

Received Treatment for Drug Use or Dependence, Excessive Alcohol Use or Binge Drinking

Self or Family Member



Despite the undeniable evidence of significant substance use and alcohol problems among workers and their families, access to treatment and support remains limited.

First, the good news: Substance use management (which typically includes a personalized treatment program and behavioral therapy) definitely has made a difference, leading employees to learn new behaviors, control cravings, and generally retake control of their lives.

Our survey data shows that four out of five workers who received assistance from their employer for substance use problems report that it was helpful; 41% describe it as “very helpful.” Similarly, nine out of ten workers report that the assistance they received for binge drinking (86%) or excessive alcohol use (88%) proved helpful, with half describing it as “very helpful.”

Only a third of those reporting problems with drugs or alcohol have received treatment for them.

Only one in four who report a personal problem with substances or alcohol have asked their employer for assistance.

Over half believe employer support for substance or alcohol problems is important. However, **only 14%** report having any such benefits.

A glaring “support gap”

Now, the bad news: Despite the undeniable evidence of significant substance use and alcohol problems among workers and their families, access to treatment and support remains limited.

Although more than half of workers believe that employer support for substance or alcohol problems is crucial, only 14% of workers report having access to that kind of benefit. Equally troubling: only one in four who have personal issues with substances or alcohol have asked their employer for assistance.

MHPAEA Compliance

Not only do employers have a unique opportunity to bridge the support gap, in many cases it's a legal obligation.

While the Mental Health Parity and Addiction Equity Act (MHPAEA) doesn't require employers to offer mental health or substance use disorder benefits, it requires those employers who do, to offer them without 1) restrictions on copays, deductibles, and sessions and 2) stringent limitations, such as prior authorization or “medical necessity” criteria. Most employer-sponsored health plans fall under MHPAEA regulations.



“As soon as I joined this program I got the support I needed. It [Pelago] worked really well at the end of a workday. ...Over time, I was able to drink much less [after work] and often not at all.”

– Steven, Philips employee and Pelago member.

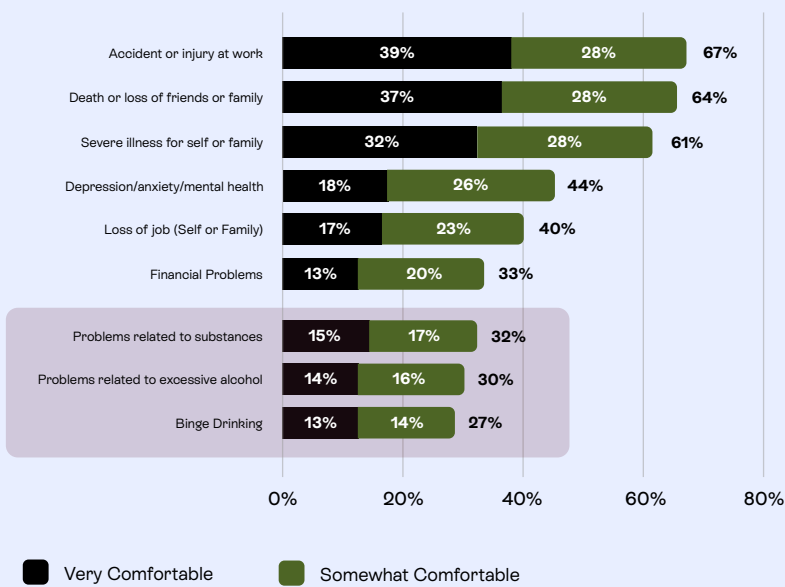
Action Item: Employers must offer mental health and substance use benefits that are in compliance with MHPAEA.



Employers Must Create Stigma-Free Recovery-Ready Workplaces

Comfort With Asking for Help with Personal Concerns, Issues, or Problems

“Very” or “Somewhat Comfortable”



More than half (54%) of U.S. employees are uncomfortable asking for help with substance or alcohol problems, citing “shame or humiliation” as the reason.

Fewer than one in three express any degree of comfort in asking for help with problems related to substance or alcohol use.

Only one in seven are “very comfortable” asking for help with substance (15%) or alcohol use (14%).

Only one in eight (13%) are “very comfortable” asking for help with binge drinking.

Our survey demonstrates that emotional barriers – including shame and fear – are preventing workers from getting the substance use help they want.

More than half (54%) of employees say they are uncomfortable asking for help, citing “shame or humiliation” as a reason. Among LGBTQ+ workers, these impediments are cited even more often, 68% of the time. Worse, 70% of LGBTQ+ workers express fear of losing their job if they ask for help, as opposed to about half of other workers. In all, fewer than one in three employees feel comfortable asking for help with substance or alcohol use issues.



Implementing a recovery-ready workplace means enhancing productivity, improving morale, and reducing healthcare costs.

The survey identifies a “communication gap” that keeps employees and employers from bridging the previously noted “support gap.” More than 70% of employees say they would not talk to their employer about personal or family health and well-being struggles. Some workers remain insecure about their employer’s stance on addiction, with 39% unsure if their employer views addiction as a treatable illness. Confidentiality is also a significant concern for 45% of respondents, as is fear of demotion (26%) and disciplinary action (25%).

Overcoming stigma: A path forward

Creating what the U.S. Department of Labor calls a recovery-ready workplace involves lowering these barriers by encouraging open conversation about substance use and mental health, making it clear that seeking help is seen as a show of strength, not weakness. Towards that end, employers can implement educational programs that reduce the stigma around these issues, and provide confidential access to evidence-based substance use management programs.

At its core, a recovery-ready workplace makes good business sense, too, as it will enhance productivity, improve morale, and reduce healthcare costs. Research from the National Safety Council shows that workers in recovery miss 13.7 fewer days a year than workers with an untreated substance use disorder, and 3.6 fewer days than the average employee.



Action Item: Business leaders must develop a communications strategy that normalizes the discussion and treatment of substance use issues.

A Game Plan for the Thoughtful Business Leader



The Pelago 2024 Annual Substance Use Management Survey underscores the need for employers to expand their benefits programs to include support for substance use disorder and related mental health problems.

Here are some next steps, informed by the action items highlighted in this report, to help employers implement the kind of stigma-free recovery-ready workplace in which workers feel empowered to ask for help:

1 Recognize the scope of the workforce crisis — and its effect on your organization.

Almost three-quarters of workers miss work due to personal or family substance issues, and the CDC estimates that U.S. employers incur more than \$15,000 in annual substance use disorder costs per affected employee. In contrast, employees in recovery miss 13.7 fewer work days annually than those who do not receive treatment. So acknowledging the impact of substance use will only underscore the importance of implementing accessible solutions, such as medication-assisted treatment and virtual care, to support the social-emotional well-being of employees and improve productivity.

2 Expand benefits programs to include support for substance use disorder and related mental health problems.

Ensure that all workers are aware of the relevant policies, procedures, and benefits — and assure



Develop a communications strategy to normalize discussion and treatment of substance use issues.

workers that they can ask for help without shame or fear of losing their livelihood.

3 Offer mental health and substance use benefits that meet federal standards.

The MHPAEA requires employers who offer substance use benefits to do so without restrictive limits on copays, deductibles, and sessions, and without stringent limitations like prior authorization or “medical necessity” criteria. Most employer-sponsored health plans must comply with MHPAEA regulations. If you have questions about compliance, Pelago can help.

4 Develop a communications strategy to normalize discussion and treatment of substance use issues.

Misperceptions, shame, and fear are likely preventing employees from openly discussing problems with substance and alcohol use. Lower any workplace-culture barriers that contribute to those shame and fear.

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Pelago is the leading virtual clinic for substance use management.

Pelago partners with enterprises as the leading virtual clinic for substance use management among their employees. We are transforming substance use support - from prevention to treatment - delivering education, management skills, and opportunities for positive change to members struggling with substance use, most commonly tobacco, alcohol, opioids or cannabis. Our solution gives employers the means to offer on-demand, personalized support to workers seeking to live healthier lives. Pelago's cognitive behavioral therapy (CBT) and medication-assisted treatment (MAT) programs deliver convenient, accessible and effective support that seamlessly integrates with health plans, pharmacy benefit managers and wellness platforms. Tens of thousands of members enroll in the Pelago program each year, and more than 3.4 million now have access to the digital clinic.

