An Economic Perspective on Suicide Prevention

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Every 40 seconds one person dies by suicide[1]. Developed countries have increasingly been investing in suicide prevention policies and programs. Typically these programs include educating family physicians and raising public awareness about suicide, restricting access to means of suicide and providing support and follow-up to those who attempt suicide[2,3]. Some argue that such efforts are not worthwhile because prolonging the life of a person with depression may be costly to the economy[4]. Evidence actually shows the opposite. Setting aside the humanistic perspective, what does economics tell us about suicide prevention?

Helping suicidal individuals avert suicide can lead to positive economic returns. The economist Krugman explains that when a government is faced with a choice of allocating its limited resources, it should select the option which yields a positive economic profit[5]. By a negative economic return, I am not referring only to explicit costs, but more importantly to implicit costs, meaning the monetary value of foregone benefits[5].

In 2016, a research team by Doran and colleagues assessed the cost-effectiveness of a multicomponent suicide prevention program in Australia4. They found that the program generated a $4.6 economic return on every $1 invested, even while assuming a conservative success rate (only 9.4%) in averting suicide deaths. To arrive at this ratio, the researchers examined the following costs that suicide imposes on different groups in society. When a person attempts suicide (and is hospitalized afterwards) or dies by suicide, employers have to bear "production disturbance costs" in the form of lost production due to absence from work and staff turnover costs.

When people die by suicide, governments bear "human capital costs" in terms of foregone income from the time of the incident until their natural expected death age. Governments also forego the tax revenue that would have been paid by those individuals had they lived their natural life span. The researchers also took into account direct medical costs resulting from suicide attempts and social welfare payments that governments incur[2].

More importantly, we do not live in vacuum. Societies are interconnected, and every suicide case intimately affects six other people on average[6]. This poses significant counseling and psychotherapy expenses for bereaved individuals, in addition to other costs which the researchers referred to as "postvention" and "carer" costs, amounting to $20,000 per person per year[2].

Vasiliadis and colleagues reached similar conclusions in another study they conducted in Canada in 20143. Even though they used a different methodology, they also arrived at a positive economic return of approximately $4,000 in average cost savings per averted suicide.

The argument made by Yang and Lester4 that governments should not invest in saving the life of suicidal individuals because they may not be as productive as others is flawed. It is similar to arguing that we should not fund cancer patients' chemotherapy because their illness is keeping them away from work. Policymakers must remember that ninety percent of suicides are associated with a treatable mental illness[7], just like any other physical illness. There is promising evidence that investing in suicide prevention policies makes economic sense.

References

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