

# Turning the tide on economic inactivity:

Retaining talent and  
skills in the workforce

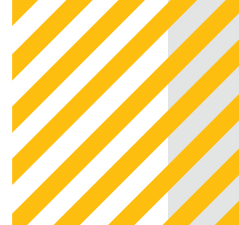
March 2025



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# Foreword

If economic growth is the Government's number one mission, skills and productivity are the key drivers. To build homes, roads and runways, or make breakthroughs in technology, we need a skilled, active and growing workforce.

Yet the UK has an excessive number of adults who are neither in work nor actively looking for work, eclipsing the number of unemployed by six to one. As well as a major societal problem, economic inactivity acts as a constant handbrake on growth.

While the issue is rightly attracting strong attention, understanding of how to tackle it is weak. A key focus has been on getting those people outside the workforce into work. Just as important, however, is stemming the flow of people leaving the workforce in the first place. This outflow has risen more sharply than the rate of returns to work, driving higher overall levels of inactivity.

Like all employers, PwC has good reason to prevent worklessness. We need skilled workers, and we need them to thrive. We want to understand what drives people to leave the workforce, particularly those under the age of 35, and want to share and contrast our perspective with that of businesses across the UK.

To this end, our research has given us access to the views and ideas of more than 4,000 people and 350 businesses.

They have revealed some hard truths. Businesses told us they are wary of recruiting people who have been out of the workforce for a long time - with skills and experience gaps being a particular concern. But it is equally true that businesses want to stop talented workers from leaving. However, often they do not realise an employee is on the path to inactivity until it is too late. Had they been alert to the problem, they could have stepped in and potentially kept a valued employee in productive work. It is clear that the earlier the intervention, the easier, less costly and more effective it is likely to be.

From the employees' perspective, we find that individuals rarely decide to become inactive for good. Many say the right interventions at the right time could have made all the difference. But once they are out of work, confidence wanes, and a short period too often becomes an indefinite one.

Given that outflows from work to inactivity currently show no sign of abating, we see a significant opportunity for businesses, government and other organisations, centrally and locally, to work together to address the problem. Some 80% of the businesses we spoke to said economic inactivity was impacting productivity and they were already reconsidering the support they provide. The prize for ensuring these efforts are channelled in the most constructive way will be substantial.

**Marco Amitrano**  
Senior Partner of PwC UK



“

There is a significant opportunity for businesses, government and other organisations, centrally and locally, to work together to address the problem of economic inactivity.”





# Executive Summary

The level of economic inactivity in the UK presents a major challenge. Since late 2019, the number of people neither working nor looking for work has increased by roughly 12,000 a month net. A new approach is needed.

With that in mind, PwC commissioned and undertook research to better understand the problem and to explore where new solutions might be found. We have heard from more than 4,000 people through interviews and surveys as well as several hundred senior business leaders from larger employers and SMEs.

This brought together three perspectives: employers, those in work and thinking of leaving, and those who have already left work. Understanding the challenge and opportunity from each of these perspectives will help us find a new approach to allow individuals and businesses to thrive.

## Our findings revealed four key themes:

### **1** Economic inactivity in the UK may well rise further.

This is being driven by employees leaving the workforce. One-in-ten workers are actively considering leaving work. This equates to 4.4m workers who are on the brink of leaving the labour market. A further 19% of workers say that in the past 12 months they have seriously considered leaving work for an extended period. Younger workers – aged 18-24 – are particularly at risk, with mental health a major driver.

### **2** Businesses are increasingly worried.

Nearly nine out of ten businesses report being concerned about the rise in economic inactivity. In addition, 81% of businesses say their productivity has been impacted, while 73% say the issue is affecting financial performance. This is aside from the broader impacts to public finances and the economy, such as through lower tax receipts and higher public spending.

### **3** There is an opportunity to reduce exits from work.

While there is no universal pathway to leaving work, our research shows there are several windows of opportunity to provide more support for people before they decide to leave. While for some people a sudden event or diagnosis drives their decision, our findings show that, for most, the timeline is longer and more gradual. During that time, a significant number of people never ask for – or receive – support. This suggests that a concerted effort by business and government to intervene earlier and address the underlying factors driving people to leave work, could make a real difference.

### **4** Businesses want to do more to prevent work exits into inactivity.

Employers see inactivity as a risk to talent they value. Encouragingly, more than half (54%) of employers are reconsidering or have reconsidered the support they have in place to prevent their employees leaving work. While there is desire to prevent work exits, over half of businesses admit being worried about recruiting people who are already inactive, with skills gaps a key concern. This highlights the importance of prevention – the Government should work with employers to give as much attention to reducing the flow of employees into economic inactivity as they are to supporting the people currently inactive into work.

# Executive Summary

Our report identifies and elaborates on two key areas for further focus and consideration:

1

## Keeping people engaged, healthy and resilient at work

- Build a prevention-first approach into workplace design and culture:
  - Health support better integrated into other aspects of business.
  - Improved communication, peer group, and other social network support.
  - Greater focus on development and skills.
- Employers and government to work together on prevention-first approach for example, through a Good Employer Charter.

2

## Faster intervention and support

- Ensure workers have access to high quality, confidential support:
  - Government to consider offering assistance to SMEs.
  - Explore wider use of third-party providers.
- Better mechanisms to identify those at risk early:
  - Improved communication and support for absent employees which focuses on return to work.



## Research approach

PwC commissioned Focldata to conduct research on attitudes to work, and experiences of leaving and re-entering the workforce.

### Phase 1:

Initial in-depth online interviews with different groups, including people currently in work and those currently economically inactive. Given the growing focus on inactivity among young people, we focused on a cohort of under 35 year olds. We also conducted interviews with senior representatives from businesses, including SMEs.

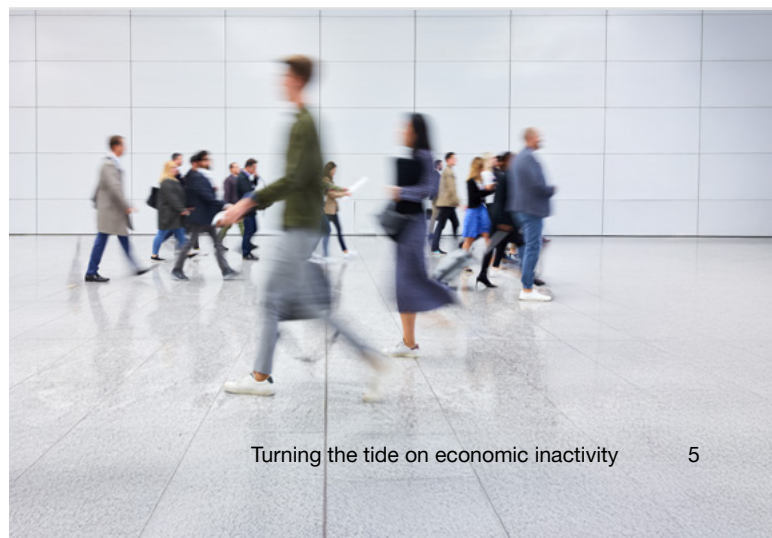
Collectively, these more than 300 interviews provided insights into the perceptions and thinking around economic inactivity, and refined the hypotheses we intended to test in Phase 2.

Focldata used its AI-powered depth interview tool, FDChat, to conduct the interviews. The platform uses a trained AI moderator to conduct 30 minute conversations with individual participants based on a set of interview objectives. Individuals were aware they were talking to a chatbot and agreed to the approach before the interview began. For discussions on sensitive topics, like health and family, evidence suggests that well-moderated AI interviews can offer some individuals the space to be more candid and transparent. The approach also enabled a far larger number of interviews to be conducted compared to traditional approaches.

### Phase 2:

A representative survey conducted among the working-age population (18-64) in the United Kingdom, with responses from 4,404 individuals. Fieldwork was conducted between the 9th and 19th January 2025.

Separately, PwC surveyed 311 business leaders, including C-suite executives, HR directors, managing directors and operations directors, covering large employers and SMEs.



# 1: The UK's inactivity challenge

The UK's rate of economic inactivity has surged since the Covid-19 pandemic, with approximately 21.5% of UK adults out of the workforce and not seeking a role.<sup>1</sup>

While the rate has declined from its peak last year, inactivity levels among younger people (below age 35) have proved more stubborn, with an increasing proportion of those out of work due to long-term sickness. Internationally, the UK remains the only G7 country with fewer people in work now than before the pandemic.

Concern about economic inactivity has previously tended to focus on the very large number of people who have left, or never entered, the workforce. Our research has focused on the growing problem of the 'flow' of people exiting work - that is the rate at which people are leaving the workforce.

## Considering leaving work has gone mainstream

There is a risk inactivity levels will rise again, with our research indicating that a significant proportion of working adults are close to becoming economically inactive:

- 10% are currently actively considering leaving work, not just their current role, a figure which is equally high for both men and women. This is equivalent to approximately 4.4 million workers.<sup>2</sup>
- A further 19% of workers have seriously considered leaving work for an extended period of time in the past 12 months.
- Younger workers are particularly at risk, with 37% of those aged 18-24 saying they have either seriously considered leaving work in the last year or are actively considering doing so now.

This is a broad trend across the workforce: these results are consistent across different levels of income, education, commuting time, and across regions.

This is echoed by the nearly two-thirds (63%) of businesses which report an increase in employees leaving the workforce over the past two years.

<sup>1</sup> Economic inactivity is defined as people aged 16-64 not in employment who have not been seeking work within the last 4 weeks and/or are unable to start work within the next 2 weeks (Office for National Statistics).

<sup>2</sup> UK labour market statistics, 18 February 2025.



# 63%

Nearly two-thirds of businesses report an increase in employees leaving the workforce over the past two years

## A handbrake on economic growth

The cost of economic inactivity to UK growth is becoming increasingly clear. With constraints on international migration and an ageing workforce, levels of participation in the labour market have a direct impact on growth. To date, there are 700,000 more inactive people of working age compared to pre-pandemic levels. Assuming historic contribution levels, reintegrating these individuals back into the workforce could boost economic activity by an added £29 billion, in 2024 price terms.

The rise in economic inactivity also compounds pressure on the public finances, through lower tax receipts and increased spending on welfare and public services.

In response, there are growing efforts to tackle the challenge and support more people back into work.

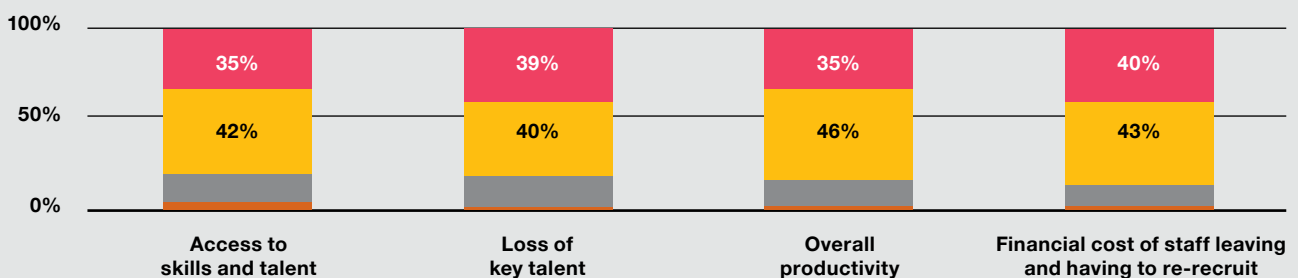
The Government's [Get Britain Working White Paper](#) published in November 2024 explored how employers and policymakers can support workforce retention and re-entry, particularly for those with health conditions. This has been followed up by the ongoing [Keep Britain Working Review](#), which is examining the potential role of employers to support individuals around health and disability. Locally, mayoral combined authorities and local authorities are stepping up to address the underlying causes of economic inactivity. However, as recognised in the landmark 2024 Pathways to Work report by Barnsley Council, the system is fragmented and often individuals are left to navigate a web of support which is too complex to access.

## Businesses increasingly concerned

Our research shows economic inactivity has become a very real concern for businesses, with nine out of ten employers concerned about the issue. This is driven by the growing effect of inactivity on their operations, with 81% of employers saying productivity has been impacted. A particular worry is the loss of skills and talent, with 79% of businesses reporting either

a moderate or significant impact from the loss of key talent, and a similar proportion (77%) saying that the UK's overall rate of inactivity is making it harder to access the skills and talent their business needs. Over three-quarters (83%) say the issue is affecting financial performance due to the cost of staff departures and re-recruitment.

Share of businesses reporting impact of economic inactivity



[Base: Respondents concerned about economic inactivity. N=281.]

Note: rounded figures have been used.

**Key:** ■ No impact ■ Minimal impact ■ Moderately impacted ■ Significantly impacted

## The factors driving people to leave work

The factors behind the rise in economic inactivity are various and complex, and often there is no ‘one single reason’. Among those individuals who were in work and left, there is a wide range of factors which led to that decision – although it is increasingly clear that ill-health, both physical and mental, is a major driver.

This is mirrored in our research, where individuals who are economically inactive are 3 percentage points more likely to be on a waiting list to see a medical practitioner compared with someone in work. Similarly, among those who have considered leaving work in the past 12 months, ‘concerns with my mental health’ was the single most cited factor.

For people currently considering leaving work for an extended period, we found that concerns with mental health are a major concern, alongside frustrations with “unfulfilling work”. Among those under age 35, mental health is the more important factor of the two. Indeed, people aged 18-24 are 40% more likely to cite concerns with mental health compared with older respondents.

# 40%

People aged 18-24 are 40% more likely to cite concerns with mental health compared with older respondents

### Factors impacting risk of leaving work at the moment, by age

	Age					
	Total	18-24	25-34	35-44	45-54	55-64
<b>Unfulfilling work</b>	35%	38%	24%	35%	43%	39%
<b>Concerns with my mental health</b>	32%	42%	34%	27%	30%	29%
<b>Lack of career growth</b>	30%	29%	22%	38%	27%	37%
<b>Poor workplace culture</b>	28%	30%	22%	29%	35%	23%
<b>Financial difficulties</b>	27%	37%	33%	33%	18%	19%
<b>Poor relationship with colleagues</b>	16%	6%	13%	21%	21%	12%
<b>Concerns with my physical health</b>	14%	10%	17%	14%	14%	15%
<b>Neurodivergence</b>	12%	17%	25%	13%	3%	0%
<b>Transport difficulties</b>	10%	15%	12%	7%	10%	9%
<b>Caregiving responsibilities</b>	10%	7%	9%	8%	11%	15%
<b>Parenting responsibilities</b>	9%	9%	15%	10%	7%	0%

Base: Respondents currently considering leaving work. N=310. (“Thinking about why you are considering leaving work at the moment, which of the following factors most influenced your desire to leave work?”)



In our interviews, we heard that making work more flexible – even for a limited period - was something people felt would make a big difference in allowing them to stay in work.

### In their own words

“

When I was going through a rough time due to doing a lot of shifts and having unreliable staff, they [my work] were very supportive and gave me the breathing space and flexibility I needed to not become completely burned out”

**20 year-old male**  
East of England

“

My employer was really lovely, she was really kind when I went on sick leave – I was planning to go back, but she wasn't very receptive to my suggestion to start back part-time. I think I might've gone back if she'd considered that.”

**23 year-old female**  
North East England

This is reflected in our larger survey. Interestingly, flexibility and/or adjustments to working hours, are prioritised far more by people than remote working.

But in practice, staggering or reducing hours remains relatively uncommon, with only slightly more than one-third (36%) of the employers we surveyed having done so.

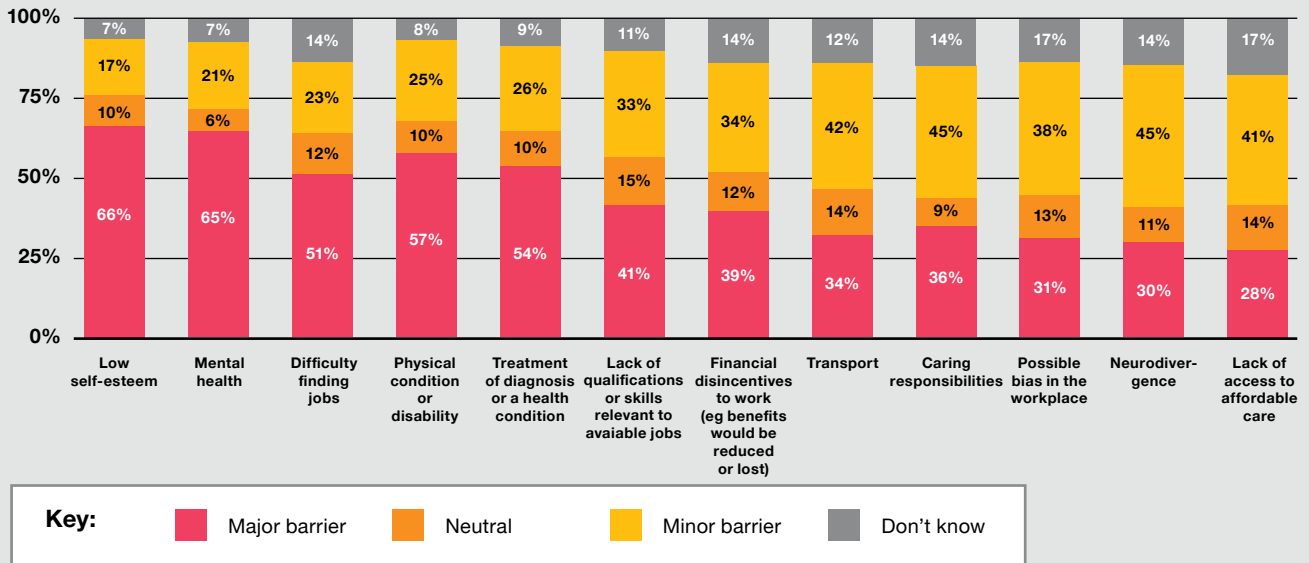
## The barriers to re-entering work

We found that many more people who are currently inactive would be interested in returning to full-time or part-time work than not (54% compared to 25%) – provided the necessary support for their ‘family/caring responsibilities, or their health conditions, was available.’ Among those are inactive, the most frequently requested

forms of support are ‘flexible working arrangements’ and ‘support for mental health.’

But the most significant major barriers to returning to work are not just practical – people are also worried about their self-esteem and the perceived difficulty of finding a suitable job.

Barriers to returning to work (individuals not currently in work, excluding students and retirees)



### In their own words

“

I think my main barriers are lack of experience, as well as confidence. I've recently been looking into getting back into work – I've been doing courses that will allow me to become a teaching assistant. I joined an agency who got me set up with a school and arranged a trial day, but the night before I didn't sleep and all I could do was cry, so I cancelled it. I feel like my anxiety is still too bad.”

**23 year-old female**  
North East England

“

The main obstacles I see right now are trying to get some sort of confidence back to feel ready for it and finding a way to physically prepare by re-learning some skills I may have lost.”

24 year-old male  
Scotland

“

The main barrier is my lack of confidence, anxiety and just not knowing how I go about looking for work, not knowing what I need to do to apply for a job and not knowing what I do in an interview.”

33 year-old male  
West Midlands

Although many businesses have successfully supported employees returning to work, a quarter of surveyed businesses have never done so. Over half (57%) admit worry about hiring someone who has been inactive. The main obstacles are applicants' perceived lack of skills and education (21%), expectations for flexibility (16%), and the need to accommodate mental health needs (14%). Additionally, nearly two-thirds report being unable to support employees with complex health needs.

There is also a notable split between larger employers and SMEs, with the latter much more likely to indicate that they are not confident in being able to meet the needs and requests of prospective employees seeking support.

## The missing piece of the puzzle: slowing the exit rate from work

To date, the response to inactivity has largely focused on supporting people who have left work to return, which is undoubtedly an essential piece of the puzzle. However, equal focus should be placed on reducing the number of people leaving work. Indeed, analysis by the Office for Budget Responsibility (OBR) shows that the rate of exits from the workforce is growing faster than the rate of people returning to work, driving the higher overall rate of inactivity.<sup>3</sup>

There is also a significant advantage in reducing preventable exits from the workforce, because it can become harder for people to return to work after extended periods, as skills and confidence decline, alongside a rise in anxiety about returning to the workplace. Notably, our research found that of those currently inactive:

- More than 58% had been out of work for longer than 2 years.
- A similar number (59%) have not accessed any support since leaving their previous job, likely making re-entry more difficult.
- Only a quarter (25%) express no interest in returning to work, even if appropriate support was available.

So while supporting people back into work is at the heart of reducing the UK's level of inactivity, slowing the rate of exits from the workforce is an important – and so far under-explored – part of resolving this complex challenge. A combination of both approaches is likely to be most successful, minimising the risk that achievements in supporting more people back to work are offset by growing numbers of new departures from the workforce.

<sup>4</sup> OBR, [Why has working-age inactivity risen since the pandemic?](#) (2023).

## Business appetite to prevent exits

The opportunity to stem the flow of exits from work is corroborated by our research among employers. We found that a majority (57%) of businesses are wary about hiring someone who has been economically inactive, with skills and experience gaps a key concern. At the same time, as many as a third of employers associate the concept of economic inactivity with people “gaming the system”.

However, a similar proportion (31%) of employers associate economic inactivity with a risk to talent they value. Moreover, 85% of businesses believe they have a role to play in supporting employees to remain in the workforce, and as we explore further in our report, many are considering how best to do this. There is a significant opportunity to develop a new approach to the challenge, to the benefit of both the economy and individual businesses.



## Windows of opportunity: leaving work is not a foregone conclusion

Our research examined the different pathways for people leaving work. There is no single experience, but two factors strongly suggest leaving work is often not a foregone conclusion:

- Just under a third of (now inactive) people considered leaving work for more than six months before taking the decision to leave work.
- Almost half did not reach out for any support prior to taking the decision to leave work.

Both of these findings suggest there are windows of opportunity to intervene and support a significant proportion of those considering leaving work and so potentially reduce the rate of exits.

### Timelines

For a large minority (34%), leaving work was unanticipated. This is often the result of a major health issue or a sudden change in family circumstances. But a majority of those who became inactive (51%) described their journey as gradual. This was a recurring theme in our interviews with people who had left work, with a common story of challenges – particularly mental health – building up over time before becoming too much.

### In their own words

“

It happened gradually – my condition started off manageable with my workload at my job, but the condition slowly began taking over my life and mind, it weakened my body and was all I could seem to think of when I wasn't too tired to even think at all.”

**24 year-old female**  
East of England

“

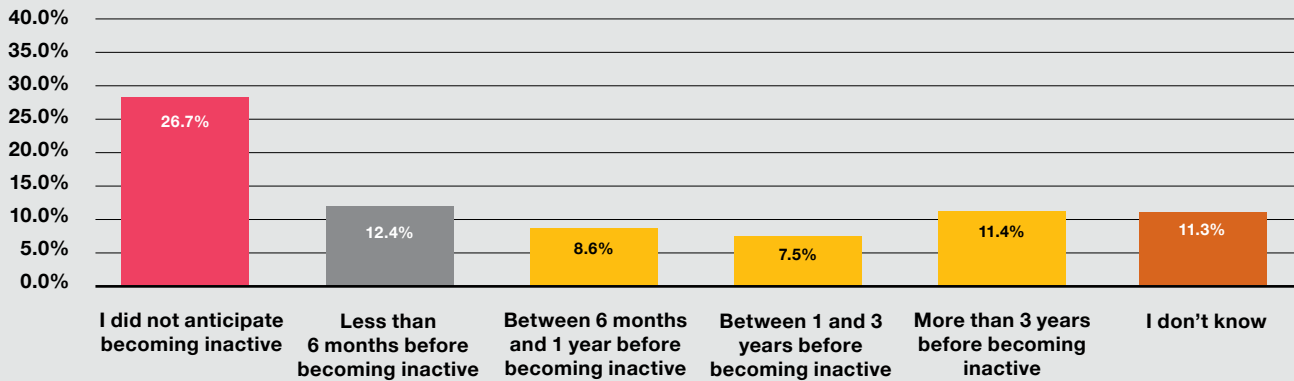
The main reasons for me leaving work was my health, and as time went on my health got worse and still worsens.”

**28 year-old female**  
Wales

The gradual shift to inactivity is also evident in the period of time people spend considering leaving work and before choosing to do so. While a large minority did not anticipate becoming inactive, nearly one-third spent between six months and three years or more considering

doing so. This raises the question of whether the right interventions at the right time could persuade people to reconsider before the underlying factors accumulate or crystallise into a decision to leave.

### Time spent considering leaving work before doing so

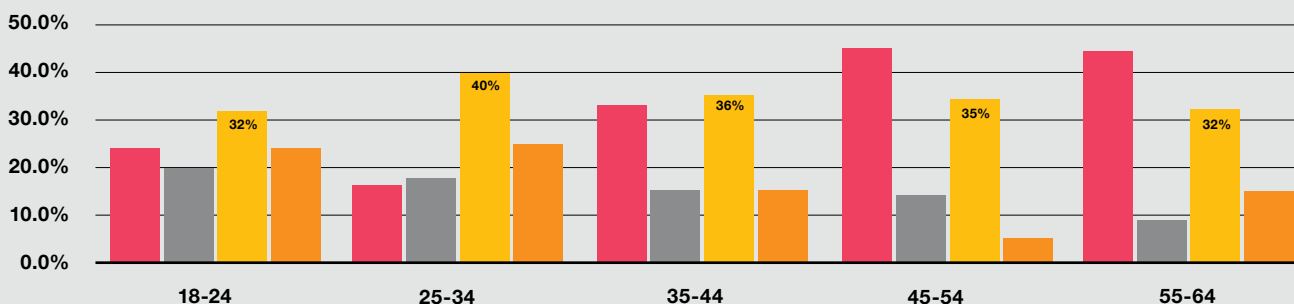


[Base: Respondents who are economically inactive. N=420]

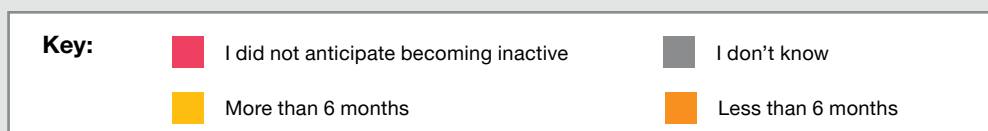
The gradual decision period is particularly true for young people and those in the middle of their working lives: between the ages of 25 and 44 there is a broad split between those who spent longer than six months considering leaving work than those who did not anticipate doing so, indicating an opportunity for early intervention. (Among those 45 years old and above,

there is marked increase in unanticipated exits from work.) Given a significant number of people who become economically inactive struggle to re-enter the workforce, preventing more people from leaving work at an early stage of their lives is a major opportunity.

### Time spent considering leaving work before doing so, by age



[Base: Respondents who are economically inactive. N=420]



## Seeking and accessing support

By their own admission, almost half (42%) of those who left work permanently did not speak to anyone – at home or at work – to ask for support. Among those who did reach out for support, the largest proportion asked family and friends (33%) for help. In contrast, much smaller numbers spoke with their line manager (17%) or with the human resources team (11%). This is echoed by employers, where a significant proportion – almost one-in-five (19%) – said the first time they realised someone was going to leave was when the person handed in their notice.

Not every circumstance will necessarily have a solution which could allow someone to stay in work. However, looking back, only 39% of those who had taken the decision to leave said that there was nothing their employer could have done to help them stay in work. This underlines a major opportunity to intervene earlier and provide more support to people before a final decision is made.

### In their own words

“

I never spoke to my employer about [my mental health] until it was too late. If I'd spoken to them, they may have been able to support me.”

**23 year-old male**  
Northern Ireland

“

A colleague took sick leave due to her mental health and that is when the support came flooding. I was more in the pre-emptive stage...I got the support from my team supervision.”

**28 year-old female**  
West Midlands

In our interviews, we found that embarrassment and a lack of confidence are holding back some employees from making the most of what support is currently available.



### In their own words

“

I was made aware of some resources we supposedly had, such as telehealth. However, I felt too intimidated and embarrassed to ask for them.”

**24 year-old female**  
East of England

However, encouraging more people to ask for support will not be the whole answer. Nearly half (45%) of those

who spoke with their employer before leaving work reported that they were offered no support.

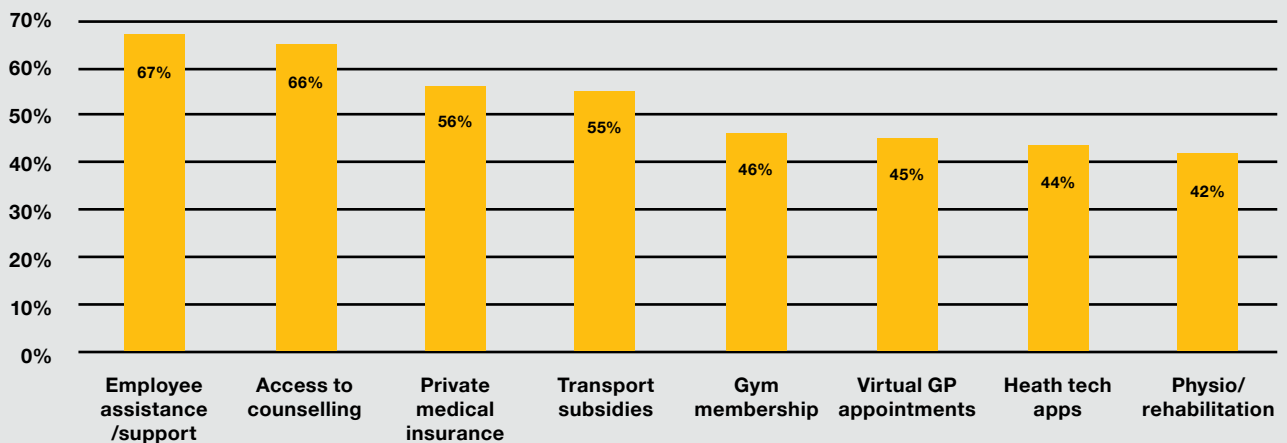
### Employers are reconsidering their approach to workplace support

Given this wide range of experiences of employees receiving support from their employers, we wanted to understand more deeply the perspective from businesses.

Our research found that the vast majority (83%) of employers responding to our surveys offer

health and wellbeing support for employees, with the most common forms being employee helplines and access to counselling. Digital services such as health tech apps and access to virtual GP appointments are also relatively common.

Share of employers currently offering employee support



[Base: All respondents who offer a support system. N=257]



There is an understandable difference between larger and smaller employers. SMEs with under 250 staff were significantly more likely to say they do not currently, or plan to, offer many of the forms of support offered by their larger counterparts. For instance, 79% of larger employers currently offer access to counselling, a figure which drops to 37% amongst SMEs – and with 47% of smaller employers reporting no plan to offer this in the future.

That said, overall, the rise in economic inactivity is prompting more employers to reconsider their approach. More than half (54%) report that the issue has already led them to change, or consider changing, their existing support offer. A further 23% say they expect to do so later this year.

To help identify the most promising interventions, we asked employers who had seen employees become inactive recently, what might have been done differently to accommodate their needs and keep them in work. The actions most frequently cited were: increasing awareness of mental health and support across the workforce (61%); adaptations to the workplace (55%) and greater flexible working provisions (52%).

However, particularly in our interviews with SMEs, we identified a potential mismatch between what employers think would help and what individuals say they need. Across several interviews, businesses cited generic employee benefits (such as company car schemes and loans), rather than support specifically designed to help those at risk of becoming economically inactive.

More fundamentally, many employers are worried about the cost and resource implications of providing support. More than 60% said they believe businesses lack the necessary resources to support individuals with complex needs. And among the businesses which don't currently have or plan to offer support, the most cited barriers are the overall cost of support (27%) and resource limitations (21%).



79%

of larger employers  
currently offer access  
to counselling

# 2: A way forward

Our research highlights a clear opportunity to help stem work exits into inactivity.

Our research highlights an important opportunity to help stem the flow of workers into inactivity. This is as critical for the economy as helping people back into the workforce. Drawing on the findings, together with

our experience as an employer and our advisory work in this area, we have identified key areas for further consideration and attention.



## 1 Keeping people engaged, healthy and resilient at work

For most people, leaving the workforce is a gradual decision. Work perceived to be unfulfilling and lacking purpose can contribute to mental health challenges and the decision-making process. Employers can therefore play a key role in preventing exits by keeping workers engaged, motivated, healthy and resilient – a prevention-first approach. Many employers offer, on paper, comprehensive health support, but it can feel removed from other aspects of business.

- Workplace design and culture needs to better reflect the intersections between factors including: social interactions and communication at work, skills, confidence, fulfilling work, managing stress and physical and mental health. This does not all demand additional financial investment but

it does require a change in approach. Relatively simple steps can make a big difference – for example, building peer group and other internal social networks to give people greater support and a sense of belonging.

- Employers and government can work together to ensure this shift. This could take a variety of forms, including a Good Employer Charter, with an independently awarded kite mark, of the kind recommended in the report from the Pathways to Work Commission. This would involve employers, including public sector organisations, making a public commitment to achieve the highest standards in relation to workforce retention and wellbeing.

## 2 Faster in-work intervention and support

Once people are considering leaving the workforce, there is a window of opportunity to prevent them doing so. To capitalise on this window, employers need to be able to spot the warning signs more quickly, ensure relevant services are signposted, and that necessary adjustments can be made promptly.

Employers say that current processes do not allow them to identify who may be considering leaving, but more than half want to improve what they are doing.

- There is an opportunity to improve awareness and education about key warning signs and triggers, while introducing better systems and mechanisms to capture concerns and ensure the right people are alerted.

Employees worry about the stigma of accessing support, and when they do ask for help, half are let down and receive no response.

- All employees need high quality, confidential access to support. Small businesses tell us that this is sometimes unaffordable. The Government could consider offering assistance to SMEs who often cannot afford to invest in health and wellbeing programmes, of the kind that are common in larger organisations.

- The opportunity for smaller businesses to access third-party services of this kind, at favourable rates, could make a significant contribution to stemming the flow of workers into economic inactivity. At the same time, larger organisations need to continue to invest in occupational health and check the support provided is delivering as intended.

Once employees are off work for a prolonged period, there can be a loss of connection with employers.

There can also be uncertainty over where the responsibility for contacting people who are unwell lies. People will often rely on their GP, or remain on NHS waiting lists who certify fit notes. However, practice among healthcare providers varies widely, and while some providers go above and beyond to support people to return to work, we know that many are not focused on employability.

- Every fit note for a prolonged period of absence should be accompanied by a return-to-work plan. There is the opportunity to explore how large employers, or the health sector can support this, ensuring targeted support and better communication between the individual, the employer and healthcare providers.

**Ensuring people have the skills and mindset to flourish**

Phillippa O'Connor, Chief People Officer at PwC UK

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Coming through loud and clear in our research is the bearing confidence has on job satisfaction and broader wellbeing. When confidence is knocked, it can have a spiralling effect, making people question their abilities and dissuading them from trying new things.

Confidence at work is underpinned by many things, but one of the most significant factors – and one that employers and educators can influence – is having the skills to flourish. If people start a job with the right skills, they are far more likely to feel confident and perform well in their role. With technology evolving the world of work at lightning speed, skills requirements are also changing. It's not surprising people are feeling less confident at work and less confident about the future.

The Government has pledged to bring together the fractured skills landscape and create a shared national ambition to boost the nation's skills. Ensuring such reform progresses at pace, and that the business community is plugged in systematically, will be key.

Skills also need to be better matched to jobs. At the point of recruitment there needs to be clarity on the skills required - PwC's own recruitment focuses on skills and potential, with our own aptitude tests rather than evaluating people by past performance alone.

As importantly, learning and skills development needs to continue within jobs and throughout careers. This isn't all about extra training programmes, but ensuring people know their skillset and where there are gaps and want to learn new skills and try new opportunities. This should increase people's agility and adaptability, and in turn their resilience, as well as making careers more satisfying.”



**Blocking the road to inactivity:**

**Building better communication and resilience within the workplace**

Brian Dow, Chief Executive of Mental Health UK, PwC Foundation national charity

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Secure employment is a pillar of good mental health, and many people experiencing mental illness can thrive at work, providing the right support is in place. However, too many face stigma and a lack of understanding, making it difficult to stay in work or return after a period of ill health

We know that poor mental health is fuelling economic inactivity in the UK, yet many employers feel unsure about how to support staff who are struggling with mental illness. Workplace mental health training can equip leaders and managers with the confidence to recognise when someone may be experiencing mental ill-health, start meaningful conversations, and put measures in place to help them stay in work. These measures might include reasonable adjustments such as reduced or flexible hours; developing Wellbeing Action Plans which identify someone's trigger points and protective factors; or signposting them to further support for mental health. This will help provide employees with the security, confidence and opportunity to build resilience, so they can stay in work.

“Open communication is key, because issues can't be addressed if they are not known or discussed. Yet our [Burnout Report 2025](#) recently identified that many people do not feel comfortable opening up to line managers about stress or high workloads, particularly young people, the demographic which is most at risk of dropping out of the workforce due to poor mental health. Trust is earned, and employers must build a culture where staff feel they can be open about their mental health, and that they will be supported if they disclose challenges in this area. Otherwise, people will continue to suffer in silence and drop out of the workforce suddenly, with support provided being too little, too late.



# Contacts



**Katie Johnston**

**Partner, Government and Health Industries**

[katie.johnston@pwc.com](mailto:katie.johnston@pwc.com)



**Rena Brown**

**Director, Government and Health Industries**

[rena.c.brown@pwc.com](mailto:rena.c.brown@pwc.com)



**Barret Kupelian**

**Chief Economist**

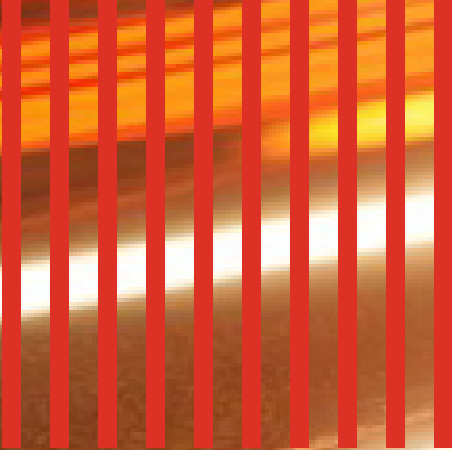
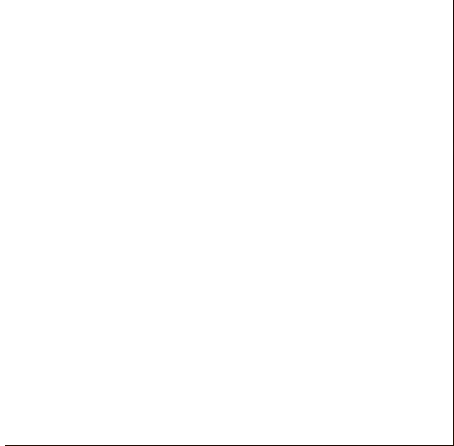
[barret.g.kupelian@pwc.com](mailto:barret.g.kupelian@pwc.com)



**Alastair Woods**

**Partner, Workforce**

[alastair.woods@pwc.com](mailto:alastair.woods@pwc.com)



[pwc.co.uk](https://www.pwc.co.uk)

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