Mental health of small business owners

Every day small business owners face unique work-related stressors that go unnoticed or undetected.

Definitions

- **Sole operator**: 0 employees
- **Micro**: 1–4 employees
- **Small**: 5–19 employees

Context

In Australia, in the 2017-18 financial year...

- **97%** of businesses are small businesses
- **2.3 million** businesses
- **1/2** Almost half the Australian workforce work in a small business
- **4.7 million** people

Issues

- **23%** of micro business owners reported a high level of psychological distress
- **25%** of small business owners reported a high level of psychological distress
- **36%** of sole operators reported a high level of psychological distress

**Health-related productivity losses in small business are high, with people often absent from work due to ill-health and/or working despite a health-related problem.**

Small businesses face unique stressors – particularly in their first year of business – that can affect their mental health, including:

- long working hours
- social isolation
- customer demands
- cash flow issues
- work/life balance
- job insecurity
- lack of administrative support
Solutions

When starting out in business, consider investing in people and tools that will support you and your work. This will help reduce your risk of psychological distress.

There are simple, low-cost, protective steps that small business owners and sole operators can action to manage stress and create a mentally healthy small business.

Things to try at work:

- seek out business support early
- invest in a business mentor or advisor
- invest in administrative supports
- seek out financial advice and support
- develop a business and wellbeing plan from the start
- connect with peer networks

Things to try at home:

- have regular conversations
- eat well, stay fit
- get a good night’s sleep
- after-hours technology switch-off
- stay in touch with family and friends
- engage in activities for enjoyment and relaxation

How can you help?

If you have a close relationship to a small business owner, you are in a good position to notice any changes in behaviour or that they may benefit from support.

There are immediate actions you can take to support a client, customer, family member or friend:

- use your connection with the person to help them find a way forward, if they need assistance
- know your boundaries - you are not expected to be a psychologist
- resist placing undue pressure on yourself to find a solution for the person’s issues
- reach out to others to assist you to provide this support.

For further information, visit Heads Up: bb.org.au/SupportingSmallBusiness

References
3. Creating a mentally healthy workplace: Return on investment analysis, Pricewaterhouse Coopers (2014)