

# 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



**Sole operator**  
**62%**



**Micro**  
**27%**



**Small**  
**8%**

**1/2**

Almost half the Australian workforce work in a small business

Small business employs approximately

**4.7 million**

people<sup>1</sup>



## 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<sup>2</sup>



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<sup>3</sup>

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.

Small businesses who invest in mental health, see a return of up to **\$15 for every \$1 spent\***

Mentally healthy workplaces

- improve staff productivity and morale
- help retain staff
- reduce absenteeism



## 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](http://bb.org.au/SupportingSmallBusiness)**

### References

1. [http://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp1516/Employ](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1516/Employ)
2. Analysis of Household, Income and Labour Dynamics in Australia Survey (2015), conducted by the University of Melbourne (2018)
3. Creating a mentally healthy workplace: Return on investment analysis, Pricewaterhouse Coopers (2014)
4. Creating a mentally healthy workplace: Return on investment analysis, Pricewaterhouse Coopers (2014)