

Corporations Report Healthy ROI on Wellness Programs

Today, the health of an organization and its workforce can make or break the success of a business. What about wellness programs? Many companies find themselves asking this very question.

According to Warren Buffet, “There’s no question that workplace wellness is worth it. The only question is whether you’re going to do it today or tomorrow. If you keep saying you’re going to do it tomorrow, you’ll never do it. You have to get on it today.” (Welcoa 2007).

Corporate wellness initiatives are not only proving to be beneficial to employees, these programs are also providing a healthy return on investment (ROI) for employers.

The U.S. Center for Disease Control and Prevention found that companies save \$3 to \$6 for every \$1 they invest in wellness.

Wisconsin Public Health & Health Institute studied ROI of wellness endeavors in businesses. The chart below reveals that on average, those companies see over \$3 return for every \$1 they invest in a health program when considering health care costs alone. Companies see as much as five times the return for every dollar spent when considering health care and absenteeism. For example, Coors’ ROI was \$6 for every \$1 dollar spent on wellness initiatives.

<p>Health programs studied achieve average ROI of \$3.48, when considering health care costs alone, \$5.82 when examining absenteeism, and \$4.30 when both outcomes are considered.</p>	COMPANY	\$1.00	\$2.00	\$3.00	\$4.00	\$5.00	\$6.00	\$7.00	\$8.00
	Coors	█	█	█	█	█	█	█	█
	Kennecott	█	█	█	█	█	█	█	█
	Equitable Life	█	█	█	█	█	█	█	█
	Citibank	█	█	█	█	█	█	█	█
	General Mills	█	█	█	█	█	█	█	█
	Travelers	█	█	█	█	█	█	█	█
	Motorola	█	█	█	█	█	█	█	█
	PepsiCo	█	█	█	█	█	█	█	█
	Unum Life	█	█	█	█	█	█	█	█
Return on Investment (per dollar ROI for lifestyle programs)									
Source: 2004 T.E. Brennan Company, as reported in <i>In Business: Madison</i> , September, 2004									

Employers that implement wellness programs have seen up to 90% participation from employees as reported in the *Wall Street Journal* in 2005. Employers have also seen up to a 30% reduction in medical and absenteeism costs within 3.6 years of implementation according

to the Health Project of Stanford University. These employee wellness programs are becoming more prevalent and desired by both the employer and the employee, as benefits are evident for both. For example, one participant provided the following:

“If insurance providers offered a discount on health insurance to those who could run a mile, within three months I’d be able to run a mile to get the discount.”

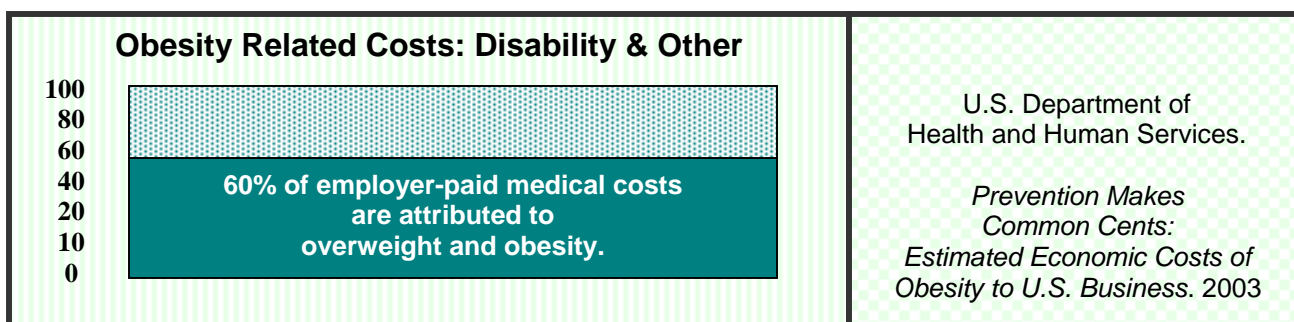
This kind of thinking demonstrates what is desired for both the employer and the employee. Not only is this a common desire for both, it is a huge win/win and a dual investment. While the employer provides some investment toward the cost or availability of wellness programs, employees also invest time and energy to make changes toward wellness.

The World Health Organization also indicates this dual approach as illustrated in the chart below depicting that healthy workforce must be actively embraced by both the individual and the organization.

The World Health Organization defines a healthy workforce as having the following attributes for optimal performance. **Both individuals and organizations must be:**

1. **Healthy:** demonstrating optimal health status as defined by positive health behaviors, minimal modifiable risk factors, and minimal illnesses, diseases, and injuries
2. **Productive:** functioning to produce the maximum contribution to achievement of personal goals and the organizational mission
3. **Ready:** possessing an ability to respond to changing demands given the increasing pace and unpredictable nature of work
4. **Resilient:** adjusting to setbacks, increased demands, or unusual challenges and returning to optimal “well-being” and performance without severe functional decrement

While the benefits of a healthy workforce are evident, an unhealthy workforce is increasingly expensive. As medical costs are escalating in the U.S., many medical issues may be preventable. Therefore, some health costs could be avoided.



For example, the U.S. Department of Health and Human Services (2003) reports two out of every three adult Americans are overweight. These studies also show that 60% of employer-paid medical costs are attributed to obesity and being overweight. The most common areas addressed in wellness programs are related to fitness to improve and prevent obesity and overweight issues. Early study findings indicate positive health changes are being made by employees engaged in these programs.

Current Trends in America for a Healthy and Productive Workforce indicates we must move away from our current view (disease status) and into a preventative mindset (health status). Wellness programs promote a 'health status' view and partner with employers to make the mindset shift from 'disease status.' In his book, *The Culprit and the Cure*, Dr. Steven Aldana (2005) points out that "Companies know that if they can help their employees adopt healthy lifestyles, the employees will have less chronic diseases, be absent less, and have fewer healthcare costs." Fewer healthcare costs means the employer is saving money.

Today along with typical physical and mental health issues, financial stress is epidemic. ComPsych, one of the largest EAP providers, reports a 50% increase in calls for financial advice. This is the new area that will need to be addressed by employers and all providers for employee wellness. *USA Today* (2007) reports, "Major employee assistance counselors serving Fortune 500 companies are reporting a surge in calls from employees worried about mortgages and finances." Avkadi Kuhmann, CEO of online bank ING Direct says,

"Financial stress is probably the No. 1 stress that gets people to fail. People are preoccupied and not being as productive."

With people preoccupied and not as productive, employers lose money. This presenteeism costs companies over \$250 billion each year. Employers must attempt to find a solution to this growing problem in order to help their employees and themselves as well. Thomas Garman is the leader in research on how the specific stress of finance affects employees and how employers can decrease absenteeism, presenteeism, and waning productivity. For decades his work indicates quantifiable value to employers who provide financial literacy and other financial programs to their workforce.

Today employee benefits can be as important as salary to enable employees to accomplish life goals and successes. To attract and retain talent, employers strive to provide appealing employee benefits that often include health insurance and retirement plans. Many retirement plans even have matching company contributions, but that system makes the assumption that the employees can make the financial investment contribution. Now employers are finding that just providing the benefits is not enough.

Dr. Thomas Garman's research indicates that there has been a decrease in employees participating in employer provided financial investment and retirement programs.

While increasing numbers of employees are unable to contribute to retirement, there are some who did contribute previously and they are now dipping into their retirement savings for a quick financial fix.

American Century Surveys indicate 1/3 of workers would dip into retirement savings in rough economic times.



An increase of early retirement withdrawals was reported in March 2008 in The Columbus Dispatch. J.W. Ephinstone, Associated Press

Those raiding their 401(K) plans could lose as much as 35% of the money to penalties and taxes. *The Columbus Dispatch* (2008) reports that withdrawing from mutual funds was up 17% in 2007 and that “if the trend grows, many Americans will risk coming up short on retirement savings.”

Within all of this financial stress there is significant impact on relationships. Families and marriages are challenged. In trying to maintain standards of living many experience increasing fear and see no solution, which places a strain on the family unit.

Another important relationship that can be at great risk is between the employee and employer. There is an erosion of the employee/employer bond when employees struggle with daunting financial issues. Especially for those who are unable to participate in well-intended investment benefit programs such as retirement, the status of employee well-being is at risk. This stress can cause overwhelming issues at the identity level. As the sense of working hard to attain desired success appears to be slipping away, an individual’s identity can be challenged creating doubt of self and employer company. In our U.S. culture a large part of individual identity is often derived from employment success. Therefore, these financial issues are among the highest of wellness concerns going forward for employers.



The landscape of health issues, including financial issues, is changing rapidly, and the old ways of helping employees are not relevant for many of the struggles employees face today.

Companies who provide wellness programs and foster a healthy workforce will experience substantive ROI and find rewards beyond expectations. Some surprise bonuses include increased productivity, retaining talent, and employee satisfaction.

The bottom line is that while there are expenses to implement worksite wellness, those costs don’t compare to the expenses of maintaining an unhealthy workforce.

**What is your company doing to promote a healthy workforce?
Does your company provide solutions for financial stress?**



ABOUT THE AUTHOR:



Jerry Browning, MS, LPC, is an organizational consultant who knows business and people. She has been helping organizations and individuals for over 25 years. Fit Your Money is A Chiron Company providing interpersonal, relationship, and attitude support for financial stress. Jerry understands the importance of personal financial matters and how stress from finances negatively impacts productivity in the workplace and causes discord at home.

As the President and owner of Chiron Company she helps provide organizational and individual development solutions that affect business life and the bottom line.

Jerry's ability to connect financial struggles, health issues, and workforce productivity in ways that help individuals and companies is a Win/Win for all involved.

Her work has included State of Ohio Women & Money Conferences, US Department of Labor Working Women in Transition, along with many public and private organizations. She has also created programs and trained counselors and psychotherapists in helping clients with financial stress and other health and mental health issues.

Ms. Browning's BS degree in Organizational Communication is from the Scripps-Howard School of Communication at Ohio University, and her MS degree in Education and Clinical Counseling is from the University of Dayton. She is a licensed psychotherapist and is certified in a variety of strength-based methods including Neuro-Linguistic Programming, Gestalt Therapy and Organizational Models, Field Center Facilitating, and other approaches that enhance human interaction, productivity, and success.

Jerry is President-Elect of the International Coach Federation Chapter of Central Ohio Coaches. She is also a professional member of National Speaker's Association and serves on the Executive Board of NSA Ohio.

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