


Health First Business

# Research

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How do company wellness programs affect a business's bottom line? Does the benefit exceed the cost of the program? There is more and more research on the fiscal advantage of providing a corporate wellness program.
Here are some findings:
Employers who invest in worksite health promotion programs can see a return of $3-$6 for every dollar invested over a 2-5 year period. Documented savings are observed in medical costs, absenteeism, worker's comp claims, short-term disability and presenteeism (lower on-the-job efficiency due to employee health problems.)
***Source**: American Journal of Preventive Medicine, December 2005*

There are over 600 articles that analyze the research and anecdotal evidence of the cost-effectiveness of worksite wellness programs. In a review of 42 of these articles, there has been shown to be a:
28% reduction in sick leave absenteeism
26% reduction in use of the health care benefit
30% reduced worker's comp clams and disability management
Reduced presenteeism losses
***Source**: Larry Chapman, "Meta-evaluation of Worksite Health Promotion Economic Return Studies", The American Journal of Health Promotion, 2003*

A recent study showed that corporate fitness center participants had 1.3 days fewer short-term disability claims per year per employee than non-participants and had fewer health risks. Source: Journal of Occupational and Environmental Medicine, April 2006 ***Source**: Journal of Occupational and Environmental Medicine, April 2006*

On average, health care claim costs for IBM employees who exercise 1- 2 times a week are $350 a year less than those who don't exercise at all.
***Source**: : Joyce Young, IBM's Well-Being Director in BenefitNews.com March, 2006*

**Evidence in Canada**
Canada Life showed a ROI of $6.85 for each corporate dollar invested, through reduced turnover, productivity gains and decreased medical claims.
The Canadian Life Assurance Company found that the turnover rate for wellness program participants was 32.4% lower than the average over a seven-year period.
Dr. Roy Shephard, of the University of Toronto, found corporate wellness programs returned a cumulative economic benefit of $500 - $700 per worker per year.
Municipal employees in Toronto missed 3.35 fewer days in the first six months of their "Metro Fit" fitness program than employees not enrolled in the program.
BC Hydro employees who enrolled in a work-sponsored fitness program had a turnover rate of 3.5% compared with the company average of 10.3%.
Toronto Life Assurance found that employee turnover for those enrolled in the company's fitness program was 1.5% versus 15% for non-participants.

**US Corporate Wellness**
**The U.S. Centers for Disease Control and Prevention found that companies save $3 to $6 for every $1 they invest in wellness.**

**Maritz Study Checks Up on Workplace Wellness Programs**
**Results Reveal Participants Are More Loyal and Engaged, Yet Participation Rates Are Stagnant**

**St. Louis (July 30, 2008) –** Interest in workplace wellness programs has been rising as employers and insurance companies battle rapidly rising health care costs. However, a recent study led by Maritz – a world leader in understanding, enabling and motivating employees – discovered wellness programs benefit companies beyond lower health costs. Participants also are more engaged employees.

**Wellness Programs Leave People Feeling Good … About Their Jobs** The Maritz study found wellness programs are connected to well-being beyond employees' health. Employees at companies offering wellness programs are significantly more satisfied with their jobs, more likely to remain with the company long term, and more likely to recommend the company as an employer to a friend or family member. Even the people who only occasionally participate in a wellness program are significantly higher on the listed measures of employee engagement than the people who never participate (see chart below).

Least Occasionally Participate: At Least Occasionally Participate in a Wellness Program Offered by Their Companies
Never Participate: Never Participate in a Wellness Program Offered by Their Company

| Employee Attitude | Least Occasionally Participate | Never Participate |
|---|---|---|
| Overall, I am completely satisfied with my job. | 20 percent | 13 percent |
| I would be very happy to spend the rest of my career with my present company. | 27 percent | 18 percent |
| I would strongly recommend my company to friends and family as a great place to work. | 32 percent | 21 percent |

Note: All percentage differences are significantly different.

"With the U.S. drowning in health care costs, which are projected to top a whopping $4 trillion by 2015, and with three-quarters of current spending being squandered on chronic conditions that are largely preventable, it's no secret that employers and insurance companies see corporate wellness programs as a lifesaver that could keep them afloat," said Mindy McGrath, vice president of strategy for Maritz' health care sector. "We hypothesize employees who participate in wellness programs may see them as a lifesaver as well, which may give them a heightened perception their companies care about their personal well-being, making them feel better about their workplace."

**Staying Well = Staying at Work**

The poll data also showed a relationship between the level of participation in a wellness program and absenteeism at work. People indicating regular, once-a-week participation in a wellness program took significantly less sick time than those choosing to never participate. Even the people with sporadic participation (e.g., once a month, a few times a year, once a year) in wellness programs had better work attendance records than those with no participation at all (see graph below). Beyond single sick days, people with regular once-a-week participation in a wellness program were significantly less likely to be sidelined for an extended period of time. Infrequent participation did not show much of an impact on the more extreme cases of lost work time (see below).

| Frequency of Participation in Wellness Program | Took 0-1 Sick Days Within Past Year | Took 5 or More Sick Days Within Past Year |
|---|---|---|
| Regular, once a week participation | 54 percent | 14 percent |
| Infrequent participation | 40 percent | 23 percent |
| No participation | 44 percent | 25 percent |

**The Conundrum – Lots of Benefits, Little Participation**

Maritz compared results of the recent study with a similar survey completed in 2006 and found frequency of participation was virtually unchanged, despite a seven percent increase (moving from 35 percent to 42 percent) in the prevalence of formal corporate programs promoting good health practices (see participation comparison from both Maritz studies below).

| Frequency of Participation | 2006 | 2008 |
|---|---|---|
| Once a week or more | 19 percent | 16 percent |
| Once a month | 16 percent | 12 percent |
| A few times a year | 21 percent | 25 percent |
| Once a year | 12 percent | 12 percent |
| Never | 32 percent | 34 percent |

Note: All percentage differences are within the expected range of sampling error.