



America's Local
Insurance Broker

HR Answers

A Resource for HR Professionals
for employee relations issues



Prepared by the Resort & Recreation Division of Acordia, a Wells Fargo company

January 2007

Employee Wellness Makes Corporate Fiscal Sense

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 claims 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
- 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

Employee Wellness Makes Corporate Common Sense

The bottom line is important but there are many studies documenting the intangible advantages of a corporate wellness program. Here are some of the conclusions:

- A wellness program can enhance and support an organization's core values and culture.
- There is a documented relationship between healthy employees and worker productivity.
- A recent study of 200 people at 3 major corporations revealed that an employee's quality of life, mental performance, and time management was 15% better on days when they exercised.
- A wellness program that contains a component on self-care and proper use of the health insurance benefit leads to a more cost-conscious work force.
- A high quality fitness and wellness program is an employee recruitment and retention tool. As more employers add wellness programs and on-site fitness centers to their benefit package, it is important to stay current and competitive.
 - Nearly 60% of all companies and 95% of large companies have programs designed to encourage individuals to take some responsibility for their health.
 - People spend more time at work today than any other place - employers can use this captive audience to make some serious healthy behavior changes.

Acordia specializes in employee benefits and has expertise in each of these areas. Please call us with questions or if you need assistance with your employee benefits.

Workers' Comp & Employee Safety: Helen Richards at 800-528-7730 or helen_richards@acordia.com

Employee Benefits: Nancy Taylor-Babcock at 800-876-0505 or nancy_taylorbabcock@acordia.com

This publication is intended to be a general discussion of the matters contained herein and the information should not be used in making a decision concerning the subject matter without consulting with your attorney, accountant, or insurance professional. Acordia assumes no responsibility whatsoever in connection with its use.

