



# 2014 MIDDLE MARKET SURVEY

ARE YOUR EMPLOYEES JUST  
“CHECKING THE BOX” ON WELLNESS?

Examining the latest trends, barriers, and opportunities  
facing small and medium size employers

# Today's Presenters

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**Justin Reid**

VP and GM of Middle  
Market Products



**Meghan Oates-Zalesky**

Vice President of  
Marketing



**Marisa Meyers**

Inbound Marketing  
Manager

# Agenda

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- ✓ **Survey Structure**
- ✓ **Some of the Numbers (Results)**
- ✓ **Key Findings**
- ✓ **Pulling it Together**
- ✓ **Actionable Best Practices for Wellness Engagement**

A hand-drawn line graph on a grid background. The graph features several lines: a thick solid black line, a thin solid black line, and a dotted black line. The thick line shows a general upward trend with some fluctuations. A pen is visible in the bottom left corner, pointing towards the graph. The overall image has a purple tint.

# SURVEY

# STRUCTURE

+2.33%

30 Dec

+0.80%

31 Dec

+1.20%

01 Jan

+5.20%

02 Jan

# Survey Structure

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- Targeted responses from middle market employers
  - 100 – 5,000 employees
- Survey goals
  - Get a window into the lives of wellness administrators
  - Identify wellness program education channels and influencers
  - Analyze variations in program effectiveness
- Data collection
  - Online survey conducted November 2013
  - 160 qualified respondents
  - Variety of respondents
    - SVP HR, VP of HR, HR Manager, Wellness Administrator, Benefits Specialist, Wellness Program Coordinator, Assistant to the CEO, HR/Safety Coordinator
- Participants entered into a drawing for 1 of 10 FitBits

# Survey Topics Evaluated

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- Wellness Programs
- Program Purchasing and Implementation
- Engagement and Program Performance
- Utilization and Impact of Incentives
- Open ended responses on program effectiveness and opportunities for improvement



**SOME OF THE**

**NUMBERS**

# 160 Respondents

We received a balanced distribution of employer participants

Size of Employer	% of Respondents
100 – 250 employees	18%
250 – 499	18%
500 – 999	18%
1,000 – 1,999	16%
2,000 – 3,999	19%
4,000+	11%





# Primary Sources of Wellness Information

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We asked respondents where they look for information about wellness programs

## Ranked by Order of Effectiveness

1. Direct for Vendor
2. Benefits and HR Conferences 
  - WELCOA
  - Regional SHRM
3. Benefits Broker or Consultant
4. Insurer 
  - 59% Regional Brokers/Consultants
  - 41% National Consultants

# Wellness Program Decision Influencers

Larger Companies can dedicate more resources while smaller companies tend to involve senior management

Influential in Wellness Program	Average Company Size
CEO	<1,000 employees
CFO or COO	1,000 – 2,000
Multiple HR Personnel	1,000 – 2,000
External Consultant	>2,000

# Wellness Program Administration

Average Respondent is spending 10 hours per week on Wellness

Size of Employer	Hours Per Month	
100 – 250	27	} 1/6 FTE
250 – 499	28	
500 – 999	56	} 1/3 FTE
1000 – 1,999	51	
2000 – 3999	51	
4000+	68	} 1/2 FTE

# Wellness Budgets by Company Size

Majority of programs are purchased directly from the vendor, rather than from insurance carriers, brokers or consultants

Size of Employer	Average Wellness Budget
100 – 250	\$14,000
250 – 499	\$34,000
500 – 999	\$61,000
1,000 – 1,999	\$50,000
2,000 – 3,999	\$88,000
4,000+	\$114,000

# Sources of Funding

**69% of Accounts Have Carrier Sponsored Budget.  
This is how they spend those funds...**

<b>Purchased with Carrier Funds</b>	<b>Percentage</b>
<b>Biometric Screening</b>	<b>34%</b>
<b>Web Portals / HRAs</b>	<b>24%</b>
<b>Onsite Programming</b>	<b>17%</b>
<b>Multiple Services</b>	<b>14%</b>
<b>Activity Tracking Devices</b>	<b>7%</b>
<b>Incentives</b>	<b>3%</b>

# Program Utilization

## Companies are offering many programs

Programming	% Offering	Considered Essential
Company-wide health challenges (e.g., walking competitions)	87%	33%
Online health portals, health assessments and content	85%	28%
Blood-based biometric screenings	81%	70%
Gym membership discounts or onsite facilities	72%	19%
Health coaching (telephonic or onsite)	69%	25%
On site classes (nutrition, life style, financial, etc.)	64%	24%
Weight loss programs	61%	11%
Smoking cessation programs	61%	9%
Healthy food available in the workplace	58%	10%
Online courses or webinars (nutrition, lifestyle, financial, etc.)	57%	4%
Disease management/case management or other programs	57%	21%
Stress/emotional wellness programs	55%	13%
Pedometer or other activity tracking device (e.g., FitBit)	52%	9%
Local health events (5k runs, yoga classes, etc.)	38%	4%



# KEY FINDINGS

OF OUR SURVEY

# Motivation for Offering Wellness

## Tell us the Primary goal of your wellness program

66%	<b>Health:</b> Improve the health of your employees
23%	<b>Cost Savings:</b> Reduce health insurance cost (ROI)
11%	<b>Productivity:</b> Create a positive workplace culture and increase employee engagement

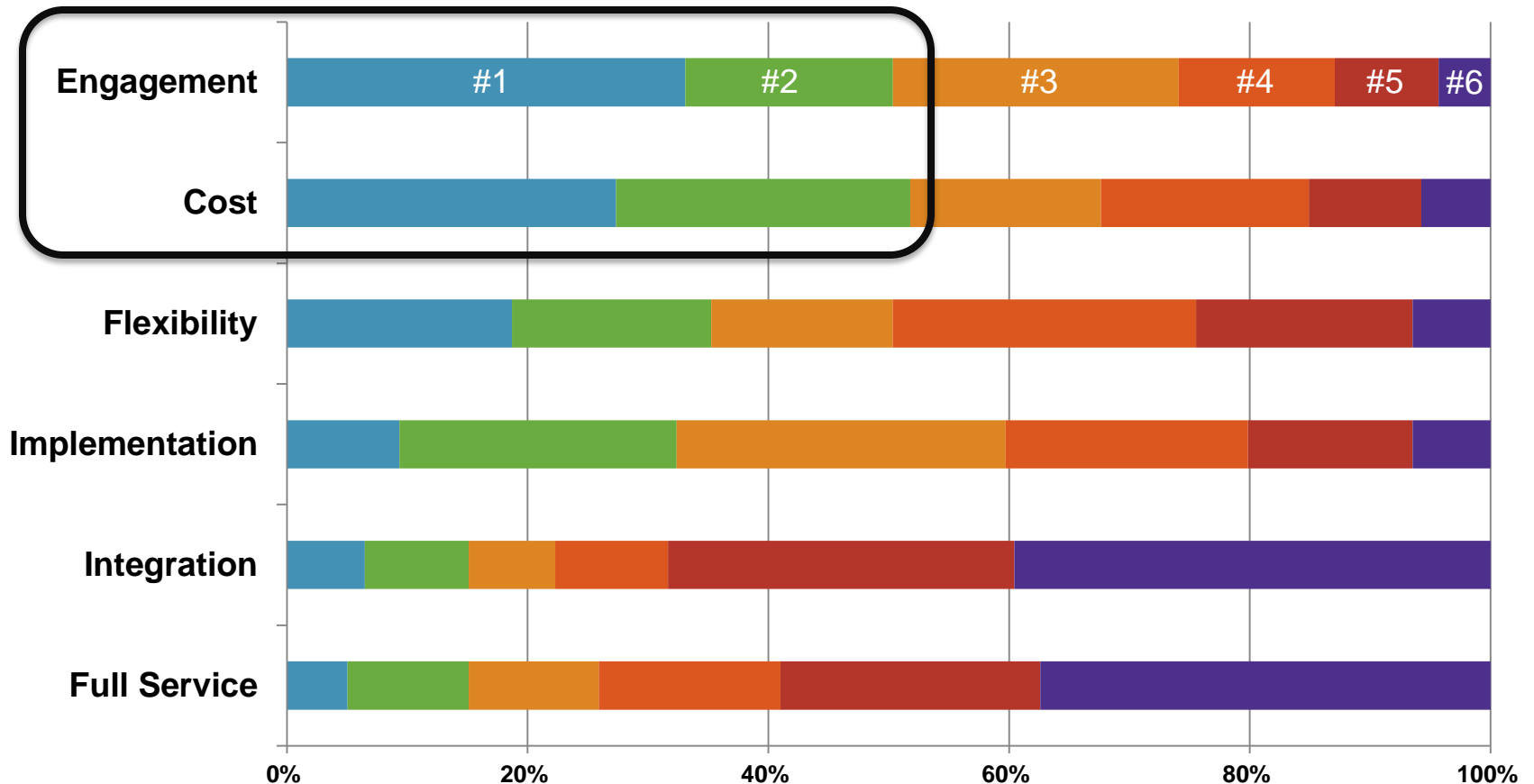
**Health outcomes are the overwhelming objective of Employee Wellness**

**Does your program empower employees to improve their health**



# Wellness Program Priorities

2/3 of respondents measure program engagement to determine success or don't measure their wellness program at all



# Engagement and Satisfaction

Satisfaction	% Respondents	Engagement Rates
Very Satisfied	9%	81%
	20%	<u>69%</u>
Neutral	22%	42%
	28%	32%
Not Very Satisfied	20%	26%

Respondents needed to see >50% engagement to be satisfied

70% of respondents are not satisfied with engagement

# Barriers to Engagement

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Challenges in Engagement	% Respondents
Low employee interest / motivation	53%
Difficulty driving communication to employees	45%
Lack of budget resources for wellness	37%
Too much overall communication from HR (i.e., ignored by employees)	30%
Lack of senior leadership buy-in	27%
Ineffective wellness champion network	26%

# Responses said their Program is lacking...

Enhancement	Respondents
Devices	16%
Engagement	16%
Incentives	16%
Onsite	11%
Culture	9%
Resources	9%
Budget	7%
Comprehensive	7%
Outcomes	4%
Reporting	3%
Wellness 1.0	3%
Nutrition	1%

If I give my employees a \_\_\_\_\_, more of them will be engaged

If I incent my employees, more of them will be engaged

**Different ways of saying engagement**

# 84% Using Incentives

Use of Incentives	Engagement
Incentive	48%
No Incentive	31%

Incentives increase engagement by 50%

Value of Incentive	Engagement
Raffles	33%
Less than \$50	31%
\$50 – \$99	47%
\$100 – \$249	53%
\$250 – \$499	57%
\$500 – \$999	54%
\$1,000+	71%

Many incentive programs are increasing payouts without a return on engagement

# Incentive Activities

Incentive Action	Respondents
Completing an HRA or biometric	81%
Participation in health challenge	66%
Completion health challenge	50%
Attend onsite event	42%
Complete minimum activity level	36%
Web-based health programming	26%
Achieving a biometric outcome	23%

While biometric screenings remain a top program, they are least likely to be incented for outcomes



**PULLING IT ALL**

**TOGETHER**

# Are Some of these Results in Conflict?

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Wellness Objective: Health Improvement



Measuring and Incenting: Participation

80% of Respondents use Financial Incentives



70% of Respondents are not happy with their engagement rates

1 out of 5 respondents clearly described their program as “Not Effective”

Can we achieve meaningful engagement with employees so they are motivated to improve their health?



# Are we thinking about engagement and health impact the right way?

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- High participation doesn't equal meaningful engagement and results
- Employees are exposed to a multitude of consumer health activities
  - Apps with social and game structures that drive engagement
  - Popularity of “Cross Fit” and “Tough Mudder” change the perception of fitness and exercise
  - Connected Devices make people more aware of their progress

**Your employees are expecting a fun and engaging experience**

# Which Programs are Connecting with Employees?

In one sentence, how would you summarize the impact of your company's wellness program on your employee population?

Description	Overall	Health Assessment	Biometric Screening	Health Challenge
Not Effective	20%	50%	50%	10%
Improved Culture	17%	0%	0%	30%
Better Awareness	16%	13%	10%	20%
Engagement	16%	25%	20%	10%
Individual Results	14%	0%	0%	15%
Broad Results	10%	0%	10%	8%
No Leadership	4%	0%	0%	5%
Requires Incentive	2%	<u>13%</u>	<u>10%</u>	3%

# Don't Let the Perfect be the enemy of the good...

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## In the Area of Employee Development

CFO asks CEO: "What happens if we invest in developing our people and then they leave us?"

CEO: "What happens if we don't, and they stay?"

# Now think about Health and Behavior Change

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CFO: “We need to have baseline data and continuously measure to make sure we are improving”

Wellness Champion: “What if everyone participates and we collect all this data but no one ever changes their behaviors”

**With limited resources...**

**...focus on impacting employees’ behaviors through meaningful engagement**

A red pencil is shown in the upper right corner, drawing a sketch on a grid of graph paper. The sketch consists of various lines and shapes, including what appears to be a stylized letter 'A' or a similar geometric form. The background is a solid purple color.

**BEST PRACTICES**

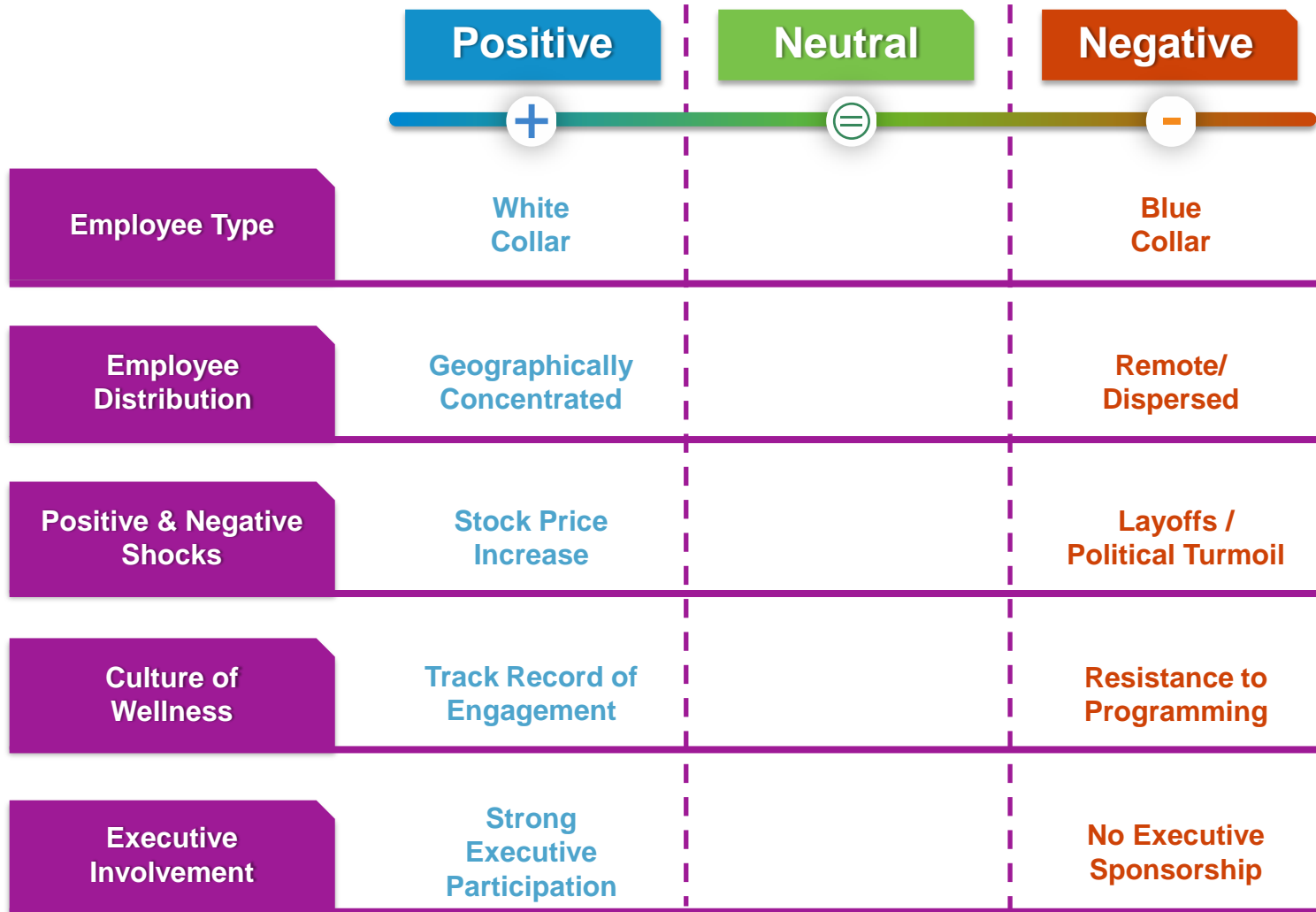
IN ENGAGEMENT

# Success Across Industries

**StanleyBlack&Decker**



# Demographic & Environmental Engagement Factors



# Engagement Best Practices from Clients

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## Peer Recruitment

Programs with peer involvement allow your employees to become your marketing engine

## Onsite Promotion

Visible awareness than can drive action: while basic, it is incredibly important for wellness program visibility

## Senior Leadership

Video testimonials and management team's involvement in the program

## Wellness Champions

Create and empower a wellness champion network to be local evangelists

## Competing Initiative

Understand your employees' mindshare considering HR and other corporate initiatives

## Financial Incentives

Incent for the right outcome and be thoughtful about your incentive type and amount



The background is a solid purple color with faint, white, hand-drawn sketch lines. On the right side, a pencil tip is visible, pointing towards the bottom right corner. The text 'FINAL' is written in a bold, white, sans-serif font, and 'QUESTIONS' is written in a white, serif font with a hatched texture.

**FINAL**

QUESTIONS



## PREPARED BY

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