

Studies show that workplace wellness programs are an excellent way for to keep employees healthy and less frequent absences can increase productivity

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As a number of companies – small and large, start-up to industry titan – offer workplace health programs to their employees, the debate about the effectiveness of such programs continues. While there are concerns about privacy and efficacy, research continues to show that promoting healthy habits to employees – be it through intensive programs or structural and cultural support (e.g., an on-site gym and encouragement to use it during the lunch break) – is an effective way to benefit both employer and employee.

1. Healthy, active employees incur lower health costs - Lower health costs benefit both the employer and the employee. If health costs are lower, employers may pass a smaller percentage of the bill on to workers. In a <u>case study</u> of large companies, total medical spending at a company with an employee wellness program experienced slower growth in health costs than companies without a program. Employ-ees saw meaningful reductions in chronic disease risk factors; and average annual savings per employee were \$565 (in 2009 dollars), producing a return on investment equal to a range of approximately \$2 to \$4 saved per dollar spent on the program. Another study estimated health care expenses were less expensive per person per year across several areas. For example, total costs were \$176 lower for health program participants, and inpatient hospitalization expenses were lower by \$182. Over four years, the program produced a return on investment of \$1.65 for every dollar spent on the program.

2. Employees who take advantage of wellness are more productive - research in adults shows a link between physical activity and cognitive benefits like memory and focus. <u>One study</u> found employees who participated in a health promotion program and improved their health care or lifestyle regained an average of 10.3 hours in additional productivity annually and saved their companies an average of \$353 per person per year in productivity costs compared to non-participants. According to the <u>Centers for Disease Control</u> and <u>Prevention (CDC)</u>, productivity losses related to personal and family health problems cost U.S. employers \$1,685 per employee per year, or \$225.8 billion annually.

<u>Evidence</u> also indicates that instituting workplace health programs can reduce the average sick leave, health plan, and workers' compensation and disability insurance costs by approximately 25 percent.



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3. Physically active employees are healthier - Employee wellness programs that encourage physical activity can improve the overall health and wellbeing of the workforce. A <u>study</u> released in a 2012 issue of *The Lancet* found that physical inactivity has become more deadly – and more costly – than smoking. The good news is <u>recent evidence</u> suggests that an hour a day of exercise can help mediate the risks of sedentary lifestyle. Exercise has also been associated with lower risks of multiple chronic diseases and can amplify weight loss efforts.

4. Wellness programs inspire important behavior changes - Making lasting changes to behaviors is challenging for many Americans, but a comprehensive research report sponsored by the federal government<u>suggests</u> workplace wellness programs can provide a much needed assist. According to the report, research shows that the benefits of employee wellness programs include improvements in physical activity; higher fruit and vegetable consumption; lower fat intake; and a reduction in body weight, cholesterol levels, and blood pressure.

5. Small business owners may be able to take advantage of tax incentives for workplace wellness programs - Several U.S. states, including Massachusetts, Indiana, and Mississippi, have considered or implemented tax credits to incentivize small businesses to provide employee wellness programs. A <u>Health</u> <u>Impact Assessment</u> on such policies performed by the Kentucky Department of Public Health indicated that a worksite wellness tax credit would likely have positive impacts on the physical and social health of employees and the economy

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