

## **Economic Cost/Benefit of Workplace Wellness Programs**

### **Noncommunicable Disease Rates that Wellness Programs Address:**

- Virtually all Oregon adults are affected by or at risk for chronic diseases due to tobacco use, physical inactivity, and/or poor diet.
- Of the ten most expensive employee health conditions for employers, four are related to heart disease and stroke, which are linked to obesity and overweight. This can be greatly changed by nutrition, physical activity, and no smoking.

### **Economic Cost of Obesity:**

- According to the CDC, the 2008 medical care costs of obesity in the United States totaled \$147 billion. Individuals who were obese had direct medical costs that were \$1,420 higher.
- In 2010, the projected cost of obesity from 2020-2050 is \$254 billion annually, \$208 billion of which will be in indirect costs such as loss of productivity. Overweight can increase lifetime medical care costs by 20%. Obesity can increase it by 50%.
- Annually, chronic disease costs \$16 billion in health care costs. Tobacco use and obesity/overweight alone have health care costs and lost productivity costs Oregon employers more than \$3 billion a year.

### **Economic Benefit:**

- Return on workplace wellness program investment is \$3-\$6 for every dollar spent, realized in 2-5 years.
- Employer expenditures were 228% higher for employees with multiple risk factors for heart disease.
- Through evidence-based workplace health programs, North Carolina estimates it will save \$22.5 million annually.

### **Company Success Stories**

- The World Health Organization worksite wellness program case study of 365 U.S. companies saw a 27% reduction in sick leave absenteeism, a 26% reduction in health care costs, a 32% reduction in workers' compensation and disability claim costs, and an average \$5.81-\$1 savings-to-cost ratio.
- Highsmith Inc began an aggressive wellness program in 1989, including building a walking path and offering employee education on company time. With an insurance premium benefit for exercising, Highsmith Inc's health care costs rose only 4.9% in comparison to the national average of 12.7%.
- By offering cholesterol and blood pressure screenings with follow-ups, Fieldale Farms, paid less than half of the average health care costs: \$3,052 instead of \$6,900.
- For every \$1 that General Motors spent on the LifeSteps Wellness Program, they saved \$3.
- With six minutes of daily stretching, Duckwall-Pooley Fruit Co cut workers compensation premiums in half.