Workplace Well-being: Missouri and Nationally

Lauren Schulte, MPH, CHES
July 13, 2016
Defining Well-being

noun \ well-being \ \ˈwel-ˈbē-ing\:
the state of being happy, healthy, or successful
Defining Well-being

“In communities with higher well-being, we have found that people live longer, happier lives and business and local economies flourish. A reliable well-being metric provides community and business leaders with the data and insights they need to help make sustained transformation a reality.”

– Dan Buettner, New York Times bestselling author, National Geographic Fellow, Blue Zones founder
Defining Well-being

- **2015 Gallup-Healthways Well-being Index**
  - Over 177,000 phone interviews with residents in all 50 states
  - Measured five elements of well-being:
    - Purpose
    - Financial
    - Physical
    - Social
    - Community
Missouri Well-being

How does our state stack up?

- Community: 36
- Purpose: 35
- Financial: 34
- Physical: 44
- Social: 46

45 out of 50 states nationwide for total well-being.
Missouri Well-being

- In what ways are Missouri residents struggling?
  - 1 in 5 report having fair or poor health status.\textsuperscript{15}
  - 64\% of individuals are overweight or obese.\textsuperscript{15}
  - One-third of households have annual income < $35,000.\textsuperscript{14}
  - 690,000 adults do not have health care coverage.\textsuperscript{14}
  - 11\textsuperscript{th} highest state crime rate per 100K population.\textsuperscript{5}
Why Worksites?

- In 2012, U.S. employers spent $578.6 billion on group health care coverage, 72% increase since the year 2000.\(^\text{19}\)

In 2005, **Starbucks** announced that it was spending more on employee health benefits than on coffee.\(^\text{19}\)

Similarly, **General Motors, Ford, and Chrysler** spent more on employee health care than on the steel they use to make cars.\(^\text{19}\)
Why Worksites?

Businesses (Generate $)

Markets

Health Care

Gross Domestic Product (Common Resource Pool)

Employees (Wages)

Societal Priorities

Infrastructure

Education

Health Status
Why Worksites?

- Employment sectors with unhealthy workforces are more likely to be located in counties with poor health.¹⁹

- Transportation/Warehousing: Increased risk for smoking, CVD death
- Retail Trade: Increased risk for smoking, physical inactivity, diabetes
- Manufacturing: Increased risk for obesity, physical inactivity
- Public/Gov’t Administration: Increased risk for smoking, obesity, physical inactivity, diabetes, CVD death
The Business Case

- **Benefits of Workplace Well-being Programs**
  1. Manage employee health care costs
  2. Increase worker productivity
  3. Impact company financial performance
  4. Enhance talent acquisition and retention
  5. Improve workplace culture
The Business Case

- Health Cost Management

Projections of National Health Expenditures and Share of Gross Domestic Product
The Business Case

- Health Cost Management

*Health Care Costs as a Percentage of Company Profits*

- **Before-Tax Profit**
- **After-Tax Profit**
The Business Case

- **Chronic Diseases**
  - Account for **75%** of health care costs and **70%** of mortality.
  - **One-half** of US adults have one or more chronic conditions.
  - Medical costs for diagnosed diabetes total **$245 Billion**.
  - **$1 in every $6** health care dollars spent on CVD/stroke.
  - Annual medical costs are **$1,429** higher for obese individuals.
The Business Case

- Ten Modifiable Health Risk Factors

- Blood Pressure
- Blood Glucose
- Body Weight
- Cholesterol
- Stress
- Physical Inactivity
- Nutrition
- Tobacco Use
- Depression
- Alcohol Use
The Business Case

Health Cost Management

Health Care Cost by Employee Health Risk Level

- Low risk (0-2) $2,610
- Medium risk (3-4) $4,291
- High risk (>4) $7,400
The Business Case

- CDC Health Continuum Model

- Primary Prevention
- Risk Reduction
- Medical Self-Care
- Disease Management
- Custom Programs

- Preventive Care
- Health Risks
- Disease/Disability
The Business Case

- Health Cost Management

Wellness Program Impact on Employer Health Care Cost Curve
The Business Case

Employee Productivity

- Overweight workers with health problems miss 450 Million more days of work each year than healthy workers.\(^3\)

- 47% of employees say that problems in their personal lives affect their work performance.\(^2\)

- Personal and family health issues result in more than $226 Billion in lost productivity each year.\(^3\)

- For every dollar spent on wellness programs, absenteeism costs fall by $2.73.\(^3\)
The Business Case

- **Employee Productivity**

*Total Employer Cost Burden of Poor Employee Health*

- Medical/Pharmacy
- Short-Term Disability
- Long-Term Disability
- Absenteeism
- Presenteeism
The Business Case

- **Company Financial Performance**

  - 45 top HERO scorecard applicants compiled in stock portfolio

  - Compared to S&P 500 over a six-year period:
    - Appreciated 235% compared to 159% for the S&P 500.
    - Outperformed the S&P 500 in **16 out of 24 (67%)** quarters during the study period.
    - Produced a comparable dividend yield of **1.97%** by the end of the study period, compared to a 1.95% yield for the S&P 500.
The Business Case

- When employees feel their company cares about their well-being, they are 38% more engaged.\textsuperscript{12}

Companies with high employee engagement had:

- 19% Increase in operating income\textsuperscript{17}
- 28% Increase in earnings per year\textsuperscript{17}
- 65% Higher shareholder returns than average\textsuperscript{13}
- 78% More profitable than companies with low engagement\textsuperscript{13}
The Business Case

- **Talent Acquisition and Retention**
  - Wellness is becoming key benefit to attract top talent.
  - Workforce demographics are changing:
    - By 2020, Millennials will compose 50% of the global workforce.
    - Over one-half agree quality benefits affect choice of employer.
    - 75% say work-life balance is top priority for choosing a career.
The Business Case

- Employees with high well-being and engagement are 42% more likely to evaluate their overall lives highly.\(^6\)

*Employees with high well-being and engagement had:*

- 70% Fewer missed workdays due to poor health\(^6\)
- 59% Less likely to look for a different job in the next 12 months\(^6\)
- 28% More likely to recommend their workplace\(^6\)
- 19% More likely to volunteer in the past month\(^6\)
The Business Case

- **Workplace Culture**

  > A healthy workforce culture is one intentionally designed with elements/indicators that support health and well-being.$^{10}$

<table>
<thead>
<tr>
<th>Key Elements of COH$^{10}$</th>
<th>Supportive Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company-Stated Health Values</td>
<td>Supportive Environment</td>
</tr>
<tr>
<td>Health-Related Policies</td>
<td>Organizational Culture</td>
</tr>
<tr>
<td>Leadership Support</td>
<td>Resources and Strategies</td>
</tr>
<tr>
<td>Employee Involvement</td>
<td>Rewards and Recognition</td>
</tr>
</tbody>
</table>
The Business Case

- Employees working in an organization with a **strong culture of health** are:
  - More likely to report their direct managers support their efforts to achieve their health goals.
  - More likely to say they have control over their health.
  - Less likely to say that stress has a negative impact on work.
  - More likely to report they were “happy” or “extremely happy” with their lives.
Workplace Well-being

- Evolution of wellness and well-being:
  - Recreational sports and leisure
    - 1890s
  - Start of employer-provided benefits
    - 1940s
  - Occupational Safety and Health Act
    - 1970s
  - Structured exercise programs and fad diets
    - 1980s
  - Holistic well-being and work-life balance
    - 2000s
Workplace Well-being

- 2015 National Benefits and Wellness Survey

  Includes results from 2,000 interviews with non-federal private and public firms.

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>Large Employers (&gt; 200 employees)</th>
<th>Small Employers (&lt; 200 employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wellness Program</td>
<td>81%</td>
<td>49%</td>
</tr>
<tr>
<td>Health Risk Assessment</td>
<td>50%</td>
<td>18%</td>
</tr>
<tr>
<td>Biometric Screening</td>
<td>50%</td>
<td>13%</td>
</tr>
<tr>
<td>Disease Management</td>
<td>68%</td>
<td>32%</td>
</tr>
</tbody>
</table>
Workplace Well-being

- **2015 STL Health Benefits and Wellness Survey**
  - Online survey with 22 multiple-choice questions
  - Administered October 12 through November 24 of 2015
  - Responses received by 107 organizations

**Topics**

- Programming
- Policies
- Leader Support
- Incentives
- Resource Access
- Challenges
Workplace Well-being

- Health-Related Policies\(^\text{16}\)

- Tobacco use: 75%
- Flextime for personal matters: 37%
- E-cigarette use: 35%
- Work from home or...: 31%
- Workplace bullying: 24%
- Healthy vending machine: 19%
- Flextime for wellness...: 15%
- Healthy cafeteria food: 14%
- Healthy meeting food: 5%
- None of the above: 12%
### Workplace Well-being

#### Wellness Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classes or lunch n’ learns</td>
<td>68%</td>
</tr>
<tr>
<td>Flu Shots</td>
<td>68%</td>
</tr>
<tr>
<td>Written or electronic education</td>
<td>65%</td>
</tr>
<tr>
<td>Contests or competitions</td>
<td>65%</td>
</tr>
<tr>
<td>Discounted memberships or supplies</td>
<td>65%</td>
</tr>
<tr>
<td>Biometric or disease screenings</td>
<td>60%</td>
</tr>
<tr>
<td>Health fairs</td>
<td>59%</td>
</tr>
<tr>
<td>Nurse advice hotline</td>
<td>58%</td>
</tr>
<tr>
<td>Health risk assessment</td>
<td>53%</td>
</tr>
<tr>
<td>Disease management</td>
<td>52%</td>
</tr>
<tr>
<td>Lifestyle or behavior program</td>
<td>46%</td>
</tr>
<tr>
<td>Health coaching</td>
<td>42%</td>
</tr>
<tr>
<td>Safety and ergonomics training</td>
<td>38%</td>
</tr>
<tr>
<td>Onsite fitness facility</td>
<td>33%</td>
</tr>
<tr>
<td>Telemedicine</td>
<td>24%</td>
</tr>
<tr>
<td>Onsite medical clinic</td>
<td>8%</td>
</tr>
</tbody>
</table>

6% offered none of these activities
Workplace Well-being

Wellness Incentives

- **Cash or gift cards**: 51%
- **Health insurance premium discounts**: 34%
- **Merchandise**: 29%
- **Company contribution HSA, HRA, FSA**: 14%
- **Paid time off**: 12%
- **Other**: 6%

28% offered none of these incentives
How Do We Get There?
Questions?

○ Contact Information

Lauren Schulte, MPH, CHES
Senior Manager of Wellness Services
St. Louis Area Business Health Coalition
314-721-7800
lschulte@stlbhc.org
References


4. CDC Work@Health Training Program: Employer Manual Not publicly available. PDF slides available upon request.


References


12. Limeade: Benefits to Energize Employee Health, Engagement, Performance


14. Missouri Census Data Center: American Community Survey Profiles

15. Missouri Department of Health and Senior Services: Community Data Profiles
    http://health.mo.gov/data/CommunityDataProfiles/index.html

    Not yet published. Final report available upon request.

17. Towers Perrin. Closing the Engagement Gap: A Road Map for Driving Superior Business
    https://c.ymcdn.com/sites/www.simnet.org/resource/group/066D79D1-E2A8-4AB5-B621-

18. US Chamber of Commerce: Millennial Generation Research Review
    https://www.uschamberfoundation.org/reports/millennial-generation-research-review

19. Vitality Institute: Beyond Four Walls