Prevention vs. cure:

the costs of ignoring employee wellness

HEADSPACE®

Benjamin Franklin once said, **"An ounce of prevention is worth a pound of cure."** When it comes to the costs of preventing a small problem versus the cost of fixing a serious issue, he couldn't have been more right. Applying this to employee wellness and organizational costs, it rings true as much today as it did during the 1700s.

Discover how the costs of corporate wellness programs — and more directly, the costs of not having them — can have a negative effect on a company's bottom line.

The cost of wellness programs

One productivity expert recommends a company spend between $300-$400 per employee on wellness to recoup a high ROI[1]. Over a one-year period, this range factors out to as little as $25 per month, which can be very manageable. While executives might grumble about another expenditure, one trend in wellness is to actually pay employees to participate in mental health initiatives. These companies are willing to spend up to $742 per employee to incentivize their participation[2].

> Over a one-year period, this range factors out to as little as **$25 per month**

Why are companies so focused on employee wellness, to the point that they'll happily find additional budget to achieve it? The short answer is that employee wellness improves productivity, reduces health care costs, and drives bottom-line growth. The long answer is partially driven by the extensive organizational costs of disregarding it.

How ignoring health and wellness drains the bottom line

In a three-year study of global employees, health and wellness issues led to a 58% increase in depression, a 74% boost in anxiety, and a 28% rise in stress[3]. Stakeholders may bristle at the costs of Ben Franklin's "ounce of prevention," but addressing those medical issues down the road drains both health care resources and leads to costly reductions in workflow productivity. That very expensive pound of cure now has a hard number to it: **anxiety and depression have led to $1 trillion in productivity losses globally[4].**

mental health drains

$153 billion

from U.S. businesses*

How damaging is this to companies? Consider first that 61% of workers say they're burned out while 31% report extremely high stress levels; this group's top four stress symptoms are constant tiredness, sleeplessness, feeling achy, and high anxiety[5]. The tangible costs to this are staggering: not focusing on employees' mental health drains $153 billion from U.S. businesses[6]. No matter the metrics, companies that ignore employees' health and well-being will see shrinking revenue.

* Studies did not use Headspace as an intervention

Headspace is not intended to diagnose, treat, cure, or prevent any disease or medical condition. Visit headspace.com/science for more information on our research.

Companies can't afford not to promote wellness initiatives

Prioritizing workforce wellness isn't a new-age gimmick; the data shows that it leads to healthier, more engaged employees and a stronger bottom line. One review found companies that promote worksite health enjoy an average 28% reduction in sick days and an average 26% reduction in overall health costs[7]. Further, employees who participated in lifestyle management and disease management programs, the two components of one employer's wellness commitment, saved their company an average of $30 per worker per month[8].

60%
of employers say focusing on wellness reduced their health care costs

Health and wellness don't have to be costly. One company implemented a competition focused on improving overall health. Their global workforce lost 40,000 pounds and logged two million miles[9]. It's no wonder that over 60% of employers say focusing on wellness reduced their health care costs[10]. Simply put, focusing on employee well-being reduces health care costs, boosts engagement, increases productivity, and decreases absenteeism. Even better, wellness initiatives don't have to be a costly endeavor, making them an attractive option for any budget. When employees see stakeholders taking their wellness seriously, they'll turn that small investment into a big ROI.

Learn more about how employee wellness can lead to a happier and healthier workforce.

headspace.com/work

References

[1] http://media.hypersites.com/clients/1185/filemanager/docs/Free-Resources/Worksite-Wellness/How_Much_Should_a_Wellness_Program_Cost.pdf

[2] https://www.employeebenefitadviser.com/news/employers-spend-742-per-employee-for-wellness-program-incentives

[3] https://www.workplaceoptions.com/polls/analysis-of-global-eap-data-reveals-huge-rise-in-depression-stress-and-anxiety-over-past-three-years/

[4] http://www.who.int/mental_health/in_the_workplace/en/

[5] http://press.careerbuilder.com/2017-05-23-Do-American-Workers-Need-a-Vacation-New-CareerBuilder-Data-Shows-Majority-Are-Burned-Out-at-Work-While-Some-Are-Highly-Stressed-or-Both

[6] https://www.linkedin.com/pulse/high-cost-ignoring-employee-wellness-carol-phillips/

[7] https://smallbiztrends.com/2013/08/employee-wellness-programs.html

[8] https://www.rand.org/content/dam/rand/pubs/research_briefs/RB9700/RB9744/RAND_RB9744.pdf

[9] https://hiring.monster.com/hr/hr-best-practices/workforce-management/employee-benefits-management/workplace-wellness-benefits.aspx

[10] https://www.sfmic.com/10-workplace-wellness-programs-statistics/