



Employee Wellness Programs

The Cost of Lost Productivity Time

The cost of Lost Productivity Time (LPT) hit a whopping \$226 billion per year.¹ The average worker loses two hours of productivity time per week at a cost of \$1200 per year. Sick days alone cost \$789 per year per employee²—up to 2% of a company's payroll.³ Companies everywhere are looking for ways to increase productivity by decreasing Lost Productivity Time.

Do you believe that a physical fitness and stress reduction program will improve your employees' health?

It's Not All Illness

71% of LPT costs were for non-sick-day time, when a worker is still at work but isn't operating at full capacity due to some health-related factor, such as pain, headaches or depression.

The overall number of unscheduled absences has not increased in recent years.⁴ However, unscheduled absences for personal reasons increased to 24% and absences due to stress increased to 12% of the overall number of absences.⁵

The key to reducing LPT is to improve the overall wellness of your employees while reducing their stress. This is increasingly difficult when economic constraints and an expanding world market are encouraging companies to ask more from less people. "A growing number of organizations are taking action to try to decrease absenteeism by starting workplace wellness and disease management programs, improving workplace cultures, and providing health benefit cost-reduction incentives... Since CIGNA (Corp.) instituted its absence-management program, the company has watched annual healthcare expenses plummet \$853 per program participant, with a return on investment of \$5.20 for every \$1 spent."⁶

Creating A Wellness Program

Wellness programs are multi-faceted. Most companies are combining education and awareness; on- and off-site health and fitness programs; improvements in corporate culture and new approaches to sick time and paid time off.

The question is "Do you believe that a physical fitness and stress reduction program will improve your employees' health?" Movement Arts Institute can provide your company with the health/fitness component of your wellness program with an On-Site Wellness Program.

On-Site Wellness Program – If you bring the mountain to the people, they will climb to new heights. We provide a Tai Chi instructor at a cost of \$60 per hour – paid by the company or employee contributions. The health and stress reducing benefits of Tai Chi are well known and documented. (See included sheet – Tai Chi Benefits.) We recommend two hours of class on two separate days per week. The annual cost of this program would be \$6000. Class size is best limited to 45 people and is dependent on the space you provide. Daytime programs are encouraged. See Return on Investment section for more details.

Return on Investment

Return on Investment varies from \$3-6 return for every \$1 spent. ROI depends on the comprehensiveness of the program, the company's commitment to the program and the completeness of the tracking.

Some reported ROI figures for Wellness Programs include:

- Bank of America...\$5.96
- Canada Life...\$3.40
- CIGNA Corp...\$5.20
- Motorola...\$3.93⁷
- Wisconsin School District...\$4.47

On-Site Wellness Program ROI

The upfront cost of this program is \$6000 for an instructor for 30-45 participants plus the cost of promoting the program. The average employee loses 100 hours per year of productivity time. For a group of 30 enrollees the program costs \$200 per employee. Therefore you would see a Return on Investment after regaining 10 hours of productivity time per employee per year.

These simple calculations do not include the benefits of reducing healthcare and long-term absence costs, the benefits to productivity by having senior staff on site, the benefits of reducing the workload on staff when people are absent or the improvements in productivity from improving corporate culture. "If employers create an environment where workers feel appreciated and are treated with dignity, they'll respond by being more productive and absent less."⁸

¹ *American College of Occupational and Environmental Medicine (ACOEM), 2003*

² *Associated Press, 10/17/2002*

³ *Mercer, 2004*

⁴ *Associated Press, 10/16/2002*

⁵ *CCH Inc, 2002*

⁶ *HealthLeaders, 10/2003*

⁷ *Motorola Wellness Initiatives, 2002*

⁸ *Presley Reed, Reed Group, 2003*