

# What Will a Worksite Wellness Program Cost?

## The Facts Speak for Themselves - Wellness Helps Reduce Costs

- A 2003 evaluation of one large U.S. employer found that simply helping employees control their blood pressure alone can save \$547 per person per year.
- Johnson & Johnson claims to have saved \$38 million in health-care costs for its employees between 1995 and 1999 by promoting healthy lifestyles. Medical expenses decreased \$224 per employee per year (averaged over four years), and this rate improved over time. The company found most benefits in the third and fourth years after program initiation.
- A 2004 University of Michigan study of 23,500 General Motors employees showed that nonexercising workers claimed at least \$100 more per year in health-care costs than exercisers. The study also reported that obese, sedentary employees who began exercising at least twice a week lowered their costs by an average of \$500 a year.
- The Washoe County School District in Nevada estimated that, in a single year, it spent \$300,000 on direct costs associated with obesity and \$1 million for gastric-bypass surgeries. It instituted a weight-loss program that paid employees \$10 per pound lost, up to 25 pounds. Program participants missed three fewer workdays per year, producing a cost savings of \$15.60 per program dollar spent.



## Staff Time

Building a successful worksite wellness program requires staff time as well as money. Some larger organizations may spend 20 hours per week for three to six months preparing all the steps prior to launching a worksite wellness program.

## Business Costs

Monetary costs can fluctuate widely, depending on whether the employer pays all costs, the employees pay all costs, or the costs are shared.

A 1992 study indicated that 28 percent of companies spent \$5 or less per employee, and 19 percent spent between \$6-10 per employee.

The Wellness Council of America estimates the cost per employee to be between \$100 and \$150 per year for an effective wellness program that produces a return on investment of \$300 to \$450. A sample expenditure for various levels of programs include:

<b>Program Type</b>	<b>Cost per employee</b>
A minimal (largely paper) program	\$1 - \$7
A moderate program	\$8 - \$15
A medium program with several activities	\$16 - \$35
A fairly comprehensive program	\$36 - \$75
A very comprehensive, effective program	\$76 - \$112