



SHRM Survey Findings: 2015 Strategic Benefits— Wellness Initiatives



October 15, 2015

Introduction

The 2015 Strategic Benefits Survey is part of a survey series administered annually since 2012 by the Society for Human Resource Management (SHRM). This research is used to determine whether various employee benefits are leveraged to recruit and retain top talent. The six-part series features the following topics:

- Part 1: Wellness Initiatives
- Part 2: Flexible Work Arrangements
- Part 3: Health Care
- Part 4: Leveraging Benefits to Retain Employees
- Part 5: Leveraging Benefits to Recruit Employees
- Part 6: Assessment and Communication of Benefits

Definitions

For the purpose of this survey, *wellness initiatives* are any type of wellness program, resource or service offered to employees. *Financial education initiatives* are defined as any workplace initiative, program or resource designed to provide employees with information on how to effectively manage their financial resources for a lifetime of financial well-being.

- Wellness initiatives and use: About two-thirds (69%) of HR professionals indicated their organizations offered some type of wellness program, resource or service to their employees.
 - » Similar to previous years, two-fifths (40%) of HR professionals from organizations that offered some type of wellness program, resource or service indicated their organizations increased their investment in employee wellness initiatives this fiscal year compared with the previous fiscal year.
- Return on investment (ROI) and cost-savings from wellness initiatives: In 2014, 72% of organizations that offered some type of wellness program, resource or service did not conduct an analysis to determine their ROI and/or cost-savings for their wellness initiatives; 16% conducted both an ROI and cost-savings analysis, 7% conducted a cost-savings analysis, and 4% conducted an analysis to determine their ROI.
- Change in employee participation in wellness initiatives: About one-half (52%) of respondents from organizations that offered some type of wellness program, resource or service indicated employee participation increased last year compared with the year before; the same was true in 2014 (53%), 2013 (56%) and 2012 (54%), indicating a pattern of increased use of wellness initiatives over time.

- Effectiveness of wellness initiatives in reducing health care costs and improving the overall health of employees: More than three-quarters of respondents from organizations that had wellness initiatives in place indicated these initiatives were “somewhat” or “very effective” in reducing the costs of health care (77%); fewer respondents indicated wellness initiatives were not very effective (17%) in reducing the costs of health care compared with 2012 (32%). About four-fifths of respondents (82%) also rated their wellness initiatives as being “somewhat” or “very effective” in improving the physical health of their employees. These findings reveal that overall wellness programs are regarded as more effective in several key areas.
- Wellness incentives or rewards: About three-fifths (59%) of organizations that had wellness initiatives in place offered wellness incentives or rewards.
 - » Of respondents from organizations that offered wellness incentives or rewards:
 - The vast majority (92%) indicated their organization’s incentives were “somewhat” or “very effective” in increasing employee participation; over one-third (36%) indicated they were “very effective,” a statistically significant increase from 2013 (20%).
 - The most common wellness incentive or reward offered was a reduction in the employee’s health care premium (45%). More than one-third (37%) of respondents indicated their organizations offered gift cards; one-quarter (25%) offered company gift items, such as T-shirts, mugs and gym bags; and one-fifth (20%) offered recognition in a company newsletter, intranet, etc.

- Wellness initiatives extended to dependents: Just under one-half (46%) of organizations that had wellness initiatives in place extended them to employee dependents.
 - » Of organizations that extended wellness initiatives to dependents, almost all offered them to spouses (99%), two-thirds (66%) to same-sex partners, and about three-fifths to dependent children (62%) and/or opposite-sex domestic partners (58%).
- Alignment of wellness and financial education initiatives: About one-third (32%) of respondents from organizations that had wellness initiatives in place indicated their wellness initiatives were aligned with financial education initiatives, representing an increase from both 2013 and 2012 (19% and 17%, respectively).

What Do These Findings Mean for the HR Profession?

- Health care costs are difficult to control for many organizations, which may explain why many have turned to wellness programs as a means of trimming expenses. SHRM's 2015 Employee Benefits report, for example, showed significant increases from 2011 to 2015 in employers' participation in a number of preventive health and wellness benefits, including wellness programs (general), health and lifestyle coaching, smoking cessation programs, and rewards or bonuses for completing certain health and wellness programs. If these initiatives result in a healthier workforce, organizations can conceivably see cost savings associated with their health care plans.¹
- Aside from cutting costs, wellness programs may also benefit an organization's recruiting and retention efforts. Almost one quarter (24%) of employees said that wellness programs were a "very important" contributor to job satisfaction, and 54% of those whose organizations offered wellness programs were satisfied with them. Millennial and Generation X employees were most likely to view wellness programs as an important job satisfaction contributor.²

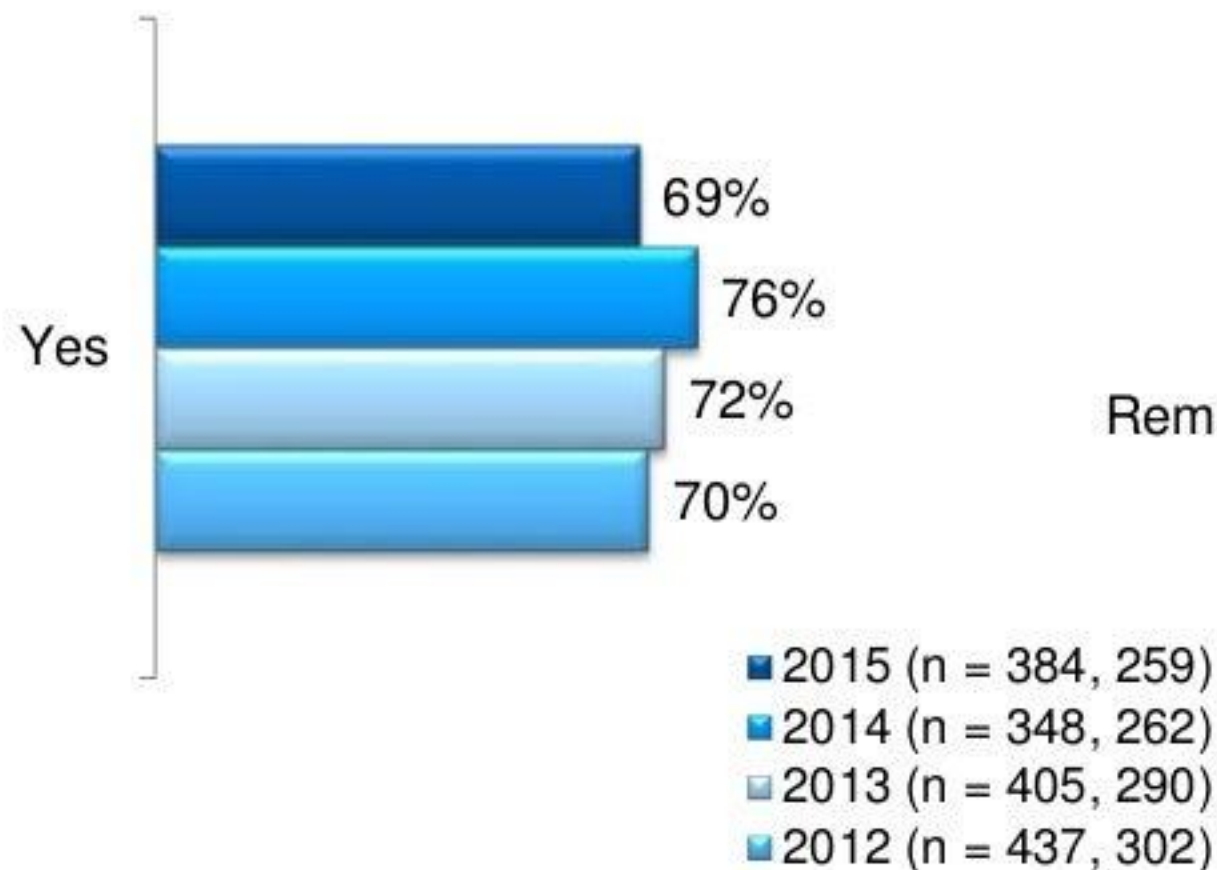
¹ 2015 Employee Benefits report by SHRM

² 2015 Employee Job Satisfaction and Engagement report by SHRM.

Wellness Initiatives

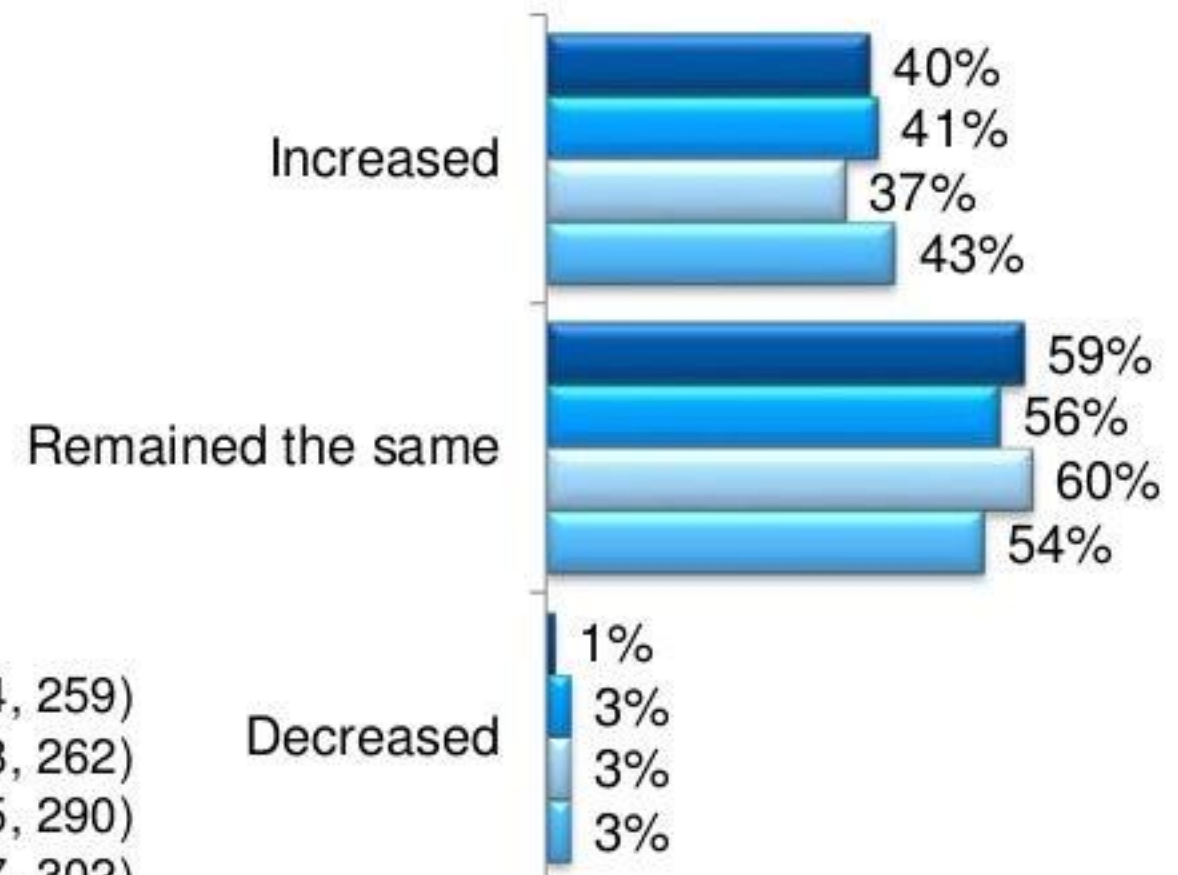
Wellness Initiatives Offered and Change in Investment

Does your organization currently offer any types of wellness programs, wellness resources or wellness services to your employees?



Note: Response options provided were "yes/no/not sure." Respondents who indicated they were "not sure" were excluded from this analysis. Only "yes" responses are shown.

How did your organization's investment in employee wellness initiatives change in this fiscal year compared with last fiscal year?



Note: Respondents whose organizations had wellness initiatives in place were asked this question.

Analysis to Determine Return on Investment and Cost-Savings from Wellness Initiatives

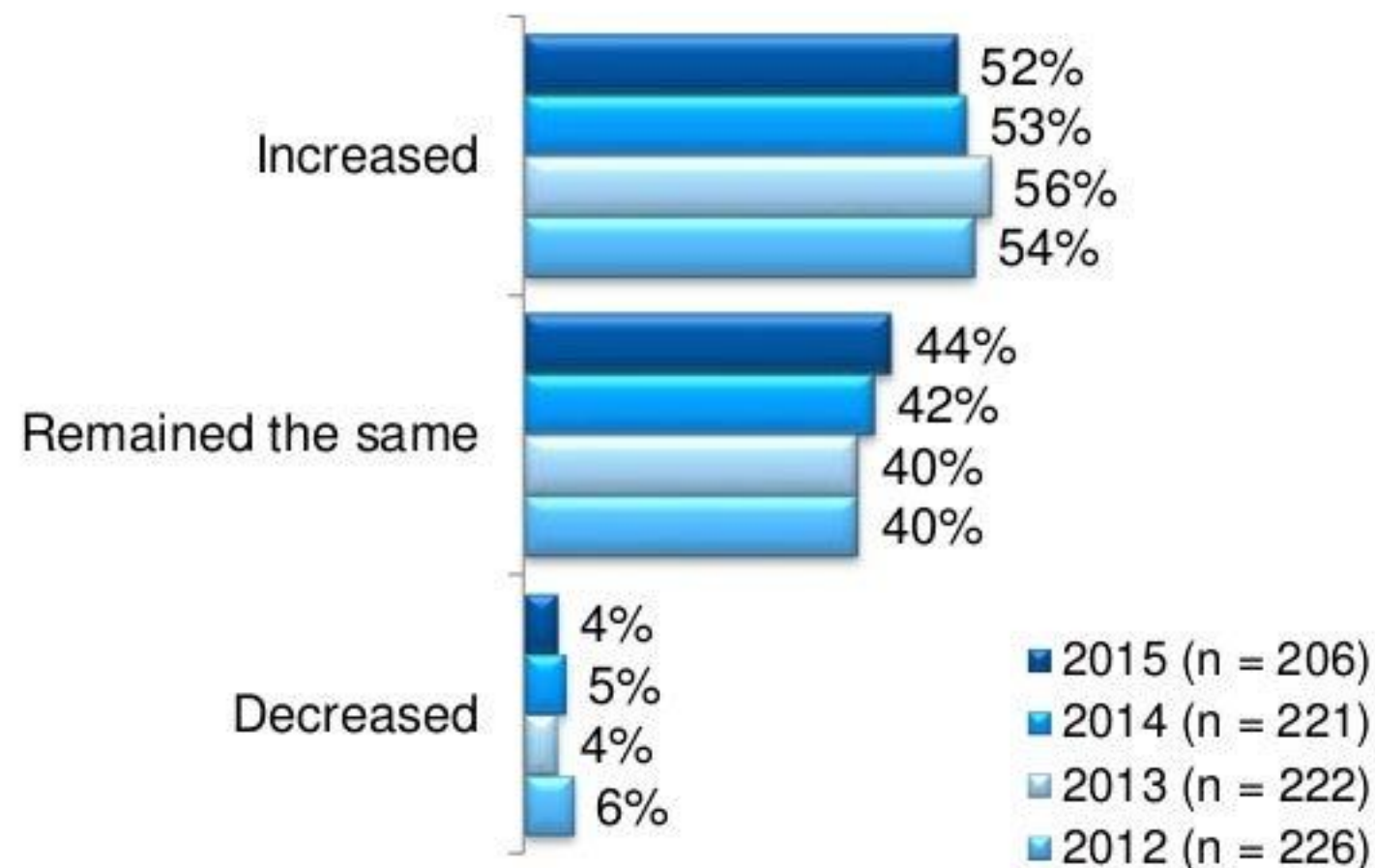
In 2014, did your organization conduct an analysis to determine the return on investment (ROI) and/or cost savings for its wellness initiatives?



Note: n = 201. Respondents whose organizations had wellness initiatives in place were asked this question. Respondents who indicated they were "not sure" were excluded from this analysis. Percentages may not total 100% due to rounding.

Change in Employee Participation in Wellness Initiatives

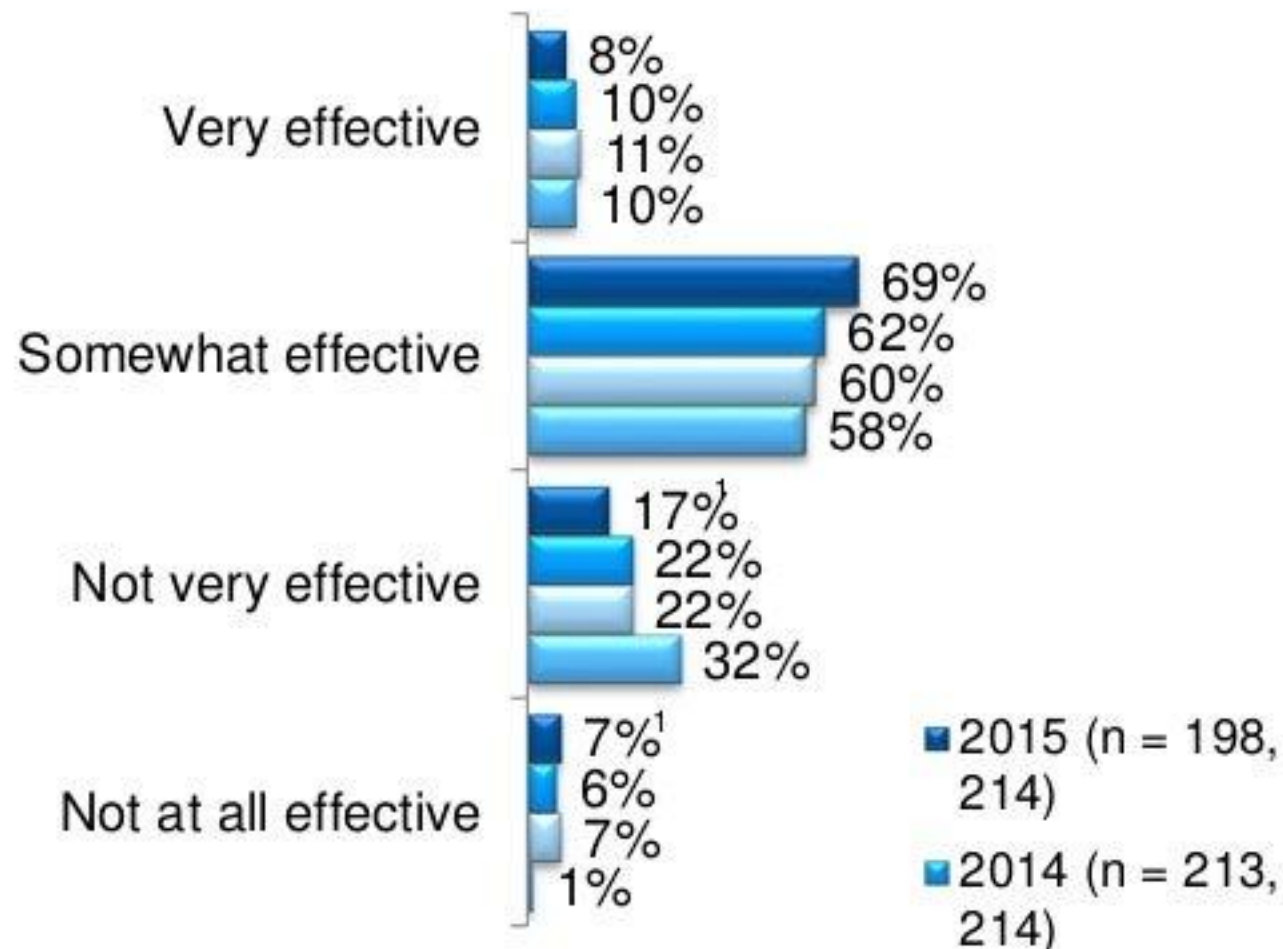
How did employee participation in your organization's wellness initiatives change last year compared with the year before?



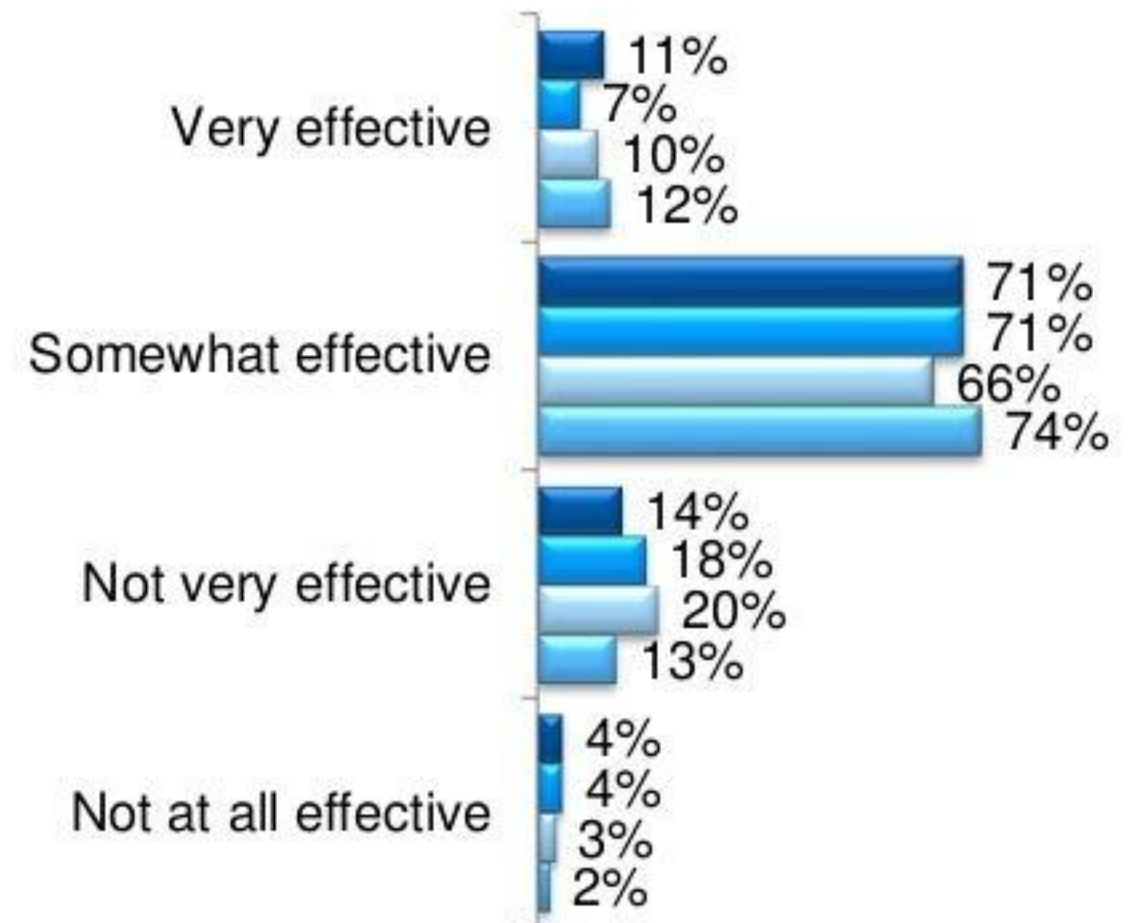
Note: Respondents whose organizations had wellness initiatives in place were asked this question. Respondents who indicated they were "not sure" were excluded from this analysis.

Effectiveness of Wellness Initiatives in Reducing the Costs of Health Care and Improving the Overall Physical Health of Employees

Reducing the Costs of Health Care



Improving the Overall Physical Health of Employees

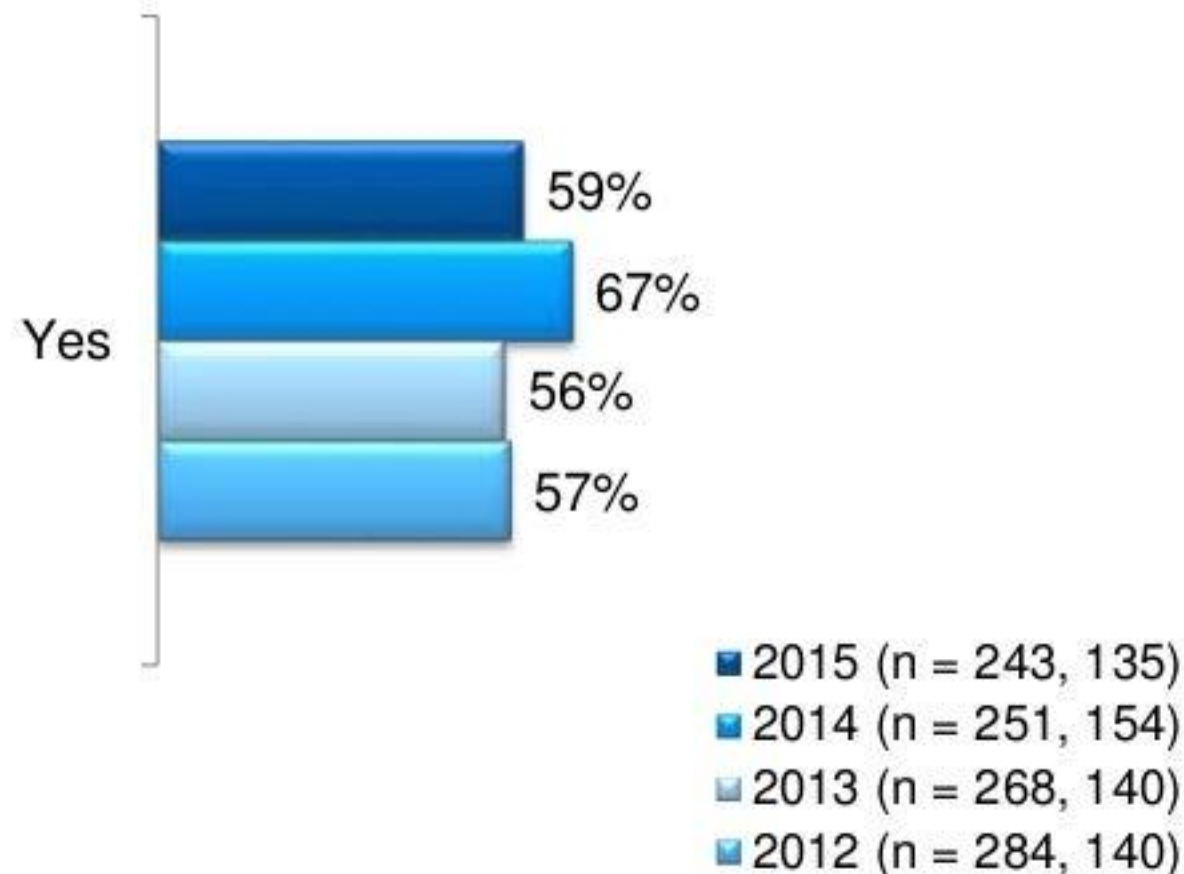


Note: Respondents whose organizations had wellness initiatives in place were asked this question. Respondents who indicated they were "not sure" or "not applicable" were excluded from this analysis. Percentages may not total 100% due to rounding.

¹Statistically significant difference from 2012.

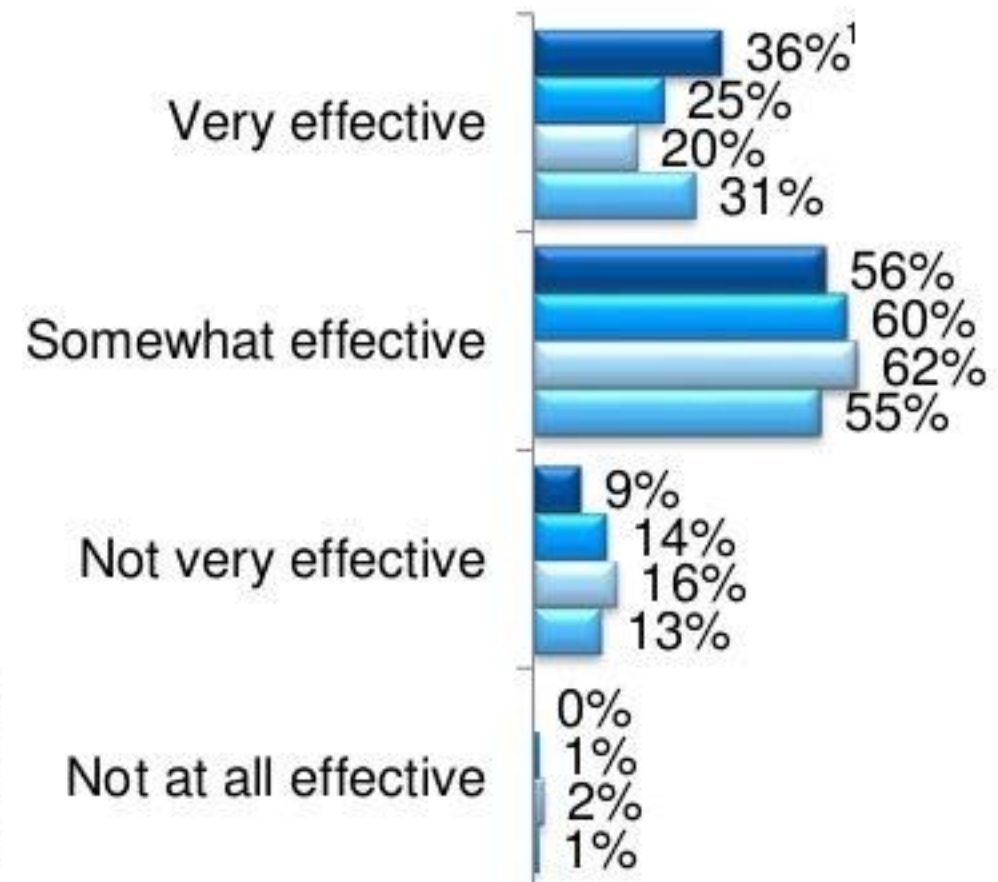
Wellness Incentives or Rewards and Effectiveness in Increasing Employee Participation

Did your organization offer some type of wellness incentive or reward last year?



Note: Respondents whose organizations had wellness initiatives in place were asked this question. Response options provided were "yes/no/not sure." Respondents who indicated they were "not sure" were excluded from this analysis. Only "yes" responses are shown.

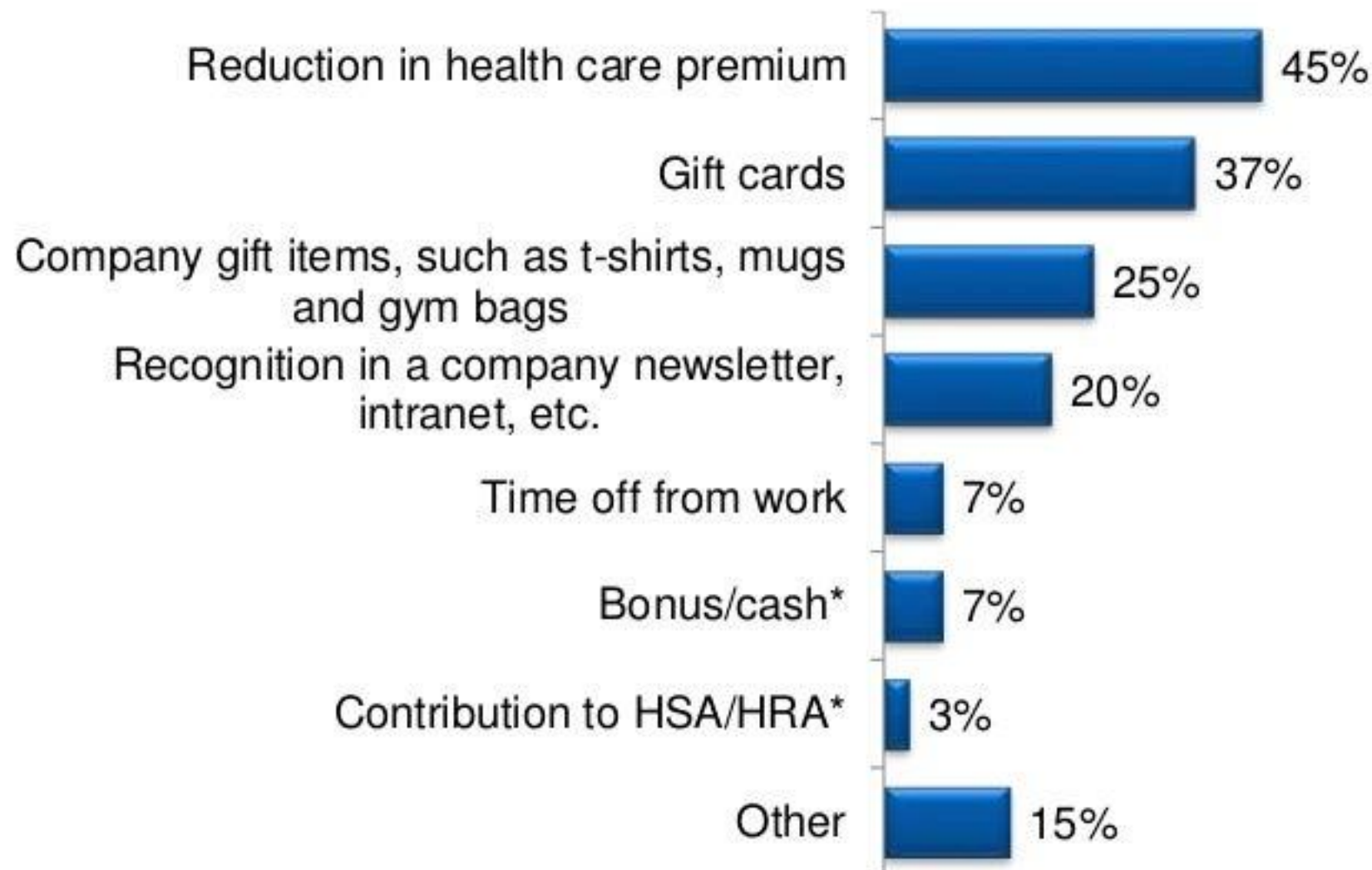
How effective were these wellness incentives or rewards in increasing employee participation in your organization's wellness initiatives?



Note: Respondents whose organizations had wellness initiatives in place and wellness incentives or rewards were asked this question. Respondents who indicated they were "not sure" were excluded from this analysis. Percentages may not total 100% due to rounding. ¹ Statistically significant difference from 2013.

Types of Wellness Incentives or Rewards Offered

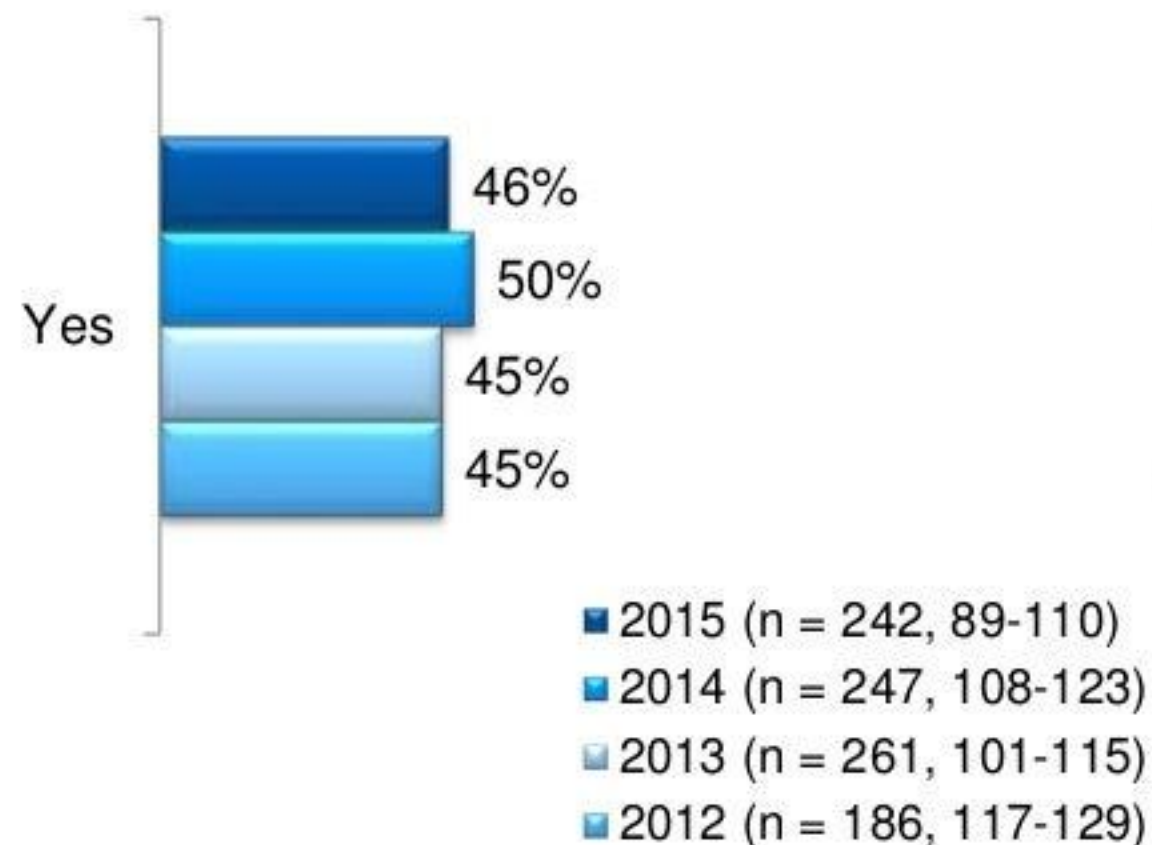
What wellness incentives or rewards were offered to employees who participated in wellness initiatives last year?



Note: n = 143. Respondents whose organizations had wellness initiatives in place were asked this question. Percentages do not total 100% due to multiple response options. An asterisk () indicates that the response option was developed from open-ended responses.*

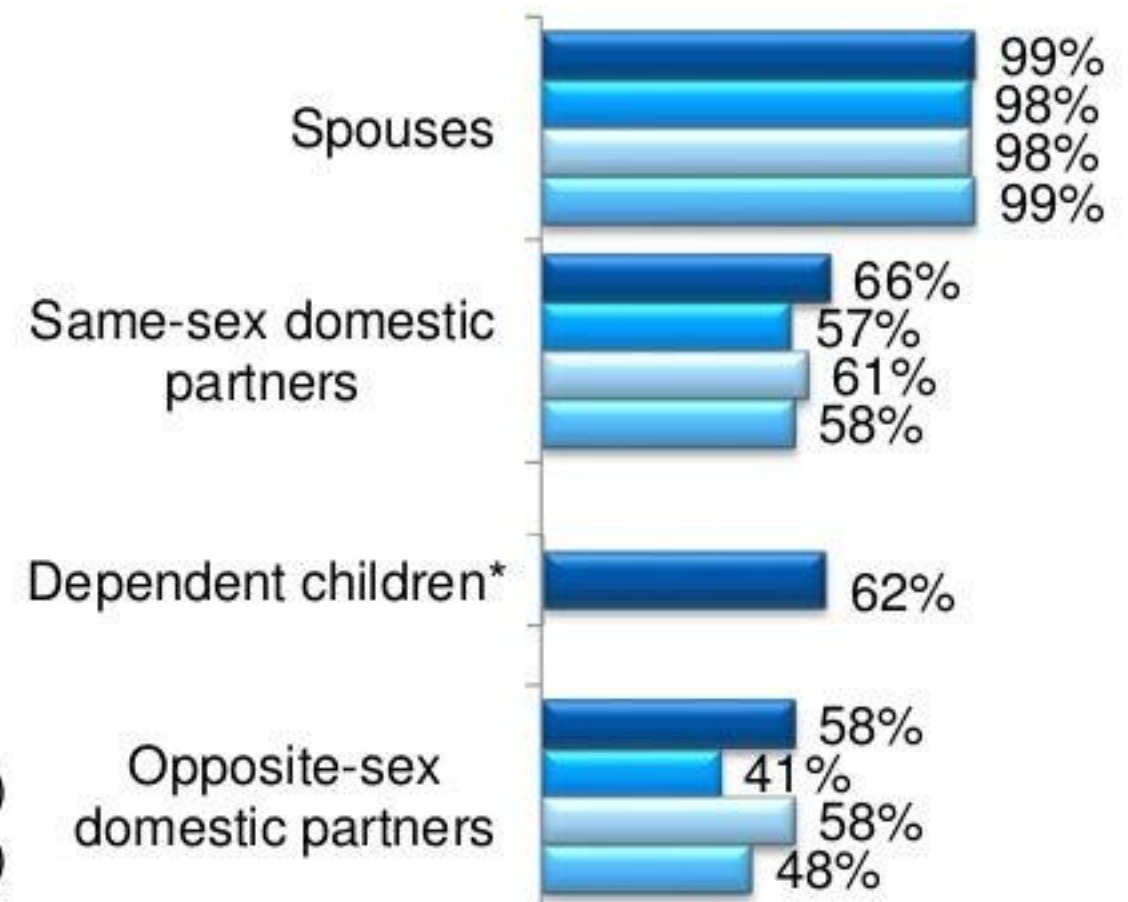
Wellness Initiatives Extended to Dependents

Are any of your organization's wellness initiatives extended to dependents?



Note: Respondents whose organizations had wellness initiatives in place were asked this question. Response options provided were "yes/no/not sure." Respondents who indicated they were "not sure" were excluded from this analysis. Only "yes" responses are shown.

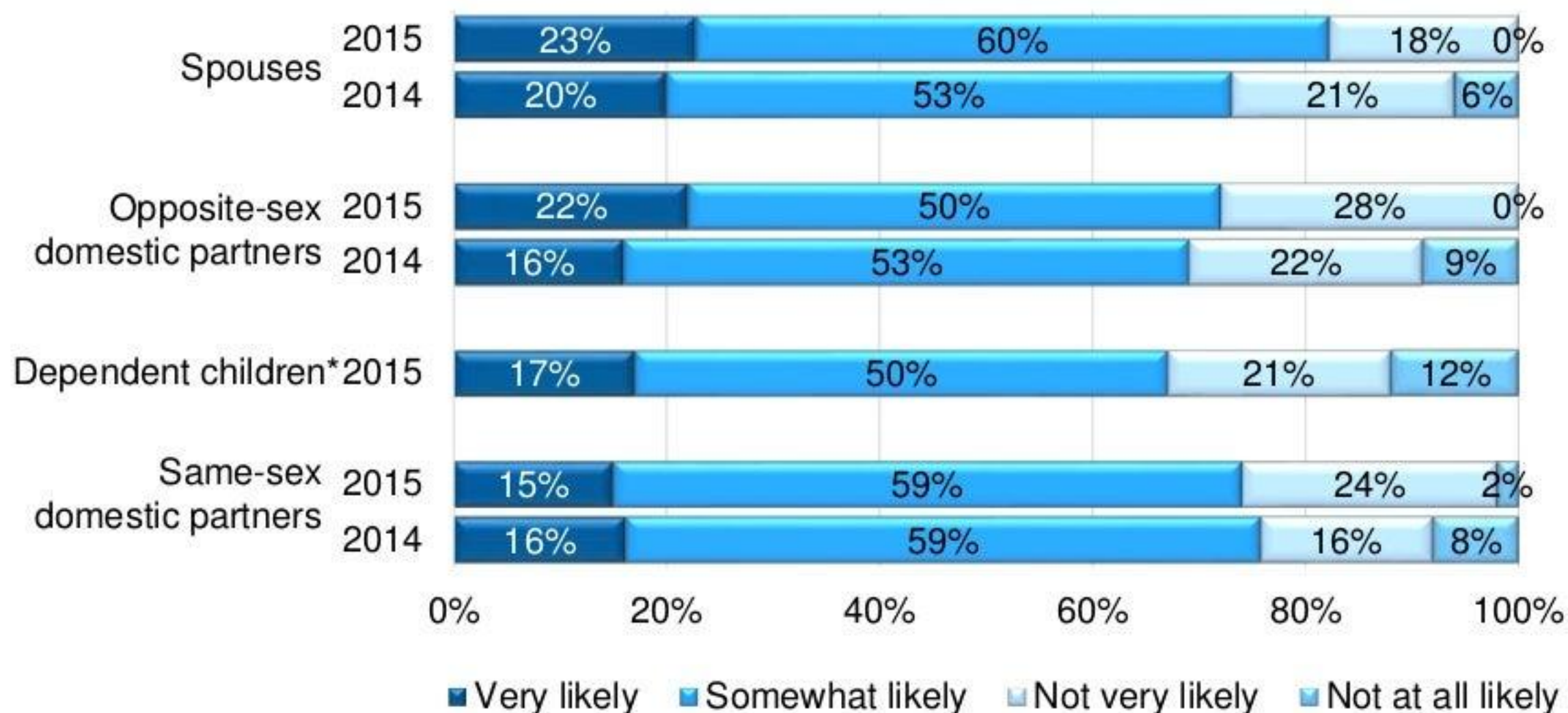
Which employee dependent groups are your organization's wellness initiatives extended to?



*Note: Respondents whose organizations extended wellness initiatives to employee dependents were asked this question. Respondents who indicated they were "not sure" were excluded from this analysis. Percentages do not total 100% due to multiple response options. *Includes foster children and dependent grandchildren; groups collapsed into one item on 2015 survey.*

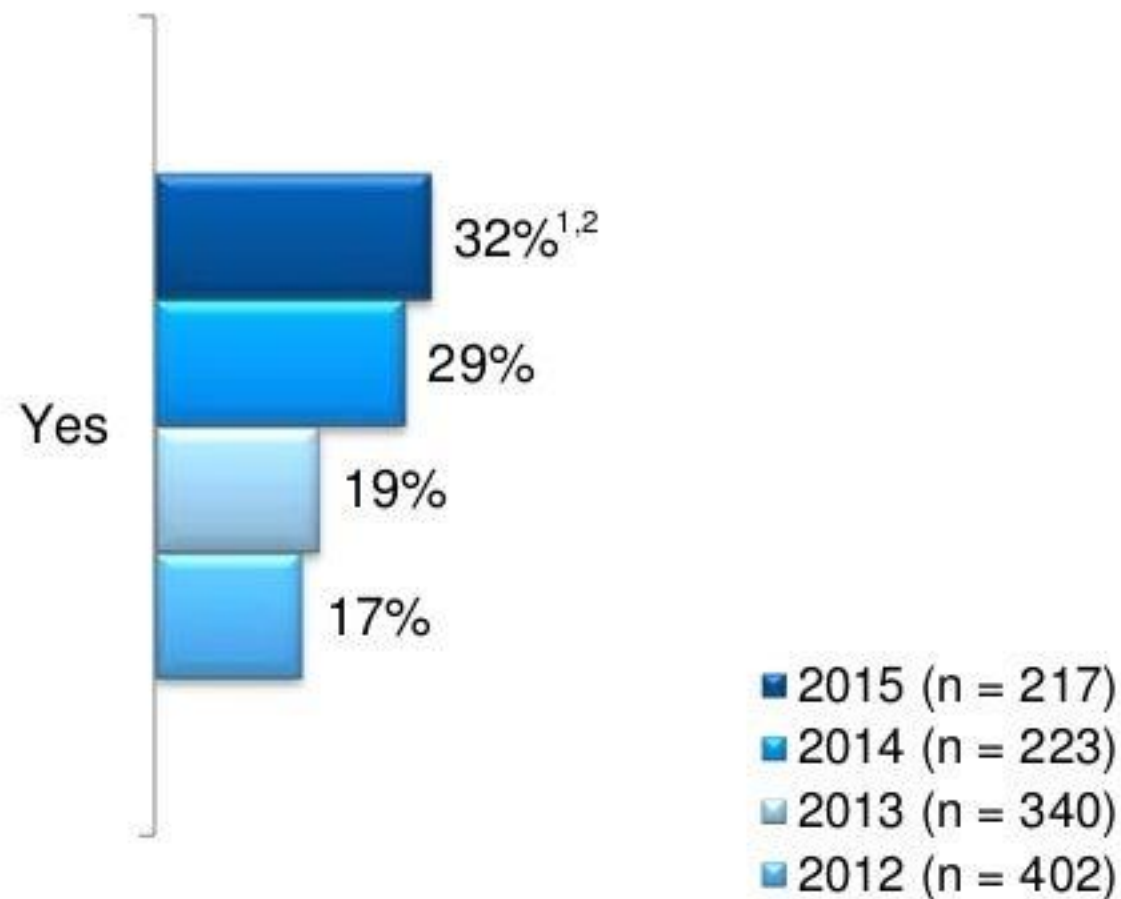
Likelihood of Dependents Participating in Organization's Wellness Initiatives

How likely are dependents to participate in your organization's employee wellness initiatives?



*Note: 2015 n = 32-84; 2014 n = 32-105. Respondents whose organizations had wellness initiatives in place that were extended to each respective employee dependent group were asked this question. Respondents who indicated they were "not sure" were excluded from this analysis. Percentages may not total 100% due to rounding. *Includes foster children and dependent grandchildren; groups collapsed into one item on 2015 survey.*

Are your employee wellness initiatives aligned with any financial education initiatives?



Note: Respondents whose organizations had wellness initiatives in place were asked this question. Response options provided were "yes/no/not sure." Respondents who indicated they were "not sure" were excluded from this analysis. Only "yes" responses are shown.

¹Statistically significant difference from 2013.

²Statistically significant difference from 2012.

Demographics

	Percentage
Manufacturing	23%
Health care and social assistance	16%
Professional, scientific and technical services	12%
Finance and insurance	10%
Government agencies	8%
Educational services	7%
Transportation and warehousing	6%
Retail trade	6%
Construction	5%
Utilities	4%
Mining, quarrying, and oil and gas extraction	4%

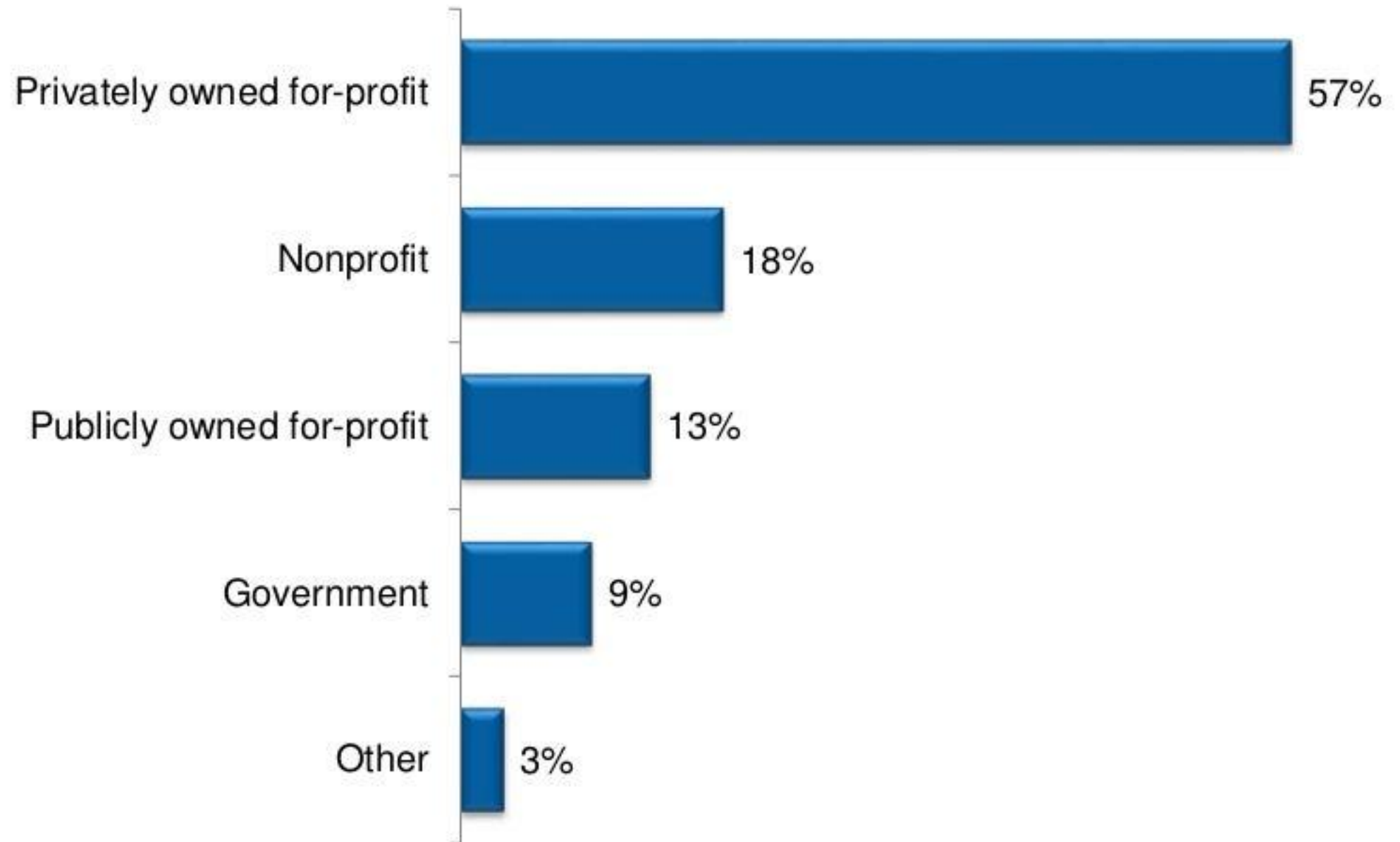
Note: n = 361. Percentages do not total 100% due to multiple response options.

Demographics: Organization Industry (continued)

	Percentage
Wholesale trade	4%
Administrative and support, and waste management and remediation services	4%
Real estate and rental and leasing	3%
Accommodation and food services	3%
Religious, grant-making, civic, professional and similar organizations	3%
Arts, entertainment and recreation	2%
Repair and maintenance	2%
Information	2%
Agriculture, forestry, fishing and hunting	1%
Personal and laundry services	0%
Other industry	11%

Note: n = 361. Percentages do not total 100% due to multiple response options.

Demographics: Organization Sector



n = 355