

# Managed Wellness Program

## COST BENEFIT ANALYSIS For Distribution & Manufacturing

### ENVIRONMENT:

Long periods standing that could include lifting, bending, reaching & repetitive tasks that can lead to stress on joints and muscles, foot, hip, back and shoulder pain, mental and physical fatigue resulting in absenteeism, presenteeism, low morale and turnover.

### AVERAGE EMPLOYEE COSTS:

RISK	ANNUAL SINGLE EMPLOYEE COST	NUMBER OF EMPLOYEES	RATE APPLIED	TOTAL ANNUAL COST
Absenteeism	\$3,100 <sup>1</sup>	300	30% <sup>5</sup>	\$279,000
Presenteeism	\$31,000 <sup>2</sup>	300	30% <sup>6</sup>	\$2,790,000
Fatigue	\$1,500 <sup>3</sup>	300	76% <sup>7</sup>	\$342,500
Turnover	\$4,700 <sup>4</sup>	300	49% <sup>8</sup>	\$690,900
<b>Additional Uncalculated Costs:</b> <ul style="list-style-type: none"> <li>Poor work culture from lack of health-related benefits</li> <li>Workers' Compensation claims from injuries and work-related ailments</li> </ul>				<b>\$4,102,400</b>

Costs calculated from:

<sup>1</sup>Wage loss, overtime pay, lesser quality of work, lost productivity, lost management time, poor morale; average cost between \$3600/hourly and \$2660/salary, *The Causes and Costs of Absenteeism*, Investopedia.com, May 26, 2021

<sup>2</sup>Presenteeism Costs 10X More Than Absenteeism, ThriveGlobal.com, Jan. 14, 2021

<sup>3</sup>Decreased productivity and healthcare cost; *Real Cost of Fatigue in Workplace*, National Safety Council, NSC.org Fatigue Calculator, 2023

<sup>4</sup>Recruiting, training, benefits, lost-time and productivity from others for interviews, training and flow disruption; *The Real Costs of Recruitment*, SHRM.org, April 11, 2022

<sup>5</sup>Assuming rate of variables reported to cause Absenteeism that Wellness program will contribute to resolving; *The Causes and Costs of Absenteeism*, Investopedia.com, May 26, 2021

<sup>6</sup>Assuming rate of variables reported to cause Presenteeism that Wellness program will contribute to resolving

<sup>7</sup>Percent of employees who reportedly feel tired at work, *Fatigue In The Workplace: Causes & Consequences of Employee Fatigue*, National Safety Council 2017 report

<sup>8</sup>Rate of turnover in the Warehouse industry; *Warehouse Turnover Hurts More Than You Think*, KPISolutions.com, May 10, 2023

### PROGRAM EXPECTED BENEFITS:

<b>REDUCED FATIGUE</b> Compression socks increase blood circulation + body-aligning orthotics reduce physical stress on muscles & joints to reverse effects of sleep loss, long hours and all-day standing	<b>LESS ABSENTEEISM &amp; LESS PRESENTEEISM</b> Less time called off work to recover from stress, heal from pain or injury & for physical therapy or doctor appointments. More cognitive awareness and less costly distraction errors.	<b>INCREASED RETENTION</b> Increases positive work culture with competitive health benefit that proves employer appreciation & raises perceived value of employee.
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### PROGRAM COST:

ANNUAL EMPLOYEE COST	NUMBER OF EMPLOYEES	TOTAL ANNUAL COST
\$250	300	\$75,000

**NET BENEFIT SAVINGS = \$4,027,400**