Wellness program trends

The fourth annual Aflac WorkForces Report identifies benefits trends and challenges based on responses from 5,209 employees and 1,856 business decision-makers across the U.S. The 2014 study provided an in-depth look at employee wellness programs, clearly pointing to what effective programs do differently and how employees benefit from programs offered at their workplace.

Key findings indicate:

» Wellness programs gain momentum among small companies.

» Despite skeptics, participants believe wellness programs are just as, or more, effective at small businesses as their mid- and large-sized competitors.

» A third of all companies with wellness programs are uncertain about their return on investment.

» Effective wellness programs focus on a holistic approach to employee benefits.

» Employees who participate in wellness programs appear to thrive at work.

Wellness programs gain momentum among small companies

Work site wellness programs are traditionally offered by large corporations with abundant resources to invest in employee health, but the 2014 Aflac WorkForces Report finds small companies are slowly adding wellness programs to their benefits programs. Wellness programs at mid- and large-sized companies increased by 2 percentage points and 1 percentage point respectively, see Figure 1.

Figure 1: More small- and mid-sized businesses provide employee wellness programs in 2014
Small companies boast successful wellness programs in spite of skepticism

Despite more small businesses offering wellness programs, business decision-makers at these companies still say they’re skeptical about the programs’ impact on key performance metrics. Decision-makers at small companies are less likely to say wellness programs directly impact profitability or decrease costs, see Figure 2. Yet, those who are investing in wellness programs are positive about their success. Decision-makers at small businesses are just as likely as those at mid- and large-sized companies to say their programs are effective, see Figure 3, showing wellness programs can be effective for businesses of all sizes.

Figure 2: Small companies are more skeptical about wellness programs than mid- or large-sized competitors

![Figure 2: Small companies are more skeptical about wellness programs than mid- or large-sized competitors](image)

Figure 3: Wellness programs at small companies are just as or more effective than those at mid- and large-size firms

![Figure 3: Wellness programs at small companies are just as or more effective than those at mid- and large-size firms](image)
Cost containment drives wellness programs, but companies struggle to measure ROI

Today, companies of all sizes are concerned with containing health care costs. Those with wellness programs are just as likely as those without to say controlling costs is one of their top business objectives. They also most frequently mention “to lower health-care costs” as the primary reason they maintain a wellness program over other options such as improving worker satisfaction, increasing productivity and reducing absenteeism.

Even though saving on health care costs is their chief concern, just 38 percent of companies with wellness programs say they’ve been able to determine a return on investment (ROI) of their companies’ programs. Additionally, about a third struggles to measure the effectiveness of their programs and cannot unequivocally say* they:

- Have a healthier workforce as a result of their wellness programs – 32 percent.
- Have been able to lower premiums as result of their programs – 30 percent.
- Have been able to determine an ROI on their wellness programs – 36 percent.
- Have good participation in their programs – 27 percent.
- Have had success with their wellness programs – 31 percent.

*Respondents neither agree nor disagree.

Companies with effective wellness programs take a holistic approach to employee benefits

The 2014 Aflac WorkForces Report found companies that believe their wellness programs are effective are implementing benefits differently and as a result may have happier and more engaged employees. Nearly half of employers with wellness programs (46 percent) say their programs are extremely or very effective. The study’s findings uncovered five ways these companies are approaching benefits, communication and measurement differently, which may explain why they’ve been able to determine ROI and offer unique strategies for companies looking to boost the effectiveness of their wellness programs. For additional practical tips, see “Key takeaways: 5 components of a successful wellness program.”

Companies with effective wellness programs:¹

1. Offer a variety of programs that focus on preventive care and early intervention.

Wellness programs come in all shapes and sizes, but businesses with effective programs are more likely to offer a variety of programs that help employees identify illness early through screenings and help employees make positive changes that can help prevent illness and disease, see Figure 4.
2. Tailor benefits to fit employees’ needs.

Companies with effective wellness programs appear to believe benefits aren’t one-size-fits-all. These companies are more likely to say they tailor benefits based on life stages and employees’ needs (74 percent compared to 22 percent of those with not very or not at all effective programs) and they’re also more likely to communicate about benefits at different levels or life stages (68 percent compared to 16 percent).

3. Focus on effective benefits enrollment, education and communication.

Companies with effective wellness programs offer employees more than a comprehensive benefits package – they also help employees understand their choices and provide enough time for them to prepare for open enrollment. Employers with effective benefits programs are more likely to communicate extremely or very effectively with employees about benefits (84 percent compared to 14 percent).
percent compared to 30 percent of those with not very or not at all effective programs). These companies are also less likely to only communicate with employees at new hire or open enrollment (17 percent compared to 26 percent of those with ineffective wellness programs).

4. Are less likely to take cost-cutting measures.

Many employers are taking steps to control health care costs, but employers with effective wellness programs are less likely to address cost concerns by shifting health care expenses to their employees, see Figure 5. These companies are more likely to say they introduced health care incentives in 2013 (30 percent compared to 15 percent) and offer positive incentives to employees to maintain a healthy lifestyle (78 percent vs. 32 percent).

**Figure 5:** Employers with effective wellness programs were less likely to shift health care costs to employees in 2013

5. Measure employee satisfaction and understanding.

Employers with effective wellness programs are listening to their employees to provide the best possible benefits and communication to their workforces. About 2 in 5 (41 percent) employers with not very or not at all effective wellness programs do not survey at all, while those with wellness programs are more likely to survey their employees on a variety of topics such as satisfaction with benefit offerings, understanding of benefits and engagement in benefits decisions, see Figure 6.

**Figure 6:** Companies with wellness programs measure employee satisfaction and engagement with benefits
**Wellness program participants thrive at work**

Even though many companies are perplexed when it comes to measuring their wellness programs, the study finds businesses may be reaping the reward of wellness through higher retention and a more motivated workforce. Employees who are offered a wellness program at work are more likely to be satisfied with their jobs, confident with their employer and engaged in their companies’ benefits, see Figures 7 and 8. For additional findings, see “Key takeaways: Proof that wellness programs impact more than waistlines.”

**Figure 7:** Wellness program participants express more confidence in their jobs and employers

<table>
<thead>
<tr>
<th></th>
<th>No program offered</th>
<th>Program offered</th>
<th>Program offered and participates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completely or strongly agree employer is known as a great place to work</td>
<td>44%</td>
<td>55%</td>
<td>58%</td>
</tr>
<tr>
<td>Completely or strongly agree employer takes care of its employees</td>
<td>42%</td>
<td>52%</td>
<td>56%</td>
</tr>
<tr>
<td>Extremely or very satisfied with benefits package</td>
<td>45%</td>
<td>66%</td>
<td>68%</td>
</tr>
<tr>
<td>Likely to look for a job in the next 12 months</td>
<td>29%</td>
<td>22%</td>
<td>20%</td>
</tr>
<tr>
<td>Extremely or very satisfied in current job</td>
<td>54%</td>
<td>65%</td>
<td>69%</td>
</tr>
</tbody>
</table>

**Figure 8:** Wellness program participants are more engaged in their companies’ benefits

<table>
<thead>
<tr>
<th></th>
<th>No program offered</th>
<th>Program offered</th>
<th>Program offered and participates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completely or strongly agree they feel fully protected by their current insurance coverage</td>
<td>27%</td>
<td>41%</td>
<td>42%</td>
</tr>
<tr>
<td>Taking full advantage of employee benefits</td>
<td>33%</td>
<td>50%</td>
<td>56%</td>
</tr>
<tr>
<td>More knowledgeable about voluntary benefits compared to last year</td>
<td>43%</td>
<td>53%</td>
<td>53%</td>
</tr>
<tr>
<td>Of those not offered voluntary benefits, likely to purchase such benefits if offered by their employers</td>
<td>51%</td>
<td>60%</td>
<td>65% ²</td>
</tr>
</tbody>
</table>
Key takeaways:

5 components of a successful wellness program

Companies with effective wellness programs are implementing benefits differently to promote a culture of wellness and, as a result, have happier and better prepared employees. Build an employee wellness program that helps contain health care costs and improve employee engagement with these five practical tips:

1. **Promote a culture of wellness.**

Successful companies know lasting wellness must be a lifestyle change – not just for employees, but for the entire organization too. This means that companies may need to establish a holistic approach, in which leaders participate and employees’ total health is considered: physical, financial, social, spiritual and more. Benefits options, flexible scheduling, paid time off, health programs and employee socials are just a few ways to foster a culture of wellness.

2. **Focus on effective communication.**

If a company has a corporate wellness program, but employees don’t know it exists, is it making a difference? The answer is “probably not!” Successful programs need to include an effective communication component with promotional materials that are attractively displayed, at an appropriate reading level, and easy to consume so employees can quickly and easily learn about wellness opportunities.

3. **Include multiple design components.**

Successful wellness programs include several different components. Employers should consider lifestyle programs to help manage stress, weight, healthy sleeping, blood pressure, tobacco use and the like. They should also consider other nontraditional, but effective, components to support these activities such as self-help books, time off for annual wellness visits, group programs and support through a nurse hotline, coaching, social media or partners such as Weight Watchers or the YMCA.

4. **Create goals to measure and report.**

Establishing both tangible measurement and regular reporting are vital to successful wellness programs. These measures can help companies to fine-tune programs and communications, as well as to help organization leaders understand the positive impact of these programs. Consider measuring participation, workers’ compensation claims, employee absences, and overall employee satisfaction and engagement with benefits.

5. **Don’t forget employee rewards.**

For some employees, having a wellness program available may not be enticing enough to participate, but if you throw in a carrot many are willing to give it a try. According to the 2014 Aflac Workforces Report, the majority of employees (79 percent) at least somewhat agree they’d be willing to change their lifestyle habits if it meant lower insurance premiums and 87 percent say it’s fair to reward employees with lower premiums or incentives to become healthier. Consider offering lower premiums, gift certificates, extra days off and other prizes to motivate employees to get involved – it’ll benefit employees and your companies’ bottom line.
Key takeaways:

Proof that wellness programs impact more than waistlines

Companies that believe their wellness programs are effective are more likely to approach benefits differently than their peers. Typically, these companies offer a variety of programs, tailor benefits at different life stages, and focus on effective benefits communication and enrollment. It’s no wonder these businesses appear to see a positive effect on their workforces.

The 2014 Aflac WorkForces Report found that employees at companies with effective wellness programs fare better than employees who don’t have these programs available. Participation in wellness initiatives only made them better.

Employees who are offered wellness programs thrive in four key ways, they’re more:

1. Satisfied with their jobs and confident in their employers.

Wellness program participants are more likely to be satisfied in their jobs (69 percent compared to 54 percent of those not offered wellness programs by their employers). They also believe their companies are known as great places to work (58 percent compared to 44 percent) and are less likely to be looking elsewhere for work in the next 12 months (20 percent compared to 29 percent).

2. Knowledgeable and engaged in their companies’ benefits.

When it comes to their benefits, employees who participate in wellness programs are more likely to say they’re taking full advantage of their employee benefits options (56 percent compared to 33 percent of those not offered wellness programs by their employers). They’re also more informed about consumer-driven health plan options such as health savings accounts (43 percent compared to 24 percent), flexible spending accounts (54 percent compared to 31 percent) and health reimbursement accounts (32 percent compared to 15 percent).

3. Satisfied with their benefits enrollment process.

It’s clear that companies who are taking a holistic approach to their benefits program also have employees who are better prepared for benefits enrollment and happier with the process. Employees who are offered wellness programs are also more likely to be satisfied with their current enrollment method (78 percent compared to 59 percent of those not offered wellness programs by their employers), and to completely or strongly agree their questions were answered during open enrollment (64 percent compared to 45 percent) and they had sufficient time to prepare for open enrollment (72 percent compared to 53 percent).

4. Financially secure and prepared for unexpected health expenses.

Having more benefits options and understanding these options more may help employees be prepared for whatever may come their way. Those who are offered and participate in wellness programs are more likely to have a financial plan (60 percent compared to 36 percent) and to have confidence in their ability to cope with the financial impact of illness or injury (32 percent compared to 22 percent). These employees are also more likely to report that their employer offers voluntary benefits (66 percent compared to 39 percent), helping to provide a safety net for unexpected health care expenses.
For the purposes of this article, an effective wellness program was identified as one whose benefits decision-maker completely or strongly agree their wellness program is effective.

Small sample size, less than 50.

About the study

The 2014 Aflac WorkForces Report is the fourth annual Aflac employee benefits study examining benefit trends and attitudes. The study, conducted in January 2014 by Research Now, captured responses from 1,856 benefits decision-makers and 5,209 employees from across the United States, at companies with at least 3 employees.

To learn more about the Aflac WorkForces Report, visit AflacWorkForcesReport.com.

This article is for informational purposes only and is not intended to be a solicitation.