WHAT IF THERE WERE
A MONEY PILL?

Financial Security and Workplace
Wellness

Ron Leopold, MD, MBA, MPH
MetLife, U.S. Business
“The pathway to a healthy, productive, and high-performing workforce lies in an organization’s ability to engage people in healthy behaviors.

This requires investment in health programs that span the entire health continuum— with a focus on the programs that generate the greatest returns and sustain the desired behavior changes.”

**WHAT DO WE MEAN BY WORKPLACE WELLNESS?**

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WHY DO WE NEED WORKPLACE WELLNESS?

Department of Health and Human Services, 2007
WHY COMPANIES SAY THEY OFFER WELLNESS PROGRAMS

- Increase Productivity
- Reduce Absenteeism
- Reduce Accidents on the Job
- Reduce Health Care Costs
- Improve Employee Health
- Increased Employee Morale

THE BUSINESS VALUE OF WELLNESS

National Business Group on Health, 2005
LOWER COSTS AND MORBIDITY

INCREASE WORKER PRODUCTIVITY

THE BUSINESS VALUE OF WELLNESS
In the United States, it is estimated that reasonable improvements in preventing and managing chronic disease could reduce future costs of disease by 27%.

A major reason for the surge in wellness programs is that employee lifestyle counts for the majority of health care claims costs.

Centers for Disease Control

In the United States, it is estimated that reasonable improvements in preventing and managing chronic disease could reduce future costs of disease by 27%.

59% of employers say that wellness programs are a very effective way to reduce medical costs.

The rate of chronic conditions double between age 50 and 60.

GROWING NEED FOR WORKPLACE WELLNESS

WELLNESS PROGRAMS ARE SUCCESSFUL

8TH Annual MetLife Study of Employee Benefits Trends, 2010
58% of all employers recognize that wellness programs are effective at improving productivity.

That number goes up to 75% for employers who offer wellness.
It is estimated that the per employee cost of medical presenteeism is between $22 and $157 annually.

Center for Work and Health, 2003
A Lockheed Martin study examined the effects of 28 chronic medical problems on worker productivity through impaired on-the-job performance. Together the 28 conditions set the company back approx. $34 million per year.

Absenteeism costs fall by about $2.73 for every dollar spent on wellness programs. 
J. Health Affairs, Jan. 2010

A review of 18 studies found a return on investment in excess of 5:1 for cost of wellness programs. 
American Institute of Preventive Medicine

Employees who participated in wellness programs were two thirds more likely to say that they were loyal to their employer. 
9th Annual MetLife Study of Employee Benefits Trends., 2011
As a result of workplace wellness programs we could make an impact on the health and well being of our associates.

They will feel healthier and be able to work better and be more successful.

It’s good for them. It’s good for us.
How Hard Are You Working Compared To Your Parents At Your Age?

- 23% Less Hard
- 36% Same
- 42% Harder

Are we at a “Financial Tipping Point?”

American Dream Study, MetLife, 2010
WHAT ABOUT “FINANCIAL ILLNESS?”

- There is more risk to my family's financial future than in the past.
- My financial Future Looks good and there is less risk to it than in the past.

American Dream Study, MetLife, 2010
The American Worker Faces Sizeable Financial Struggle

Living paycheck to paycheck
Credit Card debt not paid off monthly
Concerned about making ends meet
Not enough money to cover expenses
Bankruptcy a significant concern
Concerned about losing my home
Mounting credit card debt
Paying off my mortgage
Paying for health insurance

0% 20% 40% 60% 80% 100%

IS THERE A “FINANCIAL ILLNESS” EPIDEMIC?

American Dream Study, MetLife, 2010
FINANCIAL STRESS IS ON THE RISE

How Do You Feel About Your Job Compared With Two Years Ago

7%

39%

54%

Less Stressed

No Change

More Stressed

American Dream Study, MetLife, 2010
Prevalence of Morbidity Associated With Financial Stress

- Fatigue and feeling tired/weak
- Other aches and pains (e.g., back, chest)
- Can’t afford or don’t follow recommended health practices
- Stomach/abdominal/digestive problems
- Appetite disorders and weight gain or loss
- General or other sicknesses
- High blood pressure/hypertension
- Headaches/migraines
- Other responses
- Insomnia and sleep disorders/problems
- Depression/depressed
- Worry, nerves, tension, anxiety, pressure

46.3% reported symptoms of stress

FINANCIAL ILLNESS AND MORBIDITY

Negative Health Effects of Financial Stress, Consumer Interests Annual 2005
SELF-REPORTED DEBT STRESS AND MORBIDITY

- Low Back Pain or Muscle Tension
- Depression
- Anxiety
- Migraines or Headaches
- Ulcers or Digestive Tract Problems

Low Levels of Debt Stress
High Levels of Debt Stress

FINANCIAL ILLNESS AND MORBIDITY

AP-AOL Health Poll, 2008
"I think stress is a huge driver of illness—physical, emotional—it's all mixed together. We have lots of people having financial struggles right now. Disabilities are up. Depression is up."

HR Professional Chicago, IL
27% of employees said that they have taken unexpected time off in the past 12 months to deal with a financial issue or they spend more time at work on personal financial issues than they think they should.
Financial distress is one of the strongest predictors of illness-related absence from the workplace.


Employees with more financial distress are absent more often from work.


Studies show relationship between financial distress and getting to work on time, and getting daily work tasks done.

Stressed employees are passive, distracted, confused, and anxious. – they do not make good decisions for themselves or their employers.

Prawitz & Garman Education to Promote Employee Financial Well-Being

Employees with more financial distress displayed less commitment to their organization.


Of employees who sought credit counseling:

-22% reported they were totally unable to carry out normal work activities for more than one day during the previous month.
- 48.9% reported that they spent more than 5 h of their work time dealing with personal finance matters.

Should financial security be part of workplace wellness strategies?

Are we operating on all cylinders?
WHAT IF THERE WERE A MONEY PILL?
BEHAVIOR

How can we get our employees to act in their best interests and take on more personal responsibility for their financial security?

PROTECTION

How can we give our employees greater opportunity to secure their own financial well-being?
There is a growing body of evidence that employee financial security is also good for the employer.

ROI for employers who offer employees access to quality financial programs is 3:1.

A financially healthy employee can save employers up to $2000 a year through increased productivity and reduced healthcare costs.

_The Personal Finance Employee Education Foundation_
Financial advice and guidance programs improve worker productivity.

52% of employees are interested in advice and guidance through their employer on how to address the causes of financial stress.

56% of employees are very interested in receiving help with budgeting and financial education or money management.

9th Annual MetLife Study of Employee Benefits Trends, 2011
Employees who have participated in a financial planning program through their company are very confident in their ability to make decisions, while for those who did not, only 35% are confident.

9th Annual MetLife Study of Employee Benefits Trends, 2011
More employers are planning to offer retirement seminars.

62% of employees who have financial planning services through their workplace are very satisfied with the benefits they receive from their employer.

8th Annual MetLife Study of Employee Benefits Trends, 2010
Employees need a better financial safety net.
High rates of underinsurance in working Americans.

Only 53% of workers who are concerned about loss of income due to illness or injury have disability insurance.

Only 69% of workers who are concerned about the impact of their premature death on family financial security have life insurance.

49% of those with disability income insurance and 41% of those with life insurance say they may be underinsured, or do not know if they have enough coverage.
There is a decreased employee appetite for risk

- Prefer guarantees that offer stable but somewhat lower returns
- Prefer a higher degree of risk because the returns could be greater.
The Great Recession has left an indelible impression on how employees view financial security.

65% of employees said that recent economic events made them place greater value on the benefits they receive from their employer.

58% of employees said they were going to work past the age of 65.

9th Annual MetLife Study of Employee Benefits Trends, 2011
Employees are increasingly looking to the workplace for financial security.

88% of employees who have disability coverage obtain it through the workplace.

91% of employees who have life insurance obtain it through the workplace.
# How Would You Manufacture a Money Pill?

## Behavior
- Financial advice and guidance
- Auto-enrollment
- Retirement planning assistance
- Estate planning
- Will preparation
- Retirement modeling tools
- Retirement seminars
- Online progress tracking tools
- Financial counseling
- Money management courses
- Special needs planning

## Protection
- Supplemental disability
- Group term life insurance
- GVUL
- Legal assistance
- Long term care insurance
- Critical illness
- AD&D insurance
- Retirement medical
- Retirement dental
- Matching 401k contribution
- Group annuities
- College tuition assistance
- Identity theft protection
- Group auto and home
LOWER COSTS AND MORBIDITY
INCREASE WORKER PRODUCTIVITY
“Instead of employers simply challenging the many investments they have made over the last ten years, we suggest investing in resources to manage across all internal silos of health, wealth and performance.”

Human Capital, Personal Value, and the Health-Wealth-Performance Portfolio
Center for Health Value Innovation, 2010
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