



Return on Wellness

A MODERN PERSPECTIVE ON EMPLOYEE BENEFITS: EMBRACING ROW OVER ROI



INTRODUCTION

REDEFINING EMPLOYEE BENEFITS: MOVING FROM ROI to ROW

Employee benefits that extend beyond health insurance and 401(k) plans are crafted to improve the workplace environment, boosting overall compensation and promoting employee well-being. While organizations typically prioritize ROI when selecting these benefits, it is crucial to look beyond mere financial returns and immediate costs. Instead, it's important to consider the wider implications, including the Return on Wellness (ROW).

ROW captures the advantages of providing unique financial, mental, and physical well-being benefits – positively impacting employee health and job performance. By adopting a holistic approach to benefits – considering financial, mental, and physical health – employers can maximize ROW, fostering employee well-being and driving significant returns on investment.

IN THIS WHITE PAPER, WE EXPLORE:

- The costs of financial, mental, and physical health
- The ramifications of poor well-being on health and work performance
- The impact of caregiving on employees
- The effects of fertility advocacy
- Resources employers can offer to improve well-being and see ROW

FINANCIAL WELL-BEING

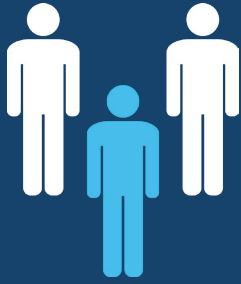
Financial well-being encompasses a broad range of aspects related to one's financial health, ranging from achieving monetary security and freedom to being debt-free and having sufficient savings to handle unexpected expenses. Essentially, it entails living a life

free from the burden of financial stress and worries.

'Employee financial stress is a serious crisis for employers...'

Employee financial stress is a serious crisis for employers and, because of this, employers have begun to acknowledge the importance of supporting their employees'

financial well-being. Approximately 84% now offer financial wellness programs, with 81% recognizing the role they play in attracting top talent.¹ Considering that 77% of Americans ages 35-44 experience money-related stress,² investing in these programs is not just prudent, but essential.



Nearly one in three employees were distracted at work by financial issues

IMPACT OF FINANCIAL STRESS

Financial stress has been connected to a variety of mental and physical health issues, including migraines, cardiovascular disease, high blood pressure, depression, and anxiety.³ **Questis**, one of New Benefits' latest financial wellness offerings, found that 80%⁴ of financially stressed U.S. workers are:

7x 7x more likely to be depressed

10x 10x more likely not to finish tasks at work

2x 2x more likely to be looking for a new job

ADDRESSING FINANCIAL WELL-BEING

Employers have the opportunity to improve their employees' financial well-being by addressing their main financial concerns. More than half of employees are most concerned about having enough savings for unexpected expenses, according to the PwC's 2023 Employee Financial Wellness Survey.⁵ Millennials and Generation Xers worry about not meeting monthly expenses, and baby boomers are more concerned with retirement.

Thankfully, there's help:

- Access to unbiased financial coaches who assist with retirement planning, paying off debt, college funds, taxes, and more
- Budget trackers to help employees stay on top of monthly expenses and savings
- Student-loan repayment assistance to remove the weight of student debt

When employers offer financial well-being resources, such as the aforementioned Questis, employees use them. In the PwC survey, of the 35% of employees who said their employer offers personal finance benefits, nearly two-thirds said they've benefited from the services. With fewer financial worries, employees have more mental capacity to focus on their work. There are various tools to improve employees' financial well-being and drive high ROW.



56%

56% spend three hours or more each week dealing with financial matters at work

MENTAL WELL-BEING

Mental health refers to anything affecting our psychological, emotional, or social well-being. This includes mental illnesses like anxiety and depression, chronic

'...the majority of those suffering haven't sought appropriate treatment.'

stress, and responses to traumatic events or ongoing troubles. More than one in five Americans are facing a mental health issue at any given time, and the majority of those suffering haven't sought appropriate treatment.⁶

While the stigma associated with mental health has decreased over time, it's still an obstacle keeping people from getting the treatment they need. Part of this stigma is in the workplace, where employees are more anxious or ashamed to ask for time off to treat a mental condition, as opposed to a physical illness like a stomach virus or the flu.

\$44 Billion

Employees with depression cost employers more than \$44 billion annually in lost productivity, with more than 80% of costs due to presenteeism⁷

IMPACT OF POOR MENTAL HEALTH

Employees with mental health issues are less engaged, less productive, and have higher absenteeism and presenteeism levels than their coworkers. Of those dealing with chronic stress, 54% took twice as many sick days per year and 34% reported losing an hour or more a day in productivity due to stress.⁸ Employees with depression cost employers more than \$44 billion per year in lost productivity alone, with more than 80% of costs due to presenteeism. In a study comparing depression treatment costs with lost productivity costs, 45–98% of treatment costs were offset by increased productivity.⁹

Presenteeism

pres·ent·ee·ism

noun

When employees are unproductive at work due to illness, injury, anxiety, or other condition

Absenteeism

ab·sen·tee·ism

noun

When employees regularly stay away from work without good reason

ADDRESSING MENTAL WELL-BEING

Employers play a pivotal role in supporting their employees' mental health. Today, mental health care goes beyond a one-size-fits-all approach; it's about offering tailored support through stepped care. By initiating conversations and introducing mental health resources, employers help reduce stigma and encourage employees to seek treatment. Research indicates a notable decrease in symptoms of mental illnesses post-treatment initiation,¹⁰ leading to reduced healthcare costs and improved productivity.

Employee Assistance Programs (EAPs) are prevalent mental health resources organizations provide, connecting employees with external counselors for resolving personal or work-related issues. Additionally, employers can offer:

- **Health insurance** with coverage for mental health treatment
- **Virtual** mental health counseling or psychiatry services
- The opportunity for employees to connect with peers and share similar experiences and backgrounds, like on a platform such as **Kindly Human**

Employees feel valued by employers who provide this much-needed support, leading to an increase in morale and loyalty.

PHYSICAL WELL-BEING

Although physical health is no longer the sole focus of employee well-being, it's an increasing issue for both employers and employees. Insurance premiums continue

'...more than one in four (28%) of Americans are delaying medical treatment...'

to rise every year, and employees are taking on more of the cost burden. Because of these high costs, more than one in four (28%) of Americans are delaying medical treatment, even if their condition is serious.¹¹ One study found that delaying medical care can negatively affect health outcomes,

inpatient stays, and the frequency of emergency department visits.¹²

IMPACT OF ILLNESSES AND INJURIES

Half of U.S. adults have at least one chronic disease – an ongoing illness like heart disease, diabetes, obesity, or arthritis. The treatment for these diseases, typically preventable, makes up 86% of all healthcare spending and includes physician visits, hospital stays, and prescription drugs.¹³

Although absenteeism is increased with sick employees, presenteeism carries more than double the costs. Employees who come to work sick are costing their companies billions of dollars a year due to lost productivity and getting others sick. One source estimates a loss of \$150 billion per year due to presenteeism alone.¹⁴

ADDRESSING PHYSICAL WELL-BEING

By improving employees' physical health, organizations can expect a return on both healthcare costs and productivity. The best solution gives employees convenient and less expensive access to medical care while cutting overall healthcare costs for employers.

Virtual urgent care and primary care provide a cost-effective, on-demand medical solution for employees and their dependents. They lower barriers and enhance access to healthcare. If an employee needs to see a physician, they don't have to worry about asking for time off work to schedule an appointment, drive to their primary care doctor, and sit in a waiting room. They also avoid expensive visits to an urgent care center or emergency room. Instead, employees can speak with a doctor whenever they need to – whether during their lunch hour, in the evening, or on the weekend – at a small cost or no visit fee.

To reduce insurance claims, employers can offer virtual urgent care and/or primary care as a non-insured benefit and encourage its use by employees. Comparable services at an urgent care center can cost around \$160, or \$650 at an emergency room, and 73% of U.S. workers have trouble receiving timely medical care without having to visit the ER. By redirecting non-emergency medical issues from costly treatments, a company can improve its bottom line. Additionally, more than 65% of patients who opt for virtual meetings with their healthcare providers experience reduced costs compared to in-person visits.¹⁵



Aside from telehealth services, organizations can offer even more access to healthcare services with platforms like Recuro Health. Recuro Health provides virtual primary, behavioral, and urgent care from one platform. With an integrated care team comprising board-certified primary care and behavioral health physicians, Recuro Health ensures holistic care through phone and video consultations. Additionally, personalized treatment plans for acute and chronic conditions are facilitated through genetic testing and health risk assessments, fostering tailored care for individuals.

UNDERSTANDING THE IMPACT OF CAREGIVING

When employees become caregivers for aging or disabled family members, every aspect of their well-being is affected. One in five full-time employees balances

'...every aspect of their well-being is affected.'

unpaid caregiving duties, dedicating an average of 20 hours per week on top of their regular workload. This responsibility is not only time-consuming and emotionally taxing but also financially

burdensome. While caregiving solutions won't completely eradicate the financial, mental, and physical stress placed on employees, they can certainly offer relief when complemented by these benefits.

FINANCIAL HEALTH IMPACT

An AARP study on the cost of family caregiving found:¹⁶

- More than 75% of caregivers experience out-of-pocket costs for their caregiving responsibilities, spending on average 20% of their annual income
- Household expenses, including rent/mortgage payments and home modifications, make up the largest portion of spending, followed by medical expenses
- One in six caregivers reduced contributions to their retirement savings to afford caregiving expenses, undermining their own financial security

MENTAL HEALTH IMPACT

Between 40% and 70% of caregivers exhibit symptoms of clinical depression¹⁷, highlighting the significant toll that caregiving responsibilities can take on mental health. It's concerning to note that caregivers grappling with depression are also at a higher risk of experiencing anxiety, substance abuse issues, and chronic diseases.¹⁸

PHYSICAL HEALTH IMPACT

The mental health issues of caregivers lead to a variety of physical health concerns, including high blood pressure, heart attack, arthritis flare-ups, acid reflux, migraines, and more. Caregivers are also more likely to sacrifice their own self-care and preventive health to focus on their loved one's health needs, nearly doubling their risk of developing a chronic illness.¹⁹

ADDRESSING HOLISTIC EMPLOYEE WELL-BEING

Each of these impacts on well-being incurs costs for employers in healthcare expenses and lost productivity, stemming from absenteeism and presenteeism among working caregivers. However, when employers offer resources for holistic well-being, employees can effectively balance work and caregiving responsibilities while maintaining their health.

- **Discounts on caregiving-related services and products**, such as legal documents and medical equipment, enable employees to provide necessary care for loved ones without straining their finances
- **Caregiver Concierge and Support services** offer comprehensive solutions for working caregivers, including companionship, task assistance, legal document creation, and organizational support – promoting efficient caregiving management



75%

75% of caregivers experience out-of-pocket costs for their caregiving responsibilities, spending on average 20% of their annual income

EXPLORING THE EFFECTS OF FERTILITY ADVOCACY

Although pregnancy and childbirth are often openly celebrated, fertility struggles remain hidden and unspoken. Conversations about fertility with coworkers

'...fertility struggles remain hidden and unspoken.'

and employers can feel intrusive and deeply personal for employees. A survey conducted by Fertility Network UK²⁰ found that 50% of women chose not to disclose their fertility treatment to their employers out of fear of not being

taken seriously, while over 40% worried about potential negative impacts on their career advancement.

FINANCIAL HEALTH IMPACT

A Fertility IQ study found:²¹

The average cost of successful IVF treatment amounts to approximately \$50,000, with a single cycle of IVF averaging around \$23,474. Moreover, these costs tend to escalate annually by 10-15%. Such substantial financial burdens associated with lengthy fertility treatments can have significant impacts on both a woman and her partner, underscoring the need for careful financial planning and support during this challenging journey.

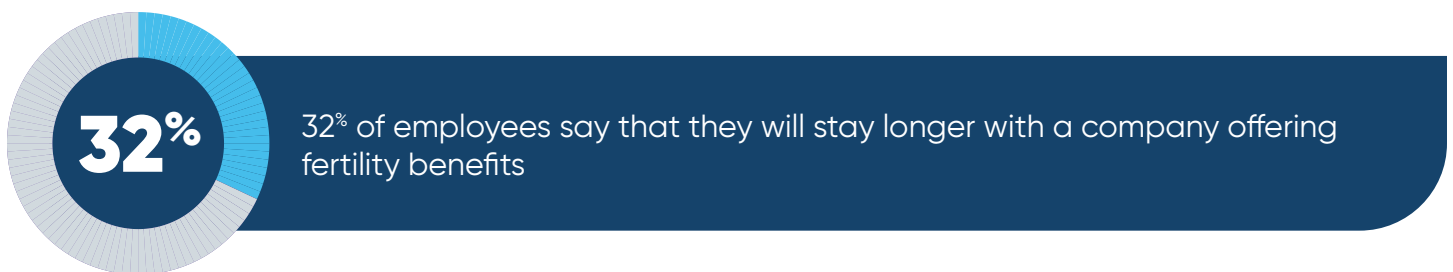
MENTAL & PHYSICAL HEALTH IMPACT

- As treatment lengthens, the combination of physical side effects and the stress of failed treatments month after month can be detrimental to a woman's emotional health
- Approximately half of the women experiencing infertility rated it as the most stressful experience in their lives, and 61% rated it as more stressful than divorce²⁰
- Trying to conceive can impact physical and emotional well-being causing distress and anxiety, leading to a detrimental effect on workplace performance, job satisfaction, career progression, and an increase in absence or sick time²²

ADDRESSING HOLISTIC EMPLOYEE WELL-BEING

With each of these impacts on well-being, employees dealing with infertility build up costs for their employer in healthcare expenses and lost productivity, from both absenteeism and presenteeism. Organizations that enable employees to prosper in their careers through various life chapters will be able to attract and retain experienced and high-potential employees.

Fertility Advocacy, as well as **Surrogacy and Adoption services**, offer personalized guidance and support for employees navigating non-traditional family-building methods like IVF, surrogacy, egg donation, adoption, and foster care, enhancing clinical outcomes while promoting employee well-being and productivity.





CONCLUSION

Organizations that prioritize employee well-being and look beyond the hard costs of a benefits package see a multitude of rewards, from increased productivity to reduced healthcare costs. To achieve the best results, employers must focus on holistic well-being and ensure resources are readily available. When organizations take the proactive step to address the whole of employee well-being, it results in ROW – higher productivity, decreased absenteeism and presenteeism, improved morale and loyalty, better recruiting opportunities, and reduced healthcare expenditures and expenses. In essence, investing in employee wellness leads to happier and healthier employees.

Employee engagement is crucial and can be facilitated through proactive promotion and convenient access to benefits via technology. With a wide range of 40+ non-insured employee benefits, including fertility advocacy and financial wellness, New Benefits empowers employers to address all facets of well-being effectively and maximize returns on investment.

By combining our benefits with innovative technology, New Benefits provides:

- Improved benefit access and utilization for members at the touch of a button
- The industry's first white-label app, customized with the program's logo and brand colors
- Increased member engagement with push notifications, interactive provider maps, and quick links to important benefit actions

ABOUT NEW BENEFITS

New Benefits is the leading provider of non-traditional benefits since 1990. We serve insurance agencies, brokerage/consulting firms, insurance companies, associations, banks, credit unions, TPAs, and employer groups throughout the United States. We provide access to more than 40 health and lifestyle products, white label capabilities, technology, print services, administration, and a bilingual customer service center. Learn more at NewBenefits.com.

For more information, contact our sales team at newsales@newbenefits.com or 844.529.5785

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