



## Positive Return on Investment

No decision-maker would deny that “one has to spend money to make money,” as the familiar saying goes. Once the initial investment is made, a fitness or wellness program will immediately start paying for itself – provided that it’s properly promoted and maintained – and, eventually, realize concrete savings for the company.

General Mills instituted a lifestyle modification program to reduce absenteeism that required participants to complete one of three optional lifestyle activities every three months. An evaluation of the program found that in the second year of the program General Mills had saved \$226.32 per employee in absentee related costs with an ROI of 3.1 to 1. The third year of the program saw an even higher ROI at 3.9 to 1.

*Goetzel RZ, Juday TR, Ozminkowski RJ. What’s the ROI? A systematic review of return-on-investment studies of corporate health and productivity management initiatives. AWHP’s Worksite Health. 1999*

In 1996, Pacific Bell began promoting its FitWorks program designed to appraise and modify risk, provide disease screening and information, and provide gyms for its employees. After four years, Pacific Bell had realized a \$144 per-enrollee, per-year savings and a 1.38 to 1 return on investment.

*Goetzel RZ, Juday TR, Ozminkowski RJ. What’s the ROI? A systematic review of return-on-investment studies of corporate health and productivity management initiatives. AWHP’s Worksite Health. 1999*

At Pfizer’s New York location 41% of employees participate in an onsite fitness center where there is a 250-person waiting list. In 1998 the ROI for all of Pfizer’s onsite fitness centers was 4.29 to 1.

*US Department of Health and Human Services. Prevention Makes Common Cents. September 2003*

Motorola invests \$6 million annually into its Wellness Initiatives program, which promotes the long-term health of its employees, family members, and retirees. For every \$1 that Motorola has invested in the program, \$3.93 has been saved.

*US Department of Health and Human Services. Prevention Makes Common Cents. September 2003*



## Reduce Costs and Medical Claims

### The most obvious benefit of a corporate fitness program is that it allows companies to reduce their overall health care costs,

in part by reducing the total number of medical claims that they have to field each year. The U.S. Surgeon General reports that 75% of all illnesses can be attributed to lifestyle-related causes, and that 53% of America's population is "inactive." The more a business can help employees avoid illness and disease and manage their own health, the more it can manage its own healthcare costs each year.

In a research study, 5,689 adults were monitored over an 18-month time span to determine if a relationship exists between modifiable risk factors, such as exercise, and healthcare charges.

Researchers found that the participants who never smoked, had a BMI of 25, and exercised three days a week had mean annual healthcare charges that were 49% lower than physically inactive smokers with a BMI above 27.5.

*Pronk NP, Goodman MJ, O'Connor PJ, Martinson BC. Relationship between modifiable health risks and short-term health care charges. JAMA. December 15, 1999*

Researchers at Brigham Young University studying employee health promotion programs have found that fitness programs are associated with reduced healthcare costs.

*Aldana SG. Financial impact of health promotion programs: a comprehensive review of the literature. American Journal of Health Promotion. 2001*

Findings from a study of healthcare costs in diabetics indicate that exercise in combination with diet can successfully lower their healthcare costs.

*Guo JJ, Gibson JT, Gropper DM, Oswald SL, Barker KN. Empiric investigation on direct costs of illness and health care utilization of Medicaid patients with diabetes mellitus. American Journal of Managing Care. October 1998*

A four-year impact study of the Johnson & Johnson Health & Wellness Program, which integrates employee health, wellness, disability management, employee assistance and occupational programs, and places considerable emphasis on health promotion and disease prevention, found that there was a reduction in medical care expenditures of approximately \$225 per employee per year. The study also found that the most substantial cost savings was seen in years three and four after implementation.

*Goetzel RZ, Ozminkowski RJ, Bruno JA, Rutter KR, Isaac F, Wang S. The long-term impact of Johnson & Johnson's Health & Wellness Program on employee health risks. Journal of Occupational and Environmental Medicine. 2002*