WORKPLACE WELLNESS PROGRAMS IN SMALL BUSINESS: IMPACTING THE BOTTOM LINE
INTRODUCTION
The National Small Business Association (NSBA), America’s longest-running small business advocacy organization, operating on a staunchly nonpartisan basis, has been a leader in health care policy for more than a decade. A key component of our health care platform has always been the role workplace wellness programs can play in keeping health care accessible and affordable for small-business owners and their employees.

NSBA partnered with Humana to develop a groundbreaking survey conducted by third-party research firm, Edelman Berland, on workplace wellness in America’s small businesses. What we found is eye-opening.

For the last 50 years, five behavioral issues have consumed an estimated 80 percent of the nation’s health care budget – poor diet, stress coupled with inactivity, smoking and drinking. NSBA and Humana understand small businesses’ role in supporting the U.S. economy and is committed to helping these employers and their employees combat such issues and achieve lifelong well-being. Humana in collaboration with NSBA will be working to provide information that small businesses can use to help address barriers to wellness.

While small businesses place high importance overall on workforce health--93 percent say the health of their employees is important to their businesses bottom line, just 22 percent currently are offering a wellness program.

93% of small business decision-makers say the health of their employees is important to their business’ bottom line.

Figure 1: Importance of employee health to bottom line

- Extremely Important: 54%
- Very Important: 39%
- Somewhat Important: 6%
- Not Very Important: 1%
EMPLOYEE WELLNESS CONCERNS

Some of the more surprising results we found showed that the smallest businesses--those with two to nine employees--actually placed greater emphasis on wellness and expressed higher confidence in their ability to manage a wellness program than larger businesses.

This enhanced attention to employee wellness can be attributed to a few key factors. First, nearly half (48 percent) of the smallest companies surveyed – those with two to nine employees – said their employees take few sick days, compared to 52 percent of the larger small companies whose employees take a normal amount of sick days. While this may appear as a positive, 57 percent said their employees work when they are sick. Second, 37 percent of start-ups – those companies less than ten years old – said they see an immediate decrease in productivity when employees are out sick—as compared to just 29 percent of all other respondents.

Among the health and wellness issues facing employees, the top concern among small-business owners was high stress levels, followed by psychological well-being, weight management and alcohol or other drug habits.

STRESS LEVELS MORE THAN TRIPLE OTHER EMPLOYEE WELL-BEING CONCERNS
OFFER RATE OF WELLNESS PROGRAMS

As expected, the larger small business – those with 50-100 employees – in the study sample had a higher rate (27 percent) of offering a health and wellness program. Health and wellness programs were defined as “an initiative aimed at encouraging employees to make healthier choices such as getting preventative care, eating right and exercising.” The smallest companies, those with 2 – 9 employees, were not far behind larger companies at an offer rate of 20 percent.

Interestingly, business age seemed to play a significant role in the offer-rate of wellness programs. Those firms in operation less than five years had the highest offer rate at 34 percent compared with just 19 percent of companies that have been in existence for 15 years or longer.

Younger businesses – those less than 10 years old – and small businesses with 50 to 100 employees, were more inclined to agree that wellness programs are critical tools for employee recruitment and retention.
BARRIERS TO IMPLEMENTING WELLNESS PROGRAMS

Small-business owners are not unlike their larger counterparts in that the bottom line drives their decision making. Certainly, small businesses often are more familial, however when considering employee benefit plans, the owners rely heavily on the bottom line. Among the small firms who offered a health and wellness program in the past, 49 percent said they believe such a program would positively impact their bottom line. Among those who never had a wellness program, just 35 percent believe a wellness program would positively impact their bottom line.

Comparatively, among those businesses currently offering a wellness program, 78 percent believe the program positively impacts their bottom line.

When asked to rank their biggest motivators in implementing a wellness program, lower long-term health costs was ranked number one by both those firms who have a wellness program and those that do not. Improved morale and increased productivity came in second and third.

Any efforts to increase the offer rate of wellness programs at small businesses surely must include clear evidence of the positive implications such a program can have not just on the employees, but the overall business.

Another key factor driving the low offer rate of wellness programs in small business is a lack of employee interest. In fact, 46 percent of all businesses surveyed said lack of interest was the key barrier to implementing a wellness program, followed by 21 percent of small-business owners who pointed to difficulty to administer such programs.
INCENTIVES TO OFFERING WELLNESS PROGRAMS

There is no question small-business owners are closely engaged with their employees' health and well-being. In fact, 60 percent of small-business owners said they believe that employee health and wellness programs are worth the investment. Unfortunately, a nearly identical amount, 58 percent, also said there is not enough information available to small businesses about implementing wellness programs.

When asked what health and wellness programs they would be most likely to invest in, 26 percent of small-business owners said stress management followed closely by health education, prevention or screening (24 percent) and weight management programs (12 percent).

As with any number of business issues—lending, taxes, regulation—a one-size-fits-all approach doesn’t work for small businesses. Sixty-nine percent said that they would be more interested in a wellness program they could customize to the needs of their small business.

42% OF SMALL-BUSINESS OWNERS SAY HIGH STRESS LEVELS CONCERN THEM THE MOST WHEN IT COMES TO OVERALL PRODUCTIVITY OF THEIR BUSINESS AND EMPLOYEE HEALTH.

Figure 11: Health and Wellness Programs Most Likely To Invest In

- Stress management programs: 26%
- Health education, prevention, or screening: 24%
- Weight management programs: 12%
- Counseling, including psychological, marriage, legal, and financial counseling: 11%
- Addiction management programs: 5%
- None of the above: 19%
- Don't know/Unsure: 4%

Figure 10: Agreement With Health and Well-Being Statements

- I pay close attention to my employees' health: 74%
- I would be more interested in a wellness program that I could customize to the needs of my small business: 69%
- Employee health and wellness programs are worth the investment: 60%
- A health and wellness program is a differentiator for employee recruitment programs are critical for employee retention: 58%
- Health and wellness programs are critical for employee retention: 43%
- There is not enough information available to small businesses about implementing health and wellness programs for small businesses: 40%
CONCLUSION
While policymakers, think-tanks and interest groups continue to discuss the best way to move forward in making the U.S. health care system accessible, affordable and of the highest quality, there are existing programs that stand to reduce costs today. Addressing some of the largest barriers to implementing a health and wellness program as well as ensuring information is accessible—and not just plentiful—will surely help small businesses move one step closer to achieving better overall workplace wellness.

METHODOLOGY
The survey was conducted by Edelman Berland using a telephone custom survey among a nationally-representative sample of 1,005 U.S. owners and decision-makers of businesses with 2 to 100 employees. Surveys were conducted from Friday, June 29, 2012 to Tuesday, July 10, 2012. The margin of error is ± 3.1% assuming a 95% confidence.