11th Annual
EMPLOYER-SPONSORED HEALTH & WELL-BEING SURVEY

Well-being Programs for the Changing Workforce

Developed in partnership with Fidelity Investments
Executive Summary

The findings of the 11th Annual Business Group on Health / Fidelity Investments Employer-Sponsored Health and Well-being Survey sought to answer large employers’ burning questions about well-being programs – from today’s current design and trends, to the future outlook of employer investments.

The responses to the following six frequently asked questions are based on the approaches of 152 large employers:

1. Which dimensions of well-being are included in large employers’ benefit offerings?
2. Are employers still incentivizing well-being programs? If so, how?
3. How much funding do employers allocate to well-being?
4. How are employers communicating to employees about well-being? What works best?
5. What does global well-being look like for large employers?
6. What does the future hold for employer well-being programs?
Which dimensions of well-being are included in large employers’ benefit offerings?

With 85% of large employers seeing the connection between the importance of well-being to their overall business strategy, it’s no surprise that employers continue to expand their offerings beyond initiatives to address physical health. As seen in Figure 1, financial well-being and mental/emotional well-being are becoming a mainstay of well-being efforts. This year’s data showed an interesting shift from the traditional elements of well-being programs to a focus on social connectedness, job satisfaction and spiritual contentment, signaling employers’ recognition of all dimensions of well-being.

Figure 1: Dimensions of Well-being Included in Large Employers’ Benefit Offerings, 2020
2 Are employers still incentivizing well-being programs? If so, how?

Yes, but at slightly lower rates than in 2019. Seventy-eight percent of employers are offering financial incentives for employees, down from 82% the prior year. Following a similar decline, 53% are incentivizing spouses, a 5-percentage point decrease from 2019.

What’s particularly interesting is which activities are being incentivized: Despite large employer movement to a holistic well-being approach, a majority of funding (55%) is still dedicated to “traditional” physical wellness initiatives – specifically, health assessment and biometric screenings. Only 9% of incentives are earmarked for emotional well-being, followed by 6% for financial well-being. Employers committed to incentives may want to use rewards to boost other areas of well-being as a way to align the movement with rewards.

Figure 2: Incentives in 2020

- 78% offer incentives to employees
- 53% offer incentives to spouses/partners
- $600 Median amount an employee can earn each year
- 20% use outcomes-based incentives
- 4 in 10 employees earn the full incentive

As far as the maximum denomination rewarded, the median amount has held steady at $600 per employee per year. For spouses/partners, employers offer a little less - $480 per spouse/partner per year (median). That said, 63% of employers that offer incentives actually provide the same amount for spouses/partners as they do for employees.
How much funding do employers allocate to well-being?

On average, employers are budgeting 4.3% of their health care dollars on well-being programs, up slightly from 3.5% in 2019. The well-being spending ranged from 0.05% all the way up to 35%. Jumbo employers spend an average of $10.4 million on well-being programs.

When you break down where each dollar of well-being spending goes, 40 cents of each dollar goes to program administration, followed closely by 39 cents going to incentives.
How are employers communicating to employees about well-being? What works best?

Not surprisingly, employers are using email and an engagement platform/well-being portal the most for pushing out well-being messages and program availability. In-person communications, such as on-site meetings and promotions, continue to play a role in reaching employees, although less frequently given the growing virtual workforce.

Figure 5: Well-being Communications Frequency and Success

The two methods of communication that are potentially underused are employee meetings/wellness fairs and text message, based on the fact that more employers view these channels as very successful than who actually use them.
What does global well-being look like for large employers?

Based on the experiences of the 82 global employers who completed the survey, about 35% have a comprehensive global strategy. A larger 46% say that well-being program design is decided by the localities. While both strategies have their benefits and drawbacks, employers looking to offer a consistent employee experience (regardless of the country they reside in) are gravitating toward creating a single overall strategy.

Along the same lines, 15% say they strive to provide the same well-being offerings across countries, while 51% allow for design flexibility from country to country. Initiatives often focus on physical and emotional well-being; financial well-being is less common abroad, but it is still a priority for some employers.

Figure 6: Elements of Global Well-being Programs

The following components of U.S. well-being programs are also explored among global programs:

- **Incentives**: 12% offer financial incentives for well-being initiatives abroad; 17% are considering doing so. Employee/group recognition is the most common type of non-financial incentives.
- **Engagement platforms**: 21% of employers have a global well-being platform, up from 16% in 2019.
- **Communications**: 42% of global employers develop communications locally; another 13% have a centralized global communication strategy.
- **Champions**: 34% have global wellness champions; 28% are considering developing a global wellness champion network in the next 1-2 years.
What does the future hold for employer well-being programs?

As employers expand their well-being offering by, for example, adding a sleep improvement program or launching a new initiative to forge stronger social connections among colleagues, their incentive investments will also expand. Only 3% of employers are looking to downsize their programs – meaning the rest are continuing to ride the strong momentum of addressing all areas of employee well-being.

Figure 7: Employers’ Approach to Future Well-being Investments

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<thead>
<tr>
<th>Well-being Resources &amp; Programs</th>
<th>Well-being Incentives</th>
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<tbody>
<tr>
<td><strong>65%</strong> will expand</td>
<td><strong>29%</strong> will expand</td>
</tr>
<tr>
<td><strong>31%</strong> will hold steady</td>
<td><strong>58%</strong> will hold steady</td>
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<tr>
<td><strong>3%</strong> will reduce</td>
<td><strong>3%</strong> will reduce</td>
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<tr>
<td><strong>1%</strong> won’t invest at all</td>
<td><strong>10%</strong> won’t invest at all</td>
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Methodology and Respondent Profile

An online survey of Business Group on Health member companies and Fidelity Investments clients, fielded in January and February 2020, can be found at https://www.businessgrouphealth.org/resources/employer-sponsored-health-and-well-being-survey-well-being-programs-for-the-changing-workforce. Responses were collected from 152 employers of different sizes and representing a variety of industries:

Respondents by Industry

- Technology/Telecommunications: 13%
- Manufacturing: 13%
- Grocery/Consumer Products: 13%
- Energy and Chemicals: 6%
- Banking/Financial Services: 5%
- Health Care: 7%
- Insurance: 7%
- Retail/Hospitality/Food Services: 7%
- Transportation and Shipping: 7%
- Pharmaceuticals/Biotechnology: 9%
- Other: 11%

Respondents by Employer Size

- <5,000: 22%
- 5,000-19,999: 39%
- 20,000+: 40%

Mid-market: >5,000. Large: 5,000-19,999. Jumbo: 20,000+.

Respondents by Geographic Presence

- Global Operations: 63%

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