Introduction

Why should you care about corporate wellness? That feels like a fair question to ask in 2020, now 40 years removed from the birth of the modern corporate wellness movement. Several highly intelligent, forward-thinking people – even some who have a financial stake in the success of corporate wellness – have spoken very publicly about the problems and pitfalls of the modern corporate health & wellness industry. That includes Limeade CEO Henry Albrecht, who penned a short piece for Forbes called “Three Reasons Corporate Wellness Failed – and How to Change the Game” in 2017.

Albrecht isn’t wrong to feel some semblance of cynicism, but he’s also right that the industry continues to show great promise. That’s why the Corporate Health & Wellness Association commissioned a survey in 2019 to uncover some of the tendencies, preferences, and flaws that govern the modern corporate wellness market. We believe our data, alongside supporting research and commentary, offers a blueprint for successful corporate wellness strategies in the third decade of the new millennium.

Any company interested in genuinely improving the lives of its employees – all while maximizing capital and minimizing waste – should be interested in Corporate Wellness and the contents of this report. Every report commissioned within the last 50 years points toward one clear revelation: when constructed properly, corporate wellness correlates with higher employee engagement, greater health/lower absenteeism, and better retention rates. All three traits directly factor into a company’s ability to improve productivity and sustain success.

Profile of a Wellness Provider

Corporate wellness is a growing industry, but it may still be a fragile one in need of proper guidance, too. That could be the primary takeaway of the 2020 Corporate Health & Wellness Association’s Report, which investigated general practices, tendencies, opinions, and concerns from the international landscape of wellness programs.

Corporate wellness programs are constructed and utilized by both fully-insured and self-funded businesses. In both cases, employers generally hope that the presence of a wellness program may reduce healthcare-related costs. The main difference is that wellness savings tend to tie more directly to a self-funded business, which is paying its employees’ healthcare costs out of pocket. By contrast, the presence of a robust wellness program may not lead to direct savings for companies that rely on outside insurance, but their efficacy may lead to discounts and/or lower premiums.

Companies who are installing a corporate wellness program may work closely with a corporate wellness broker, which is a company that advises HR and/or management on what programs to implement and how to effectively operate them. Brokers should not be confused with vendors, which sell specific products or provide activity-specific engagement and feedback.
In an effort to provide greater context for where these results come from, we want to share some basic demographic information that describes the average survey respondent.

Of the 239 responses our survey recorded, the vast majority hail from the western world. The United States represents more than 80 percent of respondents. Many other respondents come from western cultures – Canada, Australia, the United Kingdom, etc. Many of the remaining countries represented here are spaces where health tourism or healthcare has an established reputation, like India or Singapore.

Business sizes trended larger in this survey. While more than 10 percent of the businesses represented had zero full-time employees, we considered more than 60 percent of respondents to be large operations, with 50 or more full-time employees. About one-fifth (21 percent) of businesses reported a gross annual income of less than USD $500,000 in 2018, while 11 percent reported gross income in excess of USD $1 Billion.

Respondents come from several different types of companies; wellness providers, self-insured employers, and agents & consultants each make up at least 15 percent of the data pool. Data providers tend to be in a high-authority position, with 45 percent working as either the business owner or some sort of executive. Only 16 percent are individual, non-managerial staffers. Given the nature of our survey, these are most likely to be base-level HR employees.

Regardless of position or business, more than half (54 percent) of our respondents identify their organization as working in the corporate wellness space. More than a third (35 percent) classified their operation as an explicit healthcare organization. Wellness travel touched just over one quarter (26 percent) of respondents. One in eight (12 percent) considered themselves to be healthcare reformers.

Only five percent consider corporate wellness to be unimportant to their business.
Wellness Program Benefits & Service

At its most basic level, our survey reveals that virtually every modern company offers some form of corporate wellness benefit. This should not be surprising to readers, since the flexible nature of Corporate Wellness allows its label to be applied to many different kinds of benefits.

According to our survey, 12 different benefits or services are provided to employees via a corporate wellness program by at least half of our respondents. Wellness Portals (50 percent), Vaccinations (50 percent), Coaching & Counseling for Customer Company Employees (50 percent), Biometric Screening (50 percent), Stress & Resilience Reduction (52 percent), Gift Certificates or Discounts (52 percent), Volunteer Opportunities (53 percent), Mental Health Initiatives (54 percent), Emotional Wellness Support (54 percent), Social Events (58 percent), Financial Wellness (60 percent), and On-Site Wellness Services (62 percent) were all common program elements.

What products or services do you provide?

- On-site wellness services: 62%
- Financial wellness: 60%
- Social events: 58%
- Emotional wellness: 54%
- Stress and resilience: 54%
- Gift certificates, discounts, or incentives: 53%
- Mental health initiatives: 53%
- Volunteer opportunities: 52%
- Biometric screening: 50%
- Coaching, counseling, or education for customer company employees: 50%
- Vaccinations: 50%
- Wellness portal: 50%

What type of technology is used to deliver, measure, and engage users in your wellness program?

- Reduction of presenteeism: 53%
- Ability to recruit new talent: 44%
- Based on insights gained from job satisfaction surveys: 39%
- Improved aggregate biometrics: 30%
- Corporate profitability: 19%
- Based on insights gained from employee focus groups: 10%
Strategies & Goals

One of the major ideas that the 2020 Corporate Health & Wellness Report wanted to investigate is why employers choose to institute a wellness program in the first place. We asked respondents, “What are the main reasons you offer corporate health and well-being programs?”

While respondents were able to select more than one response while answering this question, the results nevertheless indicate divergent strategies in the corporate creation of Wellness Programs. To begin with, the Reduction of Health Costs (58 percent) or Claims Costs (55 percent) were nowhere near the top of the list, suggesting that explicit financial considerations may be a secondary concern for many executives, at least when considering wellness.

There seem to be two primary strategies at the top of the results. The first is the classic Wellness Program theory: increasing individual health through wellness incentives will eventually buoy that employee’s job performance and productivity. Increased Awareness for Personal Health (76 percent), Promoting Productivity (73 percent), and Enhanced Culture (68 percent) all received high marks during this survey, and all three are closely linked.
Engagement and Rewards

When employees regularly participate in wellness programs, they are rewarded. More than two-thirds of respondents (68 percent) report that they incentivize healthy behaviors, though only 38 percent report the use of an integrated rewards portal that offers an employee a choice in what they receive.

About one-fourth of companies report offering cash incentives (27 percent) or bonus time off (24 percent). Several companies tie wellness participation directly to health insurance, with one in three companies (33 percent) offering a premium reduction. About one in five (21 percent) offer some sort of bonus incentive for an employee’s Health Savings Account.

Rewards are a good way to validate employees who participate in said programs, but they’re also a good way to boost otherwise sluggish participation rates. We are encouraged by the fact that about one in eight respondents (13 percent) report employee participation rates of 90 percent or greater. Still, the industry average is likely somewhere between 40 and 50 percent, according to our data. Many programs (41 percent) see engagement numbers grow by less than 10 percent per annum; regardless of business, creating new habits in employees is consistently one of the biggest challenges for management.

**Does your company provide rewards for healthy behaviors?**

- **Yes**: 68%
- **No**: 32%

**What types of rewards have you used?**

- **Gift card**: 51%
- **Premium reduction**: 34%
- **Cash incentive**: 26%
- **Extra time off**: 24%
- **HSA incentive**: 21%
- **Access to certain health plans**: 8%
Obstacles and Areas of Concern

We believe no report would be complete without highlighting the concerns or questions of our respondents. Overall, the state of corporate wellness is vastly improved from a generation ago, in part simply because it exists at all. The level of attention and care that human capital received in 2019 is several orders of magnitude greater than that of the mid-20th century.

Progress aside, our results suggest that the infancy of corporate wellness is actually its biggest weakness, as many executives face genuine questions about the future of the practice, as well as its overall effectiveness.

Problems with leadership
More than half of respondents (54 percent) do not believe, or are not sufficiently convinced, that their employees should have access to success/failure stories from their company’s wellness initiative. This telegraphs a lack of transparency, a lack of confidence, or both.
**Problems with vendors**

Vendors that provide corporations with wellness benefits appear to be a source of controversy in the wellness community. About one-third (34 percent) of respondents strongly believe their vendor is doing a verifiably good job; the remainder are skeptical, or at least struggle to verify whether or not their vendor is delivering results. A whopping 62 percent of respondents find it “difficult to determine” whether or not their vendor is successful, with 29 percent unable to come to any conclusion at all. Only 57 percent feel their vendor delivers tangible results.

More than half of respondents (59 percent) feel that they are working with someone who is not the best solution provider for them, or else are unable to determine for themselves whether or not their vendor is the best fit. While this is obviously a major opportunity for high-quality vendors to swoop in and seize a potentially underserved market, this may also be a sign that companies do not feel confident in their ability to evaluate their own wellness programs. Many may be simply following secondary advice from the Internet, with no real grasp of the mechanisms that drive the industry. Our data shows that two in five (40 percent) respondents don’t even trust the data that vendors send them about engagement or wellness results.

---

**Are you able to determine if your corporate wellness vendor is successful and is delivering results?**

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, and it is easy to determine</td>
<td>33%</td>
</tr>
<tr>
<td>I don’t know</td>
<td>29%</td>
</tr>
<tr>
<td>Yes, but it is difficult to determine</td>
<td>23%</td>
</tr>
<tr>
<td>No, because it is difficult to determine</td>
<td>10%</td>
</tr>
<tr>
<td>No, despite it being easy to determine</td>
<td>3%</td>
</tr>
</tbody>
</table>

**With all the vendors currently in the well-being space, how easy is the process of finding a new vendor whose program creates successful engagement and utilization?**

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>38%</td>
</tr>
<tr>
<td>Difficult</td>
<td>22%</td>
</tr>
<tr>
<td>Not sure</td>
<td>17%</td>
</tr>
<tr>
<td>Easy</td>
<td>11%</td>
</tr>
<tr>
<td>Very difficult</td>
<td>11%</td>
</tr>
</tbody>
</table>

---

**Do you feel you are currently working with the best possible solution provider/vendor in offering wellness to your company/employees?**

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>40%</td>
</tr>
<tr>
<td>I Don’t Know</td>
<td>35%</td>
</tr>
<tr>
<td>No</td>
<td>24%</td>
</tr>
</tbody>
</table>
Looking to the Future

One part of the 2020 Corporate Health & Wellness Report asked participants to identify trends that they felt were key developments in the wellness space. The question undoubtedly generated some response bias, with each of 10 possible answers garnering at least 20 percent of the vote as significant. Still, a focus on mental and behavioral well-being was the clear winner here, with 70 percent of respondents identifying it as a key topic. This is unsurprising, given the increased focus on mental health, particularly in the western world.

Mental health is important in its own right; according to the National Alliance on Mental Health, nearly 20 percent of American adults will experience mental illness each year, with four percent suffering from a serious episode. Mental health has been long overlooked in the west; a staggering increase in public violence and mass shootings has rightfully forced mental health to the forefront of the American consciousness, but the truth is that it should have been a primary concern long before the 21st century.

But mental health is also important in the context of physical, biological wellness, too. A 2019 study from an academic journal called Lancet Psychiatry emphasizes that people with depression are 40 percent more likely to develop cardiovascular or metabolic diseases than the general population. Serious mental conditions double the risk further.

What are some of the key trends in the workplace impacting health and well-being?

- Increased focus on mental and behavior well-being: 70%
- Using strategies that create healthcare value for both employee and employer: 60%
- Rethinking the value on investment in well-being programs: 59%
- Improving the personalization of benefits: 54%
- Redefining the purpose of programs to address modern workforce needs: 53%
- Having culture-enabling programs: 52%
- Enabling more technology solutions for engagement and incentivization: 44%
- Improving data and advanced analytics: 40%
- Modifying program needs to address increased consumerism: 23%
- Having a greater focus on women’s health: 23%
Companies are right to consider mental health as a serious dimension of wellness programs, even if the means by which they do it are still not fully formulated or developed.

Another major trend that businesses seem keyed in on is increased personalization of benefits and data. More than half of respondents (54 percent) believe that companies must continue to improve the personalization that wellness programs can offer individual employees. Similarly, 44 percent want to enable tech solutions for greater engagement of incentivization. About 2 in 5 (41 percent) want improved data or advanced analytics, which would likely drive the more personal approach that businesses are hoping for. A huge majority (85 percent) agree that consumers are interested in personalized experiences; many rightfully wish to incorporate that same logic into their wellness program.

One final major trend that stands out amongst our results is the 58 percent of respondents that want to rethink the value on investing in a wellness program. Because of the language used in the question, it’s not clear whether this is a call for a simple reevaluation, a downshift, an economic necessity, or something else entirely. Regardless, it could certainly make for the topic of an entirely new survey.

To purchase a copy of the complete, 36-page report, visit: wellnessassociation.com/2020-corporate-wellness-report