

## 2011 The Principal Financial Well-Being Index<sup>SM</sup> - Wellness Summary 4th Quarter 2011

### Wellness Benefits Currently Being Offered by Firms

Employees of firms with 10-1,000 employees are offered a variety of benefits through the workplace. Some employers have implemented wellness benefits as a method for improving employee health and to help control rising health care costs. Employees were given a list of possible wellness benefits and asked to identify those their employer offers. Table 1 shows the top four wellness benefits offered are online wellness information (19%), educational tools or resources (18%), fitness center discounts (17%), and printed wellness information (17%). Online wellness information and printed wellness information were asked about for the first time this year.

Compared to 2010, educational tools or resources and fitness center discounts are still among the top wellness benefits offered. Significantly more employees reported their employer offers online health risk assessments. In contrast, fewer employers are offering educational wellness seminars compared to 2010.

Many of the wellness benefits are significantly more likely to be offered at larger firms (501-1,000 employees) than smaller firms (10 – 500 employees).

**Table 1 – Wellness Benefits Offered**

*“Which of the following wellness benefits does your employer currently offer?”*

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees

Wellness Benefits	4 <sup>th</sup> Qtr 2011	4 <sup>th</sup> Qtr 2010	4 <sup>th</sup> Qtr 2009	4 <sup>th</sup> Qtr 2008	4 <sup>th</sup> Qtr 2007	2011 Employer Firm Size	
						10 to 500 Employees	501 to 1,000 Employees
Online Wellness Information	19%	N/A	N/A	N/A	N/A	18%	24%
Educational Tools or Resources	18%	18%	16%	16%	14%	16%	27%^
Fitness Center Discounts	17%	18%	14%	13%	14%	15%	25%^
Printed Wellness Information	17%	N/A	N/A	N/A	N/A	15%	26%^
Smoking Cessation Programs	14%	14%	9%	9%	11%	12%	24%^
On-site Preventive Screenings	13%	12	10	11	10	11%	23%^
Educational Wellness Seminars	12% <b>SIG</b>	15%	10%	11%	9%	10%	24%^
Access to Wellness Experts (Nutritionists, etc.) <sup>1</sup>	11%	8%	6%	7%	7%	8%	20%^
Online Health Risk Assessment <sup>2</sup>	11% <b>SIG</b>	6%	4%	5%	4%	11%	14%
Onsite Fitness Facilities <sup>3</sup>	10%	12%	15%	11%	11%	8%	20%^
Weight Management Programs	9%	11%	7%	8%	7%	8%	15%^
Weight Mgmt Program Discounts	7%	9%	6%	6%	5%	6%	13%^
Consultant Review of Health Screening Results	4%	5%	7%	4%	4%	4%	8%
Disease or Care Management <sup>4</sup>	4%	4%	4%	4%	3%	4%	6%
Maternity Management	4%	3%	6%	4%	4%	3%	6%
Fitness Equipment Discounts	2%	2%	2%	2%	2%	3%	1%
At-home Health Screening Kits	1%	1%	N/A	N/A	N/A	0%	2%
Other	2% <b>SIG</b>	4%	3%	3%	4%	2%	2%

	N=1,121	N=1,159	N=1,120	N=1,179	N=1,154	N=942	N=179
--	---------	---------	---------	---------	---------	-------	-------

<sup>1</sup>Prior to 2011, was "Access to Experts (Nutritionists, etc.)"

<sup>2</sup>Prior to 2011, was "Online Health Screening"

<sup>3</sup>Prior to 2011, was "Fitness Facilities"

<sup>4</sup>Prior to 2011, was "Personalized Action Plan for High Risk Conditions"

SIG = varies significantly (95%) from 2010 employee comparison

^ = varies significantly (95% level) from the other employer firm size category

## Employee Usage of Wellness Benefits

Although employers can offer a variety of wellness benefits, it is up to the employees to take advantage of these benefits. Based upon which wellness benefits are offered to them, employees were asked to identify how frequently they use each benefit. Table 2 below shows how frequently wellness benefits are utilized.

**Table 2 – Usage of Wellness Benefits**

*“How often do you use each of the following wellness benefits offered by your employer?”*

Base: Employed U.S. adults with at least 1 Wellness Program Offered

Wellness Benefits	# of Employees with Access to Benefit	Have Used 2011	Have Used 2010	Have Used 2009	Have Used 2008	Have Used 2007	2011 Use Frequency		
							Weekly	Monthly	Yearly
On-Site Preventive Screenings	172	<b>74%</b>	84%	71%	61%	74%	<b>2%</b>	<b>7%</b>	<b>66%</b>
Online Health Risk Assessment <sup>1</sup>	149	<b>73%</b>	75%	66%	55%	66%	<b>8%</b>	<b>9%</b>	<b>56%</b>
Education Tools/Resources	228	<b>69%</b>	68%	70%	79%	74%	<b>5%</b>	<b>41%</b>	<b>22%</b>
Printed Wellness Information	223	<b>63%</b>	N/A	N/A	N/A	N/A	<b>7%</b>	<b>33%</b>	<b>23%</b>
At-home health Screening Kits	6	<b>62%</b>	98%	N/A	N/A	N/A	<b>18%</b>	<b>0%</b>	<b>44%</b>
Consultant Review of Health Screen	59	<b>59%SIG</b>	80%	81%	65%	51%	<b>2%</b>	<b>13%</b>	<b>45%</b>
Online Wellness Information	234	<b>59%</b>	N/A	N/A	N/A	N/A	<b>7%</b>	<b>24%</b>	<b>28%</b>
Disease or Care Management <sup>2</sup>	52	<b>54%</b>	68%	47%	45%	40%	<b>10%</b>	<b>17%</b>	<b>27%</b>
Access to Wellness Experts (Nutritionists, etc.) <sup>3</sup>	143	<b>49%SIG</b>	63%	45%	36%	42%	<b>6%</b>	<b>14%</b>	<b>30%</b>
Education Wellness Seminars	172	<b>48%SIG</b>	61%	63%	59%	68%	<b>1%</b>	<b>17%</b>	<b>30%</b>
Weight Mgmt Programs	114	<b>42%</b>	53%	28%	27%	36%	<b>8%</b>	<b>22%</b>	<b>12%</b>
Fitness Center Discounts	185	<b>41%</b>	39%	42%	30%	23%	<b>10%</b>	<b>10%</b>	<b>22%</b>
Fitness Equipment Discounts	24	<b>37%</b>	57%	60%	37%	47%	<b>2%</b>	<b>20%</b>	<b>15%</b>
Onsite Fitness Facilities <sup>4</sup>	120	<b>35%SIG</b>	54%	56%	52%	52%	<b>20%</b>	<b>8%</b>	<b>6%</b>
Weight Mgmt Program Discounts	65	<b>31%</b>	28%	33%	30%	28%	<b>2%</b>	<b>12%</b>	<b>16%</b>
Maternity Management	34	<b>12%</b>	28%	38%	31%	38%	<b>1%</b>	<b>7%</b>	<b>4%</b>

Smoking Cessation Programs	167	<b>12%</b>	13%	24%	20%	18%	<b>3%</b>	<b>1%</b>	<b>7%</b>
----------------------------	-----	------------	-----	-----	-----	-----	-----------	-----------	-----------

<sup>1</sup>Prior to 2011, was "Online Health Screening"

<sup>2</sup>Prior to 2011, was "Personalized Action Plan for High Risk Conditions"

<sup>3</sup>Prior to 2011, was "Access to Experts (Nutritionists, etc.)"

<sup>4</sup>Prior to 2011, was "Fitness Facilities"

SIG = varies significantly (95% level) from 2010 employee comparison

## Wellness Benefits Desired and Not Currently Offered

To understand what wellness benefits employees desire, employees were given a list of benefits not currently offered by their firms and asked to pick the top 3 they would like to see offered. Table 3 shows those benefits listed in order of most frequently mentioned – fitness center discounts received the highest percentage of mentions (25%). Other common responses included on-site preventive screenings (22%), access to wellness experts (nutritionists, etc.) at 21%, and onsite fitness facilities (19%). Over a quarter (27%) responded they would prefer to see their employer offer “none of these”.

The percentage of employees desiring onsite preventive screenings, access to wellness experts (such as nutritionists) and at-home health screening kits increased significantly from this same period in 2010. Fewer employees indicated they would like onsite fitness facilities compared to 2010.

**Table 3 – Wellness Benefits Desired**

*“Below are the wellness benefits you indicated your employer does not offer. Which of the following are the top three benefits that you would like to see your employer offer?”*

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees

Wellness Benefits	Top Desired 4 <sup>th</sup> Qtr 2011	Top Desired 4 <sup>th</sup> Qtr 2010	Top Desired 4 <sup>th</sup> Qtr 2009	Top Desired 4 <sup>th</sup> Qtr 2008	Top Desired 4 <sup>th</sup> Qtr 2007
Fitness Center Discounts	25%	24%	23%	23%	24%
On-Site Preventive Screenings	22% <b>SIG</b>	13%	16%	11%	13%
Access to Wellness Experts (Nutritionists, etc.) <sup>1</sup>	21% <b>SIG</b>	15%	12%	12%	13%
Onsite Fitness Facilities <sup>2</sup>	19% <b>SIG</b>	27%	27%	28%	34%
Weight Management Programs	18%	17%	19%	20%	18%
Fitness Equipment Discounts	15%	14%	12%	12%	11%
Weight Management Program Discounts	11%	12%	12%	12%	14%
Disease or Care Management <sup>3</sup>	9%	8%	6%	4%	4%
Educational Wellness Seminars	9%	10%	8%	7%	8%
At-home Health Screening Kits	8% <b>SIG</b>	3%	N/A	N/A	N/A
Consultant Review of Health Screening	8%	7%	6%	4%	7%
Smoking Cessation Programs	6%	5%	9%	5%	8%
Educational Tools or Resources	4%	4%	6%	3%	6%
Maternity Management	4%	3%	4%	5%	3%
Online Health Risk Assessment <sup>4</sup>	4%	4%	5%	3%	3%
Printed Wellness Information	3%	N/A	N/A	N/A	N/A
Online Wellness Information	2%	N/A	N/A	N/A	N/A
None of these	27%	26%	28%	31%	23%
	N=1,121	N=1,159	N=1,119	N=1,179	N=1,151

<sup>1</sup>Prior to 2011, was “Access to Experts (Nutritionists, etc.)”

<sup>2</sup>Prior to 2011, was “Fitness Facilities”

<sup>3</sup>Prior to 2011, was “Personalized Action Plan for High Risk Conditions”<sup>4</sup>Prior to 2011, was “Online Health Screening

SIG = varies significantly (95% level) from 2010 employee comparison

## Employer Encouragement to Participate

Employees offered wellness benefit(s) were asked how their employer encourages them to participate in those benefits offered at their workplace. Just over half of employees (51%) said their employer does not encourage them to participate in wellness benefits at their workplace in any of the ways listed. Nearly two in ten employees (18%) indicated their management encourages them to participate in wellness benefits. Sixteen percent (16%) of employees are offered lower health insurance costs for participating in wellness benefits at their workplace. Another 12% of employees are offered other financial incentives (such as gift certificates or discounts) or offered cash incentives for those who participate in wellness benefits. Nine percent (trending down significantly from 17% in 2009) have flexible work schedules that allow time for participation during the workday. Please see Table 4 below for full details.

**Table 4 – Employer Encouragement**

*“In what ways does your employer encourage you to participate in wellness benefits offered at your workplace?”*

Base: 565 employed U.S. adults in firms of 10-1,000 employees with at least one wellness program offered

	4 Q 2011	4 Q 2010	4 Q 2009
Encouragement by management to participate	18%	22%	22%
Lower health insurance costs for those who participate	16%	17%	15%
Cash incentives for those who participate	12%	10%	12%
Other financial incentives such as gift certificates, discounts, etc. for those who participate	12%	13%	13%
Flexible work schedules to allow time for participation during the workday	9%	12%	17%
Employer contributions into a Health Savings Account or Health Reimbursement account	9%	N/A	N/A
Additional paid time off from work for those who participate	6%	6%	2%
Other	2%	3%	2%
None of these	51%	48%	50%

## Benefits That Would Encourage Employees to Participate in a Wellness Program

All employees (including those not offered wellness benefits in their workplace) were asked to identify three benefits that would encourage them to participate in a wellness program. Almost one in two employees (45%) chose better overall physical health as a benefit of participating in a wellness program. Other top mentions include:

- Receiving a meaningful incentive from my employer to participate (30%)
- Reduced personal healthcare costs, greater chance of living a longer, healthier life, and reduced stress (29% each)
- Their employer making it convenient for them to participate (23%, down significantly from 28% in 2010).

As a follow up, employees were asked which benefit would encourage them to participate in a wellness program the most, other than overall physical health. The benefit selected the most was greater chance of living a longer, healthier life (18%), followed by receiving a meaningful incentive from their employer to participate (16%) and reduced personal healthcare costs (13%). About one in ten employees (11%) responded “none of these” benefits would encourage them to participate in a wellness program (up significantly from 2% in 2010). Please refer to Table 5 for full details.

**Table 5 – Perceived Benefits that Encourage Participation***“Of the items listed below, which three would encourage you to participate in a wellness benefit program?”*

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees

	4 Q 2011	4 Q 2010	4 Q 2009	4 Q 2008	4 Q 2007
Better overall physical health	45%	43%	47%	53%	54%
Receive a meaningful incentive from my employer to participate	30%	29%	28%	N/A	N/A
Reduced personal health care costs	29% <b>SIG</b>	33%	30%	38%	37%
Greater chance of living a longer, healthier life	29%	31%	30%	32%	40%
Reduce stress	29%	26%	28%	N/A	N/A
Employer makes it convenient for me to participate	23% <b>SIG</b>	28%	24%	N/A	N/A
Improve personal appearance	21%	21%	27%	N/A	N/A
Improve sleep	16%	16%	18%	N/A	N/A
Reduce impact of current condition or illness	10%	11%	10%	14%	14%
Recommendation by doctor or health care provider	8%	8%	11%	16%	19%
Encouragement from friends or family	4%	4%	4%	10%	10%
Employer leads by example from the management team	3%	4%	N/A	N/A	N/A
None of these	10%	10%	8%	8%	9%

SIG = varies significantly (95% level) from 2010 employee comparison

**Table 6 – Top Perceived Benefit that Encourages Participation***“Other than better overall physical health, which of the following would encourage you to participate in a wellness benefit program the most?”*

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees who selected at least one way they would be encouraged to participate in a wellness benefit program

	4 Q 2011	4 Q 2010	4 Q 2009
Greater chance of living a longer, healthier life	18%	17%	17%
Receive a meaningful incentive from my employer to participate	16%	15%	13%
Reduced personal health care costs	13% <b>SIG</b>	17%	16%
Reduce stress	10%	12%	13%
Improve personal appearance	10%	11%	15%
Employer makes it convenient for me to participate	9%	10%	9%
Improve sleep	4% <b>SIG</b>	6%	6%
Reduce impact of current condition or illness	4%	5%	4%
Recommendation by doctor or health care provider	3%	3%	4%
Employer leads by example from the management team	1%	1%	N/A
Encouragement from friends or family	<1%	1%	2%
None of these	11% <b>SIG</b>	2%	3%

SIG = varies significantly (95% level) from 2010 employee comparison

## Effect of Wellness Program on Employee Motivation, Retention, Attendance and Productivity

In order to assess the effect of wellness programs on employee motivation, retention, attendance and productivity, employees were asked how much they agreed with several statements. Overall, 41% strongly agree or somewhat agree that wellness benefits encourage them to work harder and perform better. Four in ten employees (40%) strongly agree or somewhat agree that having an employer sponsored wellness program would encourage them to stay in their current employment situation. Just over a third of employees who use at least one wellness program once a year (35%) agree strongly or somewhat that by participating in a wellness program they have missed fewer days of work. In addition, slightly more than half of employees who use at least one wellness program once a year (52%) agree to some extent that they have more energy to be productive at work by participating in a wellness program.

Compared to 2010, employees are more likely to agree strongly or agree somewhat that as a result of wellness program participation they have missed fewer days of work and have more energy to be productive at work. However, employees are less likely to agree strongly or agree somewhat that having a wellness program encourages them to stay in their current employment situation. Please refer to Tables 7, 8, 9 and 10 for full results.

**Table 7 – Employee Motivation**

*“Please tell us how much you agree or disagree with the following statement. Having a wellness program offered by my employer would / does encourage me to work harder and perform better.”*

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees

	<b>Strongly Agree</b>	<b>Somewhat Agree</b>	<b>Neither</b>	<b>Somewhat Disagree</b>	<b>Strongly Disagree</b>
<b>2011</b>	<b>9%</b>	<b>32%</b>	<b>40%</b>	<b>9%</b>	<b>11%<b>SIG</b></b>
2010	9%	34%	41%	9%	7%
2009	9%	31%	45%	7%	7%
2008	9%	34%	39%	10%	8%
2007	12%	35%	40%	8%	5%

SIG = varies significantly (95% level) from 2010 employee comparison

**Table 8 – Employee Retention**

*“Please tell us how much you agree or disagree with the following statement. Having a wellness program offered by my employer would/does encourage me to stay in my current employment situation.”*

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees

	<b>Strongly Agree</b>	<b>Somewhat Agree</b>	<b>Neither</b>	<b>Somewhat Disagree</b>	<b>Strongly Disagree</b>
<b>2011</b>	<b>10%</b>	<b>30%<b>SIG</b></b>	<b>40%<b>SIG</b></b>	<b>8%</b>	<b>12%<b>SIG</b></b>
2010	12%	36%	36%	8%	8%
2009	12%	33%	41%	8%	7%
2008	11%	33%	39%	9%	8%
2007	12%	36%	39%	8%	5%

SIG = varies significantly (95% level) from 2010 employee comparison

**Table 9 – Employee Attendance**

“Please tell us how much you agree or disagree with the following statement. By participating in a wellness program, I have missed fewer days of work.”

Base: 394 employed U.S. adults in firms of 10-1,000 employees who use at least one wellness program once a year

	<b>Strongly Agree</b>	<b>Somewhat Agree</b>	<b>Neither</b>	<b>Somewhat Disagree</b>	<b>Strongly Disagree</b>
<b>2011</b>	<b>12%</b>	<b>23%</b>	<b>45%</b>	<b>6%</b>	<b>14%</b>
2010	9%	19%	47%	8%	18%
2009	7%	19%	51%	9%	14%

SIG = varies significantly (95% level) from 2010 employee comparison

**Table 10 – Employee Productivity**

“Please tell us how much you agree or disagree with the following statement. By participating in a wellness program, I have more energy to be more productive at work.”

Base: 394 employed U.S. adults in firms of 10-1,000 employees who use at least one wellness program once a year

	<b>Strongly Agree</b>	<b>Somewhat Agree</b>	<b>Neither</b>	<b>Somewhat Disagree</b>	<b>Strongly Disagree</b>
<b>2011</b>	<b>14%SIG</b>	<b>38%SIG</b>	<b>36%SIG</b>	<b>6%</b>	<b>6%SIG</b>
2010	9%	28%	46%	4%	13%

SIG = varies significantly (95% level) from 2010 employee comparison

**Success of Wellness Activities to Improve Health and Reduce Health Risks**

All employees rated the success of wellness activities as a means of improving health and reducing health risks. Over half (55%) of employees rated wellness activities offered by an employer very successful or somewhat successful in improving health and reducing health risks, while about a quarter (24%) were neutral in their rating (neither successful nor unsuccessful). Two in ten (20%) employees were more skeptical about the success of wellness activities (rating somewhat unsuccessful or very unsuccessful).

**Table 11 – Perceived Success of Wellness Activities**

“How successful do you believe wellness activities offered by an employer can be in improving health and reducing health risks?”

Base: 1,121 employed U.S. adults in firms of 10-1,000 employees

	<b>Very Successful</b>	<b>Somewhat Successful</b>	<b>Neither Successful nor Unsuccessful</b>	<b>Somewhat Unsuccessful</b>	<b>Very Unsuccessful</b>
<b>2011</b>	<b>12%</b>	<b>43%</b>	<b>24%</b>	<b>13%</b>	<b>7%</b>

**Anticipated Medical Insurance Changes**

Employees who are offered health insurance through their employer were asked what they anticipate will happen with their insurance in 2012. Nearly two thirds (62%) expect their premiums will increase, 43% expect their deductibles will increase, over a quarter (28%) expect a change in medical plan options, and nearly another quarter (24%) expect a reduction in coverage. About two in ten (22%) don't expect any changes to their employer-sponsored medical insurance in 2012.

Compared to last year’s results, significantly fewer employees expect employer-sponsored medical insurance changes with one noteworthy exception: increasing premiums.

**Table 12 – 2011 Medical Insurance Changes**

*“Which of the following, if any, do you anticipate will happen to your employer-sponsored medical insurance in 2012? Please select all that apply.”*

Base: Qualified employees whose employer offers health insurance

	<b>4 Qtr 2011</b>	<b>4 Qtr 2010</b>	<b>4 Qtr 2009</b>	<b>4 Qtr 2008</b>	<b>4 Qtr 2007</b>
Premiums will increase	<b>62%</b>	<b>63%</b>	65%	66%	60%
Deductibles will increase	<b>43%SIG</b>	<b>50%</b>	47%	43%	38%
Change in medical plan options	<b>28%SIG</b>	<b>38%</b>	34%	23%	21%
Reduction in coverage	<b>24%SIG</b>	<b>32%</b>	29%	27%	21%
Change in medical providers	<b>14%SIG</b>	<b>18%</b>	15%	13%	14%
Employer will drop medical insurance coverage	<b>2%SIG</b>	<b>5%</b>	5%	2%	1%
Other	<b>1%</b>	<b>2%</b>	2%	1%	1%
None of the above	<b>22%SIG</b>	<b>18%</b>	19%	19%	25%
	N = 1,025	N=1,083	N=1,017	N=1,105	N=1,048

SIG – varies significantly (95% level) from 2010 employee comparison