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# Employee-Wellness Programs Pay Off in Productivity and Morale

By Peter Panepento

When Cathy Phelps sits down with her staff members at the Denver Center for Crime Victims for their annual employment reviews, she doesn't just set goals for their work performance. Instead, Ms. Phelps, the executive director, helps them make plans to improve their lives.

All of the center's 12 full-time employees are required to create annual self-care plans, in which they outline a series of steps they would like to take to improve their physical, emotional, spiritual, and intellectual well-being.

The self-care plans have helped many of Ms. Phelps's employees make significant changes. One of the nonprofit group's workers lost 35 pounds after embarking on a nutrition and exercise plan; this year, her goal is to complete a triathlon.

But while such goals would seem to have little connection with counseling crime victims, Ms. Phelps says her emphasis on wellness has helped her build a happier, more loyal, and more productive staff. More than half of the employees, she says, have been on the job for more than eight years -- a rarity in a field prone to burnout.

The program has also saved money -- the Denver Center gets discounts on its workers'-compensation insurance, has hired fewer temporary workers to cover staff absenteeism, and has cut down on recruiting and hiring costs. "I look at it as a management tool. One of the byproducts of it is improved morale," Ms. Phelps says. "But it's also about buying what we sell. We work with trauma, which means we're the folks people leave all of their junk with. We need to be healthy and stable to help them."

### **A Variety of Options**

The Denver Center's innovative approach to employee wellness illustrates how a nonprofit organization that promotes good health for its workers can build a happier, more productive staff. Wellness programs often help prevent employees from getting sick, missing work, and burning out from job-related stress. And with health-insurance premiums rising at a rate of more than 10 percent per year for most employers, wellness programs are also a popular and inexpensive way to curb health-care costs.

But many nonprofit employers do not run large-scale wellness programs -- mainly because they believe the programs are costly and time consuming. What's more, say nonprofit managers and human-resources experts, many of those who do sponsor such programs don't believe their employees are fully taking advantage of them.

A variety of low-cost options, however, can help time- and cash-strapped organizations promote good health for their employees. "It's pretty

typical that wellness programs don't happen because of money and because of time," says Mary Hansbrough, wellness manager at the Community Partnership of Southern Arizona, in Tucson. "But you can do things. Even if it's just a few people who take advantage, it starts to build."

### **Finding the Resources**

Most American employers -- about 7 out of 10 -- believe that they have a responsibility to promote wellness among their workers, but far fewer do anything about it, according to a survey last year of 354 U.S. companies and nonprofit organizations by the American Management Association.

Fewer than half of the survey respondents said they offer educational programs on topics such as exercise and fitness (47 percent), smoking cessation (41 percent), weight management (34 percent), stress management (33 percent), or nutrition (25 percent).

While the study doesn't specifically chart nonprofit organizations' participation in wellness programs, many nonprofit managers say such programs are less prevalent at charities than in the business world.

Dan Johnson, executive director of the Wellness Council of Arizona, a nonprofit group in Tucson that coordinates programs for more than 200,000 employees in that state, says many organizations are deterred by the belief that they lack the financial or staff resources to make a program work: "Everyone we talk to says, 'We can't do it alone. We need a partner.'"

The good news, says Mr. Johnson, is that most organizations can find partners who can help them create low-cost wellness programs that can ultimately save them a lot of money.

As an example, he points to a recent partnership between the Wellness Council and Tucson Medical Center. The council set up an extensive wellness-screening program for more than 400 Medical Center employees that included tests of cholesterol, strength, and lung capacity. After employees were screened, health experts set fitness goals for each worker. The screening program cost Tucson Medical Center nothing -- the organization's health-insurance carrier and two pharmaceutical companies picked up the tab.

Without outside help, the medical center would have paid more than \$12,000 for the screenings, Mr. Johnson says. It may ultimately save thousands of dollars by helping to diagnose and treat chronic conditions -- such as diabetes -- before they become debilitating problems, Mr. Johnson says.

### **Cutting Costs, Saving Lives**

Of all nonprofit organizations, colleges, universities, and hospitals are best equipped to create effective wellness programs, says Mr. Johnson. These institutions typically have on-site medical professionals, and many colleges and universities already have workout facilities on site.

In addition, he says, they can often use a wellness program to aid two constituencies -- their employees and their customers.

Duke University, in Durham, N.C., offers an example of a coordinated, effective wellness program. Duke employees not only have access to the university's athletic facilities, but also have the opportunity to meet one-on-one with personal trainers and wellness counselors, and can participate in online weight-management and stress-reduction programs.

The university's 16-year-old wellness effort, called Live for Life, has helped some employees who are at risk for heart disease significantly improve their health. A 2001 study of employees with high cholesterol and high blood pressure found that the majority of those who participated in a program that focused on employees with health conditions decreased their health risks. For example, 54 percent of the 194 participants with high cholesterol eliminated their risk factors. Duke estimated that it saved \$124,800 on its health-insurance costs as a result.

More important, the program is helping employees live more healthfully, says Julie Joyner, Live for Life's manager. It is encouraging employees to be more thoughtful about what they eat and how they live, she says: "We plan our finances. We plan our vacations. But why aren't we planning our health?"

That emphasis on preventive medicine has also helped Babson College, in Babson Park, Mass., control its health-insurance costs, says Frank Aubuchon, Babson's director of human resources. Babson has seen its health-insurance premiums increase by 9 percent and 4 percent, respectively, during its past two fiscal years, says Mr. Aubuchon, well below the average premium increases of 12.9 percent and 13.9 percent during the same period for all U.S. employers, as charted in a study by the Henry J. Kaiser Family Foundation.

Unlike Duke, which relies heavily on its wealth of on-campus resources, the smaller Babson has built its wellness program largely through partnerships with outside organizations, such as the insurance company Blue Cross/Blue Shield, to offer its employees Weight Watchers programs and smoking-cessation classes.

"You can make deals with outside organizations to provide discounts to employees who want to participate in health clubs," says Mr. Aubuchon. "You can also find people who would be willing to come in and talk to employees. These don't cost nonprofits anything more than the time it takes to set it up."

### **Tailored Programs**

Since starting its wellness program for employees three years ago, the College of Wooster, in Ohio, has also found another positive result: improved employee morale.

Rising costs pushed the college to make some big changes to its health-insurance program three years ago, says Timothy Tegtmeier, the institution's treasurer. Along with switching to a self-insurance program, in which the college pays for employees' medical treatment itself and sets its own premiums based on estimated care costs, the 1,800-student liberal-arts college also took steps to help its workers improve their fitness and nutrition. It contracted a local YMCA branch to provide a staff member to coordinate a wellness program that includes employee health screenings, personalized fitness plans, and nutrition advice. Wooster pays the YMCA \$45,000 per year for the program, but Mr. Tegtmeier says the college saves more than twice that amount through lower health-insurance premiums.

The new health-insurance program -- and its corresponding emphasis on wellness -- has helped the College of Wooster decrease weekly medical claims by 2 percent in its current fiscal year, compared with one year ago. It has also helped improve the outlook of some of the college's employees. Jimmy Meyer, assistant editor of Wooster's alumni magazine, says she has been taking part in lunchtime aerobics and yoga classes and is in better shape now than she has been at any other time in her life. By staying fit, the 56-year-old says she is more productive and happy.

"It's really improved my health. It's improved my outlook," Ms. Meyer says. "The day goes much faster on the days I work out. I'm more alert in the afternoons."

But charities don't have to have college and university resources to sponsor effective wellness programs. Ms. Hansbrough, of the Community Partnership of Southern Arizona, has found success by offering an array of small-scale wellness activities to employees.

Since the organization's staff is not housed in a single building, Ms. Hansbrough has tailored her program to work for employees in far-flung offices and clinics that stretch into four counties. Employees have the option of getting together over lunch to learn about reducing stress, losing weight, and establishing an exercise regimen. They can get tips on improving their health through an online newsletter, at office meetings, and via bulletin-board items. They will soon have the opportunity to take walks on well-marked trails around the organization's larger offices.

The scattered locales have made disseminating wellness information a challenge, Ms. Hansbrough says.

"The trick is to feed them bits, but more frequently," she says. "We try to give people something that they can have in their hands that they can revisit."

Small-scale, low-cost, easy-to-access programs have had success for other nonprofit organizations as well. Babson, for example, offers an array of such efforts, says Mr. Aubuchon. It has tried to find recreational programs that are tailored to fit the tastes of its employees, he says -- and about half of Babson's 600 workers participate in at least one program. For example, some employees are attracted to activities such as an after-work volleyball team. Others might be more apt to take lunchtime walks or gather before work to skate.

By offering as many venues as possible to encourage employees to exercise and improve their health habits, organizations multiply their odds of having those programs connect with a larger number of employees, say nonprofit managers.

"No one individual program is particularly effective in terms of promoting a healthy organization," Mr. Aubuchon says. "But it's a number of things -- it's the multitude of programs that gets the best results, because different people have different interests."