



***The 10% Solution: The Business Case for Weight Loss
Improvements May Drive Big Gains In Workplace Productivity And Reduce Costs***

Abstract

Currently, 34 percent of adults in the U.S. are obese and 17 percent of children and teenagers are considered overweight or obese. The medical costs of obesity now exceed \$150 billion annually – a figure that continues to rise. Yet according to recent data, obesity has a significantly higher cost impact in the workplace. And the highest costs aren't associated with absenteeism, but instead come from lost productivity occurring when employees come to work and perform below par due to illness. This is called presenteeism.

What can be done to reduce these soaring costs in the workplace? It isn't as simple as recommending a simple diet or offering weight management courses within the workplace. And the effort to achieve significant health benefits through diet and exercise may not be as monumental as we think. A recent Caravan survey released in November 2011 found that a majority of Americans surveyed (70%) believed that obese Americans need to lose at least 20% of their current



body weight in order to achieve significant health benefits¹. And one in three surveyed put that number at 30%.

However, a majority of health and weight loss experts agree that just a 10% weight loss can have meaningful impact on an obese person's health, and represents a critical first step towards setting a realistic goal for body weight that can be maintained for good.² This paper advances that costs in the workplace can be reduced through just a 10% weight loss for overweight and obese employees, which is a readily achievable goal, and recommends the best ways for employers to achieve this goal through offerings to employees.

Misconceptions about the cost of obesity in the United States workplace are widely prevalent. Many think that higher absentee rates among obese workers are the biggest drain on American productivity. The perception of the effects of absenteeism is rooted in basic facts: Overweight and obese employees have 13 times the absenteeism and twice the difficulty getting along with peers, when compared to employees who maintain a healthy weight. But absenteeism is not the biggest drain on employer's health care costs. The problem lies with those employees who show up for work every day, but may not be as productive due to obesity-related chronic disease. This fact isn't as well-known to the American public. In fact, the same Caravan survey revealed that 53% of those surveyed believe that obese employees are "as equally productive" as employees who maintain a healthy weight³.

But recent studies do indeed show presenteeism is the true drain on American productivity, and contributes the most to costs in the workplace. In a 2010 study published in *Journal of Occupational and Environmental Medicine*, author Eric Finkelstein and colleagues examined per capita and aggregate medical expenditures and the value of lost productivity. This included



absenteeism and presenteeism, due to being either overweight or at grade I, II, and III obesity among U.S. employees. Using a cross-sectional analysis of the 2006 Medical Expenditure Panel Survey and the 2008 National Health and Wellness Survey, the authors reported the following:

[P]resenteeism is the single largest driver of the costs of poor health among full-time employees, regardless of BMI. Moreover, with the exception of overweight men, medical expenditures, absenteeism, and presenteeism increase with increasing BMI. The medical expenditures per capita, and the cost of both absenteeism and presenteeism attributable to obesity (excluding overweight), range from \$1143 (obese I men) to \$6694 (obese III women). In aggregate, the cost of obesity among U.S. full-time employees is estimated to be \$73.1 billion⁴.

In a direct head-to-head comparison with presenteeism, the costs of absenteeism seem insignificant. Even this smallest band of savings is extremely significant, and the potential savings of sustained weight loss compelling. For example, Finkelstein found that the absenteeism costs associated with grade II obese women stood at \$67 per capita. However, the presenteeism costs associated with the same subgroup stood at \$1,513 per capita – an increase of more than 2,000 percent. In grade III obese mean, absenteeism costs stood at \$1,026 per capita, while presenteeism costs were more than triple – at \$3,792 per capita.

A study by AdvancePCS, a provider of health improvement services, found that lost productivity was significantly greater from days at work while sick (72 percent) compared to missed work days due to illness (28 percent). Thus, of the total lost annual productivity tab of \$250 billion, the estimated presenteeism cost is \$180 billion. Some of the conditions contributing to the costs of presenteeism include diabetes, arthritis, heart disease, and hypertension – all of which can be linked directly to obesity⁵. Also, according to a recent CCH Unscheduled Absence Survey, more than half of surveyed employers (58%) chalked up presenteeism to these chronic conditions, more than mental health issues or physical injuries, such as sprains or broken bones. In light of



these facts, the current perception that obese employees are “as equally productive” as those who maintain a health weight is not accurate and masks a large opportunity for gains in productivity⁶.

So while presenteeism results in lost productivity, it is productivity that can be recovered. According to the Harvard Business Review, “a central aim of presenteeism research is to identify cost-effective measures a company can take to recover some, if not all, of the on-the-job productivity lost to employee illness.”⁷ Weight loss is an achievable solution to this issue for American business. Consider the following:

Large changes in weight may not be needed to capture a substantial portion of the benefits outlined. It is well documented that weight loss, even if only 5-10%, significantly improves lipoproteins⁸, hypertension⁹, DM and insulin resistance¹⁰, risk for osteoarthritis and its symptoms¹¹, risk for selected cancers¹², and other risk factors for chronic diseases¹³. It can also set the stage for further weight loss, if indicated.

Findings such as these are very good news for employers and their employees. It means that employers can encourage weight loss without resorting to overly drastic measures, because it doesn't take an extreme reduction type of weight to achieve these significant health benefits.

Employers who already use initiatives such as absence control programs, or “paid leave banks” in order to control presenteeism would do well to consider a weight management program for identified employees with a realistic 10% weight loss goal. An employee achieving the 10 percent weight loss gains the health benefits that reduce costs for the employer, and is more likely to keep that weight off. Short term diets don't work. In fact, 95% of people who lose weight put it right back on within 12 months¹⁴. It takes time to impart good behaviors and make them stick.



It is therefore vital to lose weight the same way as maintaining that weight loss. Any weight management plan put forward by an employer should include an extended maintenance phase to monitor weight and make sure employees have the skills and tools necessary to successfully maintain reduced weight for life.

Conclusion

Tremendous benefits accrue when obese employees shed just 10% of their body weight. The awareness of the need for programs to reduce workplace presenteeism costs is growing among employers, due to the research of Finkelstein, his colleagues and others. However, employers may not be aware of the benefits that 10% sustained weight management can bring. Those looking to reduce presenteeism costs literally cannot afford to ignore this opportunity for increased productivity and savings. Investment in weight management programs that generate at least a 10% sustained weight loss is expected to deliver long-lasting and sustainable returns in the form of reduced presenteeism costs.

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