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# The Economics of Wellbeing

Why Wellbeing Matters and Insights for Leaders of Businesses and Communities



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# Introduction: What Wellbeing and Economics Have in Common

Wellbeing matters. Subjective wellbeing — as measured through survey research — has been linked to an extensive array of outcomes that are relevant to communities and organizations alike. In workplaces, wellbeing closely predicts absenteeism, performance and healthcare utilization (Sears et al., 2014), as well as turnover and employee engagement (Rath and Harter, 2010). Among residents of communities, wellbeing is correlated to healthcare utilization, violent crime, property crime, high school graduation rates, teen pregnancy, unemployment rates and life expectancy metrics, among others (Gallup-Healthways, 2009). Wellbeing has even been linked to county-level shifts in voting patterns for the U.S. president (Herrin et al., 2018).

Expansive meta-analyses of several previously published studies have confirmed the relationship between wellbeing and critical work and life outcomes. Included among these outcomes are job performance, turnover intentions (inversely), career satisfaction (observed here as cumulative assessments of one’s overall accomplishments, skill development and income expectation) and organizational commitment (Erdogan et al., 2012).

**TABLE 1**

**Meta-Analyses of the Relationship Among Life Satisfaction, Career Satisfaction, Organizational Commitment, Performance and Turnover Intentions**

Correlate	<i>N</i>	Mean <i>r</i>	<i>SD(r)</i>	95% Confidence interval	<i>k</i>
Career satisfaction	3,021	.43	.08	.39, .45	9
Job performance	2,269	.14	.10	.09, .18	10
Organizational commitment	8,588	.30	.09	.28, .32	10
Turnover intentions	8,125	-.27	.22	-.25, -.29	13

Note: *N*= sample size; Mean *r* = average weighed correlation coefficient; *SD(r)* = standard deviation of *r*; *k*= number of studies.

Other research has used meta-analysis to provide strong evidence of the relationship between job performance and critical influencers of wellbeing, including psychological health (depression, anxiety, fatigue, psychological disorders and life satisfaction), physical health (somatic/physical symptoms/complaints, hypertension and BMI) and health behaviors (alcohol consumption, wellness behaviors, smoking and sleep) (Ford et al., 2011). Overall, the effects of psychological health factors on job performance were more significant than those of physical health — though hypertension had the most significant impact. As for health behaviors, alcohol use and smoking were modestly negatively related to performance, while stronger a relationship was found with sleep.

More recent meta-analysis research has shown that subjective wellbeing generally, and both cognitive and affective wellbeing specifically, are statistically related to job performance, with affective wellbeing having the strongest relationship. These relationships hold across global regions but are higher in the Asia-Pacific region than in Europe or the U.S. (Salgado and Moscoso, 2022).

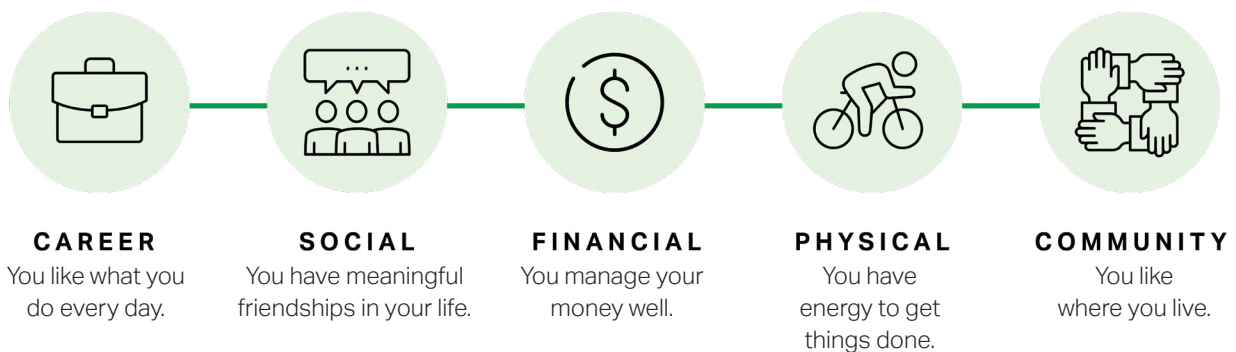
Wellbeing has also been linked to lower mortality rates due to cardiovascular disease (CVD): Population wellbeing is significantly inversely related to CVD mortality. These relationships exist independent of socioeconomic status and various aspects of public health, including obesity, diabetes, hypertension and physical inactivity. Prior to controlling for these factors, CVD deaths decreased by 15.5 per 100,000 persons for every 1.0-point increase in Well-Being Index (WBI) scores when sorted into quintiles at the county level. Subsequent models that accounted for demographic and health cofactors predictably attenuated the relationship but still resulted in -7.3 deaths per 100,000 persons ( $p < .001$ ) for every 1.0-point increase in the WBI. (Spatz et al., 2023.)

In light of extensive scholarly evidence of the benefits of high wellbeing, the World Health Organization (WHO) has advised that *improving* total population wellbeing to better realize these outcomes requires a holistic approach. According to the WHO (2002), health is not merely comprised of physical components and the absence of an infirmity, but rather is “a state of complete physical, mental and social wellbeing.”

All these factors — large and small — influence the U.S. economy. From how much businesses can count on employees to show up on time for a productive workday to how much residents spend on healthcare today and in the future, the U.S. economy is substantially impacted by the wellbeing of its citizenry.

Historically, definitions of wellbeing have fallen into two broad categories. The first category comprises traditional neoclassic measures, such as income, GDP, life expectancy and poverty rates. The second includes the subjective or psychological wellbeing measures that gauge how people feel about their lives. These measures can be separated into two general types: those that measure how people evaluate their lives in broad terms and those that assess the positive and negative experiences people encounter on any given day.

Since 2008, the Gallup National Health and Well-Being Index™ has provided an in-depth view of Americans' wellbeing by measuring people's perceptions of their lives and daily experiences through five interrelated elements: career, social, financial, physical and community wellbeing. By the end of 2022, over 3 million randomly selected U.S. adults had been surveyed.

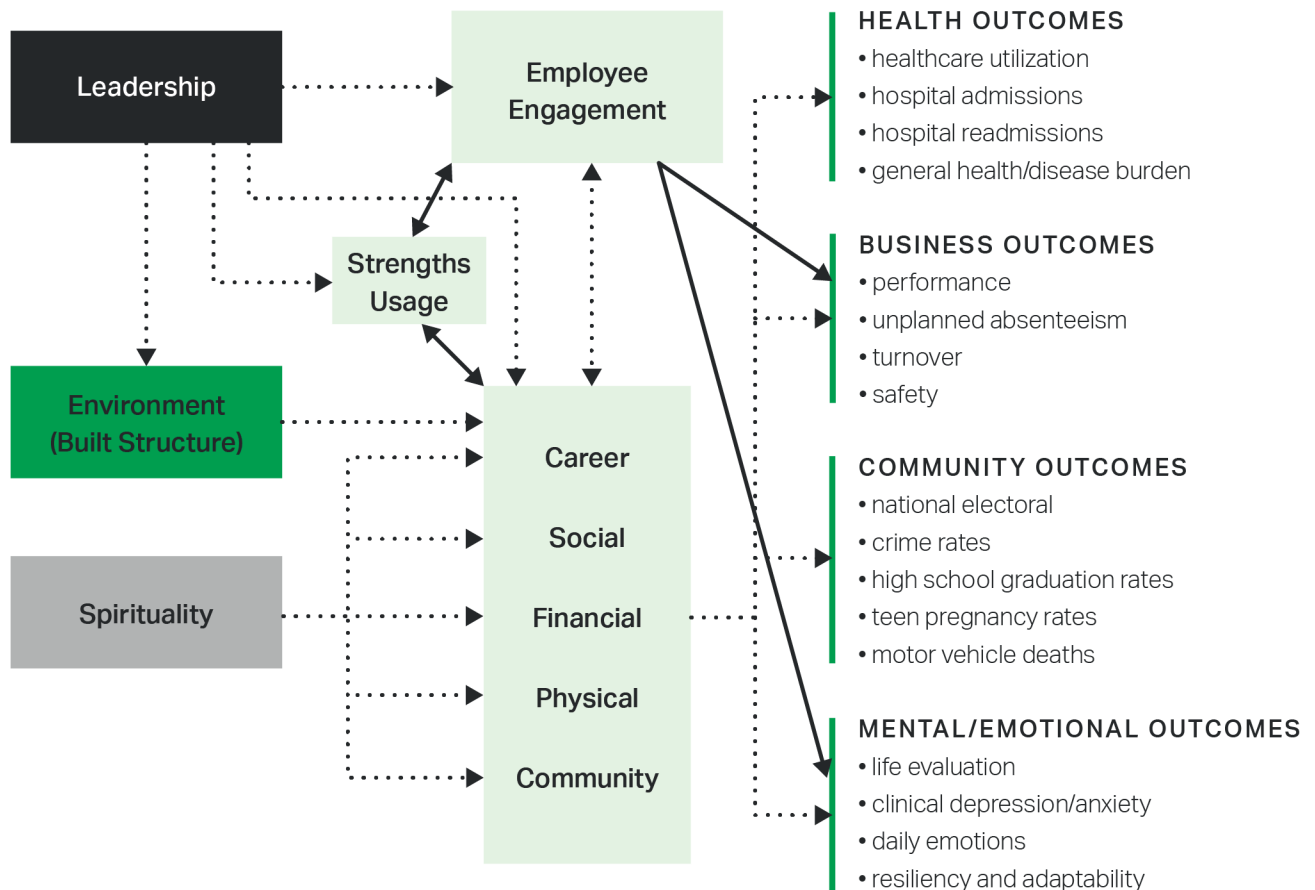


Based on the strength of their responses on each aspect of wellbeing, individuals can be sorted into one of three categories for each element:

- **Thriving:** wellbeing that is strong, consistent and progressing in a particular element
- **Struggling:** wellbeing that is moderate or inconsistent in a particular element
- **Suffering:** wellbeing that is very low and at high risk in a particular element

About half of U.S. adults are thriving in only one element or no elements at all, underscoring the significant challenges facing American society in its pursuit of a life well-lived (Brown and Sharpe, 2014).

### What We Know About Wellbeing Outcomes



Ultimately, high-wellbeing workforces and residents of the best wellbeing communities in the U.S. are more likely to be thriving across each of the five critical elements, thus capitalizing on the synergistic benefits of each element acting in concert with one another. This finding may reflect what is perhaps the most critical factor in separating the nation’s highest-wellbeing businesses and communities from those with lower wellbeing — a holistic outlook and an approach that embraces and leverages these synergies. Leaders of lower-wellbeing groups can study and adopt the distinguishing features of high-wellbeing groups to enhance the overall health of their employees and constituents.

# Part 1: Moving From Physical Wellness to Holistic Wellbeing

## EXECUTIVE SUMMARY

### **Obesity and Smoking: The Dual Threat to America's Economy**

- The prevalence of obesity and smoking in the United States is a major factor contributing to increasing healthcare expenditures.
- While the percentage of Americans who smoke has been declining over the last two decades, obesity has steadily been increasing.
- The persistence of the obesity trend has put a strain on the U.S. economy in the form of increased healthcare costs and loss of productivity from increased absences from work.
- Additionally, smoking leads to an estimated \$2,284 in additional healthcare costs per person compared to those who do not smoke.
- Added together, overweight or obese Americans who smoke add an astonishing \$300 billion in unnecessary healthcare costs each year, or about 7.3% of total healthcare expenditures.
- Aside from the incremental healthcare costs, the combination of smoking and obesity among U.S. workers results in hundreds of billions of dollars in lost economic activity each year. When lost productivity is added, these health risk factors cost an estimated \$517 billion annually.

### **Diabetes: The Economic Costs of America's Worsening Health Issue**

- Along with the rise in obesity rates in the U.S., diabetes has also increased over the last two decades.
- It is estimated that diabetes among U.S. adults costs the economy an additional \$284 billion annually in healthcare expenditures.
- As with smoking and obesity, diabetes causes unplanned absences from work and a loss of productivity, resulting in an estimated \$40.8 billion in lost economic activity each year.

### **Beyond Physical Wellness: The Importance of Holistic Wellbeing**

- Fostering wellness starts where Americans spend most of their daily lives — in the workplace.
- Research shows that while only 24% of employees participate in workplace wellness programs, 40% of those who are aware of what is offered participate — and even more participate if they are engaged in their work.
- Physical wellbeing is reported to be the greatest focus in most workplace wellbeing initiatives and programs.
- Nonetheless, holistic wellbeing (i.e., having a good balance of physical, career, community, social and financial wellbeing) produces better personal and workplace outcomes in terms of absenteeism, safety, employee retainment, resilience and even community engagement.
- Respondents who reported high levels of wellbeing in all five of the elements of wellbeing outperformed those who were physically fit but otherwise lacking.

### **Disease Burden: Using Wellbeing to Reduce New Disease States**

- A study tracking 3,654 of the same working adults over a three-year period reveals that lower wellbeing is linked to 159 extra new conditions per 1,000 people.
- This amounts to an estimated 19.1 million new chronic conditions across the entirety of the U.S. full-time working population at the end of the three-year period as a function of poor or inconsistent wellbeing at the beginning of that period.
- Overall, when compared to high wellbeing workers, the incremental chronic conditions measured among those workers with lower wellbeing results in an estimated \$101.5 billion in new healthcare costs each year by the end of the three-year period.

### **The Importance of Sleep to Wellbeing and the Economy**

- Eight hours of sleep has been shown to be the most optimal for wellbeing among most U.S. adults. However, the optimal number of hours drops to about seven hours of sleep for adults aged 65 and older.
- Longitudinal studies have shown that poor wellbeing is linked to new-onset sleep disorders.
- Poor sleep quality can also negatively affect productivity, as those who report having trouble sleeping are far more likely to miss work and report lower focus and concentration. In all, poor sleepers suffer an estimated \$44 billion in lost productivity compared to all other workers.
- The importance of a good night's sleep is something workplaces should emphasize and promote to help improve employee wellbeing.

### **Caregiving: The Hidden Toll on Worker Wellbeing and Productivity**

- More than 16% of the U.S. workforce report being a caregiver for an elderly friend/family member or a friend/family member with a disability.
- Caregivers' mental and physical wellbeing is noticeably worse than that of non-caregivers; the burden is greatest among adults over the age of 45.
- Overall, women, middle-aged, Black or Hispanic adults from lower-income households and with no more than a high school education disproportionately represent caregivers in the U.S.
- One quarter (24%) of caregivers say providing care to an aging family member, relative or friend keeps them from being able to work more, and a majority of caregivers report that their caregiving responsibilities have at least some impact on their work performance.
- Additional absenteeism due to caregiving costs the U.S. economy an estimated \$25.2 billion in lost productivity per year. Including caregivers who work part-time would cause absenteeism costs to climb close to \$30 billion.



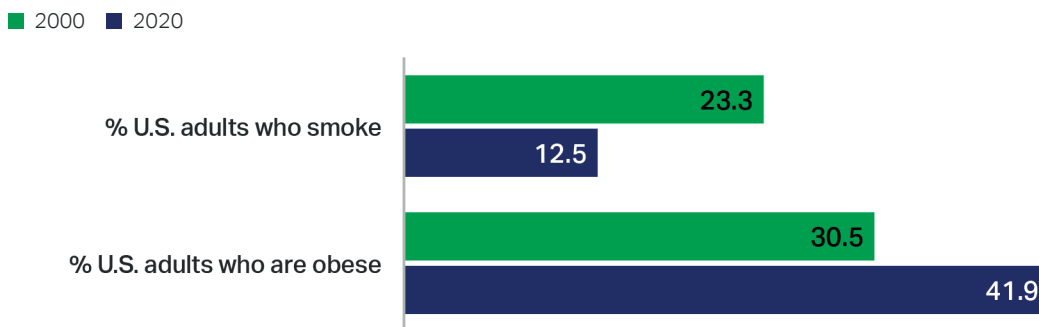
## Obesity and Smoking: The Dual Threat to America's Economy

The U.S. spent an estimated **\$4.1 trillion on healthcare** in 2020, which accounted for 19.7% of Gross Domestic Product, according to the Centers for Medicare and Medicaid Services (CMS). That's 19.7 cents out of every dollar spent for any reason and about \$12,370 per person per year spent on healthcare. In 2017, the CMS estimated that the U.S. would reach 19.7% in 2026; therefore, the stunning rise — fueled by the COVID-19 pandemic — matched that projection six years ahead of time. Healthcare costs were already a heavy burden for the American public before the pandemic and are likely worsening because of recent healthcare inflation, which **ballooned to 6.0% as of September 2022**, compared to 1.9% in early 2021. Individual taxpayers, businesses and cities are footing this enormous bill, but they do not need to be paying this much. According to the Centers for Disease Control and Prevention (CDC), a remarkable 75% of all medical costs in the U.S. are associated with chronic, mostly preventable diseases.

Obesity and smoking are major factors in these skyrocketing expenditures. While smoking has slowly but steadily declined over the last two decades, dropping from **23.3% in 2000 to 12.5% in 2020**, obesity has **starkly worsened**, climbing from 30.5% in 2000 to **41.9% in March 2020**. As such, the diminished pressure on the economy due to the reduction in smoking is roughly canceled out by the increased pressure caused by obesity's relentless ascent.

### CHART 1

#### U.S. Adults Smoking and Obesity Rates, 2000 and 2020



Source: Centers for Disease Control and Prevention, BRFSS

Reversing obesity trends would significantly reduce healthcare costs. Research conducted over a decade ago (when obesity rates were lower) estimated annual incremental health expenditures due to obesity to be \$147 billion (Finkelstein et al., 2009) and \$168 billion (Cawley and Meyerhoefer, 2010). However, due to increasing obesity rates, and in 2020 dollars, this amount is now estimated to be much greater. Total direct annual healthcare costs for an obese person are an estimated \$1,861 more than those for an individual of average weight. With about 254 million American adults, this adds up to \$198 billion in incremental healthcare costs in 2020.

Additionally, 30.7% of adults are overweight. Although less expensive than obesity, overweight adults add another \$29 billion in extra healthcare costs. When combined, those who are obese or overweight cost the U.S. economy an estimated \$227 billion annually in extra medical care.

Calculating these direct costs is possible because of obesity's links to various quantifiable medical conditions. Obesity's indirect costs from lost energy and productivity are more difficult to quantify but also real and significant. These hidden costs burden individuals, the businesses they work for and the cities where they live. George Washington University researchers have estimated that annual incremental costs rise to \$4,879 for a woman and \$2,646 for a man when these less obvious factors, such as employee sick days, lost productivity and even the need for extra fuel at the gas pump, were figured in (Dor et al., 2010).

Smoking, in turn, is even more costly. In 2020 dollars, adults who smoke incur an average of \$2,284 more each year in healthcare costs than non-smokers (Berman et al., 2013), adding another \$72 billion.

Added together, overweight or obese Americans who smoke add an astonishing \$300 billion in unnecessary healthcare costs each year, or about 7.3% of total healthcare expenditures.

But the story doesn't end there. Obesity and smoking also affect the economy through elevated unplanned absenteeism from work due to poor health and reduced productivity due to daily smoking breaks. Assuming the lost productivity for every eight hours of unplanned missed work costs \$344 (Goetzl et al., 2002), the combination of obesity and smoking among U.S. workers results in an estimated \$217 billion each year of lost economic activity.

When lost productivity is added to incremental medical costs, above-average weight and smoking needlessly cost the U.S. economy *over one-half trillion dollars annually (\$517 billion)*.

## Diabetes: The Economic Costs of America's Worsening Health Issue

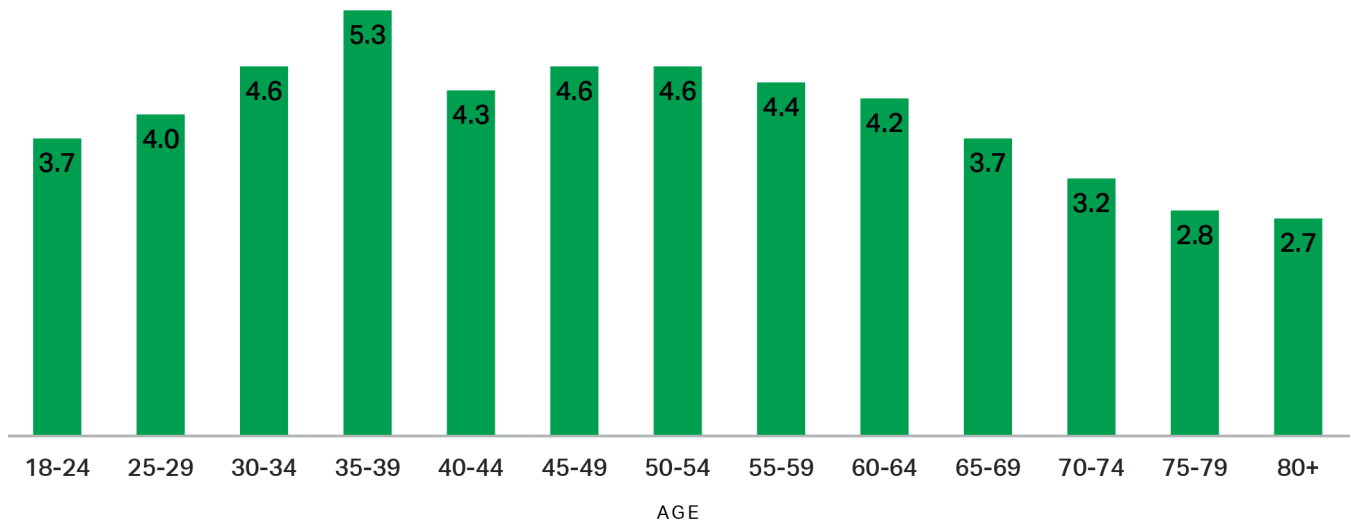
Obesity and smoking are both linked to diabetes — a separate but related condition. Not all individuals who are obese will develop diabetes, and some who are average weight will get the disease. Factors other than obesity status or age could increase the risk of developing diabetes, including physical inactivity, race and ethnicity, and genetic predisposition.

Still, the odds of being diagnosed with diabetes are substantially higher among those who are obese and remain elevated between the ages of 25 and 64. The peak years of elevated risk are between ages 35 and 39. At this stage in life, obese individuals are over five times more likely than their average-weight counterparts to be diagnosed with diabetes.

### CHART 2

#### Obesity and Probability of Diabetes

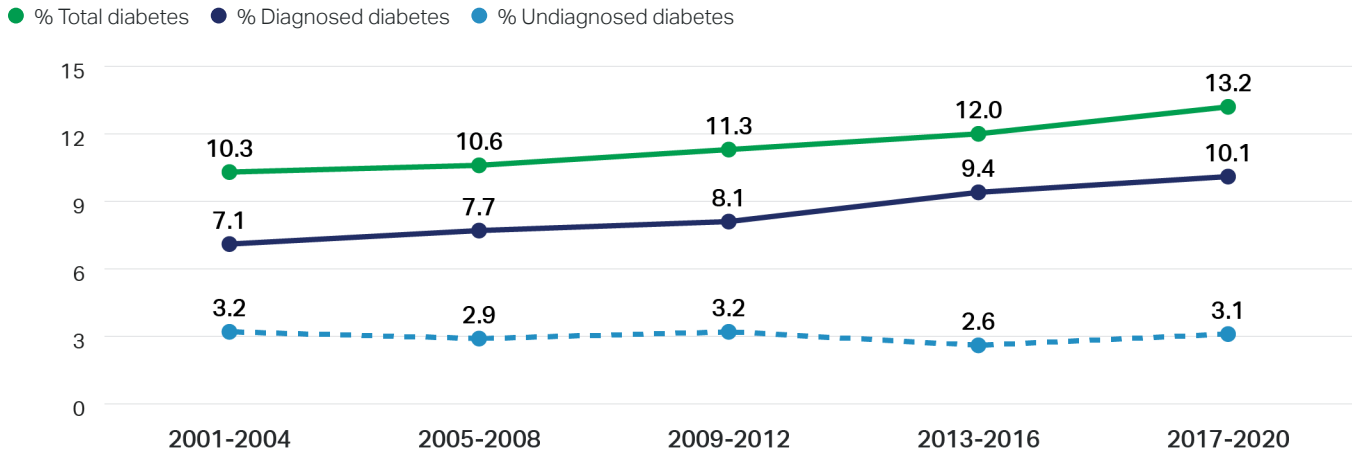
Obese individuals are this many times more likely to have been diagnosed with diabetes than normal weight individuals among the same age group:



Amid rising obesity rates, the prevalence of diabetes has also been steadily climbing over the past two decades, from an estimated 10.3% of adults in 2001-2004 to 13.2% in 2017-2020.

**CHART 3**  
**U.S. Diabetes Rate, Trended**

Trends in age-adjusted prevalence of diagnosed, undiagnosed and total diabetes among adults aged 18 years or older, United States, 2001-2020



Source: Centers for Disease Control and Prevention, National Health and Nutrition Examination Survey (NHANES)

Diabetes among U.S. adults is estimated to cost the U.S. economy an additional \$412.9 billion annually in healthcare expenditures. These results are based on [American Diabetes Association estimates](#) of incremental healthcare costs of \$12,022 per person for those diagnosed with diabetes, compared with individuals who have not been diagnosed.

Diabetes costs the U.S. economy in more ways than just extra healthcare utilization. As with obesity and smoking, unplanned absenteeism related to diabetes costs U.S. employers an estimated \$20.4 billion annually. Full-time workers with diabetes miss an average of 5.5 extra workdays per year, and part-time workers with diabetes (after reducing to half-day estimates) miss an additional 4.3 days. This amounts to nearly 58 million additional days of unplanned missed work each year among workers who have been diagnosed with diabetes compared with their counterparts who do not have diabetes.

Assuming a cost of \$344 per day for the average worker across occupations, lost productivity due to absenteeism related to diabetes costs employers \$20.4 billion annually. This analysis controls for age, gender, income, education, race/ethnicity, marital status, children in household, geography and BMI weight class.

## Beyond Physical Wellness: The Importance of Holistic Wellbeing to the U.S. Economy

Looking beyond the impact of obesity or smoking, physical wellness programs are increasingly found in America's communities and workplaces. Most large employers now offer at least some programs in the workplace aimed at enhancing physical wellness, from relieving back pain and weight loss to smoking cessation and stress management. These offerings are good because employers occupy a unique space when it comes to wellbeing: Unlike the more limited sway held by state or community leaders, workplace leaders ordinarily possess a particularly keen influence over the lives of the people who work there. Therefore, in companies where leaders spearhead programs meant to improve employee wellbeing, the odds are good that at least some employees will be positively influenced — as long as there is widespread knowledge of the offering. [Gallup research](#) has shown that while only 24% of employees participate in workplace wellness programs, this number jumps to 40% among those who are aware of what is offered and climbs still higher among employees who are engaged in their work (O'Boyle and Harter, 2014).

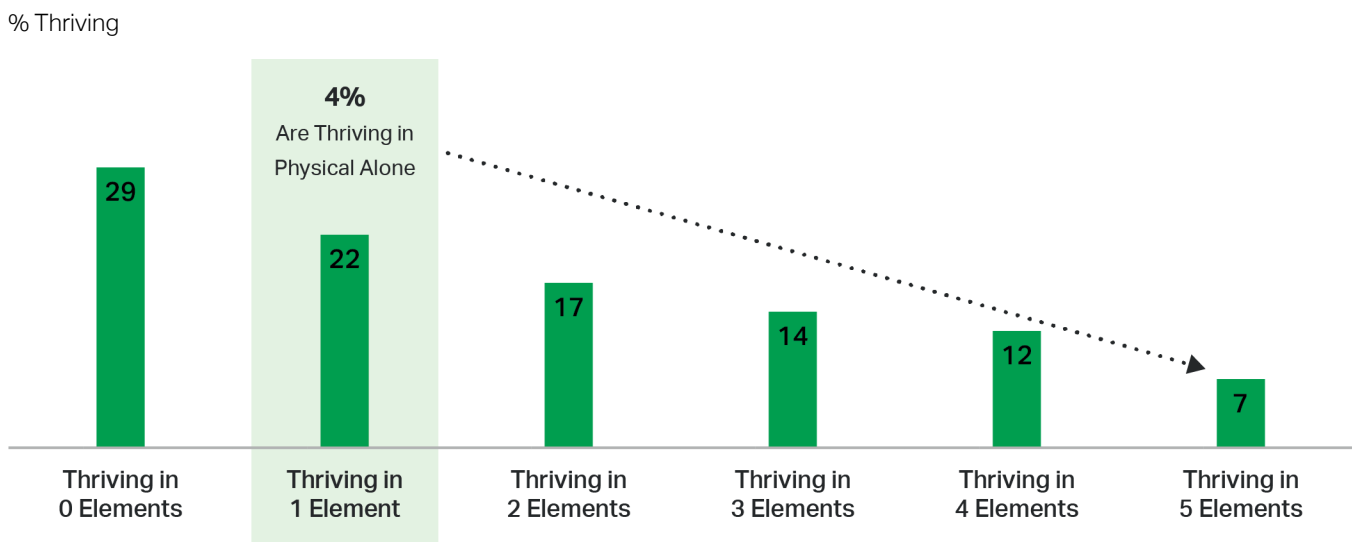
However, the overwhelming majority of wellbeing programs focus on physical wellness, with little else typically dedicated to other elements of wellbeing. This practice leaves a substantial gap between the outcomes workplaces currently yield from their wellbeing programs and the outcomes they *could be* yielding — even in the presence of widespread knowledge among employees of what is at their disposal and even in the presence of great managers who engage them.

This section summarizes the research that reveals the advantages of addressing wellbeing *holistically* compared to physical wellness alone. The results show how much untapped potential gain is being left on the table due to a prevailing focus that is right-minded and worthwhile but also too narrow and limiting.

Nationwide, more than one in four American adults (29%) are not thriving in any of the five elements of wellbeing, while just 7% are thriving across all of them. Therefore, for every adult maximizing their potential wellbeing, four have significant room for improvement in all its facets.

### CHART 4

#### While 29% of U.S. Adults Are Not Thriving in Any Element of Wellbeing, Only 7% Are Thriving in All Five



Four percent of U.S. adults are thriving in physical wellbeing but nothing else. This is where the experiment gets interesting: After controlling for age, gender, race/ethnicity, income, education, region and marital status, those who are thriving across all five elements of wellbeing can be compared to those who are *just as physically healthy but who lack high wellbeing in the remaining elements*. Compared to employees thriving across all five elements, employees thriving in physical wellbeing alone:

- **miss 68% more work due to poor health annually**

Employees who are thriving across all five elements miss 1.9 extra days of work each year due to poor health, compared to 3.2 days each year among those in good physical health but lacking high wellbeing in the remaining dimensions. This adds up to an estimated loss of \$443,000 in lost productivity due to absenteeism per 1,000 employees per year.

- **are three times more likely to file a workers compensation claim**

This adds up to about nine extra claims per year per 1,000 employees, or about \$450,000 per year per 1,000, assuming an average direct cost of \$50,000 per claim.

- **are five times more likely to seek out a new employer in the next year and are more than twice as likely to change employers 12 months later**

While 39% of those in good physical health say they will look for a job with a different organization in the next year, this percentage drops to just 7% among those thriving across all elements. When actual job change is measured, those who are only thriving physically switch workplaces 42% more often than those who are fully realizing their wellbeing, thus incurring incremental replacement costs for employers.

- **are less than half as likely to exhibit adaptability to change and are 26% less likely to bounce back fully after hardship**

Change management is a part of corporate life, as is restructuring, layoffs, mergers and responses to natural disasters. In these cases, the resiliency of an organization's human capital is needed more than ever. In key metrics designed to measure this resilience, adults who are fully realizing their wellbeing potential consistently outperform their physically fit but otherwise under-maximized counterparts.

- **are 19% less likely to have donated to charity in the last year and are 30% less likely to have volunteered in their community**

Corporate social responsibility can take many forms, up to and including how employees are deployed and engaged in their communities. Through the lens of these metrics, social responsibility receives a pronounced bump by addressing all facets of wellbeing rather than just physical wellness.

Across every outcome-oriented metric studied — without exception — respondents who reported high levels of wellbeing in all five essential elements outperformed those who were physically fit but otherwise lacking.

In short, it's not just about being physically fit; it's also about having well-rounded wellbeing. Communities and workplaces that embrace this reality and execute on it will lead the nation in building cultures of wellbeing that economically thrive and prosper.

## Disease Burden: Using Wellbeing to Reduce New Disease States

U.S. adult workers who have poor wellbeing across most or all of the five essential elements of wellbeing are about twice as likely to report a major new chronic condition over a 36-month period of successive surveys than are their counterparts who have high wellbeing in no more than one element. Overall:

- Those workers with **poor wellbeing** (defined as having high wellbeing in one or none of the five elements) developed 450 new chronic conditions per 1,000 persons three years after being initially interviewed.
- Those workers with **inconsistent wellbeing** (i.e., high wellbeing in two to four of the elements) added 330 new chronic conditions per 1,000 persons over the three-year period.
- Those workers with **holistic wellbeing** (i.e., high wellbeing in all five elements) added 230 new chronic conditions per 1,000 persons over three years.

### CHART 5

#### U.S. Workers With Poor Wellbeing Are Nearly Twice as Likely as Those With Holistic Wellbeing to Add a New Chronic Condition in the Following Three Years

Mean number of new chronic conditions added per person over three-year period



Gallup Panel longitudinal study of N=3,654 adult workers (aged 18+) over three-year period. Controlling for the effects of age, annual household income, education, gender, race, ethnicity and marital status, as well as baseline disease burden.

As such, out of every 1,000 full-time working adults with either poor or inconsistent wellbeing, the increased odds of developing or experiencing new diseases or medical conditions are associated with an extra 159 chronic conditions over the 36-month measurement period than what would otherwise be expected if all 1,000 workers had holistically high wellbeing.

The wellbeing classification is based on the wellbeing of each respondent at the start of the three-year window. The increased disease rate for high-wellbeing respondents is statistically lower than the rates for their lower-wellbeing counterparts. Eight disease diagnoses were tracked in this research: high blood pressure, high cholesterol, diabetes, depression, anxiety, back pain, insomnia and suffering a heart attack.

These results are based on two surveys of the same 3,654 U.S. working adults administered over a three-year period as part of the Gallup Panel. In addition to wellbeing measurement in the successive surveys, respondents were asked to report if a doctor or nurse had told them that they had any of the eight diseases.

The new incidence rates, therefore, are based on reports of newly diagnosed disease states in the 36 months following the initial wellbeing measurement. The results isolate the impact of wellbeing on disease diagnoses by controlling for the effects of other factors associated with health: age, annual household income, education, gender, race, ethnicity and marital status, as well as the number of studied conditions already present at the onset of the 36-month experiment period.

Even among high-wellbeing individuals, the odds of adding new disease states grow with aging. But these chances are elevated among lower-wellbeing individuals, resulting in incremental increases in disease states and costs that would not otherwise be expected if all had holistic wellbeing.

Nationally, 9% of working adults have holistic wellbeing, compared with 47% who have inconsistent wellbeing and 44% who have poor wellbeing. Out of every 1,000 full-time workers, poor wellbeing was associated with 220 new diagnoses in the 36-month period, while inconsistent wellbeing was associated with another 100 new diagnoses than what would otherwise be expected if all had holistic wellbeing.

Assuming 132.5 million full-time American workers, this amounts to an estimated 19.1 million new chronic conditions across the entirety of the U.S. full-time working population in the three years as a function of poor or inconsistent wellbeing at the beginning of that period.

#### CHART 6

### Fewer Than One in 10 U.S. Workers Have Holistic Wellbeing, While Close to Half Have Poor Wellbeing

Poor wellbeing workers gain an additional 220 disease states over three years per 1,000 workers when compared with workers with holistic wellbeing. Inconsistent wellbeing workers gain 100 disease states per 1,000 workers over three years compared with workers with holistic wellbeing.

■ Holistic wellbeing ■ Inconsistent wellbeing ■ Poor wellbeing



Gallup Panel longitudinal study of N=3,654 adult workers (aged 18+) over three-year period. Controlling for the effects of age, annual household income, education, gender, race, ethnicity and marital status, as well as baseline disease burden.



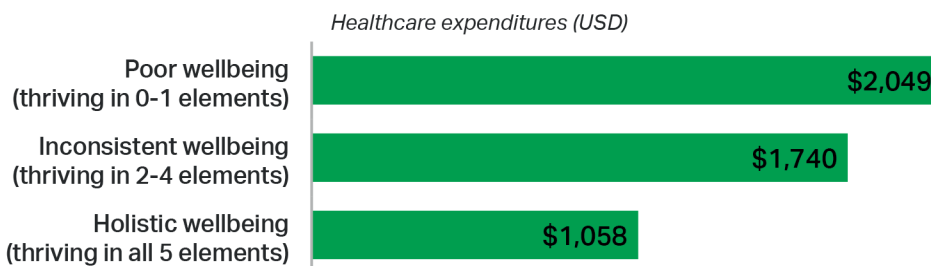
### Additional New Conditions Add an Estimated \$101.5 Billion

Using conservative estimates for the cost of care for each disease state, workers with holistic wellbeing are estimated to add an average of \$1,058 per year in new healthcare costs due to the additional chronic conditions that had accrued over the prior three-year time window. This amount rises to \$1,740 annually among those with inconsistent wellbeing and to \$2,049 annually among those with poor wellbeing. Projected across the entire full-time U.S. workforce, the elevated amounts for those with lower wellbeing add an estimated \$101.5 billion in new annual healthcare costs by the end of the three years than what would be expected if all workers had holistic wellbeing.

#### CHART 7

### Wellbeing's \$101.5B Impact: Cost of New Chronic Conditions in Full-Time Workers

Projected to all full-time U.S. workers, new chronic conditions developed over a three-year period among those with poor or inconsistent wellbeing add an estimated \$101.5 billion in new annual healthcare expenditures than if all workers had holistic wellbeing.



Gallup Panel longitudinal study of N=3,654 adult workers (aged 18+) over three-year period. Controlling for the effects of age, annual household income, education, gender, race, ethnicity and marital status, as well as baseline disease burden.

The data highlighted here underscore the likelihood that achieving high wellbeing across the five elements will reduce the chances of developing new diseases over a three-year period, thus realizing an estimated \$101 billion in savings in healthcare expenditures each year.

## The Importance of Sleep to Wellbeing and the Economy

Wellbeing is shown to have a clear [link to sleep](#), with eight hours of sleep per night being optimal for overall wellbeing for most adults, dropping to seven per night only for those aged 65 and older. In demographics-controlled longitudinal studies, wellbeing has been shown to be a significant predictor of new-onset sleep disorders. And sleep quality has a distinct impact on daily moods. People who felt irritable before going to sleep and then had a good night’s sleep have been shown to have above-average moods the next morning and afternoon. In contrast, for those who were in a good mood at the end of the day but did not get the right amount of sleep, their mood levels dropped to average, and they were more likely to feel irritable the next day. (Rath and Harter, 2010).

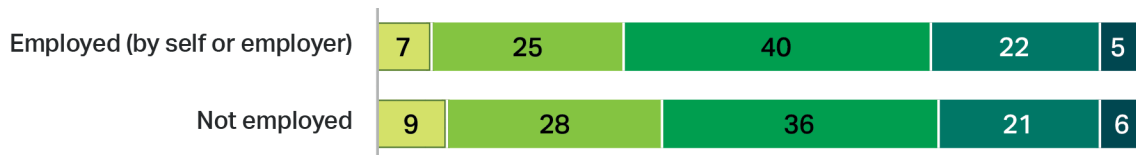
Good/high-quality sleep is important to the economy, and sleep quality is substandard for millions of U.S. adults inside and outside the formal workforce. When asked to rate their sleep quality over the prior 30 days, 27% of both groups reported either “excellent” or “very good” sleep. Those outside the workforce were slightly more likely to suffer lower-quality sleep — 37% reported only “fair” or “poor” sleep, compared with 32% of those inside the workforce.

### CHART 8

#### Sleep Quality Similar Among Employed and Non-Employed U.S. Adults

Thinking about the last 30 days, how was your sleep in general?

■ % Poor ■ % Fair ■ % Good ■ % Very good ■ % Excellent



Jan. 11-17, 2022

Poor sleepers reported 2.29 days of unplanned missed workdays in the past month due to poor health, compared with 0.91 days for all other workers. These estimates are after controlling for factors that can affect both sleep and health-related absenteeism, including all major demographics, general overall health, clinical depression/anxiety, significant daily stress and COVID-19.

Poor sleepers suffer an estimated \$44 billion in lost productivity compared to all other workers.

**TABLE 2**  
**Poor Sleep Among U.S. Workers Linked to \$44 Billion in Lost Productivity**

In the last 30 days, how many days did you miss work due to poor health?

	<b>Missed days prior month (mean)</b>	<b>Share of total workforce %</b>	<b>Total full-time workers (in millions)</b>	<b>Total part-time workers (in millions)</b>	<b>Annual cost for full-time workers (in billions)</b>	<b>Annual cost for part-time workers (in billions)</b>
Non-poor sleepers	0.91	93	121.71	24.22	Baseline	Baseline
Poor sleepers	2.29	7.00	8.04	1.60	\$40.59	\$4.04

Jan. 11-17, 2022

Controlling for age, gender, annual household income, education, race, ethnicity, general health, clinical depression/anxiety, significant daily stress and COVID-19. "Poor sleepers" respond "poor" to the question: "Thinking about the last 30 days, how was your sleep in general? Excellent, very good, good, fair poor?"

With about 155 million workers (full- and part-time) in the U.S. workforce, the 7% who report poor sleep over the prior month represents an estimated 11 million persons in the formal workforce who are executing their jobs with substandard levels of restfulness, followed by another 25% who report only fair sleep. Poor sleepers are so routinely inadequately rested that unhealthy days resulting in missed work are more than doubled compared with all other workers, independent of other health-related issues. And lack of sleep does not merely result in poor rest. Research has shown that it also impairs a person's ability to focus and learn efficiently and to consolidate memory, critical aspects of a functioning workforce.

For leaders who embrace a wellbeing culture in their workplace, elevating the importance of sleep within wellbeing-related intervention programs is likely to yield a substantial return on their investment, given the percentage of employees who sleep poorly. This includes:

- education on the importance of exercise, healthy eating and stress/worry management (including not worrying about the act of falling asleep itself)
- emphasizing the importance of sticking to a bedtime routine with consistent bedtimes and waketimes
- exchanging reading books for staring at screens before sleep
- investing in a pillow that maximizes comfort and using mattresses that appropriately support the spine and distribute temperature

By treating sleep as a major mechanism for improving employee wellbeing, employers can simultaneously improve the lives of their workers along with business outcomes that are critical to their success.

## Caregiving: The Hidden Toll on Worker Wellbeing and Productivity

Within the U.S. workforce, more than one in six Americans who work full or part time also report assisting with care for an elderly or disabled family member, relative or friend.

Many caregivers face significant **physical** and **emotional** challenges more often than their non-caregiving counterparts. Among other challenges, caregivers are more likely to report having high blood pressure, daily physical pain, recurring pain in the neck, back, knee or leg, are more likely to have been clinically depressed in their lifetime and are more likely to have suffered significant worry and stress the previous day. The toll caregiving takes on wellbeing is greatest among adults under the age of 45, and the economic impact of these effects is substantial.

Working caregivers in the U.S. are diverse, with between 13% and 22% of workers across socioeconomic and demographic groups reporting that they fulfill a caregiver role. They are disproportionately likely to be women, middle-aged, Black or Hispanic adults, from lower-income households (earning under \$36,000 annually) and have no more than a high school education.

Most caregivers (71%) indicate that their employer is aware of their caregiving status, but 28% believe their employer is unaware. Furthermore, an analysis of knowledge of workplace support programs shows that about one-quarter or less of working caregivers have access to support groups, ask-a-nurse-type services, financial/legal advisors or assisted-living counselors through their workplaces.

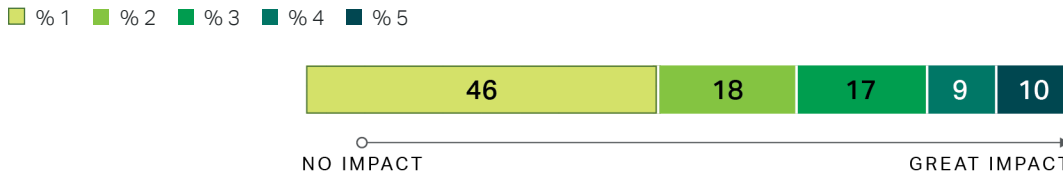
Nearly one-quarter (24%) of caregivers say providing care to an aging family member, relative or friend keeps them from being able to work more.

Over one-third (36%) of caregivers report that their caregiving has at least a moderate impact (3-5 on a five-point scale) on their performance at work.

**CHART 9**

**Majority of Caregivers Report That Caregiving Has at Least Some Impact on Work Performance**

Using a five-point scale, where five is great impact and one is no impact, how would you rate the impact of providing care on your performance at work?



\*Controlling for age, gender, household income, education, race, ethnicity, marital status and region.

Most caregivers also report missing entire workdays due to their caregiving responsibilities. Thirty-six percent report missing one to five days per year because of caregiving duties, while 30% say they missed six or more days in the past year.

Overall, caregivers report missing an average of 6.6 workdays per year due to their caregiving responsibilities. With approximately 17% of the American full-time workforce acting as caregivers, this amounts to a combined 126 million missed workdays each year.

Additional absenteeism due to caregiving costs the U.S. economy an estimated \$25.2 billion in lost productivity per year. Including caregivers who work part time would cause absenteeism costs to climb close to \$30 billion.

Given the significant effect caregiving can have on workplace absenteeism, business leaders should be mindful of the unique realities caregivers encounter. Providing an organized support system for these employees may be a fruitful investment for businesses, given the high percentage of working caregivers who would like to work more if they could. Many working caregivers are likely interested in seeking support in work-life integration to help them meet their responsibilities as caregivers and employees alike, and the accessibility to assistance could go a long way toward greater productivity in the U.S. workplace.

# Part 2: Healthcare, Mental Health and the Opioid Crisis

## EXECUTIVE SUMMARY

### Wellbeing and the Economics of Healthcare

- There is a close link between the wellbeing of U.S. hospital patients and 30-day readmission rates: Inpatients with high wellbeing are far less likely to report being readmitted for the same major health condition 30 days after being admitted.
- There is a link between patients who adhere to medication plans and high wellbeing in that those with higher wellbeing are more likely to report full medication adherence than those with low wellbeing.
- Doctors and staff can meaningfully and significantly influence major health outcomes, such as medication adherence and 30-day readmission rates, as well as reduce strain on medical staff and resources, by measuring and managing patients' wellbeing, properly informing patients on prescription medications and post-care plans and customizing wellbeing plans for individuals.

### Depression: A Worsening Problem for the U.S. Economy

- Globally, nearly 40% of adults over the age of 15 either suffer from significant anxiety or depression or have a close friend or family member who does.
- Recent reports of U.S. adults suffering from depression are at the highest levels Gallup has recorded since it began measuring depression in 2015.
- The prevalence of depression in the U.S. leads to a loss in productivity estimated to cost the economy \$23 billion annually.
- Those diagnosed with depression miss an average of 8.7 workdays each year, while those not diagnosed with depression only miss an average of 4.6 days.
- In particular, part-time workers diagnosed with depression miss an average of 13.7 workdays annually, compared to those not diagnosed with depression, who miss an average of 8.7 days.
- In longitudinal studies, each significantly predicts the future state of the other, but wellbeing has a 54% stronger causal influence on depression than the other way around.
- The five states with the lowest overall wellbeing in 2010 had an average depression rate of 20.5% in 2011. This percentage rose by 3.2 points over the next decade — more than 4x the average rate of increase among the five states with the highest wellbeing.
- Leaders can improve employees' mental health through resource allocation, employee assistance programs, de-stigmatization efforts and depression-focused management education.

### **Beyond Depression: Mental Health as an Underlying Condition**

- The global rise in unhappiness, including feelings of anger, stress, worry and sadness, has been steadily increasing over the last decade, reaching a new high in 2021.
- In the U.S., the increase in deaths of despair is linked to declining employment opportunities for non-college-educated individuals, particularly among rural White males.
- While mental health encompasses a range of conditions, about 19% of U.S. workers rate their mental health as “fair” or “poor.” Workers with poorer mental health report 4x more unplanned absences than those with better mental health, at nearly 12 days annually. Young and female workers are the most likely to report poor mental health in the U.S.
- Generalized across the U.S. workforce, incremental missed work is estimated to cost the economy \$47.6 billion annually in lost productivity.
- Two out of every five U.S. workers consider their job to have a negative impact on their mental health.
- Less than half of U.S. workers are aware of mental health services in their workplace.

### **The Best Management Secrets for Impacting Employee Mental Health**

- Improving employee mental health is a crucial concern, with a need to understand key factors and avoid harmful managerial practices.
- Employee engagement — measured through factors like clarity of expectations and opportunities for development — is foundational in enhancing mental health and positively impacts organizations.
- Engaged employees are significantly more likely to report their job having a positive impact on their mental health, while actively disengaged employees are more likely to report it having a negative impact.
- A tipping point exists where engagement is associated with positive mental health, emphasizing the importance of addressing engagement levels in strategies for employee mental health.

### **The Opioid Epidemic: How Wellbeing Can Help Bend the Curve**

- The sharp rise in drug overdose deaths in the past two decades is largely attributed to the abuse of opioids, including natural and semisynthetic opioids like oxycodone and hydrocodone, which can lead to addiction and the use of more dangerous drugs.
- The opioid crisis has imposed a substantial economic burden on the U.S., with an estimated \$631 billion drained from the economy between 2015 and 2018, primarily due to lost lifetime productivity resulting from premature mortality and other factors like healthcare expenses and criminal justice costs. The COVID-19 pandemic likely exacerbated these costs.
- States with higher wellbeing scores tend to have lower drug overdose rates; increases in overdose rates varied between states with differing wellbeing levels.
- High drug overdose rates negatively impact future population wellbeing, but evidence suggests that the reverse relationship is stronger, with population wellbeing having a greater influence on future drug overdose rates.
- Among the five elements of wellbeing (career, social, financial, physical and community), career wellbeing exhibited the strongest inverse relationship with future drug overdose rates.

## Wellbeing and the Economics of Healthcare

Few factors are more relevant to economics than healthcare. As noted earlier, the swelling cost of healthcare continues to consume ever greater amounts of the U.S. economy and is heavily driven by individually manageable chronic conditions. One practical way to address this issue at the point of healthcare providers has been enacted through the 30-day readmission penalty.

For decades, many observers have viewed readmission rates as a fair surrogate for quality of care. If hospitals discharged patients and they did not need to return, then their care was satisfactory. If they discharged patients who were later readmitted, their care could have — and maybe should have — been better.

Whether or not this perspective is fair, many legislators in Washington, D.C., have adopted it. As a result, the Affordable Care Act includes provisions that penalize hospitals with above-average 30-day readmission rates for heart attacks, heart failure, COPD, pneumonia, coronary artery bypass graft surgery, and elective hip and knee surgical reconstruction by withholding part of their Medicare reimbursement from the CMS.

These provisions were created because the assumption is that lower readmission rates generally reflect better care during a patient's hospital stay. This assumption persists despite some hospital leaders' objections that many readmissions occur due to reasons outside a hospital's direct control.

Nevertheless, the Hospital Readmissions Reduction Program and its associated penalties have been active since fiscal year 2013 and fully implemented since 2016. As of fiscal year 2021, 82.7% of the 3,080 participating hospitals nationwide are being assessed a penalty ranging from 0.01% to 3% (maximum) of their Medicare reimbursement revenue. The magnitude of the penalty typically ranges between \$100,000 and \$1 million annually for hospitals — a potentially big blow given the razor-thin margins many are forced to maintain.

To research this topic, Gallup surveyed more than 30,000 people. All respondents had stayed overnight in a hospital in the prior two years for heart or vascular problems (including coronary heart disease and heart attack), Type 1 or 2 diabetes, pneumonia, or a hip or knee condition. Most of these health conditions are evaluated as part of the Hospital Readmissions Reduction Program.

In all, the 2,995 respondents had been admitted for one or more of these conditions and n=2,186 (73%) were prescribed medications upon discharge from the hospital. All were asked a series of questions about their personal wellbeing, their experience in the hospital and their interactions with doctors and staff, and if they were readmitted within one month for their initial condition.



## Patient Wellbeing Closely Linked to 30-Day Readmission Rates

There is a close link between the wellbeing of U.S. hospital patients and 30-day readmission rates. Overnight hospital patients with high wellbeing are less than half as likely as those with low wellbeing to report having been readmitted for the same major health condition within the next 30 days.

### CHART 10

## Patients With High Wellbeing Are Less Than Half as Likely as Those With Low Wellbeing to Suffer Readmission Within 30 Days of Initial Discharge

% Readmitted within 30 days



Controlling for age, gender, race/ethnicity, household income, education, marital status, existing disease burden and health insurance status; among those with an overnight inpatient stay in the prior two years for heart or vascular problems (including coronary heart disease and heart attack), Type 1 or 2 diabetes, pneumonia, or a hip or knee condition.

## Adherence to Medications Is Best Among Those With Optimum Wellbeing

Of those respondents who had experienced an overnight stay, 73% were discharged with prescribed medicine. Three questions were administered to determine medication adherence.

*For your most recent inpatient visit for any of these conditions ...*

- *Do you ever forget to take your medicine?*
- *Were you careless at times about taking your medicine?*
- *Did you stop taking your medication after you were feeling better but before you were supposed to stop?*

Based on their responses, respondents were sorted into three categories:

- **Full Adherence to Medication:** reporting “no” to all three questions
- **Partial Adherence to Medication:** reporting “yes” to one of the questions
- **Medication Adherence Failure:** reporting “yes” to at least two of the three questions

Half of all respondents who were prescribed medication reported full adherence to their medication, while 20% suffered medication adherence failure.

**CHART 11**

**Medication Adherence Success Rates for Selected Conditions**

Do you ever forget to take your medicine?

Were you careless at times about taking your medicine?

Did you stop taking your medication after you were feeling better, but before you were supposed to stop?



Full Adherence to Medication: reporting “no” to all three questions  
Partial Adherence to Medication: reporting “yes” to one of the questions  
Medication Adherence Failure: reporting “yes” to at least two of the three questions

Controlling for age, gender, race/ethnicity, household income, education, marital status, existing disease burden and health insurance status; among those with an overnight inpatient stay in the prior two years for heart or vascular problems (including coronary heart disease and heart attack), Type 1 or 2 diabetes, pneumonia, or a hip or knee condition.

Adherence to prescription medication is closely tied to readmission rates. Respondents reporting full adherence reported a 30-day readmission rate of 13.9%. Those reporting medication adherence failure, in turn, reported a significantly higher 22.1% readmission rate.

As such, discharged patients suffering medication adherence failure have a 59% greater chance of readmission within 30 days than their counterparts who fully adhere to their prescribed medication.

**CHART 12**

**Medication Adherence Closely Linked to 30-Day Hospital Readmission Rates**

% Readmitted within 30 days



Full Adherence to Medication: reporting “no” to all three questions  
Partial Adherence to Medication: reporting “yes” to one of the questions  
Medication Adherence Failure: reporting “yes” to at least two of the three questions

Controlling for age, gender, race/ethnicity, household income, education, marital status, existing disease burden and health insurance status; among those with an overnight inpatient stay in the prior two years for heart or vascular problems (including coronary heart disease and heart attack), Type 1 or 2 diabetes, pneumonia, or a hip or knee condition.

As with readmissions, patient wellbeing is significantly related to full medication adherence, underscoring its importance to this health issue. Treating medication adherence as an outcome in its own right, 56.1% of patients with optimum wellbeing reported full medication adherence, compared with 38.5% among those with poor wellbeing.

**CHART 13**

**Patients With High Wellbeing Are More Likely Than Those With Low Wellbeing to Successfully Adhere to Their Medication**

% Categorized as "Full Medication Adherence"



Controlling for age, gender, race/ethnicity, household income, education, marital status, existing disease burden and health insurance status; among those with an overnight inpatient stay in the prior two years for heart or vascular problems (including coronary heart disease and heart attack), Type 1 or 2 diabetes, pneumonia, or a hip or knee condition AND prescribed medication upon discharge.

## What Leaders Can Be Doing Right Now to Reduce Readmissions

There are practical steps healthcare organization leaders can take to effect change around patient experiences and patient wellbeing to improve the odds of reducing 30-day readmission rates and increasing medication adherence rates.

- **Patient wellbeing should be measured and managed.** Administering a short wellbeing survey to patients upon admission would require no more than about three minutes of their time — a minor addition to pre-admission processes. More than just confirmation of insurance, the resulting information about the patient could be entered into their case file and referenced by physicians and staff to help inform approaches ranging from financial assistance to post-discharge counseling to support groups. Caring for the whole person based on holistic wellbeing is a proven way to reduce readmissions for the current condition and future admissions for others.
- **Hospital staff should give patients a full explanation of what their prescribed medications are meant to do — and what they are not meant to do.** Patients must get a complete account of how their medications work — and the likely health outcome if they fail to take all medications on schedule and as directed.
- **Staff members should engage patients in a detailed discussion of their post-discharge care, particularly the elements that patients are directly responsible for managing.** Hospital staff should also include the patients' support network in this discussion whenever possible. Patients' friends and family members — the cornerstone of social wellbeing — are not just custodians of the patients' meds and diet; they are also partners in sustaining — and perhaps overhauling — the patients' lifestyle. Motivation and attitude are proven aspects of medication adherence.
- **Hospital staff should give patients materials and tools for achieving the highest possible wellbeing in a way that is customized to patients' needs and most practical for them.** Apps for smartphones may be appropriate for some patients, while printed background information may work better for others. In all cases, staff members should focus on patients' conditions when giving them follow-up instructions. When patients feel that their post-care plan is built just for them, they will be more likely to embrace and follow it.
- **Staff members should always verbalize treatment options, even when only one is the clearest choice.** Patients are more likely to feel empowered when they are given multiple options, and they are more likely to adhere to their path after choosing it.

Ultimately, healthcare leaders must fully understand that doctors and staff can meaningfully and significantly influence major health outcomes, such as medication adherence and 30-day readmission rates. Armed with this knowledge, they can act on these opportunities as vigorously and directly as possible. Their actions can have substantial economic benefits for their hospital and its patients and, ultimately, on a broader national economy that is increasingly dependent on their performance and actions.

## Depression: A Worsening Problem for the U.S. Economy

One of the most crippling disease states is depression. Globally, nearly **four in 10** adults aged 15 and over either endure significant depression and anxiety themselves or have a close friend or family member who suffers from it. The percentage who reported feeling depression “a lot of the day yesterday” was 18% in mid-May 2020 before peaking at 25% three months later amid the COVID-19 outbreak. By July 2021 — several months into the vaccine era and at a pandemic low point for new cases and hospitalizations — reports of significant daily depression had dropped back to 18% (Gallup Panel).

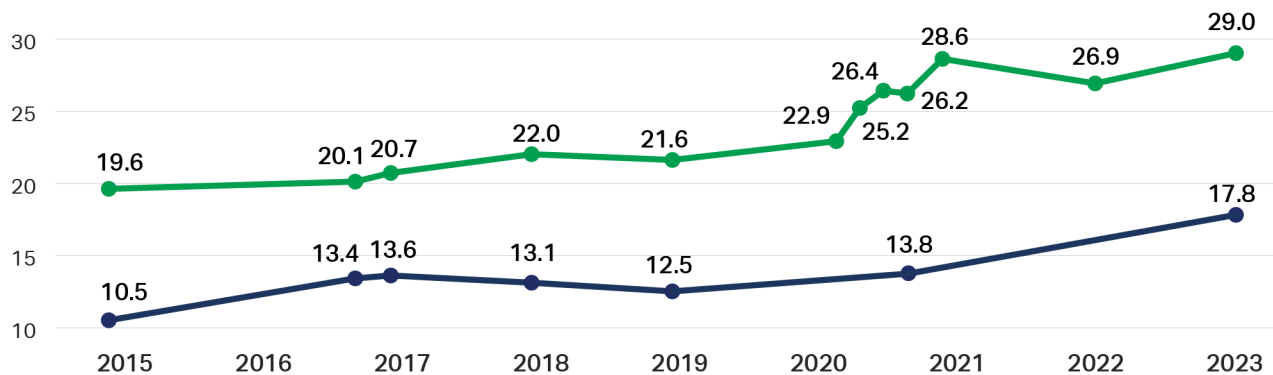
The long-term trends of clinical depression rates are very concerning. For example, the percentage of U.S. adults who report having been diagnosed with depression at some point in their lifetime has reached 29.0%, nearly 10 percentage points higher than in 2015. The percentage of Americans who currently have or are being treated for depression has also increased to 17.8%, up about seven points over the same period. Both rates are the highest recorded by Gallup since it began measuring depression using the current form of data collection in 2015.

### CHART 14

#### Rising Trends: Lifetime and Current Depression Rates

Has a doctor or nurse ever told you that you have depression?  
Do you currently have or are you currently being treated for depression?

● % Yes, lifetime depression ● % Yes, current depression



The economic costs of depression to the U.S. are significant. For example, workers in the U.S. who have been diagnosed with depression at some point in their lives miss an estimated 68 million additional days of work each year than their counterparts who have not been depressed — resulting in an estimated cost of more than \$23 billion in lost productivity annually to U.S. employers.

- Full-time workers who have been diagnosed with depression make up 10.8% of the U.S. full-time workforce and average 8.7 missed workdays each year due to poor health. Workers who have never been diagnosed with depression miss an average of 4.6 workdays per year. Thus, those who have depression or a history of depression miss more than four additional days per year as a function of poor health (after controlling for age, gender, income, education, race/ethnicity, region, marital status and BMI weight class).
- Part-time workers are more likely to report having ever been diagnosed with depression, at 16.6%, and miss an average of 13.7 workdays per year due to poor health. This compares to 8.7 missed days per year among part-time workers who have never been depressed.

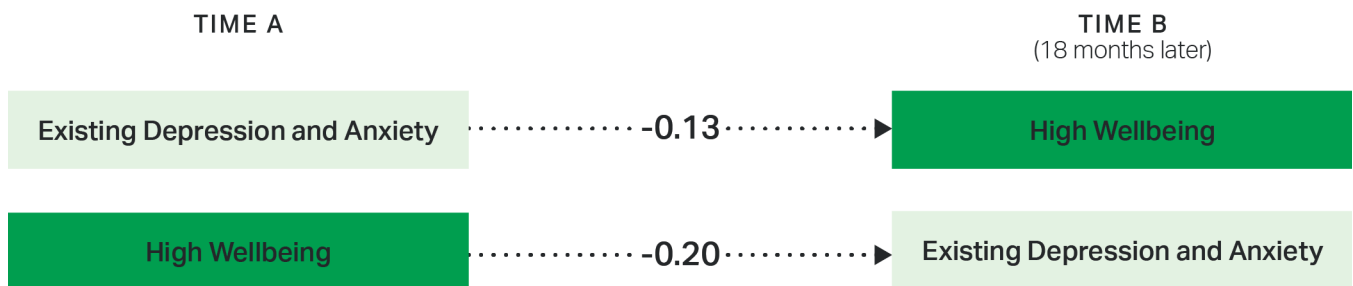
Many aspects of wellbeing are related to depression. Healthy eating, for example, has been linked to a lower likelihood of depression. At the same time, those who are fully employed report roughly half the rate of depression as those who are unemployed or involuntarily partially employed.

Wellbeing itself is closely related to depression and anxiety. While the two are inversely correlated (i.e., people with high wellbeing are less likely to suffer from depression/anxiety, while those who have depression/anxiety are less likely to have high wellbeing), longitudinal studies tracking thousands of the same individuals over a multiyear period have found that the causal impact of each state on the other is not the same. In fact, the individually manageable aspects of the five essential elements of wellbeing have a 54% stronger causal influence on future disease states than the other way around.

**CHART 15**

**Depression vs. Wellbeing: Which comes first?**

In longitudinal studies, each significantly predicts the future state of the other, but wellbeing has a 54% stronger causal influence on depression than the other way around.



Longitudinal sample of 11,306 Gallup U.S. Panel Members (5,500 employed). Controlling for age, gender, Income, education, region, marital status, baseline disease burden and personality differences. Logistic regression (fully standardized; WB5 predicting log odds of new incidents).

In an analysis of all 50 states, the 2010 Well-Being Index scores were strongly inversely related to a rise in depression over the next decade. While states with the highest baseline wellbeing had the lowest baseline depression rates, they also exhibited *much slower rates of increase* from 2011 to 2020. The top five wellbeing states in 2010 — Hawaii, Wyoming, North Dakota, Alaska and Colorado — had an average adult depression rate of 16.2%, subsequently increasing only 0.7 points by 2020.

The five states with the lowest overall wellbeing in 2010 had an average depression rate of 20.5% in 2011. This rose by 3.2 points over the next decade, greater than 4x the average rate of increase among the five states with the highest wellbeing.

**TABLE 3**

Overall Well-Being Index 2010 state rank	2011 lifetime depression average rate	2020 lifetime depression average rate	Change, 2011 to 2020 (pct. pts.)
Top five	16.2%	16.9%	0.7
Top quintile	16.7%	17.8%	1.1
2nd quintile	17.8%	19.4%	1.6
3rd quintile	17.8%	18.3%	0.5
4th quintile	18.4%	20.4%	2.0
Bottom quintile	18.9%	21.7%	2.8
Bottom five	20.5%	23.7%	3.2

As U.S. employers move more aggressively to positively affect change around the physical wellbeing of their employees, such interventions may be inadequate to address mental, emotional and psychological health. Nationally, one in eight U.S. workers has been diagnosed with depression, yielding tens of millions in the workforce who have either grappled with emotional health issues in the past or do so today. Furthermore, the costs of absenteeism estimates shown in this analysis exclude other potential economic costs associated with depression, including productivity loss while on the job, healthcare utilization, workers’ compensation and turnover, among others.

One potentially fruitful strategy for employers to help improve mental wellbeing among employees with depression or depressive symptoms is engaging them by fulfilling certain critical psychological needs in the workplace. Engaged employees demonstrate an elevated willingness to participate in workplace wellbeing programs and boast elevated physical and emotional health (Harter and Agrawal, 2011) compared with those who are disengaged. Engaged employees also have a better mood during the workweek (Harter, 2012) and do not experience increased stress from prolonged commute times (Harter and Blacksmith, 2012).

Ultimately, for leaders of organizations, proven strategies for improving employee mental health generally involve allocating resources for early identification and treatment, employee assistance programs, efforts to culturally de-stigmatize depression and its treatment in the workplace, and management education for addressing depression and its causes. By recognizing the critical importance of depression to the U.S. economy, employers can significantly contribute to addressing the mental health needs of their workforce.

## Beyond Depression: Mental Health as an Underlying Condition

Mental health is not a problem that is unique to the U.S. The marked increase in global unhappiness reveals a steadily rising percentage of people over the last 10 years who reported significant amounts of anger, stress, worry, sadness and physical pain the day before, reaching a new high in 2021. In the U.S., the disturbing rise of deaths of despair has been linked to declining employment opportunities for those without a college degree and subsequent wellbeing-related psychological associations, including a sense of belonging, self-worth, meaning and purpose, and prospects for advancement in the global economy. This trend is particularly acute among non-college-educated rural White males.

Mental health can encompass many disease states, ranging from depression, anxiety and stress to more severe conditions such as bipolar disorder, schizophrenia and psychosis. Assessing “mental health” more generally as an underlying, self-reported condition, recent Gallup research estimates that 19% of U.S. workers rate their mental health as “fair” or “poor,” and these workers report about four times more unplanned absences due to poor mental health than do their counterparts who report “good,” “very good” or “excellent” mental health. Projected over a 12-month period, workers who report fair or poor mental health are estimated to have nearly 12 days of unplanned absences annually, compared with 2.5 days for all other workers.

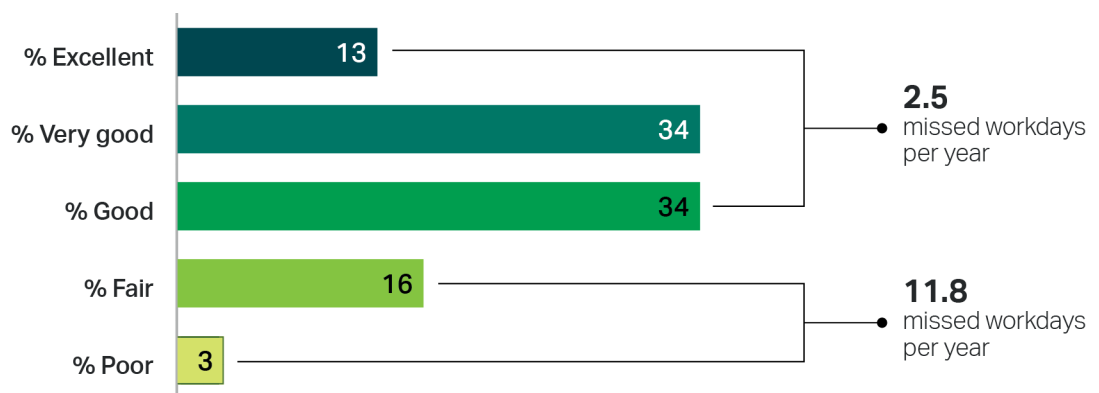
Generalized across the U.S. workforce, incremental missed work is estimated to cost the economy \$47.6 billion annually in lost productivity.

### CHART 16

#### Impact of Worker Mental Health on Annual Unplanned Missed Workdays

Overall, would you say your mental health is excellent, very good, good, fair or poor?

In the last month, how many workdays have you missed due to poor mental health?\*



Controlling for age, gender, household income, education, race, ethnicity, marital status and region

\*Extrapolated to a 12-month period

Missed days estimates are based on the question, “In the last month, how many workdays have you missed due to poor mental health?” Results are computed after controlling for age, race, Hispanic ethnicity, gender, household income, education, marital status and region of the country. The cost of a missed workday is conservatively estimated to be \$344 per day for full-time workers and \$172 per day for part-time workers.



Struggles with mental health are not evenly distributed across the working population. As with other mental health indicators — including depression — women (23%) are more likely to report poor or fair mental health than men (15%). Nearly one-third of young workers under the age of 30 (31%) do the same, compared with 11% of those aged 50-64 and 9% of those aged 65 and over.

Young and female workers are the most likely to report poor mental health.

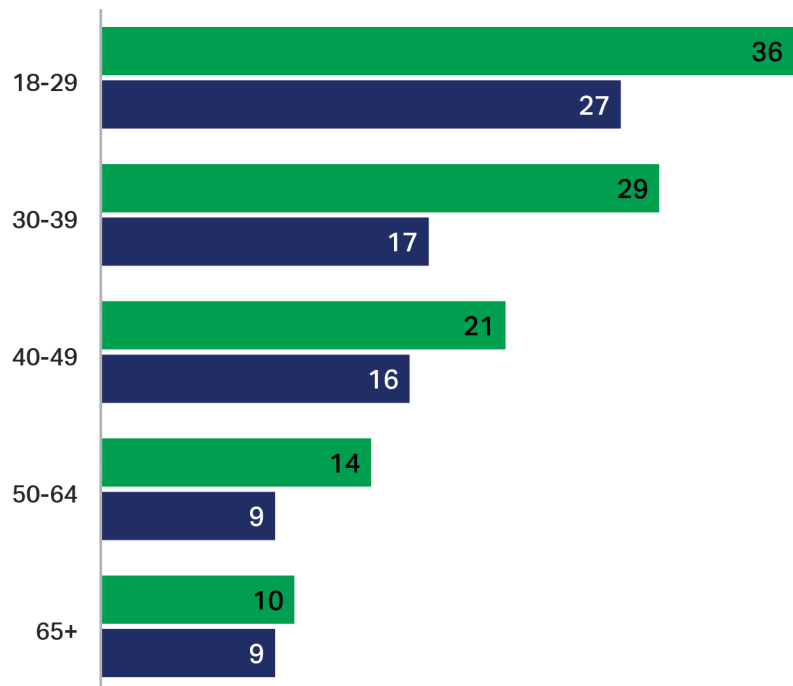
As such, working women under the age of 30 carry the greatest burden of fair or poor mental health (36%) across all age-by-gender subgroups. Notably, among those aged 65 and older, the mental health gender gap disappears.

**CHART 17**

**Percentage of Workers Who Report Fair or Poor Mental Health, by Age and Gender**

Overall, would you say your mental health is excellent, very good, good, fair or poor?

■ % Female workers ■ % Male workers



Gallup Panel, Aug. 23-Sept. 7, 2022

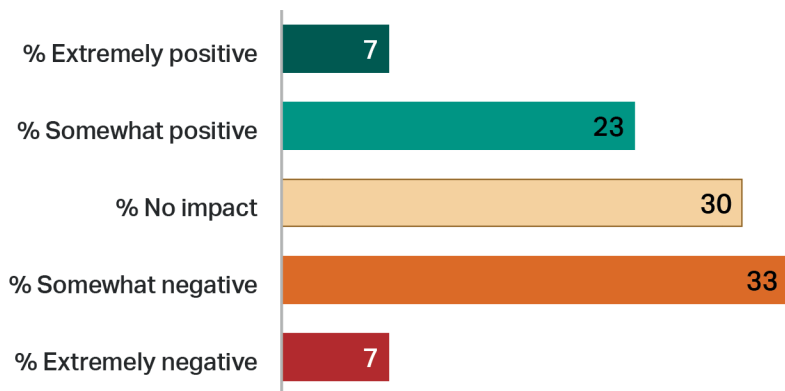
Two in five U.S. workers say their job negatively impacts their mental health.

Four in 10 U.S. workers report that their job has an “extremely” (7%) or “somewhat” negative (33%) impact on their mental health, compared with three out of 10 who report an extremely (7%) or somewhat positive (23%) impact.

**CHART 18**

**Impact of Job on Mental Health for American Workers**

Over the last six months, what type of impact has your job had on your mental health?



Gallup Panel, Aug. 23-Sept. 7, 2022

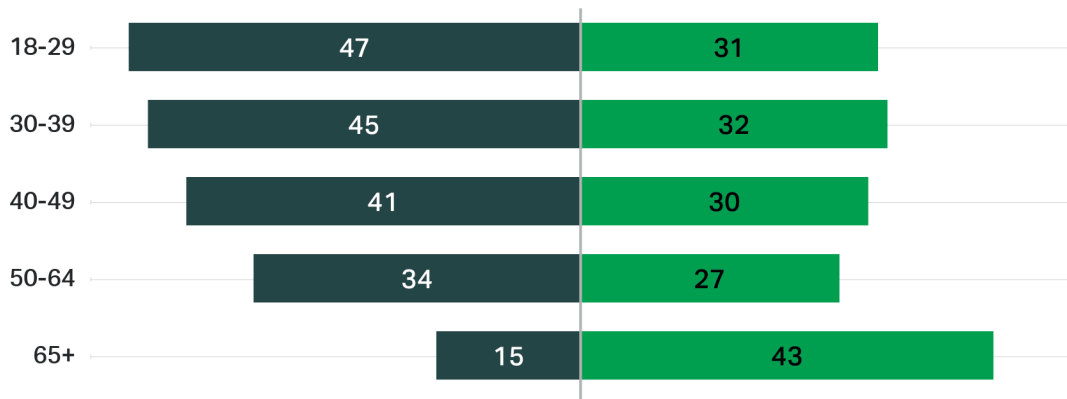
Nearly half of workers aged 18-29 (47%) say their job has negatively affected their mental health. This negative impact mitigates modestly with increasing age before dropping substantially for workers aged 65 and older — who say their job has had a *positive* impact, at nearly a three-to-one ratio (43% positive vs. 15% negative). The improvement with age could be attributed to many employees advancing into more rewarding work as their careers progress or — especially in the 65-and-older group — working out of choice rather than necessity.

**CHART 19**

**Impact of Job on Mental Health, by Age Group**

Over the last six months, what type of impact has your job had on your mental health?

■ % Extremely or somewhat negative ■ % Extremely or somewhat positive



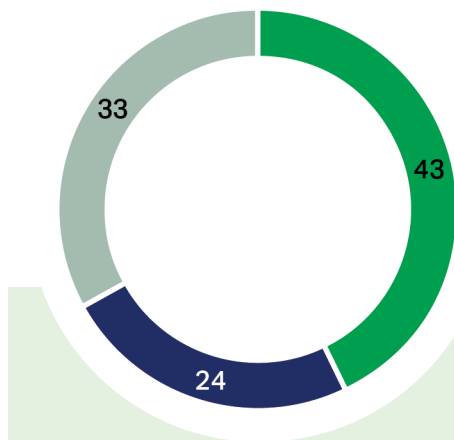
Gallup Panel, Aug. 23-Sept. 7, 2022

**CHART 20**

**Access to Mental Health Support Services**

Does your employer provide easily accessible mental health support services for employees?

■ % Yes ■ % No ■ % Don't know



Among the plurality of workers who say their workplace negatively impacts their mental health, a majority (57%) are unable to confirm the existence of easily accessible mental health support services in their workplace — 24% report the absence of these services, and another 33% are unaware if they are even available through their employer.

Less than half of U.S. workers are aware of mental health services in their workplace.

Gallup Panel, Aug. 23-Sept. 7, 2022

Fifty percent or more of employees in 11 of the 16 reportable industries either report the absence of easily accessible mental health support services in their workplace or are unaware if they exist, including 75% of employees in construction and 71% in arts/design/entertainment/sports/media.

Thirteen percent of government or public policy workers report that in the prior six months, their job had an “extremely negative” impact on their mental health — a greater percentage than in any other industry.

**TABLE 4**  
**Impact of Worker Mental Health Support, by Industry**

Industry	Over the last six months, what type of impact has your job had on your mental health?	Does your employer provide easily accessible mental health support services for employees?	
	% Extremely negative	% No	% Don't know
Government or public policy	13	16	29
Transportation (goods)	10	22	42
Technological/IS/Computer/Software/Mathematical	9	15	32
Healthcare	8	22	29
College or university	8	16	29
Law	7	23	27
Finance	6	25	20
Retail	6	29	32
Arts/Design/Entertainment/Sports/Media	6	30	40
K-12 education	5	25	33
Insurance	5	15	36
Construction	4	31	44
Manufacturing	4	21	39
Professional services	4	22	38
Community/Social services	4	27	35
Utilities	2	19	29

Gallup Panel, Aug. 23-Sept. 7, 2022

## The Best Management Secrets for Improving Employee Mental Health

Amid the evidence of widespread poor mental health among workers, the question arises of what to do about it. What are the most important factors in improving employees' mental health? And what are the managerial hazards to avoid that can cause their mental health the most harm?

**Employee engagement** — as measured by Gallup's survey on several workplace elements, including employees' level of agreement about clarity of expectations, opportunities for development and their opinions counting at work — set the foundation for improving mental health among workers. Through **repeated multicountry meta-analyses**, employee engagement has been linked to many organizational outcomes, including profitability, productivity, customer service, retention, safety and overall wellbeing. In short, engaged employees are involved in and enthusiastic about their work and workplace, while actively disengaged employees are disgruntled and disloyal because most of their workplace needs are unmet. As of September 2023, **33% of U.S. workers are classified as engaged**. Employee engagement is a powerful influencer of how a job can impact a worker's mental health. When Gallup tracked over 10,000 of the same randomly selected U.S. workers over a six-month period, those classified as engaged in February 2022 were *five times more likely* to report that their job had caused an "extremely positive impact" on their mental health six months later than all other employees. Those classified as actively disengaged at the onset of the study, in turn, were nearly five times more likely to report that their job had caused an "extremely negative impact" on their mental health over the prior six months than all other employees.

The tipping point for a worker's job positively impacting their mental health is reached only when the worker is engaged. The tipping point for a negative impact is found with being actively disengaged.

Additionally, employees who were classified in February as not engaged — the type of employees Gallup has previously characterized as predominantly "**quiet quitters**" — are no more likely to say their job had an extremely positive impact on their mental health than their actively disengaged counterparts. These results suggest that a tipping point exists between employee engagement and a significant positive effect on mental health and that such a tipping point occurs only at the threshold of engagement.

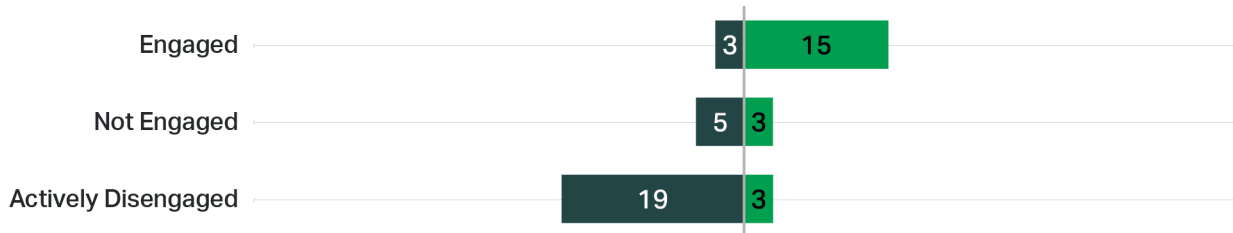
Similarly, the tipping point for negative impact (mostly) occurs only at the threshold of active disengagement. That this mental health "escape velocity" — whether positive or negative — happens primarily only within engaged or actively disengaged groups vividly underscores the critical intersection between engagement and its subsequent impact on worker mental health and stresses a new urgency for leaders looking for strategies for addressing employee mental health.

**CHART 21**

**Impact of Job on Mental Health and Engagement for American Workers**

Over the last six months, what type of impact has your job had on your mental health?

■ % Extremely negative ■ % Extremely positive



Longitudinal measurement of n=10,057 U.S. workers between February 2022 (for engagement status) and August-September 2022 (for impact on mental health over the prior six months).

**The Top Five Pillars for Boosting Employee Mental Health**

Beyond employee engagement, Gallup analyzed nearly 50 individual metrics to distill the most common and highest return-on-investment actions that the best-managed organizations demonstrate in improving employee mental health. In each case, employees who strongly agree with the five statements below *are at least seven times more likely* to report that their job has positively impacted their mental health in the prior six months, resulting in the top five pillars of employee mental health.

- 1 **The organization demonstrates a commitment to building each employee’s strengths and helping each do what they do best every day.** Honoring each employee’s natural aptitudes and making every effort to ensure they spend as much time as possible doing what they do best every hour of every day is critical. Strengths usage is the ultimate optimizer of performance, and employers dedicated to building it among their employees reap the added benefit of significant mental health improvement among their workers.
- 2 **Employees are managed in a way that motivates them to do outstanding work.** Doing great work comes with a sense of accomplishment, purpose and recognition. Being motivated to do so serves as a powerful booster of improved mental health in the workplace and simultaneously creates a culture of high performance and achievement.
- 3 **Employees believe their organization authentically cares about their overall wellbeing.** Amid many proven strategies to address it, this major mental health booster is heavily influenced by (1) providing easy access to fresh fruits and vegetables in the workplace, (2) providing resources to help employees manage their finances and prepare for retirement, (3) encouraging employees to share ideas about boosting wellbeing in the workplace, and (4) including family members in wellbeing-related programs and activities.
- 4 **Employees trust the leadership of their organization.** In practical terms, this pillar is most heavily influenced by how leadership plainly verbalizes an ongoing road map for how it plans to lead the organization through emerging challenges in the marketplace. The more successfully this is accomplished, the greater the trust engendered among the workforce and the more strengthened the subsequent mental health resulting from these efforts.
- 5 **Employees feel connected to the organization’s culture.** Employees who have leaders who help them feel part of a broader purpose and who help them see how their individual goals connect to the wider goals of the organization have substantially better and improving mental health outcomes.

## The Four Employee Mental Health Offenses to Be Avoided at All Costs

Other aspects of work life are particularly detrimental to employees' mental health when they *don't* happen well. Organizations that are most notorious for harming the mental health of their employees will be disproportionately guilty of the four offenses below. When encountered, employees are at least seven times more likely to say their job had an extremely negative impact on their mental health in the prior six months.

- 1 **The materials and equipment required to do the job right are not being provided.** One of the most basic worker psychological needs, sending employees into their workplace without the proper tools to execute their jobs is among the strongest negative influencers of mental health.
- 2 **The opinions of employees are not adequately heard or counted.** Employees who do not feel that their opinions count often feel psychologically unsafe expressing them, typically because they report to someone who is not a good manager. Even if they do, opinions that appear to be ignored or go nowhere can result in frustration, worry, stress and anger and harm the social fabric of the organization's culture.
- 3 **Customers are not being properly cared for and prioritized.** This includes not consistently delivering on the brand promises made to customers and maintaining the speed and agility to accommodate customers in a changing marketplace. Workers take pride in great customer service and brand loyalty — poor execution here is a major factor in poor employee mental health.
- 4 **Management does not know what employees do best.** The only thing worse than having a manager who focuses on weaknesses is having a manager who ignores individual team members, whereby the probability of being engaged is reduced to a mere 2%. Small wonder, therefore, that obliviousness to employees' natural strengths will significantly harm their mental health.

Finally, employee assistance programs (EAPs) are an additional step to addressing employee mental health through common-sense approaches that have gone unaddressed by too many organizations. About 30% of U.S. workers don't know how to access their company EAP, and only 43% say their employer provides easily accessible mental health services. In response, EAPs need to be heavily and steadily promoted and thoroughly destigmatized by leaders.

Furthermore, too many organizations continue to require employees to sign up (i.e., "opt-in") rather than be pre-enrolled (i.e., "opt-out") of company EAPs, causing more administrative and psychological roadblocks to involvement.

Addressing EAPs matters, but this step is just the beginning. The more important aspects of maximizing success with employee mental health programs are how an organization's human capital is managed and whether its brand promises are kept, with far-reaching ramifications for the organization and the people who work there.

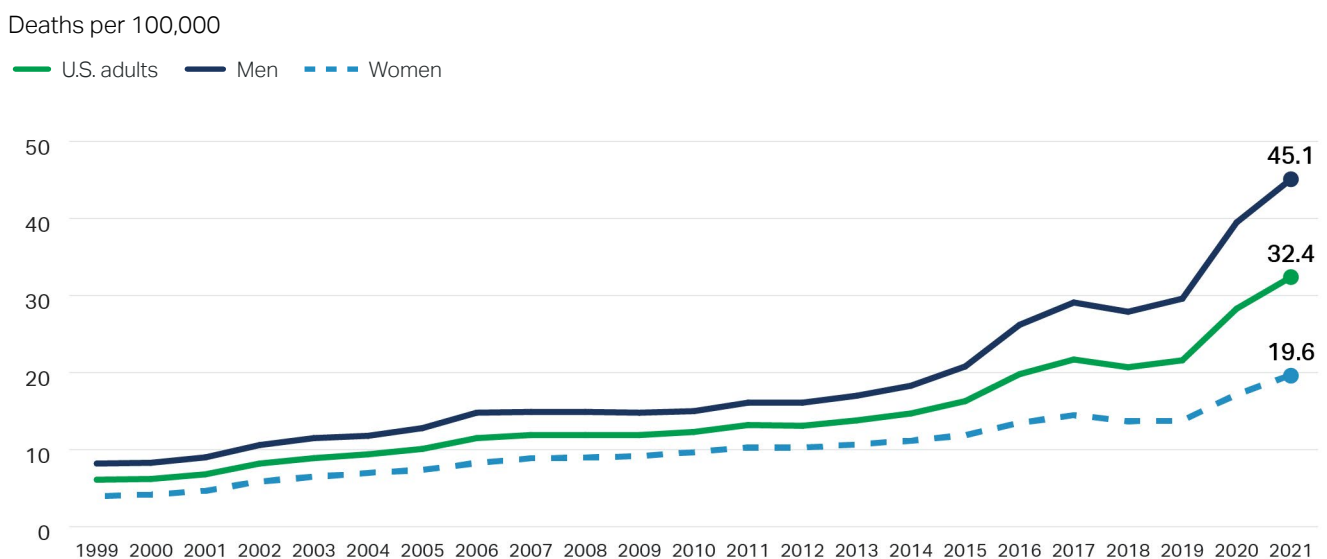
## The Opioid Epidemic: How Wellbeing Can Help Bend the Curve

Drug overdose death rates have risen in the U.S. at alarming levels over the past two decades, characterized overwhelmingly by a staggering rise in opioid abuse.

According to the Centers for Disease Control and Prevention, age-adjusted overdose deaths increased from 6.1 per 100,000 persons in 1999 to 32.4 per 100,000 in 2021. Death rates have risen for all racial/ethnic groups, and men are at a much higher risk than women — although the rate has more than quadrupled for both groups over this period.

### CHART 22

#### Age-Adjusted U.S. Drug Overdose Death Rates, by Gender: 1999-2021



Drug overdose deaths are identified using the International Classification of Diseases, 10th Revision (ICD-10) underlying cause-of-death codes X40-X44, X60-X64, X85, and Y10-Y14. Age-adjusted death rates were calculated using the direct method and the 2000 U.S. standard population. SOURCE: National Center for Health Statistics, National Vital Statistics System, Mortality.

In 2022, the number of drug overdose deaths in the U.S. reached an all-time (predicted) high of 109,680, slightly exceeding the previous high measured in 2021 and representing an astonishing 32.9 overdoses per 100,000 persons. This underscores the 55% surge in deaths since 2019 — the last year before the COVID-19 pandemic.

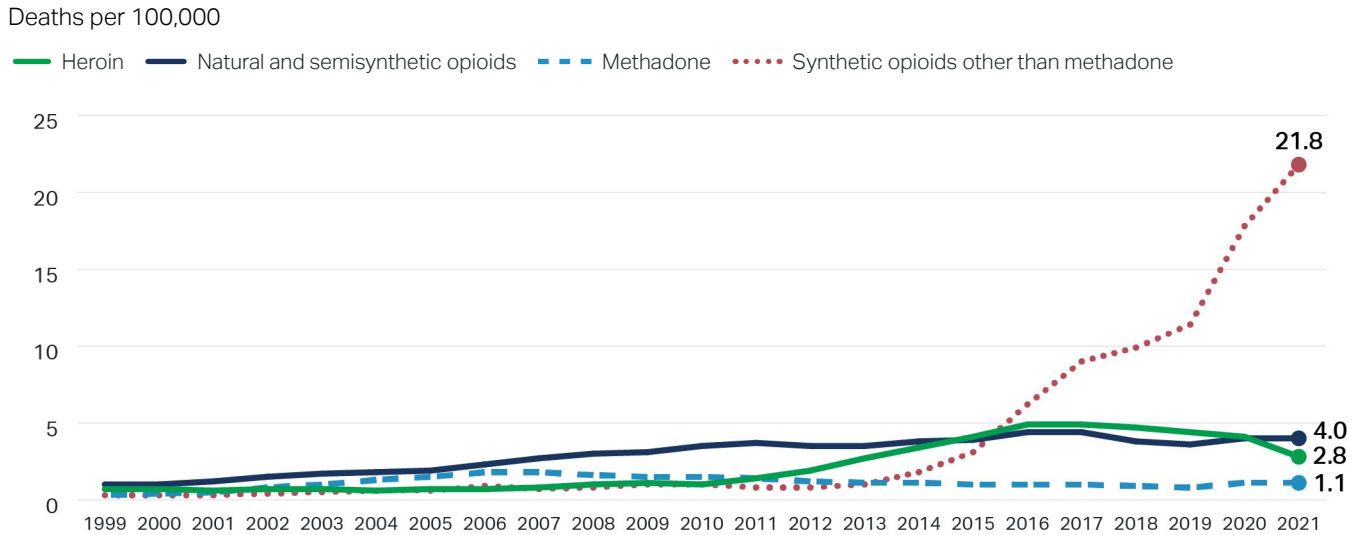
A dramatic increase in opioid abuse has overwhelmingly driven the sharp rise in drug overdose deaths over the past two decades. This has occurred amid a steady rise in natural and semisynthetic opioids, such as the painkillers oxycodone and hydrocodone, typically considered gateway medications to other still more addictive and dangerous drugs. Heroin overdoses increased nearly fivefold between 2010 and 2020, and overdoses from synthetic opioids (other than methadone) like fentanyl increased tenfold between 2014 and 2020. (Methadone reduces opioid withdrawal symptoms among addicts but can also cause addiction in some cases.)

Of the predicted 109,680 overdose deaths in 2022, 82,998 (about 75%) involved opioids. At the current pace, approximately 300 Americans die every day from a drug overdose, including 225 due to opioids. (Predicted overdose deaths are always slightly higher than official reported overdose deaths.)



**CHART 23**

**Age-Adjusted Rates of U.S. Drug Overdose Deaths Involving Opioids, by Type of Opioid: 1999-2021**



Source: National Center for Health Statistics, National Vital Statistics System, Mortality.

The opioid crisis has created a significant cost for the U.S. economy. According to a 2019 report from the Society of Actuaries, at least \$631 billion was drained from the economy due to opioid use from 2015 to 2018, 40% of which was the cost of lost lifetime productivity due to premature mortality. Factors such as healthcare spending for individuals with opioid use disorder, criminal justice expenses, and government-funded child and family assistance and education programs were among the other cost centers contributing to the total amount. The sharply escalated rate of opioid abuse during the COVID-19 era has almost certainly amplified these estimates.

\$631 billion was drained from the U.S. economy from 2015-2018, 40% of which came from lost lifetime productivity due to premature mortality.

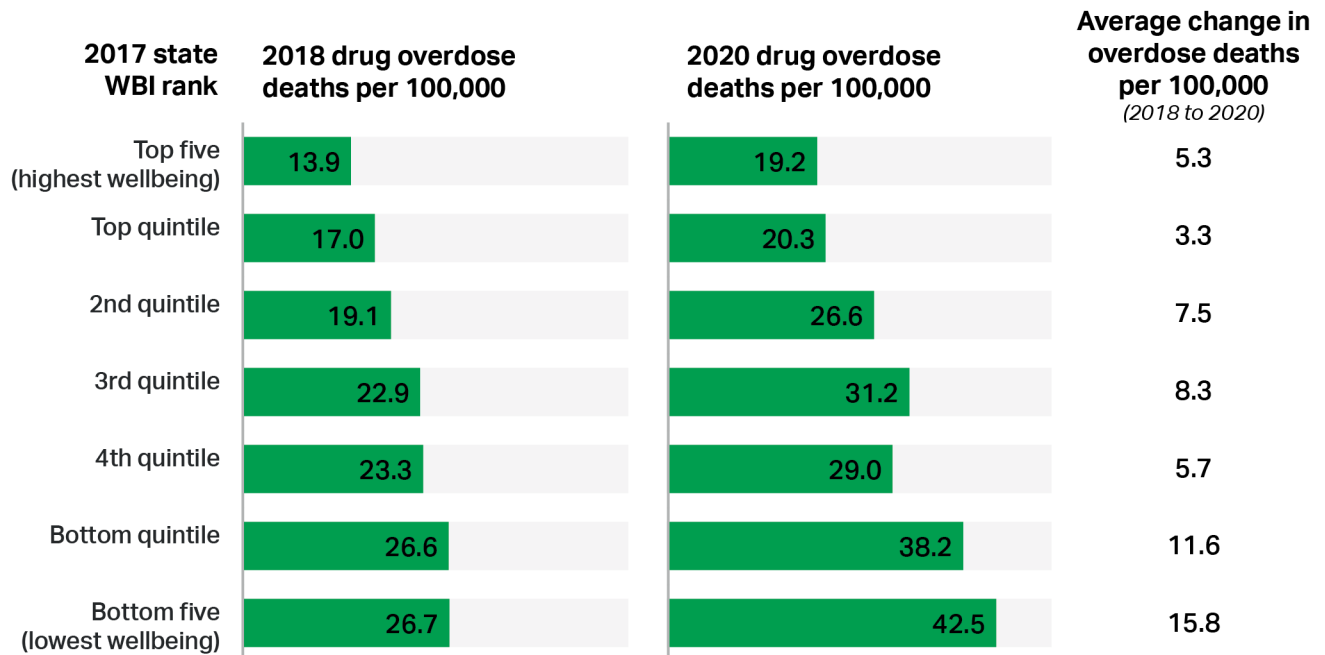
The potential exists to mitigate the opioid epidemic by expanding and elevating wellbeing. To illustrate, an analysis of the [2017 state rankings](#) based on overall Well-Being Index scores shows that the highest-wellbeing states in 2017 had substantially lower average drug overdose rates in 2018 than the lowest-wellbeing states.

Furthermore, the *rate of increase* in the following two years also varied greatly, with the five lowest-wellbeing states in 2017 (West Virginia, Louisiana, Arkansas, Mississippi and Kentucky) increasing their already elevated overdose rates another 15.8 cases per 100,000 residents, on average — compared with an increase of 5.3 cases per 100,000 among the five highest-wellbeing states (South Dakota, Vermont, Hawaii, Minnesota and North Dakota).

**CHART 24**

**Relationship Between 2017 Well-Being Index State Ranks and 2018 and 2020 Drug Overdose Rates**

States with the highest wellbeing have lower drug overdose rates the following year and increase at a slower rate over time.



**Wellbeing Is a Stronger Influencer on Overdose Rates Than the Reverse**

While each influences the other — high drug overdose rates are harmful to the population’s overall wellbeing, and low overall wellbeing among the population increases the chances of higher drug overdose rates — evidence suggests that the two effects are not equal. In three successive analyses of year-over-year data, the overall Well-Being Index score in the U.S. was inversely related to the drug overdose rate the following year. While the reverse relationship (i.e., drug overdose rates correlated with the next year’s WBI score) was also seen, it was much less strong (-0.505 to -0.373).

**TABLE 5**

**Bidirectional Relationships Between State Well-Being Index Scores and Drug Overdose Rates**

Three-year averages of year-over-year correlations

State Well-Being Index score vs. drug overdose rate	Correlation coefficient
State WBI score predicting following-year drug OD rate (three-year average)	-0.505
State drug OD rate predicting following-year WBI score (three-year average)	-0.373

These data suggest that the wellbeing of a state’s population is likely a stronger influence on future drug overdose rates than vice versa. That is, high population wellbeing can serve an insulating function, whereby a cultural foundation exists that lowers the probability of per capita drug overdoses the following year. High drug overdose rates, in turn, reduce the likelihood of high population wellbeing the next year, but to a lesser extent.

**Career Wellbeing Has Strongest Relationship to Future Drug Overdose Rates**

Going one level deeper into the five specific elements of wellbeing, each element is inversely related to the following year’s drug overdose rate. That said, the relationship with career wellbeing is strongest by far, outpacing social, financial, physical and community wellbeing.

**TABLE 6**

**Correlations Between State Well-Being Index Element Scores and Following-Year Drug Overdose Rates**

State element score	Correlation to following-year state drug overdose rate
Career wellbeing score	-0.550
Community wellbeing score	-0.351
Social wellbeing score	-0.337
Financial wellbeing score	-0.315
Physical wellbeing score	-0.310

Individual aspects of wellbeing are also critical to understanding what increases or decreases drug overdose rates in states. The following are important warning signs for individuals who are at the highest risk:

**CAREER WELLBEING:**

- does not have a leader in their life who creates enthusiasm about the future
- does not like what they do every day
- does not routinely learn or do interesting things

**SOCIAL WELLBEING:**

- does not have someone in their life who encourages good health
- does not receive positive energy from friends and family

**FINANCIAL WELLBEING:**

- is not satisfied with standard of living compared with the people around them

**PHYSICAL WELLBEING (PHYSICAL HEALTH/PAIN):**

- currently has or is being treated for asthma
- currently has or is being treated for high cholesterol
- disagrees that physical health is “near perfect”
- has significant daily physical pain
- has ever had a heart attack

**PHYSICAL WELLBEING (PHYSICAL ENERGY/ACTIVITY):**

- healthcare provider has limited their exercise
- has not felt active and productive in the prior seven days
- poor health has prevented normal activity two or more days in the past month

**PHYSICAL WELLBEING (MENTAL HEALTH):**

- does not feel good about physical appearance
- has been clinically diagnosed with or is being treated for depression

**COMMUNITY WELLBEING:**

- is not proud of the community where they live

### **Further Points to Consider**

Many of the wellbeing-related warning signs of a drug overdose can signify an outcome of the abuse of drugs rather than its cause.

For example, according to the American Society of Addiction Medicine, individuals who abuse opioids are at an increased risk of developing cardiovascular issues, including high cholesterol, due in part to a lack of personal maintenance that can result in a very poor diet. Stimulants such as cocaine and methamphetamine, in turn, have long been associated with increased risk of high blood pressure and high cholesterol, as they result in thinning of the heart muscles and arteries that interact with LDL (low-density lipoprotein) cholesterol.

Asthma is likely related to opioid abuse in both directions. According to research published by the American Academy of Allergy Asthma & Immunology, asthma is more common in opioid-dependent patients. Opioid use can directly activate the release of histamine, which is a core component of allergy-related reactions, including asthma. Asthma can also result in opioid use, as opioids are frequently prescribed to asthmatics for pain management, leading to addiction and abuse.

Other metrics also likely maintain a reciprocal relationship with opioid and other drug overdoses. Depression, not learning or doing interesting things, not having someone in your life who cares about your health and not feeling good about your physical appearance are all aspects of wellbeing that could reasonably increase the chances of drug abuse or (alternatively) could be its outcome if those factors were missing from a person's life.

Despite any uncertainty regarding the strength of the directionality of the relationships, liking what you do each day, leading an active lifestyle, having strong social relationships, learning on an ongoing basis and being inspired about the future by leaders are all clear factors that reduce chances of drug abuse, addiction and overdose. As such, policymakers and influencers would be well-served leveraging a holistic wellbeing approach to bend the curve of the opioid epidemic.

# Part 3: Building a Lasting Culture of Wellbeing in the Workplace

## EXECUTIVE SUMMARY

### **Wellbeing, Engagement and Strengths: The Three-Tiered Potentiators of Economic Performance**

- Employee engagement and wellbeing are two critical factors impacting employee performance and the overall economy. Combining high wellbeing and engagement results in 38% less absenteeism and 30% lower turnover compared to the average worker.
- Employees with high wellbeing and high engagement are more likely to perform well, adapt to change, recover from setbacks and stay with their current organization than all other workers.
- Adding strengths to engagement and high wellbeing further enhances performance, but only 7% of U.S. workers have all three and are fully optimized in their jobs.
- Optimized workers with high engagement, high wellbeing and full strengths usage consistently outperform other groups in various key business outcomes.
- Across the entire U.S. workforce of 132 million full-time workers, non-optimized workers are estimated to cost the U.S. economy \$57.1 billion in unnecessary replacement costs and \$237.6 billion in unnecessary lost productivity each year.

### **Setting the Culture: Caring About Employee Wellbeing**

- The percentage of U.S. workers who believe their organization cares about their wellbeing jumped from 29% in 2019 to 49% in late spring of 2020. Since widespread vaccinations and economic reopenings, this rate has again dropped to pre-COVID levels, with fewer than one in four employees strongly feeling their organization cares about their wellbeing.
- This decline has significant implications for employees and organizations, given the increasing importance of employee wellbeing in a blended work-life environment.
- Employees who believe their employer cares about their wellbeing are less likely to search for a new job or experience burnout and are more likely to advocate for their company, trust leadership, be engaged at work and thrive in their overall lives.
- Creating a culture of wellbeing through various initiatives, such as annual goal setting, socializing wellbeing best practices and providing opportunities for exercise and nutrition education, can help organizations maintain employee trust and wellbeing support as remote work transitions to a hybrid model.

## Wellbeing, Engagement and Strengths: The Three-Tiered Potentiators of Economic Performance

Two major factors in the management of human capital within the workplace substantially impact employee performance and, ultimately, the health of the broader economy. The first is employee engagement; the second is wellbeing. Gallup measures employee engagement using its proprietary Q<sup>12</sup> survey, which consists of 12 actionable items with proven links to performance outcomes. Based on employees' responses to the Q<sup>12</sup> items, Gallup groups workers into three categories: engaged, not engaged or actively disengaged. Just 31% of U.S. workers are engaged in their jobs, setting them apart from not engaged or actively disengaged workers in terms of their attendance, performance, service quality, safety and likelihood to stay with their current company, among other factors (Gallup, 2017).

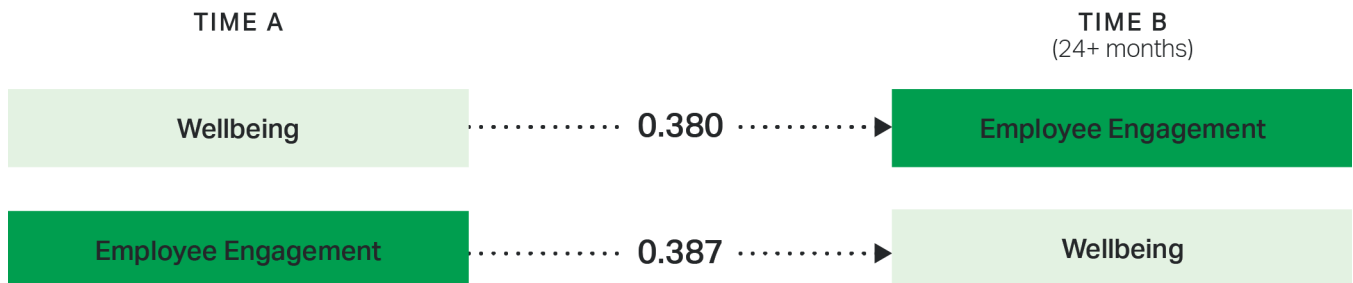
In the U.S., 28% of American adults aged 18 and older are not thriving in any element of wellbeing, while just 19% are thriving in at least four of the five. For every two adults exhibiting high levels of wellbeing across most or all elements, three have significant room for improvement across them all (Witters and Agrawal, 2014).

Engagement and wellbeing are highly entangled with one another, each influencing the future status of the other to virtually identical levels.

### CHART 25

#### Wellbeing and Engagement Are Highly Reciprocal ...

In longitudinal studies, each significantly predicts the future state of the other.



Study of 8,367 Gallup U.S. Panel members (weighted to U.S. Census statistics); 2016 to 2018

Controlling for age, gender, income, education, race/ethnicity, region, marital status, and baseline wellbeing/engagement

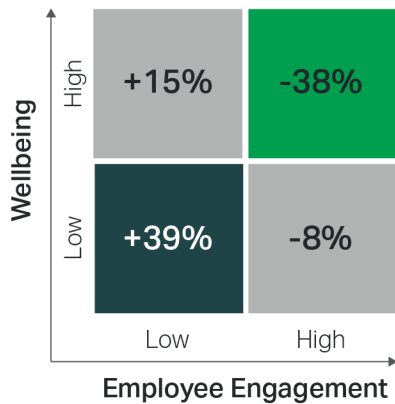
The relevance of tying employee engagement and employee wellbeing to economic performance is profound. Combined, engaged workers with high wellbeing experience 38% less unplanned absenteeism and 30% lower turnover than the average worker. And, for both business outcomes, employees with low engagement and low wellbeing have absenteeism and turnover rates that far exceed all other groups.

CHART 26

**... But They Aren't the Same Thing: Employee Engagement and Employee Wellbeing Are Highly Additively Impactful on Many Key Business Outcomes**

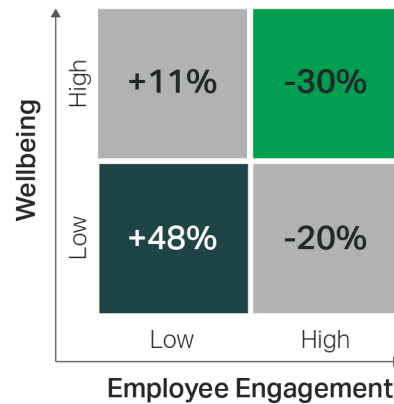
**UNPLANNED ABSENTEEISM FROM WORK**

(Compared to average performance)



**TOTAL 12-MONTH TURNOVER**

(Compared to average performance)



Study of 16,373 Gallup U.S. Panel members (weighted to U.S. Census statistics)

Controlling for age, gender, income, education, race/ethnicity, region, marital status and job tenure

Many other outcomes show similar patterns. Compared with employees who have high engagement but otherwise exhibit low levels of wellbeing, those who are engaged and have high wellbeing in at least four of the five elements are 30% more likely to not miss any workdays due to poor health in any given month. They also miss 70% fewer workdays due to poor health over the course of a year.

But the potential for economic impact does not stop there. Across an array of additional metrics, wellbeing boosts the performance of already engaged employees even further. Engaged employees *with high wellbeing* are:

- **42% more likely** to evaluate their overall lives highly
- **27% more likely** to report “excellent” performance in their own job at work
- **27% more likely** to report “excellent” performance by their organization
- **45% more likely** to report high levels of adaptability in the presence of change
- **37% more likely** to report always recovering “fully” after illness, injury or hardship
- **59% less likely** to look for a job with a different organization in the next 12 months
- **18% less likely** to turnover in a 12-month period

But what about strengths? Strengths usage is also highly influential to both wellbeing and engagement. For example, workers who strongly agree they use their strengths to do what they do best are substantially more likely to have high levels of wellbeing (i.e., to be “thriving”) across all five elements. Employees whose strengths are the focal point of their managers — about 37% of all workers — are also vastly more likely to be engaged with their jobs (61%) than to be actively disengaged (1%), while those who are ignored are 40 times more likely to be actively disengaged.



Strengths usage is more than just a way to influence wellbeing or engagement. Strengths-based development has been shown to **powerfully impact business performance** in its own right, with business units achieving increases of up to 7% in customer engagement, 15% in employee engagement and 29% in profit, coupled with decreases of up to 59% in safety incidents, 16 percentage points in turnover in low-turnover organizations and 72 points in turnover in high-turnover organizations. So, the question arises: How might the power of strengths combine with engagement and wellbeing to influence workplace performance?

In other words, can the three work in tandem to further elevate performance?

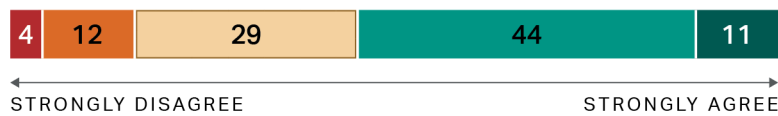
The first step in answering this question is to determine actual strengths usage, which is modest. Nationally, only about half of all adults (49%) agree or strongly agree that they get to use their strengths to do what they do best every day. In comparison, about one in five (22%) disagree or strongly disagree, creating a significant strengths deficit. Among U.S. workers, these percentages improve only slightly to 55% and 16%, respectively. Just 11% of workers strongly agree.

### CHART 27

#### Strengths Usage Among U.S. Workers

"Using a 5-point scale, where a "5" means you strongly agree and a "1" means you strongly disagree, how much do you agree or disagree that you get to use your strengths to do what you do best every day?"

■ % 1 ■ % 2 ■ % 3 ■ % 4 ■ % 5



This deficit grows substantially when viewed in combination with employee engagement and wellbeing. Among U.S. workers, 34% are engaged with their work. Once high wellbeing and maximized strengths usage are added, however, the percentage erodes to just 7%.

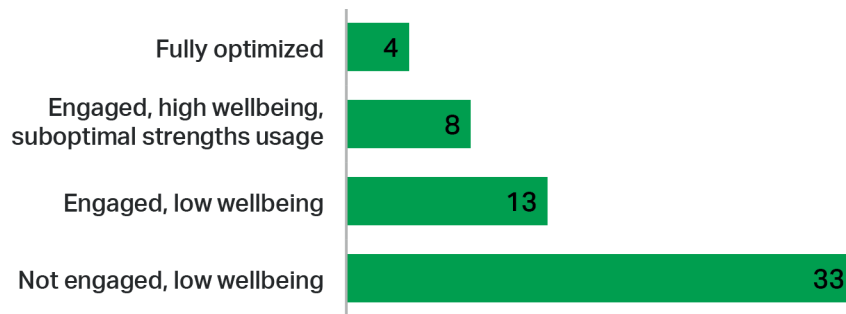
In other words, only 7% of U.S. workers are fully optimized in their jobs with high engagement, high wellbeing and full strengths usage.

So, how do fully optimized workers perform relative to the other three groups across crucial business outcomes? In all cases — without a single exception — this special class of workers exhibits the highest level of performance after controlling for age, education, income, gender, race/ethnicity and marital status. For example, job search intent over the next 12 months among workers who lack high engagement and high wellbeing is 33%. Engagement alone lowers this to just 13%, with high wellbeing on top of engagement (but still suboptimal strengths usage), bringing job search intent down to the single digits at 8%. **But when full strengths usage is included, job search intent is cut in half to just 4%.**

**CHART 28**

**Intent to Job Hunt**

"If the job market improves in the next 12 months, I will look for a job with a different organization." (% Strongly agree)



Results control for age, education, income, gender, race and ethnicity.

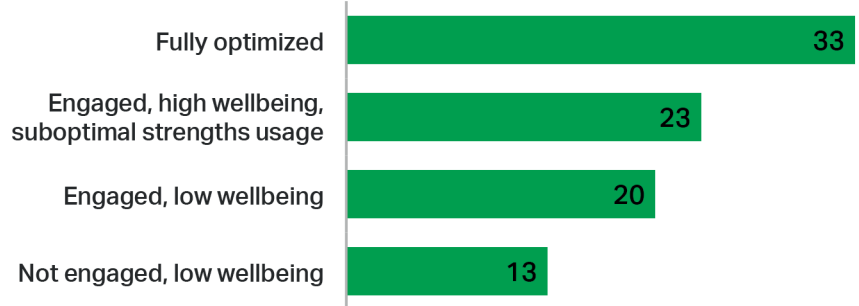
Adding full strengths usage to workers with high engagement and high wellbeing also powerfully impacts adaptability. While just 13% of workers with low wellbeing and low engagement report that they “always” adapt well to change, this percentage lifts to 23% — a 76% increase — if they have high engagement and high wellbeing (but still suboptimal strengths usage).

The probability of always adapting well to change climbs to 33% among fully optimized workers, a 43% jump compared with engaged and high-wellbeing workers who are not fully using their strengths.

**CHART 29**

**Adaptability**

"Thinking generally, are you always, usually, sometimes, rarely or never able to adapt well to change?" (% Always)



Results control for age, education, income, gender, race and ethnicity.

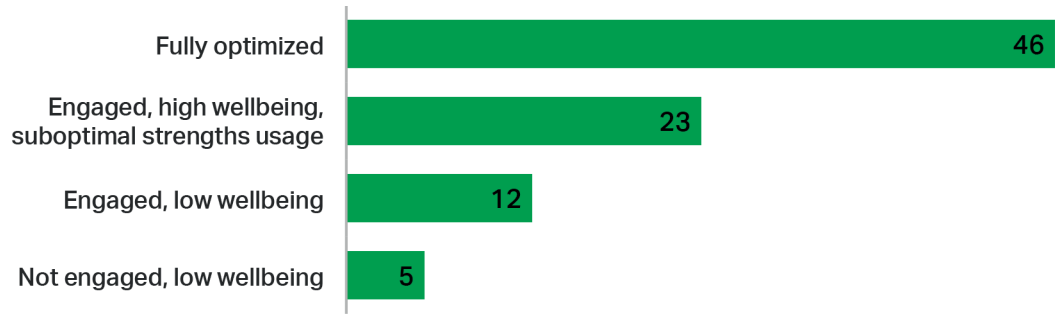
Perhaps most notable is the impact on evaluations of leadership. When asked to rate their level of agreement with "There is a leader in my life who makes me enthusiastic about the future," just 5% of U.S. workers with low engagement and low wellbeing strongly agree. Layering in engagement and wellbeing (without full strengths usage) boosts this figure by 18 points to 23%. But adding full strengths usage has a decisive impact.

Among fully optimized workers, 46% strongly agree that their leader makes them enthusiastic about the future — double the rate reported among those with high engagement and high wellbeing but suboptimal strengths usage.

**CHART 30**

**Leadership Evaluation**

"There is a leader in my life who makes me enthusiastic about the future." (% Strongly agree)



Results control for age, education, income, gender, race and ethnicity.

## The Economic Benefits of an Optimized Workforce

What does all of this mean from a practical standpoint?

- The average full-time U.S. worker loses 0.79 days each month in unplanned absenteeism due to poor health. Among non-optimized workers this average is 0.82 days. Among fully optimized workers this number drops to just 0.35. For an organization with 10,000 employees, the non-optimized workers are compiling an estimated 52,536 additional workdays each year than what would be expected if they were fully optimized, amounting to \$18 million in unnecessary lost productivity.
- The average turnover rate over the course of one year among full-time U.S. workers is 18%. Among non-optimized workers this average is 18.5%. Among optimized workers the average falls to just 11.7%. For an organization of 10,000 employees, the non-optimized workers result in an additional 117 voluntary and involuntary terminations each year than what would be expected if they were fully optimized, amounting to \$4.33 million in unnecessary replacement costs each year.
- Across the entire U.S. workforce of 132 million full-time workers, non-optimized workers are estimated to cost the U.S. economy \$57.1 billion in unnecessary replacement costs and \$237.6 billion in unnecessary lost productivity each year.

## Bringing Wellbeing, Engagement and Strengths Together

It starts with recognizing the synergy among strengths, engagement and wellbeing and that their interactions represent clear opportunities. Getting leadership fully versed and committed to these principles is a required vanguard to successfully implementing the concepts in a practical manner.

Next, it involves taking a step back and realizing that it is hard to manage someone's strengths if you don't know what they are. A critical step for many organizations is to simply determine the unique strengths of everyone who works there. The [CliftonStrengths assessment](#) and supporting online and in-person courses are designed to help people "name, claim and aim" their strengths. Once you have laid the foundation of strengths throughout the organization, you can begin to build your culture around them.

Leaders can, in turn, make a substantial difference in their employees' lives by including both wellbeing and strengths principles in their company's engagement programs, thus affecting change in multiple areas at the same time. These five strategies can be deployed to holistically affect change that maximizes the economic return on investment.

Leaders can fully benefit from existing opportunities by weaving wellbeing and strengths initiatives into organizational processes already aimed at driving engagement. By building robust coaching models to capitalize on the interactions among wellbeing, engagement and strengths, organizations can take their performance to the next level and fully leverage these indispensable components of optimized human potential.

Ultimately, organizations can gain substantial benefits by adding wellbeing to their strengths and engagement programs. By ignoring wellbeing or focusing on physical wellness programs alone, employers miss opportunities to optimize employee performance and, ultimately, reap the economic benefits that doing so holds.

## Top Strategies to Simultaneously Build Employee Engagement and Wellbeing

Given the clear returns on investment from developing workers who are both engaged and have high holistic wellbeing, leaders can make a substantial difference in their employees' performance and lives by including wellbeing principles in engagement programs, thus realizing change in both areas at the same time. The following ten strategies can be deployed right now to increase employee engagement and wellbeing simultaneously:

- 1 Solicit ideas from employees on how to enhance wellbeing for each element. Make sure all ideas are discussed openly, and search for ways to incorporate them into workplace programs and offerings.** Asking employees to contribute wellbeing ideas is a great way to galvanize the workforce and make them feel they are a part of the wellbeing movement. Employees will have excellent feedback about which wellbeing programs are working, how to revise those that are not and which new programs could be added. It is also possible that successful programs are not adequately supported technologically or in practical ways such as physical space. If ideas are ultimately not used, explain why so as not to discourage future input and participation. The more employees contribute to the organization's wellbeing efforts, the more they will feel their opinions count and the greater their buy-in and likelihood to participate will be.
- 2 Link the wellbeing of each employee to the successful mission and purpose of the organization.** Have employees review their organization's mission and discuss how a vibrant wellbeing culture for each element is critical to the mission's success. Conversely, how might the mission better lead to a life well-lived? Create posters explaining how each element of wellbeing is connected to the mission and hang them as reminders.
- 3 Strongly encourage participation in wellbeing activities when setting job expectations.** Let employees choose the wellbeing activities best suited to them based on their individual wellbeing goals. This approach simultaneously promotes clarity about an employee's role and a culture of wellbeing, and it does so while honoring each person's unique talent and interests. And don't forget that employees often do not even know about the programs and offerings out there — this is a great time to clarify what they have at their disposal.
- 4 Have each employee identify the wellbeing element that they feel comes naturally to them and at which they are most successful.** Sort employees into small groups and have each person describe the element of wellbeing they gravitate to most easily. Learn about what factors in life and work motivate them to succeed and *how* they succeed, providing examples for others while honoring what they are best at in their lives and in the workplace.
- 5 Recognize employees for their wellbeing achievements.** Recognition reinforces what is valued within an organizational culture. One reason recognition is a reliable driver of employee engagement is that if employees feel they will be recognized for doing great work, they will be highly motivated. The same principle applies when enhancing wellbeing. Increase recognition to increase effort — and improve wellbeing and engagement at the same time. Be sure to create a recognition mechanism for each element.

- 6 **Care about wellbeing; care about the person.** Have employees submit their interests and goals for wellbeing and monitor what they are actively pursuing. Refresh your memory before formal progress meetings and social events so wellbeing can be easily raised in conversation. Ask them how they are progressing toward their goals and how they are including family members so you can provide insights to others. This feedback mechanism will significantly enhance how much employees feel cared about — a foundational aspect of engagement — while reinforcing a culture of wellbeing.
- 7 **Create a “Wellbeing Board of Directors.”** Have employees identify at least three people at work who have had the most significant impact on their wellbeing and why each has such an impact. Then, have each person write a note to each member of their board describing why they are on the list. Doing so serves as a great recognition mechanism for the board members while also informally cultivating a wellbeing mentoring apparatus in the workplace, which is a core aspect of having someone who encourages your development.
- 8 **Create a sharing network to socialize best practices.** Whether meeting about work or meeting for fun, pre-assign individuals to different tables, groups or teams. Allow time for each person to say something about their wellbeing that is important to them but that they think others might not know. Include important tips, such as useful apps or books they’ve read. This activity can create a wellbeing social network that did not exist before and provide the opportunity for new thinking regarding pursuing a life well-lived.
- 9 **Explicitly link each workplace wellbeing activity to at least one of its five elements.** The five elements can help managers more clearly individualize activities to each employee’s situation through discussion and by creating a more focused set of goals. Leaders and managers should communicate that the five elements are important organizational values. Communications emphasizing how leadership cares about employees’ wellbeing — and the wellbeing of employees’ families — can go a long way in encouraging engagement and participation in wellbeing programs.
- 10 **Include wellbeing goal setting and milestones in work reviews and progress meetings.** Research has shown that engaged employees are much more comfortable discussing their wellbeing goals with their manager than those who are not engaged. The five elements of wellbeing can be incorporated into progress review conversations in ways that encourage employees to pursue their wellbeing goals and deepen the manager-employee relationship. One way to start this conversation is for a manager to ask, “Is there an aspect of your wellbeing that I can support?”

Now more than ever, companies need to get the most out of their human capital. By adopting the best-practice approach of addressing employee engagement and wellbeing at the same time, workers will be more likely to have critical psychological needs met and take tangible steps in the five essential aspects of wellbeing. In this way, leaders of organizations can play a vital — and potentially decisive — role in maximizing a life well led for the people who work there.

## Setting the Culture: Caring About Employee Wellbeing

After reaching record highs early in the pandemic, the percentage of U.S. workers who believe their organization cares about their overall wellbeing has plunged to pre-COVID levels and is characterized by drops across all job types. In June 2022, 21% of U.S. employees felt strongly that their organization cares about their wellbeing — the lowest percentage in more than a decade. As of August 2023, that figure has risen slightly to nearly one in four.

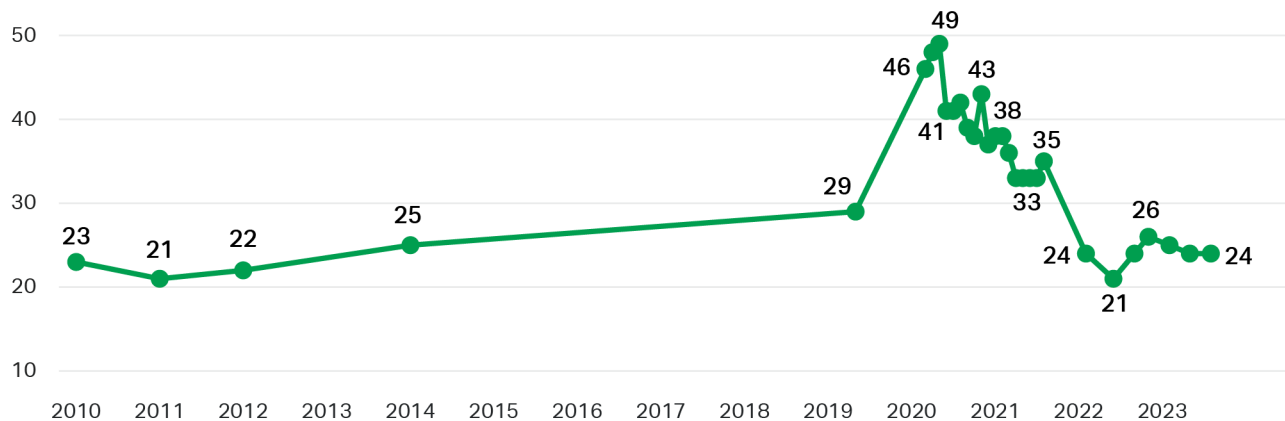
This finding has significant implications, as work and life have never been more blended, and employee wellbeing matters more than ever to employees and the resiliency of organizations.

### CHART 31

#### Perceptions of Organization Caring About Wellbeing Return to Low Pre-Pandemic Levels

My organization cares about my overall wellbeing.

% Strongly agree



This finding is critical for the economic success of organizations because employees who strongly agree their employer cares about their overall wellbeing, in comparison to others, are:

- 69% less likely to actively search for a new job
- 71% less likely to report experiencing significant burnout
- five times more likely to strongly advocate for their company as a place to work and to strongly agree they trust the leadership of their organization
- three times more likely to be engaged at work
- 36% more likely to be thriving in their overall lives

Leaders can implement tangible steps to ensure employees feel their wellbeing is cared about, thus better leveraging this mindset. Based on Gallup research, listed below are 10 high-impact ideas for driving this critical belief system in the workplace.

- 1 **Include family members in wellbeing programs and activities.** A major driver of employees feeling that their employer cares about their wellbeing is a commitment to the wellbeing of employees' family members as well. From fiscal fitness and retirement planning to community involvement to 5K runs and social gatherings, encouraging the involvement of family members will greatly enhance the sentiment that an employee's wellbeing is cared for and will, in turn, improve the family members' wellbeing as well. The next level is the outright incentivizing of their involvement.
- 2 **Provide easy access to fresh fruits and vegetables in the workplace.** A close correlate to "my organization cares about my overall wellbeing" is sustaining a workplace where healthy foods are routinely easy to find. Eating fruits and vegetables is widely understood to be a healthy choice and is associated with low obesity and low smoking rates — and businesses can capitalize on this by making them easily available.
  - Offering a free fruit or vegetable choice with every purchased workplace meal is a good strategy. Even better is walking a produce cart throughout the workplace each morning, bringing healthy choices directly to the workers and ensuring one serving of fruits and vegetables each day for anyone who wants one. Bonus action: Remove the candy bars and junk food from vending machines and replace them with protein bars and low refined sugar snacks.
- 3 **Offer to help employees manage their finances.** Almost everyone is going to retire someday. Many people need to save for their children's college, and plenty could use help with household budgeting. Providing free advice services that support good **financial wellbeing** for employees is a major factor in enhancing how much they feel that their wellbeing is cared about and can also serve as a means of eliminating external anxiety and stress that distract from on-the-job performance. Don't forget to encourage significant others to join as well.
- 4 **Encourage employees to share their ideas about boosting wellbeing.** Asking employees to contribute wellbeing ideas for workplace intervention programs is a great way to galvanize the workforce and make them feel like they are part of a broader wellbeing movement. The more employees contribute to the wellbeing efforts of the organization, the more they will feel their opinions count and the greater their buy-in and likelihood to participate will be — critical aspects of feeling that their wellbeing is cared about.
- 5 **Recognize employees for their wellbeing achievements.** Routine recognition is a **critically important** psychological need in the workplace and is a **proven driver of an array of business outcomes**. Making it part of an organization's wellbeing culture will incentivize employees to pursue choices that support high wellbeing and reinforce that their company cares about such pursuits.



- 6 **Help employees find safe places to exercise and incentivize them to do so.** Not all organizations can provide employees with a place to exercise at work. Particularly for those that cannot, identify reputable and safe fitness centers in the area where discounted group rates can be negotiated for employees. Then, offer partial monthly or quarterly reimbursement to employees in exchange for proof that they've used the facility.
- 7 **Provide nutritional cooking classes for all employees at no cost.** This one is self-explanatory, but additionally noteworthy is that cooking classes are also the perfect environment for delivering knowledge of scientific nutrition and health literacy. This has the added benefit of providing employees opportunities for learning new and interesting things, a key vanguard of high-wellbeing people and communities.
- 8 **Make wellbeing a part of annual goal setting.** Have employees submit their interests and wellbeing goals to their managers, then monitor what they are actively pursuing and inquire about their progress toward their goals. This feedback mechanism will significantly enhance how much employees feel their wellbeing is cared about while simultaneously reinforcing a culture of wellbeing in the workplace.
- 9 **Create a company sharing network to socialize wellbeing best practices.** Preassign individuals to different groups or teams inside the workplace. Establish quarterly meetings over lunch at which each person shares something about their wellbeing that is important to them but that they think others might not know or something new they have learned about wellbeing that could be useful to others.
- 10 **Include important tips such as useful apps, interesting books or educational classes.** This can create a wellbeing social network that did not exist before and provide an opportunity for new thinking regarding wellbeing pursuits. And making it company-sponsored drives home the point that the organization cares about its employees' wellbeing. Bonus tip: Prior research has shown that running maps and healthy restaurant menu options are the best apps for enhancing physical and social wellbeing at the same time.

The initial wave of COVID-19 and the associated economic shutdown were characterized by large-scale work-from-home transitions among employees who could do so, which dovetailed with unprecedented spikes in workers' views that employers cared about their wellbeing.

As the pandemic retreats, its likely conversion to endemicity is now dovetailing, with employers increasingly moving their workers out of home offices and back into the workplace. Estimates of empty desks hover above one-third of workers in the post-pandemic economy, and employees with the option to work remotely are largely expecting a hybrid office environment going forward.

Amid all these shifting realities, employers are right back to where they started in 2019 regarding workers' views on how much their wellbeing is cared about. In response, employers now need to look to prolonged strategies for enhancing these perspectives beyond the short-term actions of remote working to protect the health of their workers.

# Part 4: Wellbeing and American Communities

## EXECUTIVE SUMMARY

### **The Critical Role of Communities in Population Wellbeing**

- Communities play a crucial role in population wellbeing through public policies and business actions.
- High-wellbeing communities focus on long-term success with public and private interventions, including incentivizing healthy lifestyles and retirement savings.
- Initiatives like bike lanes, walking school buses and healthier cafeteria options promote active living and better nutrition.
- Successful communities cultivate a culture of wellbeing, with leaders from various sectors prioritizing it.
- Residents of high-wellbeing communities exercise more, have better physical and social wellbeing, and experience lower rates of obesity and chronic health conditions compared to lower-wellbeing communities.

### **The Economic Cost of Obesity to American Communities**

- Obesity healthcare costs vary across U.S. cities, with most needing to reduce rates by at least 25% to reach the CDC's 15% target.
- If all cities achieved a 15% obesity rate, the U.S. could save \$32.6 billion annually, with the top 10 obese cities saving over \$1.2 billion.
- Eleven cities had obesity rates exceeding 35% in 2018, with high healthcare costs per 100,000 residents.
- Obesity is linked to income disparities, with lower-income residents in obese cities having poorer diets and exercise habits.
- Behavioral economics, such as positive defaults and pricing strategies, can encourage better food choices and exercise habits in communities.

### **Communities Built for Active Living Have Higher-Wellbeing Residents**

- Investing in active living infrastructure can significantly reduce economic costs associated with obesity and related health conditions.
- Top-ranked active living communities exhibit lower rates of obesity (6.2% lower), diabetes (3.1% lower), high blood pressure (5.3% lower), depression (3.6% lower) and smoking (6.0% lower) than the lowest-ranked communities. These findings hold even when controlling for factors like household income, age, race/ethnicity mix, education levels and region of the country.
- Bike Score and Park Score show stronger correlations with reduced obesity and diabetes rates and lower rates of high blood pressure, heart attack incidents and smoking.
- Transit Score and Walk Score are more closely related to reduced depression rates and favorable perceptions of housing quality.
- Community leaders play a vital role in shaping a culture of active living, but engagement from all stakeholders is crucial.

## The Critical Role of Communities in Population Wellbeing

Communities play a critical role in wellbeing through public policy and the actions of their businesses. Communities with high-wellbeing residents set up their citizens for long-term success through public and private interventions, including:

- Businesses that engage their workers and incentivize healthy lifestyles, community involvement and saving for retirement.
- Bike lanes that encourage active (and sustainable) forms of transportation.
- Walking school buses that start and end each day energetically — and safely — for children.
- Sugary drinks and deep fat fryers being eliminated from cafeterias and replaced with complete foods and nutritional information for each meal.
- Community events designed to give residents opportunities to learn and grow.
- Mobile farmers markets that increase accessibility while simultaneously helping people feel safe when they shop fresh food stands for produce.
- Wellbeing certifications for qualifying grocery stores and restaurants.

In short, high-wellbeing communities have cultivated and embraced a clear *culture* of wellbeing. A culture where leaders in healthcare, business, government, education, faith and the arts act on a philosophy that fostering and maintaining communities dedicated to wellbeing is *how we do things around here*. Communities such as Naples-Immokalee-Marco Island, Florida (which had the highest wellbeing in the U.S. four years in a row), Boulder, Colorado (highest average rank across all reporting periods since 2008 among all reportable cities), Provo-Orem, Utah (the most religious city, which helps its wellbeing), and San Jose-Sunnyvale-Santa Clara, California, can serve as best-practice examples for others to emulate. Important — and sometimes less obvious — elements of community wellbeing, such as learning new and interesting things, providing safe places to exercise, routine trips to the dentist and smoking cessation, are all key vanguards of high-wellbeing places and serve as signs for leaders elsewhere to follow and implement in their own locales.

In this manner, communities can lead the charge for the betterment of citizens' mutual wellbeing, shared economic commonwealth and united commitment to the world they make for themselves and their children. In this lies the key to unleashing each community's full economic potential.

Across U.S. communities, those areas with the highest wellbeing often have many shared characteristics that are much less common among their lower-wellbeing counterparts. For example, residents of high-wellbeing communities:

- exercise more frequently — an essential aspect of physical wellbeing, but they are also more likely to say someone close to them encourages them to be healthy — a critical component of social wellbeing
- are much less likely to be obese and have fewer significant chronic health conditions
- feel safe where they live
  - Those who feel safe where they live are, in turn, more likely to have access to a safe place to exercise and fresh produce, which are important community characteristics linked to lower levels of obesity.

More specifically, compared with residents of the highest-wellbeing communities, residents of the lowest are 32% less likely to have someone in their lives encouraging them to make healthy choices. They are also 35% more likely to have experienced food insecurity in the last 12 months, 68% more likely to smoke, 26% more likely to be obese, 55% less likely to like what they do each day and 58% more likely to not feel pride in their community (Witters, 2015b).

While those living in high-wellbeing communities are more likely to have basic access to food and healthcare, they are also more likely to manage their money effectively and live within their means, which are crucial components of financial wellbeing. People in high-wellbeing communities also report being able to use their strengths on any given day and to set and reach goals, two critical aspects of purpose wellbeing.

## The Economic Cost of Obesity to American Communities

Obesity's healthcare costs are not distributed equally across the United States and — as the Gallup National Health and Well-Being Index study of 186 metropolitan areas shows — not across America's cities. Most of these communities needed to cut their obesity rates by at least a quarter to reach the national target of 15% set by the CDC in its [Healthy People 2020](#) goals. The most obese cities needed to cut their rates by more than half.

From a cost-savings perspective, if all 186 cities reduced their obesity rates to 15%, the U.S. could save \$32.6 billion annually. If the nation's 10 most obese cities cut their rates to 15%, the cost savings for just these 10 communities would climb to over \$1.2 billion annually.

Eleven metro areas, led by McAllen-Edinburg-Mission, Texas, and Beaumont-Port Arthur, Texas, had particularly unhealthy obesity rates of over 35% in 2018, based on their residents' self-reported height and weight. In the 10 most obese cities, where at least one-third reported Body Mass Indexes (BMIs) higher than 30, the annual obesity healthcare cost per 100,000 residents was over \$50 million. This is nearly twice the cost than in the least obese cities.

Three of the 15 least obese cities — with obesity rates rounding to 21% or lower — are in Colorado: Boulder, Fort Collins and Denver. But even in Denver, the city still spent an estimated \$178 million in preventable healthcare costs in 2018 that it could have saved if it reached the national goal of 15%, thus illustrating that no community is without room to improve regarding obesity.

Many of the local strategies cities are using to combat obesity recognize that successful interventions start at an early age.

For example, the Boulder Valley School District replaced high-fat fast foods with organic, low-fat, whole-grain menus in the school lunch program. The city of Denver's Public Works Policy and Planning coordinates a coalition of partners, including Denver Public Schools, Denver Public Health, Bicycle Colorado and Livewell Colorado, to fund the Safe Routes to School (SRTS) program to construct new trails to encourage children to walk or bike to school in safe environments.

These cities also tend to foster environments that encourage healthier living. Residents of Denver's Park Hill neighborhood, for example, trade community service for free refurbished bicycles (McConlogue and Hanselmann, 2010). Boulder offers frequent public forums on how to prepare healthy meals (CBS Sunday Morning, 2011). And more than 5% of commuters in the Fort Collins-Loveland area use bicycles (American Community Survey, 2015), where a strong negative correlation has been found with obesity rates (Maciag, 2012). Fort Collins also features at least 48 community or neighborhood parks and 35 miles of trail systems (City of Fort Collins, 2015).

Residents in the most obese cities are also less likely to have two valuable tools in the battle against obesity — a healthy diet and regular exercise.

In the most obese cities, residents are more likely to say they didn't have enough money at times in the past year to buy the food they or their families needed. And yet, lower family income coincides with higher obesity.

On the surface, it may seem counterintuitive that people who cannot afford the basics — including food — actually weigh more per inch. Gaps in the availability and consumption of healthy foods may help explain this (Larson, 2008). In the most obese cities, residents are 7% less likely to say they eat the recommended servings of fruits and vegetables (five or more servings) at least four days a week. However, residents of these cities are no less likely to say they can afford fresh fruits and vegetables; they are simply less likely to report consuming them.

People living in the most obese cities may be making poorer food choices. For some, purchasing fast food or unhealthy, highly processed foods may be easier and more immediately satisfying. But for others — in low-income neighborhoods where supermarkets are absent and convenience stores and fast-food restaurants are abundant — unhealthy, highly processed foods may be among the only choices. Research has demonstrated that income is a bigger factor than food deserts in obesity, although both have additive effects (McGeeney and Mendes, 2013).

Individuals' poor food choices may also be reinforced when they see others around them making similar choices.

Research suggests that social wellbeing is closely linked to obesity and exercise, demonstrating the likelihood that healthy or unhealthy choices will be made by the quality of our closest relationships (Riffkin, 2014b).

Residents in the most obese cities are also getting less exercise. The percentage of residents who report exercising for 30 minutes or more at least three days a week is 10% lower in the most obese cities compared to the least obese.

Safety is a concern in these communities, but it likely is not the sole factor impeding residents' exercise habits. People in these communities are not much more likely than those in the least obese communities to say they have a safe place to exercise. The gap in actual exercise is greater.

The most obese metros have higher-than-average numbers of residents facing serious health challenges and the healthcare costs to prove it. But even in Boulder, the least obese city in the country, there is room for improvement. Its obesity rate of 11.2% in 2018 is the only metro nationally that beats the national target of 15%, but one in nine adults is still obese, and it still pays more than an estimated \$50 million annually in obesity-related healthcare costs.

Rising obesity rates call into question whether current efforts to fight them are working. Many state leaders are considering applying some of the same policy-based interventions that helped cut U.S. smoking rates to fighting obesity. In recent years, new laws, including “sugar taxes,” have been passed and implemented in states like Colorado and Iowa. Real change starts with greater awareness and a combination of community measurement and education, but it is more likely to last if city leaders apply behavioral economics to the problem and change social expectations.

Classical economics assumes people make rational decisions. Behavioral economics highlights the importance of blending psychology with economics to understand people’s choices. For example, positive defaults (where the decisionmaker must opt out to be excluded from a choice rather than having to opt in) can serve an important role in increasing the probability that citizens will make short-term decisions that are in their long-term best interest. Automatic enrollment in 401(k) plans and organ donation are two examples of how this works.

Positive defaults that could encourage people to make better food choices might come from a combination of availability and pricing.

While fresh fruits and vegetables are available to most Americans, so are the immediately satisfying low-cost processed foods that offer empty calories. When people can choose between low- or high-calorie foods that cost about the same, human nature often takes the quick fix. But if people are reminded that the high-calorie choice is bad for them in the short-term (higher prices or lower energy later), they are more likely to make the right decision. Making exercise the social norm — rather than exception — and providing citizens with safe, easily accessible places to walk, ride and run where they are more likely to see others exercising can also potentially affect the health culture of a community. This is sensible in the context of recent research by Nicholas Christakis and James Fowler, who studied social networks within the longitudinal data in the Framingham Heart Study and suggested that our relatives and friends could influence the spread of obesity. The authors conclude that people we don’t even know — friends of friends of friends — can influence our happiness and smoking habits (Fowler and Christakis, 2009). Therefore, it is likely that our social circles will influence any substantial change in health and obesity over time.

There are undoubtedly many imaginative ways to use behavioral economics to increase the probability that citizens will make the right decisions for their long-term wellbeing while still providing choices. Some city leaders are considering creating wellbeing institutes that house local health, wellbeing and economic data that they can share openly and transparently with the community. Health, business, political and educational leaders can share and discuss common wellbeing metrics to measure their efforts toward city improvement. Bringing leaders together every month to analyze leading and lagging indicators of their community will drive decisive action and policies to create positive results. In the meantime, every community in the nation has work to do to reverse an alarming trend in obesity that has such significant implications for America’s economic health.

## Communities Built for Active Living Have Higher-Wellbeing Residents

If obesity and the disease states that accompany it cost local economies tens of millions of dollars, what tangible steps can they take to curtail these economic costs? Communities with the greatest investment in certain built structures that support active living can reap tangible rewards.

Across 48 communities studied nationwide, residents in the five highest-ranked active living communities have, on average, significantly lower obesity, diabetes and rates of high blood pressure, high cholesterol and depression than do residents of communities with comparatively little active living infrastructure. They also report better exercise habits and lower levels of smoking.

**TABLE 7**

### Differences in Key Aspects of Wellbeing Between Five Highest-Ranked and Lowest-Ranked Active Living Communities

	Five highest-ranked active living communities	Five lowest-ranked active living communities	Difference	
	%	%	pct. pts.	%
Obesity	23.9	30.1	-6.2	-20.6
Diabetes	9.5	12.7	-3.1	-24.6
High blood pressure (current)	21.5	26.8	-5.3	-19.8
Depression (current)	8.6	12.2	-3.6	-29.3
Smoking	14.9	20.8	-6.0	-28.6

Some differences do not match due to rounding. Controlling for household income, age distribution, race/ethnicity mix, education level and region of the country.

For this report, Gallup created an Active Living Score for 48 medium-to-large metropolitan statistical areas (MSAs) across the U.S. by analyzing metropolitan infrastructure data — including walkability, bikeability, transit infrastructure and park infrastructure — based on each community’s Walk Score® and ParkScore®. Scores for all four active living metrics were required for each MSA to be included in this analysis.

### Boston, San Francisco Lead U.S. in Active Living

Among the 48 communities examined nationwide, Boston and San Francisco metropolitan areas score the highest in their overall infrastructure to support active living, followed by Chicago, New York and Washington, D.C. Indiana and Oklahoma each produce two of the bottom five active living communities: Fort Wayne, Indianapolis, Oklahoma City and Tulsa. Durham-Chapel Hill, North Carolina, has the fourth-lowest active living community ranking.

**TABLE 8**  
**Five Highest-Ranked Active Living Communities**

	Walk score	Transit score	Bike score	Park score	Active living score
Boston-Cambridge-Newton, MA-NH	80.7	74.4	70.3	74.0	74.9
San Francisco-Oakland-Hayward, CA	78.7	67.8	68.0	73.8	72.0
Chicago-Naperville-Elgin, IL-IN-WI	77.5	64.7	70.2	69.0	70.4
New York-Newark-Jersey City, NY-NJ-PA	85.3	73.0	60.8	59.2	69.6
Washington-Arlington-Alexandria, DC-VA-MD-WV	68.4	58.0	71.0	80.0	69.4



**TABLE 9**  
**Five Lowest-Ranked Active Living Communities**

	Walk score	Transit score	Bike score	Park score	Active living score
Fort Wayne, IN	29.1	21.7	42.6	28.5	30.5
Oklahoma City, OK	32.1	16.0	39.8	35.0	30.7
Indianapolis-Carmel-Anderson, IN	29.2	23.7	41.1	30.0	31.0
Durham-Chapel Hill, NC	28.4	27.3	39.2	45.0	35.0
Tulsa, OK	38.6	22.7	43.6	46.5	37.9

The New York City and Boston metropolitan areas are the top two communities for walkability and transit. Madison, Wisconsin, and Portland, Oregon, have the highest bike scores, while Minneapolis and Washington, D.C., have the highest park scores.

Active living metrics uniquely influence critical aspects of wellbeing with direct economic benefits for the community.

The four active living metrics examined in this analysis collectively provide powerful insight into a community’s results in key aspects of wellbeing. But each component of active living influences various wellbeing metrics differently.

For example, while all four active living metrics have strong negative correlations with obesity and diabetes rates, bike and park scores have stronger relationships with those conditions than the other two metrics. The bike score and, to a lesser extent, the park score, are also the principal forces behind a lower likelihood of high blood pressure and heart attack incidents, along with reduced smoking rates.

The transit and walk scores gain greater prominence in other aspects of wellbeing. The transit score is the only one of the four metrics to have a strong relationship with reduced rates of depression, while the walk score has the strongest correlation with feeling that housing in the community is ideal. This underscores the relationship between walkability and attitudes toward the quality of available housing.

**TABLE 10**

**Strength of Relationship Between Active Living Score Metrics and Key Aspects of Wellbeing**

	Walk score	Transit score	Bike score	Park score
Lower obesity rate	Strong	Strong	Very strong	Very strong
Lower diabetes rate	Strong	Strong	Very strong	Very strong
Lower daily stress	*	*	Strong	Strong
Lower high blood pressure rate	*	*	Very strong	Very strong
Lower high cholesterol rate	*	*	Strong	*
Lower heart attack incidence	*	*	Very strong	Very strong
Lower depression rate	*	Strong	*	*
Lower daily physical pain	Strong	Very strong	*	Strong
Never bothered by little interest or pleasure in doing things	*	*	Strong	Very strong
Lower smoking rate	*	*	Very strong	Strong
Daily healthy eating	Strong	Strong	Very strong	*
Feels active and productive every day	*	*	Strong	Very strong
No exercise limits from doctor	Strong	Strong	Strong	Strong
Feels good about physical appearance	Strong	Strong	*	Strong
Always feels safe and secure	*	*	*	Very strong
Housing is ideal for you and your family	Very strong	Very strong	*	*
City or area “perfect for you”	*	*	*	Strong

“Strong” relationship = Significant with 95% confidence. “Very strong” relationship = Significant with 99% confidence  
 Controlling for household income, age distribution, race/ethnicity mix, education level and region of the country

Communities that invest in the right infrastructure will increase their chances of having more active citizens. Leaders play a significant role in the shape, structure and culture of the communities they serve, but involvement of the entire community — from restaurants, schools, groceries and employers to residents themselves — is critical to improving the wellbeing of all who live there.

## Leadership is key to enhancing a culture of active living among residents of communities.

Many cities are pursuing opportunities to improve their infrastructure to increase the chances that their residents will live active lives.

- Albert Lea, Minnesota, established more than 10 miles of bike lanes and new sidewalks plus enhanced streets to support walking and biking. The city adopted policies to reduce tobacco use and started workplace programs to promote health and social interaction. Grocery stores, restaurants, schools and workplaces made changes to make healthy choices easier, and several restaurants added outdoor dining areas. These active living improvements helped Albert Lea increase its overall wellbeing score by 2.8 points from 2014 to 2016, significantly outpacing the state and the nation.
- Marion, Iowa, requires consideration of pedestrian and cyclist needs in all street projects, and new developments must have sidewalks installed within five years. Guidelines integrate trees, green space and other natural features to make streets more walkable. The city's "Complete Streets" policy has revitalized its historic Uptown district, redirecting cars from the area and creating a pedestrian-friendly atmosphere.
- Eugene, Oregon, which has reduced its obesity rate since 2008, is home to well-planned and well-used cycling networks that include 28 miles of off-street paths, 78 miles of on-street bicycle lanes and four bicycle/pedestrian bridges spanning the Willamette River. Similar to Fort Collins, Eugene's share of workers who commute by bicycle is one of the best rates in the nation among midsize cities; at 9%, it is well ahead of the national average, which is less than 1%.

With this in mind, active living communities can lead the nation in how we think about, discuss and make lasting changes to enhance wellbeing.

## What Sets the Highest Wellbeing Communities Apart

Objective quality-of-life measures, including life expectancy, literacy and employment statistics, are important and useful in assessing a community's or country's progress, as are historical trends. However, the concept of subjective wellbeing encompasses the broader aspects of a life well-lived, with very real and significant implications for the U.S. economy.

Gallup research has shown that people with higher wellbeing are healthier, more productive and more resilient in the face of challenges such as layoffs or natural catastrophes. People with higher wellbeing bounce back faster, are better able to take care of their own basic needs and feel better able to contribute to and support the success of their organizations, communities or countries. The economic benefits of a high-wellbeing populace closely follow.

Subjective wellbeing does not necessarily correlate with GDP, the presence of conflict or other absolute indicators. Residents in lower-income countries may report high wellbeing in certain elements, while those in wealthy countries may report low wellbeing in particular elements. Thinking more locally, high-wellbeing communities tend to exhibit many shared characteristics, including positive health and wellbeing outcomes like low chronic disease rates and high life satisfaction ratings, and behaviors like frequent exercise and less smoking. These commonalities consistently demonstrate a mutual foundation upon which the top cities ascertain and maintain their status as standard bearers of wellbeing in America.

Compared to low-wellbeing communities, residents of high-wellbeing communities usually have much lower rates of obesity, high blood pressure, diabetes and physical pain. They rate their lives today and in the future higher and are much more likely to optimistically report that the city or area where they reside is "getting better as a place to live." They are more likely to have enough money for food, medicine and shelter. They are less likely to be depressed and are more likely to report positive workplaces.

The behaviors and choices of occupants of high-wellbeing communities also distinguish them from their low-wellbeing counterparts and can serve as a good example for the leaders of other areas to pursue with their own constituents. For example, residents of high-wellbeing communities exercise more, but their leaders also create additional safe places for people to go to exercise. They eat more fruits and vegetables, but their leaders also establish safer, more readily accessible places to access their produce. They are more likely to have health insurance and go to the dentist, but they also have leaders who help ensure that all have *enough* money for healthcare. And residents in high-wellbeing cities are less likely to worry on any given day but also live in communities where their leaders afford them more opportunities to learn and do interesting things.

Ultimately, it is the communities that understand and embrace a holistic approach to wellbeing that will be most likely to improve it over time, thus reaping the economic benefits. Because to change the culture in meaningful ways requires an "all of the above" strategy. As Dan Buettner, National Geographic Fellow and founder of the Blue Zones Project notes, "There are tangible policies that communities can adopt to actively cultivate and improve residents' wellbeing. Policies that nudge people into healthy activities — where it is easy to walk to the store, bike to a friend's house, get access to fresh produce and be surrounded by healthy-minded, supportive friends — are ones that make the healthy choice the easy choice. Sustained transformation depends on building an environment and establishing social policies that support and reinforce these programs" (Witters, 2014). In this manner, communities can lead the nation in how they think about and discuss wellbeing and pursue informed interventions to yield lasting economic change based firmly upon its principles.

## What some of the highest wellbeing communities do to maximize their economic performance:

### 1 **Make sure every neighborhood in town has safe places to exercise for everyone who lives there.**

Nationally, about 8% of American adults do not have a safe place to exercise, but this jumps to nearly double that percentage in lower-income communities. Not having somewhere to go greatly reduces the likelihood that citizens will exercise on any given day.

- Businesses, too, can be encouraged to subsidize the membership fees of fitness clubs for their employees in exchange for a minimum number of visits to the gym each month.

### 2 **Constantly strive to enhance access to affordable fruits and vegetables.** It is not just about the cost of produce relative to junk food (although this is part of it). It's also about easy and safe access to produce.

- Another high-return-on-minimal-investment idea is to establish a small but visible security presence at farmers markets in high-risk, low-income neighborhoods. Residents who live in these neighborhoods want fresh produce as much as those in low-risk, high-income neighborhoods but sometimes have the added barrier of feeling reluctant to make the trek to the market out of safety concerns. Removing this barrier can yield substantial dividends in the produce consumption of any community.
- Mobile farmers markets, in turn, can be a great way to bring healthy and delicious fresh fruits and vegetables to residents throughout each city, regardless of socioeconomics.
- Convincing businesses to offer free fruit to employees via mobile fruit carts is a smart investment, and cities can subsidize this practice for partnering organizations.

### 3 **Encourage "business swap" partnering programs,** where employees of restaurants that offer significant low-calorie, heart-friendly menu options receive discounted rates at local fitness centers and where employees and members of the local fitness centers receive discounted prices for eating healthy fare at the restaurants.

- Cities can certify all businesses that partake in the program and promote and advertise their participation in the community.
- Duly certified grocery stores that provide free healthy menus and cooking classes, large organic selections and otherwise support good health are great candidates to include in this program as well.

### 4 **Get people to the dentist.** Citizens with good oral health view their lives better, make healthier choices, are less likely to have periodontal disease and significantly reduce their chances of having many other negative health outcomes that substantially increase their per-person healthcare costs.

- Cities can recruit and subsidize dentists to service non-paying customers in exchange for free advertising and publicity; doing so will create a workforce that burdens its employers with significantly lower healthcare costs.

### 5 **Recruit the local colleges and universities.** It is no coincidence that college towns tend to score high in wellbeing. Local academia provides a foundation and environment for culture, learning, debate and advancement. The more communities leverage these institutions, the more they will engender a lively intellectual culture comprised of an informed and active citizenry — a proven vanguard of high-wellbeing communities and engaged workplaces alike.

# Conclusion: The Critical Role of Leadership

Efforts to improve wellbeing can take many forms, ranging from programs and offerings to web-based learning modules and apps. Regardless of the form of the intervention, no one should discount the role that leaders in communities or organizations play in engendering wellbeing among their constituents.

Be they corporate executives, politicians, clergy, school principals, managers of local groceries or restaurants, or community activists, well-informed and active leadership is crucial to a community's success at building the institutionalized, embedded and sustained wellbeing culture upon which a thriving economy depends. This culture includes certain guiding principles by which these leaders should abide, including a shared and uniform definition of wellbeing, constant and public vigilance in its advocacy, and a clear message that commitment to it will never, ever go away. In this manner, leaders can fulfill an honorable — and critical — responsibility to the people they lead and the constituents they serve.

## What Leaders Should Be Doing to Create a Wellbeing Culture

With the importance of wellbeing to our shared economic viability squarely in mind, leaders of communities and organizations alike can make a substantial difference in the wellbeing of their constituents. Aside from the fundamental perspective that all five elements of wellbeing should be addressed, here are essential strategies for leaders to do *right now* to create a culture of wellbeing, based on best-practice examples from around the country.

- 1 Maintain a strong and sustained voice from leadership regarding the importance of wellbeing.** The emphasis on mental health and other aspects of wellbeing during the pandemic cannot be seen as a passing fad. *"We're all vaccinated, so we don't have to worry about wellbeing anymore"* can't be the message. Rather, organizational leadership needs to communicate to its employees that *"A wellbeing culture is who we are, is important to us and is never, ever, going away."*
  - Wellbeing initiatives that come out of the CEO's office work best. Cultural change is an outcome of the expectations and the message sent by leadership. For example, positive defaults make it easy for employees to do what is in their best interest (easy access to healthy cafeteria food, exercise, community activities, financial management, informal social groups). Keep in mind that the **five elements of wellbeing** (career, social, financial, physical and community) are interdependent. Programs and practices work best when they target **more than one** of the five elements.
- 2 Demonstrate a shared and consistent definition of what is meant by "wellbeing."** Gallup research has shown that wellbeing interventions are more effective — and greater improvement in wellbeing is realized — when constituents know precisely what the organization means by "wellbeing." Gallup suggests using the five elements of wellbeing as a science-based organizing structure for all your benefits and wellbeing programs and offerings.
  - When you have a wellbeing initiative, align it with at least one of the five elements. Make clear how it builds net thriving and reduces feelings of struggling or suffering. When wellbeing opportunities are communicated, use the five labels so employees can easily see how everything is organized to improve their days and overall lives.

- 3 **Keep the lines of communication constantly open.** Improving and sustaining wellbeing requires managers to stay connected with employees and how their lives are progressing. The best way to do this is for managers to have conversations with employees — quick connects and check-ins, with a minimum goal for managers to have one meaningful conversation with each team member per week. Don't forget about the basic elements of managing. Ask employees how any post-pandemic changes going forward impact various elements of their wellbeing and performance.
- 4 **Lead by example.** One of the most effective ways to improve wellbeing is to be surrounded by people making healthy choices. In an organization, this starts at the top. People often adopt wellbeing practices through social contagion, where peers learn from leaders and one another and live the expected norms. But improvement comes not just from organizational leaders modeling personal behavior. They need to create clear cultural standards in workplaces around how employees eat (are there healthy foods in the cafeteria?), how they move their bodies throughout the day (are employees encouraged by leaders to pursue fitness, even to take walking breaks?) and how they treat one another. Organizations always have an advantage over larger communities when it comes to wellbeing interventions because employees inside organizations are a captive audience.
- 5 **Include family members.** An effective and proven way to demonstrate that the wellbeing of employees is cared for is to show care for their family members too, by providing opportunities of 5K walks, nutritional cooking classes, retirement planning sessions, volunteering in the community or strengths workshops for the whole household. Invite and encourage family members to participate. This will promote the wellbeing of employees and their loved ones.
- 6 **Re-promote wellbeing programs and offerings.** Gallup research has shown that only about one-quarter of employees of large employers know about and participate in wellbeing programs and offerings. Never assume that employees are aware of what is available to them. The new era of hybrid work creates a critical challenge for employers to re-energize and reintroduce wellbeing offerings. As people feel safer going back to the workplace, they will look at their work environment and its programs with fresh eyes.
- 7 **Scientifically evaluate the effectiveness of wellbeing programs.** It is best practice to continuously audit the use, effectiveness and value of wellbeing programs in the workplace, including how employees participating in programs report their overall wellbeing changes over time. Gallup has worked with many organizations to conduct both qualitative and quantitative audits to assess which programs predict higher thriving rates. Every benefit or practice should be held accountable for usefulness and impact.

#### **The seven accelerators of net thriving:**

- **Rules and guidelines** — Do they work for or against thriving in each of the five elements?
- **Communication** — Are your messages, especially from leaders and managers, consistent with a high-performing and net thriving culture?
- **Facilities** — Is it easy to move around your office space, see the outdoors and collaborate?
- **Incentives** — Do they inspire participation in activities that drive results?
- **Recognition** — Do you share and celebrate wellbeing successes?
- **Events** — Do they build awareness and change behavior?
- **Development** — Are wellbeing goals included in development plans?

8 **Leverage employee engagement to drive employee wellbeing.** Gallup research has demonstrated that the benefits of employee engagement are amplified by employee wellbeing and that employee engagement is a powerful influencer of future wellbeing . Research has also shown that highly engaged employees are far more likely to feel comfortable talking about wellbeing with their managers.

- Because of this, applying employee engagement tactics is an effective way to enhance employee wellbeing as workers return to the workplace and in-person contact resumes. Many common sense approaches exist to accomplish this, including recognizing employees for wellbeing accomplishments, soliciting their opinions for new programs and including wellbeing in goal setting.
- Organizations need to equip managers to include wellbeing in performance management. “Your wellbeing” should be an essential component of the semi-annual review for employees. This does *not* mean managers play the role of financial advisor, personal trainer or life coach. It *does* mean that they should integrate wellbeing conversations into their management practice and ongoing conversations, and they need to direct employees to resources that can help them achieve their personal goals.

9 **Develop a network of local wellbeing coaches and champions who serve as resources to collect and share best practices.** Organizations need experts, whether they be fitness coaches, financial advisors, nutritionists, community service or volunteer organizers. The end goal is that people have access to the best advice when they need it — the strongest nudges often come from peers. Every organization has influencers gifted at connecting with others and encouraging involvement. Find and use your influencers.

10 **Aim strengths at wellbeing.** Changing wellbeing requires changing habits. Comfortable conversations about wellbeing can only happen when a foundation of trust exists, and wellbeing conversations without that personal connection can be a minefield.

- Starting wellbeing conversations with an employee’s strengths works best because it focuses on the positive contributions of each person, avoids awkward criticism, identifies what makes each person unique and provides a common language. Each person can identify wellbeing activities via their innate tendencies rather than trying to improve their wellbeing by fundamentally changing who they are. Managers and wellbeing coaches can be equipped to have high-impact, strengths-based wellbeing conversations with some basic structuring.
- Also, strengths is a proven potentiator of employee wellbeing and engagement, so a strengths-based approach to enhancing wellbeing will likely yield additive benefits to performance.



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