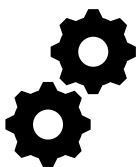


Evaluating the Return on Investment (ROI) of Levelhead and Other Wellness Programs



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You've seen the headlines and know you should be investing in a mindfulness-based program at your organization. But, you're not sure where to begin and how to measure the Return on Investment (ROI).

We hear you.

We've put together this helpful guide to give you the tools to understand the costs and make the case to invest in mindfulness. Because unlike measuring a capital investment, such as a new piece of equipment, ROI for health and well-being is more difficult to measure and requires a different perspective.

Why is ROI so difficult to measure?

Simply, because it's difficult to evaluate the value of something "not happening". For example, it's nearly impossible to predict when a program linked to stress reduction will prevent severe health problems or even an accident.

Let's start by digging in to STRESS, a major culprit of reduced productivity.

- An estimated **65-70%** of US workers consider their workplace a **significant source of stress**.
- **51%** report that stress **reduces their productivity**.

American Psychological Association, 2017

- **Stress is the health epidemic** of the 21st century.
- Workplace **stress costs American businesses up to an estimated \$300 billion**, with absenteeism a key component of this cost.

World Health Organization

Workers under stress have **less productive interactions** with fellow employees and customers.

Centers for Disease Control

SYMPTOMS OF STRESS:



SHORT-TERM

- Headaches
- Sleep disturbances
- Difficulty concentrating
- Short temper
- Job dissatisfaction
- Low morale

LONG-TERM

- Cardiovascular disease
- Musculoskeletal disorders
- Psychological disorders
- Workplace injury

THE **COST OF STRESS CANNOT BE IGNORED!**

Here are measurable ways it translates to significant expense in your organization.



ABSENTEEISM

Stress is the **single highest cause of worker absenteeism** (Centers for Disease Control).

The avg. cost of absenteeism in a large company is more than **\$3.6 million/year** (Dube et al., 2010).



TURNOVER

40% of job turnover is **due to stress** (Hoel et al., 2001; Kaplan et al., 2017).



ONBOARDING COSTS

Replacing an average employee **costs 120-299% of the salary** of the position affected (Dube et al., 2010).



HEALTHCARE COSTS

Healthcare expenditures are nearly **50% greater for workers who report high levels of stress** (NIOSH, 1999; Kaplan et al., 2017).



ACCIDENTS

Insurance data indicates claims for **stress-related industrial accidents cost nearly twice as much** as non-stress industrial accidents (Hoel et al., 2001; Kaplan et al., 2017).

SO, HOW DO YOU REDUCE STRESS?

According to the National Institute for Occupational Safety and Health (NIOSH) reducing occupational stress requires a two-pronged approach (CDC, 2014).

1

First, organizations need to evaluate job content and roles, work load, training, and culture for factors leading to employee stress.

2

The second approach **includes stress management programs and tools**. Many organizations calculate ROI on stress management programs by estimating the value of fewer sick days, higher productivity, and lower employee turnover.



This is where Levelhead comes in...



SOLUTION = MINDFULNESS

WHAT IS MINDFULNESS?

An intentional focus on the present with an attitude of acceptance and non-judgment; can be improved with practice.



HOW IS STRESS REDUCED WITH MINDFULNESS?

Neuroscience Explanation: Mindfulness has been shown to impact two stress processing pathways in the brain. Mindfulness:

- ✓ Inhibits activity in the stress processing regions.
- ✓ Reduces the reactivity pathway of the brain, giving you the ability to slow down the automatic response to stress (Creswell & Lindsay, 2014).

Behavioral Explanation: Mindfulness gives you tools to gain control over your attention, helping increase your awareness of when you are ruminating about the past or worrying about the future (both places where the majority of stress lives). Being present helps you achieve a level of objectivity and distance from a stressful situation, and thus reduces its impact.

HOW IS STRESS MEASURED?

Many organizations measure “perceived stress” to determine improvements. Perceived stress is important, because it measures *how the individual is experiencing and viewing their stress*. This is critical, because:

- ✓ We all experience stress differently.
- ✓ The symptoms of stress are different for each of us.
- ✓ Stress may not be caused by a specific situation but may be caused by an individual’s perception of the past, present, or future.

MEASUREMENT IS INCLUDED WITH THE LEVELHEAD PROGRAM!



We conduct a benchmark assessment soon after the program is launched. It includes assessments for perceived stress, awareness & focus, and employee engagement. We recommend re-administering this assessment about 10-12 weeks later to assess progress.

Employee responses are anonymous and the assessment takes just 5-6 minutes to complete. Many organizations find this information is useful for both the Levelhead program AND other aspects of the workplace as well.



BOTTOM LINE

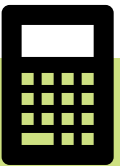
WHEN YOU REDUCE STRESS, YOU POSITIVELY IMPACT THE NUMBERS!

Levelhead is an affordable option for ALL employees, proving a high-impact program that delivers significant benefits to the individual *and* the organization.



We price our program on a per employee basis, with the price decreasing as the # of employees increases. **Organizations pay as low as \$1 per month per employee, or about \$12 a year** - less than a monthly cup of coffee.

In addition to the short-term measurements we provide, we encourage organizations to identify **key performance indicators (KPIs)** to measure and monitor over a longer period of time. Because this type of information is proprietary, most organizations prefer to conduct this analysis themselves.



CALCULATING ROI FOR LEVELHEAD:

Here are two examples of how an organization with 1,000 employees might benchmark their long-term KPIs and determine ROI of the Levelhead program.

EXAMPLE 1: Total Health Care Cost

Question: If stress is a major contributor to the cost of health care, how much do we need to reduce health care costs to cover the Levelhead investment?

Cost of Levelhead: As low as \$12 per employee/year = \$12,000 annually

Estimated cost of health care per employee = \$8,669 (SHRM, 2016)

Estimated total cost of health care for 1,000 employees = \$8,669,000

Health care costs would only have to *decrease by less than 1%* to begin positively impacting the bottom line.

< 1% REDUCTION COVERS LEVELHEAD INVESTMENT!

EXAMPLE 2: Job Turnover

Question: If stress is responsible for 40% of turnover, how much do we need to reduce turnover to cover the Levelhead investment?

Cost of Levelhead: As low as \$12 per employee/year = \$12,000 annually

Estimated cost of turnover per employee, based on an average of \$50,000 salary/benefits = \$75,000.

Current level of job turnover is 35% or 350 employees annually

Estimated amount of turnover attributed to stress is 40% of 350 employees, for 140 employees and a total cost of \$10,500,000 (140 x \$75,000).

Turnover costs would need to be *reduced by less than one employee or less than 1%* to begin positively impacting the bottom line.

LEVELHEAD WORKS!

16% REDUCTION in PERCEIVED STRESS IN JUST 8 WEEKS!

In an independent analysis, the Levelhead program has been shown to:

- **Decrease perceived stress scores by a statistically significant 16%**
- **Improve attention and awareness scores**
- **All in as short as 8 weeks of practice**

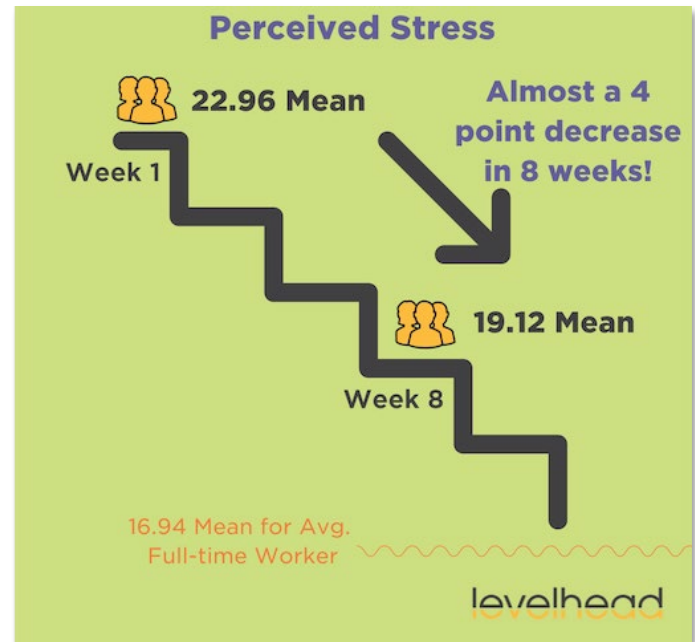
LONG-TERM MEASUREMENT UNDERWAY

We are in the process of quantifying the degree of improvement in long-term measures such as lower health care costs, turnover, and absenteeism.

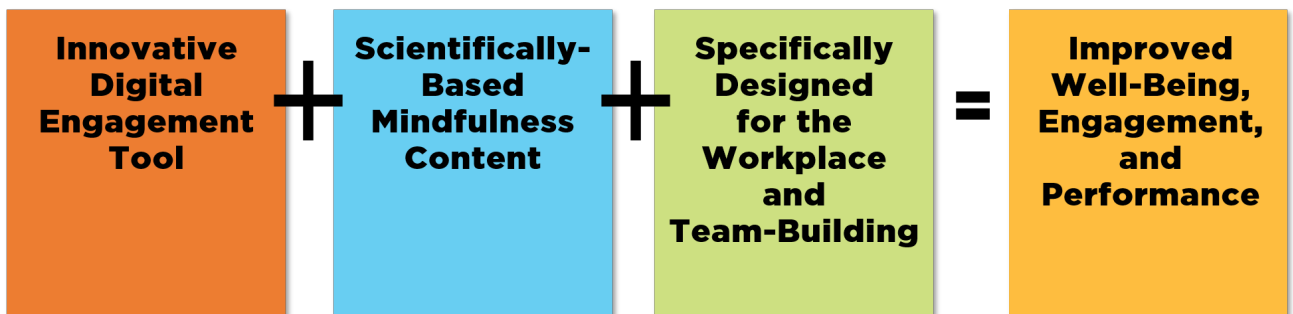
Because of the well-documented linkage between reduction in stress and improved focus and awareness, we believe that these benefits will be seen in organizations that choose to measure these components.

Our confidence comes from examining hundreds of peer-reviewed scientific studies that have shown that a consistent mindfulness practice is linked to many critical employee-related factors.

Our Results:



THE LEVELHEAD DIFFERENCE



BENEFITS BEYOND STRESS REDUCTION



Accumulated findings from research suggest that a mindfulness-based program can influence a wide range of performance categories such as job performance, citizen behavior, and safety performance (Good et al., 2016).



Heightens Awareness

Heightens Awareness and Focus

The human mind is estimated to wander about half of our waking hours (Killingworth & Gilbert, 2010). Through mindfulness practice an individual can learn to recognize when his or her mind is wandering and have the ability to bring it back to the present.



Improves Decision Making

Builds Leaders & Improves Decision-Making

Many of today's most innovative leadership programs utilize mindfulness as the foundation for self-awareness, emotional control, and improved decision making (Good et al., 2016).



Increases Creativity

Increases Innovation/Creativity

Mindfulness practice has been linked to creativity and divergent and convergent thinking, which lead to the generation of novel perspectives and responses (Good et al., 2016).



Boosts Teamwork

Boosts Teamwork

Other research demonstrates that mindfulness is associated with improved relationships and teamwork (Reb et al., 2014).



Enhances Sleep Quality

Reduces Burnout & Enhances Sleep Quality

A recent meta-analytic study suggests that mindfulness is linked to reduced burnout (Flook et al., 2013), reduced work-family conflict (Allen & Kiburz, 2012), and improved sleep quality (Hulsheger et al., 2014).



The Workwell study done in 2014 on the Financial Times Stock Exchange (FTSE) 100 index found that companies who prioritized employee engagement and well-being **outperformed the rest of the index by a whopping 10%.**

THE COST OF DOING NOTHING

When weighing options, companies should consider these questions:



What would have happened without this program? How much will stress continue to plague the organization?

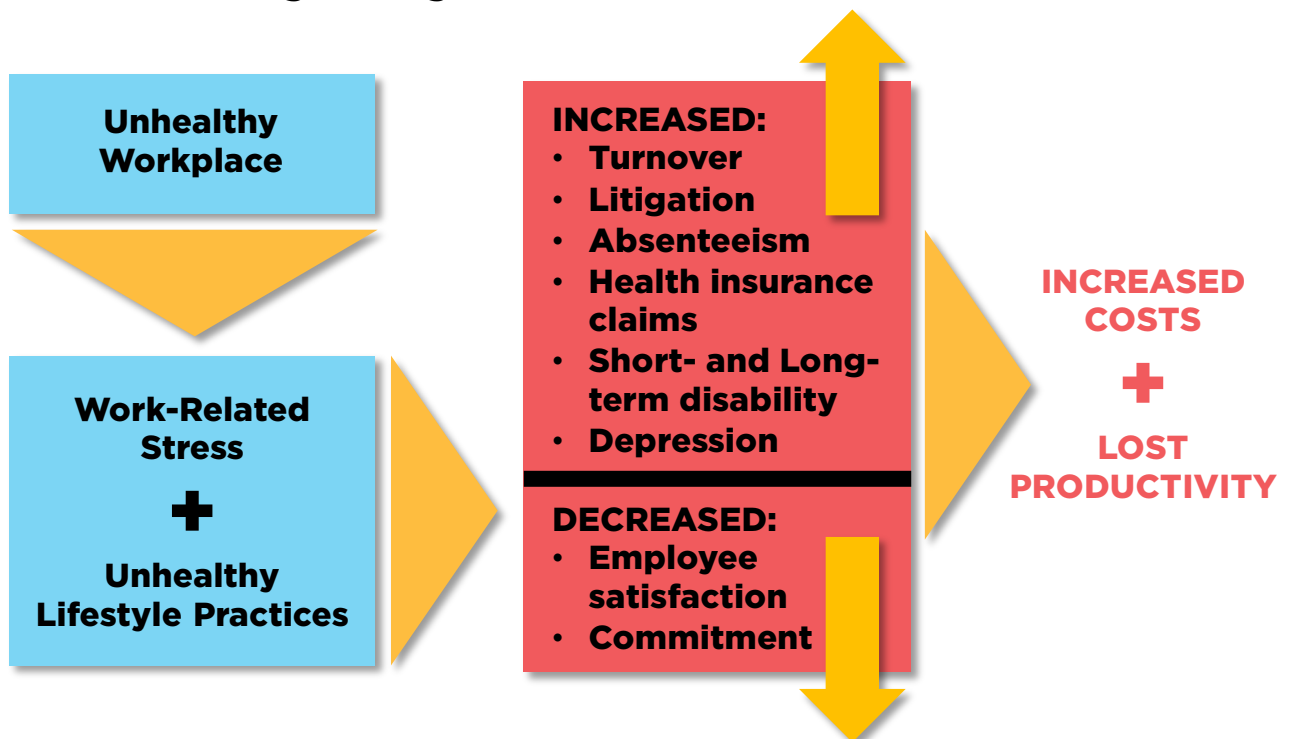


What changes would have occurred in the health risk profile of workers without a stress-reducing program like Levelhead?



How much would have been spent on health care and productivity-related events had the organization not invested in Levelhead?

The cost of doing nothing can be STEEP!



Graphic adapted from "The Business Case for a Healthy Workplace" produced by Industrial Accident and Prevention Association.

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