

# The Wellness Program ROI Checklist

*Measuring What Matters for Corporate Decision-Makers — A Data-Driven Framework*

## The ROI Problem No One Talks About

Corporate wellness is a \$61 billion industry built on a shaky ROI foundation. The oft-cited "3:1 return" figure comes from studies with significant methodological flaws — selection bias (healthy employees opt in), confounders (companies that offer wellness programs also tend to be better employers), and cherry-picked metrics.

That doesn't mean wellness programs don't work. It means most companies measure them wrong. This checklist gives you a rigorous framework for calculating, measuring, and presenting wellness ROI to the C-suite — using the metrics that actually survive scrutiny.

**Who This Is For:** HR leaders, benefits directors, CHROs, wellness program managers, and anyone who needs to justify wellness spending to a CFO. Also useful for wellness vendors who want to speak the C-suite's language.

**⚠️ Honest Caveat:** The academic consensus on wellness ROI is more nuanced than the industry admits. The RAND Workplace Wellness Programs Study and the Illinois Workplace Wellness Study both found modest or null effects on healthcare costs in the short term. This guide helps you measure what IS measurable — not inflate what isn't.

## The ROI Calculation Framework


### The Basic Formula

$$\text{Wellness ROI} = (\text{Total Benefits} - \text{Total Costs}) \div \text{Total Costs} \times 100$$

Simple in theory. The challenge is accurately quantifying "Total Benefits" without double-counting, cherry-picking, or attributing savings that would have occurred anyway.

### Total Costs (The Easy Part)


Cost Category	What to Include	Annual Estimate
Program fees (vendor)	Platform licenses, coaching, content	\$ _____
Incentive costs	Gift cards, premium discounts, prizes	\$ _____
Staff time (internal)	Program manager salary allocation, HR coordination	\$ _____
Communication & marketing	Internal campaigns, launch events, materials	\$ _____
Biometric screening	Lab costs, nurse staffing, venue	\$ _____
Technology/integration	HRIS integration, data analytics tools	\$ _____
Facility costs	Gym subsidies, wellness rooms, equipment	\$ _____
<b>Total Annual Cost</b>		\$ _____
<b>Cost Per Employee</b>	(Total ÷ eligible employees)	\$ _____

 **Benchmark:** The average U.S. employer spends \$150–\$1,200 per employee per year on wellness programs. Companies spending under \$150/employee/year are typically doing "checkbox wellness" — enough to exist, not enough to move outcomes. Companies spending over \$800 tend to have comprehensive, multi-component programs.

## Total Benefits (The Hard Part)

Benefits fall into three tiers based on how confidently they can be attributed to the wellness program:

Tier	Benefit Category	Measurability	Attribution Confidence
<b>Tier 1: Direct</b>	Healthcare cost changes, absenteeism reduction	High (claims data, HRIS)	Moderate (confounders exist)
<b>Tier 2: Indirect</b>	Presenteeism improvement, turnover reduction, engagement	Moderate (surveys, proxy data)	Low-Moderate
<b>Tier 3: Strategic</b>	Employer brand, recruitment, culture, innovation	Low (subjective)	Low

 **CFO Rule:** When presenting to the C-suite, lead with Tier 1 data, support with Tier 2, and mention Tier 3 qualitatively. CFOs discount what they can't measure. Presenting inflated Tier 3 numbers undermines the

credibility of your solid Tier 1 data.

## 12 KPIs That Matter to the C-Suite

Not all metrics are created equal. These 12 KPIs are the ones that survive CFO scrutiny and board-level reporting.

### Financial KPIs (CFO-Critical)

#	KPI	How to Measure	Benchmark
1	<b>Healthcare cost trend vs. national</b>	Compare your PMPM (per member per month) cost trend to the national average (typically 6–8% annual increase)	2–4% below national trend = good program
2	<b>Absenteeism rate change</b>	Unplanned absence days per employee, year-over-year	Average: 5.5 days/year. Top quartile: <3.5 days
3	<b>Workers' compensation claims</b>	Claim frequency and average claim cost, year-over-year	10–20% reduction in first 2 years for good programs
4	<b>Short-term disability utilization</b>	STD incidence rate and average duration	5–15% reduction is achievable with targeted programs

### Workforce KPIs (CHRO-Critical)

#	KPI	How to Measure	Benchmark
5	<b>Voluntary turnover rate</b>	Voluntary separations ÷ average headcount × 100	National average: 25%. Top employers: <15%
6	<b>Employee engagement score</b>	Annual engagement survey (Gallup Q12, custom, etc.)	Top quartile: >75% engaged
7	<b>eNPS (Employee Net Promoter Score)</b>	"How likely are you to recommend this company?"	>30 = good. >50 = excellent

8	<b>Presenteeism score</b>	Stanford Presenteeism Scale or WHO-HPQ survey	5–15% productivity loss is typical; programs targeting <10%
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### Program KPIs (Program Manager–Critical)

#	KPI	How to Measure	Benchmark
9	<b>Participation rate</b>	Unique employees engaging ÷ eligible employees	>50% = adequate. >70% = strong. >80% = exceptional
10	<b>Sustained engagement</b>	% of participants still active at 6 months	>40% sustained = good program design
11	<b>Health risk reduction</b>	Biometric screening year-over-year (BMI, BP, cholesterol, glucose)	5–10% risk reduction in high-risk population
12	<b>Program satisfaction (NPS)</b>	"How likely are you to recommend the wellness program?"	>30 NPS = program is valued by employees

## Benchmark Data from Fortune 500 Programs

How do the best corporate wellness programs actually perform? This data synthesizes published outcomes from Fortune 500 programs and peer-reviewed studies:

Metric	Bottom Quartile	Median	Top Quartile	Best in Class
Annual spend per employee	\$50–\$150	\$300–\$500	\$600–\$900	\$1,000–\$1,500
Participation rate	20–35%	40–55%	60–75%	80%+
6-month sustained engagement	10–20%	25–35%	40–55%	60%+
Healthcare cost trend reduction	No measurable impact	1–2% below national	3–4% below national	5%+ below national
Absenteeism reduction	No measurable impact	5–10%	15–25%	25–35%
Voluntary turnover impact	No measurable impact	2–5% lower	5–10% lower	10–15% lower
Time to measurable ROI	Never	2–3 years	12–18 months	6–12 months

 **The 2-Year Rule:** Academic research consistently shows that wellness programs take 18–36 months to show measurable healthcare cost impact. Programs evaluated at 12 months or less almost always show negative ROI – not because they don't work, but because behavior change takes time to flow through to claims data. Set expectations accordingly with your C-suite.

## Cost-Per-Employee Analysis Template

### Full Cost of Wellness: Per Employee Per Year (PEPY)

Component	Your Cost	Industry Median
Vendor platform/services	\$ _____	\$150–\$300

Biometric screenings	\$ _____	\$40–\$80
Health risk assessments	\$ _____	\$20–\$40
Incentives (gross, before tax impact)	\$ _____	\$50–\$300
On-site fitness/facilities	\$ _____	\$0–\$200
Coaching/counseling services	\$ _____	\$30–\$100
Internal staff allocation	\$ _____	\$20–\$50
Communication/engagement	\$ _____	\$10–\$30
<b>Total PEPY</b>	<b>\$ _____</b>	<b>\$300–\$800</b>

### Cost of NOT Having a Wellness Program (The Counter-Argument)


Cost Category	Per Employee/Year	Your Estimate
Excess healthcare costs (preventable chronic disease)	\$1,200–\$3,400	\$ _____
Absenteeism (5.5 days × daily cost)	\$1,100–\$2,600	\$ _____
Presenteeism (10% productivity loss)	\$2,000–\$6,000	\$ _____
Turnover cost (per separation, amortized)	\$3,000–\$8,000	\$ _____
<b>Total cost of inaction (per employee)</b>	<b>\$7,300–\$20,000</b>	<b>\$ _____</b>

*Note: Not all of these costs are avoidable through wellness programs. Apply a conservative 10–20% attribution factor when presenting to the C-suite.*

# Employee Engagement Correlation Data

The strongest business case for wellness isn't healthcare cost reduction — it's the engagement multiplier. Engaged employees who participate in wellness programs show compounding benefits:

Engagement Level + Wellness	Absenteeism	Productivity	Turnover Intent	Healthcare Utilization
Disengaged, no wellness participation	8.2 days/year	Baseline	35% likely to leave	Highest cost tier
Disengaged, wellness participant	6.1 days/year	+5%	28% likely to leave	Moderate reduction
Engaged, no wellness participation	4.3 days/year	+12%	18% likely to leave	Below average
Engaged, active wellness participant	2.8 days/year	+21%	11% likely to leave	Lowest cost tier

 **The Engagement Multiplier:** Wellness programs don't just improve health — they signal that the company cares about employees as whole people. This signal effect drives engagement gains that exceed the direct health benefits. When presenting ROI, frame wellness as an engagement strategy that also improves health, not the other way around.

# Vendor Evaluation Scorecard

Use this scorecard when evaluating wellness vendors. Score each criterion 1–5 (1 = poor, 5 = excellent).

Category	Criteria	Weight	Score (1–5)	Weighted
<b>Evidence &amp; Outcomes</b>	Published outcomes from similar-sized companies	3x	<input type="checkbox"/>	___
	Third-party validated ROI claims	3x	<input type="checkbox"/>	___
	Transparent methodology for ROI calculation	2x	<input type="checkbox"/>	___
<b>Engagement Design</b>	Multi-channel engagement (app, web, in-person, text)	2x	<input type="checkbox"/>	___
	Personalization capabilities	2x	<input type="checkbox"/>	___

	Sustained engagement track record (>40% at 6 months)	3x	<input type="checkbox"/>	___
<b>Integration</b>	HRIS/benefits platform integration	2x	<input type="checkbox"/>	___
	Claims data integration for outcomes measurement	2x	<input type="checkbox"/>	___
<b>Support</b>	Dedicated account management	1x	<input type="checkbox"/>	___
	Implementation support and change management	2x	<input type="checkbox"/>	___
<b>Compliance</b>	HIPAA compliance and data security	3x	<input type="checkbox"/>	___
	ADA/GINA/ACA compliance in program design	2x	<input type="checkbox"/>	___
<b>Total Weighted Score</b>				___ / <b>135</b>

**✔ Vendor Red Flags:** Guaranteed ROI claims (no vendor can guarantee outcomes). Proprietary-only metrics (ask for industry-standard measures). Reluctance to share reference clients. Contracts that auto-renew without performance reviews. Incentive designs that may violate ADA or GINA regulations.

# 90-Day Pilot Program Template

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Before committing to a full-year program, run a 90-day pilot to validate engagement, gather baseline data, and build the case for full deployment.

## Pilot Program Structure

### Phase 1: Setup (Weeks 1–2)

- Select pilot population (200–500 employees, representative of full workforce)
- Establish control group (matched demographics, no program access)
- Collect baseline data: engagement survey, absenteeism rates, health risk assessment
- Define success criteria (minimum participation rate, engagement thresholds)
- Configure vendor platform and test integrations
- Brief pilot participants and managers

### Phase 2: Launch & Engagement (Weeks 3–10)

- Launch with high-visibility kickoff event
- Week 1 participation check: target >40% activation
- Week 4 engagement check: target >60% of activated still active
- Week 8 sustained engagement: target >45% still active
- Collect qualitative feedback at weeks 4 and 8

Monitor support tickets and user experience issues

Track incentive redemption rates

### Phase 3: Evaluation (Weeks 11–13)

Post-pilot engagement survey (compare to baseline)

Participation and sustained engagement analysis

Absenteeism comparison: pilot vs. control group

Program NPS survey

Cost analysis: actual vs. projected

Vendor performance review

Go/no-go recommendation with supporting data

## Pilot Success Metrics

Metric	Minimum (Go)	Target	Stretch
Activation rate (week 2)	>40%	>55%	>70%
Sustained engagement (week 10)	>30%	>45%	>60%
Program NPS	>20	>35	>50
Manager satisfaction	>60% positive	>75%	>85%
Technical issues	<10% reporting	<5%	<2%

## The Board-Ready ROI Presentation Template

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## One-Page Executive Summary Structure

1. **The Business Problem** (2 sentences): What health-related costs and workforce issues are we addressing?
2. **The Program** (2 sentences): What we're doing and how many employees it covers.
3. **Investment** (1 line): Total annual cost and cost per employee.
4. **Results — Tier 1** (3–4 bullet points): Healthcare cost trend, absenteeism, workers' comp — with comparison to control group or industry benchmark.
5. **Results — Tier 2** (2–3 bullet points): Engagement scores, turnover, presenteeism — noting attribution limitations.
6. **ROI Calculation** (1 line): Conservative estimate using Tier 1 data only.
7. **Recommendation** (1 sentence): Continue, expand, modify, or sunset.

## Your Wellness ROI Action Plan

**Current program stage:**  Considering  Pilot  Year 1  Year 2+  Evaluating vendor change

**Annual budget per employee:** \$ \_\_\_\_\_

### Primary KPIs to track:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

### Baseline data needed:

1. \_\_\_\_\_
2. \_\_\_\_\_

**Next milestone:** \_\_\_\_\_

**Target date:** \_\_\_\_\_

**Want the Interactive ROI Calculator?** Visit [wellness-roi-calculator.wedgkit.com](https://wellness-roi-calculator.wedgkit.com) for a dynamic ROI model that plugs in your company's specific data — employee count, current healthcare costs,

absenteeism rates — and generates a board-ready projection.

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This checklist is for educational and planning purposes. ROI projections are estimates based on published benchmarks and should be validated with your organization's specific data. This is not financial or legal advice.