

Recognizing the Relationship Between Health and U.S. Economic Competitiveness

WHY IS POOR HEALTH A THREAT TO U.S. ECONOMIC COMPETITIVENESS?

Health Care Costs Are Undermining Business Profits and Successes:

- Poor health is putting the nation's economic security in jeopardy. The skyrocketing costs of health care threaten to bankrupt American businesses, causing some companies to send jobs to other countries where costs are lower.
- U.S. health care costs exceed \$3 trillion annually, more than three times more than in 1990, and over eight times more than in 1980.²
- More than one-quarter of health care costs are related to obesity, overweight, and physical inactivity due to associated health problems, including heart disease, hypertension, diabetes, and some forms of cancer.³
- Health care costs of obese workers are up to 21 percent higher than for non-obese workers.⁴
 - ▲ Obese and physically inactive workers also suffer from lower worker productivity, increased absenteeism, and higher workers' compensation claims.⁶
 - ▲ Obese employees, on average, submit twice as many workers compensation claims as normal weight employees, and these claims are far more expensive.⁷
- More than 20 percent of adult Americans currently smoke. Lifetime health care costs for

individuals who smoke are \$17,500 higher than for those who do not smoke.⁸

- Workplace injuries annually cost U.S. employers \$46.8 billion – nearly \$1 billion per week – in direct costs (medical and lost wage payments). When indirect costs, such as overtime, training, and lost productivity, are taken into account, costs to employers can climb to as much as \$291.6 billion each year.⁹

Keeping People Healthier is Crucial to Keeping Health Costs Down:

- Keeping the American workforce well helps American businesses remain competitive in the global economy. For example:
 - ▲ Caterpillar's Healthy Balance Program will save \$700 million by 2015.¹⁰
 - ▲ MetLife estimates a 2.52 return on investment from its fitness program, which costs about \$550,000 a year, a savings of about \$1.38 million per year. The percentage of MetLife employees who were previously considered at high cardiovascular risk has dropped from about 35 percent of a 200 person random sample to less than 10 percent.¹¹
 - ▲ Motorola's Wellness Program saves the company \$3.93 for every \$1 invested in wellness benefits.¹²

“HEALTH CARE COSTS ARE ONE OF THE TOP COST PRESSURES FACING AMERICAN BUSINESSES TODAY, INHIBITING JOB CREATION AND HURTING AMERICA'S ABILITY TO COMPETE IN GLOBAL MARKETS.”¹

-- Harold McGraw III,
Chairman of Business Roundtable and
Chairman, President and CEO of The McGraw-Hill Companies

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PREVENTING
EPIDEMICS.
PROTECTING
PEOPLE.

WHAT CAN BE DONE TO IMPROVE THE HEALTH OF THE U.S. WORKFORCE?

- **Encourage Every Employer to Offer a Workplace Wellness Program.** Federal, state, and local governments must work with private employers and insurers to ensure that every working American has access to a workplace wellness program and preventive care benefits. Preventive benefits should also be extended to employees' families. These benefits can show a return on investment through increased productivity, fewer sick days, and lower health care costs.
- **Promote Healthy Communities.** Businesses should support measures to ensure the communities where their employees and their families live are healthy, through advocating for safe, affordable recreation spaces, sidewalks, bike paths, healthy school policies, access to affordable healthy foods, and other strong public health policies and services that help make healthy choices easy choices. Community planners should bring together diverse stakeholders, including public health departments, businesses, transportation officials, and environmental agencies to determine how to best build healthier communities.
- **Implement Strong Paid Sick Leave Policies.** When sick employees attend work, they risk infecting their coworkers and everyone they interact with, as well as exacerbating their illness. Paid sick days policies make fiscal sense by ensuring a healthy workforce. Businesses should extend paid sick leave to all employees, without penalizing those who use these days to recover from an illness or to care for an ill family member.
- **Improve Job Safety.** Federal agencies, including the Occupational Safety and Health Administration (OSHA) and the National Institute for Occupational Safety and Health (NIOSH), should receive the funding they need to set and enforce workplace safety and health standards. These standards should follow the best science available.
- **Support Smoke-Free Communities.** Businesses should adopt smoke-free workplace policies and communities should support smoke-free laws and tobacco-taxes to encourage smoking cessation and reduce second-hand smoke.

ENDNOTES

- 1 "Health Care Costs Put U.S. Workers at Significant Disadvantage." *Consumer Affairs*. March 16, 2010. http://www.consumeraffairs.com/news04/2009/03/health_care_costs.html#ixzz0v532Xylp (accessed July 29, 2010).
- 2 KaiserEDU.org. "U.S. Health Care Costs: Background Brief." Kaiser Family Foundation. http://www.kaiseredu.org/topics_im.asp?imID=1&parentID=61&id=358 (accessed August, 2010).
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- 4 E. Ostbye, et al. "Obesity and Workers' Compensation: Results from the Duke Health and Safety Surveillance System." *Archives of Internal Medicine* 167, no. 8, (2004):766-773.
- 5 L.H. Anderson, et al. "Health Care Charges Associated with Physical Inactivity, Overweight, and Obesity." *Preventing Chronic Disease* 2, no. 4, (October 2005):1-12.
- 6 S. Klarenbach, et al. "Population-Based Analysis of Obesity and Workforce Participation." *Obesity* 14, no. 5 (May 2006): 920-927.
- 7 Ibid.
- 8 Campaign for Tobacco Free Kids. "Fact Sheet: Lifetime Health Costs of Smokers vs. Former Smokers vs. Nonsmokers." Campaign for Tobacco Free Kids. <http://www.tobaccofreekids.org/research/factsheets/pdf/0277.pdf> (accessed January 10, 2008).
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- 10 U.S. Department of Health and Human Services. *Prevention Makes Common "Cents"*. Washington, D.C.: U.S. Department of Health and Human Services, 2003.
- 11 Business Roundtable. *Doing Well Through Wellness: 2006-07 Survey of Wellness Programs at Business Roundtable Member Companies*. Washington, D.C.: Business Roundtable, 2007. http://www.business-roundtable.org/pdf/Health_Retirement/BR_Doing_Well_through_Wellness_09192007.pdf (accessed October 9, 2007).
- 12 U.S. Department of Health and Human Services. *Prevention Makes Common "Cents"*. Washington, D.C.: U.S. Department of Health and Human Services, 2003.

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