



Making Weight Control Everybody's Business

Executive Summary

It is clear that societal and environmental factors make individual weight loss difficult, even under the best of circumstances. As Americans spend an increasing percentage of their time each day at the workplace, employers have an important role to play in addressing the issues of overweight and obesity and improving the health of their workforces. With a labor force working longer before retiring, combined with the rising obesity rate among children and young adults preparing to enter the workforce, the business community must be aggressive to minimize the impact these trends will have on future profitability and sustainability.

U.S. employers are increasingly aware of the significant economic burden resulting from obese employees. These costs include:

- Increased health care costs,
- Increased disability and worker's compensation claims,
- Increased absenteeism,
- Decreased productivity.

Currently, obesity outranks both smoking and drinking in terms of increased health costs.¹ It is estimated that employers spend more than 75 billion dollars annually on obesity-attributable health care.² In addition, over 39 million work days are lost to obesity-related illness each year.³ These statistics will be even more sobering if the increase in the number of overweight and obese workers is not reversed. As a result, many companies are introducing programmatic interventions to encourage and incentivize employees to achieve and maintain a healthy weight. These interventions are similar to workplace safety initiatives in that they are proactive, educational and provide both a health and economic benefit to both employers and employees.

As the U.S. economy continues to transition from a manufacturing base with jobs that required hard physical labor to a service based economy with limited physical requirements, employees are gaining weight. In addition, technological improvements at home and in the workplace have reduced physical activity within the population and made many workers sedentary.⁴ The health consequences driven by societal changes that foster inactivity and poor nutrition are leading to a less productive U.S. workforce and exponentially driving up health care costs. It is the ethical responsibility and in the economic interest of every employer to focus on strategies that will encourage healthy habits among individual employees.

It is clear that the business community is willing to accept this responsibility and contribute to the prevention and treatment of obesity within their workers, but they need help. The Reality Coalition is a group of experts on obesity, nutrition, diabetes and healthcare policy who share the common goal of advancing an agenda for realistic approaches to weight loss. The Coalition strives to increase:

- Recognition of the importance of gradual weight loss and prevention of weight gain achieved through diet, exercise, and lifestyle changes.
- Realization of the significant health benefits associated with modest weight loss.

The Coalition is expanding its efforts in 2007 and will invite business leaders, private, public, professional and non-profit groups to join in its efforts to focus attention on the rising cost of obesity and its impact on the well-being of working Americans. The development of this conference, *Making Weight Control Everybody's Business*, is just one activity to reinforce the messages of healthy, modest weight loss and to engage employers as partners in this effort. The conference will help evaluate various components of effective workplace weight loss strategies by integrating input from employers with perspectives and insights from weight loss experts. These discussions will support an expert-driven policy initiative to promote a realistic approach to weight loss among the medical community, private sector employers and insurers who carry the brunt of healthcare costs within the United States.

Impact of Obesity on Employers and Employees

Health Impact

In recent years, the concerns and challenges of dealing with health-related issues associated with the obesity epidemic have been clearly and thoroughly articulated by groups such as the National Academies of Science Institute of Medicine (IOM), the Centers for Disease Control (CDC), the U.S. Food and Drug Administration (FDA), and numerous other professional and scientific organizations. With two thirds of the U.S. population considered overweight or obese, there is an urgent need to engage employers to help address the significant impact on health from overweight and obese employees.

Overweight and obesity are considered chronic diseases^{5,6} and are known risk factors for coronary heart disease, type 2 diabetes, hypertension, osteoarthritis, sleep apnea and stroke, among others.⁷ These health problems contribute to higher mortality rates among overweight and obese persons.⁸ According to the American Journal of Health Promotion, the prevalence of overweight and obesity within the U.S. workforce mirrors the general U.S. population. Approximately 70% of full-time employed men are either overweight or obese, and approximately 53% of full-time employed women are either overweight or obese.⁹

Providing employees with support to achieve a sustained, modest weight loss of just 10% would make significant reductions in the incidence of chronic obesity-related illness such as hypertension, hypercholesterolemia, type 2 diabetes, coronary heart disease and stroke.¹⁰

Cost Impact

The costs of obesity-related health problems to employers are significant and multifaceted. Obesity is associated with increased direct and indirect cost, including increased absenteeism, short-term disability, and decreased productivity in the workplace.¹¹ In 2000, overweight and obesity cost the U.S. economy an estimated \$117 billion, according to a 2001 U.S. Surgeon General report. Of that total, \$61 billion covered direct medical costs; the remainder accounted for indirect costs, such as lost work time, disability and lost income due to premature death.¹² In 1994, these costs were estimated to be \$13 billion per year, including \$8 billion in medical claims, \$2.4 billion in paid sick leave, \$1.8 billion in life insurance, and almost \$1 billion in disability insurance.¹³ It is estimated that the average annual per capita increase in medical expenditures and absenteeism associated with obesity ranges between \$460 and \$2,500 per obese employee, with costs increasing as body mass index increases.⁹

Healthcare Costs

The Congressional Budget Office recently warned that long term budget issues tied to rising health care costs, particularly the rising prevalence of obesity, will create an “unsustainable fiscal path” that is concentrated disproportionately in Federal health care programs like Medicare and Medicaid.¹⁴ Likewise, it is not surprising that employees who are overweight or obese contribute significantly to rising healthcare costs for their employers (see Tables 1 and 2). A 2001 study found obese adults had, on average, about 37% higher healthcare expenses per person than normal-weight adults. This excess expense increased private healthcare spending by nearly 12% or more than \$36 billion.¹⁵ In addition, obese individuals may pay as much as 77 percent more for medications compared to non-obese individuals.¹⁶ What do these figures mean to an individual employer? Projecting from current research, it could be estimated the cost of obesity to a 5,000 person company is over a million dollars per year.¹⁷

Rising obesity costs also impact insurers, resulting in increased health care premiums for both employers and employees. These increased premiums can often make health coverage less affordable for small and medium employers. Blue Cross and Blue Shield of North Carolina (BCBSNC), the state’s largest insurer, scrutinized medical costs and claims data for its obese members and discovered that 55 percent of the health plan’s 3 million members were overweight. Caring for obese members cost at least 30 percent more than normal-weight members.

Care for overweight members cost 18 percent more than normal-weight members. For 2003 alone, those excess dollars reached \$83 million.¹⁸ Another large North Carolina health plan found that its yearly total medical claims were 18% higher for overweight individuals and 32% higher for obese than for healthy-weight individuals.¹⁹

Fortunately, the impact of obesity on healthcare costs can be lessened with appropriate interventions. BCBSNC showed that 47 percent of program participants have lost weight, with an average weight loss of 9.5 pounds. Seventy percent of

Table 1: Annual Healthcare Costs of Obesity Related Illness

- High blood pressure: \$4.1 billion
- Heart disease: \$8.8 billion
- Type 2 diabetes: \$98 billion

Thom T, Haase N, et. al. Heart Disease and Stroke Statistics – 2006 Update: A Report From the American Heart Association Statistics Committee and Stroke Statistics Subcommittee. *Circulation* 2006;113:e85-e151.

program participants reported better eating habits and 59 percent reported becoming more active.²⁰ *Researchers have estimated that even a modest reduction of 10% in body weight in an obese individual might reduce the expected lifetime healthcare costs of major obesity-related diseases for the individual by \$2,200 to \$5,300, depending on age, sex, and initial BMI.*¹⁰

Table 2: Increased Medical Expenditures and the Dollar Value of Increased Absenteeism

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Associated With Overweight and Obesity (2004 Dollars)*

	Overweight (BMI 25.0–29.9)	Grade-I Obese (BMI 30.0–34.9)	Grade-II Obese (BMI 35.0–39.9)	Grade-III Obese (BMI ≥ 40.0)
Men				
Medical Expenditures	\$169	\$392	\$569	\$1,591
Absenteeism	\$6	\$70	\$643	\$436
Total	\$175	\$462	\$1212	\$2027
Women				
Medical Expenditures	\$495	\$1071	\$1549	\$1359
Absenteeism	\$93	\$302	\$936	\$805
Total	\$588	\$1,372	\$2,485	\$2164

* Obesity-attributable medical expenditure estimates are inflated to 2004 dollars using the Medical Care CPI inflator. The dollar value of increased absenteeism is inflated to 2004 using the All Items CPI inflator.

Finkelstein E, Fiebelkorn IC, Wang G. The costs of obesity among full-time employees. *American Journal of Health Promotion* 2005; 20:45-51.

Increased Disability and Worker’s Compensation Claims

Approximately 85 percent of workers injured on the job were classified as overweight or obese.²¹ Research has demonstrated that obesity causes increases in both disability claims and workers compensation claims. In one study, compared to normal weight workers, those who are overweight and obese have increased odds for short term disability events of 26% and 76%, respectively.¹¹ According to another recent study conducted by researchers at Duke University Medical Center, obese employees cost companies more money than their fit counterparts—in lost workdays, higher medical costs, and more workers' compensation claims. Researchers reviewed the records of 11,728 employees of Duke University who received health risk appraisals between 1997 and 2004 to determine if there was a relationship between body mass index and the rate of workers' compensations claims. The researchers found that obese workers filed twice as many workers' compensations claims as workers who fell within the recommended BMI range. As a result, obese employees had seven times higher medical costs, for an average of \$51,019 per 100 employees.²²

Increased Absenteeism and Decreased Productivity

Obese people miss more work, costing employers over \$4 billion per year.²³ Tucker and Freidman found that obese employees were 1.74

Table 3: Annual Cost of Lost Productivity Related to Obesity

- Workdays lost: 39.2 million
- Physician office visits: 62.6 million
- Restricted activity days: 239 million

Wolf AM, Manson JE, Colditz GA. The Economic Impact of Overweight and Obesity. In: Eckel R, ed. *Obesity: Mechanisms and Clinical Management*. Lippincott, Williams and Wilkins, Portland, 2002.

times more likely to experience a high level of absenteeism and 1.61 times more likely to report moderate absenteeism.²⁴

According to the American Journal of Health Promotion, the annual per capita cost of being obese is higher for women than men. The larger cost for obese women is driven in part by their increased frequency of absenteeism. Normal weight employees miss about three days of work per year due to illness or injury, whereas obese women (those roughly 100 pounds overweight) miss more than eight days per year.⁹ Another study estimated that obese employees lost 13 times more days of work averaging 183.63 days lost per 100 employees.²² The bottom line for employers is that missed work can cost up to \$800 per person per year.¹⁷ Lower obesity rates alone could produce productivity gains of \$254 billion per year.²⁵

Obese workers also incur greater productivity losses than non-obese employees.²⁶ The total lost productivity cost relevant to physical inactivity is nearly \$7.5 billion, and the cost of obesity is approximately \$3.4 billion. On average, a staggering three weeks or more per year of lost productivity can be attributed to the obesity risk factors.²⁷

What Can Be Done? – Suggestions for Employers

Most employers recognize that they have to do something to help support employees, and the good news is that over 81% of employers offer some type wellness incentive to their employees. However, less than half of employers offer some kind of financial incentive for engaging in healthy behaviors or achieving healthful goals.²⁸ Ensuring that programs are designed to align incentives between employees and employers and that these incentives support achievement of goals are both necessary to ensure participation and successful outcomes.

In fact, research published in the Journal of Occupational and Environmental Medicine showed that cash incentives for weight loss can be successful even when the payout is as little as \$7 for dropping a few pounds in three months.²⁹ In addition, the number of employers offering weight-loss programs specifically increased from 17 percent in 2001 to 29 percent in 2006, representing a 71 percent increase.³⁰ Return on investment (ROI) for large corporate health management programs is positive and has been shown to range from \$1.49 to \$4.91 per dollar spent, with a median of \$3.14.³¹

Employees are also highly supportive of employer involvement in health management programs. According to a survey conducted through the Synovate Global Opinion Panel (SGOP), two out of three overweight employees are interested in employer-sponsored weight control programs. The purpose of the survey was to assess the level of interest and the overall impact of workplace weight control programs among overweight employees. Key findings demonstrated:

- There is strong interest in employer-sponsored health and wellness programs among overweight employees.
- Among the types of programs available, overweight employees consider healthier food options (53%) to be most important, followed by gym/health club programs (48%).
- Women express a higher level of interest in all programs, including nutrition and weight loss classes, counseling and meetings – which are less appealing to men.

- Presently, less than half (44%) of overweight employees have access to employer-sponsored weight control programs.
 - Only about one in five overweight employees currently participate in an employer-sponsored weight control program.
 - Free/reduced-cost gym or health club membership (31%) is the most common employer-sponsored program.
- The most common reasons for not participating in an employer-sponsored weight control program, include:
 - Feel weight-control to be of a personal matter (49%).
 - Prefer to seek out services independently (40%).
- Most overweight employees (74% to 82%) indicate they would have a better opinion of their employer if any weight control or exercise programs were offered.

Employees are interested in work-based weight management and exercise programs, and employers should work to provide flexible options that support employee work schedules, align incentives to encourage employee participation, and reward and recognize success. Making healthy behaviors a meaningful and significant part of corporate culture will also drive participation and results. Additional suggestions for employers to foster a healthy worksite are provided in Table 4.

Table 4: Suggestions for Fostering a Healthy Worksite

Provide time and facilities for employees to exercise	<ul style="list-style-type: none"> Build on-site walking trails Encourage employees to take the stairs Provide exercise equipment and treadmills in break areas Organize walking groups for friendship and support
Support healthy food choices by employees	<ul style="list-style-type: none"> Provide healthy entrees in company cafeterias Stock healthy vending machine choices Replace candy bowls with fresh fruit, raisins, or packets of healthy snacks Post nutritional information on foods in company cafeterias Develop healthy grocery lists that can be downloaded to PDAs
Provide incentives	<ul style="list-style-type: none"> Provide healthy food discounts in company cafeterias Offer incentives for distance parking Extend lunch times for noon walkers Offer small financial incentives to participate in wellness programs Provide discounts for participation in organized weight loss programs Offer health premium discounts for obesity prevention behaviors Negotiate discounts on home fitness equipment
Enhance benefit design and employee education	<ul style="list-style-type: none"> Offer health screening programs Subsidize health club memberships Provide increased insurance coverage for preventative services Provide health information on Web sites, such as quizzes, tips and online coaching Reinforce education about health issues related to weight

Turning Employer Challenges into Opportunities

Although both the health and financial costs of obesity are well documented, there are still significant barriers to implementing employers supported weight management programs. “You can lead the horse to water, but you can't make it drink” is how David Thompson, an economist at health researcher Innovus, sums up the main obstacle to the success. In fact, there are three primary challenges for employers:

1. Recognizing that prevention and early intervention is cost effective
2. Demonstrating financial return-on-investment
3. Making worksites conducive to organized weight management efforts

Over 79% of employees indicate that a major barrier to weight loss is that workplace settings are not conducive to healthy eating and physical activity.³² Even with the recognized barriers, employers may be hesitant to add employee benefits unless they are confident there is a trade-off in terms of lower claims costs in the future. The average employee only stays at a job for 4.5 years, and it actually takes far longer for health problems due to overweight and obesity to emerge.²³ Employers may also fear investing in people that may not be long term employees of their company. Therefore, incentives must be aligned to encourage employers to deal with the expanding waistlines of their workers. Focusing on a basic benefit framework, with an emphasis on prevention and early intervention can help ensure that long-term savings will outweigh upfront costs and provide the necessary support for employees.

Wal-Mart: A Case Study

Although employee turnover is often raised as a barrier for implementing employee weight management programs, Wal Mart, the nation's largest employer, may be demonstrating the benefits. Many companies with workers who are more likely to live paycheck to paycheck have generally scoffed at the cost of supporting such programs. Wal Mart's workers earn, on average less than \$20,000 a year, juggle odd hours while raising families and managing the stress of the job. Fitness is by necessity, a relatively low priority. A disproportionate number of its employees suffer from chronic diseases that stem in part from poor eating habits. The reality is that the company is focused on reducing health care spending on a work force with higher rates of heart disease and diabetes than the general public. In the process, they hope to improve employee morale, and therefore productivity. Wal-Mart has asked their employees to adopt a pledge to improve their bodies - and backed it up with an estimated \$30 million commitment. The company supports activities such as granting employees discounts on healthy menu items and encouraging employees to stretch each morning. Some stores have even implemented aerobics classes in their break room and encouraged regular walks around the store.³³

Conclusion

More than half of all adults are overweight, obese or sedentary, and business leaders must focus on providing flexible and sustainable options to support their employees in developing and maintaining healthy behaviors. The business case is clear, employer based weight control programs can demonstrate financial return, decrease employee absenteeism and increase productivity. We must partner to help the nation's employers encourage healthy behaviors and modest weight loss and decrease the significant human and financial costs associated with overweight and obesity in the US workforce.

Appendix A: Overview of the Reality Coalition

The Reality Coalition is a group of experts on obesity, nutrition, diabetes and healthcare policy who share the common goal of advancing an agenda for realistic approaches to weight loss. The Reality Initiative was launched in 2006 and is supported by an educational grant from GlaxoSmithKline Consumer Healthcare. The Coalition developed a white paper entitled *Help Not Hype: Getting Real About Weight Loss* (published in *Obesity Management*, February 2007), which was introduced in partnership with the U.S. Federal Trade Commission (FTC) at NAASO, The Obesity Society 2006 annual meeting.

Reality Coalition Chairs

The Reality Coalition is led by three chairpersons:

- Louis J. Aronne, MD
- George L. Blackburn, MD, PhD
- MRC Greenwood, PhD

Reality Coalition Core Panel

The Reality Coalition Core Panel includes the following members:

- Valentine Burroughs, MD, MBA
- Susan Cummings, MS, RD, LDN
- Morgan Downey, JD
- Johanna Dwyer, PhD
- Madelyn Fernstrom, PhD, CNS
- Arthur Frank, MD
- Gary Foster, PhD
- Barbara Moore, PhD
- Jeremy Nobel, MD, MPH
- Judith S. Stern, ScD
- Anne Wolf, MS, RD

Reality Coalition Partners

In 2007, the following groups have appointed individuals from their organizations to join the Reality Coalition as it expands:

- American Dietetic Association
- American Pharmacists Association
- National Consumers League
- NAASO, The Obesity Society
- Shaping America's Health
- America on the Move

¹ Dietz W. CDC's role in combating obesity and the scientific basis of diet and physical activity. House Committee on Government Reform, Washington, DC, July 25, 2002.

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