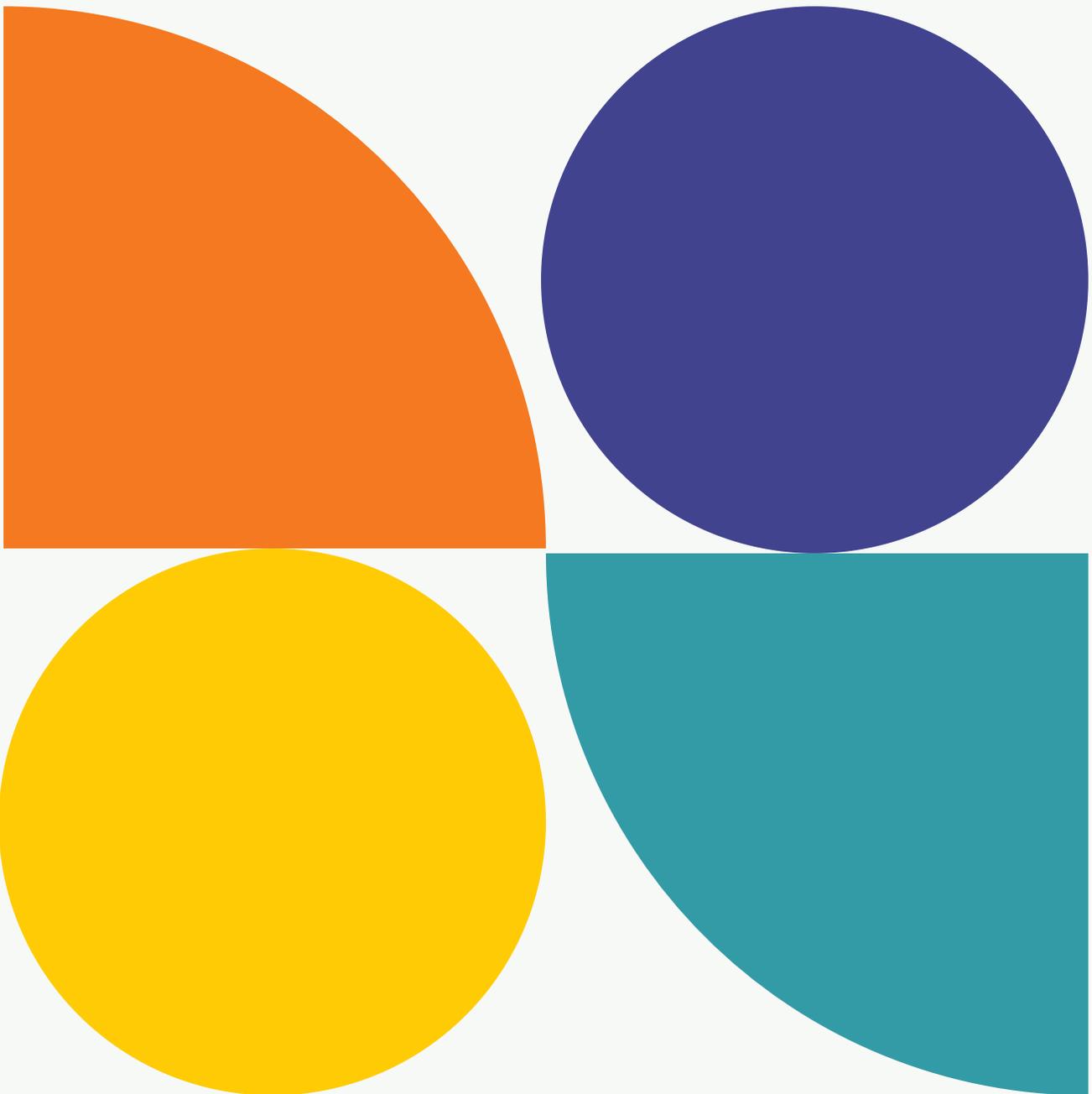


Wellable

Blueprint For Balance:
Insights From Wellable's 2024
Employee Wellness Industry Report



Introduction

The aftermath of the pandemic has fueled a tug-of-war between employers advocating for a return to the office and employees resisting the departure from remote work. Organizations are carefully navigating this transitional phase, redefining employee benefits to address the new demands of hybrid work models and the simultaneous surge in healthcare costs. This evolving approach to work structures, combined with financial stability concerns, demands a strategic approach toward allocating resources for employee benefits. To effectively evaluate benefits options, leaders must consider the impact of related policies and programs on both employee well-being and organizational health.

Wellable's seventh annual Employee Wellness Industry Trends Report is designed to guide organizations in making well-informed decisions regarding employee wellness benefits. This report is distinctly shaped by data collected directly from health insurance brokers, who represent thousands of employers and millions of employees. Insights from these industry experts empower businesses to:

- **Stay ahead of the game:** Discover the top 23 wellness solutions and strategies that employers are planning to invest in during 2024.
- **Make informed decisions:** Learn which criteria have the greatest impact on employee benefits decisions.
- **Choose the right partner:** Find out the top criteria employers and brokers use to evaluate third-party vendors who can help them meet their employee wellness needs.
- **Optimize wellness programs:** Explore best practices for wellness program success and actionable strategies for implementation.

This intelligence is particularly crucial for HR leaders as they plan and implement wellness initiatives in 2024.

For a sneak peek, here are six key takeaways from the full report. Enjoy!

[READ THE FULL REPORT](#)



1 FOCUS ON FLEXIBILITY IN WELLNESS JOURNEYS

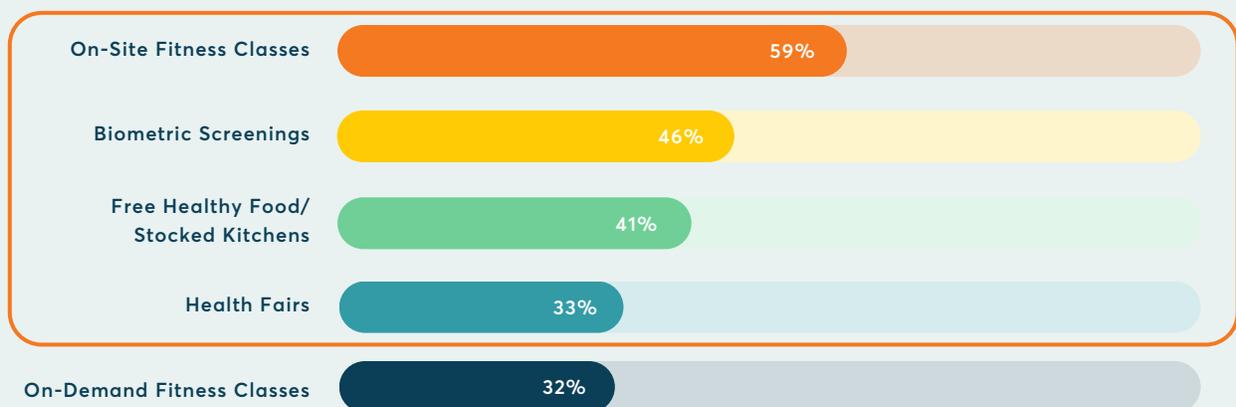
Organizations are moving from traditional, location-dependent wellness solutions toward flexible, personalized offerings that cater to a diverse and increasingly hybrid workforce.

Decline In Physical, On-Site Wellness

In 2024, a significant portion of respondents anticipate reduced investment in certain wellness areas: 59% expect less investment in on-site fitness classes, 46% in biometric screenings, 41% in free healthy food/stocked kitchens, 33% in health fairs, and 33% in on-demand fitness classes. Four out of these five 'Falling Giants' rely on physical presence, suggesting a declining relevance of location-dependent wellness solutions, coinciding with the rise of hybrid work arrangements.

Simultaneously, organizations are moving toward more holistic and flexible wellness programs, expanding beyond just physical health. As a result, many are reducing their investments in once-ubiquitous offerings like fitness classes, biometric screenings, and free healthy food options.

% of respondents expecting decreased investment in 2024



There's a notable decrease in location-dependent wellness offerings, reflecting a shift toward flexible wellness solutions in the evolving hybrid workplace.

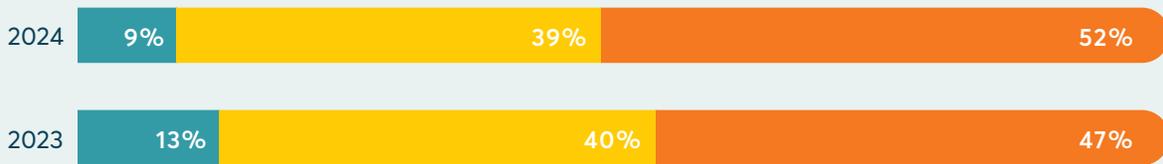
Lifestyle Spending Accounts (LSAs) To Meet Varied Needs

The majority of respondents (52%) report plans to increase investments in lifestyle spending accounts (LSAs), up from 47% the previous year. Only 9% note a decrease in LSA investments, a drop from 13% in 2023.

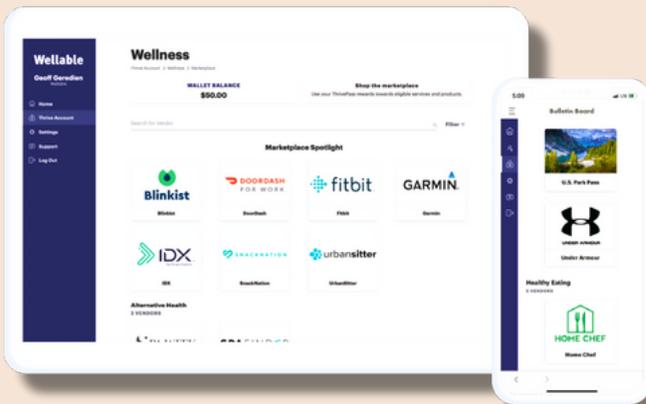
Organizations increasingly recognize that one-size-fits-all benefits fall short of meeting diverse workforce needs. LSAs empower employees to allocate funds to wellness expenses of their choice, representing the shift toward personalization, autonomy, and flexibility in wellness programs.

Respondents are shifting toward customizable wellness benefits, with LSAs leading the change by offering employees autonomy to invest in preferred wellness services.

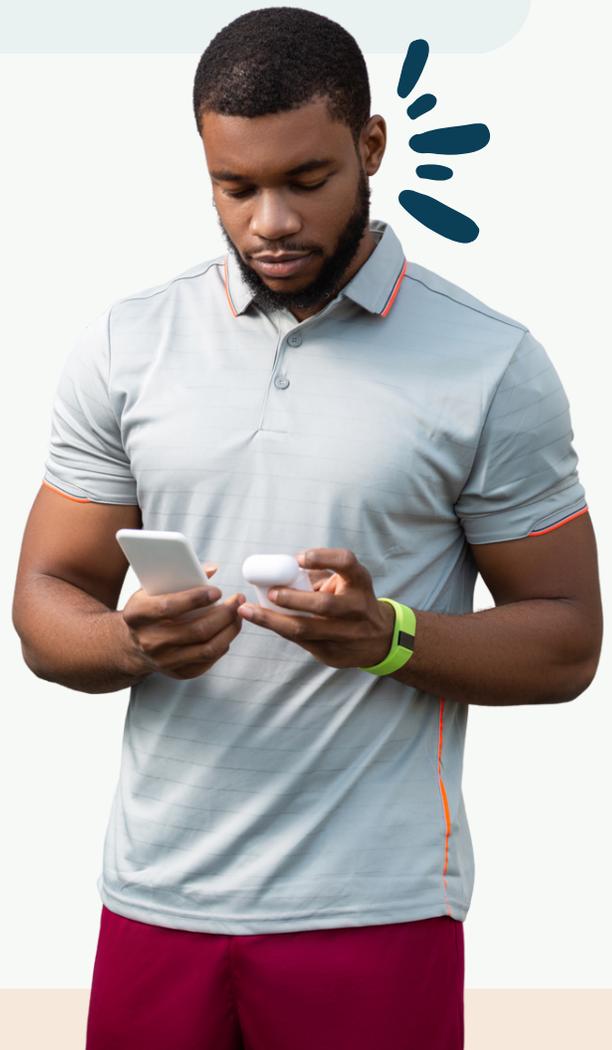
- Investing less
- Investing same
- Investing more



Wellable Lifestyle Spending Account



CHECK IT OUT



Importance Of Flexibility & Customizability When Selecting Vendors

When selecting wellness benefits vendors, flexibility and customizability emerged as the second most popular criteria, with 59% of respondents choosing these in their top three factors.

Those planning to increase their wellness benefits spending in 2024 place a higher emphasis on flexibility (74%), compared to those maintaining their current level of investment (49%). This suggests that as companies commit more resources to wellness, they prioritize adaptable solutions that can be tailored to their specific needs.

59%

of respondents included flexibility and customizability among their top three criteria for choosing vendors

% of respondents choosing flexibility and customizability as a top three criteria



Top 3 Criteria When Evaluating Vendors

1. Pricing
2. Flexibility
3. Customer Service

2 EMPHASIS ON MANAGING HIGH-COST HEALTH CONDITIONS

Organizations are prioritizing the proactive management of chronic health conditions, driven by the potential for long-term cost savings and improved employee health outcomes.

% of respondents increasing their investment in solutions that tackle high-cost health conditions, YoY comparison

● 2023
● 2024



Addressing Obesity & Demand For Weight-Loss 'Wonder Drugs'

A significant 40% of respondents report an uptick in investments in weight management programs, highlighting the urgency to address obesity and associated health risks. As the demand for weight-loss drugs like Ozempic surge, some employers are considering making participation in these programs a prerequisite for specific drug coverage. While the intention is to encourage positive lifestyle changes, it's crucial to balance this with ethical and medical considerations.

Growing Focus On Health Risk Assessments (HRAs) & Biometric Screenings

The use of HRAs and biometric screenings for early health risk identification has its limitations, including potentially outdated information and inaccuracies. Nevertheless, both are witnessing growth compared to last year:

- **HRAs:** The number of respondents reporting increased investments has more than doubled from 7% in 2023 to 15% in 2024.
- **Biometric screenings:** Despite a general decrease in investments, this solution has seen a five-percentage point uptick in respondents reporting higher investments.

As healthcare costs rise, organizations may be reconsidering preventive solutions aimed at addressing issues in their early stages to manage long-term expenses.

Disease Management Programs To Mitigate Healthcare Costs

There has been a 12-percentage point increase in the number of respondents showing greater investments in disease management programs, from 36% in 2023 to 48% in 2024. Companies are looking to manage healthcare costs by preventing the progression and complications of chronic diseases, such as diabetes, which tend to be more costly to treat.



3 PRICING IS INCREASINGLY CRITICAL IN BENEFITS VENDOR SELECTION

Escalating benefits costs are prompting employers to be more cost-conscious in their benefits decisions and vendor selections.

Pricing emerged as the most critical factor when evaluating wellness benefits vendors. Eighty-nine percent of respondents consider it a top three criterion, a 16-percentage point increase from last year.

89%

of respondents consider pricing a top three criterion, a 16-percentage point increase from last year

This heightened cost-consciousness among organizations is fueled by the rising cost of benefits—a concern that 86% of respondents consider significantly influential in employee benefits decisions. This is further evidenced by Mercer's projection of a 5.4% increase in total health benefit costs per employee in 2024, notably higher than the 3-4% average annual growth over the previous decade.

Factors driving up healthcare expenses include:

- High inflation
- Labor shortages in healthcare
- The introduction of costly medical treatments

Affordable, value-driven employee wellness solutions are crucial in addressing the rising costs of benefits, as they provide cost-effective alternatives that support employee health and productivity. By focusing on preventive care and holistic well-being, these solutions help mitigate escalating healthcare expenses while fostering a healthier, more engaged workforce.

4 REWARDS & INCENTIVES FOR WELLNESS PROGRAM SUCCESS

Providing rewards and incentives, particularly LSAs, is a widely adopted practice to boost wellness program engagement.

Among six wellness program best practices surveyed, investing in rewards and incentives emerged as the most frequently adopted approach. Ninety-four percent of respondents report that some or most of their clients integrate rewards and incentives into their programs, demonstrating their role in boosting engagement.

94%

of respondents report that some or most of their clients integrate rewards and incentives into their programs

Lifestyle Spending Accounts (LSA)

As previously mentioned, LSAs are seeing significant growth in investment in 2024. Organizations are using them to offer incentives for employees who participate in health programs, simplifying wellness reimbursements and reducing administrative burden.

Other tactics to promote authentic engagement using rewards & incentives include:

- Continuous reward programs: Choose programs that provide regular, wellness-oriented incentives, promoting lasting lifestyle changes and rewarding dedication.
- Affordable incentives: Budget-friendly incentives include:
 - Recognition: Highlight a monthly "Wellness Champion" or give social media shoutouts to top participants. Recognition, particularly by leadership, can motivate at no cost.
 - Paid-time-off (PTO): Incentivize regular participation with vacation days.
 - Company merchandise: Reward existing merchandise or create company-branded wellness items to reinforce commitment to employee health.

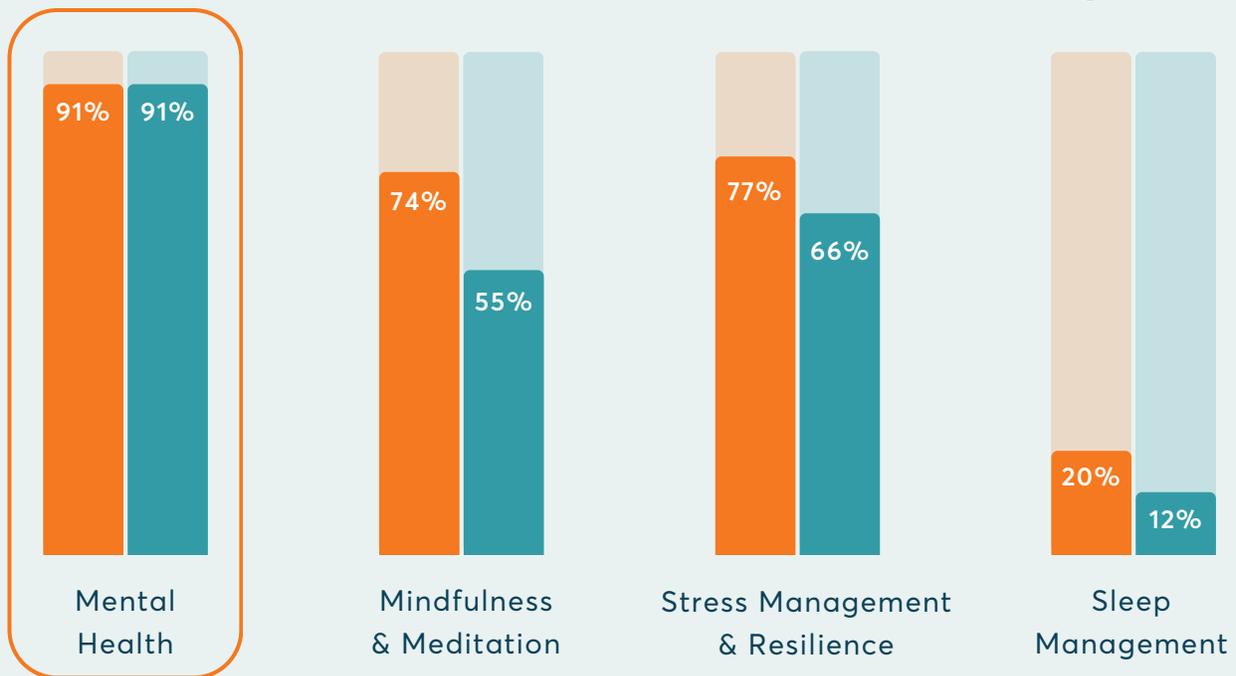
5 MENTAL HEALTH TOP OF MIND, BUT EXECUTION IS SHIFTING

Mental health continues to dominate all wellness solutions; however, there's a shift in how mental wellness is addressed, with a potential move toward comprehensive wellness platforms and more personalized care.

For the fifth consecutive year, mental health is projected to receive the highest level of investment, with 91% of respondents reporting increased funding. This enduring focus reflects its mutual benefits for both employers and employees: boosting productivity, improving well-being, increasing job satisfaction, and effectively attracting and retaining talent.

% of respondents investing more in various mental health initiatives

● 2023
● 2024



Wellable
MENTAL HEALTH MATTERS
Challenge

CHECK IT OUT

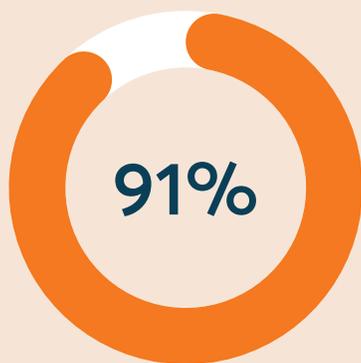


However, some supplemental solutions are seeing lower levels of investment growth compared to last year:

- Mindfulness/meditation, from 74% in 2023 to 55% in 2024
- Stress management/resilience, from 77% in 2023 to 66% in 2024
- Sleep management, from 20% in 2023 to 12% in 2024

One possible explanation for the decline in such solutions could be the availability of comprehensive wellness platforms. As companies mature in their approach to employee wellness, they may opt for programs that offer a range of services within a single platform. This integrated approach streamlines administration, provides employees with a holistic experience, and can potentially offer cost savings.

Additionally, organizations may be shifting from self-service solutions toward more guided, personalized care solutions, such as therapy and counseling sessions. Telemedicine continues to see an upward trend in investment, with 65% of respondents indicating increased spending. The pandemic propelled telemedicine usage, particularly for behavioral health, which accounted for over half of the 2,500% increase in virtual visits. Employers recognize that telemedicine not only broadens access to care but also addresses a wide range of needs, making delivery more inclusive and effective.



of respondents reporting
increased mental health
investments

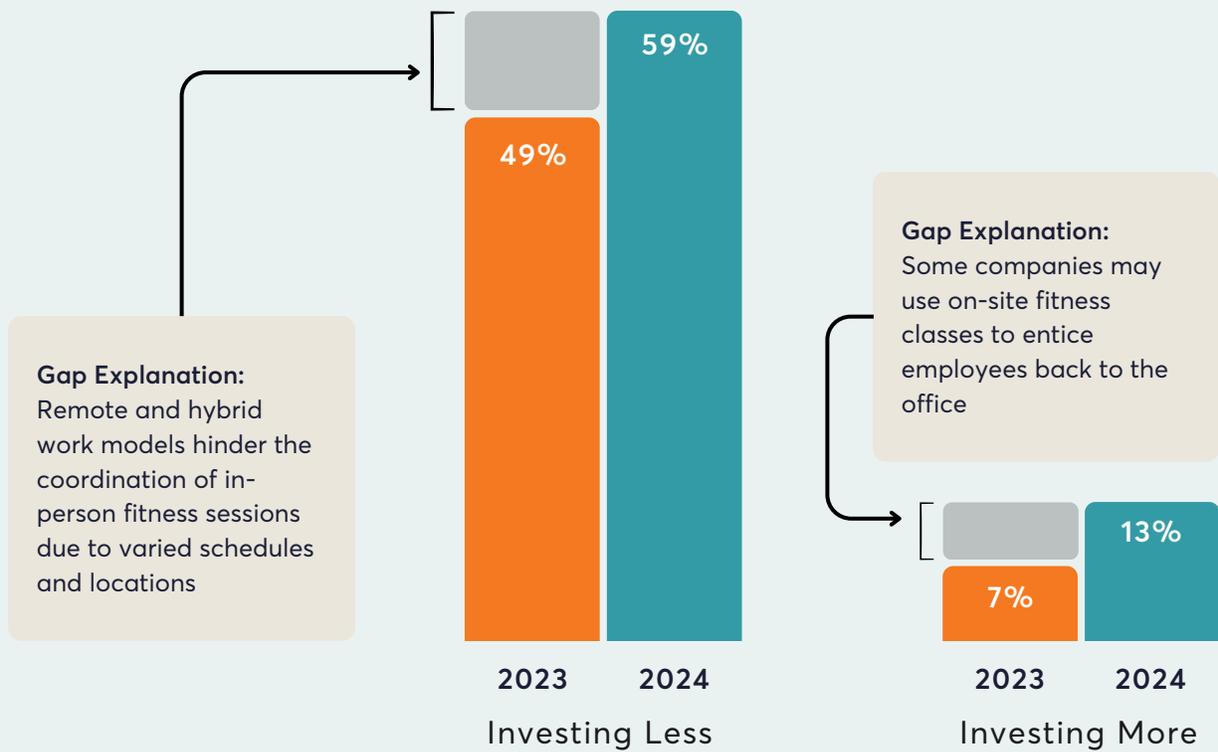


6 RETURN-TO-OFFICE (RTO) IMPACT ON BENEFITS

As organizations return to the office, they're reevaluating their benefits to accommodate hybrid work models. This includes a shift in resources toward on-site offerings while also balancing the needs of remote and in-person employees.

Post-pandemic work arrangements have solidified into a predominantly hybrid routine, while fully remote work is on the decline. Ninety percent of organizations are embracing a return to the office (RTO). This is prompting some companies to reallocate resources toward on-site offerings.

% of respondents adjusting their on-site fitness class investments to adapt to hybrid work's impact





of organizations are embracing a return to the office

For example, biometric screenings and health fairs have seen a modest but notable five-percentage point increase compared to last year. This suggests that certain on-site solutions are perceived as more efficient and engaging than at-home alternatives, highlighting the challenge of replicating immersive, in-person experiences in a virtual setting.

While there's a concerted effort by some companies to enhance their on-site offerings in line with RTO initiatives, the challenge of balancing in-person and virtual benefits remains. For instance, the percentage of respondents reporting increased investments in on-site fitness classes nearly doubled from 7% in 2023 to 13% in 2024. However, a significant portion (59%) note reductions in such investments. This contradictory trend may be due to the unpredictable nature of hybrid and flexible work arrangements. Employees may work various hours or from different locations, making it less feasible to coordinate in-person or synchronized fitness classes.



CONCLUSION

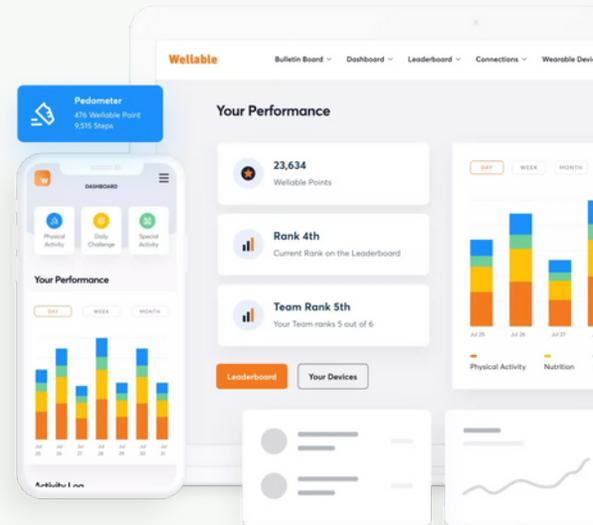
Wellable's [2024 Employee Wellness Industry Trends Report](#) highlights an ongoing evolution in employee wellness. In response to the complexities of hybrid work models and a broader understanding of employee well-being, organizations are shifting from location-bound, physical health-dominant programs toward more holistic, adaptable, and personalized solutions. This is complemented by a heightened emphasis on managing high-cost chronic conditions, a proactive measure to mitigate rising healthcare costs. Amidst these changes, mental well-being remains a top priority, recognized for its critical impact on employee health and organizational success.

For a more comprehensive view and in-depth exploration of employee wellness trends in 2024, check out the full report here!



ABOUT WELLABLE

Wellable is a holistic wellness provider that empowers organizations of all sizes to create engaging employee well-being programs. Working with employers, health plans, and properties across the world, Wellable has active users in more than 40 different countries. Clients partner with Wellable to support the physical and mental health of employees, strengthen organizational culture, and improve key workplace productivity metrics.



Wellable offers a modular ecosystem of wellness technologies and services, enabling clients to choose the solutions that work best for their organizations:

- Award-winning wellness platform, including customizable wellness challenges
- Multimedia educational content (e.g., live monthly webinars)
- On-demand fitness, mindfulness, and nutrition classes
- Flexible reward options, including Lifestyle Spending Accounts
- Holistic health coaching
- On-site or virtual wellness events and activities
- Tobacco cessation program

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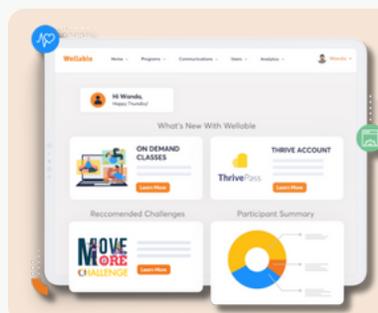
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