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What key elements drive an organization’s success and determine its competitiveness? The Wellbeing Research Center at Oxford suggests that the standard answers to such a question emphasize components of sound financials and strong value propositions — competitive compensation and benefits come to mind. As does prioritizing organizational culture and offering upskilling opportunities.

But how often is the success of an organization associated with something as simple as happiness? If there was rigorous evidence indicating that employee well-being was a valuable business asset, would more organizations start to view employee happiness as critical to overall organizational success as well as to the overall health of employees?

The Pursuit of Happiness

Oxford’s 2023 study “Workplace Wellbeing and Firm Performance” offers some compelling findings demonstrating that employee well-being is a powerful predictor of corporate success and financial performance. By comparing companies’ work well-being scores (as gathered by Indeed) against their publicly available financial data, the study found that organizations where employees report greater well-being demonstrate higher profitability, earnings and market value compared to their competitors.¹
Well-Being Effects
The Oxford study further demonstrated that this finding applies not only to the here and now but is also a reliable predictor of future performance. That’s because well-being affects performance in several critical ways, the most obvious being productivity.

As the most productive employees tend to feel healthy both mentally and physically, they are able to be more engaged and focused. An earlier study by Oxford’s Said Business School supports this. It found that happy workers were 13% more productive and better able to resolve issues independently while having the capacity to dedicate more time to their customers.2

In addition to being productive, happy people also tend to live longer, healthier lives. As higher well-being is associated with better health, it has been shown that positive feelings predict longevity and health beyond negative feelings.3 Other research has indicated that life satisfaction and positive affect have been linked to positive health indicators and behaviors and are generally found to be reciprocal in nature: one inspires the other.4 This presents as lower blood pressure, improved immune system function and lower body mass.5

Well-being is also an important indicator of lower rates of drinking and smoking, which should come as no surprise as these coping behaviors have been shown to worsen mood over time. Furthermore, those with high levels of well-being often eat well, get regular exercise, and enough sleep each night, all of which help reduce the risk of anxiety and depression.6

Implications at Work
These findings have important implications in the workplace, especially when considering that poor health and lower overall well-being are also reciprocal in nature and have an opposite effect on performance and health. For example, low job satisfaction and presenteeism have demonstrable relationships to decreases in work performance, while low levels of well-being are associated with increased stress, anxiety, depression, and other mental health disorders.

For HR managers whose focus is making a business strategy work, it is essential that mental health and mental well-being become the foundation of their well-being strategy. As people are the determining factor of business success, fostering an environment where healthy, resilient employees are more engaged, productive and better able to handle stress is critical to driving business performance and success.

Well-Being Improves What HR Delivers
The well-being of employees permeates every facet of HR and what they deliver. For example, compensation structures that provide fair and equitable pay enable financial security essential for wellness. Programs focused specifically on financial literacy and planning empower financial well-being. Effective diversity, equity, inclusion and belonging (DEIB) programs that support a diverse workforce ensure that all demographics feel safe and supported — regardless of background, origin, experience or identity.

In essence, all aspects of HR’s people operations and workplace culture collectively shape an organization’s ability to foster resilient, engaged, and fulfilled workers. When done right, this has a net positive impact on an organization’s bottom line. However, even when employees report that they feel supported in the workplace, many are also reporting that they are increasingly stressed by economic and societal factors. This illustrates that a holistic approach that integrates well-being to combat stress throughout the employee experience while accounting for the impact of outside issues contributing to employee concerns is essential to fully support the workforce.
Organizations where employees report greater well-being demonstrate higher profitability, earnings and market value compared to their competitors.

**Figure 1:**
Contributions to Employee Stress in the Workplace*

- Too heavy of a workload: 30%
- Compensation: 26%
- Lack or reward/recognition: 25%
- Coworkers: 21%
- Too many meetings, not enough time to work: 20%
- Lack of meaning in work: 19%
- Personal distractions: 18%
- Not enough flexibility to handle personal issues: 17%
- Company culture: 17%
- Not having a quiet/conductive work environment: 15%

*Respondents were asked to select all that apply.

**Figure 2:**
Issues Increasingly Contributing to Employee Distraction*
(Percentage reporting a big or small increase over the last 12 months)

- Affordability of basic expenses (rent, food, utilities, etc.): 60%
- Anxiety about social issues: 52%
- Anxiety about US politics: 50%
- Debt: 50%
- Childcare: 24%
- Eldercare: 24%

*Respondents were asked to select all that apply.
Framework for Workplace Mental Health and Well-Being

Well-being is so instrumental to an organization’s success that it’s garnered national attention. Consider the five essential components of workplace well-being as defined by the US Surgeon General:

**PROTECTION FROM HARM**
Creating the conditions for physical and psychological safety and security. This includes normalizing and supporting mental health and mental well-being as well as operationalizing DEIB norms, policies and programs.

**CONNECTION AND COMMUNITY**
Supporting worker well-being by fostering socially supportive interactions and relationships. This is done by creating cultures of inclusion and belonging and fostering collaboration and teamwork.

**WORK-LIFE HARMONY**
Empowering employees to integrate work and non-work demands through autonomy and flexibility. This includes more autonomy over how work is done and acknowledgment of the boundary and overlap between work and non-work.

**MATTERING AT WORK**
Addressing the human needs for dignity and meaning by letting people know that they and their work matter to those around them. This is based on a culture of gratitude and recognition and can be done by connecting an individual’s work with the organization’s mission and engaging workers in workplace decisions.

**OPPORTUNITY FOR GROWTH**
Creating more opportunities for workers based on their skills and growth, taking into account the human need for learning and accomplishment.

This framework for mental health and well-being emphasizes the connection between the well-being of workers and the health of organizations. Creating an environment where these conditions are met helps ensure that the workplace becomes a hub for mental health and well-being and puts employers in their best position to drive optimal outcomes for both employees and the business.
The Need to Observe and Investigate

With the pieces in place, the success of any well-being effort rests on the capacity to monitor and identify when employees are mentally strong and resilient — or, as Deb Smolensky, SVP, Well-Being and Engagement, put it in her recent book, when they’re “Brain On!” Bear in mind, our brains have outdated wiring that focuses primarily on keeping us safe versus keeping us happy. Therefore, well-being programs need to counter our brains’ natural negativity bias and threat response to foster employee fulfillment and optimal performance. It is leadership’s responsibility to keep people in a positive energy state and create workdays that are regenerative, free from barriers and obstacles, and mentally strong. For strategy’s sake, leaders need to remember that:

• A leader leads other brains.
• An HR team leads the collective brain.
• An organization transforms the collective brain.

Therefore, the actions an organizational leader takes have a direct impact on the employees and the organization as a whole. One of the more important actions a leader can take is being able to proactively identify and respond when your collective organization is in:

THE RED ZONE

An across-the-board high-stress environment challenging employees to keep their emotions in check. Examples of this could include tax season for accountants, end-of-year open enrollment for HR, or major holiday shopping seasons for retail workers.

THE YELLOW ZONE

Cumulative stress is rising across the organization, and employees are starting to show signs of fight, flight, or freeze. This could be evidenced by a rise in employee complaints or personnel issues interfering with work. Also, an increase in work hours due to new product releases or projects running behind.

THE GREEN ZONE

Employees have the resources, skills, and manager support to do their best work in an environment where they’re recognized and ideally connected to the organization’s mission and vision. Workers tend to also display pride in their work and loyalty to the organization.

This is critical to the success of any well-being initiative. Those in HR monitoring the collective well-being of the organization need to help ensure leaders know the principles and actions needed to keep their workforce Brain On! and the steps to take to pivot and respond when circumstances start flashing yellow or red.

“Rewiring our outdated brains to thrive in the modern world requires dedicated training in mental fitness,” says Deb Smolensky, SVP, Well-Being and Engagement. “Brain optimization through evidence-based well-being skills training is the pathway to building the psychological resilience needed to excel at work.”

This level of attention needs to be in place to combat rampant burnout, stress or the effects of a potentially negative or toxic culture. Given that HR drives employee experience and engagement by cultivating a positive, supportive work culture, helping employees understand how their brain is wired is critical in developing high-functioning habits that can transform the workday. By teaching people how to optimize their inner capacity, organizations can empower them to thrive, enabling HR to build cultures where people feel valued, connected and set-up for success.
Increased Utilization of Mental Health Services

For some, achieving mental fitness and becoming more sophisticated in our thinking and emotional regulation, is not enough. These individuals often require additional clinical mental health services. Over the last several years, employers have taken on a more active role in spotlighting the importance of mental health in the workplace. As workers continue to grapple with ongoing sources of anxiety such as personal finances, uncertainty in and outside of work, and the state of their physical and mental health, many people have turned to mental health professionals and utilize clinical care to help them deal with crisis, traumatic life events, mental health conditions and substance use disorders.

With more than 160 million people comprising the US workforce and the average employee spending more than half of their waking life at work, employers are uniquely positioned to support the mental health and well-being needs of their working population through thoughtful workplace policies, destigmatized benefits and human-centered culture initiatives. Ultimately, it’s an opportunity for employers to embrace higher utilization rates in their behavioral health claims and position employees to take greater advantage of mental health services.

With burnout and stress still running rampant throughout the work environment and wreaking havoc on employee mental health, providing adequate access to necessary care and treatment demonstrates an active interest in supporting employee mental health and well-being. Although there are costs associated with benefit design to provide such access, failing to support employees and their psychological well-being can prove even more costly.

Employers are clearly investing in mental health. However, with their low investment spend, employees continue to shoulder the brunt of the financial burden, forging a barrier to care. In addition, finding a high-quality, reliable mental health professional actually accepting new patients is increasingly difficult. This combination of unaffordable care with the limited availability of therapists is particularly troublesome. Many struggling with depression, anxiety, trauma or other conditions turn to alcohol, opioids or other substances to self-medicate. Ultimately, limited access to therapy or other treatment can create a void that some attempt to fill with the use of harmful substances — to the detriment of individual and, in many cases, the public’s health.

According to a 2022 Gallup poll, employees struggling with their mental health miss four times more work than those with good mental health. Furthermore, employees reported that their job is more likely to hurt their mental health than support it, while over half of respondents stated that they do not have easily accessible support services.
Perhaps even more damning, Gallup further reported that less than half of US workers are even aware of their employer’s mental health services.

Unlike typical medical care, where reducing provider interactions cuts costs, quality mental health treatment requires consistent access and frequent visits over time. People must have access to the ongoing care they need to thrive. With effective providers in network, weekly, evidence-informed psychotherapy or counseling is cost-effective, improving both health and productivity. With any mental health strategy, employers must take the long view — by covering high-quality, robust behavioral health services, overall well-being and performance improve, which in turn offsets upfront costs. Over time, these investments in comprehensive care will pay dividends in the forms of physical health, engagement and retention.

**Figure 7:**
Current Investments in Mental Health*

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mental health education and development</td>
<td>50%</td>
</tr>
<tr>
<td>EAP through a carrier</td>
<td>46%</td>
</tr>
<tr>
<td>EAP through a third-party vendor</td>
<td>43%</td>
</tr>
<tr>
<td>Telebehavioral health through medical insurance</td>
<td>40%</td>
</tr>
<tr>
<td>Grief support and resources</td>
<td>36%</td>
</tr>
<tr>
<td>Manager mental health training</td>
<td>36%</td>
</tr>
<tr>
<td>In-office mental health therapy</td>
<td>30%</td>
</tr>
<tr>
<td>Choice tele-behavioral health through a third-party</td>
<td>26%</td>
</tr>
<tr>
<td>Psychedelic-assisted clinical therapy</td>
<td>17%</td>
</tr>
<tr>
<td>None</td>
<td>3%</td>
</tr>
</tbody>
</table>

*Respondents were asked to select all that apply.

**Figure 8:**

49%

about half of employees report that out-of-pocket expenses for mental health services increased over the last year.

**Figure 9:**

26%

of employees reported an average monthly spend for clinical mental health services of $201 or more
DEIB as a Pillar of Well-Being

Although healthy brains and minds are fundamental to any individual’s core needs, efforts at instituting a holistic and whole human well-being program must be inclusive and equitable to support a diverse workforce.

An inclusive environment allows for every individual to feel welcome and all voices to have value. An organization can be as diverse as the entire Homo sapiens species on planet Earth, but if their employees don’t feel like they are heard, seen and welcome to participate, the organization will not thrive.

That means that solutions need to be in place that ensure that all people of all backgrounds, ages, income levels and positions within the organization are accounted for and fully supported. In this context, fostering equity requires providing personalized support so everyone has what they need to thrive. This includes accommodating needs stemming from race, gender, age, disability, family status and more in policies, spaces, benefits and programming.

Evaluate your workforce’s demographics and needs, and structure your programs to accommodate all. Considering neurodiverse employees, those caring for children and aging parents, or even grandparental leave for valuable, experienced employees who want to spend time with new grandchildren is part and parcel of a holistic well-being strategy.

Turning Strategy into Action

Given that poor well-being precipitates chronic conditions, while good mental health boosts health, productivity, connectedness and loyalty over time, it is in the employer’s best interest to incorporate a holistic well-being component into any overarching strategy.

Fortunately, employers have choices when it comes to starting down the path to prioritizing whole human well-being. By taking practical steps now, HR leaders can build flourishing cultures where organizations and individuals can reach their full potential.

Five Principles for a Holistic Well-Being Plan

Happiness is a business asset, and well-being is a pillar of workplace success — but how can we put strategy into action? In planning the future of your well-being program, consider mental health and mental fitness, the human needs for autonomy and belonging, and the importance of supporting employees’ financial well-being.

Think Beyond the EAP

Mental health offerings like employee assistance programs (EAPs) have been instrumental in workplaces, supporting mental conditions like anxiety, PTSD, depression and others for decades. Unfortunately, these types of offerings only serve the 20% to 30% of people with ongoing mental health concerns who need clinical support, and even then, most realize that a three-visit EAP model isn’t enough.

By going beyond the traditional EAP and offering both robust mental healthcare and mental well-being skills training in tandem, HR makes a clear statement about the importance of mental health, mental fitness and emotional well-being. Adopting this approach presents further opportunities to incorporate additional mental health policies and measures aimed at destigmatizing care, expanding access and nurturing resilience.
This approach creates what Smolensky calls a “Brain On!” culture, as discussed in her recent best-selling book. Along with making certain that mental health solutions are accessible and available, instituting a Brain On! mental well-being approach across the entire organization is critical to success.

As 100% of employees have brains, offering mental fitness training along with mental health care can dramatically increase mental capacity, deflect distractions, and optimize focus, decision-making, interpersonal relationships, and resilience. That’s because a Brain On! culture reaches the entire workforce by proactively developing mental strength, whereas mental health solutions like EAPs are limited to clinical support for a smaller segment of the employee population with services that are typically only utilized when diagnosed conditions or significant life challenges arise.

**Build a Brain On! Culture**

Brain On! is an approach and framework to help your workforce and your organization become mentally stronger, fit, moreproductive and energized at work. As our brains get easily tripped up and turned off by the daily distractions and obstacles that pop up throughout the workday, we can enter a state of overwhelm where healthy thinking comes to a screeching halt. At that moment, we default into flight-or-flight mode, which shuts down our ability to focus, leaving us vulnerable to negative or unproductive thinking.

Regardless of how smart you are, we are all susceptible to this. Our brains are simply not designed to process the thousands of pieces of information flying at us each day. There is, however, something we can do to combat this — through mental fitness training, a form of upskilling for the brain, we can ensure that we experience the most engaging, productive, and fulfilling day possible. Through specific mental fitness exercises, anyone can be put in position to nurture a strong, healthy, resilient mindset, one that proactively prepares them to meet challenges, deflect distractions, and stay focused on what matters throughout the workday.

It’s not only imperative to focus and offer mental fitness training in a workplace, 58% of employees are asking for this and need this support in order to better handle the ever increasing complexity and challenges of work and in the world.

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**Figure 10:**
Employee Interest in Additional Programs and Services
(Percentage who would definitely or probably use the following)

<table>
<thead>
<tr>
<th>Program</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nutrition and exercise programs</td>
<td>59%</td>
</tr>
<tr>
<td>Mental fitness programs (e.g., meditation, resilience, stress management)</td>
<td>58%</td>
</tr>
<tr>
<td>Telehealth services</td>
<td>57%</td>
</tr>
<tr>
<td>Lifestyle spending accounts</td>
<td>55%</td>
</tr>
<tr>
<td>Professional and personal development programs</td>
<td>55%</td>
</tr>
<tr>
<td>Genetic testing and cancer support</td>
<td>53%</td>
</tr>
<tr>
<td>On-site medical, mental health and substance use services</td>
<td>50%</td>
</tr>
<tr>
<td>Women’s health services (e.g., fertility, menopause)</td>
<td>46%</td>
</tr>
<tr>
<td>Caregiving resources (e.g., for elder/ill family members)</td>
<td>44%</td>
</tr>
</tbody>
</table>

58% of workers are interested in mental fitness programs
Getting Started with Brain On!
Adapted from Brain ON! by Deb Smolensky.\(^\text{14}\)

Although this is laid out in greater detail in the book, to set this in motion, employees must first understand how they are wired as humans to improve their performance. This is the first step towards better emotional regulation, which helps identify what makes them feel compassionately connected to and supported by their team.

In other words, this is the foundation of the Brain On! edifice that HR must erect to cultivate the energizing, high-functioning daily habits necessary to transform people’s workday. There are four key steps teams need to take to facilitate this transformation.

Step 1: Initiate Brain On! for the Organization
HR must embrace their role and own the Brain On! approach in service to the entire organization. With leadership buy-in, HR can adopt this framework to fully support mental fitness and upskilling. Too often, though, HR groups operate in silos and don’t come together frequently enough to facilitate such a holistic, integrated endeavor created around the employee daily experience and making that as healthy, rewarding, energizing, and inclusive as possible.

Given that an integrated Brain On! strategy requires everyone to march to the same drum, use the same approach, and embrace the same tenets and goals, tight coordination around enabling workforce mental fitness is truly key to cultural transformation. One way of doing this is to build out an HR team calendar to aggregate and reflect communications, tasks or opportunities that touch all employees during the month.

By having a clear picture of the month-to-month employee experience, HR, as the umbrella entity, can tailor its communications to deliver a more focused message and foster deeper, rewards-based engagement. Even when the message is as complicated as launching a new payroll system, for example, providing that holistic, integrated view of what employees need to do and what the experience will look like that day, week or month provides the certainty and clarity that they need to feel cared for in a Brain On! way.

Step 2: Infuse Brain On! Throughout HR Decisions
To avoid obstacles that can derail your efforts, HR must be able to embed the Brain On! approach in strategic decisions around topics such as:
- Attracting, retaining and caring for employees.
- Products and services that HR offers.
- Leadership skills and people responsibilities.
- Organizational brand and reputation across all stakeholders and customers.
- Company innovations, products and results.
- Organizational contributions to the community and to the world.

Ensuring a Brain On! approach can be as simple as pausing purposefully before sending a companywide communication and asking such questions as:
- “Is the message clear, or will it trigger uncertainty?”
- “Will this strengthen the organization’s relationship with the employee?”
- “Will it be received as a reward or as a threat?”
- “Will it elicit a brain-off, fear-based response or reaction?”

This strategy, the purposeful pause, is a critical one that will help ensure HR is known as a trusted brand, that employees appreciate, trust and can count on for providing valuable products, resources and rewards.

You can also assess how Brain On! your actions are by using deep listening skills and paying attention to the subtle shifts in the attitudes or responses of people. Do employees or leaders email HR to complain or voice their concerns about an announcement or communication you’ve recently sent? It could mean that you’ve triggered their brains to go offline.

When you’ve unintentionally emotionally hijacked the people in your organization with your message, direction or initiative, they won’t be thinking or operating as their best selves during that time. You can monitor how serious this infraction is by the number of people who missed a critical deadline or action item like annual enrollment or compliance training.

It’s not that the initiative or change shouldn’t be introduced, but rather how it’s communicated and perceived — as either a reward or a threat. You’ll notice that threats as a collective will create anger, frustration, inaction, immobility or rigidity while rewards will create movement forward or the action or behavior you want to see.
Step 3: Provide Brain Training for All Employees
As the Brain On! team lead, HR’s role is to build up people’s mental strength and well-being. This requires supporting each employee with the appropriate education, tools, and resources to help them understand how their brain works and how to optimize and harness that power.

What does Brain On! training look like? The old approach of lunch-and-learns or focused trainings on emotional intelligence for managers is well-worn and commonplace. Perhaps you offer certain types of personality and behavioral assessments like Myers Briggs, DISC, or Gallup Strengths to high-potentials or leaders. These are all very useful and a great start, but generally speaking, these trainings and assessments are often one-and-done, high-level and rarely fully incorporated into people’s performance goals, daily interactions or conversations.

Expanding these types of assessments and trainings across the entire organization will help elevate and upgrade the entire company to become Brain On! That’s because the Brain On! approach to training has many levels to it and is continuously building skills that are embedded in daily operations, meetings and job tasks. This is done purposefully, given that the goal is to train your entire workforce on how their brains are wired and how to build mental strength.

To create a Brain On! workplace that is high-functioning and resilient, HR should focus on incorporating ongoing training classes and tools that are tied to reducing stress and making the workday more energizing for employees. Examples of Brain On! training initiatives include:

• Growth mindset programs.
• Unconscious bias skills.
• Mindfulness training.

The key, whether building this in-house or using a vendor partner, is to offer a wide range of brain optimization topics and training as multi-level courses year-round that are inclusively designed for all learning styles (auditory, visual and kinesthetic) and delivered through various mediums (print, video, web, app, live training, audio) in bite-sized, easy-to-digest formats.

To measure the impact and efficacy of your training efforts, it’s important to remember that mental well-being is a subjective measurement, and only the employees themselves can determine if they feel Brain On! and are having an energized day. Employee feedback is ultimately the best way to determine how successful your initiatives are in strengthening their brains and relationships at work.

Quick informal pulse surveys before and after each class can help measure the effectiveness of each training session. You can also survey class participants at four weeks and eight weeks after the segments end to gauge if they are still practicing and applying their learnings as well as to measure their stress levels. Make sure to include an open comment box in any survey and ask for any success stories and examples that you can use in your future communications to get more people interested and participating. Lastly, vendor utilization reports are also very helpful when determining the success of your program.

Step 4: Individualize Brain On! for Each HR Team
HR teams should emotionally regulate themselves each day while they also emotionally regulate the entire organization. A tall order, without question, but the Brain On! quality of each department’s decisions, communications and conversations has the largest organizational impact on creating a culture of care and mental well-being.
Embrace Autonomy

In addition to skills training, providing employees with the flexibility and autonomy they need to better balance their responsibilities at work and home is crucial to any well-being program. Organizations committed to upskilling their employees through mental fitness training should take the time to design policies around autonomy and flexibility that make sense to the business needs of the organization as well as the mental health and well-being needs of their employees.

One of the most commonly used words in employment trends over the last several years has been “flexibility.” It is perhaps also the most commonly misused word in employment trends. Workplace flexibility essentially refers to the idea that employees can be productive whether they are working from home or in an office, thus a three-day-a-week in-office mandate would constitute a flexible schedule. However, what employees really want is control over when, how, and where they do their work, which crosses over into workplace autonomy.

Giving employees autonomy essentially means giving them the freedom to work in a way that best suits them as an individual. The more an employer can provide this within the constraints of the job requirements and the teams’ needs, the more it will enable employees to become independent-thinking, creative problem solvers who drive innovation and effectively collaborate on productive teams.

A recent American Psychological Association survey reported that eight out of 10 respondents reported being either very or somewhat satisfied with the amount of control they have over how, when, and where they do their work. Perhaps more importantly, those who reported satisfaction with their level of control were much more likely to report that their overall mental health level was good or excellent (79%) compared with those who reported being unsatisfied with their level of control (44%).

As more organizations restrict flexibility and autonomy and require workers to return to offices across the country, there is growing evidence that it is having a negative impact on mental health. According to a recent Conference Board survey, 34% of workers said that their self-reported level of mental health was lower than it was six months prior. In addition, 37% reported that their level of engagement was lower than it was six months prior. These statistics suggest that in the return-to-office era, many workers are struggling with their mental health, and it’s having a tremendous impact on their performance.

For about half of these workers, having access to flexible or hybrid schedules or the ability to work from home or anywhere they would like are the top things reported that could help their mental health. For employers implementing full-time return-to-office policies, these findings suggest that they may want to find ways to allow for some flexibility and autonomy in how employees perform their work. Otherwise, mandatory office policies may not only lower productivity and engagement instead of improving them, but the policies may also create circumstances where employee mental health and well-being decline to such a degree that they feel compelled to disengage completely and begin searching for employment with more favorable work arrangements.

As more organizations require workers to return to offices, there is growing evidence that it is having a negative impact on mental health.
of workers said it is **very** or **somewhat important** to them to work for an organization that values their **emotional and psychological well-being**

of workers said it is **very** or **somewhat important** to them to work for an organization that provides support for **employee mental health**

of workers said that **flexible/hybrid** work schedules would help their **mental health**

of workers said that being able to **work from home/anywhere** would help their **mental health**
Support Financial Well-Being

Our findings indicate that the percentage of employees who feel financially well continues to slide. With 97% of employees at least slightly concerned about the economy, more than half of them report that financial concerns will impact their benefits selection this year or they will have to choose lower cost or fewer benefits. For companies
concerned about employee financial well-being, taking action to help them make better financial decisions is crucial.

With clear indications that workers continue to be stressed about their finances, employers should focus on designing programs that educate workers on budgeting, debt management and retirement planning. As inflation and economic uncertainty compound financial stress, offerings like financial literacy courses, access to advisors and student loan assistance have the potential to enable employees to gain some semblance of control over their money matters.

This is especially salient as a component within a holistic well-being framework. Remember that financial stress does more than just hamper employee focus and efficiency, which can lead to increased absenteeism or accidents in the workplace. Monetary strains and worries can also exacerbate mental health disorders like anxiety and depression, contribute to poor health behaviors in general, and drive addictive behaviors disguised as coping mechanisms. When people are continuously worried about making ends meet, they tend to carry that distraction and distress with them wherever they go, including to their jobs.

In a nutshell, financial stress not only negatively impacts work performance but also has the potential to perpetuate a vicious cycle of deteriorating physical and psychological well-being. To combat this, forward-thinking employers are establishing financial education and voluntary benefits as essential to their overall well-being offering. After all, helping employees gain confidence and the competence necessary to manage budgets and shore up savings tends to lower distractions and encourage greater engagement and excellence at work, which is a boon to workers and the organization alike.

Figure 18: 97% of employees are at least slightly concerned about the economy

Figure 19: 56% of employees state that financial concerns will affect their benefits selection

Figure 20: 58% of employees state that they will have to choose lower cost or fewer benefits
Prioritize Diversity, Equity, Inclusion, and Belonging (DEIB)

As it is well known that embracing diversity of perspectives and experiences gives organizations a competitive edge, effective mental health and well-being design should always be viewed through a DEIB lens. This edge manifests through strengthened collaboration, innovation, recruitment, retention, customer service, and employee engagement, as well as the overall business performance of companies that have woven their DEIB programs into the fabric of their organizations being. The very premise of DEIB is to foster a culture where all employees, regardless of background, can thrive and realize their full potential and, therefore, do their best work and make meaningful contributions to the organization’s overall success.

However, given the complexity of the modern workforce, there are some segments of the employee population that are at risk of falling through the cracks. Notable are older workers such as grandparents and those with predominantly non-apparent conditions such as women experiencing meno-pause, neurodiverse workers (with autism spectrum disorder, ADHD, etc.) and marginalized populations. Designing benefits to attract, retain and care for these often overlooked groups of employees can not only reduce unconscious biases that affect these workers but also enable these valuable and underutilized talent pools to shine with their strengths and skills.

Offering Grandparental Leave

With more older employees delaying retirement, innovative employers are offering grandparental leave to attract, retain and care for mature talent. By providing paid time off to grandparents for bonding with their new grandchild, organizations can really demonstrate their commitment to providing valuable benefits for all members of their workforce. Although a new benefit, this idea is gaining traction across the country. According to the 2024 NFP US Leave Management and HR Trend Report, 35% of employers are open to providing this benefit within five years as labor force participation continues to grow for those 75+.23
Providing Menopause Support
Though menopause impacts over one million women annually, open support in workplaces is mostly limited despite approximately one third of women having reported moderate to severe work difficulties due to symptoms.24 Despite limited attention to this reality, there are many initiatives that employers can adopt to assist employees going through menopause. Chief among them are benefits designed to ease access to hormone therapy and counseling.

Employers can also drive awareness through corporate policies, dedicated health resources and open conversations within a women’s employee resource group, which can help destigmatize this natural transition. From a business perspective, employees who are going through menopause are among your most valuable in terms of wisdom and years of experience; in fact, they are the pillars of the workplace. Contrasting the cost of replacing them versus simply supporting them, it becomes clear that money spent on supportive initiatives means money in the bank (and keeping the best talent on the team).

Valuing Neurodiversity
Overall, 15% to 20% of US adults have a neurodivergent condition such as autism spectrum disorder, dyslexia or ADHD.25 This creates a scenario where, even if it’s not acknowledged, neurodiversity is already present in the workplace. Unfortunately, given the lack of attention to this reality, many neurodivergent workers are unaware of how commonplace their condition is. Exacerbating this problem, a 2023 survey found that about half of all neurodivergent workers want to quit their jobs or already have because they don’t feel valued or supported by their employer.26

This creates new opportunities for employers to develop an inclusive workplace and benefits and well-being offerings. As neurotypical workplaces can frustrate neurodivergent employees to the point where they feel alienated, their immense talents can often remain untapped. In general, the working world lacks the understanding, flexibility and accessibility that this talent pool needs. As a result, organizations that commit to benefits designed to accommodate these workers and position them as key players within the organization will be in the best position to effectively utilize this segment’s unique strengths and perspectives.

For many organizations, this will require a redesign of processes ranging from screening and hiring to onboarding, training and performance management. Furthermore, providing accommodations based on individual needs so employees can be their most productive will be paramount in many cases. Ultimately, efforts in building and supporting this segment of the workforce will require fresh perspectives that can focus on cultivating new strengths rather than enforcing old, outdated or rigid norms. In addition, the path forward should be paved with the idea that it’s not those who think differently that need to change. Instead, it’s the structures and mindsets of others holding this group back that need to change.

Cultivating Your Competitive Advantage
Effective well-being design requires a holistic approach spanning mental health care, brain fitness, financial security, and, above all, an inclusive culture. As people are the heart of any business, prioritizing their whole health through brain-centric and human-focused well-being strategies is both an ethical and competitive imperative. Furthermore, by investing efforts into ensuring that every segment of your employee population is enabled to reach their full potential, your entire company can flourish at its highest level.

Investing in People, Investing in Success
Well-being initiatives, in and of themselves, are not cost-mitigation tools. On the contrary, they are part of an investment strategy focused on optimizing the health and well-being of an organization down to the individual worker. A robust well-being offering is a potent component in an employer’s revenue and success-generating formula designed to demonstrate care and promote healthy behaviors across the physical, mental, social and financial space.

Critical insights into talent metrics such as job satisfaction, employee sentiment, retention rates, productivity and engagement can help leaders assess the effectiveness of their well-being
programs and fine-tune their people strategy. Tracking these relevant metrics provides tangible evidence that well-being initiatives deliver measurable results across HR, finance and other operational objectives.

Organizations that want to promote higher job satisfaction, loyalty, engagement and productivity should take bold action to improve the holistic health and well-being of their employees. In doing so, companies not only create a flourishing culture but also gain a strategic advantage in attracting and retaining top talent.

Forward-thinking companies are going even further to focus on caring — adapting their people experience strategy to ensure employees are treated with compassion, empathy and support. This means embedding care, DEIB, mental health and mental well-being, and financial well-being throughout the entire employee experience. From hire to retire, caring ensures the foundation of a workplace environment that recognizes and supports employees as unique individuals who contribute to increased net earnings and overall organizational profit. The business case for human-centric investments is clear.

However, despite the importance and impact of employee well-being, close to a third of employers invest less than $201 on the well-being of each individual and are planning to decrease that investment in 2024.

Value On Investment

Comprehensive, integrated well-being programs demonstrate to employees that they are valued as individuals, but they also demonstrate line-item value in the company’s overall financials. Consider the cost of attrition, for example. There are direct, observable costs associated with the search for new candidates and the hiring process when a team member leaves the organization, but there are also camouflaged costs that are less discernible yet still have an economic impact.

The High Cost of Attrition

Everyone knows that the cost of attrition is high. This is especially true when, out of the blue, key team members leave and take their organizational knowledge and experience with them.27

Employee well-being serves as the thermometer for organizational health and can act as an early warning system for turnover risk. Employees who are under pressure at work, be it from a heavy workload, lack of social support or lack of communication, tend to display symptoms indicating a risk for burnout or potential turnover. Just as checking a person’s temperature provides critical insights into their physical health, monitoring employee well-being allows leaders insight into the collective health of their workers and the organization.

When well-being deteriorates, it’s typically a warning sign of larger

Figure 22: Well-Being Spend Today and in the Future

<table>
<thead>
<tr>
<th>Total well-being spend 2023</th>
<th>Total well-being spend 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $50 per employee</td>
<td>5%</td>
</tr>
<tr>
<td>$51-$200 per employee</td>
<td>25%</td>
</tr>
<tr>
<td>$201-$600 per employee</td>
<td>29%</td>
</tr>
<tr>
<td>$601-$1,000 per employee</td>
<td>26%</td>
</tr>
<tr>
<td>$1,000+ per employee</td>
<td>9%</td>
</tr>
<tr>
<td>Not sure</td>
<td>5%</td>
</tr>
</tbody>
</table>
issues brewing in organizational culture. On the macro level, this could be measured in decreased engagement, performance or retention rates across the company. On a personal level, signs such as exhaustion, sadness, anger, irritability or cynicism could be indicative of declining mental well-being and a warning that burnout is imminent.

In a caring environment, the latter could be addressed by attentive managers looking out for behavioral cues and opportunities to respond with empathy. For the organization at large, initiatives that track factors like stress, belonging, purpose, and growth should position leaders to act when there is any negative change to the pulse of the organization. Left unaddressed, any cultural issue will potentially fester and ultimately hamper any hopes of long-term well-being success.

Ignoring well-being issues comes at a price. According to 2022 SHRM benchmarking data, the total cost to hire a new employee can be three to four times the position's salary. With 20% of employers expecting that as much as one-fifth of their workforce is likely to leave their company, investing in well-being initiatives – even for no other reason than to increase retention – can help employers avoid the high costs of attrition. With the value-add that many employees consider well-being programs “must haves,” holistic health investments that retain, attract and care for talent are strategic imperatives for overall organizational success.

Warning bells go off when employee views around key indicators such as pay (28% feel more negatively than before) and trust in leaders (30% feel more negatively) start moving in the wrong direction. This is the time for intervention — creating a positive change to boost well-being and prevent morale from slipping.

Figure 23:
Turnover Expectations

- 33% of employers expect **10% or fewer employees to leave for another company** in the coming year.
- 20% of employers believe that **11% – 20% of employees are likely to exit the company** in the coming year.
I have a chance to grow at my current employer

- Big decrease: 9%
- Small decrease: 12%
- Stayed the same: 33%
- Small increase: 27%
- Big increase: 18%

I feel a sense of belonging to my organization

- Big decrease: 8%
- Small decrease: 11%
- Stayed the same: 38%
- Small increase: 25%
- Big increase: 18%

I feel recognized and appreciated for my contributions

- Big decrease: 9%
- Small decrease: 12%
- Stayed the same: 33%
- Small increase: 28%
- Big increase: 17%

My pride in company’s work, mission, values and image

- Big decrease: 8%
- Small decrease: 14%
- Stayed the same: 46%
- Small increase: 17%
- Big increase: 16%

I feel I am paid fairly for the work I do

- Big decrease: 11%
- Small decrease: 17%
- Stayed the same: 35%
- Small increase: 23%
- Big increase: 15%

I feel my workload is manageable

- Big decrease: 5%
- Small decrease: 12%
- Stayed the same: 45%
- Small increase: 23%
- Big increase: 15%

I feel that my company cares about me

- Big decrease: 8%
- Small decrease: 15%
- Stayed the same: 41%
- Small increase: 21%
- Big increase: 15%

I trust our leadership

- Big decrease: 10%
- Small decrease: 20%
- Stayed the same: 37%
- Small increase: 18%
- Big increase: 15%
In this knowledge worker era, we all use our brain to create work and think for a living. As such, their mental health and well-being have a direct impact on their capacity to solve complex problems, develop products and services, or perform any other sort of cognitively demanding work. Given this reality, their mental agility – the ability to respond flexibly to events and be able to shift between different ideas, emotions or actions as needed – is critical for success.

To maintain mental agility, workers need to be able to focus, regulate their emotions, and manage a reasonable cognitive load. If these capacities are impeded in any way, individual performance and well-being can suffer, which has a direct impact on organizational performance. As so much depends upon employee’s mental agility in a knowledge economy, it is in the company’s best interest to proactively intervene and provide the support employees need to maintain their mental health and overall well-being.

From a clinical perspective, this means investing in mental health solutions that can support knowledge workers.
We promote annual physicals, but do little to nothing to ensure we have a mental health check-up as well with a trained therapist or doctor. The data we’re seeing this year indicates that employers are investing in mental health solutions for their employees. However, it’s often in the form of low-cost solutions which only have minimal impact.

Given that building and maintaining a mentally strong, resilient, and productive workforce relies on investment in mental well-being and brain optimization skills training, it is encouraging to see employers investing in programs like stress management and emotional intelligence. However, there is still room for improvement. As brain optimization training has the potential to benefit 100% of employees by empowering them to become more sophisticated in their thinking, boost their ability to manage their emotions and improve their relationships with others, such training is trending towards becoming a standard component of employee development budgets.

Figure 27: Well-Being Offerings*

| Training on stress management | 47% |
| Training on compassion and empathy in the workplace | 35% |
| Training on emotional intelligence | 33% |
| Training on working with difficult emotions | 32% |
| Training on growth mindset | 32% |
| Training on cyber awareness | 32% |
| Training on having difficult conversations | 31% |
| Training on focus and attention | 31% |
| Peer recognition programs/incentives | 31% |
| Educational webinars (4 or more a year) | 28% |
| Training on gratitude and generosity | 28% |
| Meditation apps | 26% |
| Training on resiliency | 25% |
| Training on unconscious bias | 24% |
| Group meditation classes (on-site/virtual) | 24% |
| Lunch-and-learns on mental fitness training (more than 4) | 23% |
| None of the above | 5% |
| Other | 0% |

*Respondents were asked to select all that apply.
Financial Well-Being

Another way to demonstrate your care is to invest additional effort into the structure, function and communication of financial well-being programs beyond the 401(k). As employee health and well-being are significantly impacted by persistent inflation, potential financial crises, and unusually high interest rates, the impact can be felt by employers in the form of lowered productivity, output and engagement, alongside increased physical and mental health concerns and their corresponding costs.

Given that financial pressure tends to be the most common cause of stress, more employees are looking to their employers for help. As such, it’s in the employer’s best interest to aggressively pursue ways to help employees better manage their finances, create budgets and map out a plan.

Remember that somewhere between 60% and 80% of employees report living paycheck-to-paycheck or, as one expert put it, “The problem is that there is more month at the end of the money.” For younger employees, household budgets are squeezed by surging housing, food and child-care costs, combined with higher interest rates on credit card debt and loans while older employees are concerned with whether or not they’ll be able to retire. The fact that companies are tightening their budgets and lowering headcounts in response to the same financial pressures only adds more stress to the equation.

Because financial well-being can have a positive effect on multiple fronts including healthcare costs, retention, recruitment and performance, it should be instilled in the workforce that it is just as important as physical and mental well-being. Even framing the issue of having access to financial well-being resources in the same vein as having access to a physical therapist or psychologist can instill a sense of urgency, destigmatize the idea of seeking out financial help and encourage utilization of the benefit. In fact, linking financial well-being to physical and mental well-being while empowering employees to address money concerns through trusted workplace resources further demonstrates a commitment to caring for the whole person in a compassionate, holistic way.

Not One-Size-Fits-All

However, financial well-being resources must be customizable so that all segments of the employee population can take advantage of it. Sure, an employer can create a financial well-being benefit and at least on paper, state that it’s offering employees the chance to improve their financial circumstances, but, if the program is not taking into account that everyone’s circumstances are a little different, it’s not going to be effective at helping them manage their money, nor will it help employer bottom line.

With multiple generations of workers from a wide variety of backgrounds all accessing the same total rewards offerings, we must account for the differing relationships people have with money and the current level of their financial education. As demonstrated by the Business Group on Health (see figures 28 and 29), employers are keen on adding a wide variety of financial well-being support tools to support the disparate members of their workforce.

Even going beyond traditional financial well-being programs by offering a wider array of programs can significantly enhance and improve an individual’s financial and overall well-being.

After all, a millennial married employee with two young kids is going to have different financial considerations than a Generation Z employee fresh out of college or an executive-level baby boomer about to have their fourteenth grandchild. With the understanding that personal financial needs and current budget restrictions are as different for individual employees as their varied backgrounds are, employers can tailor resources based on generational life stages and where their workers are in their careers and life paths.
Figure 28:
Employers’ Financial Well-being/Wellness Initiatives, 2022-2024
Employers continue to add financial well-being supports, such as financial planning and debt management and budgeting tools. N=171

*2024 represents those employers that already have the programs in place and those who are considering add programs for 2024.
Source: Business Group on Health, Employer Sponsored Health and Well-Being Survey, 2023
Across financial well-being initiatives, there are varying levels of interest – with emergency savings programs a top focus area. N=171

### Figure 29:
Employers’ Financial Well-being/Wellness Initiatives, 2022-2024 (Continued)

<table>
<thead>
<tr>
<th>Initiative</th>
<th>2024</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Programs to enable emergency savings</strong></td>
<td>40%</td>
<td>40%</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Subsidies to support employees’ emergency savings</strong></td>
<td>68%</td>
<td>58%</td>
<td>27%</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Targeted program to assist lower income employees</strong></td>
<td>9%</td>
<td>14%</td>
<td>34%</td>
<td>54%</td>
</tr>
<tr>
<td><strong>Student loan repayment assistance</strong></td>
<td>20%</td>
<td>26%</td>
<td>58%</td>
<td>34%</td>
</tr>
<tr>
<td><strong>Programs to enable early access to earned wages</strong></td>
<td>9%</td>
<td>13%</td>
<td>25%</td>
<td>19%</td>
</tr>
</tbody>
</table>

*2024 represents those employers that already have the programs in place and those who are considering adding programs for 2024.
Source: Business Group on Health, Employer Sponsored Health and Well-Being Survey, 2023
Figure 30: Non-Traditional Benefits Offerings*

*Respondents were asked to select all that apply.
An equitable financial well-being program must account for **systemic inequities** and provide customized support to underserved groups.

**Equitable Access**

Bear in mind, that although financial insecurity affects everyone, it can be exacerbated for marginalized or under-represented groups. According to a 2020 report from the Federal Reserve, white families on average have about eight times the wealth of Black families and five times the wealth of Hispanic families. This illustrates that people of color tend to be disproportionately affected by economic hardships and lack of access to wealth-building resources. An equitable financial well-being program must account for these systemic inequities and provide customized support, education, and tools to underserved groups.

This may include:

- Offering equitable compensation and growth opportunities to enable financial security.
- Conducting financial health assessments to identify and understand employees’ needs.
- Employing insights to design targeted programming that provides relevant support.
- Getting creative with benefits like student loan repayment or “lifestyle” funds.
- Making financial guidance accessible through digital tools.
- Going beyond the 401(k) to offer personalized options like menopause resources or caregiver support, and considering employees navigating religious or cultural factors as they save.
- Choosing adaptable partners that meet evolving needs.
- Addressing disconnects between current offerings and employee priorities.
- Supporting an inclusive workforce facing varied challenges.

Ultimately, these efforts will further drive engagement, lower stress levels, increase retention and attraction initiatives, and demonstrate that the organization genuinely cares for all of its employees. Implementing them is a sign of a company that recognizes the connective tissue between employee satisfaction, diversity, equity, inclusion, financial stability and overall business growth.

As most people’s lives are tied to work, organizations have a vested interest, perhaps an obligation, to ensure that employees are financially well and cared for, similar to the care put forth in their mental health and well-being. Doing so puts companies in their best position to be productive, innovative and successful. As resilient employees are of the most valuable employees, reducing stressors that may exist for vulnerable groups, races, genders or identities is a business imperative. Ensuring equitable access to financial solutions and educational tools for these same groups can significantly help people feel valued while improving their financial stability.

**Growing for the Long Term**

While investments in mental health and well-being programs require an upfront budget allocation, the long-term returns in the form of healthy, motivated, Brain On! employees far outweigh the costs. As people are key to creating and sustaining long-term growth, profit and overall success, caring for their holistic well-being through comprehensive support is the wisest investment an organization can make.
References


17. Ibid.

18. Ibid.


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29. Jessica Dickler. 60% of Americans Are Still Living Paycheck to Paycheck as Inflation Hits Workers’ Wages, CNBC, cnbc.com, 2023.


About the Data

The 2024 NFP US Benefits Trend Report draws on data from NFP’s US Employee Benefits Survey 2023 and NFP’s US Employer Benefits Survey 2023. Any other sources are as referenced throughout. For full information on the methodology for each NFP survey, contact marketing@nfp.com.
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Kim is executive vice president, head of Health and Benefits at NFP, where she directs the overall strategy and operations for NFP’s national employee benefits practice. With more than 30 years of experience in the employee benefits industry, Kim is an influential thought leader in the corporate benefits space. She graduated from Indiana University’s Kelley School of Business with a Bachelor of Science in finance and has a Master of Science degree in management from Indiana Wesleyan University. Kim also holds the Certified Employee Benefits Specialist® (CEBS) designation from the International Foundation of Employee Benefit Plans.

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NFP is committed to sharing insights that help clients make informed decisions regarding their most significant challenges. By delivering ideas, expertise and perspective on opportunities in the marketplace, NFP is driving improvements to solutions that help clients meet their goals.

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