



NEWS RELEASE

Can workplace wellness signal superior stock performance?

New study shows correlation between investment in corporate wellness programs and company stock performance

Edina, Minn. (January 6, 2016) — Do healthy employees deliver a healthy bottom line for corporate America? This question has been hotly debated over the years, but a new study from [HERO \(the Health Enhancement Research Organization\)](#) demonstrates a distinct correlation between comprehensive, best practice wellness programs and corporate stock performance. In short, the study found that companies that scored highly on the [HERO Scorecard for Employee Health and Well-Being Best Practices in Collaboration with Mercer®](#)—signaling investment in best practice programs—outperformed the Standard & Poor’s (S&P) 500 Index over the course of six years. Findings indicate that effectively run companies share the common practice of investing in workplace health and well-being.

The study, “Linking Workplace Health Promotion Best Practices and Organizational Financial Performance,” published in the January issue of the *Journal of Occupational and Environmental Medicine* (JOEM), tracked the stock performance of a portfolio of publicly traded companies that earned top scores on the HERO Scorecard in comparison to the S&P 500 over a six-year period.

The HERO study followed the stock performance of 45 publicly traded companies from 2009 through 2014. Researchers found that this simulated portfolio of companies outperformed the S&P 500 in the following areas:

- Appreciated 235 percent compared to 159 percent for the S&P 500,
- Outperformed the S&P 500 in 16 out of 24 (67 percent) quarters during the study period, and
- Produced a comparable dividend yield of 1.97 percent by the end of the study period, compared to a 1.95 percent yield for the S&P 500.

“Will this study put an end to questions about how much of a return on investment to expect from corporate wellness? Probably not. But what this study does tell us is that there is a compelling correlation between companies that deliver strong financial returns and those that have documented, best practice wellness programs,” said Paul Terry, Ph.D., president and CEO of HERO. “This knowledge can benefit business leaders looking for a competitive edge, and investors looking for a sound investment.”

Two additional studies that pulled from different populations and used slightly differing methodologies and timeframes also support the finding that financially sound, high-performing companies invest in employee health. These studies, one conducted by [The Health Project](#) and one by the [American College of Occupational and Environmental Medicine](#) (ACOEM) with sponsorship from the [UL \(Underwriters Laboratories\)](#) Integrated Health and Safety Institute, were

also published in the January issue of JOEM. The research methodologies for the three studies were developed by Ray Fabius, M.D., co-founder of [HealthNEXT](#). Fabius is also a co-author on all three papers. Other authors on the HERO study include Jennifer Flynn, Steven Noeldner, Ph.D., Dan Fabius, M.D., Ron Goetzel, Ph.D., and David Anderson, Ph.D.

“There is much to be learned about the connection between workplace health and corporate performance, but the pieces of the puzzle are coming together and we’re seeing that investing in employee health and wellness is a common thread between well-respected, high-performing organizations,” said Jessica Grossmeier, Ph.D., vice president of research for HERO and lead author on this study.

According to Grossmeier, this series of studies reinforces a broad value proposition that links employee health and well-being programs to favorable business performance. Better employee health is clearly linked to higher levels of employee productivity and performance, and emerging evidence shows healthier employees are also more engaged with their work and have lower turnover rates. Such outcomes, in combination, contribute to company financial performance.

“There is increasing evidence that companies who are recognized for their efforts to keep their workforces healthy, safe and well, can create a competitive advantage in the marketplace,” said Fabius. “Wellness scorecards and population health assessments give employers important data against which to benchmark efforts to ensure they are adhering to best practices with comprehensive programs that can create a culture of health and well-being.”

Companies that were included in the HERO study ranged in size from 762 to 272,890 employees and came from eight industry categories, including: consumer discretionary, consumer staples, energy, financial services, health care, industrial, information technology and utilities. The average age of employees within these companies was 42.8 years and 56 percent were male.

Companies that score high on the HERO Scorecard report adhering to common best practices, including: strong strategic planning, senior leadership engagement and cultural support for health, a rich and comprehensive set of programs that meet a diverse spectrum of health needs, and robust program evaluation and performance reporting.

The HERO Scorecard is a free, online tool that allows companies of all sizes and from any industry to complete a self assessment of their employee wellness program. Upon completion, companies receive an individual score and a comparison of their program based on industry, company size and geography.

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About HERO – Based in Edina, Minn., the Health Enhancement Research Organization (HERO) is a non-profit corporation dedicated to the creation and dissemination of employee health management research, education, policy, strategy, and leadership. HERO was established in 1996 as a not-for-profit, 501(c)3 corporation to create high quality

Can workplace wellness signal better stock performance?
January 6, 2016 / Page 3

employee health management (EHM) research, especially that dealing with the impact of modifiable health risks on health care costs. To learn more, visit www.hero-health.org. Follow us on [Twitter](#) or [LinkedIn](#).

About HealthNEXT

HealthNEXT is the emerging leader in population health and building cultures of health. Founded in 2009, HealthNEXT has developed a six-sigma assessment process and a variety of products and services to accelerate an organization's ability to sustainably flatten their health care costs, improve the health status of their workforce or membership and create a competitive advantage in the marketplace. Additionally HealthNEXT has developed methodologies to study the market performance of publicly traded companies that have been recognized for their excellence in health, wellness and safety. To learn more, visit www.healthnext.com.