

WELLNESS INCENTIVES

"Cheat Sheet"

Many wellness programs rely on incentives to drive engagement (and few track "engagement" accurately, but that's a topic for a different day). Incentives will almost always help your wellness program *look* like it's working, but – spoiler alert! – it doesn't last, and "engagement" is often disingenuous, rewarding people for all the wrong things.

Here's why incentives typically don't work:

1

Many rewards are given for one-time activities.

E.g., \$50 for "filling out a health assessment" or "completing a biometric screening." Yet aren't we all looking to drive long-term, sustained improvement in lifestyle?

2

Rewards become expected as part of "regular" compensation.

Once you pay someone for a behavior (e.g., \$50 for filling out a health assessment), good luck getting them to repeat that behavior without additional payment.

3

The majority of rewards go to the "already healthy."

Thinking of offering free gym memberships? We urge you to think again.

4

Incentives are a poor substitute for imagination.

Invest in improving your wellbeing program instead of having to entice people to use it.

5

Many rewards only incent the consequences of health, not the determinants of health.

It doesn't make sense to reward a lethargic junk-food junkie (who also smokes, but lied about it on his assessment) because his BMI happens to be in range (for now), while punishing a middle-aged-and-overweight mom who's trying like heck to eat right and get more active.

6

Many rewards are given for self-reported activities.

Not that anyone would cheat, but ...

7

Most rewards focus on typical and traditional (e.g., biometrics, health assessment).

Why not reward people for philanthropic activities, increased physical activity, or team-building exercises?



THE 7 BEST (AND WORST) WELLNESS-INCENTIVE OPTIONS

As much as we wish incentives weren't necessary to boost wellness engagement, that's not always the case. We'll always advise that you lead with recognition-based and trophy-value rewards before spending more money, but wellness incentives can be effective ... *if* used properly.

We've worked with all kinds of organizations with vastly different demographics (and budgets), and we've found that certain "currencies" are better than others at (a) encouraging employees to stick to healthier lifestyles, and (b) keeping programs from going over budget. Here they are in order from best to worst:

1

Experiential rewards

Creates memories and stories. Has the highest perceived value regardless of actual cost.

2

Tangible merchandise

Promotes sustained engagement because members "save up" for trophy-value and utility items.

3

Charitable giving

Members allocate their incentive currency to charities for effective emotional fulfillment.

4

Premium differentials

The classic "orange stick." Often framed as, "Premiums have risen for our company. To avoid paying \$25 extra per month, do X."

5

HSA contributions

Better than cash, but can feel contradictory as they reward more health-care funds to the healthiest employees.

6

Merchant gift cards

Better trophy value than cash cards (but not by much).

7

Cash and cash-equivalent gift cards

The least creative and most expensive option.

If you want to learn more about why cash is the worst possible option for your wellness-incentive strategy, check out [this article](#).

And if you want to build a successful wellness program, structure your incentives to follow these guidelines:

- ✓ Use a flexible and customizable system with multiple currencies and categories
- ✓ Make them segmentable (different activities/rewards are available to different segments, based on the needs/goals of each segment)
- ✓ Provide multiple paths to earn rewards
- ✓ Reward for effort, not results.
- ✓ Structure your incentives so that Reasonable Alternative Standards (RAS) are automated



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