NOURISHING HEALTH:
THE CASE FOR EMPLOYERS IN FOOD AS MEDICINE

THE NOURISH MOVEMENT

Impacting change at scale requires that we **impact populations.**

To impact populations, we must focus on those who **bear the costs of poor health**

and next to government, the largest cost owner is **employers.**

Employers are the principal source of private health insurance in the United States, providing health benefits for almost

159M
working age adults.[1]

7 REASONS WHY EXECUTIVES SHOULD CARE

1 Employers are facing accelerated rise in healthcare costs, driven by diet and lifestyle related chronic conditions.

In the United States, private businesses account for nearly **20% of healthcare spending.**

and the increase in health spending by private businesses **x2 the national average.**

The economic burden is increasing as the prevalence of chronic disease is on the rise. According to the CDC, currently of all working-age adults in the U.S.

50% have at least **one chronic condition**

25% have **two or more conditions** [2]

In terms of cost impact, diabetes alone translates to nearly **$8,000** in added cost per employee per year.

On top of all this, McKinsey estimates that employers are poise to see **9% to 10%** inflation in healthcare costs through 2026.

2 Employers bear the indirect costs of diet-related chronic conditions in the form of worker productivity and sick days.

Jobs are getting safer, but workforces are getting sicker.

Full-time workers in the U.S. who are overweight or obese and have other chronic health conditions

miss an estimated **450M** additional days of work each year **translates into** an estimated **$153B** in lost productivity[4]

Poor health is leading to:
(all on a per employee basis)

- **12%** increase in sick days
- **50%** increase in short-term disability
- **10 %** increase in long-term disability
- **33%** increase in family and medical leave[3]

3 Diet related chronic conditions create lasting and distressing financial and other human costs on individual employees.

The American Action Forum has pointed out the cycle created from employees bearing their share of health costs:

- **lost wages** (which can be upwards of 18% for some)
- **erosion of household savings**
- **downward spiral** of poor health and poverty

which

- increases future healthcare costs
- impacts future promotions
- flattens one's lifetime earnings potential[5]

Health insurance and medical care costs push **7M people in lower wage households into poverty every year.**[7]

4 Poor health due to diet related conditions reduces labor force participation, creates impacts on local economies, and creates a headwind to productivity.

Chronic disease among workers impacts communities in which employers operate:[8]

5% employment reduction translating to **12M** fewer people working each year

Impact on communities and society: productivity losses rooted in nutrition-related chronic conditions cost the U.S. economy:

$1.8T in 2023

9.5% over the past 10 years[9]

This is a global problem, and employers globally can have an outsized impact:

Chatham House study of **19 countries** found nutrition-related health conditions cost businesses **$65+B** outside the U.S., and economies in which they operate lose upwards of **$850B** in productivity[10]

5 Employers stand to benefit positively from the impact of intervening in health.

A systematic review of **56 published studies** of worksite health programs showed that well-implemented workplace health programs can lead to **25% savings** on

- Absenteeism
- Healthcare costs
- Workers' compensation
- Disability management claims costs [11] [12]

A meta-analysis from the RAND Corporation on employee wellness programs demonstrated a

- **3x** return on direct medical costs
- **3x** return for absenteeism
- **2.3** for programs targeting hypertension [13]

Milken Institute estimates the full (direct and indirect) costs of diabetes can save **$20,000** per individual[14].

The American Journal of Managed Care found that **every 1 point reduction in A1C levels for diabetics** reduces annual direct medical costs by **$1,344** per person per year

diabetics with heart disease and hypertension, reduces annual direct medical costs by **$2,675** in annual savings[15].

Put simply, investing in nutrition pays.

6 Employers stand to gain significantly in the eyes of investors by focusing on nutrition and health.

Businesses with strong employee health and well-being programs significantly outperform the S&P 500.

Portfolios composed of companies that scored high in the Corporate Health Achievement Awards (CHAA), outpaced their peers on the S&P by 2–3X[16].

7 Nutrition-related programs focusing on employers' supply chains and their workforces offer substantial benefits and help support ESG commitments.

The Access to Nutrition Initiative (ATNI) has pointed out that investing in workforce nutrition programs for companies' supply chains:

- offered a compelling business case with **substantial intangible and strategic benefits**
- ensured greater continuity of and **quality of supply**
- strengthened **supplier relationships**
- helped **mitigate reputational risk** and position corporate sponsors as responsible citizens—positively impacting their brands

CONNECTING INNOVATORS AND THEIR INNOVATIONS TO EMPOWER HUMAN HEALTH THROUGH FOOD—SUSTAINABLY

FOR MORE INFORMATION OR TO GET INVOLVED, GO TO
WWW.NOURISHMOVEMENT.ORG

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Sources:
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