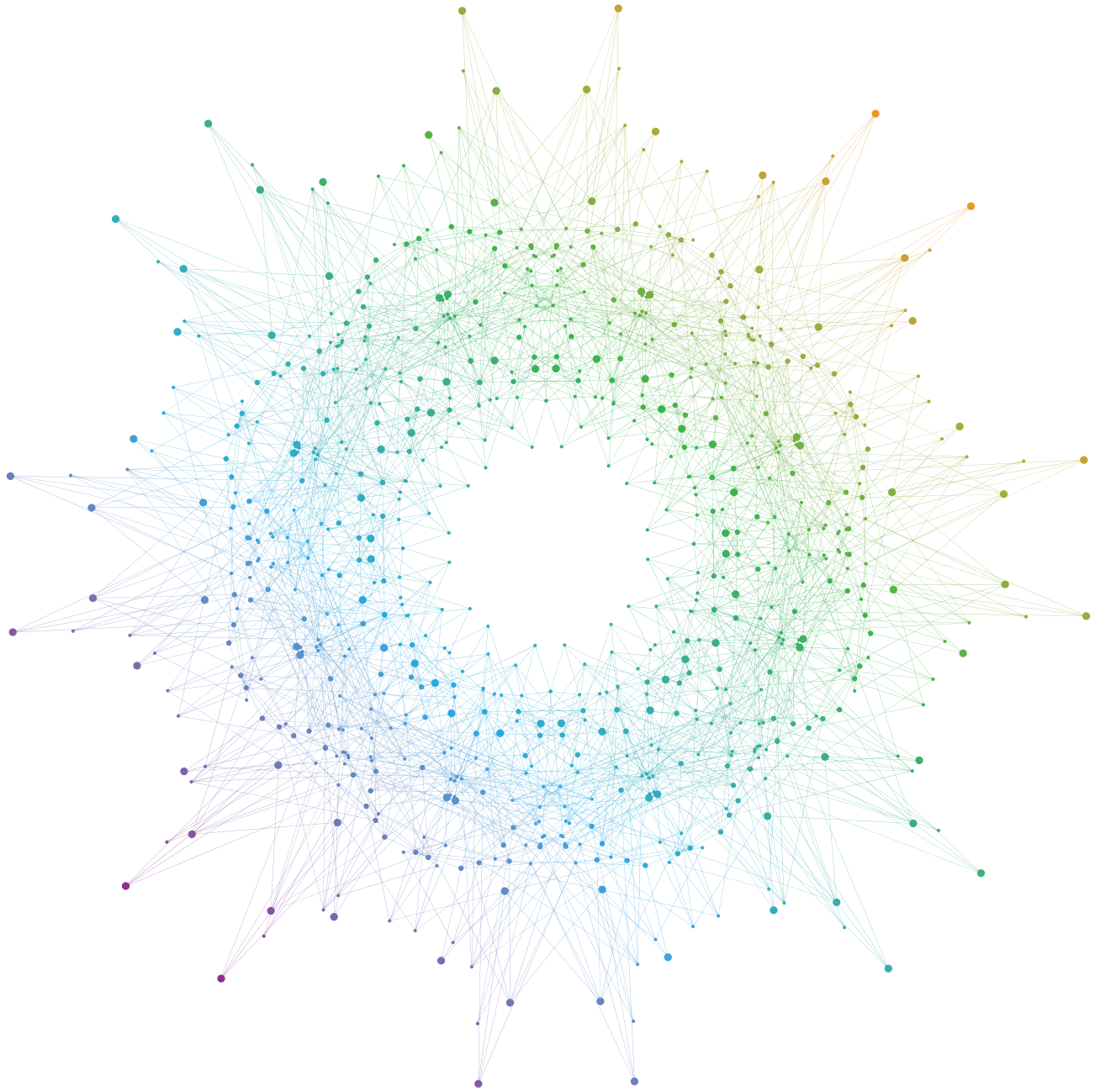
What is total well-being?

Illuminating the connections among health, wealth, work, and life



Fidelity Investments
Workplace Solutions Thought Leadership
Spring 2018

Fidelity INVESTMENTS

EXECUTIVE SUMMARY

- Employers are investing considerable resources in comprehensive and ever-expanding arrays of benefits to promote employee well-being—yet clarity and consensus on how to define, measure, and solve for total well-being remain elusive. We believe that clear and comprehensive data insights about employee total well-being represent the missing link to optimizing benefits.
- Fidelity has developed a definition, conceptual model, assessment, and scoring methodology for employee total well-being that focuses on four key domains included in most employer definitions of well-being: financial, health, work, and life. By revealing the complex interrelationships among domains of well-being, our comprehensive and holistic approach offers tangible advantages over conventional siloed assessments of health risks, financial wellness, and employee engagement.
- Our model is grounded in leading academic theories and our assessment has been validated by a large-scale survey of more than 9,000 retirement plan participants.
- Findings indicate that the domains of well-being are interconnected in myriad ways that should be taken into account when designing benefits:
    - Health and financial wellness ("health and wealth") are intrinsically connected in vicious/virtuous cycles: Achieving wellness in one domain is extremely rare when facing challenges in the other.
    - Health and wealth strongly predict engagement at work and overall happiness in life more so than vice versa, suggesting that benefits targeting specific financial and health-related deficits are likely to yield greater returns in the workplace. This may prove fortuitous in that benefits design and delivery in these areas may have the greatest traction and the highest degree of employer input and control.
    - Employee debt is strongly associated with workplace productivity: Employees with the highest levels of debt have twice the absenteeism of those with low debt.
    - Employees struggle with many sources of stress in their lives, chief among them being work- and finance-related. Because these stressors strongly predict workplace absenteeism, it is critical for employers to have a clear sense of the prevalence, magnitude, and sources of stress within their workforce.
    - There are five key typologies by which employees can be categorized based on their scores across the four domains of well-being, from "Thriving" to "Barely Surviving." These typologies can be leveraged for deeper understanding of employee needs and personalized approaches to benefits.
- Our approach to total well-being offers employers deep insights about major challenges and pain points faced by their employees and enables data-driven decisions about how to optimize benefits. Armed with advanced workforce analytics, employers can gain insight into the greatest needs of—and intervention opportunities for—their workforce, select the best possible benefits for their employees, and ensure that they are truly moving the needle on employee well-being.

Contents

Why total well-being matters

The recent proliferation of employee benefits is nothing short of remarkable: Whereas employees of yesteryear received conventional "health and wealth" benefits such as 401(k) plans and health insurance, today's employees enjoy an array of benefits designed to improve their overall well-being.

Benefits now address a range of employee needs including work-life balance (e.g., flex time), financial wellness (e.g., student loan repayment), career development (e.g., retraining programs), emotional support (e.g., Employee Assistance Programs), and beyond. And the trend toward "bigger and better" benefits shows no signs of slowing down, as evidenced by the fact that employers were five times more likely to increase versus decrease their benefits over the past year.[1] Employers are investing considerable resources—nearly one-third of total compensation[2]—in comprehensive benefits offerings that address the whole person.

EVIDENCE SUGGESTS TOTAL WELL-BEING IS NOT ONLY A GROWING PRIORITY BUT ALSO GOOD FOR BUSINESS

But are they investing in the right benefits for their workforce?

Employers are not only devoting considerable resources to employee well-being, but they are also investing considerable mindshare in this topic. Virtually all plan sponsors in a recent survey (97%) reported that total well-being is important to their organization, and the vast majority (88%) indicated that total well-being contributes to their overall HR and benefits strategy.[3]

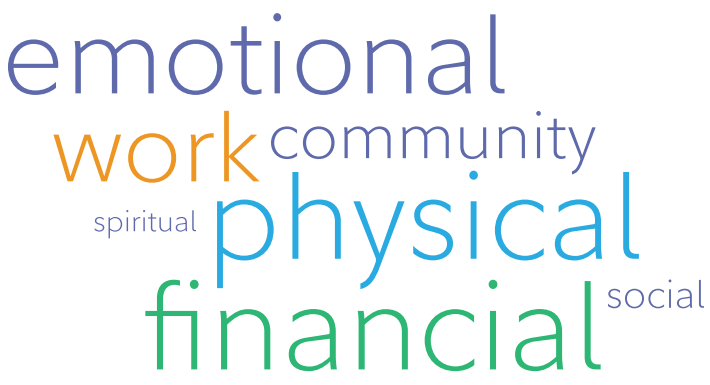
Evidence suggests that total well-being is not only a growing priority but also good for business: Deficits in employee well-being have been linked to higher costs with respect to health care and absenteeism, reduced performance, and quality of work, as well as recruitment and retention challenges.[4]

In addition, employees increasingly want benefits that address the full spectrum of their well-being needs.[5] But despite compelling evidence for the objective and perceived value of employee well-being, fewer than one-third of employers connect employee well-being metrics with key business outcomes.[6] We believe employers are letting actionable and strategic insights slip away because they lack a holistic view of employee well-being.

What *is* total well-being?

Despite near-universal acknowledgment of the importance of total well-being (TWB) within the workplace, there is no clear consensus about how it should be defined or measured, let alone optimized.

A surprising proportion of employers (1 in 5) have no definition whatsoever,[7] while companies that have defined total well-being vary dramatically in their perspectives. As illustrated in the word cloud, the vast majority of plan sponsors consider financial (95%), physical (93%), and emotional wellness (89%) to be key components, and 76% include work in their definitions. But beyond those shared components there is little to no consensus. In fact, when 120 plan sponsors were asked to identify the components of their company's definition of total well-being, they collectively provided 28 distinct definitions—including 15 definitions that were unique to a single sponsor.



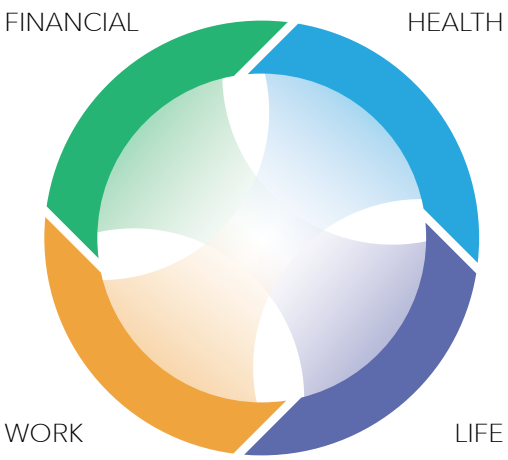
Components of total well-being according to plan sponsors

(size depicts relative frequency)

Employers are not alone in their lack of consensus. Industry and research communities have yet to establish a standard definition of total well-being. Instead, they propose competing conceptual models with extensive overlap but also many idiosyncrasies. Many of these models suffer from excessive complication (too many categories to remember), limited scope (too few categories to be comprehensive), and/or underdeveloped financial components. For instance, one industry model posits six dimensions to well-being, none of which provide in-depth assessments of financial factors,[8] while another organization-specific model proposes eight dimensions with heavy emphasis on psychological factors.[9] By contrast, the Stanford Center on Longevity (SCL) offers a clear and concise model of well-being focused on three fundamental yet high-level domains that are essential to "living long and living well": Social engagement, healthy living, and financial security.[10] Although the SCL model does not incorporate measures of work-related well-being, it provides a scientifically rigorous and streamlined foundation from which we developed the Fidelity model of total well-being, as described below.

The Fidelity model of total well-being

We believe total well-being entails four interconnected domains: financial, health, work, and life. In order to measure all four domains for an employee population, we have developed a comprehensive TWB assessment that is grounded in leading theoretical perspectives and validated psychometric approaches. Our assessment is based on the following design principles:



COMPREHENSIVE AND INTERDISCIPLINARY

Our assessment integrates converging measures of well-being as defined by academic researchers and industry experts from psychology, medicine, and finance. We believe that total well-being consists of objective and subjective risk and resilience indicators of financial, health, work, and life wellness—in other words, mind, body, and heart.

CONCISE AND EFFICIENT

We capture the full breadth and depth of well-being with a simple framework and minimal question set. The TWB assessment is far more comprehensive than typical health risk assessments, yet no more time intensive.

VALID AND RELIABLE

Subjective measures of well-being can only provide actionable insights if they are psychometrically sound. Our assessment is the product of rigorous testing and evaluation by an interdisciplinary team with expertise spanning all four domains.

In the following sections, we describe each domain of the total well-being assessment in detail.

Fidelity's domains of total well-being

FINANCIAL

Budget
- Essential expenses
- Timely bill payments
- Feelings/sentiment

Debt
- Credit score
- Income/debt ratio
- Types of debt
- Feelings/sentiment

Savings
- Total assets
- Retirement savings rate
- Feelings/sentiment
- Confidence

Protection
- Emergency savings
- Insurance
- Feelings/sentiment
- Planning horizon

HEALTH

Health Status
- Self-rated health
- BMI
- Chronic conditions
- Emotional health

Health Behaviors
- Physical activity
  - Exercise
  - Sedentary time
- Sleep
- Nutrition
- Tobacco
- Preventive care

WORK

Engagement
- Interest
- Focus
- Satisfaction

Resources
- Growth opportunities
- Compensation
- Recognition

Demands
- Emotional demands
- Time demands
- Work-Life balance
- Burnout

Productivity
- Absenteeism

LIFE

Personal
- Life satisfaction
- Emotional positivity
- Purpose
- Life stress

Social
- Relationship quantity
  - Family
  - Friends
  - Coworkers
- Relationship quality
  - Meaningfulness
  - Social support
  - Loneliness
- Meaningful engagement
  - Volunteering
  - Group participation

Financial wellness

Our approach to measuring financial wellness represents an evolution of our previously validated and industry-leading assessment,[11] which focuses on four key domains of finance:

BUDGETING

We assess budgeting in terms of key indicators such as one's expense-to-income ratio and timely bill payments.

DEBT

Debt is indexed via measures such as debt-to-income ratio, credit score, and number of "good" versus "bad" debts (e.g., student loan versus unpaid medical bills).

SAVINGS

Savings is measured in terms of current savings, assets, and projected income replacement ratio in retirement.

PROTECTION

Protection is assessed by the level of emergency savings (relative to a recommended 3+ months' worth of essential expenses), extent of insurance coverage, and financial planning horizons (from "next few weeks" to "10+ years ahead").

In addition to these objective measures, for each of the four sub-domains of financial wellness we measure participants' sentiments about the sub-domain (e.g., "Overall, how do you feel about your debt?") from "terrible" to "fantastic." Our previous research[12] suggests that the objective and subjective components of financial wellness can be in tension—that is, individuals can feel financially well despite being objectively unwell, or vice versa. Including both measures provides a fuller, more accurate assessment and a clearer understanding of effective intervention opportunities.

Health wellness

Our index of health wellness measures key indicators and guidelines established by the American Heart Association (AHA)[13] in a concise and straightforward format consistent with gold-standard research surveys.[14] For the sake of clarity, we divide health into two sub-domains:

HEALTH **STATUS**	HEALTH **BEHAVIORS**
Self-rated health: A single-item measure with response options from "poor" to "excellent."	**Physical activity:** A series of questions that measure the time spent doing moderate and vigorous exercise each week as well as daily sedentary time (i.e., sitting).
BMI: Calculated from self-reported height and weight.	**Sleep:** A single item that measures the average daily hours spent sleeping on a typical night.
Chronic conditions: Indexed in terms of the diagnosis and/or management of several common conditions (e.g., high blood pressure, high blood sugar).	**Nutrition:** Participants rate how healthy their diet is from "very unhealthy" to "very healthy."
Emotional distress: Assessed via the frequency of stress and depression-related emotions.	**Tobacco use:** A single question that measures whether participants smoke or use tobacco.
	Preventive care: A series of questions that assess the frequency with which participants visit the doctor and dentist, as well as get flu shots.

Where possible, health items are scored relative to established guidelines and/or targets. For instance, BMI is scored relative to the AHA target of 25, sleep is scored relative to the recommended 7 hours, and so forth.

Work wellness

Our measure of occupational well-being is grounded in Bakker and Demerouti's leading theoretical framework of employee engagement, the Job Demands–Resources Theory.[15] We measure employee engagement as well as proposed drivers (resources and demands) and consequences (productivity):

ENGAGEMENT

Engagement is measured via a series of agreement-based statements gauging the extent to which participants were engaged, focused, interested, and satisfied with work (e.g., "My work is interesting and challenging," "It's easy for me to stay focused at work").

RESOURCES

Resources is indexed by the perceived degree of support, recognition, and compensation received from one's manager or company as well as opportunities for professional growth (e.g., "My manager recognizes and appreciates my work," "I have opportunities to grow professionally").

DEMANDS

Demands are measured in terms of the extent to which one's job is challenging temporally or emotionally (e.g., "My job puts me in unpleasant situations"). Participants indicated their level of agreement using a 5-point scale from strongly disagree (1) to strongly agree (5).

PRODUCTIVITY

Productivity is indexed via absenteeism in terms of days of work missed over the past year due to health, family, and personal obligations (excluding vacation time).

Life wellness

Our measure of life wellness is based on leading theoretical models of psychological well-being[16] and divided into subcomponents of personal and social well-being.

PERSONAL WELL-BEING:
Subjective feelings and evaluations of one's life through a range of psychological measures

Life satisfaction is measured via a single-item question adapted from the Satisfaction with Life Scale[17] ("Overall, how satisfied are you with your life?") with responses ranging from "not at all satisfied" to "extremely satisfied."

Happiness is measured in terms of the relative frequency of experiencing positive versus negative emotions (e.g., excited or joyful vs. sad or downhearted) over the previous two months. The balance of positive and negative emotions are converted into a positivity ratio, following the approach of Carstensen and colleagues.[18]

We measure **life stressors** across all four domains of well-being. Participants are asked how much stress they experience (from "none" to "a lot") from financial sources (e.g., overall financial situation, debt), health sources (e.g., weight, personal health), work sources (e.g., job, manager), and life sources (e.g., spouse, living situation). Responses are combined into a highly reliable composite measure.

Purpose was indexed by a single statement-based measure of psychological well-being in terms of subjective purpose ("I have a clear sense of purpose in my life").

SOCIAL WELL-BEING:
Close personal relationships and group involvement

Relationships are quantified in terms of the **number** of close social partners (friends, family, and coworkers) with whom participants interact on a weekly basis.

We evaluate the **quality** of relationships in terms of subjective feelings of meaningful and supportive relationships (e.g., "My life is full of meaningful relationships") as well as the frequency of perceived social isolation ("How often do you feel isolated from other people?").

Group engagement is measured as the frequency of engagement in meaningful group activities such as volunteering and participation in community, neighborhood, recreational, and/or religious groups.

Life events

In addition to a comprehensive battery of questions related to well-being, the total well-being assessment includes an inventory of 30 distinct life events across the four domains. Participants are asked whether they experienced a range of events in the past year related to their finances, health, work, and life.

Because the impact of life events on well-being varies significantly from person to person,[19] life events are not incorporated into the total well-being scoring methodology. Instead, they provide a qualitative lens through which well-being scores can be analyzed, interpreted, and addressed, as discussed below.

LIFE EVENT **EXAMPLES**
Finances • Bought a car • Started paying college tuition
Health • Started exercising • Had a serious illness
Work • Experienced a reorganization • Received a promotion
Life • Got married • Death of a close family member

Fidelity's Total Well-Being Score

VALIDATION SURVEY

In order to test and refine the TWB assessment we conducted an online survey of 9,315 active Fidelity 401(k) and 403(b) participants from across the United States.[20] Survey participants represented the full working age range (21–75, M = 45 years) and were distributed fairly evenly by generation (28% Millennial, 36% Gen X, 33% Baby Boomer) and gender (54% female). The survey sample was disproportionately well-educated (67% college degree or higher) compared to the U.S. labor force, though this is consistent with our previous research on Fidelity's recordkept retirement plan participants.[21] Participants completed the survey questionnaire in approximately 15 minutes.

Consistent with our holistic perspective, we quantify total well-being as the composite of financial, health, work, and life wellness. As depicted below, each domain is equally weighted within the overall score (i.e., 25%), and each sub-domain is equally weighted within the domain-level score.[22]

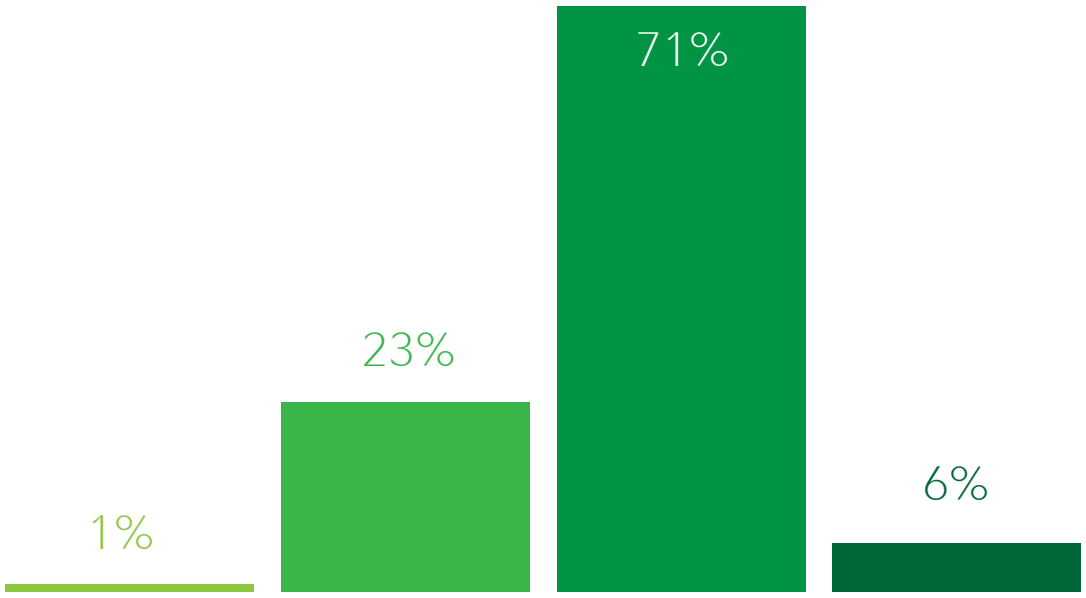
FINANCIAL 25%	HEALTH 25%	WORK 25%	LIFE 25%
Budgeting 25%	Status 50%	Engagement 25%	Personal 50%
Debt 25%	Behavior 50%	Resources 25%	Social 50%
Savings 25%		Demands 25%	
Protection 25%		Productivity 25%	

Total well-being, domain-level wellness, and domain components are all scored on a 0–100 scale, where 0 indicates complete lack of wellness and 100 indicates optimal wellness. Consistent with our Financial Wellness methodology, individual-level scores can be categorized into four levels of wellness: Excellent (81–100), good (61–80), fair (41–60), or at risk (0–40).

What is the distribution of total well-being?

To understand how total well-being is distributed at a population level, we applied our scoring methodology to the survey responses of the aforementioned 9,315 plan participants. As shown below, the majority of individuals in our survey fall into the fair (23%) or good (71%) categories with respect to their total well-being.

Percentage of survey participants by TWB score:

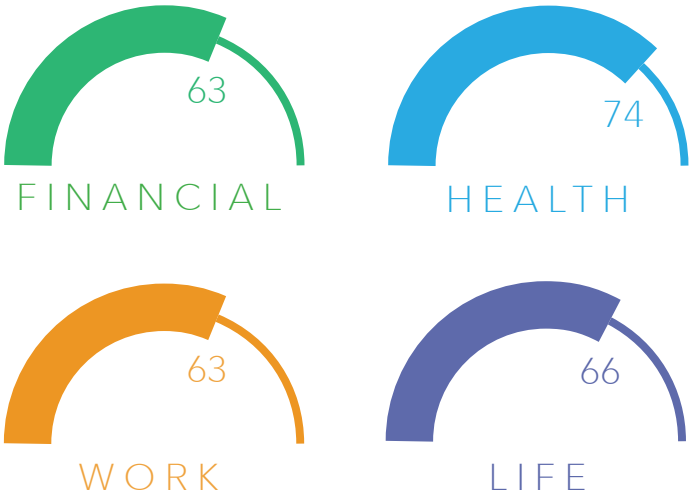


As depicted on the following pages, the distribution of scores for the four domains of well-being are relatively similar: All four domain-level scores are normally distributed with comparable averages aside from health (M = 74), which is notably higher than the other domains of wellness (Ms = 62 to 66). This is likely the result of a selection bias within the study population, which consists of individuals who are employed full-time and presumably healthy enough to work. Indeed, fewer than 1% of participants have the lowest health level ("at risk"), versus 5–10% for other domains. At the opposite end of the spectrum, nearly one-third of participants provided responses indicating "excellent" health scores, versus only 8–14% for other domains.

For all four domains of total well-being—and total well-being itself—the majority of participants fall into the "fair" to "good" range, with relatively fewer in the "at risk" or "excellent" categories. In other words, moderate levels of well-being appear to be the norm, while high or low scores are relatively rare. It should be noted that the distribution of financial wellness scores within the validation sample was virtually identical to that observed in our previous survey of financial wellness that used an entirely separate sample, reinforcing the reliability of our financial wellness measure.

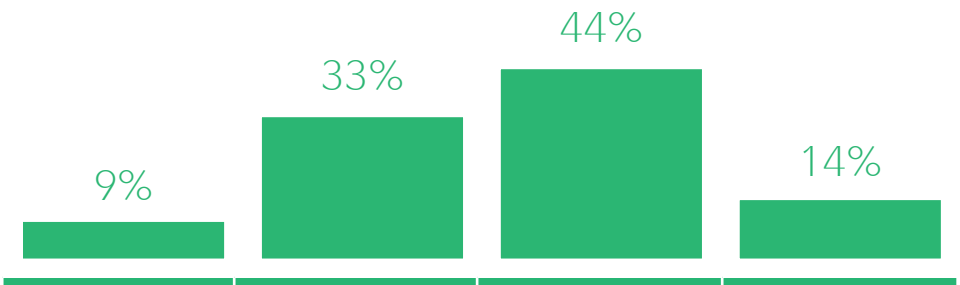
Our approach to measuring well-being effectively captures differences between levels of well-being in terms of key indicators, as shown on the following pages. For instance, participants with higher financial scores have lower expense-to-income and debt-to-income ratios but higher savings rates and more expansive planning horizons—all consistent with our previous research on Financial Wellness. Those with higher health scores are significantly less likely to be overweight or obese, get significantly more sleep and exercise, and are dramatically less likely to use tobacco. Work scores track large differences in feelings of job satisfaction (99% versus 0.6% for "excellent" versus "at risk") and absenteeism (4 days versus 9 for "excellent" versus "at risk"). Finally, different levels of life scores track robust differences in key indicators. For instance, individuals with "at risk" life scores are 10 times more likely to be highly stressed and have a fraction of the close relationships of those with "excellent" life scores.

Average domain scores



Financial wellness

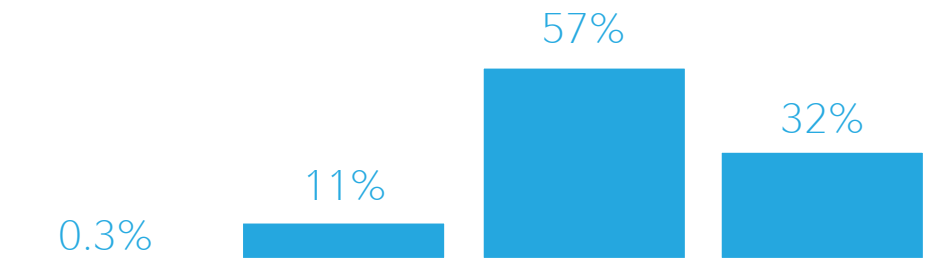
Participants with higher financial scores have lower expense-to-income and debt-to-income ratios but higher savings rates and more expansive planning horizons.



	AT RISK 0–40	FAIR 41–60	GOOD 61–80	EXCELLENT 81–100
Essential expenses/take-home pay	68%	53%	41%	28%
Monthly debt payments/monthly take-home pay	40%	28%	18%	7%
Retirement savings rate	5%	8%	13%	18%
Financial planning time frame	Next few months	Next year	Next 5–10 years	10+ years

Health wellness

Those with higher health scores have notably lower BMI, get significantly more sleep and exercise, and are dramatically less likely to use tobacco.

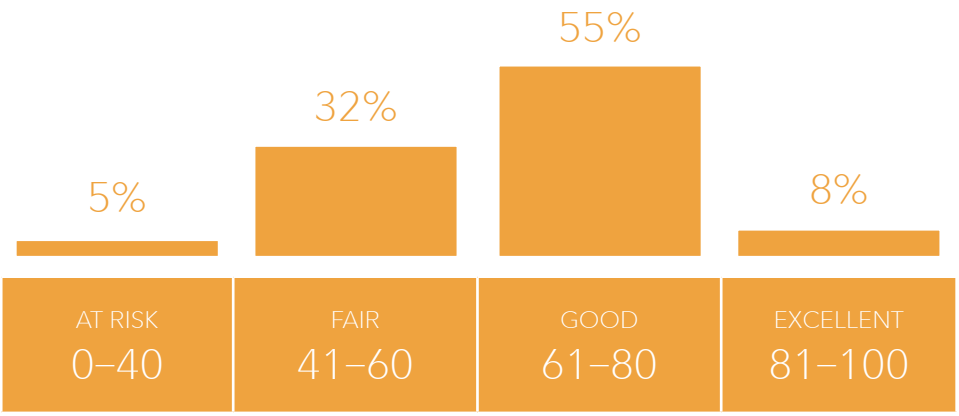


	AT RISK 0–40	FAIR 41–60	GOOD 61–80	EXCELLENT 81–100
% Meeting exercise recommendations	29%	47%	74%	93%
Average hours of sleep per night	5.5	6	6.6	7
% Overweight/obese	100%	95%	82%	39%
Tobacco use	75%	37%	9%	0.4%

Note: All statistics are medians unless otherwise noted.

Work wellness

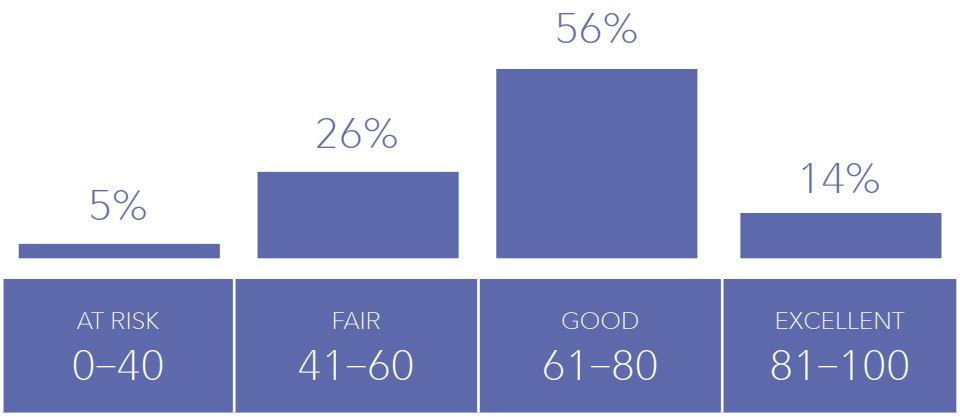
Work scores track large differences in how people feel about aspects of their work, as well as the number of days they miss at work and absenteeism.



	AT RISK 0–40	FAIR 41–60	GOOD 61–80	EXCELLENT 81–100
% Satisfied with their job	0.6%	13%	70%	99%
% Satisfied with compensation	10%	31%	70%	94%
% Feeling burnout at work	63%	14%	1%	0.1%
Days of work missed (absenteeism; mean)	9	7	5	4

Life wellness

Individuals with "at risk" or "fair" life scores have far more stress but far fewer close relationships than people with "excellent" life scores.



	AT RISK 0–40	FAIR 41–60	GOOD 61–80	EXCELLENT 81–100
% Satisfied with life	2%	28%	71%	98%
% Experiencing high stress levels	66%	42%	19%	5%
Number of close relationships (mean)	3	6	11	14
% Who volunteer on a weekly basis	1%	3%	10%	44%

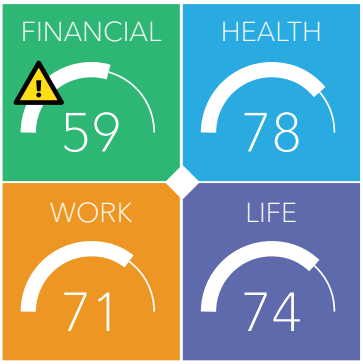
Five typologies of well-being

Measuring all four domains of well-being simultaneously, within a single population, and using comparable scales offers a unique advantage over siloed assessments deployed to different employee cohorts: It affords examining the myriad connections between aspects of well-being. We identified five key typologies based on distinct patterns of well-being:[23]

THRIVING

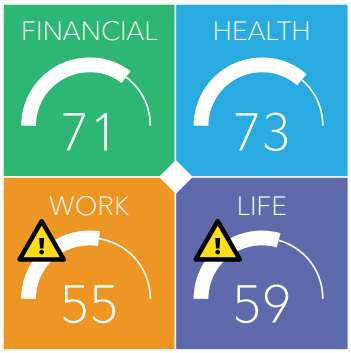
One in five people demonstrates good-to-excellent well-being across all domains. They are least likely to experience a wide range of negative life events, and most likely to experience positive life events. For people in this group, life is good. Not coincidentally, they are the oldest and highest paid of all typologies. Crucially, however, *high incomes are neither a necessary for, nor a guarantee of, thriving*: It is possible to achieve this profile of well-being despite a relatively modest household income (e.g., $63,000), and even individuals with double the household income are liable to fall into "worse" typologies of well-being, as discussed below.

LIVING WELL ON LESS



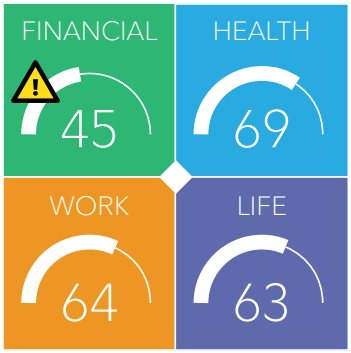
One in four people experiences financial struggles despite high well-being vis-à-vis their health, work, and life. Although their income is middle-of-the-road relative to other typologies, they are particularly likely to have experienced a recent raise. Because they appear to have sufficient resources to be financially well and their challenges are confined to a single domain, this is a group primed for employer support.

WORK-LIFE IMBALANCED



One in four people struggles in work and life despite high levels of "health and wealth"—not to mention above-average incomes. They embody the axiom "money doesn't buy happiness." They are especially likely to have experienced a reorganization in the past year, which may contribute to their above-average stress levels and general work-life deficits.

GETTING BY ON A SHOESTRING



One in five people clearly needs financial support, yet otherwise manages adequate levels of well-being. Although this group is similar those who are "living well on less" in their basic pattern of well-being, they suffer from significantly lower scores across the board. They are absolutely swamped by debt: On average, they have four types of debt, including credit card (80%), car loans (67%), and past-due medical (31%) bills. They are relatively more likely to have recently experienced costly life events, such as a serious personal illness and paying college tuition, and least likely to experience beneficial events such as a raise or weeklong vacation. Although this group appears to be surprisingly adept at compartmentalizing their financial struggles from other domains of life, they clearly need robust and comprehensive financial wellness resources.

BARELY SURVIVING

One in 10 people faces challenges across the board—they are "unwell" in all domains aside from their health, which barely meets the threshold to be considered "good." Their financial picture mirrors that of "getting by on a shoestring," with significant debt and budgeting challenges. Beset by a range of adverse life events, these individuals could use a break more than anyone else—yet they are the least likely to actually take a weeklong vacation. The wide-ranging and significant needs of this group likely require a range of benefits to address, from comprehensive financial wellness to an Employee Assistance Program.

THE FIVE TYPOLOGIES

TYPOLOGY (PREVALENCE)	THRIVING 22%	LIVING WELL ON LESS 22%	WORK-LIFE IMBALANCED 24%	GETTING BY ON A SHOESTRING 19%	BARELY SURVIVING 12%
Financial	Excellent (80)	Fair (59)	Good (71)	Fair (45)	Fair (45)
Health	Excellent (81)	Good (78)	Good (73)	Good (69)	Good (61)
Work	Good (72)	Good (71)	Fair (55)	Good (64)	Fair (48)
Life	Good (76)	Good (74)	Fair (59)	Good (63)	Fair (45)
Average age	49	47	46	43	42
Average household income (range)[24]	$150,000 ($63K–$275K)	$98,000 ($38K–$170K)	$130,000 ($38K–$170K)	$68,000 ($28K–$130K)	$63,000 ($28K–$130K)
Most common life events[25]	Raise, vacation, caregiving	Raise, vacation, college tuition	Reorganization at work	Personal illness, college tuition	Personal injury/ illness; changes in diet/exercise
Least common life events[26]	Changes in diet/ exercise; new expenses	Reorganization at work		Raise, vacation	Raise, promotion, vacation

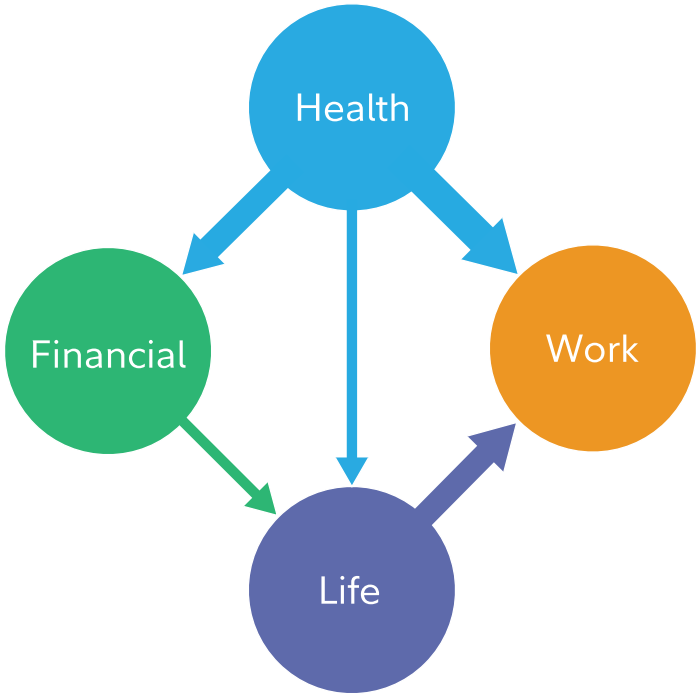
Note: Scores in parentheses reflect averages (means)

The dynamics of total well-being

To further investigate the relationship between domains of well-being, we applied Bayesian Network Analysis, an Artificial Intelligence technique for inferring causal relationships from correlational data. As depicted in the figure below, achieving health and financial wellness significantly predicts achieving work and life wellness, whereas the opposite effects are relatively weaker.

There are two key implications to this finding: First, health is vital to total well-being. Without health, well-being in financial, work, and life domains—in other words, being "wealthy, engaged, and happy"—is an elusive goal. This echoes prior research evidence that poor health is associated with slower asset accumulation[27] and implies that health deficits may also harm life and work trajectories.

Second, work-related well-being is more likely to result from—rather than drive—financial, health, and life wellness. This suggests that investments in employee well-being outside of the workplace can yield benefits in terms of engagement at work. Fortuitously, employers have considerable control and variety with respect to designing and delivering health- and finance-related benefits. In other words, there are many levers for employers to pull in "health and wealth" benefit design with potentially advantageous downstream effects in the workplace. By contrast, interventions to improve employee engagement are likely to have relatively weaker effects on health and/or finances.



Note: Thickness of arrows is proportional to strength of association.

Are health and wealth tied in vicious (or virtuous) cycles?

Consistent with the well-documented health-wealth gradient,[28] we find a robust association whereby higher (or lower) levels of health are correlated with higher (or lower) levels of financial well-being. As depicted below, it is exceedingly rare for individuals with "at risk" scores in health or finance to have "excellent" scores in the other domains—or vice versa. By contrast, half of people who have "excellent" financial wellness also have "excellent" health.

Of all the financial wellness dimensions measured in the total well-being assessment, debt had the strongest and widest-ranging associations with health. Employees whose debt scores render them "at risk" (i.e., scores below 40 out of 100) are significantly less likely to be in excellent health (14% vs. 35%) or get adequate sleep (35% vs. 54%) but significantly more likely to report feeling frequently stressed or anxious (46% vs. 26%).

LIKELIHOOD OF ...	ODDS
At-risk financial wellness given **excellent** health	1 in 33
Excellent financial wellness given **at-risk** health	1 in 25
Excellent health given **at-risk** financial wellness	1 in 8
Excellent financial wellness given **excellent** health	1 in 4
Excellent health given **excellent** financial wellness	1 in 2

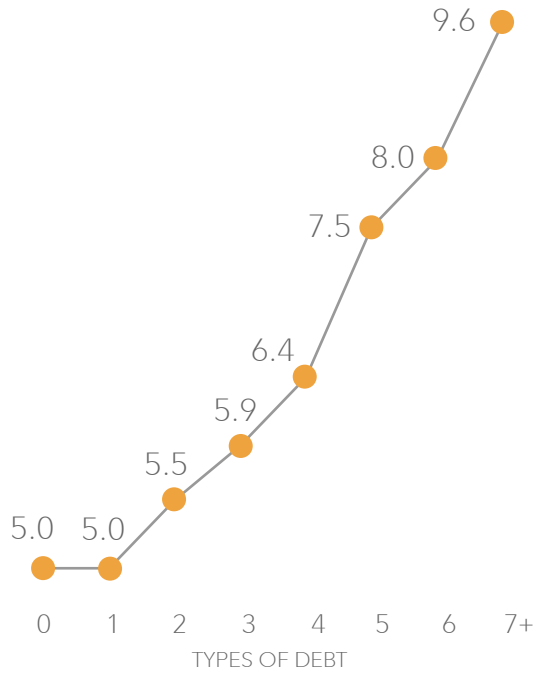
Debt in the workplace

Debt is not only strongly linked to worse health, it also predicts increased problems at work. For instance, employees struggling with debt miss more work, on average, than those with minimal debt. As depicted below, employees with 7 or more types of debt miss nearly 2 full weeks of work (9.6 days) each year. By contrast, employees who are completely or nearly debt-free miss only 1 week of work (5 days).

Adding further nuance to the link between debt and work is the fact that not all debts are equally connected to absenteeism. As shown below, "bad" debts such as unpaid medical bills and payday loans predict higher absenteeism, while other types of debt such as student loans or mortgages are unrelated to absenteeism.[29] This suggests that certain types of debt may be the "canary in the coal mine" that foreshadow deficits in employee productivity. Employers can intervene to support employees who are struggling with debt and potentially mitigate adverse effects in the workplace—but only if they can accurately and efficiently identify the markers of financial distress.

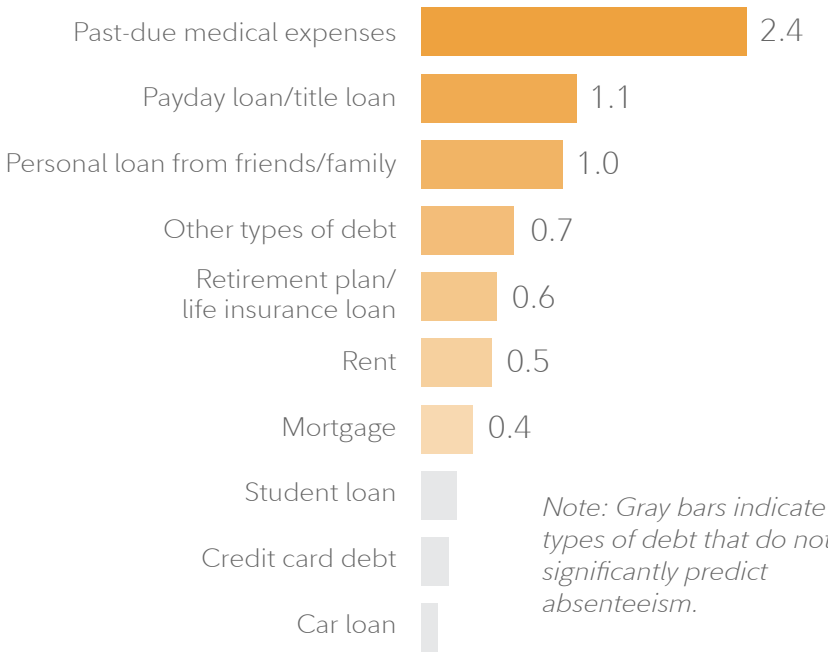
Total missed days of work

BY NUMBER OF TYPES OF DEBT



Incremental missed days of work

BY TYPE OF DEBT

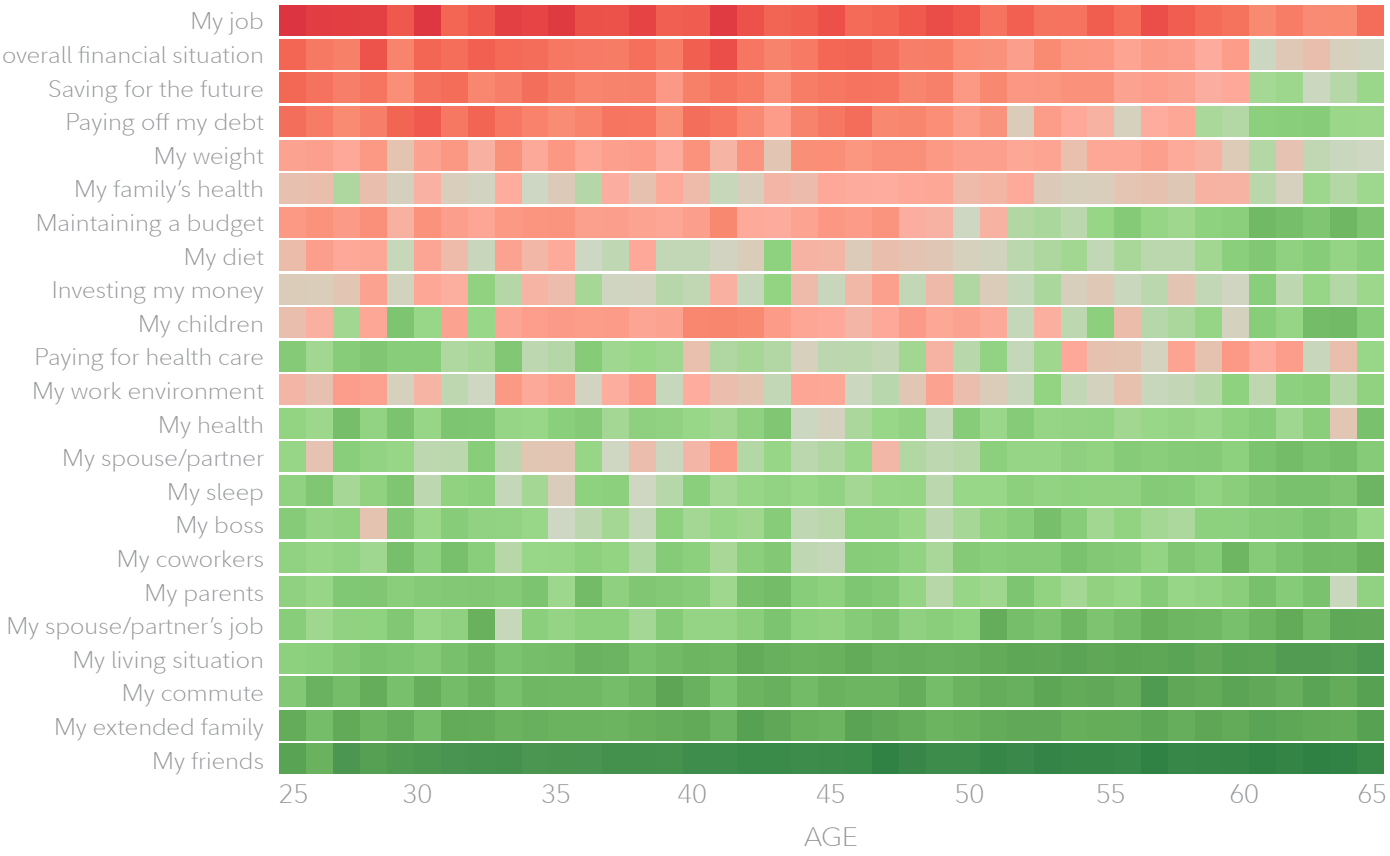


Note: Gray bars indicate types of debt that do not significantly predict absenteeism.

Is stress the common currency of well-being?

One of the key differentiating features of our model of total well-being is its comprehensive inventory of life stressors. By measuring the intensity of stress (from "none" to "a lot") caused by a wide range of sources (from "paying off my debt" to "my extended family"), we can pinpoint the key drivers of stress at the population level as well as within subpopulations.

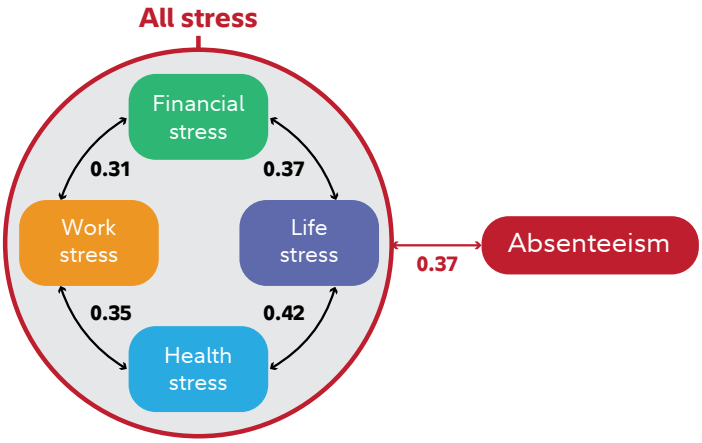
As depicted in the heat map below, jobs represent the single most significant source of stress overall, though finances are by far the most stressful domain of life.



Note: Colors depict intensity of stress for each age and stressor. Darker red indicates higher levels of stress and darker green indicates lower levels of stress.

Despite the fact that jobs represent the single biggest stressor across all age groups, both genders, and all income levels, participants do not report particularly high levels of stress arising from specific work-related sources: Neither bosses, coworkers, nor even commutes were reported as significant sources of stress, though "my work environment" emerged as moderately stressful.[30] By contrast, participants reported a wide range of financial stressors both general (i.e., overall financial situation) and specific (e.g., saving and debt). Financial stress is especially acute among younger participants, though it subsides in the pre-retiree years (ages 55 and older). This suggests building true feelings of financial wellness is a lifelong—if not perpetual—process. Consistent with previous research, older individuals reported lower levels of stress than younger individuals, and men reported less stress than women—particularly related to their health and finances.

All four domains of stress are significantly and positively correlated with each other. That is, people who have higher levels of financial stress tend to have higher levels of health-related, work-related, and life-related stress, and so forth. For instance, participants who reported the highest levels of financial stress (i.e., top quartile) were five times more likely to also report the highest levels of health-related stress than individuals who had the lowest levels of financial stress. Participants who reported the highest levels of work-related stress were nearly



Numbers depict correlation coefficients between stress domains and absenteeism (Pearson's *r*). Larger numbers indicate stronger associations.

four times more likely to also report the highest levels of life stress than those who had low work-related stress, and so forth.

Stress levels are not only highly correlated across domains, but they are also strongly associated with key well-being outcomes such as absenteeism. For example, participants who reported the highest levels of stress overall (i.e., highest quartile) missed three more days of work, on average, than participants who reported the lowest levels of stress.

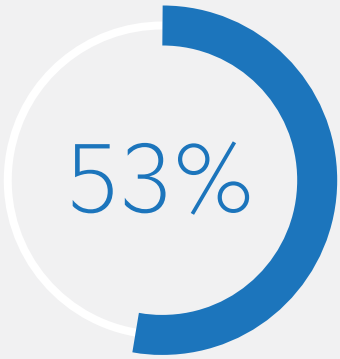
Given the well-documented effects of stress on health, happiness, and productivity, it is critical for employers to have a clear sense of the prevalence, magnitude, and sources of stress in their workforce. By understanding the nature of employee stress, employers can more effectively target the right solutions to the right employees.

Implications for employers

Employers have a critical need for a clear empirical definition and conceptual model of total well-being. Our model provides a clear, concise, and validated framework for understanding employee well-being and leveraging this understanding to personalize and optimize benefits. There are several advantages to the Fidelity TWB model.

First and foremost, our model resolves confusion and uncertainty among employers while facilitating deeper and more concrete discussions about an inherently abstract and nebulous topic.

Second, the model provides a foundation to measure, analyze, and solve for total well-being within a workforce. Our TWB assessment can provide a comprehensive and holistic evaluation of the relative strengths versus deficits of a given workforce. This represents a major advantage over the typical siloed approaches to employee metrics that rely on separate assessments of health, employee engagement, and financial wellness. As illustrated earlier, the domains of well-being are inextricably linked, and events in one domain have repercussions in another. Insofar as the root cause of problems in the workplace may lie outside of work (e.g., absenteeism is strongly linked with financial problems), getting the "full picture" of employee well-being and identifying appropriate solutions requires comprehensive and connected measures.



of plan sponsors in a recent survey reported that measuring the ROI of wellness programs is a "top challenge"[31]

Third, our approach to total well-being provides a yardstick against which employee benefits can be evaluated, allowing sponsors to determine whether benefits are indeed promoting key dimensions of well-being. Employers can identify the most pressing needs of their employees and track improvements in well-being over time as they make informed, data-driven decisions about the right constellation of benefits. They can

also compare against industry benchmarks and peers to determine whether their benefits promote employee well-being in ways that serve recruitment and retention goals. In doing so, employers can transcend the limitations of a strict ROI-based approach and solve a major pain point: measuring the ROI of wellness programs.

SOLVING FOR PROBLEMS AT WORK SOMETIMES REQUIRES THINKING OUTSIDE THE CUBE

We believe total well-being provides the missing piece to the puzzle by highlighting metrics that are significantly linked to business goals yet are neither readily apparent nor typically recordkept by employers. For instance, employers have limited insight into their employees' financial situations, yet debt is a significant predictor of absenteeism and stress. As previously discussed, our model demonstrates that well-being deficits within the workplace (e.g., reduced productivity) may call for solutions that address other domains of well-being (e.g., debt counseling and repayment programs).

Fourth, our total well-being framework affords a flexible and extendable way to measure population well-being. The modular structure of the assessment means that it can be deployed in its entirety or piecemeal across time, including through brief "pulse" surveys administered throughout the year. This allows employers to prioritize topics while mitigating the potential for survey fatigue.

At the same time, data insights derived from the assessment can be enhanced in virtually limitless ways through supplemental information provided by individual plan sponsors. For instance, synthesizing total well-being data with recordkept employee metrics can unlock a deeper understanding of how employee well-being and engagement with benefits affects productivity and retention.

The rigorous measurement and deep understanding of inter-connectedness afforded by the Fidelity Total Well-Being Assessment can render employers more informed about how to design, implement, target, and measure the effectiveness of an integrated TWB strategy. Ultimately, these insights will enable better, smarter, and more actionable data-driven decisions for next-generation total well-being in the workplace.

ACKNOWLEDGMENTS

Fidelity's Total Well-Being Assessment was developed in collaboration with Dr. Tamara Sims, Steve Vernon, and Martha Deevy from the Stanford Center on Longevity, and Professor Anthony Ong from Cornell University. We thank our collaborators for their thoughtful suggestions regarding the assessment methodology and insightful feedback on this paper.

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About Fidelity's total well-being research

Unless otherwise noted, data represents the Fidelity Investments Total Well-Being Research online survey of 9,315 active Fidelity 401(k) and 403(b) participants from across the United States. The survey was conducted by Greenwald and Associates, an independent third-party research firm, on behalf of Fidelity in September 2017.

About Fidelity's total well-being score

These findings are the culmination of a research project with Strategic Advisers LLC, a registered investment adviser and a Fidelity Investments company, which analyzed the overall well-being of 9,315 retirement plan participants based on data collected through the Fidelity Investments Total Well-Being Research online survey, September 2017. Survey questions assessed objective and subjective indicators in four domains of total well-being (financial, health, work, and life) as well as general feelings and demographic characteristics. All four domains contribute 25% each to the overall score, for a total of 100%. Total well-being, domain-level wellness, and domain components are all scored on a 0–100 scale, where 0 indicates complete lack of wellness and 100 indicates optimal wellness. To facilitate interpretation, individual-level scores can be categorized into four levels of wellness: Excellent (81–100), good (61–80), fair (41–60), or at risk (0–40).

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[19] For a detailed discussion, see "It's life. Magnified. How important life events impact total well-being," FMR LLC, 2017, .

[20] The survey was conducted by Greenwald and Associates on behalf of Fidelity in September 2017.

[21] For example, Fidelity's 2016 Decision to Retire survey of nearly 10,000 active plan participants found that 59% were college educated.

[22] We adopted an equal weighting scheme within and across domains for two reasons: First, this is consistent with our Financial Wellness methodology. Second, to our knowledge there is no consensus among researchers over the relative importance of indicators versus drivers of well-being (e.g., health status versus behaviors) nor is there a robust empirical basis for an asymmetric weighting scheme across the four domains of well-being. We believe that all aspects of well-being are vitally important, and our equal weighting scheme ensures that no particular domain or sub-domain is diminished in favor of another.

[23] Typologies are derived from the results of K-means cluster analysis, a statistical technique for identifying groups of individuals with shared characteristics—in this instance, similar patterns of well-being scores across the four domains.

[24] Ranges indicate 10th percentile to 90th percentile for household income.

[25] These are life events for which a given typology is disproportionately more likely to experience than other typologies.

[26] These are life events for which a given typology is disproportionately less likely to experience than other typologies.

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[29] This finding reflects results from a multiple regression analysis predicting absenteeism (missed days of work) from types of debt. Numbers in the associated chart reflect incremental absenteeism associated with each debt above and beyond average levels.

[30] The latter finding may indicate individuals with highly stressful commutes were disproportionately unable to participate in the survey due to limited free time.

[31] Fidelity Total Well-Being panel survey of 145 clients conducted in April 2017.

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