

MEASURING ROI ON EMPLOYEE BENEFIT PLANS

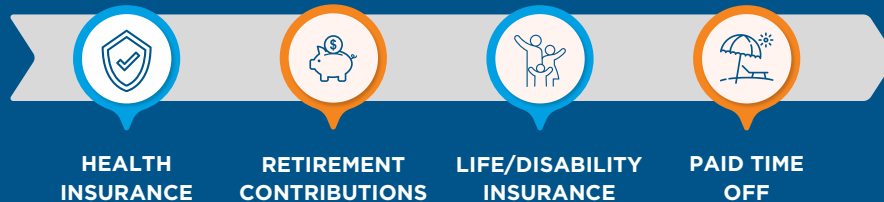
IS WHAT I'M SPENDING WORTH IT?

It's crucial to evaluate how employee benefits contribute to your company's financial performance.



1. DETERMINE COSTS

Add up expenses, such as:



Consider other fringe benefits such as wellness programs, gym memberships, and bonus programs.

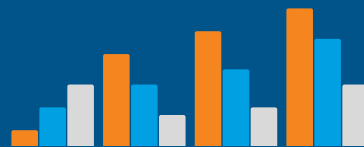
2. MEASURE RETURNS

- **Tangible benefits**
 - Increased productivity
 - Lower absenteeism
 - Reduced turnover
- **Intangible benefits**
 - Employee satisfaction and morale
 - Talent attraction



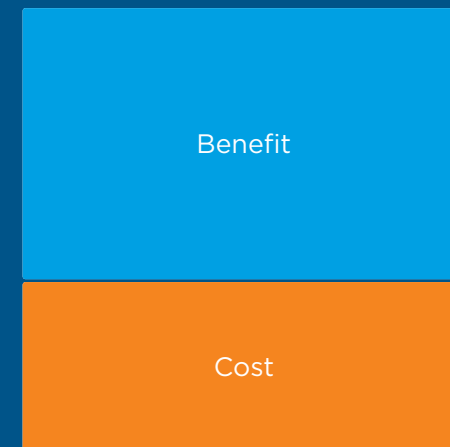
3. TRACK IMPROVEMENTS

- Employee engagement surveys
- Retention rates
- Productivity
- Customer satisfaction scores



4. CALCULATE ROI

$$\frac{\text{TOTAL BENEFITS - TOTAL COSTS}}{\text{TOTAL COSTS}} \times 100$$



Example: If benefits **cost \$500,000** but **generate \$800,000** in value, **ROI = 60%**, meaning **for every \$1 spent, \$1.60 is returned.**

UNDERSTANDING THE COST OF EMPLOYEE TURNOVER

WHAT WILL IT COST ME IF I DON'T INVEST IN EMPLOYEE BENEFITS?



Turnover impacts businesses through the direct and indirect costs that come with losing employees and replacing them.

DIRECT COSTS

Expenses may include:



RECRUITMENT

ONBOARDING

SEVERANCE/EXIT

Consider costs for advertising new jobs, agency fees, HR time and resources, background checks of applicants, training new employees, equipment and technology, orientation, payouts, and administrative costs.

INDIRECT COSTS

There are hidden impacts on employee turnover.

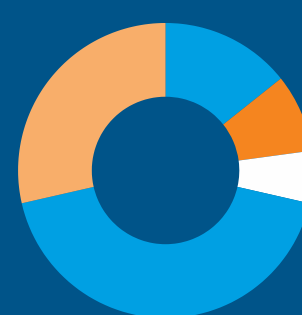
- **Productivity Loss** - Time needed to transition, replace, and train new employees
- **Team Disruptions** - Increased workload and morale shift for remaining staff
- **Knowledge Loss** - Customer relationships, specialized skills, company knowledge
- **Customer Impact** - Relationship disruptions leading to lost business
- **Employer Branding/Public Relations** - High turnover harms hiring appeal



TURNOVER COST CALCULATION

Sum direct and indirect costs to determine total impact. See example below.

Team/Customer Impact: - \$10,000



Recruitment:
- \$5,000

Onboarding:
- \$3,000

Severance:
- \$2,000

Productivity Loss: - \$15,000

TOTAL TURNOVER COST:
- \$35,000 PER EMPLOYEE

To calculate the turnover cost per employee, divide the total turnover cost by the number of employees who left during a certain period, or you can calculate it on a per-department or per-role basis. The costs of turnover can vary significantly depending on the role.

2015

2020

2024

REACH OUT TO TO LEARN MORE ABOUT HOW YOUR BUSINESS CAN THRIVE WITH A BETTER GROUP BENEFITS AND 401(K) PLAN.

319-365-8611

ACCELADVANTAGE.COM

Securities offered through Registered Representatives of Integrity Alliance, LLC, Member SIPC. Advisory services offered through Accel Wealth Management, a Registered Investment Adviser. Integrity Wealth is a marketing name for Integrity Alliance, LLC. Accel Wealth Management is not affiliated with Integrity Wealth. Registered branch addresses are 100 E. 2nd St., Suite 205, Cedar Falls, IA 50613, 5500 Fountains Dr. NE, Suite 201, Cedar Rapids, IA 52411 and 301 Oak Ridge Circle, Waverly, IA 50677.