

Global Wellness
Economy Monitor:

Workplace Wellness

OCTOBER 2018



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Global Wellness Economy Monitor: Workplace Wellness

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Information included in the Global Wellness Tourism Economy: Europe report originally appeared in the
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GLOBALWELLNESSINSTITUTE.ORG

ABOUT THE AUTHORS

ABOUT THE GLOBAL WELLNESS INSTITUTE

The Global Wellness Institute (GWI), a 501(c)(3) non-profit organization, is considered the leading global research and educational resource for the global wellness industry and is known for introducing major industry initiatives and regional events that bring together leaders and visionaries to chart the future. GWI positively impacts global health and wellness by advocating for both public institutions and businesses that are working to help prevent disease, reduce stress, and enhance overall quality of life. Its mission is to empower wellness worldwide.

www.globalwellnessinstitute.org

ABOUT THE AUTHORS

The *Global Wellness Economy Monitor* was prepared by Ophelia Yeung and Katherine Johnston, Senior Research Fellows at the Global Wellness Institute. Together, they have four decades of experience leading research and strategy development for businesses, universities, research institutions, and multilateral and government organizations under the auspices of SRI International, a Silicon Valley-based technology and innovation company. Since 2008, Ms. Yeung and Ms. Johnston have worked with the team at what has become the Global Wellness Institute to pioneer groundbreaking research on the global wellness economy and its subsectors. They were assisted in this research by Tonia Callender, GWI Research Fellow.

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EXECUTIVE SUMMARY

Valued at \$4.2 trillion in 2017, the wellness economy continues to expand faster than global economic growth.

The Global Wellness Institute (GWI) defines wellness as ***the active pursuit of activities, choices, and lifestyles that lead to a state of holistic health***. In 2014, GWI published the first Global Spa & Wellness Economy Monitor, measuring the size of the global wellness economy for the first time. ***The wellness economy encompasses industries that enable consumers to incorporate wellness activities and lifestyles into their daily lives.*** We include ten sectors in the global wellness economy (see figure below), which together are worth \$4.2 trillion in 2017, representing 5.3% of global economic output.¹ By comparison, global health expenditures were estimated at \$7.3 trillion in 2015.² From 2015-2017, the wellness economy grew from \$3.7 trillion to \$4.2 trillion, or by 6.4% annually, a growth rate nearly twice as fast as global economic growth (3.6%).³

GLOBAL WELLNESS ECONOMY: \$4.2 trillion in 2017



Note: Numbers do not add due to overlap in segments. Dark colored bubbles are the sectors for which GWI conducts in-depth, country-level primary research. Light colored bubbles are sectors for which GWI aggregates global estimates only, drawing from secondary sources. Source: Global Wellness Institute.

¹ See Appendix A for definitions of the ten wellness economy sectors.

² Global health expenditures data from: WHO, *Global Health Expenditures Database*, <http://apps.who.int/nha/database/Home/Index/en>. 2015 is the most recent year available.

³ Global GDP data from: IMF, *World Economic Outlook Database*, April 2018 Edition, <https://www.imf.org/external/pubs/ft/weo/2018/01/weodata/index.aspx>.

Since 2014, GWI has extended its detailed market estimates to include five wellness economy sectors: *Wellness Real Estate*, *Workplace Wellness*, *Wellness Tourism*, *Spa*, and *Thermal/Mineral Springs*. For the other five sectors, we aggregate secondary global industry data from multiple sources to arrive at the estimated market size. This report provides original data and discusses the development and prospects of the five wellness sectors that GWI tracks in detail.

Wellness Economy Sectors, 2015 and 2017

	Market Size (US\$ billions)		Average Annual Growth Rate
	2015	2017	2015-2017
Personal Care, Beauty, & Anti-Aging	\$999.0	\$1,082.9	4.1%
Healthy Eating, Nutrition, & Weight Loss	\$647.8	\$702.1	4.1%
Wellness Tourism	\$563.2	\$639.4	6.5%
Fitness & Mind-Body	\$542.0	\$595.4	4.8%
Preventive & Personalized Medicine and Public Health	\$534.3	\$574.8	3.7%
Traditional & Complementary Medicine**	**\$199.0	**\$359.7	**
Wellness Real Estate***	\$118.6	\$134.3	6.4%
Spa Economy (<i>Spa Facilities</i>)	\$98.6 (\$77.6)	\$118.8 (\$93.6)	****9.8% ****(9.9%)
Thermal/Mineral Springs	\$51.0	\$56.2	4.9%
Workplace Wellness	\$43.3	\$47.5	4.8%
Wellness Economy	*\$3,724.4	*\$4,220.2	6.4%

* Figures do not sum to total due to overlap in segments.

** The definition and measurement of this sector has changed from 2015 to 2017, and so the two numbers should not be directly compared as a time series. In 2017 we have incorporated an expanded measurement of traditional medicine into this sector (e.g., Traditional Chinese Medicine, Ayurveda, etc.) due to improved global data availability on those segments. The nomenclature for this sector is evolving alongside growing consumer adoption of traditional/indigenous, complementary, alternative, and integrative medical practices outside of the conventional/Western medical system.

*** The name for this sector has changed from 2015 to 2017, based on the methodology elaborated in GWI's recent "Build Well to Live Well" report. It is now labelled "wellness real estate" to emphasize that the measurement includes residential AND commercial/institutional building, as opposed to "wellness lifestyle real estate" (which focuses on the residential component).

**** The high growth rate for spa revenues is not entirely due to new builds, but also due to a dramatic increase in the number of hotels/resorts listing themselves and their spa facilities/services on global online booking sites, especially in emerging market countries.

Source: Global Wellness Institute, based upon extensive primary research and secondary data sources

The environments in which we live, work, and travel are critical yet largely underappreciated determinants of our wellness.

Our health is a result of complex interactions among genetic factors and numerous interrelated external determinants (e.g., socio-economic factors, our physical environment, access to healthcare). These external factors form a complex “wellness ecosystem”⁴ that can augment or reduce the impacts of our genes. What may be surprising from recent research findings is that genetics may account for as little as 10-15% of our health outcomes, while external and environmental factors play a much more important role.⁵ There is ample and growing evidence that our health and longevity are greatly affected by the physical environments in which we live, work, and travel, and yet these environments continue to receive scant attention from the medical community. This lopsided investment calculus needs to change. To combat the growing epidemic and escalating costs of chronic disease, we must address the many aspects of our daily environments that drive our individual and collective health and wellbeing.

Wellness sectors are no longer siloed industries. They will increasingly converge as we integrate wellness into our homes and communities, our work, and our travel.

All ten wellness sectors are dynamic and interconnected, intrinsically linked to the wellness economy as a whole. In the face of longer lifespans, rising chronic disease, stress, and unhappiness, we are reexamining our lives and refocusing our attention on what makes us well – particularly the places and manner in which we live, work, and travel. The wellness economy mirrors those shifting priorities, alongside a growing recognition of the critical impact of external environments on our health and wellbeing. Among the ten wellness economy sectors, three of them represent those critical, interrelated environments in which we live our daily lives – *wellness lifestyle real estate and communities* (live), *workplace wellness* (work), and *wellness tourism* (travel). However, the other seven wellness sectors do not operate independently from, or outside of, these spheres. They are all essential components of a “**wellness ecosystem**” that nurtures a lifestyle of wellbeing and longevity, because we consume wellness goods and services in the homes and communities where we live, where we work, or when we travel. As we integrate wellness into all aspects of our daily lives, we can expect increasing convergence of all wellness sectors into these three core spheres, through acquisitions, partnerships, horizontal/cross-category expansions and innovations, and emergence of new business models.

⁴ See: Institute of Medicine (2006). *Genes, Behavior, and the Social Environment: Moving Beyond the Nature/Nurture Debate*. Washington, DC: The National Academies Press.

⁵ See: Global Wellness Institute (2018). *Build Well to Live Well: Wellness Lifestyle Real Estate and Communities*.

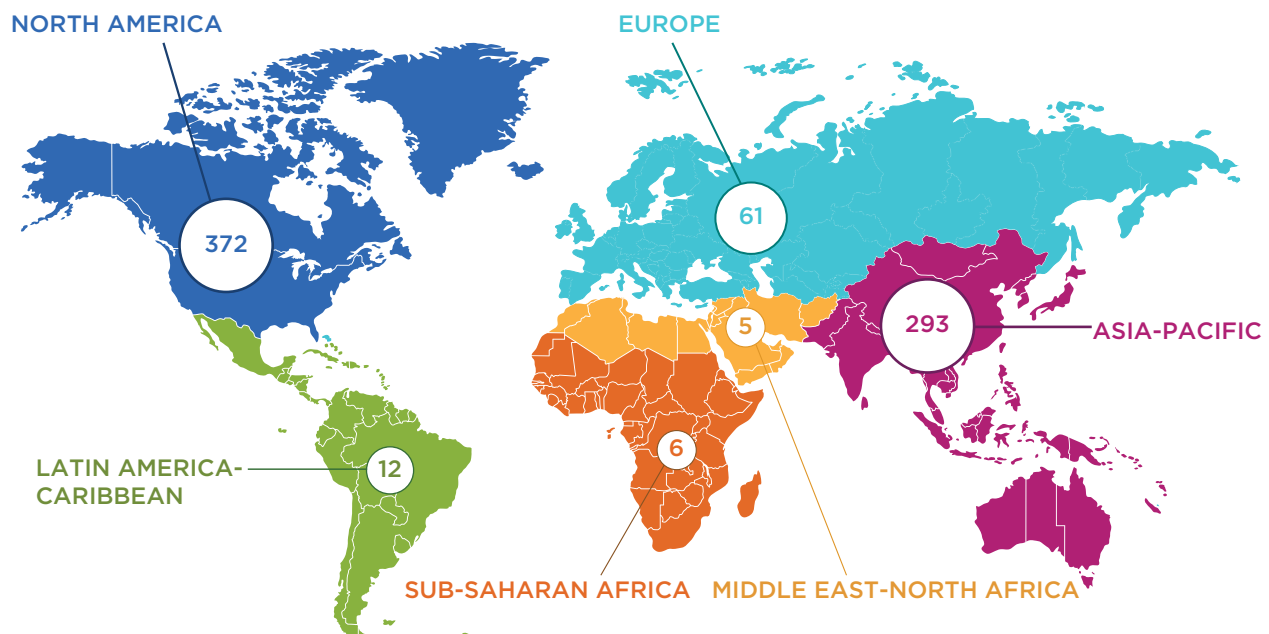
Wellness real estate is a fast-growing \$134 billion industry, buoyed by rising health consciousness and a desire to bring wellness into the places where we spend the majority of our time.

Earlier in 2018, GWI unveiled the research report *Build Well to Live Well*, where we defined wellness real estate as ***the construction of residential and commercial/institutional properties that incorporate intentional wellness elements into their design, materials, and building as well as their amenities, services, and/or programming.*** GWI estimates that the global wellness real estate sector is worth \$134 billion in 2017, growing at 6.4% annually since 2015. For comparison, this is about 1.5% of the total annual global construction market and about half the size of the global green building industry.⁶ Note that wellness real estate is broader than (but encompasses) wellness lifestyle real estate, which focuses on the residential component.⁷

GWI's research found more than 740 wellness lifestyle real estate and community developments built, partially built, or in development, across 34 countries as of November 2017, and this number is growing every day. These include master-planned communities, multi-family housing, urban districts and mixed-use projects, resort- and spa-based real estate, and other types of projects around the world.

Wellness Lifestyle Real Estate Pipeline in 2017:

Over **740** projects across **34** countries



Note: Estimates as of November 2017. Source: Global Wellness Institute.

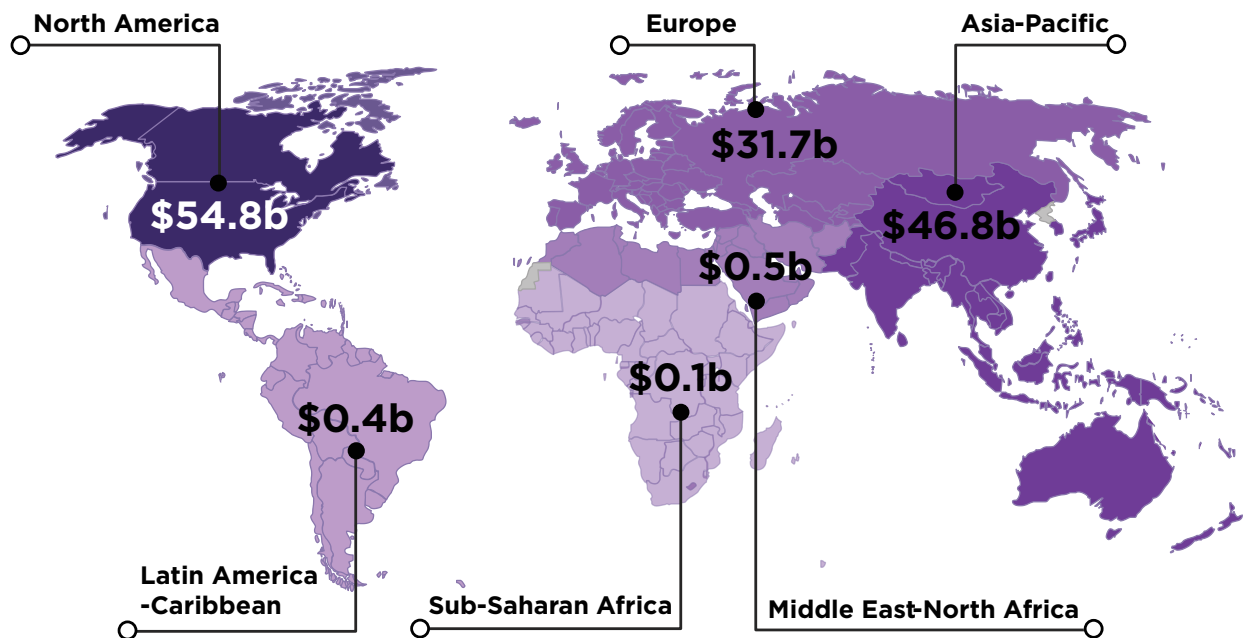
⁶ U.S. Green Building Council (2015). *The Business Case for Green Building*. <https://www.usgbc.org/articles/business-case-green-building>.

⁷ Because it is impossible to separate out the residential and non-residential components in commercial/institutional projects (e.g., mixed-use, hospitality, etc.), GWI estimates *wellness real estate* in aggregate, although the focus in this report is on the residential component or *wellness lifestyle real estate*.

Around the world, there is rising consumer interest in extending our wellness experiences from our vacation destinations and leisure activities to our homes and everyday lives. For most of us, our home represents our most important personal investment and one of our largest expenditures (about 20% of all consumer spending, or more than \$9 trillion in 2017⁸), so it is only logical that our home should also be an investment in our health and wellbeing. Based on strong demand, GWI estimates that wellness lifestyle real estate and community projects positioned at the middle and upper ends of the market are currently achieving price premiums of 10-25%. The United States, along with a few key countries in Asia (China, Australia, India) and Europe (UK, Germany), account for three-quarters of the global wellness real estate market.

Wellness Real Estate Market by Region, 2017

Size of wellness real estate market



Source: Global Wellness Institute

⁸ Global Wellness Institute analysis of global consumer expenditures data from Euromonitor International.

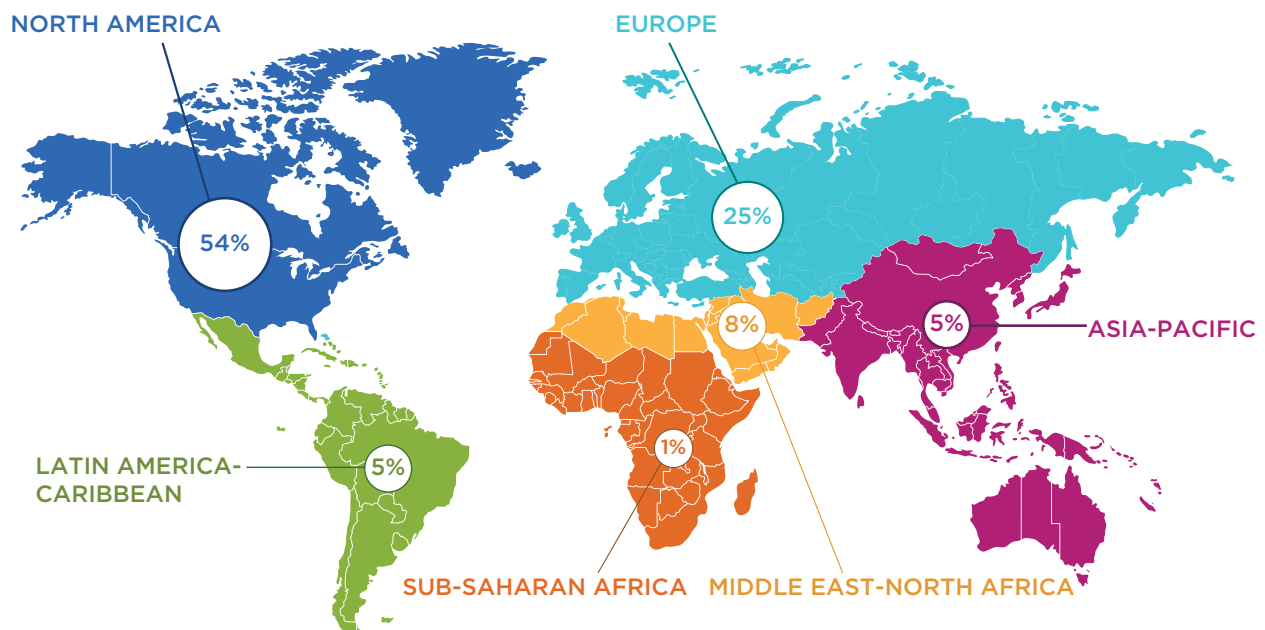
Valued at \$48 billion, the workplace wellness market is small in comparison to the massive economic burden and productivity losses associated with an unwell workforce and widespread worker disengagement.

GWI measures the size of the global workplace wellness industry by estimating the **expenditures made by employers to improve employee wellness**. These include a wide variety of services, products, and platforms, such as health screening assessments, diagnostic tests, incentive programs, wearable devices, counseling services, etc., and they serve a wide range of needs, from exercise, healthy eating, and sleep, to chronic illness, obesity, addiction, depression, and stress. GWI estimates that this market grew by 4.8% annually over the past two years to reach \$47.5 billion in 2017 (as compared to \$43.3 billion in 2015).

However, this market is very small when compared to the economic burden of an unwell workforce – a cost estimated by GWI at 10-15% of global economic output (factoring in the medical costs and productivity losses caused by chronic diseases, work-related stress, injuries and illnesses, and disengagement).⁹ Globally, less than 10% of the workforce benefits from workplace wellness initiatives, primarily those who live in the world's wealthiest economies or work for large or multinational companies. The majority of workers around the world are more concerned with meeting basic needs, such as earning a living wage, job stability, workplace safety, and access to basic healthcare.

Access to Workplace Wellness in 2017

Only **10%** of the world's workers have access to workplace wellness programs & services



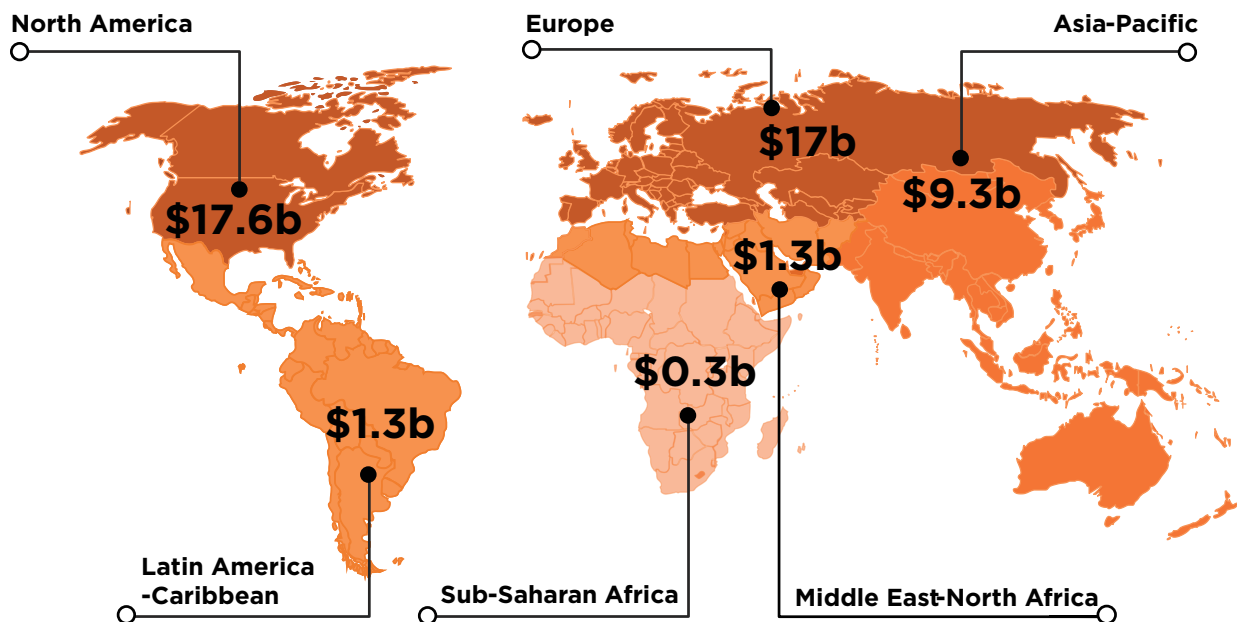
Percent of employed workers in each region who have access to workplace wellness programs/services.

Source: Estimates by the Global Wellness Institute, based upon data from the International Labour Organization, World Bank, and Conduent/Buck Consultants.

Overall, the global market for workplace wellness is concentrated in the high-income countries in North America, Western Europe, and Asia. Together, the top twenty markets in workplace wellness account for nearly 84% of global spending. Much of this spending is motivated by employers' desire to lower healthcare costs; improve morale, retention, and recruitment; and increase productivity and competitiveness. The United States remains by far the world's largest market for workplace wellness expenditures, estimated at more than \$15 billion in 2017. Since the healthcare burden is mostly borne by employers in the United States, U.S. companies have the strongest incentives to control escalating medical costs while also improving productivity.

Workplace Wellness Market by Region, 2017

Employer expenditures on workplace wellness programs/services



Source: Global Wellness Institute.

⁹ Global Wellness Institute (2016). *The Future of Wellness at Work*.

At \$639 billion, wellness tourism is a significant and fast-growing segment of global tourism.

In the 2013 *Wellness Tourism Economy* inaugural study, GWI defined wellness tourism as **travel associated with the pursuit of maintaining or enhancing one's personal wellbeing** and measured its global size for the first time. Fast-forward five years, wellness tourism is now recognized as a significant and fast-growing tourism segment. Globally, wellness tourism has expanded from \$563.2 billion in 2015 to \$639.4 billion in 2017. The sector's 6.5% annual growth rate from 2015-2017 is more than double the 3.2% growth rate for general tourism. Travelers made 830 million wellness trips in 2017, which is 139 million more than in 2015.

Wellness tourism creates opportunities for wellness businesses and other businesses. The expenditures of wellness travelers benefit all travel industry segments (see figure below). While some expenditures are made on wellness-focused activities (such as visiting a hot spring, getting a massage, or taking a meditation or fitness class), others are “generic” travel expenditures (such as transportation, food and lodging, shopping, etc.). As more consumers incorporate wellness into their lifestyles, there are many opportunities for all businesses to infuse wellness into their offerings and capture spending by wellness travelers.

Wellness Tourism Industry in 2017



Data combine both inbound/international and domestic wellness tourism spending, and also include both primary and secondary wellness trips.

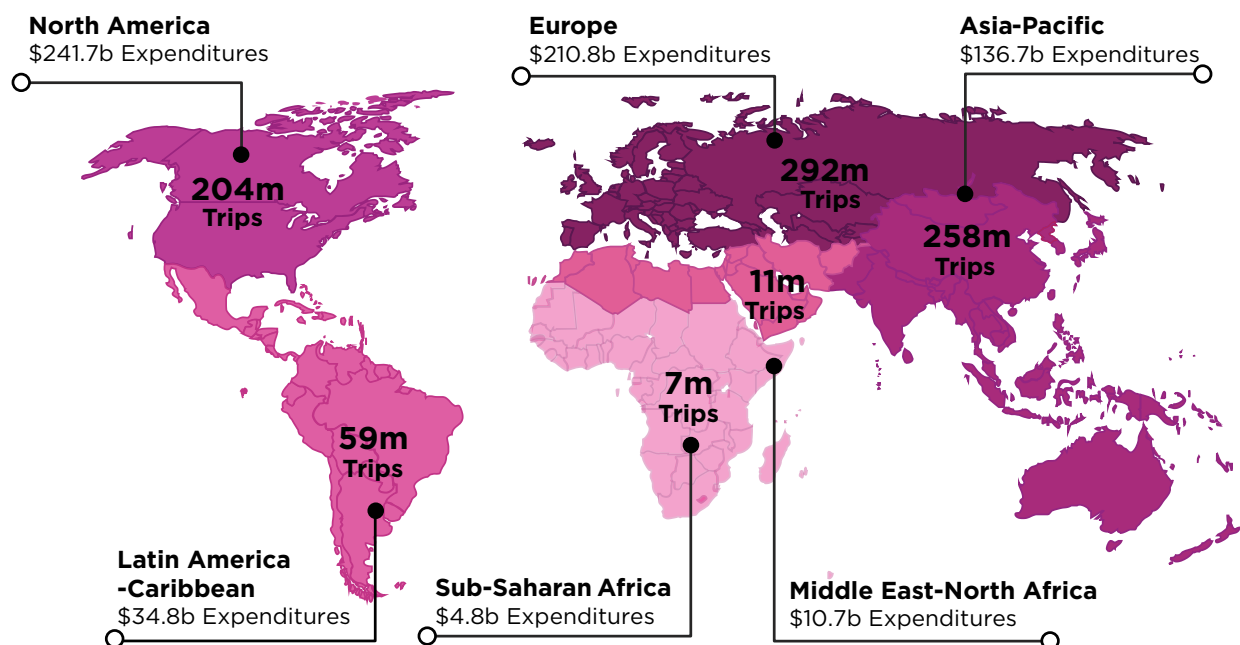
Source: Estimates by the Global Wellness Institute, based on tourism industry data from Euromonitor International.

The wellness tourism market includes two types of travelers: those who are motivated by wellness to take the trip or choose the destination (**primary wellness travelers**) and those who seek to maintain wellness or engage in wellness activities during travel (**secondary wellness travelers**). The bulk of wellness travel is done by secondary wellness travelers, who account for 89% of wellness tourism trips and 86% of expenditures in 2017. Wellness tourism is also high-yield tourism. GWI estimates that international wellness travelers spend at a 53% premium (over the average international tourist), while domestic wellness travelers spend at a 178% premium (over the average domestic tourist).

The rapid growth of wellness tourism around the world has been stimulated by a rising global middle class, increasing consumer desire to adopt a wellness lifestyle, and a growing interest in experiential travel. Across the world, Europe remains the destination for the largest number of wellness trips. North America continues to lead in wellness tourism expenditures because average spending per trip is higher. In the past five years, Asia has made the most gains in the number of wellness trips and wellness tourism expenditures, with demand stimulated by strong economies and an expanding middle class.

Wellness Tourism by Region, 2017

Number of wellness tourism trips and expenditures
(inbound and domestic)



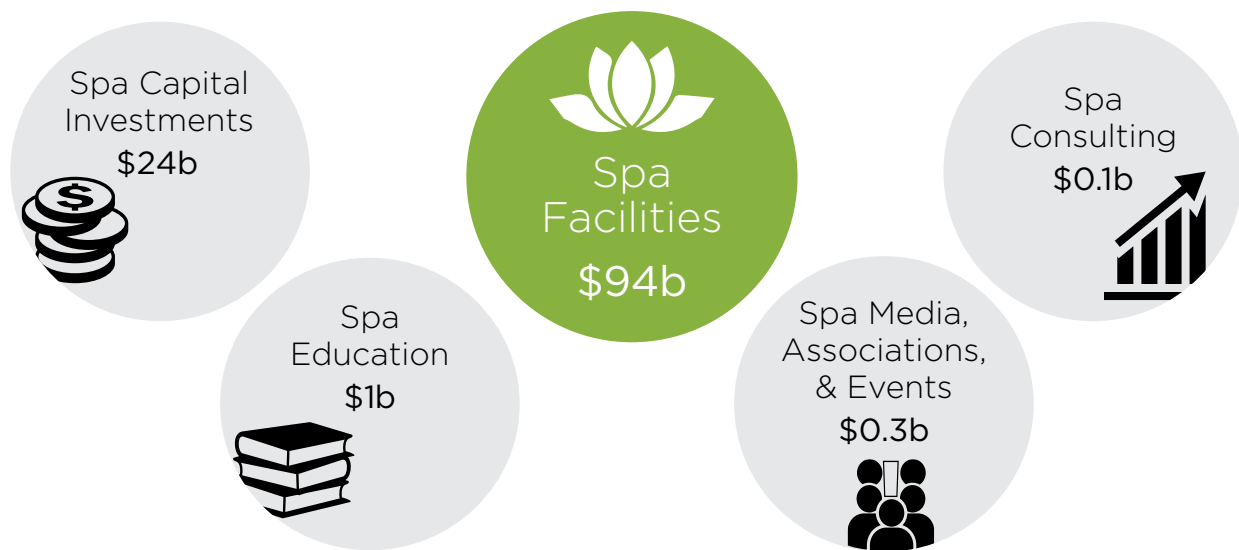
Source: Global Wellness Institute.

The \$119 billion spa economy has grown in number of facilities, revenues, and employment, driven by strong economic growth and rising consumer interest in wellness.

Ten years ago, GWI unveiled The Global Spa Economy 2007 study, where we defined spas as **establishments that promote wellness through the provision of therapeutic and other professional services aimed at renewing the body, mind, and spirit.** In 2017, GWI estimates that the number of spas has grown to over 149,000, earning \$93.6 billion in revenues and employing nearly 2.6 million workers. This represents 9.9% annual revenue growth, which is much higher than the pace observed in the previous two-year period. The main drivers of the spa industry are rising incomes, rapid growth of wellness tourism, and an increasing consumer propensity to spend on all things related to wellness.

The broader spa economy encompasses not only spa facility revenues, but also sectors that support and enable spa businesses, including capital investment; consulting; training of spa therapists and education of managers; and associations, media, and events businesses that promote spas. In 2017, these related sectors added \$25.2 billion to the spa facility revenues of \$93.6 billion, to create a \$118.8 billion global spa economy.

Spa Economy: \$119 billion in 2017

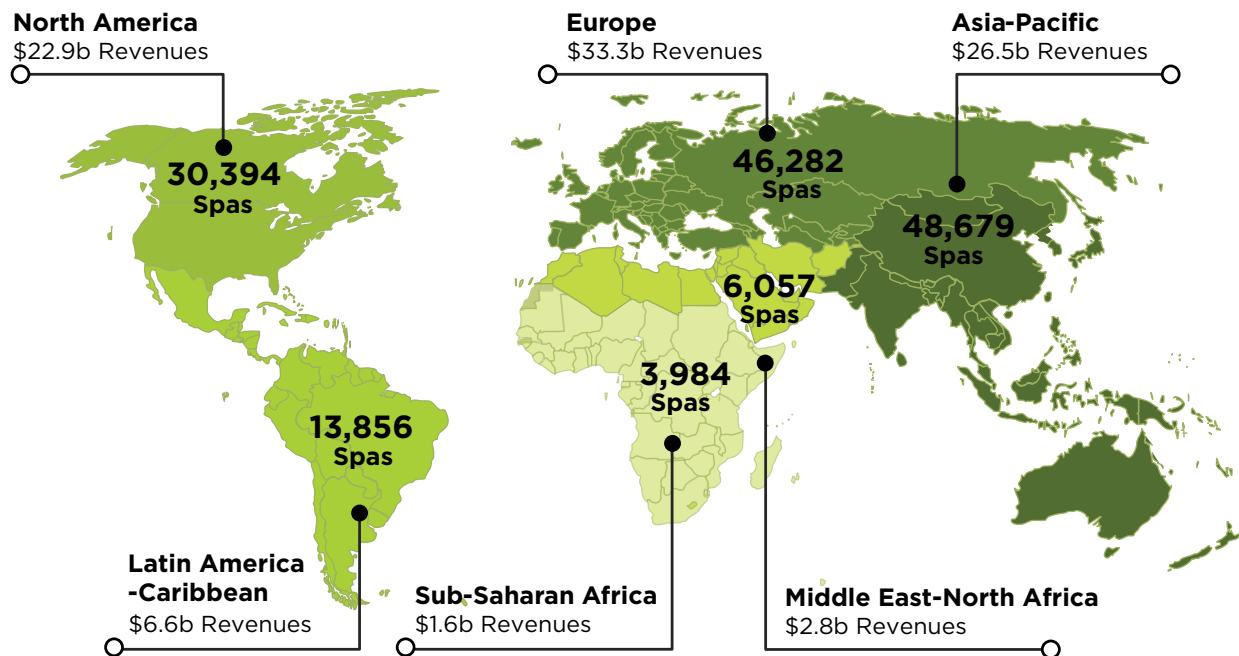


*Note: Figures may not sum to total due to rounding.
Source: Global Wellness Institute*

Asia-Pacific is home to the largest number of spas and also added the greatest number of new spas from 2015-2017. Europe led in total spa revenues in 2017. Across the world, the spa industry remains quite concentrated in the top markets. The top five countries (United States, China, Germany, Japan, and France) account for 48% of global revenues, while the top twenty countries represent 77% of the global market. However, the industry is becoming slightly more dispersed over time. In 2017, 18 countries had annual spa revenues exceeding \$1 billion, and Indonesia and Australia each surpassed the \$1b threshold for the first time.

Spa Facilities by Region, 2017

Number of spas and spa facility revenues

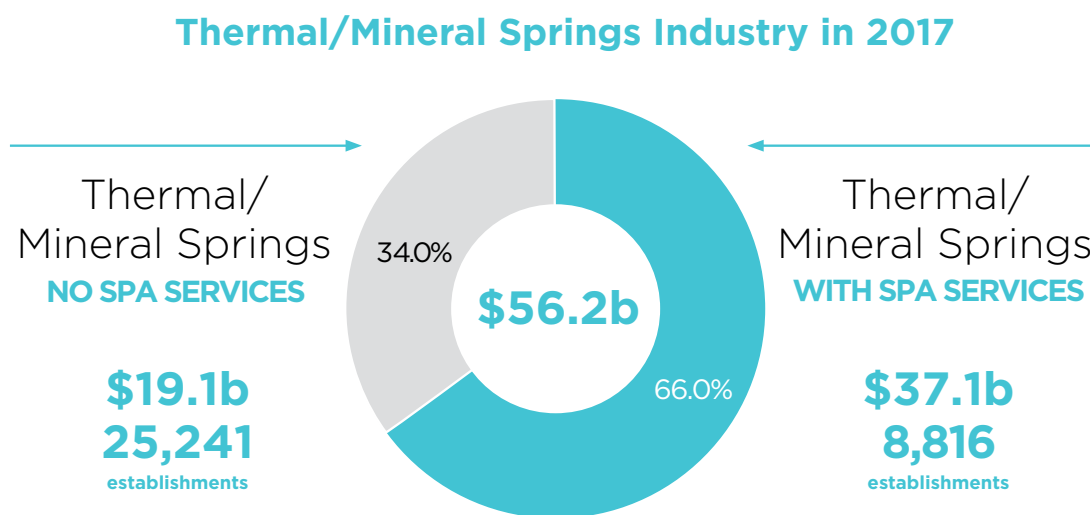


Source: Global Wellness Institute.

The \$56 billion thermal/mineral springs industry has continued its strong growth as consumers turn to water for relaxation, community, and healing.

GWII defines the thermal/mineral springs industry as encompassing **revenue-earning business establishments associated with the wellness, recreational, and therapeutic uses of waters with special properties**. Consistent with that definition and previous methodologies, we estimate that there are 34,057 thermal/mineral springs establishments operating in 127 countries. These businesses earned \$56.2 billion in revenues in 2017, and they employed an estimated 1.8 million workers.

The majority of thermal/mineral establishments around the world are rustic and traditional bathing and swimming facilities. They target their local markets and charge relatively low admission fees. About a quarter of the establishments are higher-end, targeting tourists and offering value-added spa services. Those that offer spa services account for a much greater share of industry revenues (66%), and also experienced higher revenue growth (7.4% average annual growth versus 0.5% for those without spa services, over 2015-2017).



Note: The thermal/mineral springs revenue estimates include all revenues earned by these establishments, from bathing/swimming offerings, spa/wellness services and other treatments, other recreational activities, food & beverage, lodging, and other services. See Appendix A for additional definitions and descriptions of categories.

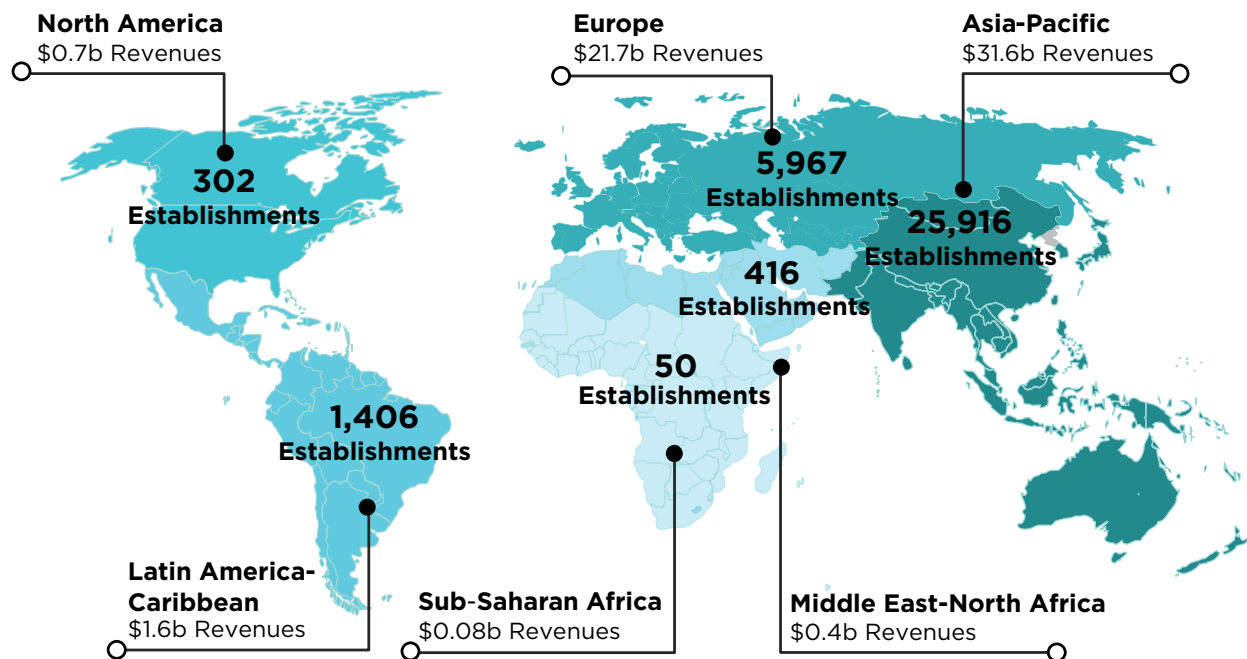
Source: Global Wellness Institute

The thermal/mineral springs industry is heavily concentrated in Asia-Pacific and Europe, reflecting the centuries-old history of water-based healing and relaxation in these two regions. Together, Asia-Pacific and Europe account for 95% of industry revenues and 94% of establishments.

Thermal/mineral springs bathing experiences appeal to a growing segment of consumers who are seeking to connect with nature, experience cultural traditions, and pursue alternative modalities for healing, rehabilitation, and prevention. Responding to these trends, both private investors and governments across many countries are investing in the sector. In countries with long-established thermal bathing traditions, governments are increasingly promoting these as a key wellness tourism offering. They are investing in renovation and reopening of primitive, outdated, and closed-down facilities, as well as upgrading service standards and training to meet the expectations of international tourists.

Thermal/Mineral Springs by Region, 2017

Number of thermal/mineral springs establishments and revenues



Source: Global Wellness Institute.

GWII predicts that the wellness economy will continue to grow at a healthy pace over the next five years and will expand its share of the global economy.

Within a relatively short span of time, wellness as a holistic concept has become more broadly understood and adopted all around the world. And there is no sign that this movement is slowing down. For the next five years, GWII projects robust growth in the five wellness sectors we track in detail (see table below), based on our own data sources and estimation models. We also believe the three sectors that represent the three core spheres of life will have the strongest growth – *wellness real estate*, *workplace wellness*, and *wellness tourism* – while the other wellness sectors will continue to grow as they support the integration of a wellness lifestyle into all aspects of our daily lives.

Wellness Sector Growth Projections, 2017-2022

	Projected Market Size (US\$ billions)		Projected Average Annual Growth Rate
	2017	2022	2017-2022
Wellness Real Estate	\$134.3	\$197.4	8.0%
Workplace Wellness	\$47.5	\$65.6	6.7%
Wellness Tourism	\$639.4	\$919.4	7.5%
Spa Facilities	\$93.6	\$127.6	6.4%
Thermal/Mineral Springs	\$56.2	\$77.1	6.5%

Source: Global Wellness Institute estimates, based upon economic and industry sector projections from the IMF, ILO, Euromonitor, and GWII's data and projection model

However, an industry that focuses primarily on the wealthiest customers is addressing a limited market and may face a backlash.

As the wellness economy grows, there is simultaneously a growing perception that most of the latest products, services, technologies, and innovations are catering to the wealthiest consumers. For the wealthy, there are now a plethora of options – superfoods, boutique studios, wellness resorts, alternative healing modalities, DNA testing, sleep aids, micro-procedures, injectable/edible substances, gadgets, and more – to aid in their quest to feel good and be “forever young,” or better yet, immortal. Meanwhile, income inequality is rising across the world, and poor people are growing sicker and more depressed, and are dying younger than those who are more well off.

So, it is not surprising that global conversations about wellness mirror this bifurcation of wealth and wellbeing. On one end, there is an intense race to promote the latest, most exclusive, and sophisticated offerings to the wealthy, such as housing, vacations, technologies, experiences, lifestyles, and even life transformations. On the other end, there is a media ready to ridicule and vilify the latest wellness businesses, modalities, and innovations as yet another sign that the privileged “one-percenters” are narcissistic and out of touch with the rest of humanity. In a free market, it is a business’s prerogative to pursue whichever consumer markets and segments they consider promising and profitable. Collectively, however, the wellness market will not be healthy and sustainable if this polarization continues or worsens, possibly leading to a stagnant or shrinking customer base.

Focusing on the “we” of wellness can be a winning value proposition for customers, employees, investors, and other stakeholders.

One consistent finding from our ten years of wellness economy research – from wellness tourism and workplace wellness to wellness communities and lifestyle real estate – is the evolution of wellness from a personal aspiration to an emerging value system that recognizes our connection to the collective. Our individual health and wellbeing are inextricably linked to the wellbeing of other people, our communities, and the planet. We cannot be truly well if we confine our existence to a personal wellness bubble. For wellness economy businesses, this means more than philanthropy or corporate social responsibility. In the marketplace, customers increasingly make decisions based on emotions and their value systems: Does the brand story resonate with what I care about? What are the environmental and social consequences of my purchase? A company whose true compass is wellbeing for all delivers a much more powerful emotional story that will appeal to this growing segment of consumers.

At the same time, widespread disengagement has left a vast majority of the global workforce feeling disaffected, unmotivated, and unhappy at work – threatening business competitiveness and success. Research has shown that our discretionary efforts are tied to our intrinsic motivations, which, in turn, are driven by a sense of purpose, autonomy, personal growth, and teamwork. This is reinforced by findings from an expanding field of happiness research: We are much more likely to feel happy and fulfilled when we give, help others, contribute to something larger than ourselves, and feel that the world is fair. Companies whose mission is to bring wellness to the people who need it the most – rather than targeting the privileged few – will offer a more compelling case for their teams to infuse their daily work with meaning and purpose. Ultimately, it is the creativity, passion, energy, and commitment of motivated people that will deliver for customers, business owners, and investors.

Global Wellness Economy Highlights (2017)



Wellness Real Estate

Wellness Real Estate Market:

\$134.3 billion (6.4% CAGR from 2015-2017)

Wellness Lifestyle Real Estate (Residential) Project Pipeline:

over 740 projects in 34 countries



Workplace Wellness

Number of Workers with Access to Workplace Wellness Programs & Services:

321.7 million (9.8% of employed workers)

Expenditures on Workplace Wellness:

\$47.5 billion (4.8% CAGR from 2015-2017)



Wellness Tourism

Number of Wellness Trips:

830.0 million (9.6% CAGR from 2015-2017)

Wellness Tourism Expenditures:

\$639.4 billion (6.5% CAGR from 2015-2017)

Average Expenditure per Trip:

\$1,528 for intl./inbound (53% premium);
\$609 for domestic (178% premium)



Spas

Number of Spas:

149,252 (10.8% CAGR from 2015-2017)

Spa Revenues:

\$93.6 billion (9.9% CAGR from 2015-2017)

Spa Employment:

2,594,507 (9.8% CAGR from 2015-2017)



Thermal/Mineral Springs

Number of Thermal/Mineral Springs Establishments:

34,057 (11.3% CAGR from 2015-2017)

Thermal/Mineral Springs Establishment Revenues:

\$56.2 billion (4.9% CAGR from 2015-2017)

Thermal/Mineral Springs Establishment Employment:

1,772,775 (13.1% CAGR from 2015-2017)

WORKPLACE WELLNESS

Valued at \$48 billion, the workplace wellness market remains small in comparison to the massive economic burden and productivity losses associated with an unwell workforce and widespread worker disengagement.

GWI measures the size of the global workplace wellness industry by estimating the **expenditures made by employers to improve employee wellness**. These include a wide variety of services, products, and platforms, such as health screening assessments, diagnostic tests, incentive programs, wearable devices, counseling services, etc., and they serve a wide range of needs, from exercise, healthy eating, and sleep, to chronic illness, obesity, addiction, depression, and stress. GWI estimates that this market grew by 4.8% annually over the past two years to reach \$47.5 billion in 2017. Much of this spending is motivated by employers' desires to lower healthcare costs; improve morale, retention, and recruitment; and increase productivity and competitiveness.

Workplace Wellness Market Size by Region, 2015 and 2017

	No. of Workers Covered by Workplace Wellness Programs & Services (millions)		Workplace Wellness Expenditures (US\$ billions)	
	2015	2017	2015	2017
Europe	96.2	101.3	\$16.10	\$17.74
North America	89.8	93.9	\$16.16	\$17.56
Asia-Pacific	92.6	97.8	\$8.41	\$9.29
Latin America-Caribbean	14.1	14.3	\$1.23	\$1.31
Middle East-North Africa	9.1	10.2	\$1.12	\$1.29
Sub-Saharan Africa	3.7	4.4	\$0.28	\$0.33
Total Workplace Wellness Industry	305.5	321.7	\$43.29	\$47.52

Note: Figures may not sum to total due to rounding.

Source: Estimates by the Global Wellness Institute, based upon data from the International Labour Organization, World Bank, and Buck Consultants

The workplace wellness market is small when compared to the economic burden of an unwell and disengaged workforce – a cost estimated by GWI at 10-15% of global economic output when we factor in the medical costs and productivity losses caused by chronic diseases, work-related stress, injuries and illnesses, and widespread disengagement at work.³¹ This estimate does not include the human suffering and the unsustainable burden on the healthcare system associated with treating an unwell workforce. A recently-released book by Stanford Business School professor Jeffrey Pfeffer claims that workplace-related stress – a combination of long or unpredictable hours, high job demands, low autonomy, and lack of health insurance – is responsible for more than 120,000 deaths a year and roughly 5-8% of annual healthcare costs in the United States alone.³²

Overall, the global market for workplace wellness is concentrated in the high-income countries in North America, Western Europe, and Asia. Together, the top twenty markets in workplace wellness account for nearly 85% of global spending. The United States remains by far the world's largest market for workplace wellness expenditures, estimated at more than \$15 billion. Since the healthcare burden is mostly borne by employers in the United States, U.S. companies have strong incentives to control escalating medical costs while also improving productivity.

Top Twenty Workplace Wellness Markets, 2017

	Workplace Wellness Expenditures (US\$ billions)	Rank in 2017
United States	\$15.68	1
Japan	\$3.92	2
Germany	\$3.54	3
United Kingdom	\$2.55	4
France	\$2.28	5
Canada	\$1.88	6
Italy	\$1.67	7
South Korea	\$1.52	8
Spain	\$1.36	9
Australia	\$1.11	10
Netherlands	\$0.72	11
Sweden	\$0.67	12
Taiwan	\$0.63	13
China	\$0.50	14
Switzerland	\$0.43	15
Austria	\$0.41	16
Belgium	\$0.41	17
Norway	\$0.39	18
Denmark	\$0.38	19
Finland	\$0.34	20

Source: Estimates by the Global Wellness Institute, based upon data from the International Labour Organization, World Bank, and Conduent/Buck Consultants

³¹ See: Global Wellness Institute (2016). *The Future of Wellness at Work*.

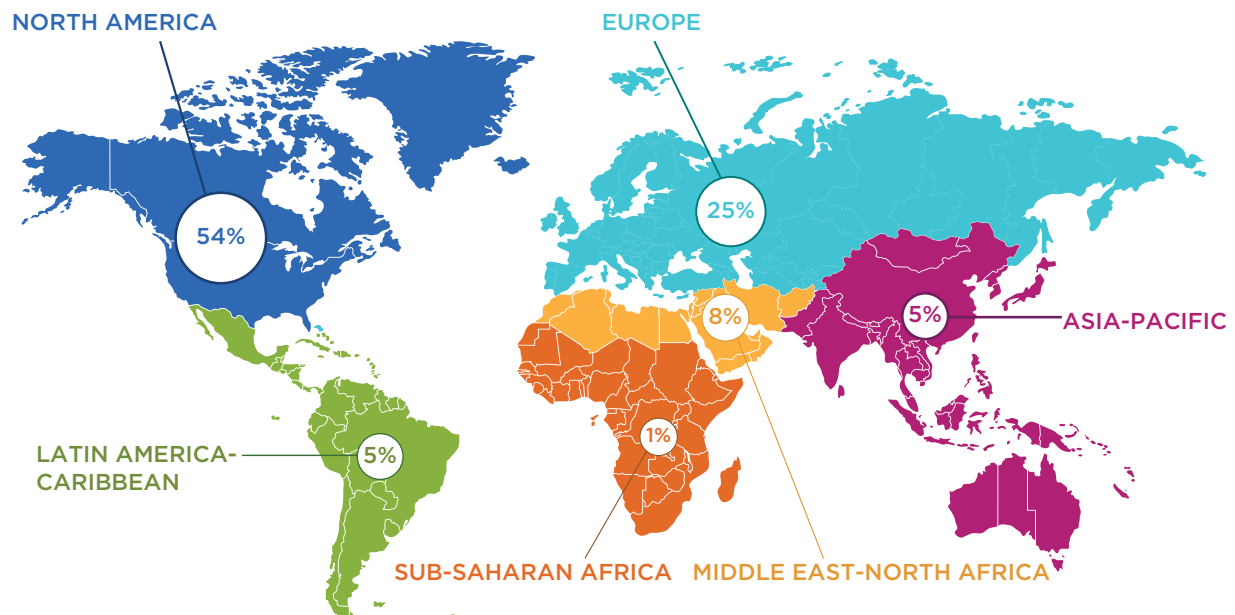
³² Pfeffer, J. (2018). *Dying for a Paycheck*. New York, NY: Harper Collins.

Less than 10% of the global workforce benefits from workplace wellness initiatives. The majority of workers are more concerned with meeting basic needs, such as earning a living wage, job stability, workplace safety, and access to basic healthcare.

GWI estimates that less than 10% of the global workforce is covered by any kind of workplace wellness programs or services, and these workers remain highly concentrated in North America and Europe. This luckier slice of the workforce mostly lives in the world's wealthiest economies or works for large or multinational companies. For these workers, workplace wellness concerns typically revolve around preventable/chronic disease, mitigating stress, improving work-life balance, enhancing engagement, and improving workplace culture and management structures. Yet, work-related fatalities and injuries remain far too high around the world, and billions of workers do not have access to basic healthcare and essential medications, do not have a stable job, do not make a living wage, and work in fundamentally dangerous or unhealthy conditions. Globally, only one in four workers are in full-time positions with a permanent contract and job security.³³ As we advance the conversation on wellness at work, we must not forget this “ninety percent” and the importance of protecting them and enhancing their welfare.

Access to Workplace Wellness in 2017

Only **10%** of the world's workers have access to workplace wellness programs & services



Percent of employed workers in each region who have access to workplace wellness programs/services.

Source: Estimates by the Global Wellness Institute, based upon data from the International Labour Organization, World Bank, and Conduent/Buck Consultants.

³³ International Labour Organization (2015). *World Employment and Social Outlook: The Changing Nature of Jobs 2015*. Geneva, Switzerland: International Labour Office.

Several key shifts are driving a new “thrive” revolution at work.

As we look to the future, conversations around wellness at work will no longer center on mitigating work-related ills, but on enhancing motivation, commitment, creativity, flow, cognitive abilities, etc. – in other words, thriving at work. The Global Wellness Institute’s Wellness at Work initiative recently released a white paper that outlines many key shifts driving this “thrive” revolution. Among them are:³⁴

- **Thriving and the wellbeing of “WE:”** Employers recognize that thriving is core to sustainable success, and a thriving work culture is key to attracting and retaining talent. Technological, economic, cultural, and demographic shifts are changing the nature and meaning of work as a human experience, requiring work to be reinvented in a way that enhances human potential while bringing people joy and wellbeing every day. As work units evolve to teams, global networks, partnerships, and ad hoc project groups, we need a high-trust environment of mutual respect and psychological safety to improve shared outcomes.
- **Purpose-driven workplace and conscious evolution of leadership:** A leadership evolution has powered many of the shifts toward a thriving workplace. More leaders are realizing that technology, the built environment, culture, brands, operations, etc. have impacts beyond profits and are trying to cultivate more conscious and caring worldviews. Employers that build purpose-driven workplaces are better positioned to energize employees and customer relationships, direct operations with clarity and effectiveness, and (re)build trust between business and society.
- **Women-friendly workplaces and deep inclusivity:** Women-friendly workplaces bring a focus on diversity, the challenges of care-giving, pay inequities, ageism, and other well-being concerns that can particularly plague women. Harnessing all talent requires deep inclusion. Research suggests that true diversity and inclusion will produce more innovative, engaged, and high-performing teams; increase profitability; enhance brand appeal; and attract talent.
- **Mental wellness and individualized wellbeing:** Employee mental wellness can foster happiness, generativity, effectiveness, and wisdom at work. Brain sciences and new technologies have advanced ways to boost brain activity, reduce stress, and increase productivity. Meanwhile, new technologies and scientific discoveries (e.g. DNA and other biomarker testing, cognitive technologies for behavior change, etc.) are facilitating an unprecedented degree of individualized and personalized diagnostics and employee wellbeing solutions.

³⁴ Moorefield, R. (June, 2018). *Ten Shifts Driving a New ‘Thrive’ Revolution at Work*. Miami, FL: Global Wellness Institute. https://globalwellnessinstitute.org/wp-content/uploads/2018/06/WorkplaceWellnessTrends_April2018.pdf.



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