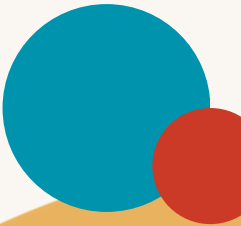




10 Ways to Prove ROI for Lifestyle Spending Accounts

Win over employees and the finance team





Introduction

Let's talk about a game-changer employee benefits – Lifestyle Spending Accounts (LSAs).

These innovative accounts have been making waves for good reason. If you've attended any conference or webinar, downloaded a benefits guide, spoken to your broker, or followed HR thought leaders on LinkedIn, you've likely heard about LSAs.

They're not just a fancy perk. They're not ping pong tables, office dog playgrounds, soda fountains, or catered lunches – the so-called “unique benefits” designed to lure people back to the office.

LSAs represent a true commitment to an organization's most valuable asset– it's people!

But here's the million-dollar question often lingering in boardrooms, especially when the CFO is present: How do we measure the **real value** they bring to our organization?



What's the ROI?

You're in HR... you don't need us to tell you how difficult it can be to measure cultural impact, especially when people may be disengaged and ready to leave. **In a business environment increasingly focused on tangible outcomes and data-driven decisions,**



the call to quantify the impact of LSAs is louder than ever.



But let's be honest, it's not just about ticking a box on the employee satisfaction checklist. It's about understanding how LSAs are transforming employee engagement, their perception of the company, and ultimately, their contribution to the bottom line.

As a business leader, HR professional, or CFO, you need a clear roadmap to navigate this terrain. You want to know if the investment in LSAs is truly paying off. Are they just a nice-to-have, or are they driving real, measurable change within your organization?

In this eBook, we'll explore **10 robust strategies to help you decode and quantify the ROI of LSAs.** Because at Compt, we're committed to supporting you every set of the way.

Why Proving ROI Matters

But wait – let's take a quick step back to ensure the 10 strategies truly resonate. We'll keep this brief.

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- ✘ In today's business world, where **every dollar counts** and every decision needs justification, understanding the return on investment isn't just beneficial - it's essential.
 - ✘ Proving ROI is about **making informed decisions**. With clear data and insights on the impact of LSAs, you can confidently decide whether to continue, expand, or modify these benefits. Think of it as having a roadmap in unfamiliar territory to guide your steps and help you avoid costly mistakes.
 - ✘ Budget allocations are scrutinized in any organization, and **every expenditure needs justification**. LSAs are no exception.
 - ✘ By proving their ROI, you're not just defending a budget line item; **you're advocating for an investment in your workforce**. It's about demonstrating that every dollar spent on LSAs brings tangible value to both employees and the organization.



Why Proving ROI Matters



- ✘ Every initiative, including LSAs, should ideally sync with your organization's broader goals. Proving ROI shows how LSAs contribute to these goals, whether through improved retention rates, enhanced productivity, or a stronger employer brand.
- ✘ In the battle for talent, retaining your best employees is as crucial as attracting new ones. Proving the ROI of LSAs highlights their role in keeping employees engaged and loyal.
- ✘ Measuring ROI is not a one-time task; it's an ongoing journey that provides continuous insights into what's working and what's not, allowing for constant improvement. This iterative process ensures LSAs remain relevant, effective, and aligned with changing employee needs and business landscapes.
- ✘ Proving the ROI of LSAs is about painting a clear picture of their impact – a picture that speaks in the language of data and resonates with your organization's strategic objectives. It's about being accountable, strategic, and forward-thinking in how you invest in your workforce.



10 Engaging Ways to Showcase the ROI of Lifestyle Spending Accounts

1. Let's talk about employee surveys.

Analyze survey data before and after implementing LSAs to track changes in job satisfaction, culture, and benefits. Quarterly surveys help you make quick, meaningful adjustments.

This isn't just feedback; it's storytelling with data.

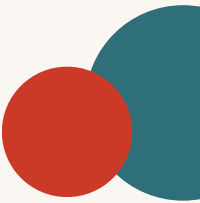
It's not just about asking if your team likes the LSAs. Dive deeper. How are these accounts changing their view on work-life balance, personal growth, or how they feel about the company?

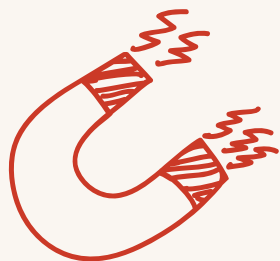


2. Attrition rates. What's the real story?

Looking at churn will reveal if your people are sticking around longer after introducing LSAs. Break down this data by department, tenure, and role to understand where LSAs make a difference. Reducing turnover is a clear indicator of LSA success.

Remember, while they're great, LSAs alone can't fix a toxic culture. But, used intentionally, they can be part of a broader strategy to improve retention and morale.





3. Recruitment: Are LSAs the New Talent Magnet?

Here's where the rubber meets the road in recruitment. How are LSAs playing a role in attracting new talent? Are candidates bringing them up in interviews? Even if they're not saying "LSA" specifically, are they asking about lifestyle benefits or how your company supports employee well-being?

Watch the quality and quantity of your applications, the time it takes to fill positions, and how much it costs you. If you're seeing improvements, that's a sign that your LSAs are making you a more attractive employer.

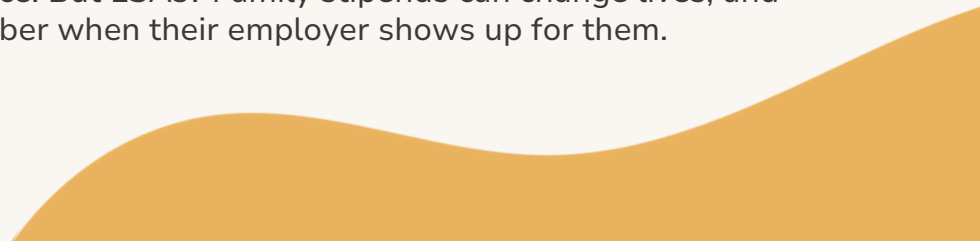
Pro tip: Be specific about your benefits in job listings. "A competitive benefits package" doesn't mean anything. People want evidence that your total compensation package is worth the leap.



4. Who's Using LSAs and How?

Peek into how your team uses their LSAs. Which benefits are getting the most love? Are there trends in who's using what? This is like taking the pulse on your LSAs' relevance and appeal. It helps you tailor these benefits even better, making sure they hit the mark.

Plus, if they're using these benefits, you know they're engaged with an important aspect of your company's culture and compensation. People don't necessarily have an emotional attachment to their health insurance. But LSAs? Family stipends can change lives, and people remember when their employer shows up for them.



5. Connecting LSAs to Health and Wellness Outcomes.

This is where you connect the dots between LSAs and health. Are your people taking fewer sick days? Are healthcare claims on the decline? It's not just about seeing if those yoga classes or gym memberships are paying off. It's about making a proactive effort to reduce burnout and boost productivity.

The data is out there. You've seen it. And if you haven't, here are some highlights from Gallup that'll make you want to offer a wellness stipend STAT:



15% to 20% of
total payroll costs
are due to
voluntary turnover
from burnout

75% of medical
costs are accrued
from mostly
preventable
conditions

\$20 million in lost
opportunity for every
10,000 workers due
to struggling or
suffering employees

\$322 billion in
turnover and lost
productivity costs
globally due to
employee burnout

6. Productivity: Are We Doing More, Better?

Are your teams hitting their targets faster or serving customers better since LSAs rolled out? Any uptick in performance metrics can be a sign that those LSAs are really doing their magic.

Look at the key metrics that matter most to your company. Maybe there's been a 15% increase in sales targets achieved post-LSA implementation, or perhaps customer service ratings have soared by 20%. Maybe a software development team saw a 25% reduction in project turnaround times, signaling a correlation between LSAs and enhanced operational efficiency.

These aren't just numbers; they're the pulse of your organization's health. But faster doesn't mean better. Quality is important, too. Consider these:

- 🌀 **Are your products or services improving in quality?**
- 🌀 **Is there a noticeable drop in error rates or customer complaints?**

Qualitative changes can be just as significant as quantitative ones. For example, a customer support team might report a 30% decrease in repeat calls, indicating that issues are being resolved more effectively the first time around.

Don't forget the human side of productivity. Numbers can be found in how people feel about their work!

Surveys might reveal that 70% of your team feels more focused and energized, directly attributing this change to the flexibility and support provided by LSAs. This subjective feedback is a crucial piece of the puzzle, complementing the hard data.



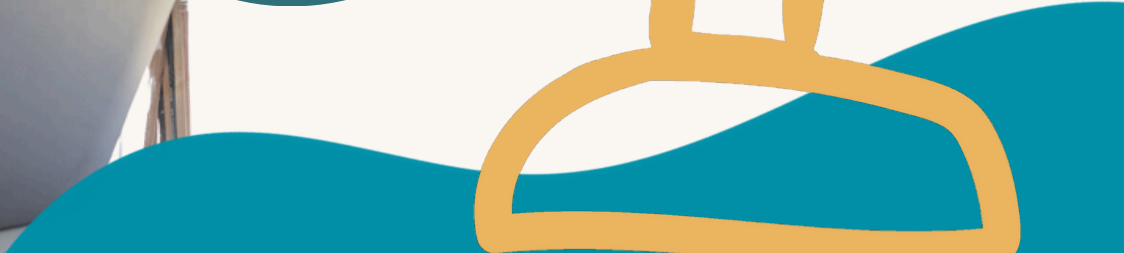
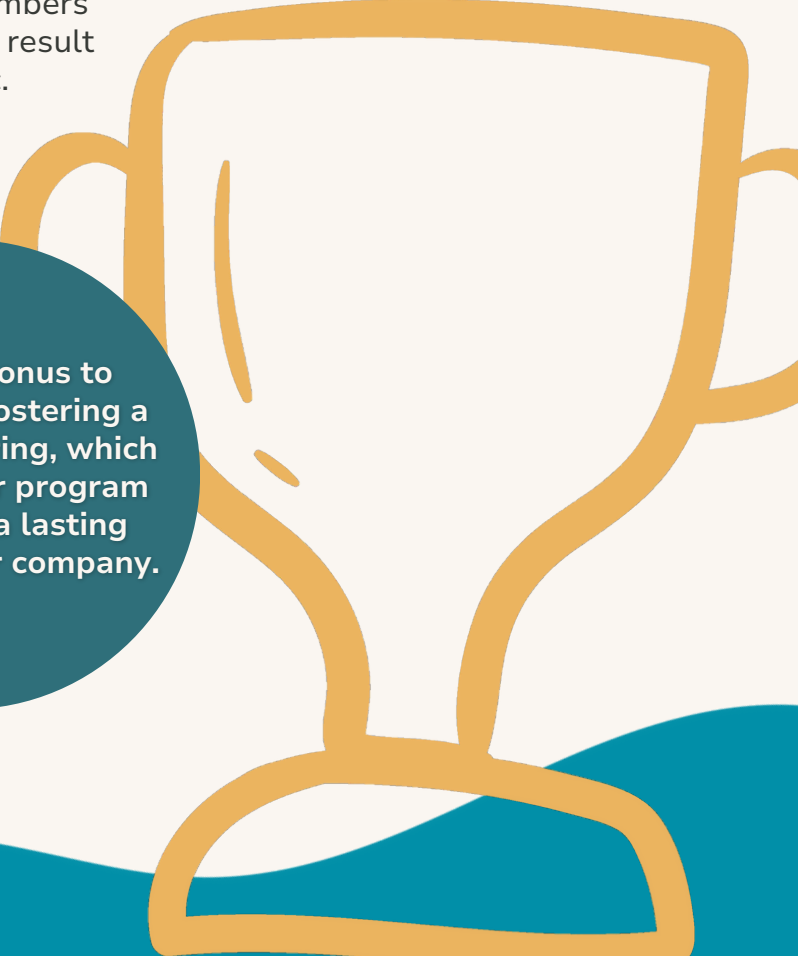


7. The Power of Employee Feedback and Testimonials.

There's nothing like hearing directly from your people. Gather stories and feedback through interviews or focus groups. How have LSAs touched the lives of your team members? These real-life tales can be eye-openers to the power of LSAs.

This is where qualitative meets quantitative. Start by setting up interviews or focus groups. Encourage employees to share their stories – how have LSAs benefited their daily lives?

Maybe it's an account of someone who used their LSA for a meditation class, leading to reduced stress and better focus at work. Put numbers to that. If 80% of your team reports improved mental health as a result of wellness programs funded by LSAs, that's a powerful statistic.



An added bonus to doing this is fostering a culture of sharing, which enhances your program and creates a lasting impact on your company.



8. The Nitty-Gritty of Cost-Benefit Analysis.

Get down to brass tacks with a solid cost-benefit analysis. How much are you spending on LSAs versus what you're getting back in terms of productivity, reduced hiring costs, or lower health insurance claims? This is where you speak the language of numbers, showing the real financial impact of LSAs.

Consider these examples:

- 🌀 **Can you put a dollar value on the increase in output or efficiency since the introduction of LSAs?**
- 🌀 **Can you calculate the value of shortened project timelines or the increase in sales figures?** (Ex: if a team's output increased by 20% post-LSA, what does that translate to in terms of revenue?)

It's not just about immediate returns. Think about the long-term financial health of your organization. LSAs lead to a more engaged, loyal workforce, driving sustainable growth and profitability. Think of LSAs as an investment in your company's future financial stability.

Lastly, ROI isn't a static number. It evolves as your workforce and business strategies change. Regularly revisiting and updating your cost-benefit analysis ensures that your understanding of LSAs' financial impact remains accurate and relevant.

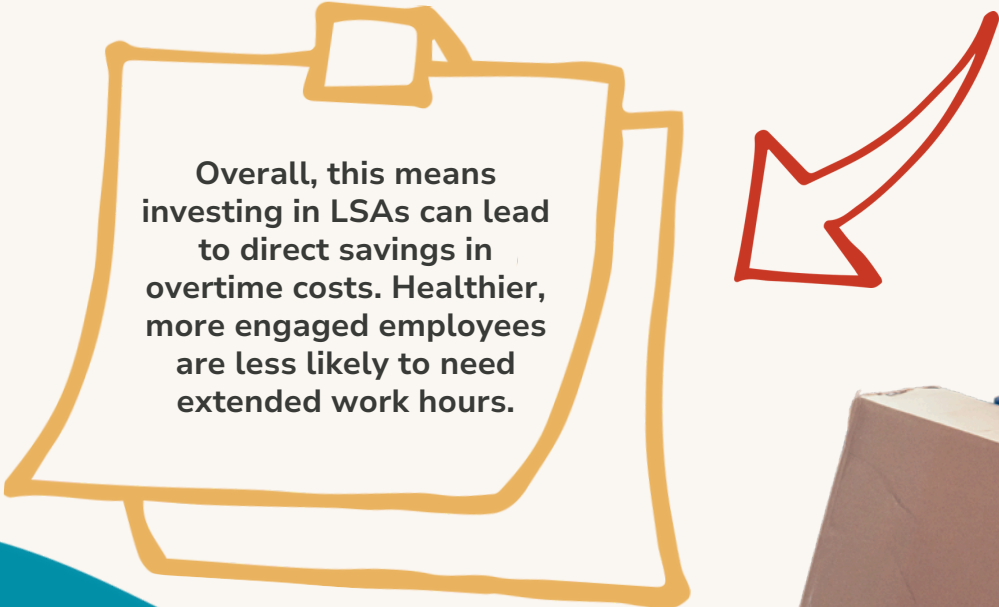


9. Overtime. Are We Clocking Out Earlier?

Take a look at your overtime numbers. If you notice a drop since implementing LSAs, it could mean your team is working more efficiently and enjoying a better work-life balance. Less overtime saves money and leads to happier employees.

The numbers speak. Studies show that employer-sponsored wellness programs, a key component of many LSAs, can significantly influence work habits. For instance, a 2021 survey found that 79% of employees believed their company's wellness programs directly impacted their productivity levels. Another study found a significant negative correlation between involuntary overtime and subjective well-being.

Research also suggests that for every dollar spent on wellness programs, medical costs fall by about \$3.27, and absentee day costs decrease by about \$2.73. While this data is from 2010, it's still relevant and can be adjusted for inflation.



Overall, this means investing in LSAs can lead to direct savings in overtime costs. Healthier, more engaged employees are less likely to need extended work hours.





10. Benchmarking. How Do We Stack Up?

How does your company's employee satisfaction, retention, and productivity measure up against others in your industry? LSAs can give you an edge.

Compare your company with similar ones in your industry, size, and location. Gather essential data like employee surveys and performance metrics to see the bigger picture.

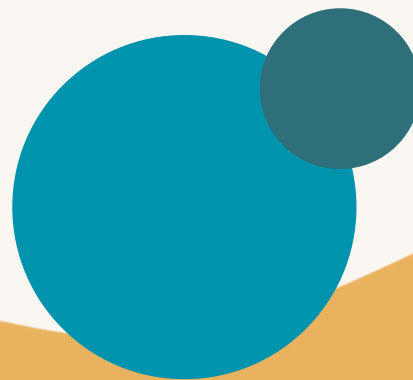
Once you've got the data, it's time for the fun part – seeing where you stand. Are you ahead in employee satisfaction? Do your LSAs give a leg up in productivity?

Use these insights to tweak your LSAs, enhance communication with your team, and rethink recognition based on real-world data. And remember...

Benchmarking isn't a one-and-done deal.



If you want to keep improving and stay ahead, it's an ongoing game. Keep gathering insights and making adjustments to turn your data into a winning strategy.





Bringing It All Together; The LSA Impact Story



As we wrap up this deep dive into the ROI of Lifestyle Spending Accounts, it's clear that it isn't just about crunching numbers. It's about piecing together a story – a story of how investing in your team's well-being transcends the traditional boundaries of employee benefits.

The Big Picture

We've explored various ways to gauge the impact of LSAs, from heartfelt responses in employee surveys to hard data on reduced attrition rates and improved productivity. Each method is a puzzle piece, and together they form a comprehensive picture of the value LSAs bring to your organization.

More Than Just Benefits

Remember, LSAs are more than just a line item in your benefits package. Employees know when it's genuine and when it's just ticking a box. LSAs reflect your company's culture and show how much you value your team. They're powerful tools in crafting a workplace that's productive, nurturing, and fulfilling. And let's not forget, you're an employee too, and your well-being matters.





A Continuous Journey

Measuring the ROI of LSAs is a continuous journey, not a destination. It's about adapting, refining, and evolving these programs to meet the changing needs of your workforce. Keep listening, measuring, and adapting. Your team's smiles, renewed energy, and commitment are the true indicators of LSAs' success.

The Ripple Effect

As you implement these strategies to measure the ROI of LSAs, watch for the ripple effect. You'll likely see a shift in workplace atmosphere, a buzz of positivity, and a wave of innovation and creativity. That's the magic of investing in people.





Closing Thoughts

So, here's to the LSAs and their incredible potential! By effectively measuring their impact, you're not just validating a program; you're fueling a movement towards a more holistic and human-centric approach to business success.

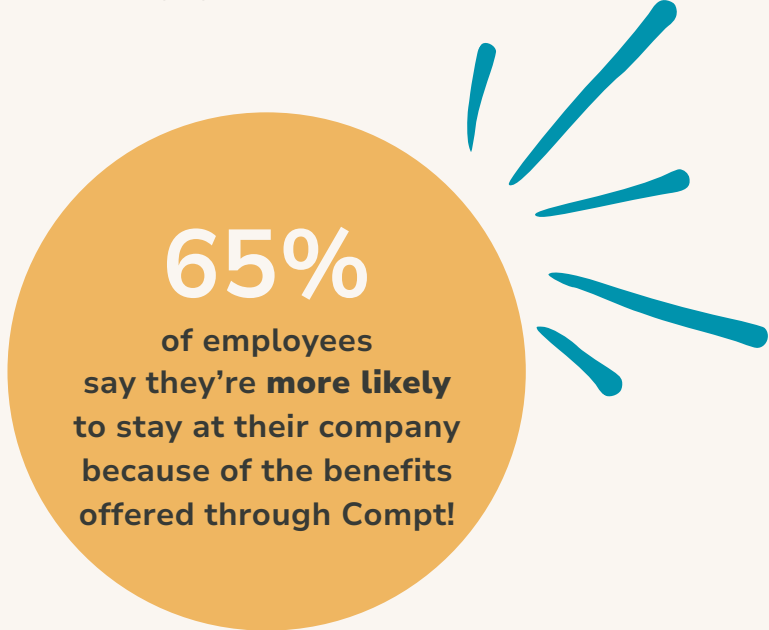
After all, at the heart of every thriving company are **happy, healthy, and engaged employees**.

If you need help getting started, we're here for you. Let Compt be the platform that makes Lifestyle Spending Accounts a breeze without breaking the bank.

Looking for benchmarking data to see which stipends are driving the most participation and engagement? Check out Compt's semi-annual report on our website at www.compt.io

**One easy step to
better benefits.**

Talk to a stipend specialist!



65%

**of employees
say they're more likely
to stay at their company
because of the benefits
offered through Compt!**