

# CASH TALKS—USING FINANCIAL INCENTIVES WITHOUT BEING WEIRD

**"Employees in the health plan earn \$100 for reaching their fitness goals."**

That's it. That's the Lifestyle 180 incentive strategy in one sentence.

Simple. Direct. Effective.

No gamification. No points systems that convert to gift cards nobody wants. No complicated tiers where you need a spreadsheet to figure out if you've earned anything.

Just: Do the thing. Get the money.

## **Why Cash Works (And Why We Overthink It)**

There's a whole industry built around wellness incentives—badges, levels, leaderboards, prize drawings, charitable donations in your name. We've made incentive programs so complicated that employees need a manual to understand them.



## Tool Kit Resource: Article

A simpler approach: just pay people.

Because here's the truth: Cash creates immediate, tangible motivation for behavior change. It's universal. It's valuable to everyone. And most importantly, it signals that your organization genuinely values participation.

When you pay employees to get healthier, you're saying: "This matters enough to invest real money in it. Your health is worth actual dollars to us."

### The Three-Tier Incentive System That Works

Don't make this complicated. Structure incentives around three simple tiers:

#### Tier 1: Show Up (\$50-100)

- Complete health risk assessment
- Attend wellness orientation
- Enroll in a program

**Message:** "We'll pay you to learn about your health and our resources."

#### Tier 2: Finish Strong (\$100-200)

- Complete 6-week program
- Achieve personal health goal
- Maintain tobacco-free status for 6 months

**Message:** "We'll pay you to follow through on your commitment."

#### Tier 3: Sustain Success (\$200-500)

- Maintain health improvements for 12 months
- Reduce biometric risks (blood pressure, cholesterol, BMI)
- Successfully discontinue medication (with doctor approval)

**Message:** "We'll pay you for lasting change that saves us both money."

### The Psychology of Immediate Gratification

Here's where most wellness programs screw up: delayed rewards.

"Complete our year-long challenge and earn up to \$500!"

Cool. It's January. I'll maybe see money in December if I remember to do stuff every month for 12 months straight. Pass.

Better approach: Smaller, faster rewards.

- \$25 for completing first program week (paid within 5 days)
- \$50 for hitting month-one goals (paid immediately)
- \$100 for program completion (paid at graduation)
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The total is the same \$175. But the experience is completely different. Quick wins create momentum. Delayed gratification creates... nothing.

Lifestyle 180 participants got tangible rewards throughout the program, not just at the end. That kept people engaged when motivation dipped.

### Alternative Incentives That Actually Work

Cash is king, but not your only option:

#### High-Value Alternatives:

- Additional PTO days (2-3 days for major achievement)
- HSA/FSA contributions (pre-tax, everyone wins)
- Premium reductions (ongoing benefit that compounds)
- Parking upgrades (surprisingly motivating)

#### Medium-Value Alternatives:

- Fitness tracker or equipment (one-time, immediate, useful)
- Massage/spa gift cards (wellness-aligned)
- Healthy meal delivery credits (supports the goal)

#### Low-Value Alternatives to Avoid:

- Random prize drawings (most people get nothing)
- Points systems with confusing conversion rates
- Branded company swag (really?)
- Charitable donations in participant's name (nice thought, poor motivator)

The pattern: Give people things they actually want, or just give them money.

## Tool Kit Resource: Article

### The EEOC Compliance Thing

Quick legal note: Wellness incentives must be:

- Voluntary (can't force participation)
- Reasonable (not so large they're coercive)
- Accessible (alternatives for those who can't participate)

Generally, incentives up to 30% of health insurance premium are considered reasonable. For most employers, that's \$1,500–\$2,500 per employee annually. Lifestyle 180's \$100 for fitness goals? Well within reasonable limits. The full program value of ~\$1,500? Right in the sweet spot.

Translation: You have room to be generous without legal risk.

### Real-World Implementation

#### Example 1: Manufacturing Company (500 employees)

Annual incentive budget: \$50,000 (\$100/employee)

Structure:

- \$25 for biometric screening
- \$25 for completing health assessment
- \$50 for completing 6-week wellness program

Result: 68% participation rate (vs. 12% previous year with no incentives)

#### Example 2: Tech Company (200 employees)

Annual incentive budget: \$40,000 (\$200/employee)

Structure:

- \$50 for each quarter with maintained healthy biometrics
- \$100 bonus for full-year participation

Result: 54% of employees earned at least one quarterly payment



## **Tool Kit Resource: Article**

### **How to Start Small and Scale**

#### **Year 1: Participation Focus**

- \$50 for completing health assessment
- \$50 for attending one wellness workshop
- \$50 for enrolling in any program

Goal: Get people in the door. Build awareness.

#### **Year 2: Completion Focus**

- \$75 for program completion
- \$100 for reaching personal health goals
- \$50 for sustained tobacco-free status

Goal: Reward follow-through, not just showing up.

#### **Year 3: Outcomes Focus**

- \$200 for measurable biometric improvements
- \$300 for maintaining improvements for 12 months
- \$150 for medication reductions (doctor-verified)

Goal: Pay for results that save money.

### **The Mistake to Avoid**

DON'T: Make incentives so complicated that employees need a decoder ring.

"Earn 500 WellnessPoints™ for completing Module 3, which convert to \$0.17 per point if redeemed during Quarter 2 but only if you've also achieved Bronze Status in the Step Challenge and..."

STOP. NO. BAD.

DO: Make it dead simple.

"Do this thing. Get \$X within Y days."

If you can't explain your incentive program in one sentence, it's too complicated.

# THE BOTTOM LINE



The Lifestyle 180 program kept the incentive strategy refreshingly simple: Show up, participate, achieve goals, get paid.

**No tricks. No gimmicks. No confusing point systems. Just straightforward financial rewards for health-positive behaviors.**

Because cash works. It's immediate, tangible, and universally valuable. It signals that your organization genuinely values employee health participation.

Your wellness program doesn't need creative incentives.

It needs incentives that actually motivate.

Pay people for healthy behaviors. Watch participation rise. Measure results. Adjust accordingly.

Simple works.