SCHOOL EMPLOYEE WELLNESS

Tip Sheet 2: Calculating Savings

Since school districts need to find replacements for teachers, bus drivers, and other staff when they are absent, an analysis of the rate of absenteeism and the cost of substitute staff before and after initiation of the program can demonstrate a cost benefit. Below is a sample analysis.

1. Number of sick days per year = 5.5 days per teacher
2. Cost per teacher = $825 (Total annual cost = cost per teacher X number of teachers in district)
3. Cost of substitute teacher = $ 50/day (Total number of sick days X cost of substitute teacher)
4. Add administrative costs, such as secretary time
5. Total cost of absenteeism: Total annual cost of teacher absenteeism + administrative costs.

If the cost of absenteeism is $100,000 and the program reduces absenteeism by 50%, the cost savings would be 50% or $50,000. The program cost (cost) of the cost -to-benefit ratio is easy to determine. It is the total cost in terms of salaries, materials, equipment, contracts, and supplies that are used to offer the health promotion program. All you have to do is add up the total cost. If the program cost $10,000, the total cost savings would be $40,000.[i] In this example, the program would have a cost-to-benefit ratio of 1:4—for every dollar spent, the district saved $4 because of reduced absenteeism.

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[i] Bensley, L.B. , Jr. (1990). Evaluating school-employee health promotion programs. *Wellness Perspectives*, 6:4, 54-67.