

# Calculating Your Return on the Investment



## Let's do the Math...

Personal problems that spill into the workplace can cause stress, lower productivity and even create uncomfortable situations for co-workers and colleagues.

From absenteeism to sick leave abuses and high employee turnover to distractions and even damage to company property, the overall wellbeing of your employees can be an asset to your organization's growth.

If your company is like many today, rising healthcare costs and personnel issues can threaten your financial and human resources, causing job performance issues that

ultimately impact on your bottom line.

In order to help you through the decision-making process regarding the purchase of EAP services, we have provided this Worksheet for you to calculate the approximate cost of services and potential return on investment (ROI) for your organization.

EAP Cost	Sample Organization	Your Organization
Number of employees in your organization:	100	
Average EAP cost per employee, per year:	\$26	X \$26
<b>Total Annual cost for EAP services:</b>	<b>\$2,600</b>	=
<b>Current Cost of Employee Problems:</b>		
Number of employees in your organization:	100	
Employees experiencing serious difficulties:	10%	X 10%
Employees with personal difficulties per year:	10	=
Average annual wage:	\$38,500	X \$
Salary of employees "at risk":	\$385,000	= \$
Performance decline of troubled employees*:	37.50%	X 37.5%
<b>Cost of productivity decline:</b>	<b>144,375</b>	= \$
<b>Return on Investment:</b>		
Anticipated utilization of EAP in Year 1:	4%	4%
Number of employees:	100	X
Average annual wage, per employee:	\$38,500	X \$
Performance fall-off due to problems:	37.50%	X 37.5%
Average success rate of EAP interventions:	75%	X 75%
Productivity cost savings from EAP interventions:	\$43,313.00	= \$
Cost of EAP	\$2,600	- \$
<b>Cost savings to Organization:</b>	<b>\$40,713</b>	= \$
<i>Cost savings divided by EAP Cost = ROI</i>	<i>\$15.66:\$1</i>	\$

\*37.5% is a conservative estimate of an employee's performance fall-off and decrease when an employee is experiencing personal difficulties (Determined by a number of different measures such as absenteeism, lateness, personal telephone calls, distractions, idle time, discussion of problems with co-workers/manager, sick days, and the like).

-Andrew Walton & Associates, European Union.