

The Economic Impact of Obesity on Employer Costs: A Comprehensive Analysis

Recent studies have revealed significant financial implications for employers with obese employees compared to those of standard weight. The cost differential encompasses direct medical expenses, absenteeism, presenteeism, disability claims, and workers' compensation, collectively representing a substantial economic burden on businesses across the United States.

Overall Cost Differential

According to multiple research studies, employees with obesity cost employers significantly more than those of normal weight. Normal weight employees cost employers an average of \$3,830 per year in combined medical claims, sick days, short-term disability, and workers' compensation, while morbidly obese employees cost more than double that amount at \$8,067 annually (in 2011 dollars)^{[1] [2]}. A more recent comprehensive analysis from 2023 found that the annual economic cost per worker with obesity is \$6,472, while the cost per worker with overweight is \$1,244 relative to a worker with healthy weight^{[3] [4] [5]}.

The magnitude of this cost burden becomes apparent when considering that approximately 30% (46.9 million) of the 158 million civilian employees in the United States are classified as obese, while another 34% (53.8 million) are overweight^{[3] [5]}. This translates to a combined economic burden of \$425.5 billion in 2023, with obesity accounting for \$347.5 billion and overweight contributing \$78 billion^[5].

Breakdown of Additional Costs

Medical Expenses

Medical costs represent a significant portion of the economic burden. Research indicates that obesity (BMI ≥ 30 kg/m²) is associated with approximately \$1,723 of additional medical spending per year compared to normal weight individuals^[6]. More recent data from 2023 shows higher medical costs of \$1,514 per employee with obesity^{[4] [7]}. The total excess medical costs associated with obesity in the workforce amount to approximately \$115 billion annually^[5].

Productivity Losses

Absenteeism

Obesity significantly increases workplace absenteeism. Compared to individuals with normal weight, employees with obesity miss an additional 3.00 workdays annually, increasing from 2.34 to 5.34 days (a 128.2% increase)^[8]. This translates to approximately \$1,755 in higher absenteeism costs per obese employee annually^{[4] [7]}. The impact escalates with the severity of

obesity: national-level per-worker job absenteeism was higher by 2.07 days for those with class 1 obesity, 3.67 days for class 2 obesity, and 7.13 days for class 3 obesity compared to workers with normal weight^[8].

Presenteeism

Presenteeism-reduced productivity while at work-represents the largest component of obesity-related costs to employers. It accounts for 56% of total obesity costs for women and 68% for men^{[9] [10]}. In monetary terms, weight-associated presenteeism costs employers \$2,427 annually per employee with obesity and \$864 per employee with overweight^{[4] [7] [5]}.

Disability and Workers' Compensation

Obesity substantially increases disability and workers' compensation costs. Employees with a BMI of 35 have nearly double the risk of filing a short-term disability claim or a workers' compensation claim compared to employees with a BMI of 25^[2]. Recent data indicates that obesity adds \$664 in higher disability costs and \$112 in higher injury workers' compensation costs per employee annually^{[4] [7]}.

Workers with class III obesity (BMI ≥ 40 kg/m²) filed workers' compensation claims at a rate of 11.65 per 100 full-time employees compared to 5.8 per 100 for employees in the normal BMI range^[11]. Furthermore, employees who were overweight or obese were 2.81 and 3.19 times more likely, respectively, to incur a claim expense of at least \$100,000 after a severe injury than employees of normal weight^[11].

Cost Variations by Obesity Class and Gender

The financial impact of obesity on employers increases progressively with higher BMI categories. Per capita costs reach as high as \$16,900 for women with class III obesity (BMI >40) and \$15,500 for men in the same BMI class^{[9] [10]}. Combined annual costs of absenteeism and presenteeism due to increased weight range from \$6,402 to \$9,104 for employees with class I to class III obesity^[11].

The presence of comorbidities further increases costs. Obese individuals with conditions such as high blood pressure, diabetes, and high cholesterol incur more costs than obese workers without these conditions^[2]. Someone who is overweight or obese and also has diabetes is more likely to file a short-term disability claim compared to someone who is overweight or obese without diabetes^[2].

Conclusion

The economic burden of obesity on employers is substantial and multifaceted, encompassing both direct medical costs and indirect productivity losses. With total additional costs ranging from approximately \$4,000 to over \$6,400 per obese employee annually (depending on obesity class and associated comorbidities), employers face significant financial incentives to address obesity in the workplace. Understanding these cost differentials can inform workplace wellness programs and benefit design strategies aimed at improving employee health and reducing the economic impact of obesity.

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3. <https://njbja.org/study-obesity-in-workplace-adds-up-to-staggering-cost/>
4. <https://hrp.net/hrp-insights/report-obesity-cost-employers-and-employees-over-400-billion-in-2023/>
5. <https://www.nature.com/articles/s41387-024-00352-9>
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