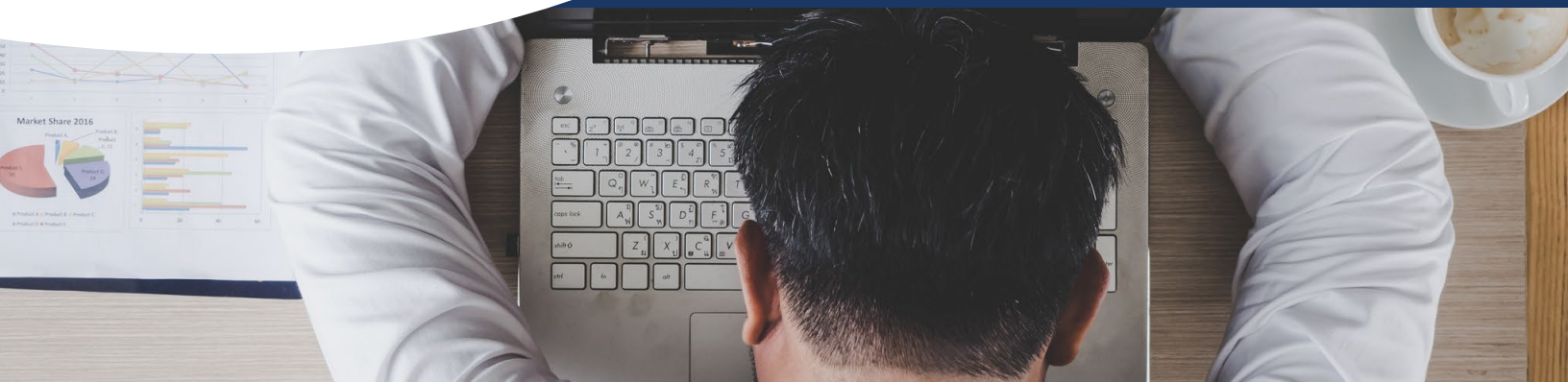




The ROI of a Good Night's Sleep:

Making the Business Case for Bedtime

By Nancy H. Rothstein, MBA, The Sleep Ambassador®



A WAKE UP CALL FOR MANAGEMENT

For cost conscious corporate leaders, it's time to regard sleep as a core corporate investment with an ROI demanding attention. The responsible question then becomes not when your company will offer Sleep Wellness initiatives, but if you can afford not to.

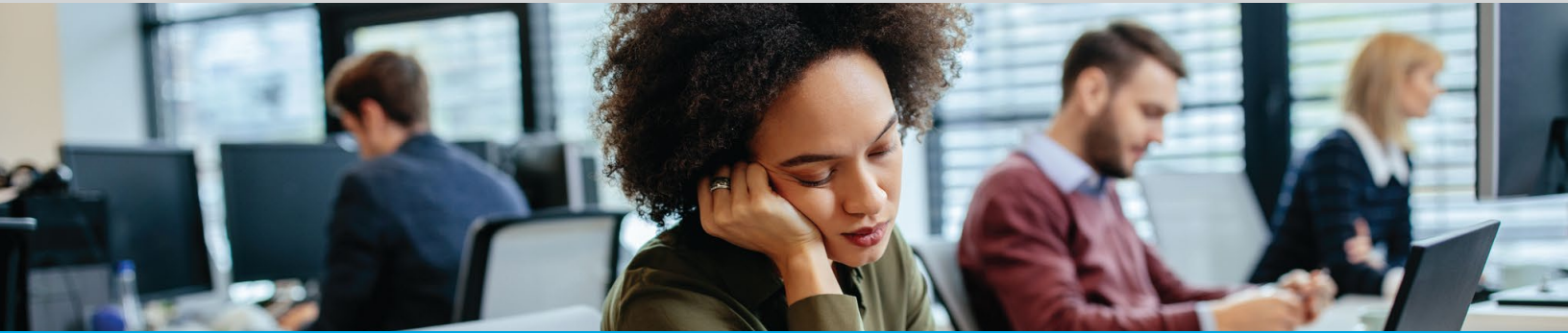
Sleep is not optional; it's a necessity, as essential as food and oxygen. Irrefutable scientific evidence reveals that the third of our lives that we spend sleeping profoundly impacts the two thirds we spend awake. [1] Sleep is critical to virtually all aspects of our functioning and affects the performance, safety and health of every member of your workforce. Our biological needs have not changed. Yet our behaviors have changed due to our 24/7 culture and the extended demands on our time and attention, often leading to sleep deprivation, a condition which negatively impacts executives and employees alike.

Here's the bottom line: How people sleep at home directly impacts how they function at work, on virtually all levels. Be it productivity, performance, safety, health or health care costs, sleep deprivation has a significant impact on an employee and in turn, on their employer.

The evolution of a 24/7 society has caused sleep debt (the cumulative effect of not getting enough sleep) [2] to steadily increase. Unfortunately, this liability is not reported on balance sheets, but it is likely impacting your bottom line.

Consider the findings of a 2012 study: "When employees are low on sleep, they will engage in more workplace cyberloafing. In the push for high productivity, managers and organizations may cut into the sleep of employees by requiring longer work hours. This may promote vicious cycles of lost sleep, resulting in less time spent working, which could result in more frantic pushes for extended work time. Managers may find that by avoiding infringement on employee sleep, they will get more productivity out of their employees" [3] and more effective use of their time.

In our nonstop culture, the line between work and personal time is often blurred. But all of our time is compromised when we do not get good quality and quantity sleep. As companies demand more from their employees, waking hours are stretched all the more. At what cost?

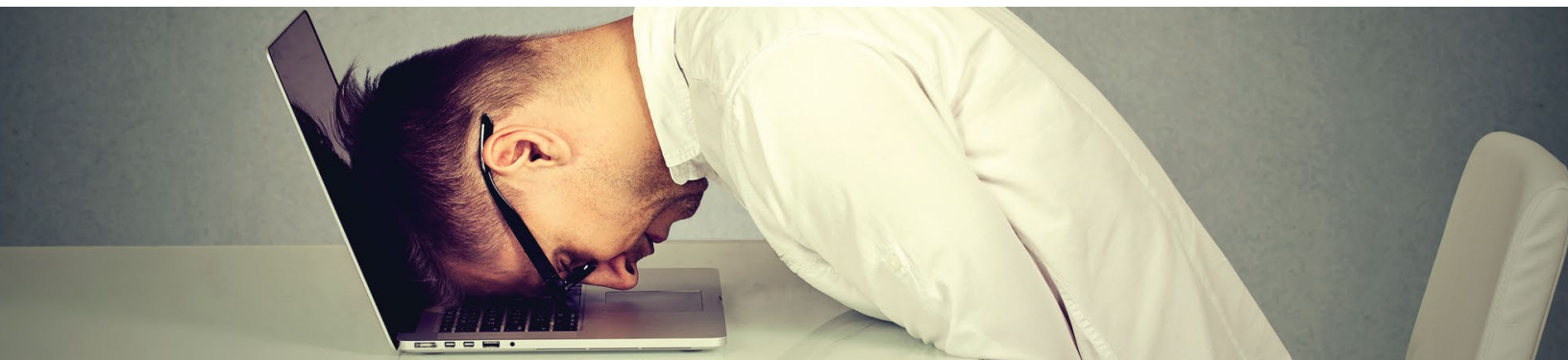


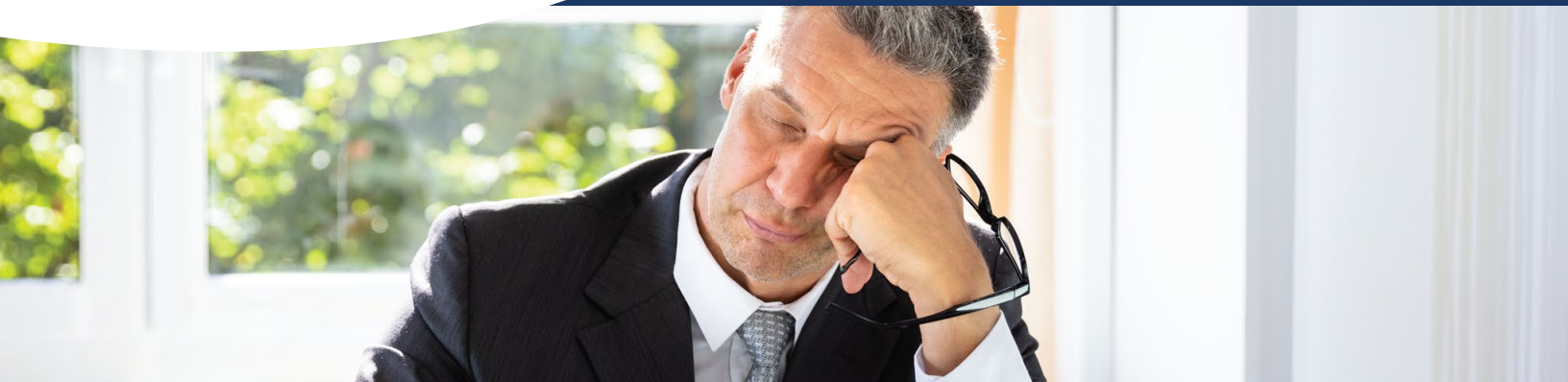
THE COSTS

The CDC has announced that insufficient sleep is a public health epidemic in the United States. Sleep insufficiency has been linked to reduced productivity, [4] increased health care costs, safety issues such as industrial disasters and motor vehicle crashes, [5] as well as other occupational errors. [6]

A National Consumer Research Institute study reported that 76% of Americans want to improve the quality and quantity of their sleep, [7] while the National Sleep Foundation reports that over 60% of adults have sleep problems a few nights a week or more. [8] According to the CDC, 30% of the U.S. civilian adult workforce reported getting 6 or fewer hours per night, less than the 7 to 9 hours recommended by the National Sleep Foundation. Consequently, “Because short sleep duration is associated with various adverse health effects, decreased workplace and public safety, and impaired job performance, targeted interventions are needed to increase the proportion of adults who get sufficient sleep.” [9]

What are the costs of sleep deprivation to employers? Showing up at work but being less than fully productive is referred to as “presenteeism.” [10] Sleep deprived workers go to work, but their productivity is greatly compromised because they are so tired. For instance, one Harvard Medical School study found that 1 in 4 U.S. workers has insomnia, costing U.S. employers \$63 billion in lost productivity each year. Insomniacs were no more likely than their well-rested peers to miss work, but they were so consistently tired on the job that they cost their employers the equivalent of 7.8 days of work in lost productivity each year -- an amount equal to an average of about \$2,280 per person. [11] [12] According to RAND Europe, up to \$680 billion of economic output is lost every year across five OECD countries due to insufficient sleep. [13]





THE COSTS cont...

What are the costs to your company of insufficient employee sleep? Consider the organizational cost of insufficient sleep [14] which highlights various risks associated with sleep deprivation, including:

- Poor Decision Making and Problem Solving
- Less Capacity for Attention and Concentration
- Compromised Learning and Memory
- Suboptimal Communication
- Difficulty Making Accurate Judgments
- Undermining Leadership Behavior
- Poor Socioemotional Processing

Many who are sleep deprived think they are performing fine when, in fact, they are unaware of their performance decline. Furthermore, consider sleep deprivation's impact on effective teamwork, another example of the powerful ripple effect of a sleep-deprived workforce.

The costs are high. A 2006 study by the Institute of Medicine confirmed that billions of dollars are spent each year in the United States on the direct costs of sleep loss and sleep disorders. Add to that the tens of billions of dollars in annual expenditures due to indirect costs such as accidents, litigation, property destruction, absenteeism, disability, reduction or loss of productivity, hospitalization, and death. In fact, the study states that a conservative estimate of the total annual cost of insomnia alone was as high as \$107.5 billion per year [15] -- and that's just one sleep issue! Over a decade later, the costs continue to rise as illustrated in the 2016 Rand Report which found that the U.S. sustains economic losses of up to \$411 billion a year due to insufficient sleep. [16]



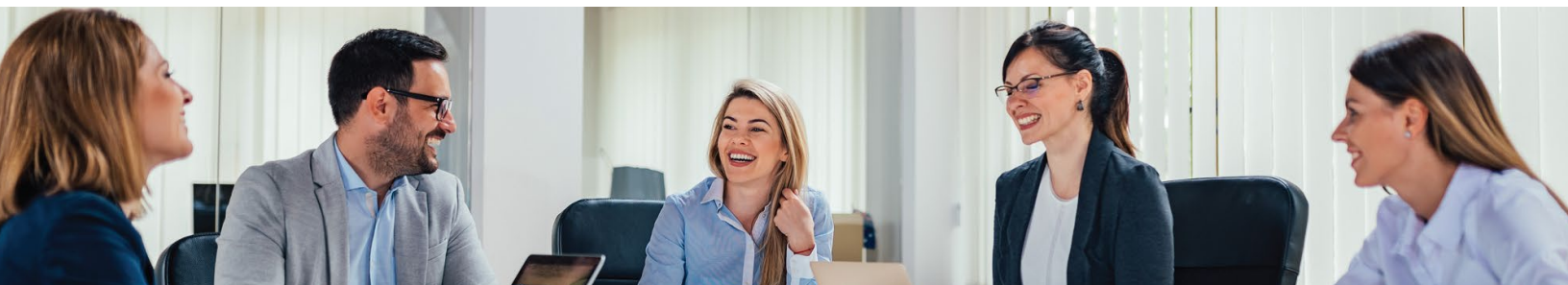


THE SOLUTION: SLEEP EDUCATION & TRAINING - INVESTING IN HUMAN CAPITAL

Recognizing the imperative to address sleep health, corporate leadership can spark a paradigm shift by creating a sleep-friendly culture and by providing sleep initiatives delivered by experts for employees to carry home. With such programming along with the prevalence of sleep information and resources, we can create a pathway to sustainable sleep improvement for the benefit of employer, employee, and society at large.

Companies invest in their human capital with a wide range of training, development, and wellness initiatives. Investing in sleep education and training offers ROI benefits across a broad spectrum of performance, risk, and cost related measures. A well-rested workforce is more likely to excel in productivity, concentration, motivation, information processing, judgment, reaction time, and energy. Add to that the positive relationship between adequate sleep duration and mood regulation, along with the impact of healthy sleep on effective teamwork, and a powerful ripple effect results. Furthermore, with improved sleep and providing a pathway to sleep disorder diagnosis and treatment, the organization can experience reduced health care costs [17] and a healthier workforce.

While many corporate functions can be outsourced, an individual employee's sleep cannot. At the end of the day, or night, the employee is in charge of their sleep habits and behaviors. However, companies can outsource to sleep experts the critical sleep education and training for their workforce, empowering employees to improve and reprioritize their sleep – not only for work, but also for their personal health and their ability to enjoy hours spent awake. Now that's a perk! Here's an impactful way to enhance employee loyalty and engagement by being an employer who values a work-life balance, or better, a sleep-wake balance. Sleep education and training may be one of the most powerful, yet underutilized resources available to leverage and optimize human capital within your company.





CONCLUSION: THE RETURN ON INVESTMENT

Research confirms that a well-rested employee is an asset and that sleep is a valuable asset that impacts employee productivity, performance, health, safety, and the bottom line of your company. Far from being a time waster, sleep makes everyone more productive, healthier, and safer.

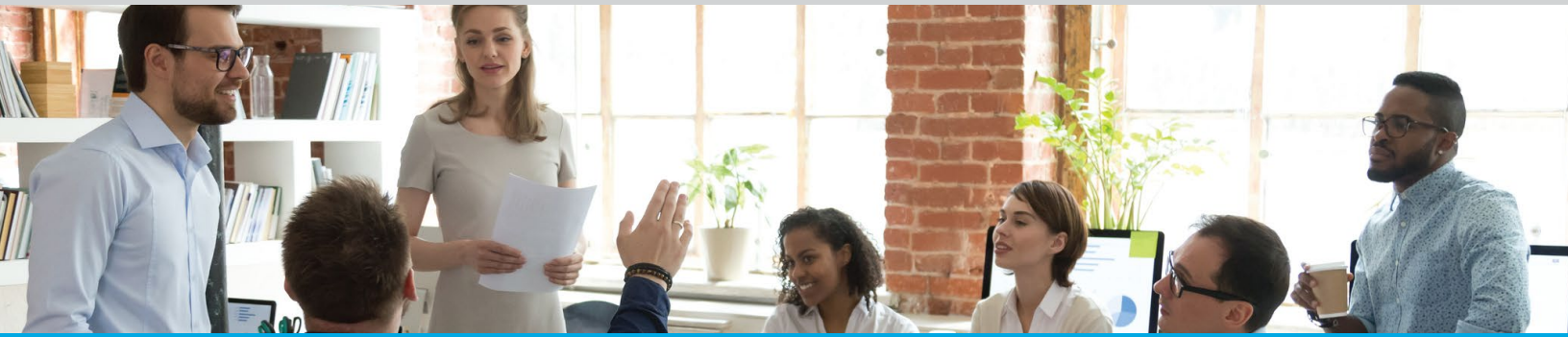
In today's society where people work well beyond "normal" hours, sleep needs to be a priority for both employee and employer. Yet, this may require a shift in corporate culture, with management supporting the reprioritization of sleep for all employees. For corporate management, a well-rested employee will yield a higher return than an employee putting in 16-hour "days" on a regular basis and likely provide a heretofore unrecognized competitive advantage.

Corporate management has an opportunity to optimize its workforce by providing expert sleep education and training initiatives to empower employees can optimize their sleep. The ROI of a good night's sleep has multiple returns. It's time to wake up your workplace to the advantages of sleep.



The ROI of a Good Night's Sleep: Making the Business Case for Bedtime

- [1] Sleepless In America, Documentary produced by National Geographic, the National Institutes of Health and The Public Goods Project. December 2014
- [2] Dement, William C., MD, PhD, The Promise of Sleep. Delacorte Press, Random House Inc., New York, 1999.
- [3] Wagner, D. T., Barnes, C. M., Lim, V. K. G., & Ferris, D. L. (2012, February 27). Lost Sleep and Cyberloafing: Evidence From the Laboratory and a Daylight Saving Time Quasi-Experiment. Journal of Applied Psychology. Advance online publication. doi:10.1037/a0027557
- [4] Insomnia costing U.S. workforce \$63.2 billion a year in lost productivity, study shows. American Academy of Sleep Medicine, News Archive, September 1, 2011.
- [5] The Relationship Between Sleep and Industrial Accidents. National Sleep Foundation. <https://www.sleepfoundation.org/excessive-sleepiness/safety/relationship-between-sleep-and-industrial-accidents>
- [6] Centers for Disease Control, Insufficient Sleep Is a Public Health Epidemic. CDC Features.
- [7] National Sleep Foundation, National Consumer Research Institute Predicts Top Five Health Trends for 2012. Sleep News, December 2011.
- [8] National Sleep Foundation, 2009 Sleep in America™ Poll, Highlights and Key Findings, March 2009.
- [9] Centers for Disease Control, Short Sleep Duration Among Workers- United States, 2012. Morbidity and Mortality Weekly Report (MMWR), April 27, 2012/61(16); 281-285.
- [10] Hemp, Paul. Presenteeism: At Work – But Out of It, Harvard Business Review, October 2004.
- [11] Kessler RC; Berglund PA; Coulouvrat C; Hajak G; Roth T; Shahly V; Shillington AC; Stephenson JJ; Walsh JK. Insomnia and the performance of US workers: results from the America Insomnia Survey. SLEEP 2011;34(9):1161-1171.
- [12] Insomnia costing U.S. workforce \$63.2 billion a year in lost productivity, study shows. American Academy of Sleep Medicine, News Archive, September 1, 2011.
- [13] Hafner, Marco, Martin Stepanek, Jirka Taylor, Wendy M. Troxel and Christian Van Stolk. Why sleep matters - the economic costs of insufficient sleep: A cross-country comparative analysis. Santa Monica, CA: RAND Corporation, 2016. http://www.rand.org/pubs/research_reports/RR1791.html
- [14] The organizational cost of insufficient sleep. Nick van Dam and Els van der Helm. McKinsey Quarterly. 2016. <https://www.mckinsey.com/business-functions/organization/our-insights/the-organizational-cost-of-insufficient-sleep#0>
- [15] Institute of Medicine (US) Committee on Sleep Medicine and Research; Colten HR, Altevogt BM, editors. Sleep Disorders and Sleep Deprivation: An Unmet Public Health Problem. Washington (DC): National Academies Press (US); 2006. 4, Functional and Economic Impact of Sleep Loss and Sleep-Related Disorders. Available from: <http://www.ncbi.nlm.nih.gov/books/NBK19958/>
- Disorders. Available from: <http://www.ncbi.nlm.nih.gov/books/NBK19958/>
- [16] Hafner, Marco, Martin Stepanek, Jirka Taylor, Wendy M. Troxel, and Christian Van Stolk, Why sleep matters — the economic costs of insufficient sleep: A cross-country comparative analysis. Santa Monica, CA: RAND Corporation, 2016. https://www.rand.org/pubs/research_reports/RR1791.html.
- [17] Economic burden of undiagnosed sleep apnea in U.S. is nearly \$150B per year. American Academy of Sleep Medicine. 2017. <https://aasm.org/economic-burden-of-undiagnosed-sleep-apnea-in-u-s-is-nearly-150b-per-year/>



ABOUT THE AUTHOR

As The Sleep Ambassador®, Nancy H. Rothstein, MBA, is a global leader in providing education and strategies for employee sleep optimization to the corporate sector as well as for the public. Nancy has consulted and lectured on Sleep Wellness to Fortune 500 corporations, the travel industry, universities/schools, and to organizations, reflecting her dedication to educating and providing sustainable sleep solutions for people and employees to live and work at their best. With decades of experience in financial risk management and the corporate sector, Nancy brings a broad understanding of ROI and sleep's impact on optimizing human capital.

Nancy serves or served as a member of the NIH Sleep Disorders Research Advisory Board, the Steering Committee of MyApnea.org, the Board of the Foundation for Airway Health, the Board of the American Sleep Apnea Association, and on other organizations. Nancy's book, *My Daddy Snores* (Scholastic) has sold over 400,000 copies, indicative of just how huge an issue sleep is in homes everywhere. As an instructor on LinkedIn Learning, Nancy's *Sleep Is Your Superpower* course has engaged over 350,000. Nancy has written for the Huffington Post and Thrive Global, as well as serving as a frequent speaker and global media resource.

For more information about Nancy's consulting, lecturing, and media engagements, please visit www.thesleepambassador.com or phone: 800-399-4330.

THE **SLEEP** AMBASSADOR®