

safetypays!

FOR EVERY \$1 INVESTED IN
WORKPLACE SAFETY AND
HEALTH EMPLOYERS SEE A
\$4 TO \$6 RETURN

TOP TEN Bottom Line Benefits

- 1** Reduced absenteeism
- 2** Lower turnover rates
- 3** Higher productivity
- 4** Greater efficiency
- 5** Increased quality
- 6** Decreased scrap/waste
- 7** Increased employee morale
- 8** Positive brand image
- 9** Decreased health care costs
- 10** Decreased workers compensation costs

You Pay Yourself When . . .
You Keep Workers Safe!



Protect Workers. . .Pay Yourself

- The National Safety Council estimates a worker injury with **NO** lost-time costs **\$7,000** on average.
- A company must sell extra product to cover the accident costs.
- For example, if a company has an accident that costs \$5,000 and operates with a profit margin of 3%, then \$167,000 in additional sales are needed to make up what was lost on this one accident. (See chart below.)

Sales Needed to Recover the Cost of an Accident

Accident Cost	Company Profit Margin 1%	3%	5%
\$1,000	\$100,000	\$33,000	\$20,000
5,000	500,000	167,000	100,000
10,000	1,000,000	333,000	200,000
25,000	2,500,000	833,000	500,000
50,000	5,000,000	1,666,667	1,000,000
100,000	10,000,000	3,333,000	2,000,000

Worksheet for Estimating Your Cost of Occupational Injuries and Illnesses and their Impact on Your Company's Profitability

Employers can use OSHA's "\$Safety Pays" model for estimating the cost and impact associated with workplace injuries and illnesses on profitability. This model uses certain statistical data such as a company's profit margin, the average costs of an injury or illness, and an indirect cost multiplier to project the amount of sales a company would need to generate to cover those costs. The estimator is available at:

www.osha.gov/dcsp/smallbusiness/safetypays/estimator.html

Nothing Happens Without a Plan

Workplace injuries are preventable and a **safety and health program** is your best defense against a workplace injury.

An effective safety and health program has seven core elements:

- Management Leadership
- Worker Participation
- Hazard Identification and Assessment
- Hazard Prevention and Control
- Education and Training
- Program Evaluation and Improvement
- Communication and Coordination for Host Employers, Contractors, and Staffing Agencies

This systematic approach integrates occupational safety and health objectives into the company's organizational structure.

The results of a system's approach include:

- An effective system that supports the organization's philosophy.
- Safety and health policies and goals that are clearly communicated.
- Accountability for implementing a system that is understood and accepted.
- Long-term solutions that are implemented rather than one-time fixes.
- Evaluation of results that promotes continual improvement over time.
- An effective system that positively impacts the company's bottom line.

CET Services

MIOSHA's **Consultation Education and Training (CET) Division** has consultants available to provide employers with assistance in creating safety and health programs, developing accident prevention programs, and implementing long-term safety and health solutions.

For free statewide safety and health assistance, contact the CET Division:

517-284-7720
www.michigan.gov/cetrca



Workplace Safety Makes Good Business Sense

The costs of reacting to workplace injuries and illnesses far exceed the costs of preventing them from happening in the first place.

The 2024 Liberty Mutual Workplace Safety Index¹ report estimated that U.S. businesses spend more than \$58 billion per year on workplace injuries. The top 10 causes account for 83.92 percent, or \$47.90 billion, of the total cost burden. According to the 2024 report, the top 5 causes of the most serious workplace injuries — those causing an employee to miss more than five days of work — ranked by direct costs of medical and lost-wage payments, were:

- Overexertion involving outside sources
- Struck by an object or equipment
- Falls on the same level
- Falls to the lower level
- Other exertions or bodily reactions

Work Injury Costs and Time Lost

The National Safety Council (NSC)² estimates the total cost of the work injuries in 2023 was \$176.5 billion. This figure includes wages and productivity losses of \$53.1 billion, medical expenses of \$36.8 billion, and administrative expenses of \$59.5 billion. This total also includes employers' uninsured costs of \$15.7 billion, which consist of the value of time workers lost, other than those with disabling injuries who are directly or indirectly involved in injuries. It also includes the cost of time investigating injuries, completing injury reports, and performing other administrative functions. The cost per worker was reported at \$1,080, which includes the value of goods or services each worker must produce to offset the cost of work injuries. It is not the average cost of a work-related injury.

In 2023, approximately 70 million days were lost due to disabling work-related injuries. An additional 33 million days were lost in the same year due to permanently disabling injuries that occurred in prior years. Injuries occurring in 2023 are estimated to cost future losses of approximately 55 million days.

¹Liberty Mutual Insurance. "2024 Workplace Safety Index." <https://business.libertymutual.com/insights/2024-workplace-safety-index/>

²NSC. "NSC Injury Facts," 2023. *Work Injury Costs and Time Lost*. <https://injuryfacts.nsc.org/work/costs/work-injury-costs/>

