



Safety

## Understanding the Cost of Workplace Injuries and How to Prevent Them

Roland Jones | Dec 10, 2020

With employers spending more than \$1 billion each week on serious, nonfatal workplace injuries, the financial impact of poor worker safety is truly astonishing. Here's how to keep workers safe—and mitigate those preventable expenditures.

Companies looking to better manage costs and improve safety conditions for their workers would do well to focus their efforts on minimizing the most expensive workplace incidents.

Overexertion—defined as working beyond one's physical capabilities—is the most costly cause of workplace injuries nationwide, according to *the 2020 Liberty Mutual Workplace Safety Index*, which tallies the leading causes of the most serious workplace accidents that mean an employee misses more than five days from work.

The estimated cost to employees from overexertion is \$13.98 billion each year, according to the report, which is more than double the third-highest injury cause on the list: being struck by an object or equipment, which costs businesses \$6.12 billion a year. The category includes injuries related to lifting, pushing, pulling, holding, carrying or throwing objects.

**"Improving safety is critical to better protecting workers and companies' bottom-lines."**

James Merendino  
Liberty Mutual

Overall, disabling workplace injuries cost U.S. businesses more than \$59 billion annually, Liberty Mutual found in its research, yet the leading causes of these injury costs can be mitigated with fairly straightforward safety measures or increased employee training.

***Read more: Workplace Fall Protection: How to Use a Safety Harness and Lanyard***

"Improving safety is critical to better protecting workers and companies' bottom-lines," says **James Merendino**, *Liberty Mutual National Insurance Risk Control vice president and general manager*.

To do so effectively, employers must “focus on the causes of the most serious injuries,” he adds.

## 10 Most Costly Causes of Workplace Injuries and Ailments

Indeed, minimizing the risk of accidents begins with your company’s commitment to safety and understanding how the most common injuries happen. Employers can then start to reorient their operations to better manage and mitigate safety risk.

According to the 2020 index, *the 10 most costly causes* of disabling workplace injuries and illnesses are:

1. Overexertion involving outside sources (handling objects)
2. Falls on same level
3. Struck by object or equipment (being hit by objects)
4. Falls to lower level
5. Other exertions or bodily reactions
6. Roadway incidents involving motorized land vehicle (vehicle crashes)
7. Slip or trip without fall
8. Repetitive motions involving microtasks
9. Struck against object or equipment (colliding with objects)
10. Caught in or compressed by equipment or objects (running equipment or machines)

The 2020 index shows that these 10 injuries by themselves amounted to \$52.9 billion in direct U.S. workers’ compensation costs, translating into more than \$1 billion per week that businesses spend on just the top 10 most costly injuries, the report said.

The company researched the top 10 causes and ranked them by their direct cost to employers, based on medical and lost-wage expenses. The data were compiled using information from Liberty Mutual, the U.S. Bureau of Labor Statistics and the National Academy of Social Insurance.

This year, Liberty Mutual included injury cost findings segmented by specific industries. To help you improve safety and reduce costs in your facility, here is the list of the top five costly injuries in the manufacturing sector and tips on how to avoid them:

# How To Reduce Costly Workplace Injuries

Manufacturers spend billions each year on job-related injuries. Poor workplace safety practices are mostly to blame. Here's a rundown of the top five most pricey injuries and how to reduce their cost by improving safety.

## 1 Overexertion involving outside sources (using excessive physical effort)

Cost (billions): **\$1.65**

Percent total: **20.3%**

- Watch out for overexertion when carrying heavy objects.
- Use mechanical lift assists when possible.
- Take more frequent work breaks to minimize fatigue.



## 2 Falls on same-level surfaces

Cost (billions): **\$1.16**

Percent total: **14.2%**

- Look out for walking surfaces made wet or slippery by rain or a spilled liquid; minimize fluid spills or leaks.
- Avoid uneven floor surfaces; workplace clutter or loose floor coverings can also result in a slip and fall.



## 3 Being struck by an object or equipment

Cost (billions): **\$1.02**

Percent total: **12.5%**

- Be attentive to your surroundings; avoid being distracted when operating machinery or equipment.
- Watch out for faulty equipment, lack of proper training, improper behavior by workers, or a lack of regular workplace assessments.

## 4 Caught in or compressed by equipment or objects

(running equipment or machines)

Cost (billions): **\$0.76**

Percent total: **9.4%**

- Provide proper training to instruct employees to recognize and avoid unsafe conditions associated with their work.
- Ensure only employees qualified by training or experience operate equipment and machinery.
- Use machine guards to prevent crushing injuries.



## 5 Other exertions or bodily reactions (awkward postures, etc.)

Cost (billions): **\$0.59**

Percent total: **7.2%**

- Work involving repeated movements can lead to musculoskeletal disorders.
- Look to improve ergonomics to lessen muscle fatigue and introduce work breaks to allow muscles and tendons to recover.
- Rotate employees into several different jobs to avoid prolonged repetitive motions.



## Workplace safety numbers at a glance:

Manufacturing's five most costly causes of workplace injuries account for:

- **Over \$5.18 billion** in total costs
- **63.6%** of total workers' compensation for nonfatal claims

**\$59 billion**

Total cost to U.S. businesses annually from disabling workplace injuries.

Workplace injury trends over the past 20 years:

- While the number of serious workplace injuries has decreased, medical costs have increased above overall inflation.
- Overexertion and falls on the same level have consistently ranked as the top two injury causes.



## Making the Case for More Safety Training

These injury statistics are a good place to start when identifying areas where more safety training is needed.

With the COVID-19 pandemic placing a greater strain on company finances, companies are no doubt looking for ways to save on costs. And safety managers seeking investments in safety require a strong business case.

***Read more: [Ladder Safety Tips: What You Need to Know to Protect Your Workers](#)***

Using safety calculators to better understand and estimate costs of injuries to support your investment decisions is a good approach. You can create a snapshot of safety performance in your company with your ***TCR and DART rate scores***, and track how they compare to other companies in your industry using NAICS codes.

These scores help you to benchmark your business against industry averages. Scores higher than average are a lead indicator that safety practices should be updated, and they can result in lost business or higher insurance premiums. They can also help you make a strong business case for increasing your training budget.

The good news is that with ***more safety training now done virtually*** due to the pandemic, your workers can stay up to date on the latest safety practices despite dwindling travel budgets and the need for widespread physical distancing.

***Read more: [How to Calculate the OSHA Dart Rate](#)***

## More Tips to Improve Safety in Your Manufacturing Facility

Here's a collection of our best articles on preventing costly workplace injuries:

***[Reducing the Indirect Costs of Workplace Injuries](#)***

***[OSHA Recordable vs. Reportable Incidents: How to Tell the Difference](#)***

***[10 Steps to Prevent Slips, Trips and Falls in the Workplace](#)***

***[5 Big Machine Guarding Mistakes and How to Avoid Them](#)***

***[Recommended Practices for Safety and Health Programs: 10 Ways to Get Your Program Started](#)***

***[A Safety Insider's Take: When to Train and Retrain Your Associates](#)***

***Which practices have you found helpful for minimizing costly injuries in your facility? Discover how your facility compares with others by sharing your insights in the comments below.***