

Workplace  
Practices  
that  
Attract  
and Keep  
Employees

THE  
LIVABLE  
JOBS  
TOOLKIT

FOR BUSINESSES:

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INTERESTED IN ATTRACTING  
AND KEEPING EMPLOYEES

---

WITH SMALL, MEDIUM OR  
LARGE BUDGETS

---

SEEKING NEW WAYS TO  
COMPENSATE EMPLOYEES



VERMONT  
BUSINESSES  
FOR SOCIAL  
RESPONSIBILITY

RESEARCH &  
EDUCATION  
FOUNDATION

Revised Edition, Fall 2006



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BUSINESSES  
FOR SOCIAL  
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EDUCATION  
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## MISSION:

The purpose of the Vermont Businesses for Social Responsibility—Research & Education Foundation is to provide research and education on issues of importance to the economic, natural and social environments of Vermont citizens.

### **The Livable Jobs Toolkit: workplace practices that attract and keep employees**

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## CAN YOUR COMPANY BENEFIT FROM CREATING LIVABLE JOBS?

	Yes	No
Does your company compete with others for employees?		
Is productivity a factor in your company's success?		
Does your company experience too much employee turnover?		
Does your company suffer from worker shortages?		

If you answered yes to any of these questions, the solutions offered in this toolkit may answer some of your company's needs.

### **This toolkit is for businesses:**

- **interested in attracting / keeping employees**
- **with small, medium or large budgets**
- **seeking new ways to compensate employees**

## EXECUTIVE SUMMARY

**“We must not, in trying to think about how we can make a big difference, ignore the small daily differences we can make which, over time, add up to big differences that we cannot foresee.”**

— Marion White Edelman

**T**his toolkit was developed in response to the many requests received by Vermont Businesses for Social Responsibility (VBSR) for practical information on how to become an “employer of choice”—how to create a quality, work/life-friendly workplace, offer an attractive package of combined wages, benefits and workplace practices *and remain profitable at the same time*. That is the challenge this toolkit is designed to address.

Most Americans believe that someone who works full-time should be able to meet his/her basic needs without resorting to public financial assistance. Said in another way, **they believe in livable jobs**. A livable job is a combination of wages, benefits, and workplace practices that enables a full-time worker to be financially self-sufficient. At the same time, it is commonly understood that the businesses providing jobs cannot survive over the long term if they spend more money than they bring in. **Everyone knows a business must be profitable to survive**. This 2006 edition includes updated statistics, new policy suggestions, and many new resources.

The following questions arise from what some consider to be these two conflicting objectives: livable jobs and profitable companies.

- How do certain successful businesses manage to combine making a profit with providing livable jobs?
- What can be learned from these companies?
- What are the barriers preventing more companies from becoming profitable, livable-job employers?
- Which benefits and workplace practices are most commonly added to wages to create livable jobs?
- What are the returns on investing in employees by providing livable jobs?

This toolkit results from research on companies that have successfully created livable jobs. The toolkit presents the specific actions those companies used to create livable jobs and helps the user to determine which of them might be appropriate and helpful to his/her business. These actions are offered as a menu of options—from very affordable practices to larger investments that offer a greater potential return. Whether used individually or in various combinations, these business practices can enhance the “livability” of employees’ jobs.

Many studies, including the Job Gap Study summarized in this booklet, have addressed the livable job issue from a societal perspective. This toolkit addresses the issue strictly in business terms. It is a how-to guide for employers, especially smaller companies. In short, it will help employers to:

- Determine their costs of turnover, recruitment, etc.—the costs that can be reduced by using livable job practices.
- Understand their company and employee needs in terms of benefits, wages and workplace practices.
- Select which workplace practices and policies best fit their company and employee needs.
- Create an action plan to implement the selected practices.

Improving the livability of jobs within an individual company is a worthy endeavor in itself. However, each job that becomes a livable job also benefits our overall economy and our communities. This toolkit is offered with the hope that we can create a future in which livable jobs are the foundation of our companies, our economy and our communities.

Many thanks to the generous financial supporters who made this project possible, and to the many business people who shared their insights and experiences.

## FOUR WAYS TO USE THIS TOOLKIT

**TIP:**

Invest time in the initial planning and goal-setting for more effective results.

You can: 1) follow the step-by-step format of the toolkit, 2) use only the sections you need most, 3) use only the worksheets, 4) attend the follow-up workshops, or do a combination of all four.

Select the method that best fits your style of management, your workplace culture, and/or your time constraints. Please note that some of the worksheets in the back of this book are essential, helping you measure costs, benefits and benchmarks for wages/practices you might use. However, if you use only the worksheets or priority method, you'll miss important details in the text.

### 1 Step-by-Step Method

The Step-by-Step Method follows this toolkit:

1. Go to “How to Get Started” (p. 10):
  - determine how your company could benefit (financially and qualitatively) from using livable job practices
  - identify your company's needs
2. Go to “Tools 1, 2 & 3” (pp. 15, 23 and 33):
  - choose solutions that fit your company's needs
3. Go to Worksheet #8: Action Plan Sample (p. 81) and make one for your company:
  - prioritize which practices to use first
  - create timelines for each practice
  - identify who will do what
  - identify how you'll measure success and review progress
4. Participate in workshops offered by VBSR-REF (see item #6 on Evaluation Form, p. 83) to:
  - get ideas from other companies
  - have a built-in schedule for reviewing progress
  - create information-sharing relationships with other companies working on similar goals

## 2 Priority Method

If you already know your company and employee needs and don't want to follow the toolkit format:

1. Read the “At-A-Glance” charts at the beginning of each tool section (pp. 15, 23 and 33).
2. List needs in priority order, using criteria that fit your company, for example:
  - most important to employees
  - least expensive for company
  - least administration or research needed
3. Look at the “Evaluating Results” box on Worksheet #3 (p. 60) to determine which benefit/practice to implement first.
4. Implement the new benefits/practices one at a time, in order of priority.
5. Participate in workshops offered by VBSR-REF (see item #6 on Evaluation Form, p. 83) to:
  - get ideas from other companies
  - have a built-in schedule for reviewing progress
  - create information-sharing relationships with other companies working on similar goals

### TIP:

Many of the companies interviewed for this toolkit assumed they knew their employees' preferred benefits or workplace practices, but were surprised to find they were wrong. The most cost-effective way to find out what your employees value most is to ask them.

### 3 Worksheet Method

If you prefer a shortcut that takes you through an abbreviated version of the toolkit format, you may want to use the worksheet method.

1. Read the “At-A-Glance” charts at the beginning of each tool section (pp. 15, 23 and 33).
2. Fill in the worksheets, beginning with Worksheet #1 (p. 54).
3. Participate in workshops offered by VBSR-REF (see item #6 on Evaluation Form, p. 83) to:
  - get ideas from other companies
  - have a built-in schedule for reviewing progress
  - create information-sharing relationships with other companies working on similar goals

### 4 Workshop Method

VBSR-REF will offer follow-up workshops on how to use this toolkit. If you prefer to learn via the workshop method or would like to involve other company representatives or employees, please give us your name and address to receive notices of upcoming workshops in your area. At some of the workshops, you may be able to speak directly with representatives of some of the companies using these practices.

To prepare for the workshop:

1. Bring information on current wages, benefits and workplace policies (see p. 56–73). For your own use, you may also want to bring budgets and other financial information.
2. Identify company and employee needs (see Worksheets #3 and #5 p. 60–71 and 74-78 for needs assessment surveys).
3. Prioritize company and employee needs.

## INTRODUCTION

### Why Companies Use Livable Workplace Policies, Pay and Benefits

*“It was a nightmare. They [employees] were constantly late, the car wouldn’t start or the baby was sick or they had to wait with cash for a fuel oil delivery. When they did get here, they were frazzled. Their minds certainly weren’t on work! I suddenly realized that until they were making enough to live on — until they could focus on work — I was never going to make a decent product in that factory.”*

*“Being number one was our goal from the get-go. We hire good people, we’re clear about our standards, we train them, we pay them well, and we offer every workplace benefit goody you can think of. We have next-to-no turnover, we regularly exceed our quality goals, and we are, thank God and don’t tell anybody, extremely profitable. Just about every good suggestion for process improvement or cost reduction comes from our employees. We are the national leader — the company to beat.”*

*“Our turnover rate was cut in half the first year we put in flex-scheduling. It didn’t cost us a dime. We have a lot of young parents and just letting them adjust starting or ending times, let them juggle daycare dropoffs/pickups, or carpool, or be home when their kids got home from school. It was the smartest thing we ever did.”*

*“We never really thought about it. Everybody in the village sort of paid the same going rate. Then all of a sudden this new guy comes in, renovates the old inn, and he’s paying his staff nearly twice what we’re paying. We lost all our best people right as the season started. Then we started losing our best customers...”*

These Vermont employers understand that companies need to be more productive than ever. They have found out that that means they need to attract, keep and get the most out of their employees. Through this toolkit you can learn how to create a committed workforce, one that can become a powerful source of competitive advantage.

**Eighty-six percent of employers, who represent nearly 7 million employees, agreed that their ability to remain competitive in the future was dependent upon their success in addressing work/life and diversity issues.**

(William M. Mercer Benchmarking Survey)

The U.S. poverty rate hit its lowest point (11.2%) in the previous twenty years in 2000. Since then it has climbed steadily, reaching a rate of 12.6% in 2005, the latest data available (source: U.S. Census). For 2005, the official U.S. poverty threshold for a family of four was an income of \$19,971 for a 4-person household and \$12,755 for a 2-person household of persons aged less than 65. These are clearly very restrictive definitions, and the numbers of families and households living in conditions of severe economic distress is greater than indicated by these definitions.

In Vermont, in 2005 (latest data available), median household income was estimated at \$48,508. Half of all Vermont households had an income only somewhat higher than twice the official poverty rate for 4-person households that year.

### Barriers and Concerns Your Company May Face

Many factors contribute to the continued lack of livable jobs and quality workplace options available to many Vermonters. Yet successful Vermont employers demonstrate these obstacles can be overcome with creativity, flexibility and, most importantly, a commitment to making a workplace meet employees' basic needs.

*Which of these issues, if any, are concerns for your company?*

	Yes	No
The belief that livable jobs and high-quality work policies are too expensive to implement, in both financial and management terms.		
A lack of awareness of the extent of the difficulties faced by your employees.		
A concern that certain workplace policies are unfair benefits because they assist only employees with children or elderly relatives to care for.		
A fear of changing the standard way your business operates.		

All these barriers can be overcome, even by small businesses and the service industry. Vermont business owners interviewed for this toolkit said they may have to be more creative, flexible and innovative to achieve profitability, livable jobs and quality workplaces, but the results are well worth the effort.

## Sample Costs of Non-Livable Jobs

- Employees who cannot afford to meet their basic needs for an extended period—food, housing, health care, transportation and child care—can't focus on being the reliable and productive employees needed by companies competing in today's marketplace.
- It is difficult to demand superior workmanship or service from those being paid less than a livable wage and benefits package. As an employer, you know this, and your employees know it too. As one manufacturer of premium goods said: "We've always told customers 'you get what you pay for.' We suddenly realized that's true with our employees too."
- Employers with positions paying non-livable wages and benefits may experience high turnover and the related costs of recruitment, training and supervision.

**Estimates of the cost of turnover vary from 25% to 200% of total annual compensation (Sasha Corporation, Compilation of Turnover Cost Studies). The U.S. Department of Labor uses a 30% estimate. You can use the Worksheet #2 (see p. 56-59) to estimate the cost to your firm of replacing an employee.**

## Sample Benefits of Livable Jobs

- After enabling employees to meet their basic living needs, companies that offer opportunities for training and skill improvement can realize an immediate return on their investment through further productivity improvements and a more committed workforce.
- Increases in wage/benefit/workplace practices pay for themselves both with increased productivity and quality and with decreased recruitment, training and supervision costs resulting from lower turnover.

These are some of the lessons included in this toolkit—with examples and worksheets to enable you, as a small employer, to implement the practices appropriate for your situation.

**"When (supportive work-life policies) are available, employees exhibit more positive work outcomes, such as job satisfaction, commitment to employer, and retention, as well as more positive life outcomes, such as less interference between job and family life, less negative spillover from job to home, greater life satisfaction, and better mental health."**

(Families and Work Institute, "2002 National Study of the Changing Workforce," [www.familiesandwork.org](http://www.familiesandwork.org))

## HOW TO GET STARTED

### Advice from Successful Employers

An effective program to enhance or re-create your workplace environment begins with careful planning. Whether your planning is written documents, stunning spreadsheets or scribbles on a scrap of paper depends on your staff, budget and personal management style. Many successful Vermont employers suggested thinking through a series of questions like these.

#### *Which critical success factors for my business can be affected by improved employee productivity and commitment?*

The answer depends on your industry. It can be gross sales per square foot, or average dollars a plate, billable hours per employee, error-free widgets per production hour or customer repeat sales ratios. Whatever the factor, calculate what a 5%, 10% or 30% increase in productivity would mean to your bottom line.

Why is your company implementing a livable job and quality workplace program? To gain a competitive advantage through superior customer service? To attract and retain the best talent in a competitive industry? To reduce recruitment and hiring costs? Whatever your rationale, clarity of purpose is the first step to commitment. (Worksheet #7, p. 80, can help you identify the potential benefits for your business.)

#### *How is my business affected by employee turnover or worker shortages?*

The list of effects is long. Think of higher recruitment and training costs, higher overtime costs, higher error rates, higher rates of customer turnover, poor customer service, and reduced sales and profits. Apply price tags.

**“The average annual cost per employee of unscheduled absences reached \$610 by 2004. Firms with relatively high morale had significantly lower absenteeism rates (1.9%) compared to those with relatively low morale (2.9%). ”**

(CCH, Inc, 2004 CCH Unscheduled Absence Survey, [www.cch.com/press/news/](http://www.cch.com/press/news/))

***What is being done in my company, both formally and informally?***

You may be surprised by the resentment that builds in employees who feel they must bend company rules to make work and life compatible. You may be pleased by the extent of the informal accommodations your front-line managers and supervisors are already making. A self-assessment tool for employers is included in this toolkit to help you answer this question (see Worksheet #3, p. 60).

***What are my employees' needs?***

Many of the small Vermont companies we interviewed shared their mistakes in this area. They assumed one benefit or another was their employees' highest priority, and then no one took advantage of it. The most cost-effective way to find out what your employees value most is to ask them. A sample Employee Needs Assessment Form is included in this toolkit (see Worksheet #5, p. 74). Work with your local chamber of commerce, the YMCA/YWCA and public and private schools in your community to identify local resources and potential partners for addressing employee needs.

**“Employees who have more access to flexible work arrangements are significantly more satisfied with their jobs...(they) are also more committed to their current employers—more loyal and willing to work hard than required to help their employers succeed.”**

(Families and Work Institute, “Highlights of the National Study of the Changing Workforce,” No.3, 2002)

**Work-life programs can enhance the quality of jobs. Programs used by the majority of respondents were Employee Assistance Plans (68%), Wellness Programs (54%), Alternative Work Arrangements (58%) and Leave for School Functions (58%). Employers reported that being able to “bank” paid time off was very effective in controlling absenteeism.**

(CCH,Inc, 2004 CCH Unscheduled Absence Survey, [www.cch.com/press/news/](http://www.cch.com/press/news/))

### *Do I need to change how I communicate about compensation?*

When changing your system of compensation, you might also want to consider changing how you communicate about compensation (the worksheet on p. 68 helps assess how well your company does this). It's important to clearly show a link between compensation and responsibility and between compensation and company or department goals. Also, many companies find it helpful if employees have a good understanding of how company finances affect compensation (see p. 31 for information on open book management).

### *What are my competitors doing?*

You may know more about your competitors' workplaces than you think you do (and vice versa). Have you been losing employees to them or attracting top performers away from them? Have you had to "steal" employees with special sign-on deals because you're having trouble getting skilled workers? Talk with your employees, review notes from employee exit interviews (or start conducting them), consult your trade associations and study your trade magazines for industry surveys. Look most carefully at the leaders in your industry. Isn't that where you want to be? (If you like, use Worksheet #6 on p. 79 to organize your notes. You may also want to visit the Employee Benefit Research Institute web site, <http://www.ebri.org>, to research benefits typical for your industry, size of business, etc.)

### *What have other Vermont companies done?*

#### *What are my options?*

This toolkit describes the wide variety of options used by other small Vermont companies to create livable-job workplaces. Consider all viable options:

- Tool #1:** Creative choices with little or no financial cost (p. 15).
- Tool #2:** Choices that cost more and offer more return (p. 23).
- Tool #3:** Choices with considerably more financial cost and the promise of substantial return (p. 33).

#### *What will it cost and what is the benefit?*

Compare the costs and the benefits to your company of the options you are considering. Your decisions can have a significant effect on your employees' work and personal lives. A lack of management commitment is transparent and was described by one Vermont employer as "the key to failure" in making changes. Others attributed the success of new

#### **TIP:**

You might assume Tool #3 is too expensive for you. However, when you use the worksheets, you might find the initial investment for one of those practices will more than pay for itself in your company.

#### **TIP:**

Management commitment is the key to making effective changes.

programs, despite administrative problems and delays, to their personal enthusiasm.

Run your numbers. If you identified a 10% increase in annual sales per customer as an opportunity that could be attained through improved customer service from newly committed employees, then calculate the increased income and the financial costs, if any, of new pay scales or workplace policies you have identified. Do the same if you have identified cost-reduction opportunities such as reduced employee turnover. It may be difficult to quantify certain costs and benefits, but the analysis process is still useful for clarifying your decision-making. A worksheet to help you calculate the effects of staff turnover is provided in this toolkit (see Worksheet #2, p. 56).

### *How do I make the needed changes?*

For each new workplace policy or practice, identify three things:

- a timeline
- a responsible person
- a measure of success

Allow enough time for change. Educate your employees and keep them involved. Make sure that all employees, particularly front-line managers and supervisors, understand the benefit to the company and to the employees. (Worksheet #8, Sample Action Plan on p. 81 can help you with effective implementation.)

### *How can I make sure we succeed?*

You've assessed your need, selected the best tools for your business and employees, and set your goals and action plan. The key to success is to review your plan and chosen evaluation measures on at least an annual basis. (If you like, include this step in your action plan.) Celebrate your successes!

#### **TIP:**

Re-evaluations are important. Company and employee needs will change, and policies should change accordingly.

Continuing input from employees is important to the success of workplace change.

***What if things don't go as planned?***

If you find that your action plan isn't working to achieve your goals, there are several questions to ask:

1. Am I trying to do too much at once?
2. Is my plan tailored to the employee and company needs I identified?
3. Are there enough commitment, time, training or other resources behind the effort? Are the right people involved?
4. Am I communicating clearly and often about the new benefits, responsibilities, etc.?
5. Have there been workforce or company changes that mean my goals need to change?
6. Is my action plan clear in terms of steps needed to achieve my goal?
7. Have I given my plan enough time to work before I expect it to show results?

After you identify what isn't working (be specific!), re-evaluate your goals and action plan and move forward with a revised plan.

**When you have completed the Toolkit, please fill in the evaluation form on page 83. All evaluations will be kept confidential. Thank you!**

***Creative choices with little or no financial cost***

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# Tool #1

## At A Glance: Flexible Work Arrangements

Tool	Example	Benefits	Resources Needed
<b>Flextime</b>	Employees choose different schedules to fill their 40-hour work week, for example, 7 am to 3 pm, 8:30 am to 4:30 pm or 11 am to 7 pm.	<p>Helps employees with child care, elder care, transportation, and other personal scheduling needs.</p> <p>Employees can work during their most productive hours.</p> <p>Commuting during hours with less traffic can cut commuting time.</p> <p>Helps company with sharing desk space, computer time, etc.</p> <p>Can help attract/retain valuable employees.</p>	<p>Good communication re scheduling.</p> <p>Company with production or service hours that can flex.</p> <p>Sometimes requires training on how to communicate, appraise performance, etc. when seeing co-workers or employees less often.</p> <p>Communication that keeps all employees “in the loop” for company news.</p>
<b>Compressed Work Week</b>	Employees work 40 hours, but in a shorter work week: four 10-hour days or three 12-hour days.	<p>Helps employees with child care, elder care, transportation and other personal scheduling needs.</p> <p>Commuting during hours with less traffic reduces employee commuting costs.</p> <p>Helps with sharing desk space, computer time, etc.</p> <p>Can help attract/retain valuable employees.</p>	<p>Good communication re scheduling.</p> <p>Company with production or service hours that can flex.</p> <p>Sometimes requires training on how to communicate, appraise performance, etc. when seeing co-workers or employees less often.</p> <p>Communication that keeps all employees “in the loop” for company news.</p>
<b>Telecommuting or Flex-place</b>	Employees work from home or other location, with or without a computer.	<p>Less personal time spent commuting.</p> <p>Less commuting expense.</p> <p>More productive work time.</p> <p>More flexible child or elder care.</p> <p>Eases transition after extended leave due to birth, illness, disability, bereavement.</p> <p>Less office space/equipment needed.</p>	<p>Clear communication about schedules and responsibilities.</p> <p>Employee who is self-motivated with very good communication skills.</p> <p>Job responsibilities that can be done off-site.</p> <p>Clear methods of performance appraisal.</p>

Tool	Example	Benefits	Resources Needed
<b>Telecommuting or Flex-place (cont'd)</b>		Can help attract/retain valuable employees.	<p>Sometimes requires training of teams or supervisors on how to communicate, appraise performance, etc.</p> <p>Communication that keeps all employees “in the loop” for company news.</p>
<b>Job Sharing</b>	Two employees share work and responsibility of one full-time job, with prorated salary and benefits.	<p>More flexible child or elder care.</p> <p>Helps employees with child care, elder care, transportation and other personal scheduling needs.</p> <p>Helps attract/retain valuable employees.</p> <p>May offer expansion of employee hours during company’s busy periods, without need to train new employees and with reduced need for overtime.</p> <p>Can sometimes offer a better match of skills to company.</p>	<p>Clear communication about schedules and responsibilities.</p> <p>Job-sharing employees need excellent communication skills and the ability to accept responsibility for their actions or nonactions.</p> <p>Job-sharing employees must be compatible.</p> <p>Clear communication between job-sharers.</p> <p>Decisions on how to “split” benefits may involve adding benefits.</p> <p>Communication that keeps part-timers “in the loop” for company news.</p>
<b>Part-Time Opportunities</b>	Employees can choose to work part-time instead of full-time with pro-rated salary and benefits.	<p>More flexible child or elder care.</p> <p>Eases transition after extended leave due to birth, illness, disability, bereavement.</p> <p>Helps attract/retain valuable employees.</p> <p>May offer expansion of employee hours during company’s busy periods, without need to train new employees and with reduced need for overtime.</p>	<p>Clear communication about schedules and responsibilities.</p> <p>Company culture and production schedule that can accommodate part-time positions.</p> <p>Training may be needed to teach management and coworkers to value part-timers as highly as full-timers.</p> <p>Communication that keeps part-timers “in the loop” for company news.</p>

**Tool #1:** Flexible Work Arrangements

Tool #1: At A Glance (continued)

<b>Tool</b>	<b>Example</b>	<b>Benefits</b>	<b>Resources Needed</b>
<b>Combined Paid Time Off Program</b>	<p>Combines holidays, sick days, personal days and vacation days into a “bank” of days available for any purpose.</p> <p>May also allow employees to use sick leave to care for ill children or relatives.</p> <p>May also offer unpaid leaves.</p>	<p>Helps employees with child care, elder care, transportation and other personal scheduling needs.</p> <p>Can help attract/retain valuable employees.</p>	<p>Clear communication about schedules.</p> <p>Company culture and production schedule that can accommodate employee-chosen holidays and other leave.</p>
<b>Secure Job</b>	<p>Employer guarantees that employees will have a job after taking a disability or paternity/maternity leave.</p>	<p>Helps attract/retain valuable employees.</p> <p>Eases transition after extended leave due to birth, illness, disability, bereavement.</p>	<p>May require cross-training of existing employees or training of interim new employees.</p>
<b>Referral Info</b>	<p>Employer posts information and/or organizes information seminars for employees on child care (including sick children), dependent care, home ownership programs, and other assistance resources available in the community.</p>	<p>Saves employee time.</p> <p>Helps reduce employee stress and increase productivity.</p> <p>Helps employees with child care, elder care, etc.</p>	<p>Information needs to be obtained and updated regularly.</p>
<b>Phone, Computers, Space and Services</b>	<p>Employer provides access to a private phone, private space, meeting spaces and/or computers for personal use.</p> <p>Services may include flu shots, healthy snacks, etc.</p>	<p>Saves employees’ time and money.</p> <p>Can help employees learn new skills.</p> <p>Can promote employee wellness, reduce workdays lost to illness.</p>	<p>May involve extra equipment expense.</p>

## Flexible Work Arrangements

Small businesses often have the most to gain by offering flexible work arrangements to their employees. Flexible work arrangements are a non-monetary benefit routinely identified by employees as their number-one need. These inexpensive workplace practices can make a significant difference to employees, especially lower-income employees.

There are a seemingly infinite number of flexible work arrangements in use that have been designed to meet company requirements while also meeting employee needs and concerns. The following options can be tailored to meet the unique requirements of any business.

### TIP:

Cross-training can help make flexible work arrangements succeed.

**“The cost of a child care center, the most common form of nonfamily care, rose 3.2% last year to an average \$585 a month for a 3-year-old, according to a 140-city survey by Runzheimer. Family child care homes average roughly \$80 to \$175 a week, but can rise as high as \$285 to \$300 a week, based on interviews with providers, who typically take children into their own homes. These fees are rising at about 5% a year.”**

**“Parents are going to extremes to cover the costs... families are diverting money from college-savings accounts into child care, asking for help from their parents, taking out home-equity loans and starting sideline businesses to pay child care bills.”**

Wall Street Journal, 10/22/04,  
“How Working Parents Cope with Rising Child Care Costs”

### *Flextime*

Flextime generally refers to a schedule in which the employee sets her or his own time schedule around a set of core hours. For example, core hours might be 11 am to 3 pm with options of working a 40-hour week between the hours of 7 am to 3 pm, or 8:30 am to 4:30 pm, or 11 am to 7 pm. Hours can be fixed or changeable, although for service industries and customer-oriented businesses, hours changeable on a daily basis may not be practical. Although scheduling flextime may take you more time, Vermont employers reported that flextime significantly reduced or eliminated employee tardiness. It also allows workers to work during the hours they are most productive and to cut down on commuting time. Flextime was also reported to bring relief to small offices where adequate desk space and computer time can be a logistical problem.

**“When (supportive work-life policies) are available, employees exhibit more positive work outcomes, such as job satisfaction, commitment to employer, and retention, as well as more positive life outcomes, such as less interference between job and family life, less negative spillover from job to home, greater life satisfaction, and better mental health.”**

Families and Work Institute, “2002 National Study of the Changing Workforce”

**TIP:**

For some employees, a new practice giving more personal time can be more valuable than a monetary raise.

**TIP:**

Clear communication about goals, expectations, responsibilities and schedules helps flex schedules succeed. It is important that the implementation of flex schedules be made available (and be seen to be available) in a consistent manner, to avoid any sense of favoritism.

**TIP:**

Employees who succeed at this arrangement tend to be good communicators who are willing to take responsibility for their own actions or non-actions.

**TIP:**

Clear communication on scheduling and accountability will assist in the success of reduced schedules.

### ***Compressed Work Week***

Employees work more than eight hours a day and fewer than five days a week. Common models are: The 4/10: four 10-hour days per week; the 3/12: three 12-hour days per week; and “Summer hours” year-round in which employees work longer days Monday through Thursday, with a half day on Friday. So-called summer hours are popular with many Vermont employers who offer these compressed work schedules only during their off-season or slow time.

### ***Telecommuting or Flex-place***

Employees work from home or at another location with or without a computer. For many, working at home for two or three days is more convenient, cheaper (no commuting expenses) and more productive than working in the office. Many employers reported that a combination of flextime, flex-place, and part-time work/job sharing made a substantive difference in many employees’ willingness and ability to successfully return to work after childbirth, illness/disability or death of a loved one.

### ***Job Sharing***

Two employees share the work and responsibility of one full-time job with pro-rated salary and benefits. During busy times, an expanded schedule for each employee may be negotiated. As a small employer, you must pay particular attention to the work styles of the job-sharing team. Several employers mentioned trying and then abandoning this option because of employee conflict. You will also need to decide whether to offer each job-share employee full- or half-share of benefits such as health insurance, retirement and vacations. Policies applied to job sharers should be consistent with policies for other part-time employees.

### ***Part-Time Opportunities***

Employees have a regular reduced work schedule or a temporary or phase-in schedule. Salary and benefits may be pro-rated. This option can be especially helpful for new parents or newly bereaved employees.

### Combined Paid Time Off Program

Aggregating most holidays, sick days, personal days, and vacation days into a combined “paid time off” bank of days makes them available to employees for any purpose. A number of mandated holidays for which the company closes down are also generally specified. After flextime scheduling, this was the most popular alternative offered by the Vermont employers interviewed. Some companies also allow employees to “donate” some of their time off to co-workers with extreme needs (for example, caring for a family member with a serious illness).

**TIP:**

When it is possible, allowing each employee to choose which holidays to observe can help accommodate personal preferences.

**Personal illness was the single most common reason for last-minute no-shows (38%), but reasons other than illness account for two-thirds (62%) of unscheduled absences. An increasing number of employees missed work at the last minute because of family issues (23%) and personal needs (18%).**

(CCH, Inc, 2004 CCH Unscheduled Absence Survey, [www.cch.com/press/news/](http://www.cch.com/press/news/))

**In 2004, only 8.8% of families were headed by employed men with wife and children at home.**

(U.S. Bureau of Labor Statistics, Current Population Survey, “Families by presence and relationship of employed members and family type”)

For further flexibility, allow and encourage employees to use sick leave to care for ill children or elderly relatives. If paid or unpaid leaves are available, make sure employees clearly understand how to arrange them, and encourage employees to use them. Consider offering unpaid leaves to employees for other, non-family purposes, such as extended travel or schooling.

**TIP:**

Know the legal basis for leaves and formulate policies that comply. However, any employee policies that are put in writing can become contractual guarantees.

### Secure Job

For some employees, it’s important to know they can come back to a secure job after taking a disability or maternity/paternity leave. Some companies may be regulated by the federal Family and Medical Leave Act regulations in this and other areas.

**Families and Work Institute reports the cost of an average parental leave of four months is 33% of that employee’s annual salary, while replacing the employee altogether can cost up to 300% of his or her salary.**

### Referral Info

Regularly distributing information from your area office on aging and from your area child care resource and referral agency can save the employee (and the company) time that would otherwise be spent tracking down resources for dependent care (for example, care for a child, elder or other dependent). Referral information on affordable housing, carpooling, and other transportation options can also be helpful to employees. Some employers purchase,

**TIP:**

Post info on bulletin boards in break/lunch room and rotate brochures regularly.

**Work/Family Directions, Inc. calculates that child care resource and referral saves 15 to 17 hours per year for employees using the service.**

**Home ownership programs lead to more stable employees because employees are able to invest in a house (rather than rent) and build equity. Home ownership will encourage workers to stay within the area and thus be more likely to stay with the employer. Also, employers should do more than post information. Holding educational seminars on various community resources might be the most effective way of sharing the information with your employees.**

**One-quarter of US workers (roughly half men and half women) had elder care responsibilities during 1996, and of those, one-third took time off from work to deal with those responsibilities. By the year 2000, one out of two employees are expected to need elder care assistance. Less than one in four employees has access to an elder care resource service at work.**

(1998 Business Work-Life Study, Families and Work Institute)

for a relatively modest fee, an Employee Assistance Plan, whose staff provide this information on a current basis. This provides expertise and saves time and effort that may be outside the capacity of a small business.

### ***Phone, Computers, Space and Services***

Sometimes access to a private phone and phone book (for example, for a call to the doctor) or a private space (for example, for breastfeeding mothers) can help employees juggle work/life needs.

Likewise, making meeting spaces, computers or other equipment available “off-hours” can help employees further their skills, form parent support groups or conduct informal classes.

A simple service such as offering flu shots at the worksite can save employees time and money and prevent lost workdays due to illness.

#### **TIP:**

A suggestion box (with a lock) mounted in the break/lunch room will allow staff to make suggestions in a non-threatening fashion. There may be other affordable services not mentioned in this toolkit. These ideas typically come from the best resource — your staff. Management must be responsive to such suggestions in order for the suggestion box to have perceived value to employees.

**Forty percent of employees say they would resent their employer providing work/family benefits that were not personally beneficial.**

(Families and Work Institute, 1997)

## Tool #2

# CHANGING EXPECTATIONS: NEW WAYS OF LOOKING AT CASH COMPENSATION

### *Choices that cost more and offer more return*

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## Tool #2

### At A Glance: New Ways of Looking at Cash Compensation

Tool	Example	Benefits	Resources Needed
<b>“Pay” More by Reducing Employees’ Expenses</b>	<p>Employer organizes child care co-op for workers on site of business or offers vouchers for existing child care centers near business location.</p> <p>Employer arranges bus to transport employees from “park and ride” location to workplace or provides incentives for or otherwise facilitates carpooling.</p>	<p>Helps employees save money with lower child care costs and transportation costs.</p> <p>Helps employees save transportation cost and protects environment.</p>	<p>Creation of child care center and hiring additional staff for center.</p> <p>Information about affordable, safe child care centers in your area.</p> <p>Bus for commuters and/or contract with local bus company.</p>
<b>Adopt Livable Wage as the Target Base Wage for Your Company</b>	<p>Employer sets the current livable wage as calculated by the Vermont Joint Fiscal Office as the target base wage for the company.</p>	<p>Creates quality jobs.</p> <p>Helps employee meet his/her family’s basic needs.</p> <p>Can increase employee efficiency rate.</p> <p>Can increase employee productivity and loyalty.</p> <p>Can significantly reduce turnover rate.</p> <p>Can help attract/retain valuable and high quality employees.</p> <p>Can be a good PR tool for your business.</p>	<p>Vermont Joint Fiscal Office Basic Needs Study (updates available on Jan 15th).</p> <p>Spreadsheet of current wages and benefits offered in order to calculate level of increase to bring all employees up to a livable wage. A consultant may be necessary given the company’s benefit plan.</p> <p>Plan to implement a livable wage in the pay structure, over time, if necessary.</p>
<b>Base Employee Contributions to Health Insurance Coverage on Wage Level</b>	<p>Employers set health insurance premium contribution rates based on the wage level of the employee.</p>	<p>Lower paid employees pay less for their share of health insurance premiums. Higher paid employees pay more for health insurance, but the impact on their income is less because it is a smaller percentage of their overall income.</p>	<p>Redesign health insurance co-insurance rate and set up scale based on wages offered in company.</p> <p>Can be designed to keep the total employer share of health care costs at the same level.</p>

<b>Tool</b>	<b>Example</b>	<b>Benefits</b>	<b>Resources Needed</b>
<b>Introduce Standards Based Pay Rates</b>	Employer raises work standards and offers pay increases (funded by the increased productivity or quality).	<p>Can give employees more money.</p> <p>Can increase employee motivation and productivity.</p> <p>Can increase profitability.</p> <p>Can help attract/retain valuable employees.</p>	<p>Good communication re responsibilities, goals and expectations.</p> <p>Employee interest and commitment.</p> <p>Sometimes requires training for employees taking on greater responsibility.</p>
<b>Pay More and Take a Tax Credit</b>	Employer takes advantage of state and/or federal tax credits for increasing wages of or training new or existing employees.	<p>Initial employer costs of higher wages can be offset.</p> <p>Can help attract/retain valuable employees.</p>	<p>Research on possible tax credits.</p>
<b>Create Tax Advantaged Programs for Employees</b>	Employer sets up and arranges for administration of employee retirement savings or college savings accounts.	<p>Helps employees save for future needs.</p> <p>Reduces employer and employee taxes.</p>	<p>Research on current tax law.</p> <p>May require payments to plan administrator.</p> <p>Employer matching contributions (optional).</p> <p>Clear and ample communication.</p>
<b>Pay Out Earned Income Tax Credit (EITC) Quarterly</b>	For those who qualify (mostly people with dependents under 18), employees are permitted to receive quarterly payments of their EITC tax credit through their employer.	<p>Helps employee receive additional income throughout year to meet basic needs rather than only in one lump sum (annual tax refund).</p>	<p>Knowledge of EITC qualification guidelines and IRS paperwork to set up quarterly payment system for the employee.</p>
<b>Pay the Same, Give More Personal time</b>	Redefine full-time work without reducing pay by reducing hours from 40 hrs/week to 36 or 38 hrs/week, giving employees more personal time.	<p>Helps employees with child care, elder care, transportation and other personal scheduling needs.</p> <p>Helps attract/retain valuable employees.</p> <p>May enable expansion of employee hours during company's busy periods, without need to train new employees or pay overtime.</p>	<p>Clear communication about schedules, responsibilities and expectations.</p> <p>Communication that keeps part-timers "in the loop" for company news.</p>

**Tool #2:** Changing Expectations: A New Way of Looking at Cash Compensation

<b>Tool</b>	<b>Example</b>	<b>Benefits</b>	<b>Resources Needed</b>
<b>Pay for Recreation</b>	Employer arranges recreational outings after or in place of a paid work day.	Increases employee morale, loyalty and efficiency. Promotes employee health (stress reduction).	An event or activity able to accommodate all company employees.
<b>Share More of the Profit</b>	Employer shares profits with employees, and usually creates ways for employees to influence the organization's profitability.	Can help employees feel more "ownership" and motivation. Can put more money in employees' pockets. Can keep pay "increases" in line with company's financial needs. Can help attract/retain valuable employees.	Clear communication about financial information. Training to help employees understand financial information and ways they can influence the company's profitability.
<b>Engage Employees in Operations of Company</b>	Encourage employees to provide regular input into the operations of the company.	Increases employee loyalty, productivity and understanding of operations. Generates new ideas for products, internal operation systems, business strategy, etc., especially when human resource decisions must be made (e.g. changing health care plans) which directly affect workers. Creates a competitive advantage over other companies and often increases company efficiency. Encourages transparency within the company.	Good, regular communication with employees and possibly special meetings or retreats to seek input/feedback.
<b>Practice Open Book Management</b>	Employer makes organization's financial status accessible to all employees and helps employees influence the company's finances and profitability.	Can help employees feel more "ownership" and motivation. Can help attract/retain valuable employees.	Clear communication about financial information. Training to help employees understand financial information and ways they can influence the company's profitability.

## New Ways of Looking at Cash Compensation

In addition to straight pay increases, some small Vermont companies have developed creative ways to increase their employees' take-home pay, give them more personal time or reduce their living expenses. Which options you choose will depend on your company's needs and employee preferences (see company self-assessment worksheet, p. 60).

### *“Pay” More by Reducing Employees' Expenses*

In addition to offering at least partially employer-paid health insurance, or other benefits covered in more detail later, Vermont employers have reduced their employees' basic personal expenses by arranging group purchases/discounts on everything from cars, to child care, to clothing and food. Such a “buying club” is often 100% employee-managed, at no financial cost to the employer.

### *Adopt Livable Wage as the Target Base Wage for Your Company*

A livable wage is the hourly wage or annual income sufficient to meet a family's basic needs plus all applicable federal and state taxes. The Vermont Joint Fiscal Office (JFO) calculates the livable wage figures every other January based on different family sizes (e.g. single wage earner, one child). The livable wage figures are designed to be a resource for understanding the cost of living facing employees with various family sizes. Employers are not expected to compensate employees differently based on their family sizes. If a majority of your employees have dependents you can consider utilizing the corresponding livable wage figures. Also, the JFO assumes the employer is providing 73% of health care costs (general health and dental) for families and 84% of health care costs for single individuals. If this is not the case, wage levels need to be adjusted accordingly to reach the livable wage level.

Many Vermont businesses have committed to setting the Vermont livable wage as the base wage for their companies. Those businesses adjust the livable wage figure based on the level of their health benefit plans as well as additional employee benefits which help address employees' basic needs such as carpooling incentives or child care assistance. Moreover, there are several ways to implement a livable wage as a base wage for your business. Some employers phase in the figures over a period of time while others immediately increase the wages of all employees below the livable wage figure. The end result can save businesses money with lower turnover rates, increased efficiency and productivity from employees, and better-qualified applicants for open positions. For more information on how to adjust your business's wages to a livable wage and the livable wage methodology please see the resources section.

#### **TIP:**

Talk to your local business associations about member discounts for your employees. Also consider offering employee discounts on your own products/services.

### ***Base Employee Contributions to Health Insurance Coverage on Wage Level***

As the cost of health insurance continues to rise some employees decline coverage because they cannot afford their share. Creating a graduated scale for employee contributions to health care costs helps to alleviate the burden on lower paid employees. This allows the lowest paid employees in the company to pay lower rates for their share of health insurance coverage. Higher paid employees pay higher rates, but the net impact is less because the total cost is a smaller percentage of their overall income. The employer can absorb the cost of lowering rates for employees at the low end of the pay scale, or the employee contribution schedule can be adjusted so that the total cost to the employer remains unchanged.

#### **TIP:**

When paying more for better work, you need to communicate *clearly* your higher expectations and higher standards to employees.

One position can have different pay ranges based on different levels of responsibility.

### ***Introduce Standards Based Pay Rates***

This was the approach used by many of the employers interviewed. When they raised their work standards (that is, improved quality or productivity) *and clearly communicated these expectations*, productivity increased more than enough to maintain or increase profitability after subtracting increased labor costs. Better work may be defined as the ability to do more than one job or the flexibility to easily shift to another task. Some employees may not be able to meet the higher standards, but most eagerly accept the offer.

### ***Pay More and Take a Tax Credit***

Not only does Vermont's payroll tax credit offer an incentive to hire new employees, but you can also qualify for the credit by significantly boosting the wages of your existing workforce. If you are thinking about boosting wages simultaneously with an upgrade in skills that entails workforce training, you may be eligible for an additional "workforce development" tax credit. This may make the decision worthwhile for some employers by offsetting the initial increased costs until productivity increases over time.

#### **TIP:**

For tax credit info, call the VT Economic Progress Council: 802/828-5256, VT Dept. of Labor: 802/828-4000, your local regional development corporation, or go to [www.thinkvermont.org](http://www.thinkvermont.org).

### ***Create Tax Advantaged Programs for Your Employees***

Various Internal Revenue sanctioned plans are available allowing employees to authorize pre-tax withholdings from their pay. These funds may be used only for specified purposes (e.g. dependent care, medical care, retirement, or education), but tax avoidance (or deferral) makes a greater portion of the employee's funds available for the allowed purpose. The employer may also enjoy some savings, as certain plans reduce employer liability for such taxes as social security. Most plans allow optional employer contributions. There may be a need for a third-party administrator, but some plans are simple enough to be internally administered. The advice of a qualified tax consultant is generally required to establish such a program.

### ***Pay Out Earned Income Tax Credit (EITC) Quarterly***

The Earned Income Tax Credit (EITC) is a tax credit system designed to benefit low- and moderate-income families by allowing tax filers to receive tax credits for dependents of certain ages. Vermont allows an additional EITC above the federal EITC. Many Vermonters who qualify for EITC never receive the tax credit because they are not aware that they qualify. Employers can help employees learn that they qualify by providing information with W-2 Forms in January and offering educational seminars on how to apply for EITC on a tax return. Employers need to fill out the initial IRS paperwork only once in order to set up a quarterly payment plan for employees. Quarterly payments are a fairly easy service to provide employees and can assist the employee in meeting his/her basic needs throughout the year rather than receiving a single payment during the year. Setting up the program, however, will require consultation with a qualified tax advisor, as regulations are subject to change.

The local office of the Internal Revenue Service may be able to provide staff to coach employees on tax filing and preparation, including providing information on their eligibility for certain tax credits (education savings, earned income tax credit, etc.) that they might otherwise overlook.

### ***Pay the Same, Give More Personal Time***

Reducing work hours but maintaining the same overall pay level for employees creates a different kind of raise. It also gives employees what some of them would choose over money—time.

#### **TIP:**

Some employees would choose more time off over more money.

**TIP:**

For profit-sharing to work well, information on results needs to be available to employees on a regular basis.

**TIP:**

Straight pay increases can lock a company into long-term commitments that may cause problems in the future, while pay increases based on profits (that is, profit-sharing) can better relate to the company's finances.

### ***Pay for Recreation***

One company we interviewed provides paid recreation time during the year and expects all employees to attend. One example is an annual bocce tournament at the company plant. Incorporating a recreational activity into a workday, or sponsoring company recreation after hours, helps to increase employee morale, loyalty and efficiency while reducing stress.

### ***Share More of the Profit***

Once pay levels cover basic needs, a bonus or profit-sharing pool, based on results employees can influence, becomes a significant source of additional income at some small companies, and it can also boost motivation and productivity. To work well, information on results needs to be available to employees on a regular basis. This is why some profit-sharing companies use “open book management” (see next page). Bonuses ranged from 5% to over 100% of annual pay, although some companies have years with no profits to share.

For companies with regular profits to share, profit-sharing can make pay increases better relate to the company's finances. For example, let's assume you've had three very profitable years. You have three options (also see section on 401(k), p. 40):

#### ***Option 1***

**Give pay increases.** Most companies don't decrease pay unless faced with drastic situations, so you're committing to continuing those increased pay levels, regardless of what happens in the future.

#### ***Option 2***

**Give bonuses based on profit-sharing.** Employees still benefit from the three years of success, but without the company incurring commitments it may not be able to keep in the future.

#### ***Option 3***

**Give bonuses based on profit-sharing but also contingent on measurable productivity improvements.** For example, you can set specific targets such as revenue/labor hour or returned goods/\$ shipped. This helps clarify and specify the company's goals and expectations, and helps mitigate any employee disappointment arising from potentially unrealistic expectations.

### **Engage Employees in Operations of Company**

Encouraging employee engagement in the operations of the company will help generate new ideas and increase employee productivity, loyalty, and understanding of the company's operations. Seeking input from employees also creates transparency within the company, which builds a stronger, more competitive company. Employees will often provide new ideas to increase efficiency from everything from production to internal operations. One Vermont business needed to cut health care costs one year and surveyed the employees to seek input on the decision in order to see what would best meet employees' health care needs. Employees agreed to cut a particular benefit which most workers were not using to a great extent. The business noted that the open process led to a good discussion, and employees felt supported. Another company annually holds a two-day retreat to seek input from employees on company operations. The company notes that workers appreciate being given the opportunity to provide regular feedback, and it encourages a feeling of ownership.

### **Practice Open Book Management**

With open book management, a company's financial status is "open" or accessible to all employees, not just management. Open book management usually gives employees a greater sense of empowerment and responsibility with regard to the company's finances and profitability. Setting up open book management involves:

- teaching employees how to read *and use* financial reports;
- teaching management how to include employees in financial decisions, setting up a process for ongoing training; and
- incorporating open book management into the company's planning and work.

When changing to new compensation systems, open book management can give employees a better understanding of a company's financial situation and compensation possibilities. Employees can also better understand the wage and benefits package, which can reveal the hidden benefits an employer might be providing. Open book management can also educate employees on the wage that is considered livable and how the employer provides a livable job with the full package of benefits and programs available to employees. It is important to make sure that the human resource department, if you have one, is aware of all the programs and benefits that the company provides employees in order to inform employees when they inquire. One method of starting open book man-

#### **TIP:**

Smaller, more closely-held companies may not want to share financial information in a detailed format.

Another option is to regularly discuss sales performance and expense issues and recognize and/or reward employees who help boost revenues or cut costs.

#### **TIP:**

Providing financial statements for employees to review does not necessarily mean they have access to information on the wages or salaries of anyone else in the company.

agement and educating employees on all available programs and benefits is to list these programs/benefits and their costs in the company's annual report, or in periodic payroll enclosures.

## Tool #3

# MOVING BEYOND CASH COMPENSATION: IMPROVING ECONOMIC SECURITY FOR YOUR EMPLOYEES

### *Choices with considerably more financial cost and the promise of substantial return*

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## Tool #3

### At A Glance: Improving Economic Security for Your Employees

Tool	Example	Benefits	Resources Needed
<b>Company-Paid Health and Dental Insurance</b>	Employer pays for health and/or dental insurance for employees. Some employers also pay for insurance for employees' dependents.	Helps employees save money. Can promote employee wellness, reduce workdays lost to illness. Can help attract/retain valuable employees.	Knowledge of benefits that best fit employee needs. Communication with employees about their insurance options. May need a system to address differences in perceived value and equity.
<b>Company Life and Disability Insurance</b>	Employer pays for life and/or disability insurance for employees.	Can save employees money. Can help attract/retain valuable employees.	Communication with employees about their insurance options.
<b>Hardship Fund</b>	Employer offers a no-questions asked, revolving loan fund with a limit of \$500–\$1,000 per employee.	Helps reduce employee stress and increase productivity. Can help attract/retain valuable employees.	Financial ability to set up the fund. Fund management.
<b>Flexible Spending Account (FSA) Plan</b>	A salary savings plan, often called a salary reduction plan, that lets employees use pre-tax dollars to pay for medical and/or dependent care costs.	Can help with child care and other dependent care. Can promote employee wellness, reduce workdays lost to illness. Can help attract/retain valuable employees. Can help both employees and employer reduce taxes.	Clear communication about employee options. Plan management.
<b>Dependent Care Assistance Plan</b>	A salary reduction plan that lets employees use pre-tax dollars for child or other dependent care.	Helps employees save money. Helps employees' with child care, elder care, etc. Can help attract/retain valuable employees.	Clear communication about employee options. Plan management.
<b>Tuition Reimbursement Program</b>	Employer offers tuition reimbursement for employees.	Helps employee pay back education-related loans and/or pay for children's education.	Set up program to allow for reimbursement.

<b>Tool</b>	<b>Example</b>	<b>Benefits</b>	<b>Resources Needed</b>
<b>Cafeteria Plan</b>	Employer offers a package of benefits from which employees choose those that best meet their needs.	Helps employees save money. Tailors benefits to employee needs. Can help attract/retain valuable employees.	Clear communication about employee options. Plan management. Accurate costing of employee options so that employees and employer truly understand the relative \$ value of potential options.
<b>Retirement Savings Plan</b>	A plan allowing employees to invest pre-tax dollars in retirement accounts. Sometimes the employer matches employee contributions.	Helps attract/retain valuable employees. Saves payroll taxes.	Clear communication about employee options. Plan management.
<b>Individual Development Accounts (IDAs)</b>	Employer assists employees in setting up IDA accounts to encourage employees to save. Employer can contribute to IDA account to help the account grow for employee.	Helps employee build savings and financial resources for higher education, for home ownership, or to start a small business.	Find financial institution to set up IDA accounts.
<b>Education on Value of Total Compensation Package</b>	Employer provides a separate statement every payroll period, itemizing the value of all benefits received by the employee in addition to wages or salary.	Can help employees understand the total return they receive from their jobs, avoiding a focus solely on wages.	Accurate costing of all elements of compensation package. Clear and accurate communication.
<b>Education on Financial Management</b>	Employer hires consultant to provide classes or one-on-one consultations to employees on managing personal finances or tax preparation.	Helps employees save money and/or generate income. Can help reduce employee stress; increase productivity. Can help attract/retain valuable employees.	Consultant to provide classes or consultation.

## Improving Economic Security for Your Employees

Benefits that reduce employees' financial risks, leverage pre-tax dollars or extend the value of take-home pay all enhance economic security and help to create a worry-free workplace. An employee earning \$10.00 an hour in a rural area, with employer-paid insurances, a local transportation van pool and child care vouchers, may be better off than an employee elsewhere earning \$13.00 an hour—and can cost his/her employer less.

*The ideas presented below are subject to change depending on market conditions and changes in governmental regulations. For more detailed and up-to-date information you should seek professional advice.*

### TIP:

Most employers reported moving to cafeteria plans (see definition on p. 34) as soon as they could to meet the needs of diverse workers equitably.

## Value to Employees Can Vary

The value of benefits to employees varies significantly based on their ages, lifestyles, and life stages. If your workforce is predominantly young and single, its priorities will be quite different from those of a workforce of middle-aged couples with teenaged children. If your workforce is mixed, flexibility becomes the key to meeting employees' changing needs.

## Larger Range of Benefits than Most Employers Think

Creativity counts in benefit packages too. Employers described seemingly small things that made a big difference: worksite flu shots, transportation or parking assistance, parent support groups facilitated by the local child care resource and referral agency, and health club or wellness allowances, etc. Review the list of options below; you may be surprised by the range of solutions devised for traditional benefits.

### *Company-Paid Health and Dental Insurance*

Smaller companies generally pay more for their group insurance policies. After wages, health insurance is the costliest benefit provided by many employers. Many reported joining trade associations simply for access to their group insurance plans. As companies get larger and are able to command better rates in the insurance market, they often move to a full or partial self-insurance plan to cover certain health care needs. This is a benefit for which the age and profile of your workforce has great significance. Many employers reported that young, presumably healthy workers saw little benefit in health insurance that they never use. On the other hand, young families and older workers are often heavy insurance users and consider health insurance an essential benefit. Fully or partially funded employer-paid health insurance for employees' dependents was reported to be a benefit that was highly appreciated by some employees while potentially being extremely divisive because single employees and

### TIP:

Look at the demographics of your employees. Survey them to see which benefits mean the most to them.

those without children considered it inequitable. Offering benefits through a cafeteria plan (see p. 34) was the most common solution to these differences in perceived value and equity.

Cafeteria plans, however, typically work best with relatively large employee populations. For small employers, there is the risk of “adverse selection” with respect to health insurance, which results in very high per capita costs. If perceived “unfairness” of dependent health care coverage becomes an issue, the employer wishing to offer that can a) educate the workforce on the benefits of spreading health care over a wider population or b) allow employees to buy dependent health care coverage through the employer’s plan on a voluntary basis, with the employer contributing a smaller portion of the insurance premium.

Health care benefits have been the most rapidly rising employment cost category for employers and employees. Out-of-pocket health care expenses are the single biggest cause of personal bankruptcy, so the common strategy of increasing the employee’s share is not always consistent with the development of Livable Jobs. More effective are programs that promote wellness and that offer comprehensive management of chronic conditions such as diabetes or high blood pressure. These are offered through local health care providers, particularly hospitals, and may be incorporated into some insurers’ health care plans.

### ***Company Life and Disability Insurance***

Smaller Vermont employers and those with a predominantly younger workforce reported that unless they fully paid for life insurance and disability coverage, employees tended not to participate. Several companies shared tragic tales of a catastrophe that struck a valued and popular employee and woke up the business owner and other employees to the need for protection. It was also noted that in such instances, the company experiences significant workplace and community pressure to “do something” to help its disabled employee. Most employers used the life insurance coverage offered in conjunction with their group health insurance plans.

One out of two workers will be disabled for some period of time during their work career. Employers used a mix of options to protect their employees. For short-term disability coverage (up to six months), the preferred choice was a combination of adequate sick days (10 or more days a year) or paid time off, plus commercial or self-insurance. For long-term disability coverage, most employers purchased fully paid group coverage, which is generally inexpensive, to reduce their long-term financial exposure.

#### **TIP:**

Voluntary life or short-term disability insurance (where the employee pays the premiums via payroll deduction but has the advantage of a group discount) is a less expensive option.

#### **TIP:**

One out of two workers will be disabled for some period of time during their work career. Disability leave can cost both the employee (financially, in morale, etc.) and the employer (lost production time, etc.).

**TIP:**

Contact your local credit unions about their policies. Membership often costs the employer nothing, and employees usually pay a nominal fee if joining for loan opportunities.

**TIP:**

Pre-tax dollar and cafeteria plans were cited by interviewed businesses as the best tools because they meet a range of employee needs.

Pre-tax dollar and cafeteria plans are now accessible to even the smallest employers.

### **Hardship Fund**

Unexpected expenses such as major car or home repairs can start a downward spiral of unpaid bills and financial insecurity that destroys an employee's capacity to concentrate at work. A number of employers reported setting aside a set amount of money to establish "hardship funds." These are generally no-questions-asked, revolving loan funds with a limit of \$500 to \$1,000 per employee. At some companies, the hardship fund is managed by employees.

### **Pre-Tax Dollar Plans**

The key advantage of flexible spending accounts, dependent care assistance plans, cafeteria plans, retirement plans and education on financial management is that they enable employees to stretch their incomes by purchasing essentials with pre-tax dollars, while in many instances reducing an employer's payroll tax costs. Such plans have traditionally been viewed as "big company" benefits because they were expensive and time-consuming to administer. These plans do have administration costs, both in paperwork and in educating employees about them, but elimination of certain IRS reporting requirements has made such plans accessible to even the smallest employers.

### **Flexible Spending Account (FSA) Plan**

Flexible spending account plans enable employees to cover expenses such as un-reimbursed health care, health insurance premiums for dependents, or child care with pre-tax dollars.

For example, if your company has a \$500 health insurance deductible, an employee who needs medication and treatment for a chronic health condition and needs an eye exam and eyeglasses that are not covered by health insurance could set aside \$700 (or any amount) of his/her gross salary (\$500 for expenses under the deductible and \$200 for uncovered expenses) in a flexible spending account from which he/she pays his/her un-reimbursed medical expenses. This \$700 is exempt from federal and state income taxes and FICA (Social Security) and Medicare taxes for the employee, *and it is exempt from Social Security and Medicare payroll tax match for you as the employer.* Employers must provide a written description of the flexible spending plan to employees (generally handled by a third-party plan administrator). Employees must estimate anticipated expenses carefully each year, as any funds unused at the end of the plan period are forfeited, usually to the employer. The amounts that may be contributed annually to Flexible Spending Accounts are capped.

Health savings accounts are a modification of the flexible spending account and apply to health care expenses only. Under these plans the employer is required to offer only a high-deductible health plan. Any unused funds at the end of the year are retained by the employee. These plans are being marketed as a lower-cost health insurance option for employers. They are complex and require relatively sophisticated management by the employee, may expose lower-paid workers to burdensome expenses, and can provide a disincentive to seek medical care. Employers need to evaluate whether they are appropriate for their particular workforce.

### ***Dependent Care Assistance Plan (DCAP)***

A Dependent Care Assistance Plan, or DCAP, is one type of flexible spending account. A DCAP is offered as a salary reduction plan under which employees set aside a certain amount of pre-tax dollars each month for dependent care (child care, elder care, or special needs care). Under IRS regulations, employees can set aside up to \$5,000 per year (\$2,500 each if married and filing separate tax returns) of nontaxable income in an account for dependent care expenses. Doing so makes dependent care expenses tax-free for the employee. There is a tax advantage to employers, as well, in that FICA (Social Security) and federal employment payroll taxes do not have to be paid on amounts provided for dependent care. (Note: the care provider must be a tax-registered provider; that is, casual, at-home babysitting does not apply.)

### ***Tuition Reimbursement Program***

Many employers provide tuition reimbursement programs in order to attract new college graduates, to assist employees in paying back educational loans, and to encourage existing employees to pursue further education. These programs may be structured as matching contribution programs, requiring employees to match employer contributions in some proportion, or as unmatched employer subsidies for educational purposes. They may also be limited to specified educational areas—ones that relate directly to the job requirements of the qualifying employee for example.

#### **TIP:**

Dependent care plans can offer tax advantages to both employers and employees.

#### **TIP:**

Dependent care assistance plans may only be used with tax-registered providers.

**TIP:**

The administration of cafeteria plans can make them the most expensive way to offer traditional benefits, but they are often the best way to ensure employee satisfaction.

**TIP:**

Consult a tax advisor about regulations before setting up these plans.

### ***Cafeteria Plan***

Cafeteria plans enable you, as the employer, to offer employees a package of benefits from which they may choose those that best meet their needs. You offer a core package of benefits, such as medical, disability and life insurance, and retirement, and you allot a set dollar amount per employee or employee group for benefits. Employees are then given flexible credits, based on their salary and service, which they can use to purchase additional units of core benefits or select other options such as child care, dental care, vision and hearing, etc. *Cafeteria plans were cited by many employers as the best solution to addressing questions of equity and differing needs for their employees.* Employers, however, need to estimate the relative cost of this option, as it may encourage “adverse selection” for health care or retirement benefits, leading to greater costs for fewer people.

### ***Retirement Savings Plan***

The rise of the stock market and subsequent national popularity of retirement savings plans has definitely affected Vermont employers and their employees. The availability of third-party plan administrators has enabled smaller employers to participate and offer their employees these popular retirement savings plans. Third-party plan administrators can cost-effectively handle the required paperwork that made such plans unaffordable for small employers in the past. The most common option mentioned by those interviewed was the 401(k) plan, although there were some employers who established SEPs (Simplified Employee Plans) or IRAs (Individual Retirement Accounts) for their employees. SIMPLE retirement plans, with little administration needed, are also becoming very common.

Employers must simply establish a plan to enable employees to invest their own pre-tax money in a 401(k) account for their retirement. That is, some employers reported making no match or contribution to their employees’ retirement accounts. Some employers reported making an annual contribution to employee accounts based on profitability. Others reported offering a combination of a fixed employer-employee contribution match (generally 50¢ on the dollar to a pre-set limit) and a variable profit-sharing contribution. To avoid taxes on a premature distribution from the plan, employees leaving the company may convert their 401-K into Rollover IRA accounts. Many mutual fund managers now offer a wide range of socially responsible funds for the investment of 401-K accounts.

### ***Individual Development Accounts (IDAs)***

IDAs are designed to help low- and moderate-income people create a savings account in cases where it may be difficult for the person to save due to a limited income. These accounts can be used in a number of different ways, and there are tax incentives to encourage saving. In Vermont, funds from IDAs can be used to pay for higher education (college or above), home ownership or starting a small business.

### ***Education on Value of Total Compensation Package***

Some companies provide employees with a statement of the value of all their non-wage benefits together with every payroll statement. This helps employees understand the true total value of their entire compensation package, so that they don't focus only on the wage portion.

### ***Education on Financial Management***

Some companies hire consultants to provide classes and/or one-on-one consultations to employees on managing their personal finances or investing for retirement, college or other financial needs.

The local office of the Internal Revenue Service may be able to provide staff to coach employees on tax filing and preparation, including their eligibility for certain tax credits (education savings, earned income tax credit, etc.) that they might otherwise overlook.

#### **TIP:**

Consultants may be willing to “trade” class time for your product or service (keep tax implications in mind, however).

## SUMMARY

As you can see from these three tools—flexible work arrangements, new ways of looking at cash compensation, and improving economic security for employees—there are many options you can choose to fit your company, budget and schedule.

Adopting the wage, benefit and workplace practices in this toolkit can obviously help employees. However, these practices and policies can also help employers—improving productivity, quality of work, morale, employee recruitment and profitability. Looking at the larger picture, livable jobs can also benefit our communities and our economy.

**The key point to remember is this: the sooner you start adding livable jobs tools, the sooner your company (and employees and community) can take advantage of the reduced expenses and increased benefits that come from making these changes.**

For more information on the practices and benefits listed in this toolkit, please refer to the resources in the Appendices that follow.

## APPENDICES

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# Appendix I: History and Research Methods of the Livable Jobs Toolkit

## Brief History and Background

By Ellen Kahler, former director, Peace & Justice Center

### *Introduction*

Most Americans believe that someone who works full-time should be able to meet his/her basic needs without resorting to public financial assistance. Said in another way, they believe in livable jobs.

Anecdotal evidence suggests that most Vermont employers would like to be able to afford to provide livable jobs to all their employees. However, many struggle with how to balance the competing interests of running a profitable company and providing high quality, well paid jobs. The Livable Jobs Toolkit provides employers with helpful tips and approaches that can help you achieve both ends.

For over ten years now, business owners, state officials, workers and community groups have maintained a dialogue about the need to create more Livable Jobs in Vermont. The concept first originated in January, 1997, when the Peace & Justice Center ([www.pjcvt.org](http://www.pjcvt.org)) published the first phase of the *Vermont Job Gap Study*. This study has been an effort to investigate and better understand certain aspects of the Vermont economy. The Study's central question has been whether the economy is producing enough jobs that pay a livable wage, defined as an income sufficient to meet a family's basic needs plus all relevant Federal and State taxes.

As additional phases of the *Vermont Job Gap Study* were released, more employers began exploring the need for livable jobs. Vermont Businesses for Social Responsibility began receiving inquiries about "how" to create more livable jobs within individual firms.

In the spring of 1998, Pat Heffernan (co-President of Marketing Partners), Jane Campbell (former executive director of VBSR) and Ellen Kahler (former executive director of the Peace & Justice Center) came together to discuss ways of responding to these inquiries. The idea for a *Livable Jobs Toolkit* was conceived.

Over the next two years the authors conducted over 75 extensive interviews with a wide range of employers and conducted numerous focus

group sessions to learn about the challenges business owners face in being able to provide livable jobs. The Worksheets provided in the Appendix of the Toolkit are designed to assist you (and your Human Resource staff, if you have one) in considering all the options available to you – options that are good for your employees and meet the needs and constraints of your business.

After the release of the *Livable Jobs Toolkit* in the spring of 2000, VBSR distributed 5,000 copies to small businesses throughout the state and conducted dozens of workshops to introduce employers to the *Toolkit* and show them how to use it.

The questions the *Toolkit* has attempted to answer and the tools it has provided are still relevant today. With the release of this new edition of the *Toolkit*, we hope you'll find a valuable resource that you can use to become an “employer of choice” in your community: an employer who provides good wages and benefits and maintains family-friendly workplace practices for your employees, an employer whose business continues to create jobs, and a business that is profitable.

## Toolkit Research Process

The research that went into writing this toolkit included three separate phases:

**Online secondary research** on national trends, including employers' workplace quality programs, the returns on investing in these programs, and minimum wage/livable wage initiatives;

**In-depth, one-on-one interviews** with Vermont employers of varying sizes and industries, including their existing wage and benefit structures, the barriers and obstacles to enhancing the quality of their workplace, and their history in moving toward that goal, if indeed it was a company goal; and,

**Focus groups** with Vermont employers of varying sizes and industries, including a specific discussion of their reactions to the initial interview findings and what would and would not be most useful in such a toolkit.

Although tapes and transcripts of the interviews and focus groups were prepared for analysis purposes, the participating employers were promised confidentiality. This means that under no circumstances have the company's name or any identifying characteristics been attached to a specific excerpt in the report. For your reference, a profile of the Vermont employers participating in the research is included in the next two pages so you can note its close match to a profile of all Vermont employers.

## Employers Participating in Toolkit Research

The participating employers can be classified into four groups according to their wage/benefit/workplace quality philosophy and practices:

1. Employers who, from the beginning, had a commitment to and offered above-average compensation packages and working conditions;
2. Employers who wanted to offer above-average packages, but felt in the beginning they could not afford to, and have since moved to offering above-average packages;
3. Employers who might or might not have ever wanted to offer above-average packages, but felt strongly they could not afford to; and,
4. Employers who had no desire to offer above-average packages because they were philosophically opposed to paying their employees any more than they had to.

This toolkit is designed to share the lessons learned from the first and second groups with the third group—that is, share the lessons from those who have already successfully figured out how to combine above average employee compensation packages and company profitability with those who might do the same if they could figure out how.

Number of Employees	Number of Companies	Percent of Total
1–20	27	52%
21–50	14	27%
51–100	5	10%
Over 100	6	11%

Industry	Number of Companies	Percent of Total
Manufacturing	16*	30%
Wholesale and retail trade	9	17%
Services (business, personal, professional, entertainment)	18	35%
Construction	3	6%
Transportation, communication, public utilities	2	4%
Finance, insurance, real estate	4	8%

\* Manufacturers were over-represented because of their generally higher wage levels and growth potential. One-third of these manufacturers had fewer than 20 employees at the time the research was conducted.

Geographic Area	Number of Companies	Percent of Total
<b>NORTH</b> (Caledonia, Chittenden, Essex, Franklin, Grand Isle, Lamoille, Orleans)	22	55%
<b>CENTRAL</b> (Addison, Orange, Washington)	13	33%
<b>SOUTH</b> (Bennington, Rutland, Windham, Windsor)	5	12%

# Appendix II: Understanding the Vermont Job Gap Study and Livable Wage

## The Vermont Job Gap Study & Livable Wage

*Excerpts from Phase 7 & 8 of the Vermont Job Gap Study.*

A PROJECT OF THE PEACE & JUSTICE CENTER'S VERMONT LIVABLE WAGE CAMPAIGN

We have included excerpts from the Vermont Job Gap Study in this Toolkit because it is a useful reference point for examining compensation rates within your company. Many Vermont companies utilize a combination of the Study and the Basic Needs Study by the Vermont Joint Fiscal Office to set wage/benefit rates for their employees.

The Vermont Job Gap Study is an effort to investigate and better understand certain aspects of the Vermont economy, primarily, whether the economy is producing enough jobs that pay a livable wage, defined as an income sufficient to meet a family's basic needs. Thus far, nine phases have been published:

<b>Phase 1</b>	<i>Basic Needs and a Livable Wage (Jan 1997)</i>
<b>Phase 2</b>	<i>Livable Wage Jobs: The Job Gap (May 1997)</i>
<b>Phase 3</b>	<i>The Cost of Under-Employment: The Income Gap (Feb 1998)</i>
<b>Phase 4</b>	<i>Policy Recommendations (Oct 1998)</i>
<b>Phase 5</b>	<i>Basic Needs and a Livable Wage: 1998 Update (Aug 1999)</i>
<b>Phase 6</b>	<i>Leaky Bucket: An Analysis of Vermont's Dependence on Imports (July 2000)</i>
<b>Phase 7</b>	<i>Basic Needs, Livable Wage &amp; Cost of Under-Employment (June 2002)</i>
<b>Phase 8</b>	<i>Nickel &amp; Dimed: Poverty &amp; Livable Wage Jobs (Dec 2003)</i>
<b>Phase 9</b>	<i>Economic Development (Feb 2006)</i>

### Introduction

Vermont's statewide unemployment rate has consistently been below the national average in recent years. Nevertheless, the unemployment rate is only one measure of labor utilization. Reliance on the unemployment rate as a key indicator of economic wellbeing diverts attention from an important assumption: **by focusing on those without jobs, we assume those with jobs can earn enough to support their families.** The issue

is further clouded by our continued use of the federal poverty measure as an indicator of how many people cannot meet their basic needs, even though many economists have called for its modification. Enthusiasm about the improvements to Vermont's economy must be tempered somewhat because many people still cannot find full-time (FT) work, and because income inequality is still a serious problem.

### ***Measuring Poverty***

When using the federally defined poverty rate it is important to note that the methodology used to determine the "federal poverty measure" is an antiquated measurement of a household's basic expenses. The federal poverty measure was developed in the 1960s based on an assumption that food was one-third of a household's expense. Today, multiple basic needs trump food as major components of a household budget including health care, transportation, and housing. A livable wage in Vermont is calculated to account for a family's basic needs based on the current cost of living plus all applicable federal and state taxes.

### ***What are Basic Needs and a Livable Wage?***

According to the US General Accounting Office, economic self-sufficiency requires independence from publicly provided income and housing assistance, and adequate income to provide for basic needs.

In Vermont, the Joint Fiscal Office (JFO) calculates a livable wage to include basic needs: food, housing, child care, transportation, health care, dental care, clothing, household and personal expenses, insurance, and 5% savings. The JFO estimates the monthly cost of each item using market and survey data from the US Departments of Agriculture, Housing & Urban Development, Transportation, and Commerce, as well as the VT Department of Social & Rehabilitation Services, and the Vermont Health Care Administration.

**A livable wage is the hourly wage or annual income necessary to cover basic needs plus all applicable federal and state taxes.**

**Table #1**

***Estimated Cost of Basic Needs and Livable Wage 2006—Rural Families***

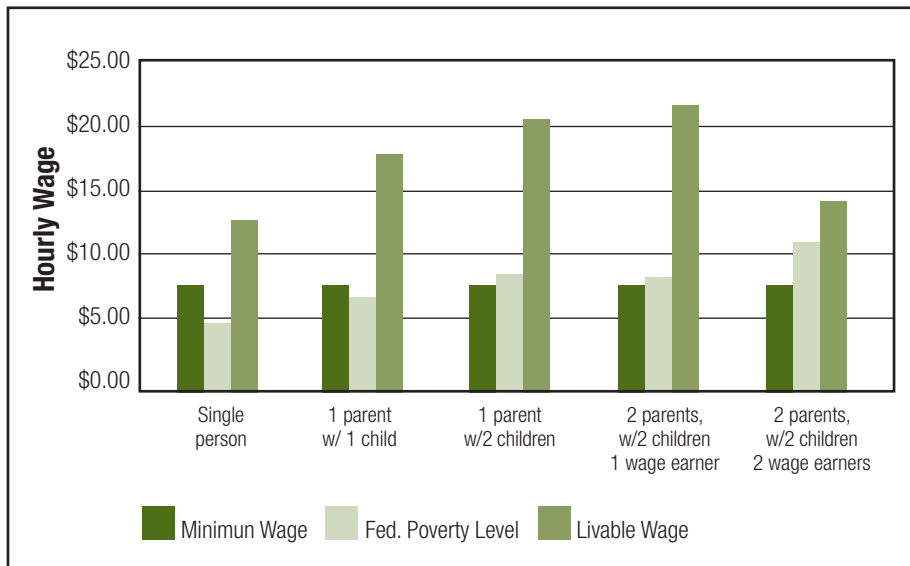
The JFO estimates the cost of basic needs for six different family sizes in both rural and urban Vermont and the income required to meet their basic needs and taxes. As you can see, the 2006 minimum wage of \$7.25/hour is inadequate to meet families' basic needs.

<b>Category</b>	<b>Single person</b>	<b>2 adults, no children</b>	<b>1 parent w/1 child</b>	<b>1 parent w/2 children</b>	<b>2 parents, 1 wage earner, w/2 children</b>	<b>2 parents, 2 wage earners, w/2 children</b>
Food	\$253	\$503	\$387	\$566	\$785	\$785
Housing & Utilities	520	520	651	651	651	651
Telephone	37	37	37	37	37	37
Health Care	73	218	143	143	288	288
Dental Care	47	79	47	47	79	79
Transportation	516	1053	459	459	772	1029
Child Care	0	0	493	681	0	681
Clothing/Household	159	287	216	216	339	359
Personal Expenses	68	135	135	203	270	270
Renter's Insurance	18	18	18	18	18	18
Life Insurance	0	18	18	20	22	26
5% Savings	84	143	130	152	150	199
<b>Total Monthly Expenses</b>	<b>1,774</b>	<b>3,011</b>	<b>2,735</b>	<b>3,192</b>	<b>3,410</b>	<b>4,421</b>
<b>Annual Expenses</b>	<b>21,293</b>	<b>36,138</b>	<b>32,815</b>	<b>38,304</b>	<b>40,924</b>	<b>53,052</b>
<b>Federal &amp; State Taxes</b>	<b>5,137</b>	<b>7,979</b>	<b>5,081</b>	<b>3,812</b>	<b>4,781</b>	<b>7,471</b>
<b>Annual Income</b>	<b>26,430</b>	<b>44,117</b>	<b>37,896</b>	<b>42,116</b>	<b>45,705</b>	<b>60,523</b>
<b>Hourly Wage Equivalent</b>	<b>\$12.71</b>	<b>\$21.21</b>	<b>\$18.22</b>	<b>\$20.25</b>	<b>\$21.97</b>	<b>\$29.10 total (\$14.55/ea)</b>

To view the basic needs budget for urban families (Burlington area), please visit <http://www.leg.state.vt.us/jfo/Reports%20by%20Subject.htm>

## Table #2

### Comparison of 2006 Minimum wage, Federal Poverty Level and Livable Wage\*



Source: Vermont Joint Fiscal Office

\*Livable wage figures used here are the average between the urban and rural figures

## Table #3

### How Many Working Vermont Families Don't Earn Enough To Meet Their Basic Needs in 2006

Family / Household Unit	% Earning < LW
Single person	29%
Two adults (both working), no children	8%
Single parent, one child	72%
Single parent, two children	82%
Two adults (one working), two children	55%
Two adults (both working), two children	35%

Source: Vermont Job Gap Study, Phase 8

***How Do Families Make Up the Difference?***

Since we know that many working families earn less than a livable wage, we must ask how, if at all, they make up the difference. Unfortunately, many are unable to do so and have no choice but to do without some of the basics (for example, over 60,000 have no health insurance). Others rely on public assistance (see Table 3). Some live in substandard housing or pay a higher percentage of their income for housing, thereby reducing available funds for other expenses. Others receive help from family members, work two jobs, barter and/or work “under the table.” Many depend on credit, which creates additional burdens from debt service. As a result of insufficient income, the standard of living for many Vermonters is one of insecurity, dependence, and, in some cases, deprivation.

**Table #3**

***Vermont Benefit Program: FY 02***

<b>Program</b>	<b>Recipients</b>	<b>Costs (state &amp; federal)</b>
Food Stamps	59,688	\$33 million
Reach Up	24,351	\$30 million
LIHEAP (fuel assistance)	17,817	\$13 million
Medicaid	166,311	\$387 million

Women and people of color in Vermont disproportionately do not make a livable wage. 35% of women working full time did not earn a livable wage compared to 19% of men in 1999. 36% of people of color working full time did not earn a livable wage compared to 24% of whites. Moreover, white median household income was 51% higher than that of Native Peoples in 1999 and 30% higher than Black households.

**If you would like to obtain a copy of any phase of the Vermont Job Gap Study, please visit [www.vtlivablewage.org](http://www.vtlivablewage.org) to download a free copy or contact the Peace & Justice Center’s Vermont Livable Wage Campaign at 21 Church St., Burlington, VT 05401 802-863-2345 ext. 8; [livablewage@pjcv.org](mailto:livablewage@pjcv.org).**

**To obtain a full copy of the Vermont Joint Fiscal Office’s Basic Needs Study, please visit: <http://www.leg.state.vt.us/jfo/Reports%20by%20Subject.htm>. Please note annual updates of the livable wage figures are available on January 15th every other year (first year of biennium) with supplements provided in off years.**

# Appendix III: Worksheets and Forms

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# Worksheet #1

## Critical Factors for Your Company

When you're done with this worksheet, you should be able to fill in the blanks in this sentence:

**“The most important thing we could do to boost our company’s profitability is to \_\_\_\_\_ (increase/decrease) our \_\_\_\_\_ (critical factor) by \_\_\_\_\_ percent.”**

### Critical Factors

List the two most important factors for your company in each area. Critical factors will vary, depending on your industry and company, but some ideas are given below (and there are many others!)

#### 1. Sales Factors

What sales factors would make the most difference:

- Increase gross sales per square foot
- Increase billable hours per employee
- Increase customer repeat ratios, etc.
- Other

<i>List the two most important sales factors here, in order of priority, and % of desired/realistic increase/decrease:</i>		
#1 Sales Factor:		
#2 Sales Factor:		

#### 2. Productivity/Quality Factors

What productivity/quality factors would make the most difference:

- Decrease error rate
- Decrease accident rate
- Increase production rate
- Decrease employee turnover
- Decrease employee training time period
- Other

<i>List the two most important productivity/quality factors here, in order of priority, and % of desired/realistic increase/decrease:</i>		
#1 Productivity/Quality Factor:		
#2 Productivity/Quality Factor:		

**3. Choose a Realistic Increase/Decrease**

The potential impact and the achievability of each factor can change how important it is to your company. For each factor, what percentage of an increase/decrease would really make an impact on your bottom line? What is an *achievable* percentage, realistically?

*Next to each factor (on previous page), write the percentage of the desired, realistic increase/decrease.*

**4. Choose Your Critical Factors**

*Using the information above, list all four factors, in order of priority, with the desired percentage change to the right of each:*

Factor	Percent	Increase/Decrease
#1		
#2		
#3		
#4		

Use this information to fill in the sentence at the top of this form. You'll also use this information on Worksheet #7, in determining your goals.

## Worksheet #2

### Effects of Employee Turnover

#### *Measuring the Cost of Employee Turnover*

The following worksheet will help you calculate the cost of employee turnover for your company. This will help you determine how much you can afford to invest in keeping employees, either through higher wages and benefits, or by implementing other practices suggested in *The Livable Jobs Toolkit*.

This worksheet takes into account the costs associated with losing one employee, hiring and training a replacement, and any productivity losses incurred while the position is vacant or the new hire is in a learning phase. Some of these costs are easy to quantify. Others are intangible or otherwise difficult to quantify. These may require you to make some educated guesses, but it's important to include such costs to the extent possible. They can have just as much effect on your company as the truly quantifiable costs. The section below called "Calculating the Cost of Lost Productivity" attempts to help you put a number next to one of the most important but difficult to quantify costs of employee turnover. Be sure to add any categories under "other" that are missing from the following table that you think are important in your company.

Listed in the left-hand column are some of the ways in which your company incurs costs from employee turnover. In the right-hand column list your best estimate of the costs of filling each position that becomes vacant. As noted above, intangible costs may be difficult or impossible to estimate, but try to include figures for the most important ones. Leave blank any categories that are insignificant or do not apply, and be sure to add any that do not appear below. You may be surprised at the result when you total all employee turnover costs at the bottom.

<b>Effects of Employee Turnover</b>	<b>Cost to Business</b>
<i>Separation costs:</i>	
payroll costs incurred for exit interviews	
administrative functions related to termination	
separation/severance pay	
any increase in unemployment compensation	
other	
<i>Vacancy costs:</i>	
increased overtime needed to complete the tasks of the vacant position	
temporary employees needed to complete the tasks of the vacant position	
other	
<i>Replacement costs:</i>	
Advertising, outreach, search firm charges	
Bonuses offered to employees for referrals	
payroll costs incurred for interviews	
testing fees	
travel/moving expense reimbursement	
miscellaneous pre-employment administrative expenses	
medical exams costs	
orientation and training costs, including materials and payroll expenses	
other	
<i>Intangible costs:</i>	
uncompensated increased workloads other workers assume	
stress and tension caused by turnover	
negative impact on employee morale	
decreased productivity due to loss of work group synergy	
quality lapses in product or service	
other	
<p><b><i>Total Cost of Employee Turnover (single instance)</i></b>  <i>(Adjust these figures as needed to calculate the total effect if you experience multiple employee turnover in a typical year.)</i></p>	

## Calculating the Cost of Lost Productivity

The value of productivity lost due to turnover or absenteeism is difficult to calculate. The procedure outlined below (Steps 1-5), using the figures in the table called “Estimation Model for Learning Curve Productivity Losses” will help you to calculate an estimated cost of lost productivity. This model assumes a new employee’s effectiveness increases based on his/her learning curve. Using research, it estimates how many weeks it takes for a new employee at each job classification to reach 90% effectiveness. It also estimates what percentage of effectiveness (productivity) an employee in a given classification will attain during each third of that training period. To adapt this model for your purposes you will need to substitute figures from your own company in the column under “Average Weekly Pay Rate.”

### ***Step 1:***

Complete the table on the following page using job classifications and pay rates that apply to your business or organization.

### ***Step 2:***

For each job classification, multiply the Average Weekly Pay Rate by the number of Weeks Learning to 90% Productivity. This figure would be your productivity loss if the employee produced nothing during the training period.

### ***Step 3:***

Divide the figure calculated in Step 2 by 3. This figure represents lost productivity during each third of the training period if the employee produced nothing during the training period.

### ***Step 4:***

Multiply the figure calculated in Step 3 by % Effective During Learning Curve for each third of the training period.

### ***Step 5:***

Add the three figures calculated in Step 4 (productivity realized). Subtract that total from the figure calculated in Step 2 (total paid to employee during training period). The result will be your estimated “learning curve loss” for an employee in that classification.

<b>EXAMPLE (using figures from the table below): For an employee in a Sales classification, earning \$605 a week, the calculation would be as follows: (add your info below, right)</b>	
<b>Step 2:</b> \$605 x 15 wks = \$9,075.00	<b>Step 2:</b>
<b>Step 3:</b> $\frac{\$9,075}{3} = \$3,025.00$	<b>Step 3:</b>
<b>Step 4:</b> $\$3,025 \times .25 = \$756.25$ $\$3,025 \times .50 = \$1,512.50$ $\underline{\$3,025 \times .80} = \underline{\$2,420.00}$ Total = \$4,688.75	<b>Step 4:</b>
<b>Step 5:</b> \$9,075 - \$4,688.75 = \$4,386.25	<b>Step 5:</b>

### Estimation Model for Learning Curve Productivity Losses

Job Classification	Average Weekly Pay Rate	Weeks Learning to 90% Productivity	% Effective During Learning Curve			Learning Curve Loss per Employee
			First 1/3	Second 1/3	Third 1/3	
<b>Exempt:</b>						
1. Management	\$1,292	17	20%	32%	86%	\$10,086
2. Professionals	1,136	14	27	60	86	9,157
3. Sales	605	15	25	50	80	4,386
<b>Non-Exempt:</b>						
1. Office and Clerical	\$552	7	42%	60%	85%	\$2,402
2. Skilled Crafts	752	6	30	61	75	2,491
3. Operating—semi-skilled (assembly)	532	4	22	60	90	1,216
4. Service (janitors, etc.)	416	3	48	60	83	792

*Adapted and reprinted with permission from: Sandra L. Burud, Pamela R. Ashbacher and Jacquelyn McCroskey, Employer-Supported Child Care: Investing in Human Resources, Dover, MA: Auburn House, 1984, and US Bureau of Labor Statistics, National Compensation Survey, 2003, August, 2004.)*

# Worksheet #3

## Employer Self-Assessment Tool

This self-assessment is based on a series of questions about what your company does to help employees manage work/life responsibilities to plan for career development. **For each item, please circle your answer.**

Once you've completed the worksheet, use the "Evaluating Results" chart below to find which tools might best fit your needs.

### Evaluating Results of Worksheet #3

If your company needs are primarily:	Refer to:
Helping with dependent care	Tools #1 and #3
Providing more flexibility of scheduling and holidays	Tool #1
Giving employees more money or reduced expenses	Tools #2 and #3
Increasing profitability or employee responsibility	Tool #2
Offering paid insurance or pre-tax dollar plans	Tool #3
Helping with retirement, financial planning	Tool #3

<i>Fleible Work Arrangements</i>				
	Does your company offer this?	What proportion of employees receive benefit?	How much flexibility?	If offered, how is eligibility determined?
1. Allows flexibility in starting and quitting times, as long as employees work the required number of hours	Yes No Under consideration	All Most Some	<30 minutes 30-59 minutes 60 or more minutes	Formal policy General practice Case by case
2. Allows employees to work part-time or to job share	Yes No Under consideration	All Most Some		Formal policy General practice Case by case

<i>Flexible Work Arrangements (continued)</i>				
	<b>Does your company offer this?</b>	<b>What proportion of employees receive benefit?</b>	<b>How much flexibility?</b>	<b>If offered, how is eligibility determined?</b>
3. Provides health insurance and other benefits to part time employees	Yes No Under consideration	All Most Some	Full<30 hrs Full>30 hrs Prorated <30 hrs Prorated >30 hrs No benefits	Formal policy General practice Case by case
4. Allows employees to work at home occasionally	Yes No Under consideration	All Most Some		Formal policy General practice Case by case
5. Allows employees flexibility in scheduling vacations to meet family needs	Yes No Under consideration	All Most Some		Formal policy General practice Case by case
6. Allows employees to work at home or at off-site locations on a regular basis, possibly linked by telephone and computer	Yes No Under consideration	All Most Some		Formal policy General practice Case by case

<i>How does your company help employees meet their child care needs?</i>				
	<b>Does your company offer this?</b>	<b>What proportion of employees receive benefit?</b>	<b>How long?</b>	<b>If offered, how is eligibility determined?</b>
1. Allows female employees to take unpaid job-guaranteed leaves to care for newborn, newly adopted or foster children beyond the requirements of the federal Family and Medical Leave Act	Yes No Under consideration	All Most Some	12 months or longer 7 to 12 months 13 weeks to 6 months	Formal policy General practice Case by case

<i>How does your company help employees meet their child care needs? (continued)</i>				
	<b>Does your company offer this?</b>	<b>What proportion of employees receive benefit?</b>	<b>How long?</b>	<b>If offered, how is eligibility determined?</b>
2. Allows male employees to take unpaid job-guaranteed leaves to care for newborn, newly adopted or foster children beyond the requirements of the federal Family and Medical Leave Act	Yes No Under consideration	All Most Some	12 months or longer 7 to 12 months 13 weeks to 6 months	Formal policy General practice Case by case
3. Allows employees to take several days off <i>with pay</i> to care for a sick child without having to use paid vacation days	Yes No Under consideration	All Most Some	>10 days 10 days <10 days	Formal policy General practice Case by case
4. Allows employees to take time off <i>without pay</i> to care for sick child with assurance that they will not lose their job	Yes No Under consideration	All Most Some	More than 12 weeks	Formal policy General practice Case by case
5. Allows employees flexibility to take time off work to attend children's school/child care functions	Yes No Under consideration	All Most Some	>10 days 6 – 10 days <6 days	Formal policy General practice Case by case
6. Provides information to help employees locate child care in the community	Yes No Under consideration	All Most Some		Formal policy General practice Case by case
7. Has a contract with local child care resource and referral agency to provide education, information and customized searches for child care.	Yes No Under consideration	All Most Some		Formal policy General practice Case by case

<i>How does your company help employees meet their child care needs? (continued)</i>				
	<b>Does your company offer this?</b>	<b>What proportion of employees receive benefit?</b>	<b>How long?</b>	<b>If offered, how is eligibility determined?</b>
8. Helps employees pay for child care through pre-tax transfers to a dependent care or flexible spending account	Yes No Under consideration	All Most Some		Formal policy General practice Case by case
9. Helps employees pay for child care with vouchers or other substitutes	Yes No Under consideration	All Most Some		Formal policy General practice Case by case
10. Provides child care at or near the worksite independently or in a consortium with other employers	Yes No Under consideration	All Most Some	Fully paid by employer Employee pays some or all of cost	Formal policy General practice Case by case
11. Provides sick, emergency or summer or holiday care <i>(Note which are provided next to each answer.)</i>	Yes No Under consideration	All Most Some		Formal policy General practice Case by case
12. Supports local child care through a fund or corporate contributions	Yes No Under consideration	All Most Some		Formal policy General practice Case by case

<i>How does your company help employees care for elderly family members?</i>			
	<b>Does your company offer this?</b>	<b>What proportion of employees receive benefit?</b>	<b>If offered, how is eligibility determined?</b>
1. Helps employees access information and locate needed services for elderly family members	Yes No Under consideration	All Most Some	Formal policy General practice Case by case
2. Allows employees to take time off <i>without pay</i> to care for an elderly family member in a crisis with assurance that they will not lose their job	Yes No Under consideration	All Most Some	Formal policy General practice Case by case
3. Allows employees to take time off <i>with pay</i> to care for an elderly family member in crisis without having to use paid vacation days	Yes No Under consideration	All Most Some	Formal policy General practice Case by case

<i>What does your company do to help employees deal with family problems?</i>			
	<b>Does your company offer this?</b>	<b>What proportion of employees receive benefit?</b>	<b>If offered, how is eligibility determined?</b>
1. Offers free employee assistance programs (EAP)— for example, family/marital counseling, counseling on work/family conflicts, counseling on personal problems that disrupt family life and work	Yes No Under consideration	All Most Some	Formal policy General practice Case by case
2. Provides referral to community service agencies and support groups	Yes No Under consideration	All Most Some	Formal policy General practice Case by case
3. Offers support groups in the workplace for employees facing family problems or experiencing work/family conflicts	Yes No Under consideration	All Most Some	Formal policy General practice Case by case
4. Offers workshops on parenting, child development, care of the elderly, work/family problems	Yes No Under consideration	All Most Some	Formal policy General practice Case by case

<i>What does your company do to ensure the health of employees and their families?</i>			
	<b>Does your company offer this?</b>	<b>What proportion of employees receive benefit?</b>	<b>If offered, how is eligibility determined?</b>
1. Provides health insurance coverage for <i>employees</i> with at least part of the premium paid by the company*	Yes No Under consideration	All Most Some	Formal policy General practice Case by case
2. Provides health insurance coverage for employees' <i>family members</i> with at least part of the premium paid by the company	Yes No Under consideration	All Most Some	Formal policy General practice Case by case
3. Allows employees to purchase health insurance coverage for their <i>families</i> at group rates	Yes No Under consideration	All Most Some	Formal policy General practice Case by case
4. Allows employees 10 or more sick days annually <i>with pay</i>	Yes No Under consideration	All Most Some	Formal policy General practice Case by case
5. Provides fitness and health programs for employees <i>and</i> their families	Yes No Under consideration	All Most Some	Formal policy General practice Case by case

*\*Livable wage calculations by the Vermont Joint Fiscal Office are based on the assumption that the employer is paying at least 70% of the employee's health insurance premium.*

<i>Does your company provide benefits affecting the economic security of employees' families?</i>			
	<b>Does your company offer this?</b>	<b>What proportion of employees receive benefit?</b>	<b>If offered, how is eligibility determined?</b>
1. Provides life insurance coverage that is at least partly paid for by the company	Yes No Under consideration	All Most Some	Formal policy General practice Case by case
2. Provides short-term non-occupational disability insurance coverage (also called temporary disability insurance or sickness and accident insurance) that is at least partly paid by the company	Yes No Under consideration	All Most Some	Formal policy General practice Case by case
3. Provides long-term disability insurance coverage as a supplement to Social Security Disability insurance that is at least partly paid by company	Yes No Under consideration	All Most Some	Formal policy General practice Case by case

<i>What percentage of managers are women or minorities?</i>	_____ %
<i>How do the salaries of women and minority managers compare to the salaries of non-minority male managers?</i>	
<input type="checkbox"/> Equal <input type="checkbox"/> Women and minorities earn between 86% and 99% of what non-minority men earn <input type="checkbox"/> Women and minorities earn between 70% and 85% of what non-minority men earn <input type="checkbox"/> Women and minorities earn less than 70% of what non-minority men earn	
<i>What percentage of non-managerial jobs are held by women and minorities?</i>	_____ %
<i>How do the salaries of women and minorities in non-managerial jobs compare to those of non-minority men?</i>	
<input type="checkbox"/> Equal <input type="checkbox"/> Women and minorities earn between 86% and 99% of what non-minority men earn <input type="checkbox"/> Women and minorities earn between 70% and 85% of what non-minority men earn <input type="checkbox"/> Women and minorities earn less than 70% of what non-minority men earn	

<i>Has your company...</i>	No	Yes	Under Consideration
1. Trained supervisors in responding to work/family needs of employees?			
2. Trained supervisors in managing diversity?			
3. Developed a handbook on work /family policies?			

<i>How well does your company communicate about compensation?</i>				
1. The company links compensation with company or department goals.	Very true of this company	Somewhat true	Not very true	Not at all true of this company
2. Employees have a good understanding of how company finances affect compensation.	Very true of this company	Somewhat true	Not very true	Not at all true of this company

<i>What other programs or policies do you have to help employees manage work and family responsibilities or to promote the diversity and career development of the workplace? Please describe.</i>

<i>Apart from the specific kinds of assistance your company provides to its employees, how is it generally as a place to work?</i>				
1. When employees must place the needs of their families before the demands of their jobs, they can (within reason) do so without jeopardizing their chances for job advancement.	Very true of this company	Somewhat true	Not very true	Not at all true of this company
2. Supervisors are encouraged to be supportive of employees with family problems and to find solutions that work for both employees and the company.	Very true of this company	Somewhat true	Not very true	Not at all true of this company
3. Men and women who must attend to family matters are equally supported by supervisors or the company.	Very true of this company	Somewhat true	Not very true	Not at all true of this company
4. The company makes a real effort to inform employees of the help that is available to them.	Very true of this company	Somewhat true	Not very true	Not at all true of this company
5. Men and women who use flexible time and leave policies are not jeopardizing their chances for promotion.	Very true of this company	Somewhat true	Not very true	Not at all true of this company
6. The company is committed to developing the careers of woman and minorities.	Very true of this company	Somewhat true	Not very true	Not at all true of this company

Now some general background questions about your company. The answers to these questions will help you to identify competitors and leading-edge companies to compare your company to.

<i>Which of the following categories best describes the business of your company?</i>	
<input type="checkbox"/>	a. Mining, agriculture, forestry and fishing
<input type="checkbox"/>	b. Construction
<input type="checkbox"/>	c. Manufacturing
<input type="checkbox"/>	d. Transportation, communication, and public utilities
<input type="checkbox"/>	e. Wholesale & retail trade (e.g., stores, distributors, restaurants, mail order, etc.)
<input type="checkbox"/>	f. Finance, insurance, and real estate
<input type="checkbox"/>	g. Business and professional services (e.g., law offices, ad agencies, temporary agencies, etc.)
<input type="checkbox"/>	h. Health services
<input type="checkbox"/>	i. Educational services
<input type="checkbox"/>	j. Social services (e.g., community services, religious organizations, etc.)
<input type="checkbox"/>	k. Other services (e.g., hotels, restaurants, cleaners, theaters, health clubs, etc.)
<input type="checkbox"/>	l. Other (Please specify) _____

<i>Approximately what percent of your company's employees fall into each of the following categories? (If none, please write 0 in the space provided.)</i>
_____ % Percent women and minority employees
_____ % Percent professional, administrative, and/or managerial employees
_____ % Percent unionized employees
_____ % Percent employees under age 40
<i>How would you describe the location of your business?</i>
_____ Urban
_____ Suburban
_____ Rural
_____ Other (Please specify) _____

<i>Which of the following changes has your company experienced during the last 12 months?</i>		
	Yes	No
A new key manager		
Change of location		
Decreases in profitability		
Layoffs		
Increase in profitability		
Business expansion in new products or services		
Staff expansion		
Merger or acquisition		

<i>In general, has it been easy or difficult to fill the following types of job vacancies at your company in the past 12 months? What do you project for the next 12 months?</i>		
	Past 12 months	Next 12 months
a. Job vacancies in general	Easy Difficult Neither	Easy Difficult Neither
b. Job vacancies in highly skilled positions	Easy Difficult Neither	Easy Difficult Neither
<i>How well is your company doing in comparison with companies you consider to be your competitors?</i>		
<p>_____ Better</p> <p>_____ About the same</p> <p>_____ Worse</p>		

See "Evaluating Results of Worksheet #3", p. 60.

## Worksheet #4

### Calculating the Cost/Value of the Total Compensation Package

It is important for both employers and employees to have a clear understanding of the true cost (from the employer's point of view) or value (from the employee's perspective) of the total compensation package. For employers, it is the first step in assessing how close you already are to providing livable wages to your employees. For their part, employees need to understand that some of the value of their remuneration goes beyond what they see in their take-home pay. Many of the non-cash benefits make a significant contribution to the economic well-being of the employees. Some companies make a practice of providing this information to their employees periodically along with their paychecks.

The worksheet below presents an example of how to calculate this information collectively for a company with 100 employees. The first step is to gather accurate information on total hours worked by all your employees, how many of them are covered by the benefits you offer, the costs of those benefits, and third party administrative costs, if any. In adapting the example below you will need to add, delete, or substitute benefits as appropriate for your company as well as substitute applicable wage/salary information.

To carry this exercise a step further than shown in the worksheet, you can provide estimates of the cost/value of some of the services provided by your company— assistance with housing, child care, transportation, financial management, or any of the other forms of employee assistance mentioned elsewhere in this Toolkit. Some of these can make a material contribution to the financial self-sufficiency of your employees. However, care should be exercised not to overestimate the cash value of such services. They may not equally benefit all employees (child care does not benefit the childless, for example). Also keep in mind that employees may not perceive a very immediate benefit from some of the expenses incurred on their behalf by their employers. The benefits derived from payroll taxes that provide protection against unemployment or future Medicare or Social Security payments may not be realized for a number of years.

Improvements in paid and “in-kind” compensation (wages, benefits, and services) do not have to be made overnight. Like any investment program, they can be phased in, in harmony with the financial capacity and management capacity of the firm. Once you have assessed the costs and benefits of reducing employee turnover, once you have a clear understanding of what you are actually contributing to your employees' financial security, and after surveying your employees' assessment of their priorities, you can begin the process of mapping out a work environment/compensation program.

<b>Calculating Total Compensation Package Value</b>			
	<b>Total Payroll Cost for Company with 100 Employees</b>	<b>Employer Cost per Hour Worked (for an individual employee)</b>	<b>Assumptions/Notes</b>
<b>Wages/Salaries &amp; Taxes</b>			
Wages/Salaries	\$3,744,000	\$18.00	Average Wage \$18.00
Payroll Taxes	\$346,320	\$1.67	Payroll Taxes 9.25%
<b>Total of Wages/Salaries and Taxes</b>	<b>\$4,090,320</b>	<b>\$19.67</b>	
<b>Paid Time off</b>			
Vacation Days	\$144,00	\$0.70	Ten paid vacation days
Sick Days	\$72,000	\$0.35	Five paid sick days
Holidays	\$144,00	\$0.70	Ten paid holidays
<b>Health Benefits</b>			
Total Employer Expenditure for Health Care	\$620,000	\$3.10	Entire Workforce Covered, Participates. Employer Pays 80%
<b>Dental Benefits</b>			
Total Employer Expenditure	\$10,000	\$0.05	Entire Workforce Covered, Participates
<b>Retirement or Savings Plan</b>			
Employer Contribution	\$9,400	\$0.05	Not all retirement plans include an employer match.
Employer Administrative Cost	\$2,000	\$0.01	
<b>Employee Assistance Plan</b>			
Cost of Third Party Administrator	\$2,500	\$0.01	
<b>Total Cost of Compensation to Employer</b>	<b>\$4,964,620</b>	<b>\$24.64</b>	
<b>Cost of Benefits Above Basic Wage Rate</b>	<b>\$1,220,620</b>	<b>\$6.64</b>	

# Worksheet #5

## Employee Needs Assessment Survey — Sample

### *Instructions for Worksheet #5*

A needs assessment survey is often the easiest and most convenient way for you to determine the barriers to full productivity faced by your employees and to identify new program priorities.

Employee compensation and work/life consultants generally advise employers to keep the following factors in mind when conducting an employee needs assessment:

- |   |
|---|
| <p>1. Ensure confidentiality. If employees are concerned that the responses they give may be kept on file or used against them, they will not fill out the survey. If at all feasible, consider having the responses mailed and tabulated by someone outside the company. In smaller organizations, where everyone is more aware of everyone else’s personal lives, you may want to consider leaving out any demographic and financial questions. Be sure to be sensitive to all the new family structures, for example, single-parent families, same-sex committed relationships, etc.</p> |
| <p>2. Do not raise expectations. Make sure employees know that mention of an option on the survey is not a promise to enact it. If there is an option on the sample survey that you know you will never be able to implement, take it out.</p>  |
| <p>3. Take the necessary time. When you create your survey, include everything you need to know. If you omit a question, it will be more difficult to ask it later. And allow employees enough time to complete the survey (but not so much time that they put it off and forget it).</p>   |
| <p>4. Be concise. Do not ask a question unless you need to know the answer. Employees are more likely to complete and return a brief survey.</p>  |
| <p>5. Be clear. What is a dependent? Do stepchildren or grandchildren (if the employee is primary caretaker) count as dependents? How old are “children”? Combined questions such as “Do your child care and elder care needs interfere with your job performance and relationships with co-workers?” will generate unclear responses. You will get more accurate answers from two or three short questions.</p>  |
| <p>6. Follow up. Be sure that employees are aware that once the process has been completed, their needs will be taken seriously. Even if you cannot provide all of the benefits that they need right away, keep them involved in the process. You may be surprised at how innovative your employees are.</p>  |

The following pages contain a sample needs assessment. Use it as a guide, but tailor your needs assessment to your company, keeping in mind your goals and all viable options.

When the surveys are done, use the “Evaluating Results” chart to find the tools that might best fit your needs.

### Evaluating Results of Worksheet #5

<i>If your employee needs are primarily:</i>	<i>Refer to:</i>
Family and dependent care	Tools #1 and #3
Flexibility of scheduling and holidays	Tool #1
More money or reduced expenses	Tools #2 and #3
Insurance or pre-tax dollar plans	Tool #3
Retirement or financial planning	Tool #3

### Survey:

1. Are you the primary caregiver of a child or children (include step- and grandchildren) under the age of 13 living at your home?	<input type="checkbox"/> yes <input type="checkbox"/> no <i>(go to question 6)</i>		
2. Are you satisfied with your child care arrangements both financially and time-wise?	Financially:	yes	no
	Time:	yes	no
	If not, why not?		
3. While you are at work, who cares for your child?	<input type="checkbox"/> Spouse <input type="checkbox"/> Babysitter in your home <input type="checkbox"/> Live-in help (nanny or au pair) <input type="checkbox"/> Family day care (operating out of somebody's home) <input type="checkbox"/> After school program run by school <input type="checkbox"/> Licensed child care center <input type="checkbox"/> Relative (not spouse) <input type="checkbox"/> Other (please describe briefly)		
If a relative, is a fee charged?	<input type="checkbox"/> yes <input type="checkbox"/> no		
4. Have your child care arrangements ever fallen through (due to illness of child, provider or other)?	<input type="checkbox"/> yes <input type="checkbox"/> no <i>(go to question 6)</i>		

<p><i>(continued)</i> 4. What did you do in this situation?</p>	<input type="checkbox"/> Found alternate care <input type="checkbox"/> Stayed home to care for child <input type="checkbox"/> Left work early or came to work late to care for child <input type="checkbox"/> Spouse stayed home to care for child <input type="checkbox"/> Brought child to work <input type="checkbox"/> Other (please describe)		
<p>5. Has this happened...</p>	<input type="checkbox"/> Often (more than once a month) <input type="checkbox"/> Sometimes (more than once every two months) <input type="checkbox"/> Occasionally (more than twice a year) <input type="checkbox"/> Rarely (twice a year or less)		
<p>6. Are you the primary caregiver of one or more elderly relatives?</p>	<input type="checkbox"/> yes <input type="checkbox"/> no ( <i>go to question 11</i> )		
<p>7. Are you satisfied with your elder care arrangements both financially and time-wise?</p>	<p>Financially:</p> <p>Time:</p>	<p>yes</p> <p>yes</p>	<p>no</p> <p>no</p>
	<p>If not, why not?</p>		
<p>8. While you are at work, who cares for your elderly relative?</p>	<input type="checkbox"/> Spouse <input type="checkbox"/> Relative (not spouse) <input type="checkbox"/> Nurse or home health aide <input type="checkbox"/> She or he cares for self		
<p>9. Have your elder care arrangements ever fallen through (due to illness or other cause)?</p> <p>What did you do in this situation?</p>	<input type="checkbox"/> yes <input type="checkbox"/> no ( <i>go to question 11</i> )  <input type="checkbox"/> Found alternate care <input type="checkbox"/> Stayed home <input type="checkbox"/> Left work early or came to work late <input type="checkbox"/> Spouse stayed home <input type="checkbox"/> Left her/him alone <input type="checkbox"/> Other (please describe)		

<p>10. Has this happened...</p>	<p><input type="checkbox"/> Often (more than once a month)  <input type="checkbox"/> Sometimes (more than once every two months)  <input type="checkbox"/> Occasionally (more than twice a year)  <input type="checkbox"/> Rarely (twice a year or less)</p>				
<p>11. Is your transportation to/from work:</p>	<p><input type="checkbox"/> Too time-consuming to get here  <input type="checkbox"/> Too expensive to get here  <input type="checkbox"/> Unreliable  <input type="checkbox"/> Too time-consuming to find parking  <input type="checkbox"/> Too expensive because of parking</p>				
<p>12. How appealing are the following programs to you?</p>	<p>very</p>	<p>somewhat</p>	<p>not sure</p>	<p>not really</p>	<p>not at all</p>
<p>Pre-tax withdrawals from your paycheck to go toward dependent care expenses</p>					
<p>Pre-tax withdrawals from your paycheck to go toward medical/dental expenses or health insurance premiums. (Flex Spending Account)</p>					
<p>A “cafeteria” plan of benefits, where you get a specific amount of money to be spent on the benefits you need, for example, health care, dental care, life insurance, child or elder care, health club membership, etc.</p>					
<p>A “hardship fund” that could give employees no-questions-asked, revolving loans of up to \$500</p>					
<p>A referral service that helps you obtain (but not pay for) child or elder care</p>					
<p>Flextime; you work a set number of core hours (for example, between 10 and 4), and arrange to work different hours around that (e.g., 8–4; 9–5; 10–6, etc.)</p>					
<p>On-site (or nearby) child care center</p>					
<p>401(k) or other retirement plan</p>					

*Continued on next page*

	very	somewhat	not sure	not really	not at all
Flex-place: you work at home either every day or a set number of days per week connected by computer, fax or just phone					
Bonus or incentive plan based on specific productivity or quality standards					
Education on managing personal finances					
Education on investing for retirement, college or other expenses					
Working fewer hours and taking a pay cut					
Working a compressed work week (for example, four 10-hour days or three 12-hour days)					
Education about investing for retirement or other financial needs					
Other (please describe)					
Demographic Information (optional)	Age: ___ 16–25 ___ 26–35 ___ 36–45 ___ 46–55 ___ 56–65 ___ over 65 ___ Male      ___ Female				
Total Family Income:	___ \$10,000–\$20,000 ___ \$20,001–\$30,000 ___ \$30,001–\$40,000 ___ \$40,001–\$50,000 ___ \$50,001–\$60,000 ___ \$60,001–\$70,000 ___ more than \$70,000				

See “Evaluating Results of Worksheet #5”, p. 75.

# Worksheet #6

## Competitors' Advantages

*List everything you know about your competitors' workplaces that gives them an advantage over your company. Here are some areas to consider:*

- Wages/Benefits
- Workplace policies
- Morale
- Product Line
- Recruitment
- Skill level of employees
- Location
- Other

1.
2.
3.
4.
5.
6.
7.
8.
9.

# Worksheet #7

## Goals

### Overall Goals

*Overall, why is your company interested in implementing a livable job and quality workplace program? Some ideas might be to:*

- Gain competitive advantage through superior customer service
- Attract and retain the best talent
- Reduce recruitment and hiring costs
- Earn a favorable reputation in your community

1.
2.
3.
4.
5.
6.
7.
8.
9.

### Combined Needs

*Using all your worksheets and the goals above, identify the top priority goals and needs of both the employees and the company. List them here in order of priority:*

1.
2.
3.
4.
5.
6.

Now use the “Evaluating Results” charts in Worksheets #3 and #5 (pp. 60 and 75) to select which Tools best meet your goals/needs.

## Worksheet #8

### Action Plan — Sample

#### *Benefit/Practice to Be Implemented: Flextime*

Make a worksheet like this and create an action plan for each livable jobs benefit/practice you will be implementing. Refer to your goals and benefits each time you're communicating about the project, to help everyone stay focused.

<b>Expected project duration:</b>	12-18 months
<b>Overall Goal:</b>	Retain skilled employees.
<b>Potential Benefits to Company:</b>	Reducing employee turnover by 5%.
<b>Potential Benefits to Employees:</b>	More personal time. Easier to accommodate child care and exercise scheduling needs.

Steps Needed	Done by Whom	Done by When	Resources Needed	How to Measure Success
<b>Introduction &amp; Research</b>				
Identify core company hours	Anne	3/21/07		Policy drafted and approved.
Determine policy: can hours change daily or weekly?	Anne	3/21/07		Policy drafted and approved.
<b>Implementation</b>				
Write memo for managers	John	3/24/07		Memo drafted & approved.
Write memo for staff	John	3/31/07		Memo drafted & approved.
Discuss at staff meeting & launch program	John & Anne	4/3/07		Task completed.
Make employee schedule request forms	John	3/31/07		Forms drafted & approved.
Buy calendar/scheduling software?	John	3/15/07	Software?	Software installed.
Or make schedule charts for managers	John	3/15/07		Charts drafted & approved.
Train managers in scheduling software?	John	3/31/07		Managers can use software.
Include in employee handbook	Anne	4/3/07		Drafted, approved & inserted.
Include in new employee packets	Anne	4/3/07		Drafted, approved & inserted.

Steps Needed	Done by Whom	Done by When	Resources Needed	How to Measure Success
<b>Communication/Education</b>				
Introduce to managers	Anne	3/27/07		Managers understand & support the policy.
Introduce to employees	Anne	4/3/07		Employees understand & support the policy.
Follow up with managers	Anne	4/10/07		Discussions at managers' meetings.
Follow up with managers	Anne	4/28/07		Discussions at managers' meetings.
Follow up with managers	Anne	5/12/07		Discussions at managers' meetings.
Follow up with employees	John & Anne	4/17/07		Follow up discussion at staff meeting completed.
Follow up with employees	John & Anne	5/1/07		Follow up discussion at staff meeting completed.
Report to top management	Anne	4/1/07		Reports accepted.
Report to top management	Anne	5/1/07		Reports accepted.
Report to top management	Anne	6/1/07		Reports accepted.
<b>Tracking Progress</b>				
Employee surveys	John	5/1/07		Surveys completed.
Manager surveys	John	5/1/07		Surveys completed.
<b>Evaluation</b>				
Measure employee turnover <i>before</i> flextime	John	3/10/07		Turnover report completed.
Measure employee turnover <i>after</i> flextime	John	1/12/08		Turnover decreased by 5% in first six months.
<b>Celebration!</b>				
At staff meeting, thank employees & managers for their help in making the change and report on success. Repeat benefits to company & employees.	John & Anne	2/1/08		Completed (maybe have pastries at staff meeting and pass out balloons to celebrate new "flexibility"?)

# Toolkit Evaluation Form

## AFTER You Use This Toolkit

Please help us make our workshops and future editions of this toolkit as useful as possible to your company and other companies! By taking a minute to fill out this “After” form and return it to us, you can help us tailor our workshops and future toolkit revisions to best meet your company needs. Thank you!

<b>1. Location of Company:</b>	
<input type="checkbox"/> Northern Vermont	
<input type="checkbox"/> Central Vermont	
<input type="checkbox"/> Southern Vermont	
<input type="checkbox"/> Out-of-State	
<b>2. Number of Employees:</b>	
<input type="checkbox"/> 1–9	<input type="checkbox"/> 50–99
<input type="checkbox"/> 10–24	<input type="checkbox"/> 100–499
<input type="checkbox"/> 25–49	<input type="checkbox"/> 500+
<b>3. Primary Industry Sector:</b>	
<input type="checkbox"/> Manufacturing	
<input type="checkbox"/> Retail	
<input type="checkbox"/> Service/Distribution	
<b>4. In your business, do you think that offering livable jobs is:</b>	
<input type="checkbox"/> Easy	
<input type="checkbox"/> Difficult	
<input type="checkbox"/> Very Difficult	
<b>6. Are you potentially interested in workshops on using the practices and benefits in this toolkit? (If yes, please enter the information below, or send it via e-mail: <a href="mailto:info@vbsr.org">info@vbsr.org</a> or via phone: 802.862.8347)</b>	
<input type="checkbox"/> Yes	
<input type="checkbox"/> No	

Name of Company (optional)

Your Name (optional)

Your Title

Address

City

State

Zip

<b>5. Which of the following do you offer or plan to offer (check all that apply)?</b>		
<b>Benefit</b>	<b>Plan To Offer</b>	<b>Currently Offer</b>
Flextime		
Compressed Work Week		
Telecommuting or Flex-place		
Job Sharing		
Part-time Opportunities		
Paid Time Off Program		
Secure Job		
Referral Information		
Phone, Computers, Space and Services		
“Pay” More by Reducing Employees’ Expenses		
Adopt Livable Wage as the Target Base Wage for Your Co.		
Base Employee Contributions to Health Insurance Coverage on Wage Level		
Introduce Standards-based Pay Rates		
Pay More and Take a Tax Credit		
Create Tax Advantaged Programs for Employees		
Pay out Earned Income Tax Credit (EITC) Quarterly		
Pay the Same, Give More Personal Time		
Pay for Recreation		
Share More of the Profit		
Engage Employees in Operations of Company		
Practice Open Book Management		
Company-Paid Health and Dental Insurance		
Company Life and Disability Insurance		
Hardship Fund		
Flexible Spending Account Plan (FSA)		
Health Savings Account Plan (HSA)		
Dependent Care Assistance Plan		
Tuition Reimbursement Program		
Cafeteria Plan		
Retirement Savings Plan		
Individual Development Accounts		
Education on Value of Total Compensation Package		
Education on Financial Management		

**Please Return to: VBSR, 60 Lake Street, Suite 3G, Burlington, VT 05401**

## Appendix IV: Additional Resources for Employers

### Vermont Agencies and Organizations

<p><b>Child Care Fund of Vermont, East Dorset</b> (802) 362-7148 www.vermontcf.org</p>	<p>A component fund of the Vermont Community Foundation, the Child Care Fund of Vermont publishes the Vermont Employers' Guide to Child Care Solutions, organizes business consortia, and provides other services designed to improve the quality and availability of child care in Vermont.</p>
<p><b>Child Care Resource, Williston</b> (800) 339-3367 www.childcareresource.org</p>	<p>A non-profit organization providing information, counseling, and assistance to employees, child care providers, and employers seeking safe, affordable, quality child care.</p>
<p><b>NeighborWorks</b> (802) 660-0642 www.getahome.org</p>	<p>NeighborWorks® Home Ownership Center of Vermont is a nonprofit organization dedicated to expanding homeownership opportunities for residents in Chittenden, Franklin and Grand Isle Counties. Similar programs serve all of the state's 14 counties and can be contacted through the NeighborWorks® web site. All offer home buyer education, financial assistance packages, special lender programs, home maintenance education, and home rehab planning and loans.</p>
<p><b>Peace &amp; Justice Center Vermont Livable Wage Campaign, Burlington</b> (802) 863-2345 www.pjcv.org www.vtlivablewage.org</p>	<p>A nonprofit working on the intersecting issues of peace &amp; human rights and economic and racial justice through education, advocacy and research. Authors of the Vermont Job Gap Study. To download a full set or for individual phases please visit: www.vtlivablewage.org. Most recent phases: Phase 6: Leaky Bucket, An Analysis of Vermont's Dependence on Imports; Phase 7: Basic Needs, Livable Wage &amp; the Cost of Under-Employment; Phase 8: Nickel &amp; Dimed: Poverty and Livable Wage Jobs; Phase 9: Economic Development.</p>
<p><b>Peer to Peer Collaborative, Montpelier</b> (802) 828-5320 www.vsjf.org</p>	<p>A program of the Vermont Sustainable Jobs Fund, the Peer to Peer Collaborative is designed to assist founder CEOs in identifying, focusing on and addressing the critical issues and strategic direction choices that inevitably arise as their companies grow within the range of \$1 million to \$10 million in sales. In a peer learning environment, the program addresses the changing needs and complexities business owners face as the sales and employee base of their companies grow. The Collaborative's mission is to help entrepreneurs who want to take their companies to the next stage of their development and want to learn how to be even more effective CEOs so that they and their employees can enjoy an even greater quality of life.</p>
<p><b>Vermont Association of Child Care Resource and Referral Agencies (VACCRRRA), Hinesburg</b> (877) 822-2772 www.vermontchildcare.org</p>	<p>A nonprofit, statewide network of child care resource and referral agencies that educates the public on all issues related to the availability, affordability and accessibility of child care in Vermont. Services include help for employers with a comprehensive needs assessment for employee dependent care needs and education for employees on finding and financing child care. Technical assistance to employers who seek child care benefits options is available, including a resource guide, the Vermont Work-Family Toolkit.</p>

## Vermont Agencies and Organizations (continued)

<p><b>Vermont Businesses for Social Responsibility – Research &amp; Education Foundation, Burlington</b> (802) 862-8347 www.vbsr.org</p>	<p>A nonprofit offering research, publications, and educational workshops and conferences on issues of importance to Vermont’s economic, social and natural environments.</p>
<p><b>Vermont Businesses for Social Responsibility, Burlington</b> (802) 862-8347 www.vbsr.org</p>	<p>A not-for-profit statewide membership organization that offers access and referrals to a network of Vermont employers who are willing to share their experiences in instituting various programs and practices, in addition to a range of educational programs, public policy initiatives, and regular publications.</p>
<p><b>Vermont Department of Economic Development</b> (802) 828-3080 www.thinkvermont.com</p>	<p>Information on training and tax incentives, credits and exemptions. Also information on other technical assistance available to businesses, including a directory of business assistance and community development programs and practitioners.</p>
<p><b>Vermont Department of Labor, Montpelier</b> (802) 828-4000 www.labor.vermont.gov</p>	<p>Offers general and custom workforce training programs for employers offering above average compensation packages. Also offers the Micro-Enterprise Grant Program.</p>
<p><b>Vermont Department of Taxes, Montpelier</b> (802) 828-5723 www.state.vt.us/tax/</p>	<p>Provides information on the Vermont Earned Income Tax Credit for Employees and the Employer’s Tax Credit.</p>
<p><b>Vermont Economic Progress Council, Montpelier</b> (802) 828-5256 www.thinkvermont.org/vepc/</p>	<p>Provides information on tax credits and long-range economic planning for Vermont.</p>
<p><b>Vermont Housing and Conservation Board, Montpelier</b> (802) 828-3250 www.vhcb.org</p>	<p>An independent, state-supported funding agency providing grants, loans and technical assistance to nonprofit organizations, municipalities and state agencies for the development of perpetually affordable housing and for the conservation of important agricultural land, recreational land, natural areas and historic properties in Vermont. The group co-produces “Between a Rock and a Hard Place,” a report that tracks the gap between Vermont’s housing costs and Vermonters’ incomes. The gap continues to grow, and increasing numbers of Vermonters are having a difficult time finding housing they can afford.</p>
<p><b>Vermont Housing Assistance Agency, Burlington</b> (802) 652-3434 www.vhfa.org</p>	<p>Assists low and moderate-income Vermonters with the purchase and production of housing.</p>

## Vermont Agencies and Organizations (continued)

<p><b>Vermont Small Business Development Centers, Randolph</b>                  (802) 728-9101  <a href="http://www.vtsbdc.org">www.vtsbdc.org</a></p>	<p>Housed at the 12 Regional Development Corporations, the Small Business Development Centers provide free technical assistance to start-up and growing small businesses. Operated through the Vermont State College System, SBDC links businesses with higher education, state and federal programs, and other businesses. With access to a comprehensive resource and information library, the SBDCs can provide business planning assistance, marketing help, referrals, and much more.</p>
<p><b>Vermont Sustainable Jobs Fund, Montpelier</b>                  (802) 828-1260  <a href="http://www.vsjf.org">www.vsjf.org</a></p>	<p>Strategically partners with stakeholders to develop new industries and economic sectors that are sustainable, create quality jobs, and build on Vermont’s entrepreneurial heritage. They work to strengthen locally owned, innovative enterprises and business networks through grant-making and targeted technical assistance.</p>
<p><b>Vermont Training Program, Montpelier</b>                  (802) 828-5235  <a href="http://www.thinkvermont.com/workforce/vt_train.cfm">www.thinkvermont.com/workforce/vt_train.cfm</a></p>	<p>The Vermont Training Program promotes industrial expansion and encourages the creation and retention of jobs in manufacturing by providing training for new and existing businesses, thereby increasing the skills of the Vermont workforce, their wages, and Vermonters’ standard of living.</p>
<p><b>Vermont Women’s Business Center, Montpelier</b>                  (802) 229-2181 or                  (800) 266-4062 (toll-free)  <a href="http://www.vwbc.org">www.vwbc.org</a></p>	<p>A nonprofit which assists women who are starting or growing their businesses by providing resources, training, and networking opportunities for women state-wide to achieve business success, including: one-on-one business assistance, classes and workshops, networking events, and a business lending library.</p>

## National Agencies and Organizations

<p><b>Business Alliance for Local Living Economies (BALLE), San Francisco</b> (415) 255-1108 <a href="http://www.livingeconomies.org">www.livingeconomies.org</a></p>	<p>An alliance of businesspeople around the US and Canada who join local BALLE networks dedicated to building local living economies. The BALLE mission is to catalyze, strengthen, and connect these local business networks.</p>
<p><b>Business for Social Responsibility, San Francisco</b> (415) 984-3200 <a href="http://www.bsr.org">http://www.bsr.org</a></p>	<p>Features a social responsibility resource center with information about companies and organizations active in creating quality workplaces. BSR is a national membership organization, so additional resources, including a model employee manual and collected “best practices,” are available to BSR members.</p>
<p><b>Employee Benefit Research Institute</b> (202) 775-6356 <a href="http://www.ebri.org">http://www.ebri.org</a></p>	<p>A not-for-profit research organization that compiles information and offers publications on benefit options and trends by industry, size of business, and job classification. Useful for benchmarking your compensation package with others in your industry.</p>
<p><b>Families and Work Institute</b> (212) 465-2044 <a href="http://www.familiesandwork.org">www.familiesandwork.org</a></p>	<p>Features an extensive catalog of publications as well as lists of other resources. Also includes survey results from the Institute’s nationally recognized research. See in particular “The Changing Employer-Employee Contract: The Role of Work-Family Issues.”</p>
<p><b>Internal Revenue Service</b> (800) TAX-FORM (829-3676)</p>	<p>Provides publications useful for small employers and their employees: 334: Tax Guide for Small Business 503: Child and Dependent Care Expenses 524: Credit for the Elderly or the Disabled 596: Earned Income Credit</p>
<p><b>National Association of Child Care Resource and Referral Agencies (NACCRRA)</b> (202) 393-5501</p>	<p>A national nonprofit organization that supports the improvement of child care systems that will work for families and communities. Services and programs empower community stakeholders at state, regional and national levels to build a supply of quality child care services that offer the necessary capacity and affordability for all parents. An important resource for national data and trends on issues related to child care.</p>
<p><b>US Department of Labor</b> <a href="http://www.dol.gov">http://www.dol.gov</a></p> <p><b>Bureau of Labor Statistics</b> <a href="http://stats.bls.gov/bls/home.html">http://stats.bls.gov/bls/home.html</a></p>	<p>This department is a source of information on federal laws and regulations affecting the workplace, from overtime pay calculations to pension fiduciary obligations. BLS collects and maintains labor force and industry statistics; for example, the number of women in the workforce with school-age children, or the percentage of employees nationally who have flextime scheduling on the job.</p>

## National Agencies and Organizations (continued)

<p><b>US Secretary of Health and Human Services</b> www.hhs.gov</p>	<p>This is a basic resource on national policies and programs to create a healthy society. Includes sections focusing on health care/insurance, dependent care (both children and elders), worksite wellness programs, subsidies and financial assistance for special needs individuals, and links to other federal information such as the Department of Labor’s flextime scheduling data.</p>
<p><b>WFD (formerly Work Family Directions)</b> www.wfd.com</p>	<p>WFD, a consulting firm, offers an online “toolbox” that includes research findings, papers and case studies on work-life issues and news.</p>
<p><b>Work &amp; Family Connection</b> www.workfamily.com</p>	<p>A comprehensive, easy-to-use site offering a wealth of information on work/family/life issues. Included are profiles of “model” companies, summaries of studies, trend reports, and a sample from a “Work/Life Encyclopedia.” A work/family forum facilitates answering questions and participating in discussions, and a well-designed directory offers links to other sites on everything from state programs to shift work.</p>

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