

# Guild

The bottom line  
of investing in  
employees

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# Executive summary

Guild helps employers provide education, skilling, and career mobility to their workforce. For years Guild has been measuring the positive returns these investments deliver for employers.<sup>1</sup> What those early measurement studies did not fully articulate is how the financial value can be translated into strategic value. Hard cost savings from factors like improved employee retention can fund human capital investments employers need to make — such as fostering career mobility and creating a culture of opportunity.

This paper shares what Guild has learned about measuring the value of employee education and skilling investments in different economic contexts, across a diverse set of industries, and as the platform has evolved to support career mobility.

## Investment is optimized by



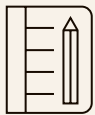
Allocating spend to the populations that benefit from it the most — employees without an existing Bachelor's degree — which amounts to 73% of spend for Guild employer partners.



Offering a relevant and high quality network of programs that are set up to help working adults succeed.



Providing coaching supports to improve learner outcomes, such as a 21% higher first year persistence rates in Bachelors programs for Guild's coached learners.



Recognition of college-level credits earned through formal corporate training.

## Guild investment outcomes:

- **ROI results:** Employers see an average \$3 savings for every \$1 invested through Guild.<sup>2</sup> The savings from employee retention is consistently more than enough to cover the investment. This gives employers the freedom to focus on other employee outcomes, such as mobility into hard-to-fill roles and employee engagement, which in turn drive stronger retention!
- **Member halo effect:** Though only 5-15% of employees typically enroll in Guild programs, employer partners see up to 50% of employees using the platform for career development resources, coaching, and/or exploration of educational programs. In mature programs, 26% of new learners initially created their account with Guild over a year prior to enrollment.<sup>3</sup> During this several month period employers benefit from extended tenure among a large population of engaged employees, before cost is incurred.
- **Mobility impact:** Guild learners have a 2.2x higher likelihood of internal mobility compared to employees who are not engaged with the benefit.<sup>4</sup> This talent pipeline helps employers fill in-demand roles while also supporting employee goals. 83% of surveyed Guild members cite career advancement as a motivator to enroll in a new learning program.<sup>5</sup>
- **Retention gains:** Across several employers and industries, employees enrolled in an education program were 50% less likely to separate from the company in 2022 than non-engaged employees, and members who engaged with the platform were ~30% less likely to separate.<sup>4</sup>
- **Attracting talent:** Employers have found as many as 50% of applicants and new hires cite the Guild education benefit as a reason for joining the company.

# Key definitions

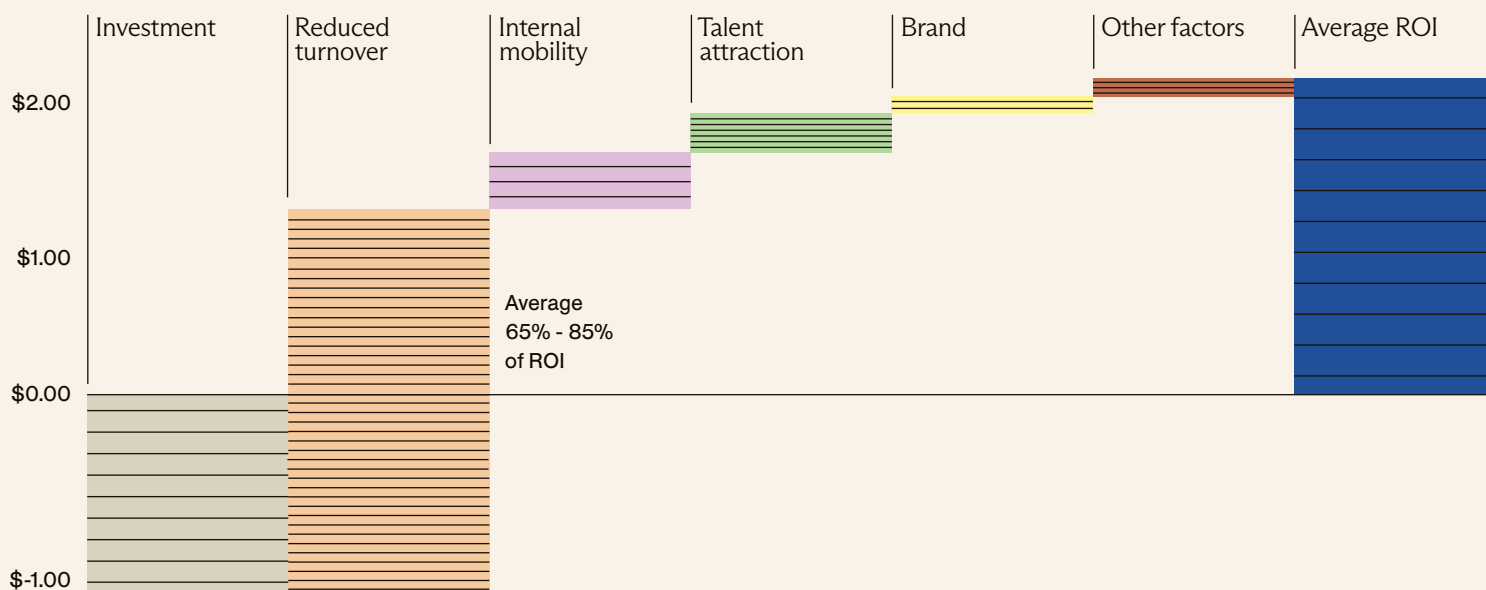
- **Eligible employee:**  
An employee whose company offers the Guild benefit. If they have not yet engaged with the Guild benefit, they may be referred to as a “non-member”.
- **Member:**  
Any employee who engages with the Guild platform. This includes creating an account, accessing career mobility resources, exploring the catalog, applying to a program, and/or talking to a coach. For the purposes of ROI measurement this population excludes Learners.
- **Learner:**  
An employee actively enrolled in at least one learning program through their employer’s Guild benefit.
- **Learning Marketplace:**  
Guild’s marketplace of partners selected for their ability to deliver outcomes for working adults. The Learning Marketplace leverages program level curation and pathways, deep technical integrations with consistent data sharing, seamless payment facilitation, and full lifecycle member coaching and support.

# Context

Through Guild, employers provide employees access to education, skilling, and career mobility through the Guild Career Opportunity Platform™. Guild partners with these employers to measure the impact of their investment. This measurement encompasses metrics that can be translated directly into financial impact, such as reduced employee turnover and an upskilled internal talent pool, as well as the less quantifiable impact of employer brand and creating what we call a “culture of opportunity.”

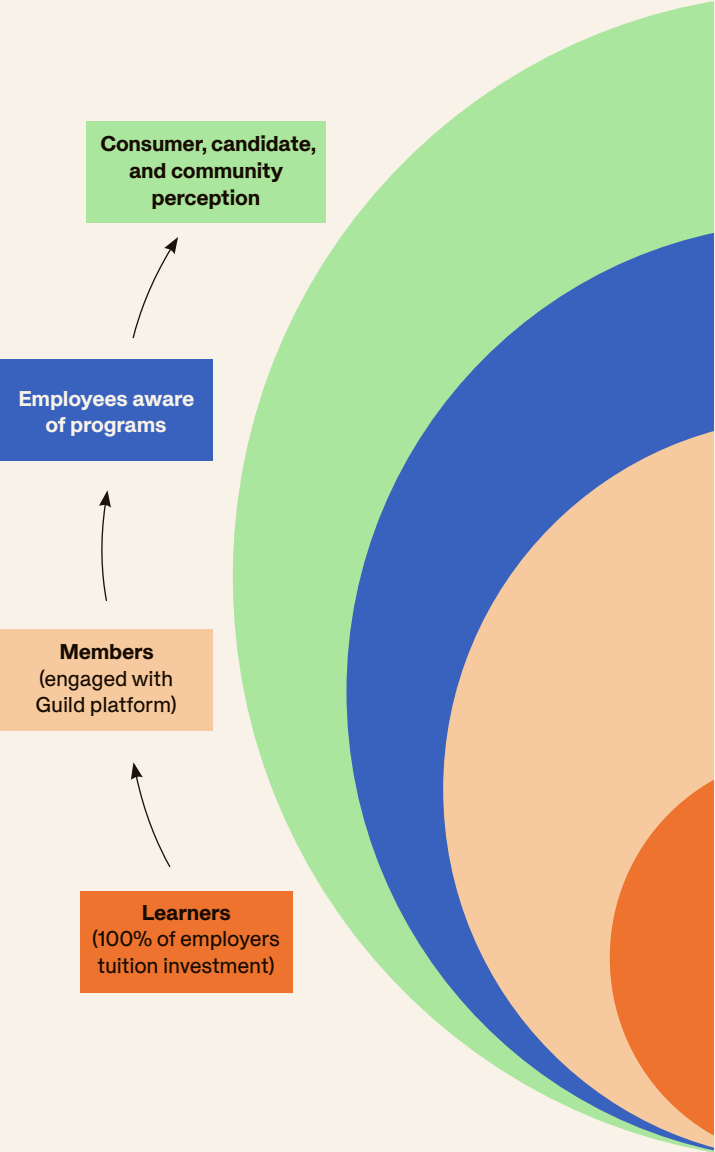
On average, employers see **\$3 in savings for every \$1 invested through Guild.**<sup>2</sup> The average distribution of value by component is below, though this can vary across industries and program maturity.

The purpose of this document is to help employers who currently offer education, skilling, and career mobility benefits — as well as those who are considering adding these benefits — to understand the potential outcomes and plan for how to measure success.

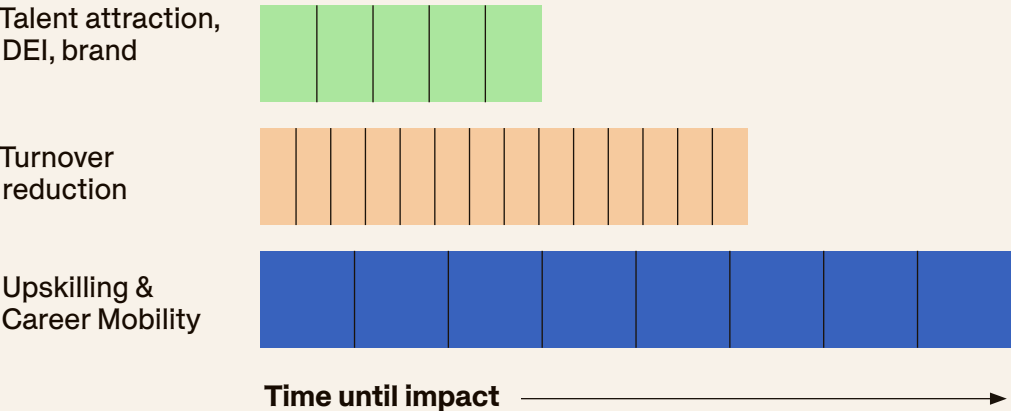


How do we measure ROI? First, let's look at two important dimensions: population and time. Consider the populations these investments impact. There is highly quantifiable value realized among the employees actively enrolled in a program, which we refer to as learners. This population tends to be much more likely than their peer group to experience internal mobility and retain at the company. The impact among this group is the most direct; they engage in learning and career planning that can accelerate their path to opportunity. However, it is important to consider the value being realized among employees who have explored the platform, used the available support services, or are just aware it exists. We find that this group's desire to utilize career development resources or enroll in the future makes them also more likely to retain. Finally, consumer, candidate, and community perceptions can be influenced by an employer making a public investment in employee development.

Now, let's consider program maturity over time. The ways in which the program delivers the most savings and business impact will evolve over time. The initial program launch can spur a significant amount of brand value and talent attraction due to marketing and media coverage opportunities. Once employees start to explore and enroll in programs, the employer will see these populations diverging from their peers in turnover statistics. In the long run, value builds from these learners gaining skills, realizing career mobility, and helping the employer address hard-to-fill roles with an internal talent pipeline. We'll dive deeper into how these individual components are quantified.



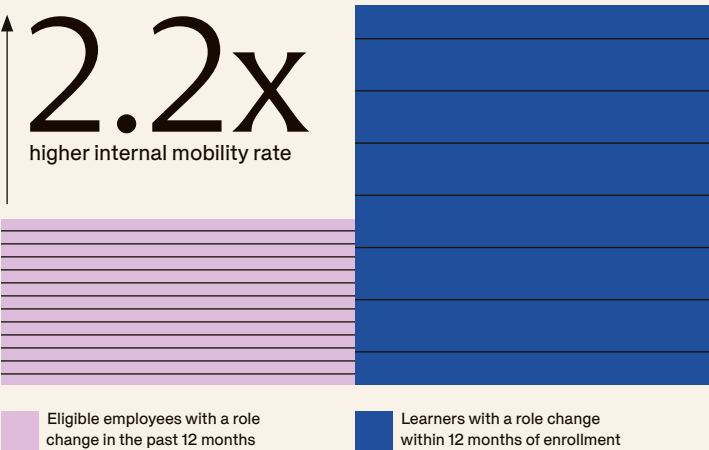
**Value levers**



# Career mobility

While retention tends to drive the largest dollar impact, let's start with what is often the end game for employers: achieving a culture of opportunity and the significant efficiencies that come from developing talent and filling roles from within.

A culture of opportunity is fueled in large part by a company's investment and infrastructure that enable all employees — especially those from traditionally marginalized populations — to access pathways to meaningful careers and financial stability. One method to quantify this is internal mobility — the rate of individuals achieving promotions or significant function changes within the organization. Guild learners have a 2.2x higher likelihood of internal mobility compared to employees who are not engaged with the benefit.<sup>4</sup> This outcome is well-aligned to individual employee goals, as 83% of surveyed Guild members cite career advancement as a motivator to enroll in a new learning program.<sup>5</sup>



## Why does this matter for ROI?

Filling roles internally fosters a culture of engagement, retention, and loyalty.<sup>6</sup> Most companies recognize that it is also more cost effective than external hiring. This is due to reduced costs for talent acquisition, onboarding, and external wage premiums such as signing bonuses. Internal hires will have a faster ramp to productivity and promote cross-functional knowledge sharing.

For roles that are more difficult to fill, internal hiring leads to even greater savings. These roles often require a specific skill set, which reduces the potential talent pool. As a result, those roles tend to have a longer time-to-fill, utilize a larger share of recruiting and marketing resources, and have a bigger impact on productivity when they cannot be filled. In the tight labor markets of 2021-2022, costs incurred waiting for roles to be filled became a particular pain point, so this variation matters.



# Mobility Examples and the spectrum of economic opportunity

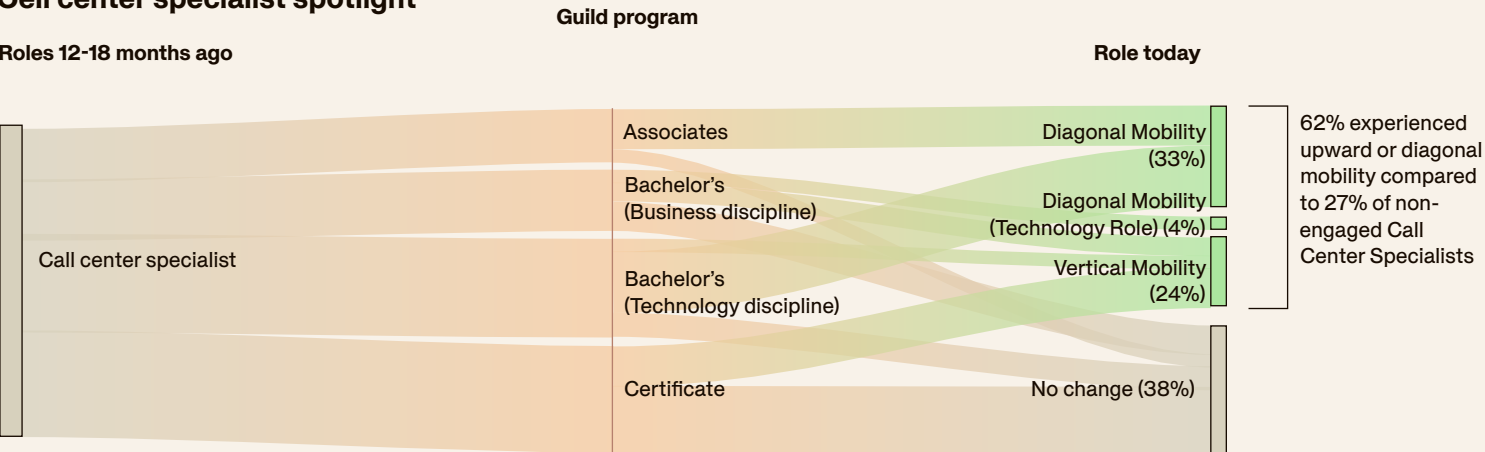
Not all role changes are created equal from the individual's perspective, either. Ideally an employer has job family architecture that allows them to distinguish lateral from upward role changes, and track movement into entirely new functions. At Guild, aligning job titles to Standard Occupational Classification allows us to evaluate categories of movement and quantify the magnitude of economic opportunity being unlocked. See the below examples of actual role changes observed among learners in the Financial Services and Healthcare industries. The individual has great opportunity for salary growth in roles requiring specific certifications, and there's higher savings for the employer when qualified candidates are in low supply.

Let's expand on the below example where a Nursing Assistant upskills and receives the credentials necessary to become a Registered Nurse with the same employer.

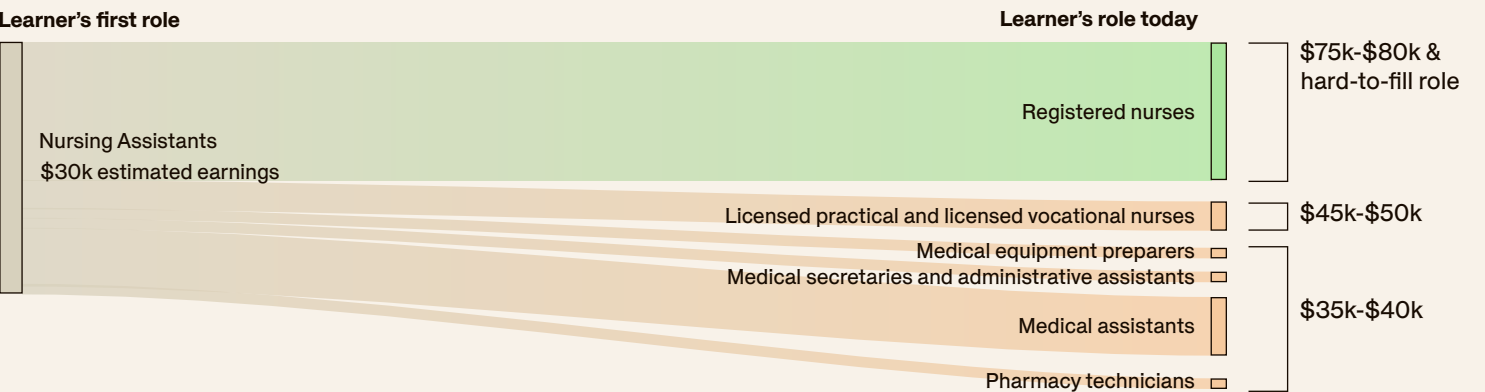
According to Nursing Solutions, Inc.<sup>7</sup> the average cost of a staff Registered Nurse turning over is \$46,100. Travel RNs are a frequent necessity to keep hospitals running when these roles cannot be filled, and it's estimated that for every 20 travel RNs eliminated, a hospital can save \$4.2M on average. While an employer might end up investing up to \$37K<sup>8</sup> in public institution tuition in order for a Nursing Assistant to earn their BSN, the employer is still coming out ahead by avoiding external hiring costs and reducing their vacancy rate.

A likely question is: how many employees and learners achieve these outcomes? Guild recently launched in the Healthcare industry, and one employer just 9 months after launch found that 40% of Medical Assistant Certificate graduates have transitioned into Medical Assistant Certified roles (as of Dec 2022). Typical starting point roles were Receptionist and Patient Service representative, meaning these individuals potentially achieved a median salary growth of 28%, based on Bureau of Labor Statistics data.

## Cell center specialist spotlight



## Nursing assistants spotlight



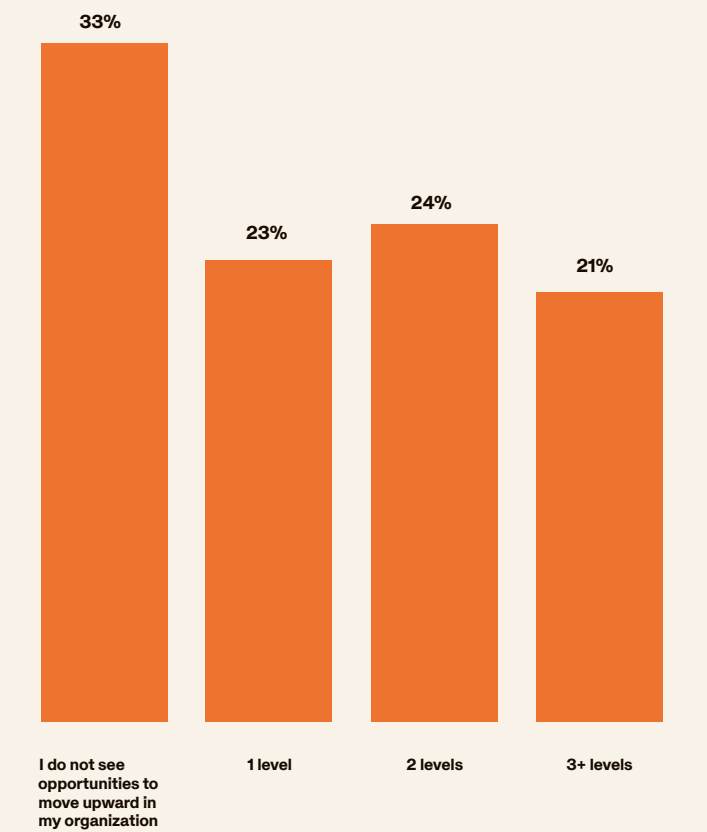
# How mobility drives culture and retention

Investing in employee upskilling and upward mobility also sends a message to employees that there is a culture of opportunity, further supporting the employer’s ability to attract and retain individuals motivated by gaining new skills and opportunities. Guild’s recent survey<sup>9</sup> of over 2,000 Americans revealed that workers are responding to economic uncertainty by prioritizing long-term growth opportunities and economic stability in their job. For instance, 72% of respondents consider education and training opportunities from their employer important (somewhat or very) to them. This is further validated by Pew Research<sup>10</sup>, which found that 63% of workers who quit a job in 2021 cited “no opportunities for advancement” as a reason. Seeing peers move into management positions and new functions can impact employee engagement and intention to retain, as individuals see pathways for themselves. Even better is when the employer is actively curating their program catalog to align to in-demand skills and providing guidance on what pathways could look like across functions.

Guild works with employer partners to create pathways that map out achievable advancement from entry-level to gateway to destination roles, and the skills needed to make that progression, whether that involves enrolling in an educational program or not. These pathways can help individuals achieve their career goals while helping the employer build a future-proof talent pipeline. Getting internal talent into these roles at scale also requires investing in the right processes, data, and employee supports. Guild helps ensure skills gained can be translated into mobility through services such as career coaching, career readiness tools, and providing graduate data to recruiting teams.

A recent HBS study<sup>11</sup> found that one third of low wage workers see no opportunity to move upward within their organization.

In my organization, I see a path forward for me to move \_\_\_\_ job levels upward.



Note: Percentages may not sum to 100% due to rounding

Source: “Upward Mobility of Low-Wage Workers in the U.S.” September-November 2020. Project on Managing the Future of Work, Harvard Business School.

# Employee retention

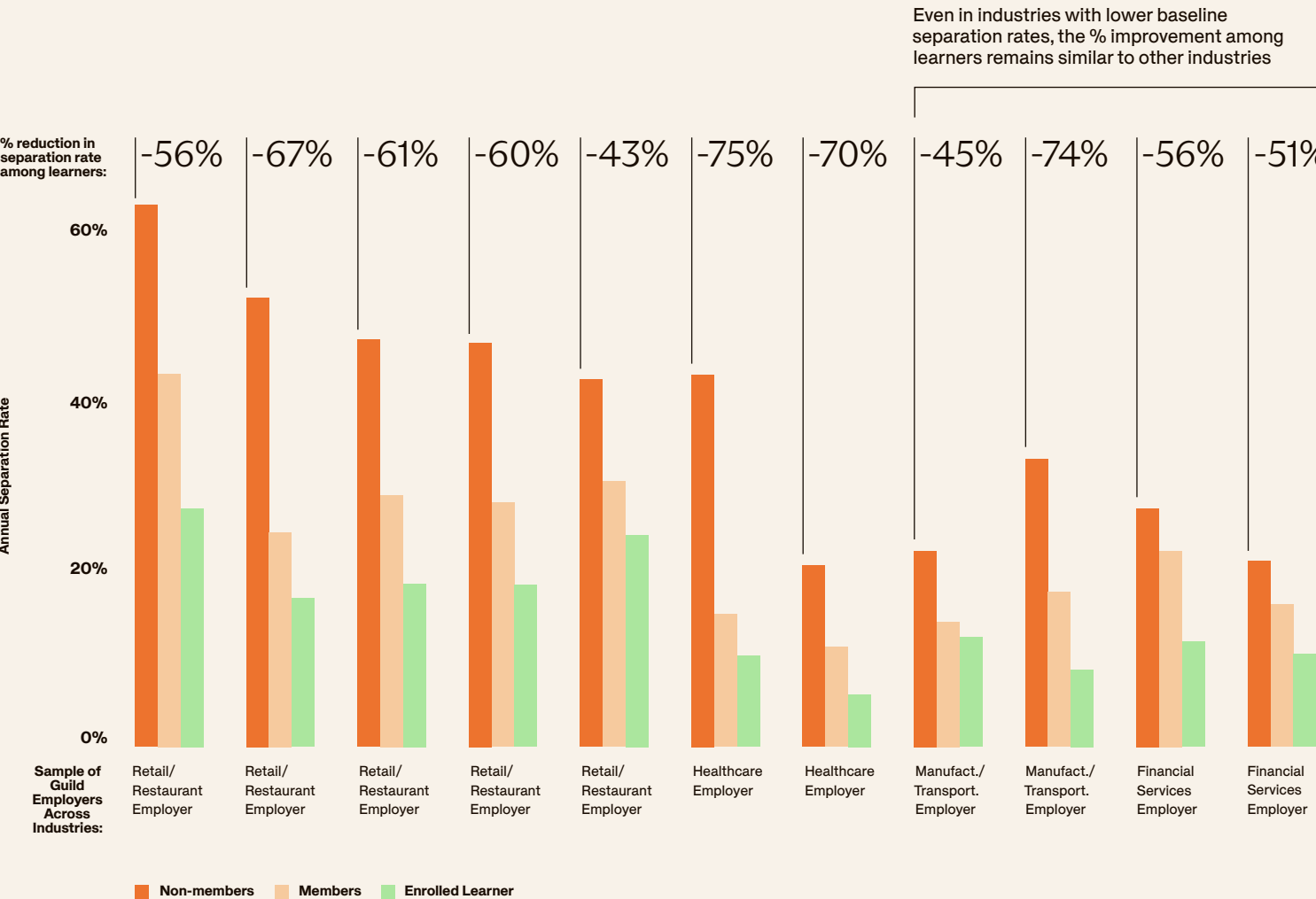
A primary benefit of offering differentiated employee benefits and a career mobility platform is being able to reduce employee turnover. When an employee observes an employer’s willingness to invest in their growth, they are far less likely to leave the company in the short term. If they’re actively taking advantage of education benefits, they’re even more motivated to retain eligibility until their educational goals are achieved.

Across all Guild employer partners, employees enrolled in an education program were 50% less likely to separate from the company in 2022 than non-engaged employees.<sup>4</sup>

We also consider members — employees who have engaged with Guild’s platform. These members may be leveraging job readiness tools and coaching resources to plan the next step of their career without deciding

to pursue an educational program. This population can represent as many as 50% of employees, so extending their tenure can make a difference in workforce stability for high turnover roles. We also know that there is a lag time in between an employee’s intention to go back to school and their first day of class. In addition to working adults needing to feel comfortable that they’re at a place in their personal and work life to be able to also balance school, there’s the time needed to decide on a program, submit an application, and wait for the next start date.

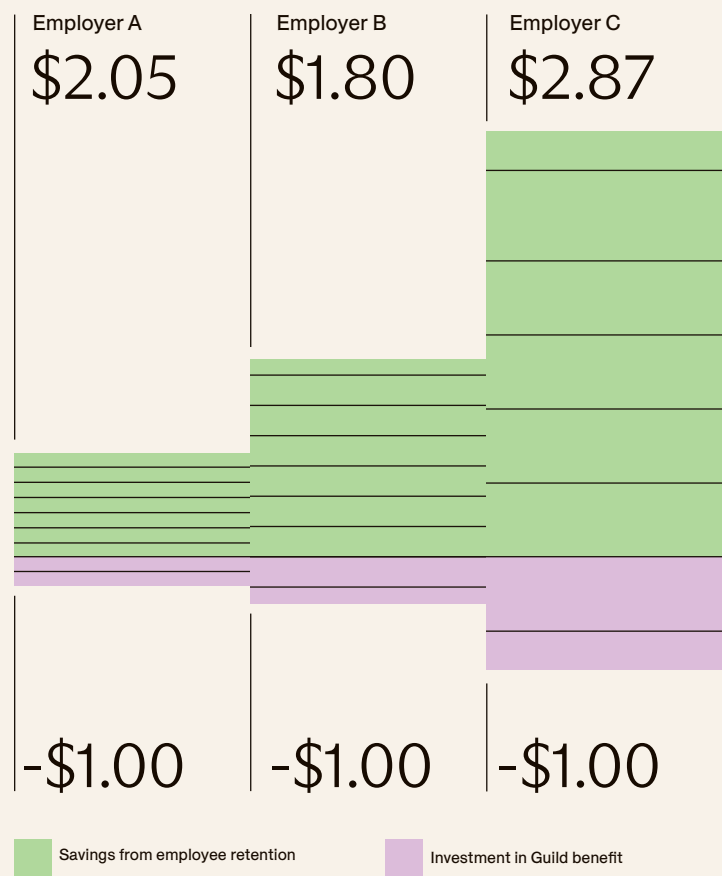
Guild finds that **even members who have engaged with the platform but not yet enrolled in any program are ~30% less likely to separate** than employees who haven’t had any interaction with the platform, and this is before incurring any cost to the employer.<sup>4</sup> The data below shows that while the separation rates for non-members, members, and learners may vary across different employers and populations, there’s a reliable percent reduction.



## Calculating \$ value of retention

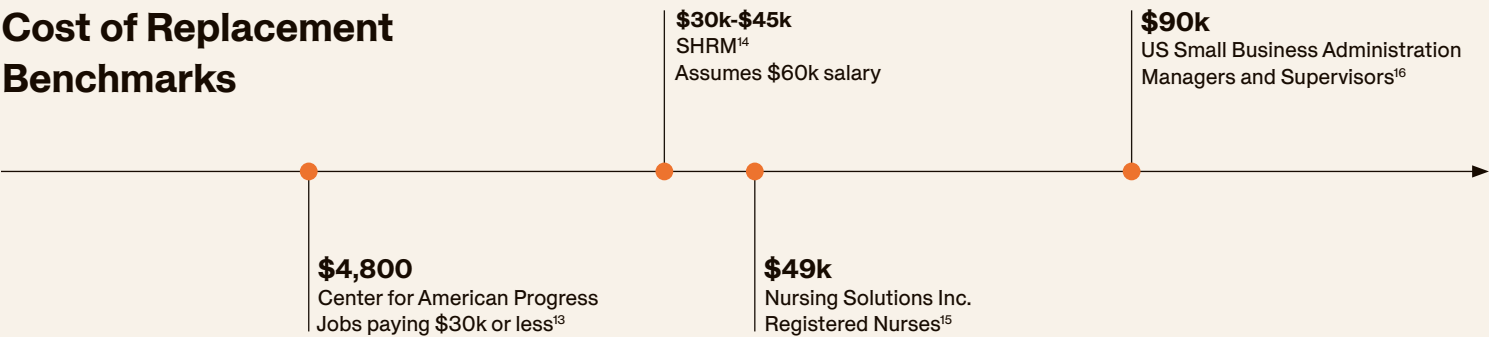
Once we create cohorts with similar job types and tenure and use these results to calculate incremental employees retained, a dollar value can be applied. Cost of turnover includes several hard costs such as recruiting, background checks, orientation, training, equipment, and premiums paid for temporary workers while the role is vacant. There are additional significant costs that are harder to measure at the individual level, such as reduced productivity while the new hire learns the role, reduced productivity from peer employees who have lower engagement or are overloaded due to the vacancy, or lost sales due to reduced customer service. SHRM estimates<sup>12</sup> it costs 60-90% of an employee's salary to replace them, though these estimates can vary greatly across entry level, management, and healthcare roles, as well as by methodology.

Many employers conduct internal studies to understand their cost of replacement and how that varies across different role types and levels. We have used these employer-specific inputs when calculating the ROI of education benefits and found that across industries the savings from employee retention substantially outweighs the investment.



**Examples:** Though the actual dollar values of these employers' investments has been blinded, the data below is kept to scale. This helps show that even across very different investment levels, industries, and typical cost to replace an employee, the value from being able to retain learners and engagers with education benefits exceeds the investment.

## Cost of Replacement Benchmarks



# Talent attraction

Another major factor in offering best in class employee benefits is being able to attract the best talent in the industry. Measuring the impact these benefits have on hiring often happens upstream of Guild, via surveys of applicants and/or new hires. Employers collecting survey data of this nature have found high proportions of applicants and new hires citing the benefit as a reason for joining. Another employer observed a measurable increase in applicant volumes following a campaign promoting the Guild benefit.

When survey data is not available, Guild also evaluates the volume of employees who are creating accounts with Guild very shortly after joining the company. This proxy measure indicates that the employee was likely aware of the benefit upon applying and it had the potential to impact their decision to join the company. Of all member profiles created with Guild in 2022, 39% were from employees who had <6 months of tenure with their current employer.<sup>3</sup>



## 39%

of Guild member profiles created in 2022 were from employees who had <6 months of tenure

### How exactly does this impact the bottom line?

A higher volume and higher quality pool of applicants can improve the efficiency of the hiring funnel. LinkedIn<sup>17</sup> found that employers with a strong talent brand spend, on average, 43% less to make a hire than employers without a strong brand. While we've already talked about reduced turnover among learners, building a strong talent brand can make backfilling the roles that do turn over even more cost efficient.



## Healthcare

# 52%

of surveyed new hires cited the education benefit as a factor in decision to join in Q1 of 2022



## Waste management

# 50%

of surveyed applicants in a 2021 hiring campaign cited free college tuition as a reason for joining



## Restaurant

# 46%

increase in job applicants in a 2021 campaign promoting the Guild benefit

# Employer brand

One critical requirement to realizing talent attraction benefits is ensuring populations outside of existing employees are aware the benefit exists. Particularly when a new program launches, it is a prime moment for an employer to promote its investment, dedication to upskilling its workforce, and desire for high rates of internal mobility to a broad audience. This builds the reputation of having a strong employee value proposition. Partners who prioritize a public announcement could benefit from hundreds of millions of organic media impressions, with the potential to improve consumer perception, talent brand, and program awareness among new hires.

In addition to the initial media splash of offering a new program to employees, employers benefit from the ongoing demonstration of commitment and progress on social responsibility.



# 100%

of Guild employer partners launched 18+ months ago incorporate the Guild benefit into their annual ESG/CSR reporting<sup>18</sup>

## Target



David Paul Morris | Bloomberg | Getty Images

Target [has pledged](#) to pay 100% of the tuition and textbook expenses for more than 340,000 employees pursuing an associate or undergraduate degree as well as other business certifications. Employees are eligible for the program starting on their first day of work and can choose from a list of more than 40 schools including the University of Arizona and Morehouse College.



PNC Bank will partner with Guild Education to offer a wide range of tuition-free educational ... [+] GETTY

PNC Bank, one of the largest banks in the nation, will provide [access to tuition-free education](#) and related career services for its employees through a just-announced partnership with [Guild](#), one of the nation's leading on-line education and upskilling platforms for employers.

## BECKER'S HOSPITAL REVIEW

**Education is key: How Bon Secours Mercy Health + Children's Hospital Colorado are retaining and upskilling staff with career pathway programs**

## Forbes

FORBES > LEADERSHIP > EDUCATION

**Macy's Will Pay For Its Employees' College Tuition**

# Diversity, equity, & inclusion

Another source of value for employers offering these benefits is creating opportunity for diverse populations. This is done by offering equitable payment modalities that remove financial barriers, presenting a variety of high quality and accessible programs, and identifying career pathways for entry level roles. At the highest level, to ensure a program is providing access to historically marginalized populations we can look at the demographic profile of learners. In Guild’s certified Learning Marketplace, that looks like:

- 75% have no prior degree beyond high school<sup>3</sup>
- 56% identify as a person of color<sup>3</sup>
- 50% report a household income <\$50K<sup>19</sup>
- 56% report child/caregiver responsibilities<sup>19</sup>
- 76% are age 25+ <sup>3</sup>

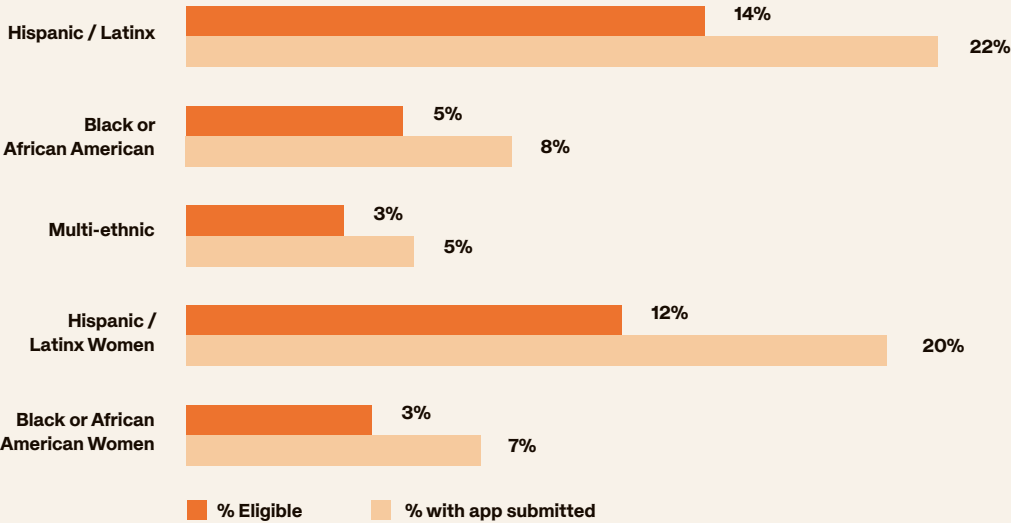
To evaluate if an education benefit is helping an employer achieve their DE&I goals, we must be able to also make a comparison to the overall employee base. This puts proper context around the learner population’s representation of historically underrepresented groups. As illustrated with the data below, an employer may look to course-correct on program awareness, targeted marketing, and catalog options if prioritized groups are not over-indexing in benefit utilization. UCHealth actively looks at this data, and their

Chief Diversity Officer, Dave Mafe, stated “When we look at the demographics, our Hispanic and Black employees are participating at almost twice the rate of their population within UCHealth. So, it’s been really exciting.”


As a program matures, analysis of program adoption can transition to learner outcomes. Are learners in each demographic population achieving promotion and salary outcomes at the same rates as their peers? Is the program helping close historical equity gaps? Guild employer partners have proven that it does. Walmart measured that Black hourly associates who participated in Live Better U were 88% more likely to receive promotions<sup>20</sup> than non-participants, while White associates were 80% more likely.

“[School] is something that would not have happened had I not had the financial help that Walmart brings”

Richard  
A Black associate at Walmart  
Guild Learner



Data above is illustrative



This data can lead to marketing strategies that raise program awareness among specific populations.

Segmenting by program type or discipline can reveal potential catalog optimizations or expansions aligned to serving diverse populations

# Optimizing investments

A key factor in ROI is of course the investment itself. This can be optimized by prioritizing the populations who will see the most impact, ensuring credit is earned for skills already acquired, offering programs where these populations are most likely to succeed, and providing ongoing support for learners.

- Guild enables US employers to reallocate formal education program spending from Bachelor's degree holders — 58% of US spend<sup>21</sup> — to those who benefit from it the most — employees without an existing Bachelor's degree — 73% of Guild employer spend. **100% of Guild employer partners offer programs to their frontline employees.**<sup>3</sup>
- Spend efficiency is gained when an employer is offering a relevant and high quality network of programs that are set up to help working adults succeed. Over 1800 programs are offered in Guild's Learning Marketplace across 96 fields of study, including preparatory programs like high school completion, college prep, and English language learning. Guild certified partners have a **24% higher part-time Bachelor's student completion rate** at selective schools and 13% higher completion rate at non-selective schools relative to the national average.<sup>22,23</sup>
- Ongoing support systems for working adult learners, such as Guild's coaching, optimizes investment by improving outcomes. For coached vs. self-serve learners, Guild sees **21% higher Bachelors program first year persistence rate** and **49% higher on-time graduation rate in non-degree programs.**<sup>22</sup>
- To help employees get a head start on earning a credential and potentially save tuition dollars, some employers partner with Guild to offer Credit for Training. This is the recognition of college-level learning as delivered in the form of formal corporate training. Guild helps facilitate the evaluation and approval process with select learning institutions. Where available, there is an **average \$1,900 potential savings per training through Guild's Credit for Training program.**<sup>3</sup>





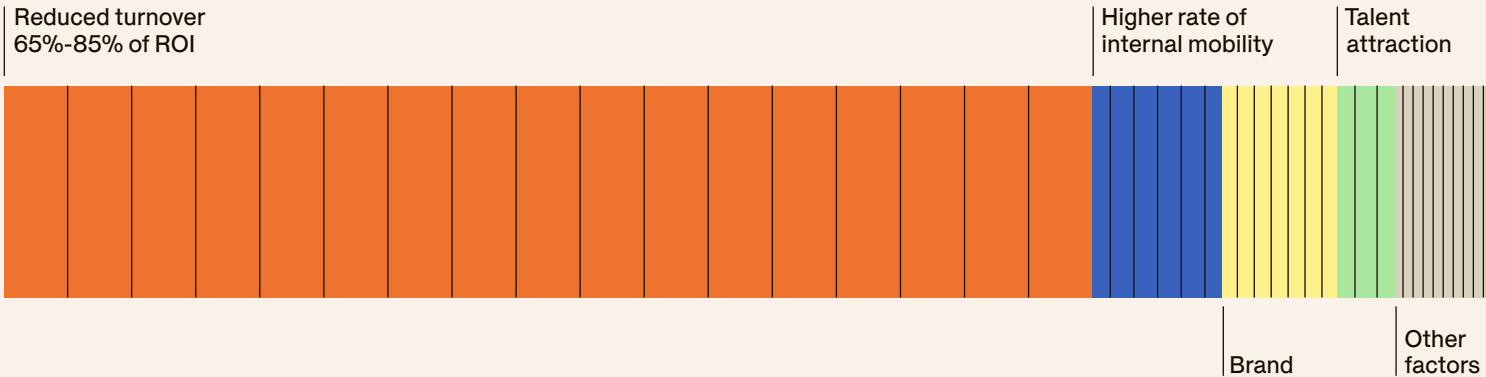
# Putting it all together

On average, employers see \$3 in savings for every \$1 invested in education and reskilling through Guild. These analyses are conducted in partnership with an employer, typically 18-24 months after the program launches. This lag time is necessary so members not only have time to explore the platform, utilize career readiness resources, and/or enroll in a program, but also enough time to diverge from their peers in key metrics like turnover and promotion rates. Guild collaborates with employers to customize the components and critical assumptions, such as cost of replacement, to ensure the studies align to the nuances of their employee population and how success is measured internally. While no two programs or analysis methodologies are identical, ROIs have ranged from 100% to 600%.

Reduced turnover tends to represent 65%-85% of the ROI, which is a function of:

- Consistently positive impact of reskilling benefits on employee retention
- Retention halo effect on employees engaging with the platform
- Interaction effect of higher promotion rates and a culture of opportunity also driving retention
- Reduced turnover being easier to quantify than factors like Brand and DE&I impact

Measuring the impact of these investments is not only important to demonstrate the effect on an employer's bottom line, but can help business leaders articulate outcomes, optimize program strategy, and recognize the opportunities being created for employees.



## Citations

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Guild helps Fortune 1000 employers align their workforces with the economy of the future through thoughtful education benefits programs designed to attract, retain, and advance talent. To learn more, visit [\*\*guild.com\*\*](https://guild.com).

# Guild