Case Study April 2021

Employer Resource Networks (ERNs)

Summary

ERNs are consortia of small- to mid-size businesses that pool resources so they can provide workforce supports to their employees—especially entry-level and low-wage employees—to remove employment barriers and improve employee retention. Success coaches are critical to the ERN model and serve as on-site case managers for employees. They can connect employees to local resources, nonprofit organizations, and public agencies or can be a resource themselves by providing guidance on any challenge that might affect someone's ability to work. By offering supports that enable employees to retain and advance in their jobs, ERNs also benefit the member businesses by strengthening their workforce and ultimately increasing their bottom line.

Funding source

Member employers invest in the ERNs by purchasing shares of the ERN. Their investments finance the ERN's annual budget. The number of member employers and annual budgets vary. On average, in Michigan, an ERN's annual budget is around $75,000 (2020 dollars). The actual amount member employers invest depends on how many shares they want to purchase. The cost of a share depends on the specific context of the ERN, such as the number of member employers, local cost of living, and number of success coaches in the ERN.

Each ERN determines its own cost structure, but commonly used structures include the following: a flat-fee structure in which every member employer pays the same amount, a tiered flat-fee structure in which member employers' fees are based on the share of time that success coaches spend on site, or a use-rate fee structure that charges member employers based on the percentage of success coaches' time they use.

ERNs usually receive start-up funding for their first year from grants, donations, or government subsidies for a portion of the membership dues. After the first year, member employers must cover the full operating costs.

What are case studies?

Case studies provide practitioners with information about innovative interventions that states, counties, community-based organizations, or other entities are undertaking to improve employment outcomes for TANF participants and other individuals with low incomes, especially public assistance recipients. **Case studies cover interventions not included elsewhere in the Clearinghouse because they have not yet been rigorously evaluated.**

Services provided

Case management; Employment retention services; Training *(Soft skills training)*; Work readiness activities *(Employment coaching)*

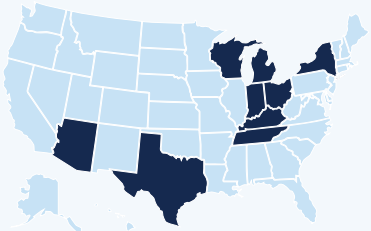
Populations served

The focus of ERNs is to support entry-level and low-wage employees—many of whom receive public assistance; however, services are available to all employees of ERN member companies.

Setting

Implemented in multiple settings (urban and rural)

As of April 2020, there are 30 active ERNs in the following nine states: Arizona, Indiana, Kentucky, Michigan, Ohio, New York, Wisconsin, Tennessee, and Texas. Presently, ERNs are under development in Nevada, Minnesota, Florida, Pennsylvania, and Massachusetts.



Year first implemented

2008 (ongoing at the time of data collection)

The bulk of the operating costs (about 85 percent) for ERNs are for salaries and benefits for success coaches. Technical assistance and licensing account for about 5 percent of the cost. The term "ERNs" is a registered trademark, and lead organizations must be licensed with ERN USA; also, licensed lead organizations offer technical assistance for developing and implementing ERNs alongside ERN USA. General administration of the ERN accounts for about 10 percent of costs.

Intervention description



The main goal of ERNs is to boost workforce retention by helping remove or mitigate any barriers preventing employees from succeeding and excelling in their jobs, primarily by connecting them to success coaches. The success coaches serve as case managers and help employees strengthen work-based skills and life skills, as well as navigate daily challenges that affect their performance at work. Success coaches can assist employees themselves or can connect employees to other organizations. A success coach might help employees with communication skills, conflict resolution, or financial education. They might help employees navigate situations in their personal life such as communicating with the IRS or with a utilities provider if issues arise. They also connect employees to government or social services agencies, including those providing resources regarding food assistance, domestic violence, mental and behavioral health, GED and language classes, and free income tax preparation, among others. Success coaches split their time among member employers, offering services on-site at each employer's location. Success coaches also can meet employees off-site in public places and at alternate times to accommodate different shifts. Small- to mid-sized member employers often are unable to pay for success coaches or similar resource-intensive services on their own. By forming an ERN, employer members can share the costs of these services among the consortia of network members.

ERNs have the potential to benefit employees and employers. For employees, particularly the population of entry-level or low-wage workers, access to community supports can offer stability, particularly if personal or family challenges affect their capacity to hold a job. In turn, decreased job turnover rates and increased worker productivity can boost member employers' bottom lines. Because member employers pay fees to the ERN and essentially are purchasing shares of success coaches' time, they are considered both customers and investors in the intervention.

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Research on intervention to date



This intervention has not been rigorously evaluated for effectiveness. There have been no standardized evaluations of the effectiveness or impacts of ERNs. ERN USA does track data on key performance indicators. In its 2018 Annual Report, ERN USA indicated that the networks in Michigan, Ohio, Indiana, and New York served 5,668 employees and their families and completed more than 14,000 service requests. The report identified coaching as the number one service need among employees, followed by financial education and housing.

A 2012 policy brief from the Upjohn Institute for Employment Research, the Ford Foundation, and Disruptive Innovations for Social Change explored broader themes and preliminary takeaways regarding what creates a successful ERN through interviews with 13 representatives from 6 ERNs in west Michigan. These interviews suggested that the optimal number of employers constituting an ERN is between 5 and 10. Fewer than 5 employers might not achieve cost-effectiveness or adequate economies of scale, and a group of more than 10 employers introduces potential challenges related to balancing various employer members' interests, such as ensuring smaller employers' needs are not eclipsed by those of larger employers. Additionally, having more employers in an ERN means there are more interested employees, which could require investing in hiring more success coaches.

The interviewers also asked respondents about the geographic proximity of member employers. Although ERNs need to have enough members to achieve scale, a large geographical expanse can be inefficient for and impede access to success coaches. In a similar vein, respondents said having a success coach schedule regular time on-site at the workplace helped increase access and built trust among employees that they could regularly stop by and discuss an issue.

Case study information sources

The primary sources of information for this case study were reports, briefs, and other materials available through the ERN website and elsewhere on the Internet. The "More information" section below provides references for these materials. The Pathways Clearinghouse identified these materials and drafted the case study in spring of 2020. The Pathways Clearinghouse shared a near-finalized draft of the case study with ERN-USA and incorporated revisions for accuracy and completeness. For more information about the methods for selecting and developing the case studies, please see the Protocol for Pathways Clearinghouse Case Studies.

More information



More information on this intervention is available from the following resources:

ERN USA (2020). The model. Available at https://www.ern-usa.com/model.aspx.

Hollenbeck, Kevin, George Erickcek, and Bridget Timmeney (2011). An assessment of the BC CAREERS Employer Resource Network: Its contributions to the ERN model, Kalamazoo, MI: Upjohn Institute. Available at https://www.ern-usa.com/blob/site-files.ashx?ID=3.

ERN USA (2018). Key performance indicators. Available at https://www.ern-usa.com/blob/site-files.ashx?ID=15.

Khemani, D., and M. Mack (2018). Expanding employer engagement: A guide to developing & sustaining an Employer Resource Network, Oakland, CA: Social Policy Research Associates. Available at https://www.spra.com/wordpress2/wp-content/uploads/2018/11/ERN-Implementation-Guide-Final.pdf.

Mandsager, N., and J. Saccocio (2016). Employer Resource Networks: Improving job retention through private-public partnerships, Policy & Practice 8–10, 28–29. Available at https://www.ern-usa.com/blob/site-files.ashx?ID=10.

Derr, Michelle, and Pamela Holcomb (2010). Issue brief: Employer Resource Networks, Washington, DC: Mathematica Policy Research. Available at https://www.ern-usa.com/blob/site-files.ashx?ID=1.

Mitchell, G. (2019). Employer Resource Networks offer valuable help to workers, LeadingAge 9(5). Available at https://leadingage.org/magazine/september-october-2019/Employer-Resource-Networks-Offer-Valuable-Help-to-Workers-V9N5.