



Guidebook

# 10 Best Practices

Learning Stipends  
that Deliver Results

## EXECUTIVE SUMMARY

As we shift out of the pandemic, employees are rethinking what really matters to them, and this is impacting who they want to work for. Flexibility of hours or location has become more important than what previously mattered - money, perks or titles. To stay competitive, employers plan to newly offer or expand at least one employee benefit, prioritizing the ones workers deem most essential. But knowing where to focus across the employee population can be hard.

One area that has universal applicability is learning and employee development. Employees seek learning to develop new skills and hone existing ones. Employees want to feel that the job they do is important to the success of the business and that the business is investing time and money in them to have the job done correctly, and at the highest level. Learning is only one half of the equation, the other half is the “reason” why employees are keen to learn - it is about the opportunity to grow inside the organization.

*In this guide, we offer best practice ideas from hundreds of conversations with leading organizations, that encourage both learning and internal growth aligned to employee and business needs.*



## INTRODUCTION

If you've ever conducted exit interviews, here's an oft heard dialogue:

**"Could you share anything about why you're leaving?"**

"The reason I've decided to leave is that I don't see a career path here. There are roles within this company that I'd like to grow into and I'm keen to learn, but this company hasn't supported my development or helped me identify what my next step should be. My new employer is committed to employee development, and that's really important to me."

### Employees want something different

The world of work has hit the reset button. Coming out of the pandemic, employees are rethinking what really matters to them, and this is impacting who they want to work for. A recent Prudential study says **26% of workers will be looking for a new job post-pandemic**. The latest edition of LinkedIn's Workforce Confidence survey shows that freedom and personal control feel much more vital, with 50% of respondents saying that flexibility of hours or location has become more important to them, compared to what previously mattered - money, perks or titles.

The Novak Leadership Institute surveyed more than 1,000 full-time employees between the ages of 21 & 34, and found that today's young workers care primarily about how they are treated by their managers in terms of "respectful engagement," and "autonomous respect".

**“THE GREAT RESIGNATION”**



**The Great Resignation:**  
Why Millions of Workers  
are Quitting their Jobs.

The Boston Globe

**‘The Great Resignation’  
is looming:** Why people are  
quitting jobs post-pandemic



Before you join ‘The Great  
Resignation’ and quit your job,  
here’s what you need to know

Bloomberg®

**Quit Your Job:**  
How to Resign after  
Covid Pandemic

AXIOS

**“Great Resignation”**  
Wave Coming for Companies

On the employer side, Care.com surveyed 500 human resource leaders and C-suite decision-makers, and found that almost all (98%) of the leaders plan to newly offer or expand at least one employee benefit, prioritizing the ones workers deem most essential, like learning opportunities, child and senior care benefits, flexibility around when and where work gets done, and expanded mental health support. It’s critical that employers really listen to what their employees need, because the things that matter to employees are changing fast.

**CREATE VALUE TODAY  
AND TOMORROW**

For employers, knowing where to focus across the employee population can be hard, but one area has universal applicability - learning and employee development. For example:



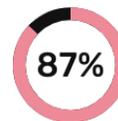
80%  
of employees said that  
some form of continuous  
learning ranked from  
“important” to “very  
important” to them.

SNACKNATION



68%  
of employees say  
employee training  
and development is  
the company’s most  
important policy.

CLEARCOMPANY



87%  
of millennials said  
development  
is important in a job.

GALLUP

According to a recent Learn In and Upskill.News report, the primary reason why employees seek learning is to develop new skills and hone existing ones. Employees want to feel that the job they do is important to the success of the business and that the business is investing time and money in them to have the job done correctly, and at the highest level.

But another advantage of investing the appropriate training in an employee, is that they will develop a greater sense of connection as they become more valuable to the company. **“Research suggests that people who practice continuous or lifelong learning are happier on average.”** Gallup research reveals that when employees—particularly millennials—are satisfied with the career development programs available to them, they are more likely to remain with an employer.



## IN GOOD COMPANY

### Wyzant

Wyzant offers employees \$2,000 per year in learning stipends. Andrew Geant, cofounder of Wyzant, believes learning stipends have proven effective at boosting employee retention and even improving Wyzant's recruiting capabilities in an increasingly competitive market.

**"In interviews, potential employees often cite the learning stipend as a top reason they applied". - Geant**

### Slack

Slack explains that employees receive \$500 annually towards a personal development opportunity of their choice and \$2000 annually for professional development.

### Webflow

Through Compt, Webflow offers a \$1,000/year learning and development stipend for their employees.

### Buffer

Buffer spends \$20/month on every employee learning in three main ways: Core learning, Stretch learning, and Holistic development.

### HelpScout

The Help Scout has a "Learn Something Stipend" where each employee is given \$1,800 to spend annually on learning.

### Balsamiq

Balsamiq gives their employees \$3,000/year to spend on books, classes, travel, accommodation and fees for attending conferences.

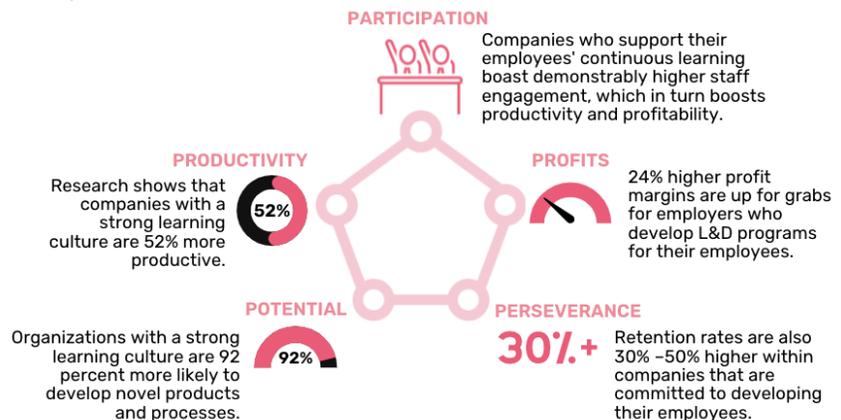
## OTHERS

Google, Boston Scientific, 1-800-Contacts, Raytheon, Degreed, Gong, Oracle.

# OUTCOMES NOT PING PONG

While ping pong tables and the latest healthy snacks might excite employees in the short term, investing in learning is a win-win for employees and employers alike - immediately and in the future.

According to Deloitte and Huffington Post reports, being able to grow in a position and feel good about the job they are doing is important to an individual, directly impacting how they perform, and their view of the organization:



# "LEARNING" IS ONLY A MEANS TO AN END

Learning is only one half of the equation, the other half is the "reason" why employees are keen to learn - it is about the opportunity to grow inside the organization. According to Gallup, Among millennials—who make up 35% of the workforce, the largest generational group—87% consider potential career growth and development opportunities important when considering a job offer. 68% of millennials who strongly agree they have had opportunities at work to learn and grow in the past year plan to be with their organization for at least another year.

From hundreds of conversations with leading organizations, we've captured 10 best practice ideas that encourage both learning and internal growth aligned to both employee and business needs:

## 1 Start Small for All

Many organizations allocate training budgets for departments or have a centralized learning budget for employees. This is a great source of funding for - a learning stipend - essentially a cash benefit for employees to pursue professional development, continuation, or even personal learning. You can start small for all employees, we've even seen a \$50 to \$100 per year per employee to begin with. This is money well spent (see idea 9 and 10 below).

## 2 Make Financing Flexible

Funding stipends don't have to be limited to one budget source. It is important to think laterally about where the source of funding could come from. Organizations source funds from other benefits line items (reducing one item in the kitchen for instance), from line-of-business budget (for example, reallocating discretionary spend), from the learning and development budget (reducing one or two in-person trainings), or, the most popular, tapping into traditional tuition assistance, optimizing it as only a handful of employees benefit currently.

Leading organizations are moving away from pre-purchasing 100s of licenses to one vendor that are underutilized by employees and aren't contextually relevant. This unlocks budget to reallocate into learning stipends and means budget is spent on learning that is used by employees.

## 3 Target Stipend Spend to Needed Skills

Learning stipends are a great way to understand which employees are passionate about learning. Armed with this information and knowing what skills are needed aligned to your strategy, you can then offer targeted incentives for specific programs, towards specific teams or individuals, or for completion of skills-building within a certain time period (see idea 7 for more on this). These incentives can be added on to an employee's learning stipend in a targeted way, to optimize the available development budget. If you offer a prepaid stipend credit card, this targeted process becomes even easier to manage and control.

## 4 Remove the Barrier of Reimbursement

For learning programs that require a budget in the hundreds or thousands, most companies rely on a reimbursement policy. This prevents employees from being able to participate, especially for various populations or entry-level employees. By offering a prepaid virtual card for the learning stipend, you instantly remove the barrier that exists when you require employees to pay upfront, with cash they may not have access to. Add strong management and controls to this process by setting stipend limits or only offering stipends for select skill-building programs.

## 5 Programs for Job-Ready Skills

Often companies provide lots of content that only a very few motivated learners engage with on a regular basis. Even when they do, most are gaining knowledge and not building skills. As shared earlier, it is important to think of the learning stipend as a means to an end - the end being career growth and internal mobility. So just giving everyone a budget for learning isn't going to be enough. Programs that are made available to employees within the given budget need to be designed to (1) uplevel learners with a new skill that would enable them to expand their scope of role, or (2) result in a promotion, raise, or career shift. Remember, offering a learning stipend empowers employees to learn but participation lifts when they also know what skills are needed to lift their job performance, or improve their internal mobility.

## 6 Consistency & Quality Matters

Learning stipends shouldn't be seen only as a perk or a benefit, rather, it is an opportunity to establish a "learning-first" mentality, while ensuring that the workforce is choosing to build skills in the areas where the business will need future capability.

Give employees choices of where they can spend their learning stipend, but carefully curate those choices based on a criteria of high quality and consistent material, whether that's subscriptions to MasterClass or Audible, to skill-specific bootcamps, university courses, or continued education. The value of this will be realized when you can say with confidence that every employee in the workforce has the chance to choose from only the programs that meet your organization's quality bar.

## 7 Encourage Learning Now Not Later

With the rapid digitization of every industry, the half-life of valued skills is shortening. Related to point 3, we found that many organizations not only select programs aligned to skill needs, but also add a time-bounded incentive to encourage faster completion, as well as approved learning time during work hours so more employees complete learning.

## **8 Ensure Skill-Building Completion & Success**

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## **9 Measure Outcomes of Every Learner**

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## **10 Beyond a Perk for Real Data-Driven Results**

Do learning stipends aligned to needs pay off? Yes, in two key ways. First, by letting learners have more control and own their development, there's a shift in the internal workforce mindset, and you're tapping into intrinsic motivation which converts into greater productivity. Second, as HR industry analyst Josh Bersin crunched the numbers in his article, Rethinking the Build vs. Buy Approach to Talent. He found that training existing workers costs two-thirds less than hiring a new employee, which amounts to a savings of \$116,000 per employee over three years. At a pure cost level, building skills from within pays for itself compared to replacing an employee.

Add the productivity gains and retention, and the benefits multiply. Keep these best practice ideas at the top of your mind as you think about the "why" of offering a comprehensive, needs driven, learning stipend to your workforce.

## **BENEFITS THAT GO BEYOND EVERY OTHER BENEFIT**

There is no doubt that employees are prioritizing flexibility, mental health, better work-life balance, and learning opportunities. You can rapidly move the needle for every employee by creating a sense of learning empowerment and confidence by providing accessible opportunities for internal growth. Apply the ideas outlined above, from the world's-best organizations, to reap these benefits:

### **APPLY THE IDEAS ABOVE TO REAP THESE BENEFITS:**

- Instantly lift morale and engagement
- Reduce churn, with less of your team looking outside for their next opportunity
- Attract better talent, as you'll have a competitive advantage in hiring
- Upskill your workforce through smart optimization of learning budgets aimed towards the skills that matter

The skills gap has been understood but not addressed by most businesses. The fear for many companies is that they spend time and money developing people, only to see them take those newly acquired skills to another company. However, research proves otherwise. So if employee morale, engagement, retention and capacity matters to your business, can you afford not to champion the cause for a learning stipend at scale?



Learn In helps companies establish talent academies that unify all the resources needed for building a highly skilled workforce.

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