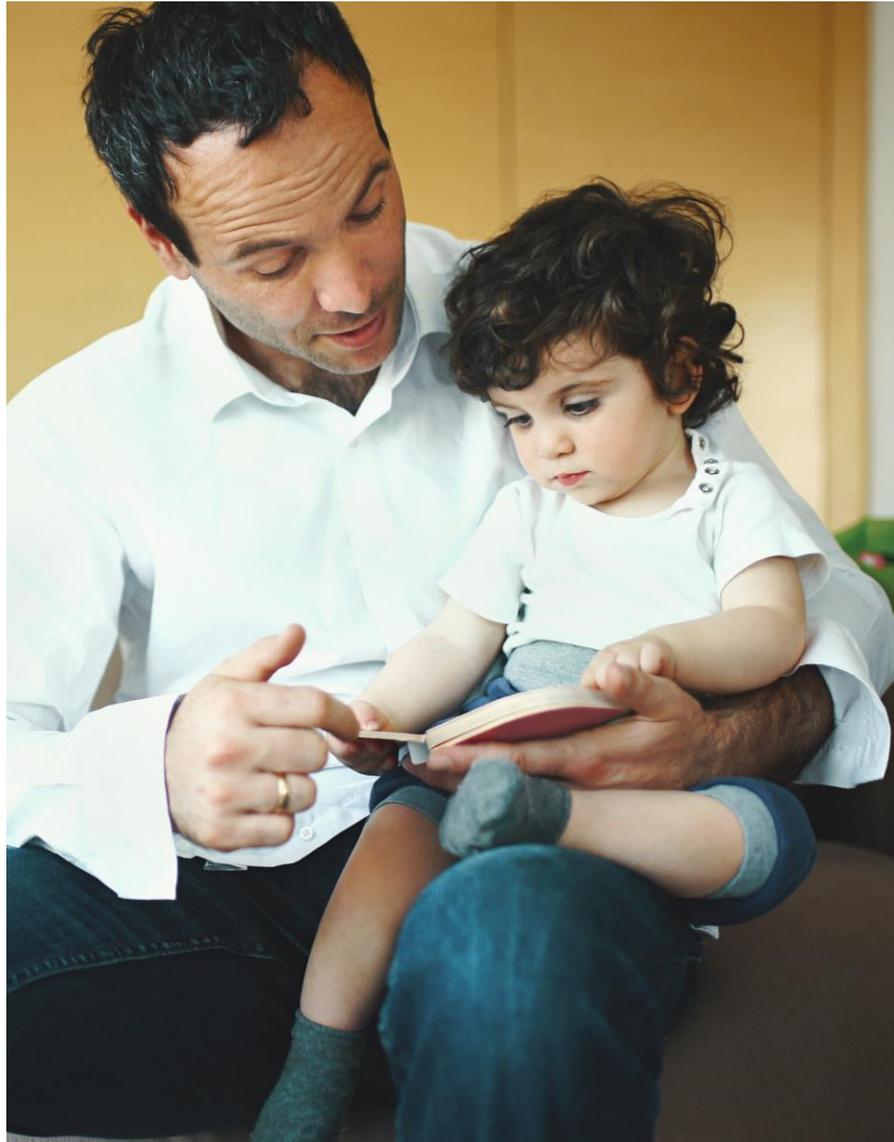




Nationwide Employer Survey Report

Commissioned by ALL IN – The Adult Literacy & Learning Impact Network



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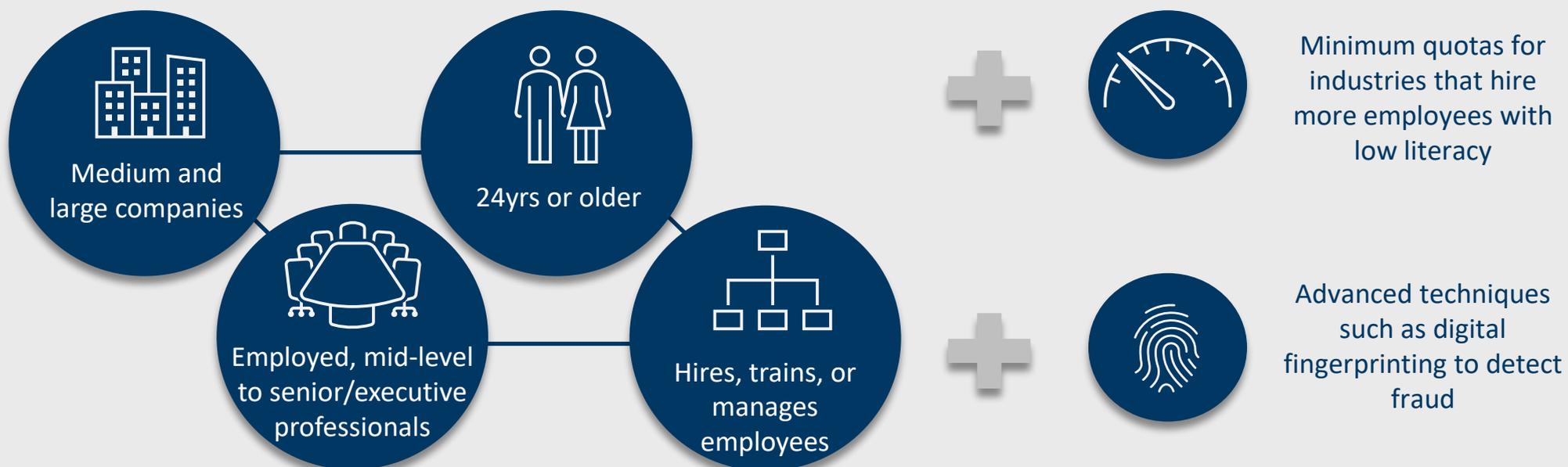


Executive Summary

Survey Methodology

FTI Consulting conducted the survey online between October 18th – 24th, 2023 among 500 employers across the United States to understand their perceptions of adult literacy as a national issue and inform ALL IN’s upcoming awareness-raising campaign.

In conducting the survey, FTI included a focus on industries that typically tend to employ more people who exhibit low English literacy than others, e.g., logistics & transportation, retail & consumer goods, wholesale & distribution, and food & beverage/restaurants, and that don’t require employees to demonstrate higher educational attainment, such as undergraduate or graduate degrees.



Removal of suspicious response patterns

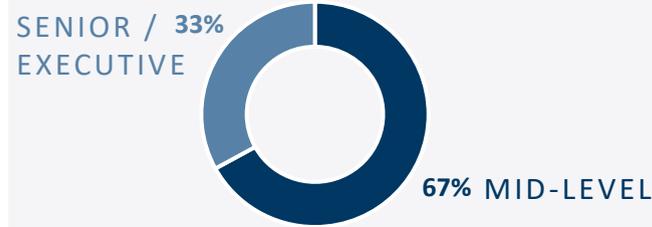
Careful review of open-ended responses

Removal of responses with contradictory answers

**Note: policy areas specializations can overlap*

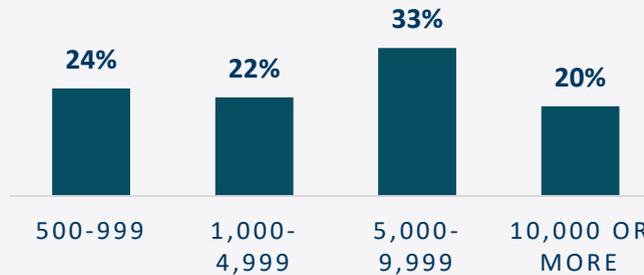
Demographics & Firmographics

ROLE/LEVEL



- 21% People of color
- 52% Women
- 48% Men

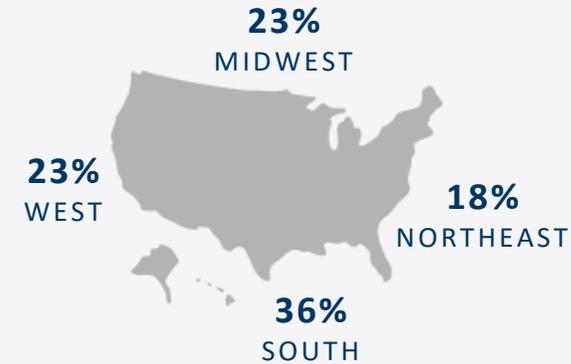
EMPLOYEES



JOB TITLE

- 20% Human Resources/HR Manager
- 15% Operations Manager
- 13% Recruiter/Hiring Manager
- 12% Store Manager
- 9% Warehouse Operations Manager
- 8% Sales Manager
- 6% Executive/C-suite
- 17% Other

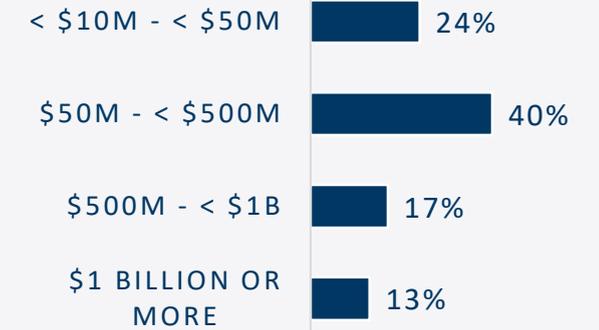
REGION



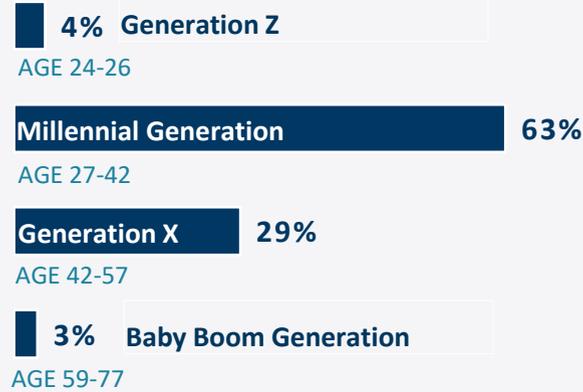
INDUSTRY

- 27% Food/Beverage/Restaurants
- 24% Retail/Consumer Goods
- 23% Logistics/Transportation
- 26% Wholesale/Distribution

REVENUE



GENERATIONS



KEY RESPONSIBILITIES

- 87% Training new employees
- 82% Managing people
- 68% Hiring new employees
- 43% Strategy planning
- 37% Managing budgets
- 32% Selling products
- 21% Marketing

Executive Summary



Low literacy is costing billions in revenue and holding back employee potential

Employers anticipate that, on average, low literacy will cost 4.7% of revenue over the upcoming 12 months. This translates to an estimated \$46 billion in lost revenue across the four industries surveyed.

The true total is likely even higher, as many employees with low literacy are not contributing at the level they could be with greater training.

Nearly 9 in 10 employers say that employees are unable to reach their full potential due to low literacy and 3 in 4 say low literacy directly leads to lower productivity.



Low literacy is cited as a widespread issue, impacting employee performance

Nearly all employers say that low literacy among employees is a problem, with 4 in 10 claiming that it is widespread.

To that end, most employers agree that low literacy affects team productivity, introducing challenges with communication, leading to greater turnover, and causing some employers to overcompensate.

Moreover, most employers cite at least one aspect of literacy as a challenge in hiring and training, and nearly 1 in 3 claim their employees do not have the minimum level of literacy required to effectively do their jobs.



Methods used to mitigate low literacy often don't address the core of the problem

While most employers offer some type of support for their employees with low literacy, the most common solutions are not the most effective (e.g., asking questions and assigning tasks based on skill level). These solutions are perceived to help in the short-term but introduce inefficiencies and impede career paths.

Helping employees achieve the skills they need is the best way to address the problem of low literacy. Most employers are open to providing training and are interested in partnering with other organizations to do so.



Messaging should be anchored on high quality work and developing employee talent

Employers recognize the many benefits that stem from addressing adult literacy - most notably higher quality of work and greater efficiencies. Developing and retaining talent is one of these important benefits, with competitive pressures from other firms or from navigating the talent pool reinforcing the need for employers to invest in skills training.

Among messages tested, those centered on high quality work and developing and retaining talent rose to the top as the most convincing to employers in encouraging them to increase funding.

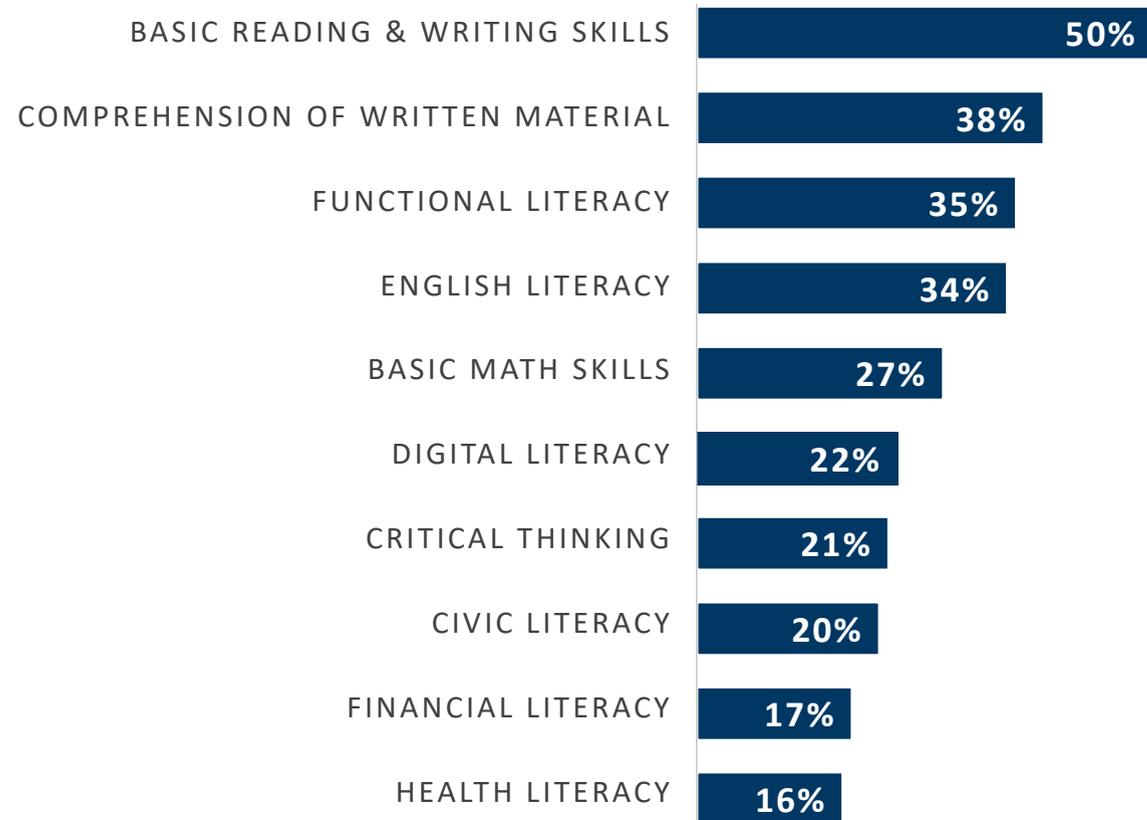


Employer Perceptions of Adult Literacy

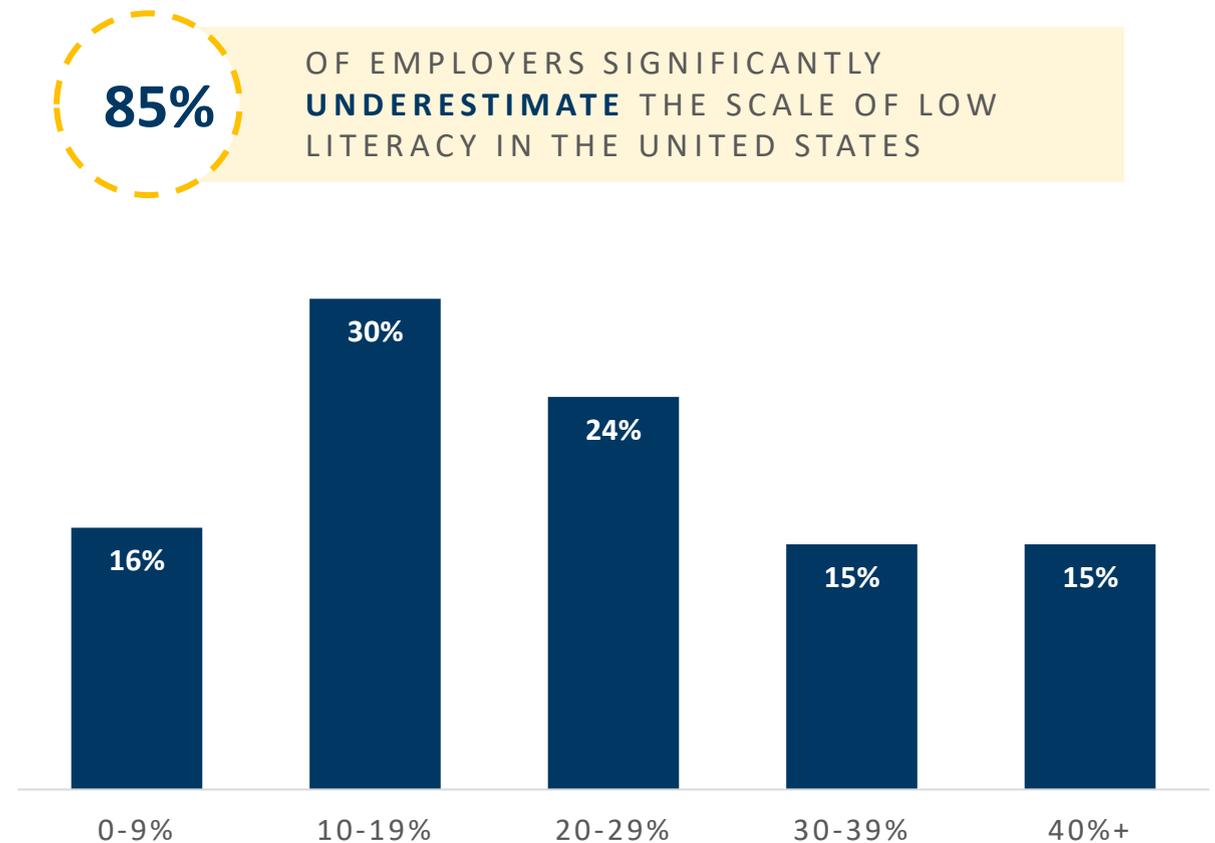
Employers significantly underestimate the scale of low literacy

There is significant variation among employers as to what “adult literacy” means. While half consider it to be basic reading and writing skills, a notable percentage consider elements broader than that. Moreover, most employers are underestimating the scale of low literacy in the United States.

PERCEIVED MEANING OF “ADULT LITERACY”



ESTIMATE OF THE SCALE OF LOW LITERACY



Q: Which of the following descriptions most closely matches what you think of when you see or hear the phrase “adult literacy”? Please select up to three (3).

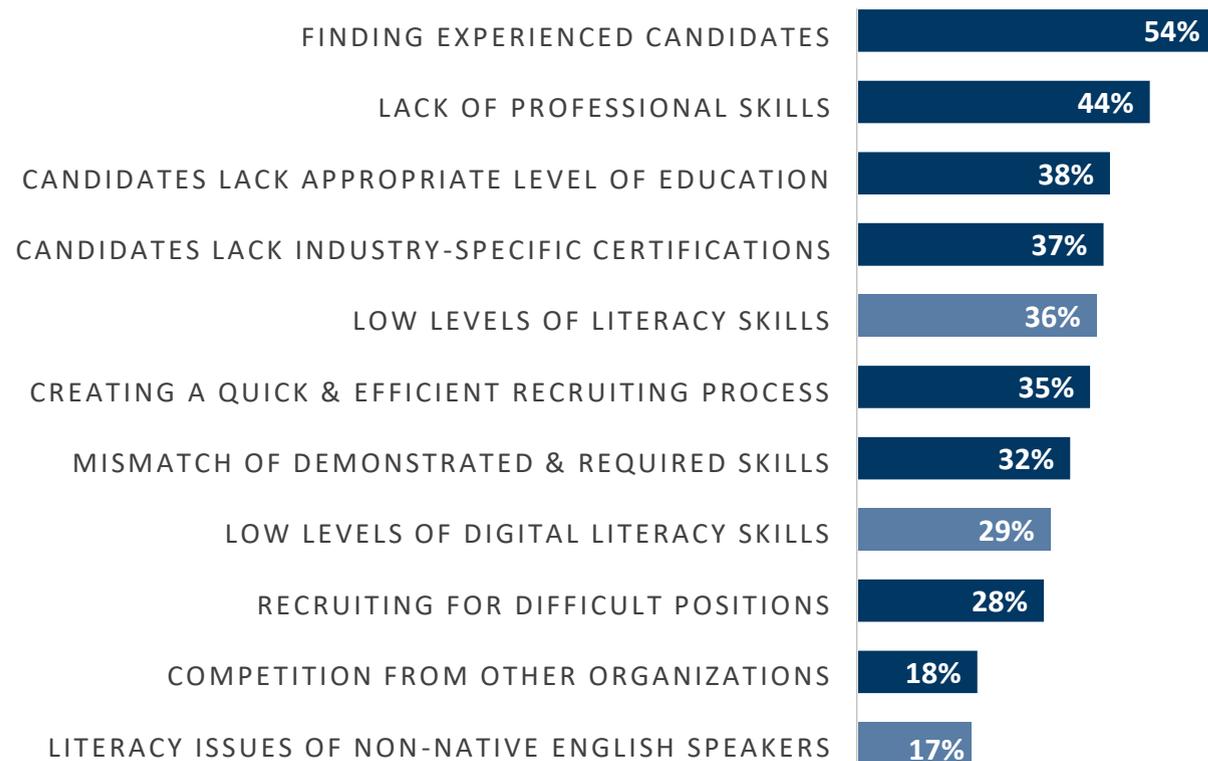
Q: Based on your current knowledge, what percentage of adults in the US do you think struggle with reading, writing, and digital literacy skills, in general? Please respond without looking up any information.

Over half of employers face at least one literacy-related challenge when hiring or training

Although top challenges like the lack of experience and professionalism are not directly tied to literacy, literacy skills training could help improve the “soft” skills of employees and potential candidates and mitigate other challenges in an indirect way.

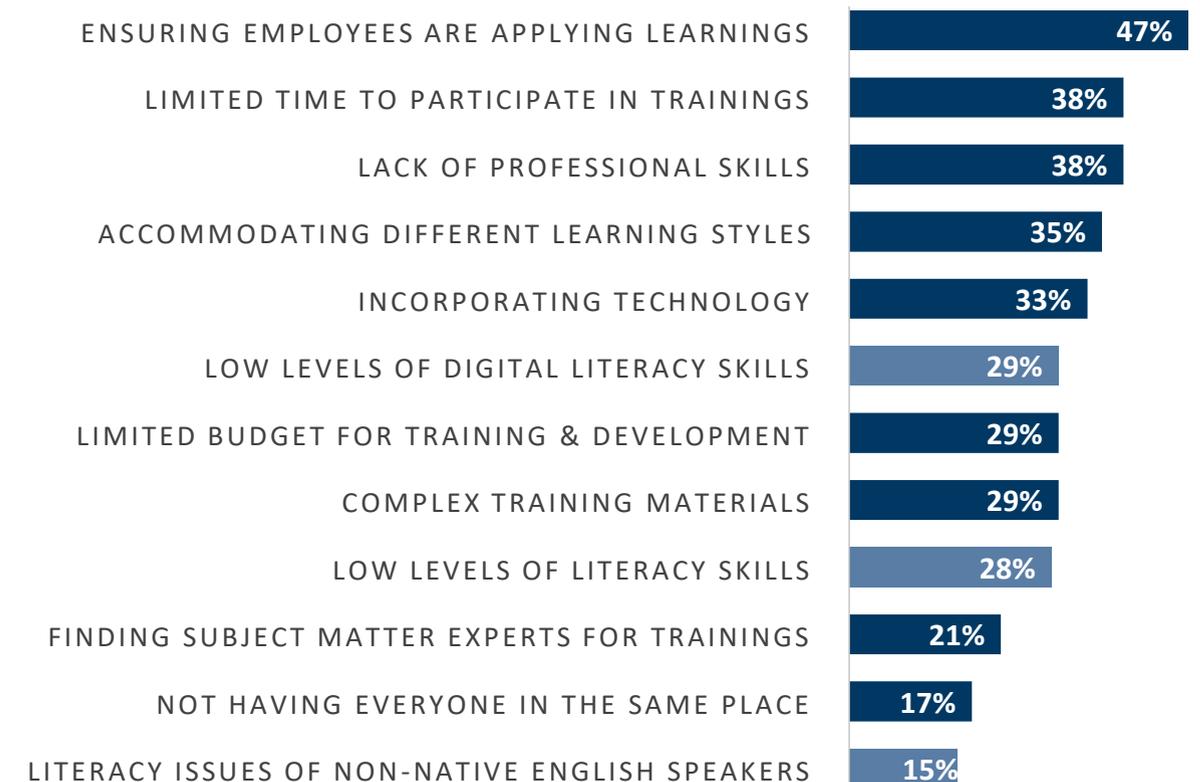
CHALLENGES FACED WHEN HIRING EMPLOYEES

58% SAY THEY FACE AT LEAST ONE LITERACY CHALLENGE WHEN **HIRING** EMPLOYEES



CHALLENGES FACED WHEN TRAINING EMPLOYEES

53% SAY THEY FACE AT LEAST ONE LITERACY CHALLENGE WHEN **TRAINING** EMPLOYEES



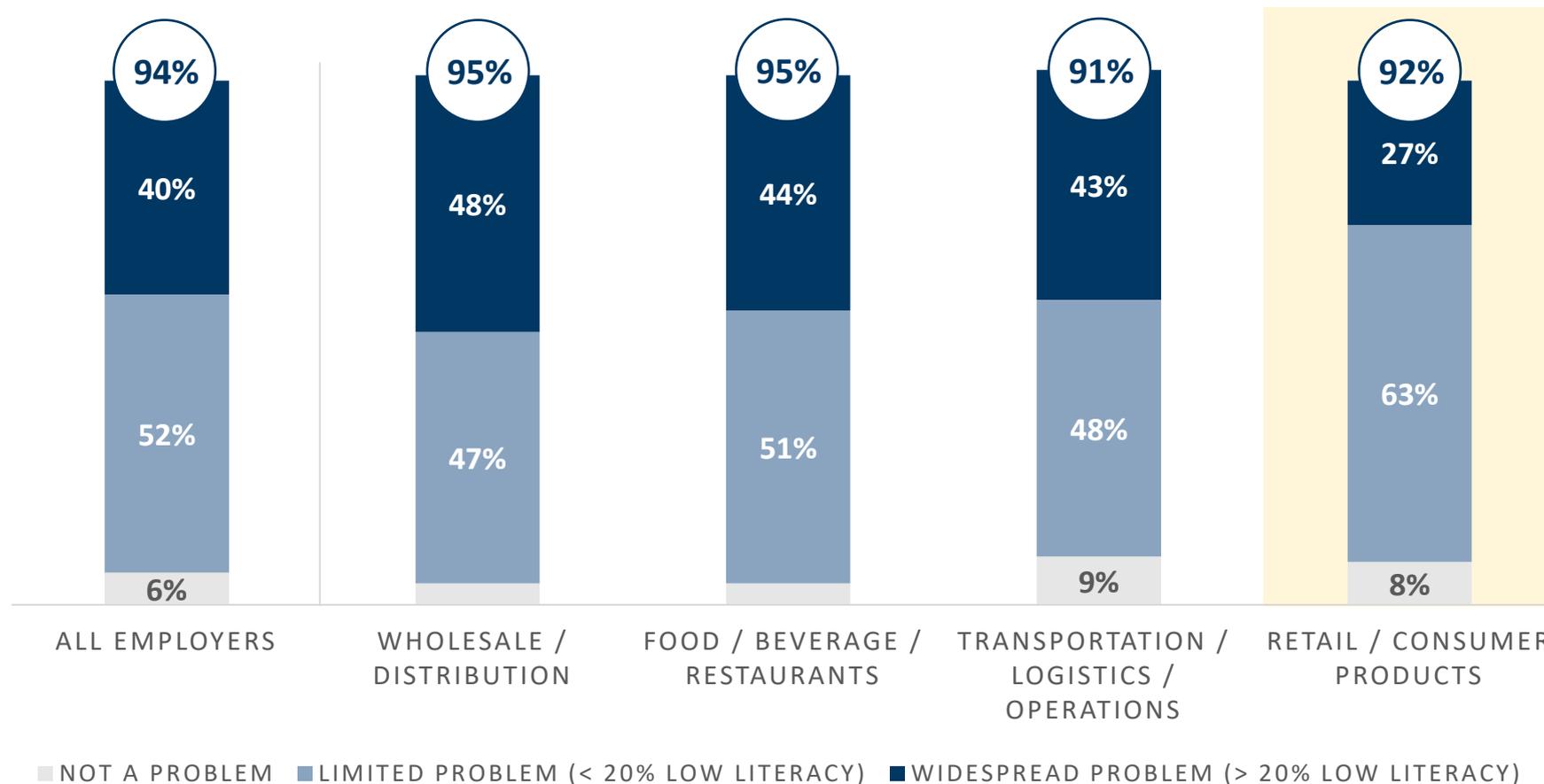
Q: Which of the following challenges, if any, do you face when hiring new employees for your organization? Please select all that apply.

Q: Which of the following challenges, if any, do you face when conducting training and development for your organization? Please select all that apply.

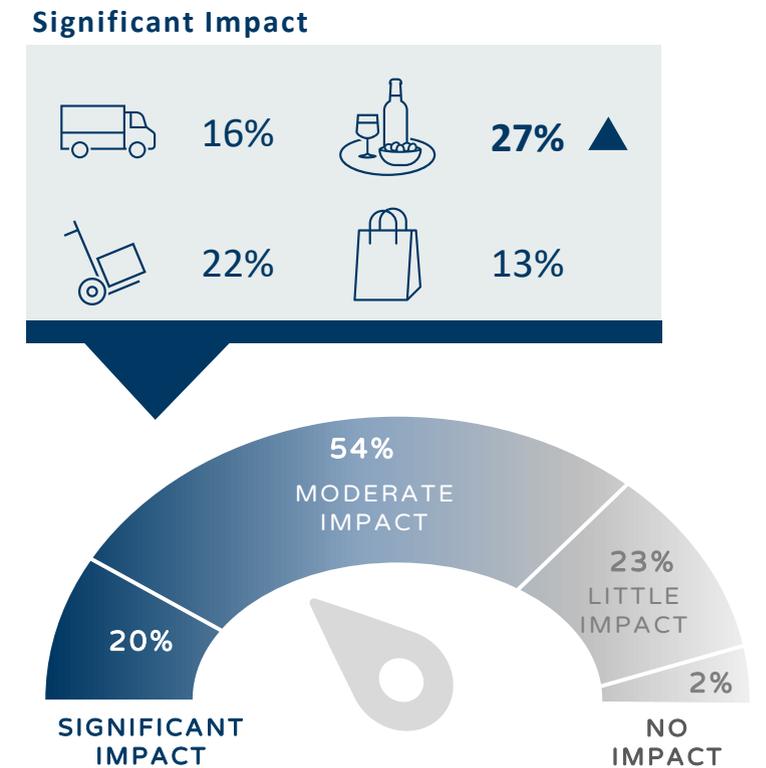
Low literacy is affecting most employers, with 4 in 10 claiming that it is a widespread problem

Around 20% of employers, notably those in food/beverage/restaurants, say that low literacy has a significant impact on their organization's goals, causing numerous challenges and comprising one of the top challenges the organization faces. Only 1 in 4 say it has little to no impact. Employers in retail/consumer products are least likely to see literacy as a widespread issue.

EXTENT OF LOW LITERACY AMONG EMPLOYEES



IMPACT OF LOW LITERACY



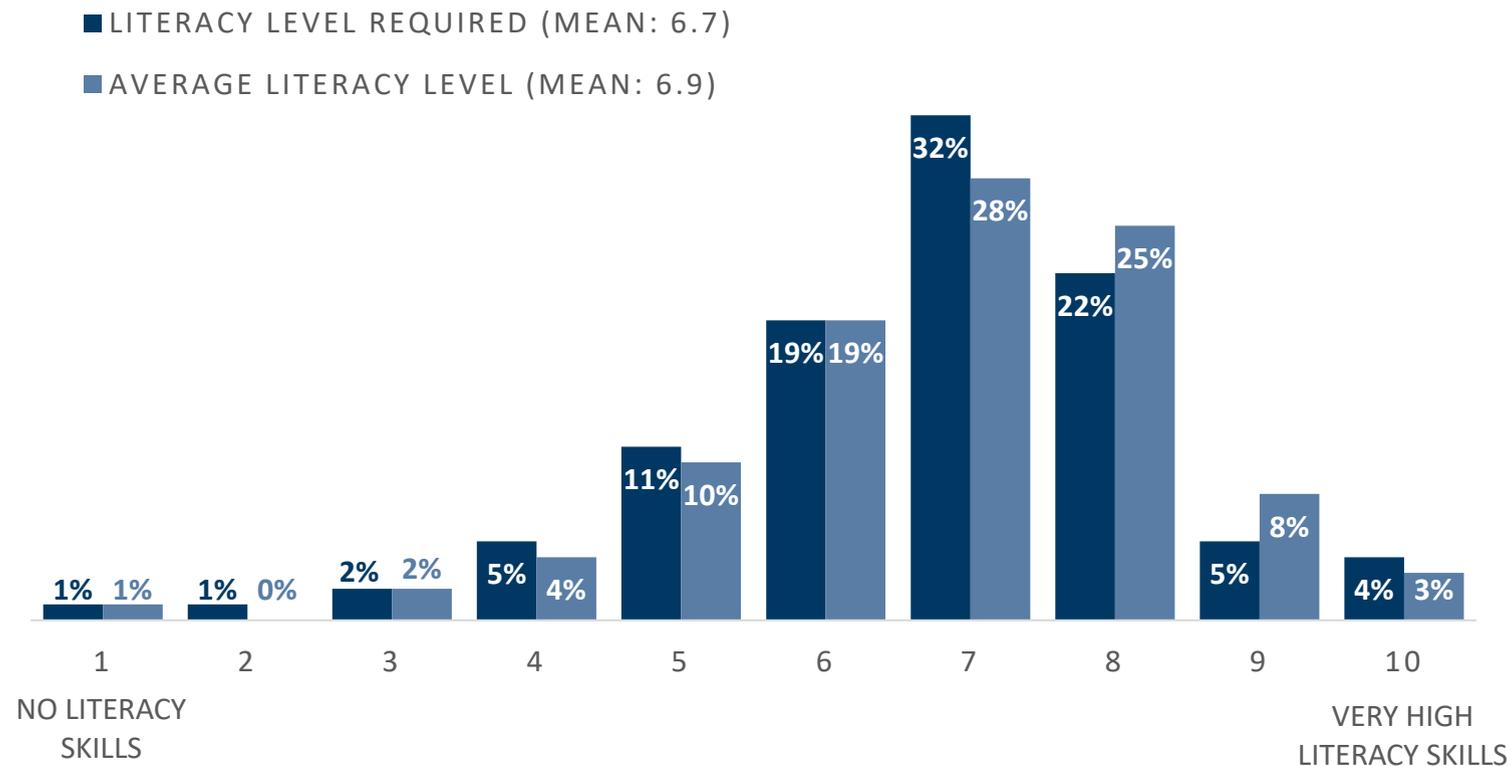
Q: Approximately what percentage of the employees you hire, train, and/or manage have low literacy skills (i.e., below the level of reading and writing ability needed to effectively function in their role at work)?

Q: To what extent do low levels of literacy among workers impact your organization's ability to recruit, retain, and promote talent? *Significant Impact* – causes numerous issues and is one of the top challenges my organization faces; *Moderate Impact* – causes some issues but is not the primary challenge my organization faces; *Little Impact* – only rarely causes issues.

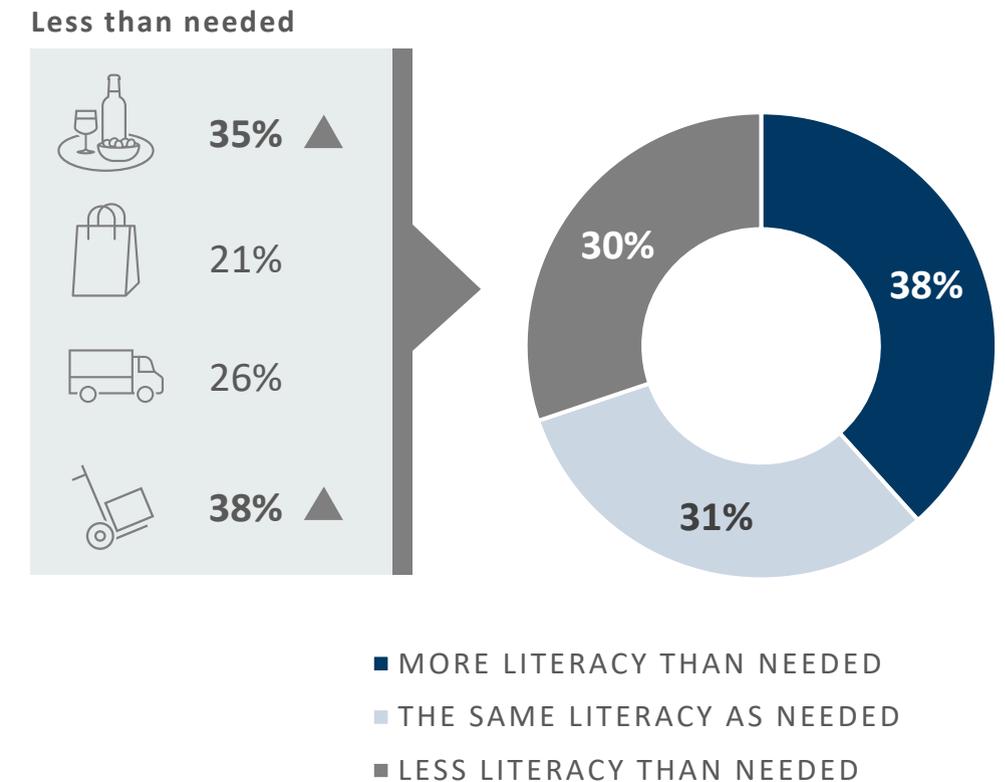
Nearly one-third of employers feel that their employees do not have the minimum level of literacy required to effectively do their jobs

Most employers require an upper intermediate level of literacy, with few at either extreme (no or very high literacy requirements). While the average employee at most companies meets or exceeds these expectations, around one-third say more literacy training is needed for employees to effectively complete their job (especially companies in food/beverage/restaurant and wholesale/distribution).

MINIMUM LITERACY LEVELS REQUIRED VS. AVERAGE LITERACY LEVELS AMONG CURRENT EMPLOYEES



AVERAGE EMPLOYEE LITERACY VS. LITERACY REQUIRED



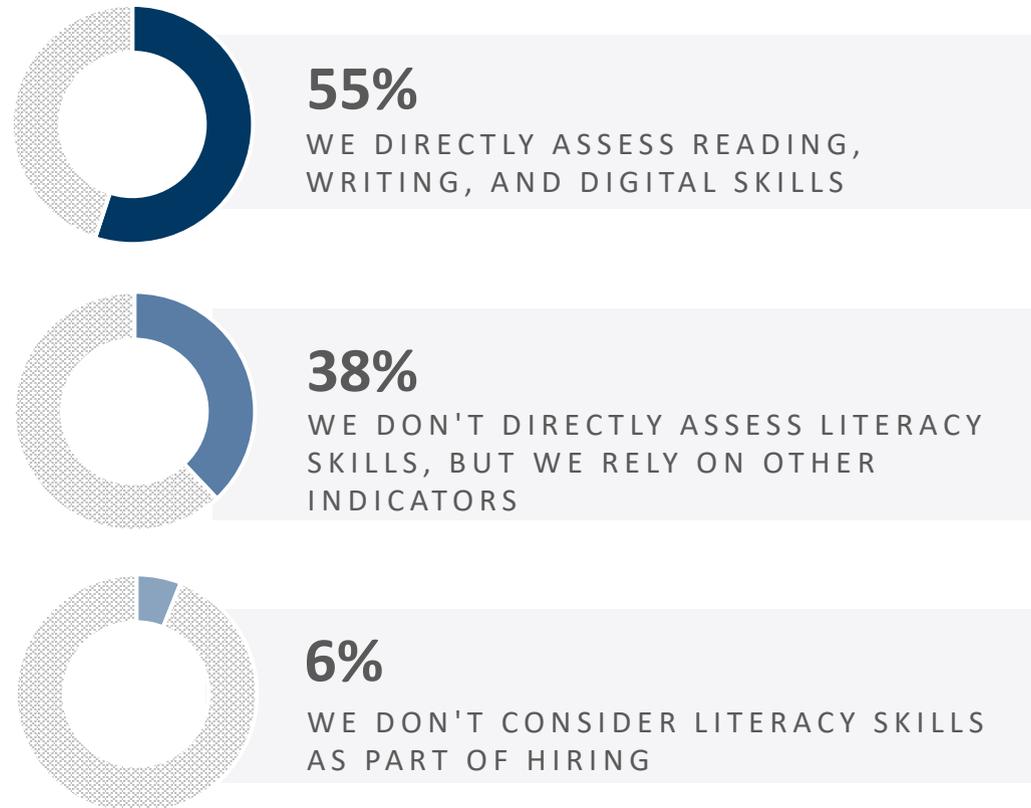


The Impact of Low Literacy

Nearly all employers assess literacy skills, most often during the job interview

Most employers rely on direct assessments of literacy skills; most of the rest check on other indirect indicators, such as educational background or experience in the industry. Nearly two-thirds of employers have candidates complete some kind of test or assessment during the interview process (though these tests may not be explicitly for the purpose of testing literacy).

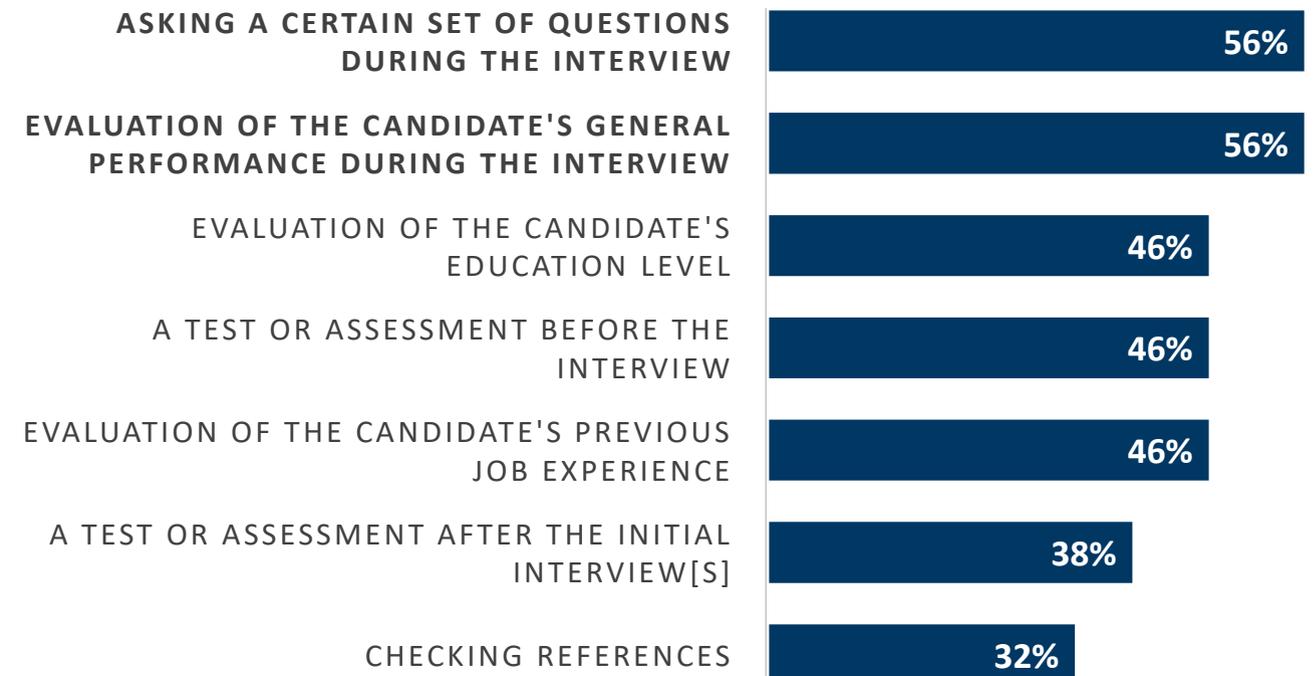
EXTENT OF EMPLOYERS' ASSESSMENT OF LITERACY



EMPLOYERS' LITERACY ASSESSMENT METHODS

OF THOSE WHO DIRECTLY OR INDIRECTLY ASSESS

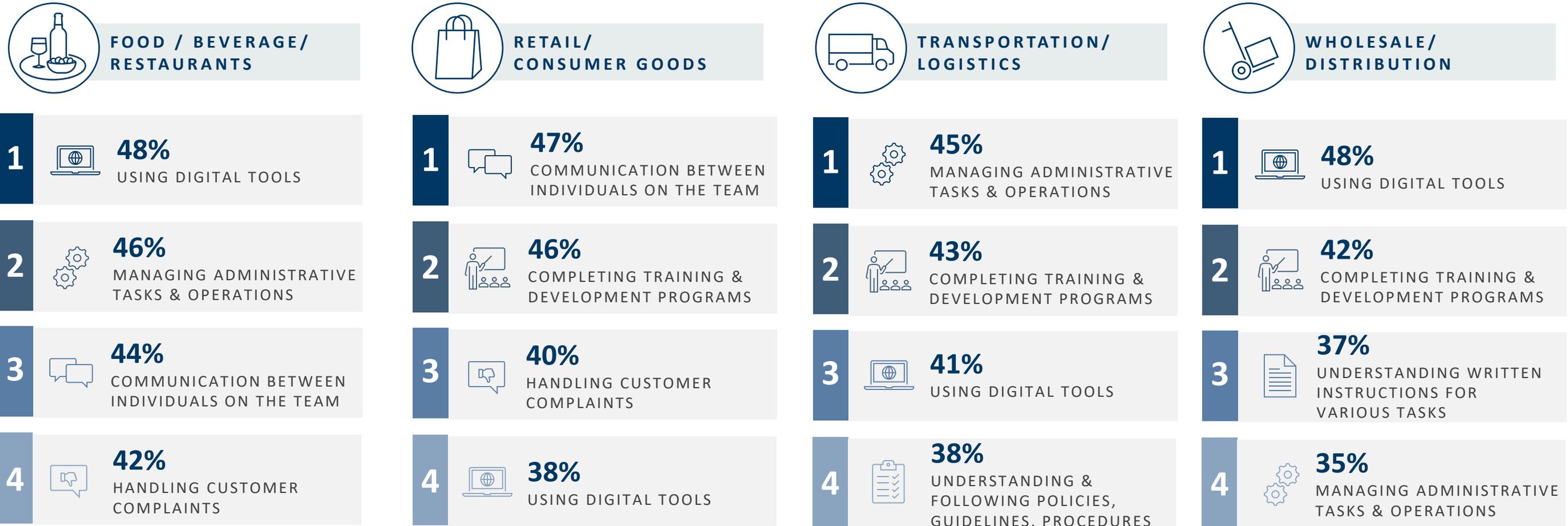
65% OF EMPLOYERS USE A TEST / ASSESSMENT EITHER BEFORE OR AFTER THE INITIAL INTERVIEW



Employees face a variety of challenges at work, including the use of digital tools

There is significant variation by industry. Using digital tools is the top concern for those in food/beverage/restaurants and wholesale/distribution, while challenges around training and communication are dominant in retail/consumer products. In transportation, managing administrative tasks and completing trainings are the most common challenges.

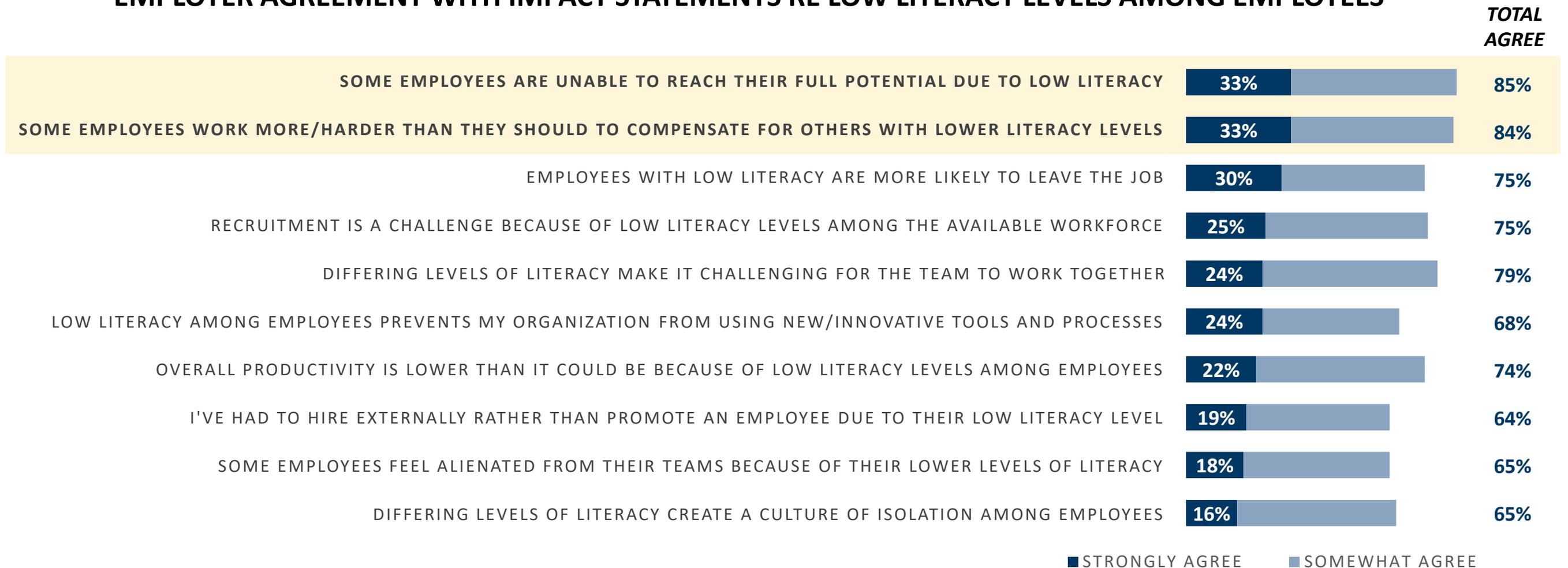
TOP CHALLENGES AMONG EMPLOYEES



Low literacy prevents some employees from realizing their full potential

At least 3 in 4 employers agree that low levels of literacy cause challenges with team cohesion, recruiting, employee retention, and productivity. On the other hand, employers are less likely to agree that low literacy leads to a sense of isolation or alienation within teams. Around 2 in 3 report having had to hire externally rather than promote an employee due to their low literacy level.

EMPLOYER AGREEMENT WITH IMPACT STATEMENTS RE LOW LITERACY LEVELS AMONG EMPLOYEES

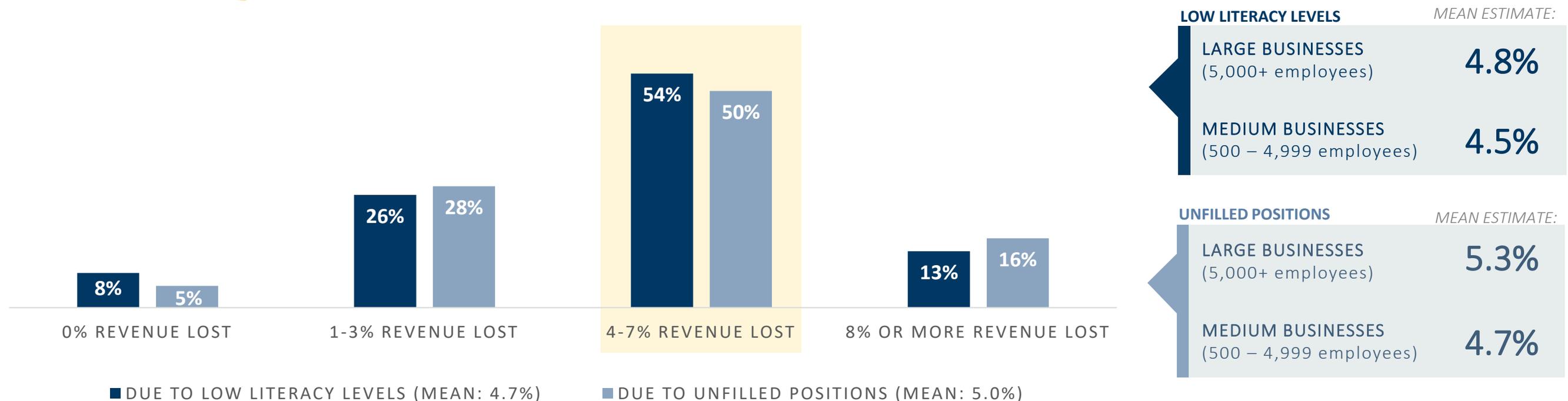


Low literacy could lead to billions in lost revenue on an annual basis

Employers estimate a similar amount of lost revenue due to both low literacy and unfilled positions. Though the share remains relatively small, large businesses estimate a larger percentage of lost revenue overall. Extending these estimates to all medium and large businesses in the U.S. and in the industries included leads to an estimate of \$46 billion in lost revenue over the next 12 months.

ESTIMATED SHARE OF REVENUE LOST OVER THE NEXT 12 MONTHS DUE TO LOW LITERACY LEVELS & UNFILLED POSITIONS

\$46B EMPLOYERS' ESTIMATE OF LOST REVENUE OVER THE NEXT 12 MONTHS DUE TO LOW LITERACY*



*Extrapolating from the survey sample to all US employers with more than 500 employees in the four industries included

Q: To the best of your knowledge, what percent of your organization's revenue could potentially be lost due to low literacy levels among your employees over the next 12 months?

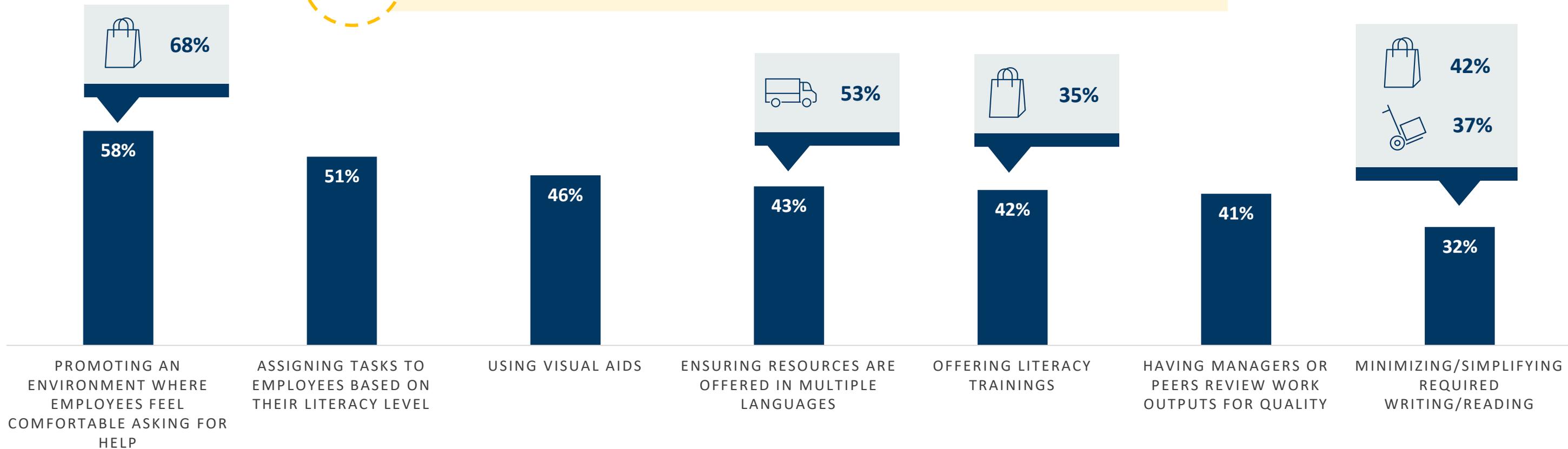
Q: To the best of your knowledge, what percent of your organization's revenue could potentially be lost due to unfilled positions over the next 12 months?

Most employers focus on ensuring employees with low literacy feel safe asking questions and that they are assigned tasks appropriately

While offering literacy training is arguably one of the more effective ways to address low literacy, only 2 in 5 offer such trainings to their employees. Rather than offer trainings, many employers are tacitly accepting the lower inefficiencies associated with low literacy.

HOW EMPLOYERS SUPPORT EMPLOYEES WITH LOW LITERACY SKILLS

99% OF EMPLOYERS ARE SUPPORTING EMPLOYEES WITH LOW LITERACY SKILLS



Q: In what ways, if any, do you currently support employees with low literacy skills in your organization? Please select all that apply.

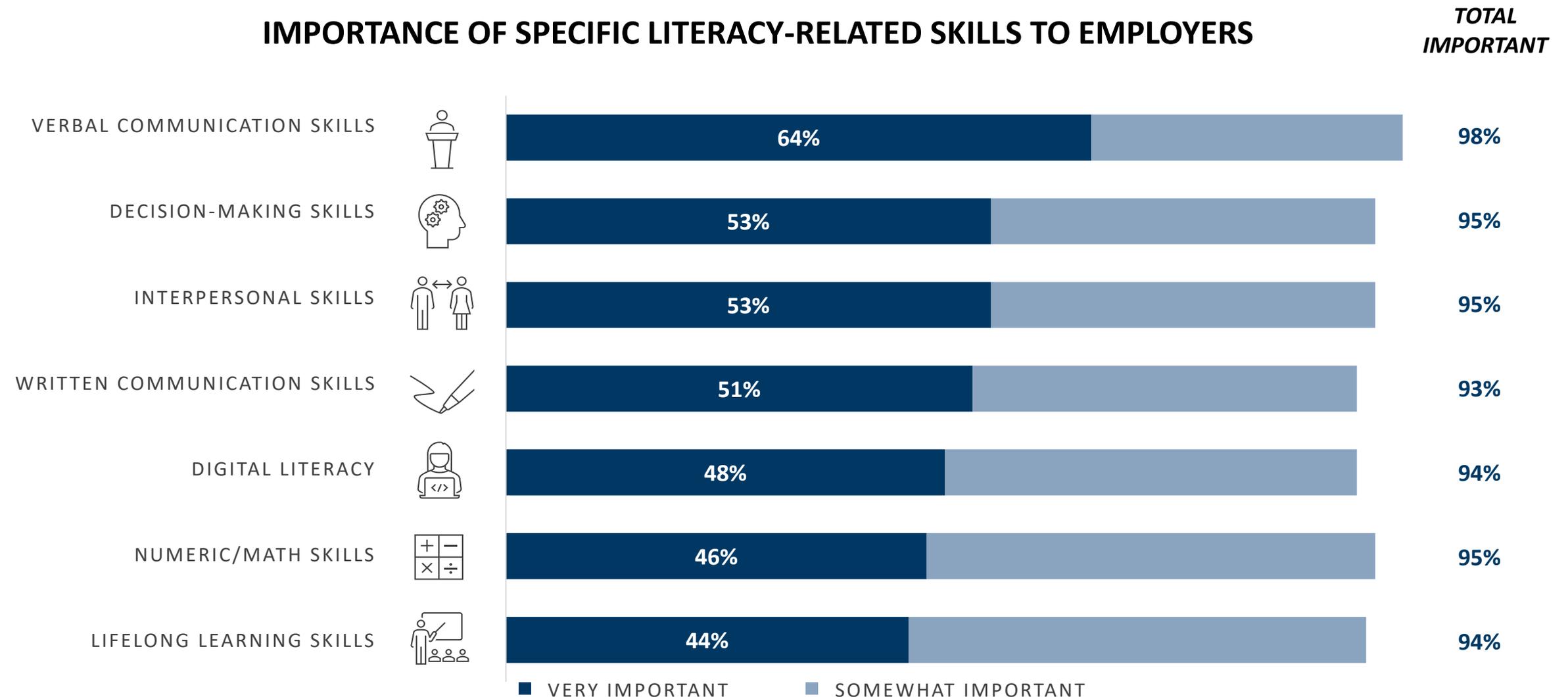


Employer Efforts to Improve Literacy

Verbal communication skills are paramount for employees to have

Nearly two-thirds of employers say that the ability to listen carefully and speak clearly is very important, compared to only half who say other skills are very important. Nonetheless, all skills rate highly on total importance.

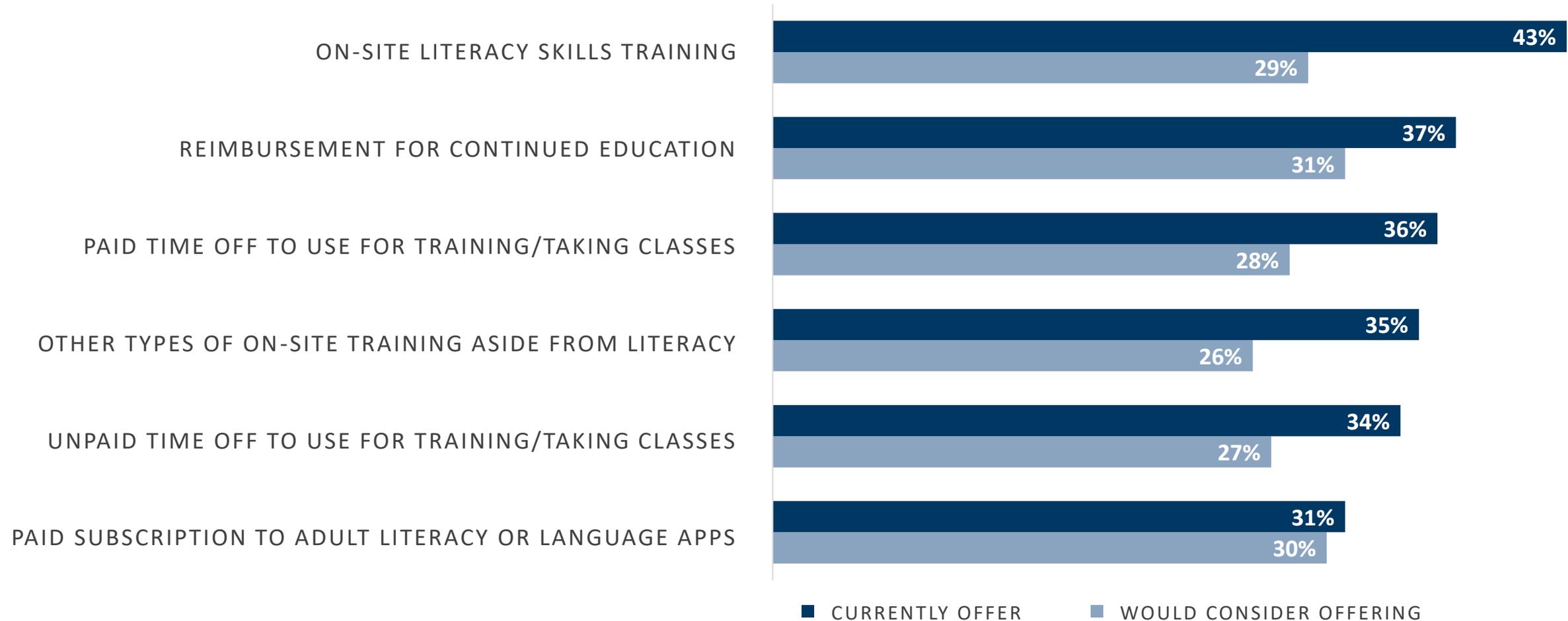
IMPORTANCE OF SPECIFIC LITERACY-RELATED SKILLS TO EMPLOYERS



Employers are most likely to currently offer or consider offering on-site literacy skills training and reimbursement for continued education

Many employers also offer time off for taking classes, though this is slightly less common. A paid subscription to a language app is least likely to be currently offered, though many would consider offering in the future.

TRAINING AND EDUCATION PROGRAMS EMPLOYERS CURRENTLY OFFER AND WOULD CONSIDER OFFERING

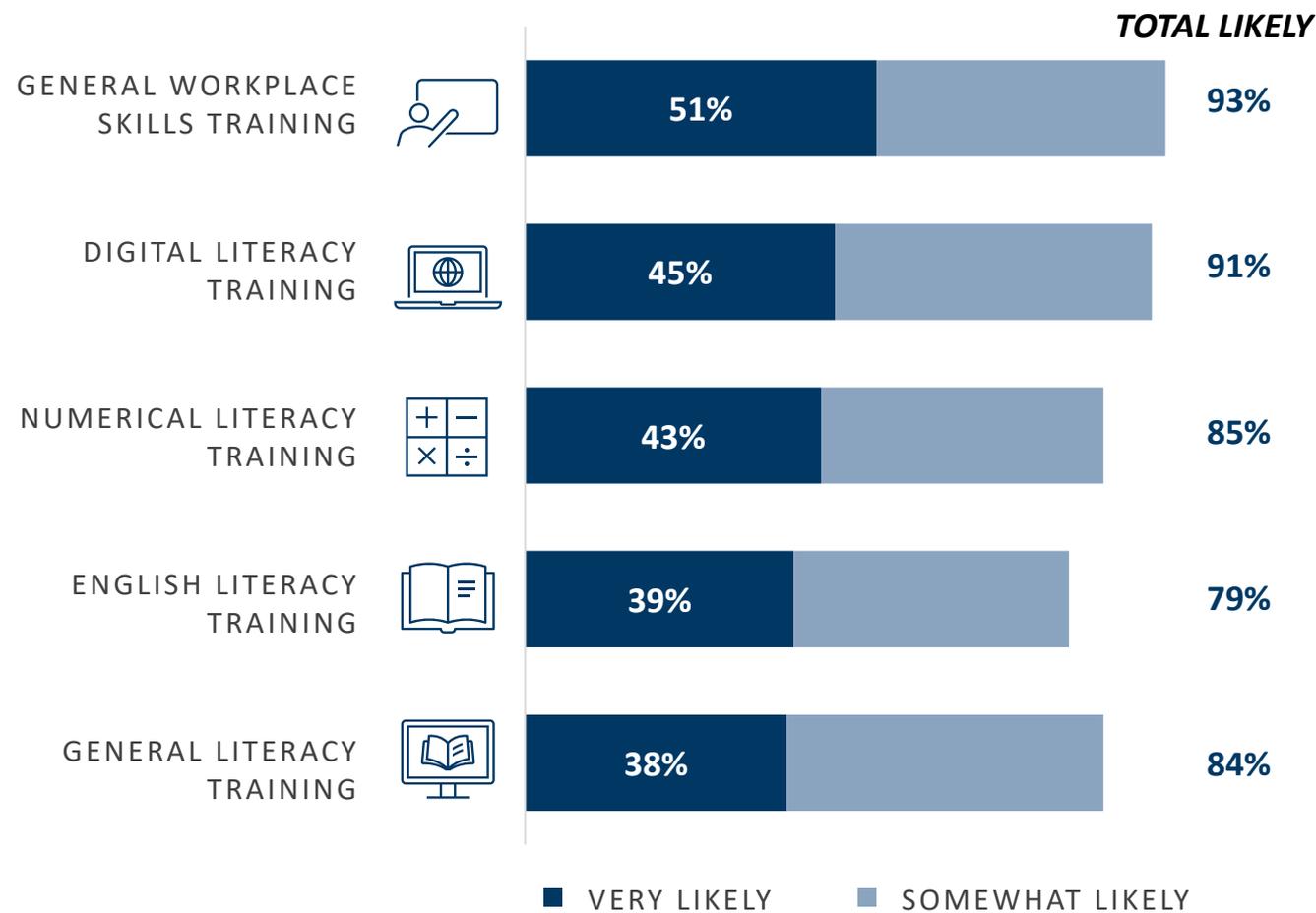


Q: Does your organization currently provide any of the following to employees? Please select all that apply.
 Q: Which of the following would your organization consider offering to employees? Please select all that apply.

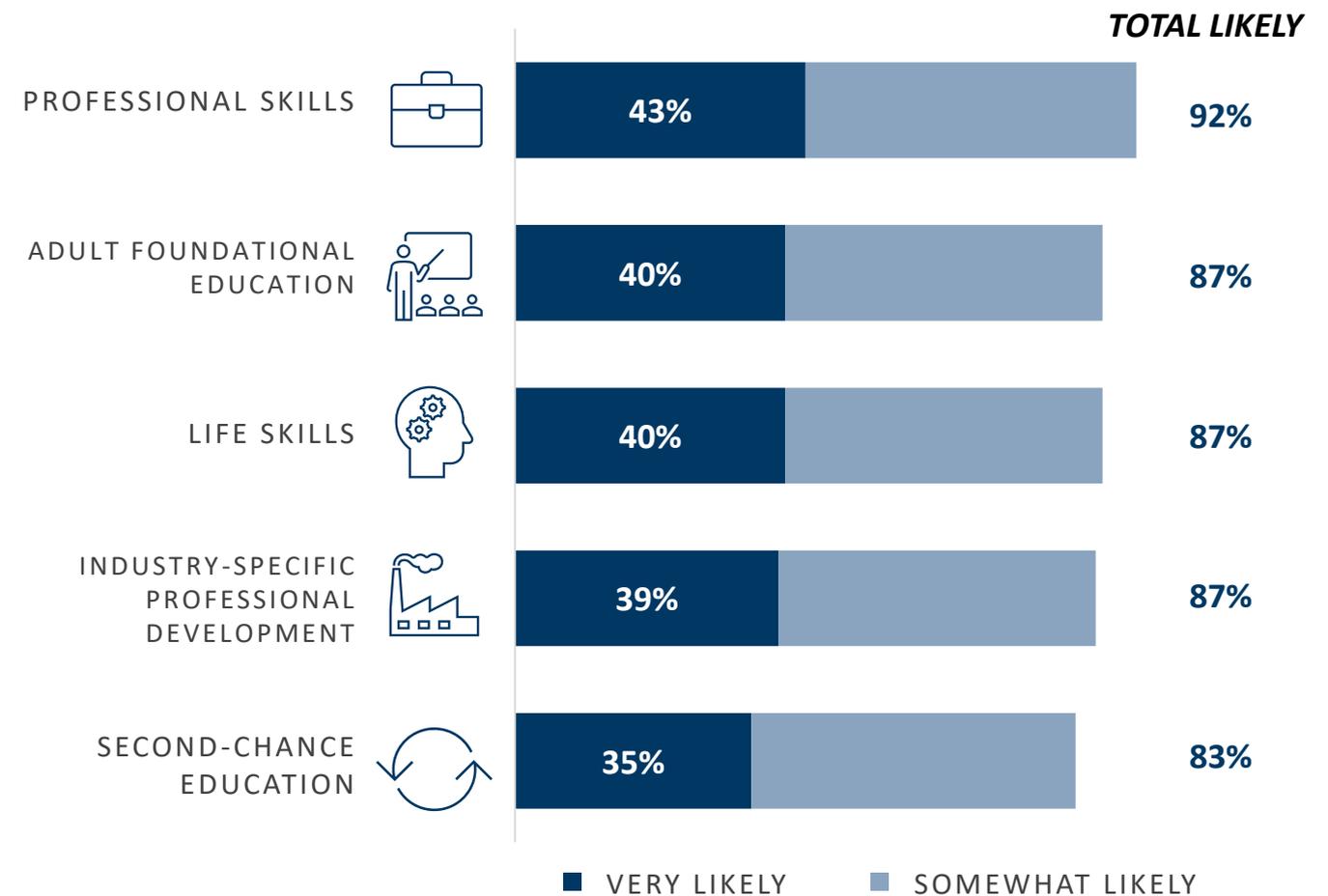
Trainings focused on general workplace skills and framed as professional skills are most likely to receive funding

Most employers are also willing to offer other training types, though those with a narrower focus are somewhat less likely to be funded. Similarly, most employers are open to funding training with different framings, though those framed as “professional skills” see the highest likelihood.

IMPACT OF TRAINING CONTENT ON LIKELIHOOD TO FUND



IMPACT OF TRAINING FRAMING ON LIKELIHOOD TO FUND



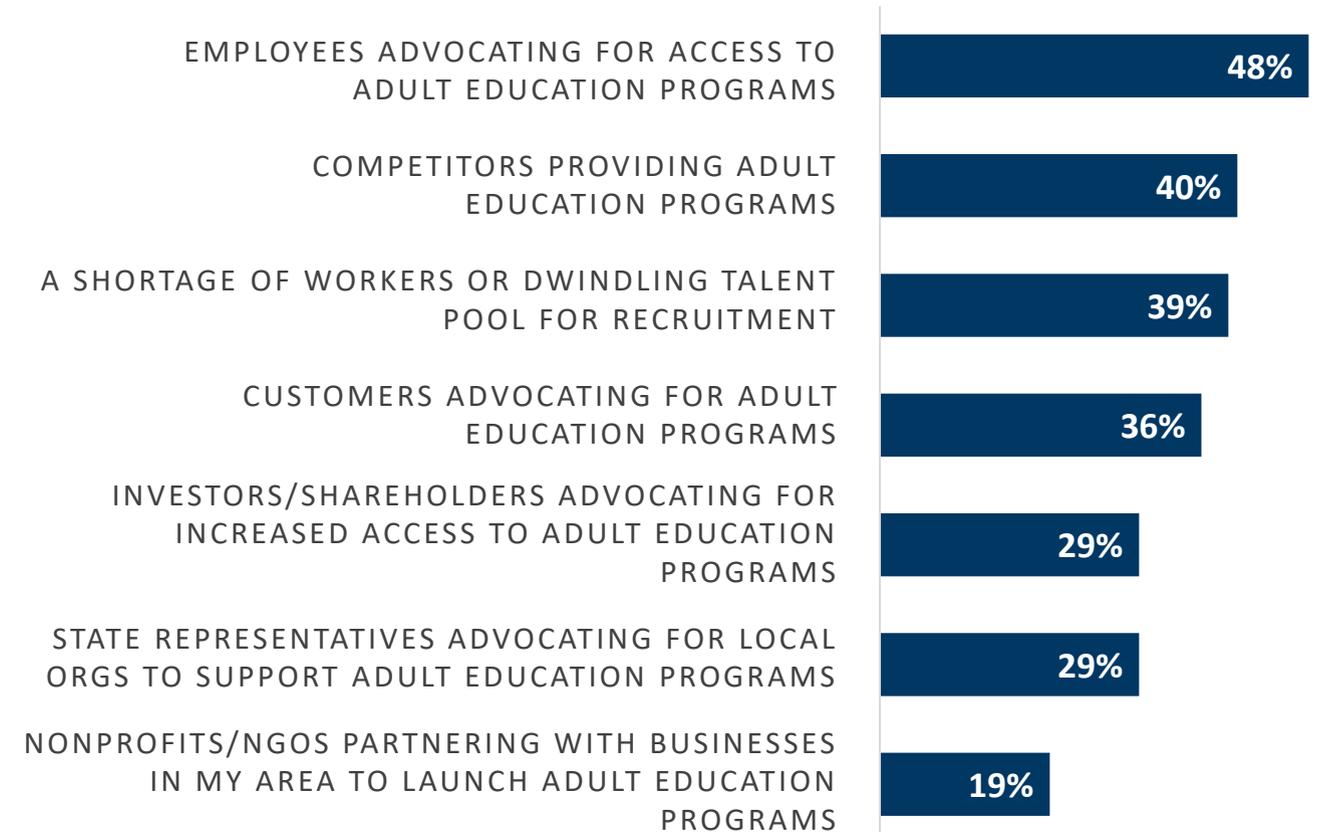
Higher quality and efficient work are most likely to drive increased funding

Higher quality work output and efficiency are the internal drivers most likely to drive increased funding. For external factors, employees advocating for more training as well as competitive & recruiting challenges are most likely to drive employers to increase funding.

INTERNAL DRIVERS OF INCREASED INVESTMENT IN LITERACY SKILLS TRAINING



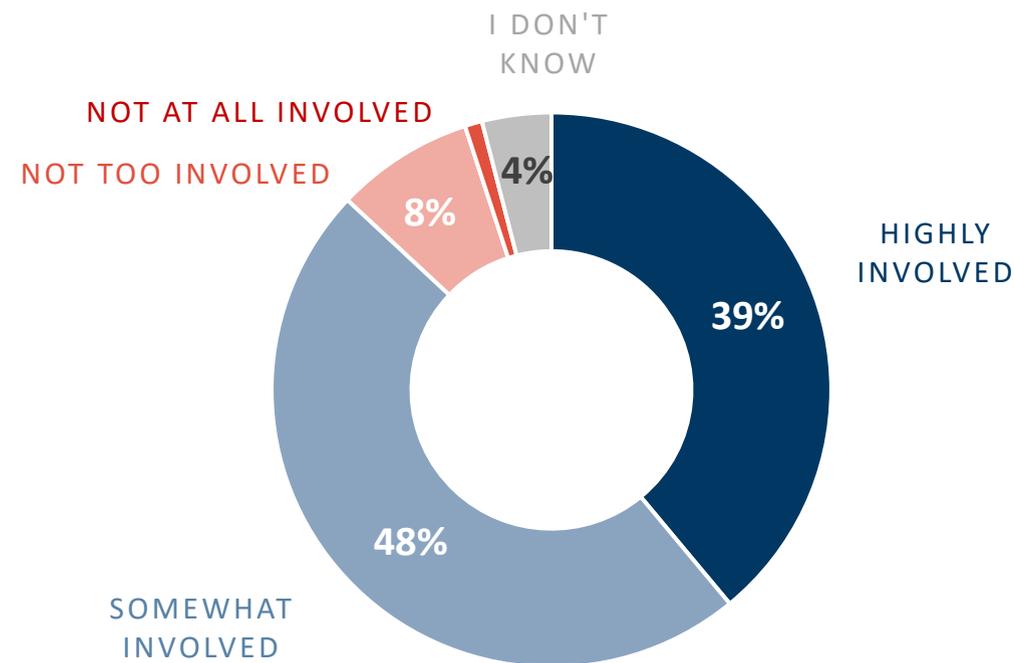
EXTERNAL DRIVERS OF INCREASED INVESTMENT IN LITERACY SKILLS TRAINING



Most employers think they should help provide literacy skills services, but they don't believe they should be primarily responsible

Nearly all employers think that adult literacy skills services should be provided in partnership with other organizations, most notably community organizations, local governments, local colleges and universities, and trade/technical schools.

EXTENT TO WHICH EMPLOYERS SHOULD BE INVOLVED IN PROVIDING ADULT LITERACY SKILLS SERVICES



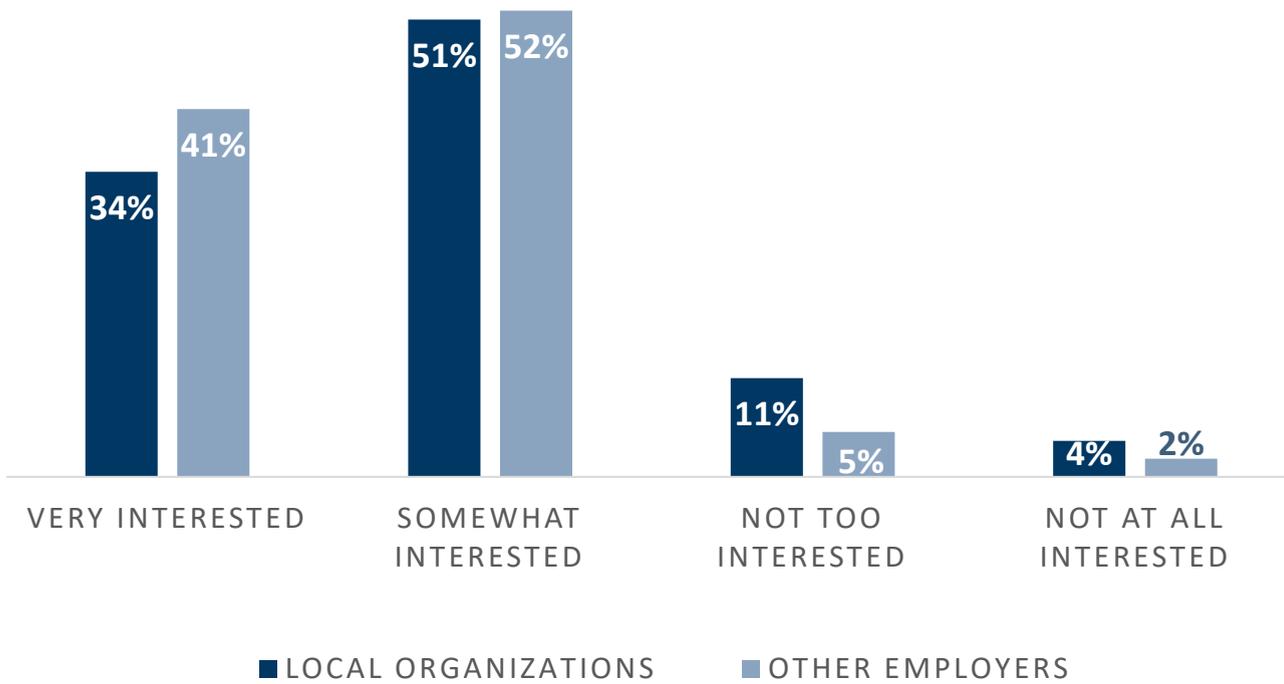
OTHER TYPES OF ORGANIZATIONS WITH RESPONSIBILITY FOR PROVIDING ADULT LITERACY SKILLS SERVICES

	COMMUNITY ORGANIZATIONS	48%
	LOCAL GOVERNMENTS	39%
	LOCAL COLLEGES/UNIVERSITIES	39%
	TRADE/TECHNICAL SCHOOLS	36%
	STATE GOVERNMENTS	33%
	UNIONS/EMPLOYEE ASSOCIATIONS	33%
	FEDERAL GOVERNMENT	29%
	LIBRARIES	28%
	LOCAL K-12 SCHOOLS	26%
	CHURCHES/RELIGIOUS ORGANIZATIONS	16%

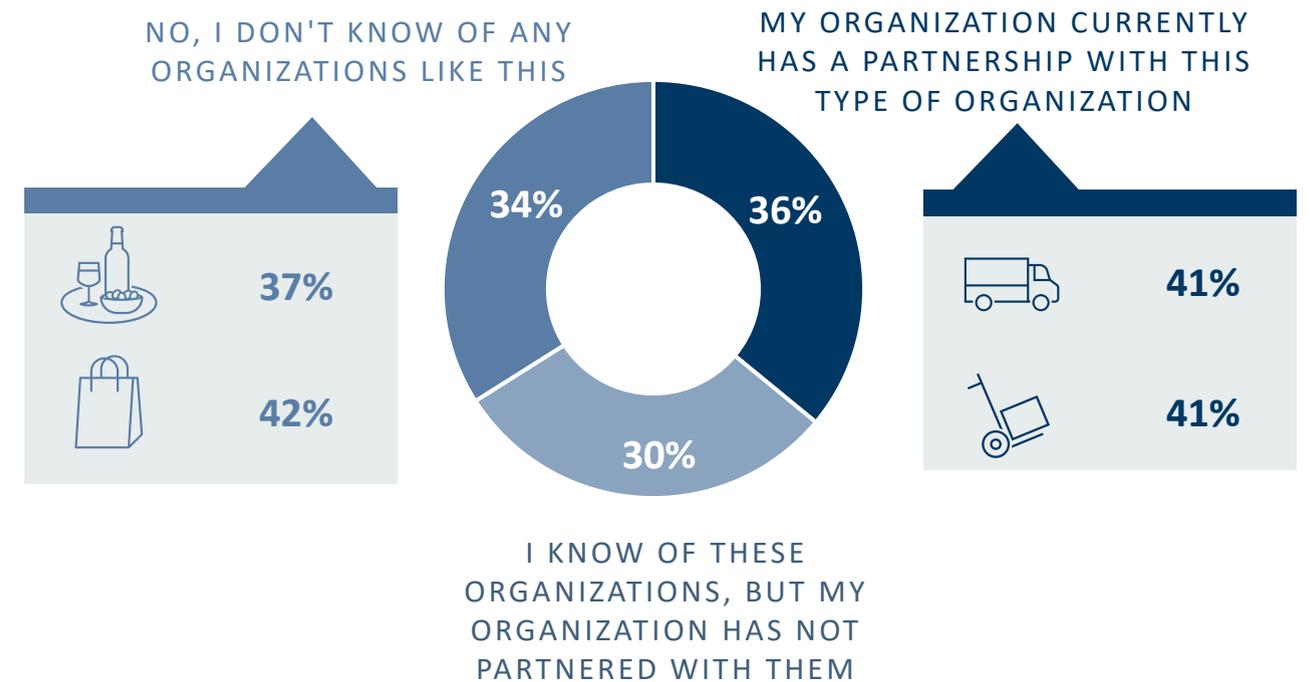
Almost all employers express at least some interest in partnering with other employers or with local organizations on literacy skills trainings

Employers that are significantly impacted by literacy and those in the logistics/transportation and wholesale/distribution industries are more likely to have partnerships with organizations that provide literacy skills training. Conversely, employers that are not very impacted by literacy, or that are in food/beverage/restaurants and retail/consumer goods are more likely to be unaware of partner organizations.

EMPLOYER INTEREST IN CONNECTING WITH LOCAL ORGS AND OTHER EMPLOYERS ON LITERACY SKILLS TRAININGS



EMPLOYER KNOWLEDGE OF POTENTIAL PARTNER ORGS THAT PROVIDE LITERACY SKILLS TRAINING



Q: Do you know of any organizations that provide literacy skills training that your organization could partner with to provide this training to employees?

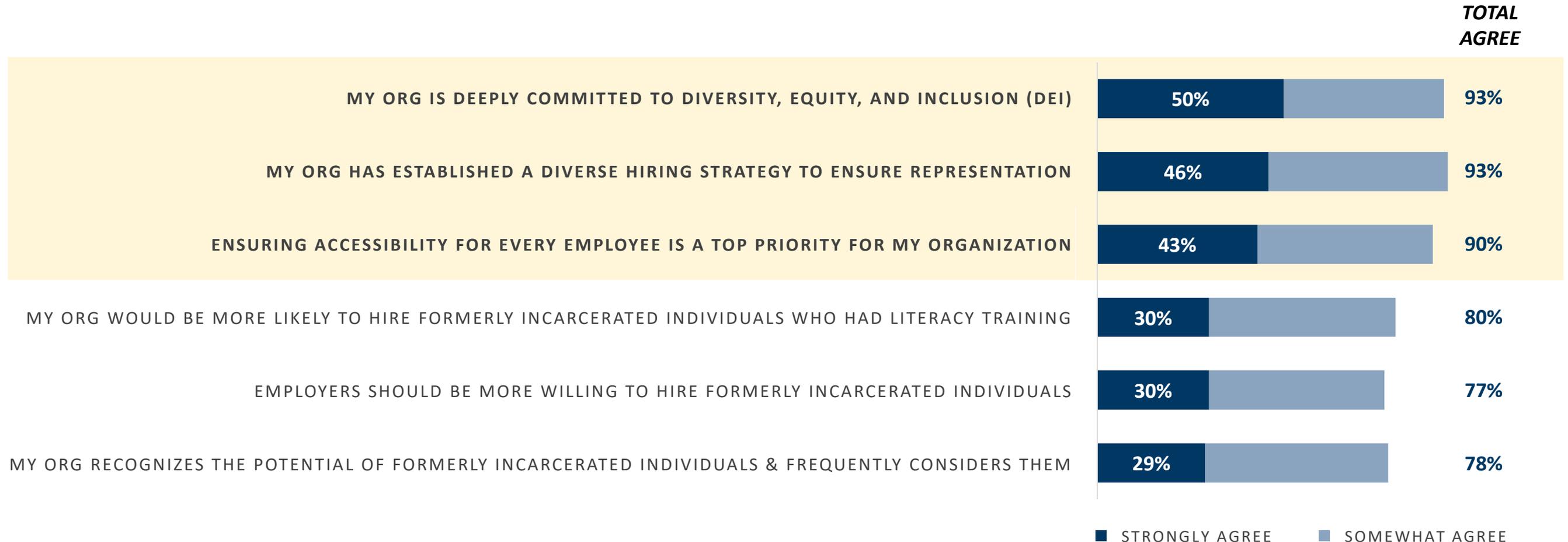
Q: How interested would you be in connecting with an organization in your area that provides adult literacy skills training?

Q: How interested would you be in partnering with other employers like your organization to establish a training program designed to help your employees develop their literacy skills?

Diversity, Equity, and Inclusion (DEI) efforts rise to the top as a key focus for nearly all employers

Nearly 8 in 10 employers agree that literacy training would improve the chances of their organizations hiring formerly incarcerated individuals, though only one-third of employers *strongly* agree. Similarly, only around one-third strongly agree that employers should be more willing to hire formerly incarcerated individuals and that their organization frequently does so.

EXTENT OF EMPLOYER AGREEMENT WITH STATEMENTS RE COMPANY INITIATIVES



Re-entry programs and internships/apprenticeships are employers' top initiatives for supporting formerly incarcerated people.

Notably, of the nearly one-third of employers that have recruited formerly incarcerated people, only 18% say it has had a positive impact on their organization. Similarly, only around 1 in 2 who have offered scholarships to formerly incarcerated people found they had a positive impact.

EMPLOYER METHODS FOR HIRING AND SUPPORTING FORMERLY INCARCERATED PEOPLE



Q: Which of the following actions has your organization taken or participated in? Please select all that apply.

Q: Which of the following actions taken have had a positive impact on your organization?



Message Testing

Overview of message testing methodology

The message testing section consists of the following. Results of message testing can be found in the appendix.



- Each respondent was randomly shown three out of six statements about the impact of investing in adult education programs.



- Respondents were asked to highlight text if they found it a **compelling** reason to fund adult literacy training.

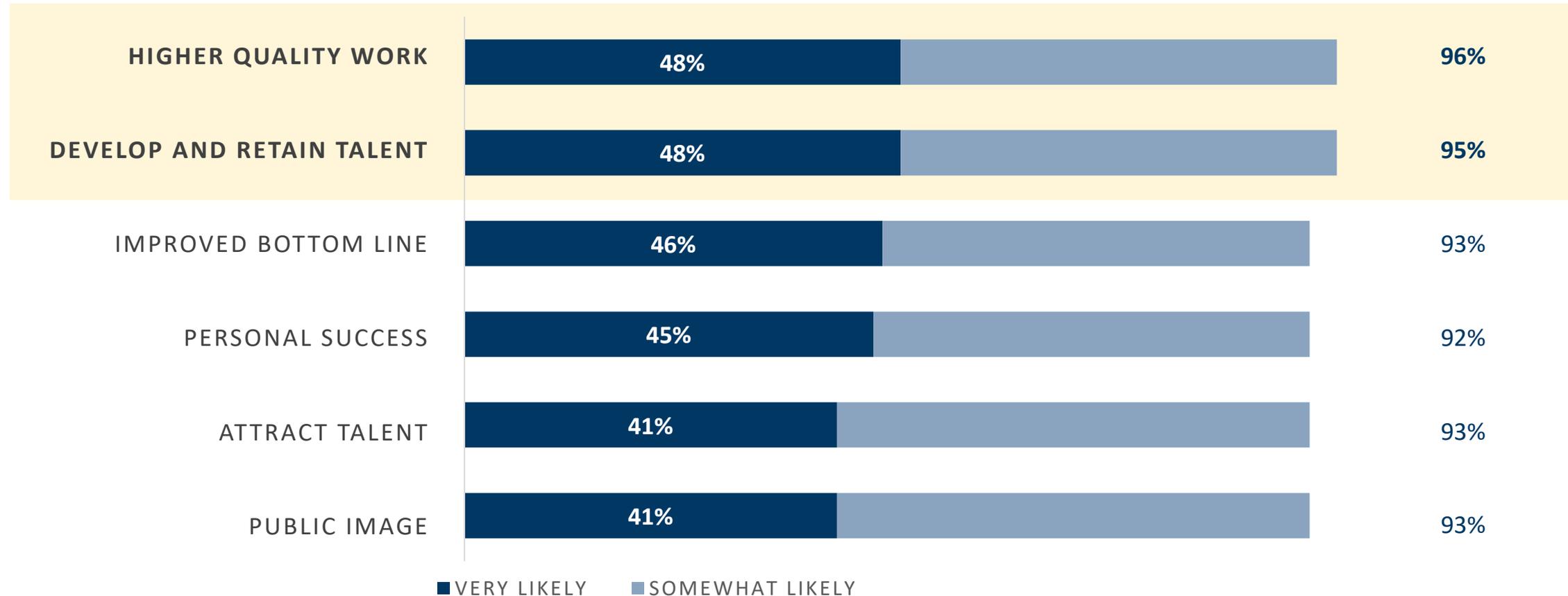


- After reading each statement, respondents were asked how likely they are to advocate for their organization to provide funding for adult literacy skills programs. After reading all the statements, respondents were asked which would be most likely to convince their organization to increase funding for adult literacy skills programs.

Messages centered on improved performance and output, as well as talent development and retention drive advocacy for funding the most

On the other hand, messages that focus on positioning employers as attractive to potential candidates or to the public based on their literacy improvement initiatives are least likely to convince employers to advocate for funding for literacy skills training.

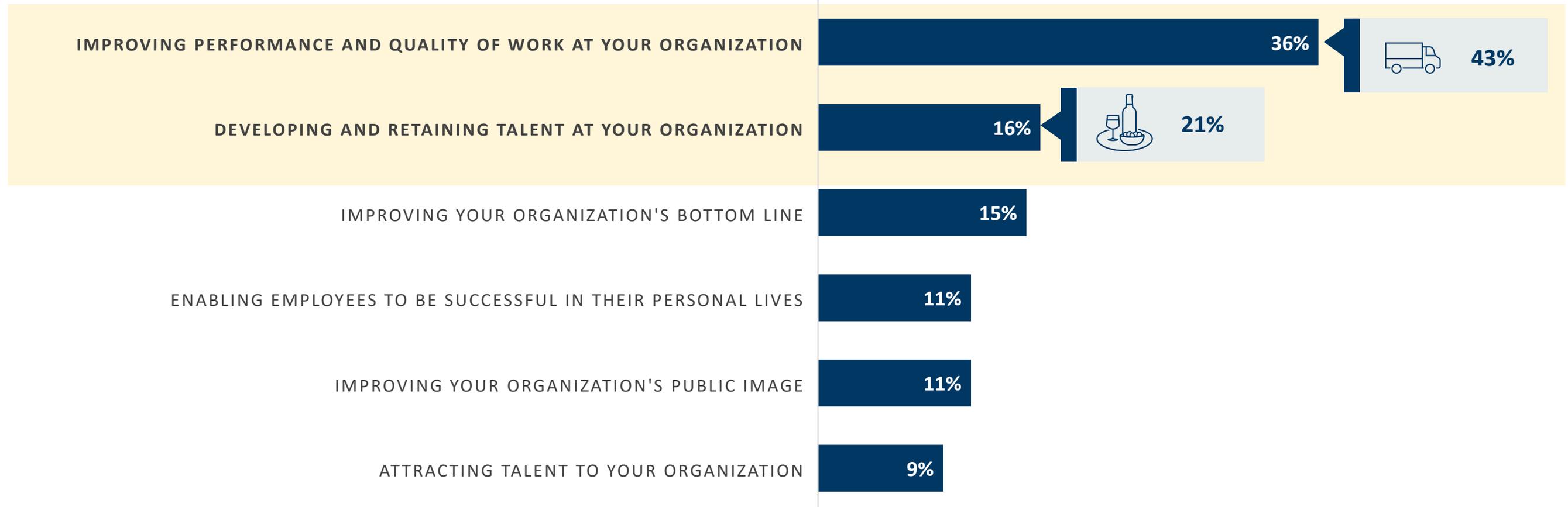
MESSAGE IMPACT ON LIKELIHOOD TO ADVOCATE FOR FUNDING FOR SKILLS TRAINING *TOTAL LIKELY*
FULL MESSAGES IN APPENDIX



Improved performance and quality of work is the most convincing of all abbreviated messages shown to employers

Employers in the logistics/transportation industry are more likely than others to be most convinced by a performance improvement message, while those in food/beverage/restaurants are similarly more likely than others to be most convinced by a message focused on development and retention of talent.

THEMES THAT WOULD BE MOST LIKELY TO CONVINCE EMPLOYERS TO INCREASE FUNDING FOR ADULT LITERACY SKILLS PROGRAMS



Community rejuvenation, as well as equality and justice, are the top benefits of improving adult literacy that employers agree on

Employers are significantly more likely (+12%) to strongly agree that the government should do more to close the literacy gap in the American workforce than to strongly agree that private companies should.

EXTENT OF EMPLOYER AGREEMENT WITH KEY MESSAGE THEMES

**TOTAL
AGREE**





Appendix

Most Highlighted Words Across all Messages



Q: Please read each of the following messages and highlight the text that is most compelling to you. Highlight the text by clicking on words that you find to be a compelling reason to fund adult literacy training. Please answer the questions that follow once you have finished highlighting the text.

Note: Darker colors denote intensity.

“Public Image” Message Highlights

Showing **commitment** to your **employees** tells the story of who you are as an employer. **Providing** access to **adult literacy skills training** sends a **powerful message** to the public, positioning your **organization** as **forward-thinking, compassionate, and socially responsible.** An investment in adult literacy skills training can help **strengthen** the image of your **brand** and your organization's position in the community.



Q: Please read each of the following messages and highlight the text that is most compelling to you. Highlight the text by clicking on words that you find to be a compelling reason to fund adult literacy training. Please answer the questions that follow once you have finished highlighting the text.

Note: Darker colors denote intensity.

“Attract Talent” Message Highlights

Active investment in adult literacy skills training programs can help create enthusiastic brand ambassadors. Word about your organization's care for its employees and commitment to achieving their career goals can travel quickly, as employees who have participated in this training go on to tell their friends and family. Funding skills training programs that create opportunities for growth and increased earning potential can attract top talent from across all walks of life.

Legend:  Least Selected Most Selected

Q: Please read each of the following messages and highlight the text that is most compelling to you. Highlight the text by clicking on words that you find to be a compelling reason to fund adult literacy training. Please answer the questions that follow once you have finished highlighting the text.

Note: Darker colors denote intensity.

“Develop and Retain Talent” Message Highlights

While many organizations look outward for fresh talent, the most transformative individuals are often already on your team. Prioritizing their development through adult literacy skills training allows them to upskill and grow into greater and more impactful roles. Nurturing this in-house talent fortifies employees' loyalty to your organization and fosters a team culture built for the long-term.



Q: Please read each of the following messages and highlight the text that is most compelling to you. Highlight the text by clicking on words that you find to be a compelling reason to fund adult literacy training. Please answer the questions that follow once you have finished highlighting the text.

Note: Darker colors denote intensity.

“Improved Bottom Line” Message Highlights

Prioritizing adult literacy skills training has the potential to directly improve your organization's bottom line. Nearly 1 in 2 Americans struggle with literacy skills in one shape or another. Recognizing what skills your employees need and providing them with the **appropriate training** helps ensure that every team-member is equipped to address the challenges they face at work and contribute to your **organization's success.**



Q: Please read each of the following messages and highlight the text that is most compelling to you. Highlight the text by clicking on words that you find to be a compelling reason to fund adult literacy training. Please answer the questions that follow once you have finished highlighting the text.

Note: Darker colors denote intensity.

“Higher Quality Work” Message Highlights

Investing in adult literacy skills training can contribute to **improved performance** and output at your organization. Literacy skills are key to **quality, efficiency,** and **productivity** and have the potential to **reduce accidents** and optimize time and resource use. Funding adult literacy skills training for your employees contributes to higher quality work, ultimately cascading into **significant savings** for your organization.



Q: Please read each of the following messages and highlight the text that is most compelling to you. Highlight the text by clicking on words that you find to be a compelling reason to fund adult literacy training. Please answer the questions that follow once you have finished highlighting the text.

Note: Darker colors denote intensity.

“Personal Success” Message Highlights

Adult literacy skills training empowers people to reach their potential. Individuals who have successfully completed adult literacy classes are better equipped to find and maintain good jobs and are better able to manage various aspects of their daily lives. Adult literacy skills training can help cultivate greater confidence and self-worth, ensuring individuals receive the respect and recognition they deserve.



Q: Please read each of the following messages and highlight the text that is most compelling to you. Highlight the text by clicking on words that you find to be a compelling reason to fund adult literacy training. Please answer the questions that follow once you have finished highlighting the text.

Note: Darker colors denote intensity.

Employers with current partnerships mention a broad range of partner organizations providing adult education programs and resources

Employers also mentioned leveraging tuition and GED payback programs; adult education course websites; public library programs; local schools, chambers, community colleges, and businesses; the Adult Education and Family Literacy Act; university extension programs; trade schools; both state and federal government; the National Assessment of Adult Literacy (NAAL); and Literacy Resource Centers.





Experts with Impact™