Around the country, local communities and businesses are experiencing the benefits of Employer-Assisted Housing (EAH), an initiative through which employers help their workers afford the top two household expenses: housing and transportation, which consume approximately 57 percent of working families’ income.

In Illinois, more than 70 employers have helped upwards of 2,500 employees purchase or rent homes near work or transit. More than twice this many people have received home-ownership education, credit counseling, and financial literacy assistance. Employers contract community-based housing experts to administer their program. State and local public incentives have been instrumental in engaging business leaders; for instance, $1.4 million in Illinois tax credits (between 2000 and 2009) have leveraged $8 million in employer-assisted housing investments. EAH has led to significant gains on regional economic, energy and environmental goals, and has ameliorated foreclosure rates at the local, sub-regional and regional levels.

Similar incentives across the country in rural, urban, and suburban communities are also meeting with success. On Long Island, N.Y., 130 employers have helped their workers buy homes, and leveraged $12 million through incentives. Maryland, Las Vegas, Oklahoma, and other places are replicating initiatives that result in pocketbook savings for workers; recruitment and training savings for employers; air quality and community improvements, reduced travel times, and less energy dependence for everyone.

“‘In addition to the 50 employees we helped buy homes, Baptist Health Care has helped hundreds more take advantage of financial counseling. By choosing not to buy, they have avoided potential foreclosure situations, and we benefit from stable, productive staff.’”

– Camille Cossa, Director, Employee Benefits, Baptist Health Care of Jacksonville, Fla., which has offered an employer-assisted housing program since 2006

“ ‘If the company takes care of its employees, the employees will take care of the company.’”

– Darlene Porter, Second Vice President for Employee Relations/Talent Management, Aflac

Options to Institutionalize:
Public-Private Partnerships for Workforce Stability

With no road map or federal policy that reinforces and supports public-private partnerships such as EAH, accessing and leveraging significant private sector resources remains a challenge. Following are four options to establish public-private partnerships for workforce stability:

1. **Initiate a pilot program.** Reward multi-jurisdictional/multi-sector planning collaborations that are already moving forward thanks to the Sustainable Communities Initiative or other federal awards. It would bolster both public sector leadership and the effectiveness of these collaborations by engaging employers in planning and implementation. For example, local leaders could solicit employer input and support on plans underway, and identify local incentives for employers to assist their employees to buy or rent homes in the new developments prioritized near jobs and transit. By measuring the impact of early employer engagement — and the resulting workforce stability and private sector dollars leveraged to supplement public sector investment — stakeholders could better document the bottom-line value that these programs and incentives offer to both employers and local leaders.
2. **Introduce a direct federal incentive, such as a “Workforce Stability Tax Credit.”** Provide a tax credit to employers that invest in jobs/housing/transportation solutions to improve local and regional economic competitiveness and community livability. The proposed Workforce Stability Tax Credit, for example, would join other workforce initiatives that promote workplace flexibility and productivity for employers, and reduce housing and commuting costs and stress levels in employees. This tax credit would benefit employers that are investing in solutions for a sustainable America and increasing our growth potential.

Employers would provide employees with assistance to rent, purchase or rehab housing near their places of employment or local transit. Employers would receive a federal tax credit equal to 50 percent of the cost of qualified housing expenses for eligible employees. To be eligible for this resource, employees would be required to participate in home-buyer education provided by a certified nonprofit counselor. Employers that underwrite this counseling and/or invest in down payment or rental assistance would be eligible to receive tax credits.

3. **Establish a matching fund program.** By offering a match, government dollars can leverage private dollars to support a stable workforce. This cost-effective initiative can yield a significant return on investment (often within 12 months), and benefit workers and employers. The matching fund could double the housing assistance received by income-eligible employees at the closing table.

4. **Reward public-private partnerships (such as EAH) within competitive grant and Federal Housing Administration (FHA) programs.** Identify ways existing formula grants and FHA loans could better leverage private sector investment to support local, regional, and national priorities. Reinforce the alignment of public and private sector objectives, promote the integration of multiple sectors, and ensure long-term success before limited federal resources are spent.

**Benefits of the Workforce Stability Initiative**

- Provides incentives to align public and private sector goals and investments.
- Boosts employers’ bottom lines by reducing turnover and recruitment costs.
- Benefits workers and promotes stable renters and homeowners.
- Reduces traffic congestion, dependence on foreign oil, and lengthy commutes.
- Results in greater worker productivity and increased economic potential.

**For More Information**

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“We’ve offered EAH to employees for a number of years because it’s good business. When matching funds became available, we had nearly a 50 percent increase in participation.”

– Janet Byrum, Human Resources Director, AdvancePierre Foods

“The ‘Prescription for Homeownership’ program has been great for the company and for our colleagues.”

– Ernest Dupont, Director of Workforce Development Programs, Workforce Initiatives, CVS/Caremark