

Creating Human Capital

While other articles in this newsletter will clearly demonstrate what LVEC means to individual learners and volunteer tutors, I will begin to explore in this column the overall contribution I see LVEC having in the community-at-large.

For me, Literacy Volunteers of Eastern Connecticut is in the business of creating human capital. This human capital is the ability of our adult learners to communicate effectively in English, be it learning to read, speaking, or conversing. These are skills our learners will have for the rest of their lives, skills which cannot be taken from them, which they can continually employ to reach their highest aspirations for themselves and their families.

For more than 80% of our learners, who speak and read another language, LVEC helps our learners communicate in English. For a small percentage of speakers of other languages, LVEC also assists the learners to read for the first time—in English. Another small percentage of learners are adult English-speakers who have never learned to read, who now choose to do so. Finally, regardless of the specific skill gained by our learners, each of them acquire the emotional, intellectual, and physical capacity and commitment necessary to be life-long learners.

Since creating human capital is the most effective and sustainable form of economic development, beneficiaries of our services, beside our learners and their families, are their employers and the communities in which they live.

The value of creating human capital of adults is an almost immediate acceleration of economic development in which our learners live. As literacy and ability to communicate in English improves so do wages and aspirations for our learners and their families, leading to a whole cascade of economic, civic and educational involvement. And, unlike so many other forms of economic development, committed self-improvement is cost-effective and transparent to the public-at-large.

The cost-effectiveness of LVEC services—at least \$33.00 for every \$1.00 we spend¹—is primarily because:

1. Our “workforce” of 125 tutors are volunteers;
2. Our tutoring approach is extremely efficient and effective; and,
3. The benefits to society are legion when those who cannot read and communicate in English effectively learn to do so.

While LVEC and the community benefit economically by our recruiting, training, and engaging our uncompensated volunteers to tutor our 500 learners, the educational and social benefits of this approach are at least as great, if not greater, than the economic benefit. First, our tutors are engaged in this public service because it is their choice, it is their contribution of time, energy, and

¹ *A.T. Kearney Analysis, 11/99*

expertise to assist others in improving their lives. This commitment creates a bond with our learners that profoundly facilitates learning. Second, our tutors are trained in the art of adult learning, meaning that the needs of the learner are paramount at any given moment, another proven way to expedite learning by adults. And, finally, the lives of our tutors are improved by the assumption of this unique and difficult responsibility².

Unlike many other approaches to building human capital and economic development, LVEC's contribution in these arenas are transparent because our funding, like most of our workforce, is voluntary as well. All of our funders—individuals, businesses, municipalities, foundations, the United Way, or school districts—annually choose to be funding partners of LVEC.

The overall social benefit of improving adult literacy can be discerned from just a few findings:

- The limited literacy skills of employees is costing U.S. business and taxpayers about **\$20 billion** annually in lost wages, profits, and productivity³. In Southeastern Connecticut, for example, 60% of business reported it was difficult or almost impossible to find qualified workers in a 2007 survey conducted by Chambers of Commerce of Eastern Connecticut and Mystic.⁴
- The total cost to the U.S. health system of low literacy is estimated to be **\$73 billion** annually, a cost that is shared by employers and local, state, and the federal governments⁵.
- Worker salaries and wages increase as literacy increases, with governmental tax revenue increasing 1.8% for every 2% increase in employee earnings⁶.
- The rate of entrepreneurial activity in a nation (i.e. wealth created by building new businesses) is correlated with the number of immigrants it absorbs, with the U.S., Canada, Israel, and Australia having the highest business creation per capita of all countries in the world⁷.

In summary then, LVEC services are a win-win-win-win: Employing a cost-effective approach, LVEC empowers our learners to gain language skills and learning capacity that greatly enhances the quality of life for themselves and their families; the communities in which our learners live benefit from increased tax

² *The Healing Power of Doing Good*; Allan Luks, Ballantine; 1993; Volunteering improves “physical and psychological health, as well as enhancing feelings of spiritual well-being.”

³ *The Skills Gap 2001*, The Natl. Assn. of Manufacturers, Andersen, & Center for Workforce Success, 2001.

⁴ 2007 Economic Survey, CBIA, Chamber of Commerce of Greater Mystic and Chamber of Commerce of Eastern Connecticut.

⁵ *Priority Areas for National Action: Transforming Health Care Quality*, The National Academy of Sciences

⁶ A Review of Research on Positive Outcomes Achieved by Literacy Programs and the People They Serve, ProLiteracy, 2003.

⁷ “A Nation Built on Immigrant Genes,” By John D. Gartner, Washington Post, 2006.

revenue and the increased civic engagement and responsibility of our learners; employers find valuable workers with the commitment and energy to be life-long learners; and our volunteers gain satisfaction and personal fulfillment by contributing to the well-being of LVEC learners.

Sustaining LVEC's capacity to provide this high leverage service for our learners and the community-at-large is dependent upon the continuing generosity of individuals, businesses, foundations, the United Way, and municipalities. The funding we receive from these partners helps to pay for the equipment, books, and supplies necessary to support our volunteers and learners. This funding also pays for our relatively small, but expert staff, who daily operate a sophisticated and complex system necessary for the continuing success and accomplishments of our learners. Other vital elements in our network of services include Otis Library, provider of a major satellite office, other libraries and churches, which provide training sites, and adult education programs from the Norwich and New London School Districts.

The LVEC Board of Directors is continually inspired and grateful for this committed, efficient, and productive network of individual and organizational support. On behalf of the Board, I thank all of you who work so diligently to assure LVEC's continued success.