




Lifelong Learning Accounts

An Innovative Financing Tool for Continuing Education

Continuing Education Association of New York (GEANY) Annual Conference
November 13, 2008

What is CAEL?

- CAEL is the **Council for Adult and Experiential Learning**
- A 501(c)3 non-profit, international organization with 33+ years of experience
- Headquartered in Chicago, IL with offices in Philadelphia, PA; Denver, CO; New York, NY; and Norwalk, CT
- A national workforce intermediary dedicated to removing barriers to adult learning





About Seedco

Overview

National non-profit that partners with local organizations to create economic opportunity by:

- helping chronically unemployed individuals **join, stay, and advance** in the workforce
- promoting access to **work supports** and **asset building**
- assisting businesses and community entrepreneurs.

Approach

- Design and implement model programs at scale
- Manage relationships among low-wage workers, government, employers, and other partners
- Performance and outcomes-based management
- Share lessons learned

Size

- 175 staff members across NYC, Memphis, Atlanta, and Baltimore
- Formalized relationships with 70 neighborhood-based partners
- \$60 million annual operating budget








Our Challenge

- In the U.S., more than 59 million people, or 30 percent of the adult population, are untouched by postsecondary education.
- In 35 states, more than 60 percent of the population does not have an associate's degree or higher.
- Over 26 million adults in the U.S. currently have no high school diploma, more than 32 million have not attended college and are earning less than a living wage, and over 8 million have not attended college and speak little or no English.
- 32 states cannot catch up to the educational attainment levels of the best performing countries internationally by relying solely on strategies related to traditional students

CAEL in partnership with NCHEMS, *Focus on Adult Learning, 2008*.
http://www.cael.org/pdf/StateIndicators_Executive_Summary.pdf




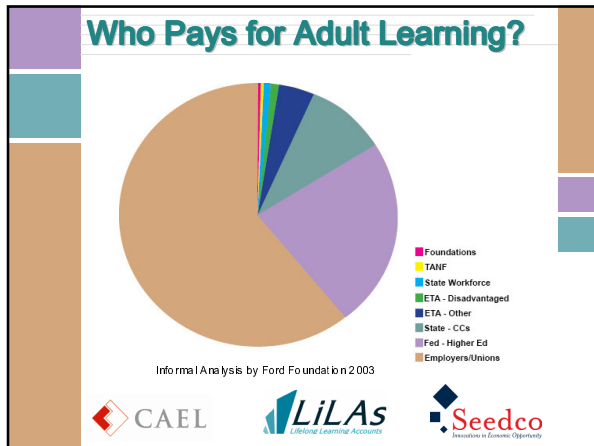
Lack of Funds is a Key Barrier

Tuition and fees between 1997 and 2007 increased annually

- 5.6 percent at private four-year colleges and universities
- 7.1 percent public four-year colleges and universities
- 4.2 percent at public two-year colleges

College Board. 2007. *Trends in college pricing*. Trends in higher education series.





What are LiLAs?

Lifelong Learning Accounts (LiLAs):
Employer-matched, portable,
individual accounts to finance
employee education and training


CAEL | LiLAs | Seedco

- ### Key Characteristics of LiLAs
- Sponsored by Employer
 - Employer Matched
 - Optional 3rd Party Matches
 - Portable (Employee Owned)
 - Universal
 - Voluntary Participation
 - Broad Use of Funds
 - Career & Education Advising
- CAEL | LiLAs | Seedco

Initial LiLA Demonstration Sites


CAEL Demonstration (late 2001 – summer 2007)

- Chicago - restaurant industry; 127 employees
- Northeast Indiana - 79 manufacturing employees; 76 public sector employees
- San Francisco – healthcare; 77 employees
- 37 employers; 65% have fewer than 110 employees



Appeal to Employers...


- Potential increased recruitment and retention of employees
- Affordable addition to existing benefit package
- Career & education advising for frontline staff
- Setting a cap on monthly and total annual LiLA contributions
- Being part of national initiative to increase access to education



Preliminary Outcomes

Co-investment strategy works


- As of September 2006, leveraged **\$219,404** from workers and **\$200,512** from employers.
- Worker contribution matched 1:1 by employers up to \$500. Project matched total contributions.
- Average monthly contribution of LiLA participants (excluding those who dropped out) = **\$33.82**



Preliminary Outcomes

Participants valued advising services


- **97%** of participants report that they found their CAEL advisor to be helpful
- **30-40%** of participants willing to pay for advising out-of-pocket



Preliminary Outcomes

LiLAs can provide a significant incentive to pursue education and training


- Approximately **half (44 to 58%**, depending on the sector) of LiLA participants had not been planning to enroll in education or training before the start of the LiLA program
- **84%** of participants who made regular or significant contributions to their LiLAs used their LiLA for at least one class.
- Across all sites, the average LiLA expenditure per participant was **\$2,003**.



Preliminary Outcomes

High level of program satisfaction

- **88 to 90%** of participants were "satisfied" or "very satisfied."
- **87%** reported that they would continue participation even if the program included only employer match funds.
- **90%** of responding employers reported that they were "very" or "somewhat" satisfied.



LiLA Initiatives Moving Forward

• State and Regional

- ▶ State-based program (Maine and Washington)
- ▶ Mature Worker pilot (San Francisco)
- ▶ Legislative initiatives
 - Illinois
 - Bills introduced in HI, IA, MN
- ▶ WIRED – US Department of Labor
 - Coastal Maine
 - Kansas City region
- ▶ Planning grants for NYC, MI and PA LiLA initiatives



Federal LiLA Bills



- ▶ National Lifelong Learning Accounts Act of 2008 (HR 6036)
- ▶ National Lifelong Learning Accounts Act of 2007 (S.26)
- ▶ Lifelong Learning Accounts Act of 2007 (H.R. 2901)



NYC Demonstration Pilot

Context

- Diminishing training funds
- Robust network of employers
- Low-wage, low-skilled workers at particular disadvantage
- Shift to a service and technology-driven economy

Timeline

- NYC planning period: Oct 2007 – June 2008
- Advisory board launched: Spring 2007
- Aggressive fundraising: June 2008 – Dec 2008
- Planned launch: Q1/Q2 2009




NYC Demonstration Pilot

Target sectors

- Nonprofit, Financial Services, Technology, and Healthcare
- Share common workforce challenges:
 - Large numbers of low-wage, entry-level employees
 - High turnover
 - Low or lackluster employee morale
 - Difficulty hiring and retaining workers

Scale


- 1-10 employers to participate
- 200 employees to be served over 3 years



NYC Demonstration Pilot

Planning Period Accomplishments

- Conducted focus groups with employees and employer interviews which demonstrated significant interest in LiLAs
- Developed program guidelines
- Developed marketing materials
- Established preliminary employer pipeline
- Refined local program implementation model
- Initiated fundraising for operations



NYC Demonstration Pilot

Planning Period Lessons Learned

- Sales cycle for marketing LiLAs to employers is long
- Financial Service organizations reported a conflict of interest between participating in the LiLA program and housing funds within a competitor bank
- For Healthcare, you must structure the program to complement an existing array of benefit programs offered by employers and unions
- Need to establish a flexible model to accommodate changes in the environment



NYC Demonstration Pilot

Key Implementation Roles

Seedco	<ul style="list-style-type: none">•Develop and manage employer network•Provide one-on-one counseling services•Outcome tracking thru CAEL software•Integrate on-line screening and counseling and <i>Earn</i>Benefits services•With CAEL: Fundraising and Evaluation
CAEL	<ul style="list-style-type: none">•Manage the financial management and vendor payment infrastructure through LaSalle bank•Provide Seedco with technical assistance•Public Policy•With Seedco: Fundraising and Evaluation



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