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Emanuel Announces Lifelong Learning Accounts Bill

Addresses Financial Services Forum in Chicago

CHICAGO, IL— Today, U.S. Representative Rahm Emanuel (D-IL), addressed the Financial Services Forum's town hall discussion on "Succeeding in the Global Economy" at the Illinois Institute of Technology. At the forum, Emanuel announced his plans to introduce the Lifelong Learning Accounts Act of 2008 with U.S. Congressman Jim Ramstad (R-MN). Lifelong Learning Accounts (LiLAs) are employer-matched, portable educational accounts that workers can use to finance their education and training. At the forum, Emanuel discussed several comprehensive national policies to help people and families benefit from globalization.

"Last century, when the economy was failing millions of Americans, President Franklin Roosevelt offered our people a New Deal. Today, millions of Americans are facing similar challenges in a rapidly changing world. In short, we need a New Deal for the New Economy," said Emanuel.

A fundamental building block for Emanuel's New Deal for the New Economy is educating and training our workers. Under current law, workers can take a deduction for education and training, but only if the expense is directly related to their current job. There is currently no savings vehicle for education and training that encourages employer participation. Emanuel's LiLA plan addresses these shortcomings by allowing workers to use their account at their discretion for education and training that bolsters their current career or allows them to transition to a new career. In addition, it creates a credit for employer contributions to the accounts.

"Right now, we provide 529 accounts for parents that are saving for their children's education and we provide 401(k)'s for workers that want to save for their retirement. But between the ages of 18-65, you are effectively on your own when it comes to saving for additional education and training," said Emanuel. "401(k)'s have clearly revolutionized the way that workers save for their retirement. Lifelong Learning Accounts will hopefully revolutionize the way that workers invest in their education and training."

Workers could use LiLAs for a broad array of education expenses that current education benefits do not cover. The LiLA proposal is designed to allow workers who attend college less than half time to benefit from the account. Currently, a significant portion of working adult students attend college less than half time and are unable to benefit from major education benefits, such as the HOPE credit. The LiLA also provides a tax benefit to the 40 million taxpayers who currently don't earn enough to qualify for any of the current education and training credits and deductions.

"Without highly-skilled, highly-educated workers, it won't matter whether we put up walls or hammer out new trade agreements. And without the skills to compete with emerging competitors from abroad, millions of Americans will be consigned to the bottom rungs of the new economy – without the hope or opportunity for advancement that is the cornerstone

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of our democracy.”

Rahm Emanuel and lead cosponsor U.S. Representative Jim Ramstad (R-MN) will introduce the Lifelong Learning Accounts Act of 2008 on Tuesday.

“These innovative accounts will empower workers to save for the education and training they need to succeed and thrive in our economy,” said Rep. Jim Ramstad (MN-03), a member of the Ways and Means Committee.

State and regional leaders across the country are working to advance Lifelong Learning Accounts to address the growing need for skilled workers, including California, Kansas City, Illinois, Iowa, Maine, Michigan, Minnesota, New York, Pennsylvania, and Washington. Lifelong Learning Accounts pilot programs are taking place in several sites, including in Chicago. Paul Kelvington, a participant in a Chicago area Lifelong Learning Account pilot program that was run by the Council for Adult and Experiential Learning, just graduated Magna Cum Laude from Loyola University on May 9, 2008 and says, “If LiLAs hadn’t existed, I never would have gone back to college.” He was working as a waiter at Rhapsody when he was offered a Lifelong Learning Account, and now he is beginning his internship at Chicago Lakeshore Hospital.

Additionally, IBM has become one of the first companies in the United States to provide this kind of opportunity to its employees.

“We applaud Rep. Rahm Emanuel for his vision and leadership. His new legislation will help the American worker keep their competitive edge in the face of global competition,” said Stanley S. Litow, IBM’s Vice President of Corporate Citizenship and Corporate Affairs. “Any individual today – like any company, community or country – must continuously adapt, acquiring the skills and abilities to take full advantage of the globally integrated economy. Many companies, IBM included, provide work-related training but when IBM CEO Sam Palmisano introduced the Global Citizen’s Portfolio nine months ago, IBM became the first U.S. Corporation to provide a tangible program to give its employees the wherewithal to get the resources they need to successfully compete for the jobs of tomorrow.”

The Council for Adult and Experiential Learning (CAEL) is a national leader in the fields of adult learning and workforce development, providing colleges and universities, companies, labor organizations and state and local governments with the tools and strategies they need for creating practical, effective lifelong learning solutions. With a membership of over 600 colleges, universities, corporations, labor unions, associations, and individuals, CAEL is headquartered in Chicago and also maintains offices in Denver, Philadelphia, Norwalk, CT, and New York City.

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