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Representative Tom Allen (D-ME) Introduces House Bill Providing Tax Credits for Education and Vocational Training

Lifelong Learning Accounts will help keep American workers competitive

Washington, DC—Representative Thomas H. Allen (D-ME) introduced a bill in the House (H.R.2901) that would encourage employees to set aside money for their education costs, and encourage employers to provide matching funds through Lifelong Learning Accounts. Senators Maria Cantwell (D-WA) and Olympia Snowe (R-ME) introduced a similar bill (S.26) in the Senate in January.

Rep. Allen envisions Lifelong Learning Accounts as employer-matched individual accounts that can finance education and training – similar to a 401(k) in concept, but used for skill building and career advancement.

“Stunning advances in science and technology are creating exciting opportunities for American businesses and American workers,” said Rep. Allen. “But to take advantage of the promise these innovations hold and for America to remain competitive in the global economy, we must have a workforce with the education and training to fill the jobs businesses create. As the cost of education continues to skyrocket, America loses a lynchpin of its economic power. We see Lifelong Learning Accounts as a way to keep our workforce educated and current in today’s technology and business environments.”

The Lifelong Learning Account Act would establish a demonstration that offers tax credits for employer and employee contributions to Lifelong Learning Accounts in up to ten states for up to 200,000 workers. The funds in these accounts would finance a wide range of educational activities. The tax credit targets taxpayers with low to moderate incomes. The Act would also provide for deductions for employer contributions for amounts that exceed the tax credit.

“Whether you’re looking at the national shortage in nurses, keeping high-tech workforces current in their fields, or retraining workers in today’s shifting economy, we need to facilitate education more than ever,” said Pamela Tate, President of the Council for Adult and Experiential Learning (CAEL), which developed the Lifelong Learning Account (LiLA) model. Ongoing LiLA demonstration projects by CAEL in Chicago, northeastern Indiana, San Francisco (in partnership with Jewish Vocational Service), and by the state of Maine are helping employees at all levels get the training they need to succeed. These programs are demonstrating that LiLAs work and that they benefit employees and employers.

For this reason, many employers support the program, especially those who cannot fund full tuition reimbursement programs. “We see LiLAs as a wonderful opportunity to recognize and reward our workers, while filling our own workforce needs at the same time,” said Jennifer Hermann, Director of Human Resources at UCSF Medical Center. “We truly believe from previous on-site training experience that if workers invest their own money in education, they are ten times more likely to follow through and be serious about completing their education. And that’s worth investing in as an employer.”



Lifelong Learning Accounts are receiving support from leaders across the country. Mike Langford, President of the Utility Workers Union of America, says, “Because we represent over 50,000 workers in the utilities industry, UWUA knows a quality workforce is critical to keeping our country’s utilities safe and efficient. By encouraging employer and employee co-investment, LiLAs offer workers a meaningful opportunity to get the education and training they need to improve their skills and knowledge and advance their careers.”

Deborah L. Wince-Smith, President of the Council on Competitiveness explains, “The Council on Competitiveness is the only group of corporate CEOs, university presidents, and labor leaders committed to driving U.S. competitiveness in global markets and ensuring the future prosperity of all Americans through the creation of high-value economic activity. Investing in Lifelong Learning Accounts will help ensure the prosperity of Americans by enhancing their ability to compete and thrive as part of the global workforce.”

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The Council for Adult and Experiential Learning (CAEL) is a national non-profit 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. CAEL is headquartered in Chicago and also maintains offices in Denver, Philadelphia, Norwalk, CT, and New York City. For more information go to: www.CAEL.org