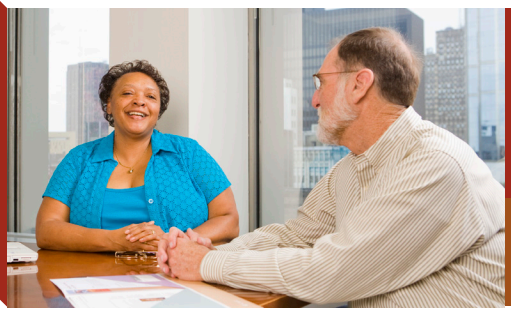
CAEL
Linking Learning and Work

February 2012



Helping Workers Save Successfully for Education and Training

Highlights of the Lifelong Learning Accounts
San Francisco Demonstration

Despite our need for a more highly-educated workforce, there is little financial support for worker education and training. The Council for Adult and Experiential Learning (CAEL) developed a unique co-investment vehicle to finance worker education and training: the Lifelong Learning Account (LiLA). LiLAs are employer-matched, portable, employee-owned accounts that fund training and education for the employee. CAEL has tested LiLAs in several pilot projects nationwide since 2001. Our most recent initiative in San Francisco in 2008-2011 targeted mature workers, minority workers, and lower-income workers.

In partnership with Jewish Vocational Service, this LiLA demonstration provided worker participants with an opportunity to save via voluntary automatic payroll deductions, which were matched 100% by their employers and 50% by the project, up to a cap of $1,500 total match dollars per year over a 24-month period. Each participant had up to an additional 12 months, for a possible total of 36 project months, to spend their funds on education and training courses and activities. Below are the highlights of the demonstration and of the final results from the external evaluation, which was conducted by LFA Group: *Learning for* Action, and from CAEL's internal analysis of the program.

Key findings from this demonstration are that:

- LiLAs appeal to a diverse group of working adults.
- LiLAs generate significant savings for education – even in a recession.
- Participants use their LiLAs to enroll in and complete courses toward their education and career goals.
- Career advising and Individual Learning Plans contribute to success.
- Employers see positive workforce change through LiLAs.

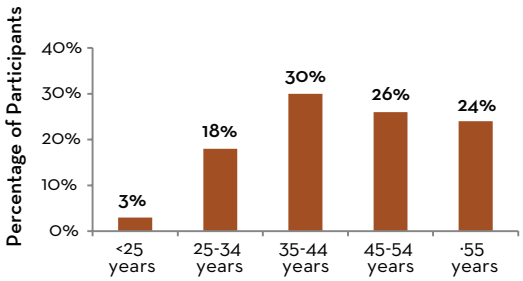
"I would recommend LiLA and would say it's a fantastic opportunity to help you gain financial support for your plans, and [the LiLA advisor] gives you concrete advice and counseling to help you figure out how to accomplish what you want."
–LiLA participant

The Project Served a Diverse Group of Working Adults

A total of 147 workers participated in the LiLA demonstration.

- 76% of participants were female, 23% male, 1% transgender.
- The average age of participants was 44; 24% were 55 or older (Figure 1).
- 39% were Asian/Pacific Islander, 24% Caucasian, 19% Latino, 13% African American, 3% multiracial, 3% other.
- 89% of participants who were 55 years or older were also lower-income and/or minority group members.
- 56% of participants worked for healthcare employers (University of California San Francisco Medical Center, On Lok and Telecare) and the other 44% were in the public sector (City College of San Francisco).

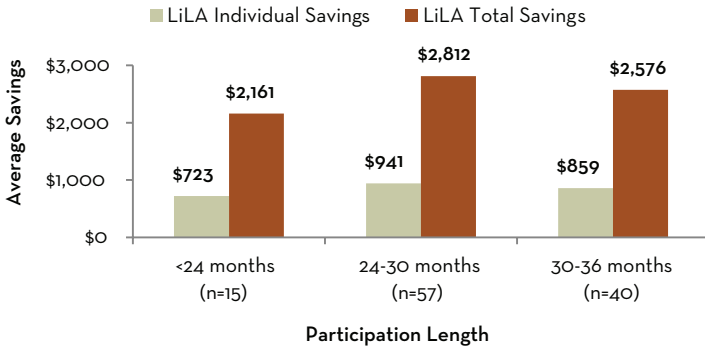
Figure 1. Age of LiLA Participants (n=146)



LiLAs Generated Significant Savings for Education—Even During a Recession

- **Participants contributed to their LiLA accounts.** Although the LiLA demonstration was carried out during a national recession (2008-2011), 112 participants amassed combined contributions of $257,626 in their LiLA accounts, including $98,802 in deferred salary savings and $158,824 in employer and third-party matching funds.
  - Those who participated for 24-30 months saved the most money, with an average individual contribution of $941 and average total combined resources, including project and employer contributions, of $2,812 (Figure 2)
  - On average, participants 55 years or older saved $860 of their own funds, slightly less than participants younger than 55, who saved $892. The difference was not statistically significant.
  - LiLAs also affected attitudes toward savings more generally: 65% of LiLA participants who did not save regularly prior to the program were doing so by the end.

Figure 2. Average LiLA Savings



Participants Spent Their Savings on Learning

- **Participants didn't just save—they also used their accumulated LiLA funds on their education.** By the end of the program, LiLA participants had spent a combined total of $137,015 on education and training activities. Participants who were engaged in the program for 24-30 months spent $1,617, on average. (Figure 3).
- **LiLA provided an incentive to learn.** Nearly 85% of participants spent some or all of their savings on training and education. In contrast, only 56% of the comparison group spent money on education and training activities during the same time period.

"LiLA helped me pay for full-time enrollment and eased the burden of having to sacrifice other financial obligations. I could focus on studying and getting good grades." –LiLA participant

LiLA Participants Made Progress Toward Their Educational Goals

- **Participants made progress toward their goals.** 90% of participants ages 55 and older either made moderate progress or fully met their educational goals by the end of the project; this was true for 82% of participants under age 55.
- **Age may be a factor in goal achievement.** While goals varied by individual, participants 55 and older were more likely to meet their educational goals, with one out of every two participants doing so. Those younger than 55 reached their goals at half that rate, with one in four doing so.
- **Participants believed that LiLAs played an important role in meeting goals.** A majority of participants (89%) agreed that the LiLA savings account played an important role in their progress toward their goals (Figure 4).

Figure 3. Average LiLA Spending

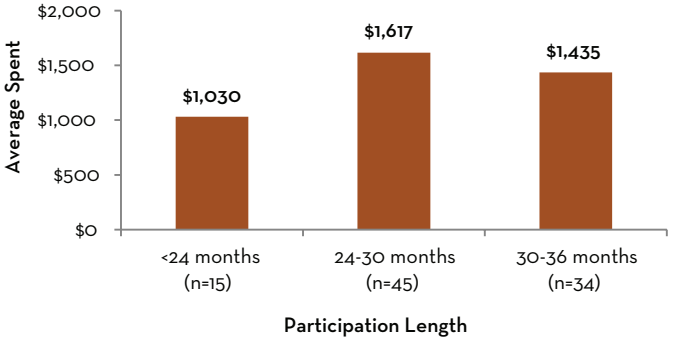


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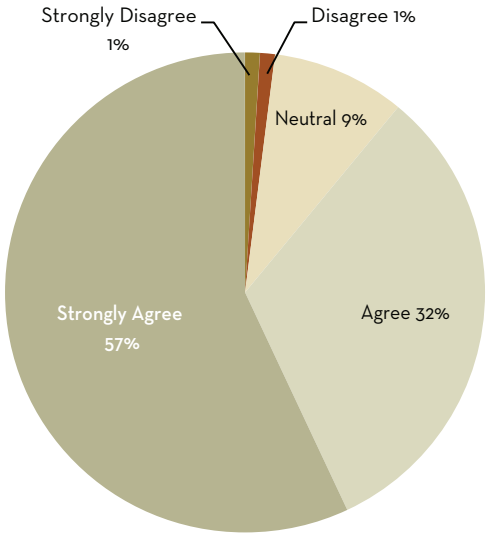
Figure 4. Participants' Level of Agreement with the Statement "My LiLA savings account played an important role in the progress I made toward my education or training goal(s)." (n=82)



Career Advising and Individual Learning Plans Were Important to Success in LiLA

- **LiLA participants develop personalized plans.** All LiLA participants worked with an education and career advisor to develop an Individual Learning Plan (ILP). The majority (92%) of LiLA participants reported having an education or training goal while participating in the program, while only 63% of the comparison group had a defined goal.
- **With LiLAs, guidance leads to the achievement of goals.** A majority (82%) of participants reported that they were satisfied or highly satisfied with LiLA advising. Almost three-quarters of participants (74%) agreed or strongly agreed that their LiLA advisor played an important role in developing a plan for their education, and 72% of participants agreed or strongly agreed that their LiLA advisor played an important role in their progress toward their education or training goals.

"LiLA paid for tuition and books for over two years. I'm nearly done with my AA degree and am going for my BA degree. If it weren't for LiLA's help with expenses, I would have stopped taking classes a long time ago." -LiLA participant

LiLA Participants Were More Likely to Progress in Their Careers

- **LiLAs help improve employee earnings.** Almost half (44%) of LiLA participants received a raise; among those who received a raise, 27% agreed or strongly agreed that the raise was partly due to the education and training in which they participated through LiLA.
- **LiLAs help employees rise through the ranks.** Of the participants, 7% received a job promotion while enrolled in LiLA. Among those who received a promotion, 33% agreed or strongly agreed that the promotion was partly due to the education and training in which they participated through LiLA. In the comparison group, one person received a promotion during the same time period, and there were no reported raises.

Workers and Their Employers Gave High Marks to LiLAs

- **Workers like the LiLA program.** Nearly all of the participants in the LiLA program (96%) reported that they were satisfied with LiLAs. The same percentage of participants agreed that they would recommend the program to colleagues.
- **LiLAs can be used in employee recruitment strategies.** When participants were given a hypothetical choice between two similar work opportunities, but where one employer offered LiLA's and the other did not, an overwhelming number (87%) said they would work for the employer offering LiLAs.
- **Employers like the LiLA program.** Over the course of the program, all four LiLA employers reported that they were very satisfied with it and indicated that they would love to continue the program. From successful account management to customer service, employers stated that LiLA program was responsive and supportive and went "beyond what was needed."
- **LiLAs can be used as a workforce development tool.** Employers agreed that LiLAs helped mold employees into better workers and improved morale while adding value to the workplace by increasing workers' education and skills.

LiLA Employees Are Committed to the Workplace

- **LiLA employees are more engaged.** In initial interviews, employers stated that improving recruitment and retention of employees was the primary motive for joining the project. LiLA participants reported more often than non-participants that their jobs are challenging (68% vs. 63%) and they find their work environments engaging (57% vs. 53%).
- **LiLA employees want to remain with their employer.** Both LiLA participants and non-participants have plans to stay with their current employers and current sectors for similar amounts of time, but a smaller proportion of LiLA participants (39% vs.72%) plan to stay in their current position for five years or more.

"LiLA inspired me to take more of an interest in my job and improved my job performance."
–LiLA participant

Conclusion

Lifelong Learning Accounts provide a way for workers and their employers to co-invest in education and training. CAEL's San Francisco LiLA demonstration has shown that both workers and their employers like the tool, and that LiLAs successfully encourage individual and employer investments in education and training. Workers contributed their own money, even during a recession, and they use the combined resources to pursue their educational goals. Workers age 55+ made contributions on par with their younger co-workers, and the mature workers made progress towards their goals at a higher rate than younger participants. Overall, the LiLA project further underscores the value and importance of career and educational advising to adults who are interested in improving their employability through education.

More About LiLAs

Visit CAEL's LiLA website at www.lifelonglearningaccounts.org and read the following papers on LiLAs:

Jazzing It Up

- by CAEL, 2009.

The stories of how two states and one region are working to advance LiLAs for large numbers of workers—and making contributions to the LiLA model in the process—are profiled in this report.
http://www.cael.org/pdfs/Jazzing-It-Up-Innovations-in-the-LiLAModel

Lifelong Learning Accounts: A Strategy for Co-Investment in Education and Training

- by Amy Sherman and Rebecca Klein-Collins, 2007.

This policy brief explores the need for supporting education and training of the workforce, and describes the benefits of LiLAs as a policy solution.
http://www.cael.org/pdfs/84_lila_policybrief_final_nov2007

Changing Lives Through Lifelong Learning Accounts

- by CAEL, 2007.

This publication tells the story of several participants and employers from CAEL's first demonstration of Lifelong Learning Accounts in Chicago, Northeast Indiana, and San Francisco.

http://www.cael.org/pdfs/90_caellilaparticipantprofiles2007

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We advocate and innovate on behalf of adult learners to increase access to education and economic security. We provide adults with career guidance and help them earn college credit for what they already know. We equip colleges and universities to attract, retain, and graduate more adult students. We provide employers with smart strategies for employee development. We build workforce organizations' capacity to connect worker skills to employer demands.

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