



# LiLAs: A New Way to Pay for Adult Learning

Amy Sherman

Associate Vice President

CAEL

# What are LiLAs?

---

## ■ Lifelong Learning Accounts (LiLAs)

- Individual education accounts
- Matched by the employer
- Finance lifelong learning

# Key Characteristics of LiLAs

---

- Universal
- Voluntary Participation
- Sponsored by Employer
- Employer Matched
- Optional Third Party Matches
- Career & Educational Advising
- Broad Use of Funds
- Portable (Employee-owned)

# LiLA Programs

---

## CAEL Demonstration (late 2001 – summer 2007)

- Chicago - restaurant sector
- Northeast Indiana - manufacturing and public sectors
- San Francisco – healthcare sector

## Other Pilot Programs

- San Francisco: Older workers in Healthcare & Public Sector
- Kansas City, MO & KS (WIRED): Bio-science, Healthcare, & Manufacturing
- Southwestern Pennsylvania: Manufacturing and Non-Profit
- New York City: Healthcare and Non-Profit
- Washington: All sectors; Pacific Mountain Region

# LiLA Policy

---

## ■ Federal

- National Lifelong Learning Accounts Act of 2007
- Lifelong Learning Accounts Act of 2008

## ■ State

- State-based pilots (Maine, Washington)
- WIRED (Coastal Maine and Kansas City regions)

## ■ Legislative Initiatives

- Illinois pilot
- Iowa
- Minnesota
- Indiana
- Washington
- California
- Wisconsin

## Overview of Participants in First Round of Pilots

---

- 70% less than \$40,000 per year; about 20% below federal poverty line
- 46% lacked any postsecondary credential
- 43% over age 40
- 37% minorities
- 55% female

## Participants use LiLAs to advance and/or retool

- **70%** reported educational goals related to
  - promotion with the same employer, or
  - related work with the same employer or industry.
  - current job,
- More often reported seeing a relationship between their studies and a future job as opposed to current job.

## 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%** 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**
- The average savings rate per month was \$34.

## 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.

# Maine LiLA Program

---



# Chicago in Winter



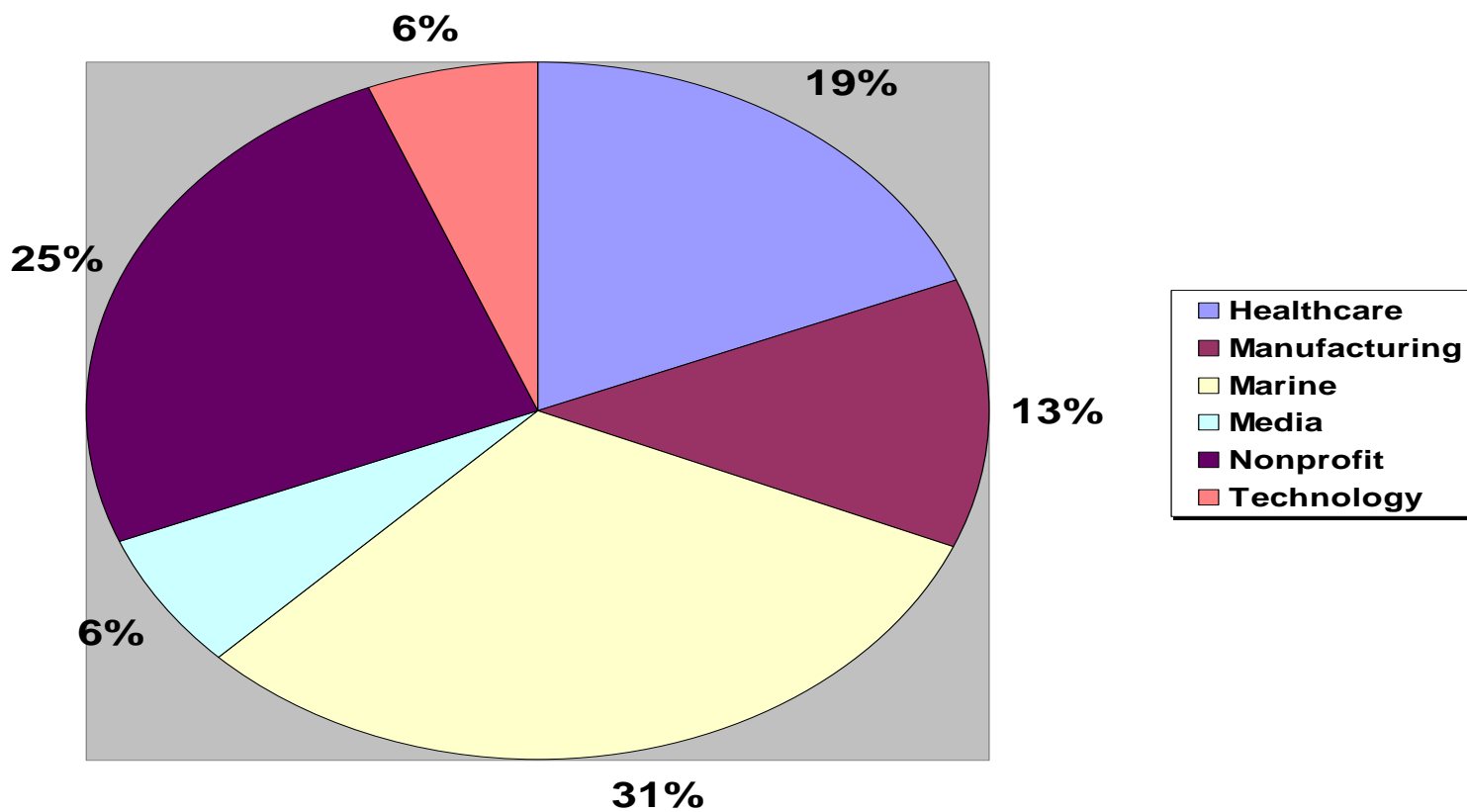
## Maine's LiLA Program Partners

---

- Maine Department of Labor – Outreach and Enrollment
- Maine's Statewide Network of CareerCenters – Outreach, Enrollment and Computer Based Tracking (14 Centers in Maine)
- Maine Centers for Women, Work & Community - Career and Education Advising (18 Centers in Maine)
- Finance Authority of Maine – Account Management (Maine's 529 Program, *NextGen*)
- Council for Adult and Experiential Learning - Technical Assistance

# Maine Employer by Industry

## LiLA Employer Industries



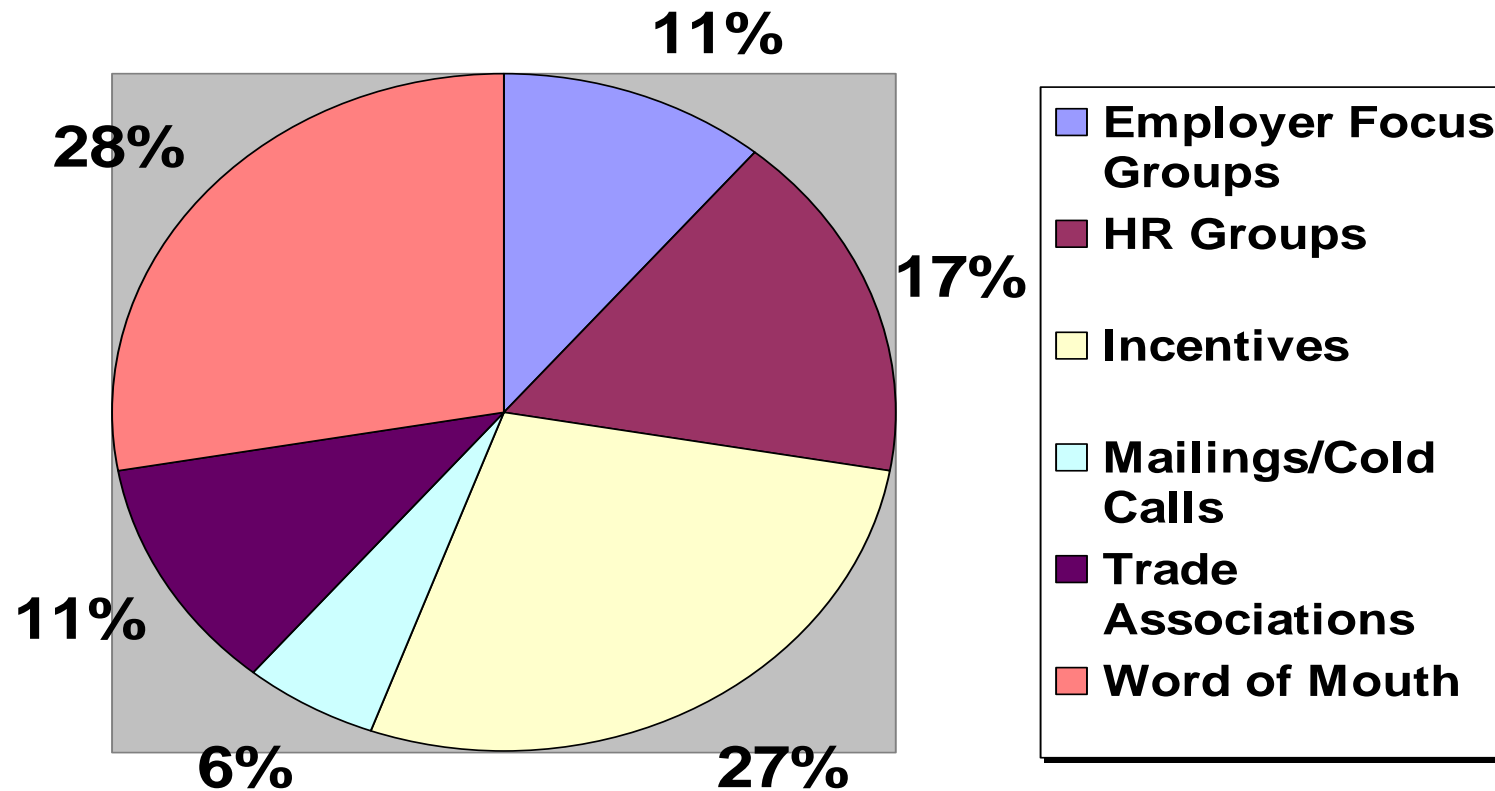
# Employer Outreach Strategies

---

- Word of Mouth Referrals
- Advisory Groups
- Focus Groups
- Incentives (Time Limited?)
- Industry Groups

# Employer Outreach

### LiLA Employer Outreach Success





# Opportunities

---

- Increase adult learner market
- Leverage employer contributions
- Similarities between models – e.g. portability
- Shared goal – increasing access to college through savings

## What Employers Like About 529s

---

- Existing Infrastructure
- Trustworthy
- Tax Treatment
- Ease of Contributions
- Incentives

## Employer Concerns about 529s

---

- Short time horizon and market volatility
- Title IV limitation
- Change in beneficiary
- Multi-state locations
- Reporting and tracking features

**Amy Sherman**  
**CAEL**

Assoc. VP of Policy and Strategic Alliances  
[asherman@cael.org](mailto:asherman@cael.org)