

A Winning Investment

Lifelong-learning accounts increase productivity, improve recruitment and retention, and meet the changing needs of our economy, writes the head of a Chicago-based organization that promotes such initiatives.

By Pam Tate

A good job and long-term employability – that's the need and desire of every American worker. Now, more than ever, our knowledge-based economy requires up-to-date skills, recognized credentials and postsecondary degrees that meet labor market demands.

The high cost of education and re-training, however, results in limited career advancement opportunities for millions of frontline workers. Lifelong-learning accounts are a way to bridge this funding gap and to assist workers in achieving their career goals.

LiLAs are employer-matched, portable, employee-owned accounts used to finance education and training. LiLAs encourage the creation of a partnership between workers and employers to effectively leverage resources to increase productivity, improve recruitment and retention, and meet the changing needs of our economy.

LiLAs are intended to supplement, not replace, existing employer-supported tuition-assistance programs.

The Council for Adult and Experiential Learning's goal is to make LiLAs available to those who need them. The goal is for all workers to have the option of contributing to a LiLA, receiving career and educational advising, and to having their individual LiLA contributions matched by participating employers (and, in some cases, third parties) up to an established cap.

LiLAs are good for business and for workers. The reality is LiLAs differ from traditional sources of education funding, in that workers invest in themselves through saving, while also leveraging employer investment. The combined LiLA funds are then used for education, training and qualified expenses that enhance worker productivity.

We know from our demonstrations that when employees take advantage of a lifelong-learning account program, it not only improves their skills and knowledge, but it makes them more promotable and productive.

In three of four industry sectors in which we have worked, a larger percentage of LiLA employees reported receiving a promotion in the last year, compared to those who did not participate in the program.

We also know that many companies have successfully used LiLAs for the recruitment and retention of employees. Education and career development benefits are increasingly important to employees – and this is one affordable way for companies to demonstrate their commitment to their workforce.

Studies show that for every \$1 invested in employee education and learning, companies realize a \$10 return in productivity and loyalty – so a LiLA program is one important way to make that employee investment.

Whether a company has no educational benefits now and wants to launch one, or already has a tuition-assistance benefit and wants to enhance its educational investment by adding a LiLA program, LiLAs will make a huge contribution to both the company and the individual employee.

Pam Tate is president and CEO of the Council for Adult and Experiential Learning, a Chicago-based organization that promotes lifelong learning accounts for employees. For more information about LiLAs, please contact CAEL's Amy Sherman (asherman@cael.org) or Randall Johnson (rjohnson@cael.org).

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