

Joint Investment/Mutual Savings

Workers/Companies Partner on Unique Training Incentives

By Symone Salisbury

The expression “putting your money where your mouth is” commonly is used to express the need for one’s actions to match his or her stated intentions. Employers involved in a demonstration project of the Council for Adult and Experiential Learning (CAEL) are doing exactly that. Lifelong Learning Accounts (LiLAs), developed by CAEL, encourage collaboration between small to medium-sized businesses and their workers to the mutual benefit of both.

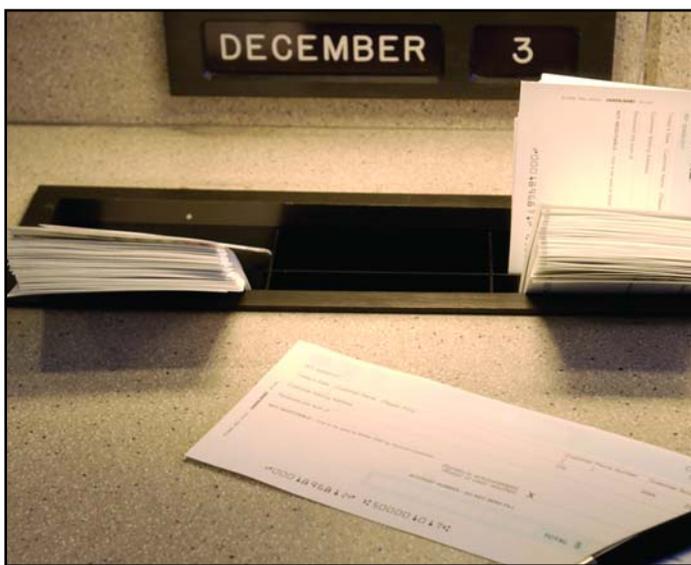
Three U.S. regions representing four industries are part of the initiative: Chicago (restaurant), San Francisco (allied health) and Northeast Indiana (public sector and manufacturing). Maine also recently received funding to begin a demonstration program. It will focus on the information technology, hospitality and precision manufacturing sectors.

For each dollar a worker contributes to his or her LiLA account toward education and training, the employer matches it (not to exceed \$500 annually). State, local and national partners then match that combined total. The Ford Foundation has provided financial assistance nationally. Verizon, Lincoln Financial Group and the Indiana Department of Workforce Development are among the additional funding sources in Indiana.

One general eligibility requirement of the current demonstration stipulates that individuals be employed at their companies for at least six months, although the employer can make the final determination.

More than 350 workers at 36 employers have opened LiLA accounts nationally.

In an effort to expand the program, draft legislation aims to introduce tax credits for both employees and their employers in pilot programs that would be created in up to 10 states. Policy initiatives are under way in Indiana, Illinois (the demonstration project’s headquarters are located in Chicago) and Oklahoma.



While investment accounts help protect workers’ futures, LiLAs can help provide the education and training they currently need.

Overview

Amy Sherman, public policy director for CAEL, describes LiLAs as “a way for cities to provide better services and a better environment for people to live and for businesses to compete.

“The opportunity to get this kind of financial support to go back to school, for people who have been on the fence, becomes the thing that helps them take action,” she declares. “These are people who may have been thinking of going back to school and the LiLA becomes that motivating factor for them.”

Sherrie Hoy, CAEL project manager, adds. “I think that it’s not only the motivating factor, but you have a support network that’s already established.”

Tuition, course manuals and supplies are among expenses funded by LiLAs. Methods of instruction, in addition to traditional classes, include online and correspondence courses.

Workers team with a LiLA advisor to establish goals and plan an outline for using the funds. Participants cannot withdraw

money from their account until they have completed the plan.

An advisory team comprised of participating employers has helped shape the demonstration model. They support the program by assisting with marketing efforts and providing feedback to CAEL on employees’ progress. Employers also partner with the organization on an individual basis.

“It’s a continuous improvement process for us,” Sherman contends.

Local connection

Northeast Indiana has 13 employers represented in the LiLA demonstration project: eight from

the private sector and five from cities and towns. Approximately 150 employees – 75 each in the public and manufacturing sectors – are participating.

Professionals taking advantage of LiLAs range from welders to those working in the material handling, metal stamping and party supply industries.

Sherman comments on why Northeast Indiana was chosen as a demonstration site for the project.

“A big factor was the strong leadership we saw, both in the private and public sector in the Northeast Indiana region,” she says. “I think that’s evidenced in the partnerships in the demonstration.”

Hoy recalls how the recession played a part in Northeast Indiana’s selection as a demonstration site.

“At the time, Indiana was really hit hard by the recession and it took a very long time recovering from it,” she remarks. “Especially in the manufacturing sector, there were quite a few companies who left the area.”

Another challenge revolved around some people limiting their knowledge and skills level to one job that they had occupied for many years.

“If the job changes or transforms because of technology, it’s important for people to stay marketable,” Hoy stresses, “not only for themselves but also for their employers, so they can keep up with the technological needs.”

City commitment

Angola, Auburn, Fort Wayne, Kendallville and New Haven have made LiLAs priorities in their communities.

“A lot of employers, especially in the public sector, appreciate that they can offer those (LiLAs) as an added benefit,” Hoy notes, “especially in this time of budget crunches.”

Mayor Graham Richard of Fort Wayne is one of LiLA’s most dedicated proponents. He calls learning, “the most important asset that you control for your long-term financial success.

“I think the biggest challenge will be to continue to take the program to a larger scale,” Richard observes. “I believe that making an investment in learning and training is a very good investment. I think in terms of the benefit, it continues to place a true financial emphasis on learning. It says to the employee, ‘Look, we care so much about this, that if you invest in this, then the city will match that investment dollar and the foundations who are part of the project have put up money to match it as well.’”

Fifty city government employees, sponsored by Fort Wayne, have joined the program.

Cultivating career growth

Jackie Carroll is a gardener for the Fort Wayne city government. She joined the LiLA program two years ago. Two classes she enrolled in were a week-long Spanish class and a pesticide certification course.

“Working for the city in the city parks, we’re noticing a more diverse clientele,” she says, “and I think it’s a good safety issue (the ability to speak a second language), like finding a (lost) child, if they’re asking for help or trying to find their parents.

“And I think greeting people in their own language makes

them feel more comfortable,” she notes.

Although her current position does not require her to use computers, Carroll states she will soon take a computer class “to be more flexible and also just to make sure I’m trained for the future because you never know about job security in the coming years and how your job will change.”

Her career has flourished over the last six months, as she earned a promotion and received a pay increase. She attributes both accomplishments, in part, to earning pesticide certification by the state as a result of her role in the LiLA program.

Driven to learn

Located in LaGrange, L.A. West, Inc. is one of Northeast Indiana’s eight participating private sector employers.

Customers include Ford Motor Company, Chevy and GMC.

Approximately 60 people work at the facility, which



L.A. West customizes vehicles, such as this Ford Enterprise Series van, according to owner preferences.

builds conversion vehicles. Three of those employees currently, or plan to, use program funds for training in the engineering, real estate and medical professions.

Michelle Schmidt, business manager, disputes the notion that adding knowledge in different fields increases the likelihood of participants leaving the company for other careers.

“If they pursue it or seek it out, they may find they don’t like it or it wasn’t what they expected,” she maintains. “And sometimes it might be not a total change of career, but an advancement.”

She also adds that exploring new jobs also could be used as a source of supplemental income. Through the LiLA program, Schmidt remarks that employees “feel like they have an opportunity to do something that meets their personal goals.”

Sherman recognizes LiLA’s flexibility, as well, in how it guides learners on an educational path they chart.

“LiLAs are responsive to where the worker is at, in terms of their need for training and education,” she points out. “The wide range of allowable educational activities makes it very responsive to where people are at in the education pipeline.”

Domino effect

Business enhancements gained with LiLAs are not always

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monetary.

“I think it’s education as a whole,” Schmidt relates. “If someone is willing to learn, you reap benefits that may not go directly to your bottom line. A person who is seeking to better themselves – how do you put a value on that? Because if they’re happy, they’re bettering themselves, and in the long run, it is usually an improvement of the company, too.”

Further, the program illustrates how life improvements experienced by participants reach beyond the workplace.

“When you start making changes in one part of your life,” Carroll reflects, “it carries over to the other. I probably would not have sought classes on my own. I’ve been working for the city for over 20 years and I felt a little like I was stagnating.”

The LiLA program “really sparked my interest,” she asserts. “It’s easy to get in the rut of just being satisfied and doing the same thing day after day, and to know that these opportunities are out there and somebody saying ‘this is what’s out there and this is how to get there’ (is encouraging).”

How many people could the program reach potentially?

“We want everyone to have LiLAs as part of their compensation package,” Sherman proclaims. “That’s our goal.”

INFORMATION LINK

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