



Lifelong Learning Accounts: Increasing Access to Education and Training for Illinois Healthcare Workers

Illinois LiLA Healthcare Project Summary

What Are LiLAs?

Lifelong Learning Accounts (LiLAs) are a new way for employers and employees to co-finance education and skill development. In a LiLA program, employers match employee contributions to an account for education and training. CAEL's ultimate goal is for LiLAs to become a standard part of all employment benefit packages. Since 2001, LiLAs have been successfully piloted in several locations, including San Francisco, Northeast Indiana, Chicago, and Maine. Starting in the summer of 2007, CAEL is inviting healthcare organizations in Illinois to participate in a new LiLA pilot project serving the needs of frontline healthcare workers.

How Do LiLAs Work?

LiLAs are similar in concept to 401(k) retirement accounts. Participating employees contribute regularly to a LiLA account. Employers match these contributions dollar-for-dollar up to an established annual cap and there often is a third party match. The combined LiLA funds are used to pay for a broad range of education or training activities. There are several key principles in CAEL's LiLA model, including:

Universal Eligibility: All individual employees are eligible for accounts.

Employer Sponsorship: Employers provide the opportunity for their employees to open accounts.

Matched Funding: Individual employees must contribute a minimum amount, though they may choose to contribute more. Employers match these contributions up to an established cap on a 1:1 basis (with the option to contribute more). Some models - including this one - include a third party match.

Use of Funds for Education and Training: Broadly defined, funds are used for individual learning needs, including tuition and fees, books, supplies and other related items.

Portability: Regardless of employment status, the individual controls the LiLA fund. If the individual leaves a participating employer for another participating employer, the new employer can contribute to the individual's account.

Voluntary Participation: Individuals and employers participate on a voluntary basis. The LiLA program is designed to encourage and facilitate widespread participation.

Individual Learning Plan: With the assistance of educational and career advisors, participants develop an Individual Learning Plan (ILP) to meet their career goals. This plan is used to guide participants in making sound training and education choices throughout their LiLA participation.

What are the Highlights of the Illinois Healthcare LiLA Pilot?

Target population: This demonstration is targeting lower-income, lower-skilled frontline healthcare workers.

Contribution and match requirements: Participating employees make regular contributions to a LiLA account, which are matched by the employer up to \$500 per year for a total of \$1,000.

The State of Illinois matches 50 percent of the combined total, for a grand total of up to \$1,500 annually.

"LiLAs offer us an opportunity to reward employees who have been with us, to help with retention. We loved the idea of adding LiLAs to our employee benefits. It makes for a very full benefits package."

Kim Meredith,
COO of Planned Parenthood Golden Gate (PPGG)





The purpose of the Illinois LiLA program is to help healthcare employers and employees finance further training and education to meet the skill needs of the healthcare industry and to achieve workers' career goals. Nationally and in Illinois, the healthcare sector is facing a significant shortage of skilled workers in both the allied health and nursing professions. By 2020, Illinois could be facing a shortage of over 21,000 nurses. According to region-by-region data from DCEO, the state currently has a nursing shortage of 7 percent (vacancies vs. jobs filled), and that shortage is projected to grow to almost 8,000 registered nurses and 1,200 licensed practical nurses (per year, projected through 2010). Illinois must train 50 percent more health care workers annually through 2010 and invest a total of \$40 to \$50 million during that same time period to prevent a critical health care worker shortage in the state, according to a report released by the Metropolitan Chicago Healthcare Council.

What are the Benefits of LiLAs?

Since 2001, CAEL has managed a multi-site, multi-sector demonstration of the LiLA model. Findings from the demonstration indicate that employees and employers have much to gain from LiLAs:

Resources for education and training: The participants in the demonstration have successfully leveraged money for their education. As of May 2007, participants had saved more than \$219,000, triggering contributions of more than \$200,000 from their employers. The average total contribution per participant was \$723 over two years, and the average monthly contribution was \$31.

Motivation for Education: Nearly half of the LiLA participants were not planning to take courses or training prior to enrolling in the LiLA program.

Participant Satisfaction: Over 90% of the LiLA participants in the public sector, manufacturing, and healthcare and 88% in the restaurant sector were "satisfied" or "very satisfied" with the program.

Employer Satisfaction: 87% of employers were "somewhat" or "very" satisfied with the program.

Impact on Worker Productivity: Despite the time limited nature of the demonstration, employers were reporting some evidence that LiLA employees were more productive as a result of the program - 75% in healthcare, 63% in manufacturing, 40% in the public sector, and 27% in the restaurant industry.

Likelihood of Continuing the Program: The vast majority of employers across sectors were "very" or "somewhat" likely to continue the program if it were offered.

About CAEL

CAEL is a national non-profit organization and has created and managed effective learning strategies for working adults since 1974. We use our knowledge of adult/employee learning practices to be an active intermediary and partner leveraging the strengths and capabilities of its constituencies: adult learners, business, higher education, and government. Our very experienced staff and our connections in various sectors make us a highly effective organization in working collaboratively with a wide range of constituencies on issues concerning the development of human capital.

For more information on this pilot, contact **Sherrie Hoy**, National LiLA Technical Assistance Manager 312-499-2661, or at: shoy@cael.org. For more information on other state LiLA policy activities, contact **Randall K. Johnson**, LiLA State Policy Director, at 312-499-2656 or rjohnson@cael.org.

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"I hope the LiLA program will be offered to other people who would like to continue their education. It eliminates many challenges that naturally come up for people in their day-to-day lives. It's such a great opportunity! The meaning of LiLA --Lifelong Learning Accounts-- is a perfect summary of what I see my education and career looking like in the future: Continual learning of a wide range of therapeutic techniques and applications."

Mary Tran, UCSF

