

**Evaluation of the
Lifelong Learning
Accounts
Demonstration**

Second Interim Report

**Prepared for
The Ford Foundation**

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Section One: Background and Overview

This report is the second in a series that presents interim findings of an evaluation of the Lifelong Learning Accounts (LiLA) Demonstration, an initiative undertaken by the Council for Adult and Experiential Learning (CAEL). CAEL is a nonprofit organization recognized nationally as a leader in developing innovative strategies to strengthen the relationship between education and employment and remove barriers to lifelong learning.

CAEL pioneers learning strategies for individuals and organizations. We advance lifelong learning in partnership with educational institutions, employers, labor organizations, government, and communities. CAEL works to remove policy and organizational barriers to learning opportunities, identifies and disseminates effective practices, and delivers value-added services.¹

This commitment to lifelong learning extends to CAEL's workplace: "CAEL is dedicated to making our own workplace a model of lifelong learning, mutual respect, and commitment to our vision."² Thus, an emphasis on program evaluation and continuous improvement is consistent with CAEL's overall approach to leadership and operations.

The LiLA Demonstration project grew out of a planning grant from the Ford Foundation, and was initially supported through internal funding from CAEL. CAEL sponsored a series of design workshops to obtain advice and enlist support from a broad range of organizations, including the National Association of Manufacturers, the American Society for Training and Development, and other entities. Information developed through these discussions and through the research formed the basis for CAEL's proposal to Ford for this project.

In addition to funding from the Ford Foundation, this project is receiving financial support through contributions from the following organizations: Annie E. Casey Foundation; Bank of America Foundation; Chicago Community Trust; City of Fort Wayne; Olive B. Cole Foundation; Friedman Family Foundation; Richard and Rhoda Goldman Fund; Grand Victoria Foundation;

¹ CAEL, <http://www.cael.org/AboutUs/MissionStatement.asp>, January 23, 2004.

² Ibid.

Evelyn and Walter Haas, Jr. Fund; Walter and Elise Haas Fund; Hewlett Foundation; Indiana Department of Workforce Development; Indiana Northeast Development; Levi Strauss Foundation; Lincoln Financial Group Foundation; Noble County Community Foundation; Northeast Indiana WIB; Polk Bros. Foundation; Steuben County Community Foundation (donor-advised account); and the Verizon Foundation.

Evaluation

Public Policy Associates, Incorporated (PPA), a national public policy research, development, and evaluation firm located in Lansing, Michigan, was selected to conduct an evaluation of the LiLA Demonstration program. The first interim report examined the initial phase of developing and launching the LiLA program and presented baseline data on the employers and employees that were recruited to participate in the Demonstration. Readers are encouraged to review the first interim report for a detailed discussion about program design, recruiting strategies, demographic characteristics of program participants, program enrollment, LiLA account management, and initial feedback from program participants.

While this second interim evaluation report includes some updates of the baseline data, the primary purpose of this report is to examine the subsequent experiences of employers and employees as they made continuing deposits into their LiLA accounts and used these funds to enroll in education and training programs.

General Objectives of the LiLA Program

In its original proposal to the Ford Foundation, CAEL describes LiLAs as “. . . universal, portable, self-managed educational advancement accounts for adult workers funded by individuals, employers, and public sources These accounts will be similar in many ways to

Individual Development Accounts, but the sharper focus on education and training responds more directly to employer needs.”

By focusing on operational activities at the micro level, primarily among employers and workers, the LiLA project is designed to provide information on micro impacts as well as policy information at the macro level. At the micro level, the project aims to increase funding for career-related education and training for low-income adult workers and to increase small businesses’ support for such activities. In addition, the project seeks to engage employers of any size who typically do not offer training benefits for low-income workers. At the macro level, the project seeks to develop a better understanding of the environment that will support such goals for workers and businesses.

CAEL’s original policy goal was the enactment of federal legislation that would give tax breaks for Lifelong Learning Accounts and allow small businesses to claim tax credits for their contributions. As will be discussed later in this report, CAEL’s focus has evolved to include state-level initiatives. The lessons learned through the LiLA Demonstration, particularly as they relate to the research question about taking the LiLA concept to a broader scale, will help inform these discussions.

Design of the LiLA Program

To better understand the findings presented in this report, this section provides a brief review of the program design and history of the Demonstration. The relative complexity of the LiLA program required the establishment of a series of relationships for participants, employers, financial institutions, career advisors, local program managers, and training providers.

Experience in implementing these relationships has resulted in modest changes to the design and the approach to saving and training. This section describes five key dimensions of the program design:

- Employers
- Participants
- Funding
- Career Advising
- Payment Mechanisms

Employers

LiLAs require participation by employers to succeed. At a minimum, employer involvement requires allowing CAEL to communicate about LiLAs to their workers, providing some form of payroll deduction to facilitate participants' savings, and perhaps most importantly, making financial contributions matching the employees' savings. When employers agree to participate in the LiLA program, they choose the number of employee "slots" that they are willing to support through their matching funds. An employer has to agree to match the dollar amounts deposited by employees. One obvious benefit to employers of participating in this Demonstration is the addition of an outside match, which doubles the employer and individual contribution and allows LiLA employees to accumulate substantial additional funds for training.

For employers to be willing to participate, they must see some benefit in their participation, either in terms of self-interest or broader societal values. Industry sector, economic trends, competitive pressures, the availability of appropriately skilled workers in the local labor market, worker retention rates, and similar factors to those listed are likely to affect a company's willingness to be part of the program.

LiLA Employees

After employers agreed to be part of the LiLA Demonstration, arrangements were made to inform eligible workers about the program, answer their questions, and accept registrations. Employees were provided information on the LiLA program through brochures and orientation meetings conducted by LiLA staff. Enrollment was often on a first-come, first-serve basis, although attempts were made to ensure that lower-income workers had an ample opportunity to consider participation.

Although the purpose of the LiLA program was to provide an incentive for lower-income workers to save for education and training (and ultimately experience wage improvements), the program was open to all employees in an effort to avoid the stigma of a program for low-income individuals only. This universal access feature seemed to have been an important selling point for some employers, whose interest in supporting continuing education for upper-echelon employees may have been a factor in their accession to the program. Individual LiLA savings requirements were relatively modest (a minimum of \$120 per year), thereby allowing even low-wage workers the opportunity to participate in the program.

Funding Through Matched Savings Account

The LiLA is a type of savings account in which funds are held by a bank; the account is overseen by CAEL. LiLA employee and employer funds are deposited into this unique account to cover allowable training expenses. Participants make contributions each pay period, and employer-matching contributions are required on a quarterly basis. Lump-sum deposits are also allowable. LiLA employees and employers receive quarterly account statements showing updated fund balances. As mentioned previously, the minimum annual participant contribution is \$120; the annual maximum is \$500.

One of the key features of this project is the availability of outside funds to match employee and employer contributions. Every dollar contributed by an employee is matched by the employer, assuming the maximum employee contribution of \$500 per year, the employer match would bring the annual total to \$1,000 per employee. Foundation funds are used to match both the employee and employer contributions, essentially doubling the amount of money in the employee's LiLA account from \$1,000 to \$2,000.

When they enrolled in the LiLA program, employees and employers committed to two years of contributions with LiLA employees having three years to use the funds. Originally, matching funds were to be available for two enrollment years, although it is possible that matching funds will be extended for an additional year.

Career Advising

One critical component of the program is that the LiLA employee must meet with a career advisor prior to using funds for training activities. The LiLA employee and advisor review interests and options and consider potential training providers; finally, creating an Individual Learning Plan (ILP).

CAEL's proposal describes LiLAs as providing an avenue for low-income workers to access education and training activities in order to achieve career advancement. The project allowed LiLA employees to make training choices that could be expanded considerably beyond those that might be relevant to their current employment situations. In considering their training options, LiLA employees and their career advisors are allowed to operate on the principle of individual choice. Training does not have to be related to a participant's current occupation, and employees are free to pursue any career-related training consistent with their qualifications and goals.

Career advisors are designated as the intermediaries to work with LiLA employees; they discuss career plans, identify educational options, and assist in developing the initial ILPs. In this way, the advisors serve as information resources and coaches, while encouraging LiLA employee ownership of the plan development process. Furthermore, they help to ensure compliance with LiLA procedures and identify potential process improvements.³ The career advisors also play an ongoing role, following up with LiLA employees on a routine basis, discussing any barriers to participation, encouraging them to pursue their education and training goals, and helping them identify specific training programs offered by local providers. The initial follow-up takes place during the period three to six months after the ILP was developed, and periodically thereafter. These interactions are documented in case files for the LiLA employees.

Payment Mechanisms and Allowable Uses of Funds

The LiLA project operates with two basic options for paying for approved training:

- A voucher-style payment mechanism for training providers who accept CAEL vouchers.
- The worker must pay the tuition and fees, and CAEL reimburses the employee.

³ CAEL, "Guidelines for LiLA Career and Education Advisor," revised April 15, 2003.

Funds may be used to meet training and education expenses, including books; computers and software (when required for course work); fees and tuition; supplies; and other materials. Prohibited uses include on-the-job training, exercise courses, transportation, day care, and food.

The performance requirement for the employee is the receipt of a grade of “C” or higher in a graded course or a “Pass” in a pass/fail course. Participants who do not achieve these levels are required to repay the employer and project matching funds in full.

Funds are deposited into accounts held by a financial institution, currently ShoreBank. CAEL serves as custodian on all accounts, combining funds from the three sources (participant, employer, and matching funds from foundations and, in Indiana, from the public sector) into a settlement account in order to provide payment to the training provider.

If, for any reason, the employee leaves the employer, the employee is entitled to a full refund of any remaining dollars that he or she deposited. The employer receives a full refund of any remaining matching dollars that were contributed by the employer. Similarly, the foundation’s share of matching funds reverts to a general holding account. In all three cases, the refunded amounts are exclusive of funds that have already been spent or committed.

Demonstration Sites

Demonstration activities in this project take place at three sites—Chicago, northeast Indiana, and San Francisco. Four sectors are involved: the restaurant and food service industry in Chicago; the public sector (local government) and manufacturing in northeast Indiana; and the health care sector in San Francisco. These areas and industries were selected for several reasons. In Chicago, where CAEL is headquartered, the Illinois Restaurant Association expressed a keen interest in the Demonstration. In Indiana, interest among employers, the state workforce board, and elected officials such as the mayor of Fort Wayne, led CAEL to launch a demonstration site in that state. CAEL built upon some pre-existing relationships in San Francisco to expand the

geographic reach of the initiative beyond the Midwest and to test the LiLA concept in the health care sector, an industry with continuing staff shortages.

The sectors offer a healthy range of diversity with several critical factors. For example, the restaurant industry and the manufacturing industry have a preponderance of smaller employers. The health care sector includes large acute care facilities as well as long-term care facilities. All of the sectors, particularly health care, have been undergoing restructuring, and changes in job duties and position requirements are fairly common for many incumbents.

Variations in results to date are noted across both sectors and locations. Where appropriate, this report reflects a sector-based approach to evaluation and analysis, often referring to the experiences in the four sectors, instead of at the three sites.

The common thread for project activities in each of the three locations is CAEL, whose leadership in catalyzing interest in the LiLA concept and in pulling together partner organizations to implement the subprojects is evident at each location. Differences in the structure, characteristics, and needs of the four sectors required CAEL to approach the implementation somewhat differently in each situation, but within the model created for the Demonstration. The key factor required to successfully implement the project in each sector was employer outreach and recruitment.

Chicago – Restaurant and Food Services Sector

The initial site identified by CAEL for LiLA activities was Chicago, where interest from the Illinois Restaurant Association (IRA) provided an ideal setting to start the Demonstration. The food services sector, characterized by large numbers of smaller entities and relatively low-wage workers, provides a fertile ground for testing LiLAs. Working with an IRA leadership team comprised of representatives of smaller restaurateurs and some larger caterers, CAEL presented and refined its demonstration model.

Northeast Indiana – Public Sector

The City of Fort Wayne became involved in the project through the leadership of the city's mayor, with strong support from the chair of the Workforce Investment Board. These individuals had been exposed to the idea through workshops and other contacts, and the mayor was interested in establishing such a project in Fort Wayne. The president of the North East Indiana Central Labor Council (AFL-CIO) was a strong advocate for creating a demonstration in the public sector. Since he also serves as a member of the City Council of the City of New Haven, he was in an especially good position to assist in outreach to the city government. One of CAEL's local contacts also helped to generate interest among other communities.

Northeast Indiana – Manufacturing Sector

Critical support was provided by Indiana Northeast Development (IND), which sponsored breakfast meetings for employers in the manufacturing sector. The Fort Wayne Chamber of Commerce also assisted in the effort to notify employers of the opportunity.

San Francisco – Health Services Sector

In San Francisco, the Jewish Vocational Service (JVS) in collaboration with CAEL serves as the lead organization for implementation. JVS's existing contacts with employers helped with employer recruitment.

Development of Policies and Procedures

To move the LiLA concept into an operational mode required a continuing effort to refine the model and mold it to real-world conditions. As mentioned earlier, CAEL worked with the Illinois Restaurant Association and some of its members on program design. Industry input was important in making adjustments to marketing processes and general program design.

To help career advisors better understand potential training choices for workers in the food services sector, CAEL developed a career overview of the restaurant industry. This document

was reviewed by several employers and employer associations, and later provided to career advisors for use with participants. In contrast, the northeast Indiana approach featured career ladders and training for individual employers in the manufacturing sector. This more customized approach permitted a closer link between career advising and employer needs, but this approach may not be feasible on a broader scale.

Policy and procedures were also developed to govern the roles, responsibilities, and relationships of key players, including CAEL, local project managers, career advisors, employers, participating workers, and the bank that would hold LiLA funds.

CAEL developed documents to ensure clear understandings of the accounts, the account procedures, and the mutual responsibilities of the key parties. Primary among these are the Employee and Employer Participation Letters of Agreement that define specific roles and expectations for participation in the Demonstration.

In moving the project to northeast Indiana, CAEL built on its experience with the Chicago project, which had begun operations approximately six months earlier. Some of the administrative procedure structure could be transplanted, but other aspects needed to be customized or developed from scratch. For example, both sites established and made good strategic use of employer advisory committees to build employer interest in and support of the project, whereas the situation in Indiana required a more detailed policy and procedure manual for the public sector employees.

Particular attention had to be focused on the development of highly detailed operating policies and procedures affecting public sector workers, particularly those in the City of Fort Wayne who make up the majority of the participants in that project. Among the major issues faced were enrollment; fund management; the consequences of dropping out or insufficient participant performance; and the tax consequences for workers related to their receipt of matching funds. These realities forced CAEL to consider the details and impacts of some of their procedures; this perhaps led to more efficient processes and better understanding of procedures among all stakeholders. Based on interviews with public sector human resource directors in northeast

Indiana, the City of Fort Wayne's LiLA policy manual has been a useful tool for policy development at their LiLA employer sites.

By the time San Francisco was selected as the third demonstration site, CAEL was able to build upon the lessons learned in Chicago and Indiana. Only minor adjustments were needed to customize the policies and procedures to the needs of the participating health care employers.

As the project has matured, CAEL has continued to refine LiLA policies. New policies have been created to address a variety of program issues that have arisen over time.

Evaluation Design

Evaluation Questions

The evaluation is framed by two sets of evaluation questions: the strategic goals of the Demonstration and the operational goals. The questions related to the strategic goals of the Demonstration are:

- What are the factors that impede individuals from pursuing lifelong learning? To what extent do LiLAs help individuals overcome these barriers?
- Are there other factors that impede the ability of individuals to participate in the LiLA program? If so, are any of the factors related to the design of the program itself?
- Are LiLAs an effective tool for addressing the lifelong learning needs of the targeted population of low-income workers?
- Do employers see sufficient benefits from LiLAs to warrant continued investment in the program?
- To what extent does the financial services sector see a commercial interest in maintaining the LiLA accounts over the medium to long term?
- What are the challenges in taking LiLAs to a national scale?

The evaluation also considers several questions related to the operational goals of the Demonstration. These are:

- *Employer collaboration.* What motivates employers to offer LiLAs to their employees? What role do employers play in recruiting and/or selecting LiLA employees? What benefits do employers expect to receive from their financial contributions to LiLA accounts? To what extent do employers provide other forms of support to enable employees to attend LiLA training programs?
- *Investment level.* What level of investment is made by individuals who enroll in the program? What do individuals consider when deciding how much money to invest in the program? What proportion of LiLA employees invest the maximum amount? What are the characteristics of those who invest the maximum amount? What type of information do LiLA employees receive about their account? Is this sufficient to meet their needs?
- *Individual Learning Plans.* What motivates participants to sign up for the LiLA program? Do all enrollees develop an ILP, as the Demonstration design intends? Do they value this tool, and in what ways? Whom do they consult in developing the plan? Are they provided adequate information, services, and advice for development of the plan? What other sources of information do they use in creating their ILPs? What role, if any, do their employers play in developing the plan? What is the scope of the assessment process for LiLA enrollees? At what stage in the planning process are these assessments conducted? Who is involved in conducting the assessments? How is the information from the assessments used? Does the ILP address the full range of skills needed for job retention and advancement? Is the plan in fact reflected in LiLA participants' choices of training and education?
- *Program administration.* What policies have been developed to govern how LiLA funds may be used? What costs are eligible for payment with LiLA funds? Are computer and other equipment purchases allowed? How are these policies communicated to program participants? What effect do these policies have on training? Does the enrollment and payment process work smoothly for employers, employees, and the bank partner? What information do employers and employees receive regarding the status of LiLA accounts? Is

this information sufficient to meet their needs? What information do employers receive regarding the use of LiLA accounts by employees? How do employers use this information?

- *Training and education.* How are training providers and programs identified? Who has the final say on what courses will be taken? How is the quality of training programs determined? At what rate do enrollees complete their courses of study? Are there any barriers to attending and completing the training programs? If so, how are these barriers addressed? To what extent would employees have sought and paid for education and training regardless of the LiLAs (i.e., LiLAs were not the determining factor in their decisions to pursue training and education)? Is the frequency, intensity, and relevance of training and education greater for those with LiLAs and ILPs than for those without? Is there variation in use and duration of education and training by job category, gender, race, or other categories? How much do employees with LiLAs expend on training and education? How does that compare with the amounts expended by non-LiLA employees? Do LiLA participants have unexpended balances at the conclusion of the research?
- *Job skills, wages, and promotions.* Do those who have had LiLAs, ILPs, and education achieve higher job skills? Do they acquire those skills faster than those who do not have LiLAs? Do they receive wage increases and promotions at a higher rate? To what extent do they and their employers attribute occupational gains in whole or part to the LiLAs?
- *Retention.* Are employees with LiLAs more likely than other employees to remain with the employer who offered this benefit? Do those who have had LiLAs see more promising career paths for themselves than do those without LiLAs? Do the employers share those perceptions and expectations? Are those expectations borne out over the ensuing years? Are employees with LiLAs and ILPs more likely than those without LiLAs to see lifelong learning as a key to future promotions and wage gains?

Information Sources

This evaluation seeks to respond to the questions and issues identified above through information-collection activities designed to assess process as well as impact. This report focuses primarily on the operation of the LiLA programs at each site, with particular attention to

the manner in which LiLA employees are using their accounts to purchase training. Some of the documentation is qualitative in nature, deriving from such sources as key-informant telephone interviews. This also includes review and distillation of existing written documentation, such as the ILP forms. A significant portion of the information is quantitative, including employee and employer survey results, administrative data about LiLA employees, account deposit and withdrawal data from ShoreBank, data on a comparison group of non-LiLA employees, and other performance data gathered through wage-record matching. The longitudinal study of LiLA employees and a comparison group of non-LiLA employees will provide further information on the longer-term impacts of the LiLA project.

The data frequencies are not included in this report due to the variety of the data and the size of the resulting run. The frequencies can be obtained upon request.

Data Collection Methodology

The data collection plan includes the following specific activities for these groups⁴:

- Structured, initial face-to-face interviews and annual telephone surveys of LiLA employers and a comparison group of non-LiLA employers
- Structured, periodic interviews with project partners (e.g., ShoreBank)
- Structured, periodic interviews with career advisors
- Structured, periodic interviews with CAEL project management staff at all three sites
- Structured, annual telephone surveys of LiLA employees and comparison groups of non-LiLA employees at each site
- Focus groups with LiLA employees and a comparison group of non-LiLA employees (during early implementation phase only)
- Administrative document review of ILPs and LiLA accounts
- Review and analysis of LiLA and comparison group wage record data (WRD)

⁴ Interview and focus group protocols are included in Appendix A.

Status of the Evaluation

As 2005 came to a close, the LiLA project was in full operation at all three Demonstration sites. The focus of the Demonstration project has evolved from developing initial policies and procedures and recruiting employers and employees to managing the ongoing operation of the program and processing individual requests for vouchers to purchase training. The evaluation has also evolved, from gathering baseline data on project participants to examining patterns of account deposit activity and use over time.

The first interim report, written in late 2004, set the stage for subsequent evaluation, focusing primarily on the Chicago and Indiana sites. It examined the implementation approach used by CAEL in Chicago and Indiana and described and analyzed the characteristics of the program participants, including employers, their employees, and the comparison group of non-LiLA employees. However, at the time the first report was prepared, the San Francisco site was not yet fully implemented and the first round of the San Francisco employee telephone surveys had not been completed. In addition, a small number of employees in Chicago and Indiana who were difficult to contact had not yet completed their surveys or had enrolled in the program after the first interim report was completed.

This second interim report presents the baseline data for San Francisco and uses the additional survey response data for Chicago and Indiana to update baseline measures, including the demographic characteristics and economic status of participants. In addition, the report incorporates a second wave of survey data for employers and both LiLA and non-LiLA employees across all three sites.

This report examines the continuing implementation of the LiLA demonstration as well as the outcomes for program participants in all four industry sectors (restaurants, manufacturing, public sector, and health care). The process evaluation examines such subjects as the patterns of deposits by LiLA employees; the nature of continuing interactions with career advisors; the use of LiLA accounts to purchase training; satisfaction with participation in the program; and reasons for leaving the program. At this stage in the Demonstration, the outcome evaluation

focuses on establishing baseline data for participants in terms of their employment and wages, and examines the perceptions of employers regarding the impact of the LiLA program on their organizations.

Organization of Report

This report consists of several sections:

- *Section One*, this section, provides a general introduction and history of the Demonstration along with a review of the evaluation design.
- *Section Two* presents baseline data for the health care sector demonstration in San Francisco and updates the baseline measures for the restaurant sector in Chicago and the manufacturing and public sectors in Indiana.
- *Section Three* focuses on the patterns of LiLA deposits as well as account management and administration.
- *Section Four* examines how LiLA employees are using their accounts to obtain career-related education and training.
- *Section Five* examines the characteristics of LiLA employees who are no longer active in the LiLA program.
- *Section Six* presents feedback from employers and employees regarding their satisfaction with the LiLA program, including early evidence of the impact of LiLAs on the workplace.
- *Section Seven* summarizes the key findings of the evaluation and discusses program and policy implications.
- *Appendix A* includes copies of the surveys, interviews, and focus group protocols that were used to gather the data that was used in formulating this report.
- *Appendix B* provides the methodological notes and the details of the survey completion rates, including specifics for study participants who refused to complete a telephone survey, or who could not be reached, despite extensive efforts.

Section Two: Cross-Sector Update of Baseline Measures

This section of the report begins by providing updated baseline data for LiLA employers and employees as well as the comparison group employers and employees, including demographic and financial characteristics.

Characteristics of Participating Employers

In order to form a foundation for discussions of findings later in this report, the basic characteristics of the employers included in the study are presented here. As noted in the previous section, participating employers include those that offer LiLAs as well as those in a comparison group who do not offer LiLAs. The information provided here compares employers in regard to their service types, company age, size, and nature of existing education and training benefits. This section updates the employer data provided in the first interim report.

Services

Among the LiLA and non-LiLA employers, the types of services provided varied within sectors. Of the restaurant employers, the most common focuses are table service, fine dining, and catering. Among the manufacturers there is less commonality: they produce everything from envelopes to automobile parts. Of the health care organizations, ranging from acute care facilities (UCSF) to long-term care facilities (On Lok), most provide several services, including reproductive health care, in-home care, preventive care, and social services.

Company Age

A total of 80 companies are participating in the LiLA program. Of these, 37 provide LiLA accounts for their employees. The remaining 43 participate as members of a comparison group of employers that was created for evaluation purposes. Of the 73 companies that provided a founding year, the oldest company began in 1838 and the youngest three were established in 2001. The restaurant sector had the youngest establishments, with a near majority of LiLA

employers and a majority of non-LiLA employers in business less than 15 years. Only two of the restaurants were over 50 years old. The public sector employers—all cities or towns—tended to be well-established; only one was less than 100 years old. In the manufacturing and health care sectors, the businesses largely fell into the 16- to 49-year range, although these sectors also had some older businesses. Overall, there is comparability between the employer groups. The majority of the LiLA and non-LiLA employers have been in business long enough to be well aware of the challenges of maintaining a motivated and skilled workforce.

Company Size

The size of the companies varies widely. As reported in the first interim report (see page 69), the number of employees within participating companies (i.e., both LiLA and non-LiLA comparison group companies) ranged from 3 to 5,500. The majority of these employers (65%) had less than 110 employees; 39% had 30 employees or less.⁵ These data show that the LiLA program was attractive to a broad range of companies. The emphasis on smaller companies reflects CAEL's focus on smaller companies with limited employee benefits.

Since completion of the first interim report, wage-record data have been obtained for most of the LiLA employers. The data obtained through the wage record system provide a useful point of comparison for LiLA employers both within and among sectors. Data from the wage record system are available for 31 of the 37 LiLA employers, including information about individual wages as well as the employer's gross payroll.⁶

⁵ Only ten of the employers, primarily in the restaurant and manufacturing sectors, had unionized employees.

⁶ Data are only available for 31 companies because, of the 80 employers participating in the study, only 37 are LiLA employers (as opposed to comparison group employers, which are not included in the wage-record data portion of the study). Additionally, of the 37 participating LiLA employers, four are located in California, from which state wage record data could not be acquired. Of the remaining 33 employers, wage record data were available for all but two. One had no wage record data in the system, suggesting some difficulty with reporting for that company. The other no longer had any employees participating in the LiLA program and was excluded from the corporate wage record data (WRD) search.

Table 1: LiLA Employers' Size as Measured by Gross Payroll

	Restaurants	Public Sector	Manufacturing	Across Sectors
	(N=18)	(N=5)	(N=9)	(N=32)
Total 2004 (average)	\$2,370,748	\$19,866,576	\$15,256,030	\$8,728,457
Zero (out of business)	1	0	1	2 (6%)
Less than \$1 million	6	0	2	8 (25%)
\$1 million to \$5 million	8	3	3	14 (44%)
\$5 million to \$10 million	2	1	2	5 (16%)
More than \$10 million	1	1	1	3 (9%)

Two of the LiLA employers had very large payrolls that exerted much influence on the averages. Excluding these operations as well as the two companies with no WRD reported for 2004, the average 2004 payroll of LiLA employers in the restaurant, public, and manufacturing sectors was \$2,980,664. Additionally, the data show that the restaurant sector employers tend to be considerably smaller than employers in the other sectors, and perhaps less financially able to offer benefits to workers. All of these measures confirm that the LiLAs were attractive to a broad spectrum of employers.

Training Benefits Offered

The issue of training benefits offered prior to the Demonstration was discussed in the first interim report, but did not include data for employees in the health care sector. Table 2, below, which incorporates data for all four sectors, shows that prior to the Demonstration most employers (both LiLA and the comparison group) provided some sort of education and training benefit. Some employers offered no benefits at all, others had tuition reimbursement, and many incorporated on-the-job training. According to the employee survey, how employees qualified for these benefits also varied; some were only available to managerial staff, for instance.

Health care employees (both LiLA and the comparison group) were less likely to report that their employers offered training benefits than employees in the other sectors. However, LiLA employees in the restaurant and manufacturing sectors were more likely than their comparison group employees to have previously used these education and training benefits. This suggests

that the employees in these sectors who opted into the LiLA program had a stronger pre-existing interest in education and training than did those in the comparison groups.

**Table 2: Employer-Offered Education and Training Benefits
As Reported by LiLA and Non-LiLA Employees⁷
Baseline Measures**

	Restaurant		Public Sector		Manufacturing		Health Care		Across Sector	
	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA
	(N=104)	(N=83)	(N=76)	(N=58)	(N=75)	(N=54)	(N=73)	(N=81)	(N=328)	(N=276)
Employer offers any education or training benefit	84%	90%	97%	98%	89%	94%	69%	79%	85%	90%

**Table 3: Awareness of Employer-Offered Education and Training Benefits
As Reported by LiLA and Non-LiLA Employees⁸
Baseline Measures**

	Restaurant		Public Sector		Manufacturing		Health Care		Across Sector	
	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA
	(N=87)	(N=75)	(N=74)	(N=57)	(N=67)	(N=51)	(N=50)	(N=64)	(N=278)	(N=247)
On-the-job training	21%	8%	26%	21%	10%	12%	52%	55%	25%	24%
Pay for job-related certifications	13%	4%	8%	5%	12%	8%	20%	16%	13%	8%
Tuition reimbursement for work-related courses	6%	8%	24%	5%	45%	33%	26%	33%	24%	19%
Tuition reimbursement for college courses	6%	1%	4%	4%	27%	18%	10%	20%	11%	10%

⁷ A similar table was provided in the first interim report. Employees of the health care sector and other updates have been added.

⁸ Only those participants who reported that their employer offered education and training benefits, were asked to elaborate on the benefits offered.

**Table 3: Awareness of Employer-Offered Education and Training Benefits
As Reported by LiLA and Non-LiLA Employees⁸
Baseline Measures**

	Restaurant		Public Sector		Manufacturing		Health Care		Across Sector	
	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA
	(N=87)	(N=75)	(N=74)	(N=57)	(N=67)	(N=51)	(N=50)	(N=64)	(N=278)	(N=247)
Of those reporting benefits, percentage using any benefits										
	70%	12%	39%	23%	67%	28%	64%	63%	60%	31%

*Respondents were permitted to name multiple benefits; hence, the total percentages may exceed 100%. These data reflect employee awareness of benefits. It is possible that employers offer additional benefits that employees are not aware of.

Interestingly, the extent of prior use of these benefits among those in the health care and public sectors is roughly equal. This may be due to the nature of the recruiting and selection process used to identify study participants. Both the public sector and the health care sector had one large employer that had identified a considerable number of employees who were interested in having LiLA accounts. Because of the limited number of funded slots available, each of these employers used a random selection procedure to identify LiLA employees and offered those not selected the option of being placed on a waiting list. Ultimately, the waiting-list employees were invited and many agreed to participate in the study as members of the sector comparison group. Consequently, in both sectors, LiLA and non-LiLA employees were similar in terms of their motivation to pursue training. It will be important to take these similarities into account as the evaluation progresses.

These data are also significant as a baseline for assessing the impact of the LiLA program on employer behavior. One of the hypotheses of this evaluation is that employers will gain a greater appreciation of the value of education and training as an employee benefit as a result of their involvement in the LiLA program. Subsequent waves of surveys will monitor any changes in the types of education and training benefits offered and will seek to understand the employer's motivation on this point.

Characteristics of Participating Employees

Using information from employee surveys and enrollment forms, PPA was able to gather baseline demographic statistics on LiLA employees and comparison group employees (presented below) for all four sectors. In addition, wage record data from the State of Illinois and the State of Indiana provides income statistics for restaurant, public sector, and manufacturing employees. What follows below is an analysis of how the demographic makeups of LiLA employees differs across the participating sectors, and where appropriate, an analysis of how LiLA employees differ from their comparison group counterparts.

Gender

Gender distribution among LiLA participants varies by sector. The manufacturing sector is dominated by males and the public and health care sectors are dominated by females. Males and females are equally represented in the restaurant sector. While these figures may be a general reflection of the gender distribution within the industries studied, it may ultimately be an important consideration when conducting a sector-focused examination of the impact of the LiLA program, particularly in light of research that has shown that women tend to receive lower wages for comparable work. With this in mind, it might be possible that we see a smaller impact on wages due to a sector-based gender bias. While the issue of gender-bias per se is beyond the scope of this study, it is nevertheless an important consideration when looking at the impact of LiLAs across different sectors.

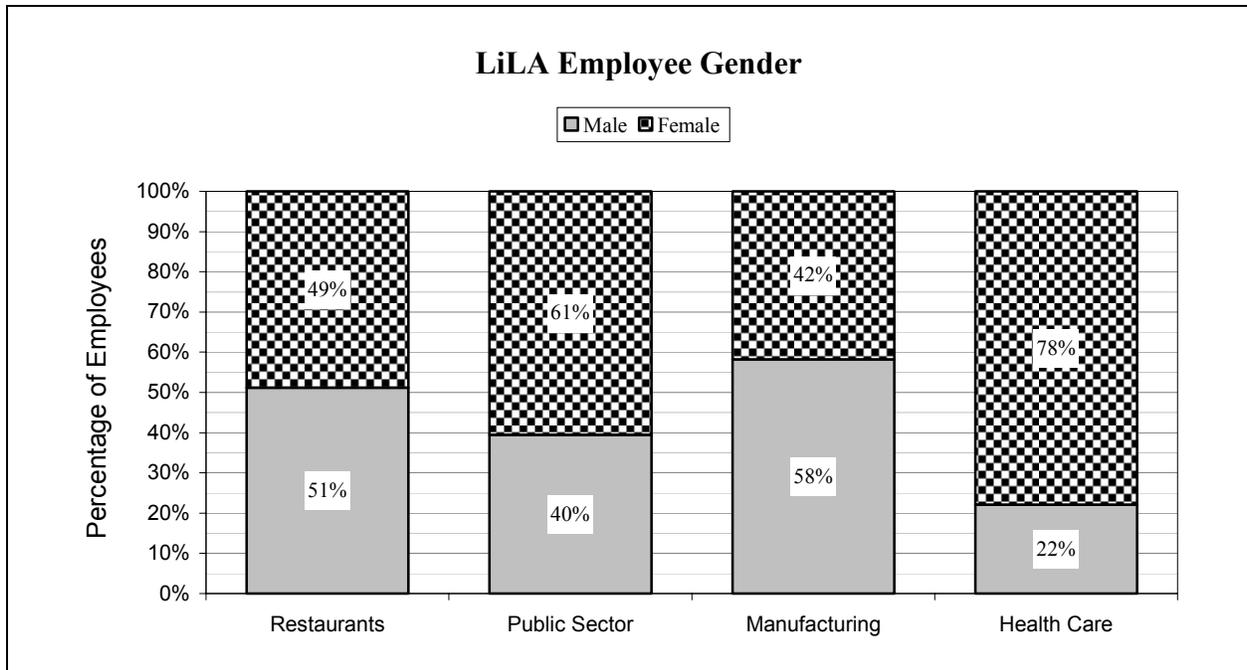


Figure 1

Race

As shown in Figure 2, Caucasians represent a significant percentage of LiLA employees, ranging from 61% of restaurant employees to 89% of manufacturing employees. It is only in the health care sector that the Caucasians are the second largest group. Asian and Pacific Islanders dominate the health care sector with almost half of all LiLA employees reporting their race as being Asian. These statistics tend to reflect the racial diversity of the regions in which the companies are located.

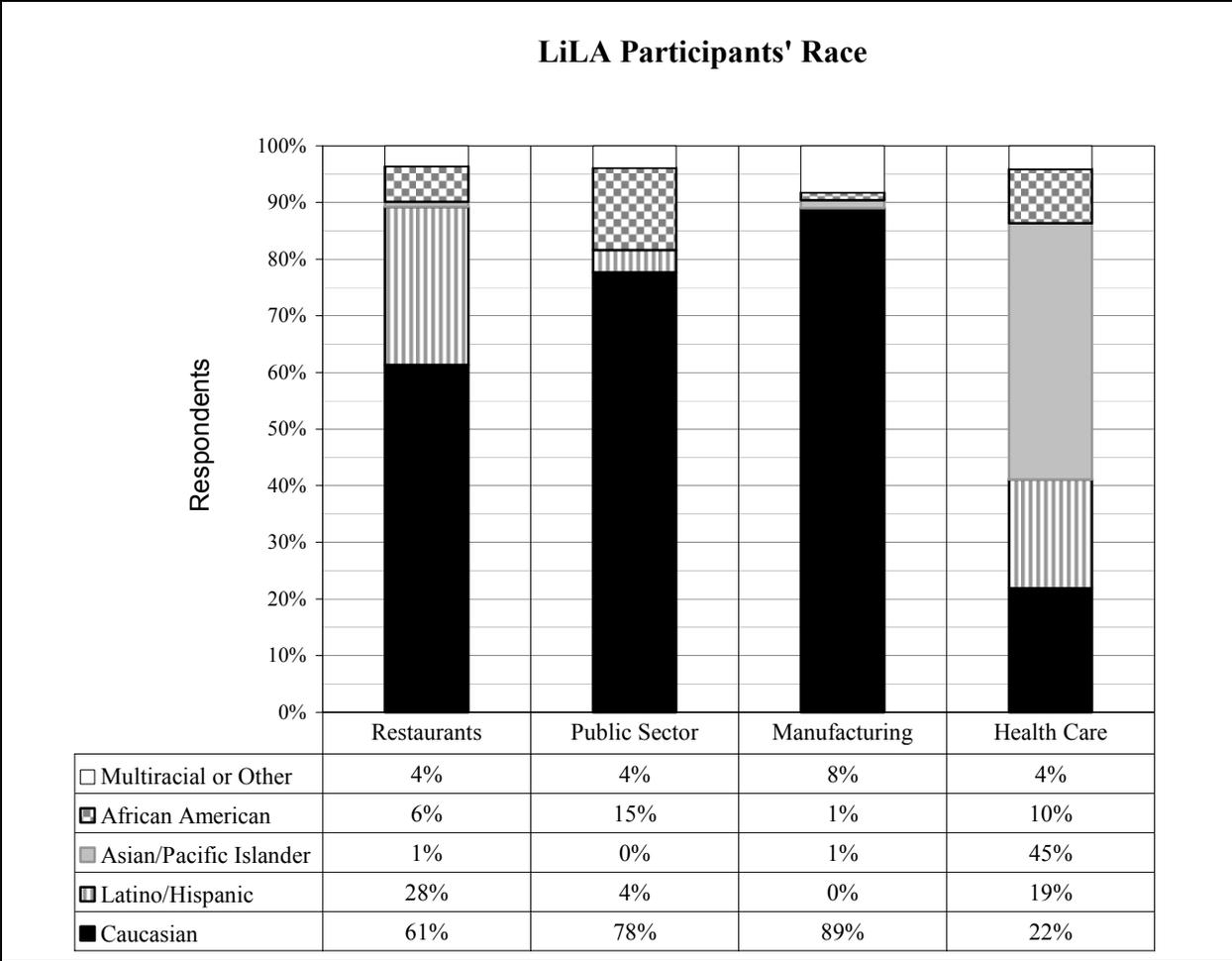


Figure 2
 Note: A total of 26 LiLA employees, 16 of whom are from the restaurant sector, declined to report their race.

Age

Across sectors (when the LiLA program was initially implemented) the majority of LiLA and non-LiLA employees were between 26 and 55 years old. As shown in Figure 3, a comparison of age data shows that LiLA employees in the restaurant sector tend to be younger than those in the other sectors. In contrast, there was a higher percentage of LiLA employees aged 56 or older in the health care sector than in any other sector.

An examination of the age distribution between LiLA and non-LiLA employees within each sector reveals that younger workers (25 or younger) are over-represented in the non-LiLA restaurant sector comparison group. In contrast, older workers (56 or older) are over-represented

in the health care sector comparison group. The significance of these differences will need to be considered as the evaluation continues.

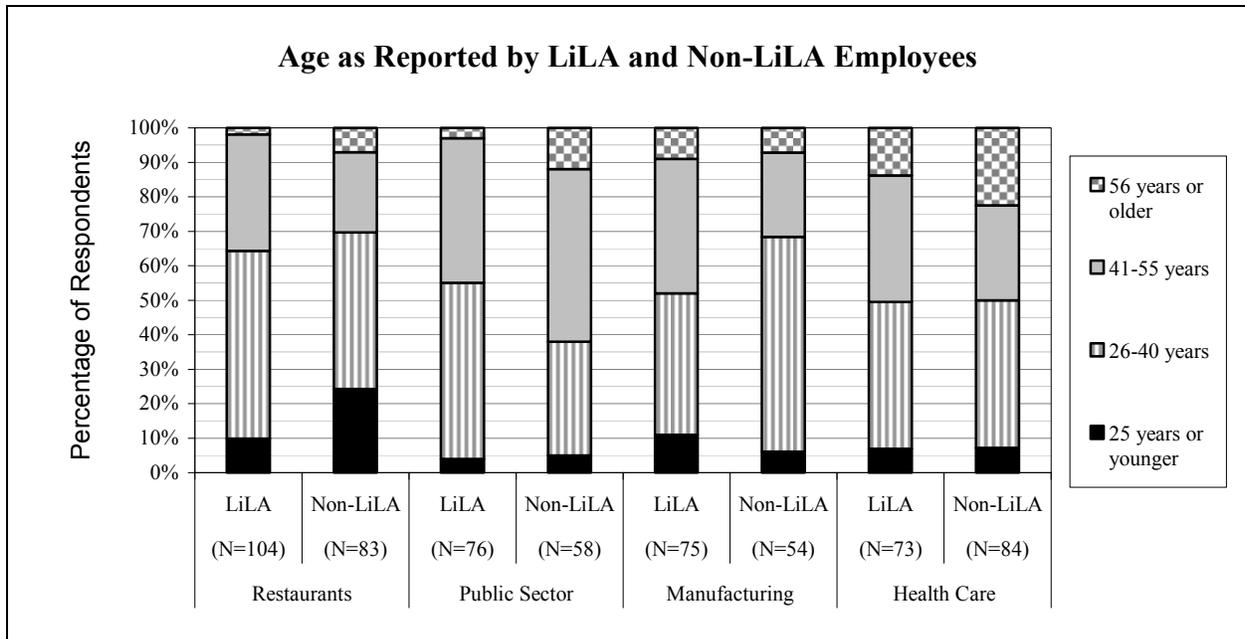


Figure 3

Family Situation

Marital status is another demographic characteristic of potential importance in evaluating the outcomes of the LiLA program. As shown in Table 3, across sectors, approximately half of LiLA employees in all sectors are married or are living with a partner. The proportion of married respondents was highest among LiLA employees in the public and manufacturing sectors, but these sectors also included the most divorces. The health care and restaurant sectors had the highest percentages of single workers who had never been married. Within each sector, family characteristics of the LiLA and non-LiLA comparison group employees were quite similar. As with the other characteristics discussed above, these demographic differences will be considered as the evaluation continues.

Table 4: Marital Status As Reported by LiLA and Non-LiLA Employees

	Restaurants		Public Sector		Manufacturing		Health Care		Across Sectors	
	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA
	(n=104)	(n=83)	(n=76)	(n=58)	(n=75)	(n=53)	(n=73)	(n=81)	(n=328)	(n=275)
Married	44%	23%	56%	48%	53%	62%	46%	42%	49%	42%
Living with a partner	1%	7%	1%	-	3%	-	3%	11%	2%	6%
Single, never been married	47%	55%	24%	29%	27%	21%	44%	35%	37%	37%
Divorced	5%	11%	16%	19%	17%	13%	4%	9%	10%	12%
Widowed	2%	2%	-	2%	-	2%	-	3%	1%	2%
Other	1%	1%	3%	2%	-	2%	3%	1%	2%	2%

Head of Household

Figure 4 shows that one-half or more of the LiLA and non-LiLA employees in each sector indicated that they were the heads of their households. Across the sectors, non-LiLA employees were slightly more likely to make this claim than were LiLA employees, with the exception of non-LiLA restaurant employees. The public and manufacturing sectors contained the highest percentage of employees who reported being the heads of their households. As we saw in Figure 3, the restaurant sector has a large proportion of younger employees compared to the other sectors and as may be expected, the age is correlated with family situation in terms of marital status and household status.

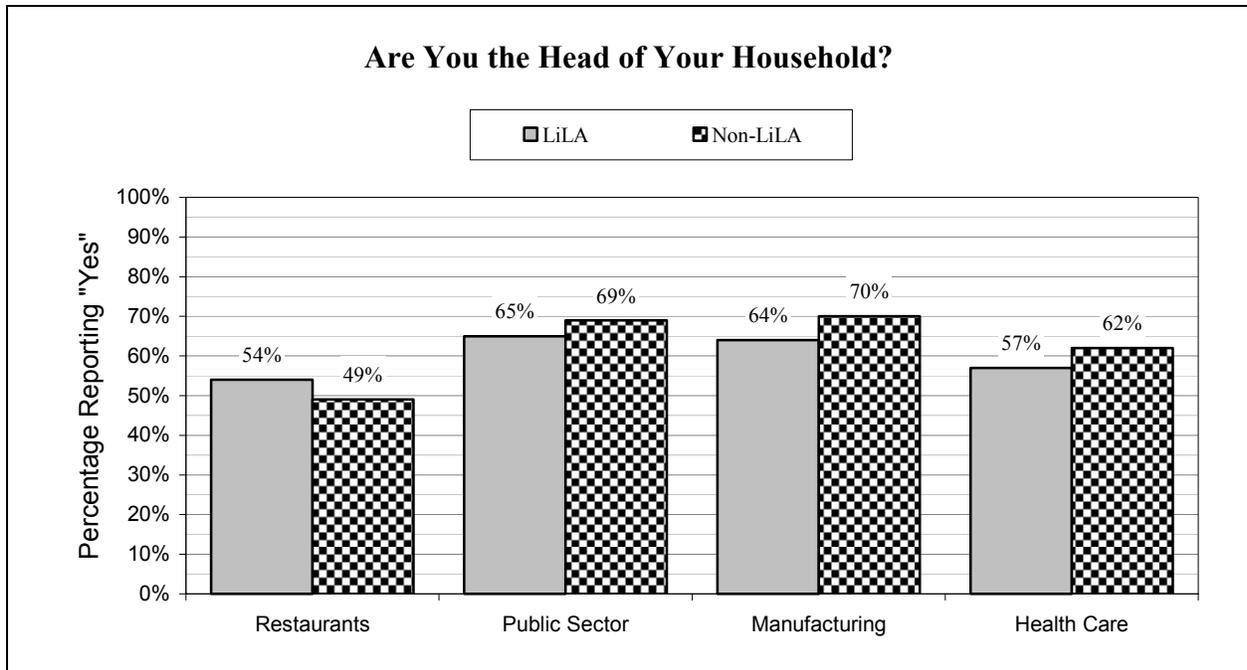


Figure 4

Education

In addition to showing a diverse range of education attainment among LiLA employees, survey data revealed notable differences among sectors, as shown in Table 4. For example, LiLA employees in the manufacturing sector were less likely to have completed a bachelor's degree than employees in the other sectors, but were more likely to have completed some college coursework, earned an associate's degree, or attended vocational school. The broadest range of education attainment was present in the restaurant sector, with workers spanning the entire continuum from elementary education to advanced graduate degrees. LiLA employees in the health care sector were more likely to have at least some college coursework than were employees in the other sectors. The educational characteristics of LiLA and non-LiLA employees in each sector are generally comparable.

**Table 5: Highest Education Level Attained
As Reported by LiLA and Non-LiLA Employees**

	Restaurants		Public Sector		Manufacturing		Health Care		Across Sectors	
	LiLA (n=104)	Non- LiLA (n=83)	LiLA (n=76)	Non- LiLA (n=58)	LiLA (n=75)	Non- LiLA (n=53)	LiLA (n=73)	Non- LiLA (n=81)	LiLA (n=328)	Non- LiLA (n=275)
Elementary school (grades K–5)	2%	1%	-	-	-	-	-	-	1%	0.4%
Middle school (grades 6–8)	2%	2%	-	-	-	-	-	-	1%	1%
Some high school education	4%	4%	-	-	1%	6%	4%	4%	2%	3%
High school diploma or GED	5%	16%	13%	21%	15%	23%	4%	3%	9%	14%
Some college coursework	34%	24%	33%	35%	40%	21%	25%	21%	33%	25%
Associate's degree	14%	6%	9%	9%	20%	11%	12%	6%	14%	8%
Bachelor's degree	26%	34%	36%	24%	5%	25%	29%	44%	24%	33%
Some graduate school	4%	-	-	-	1%	-	4%	5%	2%	2%
Graduate degree	5%	7%	1%	5%	-	2%	8%	10%	4%	7%
Vocational school	4%	5%	4%	3%	12%	11%	8%	6%	7%	6%
Other	1%	1%	4%	3%	5%	2%	6%	1%	4%	2%

Tenure

An examination of employment tenure reveals that LiLA account holders tend to have an extensive work history with their current employer. As shown in Table 5, the majority of LiLA account holders in all sectors except health care have been employed for six or more years. In fact, more than 40% of LiLA employees in the manufacturing sector have been employed for 11 or more years. The health care sector featured the largest proportion of relatively recent hires, with 69% of LiLA employees having two to five years of experience. The tenure characteristics among LiLA and non-LiLA employees in each sector are generally comparable. The similarities and differences among the sectors may become relevant later in the evaluation in terms of patterns of LiLA account deposits, career goals, education and training choices, and outcomes.

**Table 6: Number of Years with Current Employer
As Reported by LiLA and Non-LiLA Employees**

	Restaurants		Public Sector		Manufacturing		Health Care		Across Sectors	
	LiLA (n=104)	Non-LiLA (n=83)	LiLA (n=76)	Non-LiLA (n=58)	LiLA (n=75)	Non-LiLA (n=54)	LiLA (n=73)	Non-LiLA (n=81)	LiLA (n=323)	Non-LiLA (n=270)
1 year or less	3%	4%	-	-	3%	8%	1%	9%	2%	5%
2–5 years	40%	54%	33%	32%	30%	44%	69%	51%	42%	46%
6–10 years	44%	22%	35%	33%	24%	35%	14%	24%	31%	27%
11–20 years	11%	20%	23%	18%	42%	12%	13%	15%	21%	16%
More than 20 years	3%	1%	9%	18%	1%	2%	3%	1%	4%	5%

Wages

The computation of baseline data on income is dependent upon several factors. In addition to knowing the wages earned through the LiLA employer, it is essential to take other employment into consideration. Wage record data provides a useful tool for identifying the wages earned through multiple jobs.

Figure 5 shows the percentages of LiLA and non-LiLA employees holding second (and additional) jobs, according to wage record data, at any time in the eight quarters preceding the startup of the LiLA program in their sectors. As wage record data reveals only the quarter, the participant’s social security number, a federal employer identification number (FEIN), and the amount earned, when a new employer emerges in an individual’s wage record history a decision must be made if this employer represents a second job or a new job. Each wage record associated with a new employer in an individual’s wage history was manually coded as a “new job” when there was an apparent transition from one employer to another and as a “second job” when a primary earnings source was maintained over time. For those individuals making rapid transitions from one job to another, it was often not possible to determine if new employers in the record represented short-term, transitional employment, or a second or third job. Unless the individual had at least one job that persisted for more than one quarter, multiple jobs in a

single quarter were generally interpreted as an individual cycling rapidly through new employers.

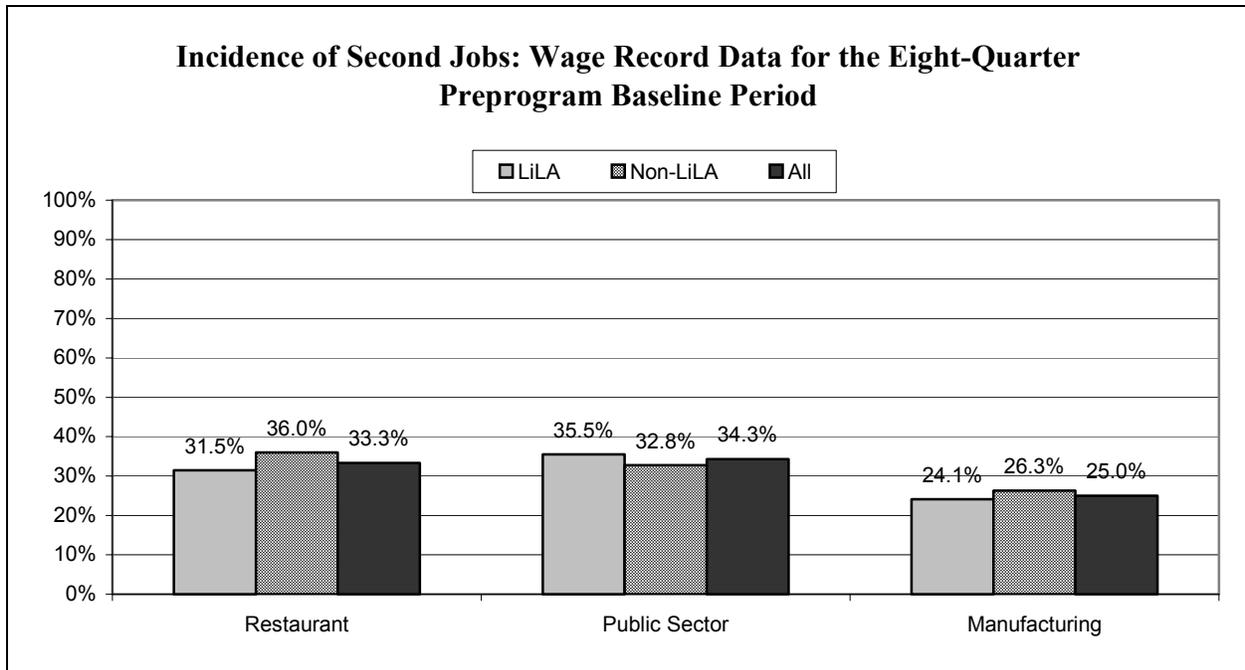


Figure 5

Note: As mentioned earlier, wage record data were available for employees in Illinois and Indiana, but could not be acquired for California for the preprogram period. As the evaluation continues, the impact of LiLAs on California employees will be measured using self-reported wage data.

Figure 6 shows that the total number of study participants in the restaurant sector working two or more jobs in any given quarter is considerably less than the number of participants working a second job at any point in the two years prior to LiLA program startup.⁹ Participants in the public sector remain most likely to hold more than one job, but in the most active quarter (quarter two of 2002), only about 23% of participants held multiple jobs. In the restaurant sector, 18% of employees had multiple jobs at peak; and in the manufacturing sector, the highest recorded rate of multiple job-holding was 15% of study participants.

⁹ Includes both LiLA and non-LiLA employees.

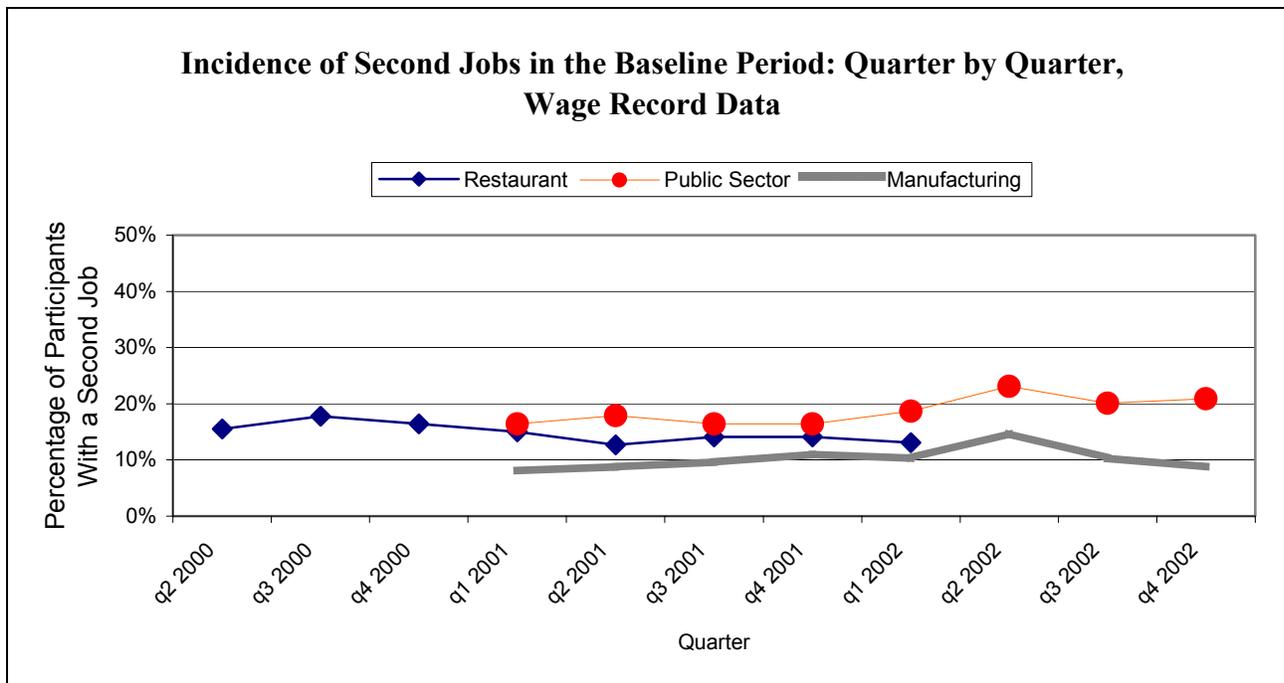


Figure 6

Once the wage record data were coded for primary and secondary jobs, it was possible to compute total baseline, or preprogram income. This was computed for the 468 participants for whom it was available in the restaurant, public, and manufacturing sectors. As shown in Table 6, average annual income¹⁰ for the study participants as a whole was approximately \$26,300 two years before program onset¹¹ and \$27,800 in the year before LiLA program startup. Earnings were lowest in the restaurant sector and highest in the public sector, with manufacturing workers in the middle. In each sector and in both preprogram years, those who went on to join the LiLA program earned slightly more than those who did not go on to enroll in the program. The earnings differential between eventual LiLA and non-LiLA employees was 14% two years prior to program onset, increasing to 18% in the year before program startup. This difference was sharpest in the restaurant sector (28% in both years) and most modest in the public sector (3% and 10%).

¹⁰ Average annual earnings figures include all participants for whom data is available (including documented zero-income earners) across all jobs held by the participants.

¹¹ Program onset varied across sectors. Thus, the “baseline period” of two years prior to program onset is not the same period of calendar time for restaurant workers as for public sector and manufacturing workers.

Table 7: Annualized Preprogram Earnings in the Restaurant, Public, and Manufacturing Sectors

	Restaurants	Public Sector	Manufacturing	All Sectors With WRD
Average annualized earnings two years before program startup				
All study participants	\$23,514	\$30,044	\$27,081	\$26,364
<i>LiLA employees</i>	\$25,912	\$30,441	\$28,392	\$27,860
<i>Non-LiLA employees</i>	\$20,213	\$29,552	\$25,264	\$24,361
Average annualized earnings one year before program startup				
All study participants	\$25,226	\$32,517	\$27,008	\$27,769
<i>LiLA employees</i>	\$27,794	\$33,911	\$28,676	\$29,697
<i>Non-LiLA employees</i>	\$21,691	\$30,786	\$24,696	\$25,185
Number of participants				
Total	202	130	136	468

Average earnings are a combined function of the rate of pay earned by the study participants and their degree of participation in the labor market. Only 65% of study participants in the restaurant sector had earnings in each of the eight quarters comprising the baseline period. In the public sector, 86.2% of the participants were consistently employed during the baseline period, while in the manufacturing sector 78% earned wages in each of the eight quarters. Excluding zero-income earners from the calculations allows for some estimation of how substantial an impact labor-force participation has on the baseline income statistics.

When zero income-earners for a full baseline year are excluded from the income calculations for that year, the earnings advantage enjoyed by those who ultimately joined the LiLA program diminishes to 5% two years prior to program onset and 7% in the year before LiLA startup. Similarly, the earnings differential between the lowest-earning sector (restaurant) and the highest-earning sector (public) narrows from 28% when zero-earners are included to 16% when they are not. Finally, the earnings advantage enjoyed by those who would ultimately go on to join the LiLA program versus those recruited into the comparison group also narrows when zero-income earners are included. In the manufacturing sector, non-LiLA employees actually outearned LiLA employees in each of the baseline years, while in the public sector, the advantage shifted from year one to year two. In the restaurant sector, LiLA employees had stronger earnings than those in the comparison group, even when labor-force non-LiLA employees are excluded, although the earnings differential does narrow marginally.

Overall, the analysis shows that both labor-force participation and rate of pay are important in understanding the income histories of study participants, including both those who ultimately joined the LiLA program and those recruited to the comparison group. LiLA employees have stronger earnings histories than the comparison group, a factor that will become important in estimating the impact of the program on income. In the public and manufacturing sectors, labor-force participation rates appear to explain most, if not all, of the LiLA employees' earnings advantage, while differences in the restaurant sector appear driven by both labor-force participation differentials and rate-of-pay differentials. Table 7 presents the adjusted figures.

Table 8: Annualized Preprogram Earnings in the Restaurant, Public, and Manufacturing Sectors, Excluding Zero-Income Earners*

	Restaurants	Public Sector	Manufacturing	All Sectors With WRD
Average annualized earnings two years before program startup				
All study participants	\$26,835	\$31,246	\$32,026	\$29,589
<i>LiLA employees</i>	\$29,151	\$30,869	\$31,151	\$30,228
<i>Non-LiLA employees</i>	\$23,535	\$31,741	\$33,489	\$28,659
Number of participants	177	125	115	417
Average annualized earnings one year before program startup				
All study participants	\$28,152	\$33,024	\$30,356	\$30,223
<i>LiLA employees</i>	\$29,833	\$33,911	\$30,205	\$31,089
<i>Non-LiLA employees</i>	\$25,607	\$31,885	\$30,601	\$28,948
Number of participants				
Total	181	128	121	430

*Refer to Table 8.

Figure 7 shows the earnings data by the quarter, over time. These figures include zero-income earners and participants' earnings from all jobs. The earnings line for each sector shows a trend of modestly increased earnings over time, but there is considerable quarter-to-quarter variability and insufficient data in the baseline alone to identify any visual trends such as seasonality. The most unexpected factor in the chart is a significant drop in the average earnings of participants in the manufacturing sector between the first and second quarters of 2001 (t-8 and t-7). An exploration of the individual earnings figures shows that, in this quarter alone, ten participants had substantially above-average quarterly earnings, ranging from \$19,000 to more than \$31,000. There is no obvious explanation in these participants' subsequent earnings trajectories, nor in historical data on manufacturing employment in the Fort Wayne area from this period of time.

The unusual shift may reflect a one-time profit distribution in the first quarter of 2001 that has not been repeated since.

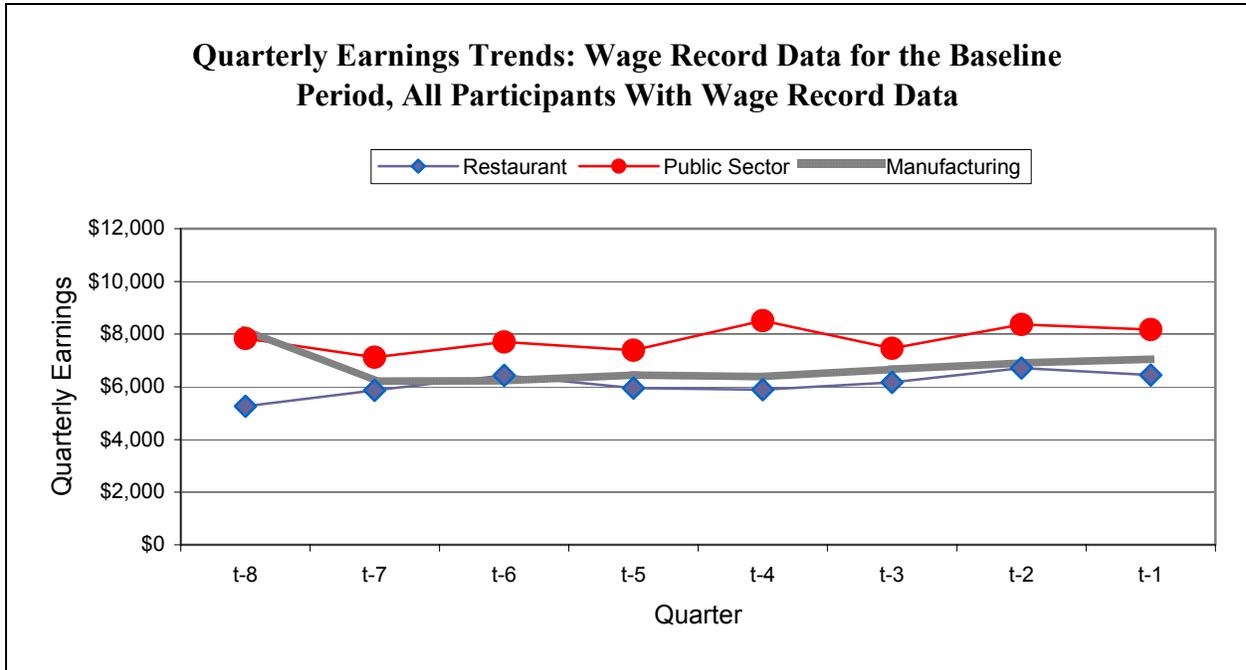


Figure 7

Note: Study participants with zero earnings are included in the calculations.

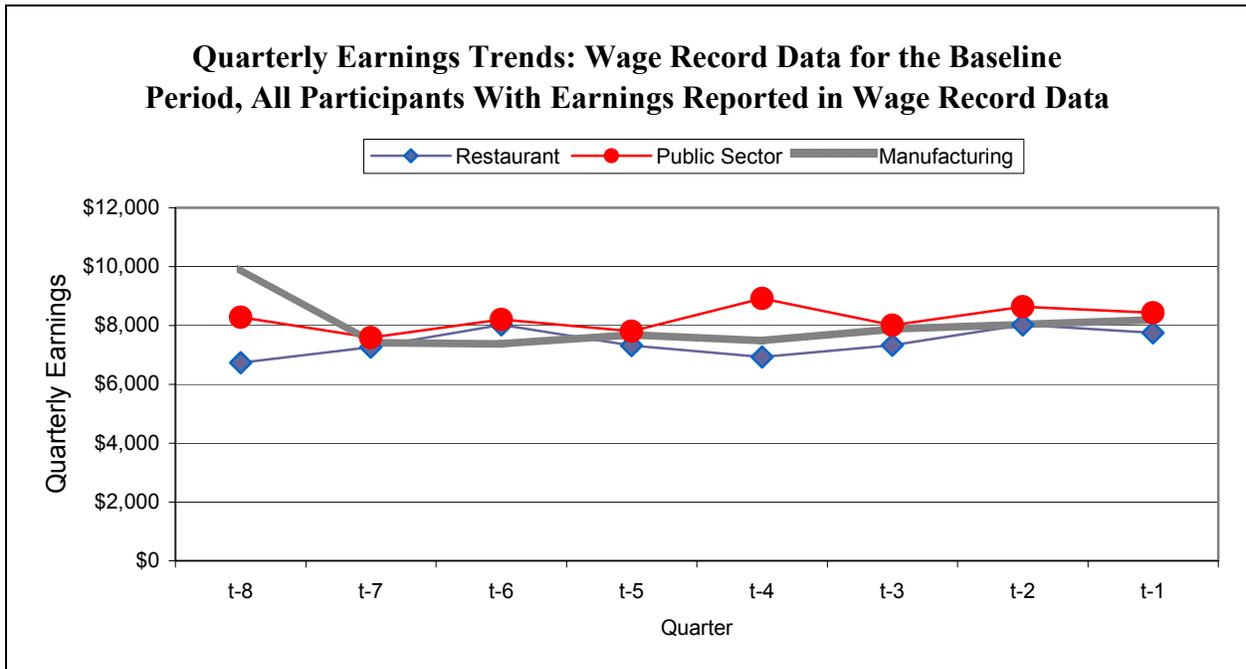


Figure 8

Note: Includes all participants with any reported wages in any quarter; number varies by quarter.

Figure 8 repeats the data in Figure 7 but excludes zero-income earners on a quarter-by-quarter basis. The primary impact of the change in methodology is to pull the three sectors' income trajectories closer together by reducing the impact of variable labor-force participation.¹² The reader should note that the pattern of up-and-down variability in each line is preserved in the second graph; the overall trajectory of income growth and decline does not appear to be greatly influenced by the inclusion or exclusion of zero-income earners.

Over time, these charts will extend into the post-program period and allow for examination of differences in wage gains among the LiLA and non-LiLA employee groups, by sector (see page 70). Figures 7 and 8 represent the pre-program baseline, demonstrating not only the level of earnings prior to program startup but the rate of growth in those earnings. As the evaluation continues, program impact may be seen by a change in the absolute level of earnings, a change in the rate of growth, or both, and particularly, if the changes for LiLA employees exceed the changes for non-LiLA employees.

Unfortunately, there are no wage record data available for participants in the California health care sector. The first income data available for those participants were collected in early 2005, approximately 18 months after the LiLA program's startup, through the first telephone survey.¹³ Those data show mean annualized earnings of \$34,414 for 141 study participants with LiLA employees earning an average of \$31,935 and non-LiLA employees earning an average of \$36,595 per year. While it will be possible to review changes in earnings over time and to compare the LiLA and non-LiLA employees, it will not be possible to control for differences in earnings trajectories that predate the LiLA program.

¹² Variability in labor-force participation can be only imperfectly measured with wage record data because of the way the data are reported—total earnings for the quarter. An individual could be unemployed for five months spanning two calendar quarters yet show no zero-earning quarters, and periods of unemployment of less than one quarter are never apparent in wage record data.

¹³ In the case of California, the survey only included first and second jobs and not additional jobs, as may be covered by wage record data in the other sectors/sites.

Targeting Low-Wage Workers

While the LiLA program is built on the principle of universal access, it was intended to place an emphasis on meeting the needs of low-wage workers. In the first interim report, self-reported wages were used to determine the personal earned income of study participants in the restaurant, public, and manufacturing sectors. These data were compared with a wage standard defined as twice the federal poverty rate to determine the extent to which the targeted population of low-wage workers was recruited into the LiLA program. (A detailed examination of this assessment is presented on pages 67-71 in the First Interim Evaluation Report.)

Table 8 updates the annual income data and includes the health care sector.¹⁴ These data show that the majority of health care employees (both LiLA and non-LiLA) earn less than \$40,000, a very modest wage considering the high cost of living in the San Francisco area. The wage distribution is generally comparable among LiLA and non-LiLA employees in each sector, with the exception of an overrepresentation of individuals in the \$40,000-\$49,999 bracket in health care.

The wage distribution across sectors was influenced by a number of factors. The fact that education and training are central to career progression may have contributed to the high demand among employees in the health care sector who enrolled in the LiLA program. In fact, the demand for LiLAs was so strong that one large employer had to institute a lottery to select LiLA employees. To avoid any stigma associated with a program open to only low-income workers, the LiLA demonstration is designed as a universal access initiative. This feature allowed higher-income earners to participate in the program, particularly in the restaurant sector, where owners enrolled themselves in the program. This might have resulted in a skewed representation of the mean earnings.

¹⁴ The source of data here is wage record data from the states of Illinois and Indiana for the restaurant, manufacturing, and public sectors. As mentioned earlier, the State wage record system does have a few limitations in that it may not include data for all employees. If an individual leaves the State, their wage records are no longer accessible. For the health care sector, the source of data here is self-reports from employee surveys and includes information for all individuals who responded to the income related questions in the survey.

Table 9: Personal Earned Annual Income, 2004*

	Restaurants		Public Sector		Manufacturing		Health Care		Across Sectors	
	LiLA (n=106)	Non-LiLA (n=78)	LiLA (n=72)	Non-LiLA (n=58)	LiLA (n=75)	Non-LiLA (n=57)	LiLA (n=66)	Non-LiLA (n=75)	LiLA (n=319)	Non-LiLA (n=273)
Mean Earnings, 2004	\$35,334	\$27,375	\$38,252	\$36,993	\$33,532	\$34,193	\$31,935	\$36,595	\$34,866	\$33,375
Minimum Reported	\$1,102	\$33	\$5,638	\$9,803	\$2,688	\$1,487	\$10,400	\$37,44	\$1,102	\$33
Maximum Reported	\$185,749	\$73,486	\$73,486	\$66,739	\$67,832	\$116,659	\$61,000	\$102,000	\$185,749	\$116,660
By brackets										
Less than \$10,000	9%	17%	1%	2%	5%	7%	0%	3%	5%	8%
\$10,000-\$19,999	22%	19%	1%	10%	13%	16%	12%	9%	13%	14%
\$20,000-\$29,999	11%	23%	14%	3%	15%	19%	33%	25%	17%	18%
\$30,000-\$39,999	26%	18%	46%	43%	36%	26%	39%	23%	35%	26%
\$40,000-\$49,999	20%	15%	24%	31%	19%	16%	8%	24%	18%	21%
\$50,000-\$59,999	3%	6%	7%	9%	9%	9%	6%	12%	6%	10%
\$60,000-\$69,999	2%	0%	6%	2%	3%	2%	2%	1%	3%	1%
\$70,000-\$79,999	1%	0%	1%	0%	0%	2%	0%	0%	1%	0%
\$80,000-\$89,999	1%	0%	0%	0%	0%	2%	0%	1%	0%	1%
\$90,000-\$99,999	1%	2%	0%	0%	0%	0%	0%	0%	0%	1%
\$100,000 or more	5%	0%	0%	0%	0%	2%	0%	1%	2%	1%

*Source: Wage record data for restaurant, public sector, and manufacturing; wave one survey for health care.

Annual Household Income

Annual household income was reported in the first interim report, but did not include all respondents and did not present data for the health care sector. Table 9 updates the annual (2004) household income data as reported by LiLA and non-LiLA employees. Household income was reported strictly on an income-bracket basis. As expected, there is a substantial shift upward. For example, on the basis of individual income, 43% of LiLA employees and 59% of non-LiLA employees in the restaurant sector reported making below \$30,000. However, when household income is considered, only 27% of the LiLA employees and 28% of the non-LiLA employees reported household income below \$30,000.

Generally, the distribution of income is comparable among LiLA and non-LiLA employees in each sector and similarly across sectors. One notable difference is in the restaurant sector, where

a significantly larger proportion of restaurant employees come from high-end income families. Here 22% of LiLA employees and 18% of the non-LiLA employee control group in the restaurant industry reported household incomes of \$90,000 or more, while only 6% and 2%, respectively, reported personal incomes above those levels. This is partially explained by the fact that restaurant owners were allowed to open LiLA accounts. However, the data imply that restaurant workers may live with others who contribute substantially to household income, such as spouses or parents.

**Table 9: 2004 Household Annual Income
As Reported by LiLA and Non-LiLA Employees**

	Restaurants ¹⁵		Public Sector		Manufacturing		Health Care		Across Sectors	
	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA
	(n=85)	(n=56)	(n=66)	(n=52)	(n=70)	(n=49)	(n=63)	(n=77)	(n=284)	(n=234)
Less than \$10,000	2%	5%	-	2%	3%	4%	5%	5%	3%	4%
\$10,000 - \$19,999	7%	7%	-	-	7%	2%	6%	16%	5%	7%
\$20,000 - \$29,999	18%	16%	17%	15%	20%	20%	27%	16%	20%	17%
\$30,000 - \$39,999	12%	20%	27%	23%	20%	20%	18%	17%	19%	20%
\$40,000 - \$49,999	13%	18%	15%	23%	14%	8%	18%	20%	15%	18%
\$50,000 - \$59,999	14%	5%	14%	10%	13%	12%	11%	10%	13%	9%
\$60,000 - \$69,999	4%	5%	8%	12%	6%	14%	5%	4%	5%	8%
\$70,000 - \$79,999	7%	4%	12%	2%	13%	8%	5%	1%	9%	3%
\$80,000 - \$89,999	2%	2%	6%	4%	4%	2%	-	5%	3%	3%
\$90,000 - \$99,999	5%	5%	2%	4%	-	2%	2%	1%	2%	3%
\$100,000 or more	17%	13%	-	6%	-	6%	5%	5%	6%	7%

In the table above, discerning readers may note the differences in sample sizes between LiLA and Non-LiLA participant groups. Some respondents refused to provide this information during the telephone survey, and the refusal rate for providing household income was higher among the non-LiLA employees. In instances where LiLA employees refused to provide household income

¹⁵ Employee tips may not be included depending on respondents' interpretation of income questions.

data during the telephone surveys, missing data were filled in from their LiLA enrollment forms. Table 10 presents the fraction of LiLA and non-LiLA employees that would be defined as being part of the low-income population. Here both personal and household incomes are compared to the low-income standard defined as \$18,620.¹⁶

Table 10: Service to Low-Income Populations

	Restaurants		Public Sector		Manufacturing		Health Care	
	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA
Percent below personal annual income standard*	28%	36%	3%	12%	19%	18%	11%	11%
Percent below household annual income standard**	8%	11%	0%	2%	9%	6%	10%	19% ¹⁷

*Source: Wage record data for restaurant, public sector, and manufacturing; wave one survey for health care. Percentage earning less than \$18,620 personally estimated for health care sector.

**Source: Self reports from wave one surveys. Percentages earning less than \$18,620 are estimates.

As mentioned in the first interim report, the methodology for computing income is the key to understanding how far the LiLA program is serving low-income populations. As shown in Table 10, the difference between personal income and household income varies across sectors. There are large differences in the restaurant, manufacturing, and public sectors between the fraction of employees who report *personal* income below the low-income standard and the fraction of employees who report *household* income below the low-income standard.

This variance is particularly acute in the restaurant sector. As mentioned, it can be inferred that a larger fraction of restaurant employees offset their low personal earning level by living in combined households where there are additional sources of income. Looking back at employee demographics, restaurant employees were relatively young among the participating sectors (Figure 3) and the smallest fraction of employees who reported being head of their households (Figure 4). Underreported tip income may account for understated personal income in the

¹⁶ The U.S. Federal Poverty Guidelines are dependent on household size. However, for the sake of simplicity, the low-income standard used here is defined as twice the federal poverty level for a single person. In 2004, the poverty level for a single person was \$9,310. Therefore, the standard used to identify low-income populations is to classify those that earn below \$18,620 as low-income.

¹⁷ Alert readers will note the discrepancy between individuals reporting their personal income above their household income. Income data from California is from self-reports, and, in 20 separate cases, individuals appear to have been confused by the question and reported earning more personal income than household income. Subsequent survey questions will be sharpened to provide clarity and enable more accurate responses.

restaurant sector. Another possible interpretation of the data is related to the overall wage distribution among LiLA employers. Even though wage earners may have been relatively high in comparison to the personal annual income standard, it is nonetheless possible that they were at or near the bottom of the pay range for employees in any given company.

Due to the longitudinal nature of the LiLA Demonstration evaluation plan, it is essential to establish baseline data for key indicators that may ultimately help explain variations in outcomes among study participants. This section provided an update of baseline data initially presented in the first interim report. With the addition of data for the health care sector, the findings indicate that there are both similarities and differences in demographic characteristics among sectors. While there are some notable differences between LiLA and non-LiLA comparison group participants, the two groups are generally comparable on most indicators. An analysis of wage record data provides a relatively sound basis upon which to examine the effect of the LiLA program on income. Initial analysis indicated that the LiLA project succeeded in attracting low-income employees to participate in the program, although the extent of that success is largely dependent upon how the low-wage standard is defined. When a multiplier of the federal poverty guideline was used, based on individual personal earned income, small percentages of low-wage workers had enrolled in the LiLA program. Defining low-wage workers by assessing their wages relative to other company employees could paint a somewhat different picture. As the evaluation continues, the correlation between LiLA account use and trajectories in earned income will be examined. In the health care sector, due to the lack of wage record data, the impact of the LiLA program on wages will be measured by comparing trends in wages reported by LiLA and non-LiLA employees via the ongoing telephone survey component of the evaluation.

Section Three: LiLA Deposits, Management, and Administration

Creation of the LiLA Account

Lifelong Learning Accounts are essentially bank accounts where funds are held for eventual expenditure on allowable LiLA activities. The funds deposited by LiLA employees are held in an individual account at ShoreBank and are matched, up to a limit of \$500 per year, with employer and foundation funds. The matching dollars are held in separate ShoreBank accounts that are managed by CAEL. When it comes time to purchase training, CAEL combines the LiLA employee funds with the appropriate matching funds in order to make a payment.

The concept of a bank account, accompanied by regular statements of balances to account holders, helps to reinforce the view that LiLA employees are owners of the accounts and, as such, have to take ownership of their training and career plans. However, the real payoff comes when LiLA employees use the accounts to pay for training, thereby enabling them to activate their career plan. In the previous interim report, the process of establishing and managing the accounts was discussed in detail. In this interim report, the focus is on the experience of employees as they increased their LiLA account savings and sought training that was consistent with their Individual Learning Plans.

Employees' Experiences

LiLA Account Deposits

There are some basic differences among LiLA employees in their management and use of their accounts that can be traced back to the initial enrollment in the LiLA program. As of June 30, 2004, CAEL had completed the initial enrollment of LiLA employees. Of the 359 LiLA

employees who originally opened an account,¹⁸ 127 were employed in the restaurant sector, 76 were from the public sector, 79 were from the manufacturing sector, and 77 were from the health care sector. As shown in Table 11, below, the flow of new accounts primarily reflected the staggered nature of project implementation at each Demonstration site.

The following analysis is based upon quarterly financial information received from CAEL that summarize the account activity at ShoreBank. Because of the way the data are made available, “number of deposits” refers to the number of quarters in which a LiLA employee made deposits. A LiLA employee with biweekly deductions from his or her paycheck is actually making six or seven deposits in a quarter; for purposes of this evaluation, we can only report one deposit for that quarter.

**Table 11: New ShoreBank Accounts During Each Quarter
Among LiLA Employees¹⁹**

	Restaurants		Public Sector		Manufacturing		Health Care		Across Sectors	
	n	Total Deposits	n	Total Deposits	n	Total Deposits	n	Total Deposits	n	Total Deposits
4Q – 2002	76	\$8,484		-		-		-	76	\$8,484
1Q – 2003	13	\$960		-	39	\$1,388		-	52	\$2,348
2Q – 2003	13	\$780	2	\$170	7	\$327		-	22	\$1,277
3Q – 2003	8	\$370	51	\$6,425	6	\$70		-	65	\$6,865
4Q – 2003	4	\$810	7	\$655	5	\$50	34	\$7,218	50	\$8,733
1Q – 2004	10	\$665	9	\$330	3	\$760	41	\$7,240	63	\$8,995
2Q – 2004	3	\$60	6	\$100	14	\$2,453	1	\$15	24	\$2,628
3Q – 2004		-		-	4	\$305		-	4	\$305
Total	127	\$12,129	75	\$7,680	78	\$5,353	76	\$14,473	356	\$39,635

Table 11: also shows the dollar amounts that were deposited in the first quarter in which the accounts were opened. LiLA employee deposits totaled \$39,635, including \$12,129 from restaurant employees, \$7,680 from public sector employees, \$5,353 from manufacturing employees, and \$14,473 from health care employees. The relatively large amount deposited by

¹⁸ This figure includes active LiLA account holders, those who have completed the program, and LiLA employees who have dropped out of the program.

¹⁹ Records indicate that one restaurant employee, one health care employee, and one public sector employee never made any deposits to the ShoreBank LiLA accounts. All three of these employees subsequently dropped out of the LiLA program.

health care employees suggests that these individuals may have had existing savings that were diverted into the LiLA accounts or perhaps these participants had immediate plans for education and training that were well defined and wanted to make use of their LiLA funds right away. As shown in subsequent sections of this report, in some cases, individuals were already engaged in education and training and may have used their LiLA accounts to supplement existing training costs. A similar scenario was present for small numbers of account holders in the other sectors.

The amounts of initial quarterly deposits varied for employees, as shown in Table 12, below. The majority of LiLA employees began with minimal deposits: 50% of restaurant employees and 54% of manufacturing employees made deposits at the \$10 level. Employees in the public sector and health care sector began at a somewhat higher contribution level, with 49% and 29%, respectively, making deposits at the \$11-\$99 threshold. As suggested earlier, a significant proportion (25%) of those in the health care sector opened accounts with relatively large initial deposits of \$400 or more.

Table 12: Ranges of Deposits Made by LiLA Employee Account Holders During the Initial Quarter of Participation

	Restaurants		Public Sector		Manufacturing		Health Care		Across Sectors	
	n	%	n	%	n	%	n	%	n	%
\$10	63	50%	13	17%	43	54%	15	20%	134	38%
\$11-\$99	31	24%	37	49%	21	27%	22	29%	111	31%
\$100-\$199	12	9%	17	23%	8	10%	14	18%	51	14%
\$200-\$299	7	6%	4	5%	1	1%	5	7%	17	5%
\$300-\$399	3	2%		-		-	1	1%	4	1%
\$400-\$499		-	1	1%		-	17	22%	18	5%
\$500 or more	11	9%	3	4%	6	8%	2	3%	22	6%

More recent data from ShoreBank show that many, but not all, employees have continued to make deposits into their accounts. Through the second quarter of 2005, LiLA employees have deposited a total of \$187,690 in their accounts, including \$55,049 deposited by restaurant employees; \$49,051 deposited by public sector employees; \$40,138 deposited by manufacturing employees; and \$43,452 deposited by health care employees. Table 13, below, displays the total dollars deposited by employees during each quarter.

**Table 13: Total Deposits During Each Quarter
Among LiLA Employees²⁰**

	Restaurants		Public Sector		Manufacturing		Health Care		Across Sectors	
	n*	Total Deposits	n	Total Deposits	n	Total Deposits	n	Total Deposits	n	Total Deposits
4Q - 2002	76	\$8,484							76	\$8,484
1Q - 2003	52	\$4,377			39	\$1,388			91	\$5,765
2Q - 2003	59	\$6,456	2	\$170	35	\$3,728			96	\$10,353
3Q - 2003	55	\$6,047	53	\$6,725	34	\$4,146			142	\$16,918
4Q - 2003	56	\$5,896	56	\$6,256	32	\$3,497	34	\$7,218	178	\$22,868
1Q - 2004	51	\$4,849	61	\$6,290	33	\$5,523	64	\$9,200	209	\$25,863
2Q - 2004	44	\$5,516	63	\$5,399	37	\$5,354	52	\$6,401	196	\$22,668
3Q - 2004	35	\$2,308	65	\$8,225	34	\$5,202	47	\$5,069	181	\$20,804
4Q - 2004	35	\$6,681	57	\$6,020	31	\$5,124	40	\$5,900	163	\$23,725
1Q - 2005	15	\$1,749	51	\$4,976	25	\$3,341	40	\$6,618	131	\$16,685
2Q - 2005	17	\$2,686	47	\$4,989	20	\$2,835	26	\$3,046	110	\$13,557
Total	495	\$55,049	455	\$49,051	320	\$40,138	303	\$43,452	1,573	\$187,690
Average number of participation quarters	7.8 quarters		7.5 quarters		6.8 quarters		6.5 quarters			

*Number of deposits.

Overall, the large number of workers making relatively modest initial deposits would appear to confirm that the project is reaching individuals who lack significant disposable income for training and education activities. At a rate of \$10 per biweekly paycheck, a worker can accumulate \$260 during the course of a year, which translates to over \$1,000 in funds for training after the employer contribution and outside matches are considered.

Savings Patterns

An analysis of the ShoreBank data reveals variations in the frequency of deposits. For example, some LiLA participants made a single deposit into their LiLA accounts and have not supplemented that initial deposit. Restaurant employees were most likely to make a single deposit and then stop. Twenty-nine restaurant employees, three public sector employees, 20 manufacturing employees, and eight health care employees have not supplemented their initial deposits. In addition, three LiLA participants, each from different sectors (restaurants, manufacturing, and health care) have not made any deposits into their LiLA accounts.

²⁰ Because of the way the data are made available, “number of deposits” refers to the number of quarters in which a LiLA employee made deposits.

As of the second quarter of 2005, across all sectors, the average participant deposit per quarter was \$70.27.

The savings patterns differ by sector as well as by participant demographics as shown below:

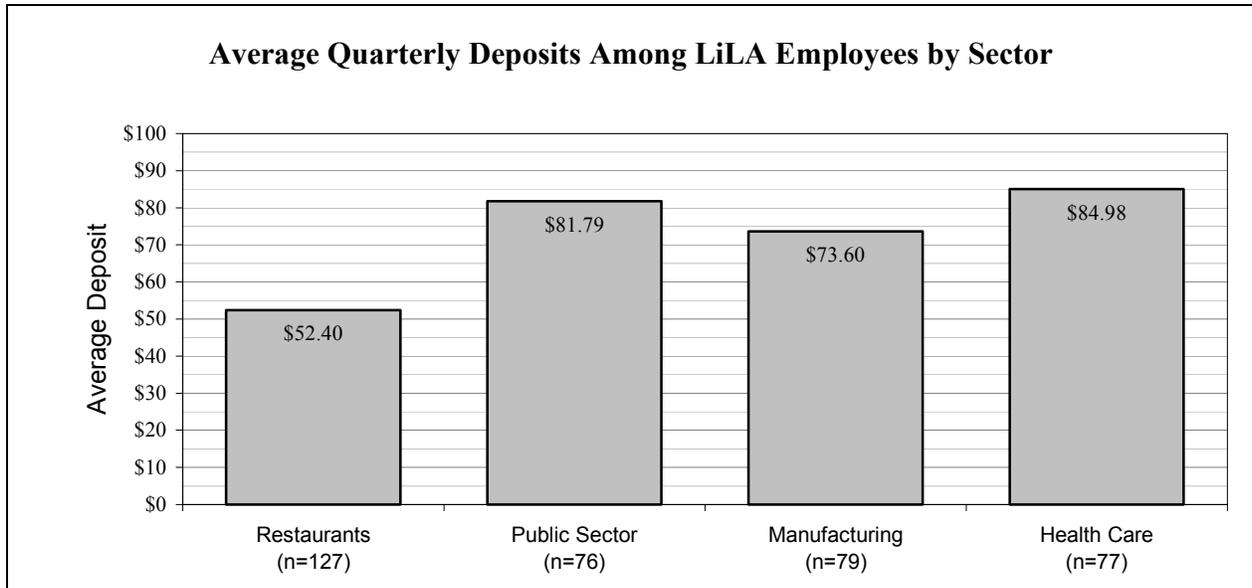


Figure 9

The average savings per quarter are the highest among health care and manufacturing employees. Relative to the other sectors, the average quarterly savings among restaurant employees are the lowest.

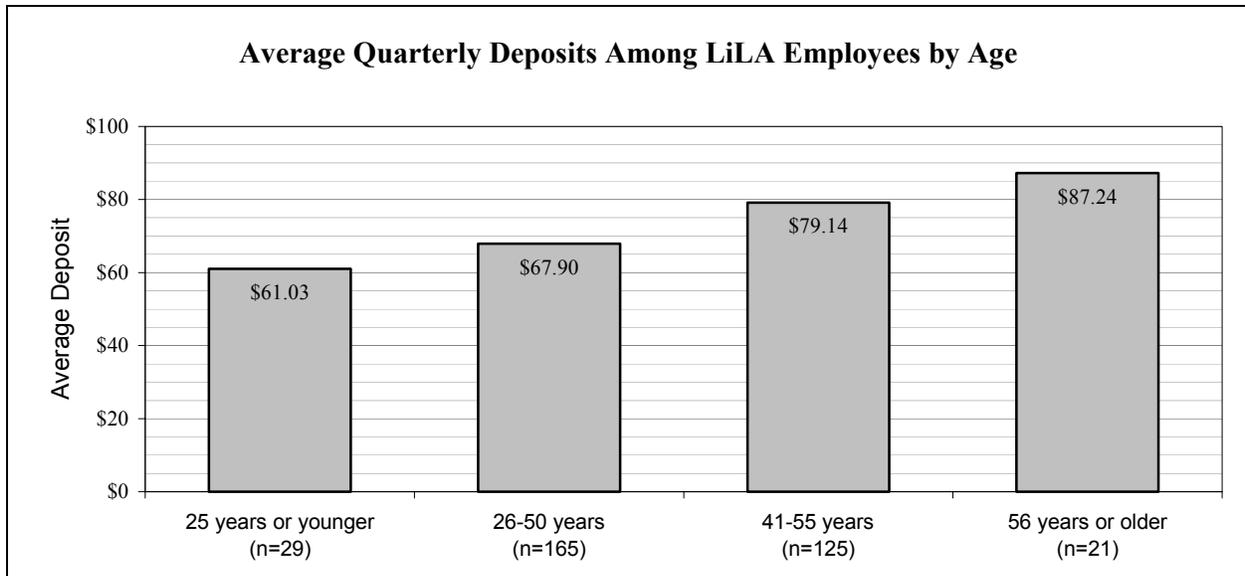


Figure 10

The age of LiLA employees appears to influence the rate at which they are saving funds. As shown in Figure 10, the average savings are higher among older employees. It is important to note that the age variable here could be indicative of other characteristics such as job seniority, and household status. It is hence possible that age is only a proxy for other inherent demographic characteristics that influence the level to which employees are willing and able to save.

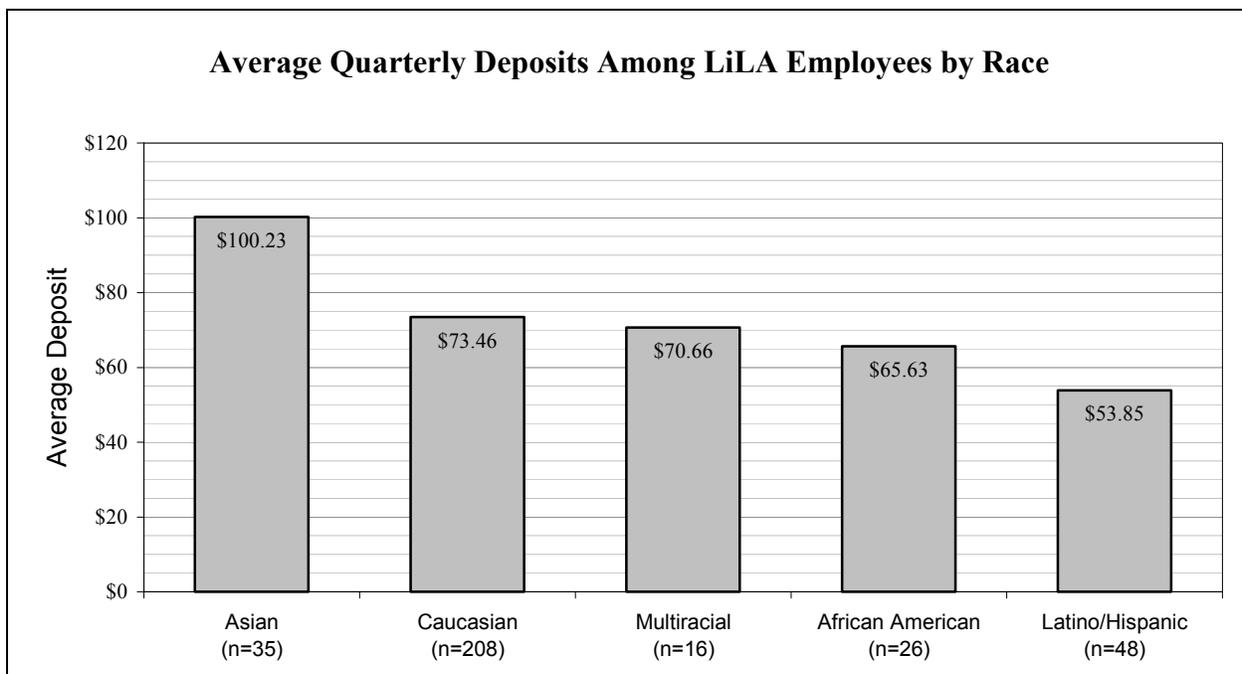


Figure 11

It appears that LiLA employees from different races also save at different levels. However, these differences are not statistically significant, primarily due to the smaller sample sizes for non-Caucasians. As discussed previously, almost all the Asian LiLA employees are from the health care sector (Figure 2) and health care sector employees had the highest average deposits (Figure 9). However, the average savings among Asians are higher than the average savings among other racial groups and higher than the average savings among the health care sector employees as a whole.

Payments for Training

Employees have been using their LiLA money for training. As of June 2005, a total of 156 had withdrawn a combined total of \$75,199 from their LiLA accounts. Restaurant employees had withdrawn a total of \$25,961, public sector employees \$17,704, manufacturing employees \$21,618, and health care employees \$9,917.

**Table 14: Total Withdrawals During Each Quarter
Among LiLA Employees**

	Restaurants		Public Sector		Manufacturing		Health Care		Across Sectors	
	n*	Amount	n	Amount	n	Amount	n	Amount	n	Amount
4Q – 2002	6	\$1,060							6	\$1,060
1Q – 2003	10	\$1,367			2	\$188			12	\$1,555
2Q – 2003	7	\$1,317			1	\$28			8	\$1,345
3Q – 2003	15	\$3,102	2	\$162	2	\$123			19	\$3,387
4Q – 2003	11	\$1,657	15	\$3,432	8	\$13,000	1	\$315	35	\$18,404
1Q – 2004	18	\$3,457	12	\$1,490	8	\$998			38	\$5,945
2Q – 2004	17	\$3,487	13	\$1,107	7	\$1,141	10	\$1,610	47	\$7,344
3Q – 2004	13	\$2,071	20	\$4,214	9	\$1,626	15	\$2,703	57	\$10,614
4Q – 2004	13	\$3,826	14	\$2,513	6	\$1,588	10	\$2,204	43	\$10,130
1Q – 2005	10	\$3,343	15	\$3,332	12	\$2,041	10	\$2,464	47	\$11,180
2Q – 2005	7	\$1,274	11	\$1,454	5	\$884	4	\$622	27	\$4,235
Total	127	\$25,961	102	\$17,704	60	\$21,618	50	\$9,917	339	\$75,199
Running balance		\$29,088		\$31,347		\$18,520		\$33,535		\$112,490
LiLA employees ever used account		51 (40%)		41 (54%)		33 (42%)		31 (40%)		156 (43%)

* Number of withdrawals.

Across the sectors, 43% of LiLA employees had made at least one withdrawal from their account by mid-2005. In addition, most of the LiLA employees who had drawn funds from their training accounts had made a single withdrawal.²¹ While in some cases, a single withdrawal could indicate the use of the LiLA account for a single, short-term course, a single withdrawal by a participant could also indicate the payment for a larger program, which is inclusive of multiple costs. From an operational point of view, it is important to note the frequency of use of the LiLA accounts to estimate the level of administrative support needed for account maintenance.

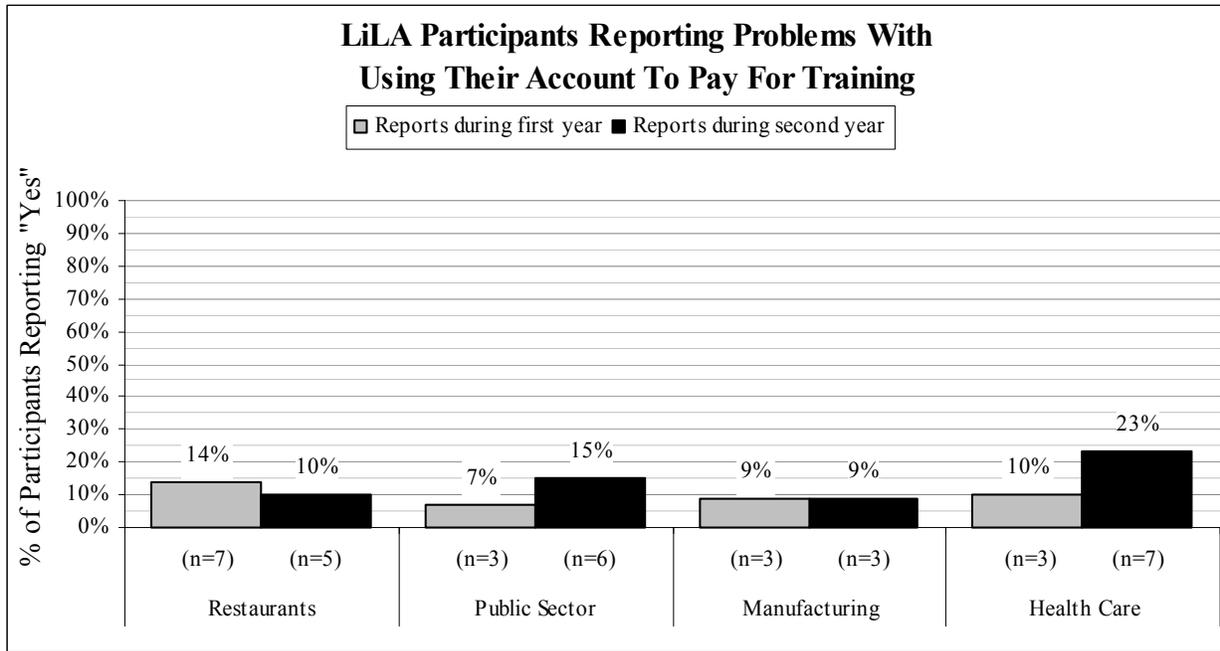
In both waves of surveys, LiLA employees were asked if they had experienced any problems when using their LiLA accounts. Overall, very few employees reported having any

**Health Care Employee
San Francisco, CA
December 2004**

“My reimbursement check took two months to arrive last time. It’s hard. I needed the money sooner. (But I was very happy to get it!).”

²¹ This pattern appears inconsistent with CAEL’s data on tuition and fee payments as shown in Table 16. The reason for the apparent discrepancy may be related to the fact that the quarterly account data masks account activity occurring within each quarter.

problems with their accounts, as shown in Figure 12 below. When problems were reported, instances were greater in the second year of participation for public sector and health care. It is possible that the instances of problems have increased as a result of increased use of the LiLA accounts. Reported problems included the time lag between taking classes and being reimbursed for their expenses and difficulties receiving and interpreting the account statements.



* Percentages above are ratios of the number of LiLA employees reporting problems with their accounts to the total number of LiLA employees who have used their account at least once.

Figure 12

According to CAEL staff, an appeals process has been instituted to address situations that fall outside of existing program policy. For example, one person was taking a welding class that required expensive (\$200-\$500) supplies. Normally, LiLA reimburses for supplies after the class is over, but because these were so expensive, they created a financial hardship. In this case, an exception was made to the payment policy.

In general, when questions arose about the program, the employees reported that they most often spoke to a CAEL representative, rather than their employers or their career advisors. However, this did vary by sector. In the health care sector, 45% of the employees said they turned to their advisor for assistance, perhaps because of the key role the advisor played in helping employees

overcome language barriers and navigate the education system. Additional discussion of this relationship is given on the following pages. In contrast, only 12% of public sector employees, 11% of manufacturing employees, and 27% of restaurant employees asked their advisors.

Career Advising Under the LiLA Program

One of the distinguishing features of the LiLA Demonstration is the development and use of Individual Learning Plans (ILP) to guide individual education and training decisions. As discussed earlier, LiLA employees who use their accounts to purchase training must select a class or program of study that is consistent with their ILPs. The first interim report described the role that career advisors played in helping LiLA employees create their ILPs. At that time, advisors reported spending one to three hours per employee.

Recent interviews with career advisors confirmed that while the time commitments have decreased substantially, the advisors continue to play an active role. Feedback from CAEL career advisors suggests that the process of accessing account funds can be daunting for some LiLA employees, particularly when it is the first time using the payment process. Despite the

**Health Care Employee
San Francisco, CA
December 2004**

“Mine was very helpful—I had a funding problem, and she worked it out really quickly.”

fact that all of the steps necessary to withdraw funds were explained at the beginning of the program, LiLA employees often turn to their advisors or CAEL staff for help with the complexities of the enrollment and payment process. Typically, these inquiries focus on how to process paperwork, how to get reimbursed,

what to do about lost forms, and other administrative issues. According to the advisors, once employees have actually used the process, they tend to be less likely to need further assistance.

In addition to assisting with the administrative requirements for accessing funds, the advisors are a source of information about training programs, helping employees overcome participation barriers. For example, employees may inquire about the availability of specific training programs offered by accredited providers, those who are recent immigrants to the United States may have a need for information about how the education system works, or employees who are not yet fluent in the English language may seek help in overcoming language barriers.

According to those interviewed, caseloads ranged from five clients to 140 clients. The largest caseload was reported by the Indiana site advisor, whereas the Chicago and San Francisco site advisors reported 34 and 43, respectively. The Chicago and San Francisco advisors did note that a significant proportion of their caseloads are non-English speakers who require more intensive assistance.

**Manufacturing Employee
Angola, IN
September 2004**

“[My learning plan was useful for] figuring out a time frame for getting where I want to be and how much money is needed.”

In both waves of surveys, employees were asked to rate the helpfulness of their LiLA advisors on a scale of 1 to 4 with 1 being “very helpful” and 4 being “not at all helpful.” As shown in Figure 13

LiLA participants rated their advisors as quite helpful, although the perception of helpfulness went down in all sectors during the second year, perhaps indicative of the

advisors’ decreased role beyond the first year.

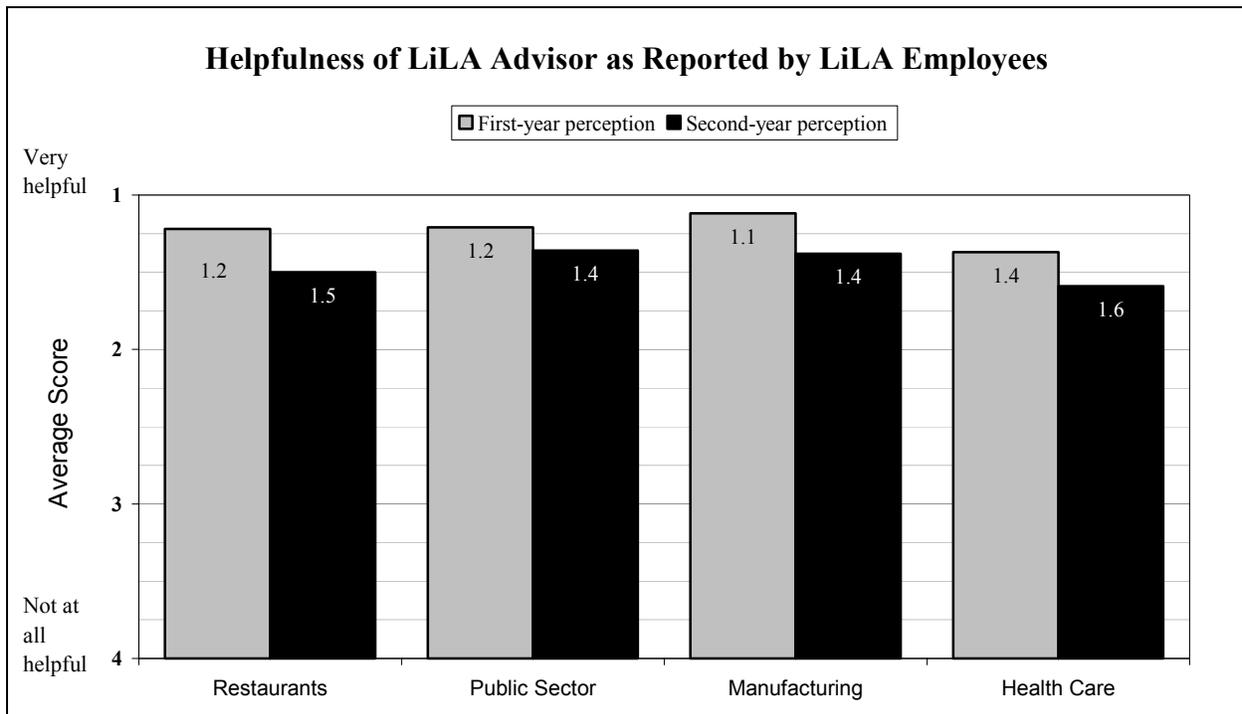


Figure 13

There were high rankings given for career advisors’ helpfulness and knowledge, as reported in the first interim report. When asked in the second round interview if they would be willing to pay for career advising had it not been offered as part of the LiLA program, roughly one third of the employees in each sector said “yes” and more than half said “No,” as shown in Figure 14, below. The comparatively higher proportion of those in the health care sector who were willing to pay for career advising may be due to the intensity of their need for assistance.

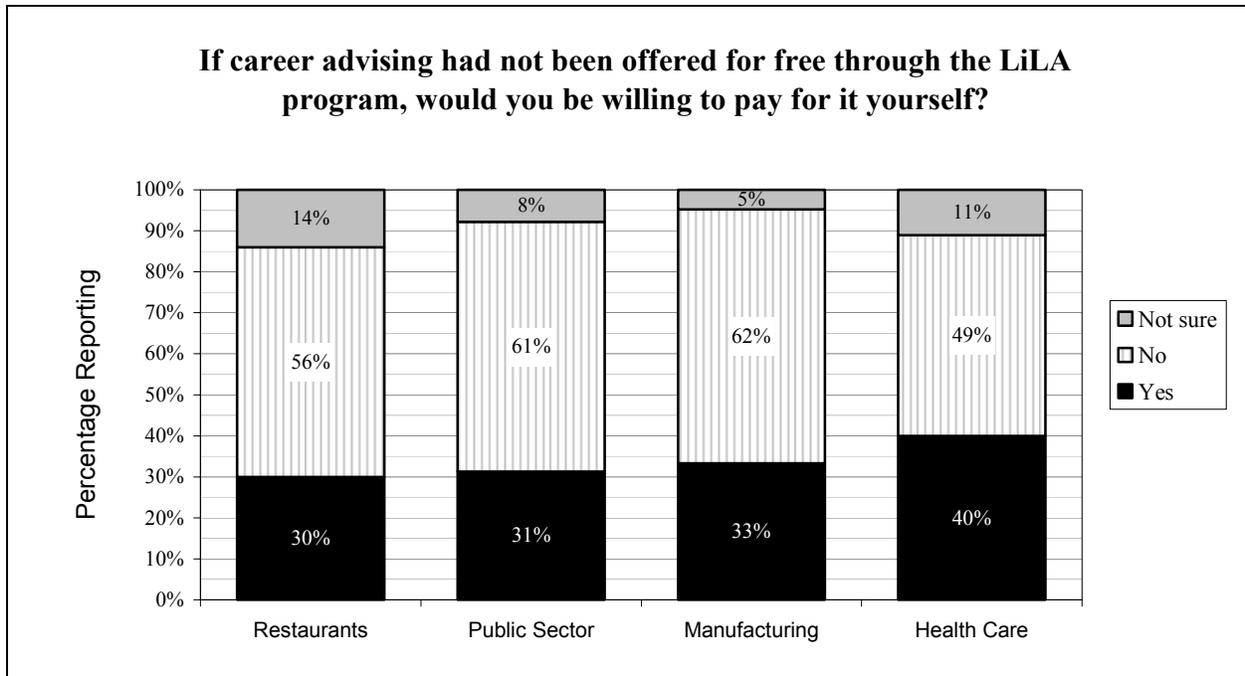


Figure 14

Individual Learning Plans

Once the ILPs were developed, they served as a roadmap for subsequent education and training purchases. The career advisors reported in 2005 that few employees had made dramatic alterations to their ILPs. Most of the changes to the plans are related in some way to the original goals. For instance, one participant began by taking a class on being a landlord, and after finding it unsatisfying, worked with his advisor to “fine tune” his ILP and move toward real estate. Another advisor had a client who wanted to become an entrepreneur, but was overwhelmed by the reality of this career track, so he was directed toward accounting and short-term small business classes. As one advisor commented, “participants often begin with goals that allow them to ‘escape’ their current jobs without true consideration of the realities they face. Once

they have spent more time exploring these realities, participants focus on slower progress, often rooted in their current employment experience.”

Another issue for participants as they attempted to carry out their ILPs was time. The basic obstacle of adding training to their work and personal schedules was difficult for some, resulting in decreasing motivation to complete the plan; the “treadmill of life” overwhelms their best intentions. The career advisors attempt to provide emotional support and career guidance throughout this process of acceptance and challenge. This may help explain the decreased level of confidence among LiLA employees in the restaurant industry that they will complete their Individual Learning Plan, as shown in Figure 15.



Figure 15

Employers' Experiences

LiLA Account Management Process

There was little change among employers in terms of their satisfaction with the way the LiLA program has been managed. In the first round of surveys, employers were asked about the extent to which they had account issues and to whom they would turn to resolve them. In the majority of cases reported in the first round, the reason for contact with CAEL or another source was a question about the program process. The remaining reasons included account issues (3) and to request program materials (1). When asked about the responsiveness of those they asked for assistance, the employers reported that in all but two cases they were helped promptly.

Moving into the next year of implementation, employers indicated that they had few account issues. All of the manufacturing employers, 80% of the public sector employers, 62% of the restaurant employers, and one half of the health care employers reported having no problems. Of those who did report difficulties (four restaurants, one public sector employer, and two health care employers), most issues stemmed from delays in obtaining accurate account balances or reimbursements. Fortunately, the employers reported that these issues did not affect their interest in continuing with the program or prevent them from benefiting from the program.

In the second wave of employer interviews, respondents confirmed that they had been receiving regular bank statements concerning the LiLA accounts. According to ShoreBank, these statements are provided on a monthly basis. In addition, most of the employers were satisfied with the ShoreBank statements they were receiving. All but one of the 27 responding employers reported that the statements were sufficient to meet their needs. Still, several employers commented on additional information that would be helpful to them. These comments fell into two categories: timing and statement details. In regard to timing, one manufacturing employer noted that “it is difficult to determine when to put more money in [beyond the initial \$50 deposit]. . . . [and we] would much prefer to work with a local bank.” Another manufacturing employer observed that “timing is slow; seems like always a lapse of a month or two.” In terms of account details, two restaurant employers and one health care employer asked for more information about employee fund spending and availability in a condensed format. According to

ShoreBank, individual employee withdrawals are deliberately withheld to maintain confidentiality.

There was also evidence from the second survey that the refund process is working well. When asked about specific account issues related to employees who had left the program, 19 of 25 employers (76%) said that the refund process had gone well.

Overall, while there have been some minor problems related to the flow of information about the accounts, in general, the feedback from employers suggests that they are satisfied with the ShoreBank statements, timeliness, and refund process.

At this stage in the implementation of the LiLA Demonstration, LiLA employers and employees have gradually increased their knowledge and understanding of the program. Over time, there have been continuing deposits among LiLA account holders, and many have had early experiences with accessing LiLA account funds to purchase education and training. The role of career advisors was essential in the earliest stages of implementation in the development of ILPs and appears to be of continued value to employees, although not high enough to merit purchasing the services with personal funds. Employers continue to be generally satisfied with the operation of the project.

Section Four: Employee Participation in Training and Career Impact

This section summarizes the findings related to employee participation in education and training and its impact on career development. It begins with an examination of the type and extent of training program enrollment. When applicable, this is followed by a comparison between the LiLA employees and the comparison group of non-LiLA employees.

Participation in Training and Education

In order to assess the impact of the LiLA program, it is first necessary to determine the extent to which it is being used. As of the writing of this report, based upon data collected through surveys of LiLA and non-LiLA employees, 71 LiLA employees (19% of the employees that originally enrolled in the LiLA program) and 45 non-LiLA employees were currently enrolled in training. Figure 16 shows the number of LiLA and non-LiLA employees that reported that they were currently enrolled in training across all four sectors.²² It is important to note that the numbers indicate the number of employees currently enrolled in education or training programs, not the number of training programs. It is likely, and indeed case records show that some employees are enrolled in multiple trainings. Across all sectors, more LiLA employees reported being currently enrolled in training compared to non-LiLA employees. One probable interpretation of this finding is that the LiLA program is instrumental in permitting more LiLA employees to enroll in training. It is also possible that at least a portion of both LiLA and non-LiLA employees were previously enrolled in training and have remained enrolled in their respective training over the course of the LiLA program.

²² This number is considerably lower than the enrollment data presented in Table 16 and Table 17. Those tables summarize all incidents of account use and enrollment, not just current activity.

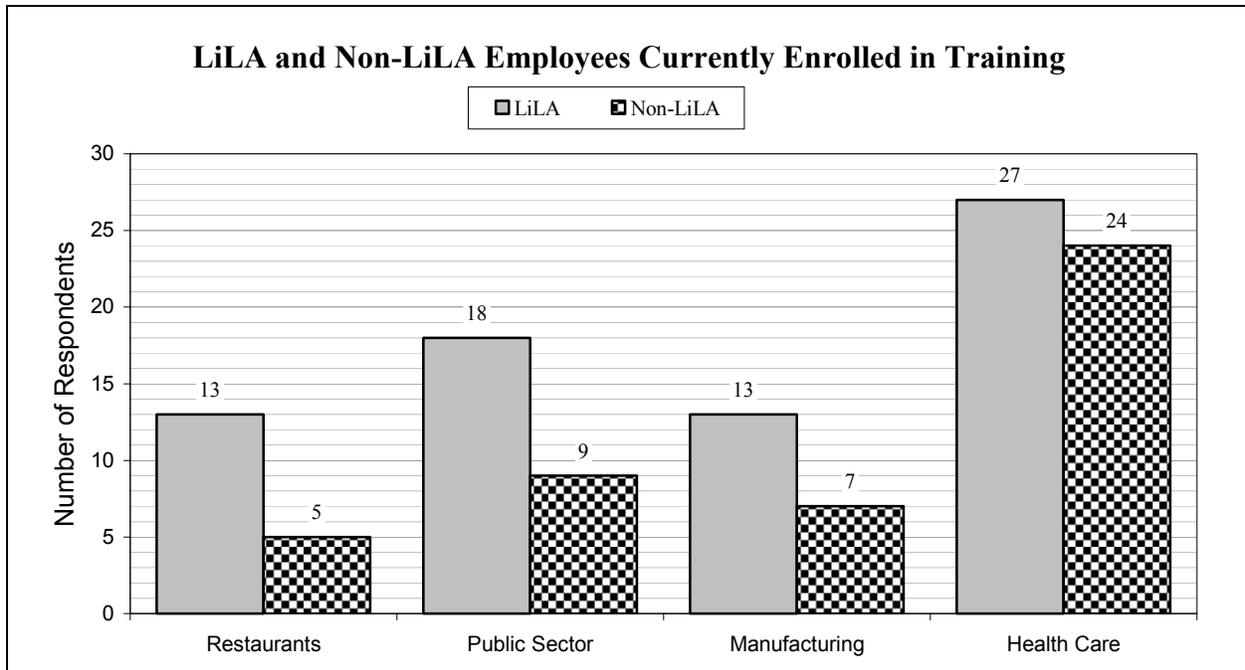


Figure 16

An analysis of student enrollment data provided by CAEL paints a broader picture of the extent of education and training activity, showing enrollment activity since the Demonstration began.

	Restaurants (n=54)	Public Sector (n=49)	Manufacturing (n=42)	Health Care (n=46)
Total number of classes*	225	189	105	114
Avg. classes per student	4.2	3.9	2.5	2.5
Top Areas of Study**				
Business	15%	25%	18%	27%
Computers/technology	10%	23%	17%	6%
Arts and sciences	24%	14%	30%	10%
Health care	9%	-	-	44%
Food and wine	9%	-	-	-
Manufacturing processes	-	-	19%	-
Public sector management	-	13%	-	-
Other	33%	25%	16%	13%

*Includes payment entries in CAEL's financial report for tuition only. Includes a small number of tuition payments listed as "semester or full program" which did not include detail on the specific number of classes included in the program.

**Note that the percentages do not add up to 100%. These are the top categories of study. In addition, a broad array of other classes were taken.

One of the theories of the LiLA program is that education will enable employees to advance in their current occupations. As Table 15 indicates, the LiLA employees who have enrolled in training are pursuing a wide variety of course offerings that are more or less related to their current employment. An examination of the coursework categories reveals that relatively small numbers of students in the restaurant, public, and manufacturing sectors selected classes that appear to be directly related to employment in their current industry. Just 9% of LiLA employees in the restaurant sector enrolled in classes focused on food and wine. Similarly, just 13% of LiLA employees in the public sector enrolled in courses related to public sector management. In contrast, 44% of LiLA employees in the health care sector enrolled in courses directly related to that industry.

It is also important to note that many of the classes that LiLA employees enrolled in fall outside of the main categories shown in Table 15. Course enrollment spanned a broad range of topics, including English and foreign languages; education and teaching; social and behavioral sciences; automotive mechanics; test preparation; photography; and aviation, to name but a few. There may be indirect relationships between these courses and careers in the LiLA employee's current industry. For example, restaurant employees need both food and beverage expertise as well as business management and communications skills to be successful. Employees with limited English skills may need to sharpen their language skills before pursuing other training. Employees who work with and supervise Spanish-speaking workers may benefit from a greater understanding of the Spanish language. Similar arguments could be made for employees in the other sectors.

To gain further insight into this connection, employees were asked if they perceived the coursework they have pursued or are pursuing was relevant to their current jobs. Employee responses are shown in Figure 17 and Figure 18, below. As a whole, employees gave moderate ratings for the relationship between current coursework and current job. Except for the health care sector, LiLA employees were slightly more likely to be engaged in courses that they thought were related to their current jobs.

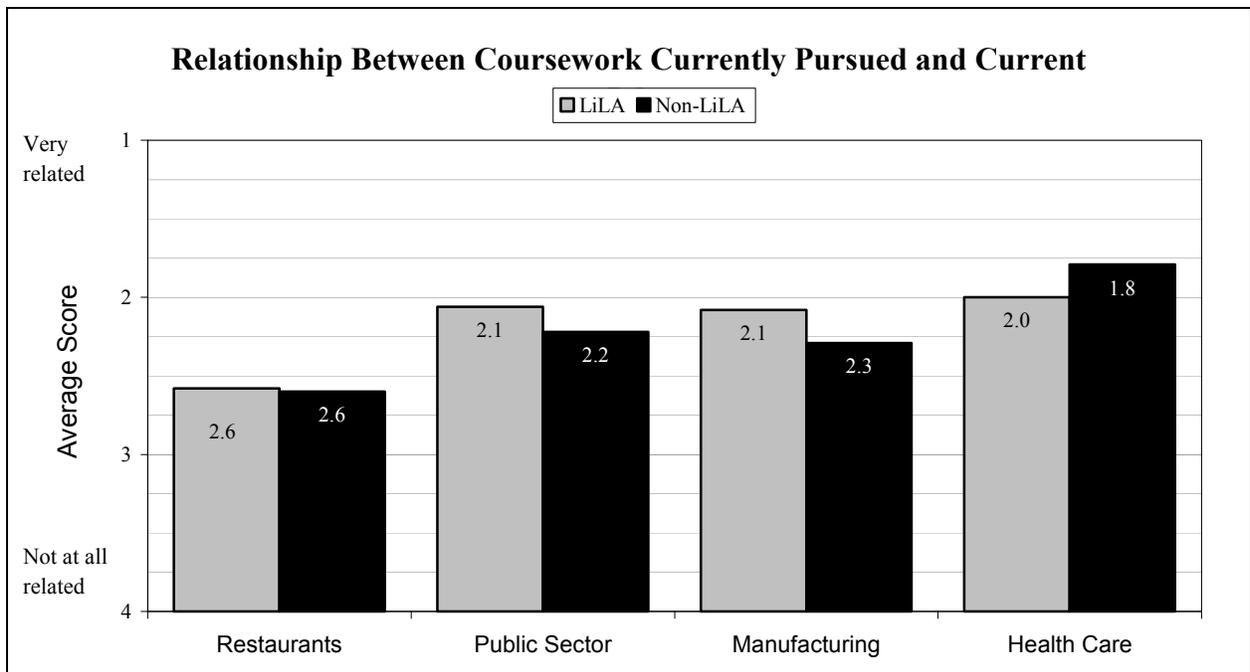


Figure 17

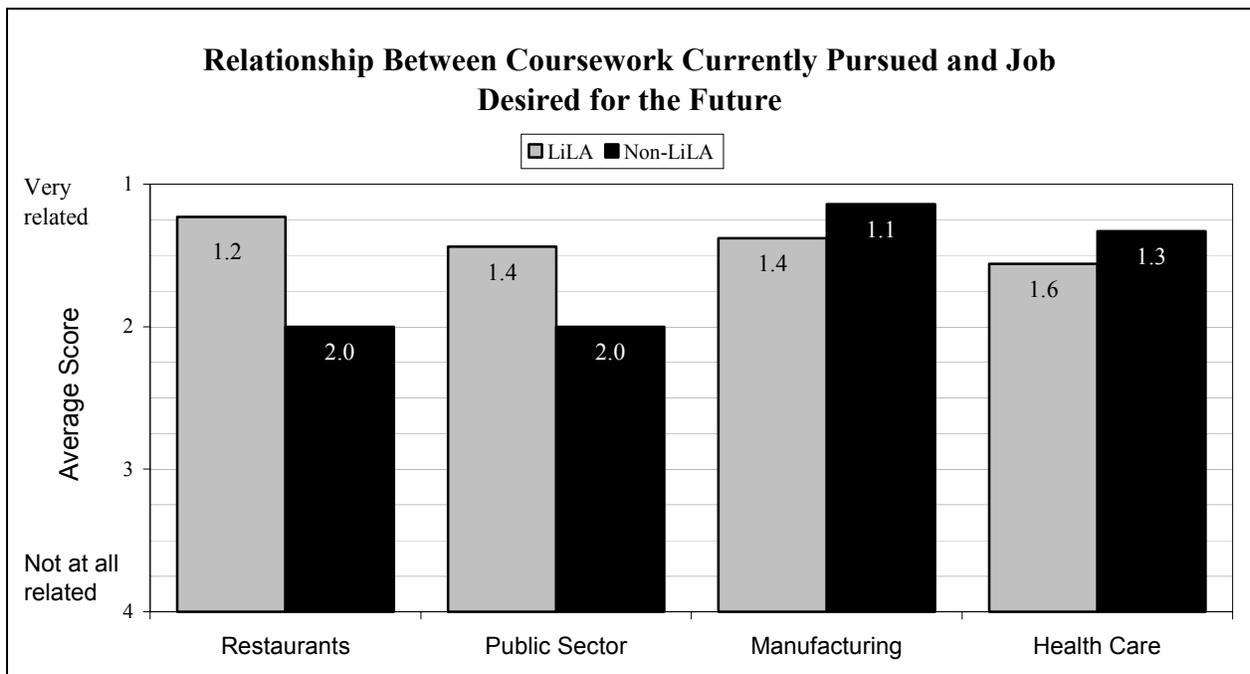


Figure 18

Particularly interesting is the relationship between current coursework and future employment. Across all four sectors, both LiLA and non-LiLA employees were focused on gaining knowledge and skills that would position them for a move to another job; which could include a promotion, a move to another job in the same industry, or a job in a different industry. This finding suggests

that participation in the program has led LiLA employees to be more focused on education and training that is linked with career advancement. Employees in manufacturing and health care are a notable exception to this pattern. While both LiLA and non-LiLA employees consider their current coursework as more strongly oriented to future rather than current employment, the comparison group is slightly more likely to see that connection. The reasons for this difference are not clear.

Some LiLA employees have made minimal use of their LiLA accounts while others have used them extensively. As shown in Table 16, the proportion of students having enrolled in more than one class is substantial across all four sectors.

**Table 16: Percentage of LiLA Employees in Multiple Classes
Through June 30, 2005**

	Restaurants (n=54)	Public Sector (n=49)	Manufacturing (n=42)	Health Care (n=46)
1 class	31%	29%	40%	46%
2 classes	20%	18%	24%	17%
3–5 classes	24%	30%	26%	30%
6–8 classes	13%	14%	7%	9%
9–11 classes	6%	8%	-	-
12–14 classes	6%	-	2%	-
15 or more classes	2%	2%	-	-

Source: CAEL tuition and fee payment summary report for LiLA employees.

It is important to recognize some of the limitations of the dataset that may have an effect on the numbers reported in Table 16. Specifically, the data on tuition payments included entries for single classes as well as entries for entire semester programs. The programs could be assumed to include multiple classes, but no specific data on the number or type of individual classes was included. For the purpose of this report, the full semester programs were given equal weight with single classes in tallying enrollment numbers. Fortunately, quite a small number (less than ten) of these full semester payments were included in the dataset. In addition to providing information about specific payment amounts for each course, the dataset included entries for a range of fees. In some cases, classes appeared to involve multiple fee payments. Fee payments were excluded from the data shown in Table 16.

Based upon LiLA employee survey responses, those enrolling in training have combined multiple financial resources for payment, as shown in Figure 19. When viewed in the context of the data shown in Table 16, it appears that not all those currently enrolled in training used their LiLA accounts to pay for it. For example, of the 13 LiLA employees in the restaurant industry that reported that they were enrolled in training, only four said that they had used their LiLA accounts for payment. A similar pattern is seen across the remaining three sectors. There are several possible explanations for this finding. First, it may be that the LiLA accounts had not been established long enough to amass enough funds to pay for training. It is also possible that LiLA employees simply chose to use their own resources for relatively inexpensive classes, or possibly for classes not related to their ILPs. Another possible explanation is that LiLA employees had pre-paid their tuition and planned to submit a voucher for reimbursement following successful completion of the course. Because respondents were permitted to select multiple funding sources, it is probable that LiLA employees supplemented their LiLA accounts with other funding sources (i.e., self, financial aid). However, given the relatively small number reporting use of LiLA accounts, the incidence of this scenario appears limited.

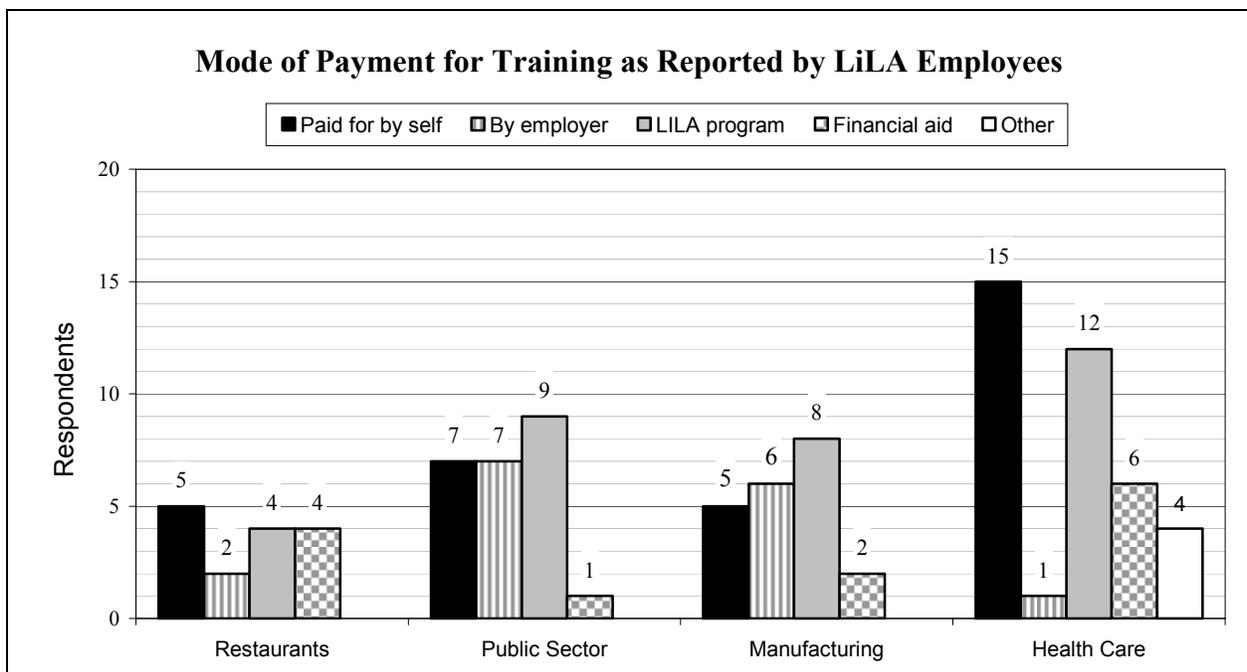


Figure 19

Note: Respondents were permitted to identify more than one funding source. As a consequence, the totals shown in Figure 19 may be larger than the total LiLA employees shown in Figure 18.

In certain cases, LiLA advisors helped participants find free classes. In those instances, participants may have benefited from the program in terms of advising and access to training even though their LiLA account history and their payment history would suggest they have not used their LiLA accounts.

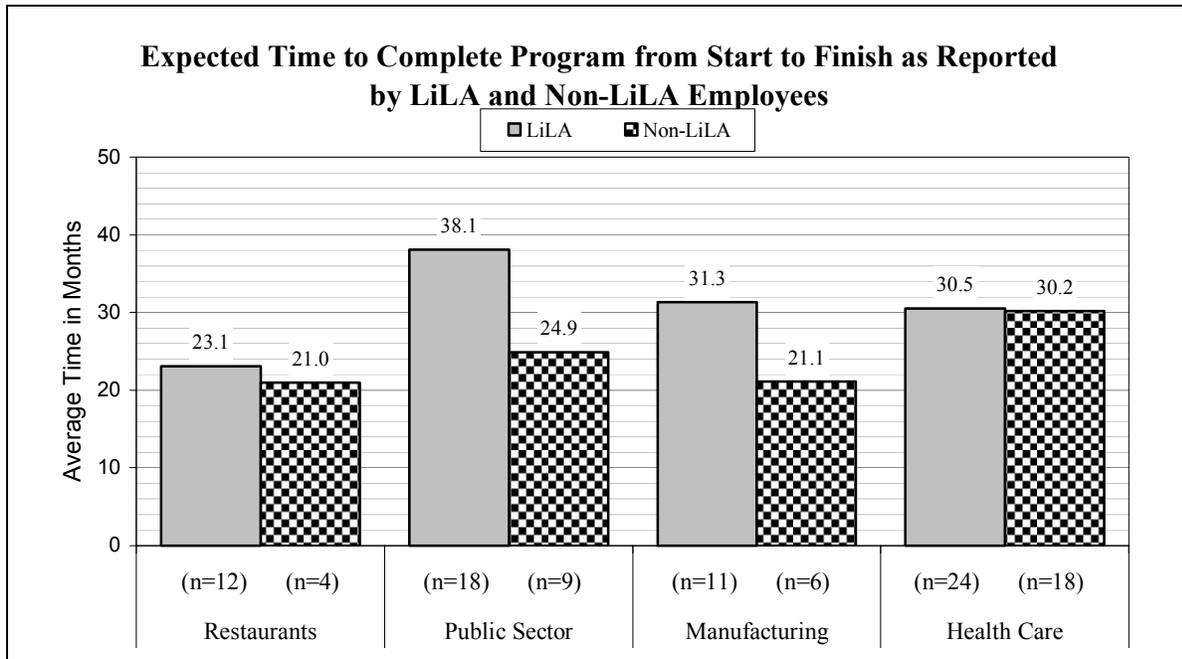


Figure 20

*Some employees did not respond to this survey question and hence the number of responses here may not match the total number of employees who reported being currently enrolled in training as shown in Figure 16.

Another way of thinking about participation in training is to consider the overall scope of training. LiLA and non-LiLA employees were asked about the overall length of their training program.²³ The responses, shown in Figure 20, suggest that LiLA employees, particularly those in the public and manufacturing sectors, tend to be engaged in a longer-term training strategy than are employees in the comparison group. Public sector LiLA employees are enrolled in the longest span of training (three years and two and a half months) on average. However, as shown in Figure 21, public sector LiLA employees, on average, also spend the shortest amount of time per week in class, which may partially explain the anticipated length of their training program. It is also possible that LiLA employees may have more expansive educational goals than the non-LiLA employees. Except for the manufacturing sector, LiLA employees on average spend less

²³ This includes programs of study that may have begun prior to the LiLA program.

time per week in class compared to non-LiLA employees. There are no apparent demographic characteristics that shed light on these differences.

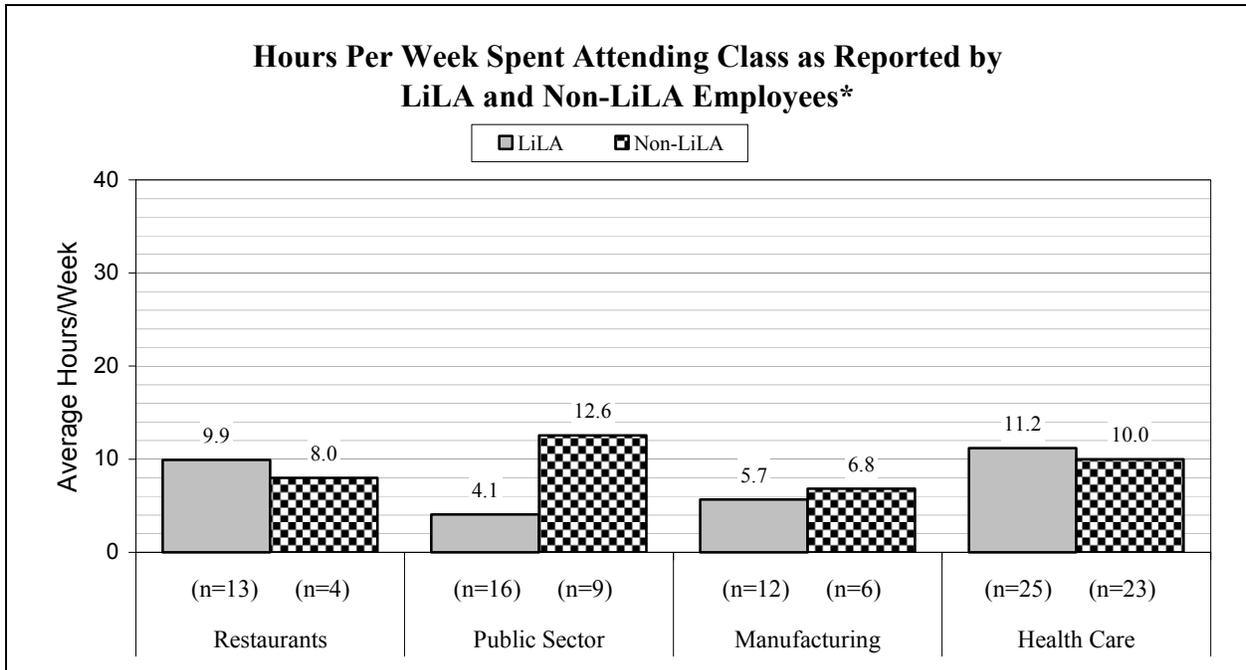


Figure 21

*Some employees did not respond to this survey question and hence the number of responses here may not match the total number of employees who reported being currently enrolled in training as shown in Figure 16.

One of the possible objections that employers may have to LiLAs relates to the potential problems employees may have in juggling job responsibilities with education and training schedules. Employers were asked to report on whether the on-the-job performance of their LiLA employees was affected by ongoing education and training. Figure 22, below, shows the response distribution.

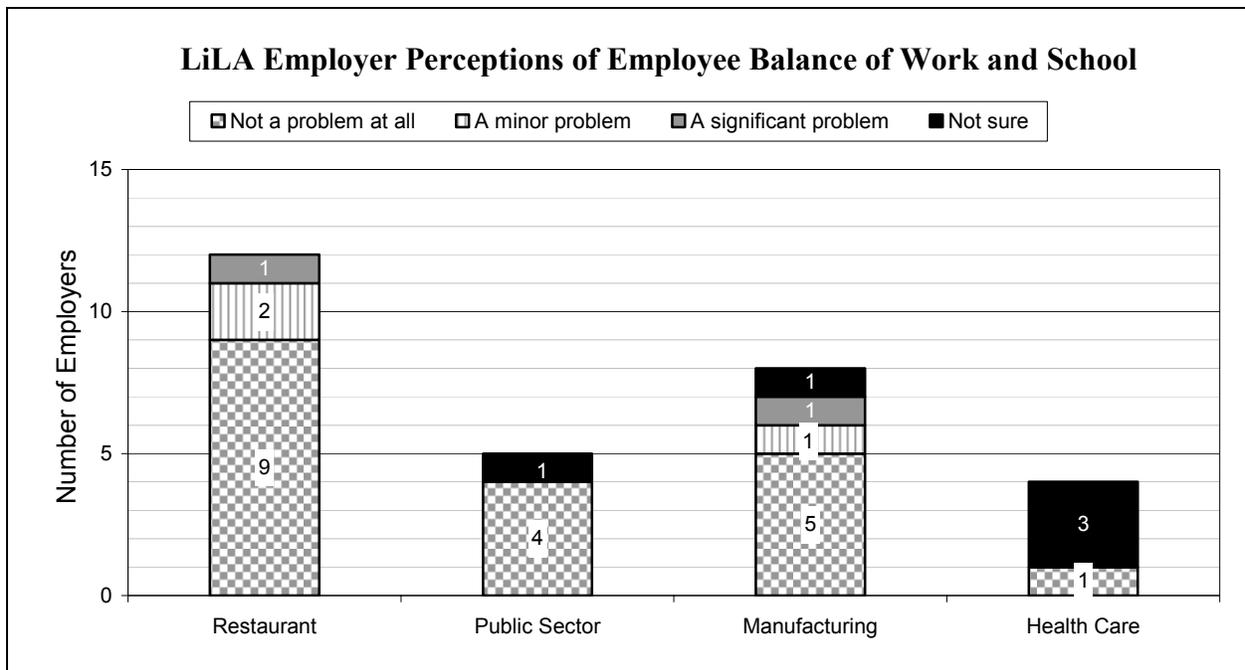


Figure 22

Note: One employer did not respond to this question.

Most of the employers felt that their LiLA employees were able to successfully balance the demands of work with their education and training pursuits. One employer commented that the LiLA employees participating in the program “were more responsible and likely were taking classes before enrolling in the program.” Another remarked that “people who couldn’t balance it dropped out.” Therefore, from the perspective of some employers, their LiLA employees who stayed with the program were committed to gaining the extra education and addressed any conflicts between this and their work. Still, the employers’ willingness to support employees in their pursuits remains important to success. In the words of one health care employer, “some staff have reduced hours to accommodate school—their supervisors have worked with them to provide flexibility and time off. . . . We let managers know early on that this was important and had to be accommodated.”

Employee Retention

As discussed earlier, one of the arguments used to sell the LiLA program to employers was that it would aid in retention. To gain additional perspective on the role of education and training in the career trajectory of study participants, wage record data obtained from Indiana and Illinois

was used to analyze study participants' stability within the industry of the LiLA employer. The analysis compared the first record of earnings from the LiLA employer and the last record in the available data for that worker, comparing the North American Industry Classification System (NAICS) code at the two-digit level.

Where discrepancies emerged, workers were tentatively classified as having exited the LiLA employer's industry. Some reclassification was done manually to accommodate firms whose work spans more than one industry (e.g., dinner theaters are in the arts, recreation, and entertainment sector) but LiLA participants in the restaurant sector might well transition into their employ without having left the industry.

Table 17 shows industry retention rates for the study participants by sector and LiLA/comparison group status.

**Table 17: Retention Within Same Industry as the LiLA Employer
Wage Record Data Analysis**

Sector	Participants	Not in Same Industry		Still in Same Industry	
Restaurant	201	34	17%	166	83%
LiLA	115	18	16%	97	84%
Non-LiLA	86	16	7%	70	93%
Public Sector	128	6	5%	122	95%
LiLA	72	3	4%	69	96%
Non-LiLA	56	3	5%	53	95%
Manufacturing	136	17	13%	119	88%
LiLA	79	13	16%	66	84%
Non-LiLA	57	4	19%	53	81%
All	465	57	12%	407	88%
LiLA	266	34	13%	232	87%
Non-LiLA	199	23	12%	176	88%

As Table 17 shows, 12% of all study participants had left their “home” industry (the industry of the LiLA employer through whom they came to enter the study) by late 2004 or early 2005, the last period for which data are available. Industry exits ranged from 5% in the public sector to 17% in the restaurant industry. Rates of industry exit were not noticeably different among LiLA and non-LiLA employees and members of the comparison group except in the restaurant sector, where LiLA employees were more than twice as likely as comparison-group members to have exited the manufacturing industry. There are several possible explanations for this finding that

may or may not be related to the LiLA program. For example, because the restaurant industry is known for a high rate of turnover, it is not surprising that the data show a similar retention rate among LiLA and non-LiLA employees in this sector. It is also possible that employees left the industry involuntarily (laid-off), particularly in regard to jobs in the manufacturing sector.

Table 18 shows the new industries selected by study participants. Among manufacturing workers, the greatest numbers have entered the food service industry. Three have entered firms classified into the support-staffing industry, including temporary-help and staff-leasing. The rest are in retail, information services, wholesale, health care, or public administration. Very few study participants exited the public sector; the six who did are now working in temporary firms, the arts and entertainment sector, finance and insurance, or education. Finally, among study participants from the restaurant sector, industry-leavers are working in temporary staffing firms (8), professional or technical services firms (5), or education (5). Smaller numbers of industry leavers are in wholesale, retail, finance, health care, information, management, and other industries.

Table 18: New Industries Entered by Study Participants

Sector	New Industries	Number of Participants
	Administrative support, waste management, and remediation services (including temporary staffing and leased staffing services)	8
	Professional, scientific, and technical services	5
	Educational services	5
	Wholesale trade	3
	Other services (except public sector)	3
	Finance and insurance	2
	Retail trade	2
	Health care and social assistance	2
	Information	1
	Real estate and rental and leasing	1
	Management of companies and enterprises	1
	Arts, entertainment, and recreation	1
	Total	34
Public Sector	Administrative support, waste management and remediation services (including temporary staffing and leased staffing services)	2
	Arts, entertainment, and recreation	2
	Finance and insurance	1
Restaurants	Total	34

Table 18: New Industries Entered by Study Participants

Sector	New Industries	Number of Participants	
	Educational services	1	
	Total	74	
	Accommodation and Food Services	7	
	Administrative support, waste management and remediation services (including temporary staffing and leased staffing services)	3	
	Retail trade	2	
	Wholesale trade	1	
	Retail – department stores	1	
	Information	1	
	Health care and social assistance	1	
	Public sector	1	
	Manufacturing	Total	165

As the study progresses, employee retention and advancement both within and across industry sectors will continue to be examined.

Career Progression and Earnings

In theory, LiLAs should make it easier for employees to access training, and hence more likely to progress both in terms of job responsibility and earnings. Based upon early evidence, LiLA employees have experienced greater success than non-LiLA employees in this regard. Across the restaurant, health care, and public sectors, a larger fraction of LiLA employees compared to non-LiLA employees reported receiving a promotion over the past year.

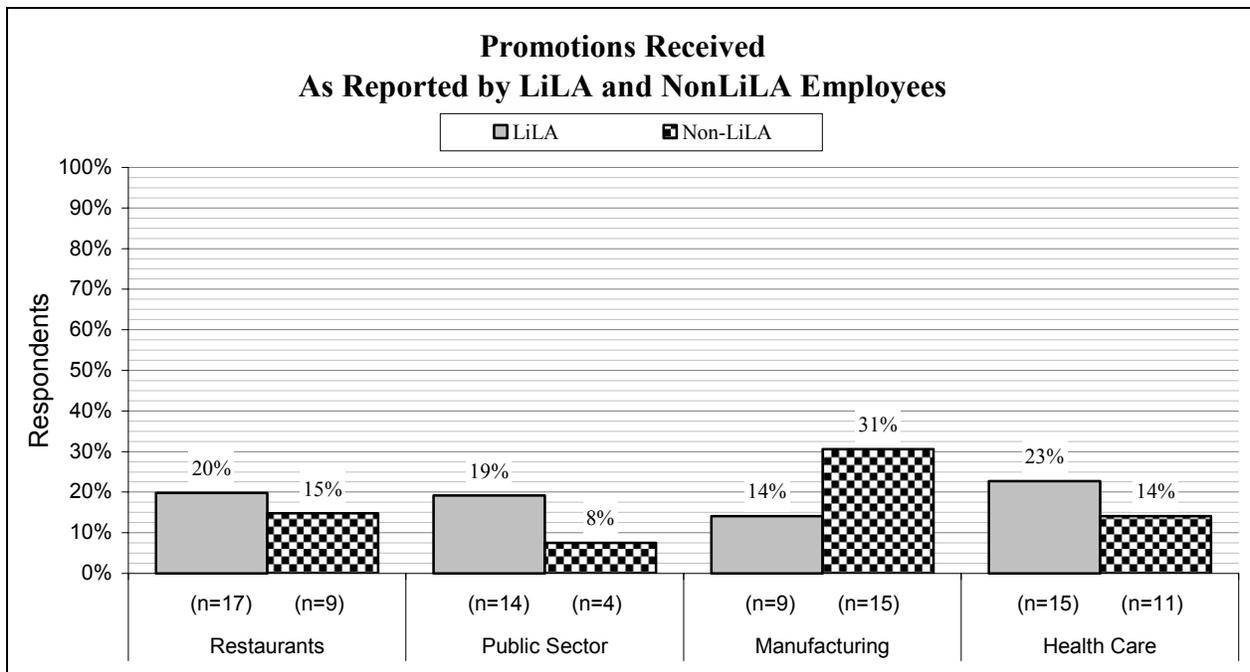


Figure 23

Except for in the manufacturing sector, larger fractions of LiLA employees reported receiving an increment in their salary or wages over the past year. While personal income increases are tied to annual inflation and routine annual increments, it is still an important finding that LiLA employees did report receiving raises more than non-LiLA employees. The reasons for the differences among employees in the manufacturing sector are not clear. There does not appear to be any obvious correlation between these data and other demographic characteristics or enrollment behavior.

As might be expected, promotions have resulted in increases in wages or salary, as shown in Figure 24, below. In general, the patterns of increase in this figure correspond with the patterns of promotion shown in Figure 23.

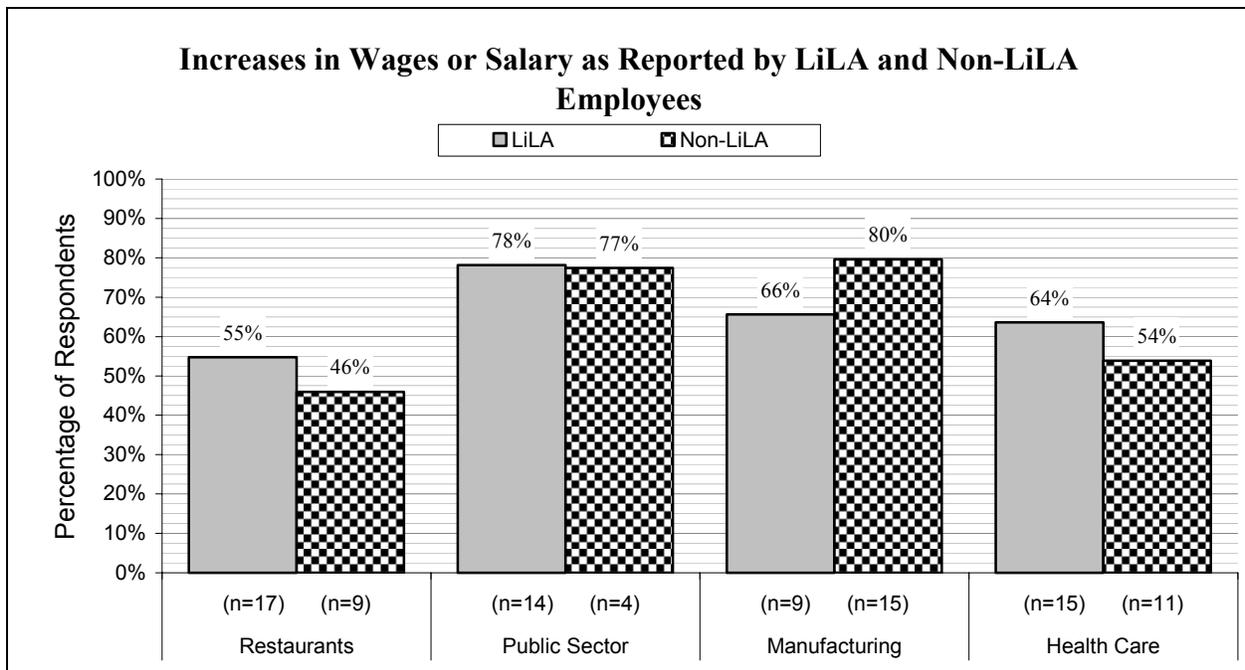


Figure 24

While these data are encouraging, it is still too early in the program to claim that there is a LiLA direct connection between participation in the LiLA program and employee advancement in their jobs. As the evaluation progresses, advancement will be tracked more closely. What follows below is an analysis of income level changes as examined with wage record data.

As discussed earlier (see page 28), wage record data (as available) was used to establish baselines for employees in each sector for the time period leading up to implementation of the LiLA Demonstration. The following discussion begins by examining the earnings trajectories for all employees (both LiLA and non-LiLA) in the targeted sectors (excluding health care). This is followed by an analysis of variations among LiLA and non-LiLA employees within each sector.

Figure 25 shows earnings data by quarter, over the eight-quarter baseline period, the program startup, and the subsequent seven quarters for all study participants (LiLA and non-LiLA). These figures include zero-income earners and participants' earnings from all jobs. The data show differences among the sectors in terms of quarterly earnings, with the public sector generally having higher earnings than those in the other two sectors.

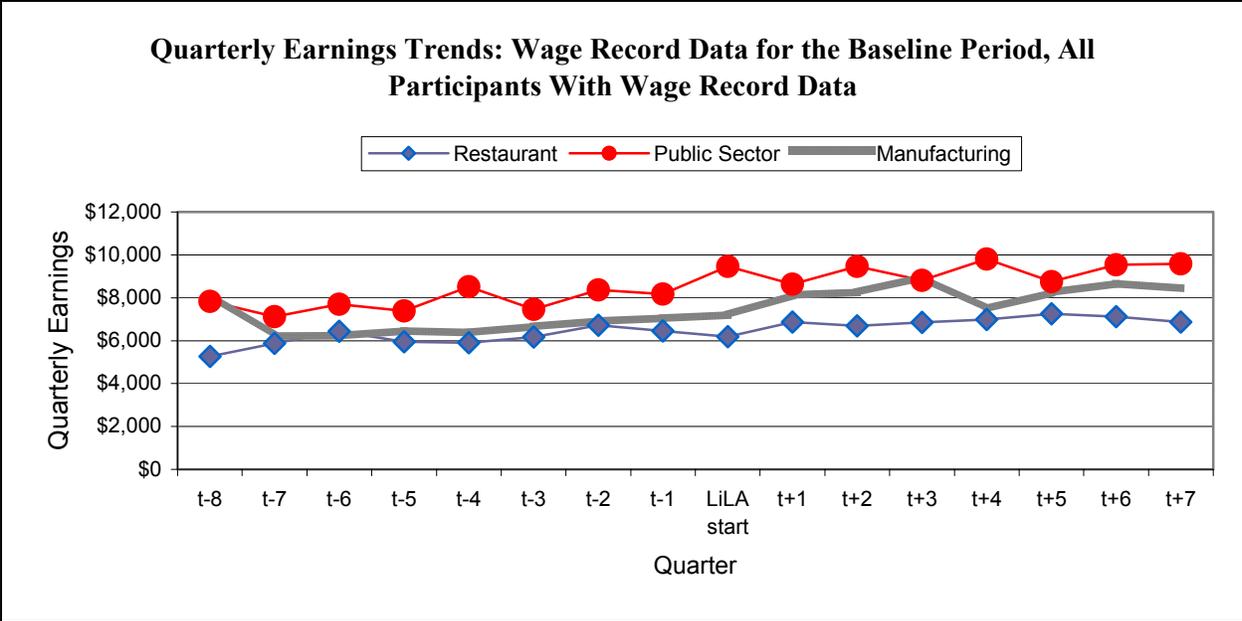


Figure 25

Note: Study participants with zero earnings are included in the calculations.

Figure 26 shows the same data but with zero-income earners excluded from the calculations. Excluding those with no earned income in any given quarter from the statistics for that quarter has the result of dampening the effects of variable labor-force participation on the trendline. The remaining data is indicative of trends in earnings or wages among those working.

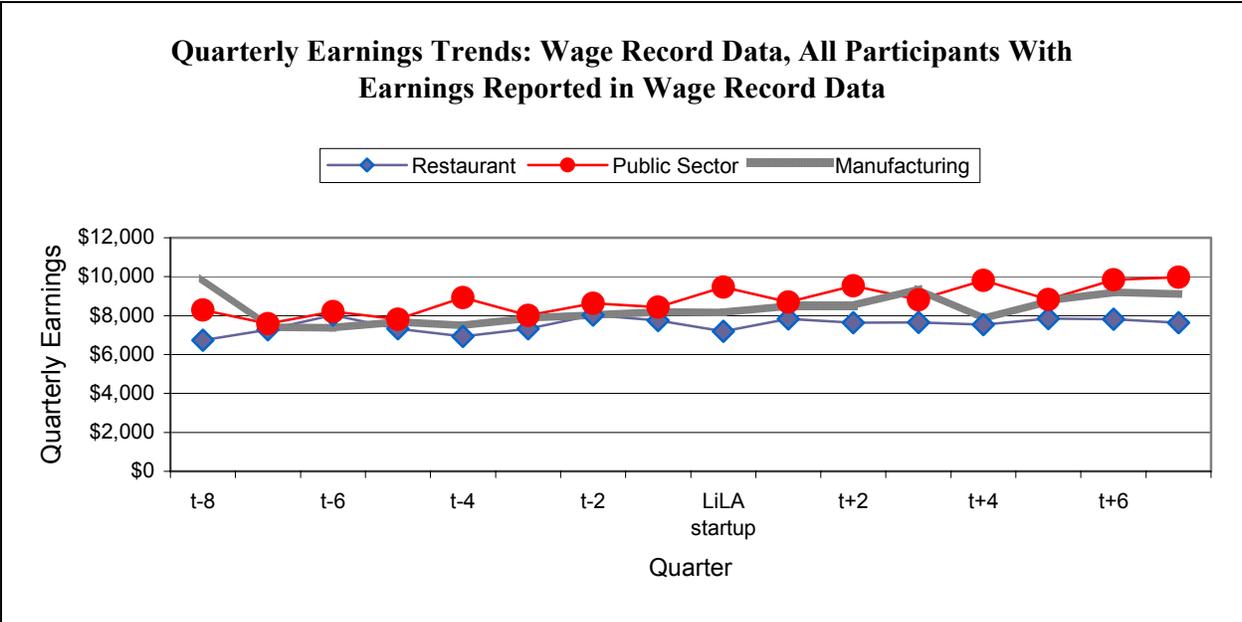


Figure 26

Note: Includes all participants with any reported wages in any quarter; number varies by quarter.

Figure 27, Figure 28, and Figure 29 show earnings trajectories for LiLA employees and the comparison group of non-LiLA employees in the restaurant, public, and manufacturing sectors. “Quarterly earnings” include earnings from both primary and secondary jobs, including all zero-income earners in each quarter, and each chart shows the time of onset of the LiLA program. Program impact could be seen in a change in the absolute level of earnings of LiLA employees relative to comparison group members, a change in the rate of earnings growth for LiLA participants relative to comparison group members, or both. Any such changes are not yet visible in the income trajectories.

In the restaurant sector, LiLA employees consistently outearn members of the comparison group. However, the advantage has not visibly been enhanced or reduced in the period of time since the onset of the LiLA program.

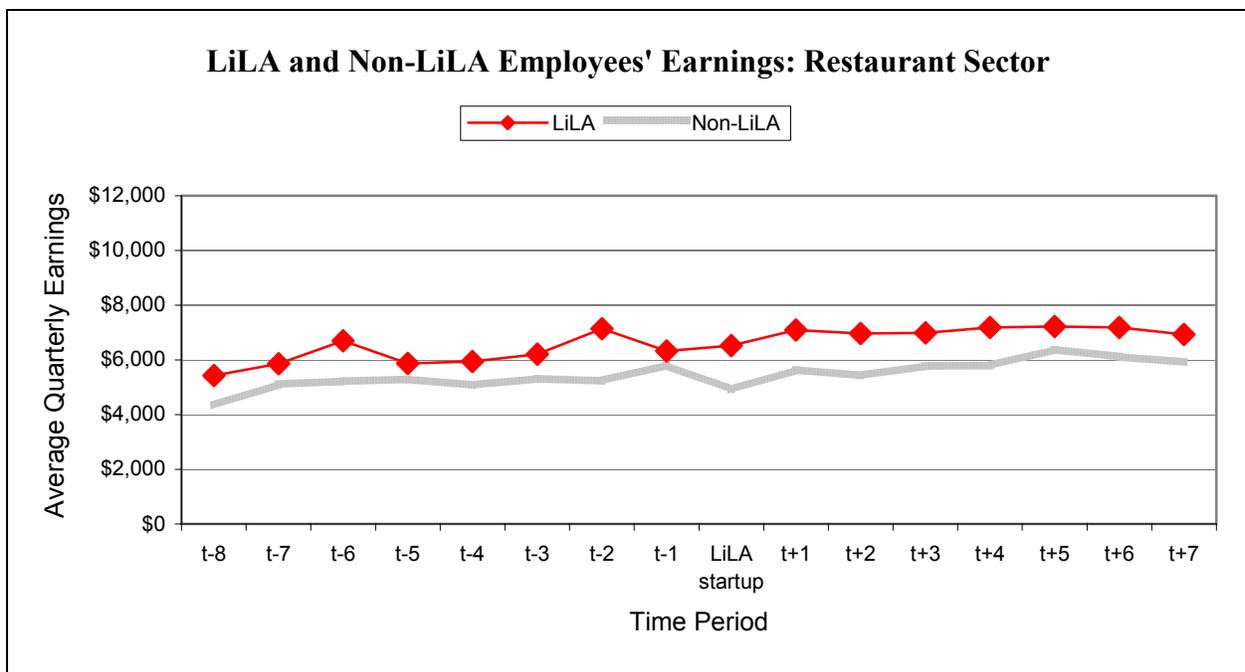


Figure 27

Among public-sector participants, the earnings trajectories of the LiLA employees and comparison employees are very closely intertwined and show moderate growth over the four years of data.

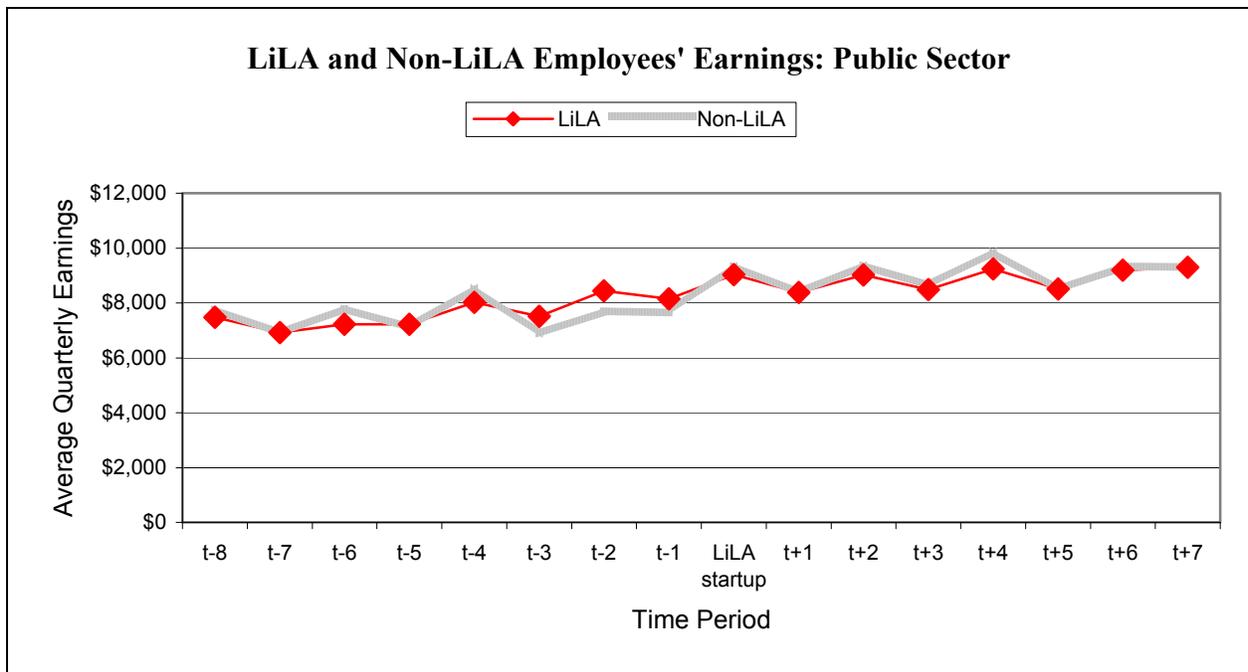


Figure 28

Among workers recruited from the manufacturing sector, LiLA employees earned more than non-LiLA employees prior to the startup of the LiLA program, but non-LiLA employees have tended to earn more than LiLA employees since program startup. However, this distinction is likely to be artificial given that program startup signals the beginning of the recruitment and savings element of the LiLA program, with relatively few employees initiating training immediately. Both LiLA employees and non-LiLA employees show significantly lower earnings seven quarters prior to startup (second quarter of 2001) and four quarters after program onset (second quarter 2003). As both groups are equally affected, these shifts are likely a function of broader industry changes or impacts felt by some employers in the study.

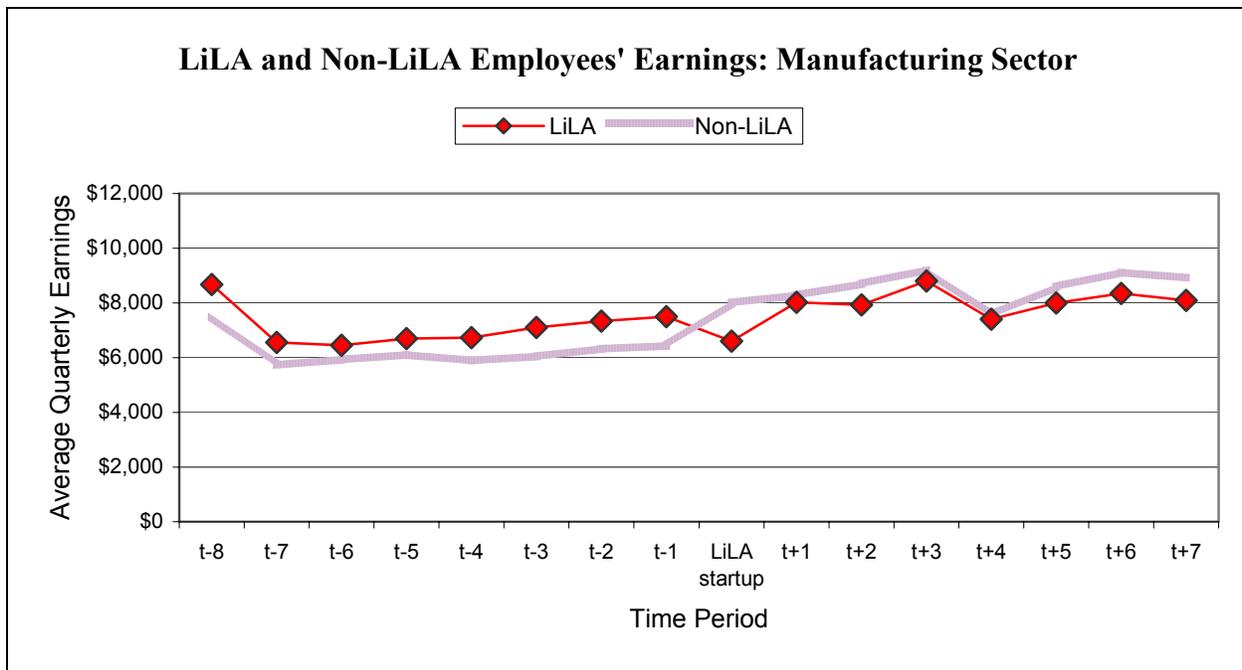


Figure 29

Impact of LiLAs on Individuals' Decisions

Even though it is too early to make a definitive judgment about the impact of the LiLA program on wages, it is possible to get insights about the extent to which the LiLA program served as a catalyst for the pursuit of education and training. In an effort to determine how much of a catalyst the LiLA program was in having employees enroll in education and training programs, employees were asked in the second wave of surveying if they had been planning to take classes or training prior to their enrollment in the LiLA program.

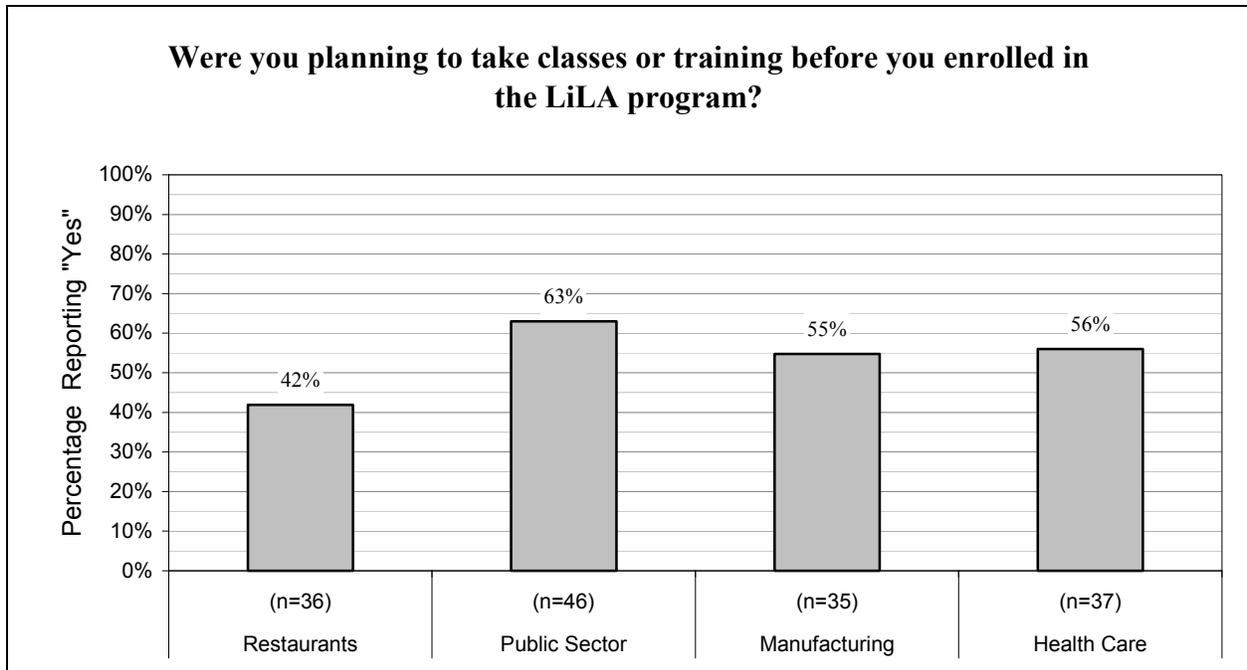


Figure 30

As shown in Figure 30, across all sectors, a large fraction of the LiLA employees had decided to pursue training before they actually enrolled in the LiLA program. This could be an indication that the LiLA program is not really a catalyst to continuing education; however, as part of their surveys and in focus groups conducted with LiLA employees, it was apparent that the LiLA program, while not being the sole incentive for enrolling in the training programs, was nevertheless a significant factor in continuing with existing training programs and/or considering new ones. Indeed, it is possible that without the LiLA program, those who had previously planned to further their education may have delayed or abandoned their plans because of the financial hardship.

**Public Sector Employee
Fort Wayne, IN
September 2004**

“I was already enrolled and taking classes for several years, so for me it was just a nice way to reduce financial burden, and it has been for a semester... but now that I have my associates degree it is going to be an incentive for me to go on.”

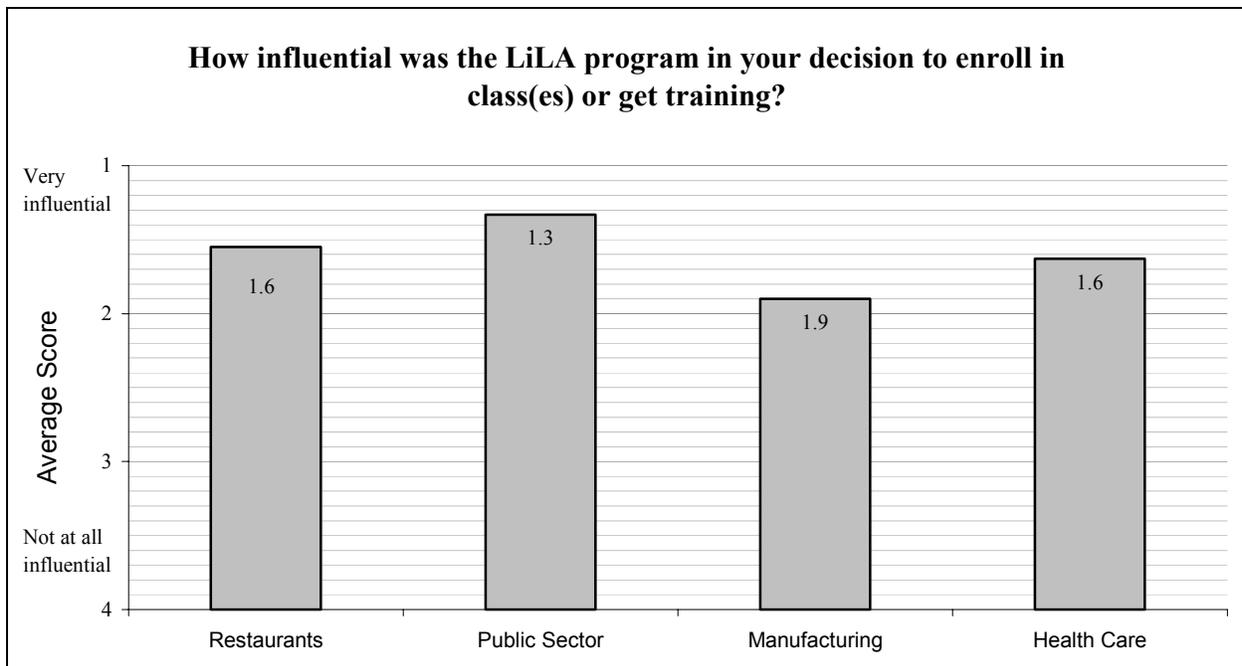


Figure 31

When asked to quantify specifically how influential the LiLA program was in employees’ decisions to pursue further training, all LiLA employees across all sectors responded positively, reporting that the program was influential. Interestingly, the public sector, which had the largest fraction of employees who had already planned to enroll in classes, rated the influence of the LiLA program on their decision to enroll the highest relative to other sectors.

In general, the availability of LiLAs provided employees with many more options than they would have had otherwise. Interviews with CAEL’s career advisors revealed how the LiLA

**Health Care Employee
San Francisco, CA
December 2004**

“[In three years I will have] a business degree and a better paying job for part-time work, and I’ll be doing veterinary study.”

accounts have influenced individual behavior. “A lot of them [the LiLA employees] had career goals: they were sick of what they were doing and wanted something else, to be their own boss, to escape from their current work situation. If that doesn’t work, then they want to advance in their current job. It is a reality check, where they come to appreciate what they currently have.” While this is certainly not the only sequence of events that occurs for LiLA employees, it is, in the opinion of career advisors, a common path. The

availability of LiLAs has made it possible for employees to develop a realistic plan for the future.

**Manufacturing Employee
Angola, IN
September 2004**

“In three years I would like to have completed my degree and [be] working full time in the accounting field. I don’t see myself at [current employer] in three years honestly, I mean [current employer] is a good corporation, has excellent benefits, it’s just that position I am in doesn’t utilize the skills and knowledge that I have.”

LiLA employees across all sectors were more likely to indicate that they would pursue further education and training over the next year. While this may be an indication of the higher level of motivation and more focus on additional education among LiLA employees, it is likely that the decision to pursue further training is

dependent on personal circumstances as well. Along with the motivation and focus necessary to pursue career goals, there are other factors that contribute to or inhibit an employee’s ability to pursue education and training. Certainly, LiLAs help to address financial issues, but do not address other potential barriers such as job schedules, family responsibilities, transportation issues, and the like which may have a direct influence on the decision to pursue training.

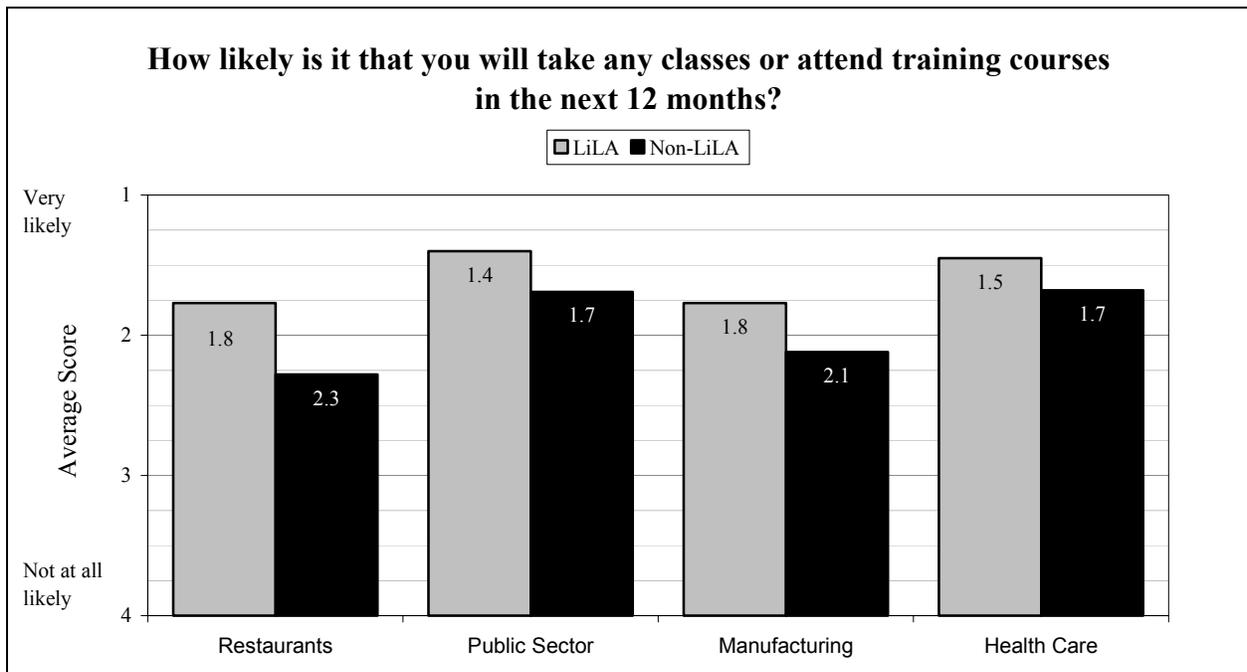


Figure 32

Section Five: Leaving the Program

Completions

The LiLA Demonstration includes two calendar years of savings and matches and an additional year for completing training. Due to the staggered nature of the site implementation process and the staggered LiLA employee enrollment dates at each of the sites, individual LiLA employees are completing their individual LiLA program at different times. As of the writing of this report, 25 LiLA employees have officially completed the program. According to CAEL's policy, a "completion" is defined as an employee who maxes out of funds, completes their ILP goal, or times out of the program, i.e., reaches the two-year limit for saving and additional one-year limit for utilizing the LiLA funds. Of the 25 participants mentioned above, 11 were forced to end their program participation as a consequence of timing out of the program. The other 14 participants (seven restaurant employees, four manufacturing employees, and three public sector employees) have completed their ILP goals.

Dropouts from the LiLA Program

One of the problems encountered in the program is retention. The design of the LiLA program allows for participation only from those who are currently employed with participating LiLA employers. Termination from employment with a participating LiLA employer automatically terminates an employee from the LiLA program. The majority of dropouts from the LiLA program are a function of overall employment terminations, most of which appear to have been voluntary.

As of the writing of this report, a total of 163 LiLA employees have dropped out of the program, indicating a 45% dropout rate over all sectors. A total of 8% of LiLA employees left the program after making at least one withdrawal from their LiLA accounts for the purpose of education and training. These employees are considered "partial completers." A total of 37% of

the LiLA employees dropped out of the program without making any withdrawals from their LiLA accounts. Figure 33, below, shows the proportion of LiLA employees that have exited from the program in each of the four participating sectors. To date, the restaurant sector has experienced the highest dropout rate.

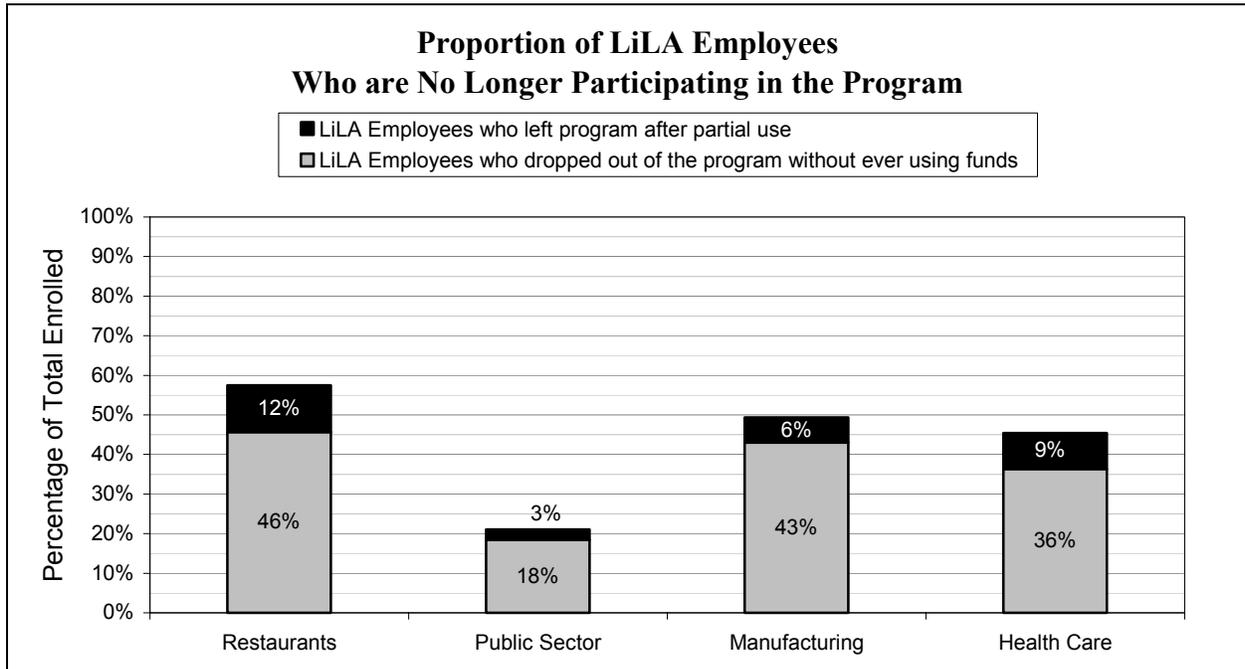


Figure 33

CAEL’s career advisors attempt to help LiLA employees to reconsider their plan to leave the LiLA program. In some instances, employees consult with the career advisors because they are not sure what to take, or pursue an initial course of study only to discover that it is not really of interest to them. “One took a class and learned that he did not want to be a landlord. When he decided he did not want to pursue his ILP plan, he thought he would be out of luck. I persuaded him to keep his money in the LiLA account. He didn’t know he could change the ILP. Ultimately, he found that he enjoyed the real estate aspect and moved in that direction.”

In both waves of employee surveys, LiLA employees were asked for the primary reasons why they dropped out of the program.²⁴ Figure 34, below, illustrates the different responses given by LiLA employees for their departure from the program.

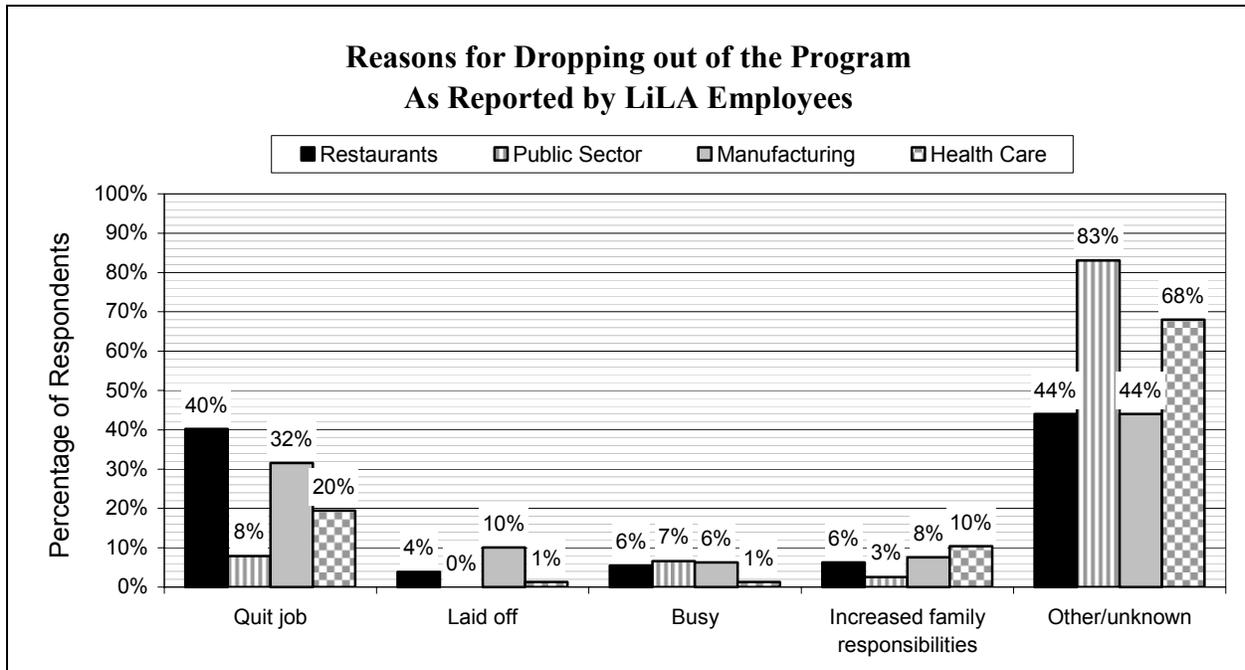


Figure 34

No longer being employed with a participating LiLA employer remains the single most frequently cited reason for dropping out of the program. This was most apparent in the restaurant sector, where 40% of the employees left the LiLA program as a result of terminated employment. This suggests that if LiLAs were portable, the dropout rate could be reduced significantly. Other reasons for dropping out of the program included going back to school full time, dealing with family responsibilities, and having other financial responsibilities. In three instances, employees received promotions that changed their status from nonexempt (hourly) to

²⁴Not all LiLA employees completed telephone surveys before leaving. Where available, data collected by CAEL staff through exit interviews with LiLA employees supplements the survey data. Even though LiLA employees who leave the program are encouraged to participate in the study on an ongoing basis, the response rate for survey completion was much lower among those that had left the program compared to LiLA employees who remain enrolled. This fact accounts for the large proportion of ‘other/unknown’ reasons shown in Figure 34. For further details on survey completion rates please see Appendix B.

exempt (salaried) and, hence, left them ineligible for the LiLA program benefit at their employer.²⁵

In an effort to determine any factors that may help explain patterns for program leavers, an analysis of demographic characteristics was conducted. Table 19 illustrates the percentage of LiLA employees that have dropped out of the program by different demographic characteristics. Dropout rates are calculated as the ratio of those that have dropped out of the program to the total number that enrolled in the program.

Table 19: LiLA Employee Dropout Rate by Employee Demographics						
	Dropout Rate by Sector					
	Across Sectors	Restaurant	Public Sector	Manufacturing	Health Care	
Gender						
Male	n=158	42%	57%	3%	48%	41%
Female	n=201	42%	58%	26%	46%	35%
Age						
25 years or younger	n=29	62%	62%	33%	88%	40%
26–40 years	n=165	43%	57%	21%	42%	44%
41–55 years	n=125	30%	40%	13%	40%	25%
56 years or older	n=21	29%	0%	0%	29%	40%
Race						
Caucasian	n=208	36%	46%	15%	45%	38%
Non-Caucasian	n=125	42%	61%	24%	50%	33%
African-American	n=26	46%	86%	27%	0%	43%
Latino/Hispanic	n=48	48%	55%	33%	-	-
Asian-American	n=35	29%	100%	-	0%	27%
Multiracial	n=16	50%	50%	0%	67%	67%
Household responsibility						
Head of household or shared responsibility	n=249	35%	46%	14%	41%	37%
Not head of household	n=78	41%	54%	28%	56%	25%
Household size						
Single member	n=74	42%	52%	25%	44%	39%
2-member household	n=108	41%	61%	16%	42%	29%
3–4 members	n=114	33%	28%	19%	47%	39%

²⁵ In these cases, it seems that the employer continued to use its program enrollment criteria to guide ongoing employee participation in the LiLA program, with the result that employees were penalized in relation to the program for career advances.

Table 19: LiLA Employee Dropout Rate by Employee Demographics

	Dropout Rate by Sector					
	Across Sectors		Restaurant	Public Sector	Manufacturing	Health Care
More than 4 members	n=31	26%	44%	0%	40%	0%
Annual household income						
Below \$20,000	n=22	68%	75%	-	86%	43%
\$20,000 to less than \$40,000	n=110	36%	44%	28%	43%	29%
\$40,000 to less than \$60,000	n=79	35%	57%	11%	32%	39%
\$60,000 to less than \$80,000	n=41	34%	44%	23%	39%	33%
\$80,000 to less than \$100,000	n=15	13%	17%	0%	33%	-
\$100,000 or more	n=17	41%	43%	-	0%	33%
Personal income (2004)						
Below \$10,000	n=15	60%	50%	-	75%	-
\$10,000–\$19,999	n=42	33%	35%	-	40%	12%
\$20,000–\$29,999	n=54	24%	50%	30%	18%	10%
\$30,000–\$39,999	n=112	15%	37%	3%	11%	12%
\$40,000–\$49,999	n=59	17%	33%	6%	0%	29%
\$50,000–\$59,999	n=19	67%	0%	14%	0%	16%
\$60,000 or more	n=18	0%	0%	0%	0%	0%
Management position						
Managers	n=68	33%	36%	17%	37%	0%
Nonmanagers	n=196	32%	51%	15%	35%	32%
Employment tenure						
1 year or less	n=6	83%	67%	-	100%	100%
2–5 years	n=137	45%	61%	24%	64%	33%
6–10 years	n=99	38%	42%	19%	61%	30%
11–20 years	n=68	15%	27%	6%	13%	22%
More than 20 years	n=13	15%	0%	14%	100%	0%

Note: The lack of a percentage in the sector columns indicates that a particular category went unfilled by any of the participants in that sector.

The dropout rates differ by demographics:

- LiLA dropouts are distributed by gender in a pattern similar to LiLA employees as a whole in all sectors except the public sector. While the proportion of male and female employees that dropped out from the restaurant, manufacturing and health care sectors are comparable, within the public sector, a disproportionate fraction of the dropouts are female. The dropout rate is also much higher among females in the public sector compared to patterns in the other sectors.

- LiLA dropouts seem to be more concentrated among the younger age groups. Across all sectors, larger fractions of younger employees dropped out compared to older employees. The most pronounced cases are from the manufacturing sector where 88% of the LiLA enrollees 25 years or younger dropped out of the program. The reader will recall that the majority of LiLA dropouts from the manufacturing sector terminated their participation in the program as a result of terminating their employment at the participating LiLA employer. One can then infer that the majority of terminations occurred within the younger age groups.
- Except for the health care sector, the proportion of non-Caucasians who dropped out of the program was greater than the proportion of Caucasians that dropped out. However, it is important to note that more LiLA enrollees identified themselves as Caucasian (208) compared to any other race (125). The dropout rate was the highest for African-Americans in the restaurants sector. By comparison, the dropout rate for Asians in the health care sector is lower than that of any other racial group.
- Across sectors, LiLA participants were more likely to drop out of the program if their personal earnings were low. However, while the dropout rate was high for those in the lowest earning bands, there were also few participants in those income ranges. For example, the 60% dropout rate among those earning less than \$10,000 in 2004 is based on only 15 participants at that income range. The data should be interpreted with this caveat in mind.
- It appears that the dropout rate varies with both the size of the household and the participants' household responsibility. Except for the health care sector, those who reported being the head of their household were less likely to drop out of the program. The dropout rate also appears to be skewed more towards those from smaller families. While 42% of LiLA employees coming from single-member households dropped out of the program, only 26% of the LiLA enrollees with more than four members in their household dropped out.
- When viewed from an overall standpoint, managerial status does not seem to affect the dropout rate. However, there are differences at the sector level. Within both the restaurant

and the health care sectors, the proportion of nonmanagers who dropped out of the program is more than the proportion of managers that dropped out. This difference is particularly pronounced within the health care sector: none of the LiLA employees who identified themselves as managers dropped out, while 32% of those identifying themselves as nonmanagers dropped out of the program.

- Employment tenure also affects the dropout rate. Dropouts are more concentrated among those that have been employed for a shorter period. While the reader will note from Table 21 that all the participants from the health care and manufacturing sectors who reported being employed for a year or less have dropped out of the program, it is important to note that this includes a total of only three participants—too few cases to draw conclusions.

Another way of understanding the characteristics of those who drop out of the program is by comparing their earnings. LiLA employees who have since dropped out of the program earned considerably less between 2002 and 2004 than did continuing LiLA employees, as shown in Table 20. The average program dropout earned approximately \$32,000 less over three years than the average continuing LiLA employee. Differences were particularly stark in the public sector; however, the number of dropouts from this sector was also particularly low. Although the data suggest that a lack of financial stability may be the cause of some withdrawals from the LiLA program, the reader should consider that many program dropouts have occurred when employees quit or were terminated from their positions. Thus, while it is clear that enrollees with lesser earnings history are more susceptible to dropping out, it is not clear whether this is because they are more likely to lose their jobs, more likely to leave voluntarily, or both.

Table 20: Comparison of Individual Earnings, Continuing LiLA Employees Versus Program Dropouts

	Restaurant	Public Sector	Manufacturing	All Sectors
Continuing LiLA employees				
Count	75	61	54	190
Avg. 2002 Earnings	\$29,729	\$36,057	\$27,466	\$31,118
Avg. 2003 Earnings	\$32,917	\$37,952	\$27,390	\$32,963
Avg. 2004 Earnings	\$35,698	\$39,876	\$32,981	\$36,267
Total 2002–2004	\$98,346	\$113,886	\$87,838	\$100,349
Dropouts				
Count	35	8	21	64

**Table 20: Comparison of Individual Earnings,
Continuing LiLA Employees Versus Program Dropouts**

	Restaurant	Public Sector	Manufacturing	All Sectors
Avg. 2002 Earnings	\$21,244	\$10,989	\$26,498	\$21,686
Avg. 2003 Earnings	\$24,326	\$28,096	\$23,844	\$24,639
Avg. 2004 Earnings	\$20,940	\$24,700	\$24,000	\$22,414
Total 2002-2004	\$66,511	\$63,786	\$74,342	\$68,740

Source: Wage record data (not available for health care sector).

Table 20 shows that the average dropout did not leave the LiLA program due to unusual pressure from a second job. In fact, employees who have remained in the LiLA program have spent more quarters working second (or third) jobs than those who have dropped out of the program.

Table 21: Comparison of Frequency of Multiple Job-Holding, 2001–2005

Number of Quarters Working Second Jobs Between 2001 and 2004	Across Sectors		
	Restaurant	Public Sector	Manufacturing
Continuing LiLA Employees	3.4	3.6	2.2
Dropouts	2.0	2.0	0.4

Source: Wage record data (not available for health care sector).

In summary, the data on employees leaving the LiLA program suggest that several different factors were at play. As the evaluation continues, analysis of the extent of actual use of the LiLA accounts will provide additional insights about the factors contributing to differential effects among LiLA employees both within and between sectors.

Section Six: Employer and Employee Satisfaction

In this section, the second round of survey data from employers is used to capture what changes, if any, the program is having on employee productivity, morale, and retention, as well as employer outlooks on employee training and education. Where applicable, employer responses are compared with the results of the previous round of interviewing. This section concludes with a discussion of employer satisfaction.

Workplace Environment

LiLA employers were asked in the survey to characterize the general affect of the program on their workplaces (open-ended question). Of the 30 employers that responded, approximately half said the effect was positive and the remainder said it had little or no effect. None of the employers said it had a negative influence on their workplaces. Of those who thought that the program did not have an effect or it had only minimal influence, nine employers stated that this was due to the low numbers of enrolled employees within the scope of their organizations.

Productivity

Performance and productivity of employees underlies the success of any business. One possible impact of the LiLA program might be improvements in employee work performance. In the second wave of interviewing, employers were asked to give their opinions on the role that education and training play in such improvements. The survey results revealed that the vast majority of employers across sectors felt that education was vital to employee productivity. In the manufacturing and health care sectors, all employers considered it “very important.” In the public sector, LiLA employers also agreed readily with this view, and only one non-LiLA employer felt it was less important, rating education “somewhat important” to productivity. In the restaurant sector, while remaining consistent with the others in high ratings, one LiLA employer did give a rating of “somewhat important” and one non-LiLA employer stated that education was “not very important” to employee productivity. Across sectors, 97% of the LiLA

employers and 92% of the non-LiLA employers responding rated the importance of education highly.

Employers were also asked about the productivity level of their LiLA employees. On the issue of productivity, of the 32 employers responding, 14 saw at least a little evidence that the LiLA employees in their organization were more productive as a result of the program. The breakdown of responses by sector follows.

Table 22: Productivity of LiLA Employees as Reported by Employers

	Restaurants	Public Sector	Manufacturing	Health Care	Across Sectors
	(n=15)	(n=5)	(n=8)	(n=4)	
A lot of evidence of more productivity	1	-	-	-	1 (3%)
Some evidence	1	1	4	1	7 (22%)
A little evidence	2	1	1	2	6 (19%)
No evidence	10	2	2	1	15 (47%)
Don't know/not sure	1	1	1	-	3 (9%)

Of all the employers, only one restaurant employer noted that they saw “a lot” of evidence of increased productivity among LiLA employees as a result of the program. Among the other restaurant employers, the majority felt there had been no change in productivity. In the manufacturing sector, more than half of the employers did witness some positive change in productivity. In the health care sector, two of the four employers noted the same. Overall, the LiLA program is still too new to show dramatic program effects. It is also important to keep in mind that the influence of the LiLAs on the workplace as a whole is limited by the number of participating employees at each work site.

Retention

As discussed in the earlier section on employer engagement, 29% of LiLA and non-LiLA employers felt retention was an issue for their companies during the first year of the LiLA Demonstration. Both types of employers had tried to improve their retention rates through various methods. During the second wave of interviewing, further into the program and evaluation, employers were again asked about employee retention. Among the 53 LiLA and

non-LiLA employers responding, 28% said that retention remained a concern, and 19% were not sure. A total of 78% of these employers noted that the retention problems they faced were limited to a certain segment of their workforce, such as employees in high-stress roles or in lower-paying hourly positions. Of the 18 employers who could estimate their turnover rate, 61% (11) lost 5–20% of their employees annually. Three of the five employers who lost over 20% each year were in the restaurant sector.

The efforts made by employers to reduce turnover during the second year included a variety of approaches. As in the first wave, appreciation gifts and events were the most common method of retaining employees (15%). Providing pay increases (14%) and ongoing education (14%) were the next most frequently mentioned ways of improving employee retention. These efforts are different from those in the first wave, when increased voice for employees and regular meetings and communication were the second most prevalent methods.

Between the LiLA employers and comparison group employers, there were a few differences in retention methods, keeping in mind that 11 employers mentioned more than one option. The method of having regular meetings and communication was twice as popular with non-LiLA employers. Supporting ongoing education was used by five of the non-LiLA employers, but only three of the LiLA employers. Most dramatically, seven non-LiLA employers used increased pay to keep employees, but only one LiLA employer reported doing so.

The LiLA employers were asked directly about the extent to which they thought the program had contributed to improved retention. The results of this inquiry are shown in the figure below.

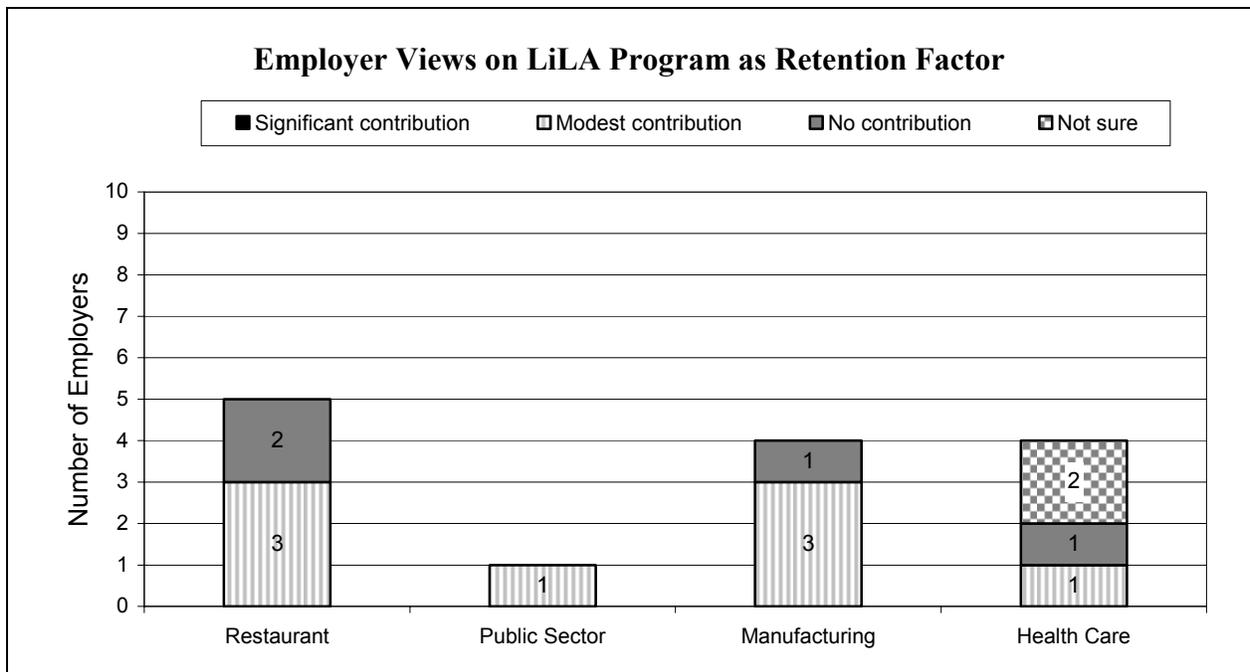


Figure 35

Note: Not all LiLA employers responded to this question.

Across all sectors, the majority of employers that responded felt that the program had made a modest contribution to employee retention while four felt it had made no contribution as of the second wave of interviewing.²⁶ Because of the small sample size, the significance of this finding is questionable. The comments from those who responded mentioned that the number of employees participating in the program was small and that it was only one part of a large package of efforts to retain their workers.

**Health Care Employer
San Francisco, CA
January 2005**

“It’s one part of the big picture A positive work environment, benefits, in-house training, and LiLAs all help to retain workers. The LiLAs may have helped us hold onto a few employees.”

Wage-record data provides an opportunity to calculate the retention rate for both LiLA employees and members of the comparison group to test the hypothesis that retention among LiLA employees will exceed retention among non-LiLA employees. The data do not bear out this hypothesis except in the public sector, where participating employers retained 96% of those

²⁶ The remaining employers were not sure about the affect of the program on employee retention.

enrolled in the LiLA program and 94% of those in the comparison group between the start of each individual's employment and the fourth quarter of 2004. In manufacturing, employers retained 77% of LiLA participants and 88% of the comparison group, while in the restaurant industry, employers retained 51% of LiLA participants and 63% of members of the control group. Table 23 displays these data.

Table 23: Employee Retention by Sector and LiLA Program Status

	Across Sectors			
	Restaurant	Public Sector	Manufacturing	All Sectors
Retention Rate				
<i>LiLA</i>	51%	96%	77%	79%
<i>Non-LiLA</i>	63%	94%	88%	84%
Quarters of Data				
<i>LiLA</i>	18.94	15.49	13.82	16.48
<i>Non-LiLA</i>	17.95	14.20	16.48	15.32

Source: Wage record data (not available for health care sector)

Trends in employment, including retention and movement within and to different industry sectors will be studied as the evaluation continues.

Commitment to Invest in Employee Training

In both the first and second years of program implementation at each site, employers provided information about their views on employee training and education in general and their educational benefits and policies in particular. LiLA employers were also asked to reflect on the role of the LiLA program in expanding these offerings. The table below shows the benefits offered by employers at the time of both interviews.

Table 24: Comparison of Education and Training Benefits Offered by Employers Across Sectors

	LiLA Employers, Wave One	LiLA Employers, Wave Two	Non-LiLA Employers, Wave One	Non-LiLA Employers, Wave Two
Type of Benefit	(n=36)	(n=32)	(n=42)	(n=27)
Job-related seminars or workshops	13	24	12	10
Tuition reimbursement for work-related certifications and licenses	13	15	25	21
Tuition reimbursement for optional education and training related to jobs available at company	3	15	14	18
Tuition reimbursement for optional education and training related to other occupational interests	4	4	3	19
On-the-job training	7	22	12	10
Other	1	3	7	-
No benefits offered	2	3*	5	-

Note: Employers could select more than one type of benefit.

*This number includes one restaurant employer that ended its participation in the study because all of the employees had left the LiLA program.

Across the LiLA employers, wave two saw a general increase in the benefits reported. It is possible that this is not a result of new benefits being offered, but of increased awareness of the benefits during the interviews. In the first wave, Public Policy Associates, Inc. (PPA) asked about benefits as an open-ended question; whereas in the second wave, PPA restructured the question to ask employers about each of the above types, likely soliciting richer survey results.

**Restaurant Employer
Chicago, IL
March 2005**

“[We instituted these benefits because they] result in productivity [and] best practices for the industry.”

Nonetheless, reflecting on the differences between employer groups over the two waves, more LiLA employers pay for employees to attend job-related seminars or workshops. However, non-LiLA employers are more likely to cover job-related certifications and licenses and training for advancement within the company. Thus, it seems that the LiLA employers invest in education that will provide immediate, short-term results for their employees, whereas non-LiLA employers are more apt to invest in education that will lead to longer-term results for the individual and company. The reasons for this difference are difficult to discern, but may involve

the financial condition of the companies, the nature of advancement within the companies, or some other factors.

Supportive benefits, such as flexible scheduling and book allowances, which complement employees' educational opportunities, may impact how successful they are in reaching their goals. Therefore, in the second wave of surveying LiLA employers were asked to comment on their provision of these sorts of

**Health Care Employer
San Francisco, CA
October 2005**

"We are really starting to see the effects of a focused educational program and the real difference it can make, not only in individual lives and knowledge, but their job satisfaction."

benefits. Nine of the 29 responding employers in wave one did provide flexible scheduling and time off, and one provided paycheck advances when requested. In wave two, 19 of 29 employers provided supportive benefits. The most popular of these, again, was flexible scheduling. Based on their comments, it seems employers are willing to give employees some leeway on schedules, but one employer did mention that the company preferred that employees "use nonworking hours for classes."

Institution of Changes in Benefit Packages

Of the education, training, and supportive benefits provided by employers, three LiLA companies (9%) reported adding benefits since they began participating in the LiLA program, as a direct result of the program. Additional benefits included online training programs, in-house staff and other resources devoted to training, seminars, and on-site computer classes. While the LiLA Demonstration may not have directly served as a catalyst for changes at the other companies, some employers recognized that the LiLA program may have influenced their thinking. For instance, one employer commented "it may have happened naturally, in a subconscious way, like . . . having learning plans makes sense." Another said the program is part of a cluster of efforts being made to "encourage development and training" within the company.

Further commentary by the employers revealed that the LiLA program compensated, literally, for lost programs they had previously or for benefits they would have liked to provide employees but could not due to financial constraints. Moreover, one employer noted that some training

benefits were only available to managerial employees; LiLAs opened up opportunities for other staff. One public sector employer also commented on the flexible nature of LiLAs: “. . . the other training and tuition reimbursement from the City requires that training be directly related to the employee’s current job.” So, the program has given employers a chance to fund employee training and supplement existing benefits as they had not been able to previously.

When non-LiLA employers were asked in wave two about what factors would lead them to consider changing their education and training benefits, they responded with two main concerns. The financial burden of helping to finance their employees’ development was too much for some. In the words of one employer, “Probably the biggest barrier—the reason we don’t do more—is the lack of cash.” Another noted, “[We] constantly examine whether they [the benefits] are working or should be changed. During slow times, we occasionally have to cut back . . .” If funding such as provided through LiLAs presented itself, these companies would be likely to be supportive of expanded employee training.

Demand from the employees or within the company was also given as a reason for change in benefits. One restaurant employer noted that the owner of the company was considering changing the policies because the staff had remained so consistent. Offering more would be a way to reward employee loyalty. Another remarked that they wanted to support employee efforts to “brush up” on skills. However, most employers felt that, overall, their education benefits were working out well and did not need to change them.

These findings are consistent with those of the first wave, in which it was established why some non-LiLA employers did not provide benefits. At that time, 17% of respondents stated that cost was a factor. “Because we are a small company [we cannot offer these benefits], and the cost would be unbearable at this time.” Some employers also noted that they simply did not see a need for such benefits. In the words of one employer, “No one has said they wanted it [further education], but [we] would consider it.”

Therefore, the LiLA and non-LiLA employers are in agreement about the difficulties surrounding education and training benefits. The cost of assisting employees with furthering

their skills and knowledge base is a financial burden to the smaller companies in particular. The lack of interest on the part of employees may or may not be completely accurate, but some employers felt that since their employees were not coming to them for such benefits it was not worthwhile to offer them. The LiLA program, then, fills a need for employers who do wish to encourage employee education with its offer of matching funds and career advisors who can motivate and guide employees in the use of funds.

Not surprisingly, LiLA employers express gratefulness for the program. When asked about their primary benefits as employers to participating in the program, employers cited a number of different rewards, including improved relations with their employees, an expanded benefits package, and improved employee skill sets. The table below details the survey results on this issue for the two waves of interviewing.

Table 25: LiLA Participation Benefits Reported by Employers

	Restaurants		Public Sector		Manufacturing		Health Care		Across Sectors	
	Wave One (n=19)	Wave Two (n=5)	Wave One (n=5)	Wave Two (n=5)	Wave One (n=8)	Wave Two (n=8)	Wave One (n=4)	Wave Two (n=4)	Wave One (n=36)	Wave Two (n=32)
Increased retention	9	-	-	-	2	1	1	2	12 (33%)	4 (13%)
Improved employee skill sets/training investment	4	2	1	2	3	4	2	1	10 (28%)	10 (31%)
Improved morale/relations	4	3	1	3	3	3	-	2	8 (22%)	13 (41%)
Other	7	3	4	3	4	6	2	1	17 (47%)	20 (63%)
Do not see benefits	-	1	-	1	-	-	-	-	-	2 (6%)

Note: Employers could select more than one benefit.

In general, the limited number of LiLA employers makes it difficult to draw firm conclusions about the perceived value of their participation. Some employers are clearly very happy with the LiLA program. As the table shows, there have been slight changes in reported benefits to employers for participating in

**Manufacturing Employer
Northeast IN
April 2005**

“The situation is basically a win-win situation. The company benefits because the employees are more productive. The employees benefit because they are more educated. Customers benefit because they are dealing with people that have more skills.”

**Restaurant Employer
Chicago, IL
November 2002**

“Employees are more willing to ask questions and explore opportunities within the business.”

the program. The data suggest a diversity of opinions among employers across sectors regarding the benefits of the program. Over time, the evaluation will continue to monitor changes in employer thinking about the benefits of the program and will note any clear patterns that emerge.

Another perspective on employer satisfaction with the program is revealed in their answers to a survey question about alternative scenarios for the future of the LiLA program. Employers were presented with two possible scenarios. In the first scenario, the program would continue in the same manner as it currently operates, i.e., an employee’s contribution would be matched by both the employer and then both contributors would be matched by a foundation, giving a 3:1 match overall (which effectively quadruples the individual’s contribution). In the second scenario, the employee’s contribution would be matched by the employer only, giving a 1:1 match (which doubles the individual’s contribution). As Figure 36 and Figure 37 illustrate, employers were quite willing to continue with the existing foundation-matched approach. Despite being less enthusiastic about the employer-matched only scenario, employers in all but the restaurant sector were still somewhat likely to continue with that modified form of the program. In the restaurant sector, only one employer reported being somewhat likely to continue under the employer-match-only form of the program. This suggests that employers in the restaurant sector do not see adequate returns on their investment to warrant continued participation even though their personal contribution would be the same. It is also possible that employers may not want to participate because they believe that their employees may not be motivated with fewer financial contributions. As the Demonstration continues, it is likely that the attitudes and perceptions of employers will evolve; the evaluation will continue to monitor these changes through annual interviews.

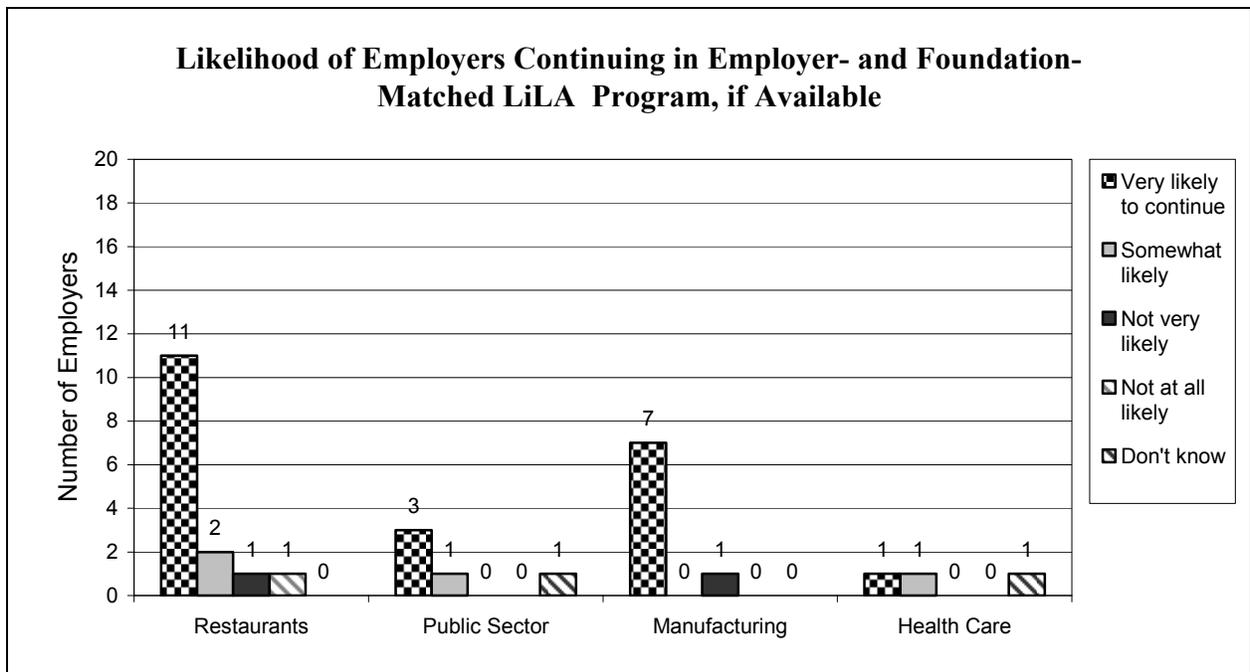


Figure 36

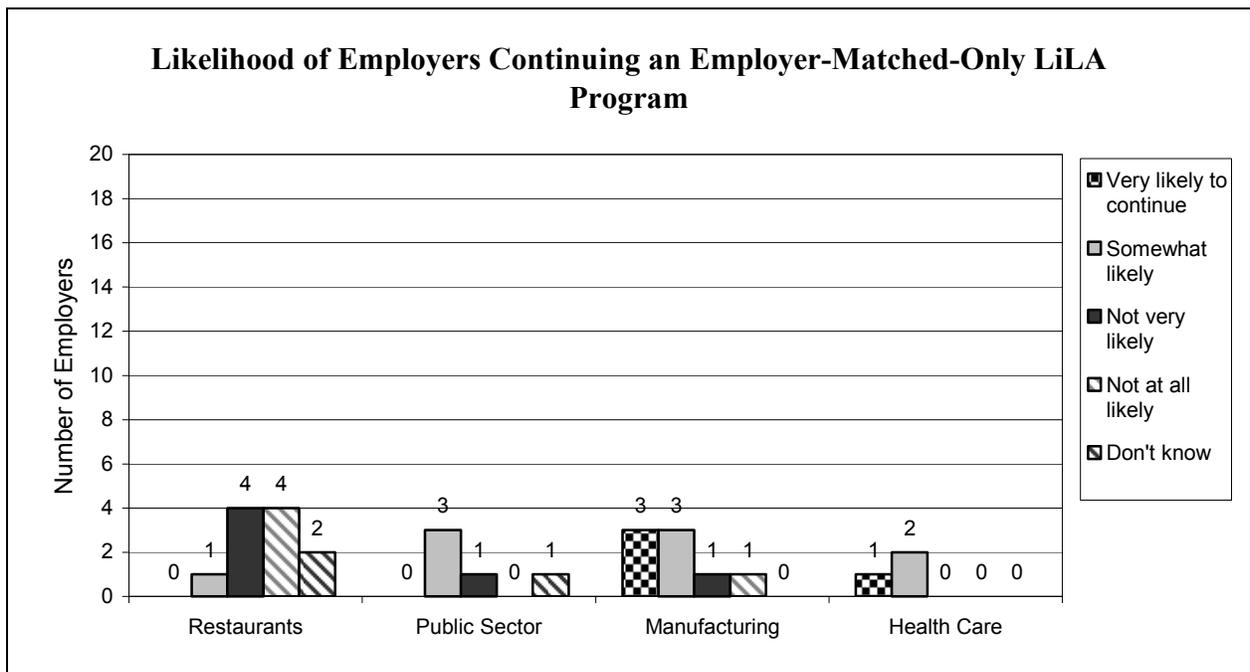


Figure 37

Note: Due to the marginal change in the health care sector (just one additional employer selecting “somewhat likely”), it is difficult to draw any conclusions about the reasons behind these responses.

Satisfaction With the LiLA Program

Based upon data collected in the first wave of LiLA employer surveys, employers were generally satisfied with the program and its implementation. The initial interviews revealed suggestions for improvement in the areas of marketing, account management, and enrollment. For the second wave of interviewing, LiLA employers were asked in more depth about their views of the program. Their responses are described below.

Employer Satisfaction

When asked to reflect on what they have learned from their participation in the LiLA program (in the second round of interviewing), 16 employers provided comments. These can be categorized into three themes. In the first of these, employers remarked how “pleasantly surprised” they were with the program. “The program was presented in an absolutely accurate manner. . . . Its all gone exactly as we were told. There were no surprises; it was very calm and relatively easy to manage.”

**Public Sector Employer
Northeast IN
October 2005**

“Fantastic program for community, city, and industry . . . bolsters support for a commitment to training and education.”

The second theme centered on the need to have constant reinforcement of the program for employees. “You have to really stay on people and remind them of the benefit,” noted one employer. Another employer stated, “[The] challenge [of the program] is getting people to use their money. People need more push; need to further utilize it.”

The comments of the third theme involved broader revelations about the program in connection with workforce education. The LiLA program reinforced for employers that “a well-rounded education is needed” and that “employees in the industry are interested in college.” Other employers noted that the program was a good way to retain employees in the state and that employers can have a role in promoting education. For one, “the program helped the company share ideas with others.”

As of the second wave of interviewing, overall satisfaction with the program continued. Of the 31 employers responding, 87% were either “very satisfied” or “somewhat satisfied” with LiLAs. The restaurant employer that was “somewhat dissatisfied” with the program remarked that the trouble lay in the fact that its low-income minorities “still can’t afford classes,” despite the matching funds. Comments from satisfied employers also suggested that their employees were also not taking full advantage of the program’s potential and questioned whose responsibility it was to encourage participation. Unfortunately, PPA was unable to conduct exit interviews, despite numerous attempts to contact them, with those employers who dropped from the program of their own accord.²⁷ Exit interviews with these employers may have been insightful.

In regard to the account process aspect of the program, nine employers reported that they had experienced some difficulty with the accounts, but only two said that the issues affected their interest in continuing with the program. One of the other employers, whose account issue was linked to that of an employee, stated that while the company’s interest remained solid, “[the problem] did cause [our] employee to be hesitant about continuing with the program because she felt promises were broken.” When asked if the problems affected the employers’ ability to benefit from the program, only one employer responded in the affirmative.

Five employers offered comments on additional account information that would be helpful to them. Among these there was a pattern of desire for greater detail and improved timing of statements. “It is difficult to determine when to put more money in. It is unclear when [company] owes money [for the matches], and [the bank statements are] generally quite confusing. Would much prefer to work with a local bank. . . .” Another employer noted, “an itemized account of how much is for each employee would be helpful.” On the issue of timing, an employer commented that “timing is slow—seems like [there is] always a lapse of a month or two.” One employer expressed interest in having the bank statements provide employees with more information: “Have a single statement that tells how much money is available to them for taking classes.” (CAEL reports that single statements are already provided to employees on a quarterly basis.)

²⁷ Two additional employers, who exited the program because all of their employees had withdrawn, were interviewed.

The employers' recommendations for improvement (provided in response to an open-ended question) included several suggestions for employer outreach and program operation. Nine employers mentioned increased marketing in some form. Of these, five employers independently mentioned that sharing stories about the successes of the program would be useful to employers. Two added that having the ability to talk to enrolled employers personally would be beneficial in recruiting employers and encouraging continued communication within the program. They referred to these individuals as "references" and "ambassadors" who could vouch for the positive aspects of LiLAs.

On the operational front, employers would like to see more communication about how employees are using funds, the expectations of employers in the implementation process, and which employees are targeted. Three employers mentioned issues surrounding employee participation. One disliked the fact that some employees were not actively pursuing education but still retained their slots, which might be better given over to others. Another employer commented that "there is more interest at the professional level because they seem to value education more," and so its employees were not utilizing the program to the same degree. The third employer advocated for expanding the program, rather than restricting it further, by giving more employees the opportunity to benefit through long-term measures like "a tax credit, IRA, etc."

Employee Satisfaction

LiLA employees were asked to rate their satisfaction with the LiLA program on a scale of 1 to 10 in which 1 was "not at all satisfied" and 10 was "very satisfied." As shown in Figure 38, a majority of LiLA employees were satisfied with the LiLA program. The average rating in all the sectors surveyed was 8.4 or higher.

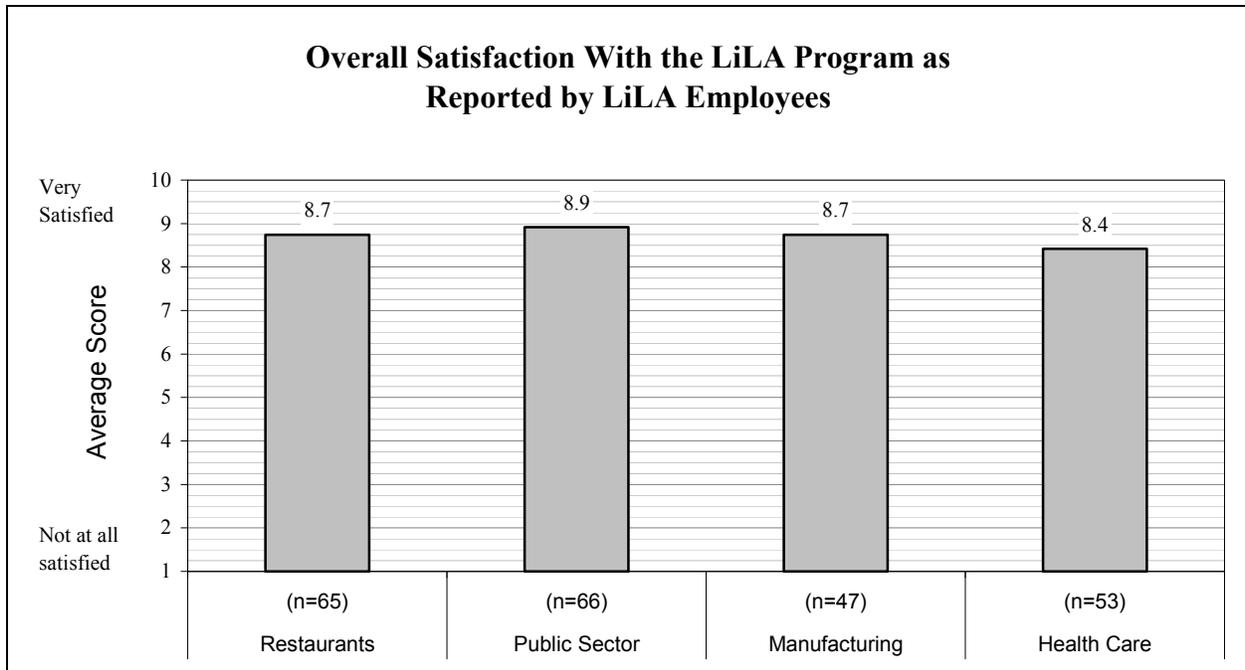


Figure 38

Less than 3% of employees in all sectors gave the LiLA program a rating of 3 or less. A total of 99% of public sector, 94% of manufacturing, and 91% of employees in the health care sector were either “satisfied” or “very satisfied” with the program. In the restaurant sector, 88% reported being satisfied with the program. While this is still a high fraction, it is relatively lower than the satisfaction levels in the other three sectors.

Employees who gave a rating of less than 7 were asked the open-ended question, “Why were you not very satisfied?” There were very few responses to this question overall, most of which came from employees in the restaurant sector. Four restaurant employees cited insufficient counseling or resources on the part of CAEL. Two said they had been unable to use the LiLA funds for the courses they wanted, and two cited bureaucratic errors or delays. In the public sector, only one employee responded to this question, citing a personal lack of understanding of the program. In the manufacturing sector, one employee recanted, saying they actually were satisfied; one had not had a chance to use the program but took some of the blame, citing an intensive work schedule; one had simply not used the program; and one was unable to use the LiLA funds for a desired course. In the health care sector, one employee was unsure about career goals; one had not used the program; one had had problems with an educational institution, but not with the LiLA; and one had tried unsuccessfully to “attend a different program”.

Next, LiLA employees were asked, “If you were to imagine the ideal program to help you with your higher education needs, how does the LiLA program compare to this ideal program?” on a scale of 1 to 10 in which 1 was not very close to the ideal and 10 was very close to the ideal. As with the previous question, most employees across the sectors gave a rating of 7 or higher, with restaurant and health care employees slightly more likely to give a neutral rating. The results are shown in Figure 39.

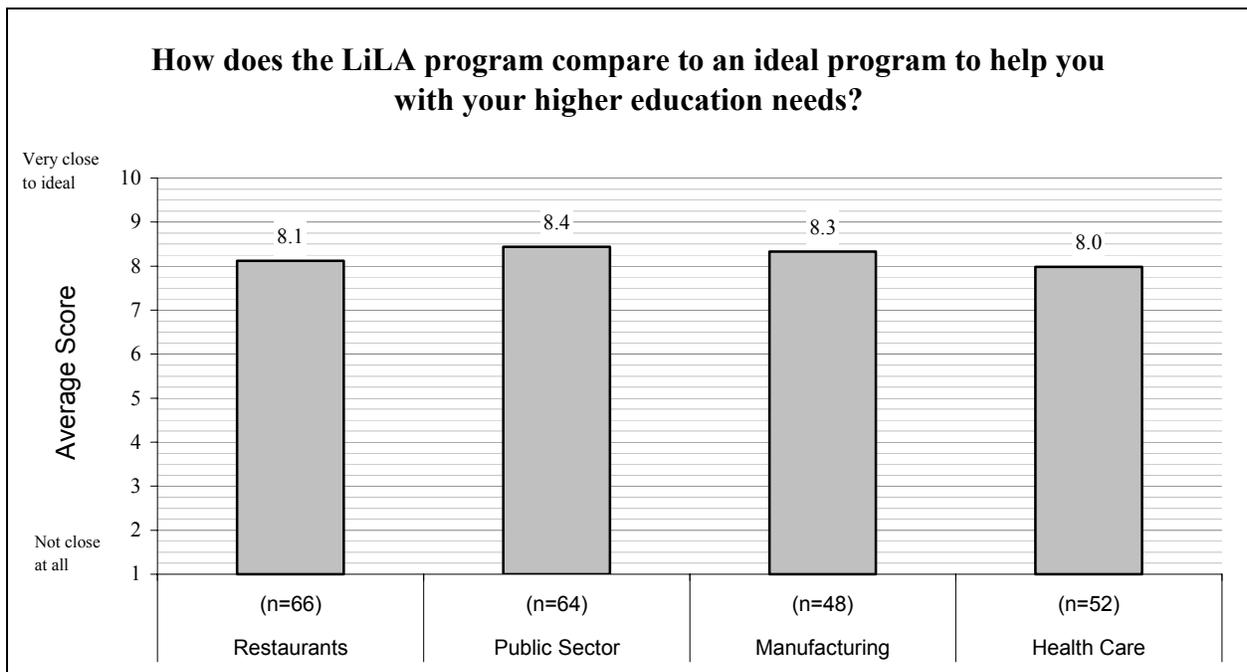


Figure 39

The LiLA employees were then asked if they would still be interested in the LiLA program if it only included a one-to-one employer match, omitting that of foundations. As shown in Figure 40, the majority of participants across the groups answered in the affirmative. Considering the attitudes of employers in regard to continuing with the program under an employer-match-only scenario, it appears that there may not be adequate communications between employers and employees regarding the desire for continuation, particularly in the restaurant industry.

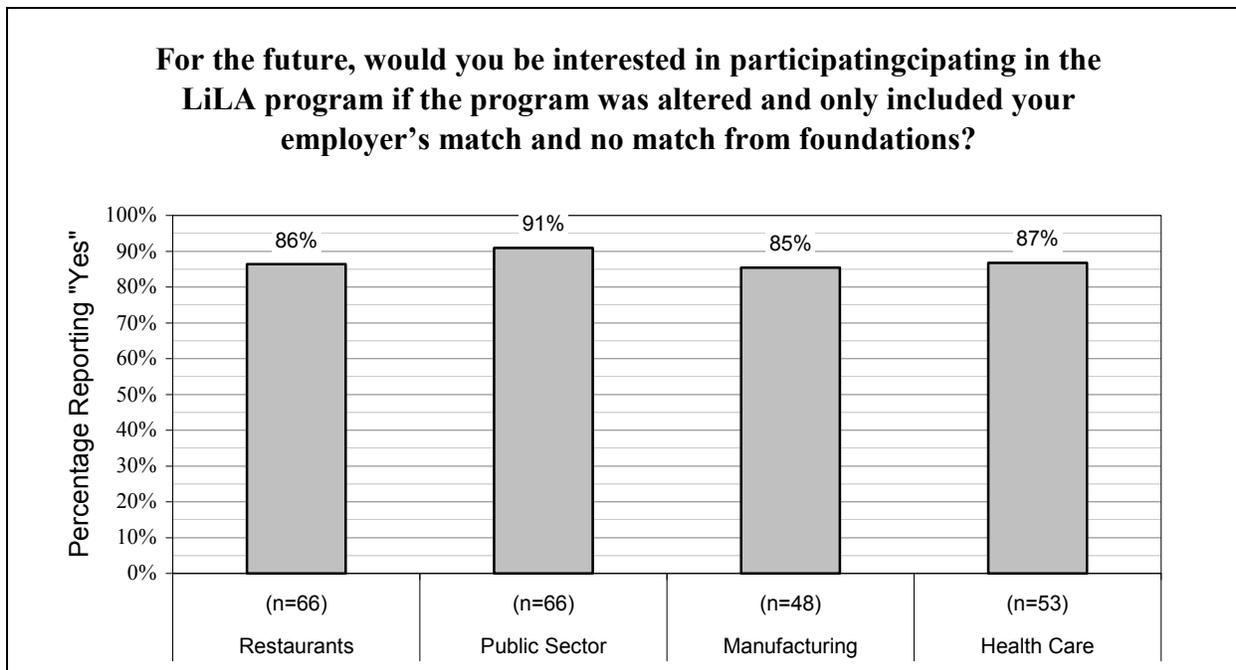


Figure 40

Next, the LiLA employees were asked what they would change about the program to make it a better fit. As this was an open-ended question, the responses varied widely by theme and across sectors.

The most frequent responses are summarized in Figure 41, below. While some respondents would not change anything about the program, others cited program-related barriers to full participation. Not reflected in this figure are the high percentages of employees who gave responses that could not be classified within a

**Public Sector Employee
Fort Wayne, IN
June 2005**

"I wish they would make the course longer; five years instead of three years would be great. People who have families may have a difficult time doing this in three years; it's even hard for me and I am single without kids."

broader category. These included 41.5% of respondents in the restaurant sector, 31.7% in the public sector, 22.2% in the manufacturing sector, and 18.8% in the health care sector. The full list of responses is available upon request.

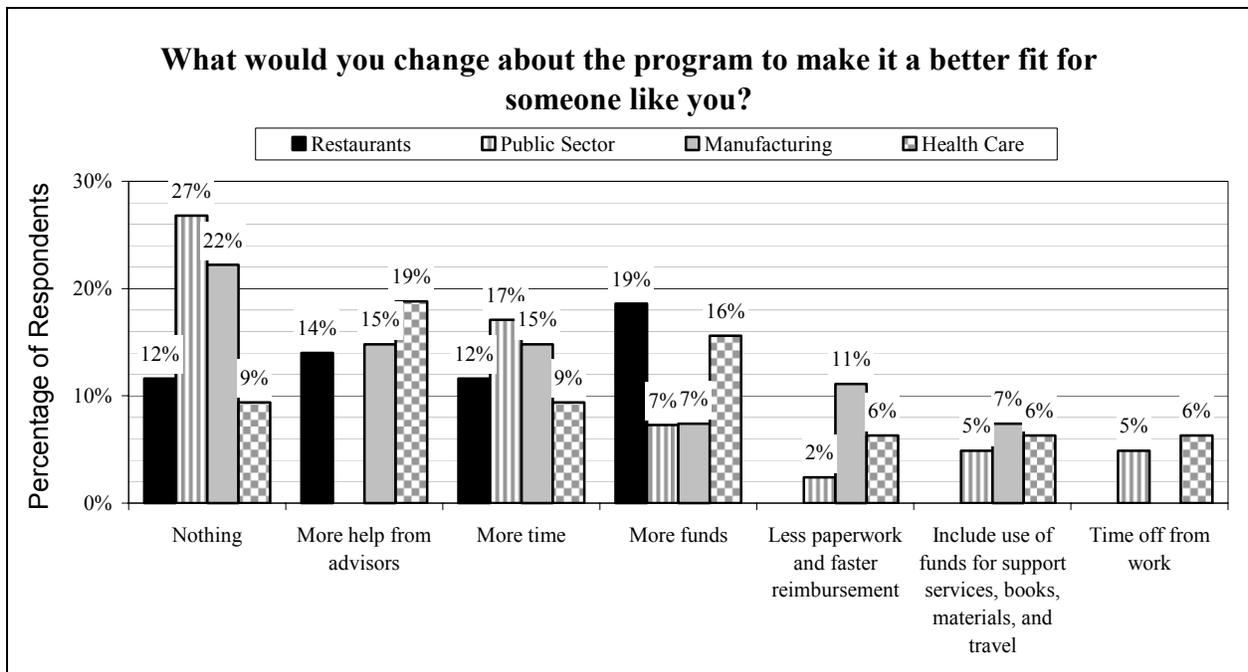


Figure 41

Career Advisor Recommendations for Change

According to the five career advisors interviewed in October of 2005, there are two major bumps in the process for employees. In the restaurant sector, the advisors characterized employees as “very transitional.” In the opinion of the advisor, having portability between employers would help employees retain the benefits of the program. It was also mentioned that a longer period for use of the LiLAs would allow more time to consider career path options and discuss these with advisors.

Health Care Employee
San Francisco, CA
August 2005

“Work and go to school? It's too hard to study and go to work. I cannot use the LiLA program. How can you use the program with work and school at the same time?”

The second barrier is the need to balance competing demands in employees’ lives in order to successfully utilize the program. Underlying all of the program’s potential rests the need for employees to take the initiative to act on their individual learning plans. The advisors felt that

family, full-time work, and school were difficult for many employees to coordinate and maintain. One advisor suggested that employer flexibility was important to making the process work. She

indicated that smaller businesses and those who stood to benefit from in-field educational pursuits were more willing to provide this for their employees.

Two of the advisors offered additional comments on improving the process of educating the employees about such difficulties. One suggested holding more meetings between employees and advisors in person to facilitate engagement and communication. Another suggested providing a workshop for employees about how to cope with time management issues and other challenges they might encounter early in the program to block problems before they arise.

ShoreBank Recommendations for Change

According to ShoreBank, the account management process, including ongoing use as well as account closings, has been running smoothly. Most of the deposits come through employers because they use paycheck deductions to gather the employee contributions. The employers then send in one check with a form that details how much goes to each employee. Employees receive quarterly statements showing transactions (deposits, withdrawals, and interest) and employers receive monthly statements showing only the employer match and employer deposits. Counter to feedback from some employers who complained about lags in receiving statements, ShoreBank believes that communication has been effective. Typically, the bank refers customers with questions or problems to CAEL for service, believing that a single point of contact about the LiLA program helps maintain consistency, clarity, and confidentiality in customer service.

The primary recommendation from ShoreBank relates to the manageability of the account portfolios that have been established. According to the bank spokesperson, it would be easier if ShoreBank could develop a different way of organizing the LiLA accounts. The accounts are housed in portfolios but there are too many accounts to keep in a single portfolio. As a result, the bank has had to set up multiple portfolios that each requiring a separate log-in for CAEL.

Looking Ahead

Short-Term Actions

As the Demonstration moves toward its conclusion, there will be a need to refine policies and procedures associated with managing the close-out of accounts. As CAEL staff have noted, there are several different scenarios under which LiLA employees leave the program. The ideal scenario would have employees complete all of their ILP learning goals using LiLA funds. In actuality, employees may leave the program prematurely for a variety of reasons. In addition to handling the mechanics of the close-out process, it will be important to capture information about the extent of participation in the LiLA program, including documenting those who maximized the use of their accounts as well as those who made only partial use of their accounts. As the evaluation continues, it will be important to note the stage at which employees exit the program. Based upon the experience with analyzing the most recent data on ShoreBank account withdrawals, course enrollment, and tuition payments, it will be important for CAEL to reexamine approaches to documenting and reporting account use.

In the short term, there appear to be other barriers to participation that are not dependent upon program design and thus more difficult to address. For example, class schedules and availability do not necessarily give employees the scheduling flexibility needed to pursue education and training while working and handling family responsibilities. Some employers have responded by making work hours more flexible, but others, particularly in the restaurant industry, may not have much room to adjust work schedules and still provide adequate customer service. A related situation was noted in the health care sector, where LiLA employees struggle to find part-time and evening classes for nursing. Certified Nurse Assistants who want to become Licensed Vocational Nurses simply do not have many enrollment options.

As the program winds down it will also be necessary to work with employers to discuss future plans. Over the course of the next six to nine months it will be important to encourage employers to consider what will happen at the conclusion of the Demonstration. Will employers have the option of continuing with an employer-only matching fund account at ShoreBank?

Should employers update education and training policies that were in place prior to the Demonstration? Upon what basis will employers decide whether or not to expand or change education and training benefits? CAEL will need to play a role in helping employers examine their options and decide what next steps are appropriate.

Longer-Term Policy Development Activity

According to CAEL staff, national discussions about the future of the LiLA concept have been taking place concurrently with the operation of the Demonstration. These activities have occurred at both the federal level in terms of the possibility of creating enabling legislation as well as at the state level in terms of conducting statewide pilots of how LiLAs might be adapted on a broader scale.

It is important to note that the pilots are fundamentally different from the LiLA model implemented in the Demonstration. For example, the state of Maine is in the start-up phase of creating a pilot that uses the administrative platform of a “529 savings plan.” The 529 Plan (named after its section number in the IRS code) is a savings plan for college education that offers several options for use. One option lets the account holder prepay tuition at a qualified educational institution at current tuition rates. Another option allows the account holder to save money in a tax-deferred account (earnings only) to be used to pay for education at future tuition rates. The underlying concept, with either option, is that the investment earnings will grow to meet the higher costs of future education. In Maine, the 529 Plan is a state-sponsored investment program. That is, the state sets up the plan with an asset management company of its choice, and the employee opens a 529 account with that asset management company according to the state’s predetermined plan features.²⁸

According to CAEL, one of the immediate challenges encountered in using this approach is the restrictions placed on the types of education and training that could be purchased. CAEL is assisting the state in terms of how to open access to community colleges through articulation agreements.

²⁸ How 529 Plans Work at <http://money.howstuffworks.com/5292.htm>

The issue of matching funds is still under discussion in Maine. Maine's anticipated approach differs from the Demonstration in that foundation funds will not be used. However, the state may offer a modest match for lower-income workers.

Another primary difference between the Demonstration model and the approach being developed in Maine is the potential link with the public workforce system. The state is considering an approach that would use local One-Stop centers to conduct outreach to employers and handle intake of employees interested in opening an account. In contrast with the Demonstration, career advising would be managed through One-Stops with the assistance of "Maine Centers for Women, Work, and Community," which were established in 1978 to provide training, advocacy, and assistance to women in four program areas: workforce development, microenterprise development, asset development (including a matched savings program), and leadership development.²⁹ CAEL's experience in Maine illustrates the potential for creatively adapting the LiLA concept to existing state systems and infrastructure.

Over the next year, CAEL will likely continue serving in a consultant capacity to the State of Maine and may also become more actively involved in activities in several other states, including Missouri, Indiana, and Oklahoma, among others. In Missouri, one major health care employer has committed to doing a company-only program similar to LiLAs. In Indiana, efforts have focused on enabling legislation. Oklahoma is following a path somewhat similar to Maine in terms of examining their existing systems, initiatives, and potential linkages to creatively adapt the LiLA concept.

²⁹ Additional information about the organization can be found at the Center's Web site: <http://www.womenworkandcommunity.org/aboutus.shtml>

Section Seven: Conclusions and Implications

Even though the LiLA Demonstration is still underway, important lessons have been learned that have program and policy implications. This section summarizes these observations under the study's research questions..

Is the LiLA program process working smoothly in an administrative sense? If not, what needs to be changed?

Overall, the LiLA program is working smoothly. The career advising component has been widely recognized as a welcome component of the program in helping LiLA employees and employers understand the program, develop learning plans, and access funds to pay for training. Even though the program is generally operating well, there is both a need and an opportunity to strengthen the account management function. As the Demonstration continues, it is likely that account use will increase, particularly as LiLA employees time out of the program and the Demonstration comes to a close. With employees receiving only quarterly statements of account activity, it may become even more difficult for employees to keep track of the dollar amounts available for training. Monthly account summaries would be of great help to employees at this stage of the Demonstration in particular, assuming that it is financially feasible for CAEL to offer this service.

As the evaluation continues, PPA will continue to examine patterns of account transactions and gather feedback from LiLA employees on this aspect of project administration.

Are there variations among the sites in process or implementation that are important to the program theory? Does that tell us something about what works in what contexts? If so, what are the recommendations regarding process for specific sectors?

The data reveal some definite differences among the sites that appear to reflect the gradual growth in knowledge about program implementation that CAEL experienced as more sites were added. Specifically, the approach to implementation was different for the health care, the last demonstration site to be implemented, as compared to the other sectors.

The data showed that the lag time between employee enrollment in the LiLA program and their subsequent work with advisors to create ILPs was compressed into a shorter period of time than was the case in the other sectors. In addition, LiLA employees in the health care sector reported a higher incidence of face-to-face communications and longer period of time speaking with career advisors than did employees in the other sectors.

Given these differences, it is not surprising that a higher fraction of LiLA employees in the health care sector reported that they were willing to pay for career advising than employees in the other sectors. The question is what precipitated the differences in approach to implementation. On one hand, it is possible that the approach to program implementation changed because of lessons learned during implementation at previous demonstration sites. On the other hand, it is possible that demographic characteristics of the LiLA employees (primarily language barriers and lack of familiarity with and understanding of the infrastructure of the education system) were a contributing factor in the sense that they necessitated a more intensive connection between career advisors and LiLA employees. Either way, it seems clear that the demographic characteristics of participating employees can have a significant impact upon the mix and intensity of advising services necessary to implement LiLAs and would be an important consideration in recruiting employers and targeting specific populations of potential participants.

Another important difference among the sectors concerns the size of companies participating in the LiLA program. Employers in the restaurant sector were generally smaller than those in the other sectors, offering more limited opportunities for advancement that may, or may not, be dependent upon additional formal education and training. If employers in this sector truly believe in the importance of formal education and training, it may not be sufficient to simply provide information about career ladders and course offerings. Indeed, the LiLA program would necessarily need to be just one component of a larger effort to change the culture of the workplace and the expectations of employees in regard to pursuit of careers in the industry. In addition to being prone to high rates of staff turnover, because of their size, companies in the restaurant sector reported being less financially able to pay for education and training benefits. Thus, the fact that the LiLA employers in this industry were less enthusiastic about continued participation in an employer-match only version of LiLAs may be a result of the characteristics

of the industry and of participating employers rather than with the actual operation or benefits of the LiLA program.

While it is true that the number of employers participating in the Demonstration is small and certainly not statistically representative of the entire industry, the early lessons from the Demonstration suggest that decisions about targeting specific industry sectors and employer groups for participation in any future LiLA-like programs should be made thoughtfully.

Are participants using the opportunity as was expected? What are the varying patterns of use? Do usage patterns have implications for the program strategy? Could the strategy be changed to encourage use of the LiLA program that is more in keeping with the intent?

In many ways, LiLA accounts are being used in precisely the way they were intended. Employees are using funds to purchase a diverse range of education and training and the courses are aligned with individual learning plans. Because employers do not receive any formal reports about the types of training purchased by their employees, it is not possible for employers to know whether the courses are aligned with career opportunities in the company. However, this lack of formal reporting allows employees to pursue a broad array of career options without worrying about how their supervisor will react to their future career plans.³⁰

Given the tremendous opportunity afforded by the LiLA program, it comes as no surprise that the large majority of account holders expressed a high level of satisfaction with the LiLA programs. Numerous employees across all four industry sectors have already used their LiLA accounts to purchase education and training and those who have not already done so most likely intend to use their accounts in the not too distant future. However, the extent to which LiLA accounts are the determining factor that motivates individuals to pursue education and training is not yet clear. For example, the data reveal that LiLA employees across all but the health care sector were more likely than non-LiLA employees to have taken advantage of other education and training benefits that were offered by their employer prior to advent of the LiLA program. Thus, LiLAs appear to be an attractive tool, particularly for individuals who have an existing interest in education and training.

³⁰ For more detail on the role of employers as it applies to this demonstration, please see *Lifelong Learning Accounts Demonstration: Interim Report One*, report to The Ford Foundation, August 2004. (Page 89)

Another difference was noted in regards to the savings patterns of individuals in the health care and public sectors. In both instances, account holders tended to make larger average deposits. This difference may be a function of the age of employees, since the sectors were characterized by older employees with more job security and most likely a stronger orientation towards savings. One of the direct implications of this observation is that if a LiLA-like program was implemented in the future, the age of those participating in the program would be an important consideration in determining the potential amount of matching funds that an employer would need to set aside to cover the cost of the program.

The fact that some LiLA employees have left the program before using their LiLA accounts might be expected. What may not have been expected was the tendency across industry sectors for high percentages of dropouts among low-wage workers and members of minority groups. This pattern was most evident in the restaurant and manufacturing sectors but was not present in the public sector, where just 3% of employees earned less than \$20,000 per year. The patterns of LiLA use among low-wage workers will continue to be examined as the evaluation continues.

Are participants exhibiting any signs of the intended impacts—career goals, participation in training, career advances? If not, is it too early, or are there remediable problems with program process or theory? If yes, how can the impacts be increased?

In general, it is too early to witness much impact of the LiLA program on employers or employees. At this point in the implementation process there are relatively few program completers. In addition, wage record data for recent program completers will not be available for several months. However, early evidence suggests that LiLA employees have become more focused on education linked to career advancement. Having the LiLA account makes it possible for these employees to actually pursue their educational goals. In addition, in all but the manufacturing sector, LiLA employees have been somewhat more likely to receive job promotions than those in the comparison group. Over time, the evaluation will look for evidence of impact, including self-reported promotions, increased wages, credentialing, and increases in earnings.

Are employers exhibiting any signs of the intended impacts—employee retention, productivity, morale; increased appreciation of the benefits of employee training? If not, is it too early, or are there remediable problems with program process or theory? If yes, how can the impacts be increased?

At this point in the program the evidence of impact has been modest. Employers have noted modest improvements in employee morale, retention, and productivity but believe that the LiLA program is operating at too small a scale to have a broad impact on the workplace. However, despite the modest size of the Demonstration, as a direct result of the program several employers have added educational benefits to their employee benefits packages.

What are the implications for public policy?

It is too early in the evaluation to draw firm conclusions about the potential of the LiLA program to have a marked impact on employees, although early indications are that both employers and employees are very satisfied with the program.

Based on the early findings, it does not appear that LiLAs are a more effective tool for connecting with the lowest-wage workers than services that the comparison group received on their own. There are several possible reasons for this disconnect. In addition to the challenge encountered in recruiting the lowest-wage workers, job stability, and problems associated with balancing the competing demands of work, family, and education have made it difficult to keep the lowest-wage workers in the program. If LiLA accounts were portable across employers, the participation of the lowest-wage workers might improve. However, that would not resolve the other barriers to participation. In order for LiLAs to be effective for the lowest-wage workers, it may be necessary to link the accounts with more intensive support services that are provided by other service organizations. On the other hand that approach may not be appropriate or welcomed by workers in some industry sectors (e.g., restaurants) where the lowest-wage workers include substantial numbers of young adults living at home.

Those in the lowest-wage group are not necessarily the only ones in need of assistance to access lifelong learning programs. Indeed, those with incomes somewhat above the low-wage standard used in this study may find it very difficult to afford education and training on their relatively

limited incomes. Without additional training, many of these workers may have limited advancement options and face a greater risk of job loss. As the evaluation continues, the outcomes for employees will be examined with an eye towards assessing the impact of LiLAs across the income-level spectrum.

It is important to note that adult learners, in general, find it hard to be continuous in their pursuit of education and training. Because LiLA participants must balance job responsibilities with home and family responsibilities, it is more difficult to pursue education and training programs on a consistent basis and more time consuming to complete comprehensive programs of study. As the evaluation continues, attention will focus on the longer term behaviors of LiLA and non-LiLA employees in regard to their continuing participation in adult education. In addition, the evaluation will monitor changes in attitudes about the importance of lifelong learning that may be attributed to participation in the LiLA program.

The LiLA model used in the Demonstration would most likely be difficult to implement on a broad scale. Finding the resources necessary to recruit employers, identify matching funds, coordinate bank account deposits and use, and provide career advising and case management services would be difficult. One option would be to develop company-specific sponsored programs similar to the one being developed by CAEL for a large employer in Missouri. Another option is to seek creative approaches that build upon existing programs, savings mechanisms, and service delivery systems such as that being developed in Maine. Both of these approaches are promising options that are worthy of further study.

One of the unanswered questions associated with the broader scale use of LiLAs is how employers will treat LiLAs in comparison with education and training benefits already available to employees. A related question is how employers will handle education and training once the LiLA Demonstration comes to an end. Early evidence suggests at least some employers have already opted to expand their education and training benefits. As the evaluation continues, employer behavior regarding education and training benefits will be monitored.

Of course, the primary question regarding the LiLA program is whether the accounts make a significant difference in helping employees gain the knowledge, skills, and credentials necessary to pursue career options that offer higher wages, greater opportunities for advancement, and increased job stability. This question will continue to be at the foundation of the evaluation.

Next Steps for the Evaluation

Throughout this second interim report the need to continuously monitor patterns and trends was a recurring theme. As the evaluation continues, additional waves of data will be collected and analyzed. In upcoming months, another round of surveys will be conducted with all the employees and employers who are participating in the study. In addition, another round of interviews will be conducted with the stakeholders involved in the operation of the LiLA program. Updated wage record data will be obtained and analyzed in an effort to detect measurable differences between LiLA employees and those in the comparison group. Together these data will be used to examine similarities and differences across the targeted industry sectors and to explore variations in participation and outcomes among employees based on demographic characteristics.

Appendix A: Protocols

Wave 1. Employee Survey Protocol

- 1) First, are you currently employed by [name of LiLA employer]?
 - a. Yes
 - b. No

- 2) Are you currently enrolled in the LiLA program?
 - a. Yes
 - b. No
 - c. Don't know

- 3) Why did you leave your job at [LiLA employer]?
 - a. Moved out of the area, but still in the state
 - b. Moved out of the state
 - c. Was laid off
 - d. Was fired
 - e. Offered better pay elsewhere
 - f. Offered better benefits elsewhere
 - g. Job stability elsewhere
 - h. Other (specify): _____
 - i. Refused

- 4) Are you currently employed with another company?
 - a. Yes
 - b. No
 - c. Refused

- 5) Do you recall seeing or hearing any information about the LiLA program, which is an education benefit that may have been offered by [LiLA employer]?

- 6) Does your current employer offer any employee education or training benefits?
 - a. Yes
 - b. No
 - c. Don't know
 - d. Refused

- 7) What education or training benefits does your employer offer?
 - a. Offer lifelong learning accounts, or LiLAs
 - b. Offer on-the-job training
 - c. Pay for job-related certifications
 - d. Offer tuition reimbursement for college coursework
 - e. Offer tuition reimbursement for work-related courses or seminars
 - f. Other (specify): _____
 - g. Don't know
 - h. Refused

- 8) Have you used any of the education and training benefits offered by your employer?
- Yes
 - No
 - Don't know
 - Refused
- 9) Why have you not used the benefits?
- 10) Next, I would like to ask you about how you learned about the LiLA program.
- How did you hear about the LiLA program?
 - Printed materials, such as information packages, pamphlets, flyers, memos, etc.
 - A personal conversation with manager or HR representative
 - Attending a meeting about the program
 - A co-worker/friend
 - Other (specify): _____
 - Have not heard about it
 - Do not remember
 - Don't know
 - Refused
- 11) Do you feel you were provided with enough information to make a decision about participating in the program?
- Yes, received enough information
 - No, did not receive enough information
 - Don't know
 - Refused
- 12) What additional information would have been helpful for you to make a decision to participate?
- 13) On a scale of 1 to 4 with 1 being 'very easy to understand' and 4 being 'very difficult to understand,' how easy was it to understand the information in the printed materials that described the program?
- 1- Very easy to understand
 - 2- Somewhat easy to understand
 - 3- Somewhat difficult to understand
 - 4- Very difficult to understand
 - Do not remember
 - Don't know
 - Refused

- 14) On a scale of 1 to 4 with 1 being 'very informative' and 4 being 'not at all informative,' how would you describe the printed materials about the program?
- 1- Very informative
 - 2- Somewhat informative
 - 3- Not too informative
 - 4- Not at all informative
 - Don't know
 - Refused
- 15) Do you have any suggestions to improve the printed materials?
- 16) On a scale of 1 to 4 with 1 being 'very informative' and 4 being 'not at all informative,' how would you describe the meeting you attended about the program?
- 1- Very informative
 - 2- Somewhat informative
 - 3- Not too informative
 - 4- Not at all informative
 - Don't know
 - Refused
- 17) Do you have any suggestions to improve the meeting you attended?
- 18) Now I'm going to ask you about your experiences with the LiLA program. Did your manager or human resources representative at [LiLA employer] encourage you to participate in the LiLA program?
- 19) Why did you initially choose to participate in the LiLA program?
- Wanted to make more money
 - Wanted to get a degree
 - Wanted to get certification
 - Needed more training
 - Inexpensive way to get training
 - Employer asked me to participate
 - Other (specify): _____
 - Don't know
 - Refused
- 20) Why didn't you choose to sign up for a LiLA account?
- Did not want to go to school/get training
 - The employee contribution was too much/too expensive
 - Would take too long to save enough money for training/class
 - Don't plan to stay with employer
 - Don't plan to stay in industry
 - Have other financial assistance
 - Program seemed too complicated
 - Lack of time

- i. Other (specify): _____
 - j. Don't know
 - k. Refused
- 21) When did you close your LiLA account and drop out of the program?
- a. Dropped out before any training/classes
 - b. Dropped out while taking classes/in training
 - c. Dropped out after completing training/classes
 - d. Dropped out when I did not receive required grade
 - e. Never signed up
 - f. Don't know
 - g. Refused
- 22) What was the main reason you chose to drop out of the program?
- a. Did not want to go to school/get training
 - b. The employee contribution was too much/too expensive
 - c. It would take a long time to save money to take a class
 - d. Don't have enough time to attend class/get training
 - e. Don't plan to stay with employer
 - f. Don't plan to stay in industry
 - g. Received an unsatisfactory grade
 - h. Moved out of the area
 - i. Laid off
 - j. Quit job
 - k. Other (specify): _____
 - l. Don't know
 - m. Refused
- 23) Next, I would like ask you about your education and training experiences. What is your educational background?
- a. Elementary school (grades K-5)
 - b. Middle school (grades 6-8)
 - c. Some high school education
 - d. High school diploma or GED
 - e. Some college coursework
 - f. Associate's degree
 - g. Bachelor's degree
 - h. Some graduate school
 - i. Graduate degree
 - j. Vocational school (specify type): _____
 - k. Other (specify): _____
 - l. Don't know
 - m. Refused

- 24) Are you currently enrolled in any occupational classes or training programs?
- Yes
 - No
 - Don't know
 - Refused
- 25) What course(s) are you enrolled in? (Please describe it/them.)
- 26) Where did you take the course(s)/get training? What is the name of school/institution?
- 27) Are you taking this/these course(s) to obtain a degree or certificate?
- Yes
 - No
 - Don't know
 - Refused
- 28) What degree/certificate are you working towards?
- High school diploma or GED
 - Associate's degree
 - Bachelor's degree
 - Master's degree
 - Certificate (specify): _____
 - Other (specify): _____
 - Don't know
 - Refused
- 29) How is the course(s)/training paid for?
- Paid for by self
 - By employer
 - LILA program
 - Financial aid
 - Other (specify): _____
 - Don't know
 - Refused
- 30) Considering dollars you paid out of pocket and any loans you will have to pay back, what is the total cost to you for this training?
- 31) Is your coursework related to the work you do at your current job?
- Yes
 - No
 - Don't know
 - Refused
- 32) How is your coursework related to your current job?

- 33) Are you currently a full-time or part-time student?
- Full time
 - Part time
 - Don't know
 - Refused
- 34) In the past year, have you enrolled in any (other) occupational classes or training sessions?
- Yes
 - No
 - Don't know
 - Refused
- 35) What course(s) did you enroll in?
- 36) Where were you taking the course(s)/getting training? What is the name of school/institution?
- 37) Did you take this/these course(s) to obtain a degree or certificate?
- Yes
 - No
 - Don't know
 - Refused
- 38) What degree/certificate were you working towards?
- High school diploma or GED
 - Associate's degree
 - Bachelor's degree
 - Master's degree
 - Certificate (specify): _____
 - Other (specify): _____
 - Don't know
 - Refused
- 39) How was the courses/training paid for?
- Paid for by self
 - By employer
 - LILA program
 - Financial aid
 - Other (specify): _____
 - Don't know
 - Refused
- 40) Considering dollars you paid out of pocket and any loans you will have to pay back, what is the total cost to you for this training?

- 41) Was your coursework related to the work you do at your current job?
- Yes
 - No
 - Don't know
 - Refused
- 42) How was your coursework related to your current job?
- 43) Were you a full-time or part-time student?
- Full time
 - Part time
 - Refused
- 44) Do you plan to take any other classes or attend training courses in the next 6 months?
- Yes
 - No
 - Don't know
 - Refused
- 45) Now I would like to discuss your experiences with the LiLA career advisors. Who is/was your assigned advisor?
- Rhonda Thompson (CA)
 - Yolanda Silva (CA, Spanish and English)
 - Quinci Lee (CA, Mandarin, Cantonese, English)
 - Other (Specify): _____
 - Don't know
 - Refused
- 46) Have you spoken with a career advisor through the LiLA program?
- Yes
 - No
 - Don't know
 - Refused
- 47) Have you completed your Individual Learning Plan (ILP)?
- Yes
 - Partially completed
 - No
 - Don't know
 - Refused
- 48) When do you plan to do this?
- This week
 - Next week
 - In the next several weeks
 - In about a month from now

- e. In several months from now
 - f. Never/not at all
 - g. Don't know
 - h. Refused
- 49) Did your advisor work with you to develop your ILP?
- a. Yes
 - b. No
 - c. Don't know
 - d. Refused
- 50) Were counseling sessions with your advisor held in person or over the telephone?"
- a. Met in person
 - b. Talked on phone
 - c. Both
 - d. Have not had a counseling session
 - e. Don't know
 - f. Refused
- 51) Considering all of your discussions with your advisor, about how many hours did your advisor spend working with you?
- a. Less than one hour
 - b. One to two hours
 - c. Two to five hours
 - d. Five hours or more
 - e. Don't know
 - f. Refused
- 52) Please rate your advisor's availability on a scale of 1 to 4 with 1 being 'always easy to reach' and 4 being 'impossible to reach.'
- a. 1- Always easy to reach
 - b. 2- Somewhat easy to reach
 - c. 3- Difficult to reach
 - d. 4- Impossible to reach
 - e. Don't know
 - f. Refused
- 53) On a scale of 1 to 4 with 1 being 'very helpful' and 4 being 'not at all helpful,' how would you rate your advisor's helpfulness?
- a. 1-Very helpful
 - b. 2- Somewhat helpful
 - c. 3- Not too helpful
 - d. 4- Not at all helpful
 - e. Don't know
 - f. Refused

- 54) Thinking about your experiences with your advisor, on a scale of 1 to 4 with 1 being 'very knowledgeable' and 4 being 'not at all knowledgeable,' how knowledgeable would you say your advisor was about what you needed to know to develop your Individual Learning Plan?
- 1-Very knowledgeable
 - 2- Somewhat knowledgeable
 - 3- Not too knowledgeable
 - 4- Not at all knowledgeable
 - Don't know
 - Refused
- 55) Let's talk more about your Individual Learning Plan. Do you know what specific courses or training you need to take to begin to fulfill your learning plan?
- Yes
 - No
 - Refused
- 56) On a scale of 1 to 4 with 1 being 'very confident' and 4 being 'not at all confident,' how confident are you that you will complete your Individual Learning Plan?
- Very confident
 - Somewhat confident
 - Not too confident
 - Not at all confident
 - Don't know
 - Refused
- 57) How long do you think it will take to complete your learning plan?
- Less than 3 months
 - 4 to 6 months
 - 7 months to 11 months
 - 1 to less than 2 years
 - 2 to less than 4 years
 - More than 4 years
 - Don't know
 - Refused
- 58) Do you think there will be enough funding through the LiLA program to complete all of the courses or training in your learning plan?
- Yes
 - No
 - Don't know
 - Refused

- 59) How will you finance the rest of your education or training in your learning plan?
- Will pay out of own pocket
 - Employer will pay
 - Employer will pay some part and I will pay part out of my own pocket
 - Student loans/grants/other financial aid
 - Other (specify): _____
 - Don't know
 - Refused
- 60) Were you planning to take classes or training before you enrolled in the LiLA program?
- Yes
 - No
 - Don't know
 - Refused
- 61) On a scale of 1 to 4 with 1 being 'very influential' and 4 being 'not at all influential,' how influential was the LiLA program in your decision to enroll in a class(es) or get training?"
- 1- Very influential
 - 2- Somewhat influential
 - 3- Not too influential
 - 4- Not at all influential
 - Don't know
 - Refused
- 62) Do you have any specific career goals?
- Yes
 - No
 - Don't know
 - Refused
- 63) What are your career goals and plans?
- Obtain a license or certification
 - Get a bachelor's degree
 - Get a graduate degree
 - Update skills or learn more about specific skills
 - Move up in company or industry
 - Go into a new industry
 - Start own business
 - Other (specify): _____
- 64) On a scale of 1 to 4 with 1 being 'very important' and 4 being 'not at all important,' how important do you think further education or job training will be in helping you achieve your goals?
- 1- Very important
 - 2- Somewhat important

- c. 3- Not too important
- d. 4- Not at all important
- e. Don't know
- f. Refused

65) Do your career goals involve continuing in the industry you are currently working in?

- a. Yes
- b. No
- c. Don't know
- d. Refused

66) What do you expect to happen shortly after you have completed your education and training goals?

- a. Do better at current job
- b. Enjoy current job more
- c. Get additional job responsibilities
- d. Get a raise
- e. Get a promotion
- f. Get a job with a new employer
- g. Get a job in a different industry
- h. Other (specify): _____
- i. Does not apply/no education goals
- j. Don't know
- k. Refused

67) The next set of questions is about your LiLA bank account with ShoreBank. Have you ever made use of this account?

- a. Yes
- b. No
- c. Don't know
- d. Refused

68) Besides the required \$10 deposit to open an account, have you made any additional deposits to your LiLA account?

- a. Yes
- b. No
- c. Don't know
- d. Refused

69) How much do you/did you contribute to the fund each pay period?

- a. Enter amount: _____
- b. Specify period of deposits: _____

70) How do your funds get to the LiLA account?

- a. Use payroll deduction and direct deposit
- b. Give your contribution to your manager or HR representative

- c. Give/send your contribution to someone at CAEL
- d. Give your contribution directly to ShoreBank
- e. Other (specify): _____
- f. Don't know
- g. Refused

71) Have you had any problems with your LiLA account?

- a. Yes
- b. No
- c. Don't know
- d. Refused
- e. What problems did you have?

72) Do you feel that you have a good understanding of the way funds are processed to pay for your classes or training in the LiLA program?

- a. Yes
- b. No
- c. Don't know
- d. Refused

73) Who would you talk to if you had questions about the LiLA program?

- a. My manager or HR representative
- b. Diane Stoneman
- c. Sherrie Hoy
- d. Someone at CAEL
- e. My advisor
- f. My co-worker
- g. Other (specify): _____
- h. Don't know
- i. Refused

These next questions are about your current primary job. These questions are only used to group survey responses into categories. Your responses will be kept confidential.

74) What is your job title?

75) What is the name of your primary employer?

76) What industry do you currently work in?

- a. Restaurant
- b. Manufacturing
- c. Public Sector
- d. Health care
- e. Other (specify): _____

- 77) In what month and year were you hired?
- Month number: _____
 - 4-digit year: _____
- 78) What is your current wage or salary from your primary job?
- Enter wage/salary: _____
- 79) Is that per hour, per day, per week, biweekly, per month, or per year? _____
- 80) Does this include tips?
- Yes
 - No
- 81) What is your estimated income from tips
- Income: _____
 - Is that per hour, per day, per week, biweekly, per month, or per year? _____
- 82) What is your employment status at your primary job?
- Employed part-time (less than 30 hours)
 - Employed Part-time and in school
 - Employed full-time (30+ hours)
 - Employed full-time and in school
 - Don't know
 - Refused
- 83) On average, how many hours per week do you work at your primary job?
- Which shift do you work?
 - 1st (normal day)
 - 2nd (evening)
 - 3rd (overnight/early morning)
 - Varies
 - More than one shift
 - Don't know
 - Refused
- 84) Do you have more than one job?
- Yes
 - No
 - Don't know
 - Refused
- 85) What is your job title at your second job?
- 86) What is the name of your second employer?

- 87) What industry is this job in?
- Restaurant
 - Manufacturing
 - Public Sector
 - Health care
 - Other (specify): _____
- 88) In what month and year were you hired?
- Month number: _____
 - 4-digit year: _____
- 89) What is your current wage or salary from your second job?
- Enter wage/salary: _____
- 90) Is that per hour, per day, per week, biweekly, per month, or per year? _____
- 91) Does this include any tips, bonuses, and profit sharing that you may earn?
- Yes
 - No
- 92) What is your estimated income from tips, bonuses, and profit sharing for this job?
- Income: _____
 - Is that per hour, per day, per week, biweekly, per month, or per year? _____
- 93) What is your employment status at your second job?
- Employed part-time (less than 30 hours)
 - Employed Part-time and in school
 - Employed full-time (30+ hours)
 - Employed full-time and in school
 - Don't know
 - Refused
- 94) On average, how many hours per week do you work at your second job?
- 95) Which shift do you work?
- 1st (normal day)
 - 2nd (evening)
 - 3rd (overnight/early morning)
 - Varies
 - More than one shift
 - Don't know
 - Refused
- 96) Are you a member of a labor union?
- Yes
 - No

- c. Don't know
- d. Refused

97) In what year were you born?

98) What is your marital status?

- a. Married
- b. Living with a partner
- c. Single, never been married
- d. Divorced
- e. Widowed
- f. Other
- g. Refused

99) Are you the head of your household?

- a. Yes
- b. No
- c. Shared responsibility
- d. Don't know
- e. Refused

100) How many children under the age of 18 are currently living with you? Please do not include any children for whom you are not financially responsible, such as children of roommates or renters.

101) How many other dependents besides children are currently living with you? Please include only those for whom you are partly or wholly financially responsible.

102) I'm going to read a list of categories of total annual household income. For this question, your "annual household income" would not include the earnings of any roommates or renters who may share living space with you. Please let me know which category best fits you. Would you say your total annual household income for the year 2004 is . . .

- a. Below \$10,000
- b. \$10,000 to less than \$20,000
- c. \$20,000 to less than \$30,000
- d. \$30,000 to less than \$40,000
- e. \$40,000 to less than \$50,000
- f. \$50,000 to less than \$60,000
- g. \$60,000 to less than \$70,000
- h. \$70,000 to less than \$80,000
- i. \$80,000 to less than \$90,000
- j. \$90,000 to less than \$100,000
- k. \$100,000 or more
- l. Don't know
- m. Refused

103) How would you describe your race?

- a. African American
- b. Asian/Pacific Islander
- c. Caucasian
- d. Latino/Hispanic
- e. Native American
- f. Multiracial
- g. Other
- h. Don't know
- i. Refused

104) Gender

- a. Male
- b. Female
- c. Not sure

105) Now I need to verify or update your contact information. Please remember that someone will call you again next year to conduct a similar interview so we need to make sure that we have your correct contact information. Plus, I want to make sure that your thank you gift of \$25 gets to you.

106) We currently do not have an alternative contact person in our records for you. Having this information is necessary in case we are unable to locate you to participate in this study.

107) First, I need to verify your alternative contact person. This is the person we can contact in case we are unable to locate you to participate in this study.

108) Finally, I need to verify your contact information.

109) Finally, we would like to offer you the opportunity to participate in a small group discussion to share your experiences in further detail. If you participate, you will receive \$75 in cash, and a light meal will be served. The group discussion will take place in the first two weeks of December. Would like to join us?

- a. Yes
- b. No
- c. Not sure

Thank you for your time today. Your check should arrive in about two weeks. If you do not receive within four weeks, please call me at [fill appropriate number]. Again, thank you and have a good [day/evening].

Wave 2. Employee Survey Protocol

1. Hello, may I please speak to [Fname] [Lname]?
 - a. Yes
 - b. No

2. I am very sorry to bother you but [Fname] [Lname] signed up at work to participate in our study. HE/SHE was told that we would be calling to complete an interview and that HE/SHE would be paid for HIS/HER time. May I speak with HIM/HER?
 - a. Yes
 - b. Call Back later
 - c. No
 - d. Participant does not live here

3. My name is _____. I'm calling to conduct a telephone interview about the Lifelong Learning Account (or LiLA program)—the education and training benefit provided by [LiLA employer]. You agreed to participate in this important study to help us evaluate the LiLA program. This interview should take only about 20 minutes. To express our appreciation for your assistance, we will send you a check for \$25. Is this a good time to begin the interview?
 - a. Yes
 - b. Call back later
 - c. Participant hard refusal
 - d. Participant soft refusal

4. My name is _____. I am calling to interview you for our employee education and training study. You signed up to help us with this very important study through your employer [LiLA employer]. This interview should take only about 20 minutes. To express our appreciation for your assistance, we will send you a check for \$25. Is this a good time to begin the interview?
 - a. Yes
 - b. Call back later
 - c. Participant hard refusal
 - d. Participant soft refusal

5. My name is _____. I am calling to conduct a telephone interview about the Lifelong Learning Account (or LiLA program)—the education and training benefit that you received from your employer [LiLA employer]. You agreed to participate in this important study to help us evaluate the LiLA program, and even though you are no longer participating in the program, we are still very interested in talking to you. This interview should take only about 20 minutes. To express our appreciation for your assistance, we will send you a check for \$25. Is this a good time to begin the interview?
 - a. Yes
 - b. Call back later
 - c. Participant hard refusal
 - d. Participant soft refusal

6. I'm very sorry to bother you. When you enrolled in the Lifelong Learning Account (or LiLA) program, you agreed to participate in the evaluation of the program. Participation in the study was one of the requirements of the LiLA program. We contacted you earlier to inform you that we would be calling. I hope to not take more than 20 minutes of your time. Do you have time to answer some questions for me now or would you rather I call you at a more convenient time?
 - a. Now
 - b. No – refused to participate
 - c. Call back later

7. I'm very sorry to bother you. You had signed up with your employer, [LiLA employer], to help us with this very important study about employee education and training. We contacted you earlier to inform you that we would be calling. I hope to not take more than 20 minutes of your time. Do you have time to answer some questions for me now or would you rather I call you at a more convenient time?
 - a. Yes
 - b. No- refused to participate
 - c. Call back later

8. First, the most recent information we have is that you are employed by [Current_Employer]. Is this still correct?
 - a. Yes
 - b. No
 - c. Refused

9. Our records show you are no longer employed at [LiLA employer], is this correct?
 - a. Yes
 - b. No
 - c. Refused

10. When you enrolled in the Lifelong Learning Account (or LiLA) program, you agreed to participate in the evaluation of the program. Participation in the study is one of the requirements of the LiLA program. Understanding your current employment status is an important part of tracking employee career movement, one of the parts of the program we are studying. Is your employer still [Current Employer]?
 - a. Yes
 - b. No
 - c. Refused

11. And are you still contributing funds from your paycheck into your LiLA account?
 - a. Yes
 - b. No
 - c. Don't know
 - d. Refused

12. Which of the following best describes the status of your LiLA account.
- The account is still open and I plan to use the money to pay for training and education.
 - I used the money in the account to pay for training and education, then closed the account.
 - I decided to withdraw from the program, closed the account, and got my money back.
 - The account is still open, but I have not decided what to do next.
 - Don't know
 - Refused
13. Can you please explain the circumstances to me in your own words?
14. Why did you leave your job at [LiLA_Employer]?
- Moved out of the area, but still in the state
 - Moved out of the state
 - Laid off
 - Fired
 - Quit – dissatisfied with job
 - Offered better pay elsewhere
 - Offered better benefits elsewhere
 - Job stability elsewhere
 - Other:
 - Refused
15. Are you currently employed with another company?
- Yes
 - No
 - Don't know
 - Refused
16. Does your current employer offer any employee education or training benefits?
- Yes
 - No
 - Don't know
 - Refused
17. What education or training benefits does your employer offer?
- Offer lifelong learning accounts, or LiLAs
 - Offer on-the-job training
 - Pay for job-related certifications
 - Offer tuition reimbursement for college coursework
 - Offer tuition reimbursement for work-related courses or seminars
 - Other
 - Don't know
 - Refused

18. Have you used any of the education and training benefits offered by your employer?
- Yes
 - No
 - Don't know
 - Refused
19. Why have you not used the benefits?
20. As of today, which of the following best describes the last educational level you completed?
- Elementary
 - Middle
 - High school diploma/GED
 - College certificate
 - Associate's degree
 - Bachelor's degree
 - Graduate degree
 - Other
 - Don't know
 - Refused
21. Many people earn additional credentials outside of college. As I read the following list, please tell me whether you have earned this type of credential: The first credential is, a certificate of completion from a private vocational school such as for business, medical records, or computers.
- Yes
 - No
 - Don't know
 - Refused
22. The next credential is a professional license, such as for cosmetology, truck driving, or insurance sales.
- Yes
 - No
 - Don't know
 - Refused
23. And finally, do you have a journeyman's card or other credential for apprenticeship in the skilled trades?
- Yes
 - No
 - Don't know
 - Refused

24. Last year, you told us you were enrolled in [Prior_Training] at [Prior_School]. Are you still enrolled in that program of study?
- Yes
 - No
 - Don't know
 - Refused
25. Did you complete the program, or did you stop participating before you had completed the program?
- Completed
 - Did not complete
 - Don't know
 - Refused
26. What was the single most important reason that you did not complete the program? Would you say that you didn't have time to continue attending, the cost was too much, you didn't feel the program would help you reach your goals, you found the material difficult, or that other problems were the most important reason?
- Time
 - Money
 - Not consistent with goals
 - Material difficult
 - Other reasons:
 - Refused
27. Are you currently attending any *other* classes or training programs?
- Yes
 - No
 - Don't know
 - Refused
28. What type of training or education are you enrolled in?
29. What is the name of the school or institution that is providing this training?
30. Are you taking this/these course(s) to obtain a degree or other credential?
- Yes
 - No
 - Don't know
 - Refused
31. What degree or other credential are you working towards?
- High school diploma or GED
 - College certificate
 - Associate's degree

- d. Bachelor's degree
 - e. Master's degree
 - f. Ph.D., J.D., or advanced medical (e.g., M.D. or D.D.S.)
 - g. Certificate of completion, outside of college
 - h. Professional license
 - i. Journeyman's card
 - j. Other
 - k. Don't know
 - l. Refused
32. How is/are the course(s)/training paid for?
- a. Paid for by self
 - b. By employer
 - c. LILA program
 - d. Financial aid
 - e. Other:
 - f. Don't know
 - g. Refused
33. Considering all the money you will personally pay, including cash, charges, or student loans, how much will you have paid for this training when it is complete?
34. Would you say the coursework is very related to your current job, somewhat related, not very related, or not at all related?
- a. Very related
 - b. Somewhat related
 - c. Not very related
 - d. Not at all related
 - e. Don't know
 - f. Refused
35. How is your coursework related to your current job, specifically?
36. And how would you describe the relationship between this program and the job you want for your future? Would you say the program is very related to the job you want for your future, somewhat related, not very related, or not at all related, or would you say this does not apply to you?
- a. Very related
 - b. Somewhat related
 - c. Not very related
 - d. Not at all related
 - e. Does not apply
 - f. Don't know
 - g. Refused
37. How is your coursework related to work you'd like to do in the future, specifically?

38. In an average week when school is in session, how many hours per week do you spend attending class?
39. And how long you think it will take you to complete this program from start to finish?
40. Is that in hours, days, weeks, months, semesters, or years?
- Hours
 - Days
 - Weeks
 - Months
 - Semesters
 - Years
41. In the past year, did you participate in any classes or training sessions that we haven't yet talked about?
- Yes
 - No
 - Don't know
 - Refused
42. What type of training or education was this?
43. What is the name of the school or institution that you attended for this training?
44. Did you take this/these course(s) to obtain a degree or other credential?
- Yes
 - No
 - Don't know
 - Refused
45. What degree or other credential were you working towards?
- High school diploma or GED
 - College certificate
 - Associate's degree
 - Bachelor's degree
 - Master's degree
 - Ph.D., J.D. or advanced medical (e.g., M.D. or D.D.S.)
 - Certificate of completion, outside of college
 - Professional license
 - Journeyman's card
 - Other:
 - Don't know
 - Refused
46. And did you earn that credential?

- a. Yes
 - b. No
 - c. Don't know
 - d. Refused
47. How was the course(s)/training paid for?
- a. Paid for by self
 - b. By employer
 - c. LILA program
 - d. Financial aid
 - e. Other
 - f. Don't know
 - g. Refused
48. Considering money you paid in cash or charge or that you borrowed in student loans, how much will you have paid for this training when it is completed?
49. Would you say the training was very related to your current job, somewhat related, not very related, or not at all related?
- a. Very related
 - b. Somewhat related
 - c. Not very related
 - d. Not at all related
 - e. Don't know
 - f. Refused
50. How is this training related to your current job, specifically?
51. And how would you describe the relationship between this training and the job you want for your future? Would you say the coursework was very related to the job you want for your future, somewhat related, not very related, or not at all related, or would you say this does not apply to you?
- a. Very related
 - b. Somewhat related
 - c. Not very related
 - d. Not at all related
 - e. Does not apply
 - f. Don't know
 - g. Refused
52. How is this training related to work you'd like to do in the future, specifically?
53. In an average week when school was in session, how many hours per week did you spend attending class?
54. And how long did it take you to complete this program from start to finish?

55. Is that in hours, days, weeks, months, semesters, or years?
- Hours
 - Days
 - Weeks
 - Months
 - Semesters
 - Years
56. How likely is it that you will take any classes or attend training courses in the next 12 months? Would you say it is very likely, somewhat likely, not very likely, or not at all likely?
- Very likely
 - Somewhat likely
 - Not very likely
 - Not at all likely
 - Don't know
 - Refused
57. Now I would like to discuss your experiences with the LiLA career advisors. Is [external field: advisor] still your assigned advisor?
- Yes
 - No
 - Don't know
 - Refused
58. Who is your assigned advisor now?
- William Rodriguez
 - Jane Klingberg
 - Sherrie Hoy
 - Rhonda Thompson)
 - Yolanda Silva
 - Quinci Lee
 - Other
 - No assigned advisor
 - Don't know
 - Refused
59. When is the last time you spoke with a career advisor through the LiLA program? Please tell me the month and year if you can. _____
- Never spoke to an advisor
 - Don't know
 - Refused
60. Part of the LiLA program involves creating an Individual Learning Plan, or ILP. Do you have an ILP?

- a. Yes
 - b. No
 - c. Don't know
 - d. Refused
61. How many months ago did you last update your Individual Learning Plan (ILP)?
- a. Never
 - b. Don't know
 - c. Refuse
62. When do you (next) plan to do this?
- a. This week
 - b. Next week
 - c. In the next several weeks
 - d. In about a month from now
 - e. In several months from now
 - f. Don't know
 - g. Refused
63. Did your advisor work with you to develop your ILP?
- a. Yes
 - b. No
 - c. Don't know
 - d. Refused
64. Considering all of your discussions with your advisor since you joined the LiLA program, about how many total hours have you spent talking with your advisor?
65. Would you say your advisor has been very helpful, somewhat helpful, not very helpful, or not at all helpful?
- a. Very helpful
 - b. Somewhat helpful
 - c. Not too helpful
 - d. Not at all helpful
 - e. Don't know
 - f. Refused
66. What type of help would you ideally have received from your advisor that was not available to you?
67. If career advising had not been offered for free through the LiLA program, would you be willing to pay for it yourself?
- a. Yes
 - b. No
 - c. Not sure
 - d. Refused

68. Let's talk more about your Individual Learning Plan. Are you following your ILP?
- Yes
 - No
 - Don't know
 - Refused
69. Do you know what specific courses or training you need to take to complete your learning plan?
- Yes
 - No
 - Refused
70. Are you very confident, somewhat confident, not very confident, or not at all confident that you will complete your Individual Learning Plan?
- Very confident
 - Somewhat confident
 - Not very confident
 - Not at all confident
 - Don't know
 - Refused
71. How long do you think it will take to complete your learning plan?
- Less than 4 months
 - 4 to 6 months
 - 7 months to 11 months
 - 1 to 2 years
 - 2 to 4 years
 - More than 4 years
 - Don't know
 - Refused
72. How involved was your employer in helping you develop your ILP?
- Very involved
 - Somewhat involved
 - Not very involved
 - Not at all involved
 - Refused

I am now going to ask you about the type of input did you received from your employer. Please indicate if your employer discussed the following with you

73. Career options and growth within the current organization
- Discussed
 - Not discussed
 - Don't remember

- d. Refused
74. Career options and growth within your current industry
- a. Discussed
 - b. Not discussed
 - c. Don't remember
 - d. Refused
75. Additional training you could take to secure a promotion
- a. Discussed
 - b. Not discussed
 - c. Don't remember
 - d. Refused
76. Specific classes you could take to complete your ILP
- a. Discussed
 - b. Not discussed
 - c. Don't remember
 - d. Refused
77. Specific training providers/schools where you could take classes
- a. Discussed
 - b. Not discussed
 - c. Don't remember
 - d. Refused
78. Is there any other input you received from your employer that we have not discussed?
79. How would you rate the usefulness of your employer's input in the development and execution of your ILP?
- a. Very useful
 - b. Somewhat useful
 - c. Not very useful
 - d. Not at all useful
 - e. Unsure
 - f. Refused
80. Did you ask your employer for any input or involvement in developing your ILP?
- a. Yes
 - b. No
 - c. Refused
81. Why did you not involve your employer in the development of your ILP?
82. Do you feel input from your employer would have been useful to you?
- a. Yes

- b. No
 - c. Not sure
 - d. Refused
83. Do you think there will be enough funding through the LiLA program to complete all of the courses or training in your learning plan?"
- a. Yes
 - b. No
 - c. Don't know
 - d. Refused
84. How will you finance the rest of your education or training in your learning plan?
- a. Will pay out of own pocket
 - b. Employer will pay
 - c. Student loans/grants/other financial aid
 - d. Other
 - e. Don't know
 - f. Refused
85. Were you planning to take classes or training before you enrolled in the LiLA program?
- a. Yes
 - b. No
 - c. Don't know
 - d. Refused
86. How influential was the LiLA program in your decision to enroll in a class(es) or get training? Would you say it was:
- a. Very influential
 - b. Somewhat influential
 - c. Not very influential
 - d. Not at all influential
 - e. Don't know
 - f. Refused

Now let's talk about your employment goals. I'm going to read a list of work-related career goals that some people have. As I do, please tell me if this work-related goal is part of your plan for the next 3 to 5 years. Please answer yes, maybe, or no.

87. Make more money in your current job
- a. Yes
 - b. Maybe
 - c. No
 - d. Don't know
 - e. Refused
88. Improve your abilities to perform at your current job

- a. Yes
 - b. Maybe
 - c. No
 - d. Don't know
 - e. Refused
89. Get a promotion with your current employer
- a. Yes
 - b. Maybe
 - c. No
 - d. Don't know
 - e. Refused
90. Get a position with another employer doing work similar to your current job
- a. Yes
 - b. Maybe
 - c. No
 - d. Don't know
 - e. Refused
91. Start a new and different career that you will enjoy more
- a. Yes
 - b. Maybe
 - c. No
 - d. Don't know
 - e. Refused
92. Start a new and different career that will be more financially rewarding
- a. Yes
 - b. Maybe
 - c. No
 - d. Don't know
 - e. Refused
93. Open your own business
- a. Yes
 - b. Maybe
 - c. No
 - d. Don't know
 - e. Refused
94. Do you have any other work-related goals that I did not ask about?
95. Of all the work-related goals we talked about, which would you say is your number-one priority over the next 3 to 5 years?
- a. Make more money in current job

- b. Improve ability to perform at current job
 - c. Get promotion with current employer
 - d. Get position with another employer doing work similar to your current job
 - e. Start a new and different career that you will enjoy more
 - f. Start a new and different career that will be more financially rewarding
 - g. Open your own business
 - h. Other
 - i. Don't know
 - j. Refused
96. Of the remaining items, what is your second most important priority over the next 3 to 5 years?
- a. Make more money in current job
 - b. Improve ability to perform at current job
 - c. Get promotion with current employer
 - d. Get position with another employer doing work similar to your current job
 - e. Start a new and different career that you will enjoy more
 - f. Start a new and different career that will be more financially rewarding
 - g. Open your own business
 - h. Other
 - i. Don't know
 - j. Refused
97. What kind of additional education will you need to achieve your number-one priority? For example, will you need a certain degree or a professional license to make this change, or do you have all the education you need to achieve this goal?
- a. High school diploma or GED
 - b. College certificate
 - c. Associate's degree
 - d. Bachelor's degree
 - e. Master's degree
 - f. Ph.D., J.D., or advanced medical (e.g., M.D. or D.D.S.)
 - g. Certificate of completion, outside of college:
 - h. Professional license
 - i. Journeyman's card
 - j. Other
 - k. Have all education needed
 - l. Don't know
 - m. Refused
98. I would also like to ask you about any difficulties you may have had in the getting training you need. I will read a list of problems and concerns that some people say make it difficult for them to participate in educational programs. As I read, please tell me if the problem or concern is a major problem for you, a minor problem, or not a problem:

99. Transportation to and from school. Is this a major problem for you, a minor problem for you, or not a problem?
- Major
 - Minor
 - Not a problem
 - Don't know
 - Refused
100. Finding the training you need close to home?
- Major
 - Minor
 - Not a problem
 - Don't know
 - Refused
101. Finding child care?
- Major
 - Minor
 - Not a problem
 - Don't know
 - Refused
102. Finding the time to attend and do homework?
- Major
 - Minor
 - Not a problem
 - Don't know
 - Refused
103. Not feeling confident that you can pass the course?
- Major
 - Minor
 - Not a problem
 - Don't know
 - Refused
104. Paying for training?
- Major
 - Minor
 - Not a problem
 - Don't know
 - Refused
105. Knowing how to apply for financial aid that may be available?
- Major
 - Minor

- c. Not a problem
 - d. Don't know
 - e. Refused
106. Qualifying for financial aid?
- a. Major
 - b. Minor
 - c. Not a problem
 - d. Don't know
 - e. Refused
107. Applying to the school and registering for the training you want?
- a. Major
 - b. Minor
 - c. Not a problem
 - d. Don't know
 - e. Refused
108. Knowing what kind of training is best for someone with your goals?
- a. Major
 - b. Minor
 - c. Not a problem
 - d. Don't know
 - e. Refused
109. And now thinking about your long-term career goals, how important do you think further education or job training will be in helping you achieve your goals? Would you say further training will be:
- a. Very important
 - b. Somewhat important
 - c. Not very important
 - d. Not at all important
110. What is the highest level of education you can see yourself attaining between now and the time you retire?
- a. High school education or GED
 - b. Some college
 - c. College certificate
 - d. Associate's degree
 - e. Bachelor's degree
 - f. Master's degree
 - g. Ph.D., J.D. or advanced medicine (e.g., M.D. or D.D.S.)
 - h. Certificate of completion, outside of college:
 - i. Professional license
 - j. Journeyman's card
 - k. Other: [open]

- l. Don't know
 - m. Refused
111. The next set of questions is about your LiLA bank account with ShoreBank. Have you ever used your account to pay for any education or training?
- a. Yes
 - b. No
 - c. Don't know
 - d. Refused
112. Have you had any problems with using your account to pay for training?
- a. Yes
 - b. No
 - c. Don't know
 - d. Refused
113. Who did you speak with about those problems?
- a. ShoreBank representative
 - b. My employer/employer rep/HR representative
 - c. CAEL representative
 - d. School representative
 - e. Union steward
 - f. Other:
 - g. No one
 - h. Refused
114. Have those problems now been resolved?
- a. Yes
 - b. No
 - c. Don't know
 - d. Refused
115. Would you please tell me how you were affected by those problems?
116. Earlier you told me you had closed your LiLA account. Was there any leftover money in the account at the time that you closed it?
- a. Yes
 - b. No
 - c. Don't know
 - d. Refused
117. And what has happened to this money?
- a. Received a refund
 - b. Other
 - c. Don't know
 - d. Refused

118. Thinking about your overall experiences with the LiLA program over the past 12 months, on a scale of 1 to 10 where 1 is not at all satisfied and 10 is very satisfied, how satisfied are you with the LiLA program?
119. Why were you not very satisfied?
120. And if you were to imagine the ideal program to help you with your higher education needs, how does the LiLA program compare to this ideal program? Please use a scale of 1 to 10, where 1 is not very close to the ideal, and 10 is very close to the ideal.
121. When you participate in the current LiLA program, every dollar you contribute to your LiLA account is matched by \$1 from your employer and \$2 dollars from an outside foundation. With this matching of funds, your contributions are in essence quadrupled. For the future, would you be interested in participating in the LiLA program if the program was altered and only included your employer's match and no match from foundations. Your contribution would still be doubled.
- Yes
 - No
 - Not sure
 - Refused
122. What would you change about the program to make it a better fit for someone like you?
123. The next questions are about your current primary job. These questions are only used to group survey responses into categories. Your responses will be kept confidential. The first question is,
124. What is the name of your primary employer?
125. Would you please give me a brief description of the business or organization, focusing on what the company makes or sells or the types of services it provides?
126. Is this a for-profit private company, a nonprofit organization, or a governmental organization?
- For-profit private
 - Nonprofit
 - Government
 - Don't know
 - Refused
127. In what month and year were you hired?
128. What is your current job title?
129. What is your current wage or salary from this job?

130. Is that per hour, per day, per week, biweekly, per month, or per year?
- a. Hours
 - b. Day
 - c. Weeks
 - d. Biweekly
 - e. Months
 - f. Years
131. And is that before taxes and other deductions, or after taxes and deductions?
- a. Before
 - b. After
 - c. Don't know
 - d. Refused
132. Do you earn any tips, bonuses, or profit sharing that were not included in the [fill wage] per [fill interval] that you just told me about?
- a. Yes
 - b. No
 - c. Don't know
 - d. Refused
133. Secondary: job inquiries: Type of addition to income: _____
134. Amount: _____
- a. Per hour
 - b. Per day
 - c. Per week
 - d. Biweekly
 - e. Per month
 - f. Quarterly
 - g. Per year
135. And is that before taxes and deductions or after?
- a. Before
 - b. After
 - c. Don't know
 - d. Refused
136. Other secondary job inquiries: Type of addition to income: _____
137. Amount: _____
- a. Per hour
 - b. Per day
 - c. Per week
 - d. Biweekly

- e. Per month
 - f. Quarterly
 - g. Per year
138. And is that before taxes and deductions or after?
- a. Before
 - b. After
 - c. Don't know
 - d. Refused
139. On average, how many hours per week do you work at this job?
140. Do you receive overtime pay?
- a. Yes
 - b. No
 - c. Don't know
 - d. Refused
141. What is the rule for when you receive overtime pay?
142. On average how much overtime pay do you receive?
- a. Per hour
 - b. Per day
 - c. Per week
 - d. Biweekly
 - e. Per month
 - f. Quarterly
 - g. Per year
143. Other than any vacation you may be entitled to, is this a year-round job?
- a. Yes
 - b. No
 - c. Don't know
 - d. Refused
144. What months or seasons do you NOT work at this job?
145. Have you received any promotions at this job in the last 12 months?
- a. Yes
 - b. No
 - c. Don't know
 - d. Refused
146. And have you received any raises in wage or salary at this job in the last 12 months?
- a. Yes
 - b. No

- c. Don't know
 - d. Refused
147. Why was this raise received?
148. Do you have more than one job?
- a. Yes
 - b. No
 - c. Don't know
 - d. Refused
149. What is your job title at your second job?
150. What is the name of this employer?
151. Would you please give me a brief description of the business or organization, focusing on what the organization makes or sells or on the types of services provided?
152. Is this a for-profit private company, a nonprofit organization, or a governmental organization?
- a. For-profit private
 - b. Nonprofit
 - c. Government
 - d. Don't know
 - e. Refused
153. In what month and year were you hired?
154. What is your current wage or salary from this job?
155. Is that per hour, per day, per week, biweekly, per month, or per year?
- a. Hours
 - b. Day
 - c. Weeks
 - d. Biweekly
 - e. Months
 - f. Years
156. Is that after taxes and deductions or before?
- a. After
 - b. Before
 - c. Don't know
 - d. Refused
157. Do you earn any tips, bonuses, or profit sharing from this job that were not included in the [fill wage] per [fill interval] that you just told me about?

- a. Yes
 - b. No
 - c. Don't know
 - d. Refused
158. Secondary job inquiries: Type of addition to income: _____
159. Amount: _____
- a. Per hour
 - b. Per day
 - c. Per week
 - d. Biweekly
 - e. Per month
 - f. Quarterly
 - g. Per year
160. And is that before taxes and deductions or after?
- a. Before
 - b. After
 - c. Don't know
 - d. Refused
161. On average, how many hours per week do you work at this job? _____
162. Do you receive overtime pay?
- a. Yes
 - b. No
 - c. Don't know
 - d. Refused
163. What is the rule for when you receive overtime pay?
164. On average how much overtime pay do you receive? _____
- a. Per hour
 - b. Per day
 - c. Per week
 - d. Biweekly
 - e. Per month
 - f. Quarterly
 - g. Per year
165. Other than any vacation you may be entitled to, is this year-round job?
- a. Yes
 - b. No
 - c. Don't know
 - d. Refused

166. What months or seasons do you NOT work? _____
167. The next questions are about you personally. As with information about your work, this information will be kept in strict confidence. The first question is, what is your marital status?
- Married
 - Living with a partner
 - Separated
 - Single/never married
 - Divorced
 - Widowed
 - In a civil union
 - Refused
168. The next questions concern your household. Since there are so many living arrangements today, I want to be sure to explain what I mean. For purposes of these questions, your “household” is defined as all persons who live with you EXCEPT for roommates, renters, or others with whom you have no long-term financial connection. Do you have any questions about who to include?
- Yes
 - No
169. First, please tell me know which bracket best describes your annual household income. This would be the total income earned by all people within your household.
- Below \$10,000
 - \$10,000 to less than \$20,000
 - \$20,000 to less than \$30,000
 - \$30,000 to less than \$40,000
 - \$40,000 to less than \$50,000
 - \$50,000 to less than \$60,000
 - \$60,000 to less than \$70,000
 - \$70,000 to less than \$80,000
 - \$80,000 to less than \$90,000
 - \$90,000 to less than \$100,000
 - \$100,000 or more
 - Don't know
 - Refused
170. Including yourself, how many persons 18 and over are supported at least 50% by this household income? _____
171. And how many children under 18 are supported at least 50% by this household income?
172. We've almost finished. To wrap up, I need to verify your contact information. Please remember that someone will call you again next year to conduct a similar interview so we

need to make sure that we have your correct contact information. Plus, I want to make sure that your thank you gift of \$25 gets to you.

173. First, I need to verify your alternative contact person. This is the person we can contact in case we are unable to locate you to participate in this study.
174. Alternative contact person information pops up.
175. Now, I need to verify your contact information.
176. Thank you for your time today. Your check should arrive in about two weeks. If you do not receive within four weeks, please call 1-800-665-8449. Again, thank you and have a good [day/evening].

Wave 1. Participating Employer Site Visit Protocol

Introduction (0:00 – 0:06)

Thank employer for participation. We have a lot to accomplish, and we won't take more than an hour of your time.

How long have you been with this company? What is your background? How long have you been in the restaurant business? What training did you have?

Verify enrollment data (see enclosed data sheet).

Decision to Participate (0:07 – 0:18)

How did you find out about the program? (Cold call? Association contact? Referral?)

Who made the decision to participate? (Owner? HR? Joint decision?)

What motivated you to participate in the LiLA program?

What concerns did you have when you considered participating in the program?

Has employee retention been an issue of concern for your company? Was retention a factor in your decision to enroll in the program?

Have you made any other efforts to improve employee retention/reduce turnover? What were they?

Key Benefits (0:19 – 0:26)

Do you feel you have a good understanding of the program?

What do you think are the key benefits to you, as the employer, for participating in the LiLA program?

What do you think are the key benefits of the program to your employees?

Have you had any discussions with participating employees about the classes they will take?

Program Logistics (0:27 – 0:36)

What have your experiences been with the program so far?

What was the enrollment process like? Do you have any suggestions on how to improve the enrollment process?

How were your employees informed about the program? How were the LiLA participants selected? Do nonparticipating employees know that others are participating?

How is the account process working?

Have you needed to call anyone with questions about the program? Who did you call? (CAEL? ShoreBank? Someone else?) Why did you call? Did you get the information you needed?

Benefits and Policies (0:37 – 0:46)

Do you offer any education or training benefits to your employees? (Tuition reimbursement? Routine training?)

Did you offer any education benefits before this program was put in place? Why or why not?

Do you have any formal or informal company policies about education and training? What are they?

In order to get a complete understanding of your employees' education and training opportunities, we would like copies of any documentation you have.

Do you plan to provide any additional educational support to employees who are taking advantage of LiLAs, such as flexible hours, time off, purchasing books or supplies, etc.?

Suggestions (0:47 – 0:51)

Do you have any other suggestions about the program so far?

Wave 2. LiLA Employers Survey Protocol

Introduction

Thank you for your participation in our study. I know you are busy, and I won't take more than 20 minutes of your time.

All information collected during this interview will be completely confidential. We will not identify you by name, and we will not use the information for any purpose outside of our research. As a token of our appreciation for participating, we will send you \$50 following this interview.

Employer's Personal Background

(i.) How long have you been with this organization?

(ii.) What is your work and education background?

(iii.) What training did you have for your current position?

(iv.) How long have you been in the restaurant business / manufacturing industry / public sector / health care sector?

Involvement with the Program/Training

1. Every employee in the LiLA program develops an Individual Learning Plan, or ILP. How involved have you been with your employees' development of ILPs? Would you say you have been . . . ?

- Very involved
- Somewhat involved
- Not very involved
- Not at all involved
- Don't know/not sure
- Refused

Additional comments:

2. What has been the nature of your involvement?

3. Over the past year, have you had any discussions with participating employees about the specific classes they will take?

- Yes
- Yes, had discussion, but only with some employees
- No
- Refused

Additional comments:

4. What, if any, information have employees shared with you about their training plans in connection with the LiLA program?
5. Are those training selections what you expected?
6. How do you feel about these training selections?

Satisfaction With the Program and Results

7. Do you see evidence that the LiLA employees are more productive? Would you say you see . . . ?
 - A lot of evidence
 - Some evidence
 - A little bit of evidence
 - No evidence
 - Don't know/not sure
 - Refused

Additional comments:

8. Can you provide some examples? How do you see the LiLA program affecting your employees for example, do you see an increase in productivity, or higher morale and more motivation amongst LiLA employees?
9. Have LiLA participants in your organization received any promotions or salary increases as a result of their participation in the program?
 - Yes, for a few participants
 - Yes, for all participants
 - No
 - Don't know/not sure
 - Refused

Additional comments:

10. Overall, is your company more productive today than it was prior to the LiLA project?
 - Yes
 - Somewhat
 - No
 - Don't know/not sure
 - Refused

Additional comments:

11. In general, how important do you think education and training is to improving employee performance and productivity? Would you say education and training is . . . ?
 - Very important

- Somewhat important
- Not very important
- Not at all important
- Don't know/not sure
- Refused

Additional comments:

12. What do you see as your primary benefit as an employer participating in the LiLA program?

- Increased retention
- Improved employee skill set
- Increased company productivity
- Improved employee morale
- Other (specify) _____
- Do not see any benefit to employers

Additional comments:

13. Are these the benefits you expected?

- Yes
- No
- Some yes, some no
- Refused

Additional comments:

14. What benefits did you expect?

Employee Benefits

15. What do you see as the key benefits to your employees for participating in the LiLA program?

- Better skills for current job
- Better skills generally
- Opportunities to go to college/earn a degree/get a credential
- The matching financial contribution from employers and foundations
- The additional wages/salary they can earn
- Career development advice
- Other (specify) _____

Additional comments:

16. What other education and training related benefits do you offer your employees?

- Job-related seminars or professional development workshops
- Tuition reimbursement for training required by your company for work-related certifications and licenses

- Tuition reimbursement for optional education and training related to job opportunities available at your company
- Tuition reimbursement for education and training related to other occupational interests?
- On-the-job training
- Other (specify)_____
- None

Additional comments:

17. Which of these benefits, if any, have been added since your firm began participating in the LiLA program?

18. Did the LiLA program influence your decision to add such benefits?

- Yes
- Somewhat
- No
- Don't know/not sure
- Refused

Additional comments:

19. How do you feel your LiLA employees are doing balancing work and school? Would you say this has been . . . ?

- No problem at all
- A minor problem
- A significant problem
- Don't know/not sure
- Refused

Additional comments:

20. Do you provide any other support services to enable employees to attend training programs using their LiLAs? For example, some employers may offer flexible hours for participants to go to classes, time-off from work, financial assistance for books and supplies.)

- Yes
- No
- Don't know/not sure
- Refused

Additional comments:

21. What support services do you provide?

Employee Retention Issues

22. Over the past year, has employee retention been an issue of concern for your company?

- Yes
- No
- Don't know/not sure
- Refused

Additional comments:

23. Has retention been a problem company-wide or is the problem particularly pronounced with certain employee groups? Has the retention been more of an issue for part-time vs. full-time employees, hourly vs. salaried employees, older vs. younger employees, senior vs. relatively newer employees?)

24. Can you estimate the turnover rate in your organization for the past year?

- Rate = _____
- Don't know/not sure
- Refused

Additional comments:

25. Is that estimate for your whole company, for a particular group of employees, or is there some other way that you've calculated that?

26. Do you feel that employee retention has been a challenge industry-wide?

- Yes
- No
- Don't know/not sure
- Refused

Additional comments:

27. What efforts has the company made to improve employee retention/reduce turnover?

28. To what extent do you feel the LiLA program has contributed to improved employee retention? Would you say it has made a . . . ?

- Significant contribution
- Modest contribution
- No contribution
- Don't know/not sure
- Refused

Additional comments:

Logistics

29. Have you had any problems with the LiLA account-management process? Any problems managing employee contributions to the LiLA accounts? Or problems managing your matching employer contributions?)

- Yes
- No
- Don't know/not sure
- Refused

Additional comments:

30. What kind of problems have you had?

31. Were those problems resolved?

- Yes
- No
- In the process of being resolved
- Don't know/not sure
- Refused

Additional comments:

32. Did those problems affect your interest in continuing with the program?

- Yes
- No
- Refused

Additional comments:

33. Did those problems affect your ability to benefit from the program?

- Yes
- No
- Don't know/not sure
- Refused

Additional comments:

34. Have there been any drop-outs from the LiLA program?

- Yes
- No
- Don't know/not sure

Additional comments:

35. Has the refund process for employees that have exited the program worked well for you?

- Yes

- No
- Don't know/not sure
- Refused

Additional comments:

36. What kind of problems have you had?

37. Were those problems resolved?

- Yes
- No
- In the process of being resolved
- Don't know/not sure
- Refused

Additional comments:

38. Are you receiving regular account statements from ShoreBank?

- Yes
- No
- Don't know/not sure
- Refused

Additional comments:

39. Is the information you receive about the accounts sufficient to meet your needs?

- Yes
- No
- Refused

Additional comments:

40. What additional information would be helpful to you?

Suggestions and Closing

41. Looking back, what have you learned as a result of your involvement in the LiLA program?

42. How would you describe the affect of the LiLA program on your workplace environment?

43. Overall how satisfied are you with the LiLA program? Would you say you are. . .

- Very satisfied.
- Somewhat satisfied.
- Somewhat dissatisfied.
- Very dissatisfied.

- Don't know/not sure
- Refused

Additional comments:

44. As of today, how likely is it that your company will continue with a program the same as LiLAs when the current LiLA Demonstration ends? Would you say it would be...

- Very likely
- Somewhat likely
- Not very likely
- Not at all likely
- Don't know/not sure
- Refused.

45. As of today, how likely is it that your company will continue with a program similar to LiLAs when the current LiLA Demonstration ends? Would you say it would be...

- Very likely
- Somewhat likely
- Not very likely
- Not at all likely
- Don't know/not sure
- Refused

Additional comments:

46. Do you have any recommendations that would make the program more attractive to other employers?

47. Are there any other experiences you've had with the LiLA program in the last year that you think are important that we haven't talked about yet?

Wave 1. Non-LiLA Employer Survey Protocol

Introduction

Thank employer for participation. We have a lot to accomplish, and we won't take more than a half hour of your time.

How long have you been with this company? What is your background? How long have you been in the manufacturing industry? What training did you have?

Make sure that they fill out an employer enrollment sheet.
Send them an employer enrollment form.

Human Resource Issues

What advancement opportunities are available for your employees? How do they qualify for advancement?

Is employee retention/turnover an issue of concern for you?

Have you made any efforts to improve employee retention/reduce turnover? What were they?

Benefits and Policies

Do you offer any education or training benefits to your employees? (Tuition reimbursement? Routine training? Flexible hours? Time off? Purchasing books or supplies?)

What were the main reasons that you decided to offer/not offer these benefits?

How do you administer the benefits?

Do you have any formal or informal company policies about education and training? What are they?

Referrals

We are looking for additional manufacturers to participate in this research. Are there any that you can recommend to us that might be willing to do this? They would also receive incentives to participate. Can we use your name when we speak with them?

Wave 2. Non-LILA Employer Survey Protocol

Introduction

Thank you for your participation in our study. I know you are busy, so I won't take more than 15 minutes of your time.

All information collected during this interview will be completely confidential. We will not identify you by name, and we will not use the information for any purpose outside of our research. As a token of our appreciation for participating, we will send you \$50 following this interview.

Employer's Personal Background

(i.) How long have you been with this organization?

(ii.) What is your work and education background?

(iii.) What training did you have for your current position?

(iv.) How long have you been in the restaurant business/manufacturing industry/ public sector/healthcare sector?

Benefits and Policies

1. In general, how important do you feel education and training are to improving employee performance and productivity? Would you say education and training are . . . ?

Very important

Somewhat important

Not very important

Not at all important

Don't know/not sure

Refused

Additional comments:

2. Do you currently offer any of the following education or training benefits to your employees?

(Select all that apply)

- Tuition reimbursement
- Routine training
- Flexible hours
- Time off
- Purchasing books or supplies
- None
- Other, specify: _____

Additional comments:

3. What led you/the company to implement these benefits?
4. What would lead you to consider or discuss changes to benefits?
5. What are the criteria for promotions?
 - _____ Experience
 - _____ Training
 - _____ Education
 - _____ Certifications/licenses
 - _____ Other, specify: _____

Additional comments:

Human Resource Issues

6. Is employee retention/turnover an issue of concern for you? Would you say . . .
 - Yes, it is a serious concern.
 - It is somewhat of a concern.
 - It is not a significant concern.
 - It is never a concern.

Additional comments:

7. Has retention been a problem companywide or is the problem particularly pronounced with certain employee groups? (Has the retention been more of an issue for part-time vs. full-time employees, hourly vs. salaried employees, older vs. younger employees, senior vs. relatively newer employees?)
8. Can you estimate the turnover rate in your organization for the past year?
 - Rate = _____
 - Don't know/not sure
 - Refused

Additional comments:

9. Is that estimate for your whole company, for a particular group of employees, or is there some other way that you've calculated that?

10. Do you feel that employee retention has been a challenge industry wide?

- Yes
- No
- Don't know/not sure
- Refused

Additional comments:

11. What efforts has the company made to improve employee retention/reduce turnover?

12. Do you have trouble finding qualified or skilled workers to fill vacancies?

- Yes, a lot of difficulties
- Occasionally a problem
- Rarely a problem
- Never a problem

Additional comments:

Former LiLA Employer Exit Interview Protocol

Introduction

Thank employer for participation. Verify enrollment/exit data including date of withdrawal from LiLA program.

1. What have your experiences been with the program so far?

Decision to withdraw from the LiLA Program

2. Who made the decision to withdraw from the LiLA program? Was it a joint decision?
3. What motivated you to withdraw from the LiLA program?
4. Did you make any attempts to resolve these problems?
 - a. If yes: Please specify how you attempted to resolve these problems and what made you still pursue the decision to withdraw from the LiLA program.
 - b. If no: Please elaborate why you did not wish to try to resolve these problems.
5. Some employers have been concerned with retention issues. Was employee retention a factor in your decision to withdraw?
6. Do you imagine any negative or adverse consequences of your withdrawal from the LiLA program?
7. What would have induced you to remain enrolled in the LiLA program?

Benefits and Policies

8. Do you offer any education or training benefits to your employees?
 - a. If Yes: Will you continue to offer other education or training benefits to your employees benefits to your employees? Do you have any further plans?
 - b. If No: Do you have plans to offer any other education or training benefits to your employees?
9. Do you plan to provide any additional educational support to employees who are taking advantage of LiLAs, such as flexible hours, time off, purchasing books or supplies, etc.?
 - a. If Yes: In our previous meeting you indicated that you planned to provide additional educational support to employees who were taking advantage of LiLAs. Will you continue to provide this support for your employees?

Suggestions

10. Do you have any other suggestions about the LiLA program?

LiLA Employers With No More LiLA Employees Exit Survey Protocol

Introduction

Thank you for your participation in our study. I know you are busy, and I won't take more than 15 minutes of your time.

All information collected during this interview will be completely confidential. We will not identify you by name, and we will not use the information for any purpose outside of our research. As a token of our appreciation for participating, we will send you \$50 following this interview.

Satisfaction with the Program and Results

1. Overall, how would you describe your experience with the LiLA program?
2. Do you know some of the reasons employees left the program?
3. Did you see evidence that the LiLA employees were more productive? Would you say you see . . . ?
 - A lot of evidence
 - Some evidence
 - A little bit of evidence
 - No evidence
 - Don't know/not sure
 - Refused

Additional comments:

4. Can you provide some examples? How do you see the LiLA program affecting your employees for example, do you see an increase in productivity, or higher morale and more motivation amongst LiLA employees?
5. Did the LiLA participants in your organization received any promotions or salary increases as a result of their participation in the program?
 - Yes, for a few participants
 - Yes, for all participants
 - No
 - Don't know/not sure
 - Refused

Additional comments:

6. Overall, is your company more productive today than it was prior to the LiLA project?
 - Yes
 - Somewhat
 - No
 - Don't know/not sure

- Refused

Additional comments:

7. In general, how important do you think education and training is to improving employee performance and productivity? Would you say education and training is...

- Very important
- Somewhat important
- Not very important
- Not at all important
- Don't know/not sure
- Refused

Additional comments:

8. What did you see as your primary benefit as an employer participating in the LiLA program?

- ___ Increased retention
- ___ Improved employee skill set
- ___ Increased company productivity
- ___ Improved employee morale
- ___ Other (specify) _____
- ___ Do not see any benefit to employers

Additional comments:

9. Are these the benefits you expected?

- Yes
- No
- Some yes, some no
- Refused

Additional comments:

10. What benefits did you expect?

Employee Benefits

11. What did you see as the key benefits to your employees for participating in the LiLA program?

- ___ Better skills for current job
- ___ Better skills generally
- ___ Opportunities to go to college/earn a degree/get a credential
- ___ The matching financial contribution from employers and foundations
- ___ The additional wages/salary they can earn
- ___ Career development advice
- ___ Other (specify) _____

Additional comments:

12. What other education and training related benefits do you offer your employees?

- Job-related seminars or professional development workshops
- Tuition reimbursement for training required by your company for work-related certifications and licenses
- Tuition reimbursement for optional education and training related to job opportunities available at your company
- Tuition reimbursement for education and training related to other occupational interests?
- On-the-job training
- Other (specify) _____
- None

Additional comments:

13. Which of these benefits, if any, have been added since your firm began participating in the LiLA program?

14. Do you plan to offer any new training or educational benefits?

15. Did the LiLA program influence your decision to add such benefits?

- Yes
- Somewhat
- No
- Don't know/not sure
- Refused

Additional comments:

Employee Retention Issues

16. Over the past year, has employee retention been an issue of concern for your company?

- Yes
- No
- Don't know/not sure
- Refused

Additional comments:

17. Has retention been a problem company-wide or is the problem particularly pronounced with certain employee groups? Has the retention been more of an issue for part-time vs. full-time employees, hourly vs. salaried employees, older vs. younger employees, senior vs. relatively newer employees?)

18. Can you estimate the turnover rate in your organization for the past year?

- Rate = _____

- Don't know/not sure
- Refused

Additional comments:

19. Is that estimate for your whole company, for a particular group of employees, or is there some other way that you've calculated that?

20. Do you feel that employee retention has been a challenge industry-wide?

- Yes
- No
- Don't know/not sure
- Refused

Additional comments:

21. What efforts has the company made to improve employee retention/reduce turnover?

22. To what extent do you feel the LiLA program has contributed to improved employee retention? Would you say it has made a...

- Significant contribution
- Modest contribution
- No contribution
- Don't know/not sure
- Refused

Additional comments:

Logistics

23. Did the refund process for employees that have exited the program worked well for you?

- Yes
- No
- Don't know/not sure
- Refused

Additional comments:

24. What kind of problems have you had?

25. Were those problems resolved?

- Yes
- No
- In the process of being resolved
- Don't know/not sure
- Refused

Additional comments:

Suggestions and Closing

26. Looking back, what did you learn as a result of your involvement in the LiLA program?

27. How would you describe the affect of the LiLA program on your workplace environment?

28. Overall how satisfied were you with the LiLA program? Would you say you are...

- Very satisfied.
- Somewhat satisfied.
- Somewhat dissatisfied.
- Very dissatisfied.
- Don't know/not sure
- Refused

Additional comments:

29. If given the opportunity, would you re-enroll in the LiLA program as it stands with new employees? Would you say it would be...

- Very likely
- Somewhat likely
- Not very likely
- Not at all likely
- Don't know/not sure
- Refused

Additional comments:

30. Do you have any recommendations that would make the program more attractive to other employers?

31. Is there anything that LiLA could have done to keep your employees in the program?

32. Are there any other experiences you've had with the LiLA program in the last year that you think are important that we haven't talked about yet?

Wave 1. CAEL Staff Interview Protocol

Introduction

The purpose of this interview is to get a good understanding of the way the LiLA demonstrations were brought online and are currently functioning.

Employer Recruiting

I would like to understand in detail the experience CAEL has had in recruiting employers to participate in the LiLA demonstration.

- Could you describe the processes CAEL went through initially in Chicago?
 - What types of restaurants were initially targeted?
 - How was contact with the restaurants initiated?
 - What role did the Illinois Restaurant Association play in recruiting employers?
- What were the “hot buttons” for employer participation? What made employers decide that they wanted to be part of the demonstration? What makes you think this?
- What were the main reasons employers gave for not wanting to participate in the demonstration?
- Were there any changes to the recruitment strategy? What were they? Why were they made?
- What problems did CAEL encounter with recruiting employers?
 - How were those problems addressed?
- What would you say were the key lessons you learned through your efforts to recruit employers in Chicago?
- We are interested in knowing how many employers got to different stages in the recruiting process (for both Chicago and Indiana)?
 - How many businesses were contacted?
 - What were the “take rates”?
 - How long did the process take?
 - Are employers still being recruited?
- Is there anything else that you would like to share about recruiting employers that has not already been covered?

ShoreBank

I would like to get a better understanding of the relationship between ShoreBank and CAEL.

- How was ShoreBank selected for this demonstration?
- Did CAEL have previous experience working with ShoreBank?
- What happened at the beginning of the demonstration to get things started with ShoreBank?
- Please describe the breakdown of responsibility between CAEL and ShoreBank regarding the setup and ongoing administrative tasks for the LiLA accounts. Who was responsible for what?
- Did any new tasks become necessary that were not initially foreseen?
- What problems have come up over the course of the demonstration?
 - How were they resolved?
 - Are there any issues that are still being addressed? Explain
- Does ShoreBank charge any fees for setting up and maintaining the accounts? Explain.
- What types reports does Shorebank generate? How often are they generated?
 - For CAEL use? Explain.
 - For individual account holders? Explain.
 - For employers? Explain.
- Are there any differences between Chicago and Indiana in setting up and maintaining the LiLA accounts?
- What would you say were the key lessons you learned through your efforts to work with Shorebank?
- Is there anything else that you would like to share about the banking process that has not already been covered?

Advising

I would like to talk about the role of the career advisors.

- What are the main goals of the advising function, from CAEL's perspective?
- Please describe your view of the advising process?
 - Why is an ILP developed?
 - What role does the advisor play in developing the ILP?
 - What information does the advisor provide in helping LiLA participants create the ILP?

- What role should the employer play in helping LiLA participants create an ILP?
- Ideally, at what point in the process do you think account holders should develop the ILP? Has this worked in practice? Why or why not?
- How are ILPs used? How often are they updated?
- How were the advisors selected?
 - Who does the advising in Chicago now? Is it still William and Jane? Is there anyone new?
 - Who does the advising in Indiana?
- What are the responsibilities that are assigned to advisors?
- What type of training/orientation do advisors receive regarding the LiLA program? Is there a training manual or materials available?
- Have any other efforts been made to standardize the advising experience across the different advisors? What were they?
- How are responsibilities divided up between the advisors for each demonstration?
- How do the advisors interact with each other? Are they in regular contact with each other?
- What would you say were the key lessons you learned through your efforts to develop the advising function and process?
- Is there anything else that you would like to share about the advising process that has not already been covered?

Wave 2. CAEL Staff Interview Protocol

1. Please describe your current role in regard to the LiLA program? How has your role changed over the last year? Explain.
2. What do you view as the primary benefits of the LiLA program for employers?
3. Have you had any contacts with participating employers over the past year? If yes, what precipitated your contact(s)? What types of topics were discussed? What challenges were encountered? What actions were taken to address employer needs? Please provide examples.
4. Based upon your experience with employers, how would you characterize their understanding of program requirements? Elaborate.
5. What do you view as the primary benefits of the LiLA program for employees?
6. Have you had any contacts with LiLA employees over the past year? If yes, in what capacity? What types of topics were discussed? What challenges were encountered? What actions were taken to address employee needs? Please provide examples.
7. Based upon your experiences with LiLA employees, how would you characterize their understanding of program requirements? Why?
8. Please describe the most significant accomplishments you have achieved in regard to the LiLA program over the past year? For each accomplishment, describe the topic or issue that necessitated your action, the process that you used to address the need, and the outcome that was achieved.
9. Looking ahead, what do you see as the future of LiLAs? To your knowledge, have employers made any substantive changes to their human resource policies in regard to employee education and training? Elaborate.
10. To your knowledge, have participating employers expressed an interest in or taken steps to continue providing something similar to the LiLA program once the funding ends? Elaborate.
11. In your opinion, what motivates employers and employees to participate in lifelong learning?
12. How important do you think LiLAs are in helping employees pursue their lifelong learning goals?
13. Based on your experience, are there any changes that you would recommend that would make LiLAs a better tool for supporting lifelong learning?

Wave 1. ShoreBank Staff Interview Protocol

1. What is your role with ShoreBank?
2. What factors motivated Shore Bank to get involved in the LiLA program?
3. Please describe the account-management process.
4. What are the biggest challenges you have faced in implementing the project?
5. How does ShoreBank benefit from being involved?
6. If this project were to go to scale, i.e., a broader national initiative, what challenges would you anticipate?
7. How is data managed and reported to CAEL?
8. Do you have any other comments?

Wave 2. ShoreBank Staff Interview Protocol

If a different interviewee than last round, ask the following questions:

1. When did you become involved with the LiLA program at ShoreBank?
2. What is your background? What is your role at ShoreBank?

Process

3. What information is reported to CAEL? Employees? Employers?
4. What modifications, if any, have been made to ShoreBank's process of handling deposits and withdrawals over the past year?
- 4a. What special circumstances, if any, have arisen?
5. To what extent do LiLA employees contact the bank with questions regarding their accounts? What types of questions do they ask? How are these calls handled?
6. To what extent do LiLA employers contact the bank with questions regarding their accounts? What types of questions do they ask? How are these calls handled?
7. What are the biggest challenges ShoreBank has faced over the last year in relation to this project?
- 7a. In the previous interview, difficulty in getting accounts updated online after receipt of deposits was mentioned. How is this going at this time?

Benefits and Other Issues

8. Who do you see as the primary beneficiaries of the LiLA program?
9. Does the bank benefit from its association with the LiLA program? Explain.
10. How important is it to the bank to know whether the LiLA program has made a difference in the lives of the program's participants?
11. Do you have any other comments you'd like to share about the process, the tools, or the program.

Wave 2. Career Advisor Interview Protocol

If advisor was not interviewed for previous wave, ask the following questions. Otherwise, skip to Question 3.

1. When did you join CAEL/the LiLA program?
2. What is your educational background and training?

LiLA Advising Process

3. How many LiLA employees do you currently have on your caseload?
4. What services do you offer each employee? What process do you use (contacts, discussion topics, etc.)?
- 4a. How often are you in contact with the LiLA employees?
5. About how much time do you spend with each LiLA employee, on average?
- 5a. Across all your LiLA employees, what percentage of this time is spent in-person? Over the phone? Other communication method?

ILPs and Training

6. To what extent have you been involved in helping participants update their ILPs?
7. What changes are they making?
8. What challenges have you witnessed in the establishment, updating, and following through of the ILPs?
9. In your opinion, do you think that employees understand the requirements of the LiLA program? Why or why not?
10. When a participant wants to use funds for training, what is your role (if any) in the process?
 - Selection of training provider
 - Payment issues
 - Reimbursement issues
 - Grades and academic concerns
 - Family needs
 - Transportation
 - Other
11. There have been several instances where employees have made a decision to discontinue their participation in the LiLA program and to close their accounts. To what extent have the employees involved you in this decision-making process? Explain/provide specific illustrations.

12. Do you have any suggestions about how the LiLA program could be improved to better meet the needs of employees?

General

13. To what extent do you communicate with other advisors associated with the LiLA program? What do you discuss?

14. Do you have any other comments on process, tools, or the program that you'd like to share?

LiLA Employee Focus Group Protocol

- Turn off cell phones and pagers
- Review expectations for participation in the discussion
- Review tape recording and confidentiality issues
- Discuss the two-way mirror

Introductions (6-6:10)

Explain purpose of the focus groups in helping to understand their experience with the LiLA program.

Identify any ways in which the LiLA program can be improved to better meet your needs.

Will be used to inform national discussions about the value of LiLAs for people across the country.

Go around the room to self-introduce:

- First name
- Something you enjoy and find particularly challenging about your current job

Career Aspirations (6:10-6:20)

When you think about your career, where do you see yourself in three years from now?

How important is education and training in reaching your career goals? How do you know?

Have you ever used other training programs? Any publicly funded services like One-Stop Centers?

Motivation for involvement in the LiLA program (6:20-6:35)

What motivated you to participate in the LiLA program?

How did you decide how much money to put aside in your LiLA account? What things did you consider (prompt: type of training, cost of training)?

Do you receive quarterly statements that tell you about your account?

How do you use the statements?

- Do you find them useful?
- What additional information would you like to receive?

Experience With the LiLAs (6:35-7:00)

If you had a friend who was thinking about going into the LiLA program and they asked you to explain how it works, what would you say?

How can the funds be used to pay for education and training?

What kinds of education and training can be purchased?

How many of you have already worked with your career advisor to create a career plan? How many of you have a plan right now? (raise hands)

How did you communicate with your advisor? (probe: phone, in-person)

How did the advisor help you with your career plan?

How important was having an advisor to your experience in the LiLA program?

Did you get any advice from your employer in regard to your career plan (e.g., what classes to take, what career options were available with your current employer)

Did you consult coworkers or other friends to get information about additional education and training related to your current industry? Other industries?

Do you feel your learning plan is useful for identifying the education and training courses you want to take? How so?

How many of you already know exactly what education or training program you plan to enroll in? What did you consider in making that choice?

Do you feel you had enough information and the right kind of information to create your learning plan? If not, what other information do you need?

Is there anything you would change to improve the ILP process?

Since completing your plan, what contact have you had with your career advisor?

Using the Account (7:00-7:10)

How many of you have already used your account to pay for education and training?

How did the payment process work for you?

- Were the LiLA account funds sufficient? If not, what other funds did you use (probe: scholarships, grants, and loans)?

For those of you have not already used your account, when do you plan to enroll in education and training?

For all of you, how long do you think it will take for you to complete your ILP?

What kinds of barriers or challenges do you face in completing your education and training plans? (probe: child care, transportation, other)

How much do your employers know about what classes you are taking or plan to take?

Looking Towards the Future (7:10-7:20)

What will happen when you finish your education or training program?

Do you think you will need additional education and training in the next five years? If yes, how do you think you will pay for it?

Would you have pursued education and training if you didn't have a LiLA account?

Where do you see yourself working in a year from now?

Closing (7:20-7:30)

How important is lifelong learning in your career?

Thank you for participating.

Reminder to pick up checks when leaving.

Non-LiLA Employee Focus Group Protocol

- Turn off cell phones and pagers
- Review expectations for participation in the discussion
- Review tape recording and confidentiality issues
- Discuss the two-way mirror

Introductions (6-6:10)

Explain purpose of the focus groups in helping to understand how people think about education and training as it relates to their careers.

Will be used to inform national discussions related to the development of lifelong learning programs for adults.

Go around the room to self-introduce:

- First name
- Something you enjoy and find particularly challenging about your current job

Career Aspirations (6:10-6:20)

When you think about your career, where do you see yourself in three years from now?

How important is education and training in reaching your career goals? How so?

Career Planning (6:20-6:40)

When was the last time you seriously thought about pursuing additional education and training? Who did you talk to? What kind of encouragement did you receive?

Do you currently have any specific plan for education and training related to your current career or occupational interests?

If you wanted more information about career planning, and education and training programs, where would you turn?

Would you (did you) consult coworkers or other friends to get information about additional education and training related to your current industry? Other industries?

Would you (did you) get any advice from your employer in regard to career planning (e.g., what classes to take, what career options were available with your current employer)

Have you ever used career or job search services available through One-Stop Centers? Ever participated in any state or federal job training programs? If yes, which? If not, any particular reason?

Current Participation in Education and Training (6:40-6:55)

How many of you are currently enrolled in an education or training program related to your occupational interests? (raise hands).

- How did you decide what to enroll in?
- How is your training related to your career interests?
- How much do your employers know about what classes you are taking or plan to take?
- What will happen when you finish your education or training program?

For those not currently enrolled, when was the last time you took a formal education or training program?

Sources of Funds (6:55-7:10)

How do you plan to pay for your future education and training? (probe: loans, scholarships, grants, employer-funded tuition reimbursement) Are you setting aside money now for that purpose?

How did you decide how much money to put aside for your future education and training? What things did you consider (prompt: type of training, cost of training?)

How long do you think it will take before you have enough money to pay for the education and training you wish to take?

Barriers to Lifelong Learning (7:10-7:20)

Other than money, what are the biggest challenges you face in pursuing further education and training? (probe: transportation, family responsibilities, prerequisites, work schedule)

Looking towards the Future (7:20-7:25)

Do you think you will need additional education and training in the next five years? If yes, how do you think you will pay for it?

Closing (7:25-7:30)

How important is lifelong learning in your career?

Thank you for participating.

Reminder to pick up checks when leaving.

Appendix B: Methodological Notes

Telephone Survey

Among the data streams utilized in this study, the telephone survey of employees and employers provides one of the most comprehensive assessments of the perceptions of the LiLA program and the extent of its impact on individuals and companies.

Employers

A total of 80 employers (37 LiLA and 43 non-LiLA) enrolled in the study over the course of the initial period. Of these, 30 LiLA employers are still enrolled in the program as of the writing of this report. Four LiLA employers opted out of the program, including three restaurant and one manufacturing employers, and three additional employers withdrew because all of their participating LiLA employees left the program.

Table B-1: Survey Completions Among LiLA and Non-LiLA Employers

	Restaurants		Public Sector		Manufacturing		Health Care		Across Sectors	
	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA
Completed both waves	15	14	5	5	8	4	4	4	32	27
Completed only Wave One	4	15	-	-	-	1	-	-	4	16
Completed only Wave Two	-	-	-	-	-	-	-	-	-	-
Did not complete either survey	-	-	-	-	1	-	-	-	1	-
Total	19	29	5	5	9	5	4	4	37	43

Of the total 80 employers enrolled in the study, 59 completed both waves of interviews. In the first wave, the survey was conducted in person by a PPA team member at the employer's location. In the second wave, the survey was conducted over the telephone, again by a PPA team member.

Overall, 86% of LiLA employers and 63% of non-LiLA employers completed both waves of surveying. The completion rate was 100% for both groups in the public and health care sectors.

Although, these sectors include fewer employers than the other two. By sector, the completion rate is lowest for the restaurant sector, with 79% LiLA and 48% non-LiLA employers completing both waves. Included in the wave two survey rates are two employers who left the program after all their LiLA employees exited. The three restaurant employers that left the program declined to participate in exit interviews. The one LiLA manufacturing company closed early in the study so this employer was not actually interviewed for either wave. An additional LiLA manufacturing employer whose employees left the program refused an exit interview.

Employees

A total of 648 employees (359 LiLA and 289 non-LiLA) enrolled in the study over the course of the initial period. Of these, 171 LiLA employees are still enrolled in the program as of the writing of this report. Twenty-five additional LiLA employees are classified as completers of the program, meaning they timed out of the program or finished their Individual Learning Plan (ILP) goals.

Table B-2: Survey Completions Among LiLA and Non-LiLA Employees

	Restaurants		Public Sector		Manufacturing		Health Care		Across Sectors	
	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA	LiLA	Non-LiLA
Completed both waves	85	61	73	53	64	47	65	77	287	238
Completed only Wave One	19	22	3	5	11	7	8	4	41	38
Completed only Wave Two	1	-	-	-	-	2	1	1	2	3
Did not complete either survey	22	3	-	-	4	1	3	6	29	10
Total	127	86	76	58	79	57	77	88	359	289

Across sectors, 80% of LiLA and 82% of non-LiLA employees completed surveys in both waves of data collection. Only 8% of all LiLA employees did not complete either survey. In the non-LiLA group, 3% did not complete either survey. All of the LiLA employees in this category are among those that left the program prematurely.

Looking at incomplete surveys by sector, the largest percentage can be found in the restaurant sector, where 17% of LiLA employees from that sector did not complete either survey and an additional 15% completed the first wave but not the second wave of interviewing. In the public sector, employees in both the LiLA and non-LiLA groups participated in the surveys at higher rates. Over 95% of the LiLA employees in this sector and over 90% of non-LiLAs in this sector completed both surveys. In the health care and manufacturing sectors, employees participated above the 80% level. So, the restaurant sector has lower survey retention overall, perhaps reflective of the retention rate in that sector generally.

PPA Efforts to Reduce Attrition

PPA's ongoing efforts to track participants in the study contribute to this high retention rate of employees. PPA's strategies for maintaining accurate contact information include:

- Contact update request forms containing the address, phone numbers, employment demographics, and alternate contact details are sent to employees quarterly by mail. Employers are sent a similar form annually. Participants are encouraged to return these forms with any updates in a prepaid business-reply envelope.
- PPA continues to maintain close contact with CAEL staff to receive and share contact information and changes in participant status in the program.
- PPA uses an external source to gather possible other contact information for participants it has had difficulty reaching by mail or telephone. This effort has helped PPA reconnect with participants formerly considered lost to the study; thus, an additional five employees were able to be interviewed for wave two. PPA also conducts Web-based searches in attempts to locate current employer contact information.
- The external survey contractor that conducts computer-aided telephone interviews to gather data on behalf of PPA verifies contact information at the end of each completed survey and updates demographics. This information is then provided back to PPA with the survey data. The contractor also makes up to 40 attempts to contact each employee for the survey, as

necessary, and does so during different times of the day and using the different telephone numbers provided by the study participant. If these attempts fail, the contractor inquires with directory assistance, and then in the event that this does not lead to an interview, it calls the alternate contact person provided by the participant to try to request new information for the employee.

Even if PPA is unable to obtain survey data for participants, because the study includes multiple data streams, the team is able to gather wage data from the wage record data systems at the state level (with the exception of the health care sector and those employees that leave the states involved in the study). This also applies for LiLA employers, regardless of their current program participation status. ShoreBank data is also available for all LiLA employees and has been included in this report.