

Innovation Training Accounts to Empower America's Workers

America's growing economy is an innovation economy. Two-thirds of America's economic growth in the 1990s resulted from the introduction of new technologies.

A consequence of this country's technology-fueled growth is that skills gaps now exist. Not enough workers are being trained to take advantage of many of the excellent new jobs and promising career paths that lie ahead. The President proposes Innovation Training Accounts to provide workers ownership over the education and training they pursue.

Innovation Training Accounts will build upon the success of Individual Training Accounts that were established by the Workforce Investment Act of 1998. Early indications show that the increased customer choice of Individual Training Accounts improves training program enrollment rates.

Individual Training Accounts were the first step away from the old system in which training decisions were made by case workers and too often depended on what training slots were available. The new system is designed to promote individual empowerment and market principles. Innovation Training Accounts step toward the new system by:

- Allowing individuals to access a broad range of public and private training resources through a single, self-managed account.
- Authorizing longer-term training opportunities by acknowledging that many skills needed for today's jobs require more than just short-term attention and exposure.
- Providing access to improved labor market information to help individuals make training decisions based on what jobs are in demand in their local area.
- Holding training institutions accountable for results.
- Acknowledging the need for incumbent worker training in order to update their skills and advance their careers.
- Promoting the attainment of industry-recognized credentials and certifications to ensure that training meets the needs of business.

The Administration will seek to put Innovation Training Accounts into effect through reauthorization and reform of the Workforce Investment Act. Giving workers ownership over their future will empower them to prepare for 21st century careers.

