

Career Advancement Account Demonstrations

Overview

The Employment and Training Administration (ETA) has developed a three-pronged approach for demonstrating Career Advancement Accounts (CAAs) as a tool for America's workers to gain the skills they need in the 21st century economy. Designed much like a tuition assistance account, CAAs are self-managed accounts that will enable current and future workers to gain the education and training needed to successfully enter, navigate, and advance in the careers of today and tomorrow. Accounts will be available to workers entering the workforce or transitioning between jobs and careers, incumbent workers in need of new skills to remain employed or move up the career ladder, and to out-of-school youth in need of reconnecting to an education pathway leading to successful employment.

The American economy is facing a shortage of skilled workers – workers who obtain skills through post-secondary education and learning. The workforce investment system, as currently constituted, is ill-equipped to meet the training challenges brought on by the increased need for skills and competencies possessed by workers. The CAA demonstrations will meet America's imperative to train more workers in order to remain globally competitive by getting more training dollars in the hands of workers.

What are the three prongs of ETA's CAA demonstration approach?

ETA will be demonstrating CAAs in three different ways, with the goal of demonstrating their value as a new service delivery design approach for the workforce investment system.

- (1) Indiana, Pennsylvania, and Wyoming are receiving grants to demonstrate CAAs using a statewide strategy that is customized to the economies in their states. Indiana will identify targeted geographic regions in the state to model a service delivery approach for high-growth, high-demand industries that could be replicated statewide. Pennsylvania will focus their CAA demonstration on high-priority industries and industry clusters, and Wyoming is targeting training in the energy sector, which is a key industry in their economy. Each state is leveraging \$1.5 million received from the Department of Labor (DOL) with an additional \$1.5 million in federal, state, and local resources.
- (2) Five states impacted by the announced General Motors and Ford plant closures (Georgia, Michigan, Minnesota, Missouri, and Ohio) have agreed to pilot CAAs to serve the dislocated workers impacted by the closures as well as those workers who are displaced as a result of impacts on supplier companies and the community. This demonstration will focus on the use of CAAs for transitioning workers in need of tuition assistance for education, enabling them to either build on transferable skills or gain skills for new careers. Similar to the three-state



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demonstration grants, each state will receive \$1.5 million from DOL and is expected to leverage a like amount in federal, state, and local resources.

ETA will announce a Solicitation for Grant Applications (SGA) for states or local workforce areas interested in participating in a formal, random assignment evaluation of CAAs as a method of delivering education and training services through the public workforce system. ETA will award up to eight grants up to \$1.5 million each under this announcement. ETA will require the use of random assignment in these projects in order to scientifically evaluate the outcomes for workers and the impacts on service delivery design for the workforce system.

