
Questions and Answers on Career Advancement Accounts



What are Career Advancement Accounts?

Career Advancement Accounts are self-managed accounts that would enable current and future workers to gain the skills needed to successfully enter, navigate, and advance in 21st century jobs.

Nationally, about 800,000 accounts would be available to workers entering the workforce or transitioning between jobs and careers, or incumbent workers in need of new skills to remain employed or move up the career ladder.

The maximum amount of the account is \$3,000 for one year. This is sufficient to finance about one year's study at a community college. The accounts may be renewed for one additional year, for a total two-year account amount of up to \$6,000 per worker. Individuals must use their accounts to pay for expenses directly related to education and training.

Why are Career Advancement Accounts needed?

The American economy is facing a shortage of skilled workers – workers who obtain skills through post-secondary education and learning. The workforce 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. This is due, in part, to the lack of integration, which causes too much money to be spent on competing bureaucracies, overhead costs, and unnecessary infrastructure, and not enough on meaningful skills training that leads to job growth and economic prosperity.

The Career Advancement Account proposal meets America's imperative to train more workers in order to remain globally competitive by (1) getting more training dollars in the hands of workers, and (2) streamlining the One-Stop service delivery system through the elimination of outdated service delivery processes.

How do Career Advancement Accounts work?

States and local areas would maintain community career centers that provide basic employment services to job seekers and employers and access to the Career Advancement Accounts, or they could develop partnerships with the private sector to provide these services. An individual would apply for an account at a community career center or through other processes developed by states. States also could establish an online application system.

Career Advancement Accounts could be used with a wide variety of training and education providers, including community colleges, and trade and technical schools. States would ensure the credibility and accountability of the training and service providers.



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Who is eligible for a Career Advancement Account?

Accounts would be available to both adults and out-of-school youth. Additional eligibility criteria would be established by states, but states would be expected to target those who need additional help accessing education and skills training, such as dislocated workers, low-income adults, and disadvantaged youth. States must determine priority of service consistent with the veterans' priority of service requirement under the Jobs for Veterans Act (PL 107-288).

How can recipients use Career Advancement Accounts?

Individuals must use their accounts to pay for expenses directly related to education and training.

How will individuals apply for a Career Advancement Account?

An individual may apply for an account at a One-Stop Career Center, a community career center or through other processes developed by states. Ideally, states would also establish an online application system.

Are there restrictions on where a Career Advancement Account may be used?

Any restrictions would be determined by each state. There would not be a federally mandated state list of eligible training providers as under current law. States would ensure the credibility and accountability of training and service providers, as it is in their interest to maintain quality providers in order to meet performance outcomes.

Under this proposal, how will career services be provided to job seekers and employers?

Under the Career Advancement Account proposal, the local workforce system presence would be transformed and made more efficient. States and local areas would maintain community career centers – including, but not limited to, the existing One-Stop Career Centers -- that provide basic employment services to job seekers and employers as well as access to Career Advancement Accounts, or they could develop partnerships with the private sector to provide these services.

What services would be available at a community career center?

Job seekers would be able to receive basic employment services at community career centers, including job search assistance, assessment, job placement assistance, and basic career counseling. In addition, individuals would be able to apply for Career Advancement Accounts at the centers, and account recipients would receive assistance with using their accounts. Services to employers could include postings of job openings and assistance in finding trained workers.



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Where will community career centers be located?

While states would determine how to use their resources to support community-based career centers, these centers could utilize existing infrastructure found at community colleges, public libraries, senior centers, community-based organizations as well as existing One-Stop Career Centers and the local offices of current federal One-Stop partner programs (such as Vocational Rehabilitation).

Is eligibility the same for Pell Grants and Career Advancement Accounts?

No, although there would be some overlap between eligibility for Pell Grants and Career Advancement Accounts, just as there is currently some overlap between Pell Grants and WIA Individual Training Accounts (ITAs). However, since Career Advancement Accounts are targeted toward workers seeking to upgrade their skills, there is some flexibility in how these funds can be used. Specifically,

- Unlike Pell and other federal student aid, Career Advancement Accounts would be available to low-income individuals who are studying less than half time.
- Career Advancement Accounts would also be available to individuals pursuing short-term training in courses that last 10 weeks or less. Federal student aid is not available for this type of short-term training.

Finally, Career Advancement Accounts would be available to help fill in holes for those individuals who, even with Pell Grants and other student aid, still cannot afford the cost of education and training.

Are Pell Grants and Career Advancement Accounts used for the same things?

There are differences in the allowable uses of Pell Grant and Career Advancement Account funds. While individuals can use Pell Grants to pay for living expenses, Career Advancement Accounts would only be used to cover the costs of education and training that would facilitate a return to the labor market.

