Center for Social Development

Coordinating Individual Development Accounts and the Workforce Investment Act to Increase Access to Postsecondary Education and Training

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Policy Report

Policy Report 06-09, May 2006
Policy Report

Introduction

As employers demand more highly skilled and educated workers,[1] it has become increasingly important for workers to receive education beyond high school in order to support themselves and their families. Adults with postsecondary education earn more than their less-educated counterparts. In 2003, median yearly earnings for high school graduates were $26,332, compared to $32,154 for Associate degree recipients and $42,116 for Bachelor's degree recipients.[2] These earnings differences compound over the course of a working lifetime. The Census Bureau has estimated that average work-life earnings for a high school graduate working full time, year-round, would be $1.2 million, compared to $1.6 million for an associate degree recipient, and $2.1 million for a bachelor's degree recipient.[3] Households whose members do not have any postsecondary education are at a greater risk of being low income—54 percent of children whose parents only have a high school degree live in low income families, compared to 22 percent of children whose parents have some college education.[4] Moreover, the financial returns of postsecondary education have grown over time. While in 1975, full time, year round, workers with college degrees earned 1.5 times as much as those with high school diplomas, by 1999 this ratio had risen to 1.8. In 1975, workers with advanced degrees earned 1.8 times as much as high school graduates; by 1999, they earned 2.6 times as much.[5]

Given limited federal funding for postsecondary education and job training, individuals often need to leverage a variety of resources to pay for the education and training demanded by the labor market. The challenge of financing higher education is even greater for low- and moderate-income individuals who have limited resources of their own to contribute.

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About the Center for Social Development

CSD is an integral part of Washington University in St. Louis, which has been granted tax-exempt status under 501(c)(3) of the Internal Revenue Code. We are funded entirely by grants from foundations, government agencies, business firms, and private citizens. Research and project grants, as well as general support, are necessary for us to do our work. Discussions of possible suport are welcome.

Acknowledgments

We thank Karen Edwards for her help throughout the formulation and implementation of this project, and development of this brief. In addition, we thank the Charles Stewart Mott and Annie E. Casey Foundations for providing support for this brief. We benefited from the comments of participants at the Center for Social Development/CLASP meeting on IDAs and WIA, which took place in St. Louis, Missouri, on April 19, 2005. We also appreciate comments or other assistance provided by Michael Sherraden, Angela Duran, Leslie Parrish, Dory Rand, Whitney Smith, and our CLASP colleagues Amy Ellen-Duke, Elisa Minoff, and Julie Strawn.

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In addition to other forms of financial aid, two potential sources of funding and support for postsecondary training are Individual Development Accounts (IDAs) and the Workforce Investment Act (WIA). The number of IDAs nationally is still relatively small, but as IDAs become more common, coordination between IDAs and WIA programs will become increasingly important.

This policy brief was developed as part of joint project of the Center for Social Development at Washington University in St. Louis and the Center for Law and Social Policy to explore the potential for coordination of IDAs and WIA in order to increase access to postsecondary education, job training, and related services for low-income individuals. The brief is intended to provide a guide for WIA stakeholders and IDA providers in thinking about the possibilities for collaboration, and to highlight some areas in which clarification of federal law could promote such collaboration. The brief provides an overview of IDAs and WIA, explores areas for potential collaboration, and offers recommendations for federal and state policy.

Background

IDAs. Individual Development Accounts are a policy approach intended to help low-income and low-wealth families build assets and enter the financial mainstream. IDA programs encourage savings among low-income families and individuals by providing financial education and offering matched contributions to their own deposits. Most frequently, IDA programs provide matched savings for a set of specified purposes: purchasing a first home; paying for postsecondary education or job training, or starting a small business. Over 40 states have initiated some type of IDA policy and 22 state-supported IDA programs have been established. In several additional states, IDA programs are in the planning stages.

The brief provides an overview of IDAs and WIA, explores areas for potential collaboration, and offers recommendations for federal and state policy.

Major Funding Sources for IDAs: Currently, the principal funding sources for IDAs are Temporary Assistance for Needy Families (TANF) block grant funds, state general funds, and funds provided under the Assets for Independence Act (AFIA).

Two types of IDAs can be funded under TANF:

First, federal TANF law provides an explicit option for states to use TANF funds for IDAs, with rules specifying procedures and allowable purposes. If a state elects this "TANF statutory IDA" option, the funds in the IDA are automatically excluded from being treated as income or resources for purposes of other federal means-tested programs. As a result, accumulating funds in the IDA does not affect eligibility for or reduce the amount of assistance in federal means-tested programs.

Second, a state can design its own TANF-funded IDA program. A state might elect to do so to have greater flexibility in program design. However, if the program does not meet all requirements for a TANF statutory IDA, the funds in the IDA do not automatically qualify for the means-tested benefit exclusion.

A state may also use its own funds for IDAs. State IDA expenditures for low-income families with children may count toward meeting the state's TANF maintenance of effort (MOE) requirements, i.e., the requirement that, in order to avoid a TANF fiscal penalty, a state must spend a specified level of non-federal funds for benefits and services for low-income families each year. Several states have or are using MOE funds for IDAs, while others designate general revenue funds for IDAs, without designating them as MOE.

AFIA provides federal demonstration funding for state and local IDA projects in the form of grants to nonprofit organizations (which may choose to apply in partnership with a state or tribal government). AFIA provides federal matching dollars for every non-federal dollar raised, up to the amount of appropriated funds. The funds in an AFIA IDA are excluded from being treated as income or resources for purposes of other federal means-tested programs.

Eligibility: Generally, IDAs are for low-income individuals, but eligibility for an IDA depends on the funding source and program rules:

✱ A TANF-funded IDA must be for a member of a “needy” family. A “needy” family is a family with income at or below a level determined by the state. A family need not receive TANF assistance to qualify for a TANF-funded IDA, and the income level set by the state for its definition of “needy” may be well above the level at which a family would qualify for TANF assistance.

✱ A state-funded IDA must also be for a member of a “needy” family if the state wishes to count those funds to meet TANF “maintenance of effort” requirements. If a state is using its own funds that are not counting toward TANF maintenance of effort purposes, the state may determine eligibility as it chooses.

✱ An AFIA-funded IDA must be for a member of a household eligible for TANF assistance, or one that meets an income test (eligible for the Earned Income Tax Credit or with income at or below 200 percent of poverty) and has a net worth not exceeding $10,000 (not including the household’s home and a car).

Allowable Savings Purposes for IDAs: There are three “standard” purposes for IDAs: home ownership, postsecondary education, or small business capitalization. As noted above, TANF statutory IDAs and AFIA IDAs can only be used for these three purposes. Other TANF IDAs and IDAs using other funding sources can be structured to allow additional or other uses.

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How IDA Program Match Works: Typically, in IDA programs, a low-income individual is offered a match for savings deposited into an account designated for postsecondary education (or another designated purpose). Matching funds are held in a separate account from the saver’s IDA. The match is made at the time of asset purchase, and given directly to the appropriate third party (e.g., the college or other training provider in the case of postsecondary education). The duration of the IDA saving period may vary by program, but time periods typically range from six months to three years; match rates also vary across programs. For example, if an individual signs up for a 3-year IDA program and is required to deposit $25 per month in an IDA in order to receive a 3:1 match, the total amount of savings will be $100 per month. Over the 3-year period, the individual depositing $25/month would accumulate $3600 that can be used toward an allowable use, compared with the $900 that the individual would have accumulated without the match.

IDAs for Postsecondary Education: Under rules governing TANF statutory IDAs and AFIA, an IDA used for training must be used for postsecondary education expenses paid from an IDA account directly to an *eligible educational institution*. Eligible educational institutions include two- and four-year accredited public and non-profit institutions of higher education; for-profit institutions under specified circumstances; and area vocational educational schools. Postsecondary education expenses are defined to mean tuition and fees required for enrollment or attendance, and fees, books, supplies and equipment required for courses of instruction.

Under other TANF IDAs and state-funded IDAs, an IDA for postsecondary education or training could be designed to cover any type of education or training and related expenses determined or approved by the state.

Currently, the best indications are that use of IDAs for postsecondary education is less common than use for home purchase. In the American Dream Demonstration for IDAs, 21 percent of participants with matched withdrawals elected to use their IDAs for postsecondary education.[6] However, the Center for Social Development indicates that the share of IDAs being used for postsecondary education seems to be growing and should be expected to continue to grow over time. Some IDA program administrators have indicated that participants whose initial goals are home ownership sometimes switch their goal to postsecondary education because education is a more attainable goal in markets where housing is prohibitively expensive for low- and moderate-income families, or where credit status or other factors prevent the individual from proceeding to home ownership.

Under WIA, each of over 600 local workforce areas is responsible for implementing a one-stop delivery system to make a broad array of employment and training services available to job seekers and employers.

WIA and Individual Training Accounts (ITAs). WIA is the principal federal legislation for coordination of the nation's workforce development system. Under WIA, each of over 600 local workforce areas is responsible for implementing a one-stop delivery system to make a broad array of employment and training services available to job seekers and employers. WIA requires that employment and training services be delivered to three targeted populations: adults, dislocated workers, and youth. The majority of funds allocated to states are distributed to local areas; the remainder is reserved for statewide activities. A state Workforce Investment Board (WIB) directs each state's activities, and a local WIB directs each local area's activities. The majority of members on state and local WIBs must be from the business community.

Services Under WIA: There are three "tiers" of services for adults and dislocated workers under WIA: core services (e.g., job search/placement assistance, labor market information, supportive services information), intensive services (e.g., skills assessments, individual employment plans, case management), and training services (e.g., occupational skills training, on-the-job training, skill upgrading, retraining).[7]

For participants who receive services beyond basic information and self-service activities, states and local areas are accountable for meeting annual performance measures that include employment placement, employment retention, earnings gains, and credential attainment. Financial incentives and penalties are tied to performance measures; therefore, these measures play a major role in decision-making about state and local policy and service delivery.

Core services may be accessed by any work-eligible adult. Intensive services and training services are available on a more limited basis, subject to federal "sequential eligibility" rules and local policy decisions. Generally, under these rules:

In order to qualify for intensive services under WIA:

- an unemployed worker must have received at least one core service, be unable to obtain employment through core services, and be determined by a one-stop operator to need intensive services to obtain employment; and
- an employed worker must have received at least one core service and be determined by a one-stop operator to need intensive services to obtain or retain employment that leads to self-sufficiency.

In order to qualify for training services, an individual must:

- have met eligibility requirements for intensive services, received at least one intensive service, and have been determined to be unable to obtain or retain employment through such services;
- after interview, evaluation, or assessment, and case management, have been determined by a one-stop operator or one-stop partner to need training services and to have the skills and qualifications to successfully complete the selected training program;
- select a program of training services that is directly linked to the employment opportunities either in the local area or in another area to which he or she is willing to relocate; and
- be unable to obtain grant assistance from other sources to pay the costs of such training or require WIA assistance in addition to other sources of grant assistance.

If funds for adult participants in a local area are limited, recipients of public assistance and other low-income individuals must receive priority for intensive and training services; local boards have significant discretion in determining what it means to provide such a priority.

Individual Training Accounts: Training for adults and dislocated workers funded under WIA must be paid for through vouchers called Individual Training Accounts (ITAs), subject to limited exceptions.[8]

Generally, an individual eligible for an ITA is able to choose his or her preferred training provider from a list of approved providers, and the ITA will cover some or all costs of the training program. Many decisions about eligibility and priority for training services are left to local workforce investment areas, and ITA policies can vary widely by locality.

To receive training services through the adult funding stream, an individual must be determined eligible in accordance with any established state or local priority system. Local areas may set additional guidelines for ITA eligibility. While ITAs are not permitted for youth participants, individuals age 18 and above who are eligible for training under adult and dislocated worker programs may receive ITAs through those programs, and a number of states have obtained waivers to provide ITAs to youth.

ITAs may only be used with training providers on the state eligible training provider list. To be an eligible training provider, a provider must be a postsecondary educational institution that is eligible to receive federal funds under the Higher Education Act and provides a program that leads to an associate degree, baccalaureate degree, or certificate; an entity that carries out programs under the National Apprenticeship Act; or another public or private training provider. States determine which providers are placed on the state eligible training provider list based on performance and cost information.

Given limited federal funding for postsecondary education and job training and the increasing cost of higher education, it is important that low-income individuals be able to leverage a variety of resources to pay for education and training.

WIBs have discretion in setting limitations on the amounts and durations of ITAs. In a recent survey of local workforce boards, the Government Accountability Office found that most (58 percent) established caps on ITAs ranging between $3,000 and $6,999, though some boards had lower caps, higher ones, or reported having no dollar caps on ITAs.[9] WIBs also may set caps and durations that vary depending upon the type of training access (e.g., short-term training versus an associate's degree versus a bachelor's degree).

There is no available data concerning the number of individuals participating in postsecondary education under WIA, but the number of program exiters who received training has fallen under WIA as compared to under the predecessor program, the Job Training Partnership Act (JTPA). This decline was likely due to a number of factors, including the need to pay costs for development and maintenance of the one-stop system, flat or declining funding, and the lack of any requirement that a minimum amount of funds be spent on training.

Coordination of IDAs and WIA.

There are several potential benefits to greater coordination between IDA programs and the WIA system:

* Given limited federal funding for postsecondary education and job training and the increasing cost of higher education, it is important that low-income individuals be able to leverage a variety of resources to pay for education and training.

* Coordinating individual and matched savings with other funds would make it possible to purchase longer-term and/or more expensive training than might be accessible with either a WIA ITA or an IDA alone.

* Services available through the WIA system (e.g., career counseling and supportive services) could benefit IDA participants seeking postsecondary education.

* Services available via IDA programs (e.g., financial education services) could benefit WIA participants seeking employment and training.

* WIA funds might, under certain circumstances be used, to match or provide funding support for IDA efforts.

Among those involved in asset development and workforce development policy, there have been limited initial discussions of how IDAs designated for postsecondary education and WIA might be better coordinated. In April 2005, the Center for Social Development and Center for Law and Social Policy cosponsored a small

Under WIA, eligible youth are age 14 through 21 years and adults are age 18 and older; thus, individuals age 18 through 21 may be eligible for both adult and youth programs. There are no specified age requirements for the dislocated worker program.

meeting of IDA program representatives and representatives from state and local workforce agencies and boards to explore the potential for coordination. In the discussions, it became clear that while the potential exists for better coordination, for the most part, the coordination had not yet occurred. This appears to be generally the case in other parts of the country as well. In the discussions, key themes included:

- Each system has only limited familiarity (at best) with the other;
- Programs would benefit from clearer guidance about allowable ways to coordinate;
- IDA programs sometimes lack ready access to information about the labor market and about the effectiveness of training providers;
- IDA programs often lack resources for individualized career counseling and guidance;
- Financial education available via IDA programs may provide an incentive for the WIA system to partner with IDA providers;
- One barrier to coordination may be the hesitance of local work force systems to serve IDA participants if doing so could negatively impact the state or local area's WIA performance levels;
- Workforce boards often have very scarce resources for training, so they may be able to offer other services but are not likely to be a source of funding to IDA programs;
- Because many key workforce policies and decisions about services are made at the state and local level, a first step for an IDA program will involve identifying relevant workforce board members or staff for preliminary conversation;
- Some WIA services are available only to the unemployed, while most IDA programs require that participants be employed or have "earned income;" and
- WIA does not have asset limits, while some state IDA programs and the federal AFIA IDA program do have asset limits.

Under current federal law, there are a number of ways that IDAs and WIA could be better coordinated to improve access to postsecondary education and training for low-income individuals. In some cases, additional federal guidance could foster better coordination.

IDAs and ITAs can be combined to provide access to longer-term or more expensive training. The cost of a training program may exceed the amount available through an IDA or payable through WIA. If training is allowable under both IDA and ITA rules, funds from the two can be combined to pay for the training.

Federal regulations make clear that when the cost of training exceeds the amount available from the ITA, WIA funds can still be used in combination with other funds to pay for the training.[10] The regulations expressly provide that training services may be made available to individuals who are unable to obtain sufficient grant assistance from other sources to pay the cost of training and require WIA assistance in addition to other sources of assistance.

However, suppose the combination of funds from an ITA and an IDA exceeds the total cost of the training. How should coordination occur under such circumstances? Federal WIA requirements do not directly address this question. WIA regulations say that in order to be eligible for training services, an individual must be unable to obtain grant assistance from other

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sources to pay the costs of such training, including such sources as Welfare-to-Work (which expired after the regulations were written), state-funded training funds, Trade Adjustment Assistance and Pell grants, or must require WIA assistance in addition to other sources of grant assistance, including Pell grants. Thus, if an individual has access to one of the listed sources of "grant assistance," the individual must rely on such grant assistance before relying on the ITA. However, there is no requirement that an individual's personal assets be taken into account when determining eligibility for or amount of an IDA. An IDA would seem closer to a personal asset than to "grant assistance," so there is a strong argument that a local board would not need to restrict or reduce the availability of ITAs based on the fact that an individual has an IDA. However, the U.S. Department of Labor (DOL) has not explicitly addressed this issue.

Under federal law, funds in a TANF statutory IDA or an AFIA IDA may not be treated as income or a resource in determining eligibility for any other federal means-tested programs. This might also be a basis for excluding IDAs when determining eligibility for or the amount of ITA assistance, though it is not clear how this language should be interpreted in the context of WIA (i.e., would the federal government view an ITA as a federal means-tested benefit?).

The WIA system can provide labor market information, assessments, and career counseling for IDA participants. Whether or not an IDA participant receives an ITA, the individual could be eligible for other services at the local one-stop or affiliated sites. Core services available to all adults under WIA include the provision of labor market information, such as job vacancy listings, information on job skills necessary to obtain such jobs, and information relating to local occupations in demand and the earnings and skill requirements for such occupations.

> ***Local boards have flexibility in the design of their priority rules, and can structure priority systems to ensure that services are available to IDA participants.***

Intensive services at local one-stops could also help IDA participants. Skills assessments could assist participants in determining their aptitudes and interests and needs for additional skills development. Career counseling could help participants make choices about careers and training programs that best meet their needs and that are most likely to lead to self-sufficiency.

Thus, a partnership with the local WIB or one-stop could be a useful means to help participants in identifying career goals and programs that could be an effective use of the IDA funds.

Note that in order to receive intensive services under WIA, individuals would need to satisfy WIA "sequential eligibility rules." Since IDA participants are likely to be employed, the one-stop would need to determine that the services are needed to reach self-sufficiency, and many IDA participants would likely readily meet that standard.

Two other factors may affect whether an individual receives such services: service priorities when resources are limited and WIA performance measures. Under local priority rules, some IDA participants may have incomes exceeding the low-income eligibility thresholds for service priorities. However, local boards have flexibility in the design of their priority rules, and can structure priority systems to ensure that services are available to IDA participants. Second, outcomes for individuals receiving intensive services will be counted in determining if the local WIB meets WIA performance measures, so in practice, local WIBs and one-stops may be likely to consider how IDA participants' employment, earnings gain, retention, and credential rates will impact their overall performance measures.

The WIA system can provide access to supportive services for IDA participants. Whether or not an individual with an IDA receives an ITA, the local one-stop may still be able to help individuals obtain supportive services (e.g., child care, housing, and needs-related payments). WIA funds can be used to provide supportive services when necessary to enable individuals to participate in WIA activities. WIA-funded supportive services may only be provided to individuals participating in core, intensive, or training services who are unable to obtain supportive services through other programs. In order to be eligible for needs-related payments, individuals must be unemployed, not qualify for (or have ceased qualifying for) unemployment compensation, and be enrolled in WIA-funded training services.

Thus, if an individual is receiving WIA-funded services while participating in IDA-funded postsecondary education, WIA funds could be used for supportive services in connection with the WIA services if the individual is unable to obtain supportive services through other programs, and supportive services are necessary to enable the individual to participate in the WIA-funded services. However, it is unclear whether WIA-funded supportive services could be provided in connection with participation in IDA-funded postsecondary education if the postsecondary education is not also a WIA-funded service. One possible way to coordinate here might be for the local one-stop to provide an assessment and develop an individual employment plan, and then provide supportive services in connection with participation in activities consistent with the individual employment plan. Under such circumstances, could WIA funds be used to provide supportive services for the IDA-funded training? This would seem like a very attractive way to coordinate systems, but DOL has not yet addressed its allowability.

Another way in which the WIA system might provide supportive services could be if the IDA was used to pay training costs, and some part of a WIA ITA was allowed to be used to pay for supportive services. DOL has not expressly addressed whether an ITA could be used to pay for supportive services, but in a recent Government Accountability Office survey, a number of local boards indicated that ITAs were being used for supportive services.[11]

Coordination around financial education may present an entree for the WIA system to learn more about IDA programs and to expose WIA participants to IDAs.

Even if an individual is ineligible for WIA-funded supportive services, the one-stop may still be able to assist the individual in gaining access to supportive services funded through sources other than WIA (e.g., child care subsidies funded through the Child Care and Development Fund, transportation benefits funded through TANF). Some, though not all, one-stops provide linkages to a broad range of other public benefits.[12]

IDA programs could provide access to financial education services for WIA participants. A potential incentive for the WIA system in partnering with IDA programs is access to financial education services for WIA participants. IDA programs provide financial education to IDA participants as part of their standard curriculum. In some cases, IDA programs provide financial education directly, but in many cases the financial education is provided by a third party, such as a consumer credit counseling agency. Often, IDA programs allow non-IDA participants to participate in financial education services, so one-stops may be able to refer WIA participants to the IDA program for financial education. Coordination around financial education may present an entree for the WIA system to learn more about IDA programs and to expose WIA participants to IDAs. One possibility is that local WIA programs could provide career counseling to IDA participants as an in-kind "trade" in exchange for financial education for WIA participants. Another possibility is that the WIA system could contract with IDA programs to provide financial education to WIA participants as an intensive service.

The WIA reauthorization bill pending in the Senate in 2006 (S. 1021, Sec. 129 (b)(1)(I)) would explicitly provide that financial literacy services are an intensive service under WIA. Accordingly, local WIBs and one-stops could use WIA funds to provide or contract for such services. The bill would also allow use of statewide WIA funds for supporting financial literacy. Under the bill, financial literacy services would encompass a range of services, some of which include supporting the ability to create household budgets, initiate savings plans, and make strategic investment decisions for education, retirement, home ownership, wealth building, or other savings goals;

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supporting the ability to manage spending, credit, and debt, including credit card debt, effectively; supporting the ability to avoid abusive, predatory, or deceptive credit offers and financial products; promoting bringing individuals who lack basic banking services into the financial mainstream by opening and maintaining accounts with financial institutions; and improving financial education through all other related skills, including personal finance and related economic education, with the primary goal of programs not simply to improve knowledge, but rather to improve consumers' financial choices and outcomes.

Workforce boards and IDA programs should work together to develop policies and procedures to foster coordination between WIA ITAs and IDAs in circumstances when IDA funds are insufficient to cover the cost of training.

WIA funds may be able to be used to match funds in IDAs. Current federal rules do not directly address whether WIA funds can be used to provide a match for IDAs. The law does not appear to preclude doing so. WIA funds must be spent in a manner consistent with federal WIA requirements, so any WIA funds used to provide a match for IDAs would probably need to be limited to IDAs targeted for postsecondary education or other training otherwise allowable under WIA. This would also mean, of course, that the WIA funds could not be used to match an IDA being used for home ownership. That said, WIA funds are very limited and local areas often report running out of adult funds for ITAs early in the program year. Thus, in practice, unless federal WIA appropriations were to increase dramatically, in many states and local areas it may be unlikely that WIA funds will be available to provide a match for IDAs. Still, developing a match framework may be an attractive way to expand the amount of funds available for training.

Federal Policy Recommendations

As the above analysis suggests, IDA programs and workforce boards have significant opportunities to collaborate under current law. However, the opportunities for such collaboration would be enhanced by a set of clarifications or changes to current federal law. Specifically, we recommend that:

* Congress or the DOL should clarify that, like other assets, IDAs should be excluded from consideration in determining eligibility for and amounts of ITAs.

* Congress or DOL should modify WIA performance measures to eliminate disincentives to serving low-earning employed individuals.

* DOL should clarify that WIA funds may be used to provide supportive services to an individual in IDA-funded training if the individual has an individual employment plan under WIA.

* Congress should modify the list of intensive services under WIA to expressly include financial education services, as is done under the pending Senate WIA reauthorization bill (S. 1021).

* Congress should increase appropriations for WIA so that more funding is available for training services and may increase the possibility that WIA funds would be available to provide a match for IDAs designated for postsecondary education/job training.

* DOL should clarify the circumstances under which WIA funds could be used to match or fund individual development accounts.

State and Local Program Recommendations

In order to promote better access to postsecondary education and better educational outcomes for low-earning workers:

* State and local workforce boards and one-stop center staff should reach out to IDA programs, so that IDA programs will have a better idea of services that are available through the WIA system.

* IDA programs should reach out to workforce boards and one-stop centers to educate them about the demographics of IDA participants who are saving for postsecondary education and about the workforce needs of this population.

* Workforce boards and IDA programs should work together to develop policies and procedures to foster coordination between WIA ITAs and IDAs

in circumstances when IDA funds are insufficient to cover the cost of training.

✱ States and local workforce boards with restrictive priority rules that prevent access to services by low-earning workers may wish to re-examine those rules to ensure that they are not precluding access for IDA participants and other low-earning workers.

✱ IDA programs and workforce boards should explore potential for the workforce system to provide labor market information, assessments, career counseling, and access to supportive services to IDA participants.

✱ Workforce boards and IDA programs should explore the potential of IDA programs to provide financial education services to WIA participants.

Conclusion

As IDA programs expand to serve more low-income individuals seeking higher education, the relationship between IDAs and state and local WIA programs will become more significant over time.

Through better coordination, IDAs and WIA could provide low-income individuals increased access to skills development, and ultimately, access to better jobs and self-sufficiency.

1 Hecker, D.E. (November 2001). Occupational Employment Projections to 2010. ***Monthly Labor Review***, 24 (11).

2 These are the earnings of workers, aged 25 to 64. "Table 9. Earnings in 2003 by Educational Attainment of Workers 18 Years and Over, by Age, Sex, Race Alone, and Hispanic Origin," U.S. Census Bureau, Current Population Survey, 2004, Annual Social and Economic Supplement, available at: ***http://www.census.gov/population/socdemo/education/cps2004/tab09-1.pdf.***

3 These are 40-year synthetic earnings in 1999 dollars. Day, Jennifer Cheeseman and Eric Newburger, "The Big Payoff: Educational Attainment and Synthetic Estimates of Work-Life Earnings," July 2002, U.S. Department of Commerce, Economics and Statistics Administration, U.S. Census Bureau, available at: ***http://www.census.gov/prod/2002pubs/p23-210.pdf.***

4 These numbers are based on 2003 CPS data. Low-income is defined as below 200% of poverty. "The Effects of Parental Education on Income," September 2004, National Center for Children in Poverty, available at: ***http://www.nccp.org/pub_pei04.html.***

See also "POV29: Years of School Completed by Poverty Status, Sex, Age, Nativity and Citizenship" U.S. Census Bureau, Current Population Survey, 2004 Annual Social and Economic Supplement, available at: ***http://pubdb3.census.gov/macro/032004/pov/new29_200_01.htm.***

5 This data reflects workers over 18. Day and Newburger, supra.

6 For additional detail, see ***http://gwbweb.wustl.edu/csd/asset/idas.htm***

7 Schreiner, M. et al. (2002). ***Saving Performance in the American Dream Demonstration: A National Demonstration of Individual Development Accounts, St. Louis: Center for Social Development, Washington University.*** Available at: ***http://gwbweb.wustl.edu/csd/Publications/2002/ADDreport2002.pdf***

8 Youth services are largely separate and will not be discussed in this paper. In most cases, rather than being provided directly through one-stop centers, youth services are provided through a range of local entities that receive funding through grants and contracts.

9 20 C.F.R. §663.110; 20 C.F.R. §663.220.

10 20 C.F.R. §663.310(a)-(d).

11 20 C.F.R. §663.310 (e); 20 C.F.R. §663.600.

12 See generally 20 C.F.R. §663.400 et seq.

13 20 C.F.R. §664.510; Under WIA, eligible youth are age 14 through 21 years and adults are age 18 and older; thus, individuals age 18 through 21 may be eligible for both adult and youth programs. There are no specified age requirements for the dislocated worker program.

14 U.S. Government Accountability Office. (June 2005). ***Workforce Investment Act: Substantial Funds are Used for Training, But Little is Known Nationally About Training Outcomes***, GAO-05-960.

15 20 C.F.R. §663.420(d).

16 20 C.F.R. §663.310(d). See also discussion at 65 Fed. Reg. 49331 (August 11, 2000).

17 20 C.F.R. §663.310(d)

18 TANF Sec. 404(h)(4) states: "Not withstanding any other provision of Federal Law (other than the Internal Revenue Code of 1986) that requires consideration of 1 or more financial circumstances of an individual, for the purpose of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such law to be provided to or for the benefit of such individual, funds (including interest accruing) in an individual development account under this subsection shall be disregarded for such purposes with respect to any period which such individual maintains or makes contributions into such accounts." A substantially similar provision is contained in Sec. 415 of the AFIA legislation.

19 20 C.F.R. §663.805; 20 C.F.R. §663.815

20 GAO-05-960, supra, at p.24.

21 For further information on the accessibility of work supports at one-stops, see E. Richer et al. (2003) ***All in One-Stop? The Accessibility of Work Support Programs at One-Stop Centers.***

This Policy Report is produced by the Center for Social Development (CSD) as the first in a series of policy reports and issue briefs focusing on state-level assets policy development and research. CSD is a social development research and policy center, established by the current director Dr. Michael Sherraden in 1994 as part of the George Warren Brown School of Social Work at Washington University in St. Louis. The Issue Brief Series is a product of the State Assets Policy Project; a CSD initiative sponsored by the Charles Stewart Mott, Annie E. Casey, and Levi Strauss Foundations.

Coordinating Individual Development Accounts and the Workforce Investment Act to Increase Access to Postsecondary Education and Training, by Mark Greenberg and Nisha Patel, of the Center for Law and Social Policy (CLASP) in Washington, DC, was written as a joint effort between CLASP and CSD. The authors of the brief acknowledge that they benefited greatly from the comments of participants (experts in the IDA and workforce fields), who attended the Center for Social Development/CLASP convening on Individual Development Accounts (IDAs) and the Workforce Investment Act (WIA), which took place April 19, 2005, in St. Louis.

Michael Sherraden, whose book Assets and the Poor: A New American Welfare Policy, published in 1991, put the term "asset-based policy" on the world political map, has made research on the effects and efficacy of asset-building a high priority at CSD. CSD staff, who lead several major assets policy development projects, often serve in an advisory capacity to both state-level and federal-level policy makers and administrations.

With support from the Ford Foundation, CSD initiated research on state and federal assets policies in 1999, under the project title: "Policy Research and Design: IDAs, Children's Savings Accounts, and USAs." This initiative was dedicated to using research to inform assets policymakers and develop assets policies in the United States, creating more inclusive, universal, assets policy strategies at both state and federal government levels.

The initiative continued in 2001, under the project title "IDA and Asset Building Policy in the States: Infrastructure, Network, Research, and Capacity Building," with additional support from the Ford Foundation, and new support from the Charles Stewart Mott, Annie E. Casey, and Ewing Marion Kauffman Foundations. The initiative took state-level IDA policy research to a higher level, studying in more depth the effective elements and trends of state IDA policy developments, producing policy reports, informing state-level IDA coalition-building efforts, and making recommendations to state policymakers on linking IDA with other assets policies at state and federal levels.

With continuing support from the C.S. Mott, Annie E. Casey, and Levi Strauss Foundations, the initiative goes on – developing from a project mainly focused on researching state-level IDA policies, into a major state assets policy research and development initiative at CSD, called the State Assets Policy Project (SAPP). The project includes compiling, analyzing, and reporting on IDA research from across the country, offering research-based technical assistance to states on state-level assets policy development, informing state-level assets coalition-building efforts, convening meetings for state-level and federal-level assets policy experts to determine linkages between federal and state assets policies, producing assets policy reports and briefs, giving expert advice to state policymakers, hosting annual state assets policy conferences, and creating a web-based virtual state assets policy information center.

Additional information about the work of the State Assets Policy Project, including access to assets policy research publications, a synopsis of assets policy project collaborations between CSD and other institutions, and CSD's annual assets policy conference, can be found on CSD's website at: www.gwbweb.wustl.edu/csd. CSD hopes you find these resources helpful and informative. If you have any questions or comments about the SAPP initiative, please do not hesitate to contact Karen Edwards or Gena Gunn, project directors, at: karene@wustl.edu or ggunn@wustl.edu.

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