

# Expand Apprenticeship to Widen Opportunity and Promote Economic Development

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\$1,165,000,000,000

Total spent on education in  
2012

# *Positive Results, Disappointing Results*

High School graduation rates up but still low for minorities, especially males

Some great universities, high enrollment rates

But low graduation rates, especially for community colleges (20%, 11% among Blacks)

Poor scores on international literacy tests

## *Learning from here and abroad*

International organizations all favor expanding apprenticeship to reduce high youth joblessness

Apprenticeship countries retain high % of manufacturing jobs, innovation

*Apprenticeship is a structured program of work-based & academic instruction leads to mastery of an occupational field*

Not standard voc-ed, which lacks the work-based training, pay, real output

Not OJT, less deep, lacks standards, no credential, mastery of occupation

## *Apprenticeship is expanding globally*

- Effective in Austria, Germany and Switzerland, now England, Australia
- England increases from 150,000 in 2006 to over 700,000 in 2014
- Canada has more apprentices than the US, with 1 / 9<sup>th</sup> of the work force
- Covers a wide range of occupations: @

## Earnings Impacts in Washington State of Community College Professional/Technical and Apprenticeship Training

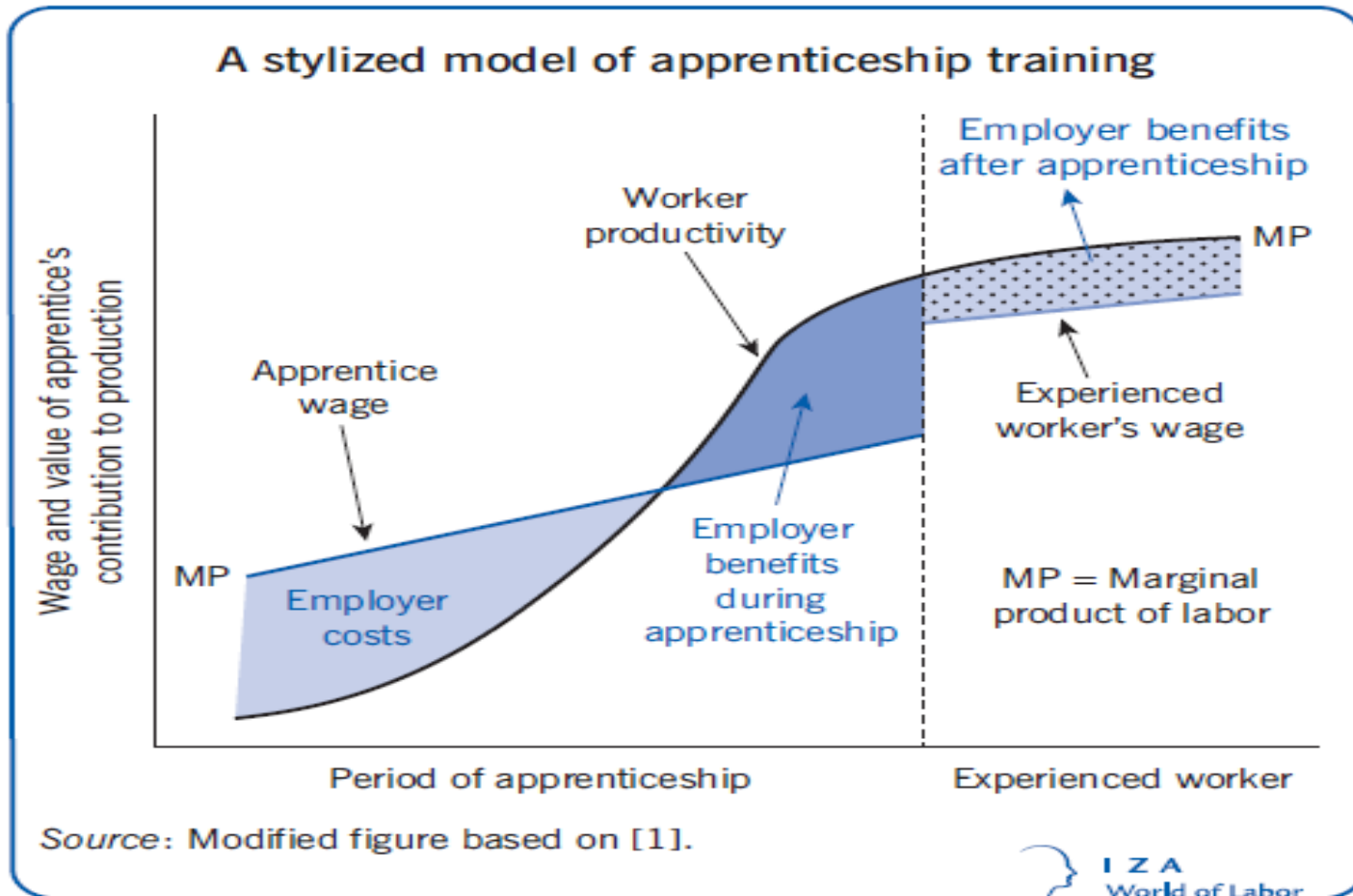
	Through First 2.5 Years After Leaving Training		Through All Work Years Through Age 65	
	Participant	Public	Participant	Public
<b>Community College Profession-Technical Education</b>				
Benefits	\$15,079	\$4,177	\$146,035	\$29,977
Costs	-\$8,560	-\$11,293	-\$8,560	-\$11,293
Total (Net)	\$6,519	-\$7,116	\$137,475	\$18,684
<b>Apprenticeship Training</b>				
Benefits	\$35,338	\$8,786	\$296,753	\$81,042
Costs	\$20,837	\$2,526	\$20,837	\$2,526
Total (Net)	\$56,176	\$11,311	\$317,591	\$83,567

# *Apprenticeship's Potential for Raising Skills, Earnings, Pride*

- Strong evidence from the U.S. and Canada that apprenticeships raise earnings, especially of men without a BA, at low government costs
- Apprenticeship develops the types of occupation and employability skills most needed on jobs
- It provides earnings, work–place learning, clear connections skills students are asked to master and access to jobs that make use of these skills
- Includes natural mentoring process



<http://wol.iza.org/articles/do-firms-benefit-from-apprenticeship-investments>



## *Large benefits at low public costs*

Governments should play a coordinating role, marketing and technical assistance

Some subsidies to apprenticeships offset by less spending on weak high school, college, and youth programs

Build up a system

# Functions for Robust Apprenticeship System

- Student guidance, recruiting, age focus
- Occupational classifications, standards
- Informing and recruiting employers
- Offering linkages to university education
- Providing good conceptual training
- Insuring high quality work-based learning
- Mentoring apprentices
- Certification of completion; awarding of

*England proves it is feasible to scale up apprenticeship outside Germanic countries*

Apprenticeship jump from 170,000 in 2006/2006 to over 500,000 since 2012/2013; today nearly 1 million

Uses national and firm-based marketing;

FE schools and training providers work at the individual employer level

## *South Carolina achieves major expansion*

Apprenticeship Carolina—\$1 million for staff and a \$1,000 tax credit combines with brilliant marketing and collaboration with tech colleges

Apprenticeships jump eight-fold, from under 800 to 6,400; companies investing in apprenticeship rise from 90 to over 660

State and retail marketing critical

*Apprenticeship Carolina works closely with S.C. Economic Development units*

It achieves success with strong sales staff that show firms how to build a talent pipeline

Free consulting shows apprenticeships work well within individual firms

Keep it simple—help with registration, related courses, and

# *Making it happen*

- Build on best practices in other countries, support major expansion of marketing to employers
- Use Perkins, governors' WIA funds, directed spending on quality staff
- Offer incentives for youth apprenticeship in Career Academy high schools
- Develop appealing website; build up research on worker and firm outcomes