

Session 2. Ensuring access to high-quality programs

OECD's request: In 10 minutes or less address the key challenges of the apprenticeship system in the US (e.g. what's working and what's not; which groups get access, which groups miss out; sectoral and occupational coverage of apprenticeships; willingness of firms to take on apprenticeships; etc.) and say some words about the Administration's proposals for strengthening/reforming the system.

Intro and Description of Railroad system

Pres Obama jan 14 " more apprenticeships that set a young wrk on an upward trajectory for life.."

In will provide a brief description of our apprenticeship system in the U.S., discussing challenges and successes we have faced, and then talk about our current and future plans.

Background

History - 1620, 19th century, 20th century bldg trades.

- The U.S. has a decentralized system of apprenticeships called Registered Apprenticeship (RA). the system is designed to meet specific employer needs while developing a more skilled workforce. We refer to the RA's approach as "earn while you learn" since apprentices can earn an incremental wage as they gain proficiency through on-the-job training and classroom instruction.
- DOL registers apprenticeship programs in 25 states and assists and oversees State Apprenticeship Agencies (SAA), who register programs in the other 25 states, DC, and Guam.
- 2000 hours other training avg 4 yrs,,minimum 144 hours classroom per year
- There is no government funding at the federal level. Some states do provide incentives, which range from tax credits in specific industries or for specific groups, such as youth, to tuition benefits. The appx. 1 billion in funding comes from private cos. and unions.
- Both DOL's and SAA's primary role is to promote connections between employers, workers, and training institutions, to provide technical assistance services to help establish firm-based apprenticeship programs. Both also issue certificates of completion to apprentices, conduct outreach to potential sponsors, and monitor programs for compliance and quality assurance.

- The size of the RA system in the U.S. is small relative to other OECD countries. About 375,000 workers are enrolled, which is about 0.3% of the overall workforce. Currently, there are about 19,000 RA programs that cover over 1,000 occupations ranging in a variety of industries from construction and manufacturing to information technology and healthcare.

There are numerous challenges to our RA system, which include the following:

- RA is a stand-alone system and is not routinely integrated into the American education and workforce development systems. It is also voluntary for employers to participate in the RA system.
- apprenticeship is not regarded as the primary pathway to the job market for non college graduate, but rather one of many paths.
 - other techniques and programs ccs, mentoring, internships compete
 - We have had limited success in expanding outside of the building trades industry—which in the U.S. is traditionally associated with apprenticeships. Social stigma essentially functions as a barrier. An estimated 60% of all apprentices are currently in the building trades and the top 10 occupations for active RA apprentices are all in this industry, including electricians, carpenters, and roofers.
 - Despite this challenge, a majority of new apprenticeship programs established are in non-building trade industries, such as the high-growth industries of healthcare and advanced manufacturing.
 - Creating linkages between RA and other DOL workforce development programs is difficult. Sponsors’ and apprentices’ interactions with American Job Centers, which is one of our main networks for providing employment and training services, are generally quite limited.
 - Certain groups remain under-represented in RA programs, including women. Women represent only 6% of all active apprentices and the two largest occupations for women are childcare and nursing aide. surveys show that female apprentices expressed positive views of RA but have suggested

targeted outreach and information, support for basic skills development, assistance with childcare, further efforts to combat harassment, and facilitating peer support.

- employers are often hesitant about investing in training:
 - Costs
 - One prevalent and commonly cited risk is “poaching” whereby competitor firms bid away trained apprentices.
 - In a recent survey, sponsors—who can be individual employers, employer associations, and/or labor unions—acknowledged “poaching” as a concern, but not a deterrent in having an RA program. Only 25% of sponsors identified “poaching” as a significant concern, 29% identified it as a minor concern, and 46% did not perceive it as a concern at all.
 - Need for additional assistance in finding and screening applicants (51%), more help in finding related instructions (41%), and a simpler process for setting up a new program (37%)
 - Unfamiliarity in non traditional industries, where mentoring, internships, unregistered, uncertified, and perhaps unstructured programs are popular.
 - Sponsors have requested that the registration process for new RA programs be simplified. Recently, Secretary of Labor Perez committed to “simplifying the process of registering an apprenticeship program,
- **Despite these numerous challenges, we have experienced successes which include:**
- 97 % of sponsors of RA programs said they would recommend the program to others with 86% stating they would “strongly” recommend it. Benefits that sponsors cited included meeting their demand for skilled workers, raising productivity, strengthening worker morale and pride, and improving recruitment and retention.

- An average of 50,000 apprentices annually have successfully completed their RA program with an industry-recognized, nationally portable certificate. Data shows that apprentices who complete their programs earn on average \$62,000, higher than the average wage of all occupations (\$46,000). The lifetime benefit for an apprentice with an RA certificate is estimated to be \$300,000 in additional earnings and benefits above comparable non-certified workers.
- To increase the linkages between the RA system and our broader educational system, the Departments of Labor and Education have developed a Registered Apprenticeship-College Consortium. This is a national network of colleges, employers, unions, and associations. Colleges that join the network agree to award college credit for a Registered Apprenticeship completion certificate, thereby enabling apprentices to more quickly earn an associates or bachelor's degree.
- To address the underrepresentation of women, over the past few years, Congress has appropriated approximately \$1,000,000 annually for the Women in Apprenticeship and Non-Traditional Occupations Act (WANTO)' which awards competitive grants to recruit, hire, train, and retain women in apprenticeships and nontraditional occupations.

I want to mention two successful specific RA programs: Aerospace Joint Apprenticeship and Apprenticeship Carolina.

Aerospace Joint Apprenticeship

The Aerospace Joint Apprenticeship is one example of an innovative high-growth industry program.

- Recognizing a looming shortfall of aerospace workers, the state of Washington allocated state and federal funds to establish the Aerospace Joint Apprenticeship Committee (AJAC) in 2008.
- The committee designed, developed, and implemented apprenticeship programs for 11 aerospace and advanced manufacturing occupations, including machinists and mechanics, and various size employers.
- The training component of this program allows apprentices to become more productive in a shorter period of time. In addition, the curriculum is

integrated to allow the transferring of credits between colleges and universities and apprentices earn a two-year degree that can lead to a four-year degree.

Apprenticeship Carolina

Apprenticeship Carolina has effectively leveraged resources to attract employers from both traditional and non-traditional industries to establish new apprenticeship programs in South Carolina.

- It utilizes incentives that drives business and industry toward the RA model and substantially engages post-secondary education, such as the states 16 technical college, and the larger workforce development system.
- in 2008, the state introduced a law creating a \$1,000 employer tax credit for each employee a sponsor enrolls in a RA program.
- Apprenticeship Carolina reaches out to non-traditional sectors, such as advanced manufacturing and healthcare, which has resulted in a wide variety of participating sponsors.
- Since 2007 when it was established, these efforts have resulted in the growth of employer participation in apprenticeships from 90 sponsors to 603, while the number of active apprentices has grown from 777 to 6,413.

why ACT NOW

- Business funding is down by half in ten years
- No of jobs requiring high school diplomas and tech training has gone from appx 30 % in 1970s to a projected 60 + in 2020
- Self education costs have soared.
- **the average age of an RA apprentice is 27 and only 30% of apprentices are under age 25, DOL attempts to increase the number of youth that have access to the RA system by bridging existing DOL youth programs with the RA system so that a “pre-apprenticeship” pathway exists. This will provide**

disadvantaged youth and vulnerable groups with career pathways that offer good pay and long-term employment.

- Two such “pre-apprenticeship” programs are Job Corps and YouthBuild.
- Job Corps is the nation’s largest federally-funded, primarily residential, training program for at-risk youth, ages 16 to 24. With 125 centers, Job Corps provides economically-disadvantaged youth with the academic, career technical, and employability skills, enroll in postsecondary education, enlist in the military, or transition into an RA program.
- YouthBuild is a workforce development program that provides academic and occupational skills training to youth dropouts aged 16-24 by engaging them in alternative education programs that provide individualized instruction as they work towards earning a high school diploma or its equivalent.

that is why President **Obama unveiled a budget proposal to double the number of apprenticeships in the U.S. over the next five years. This initiative, which falls under the broader “Opportunity, Growth, and Security Initiative”, is a four-year investment with \$500 million to be set aside annually. The initiative includes new job-driven skills training proposals aimed at expanding apprenticeships and pairing colleges and private employers together to get our workers the skills they need to compete for good jobs and proposes a higher level of investment to spur State progress toward establishing paid**

the President said, that “While not all of today’s good jobs are going to require a four-year college degree, more and more of them are going to require some form of higher education or specialized training...So this budget expands apprenticeships to connect more ready-to-work Americans with ready-to-be-filled jobs.”

- The RA model of on-the-job training combined with related classroom instruction is one of the best ways to ensure that U.S. workers remain a highly skilled, highly trained workforce.
- Though apprenticeships have been traditionally undervalued and underutilized, we remain committed to not only addressing the challenges that arise in our apprenticeship system, but also promoting its much-needed expansion.