# REGISTERED APPRENTICESHIP: A SOLUTION TO THE SKILLS SHORTAGE

## WHAT IS REGISTERED APPRENTICESHIP?

Registered Apprenticeship is a training system that produces highly skilled workers to meet the demands of employers competing in a global economy. A proven strategy, Registered Apprenticeship ensures quality training by combining on-the-job training with theoretical and practical classroom instruction to prepare exceptional workers for American industry. The process of apprenticeship program registration with Federal and State government agencies is standards-based. It is a process designed to ensure that working apprentices, program sponsors, and the general public can gain a clear understanding of the training content and the measures that are in place to ensure ongoing quality.

## WHO DOES REGISTERED APPRENTICESHIP SERVE?

In the U.S. today, some 37,000 program sponsors, representing over a quarter million employers, industries and companies, offer registered apprenticeship training to approximately 440,000 apprentices. These training programs serve a diverse population which includes minorities, women, youth, and dislocated workers.

## WHAT INDUSTRIES CURRENTLY PARTICIPATE IN REGISTERED APPRENTICESHIP?

- Construction
- Manufacturing
- Telecommunications
- Information technology/networking
- Service and Retail industries
- Health care
- The military
- Public utilities
- Public sector

## WHAT ARE THE BENEFITS OF REGISTERED APPRENTICESHIP PROGRAMS?

For employers, benefits include:

- Skilled workers trained to industry/employer specifications to produce quality results
- Reduced turnover
- Pipeline for new skilled workers
- Reduced worker compensation costs due to an emphasis on safety training.

For apprentices and journeyworkers, benefits include:

- Jobs that usually pay higher wages
- Higher quality of life and skills versatility
- Portable credentials recognized nationally and often globally
- Opportunity for college credit and future degrees.

For the nation, benefits include:

- Highly skilled workforce
- Increased competitive edge in global economy
- System to contribute to and sustain economic growth
- Lessened need to import skilled workers

## WHO OPERATES AND PAYS FOR REGISTERED APPRENTICESHIP TRAINING?

Registered Apprenticeship programs are operated by both the private and public sectors. Sponsors include employers, employer associations and joint labor/management organizations. Program sponsors pay most of the training costs while simultaneously increasing the wages of the apprentices as their skill levels increase. Registered Apprenticeship training can be competency based or time based with training generally ranging from one to six years depending on the needs of the program sponsor. For the apprentice, this translates into an educational benefit worth $40,000 to $150,000. Because the training content is driven by industry needs, the end result of apprenticeship programs is extremely well trained workers whose skills are in high demand.

## WHAT ROLE DOES GOVERNMENT PLAY IN REGISTERED APPRENTICESHIP?

The National Apprenticeship Act authorizes the Federal government, in cooperation with the States, to oversee the nation's apprenticeship system. The U.S. Department of Labor's Office of Apprenticeship Training, Employer and Labor Services/Bureau of Apprenticeship and Training and individual State Apprenticeship Agencies are responsible for:

- Registering apprenticeship programs that meet Federal and State standards
- Protecting the safety and welfare of apprentices
- Issuing nationally recognized and portable Certificates of Completion to apprentices
- Promoting the development of new programs through marketing and technical assistance
- Assuring that all programs provide high quality training
- Assuring that all programs produce skilled competent workers.

## HOW MUCH DOES GOVERNMENT SPEND ON APPRENTICESHIP?

As of 1996 the Federal government invested approximately $16 million for administration of the apprenticeship system, with States contributing roughly another $20 million. Thus, the total public investment amounts to an estimated $36 million - a modest $110 per apprentice.

## WHAT IS THE RETURN ON INVESTMENT FOR THIS PUBLIC EXPENDITURE?

Because apprentices pay income taxes on their wages, it is estimated that every $1 the Federal government invests yields more than $50 in revenues. If all 440,000 apprentices earn an average annual income of $15,000 (a low average), this generates nearly $1 billion in Federal tax revenues alone, a significant return on Federal and State investments. The government's return on investment in registered apprenticeship clearly outperforms other types of government-sponsored job training programs.

Apprenticeship is a proven training strategy that improves the skills of the American workforce and enhances the efficiency and productivity of American industries. Investment in the U.S. registered apprenticeship system represents a wise use of government dollars, paying for itself many times over. America faces a critical shortage of skilled workers, and expanding apprenticeship opportunities offers an effective approach to meet the needs of the U.S. Industry and citizens in search of high quality and good jobs.

AMERICA'S WORKFORCE NETWORK

For more information including a list of the over 850 Apprenticable Occupations and contact information by region and state visit www.doleta.gov/atels_bat or call 1-877-US-2-JOBS(1-877-872-5627).

DEPARTMENT OF LABOR · UNITED STATES OF AMERICA