



## U.S. Department of Labor Employment & Training Administration

*Directing business, adults, youth, dislocated workers, and workforce professionals to training and em services.*

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### **Registered Apprenticeship**

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### **Registered Apprenticeship: What Every Government Official Should Know**

**What is Registered Apprenticeship?** Registered apprenticeship is a training system that produces highly skilled workers that meets the demands of employers competing in a global economy. It is a proven strategy that ensures quality training by combining on-the-job training with related theoretical and practical classroom instruction to prepare exceptional workers for American industry. The process of apprenticeship program registration with Federal and State government agencies ensures, through standards, that working apprentices, program sponsors/employers, and the public all have a clear understanding of the training that the apprentices are to be provided and the measures taken to provide for ongoing quality assurance.

**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 including minorities, women, youths, 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 private and public sectors - employer, employer association or joint labor/management sponsors. Program sponsors pay most of the training costs while also progressively increasing wages to their apprentices as they gain skill. Registered apprenticeship can be competency based or time based depending on the program sponsor's needs. Registered apprenticeship programs range from one to six or more years in length. For the apprentice, this translates into an educational benefit worth \$40,000 to \$150,000. Because the content of the training program is driven by industry needs, the end result is workers with skills that 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 the 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.

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