NABTU

Benefits of Apprenticeship
WHY USE APPRENTICES?

ROI IN THE US

Advantages of Apprenticeship

Production
Increased value and fewer errors

Workforce
Highly trained. Minimal turnover

Leadership Skills
Responsibly independent. Ability to multi-task and problem solve

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WHY USE APPRENTICES?

ROI IN THE US

The profit generated by an apprentice tops the costs of training

Employers can profit $1.30 to $3.00 for every $1 spent in training

Reference: Construction Industry Institute, University of Texas, Research Summary 234-2, August 2007

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WHY USE APPRENTICES?

ROI IN THE US

ROI from Hiring Apprentices

<table>
<thead>
<tr>
<th>Improvement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Productivity improvement</td>
<td>11%</td>
</tr>
<tr>
<td>Decrease in turnover</td>
<td>14%</td>
</tr>
<tr>
<td>Decrease in absences</td>
<td>15%</td>
</tr>
<tr>
<td>Decrease in injuries</td>
<td>26%</td>
</tr>
<tr>
<td>Decrease in rework</td>
<td>23%</td>
</tr>
</tbody>
</table>

Reference: Construction Industry Institute, University of Texas, Research Summary (23-4, August 2012)

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WHY USE APPRENTICES?

ROI IN THE US

Benefit from hiring apprentices

97% of Joint Apprenticeship Training Committees agree they would recommend it to other employers

80% of Joint Apprenticeship Training Committees agree the main benefit is increased ability to meet demand for skilled workers

Reference: Matt Helmer and Dava Albracht, Apprenticeship: Completion and Cancellation in the Building Trades, The Aspen Institute, 2013, p.11

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North America's Building Trades Unions,
815 16th Street, NW, Suite 600, Washington, DC 20006
WHY USE APPRENTICES?

RETENTION

• It costs approximately $10,000 a year to train an apprentice
  • If apprentices have higher retention rates, ROI goes up
    • Apprenticeship Readiness Programs increase retention rates for apprentices
• Apprentices stay at a business longer
  • 91% of apprentices that complete an apprenticeship are still employed 9 months later
WHY USE APPRENTICES?

HIGHLY SKILLED WORKFORCE

• Highly skilled workforce
  • 80% of Joint Apprenticeship Training Committees (JATC) said hiring an apprentice was the main benefit of increased ability to meet demand for skilled workers
• Those who complete apprenticeships can multi-task, have greater problem solving abilities, and less need for supervision
WHY USE APPRENTICES?

QUALITY EDUCATION

- A high quality of education results in highly skilled employees
- NABTU offers:
  - Customized training that meets industry standards and the specific needs of businesses
  - On-the-job learning from an experienced mentor, combined with education courses
- Ensures employees are trained and certified to produce at the highest skill levels required for the occupation
WHY USE APPRENTICES?

SAFETY

• Mandatory basic safety and hazard awareness training
• Apprentices create safer workplaces that may reduce worker compensation costs, due to the program’s emphasis on safety training:
  • OSHA 10
  • Common Workplace Hazards
  • Supervisor Awareness
  • Training Length and Requirements
WHY USE APPRENTICES?

THIRD-PARTY CERTIFICATIONS

• OSHA sanctioned health and safety programs
• Foreman training
• Specialized training
  • Nuclear Mechanics Apprenticeship Process (NMAP) - certifies journey-level workers by teaching them cutting edge skills used across the nuclear industry
• Skill upgrades
  • Welding Certification
  • Painting Certification
  • Additional trade specific certifications in all construction trades
WHY USE APPRENTICES?

CERTIFIED INSTRUCTORS

• Each of NABTU’s 14 unions have developed rigorous teacher training programs for their Apprenticeship Instructors and Training Coordinators
• Many of these training programs are the equivalent of a Bachelor’s Degree
• These programs are designed to:
  • Increase instructors’ proficiency of instructional techniques and materials
  • Acquaint instructors with the philosophy and principles of education
  • Provide learning experiences for instructors in the technical aspects and latest developments in their industries
WHY USE APPRENTICES?

FULFILL LOCAL HIRE REQUIREMENTS

- Contractors receive more business with more bids if their apprentices are diverse.
  - This helps fulfill local hiring requirements generating more income.
- Politicians are mandating that publicly-funded projects meet local hire requirements
  - Apprenticeships expand the pool of skilled workers in these locations, especially in those where skilled workers are hard to find
WHY USE APPRENTICES?

DIVERSITY

• Providing diverse labor including minorities, women, and military veterans, is a main focus of NABTU’s apprenticeship programs
• Provides a pathway to middle class jobs for underrepresented workers
• 46% of apprenticeship programs anticipate increase in the number of female apprentices over the next 2 years
WHY USE APPRENTICES?

FINANCIAL GAINS

• Companies in their top percentile for diversity are more likely to see greater financial gains than their respective industry peers:
  • 15% more likely for companies with greater gender diversity
  • 35% more likely for companies with greater racial and ethnic diversity
ANY QUESTIONS?