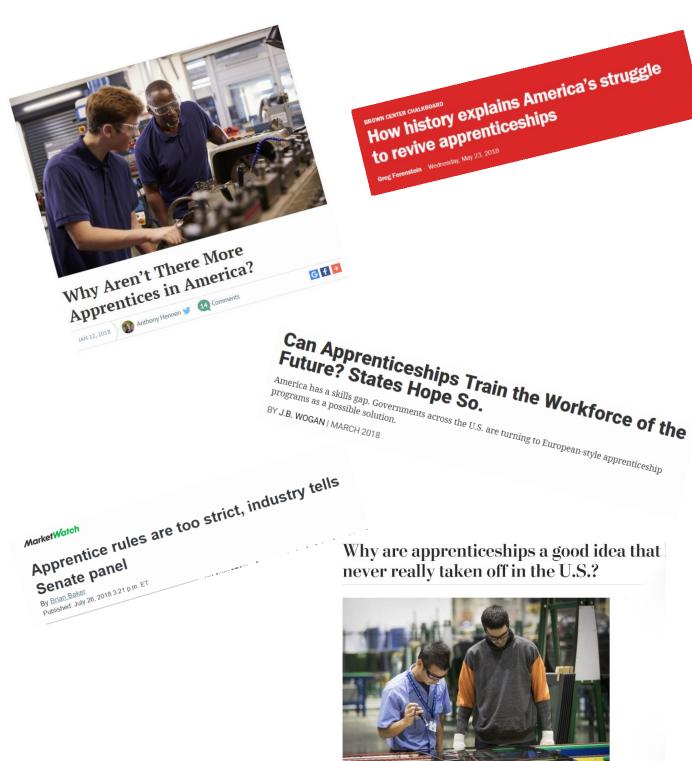
Apprenticeship Analysis for GOVA Region 3



EXECUTIVE SUMMARY

Apprenticeship is gaining momentum as a bipartisan workforce development strategy to address employer-expressed challenges. The combination of hands-on experience, classroom training and a paycheck are enticing policy-makers and workforce stakeholders to reexamine and reinvigorate their apprenticeship efforts.

In November 2017, the Region 3 Council for Go Virginia issued a Request for Proposals for consulting services to assess apprenticeship efforts across its 15-locality region. The Institute for Advanced Learning and Research (IALR) received the contract for services in February 2018. IALR subcontracted with the National Fund for Workforce Solutions to assist with identification of best practice models and facilitation services.

IALR and NFWS organized several best practice visits to learn about successful apprenticeship models. Project leaders and regional attendees visited Siemens facilities (Charlotte, Mulheim, Erlangen), MSI Specialties, Inc. (NC), Schaeffler (Herzogenaurach), Newport News Shipbuilding (VA) and Phillip Morris (VA). These "see the possible" experiences legitimate efforts as employers and stakeholders learn first-hand of opportunities and successful outcomes from their respective peers. It is clear from these visits that the private sector must have a defined workforce need and that apprenticeship efforts must be driven by the employer and supported at every level within the company.

To determine use of apprenticeship and gain a better understanding of employer perceptions, IALR benchmarked the number of active apprenticeships and surveyed Region 3 employers. There were an average of 2,536 apprenticeship listings for Virginia according to the Virginia Department of Labor and Industry (DOLI) website. During this same timeframe (April and September 2018), Region 3 employers offered an average of 74 apprenticeships, approximately 2.9% of the total number of active apprenticeship postings. Given that Region 3 comprises 4.4% of Virginia's population, the number of apprenticeships is lower, but not significant; however, the diversity of apprenticeship positions is lacking.

From April – June 2018, IALR conducted an online survey of regional employers to learn about current practices, perceptions of, and future interest in apprenticeship. Over 100 employers completed the survey and, based on the analysis, there is significant opportunity to expand apprenticeship within Region 3:

- Employers believe that apprenticeships help meet the demand for skilled labor, assisting with recruitment and retention.
- Employers *did not* support notions that apprenticeships increase accidents, are difficult to establish or take too long.
- Employers expressed uncertainty with regard to the cost of apprenticeship.
- Employers currently using apprenticeships provide financial support for related instruction (75%) and wages while attending class (69%), best practices that improve retention.

- 87 companies expressed interested in offering apprenticeships in the near term within three years. Only 17 companies were not interested.
- 71 companies expressed interest in a pre-apprenticeship program that begins in the last year of high school.
- Employers identified more than 75 occupational titles for 200 apprenticeship positions.
 Manufacturing, Education, and Health & Human Services employers identified the greatest number of positions.

Not only is there interest in apprenticeships at the regional level; there are indications that the current federal administration is very interested in expanding apprenticeships and providing funding to support the expansion to include development of Industry-Recognized Apprenticeships as a parallel to Registered Apprenticeships. Region 3 has an opportunity to develop appropriate systems and supports in order to take advantage of future opportunities. In addition, as Region 3 continues its economic development efforts by working to attract U.K. and other European companies, it is imperative that we demonstrate the ability to support a robust apprenticeship system.

While apprenticeship scholars agree that the U.S. cannot easily replicate the Swiss and German models of apprenticeship, there is opportunity to develop new systems embracing this proven work-and-learn model. Region 3 must give consideration to long-term strategies that influence a mindset shift from viewing apprenticeship as a blue-collar-only training opportunity to a culture that understands apprenticeship as "college but without the debt", appropriate for a variety of skilled disciplines to include those that require a bachelor's degree.

In the near-term, the Region 3 Council and stakeholders should consider opportunities to work with employers who have expressed an interest in apprenticeship. There is a pilot effort currently underway in industrial maintenance, supported by five manufacturing employers who have expressed interest and support for: pre-apprenticeship that begins in high school, standardizing wages during apprenticeship to reduce competition; sharing responsibility to promote the program; and, using this pilot to develop an Apprenticeship Consortium, similar to those found in North Carolina.

Recommended near-term action steps include:

- 1. share report findings with stakeholders,
- 2. identify lead intermediary,
- 3. build employer champions,
- 4. engage with state agencies, and
- 5. reach out to surveyed employers.

Apprenticeship will not solve the region's workforce challenges; however, it is critical that this proven talent-development tool be expanded as a viable pathway for skilled occupations, beginning in high school. Private sector leadership is critical to expansion efforts. GO Virginia, with its emphasis on employer engagement, is a logical entity to drive this effort. The Region 3 Council has an opportunity to lead.