

# APPRENTICESHIP: AN INVESTMENT THAT DELIVERS!



Unfamiliarity with the apprenticeship model and concerns about up-front costs are some of the reasons why many American companies have not considered apprenticeship. However, apprenticeship, once understood, is proven to have a positive return on investment (ROI) while actively promoting diversity and inclusion in the workplace.

## HOW DOES IT WORK?

Employers control how much an apprenticeship program costs; apprentice wages, training equipment, etc.

*Other costs include:*

- **One-time start-up costs to:**
  - Set requirements
  - Design the curriculum
  - Establish new processes
- **Ongoing (Run) Costs:**
  - Learning and development initiatives
  - Training / mentorship time from other employees
  - Lower productivity during initial onboarding

*These costs can be shared by co-investing in a program with other businesses interested in training workers for the same skills.*

## WHAT'S IN IT FOR YOU?

- **Salary Savings:** Because apprentices are trained on the job, their base pay rates are 40-50% lower than a typical new hire. This difference is usually enough to offset program costs. Apprentice's salaries increase on a schedule determined by the employer as the apprentice demonstrates competencies and earns certifications and credentials.
- **Tax Credits for companies that hire apprentices.** See what your state offers: [apprenticeship.gov/employers/state-tax-credits](http://apprenticeship.gov/employers/state-tax-credits).
- **State and Federal funding** such as subsidies and grants for registered apprenticeship programs.
- **Training resources and program assistance** are available at no cost to registered apprenticeship programs.
- **Company-wide savings** - Formal mentorship programs and other components of apprenticeship are shown to reduce overall turnover by more than 60%<sup>1</sup>.

Higher productivity: 78% of employers see improved productivity after starting an apprenticeship program<sup>2</sup>.

To learn more about apprenticeship programs for your business, visit [TQAClark.com](http://TQAClark.com) or Contact Us at [techquest@clarku.edu](mailto:techquest@clarku.edu)

Sources:

1. Financial Management, "Calculating a mentor's effect on salary and retention"
2. GOV.UK Department for Education, "Apprenticeships evaluation . 2017: learners survey"