

# The Impact of Apprenticeship Programs in Illinois: An Analysis of Economic and Social Effects



## Report Fact Sheet

**Construction is the fastest-growing industry in Illinois.** Over the next decade, the construction industry is projected to expand by 12% in Illinois, adding over 25,000 new jobs. All of the fastest-growing trades in Illinois's construction industry require at least 3 years of apprenticeship training.

**For many young Illinois workers, enrolling in a registered apprenticeship program is a better option than attending college or university.** The annual income gain from participating in a registered apprenticeship program greater than the effect of having an associate's degree, as well as many bachelor's degrees.

**If all registered apprenticeship programs for construction were combined, they would be the 7<sup>th</sup>-largest private post-secondary educational institution in Illinois.** In FY2015, there were 10,811 participants in registered apprenticeship programs in Illinois' construction industry. Cumulatively, those programs invested over \$136 million in worker skills upgrading and development.

**Joint labor-management apprenticeship programs account for the vast majority of human capital investment.** In FY2015, 98.5% of all construction apprentices were enrolled in joint programs by union contractors in Illinois. Additionally, joint programs in differ from their nonunion counterparts in many ways:

- Program expenditures per apprentice are \$12,715 in joint programs and \$6,585 in nonunion programs;
- The share of women and people of color is 31% in joint programs but just 28% in nonunion programs.

**Registered apprenticeship programs generate substantial economic benefits.** The programs save or create 5,000 total jobs in Illinois and annually boost the state's economy by over \$400 million. Over the long run, registered apprenticeship programs provide \$1.25 billion in economic benefits. Over 36 years, the economic and social return on investment from these construction programs is \$11 per dollar spent on worker training.

**The State of Illinois can enact six potential public policies to promote registered apprenticeships:**

1. Improve marketing and outreach to businesses and disadvantaged workers;
2. Expand access to child care programs to boost female participation;
3. Provide tax credits to businesses that offer apprenticeship programs;
4. Expand pre-apprenticeship programs in public high schools, such as the innovative new initiative at Dunbar Vocational High School on the south side of Chicago;
5. Encourage public universities to develop degree completion programs for eligible apprentices by awarding college credits for classroom hours earned during apprenticeship programs; and
6. Support policies that increase unionization and strengthen prevailing wage.

**Apprenticeship programs have positive impacts in Illinois.** The programs benefit workers by improving their skills and growing their incomes. The programs also benefit employers by addressing skills shortages through a supply of safe, productive workers. Funded almost entirely through partnerships between employers and labor unions, apprenticeship programs in construction also benefit the public by ensuring high-quality infrastructure and products, growing the state economy, and improving the budgets of state and local governments.

**Full Report:** [https://illinoisepi.files.wordpress.com/2016/08/pcmr-ilepi-impactofapprenticeshipprograms\\_newcover.pdf](https://illinoisepi.files.wordpress.com/2016/08/pcmr-ilepi-impactofapprenticeshipprograms_newcover.pdf)