

The Biden Administration Is Expanding Apprenticeship Programs That Benefit Workers and Businesses

Apprenticeship programs combine on-the-job training with classroom instruction to teach workers the practical skills and background knowledge to work in lucrative occupations that require distinct skills. While historically focused on skilled trades and construction, apprenticeship programs in the United States now [support](#) industries like technology, health care, energy and advanced manufacturing. A number of apprenticeship models exist, both formal and informal, that all aim to increase career opportunities outside of the traditional higher-education model.

Registered Apprenticeship Programs are the most established and promising type of apprenticeship in the United States. They do a better job building stable on-ramps to higher-paying career paths since they maintain worker protections, unlike some non-registered apprenticeships or Industry Recognized Apprenticeship Programs. They also offer paid and nationally-recognized apprenticeships that can help workers with less formal education pursue careers in more specialized industries. These programs can help workers both at the start of their careers and those making a shift later in life to pursue higher-paying roles.

Expanding opportunity for U.S. workers without a college degree is a key goal of the Biden administration. President Biden and Congress have increased funding for job training through the American Rescue Plan and the Bipartisan Infrastructure Law while also improving program quality and consistency through executive action.

Many workers without college degrees have few pathways into higher-paying jobs, but apprenticeship and training programs can increase economic mobility

Apprenticeships can [increase](#) economic mobility among prime-age workers (ages 25 to 54) who did not go to college. Getting a college degree can significantly [increase](#) annual earnings compared to those without a degree. However, almost [two-thirds](#) of people over age 25 are not college graduates and have few pathways to achieve upward economic and social mobility. These workers tend to be clustered in undervalued occupations with less job security and [inconsistent](#) hours and scheduling. During the worst of the coronavirus crisis, when higher-paying occupations pivoted to remote work, many workers in these lower-paying sectors were either laid off or forced to go to work despite rising case counts. Apprenticeships and training programs can create an alternative pathway to post-secondary education providing greater access to higher-paying occupations that offer more stability.

The Biden Administration Is Expanding Apprenticeship Programs That Benefit Workers and Businesses

Apprenticeship and training programs improve earnings and help close the \$40,000-per-year wage gap between high school and college graduates

Apprenticeships can help [close the wage gap](#) between high school and college graduates by increasing the number of U.S. workers with less formal education who can access higher-paying jobs. Apprenticeships provide a combination of on-site training and educational classes in a particular field, and many employers pay apprentices during training. This system establishes pathways to rewarding and high-paying careers by creating opportunities to gain specific skills while also improving general academic and professional acumen.

In a 2022 report, the Department of Labor (DOL) [reported](#) that 93% of apprentices who completed a Registered Apprenticeship program were kept on payroll by the employer that trained them. On average, these apprentices earned an annual salary of \$77,000, comparable to the \$80,478 [average salary](#) for college graduates in 2021. By comparison, workers with only a high school degree earn \$39,976 on average, or about half as much. Apprenticeship programs can effectively close the \$40,000 annual earnings gap between high school and college graduates.

Employers also benefit from apprenticeships and workforce training programs

Employers that participate in apprenticeship and training programs gain a pipeline of ready-to-work talent that provides clear economic returns. Graduates of these programs have high-quality training that makes them not only more productive, but also a source of [cost savings](#). Research shows that for every \$1 employers invest in an apprenticeship program, they see about \$1.50 in returns by the second year of employment. Employers with the North America's Building Trades Unions, who [represent](#) more than 3 million craft professionals in the U.S. and Canada, saw [returns](#) as high as \$3 for every dollar invested.

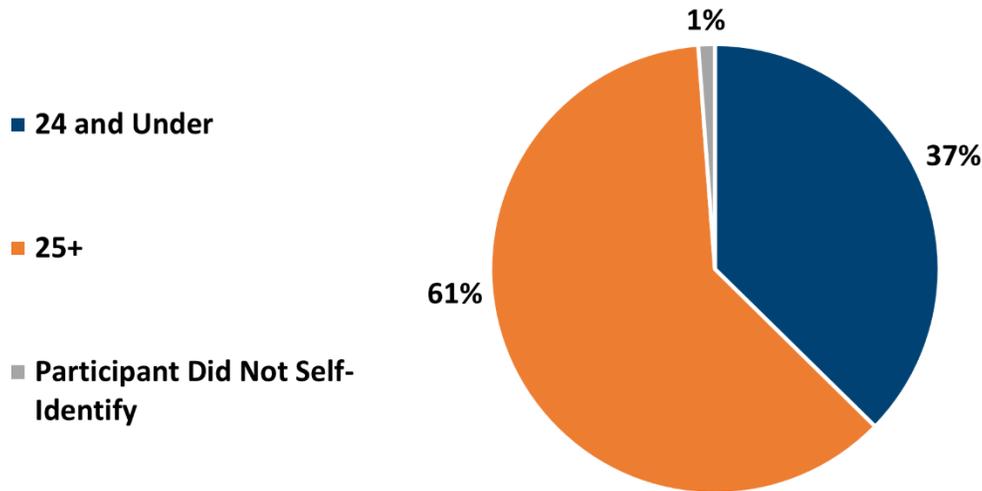
Registered Apprenticeship programs help more experienced workers with less formal education access better-paying jobs

Registered Apprenticeships are not just for workers who are beginning their careers: These programs create an [alternative pipeline](#) for those with more work experience but less formal education into more technical jobs with better pay. Unlike some informal apprenticeships, Registered Apprenticeship Programs must meet certain [criteria](#) regarding pay, mentorship, education and on-the-job training, and they must also be approved by the DOL. Participation in these programs is growing: In 2021, over 241,000 people newly enrolled in registered apprenticeship programs—nearly double the number of enrollees in 2011—and the number of program graduates almost doubled as well.

While apprenticeship programs are popular among younger Americans, prime-age workers also benefit from and represent a majority of new and active apprentices. Among new enrollees in 2021, 39% were aged 25 to 34, and 22% were 35 and older (see figure below). Additionally, 60% of [active apprentices](#) are 25 and older.

The Majority of New Apprentices Are Above the Age of 25

Share of new registered apprentices, by age, fiscal year 2021



Source: Department of Labor

Note: Percentages do not add to 100% due to rounding.



The Department of Labor is improving the quality and consistency of apprenticeships in the United States

The Biden Administration has made a [commitment](#) to expanding Registered Apprenticeship Programs while also taking steps to inform employers of best practices for program development to avoid pitfalls such as inconsistent program quality and high start-up costs. To fix these issues, the DOL is working with the [Urban Institute](#) to build Competency-Based Occupational Frameworks to fast-track the development of Registered Apprenticeships across a range of occupations.

In addition, the Biden Administration has [reversed](#) a Trump executive order that established Industry-Recognized Apprenticeships Programs as eligible apprenticeships despite concerns over their structure and operation. Experts have raised concerns that that Industry-Recognized Apprenticeship programs are exempt from the important [rules](#) governing wage and quality standards, which ensure that employers provide high-quality training and pay their workers a fair wage that is commensurate with their increased skills. Without these rules in place, some apprenticeship programs can undermine the economic value that standard Registered Apprenticeships bring to both employers and workers.

The Biden Administration and Congressional Democrats are taking steps to expand Registered Apprenticeship Programs and other workforce training programs

Over [\\$9 billion](#) in State and Local Fiscal Recovery Funds from the American Rescue Plan have been committed to workforce training programs, and the Bipartisan Infrastructure Law included [\\$800 million](#) in dedicated funding for job training. The DOL has also made [\\$113 million](#)

The Biden Administration Is Expanding Apprenticeship Programs That Benefit Workers and Businesses

available in grants for Registered Apprenticeship Programs in fiscal year 2022, and it announced an additional [\\$50 million](#) in Strengthening Community Colleges Training grants.

The Biden Administration and Democrats in Congress have taken key steps to make highly effective apprenticeship programs more sustainable and more accessible. Doing so will ensure that Registered Apprenticeship programs continue to be an opportunity for more U.S. workers to enter growing industries that serve as much-needed pathways to economic and social mobility.