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HILLARY CLINTON TO PROPOSE TAX CREDIT FOR BUSINESSES TO TRAIN APPRENTICES

Aide says candidate's idea is to offer businesses a tax credit of \$1,500 per apprentice.

By Laura Meckler
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Hillary Clinton, the Democratic front-runner for president, plans to propose a new tax credit for businesses that hire and train apprentices, an effort to increase employment of young adults and boost programs that draw bipartisan support but have proven a tough sell in the private sector.

Her idea is to offer businesses a tax credit of \$1,500 per apprentice, a Clinton aide said. The proposal is similar to legislation proposed by at least two bipartisan pairs of senators. The White House also has backed the concept, hosting a summit on apprenticeship and making grants to support the programs.

The programs typically combine on-the-job training with instruction and target skilled fields such as construction, manufacturing and health care.

The unemployment rate for young adults has consistently run higher than the overall rate and stood at 7.8 percent in May. Backers say apprenticeship programs are a good way to address the lack of employer-backed training programs and the skills gap that many young people looking for jobs face. They hope that tax incentives will boost interest in participating.

Mrs. Clinton plans to announce her proposal at a forum Wednesday at Trident Technical College in North Charleston, S.C., where she will discuss the need for better youth job training.

Following an official launch of her campaign last weekend, Mrs. Clinton is now rolling out her domestic and economic agenda, starting with a proposal for universal prekindergarten on Monday and now the apprenticeship tax break.

But she has yet to outline her solutions to the biggest issues being debated among Democrats, such as whether and how to further regulate Wall Street, how much to raise the minimum wage and whether and how to expand federal aid for college or retirement. She also has avoided giving a clear answer about whether she supports or opposes a pending trade deal, though she addressed the matter several times in recent days.

As with Monday's preschool proposal, a cost estimate of the apprenticeship plan wasn't immediately available, the Clinton aide said. Campaign aides have said that Mrs. Clinton's proposals would be paid for with tax increases or spending cuts, but haven't detailed them yet.

The aide said the proposal reflects elements of two bipartisan bills in the Senate – one backed by Sen. Tim Scott, a Republican from South Carolina, where she will make her pitch, along with Sen. Cory Booker, Democrat of New Jersey. The other bill is co-sponsored by Sens. Maria Cantwell (D-WA) and Susan Collins (R-ME).

To be eligible for the credit, the aide said, the programs would have to meet rigorous standards set by federal or state governments and meet certain outcome criteria.

The Clinton campaign cited a 2012 evaluation that found certain apprenticeship programs were associated with an average gain in annual earnings of nearly \$6,600, even after the apprenticeship is over.

Still, the programs have been a tough sell. Last year, *The Wall Street Journal* reported that apprenticeships that combine classroom work and on-the-job training in an effort to place well-trained workers into manufacturing and other jobs were drawing little interest from U.S. firms. One problem: Companies are loath to invest in training for someone who might later leave for another job. *The Journal* also reported that formal programs that combine on-the-job learning with mentorships and classroom education fell 40 percent in the U.S. between 2003 and 2013, according to the Labor Department.