TRUMP’S NON-CELEBRITY APPRENTICES

An electrician or plumber can make more than a college grad.

June 18, 2017

One restraint on economic growth is the increasing U.S. labor shortage, especially for jobs that require technical skills. Meanwhile, many college grads are underemployed and burdened by student debt. The Trump Administration is trying to address both problems by rethinking the government’s educational priorities.

President Trump directed Labor Secretary Alexander Acosta last week to streamline regulations to make it easier for employers, industry groups and labor unions to offer apprenticeships. Many employers provide informal apprenticeships for new workers, but the Labor bureaucracy regulates and approves programs whose credentials are recognized industry-wide.

About 505,000 workers are enrolled in government-registered apprenticeships. The programs typically pair on-the-job training with educational courses that allow workers to make money while honing skills in fields like welding, plumbing, electrical engineering and various mechanical trades. While construction apprenticeships are common, training programs are growing in industries like restaurant and hotel management.

Nearly all apprentices receive jobs and the average starting salary is $60,000, according to the Labor Department. That beats the pay for most college majors outside of the hard sciences. Last year’s National Association of Colleges and Employers survey estimated the starting salary of education majors at $34,891 and humanities at $46,065.

For decades the cultural and economic assumption has been that Americans will be better off with a college degree. This is still true overall, and economic returns to education have risen. This is especially true for those with cognitive ability who acquire skills in growth industries like software design or biological sciences. Politicians have responded by subsidizing college almost as much as they do housing – with Pell grants, 529 tax subsidies and more recently debt forgiveness.

Yet the politically inconvenient reality is that not every kid is cut out for traditional college, and those who struggle in high school may be better off learning a trade. Many without academic inclination or preparation often spend years (and thousands of dollars) taking remedial classes to compensate for their lousy K-12 education.

The six-year graduation rate for four-year colleges is 60 percent while the three-year graduation rate at community colleges is a paltry 22 percent. The Obama Administration response was to push even more subsidized student debt to force feed even more kids into college. Student debt doubled in the Obama years to $1.3 trillion, which will burden workers and taxpayers for decades.

Another problem is that few colleges and high schools teach vocational skills. The Labor Department Jolts survey of national job openings found more than six million in April – the
most since Jolts began tracking in 2000. The vacancies include 203,000 in construction, 359,000 in manufacturing and 1.1 million in health care. These are not jobs that can be filled by Kanye West English deconstructionists. They are also typically jobs that can’t be supplanted by lower-wage foreign competition.

While employers subsidize most apprenticeships, the President has proposed spending $200 million to promote the programs. This would still be a drop in the $26 billion bucket (not including student loans) that Washington spends on higher education each year.

One objection to shifting this money will come from unions that receive much federal job-training money with poor results. But if others can run a better program, they should get the cash. It’s true that most government job-training programs are ineffective, so it’s good that Mr. Trump has instructed federal agencies to compile a list of those that should be eliminated.

An especially odd objection is that apprenticeship training is a mistake because skills become out of date over time, especially later in one’s work life. But that’s a risk throughout the economy, and all the more reason to get young people skills to enter the job market now and build up savings for the future. This makes more sense than subsidizing a college degree for a job at Starbucks.

Perhaps the most important message is that there’s dignity and purpose in all work, college degree or not.