THE WALL STREET JOURNAL.

YOU'RE HIRED: TRUMP PLANS TO BUILD U.S. WORKFORCE WITH APPRENTICESHIPS

The president, who hosted NBC's reality television show 'The Apprentice,' will announce an expansion of apprenticeship programs

By Eric Morath June 10, 2017

President Donald Trump next week will make expansion of apprenticeship programs the center of his labor policy, aimed at filling a <u>record level of open jobs</u> and drawing back Americans who have left the workforce.

Apprenticeships are an underused form of workforce training in the U.S. compared with European countries and have a proven record of good outcomes for workers, administration officials said. Nine in 10 Americans who complete apprentice training land a job, and their average starting salary is \$60,000 a year, according to the Labor Department.

The administration is committed to "supporting working families and creating a pathway for them to have robust and successful careers," Ivanka Trump, the president's daughter and assistant, said Friday. "There has been great focus on four-year higher education, and in reality, that is not the right path for everyone."

White House officials discussing the president's goals on Friday gave few details on program changes or requests to Congress. They said Mr. Trump is likely to offer more specifics in the coming days. He plans to visit a technical school in Wisconsin on Tuesday and deliver a policy speech at the Labor Department on Wednesday.

Apprenticeship programs are typically partnerships between a school and an employer, which federal or state governments certify. Workers are trained for skills businesses need and provided hands-on experience. Since workers are paid while they learn, programs can attract younger Americans seeking to avoid student debt and displaced older workers who need new skills but can't attend years of college.

Such programs could also address an <u>emerging shortage of skilled workers</u>. There were more than six million job openings in April, the Labor Department reported Tuesday, the highest level recorded since the government started tracking the figure at the end of 2000. At the same time, the share of Americans participating in the workforce is trending near a four-decade low.

"Closing the skills gap is critical for increasing labor-force participation," Labor Secretary Alexander Acosta said Friday. If workers see a pathway to gaining skills and taking high-paying jobs, the argument goes, they're more likely to remain in or return to the workforce.

There were more than 505,000 apprentices in training in fiscal year 2016, the Labor Department said. That was the highest level on record back to 2001, but only about 20,000 higher than the previous peak in 2003. And the figure is much smaller than the 13.3 million

students enrolled in four-year colleges last year, according to the National Center for Education Statistics.

Before running for president, Mr. Trump was the host of NBC's reality television show "The Apprentice." A senior White House official said the show didn't inspire the policy push. Rather, the president's interest stems from his background in the construction industry, where apprenticeship programs are common. But the official noted the television program effectively showed the value of mentorships, which is an important attribute of apprenticeship programs.

Of the more than 8,000 active apprenticeship programs registered with the Labor Department, almost half are in the construction industry and 20 percent are in manufacturing. However, an official said, apprenticeships are in use or under consideration in fields ranging from policing to retail, and the intent is to expand programs to more industries.

Apprentice programs were also a priority of the Obama administration. The Labor Department distributed \$90 million in grants last year specially appropriated for apprenticeship expansion. The current administration sees the programs as advantageous because they're largely funded by the firms where workers receive training or by labor unions, and they could be expanded without significant additional federal outlays.

Mr. Trump's budget proposed to keep funding for apprentice programs steady but reduce funding for Labor Department job-training programs by nearly 40 percent.

"Continuing existing investment in apprentices is not going make up for the hundreds of millions of dollars proposed to be cut from larger job-training programs," said Seth Harris, the deputy labor secretary under President Barack Obama. "Those cuts would result in tens of thousands of worker not receiving job-placement and training services."

Many large businesses have existing programs to provide on-the-job training but not all are federally registered apprenticeships.

Defense firm Northrop Grumman has programs with two state universities in Maryland to train workers in cybersecurity. Chief Executive Wes Bush said businesses need the government's help to expand training programs, especially because smaller firms don't have the capacity to offer such programs, but face the same shortage of skilled workers.

"Our nation's economic growth is directly linked to the skills of today's workers," he said in a speech to the Business Roundtable trade group Wednesday. "Unfortunately, the skills of many new and existing workers have not kept up with the requirements of current and future jobs."