



# CAF-FCA Return on Apprenticeship Training Investment

Part of the Solution...



Canadian Apprenticeship Forum  
Forum canadien sur l'apprentissage



## CAF-FCA Who are we?

- We are members of the apprenticeship community in Canada
- Represented by: Business, Labour, Inter-Provincial Alliance of Apprenticeship Board Chairs  
Canadian Council of Directors of Apprenticeship,  
Educators, Equity groups



# CAF-FCA's Mission

- To influence pan-Canadian apprenticeship strategies through research, discussion, and collaboration
- To promote apprenticeship as an effective model for training and education, contributing to the development of a skilled, high quality, productive, inclusive and mobile labour force

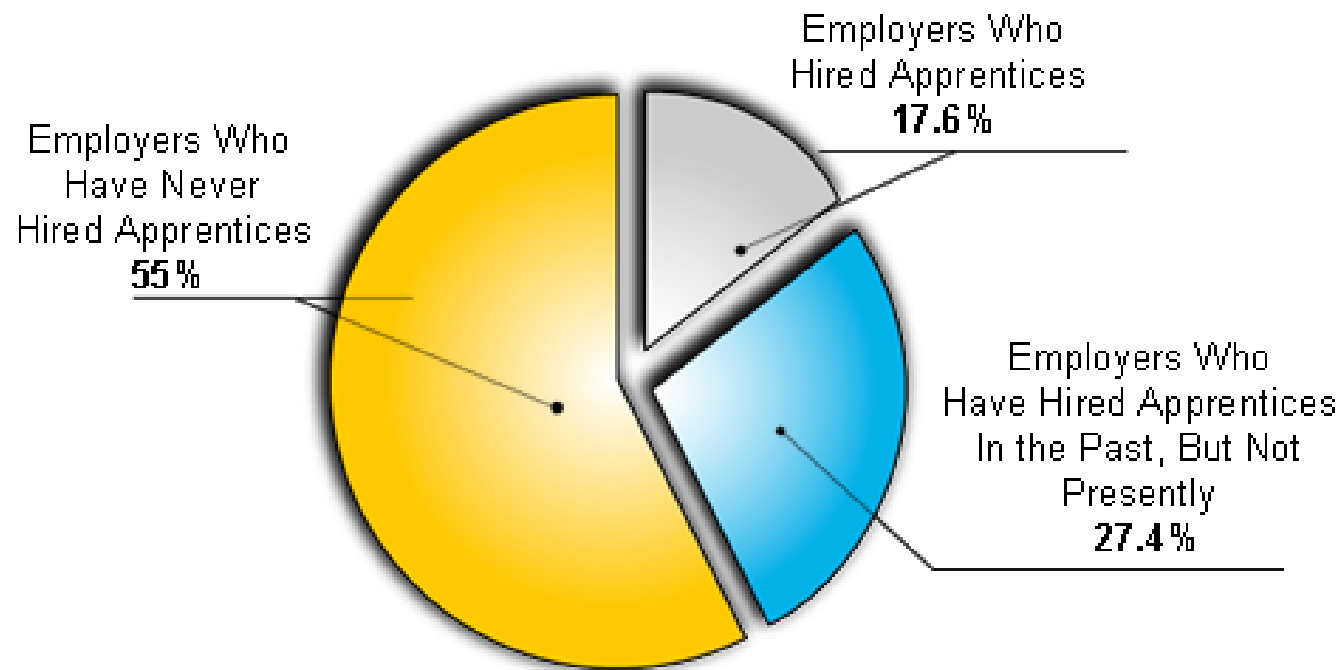


# Human Resource Realities

- Skills shortages
- Low employer participation in apprenticeship
- Lack of evidence to support the business case for apprenticeship
- Barriers when trying to access training



# Employer Participation in Apprenticeship



# What can we do to meet these challenges?

- Gather evidence to support business case for apprenticeship
- Examine effective ways to access untapped sources of labour
- Investigate support mechanisms that facilitate recruitment and retention
- Provide a conduit for industry-driven dialogue and research



# CAF-FCA's Work

- Return on Training Investment for Employers Phase I and Phase II
- Employer Engagement Forums
- Return on Training Investment for Apprentices
- Workplace Accommodations for Persons with Disabilities in the Skilled Trades
- Future work may include:
  - Support Mechanisms for Employers
  - The Challenge of Finding an Employer Sponsor



# Return on Training Investment for Employers Phase I

- Survey completed by employers from across the country based on their own financial records and experiences.
- A total of 433 employers from across the country completed the survey.
- The results were valid at a national level.



# Trades Selected for Phase I

Automotive Service Technician	Tool and Die Maker
Bricklayer	Construction Electrician
Carpenter	Heavy Duty Equipment Mechanic
Cook	Insulator
Industrial Mechanic (millwright)	Mobile Crane Operator
Machinist	Refrigeration and Air Conditioning Mechanic
Motor Vehicle Body Repairer	Sprinkler System Installer
Sheet Metal Worker	



# ROTI Phase I Findings

## True or False



# Employer Engagement Forums

- 6 forums were held across the country in Burnaby, Halifax, St John's, London, Hamilton, Whitehorse
- Employers had the opportunity to discuss the business case for apprenticeship based on CAF-FCA's first round of data collection.
- Employers validated the findings of the first study.
- They also believed apprenticeship helped their business through:
  - Higher productivity
  - Improved skills and safety
  - Enhanced company reputation
  - Effective recruitment strategy



# Questions Arising from the Research

- Are there significant differences in the net cost of training an apprentice in a larger organization versus a small business?
- What are some of the regional differences that impact the return on training investment?
- What are some of the trade related differences that may impact the return on training investment?



# Return on Training Investment for Employers Phase II

- Second Phase of ROTI Employer Survey will try to collect additional data from employers to strengthen the business size, regional, and trade results
- The demand for these results is industry driven.
- Data collection from employers will be conducted from June until September
- Any employer contacts would be greatly appreciated



# Trade Selected for Phase II

Automotive Service Technician	Tool and Die Maker
Bricklayer	Construction Electrician
Carpenter	Heavy Duty Equipment Mechanic
Cook	Insulator
Industrial Mechanic (millwright)	Refrigeration and Air Conditioning Mechanic
Machinist	Sprinkler System Installer
Motor Vehicle Body Repairer	
Sheet Metal Worker	



# New Trades Added for Phase II

- Cabinetmakers
- Hairstylist
- Power Line Technician
- Boilermaker
- Plumber



# Why a Return on Training Investment Study for Apprentices?

- Need skilled journeypersons to meet future skills shortages in Canada
- In order to move forward with promoting and enhancing the apprenticeship training model, the apprenticeship community needs timely information on the costs and benefits of apprenticeship training
- Need to build upon findings that suggest the skilled trades is a financially rewarding and personally satisfying career option



# Return on Training Investment for Apprentices

- Number of apprentice survey participants from across Canada:
  - Public: 1,517
  - Private: 727
- Partnership with Association of Community Colleges on the Public Institutes Survey



# Three Main Areas of Research

## A. ROTI for Apprentices

- Returns on training investment are highly positive in comparison with those of other postsecondary options

## B. Demographic Profiles

- Women, visible minorities, aboriginal peoples, and youth remain under-utilized sources of talent

## C. Pathways/Perceptions

- Family, friends, and employers are the most important influences in the reasons for becoming an apprentice



# A. ROTI for Apprentices

## Expected Income:

- The apprentices surveyed *expected* to earn an average annual income of between \$52,000 and \$55,000 upon graduation

## Labour Market Outcomes:

- In a 2007 survey in Saskatchewan, recently certified journeypersons from the class of 2005 were found to be earning an average annual income of \$53,500.



## A. ROTI for Apprentices

- Costs of Training Investment for Apprentices:
- Direct Costs – Tuition, textbooks, tools of the trade, and insurance on tools
- Indirect Costs – Transportation, living expenses, temp. accommodations, and childcare
- Opportunity Costs – Costs of forgone income



# A. ROTI for Apprentices

## 1. Direct Costs:

Direct Costs	Percentage reporting costs		Median cost <sup>a</sup> (\$)		Mean cost <sup>a</sup> (\$)	
	Public	Private	Public	Private	Public	Private
Tuition/textbooks	91	74	600	370	874	1,884
Apprenticeship registration fee	48	39	200	150	257	304
Hand tools	41	44	300	300	795	394
Insurance on tools	6	6	120	65	387	265
Aggregate direct costs <sup>b</sup>	—	—	844	570	1,335	1,957

<sup>a</sup> Of those reporting costs in this category.

<sup>b</sup> Does not sum to the column because not all respondents report costs in all categories.



# A. ROTI for Apprentices:

## 2. Indirect Costs:

Indirect costs	Percentage reporting costs		Median cost <sup>a</sup> (\$)		Mean cost <sup>a</sup> (\$)	
	Public	Private	Public	Private	Public	Private
Transportation costs	90	68	400	400	591	800
Living expenses	76	58	700	800	1319	1430
Temporary accommodation	27	70	800	1400	1210	2032
Child care	11	9	500	600	969	998
<b>Aggregate indirect costs<sup>b</sup></b>	—	—	<b>1,350</b>	<b>1,500</b>	<b>2,081</b>	<b>2,729</b>
<b>Total aggregate direct and indirect costs<sup>b</sup></b>	—	—	<b>2,200</b>	<b>2,075</b>	<b>3,233</b>	<b>4,127</b>

<sup>a</sup> Of those reporting costs in this category.

<sup>b</sup> Does not sum to the column because not all respondents report costs in all categories.



# A. ROTI for Apprentices:

## 3. Opportunity Costs:

Income	Median hours per week		Median weeks per year		Median hourly wage (\$)		Median weekly earnings <sup>a</sup> (\$)		Median annual earnings <sup>a</sup> (\$)	
	Public	Private	Public	Private	Public	Private	Public	Private	Public	Private
Before	40	40	50	43	12.00	11.97	480.00	450.00	20,800	16,640
During	40	40	50	40	11.50	12.00	462.50	480.00	21,060	16,972
After	40	40	50	50	25.10	20.00	1040.00	900	52,000	41,600



## B. Demographic Profile:

### Age distribution

Age	Percentage of respondents	
	Public	Private
Under 25	41.0	53.3
25 to 44	54.0	42.5
45 and above	4.1	4.0
Total <sup>a</sup>	100	100
Valid responses	1,486	100



## B. Demographic Profile:

### Gender

Gender	Percentage of respondents	
	Public	Private
Male	88.4	89.8
Female	11.6	10.2
Total	100	100
Valid responses	1,505	697



## B. Demographic Profile:

### Visible Minorities

Minority status	Percentage of respondents	
	Public	Private
No	93.5	94.1
Yes	6.5	5.8
Total	100	100
Valid responses	1,480	681



## B. Demographic Profile:

### Aboriginal Peoples

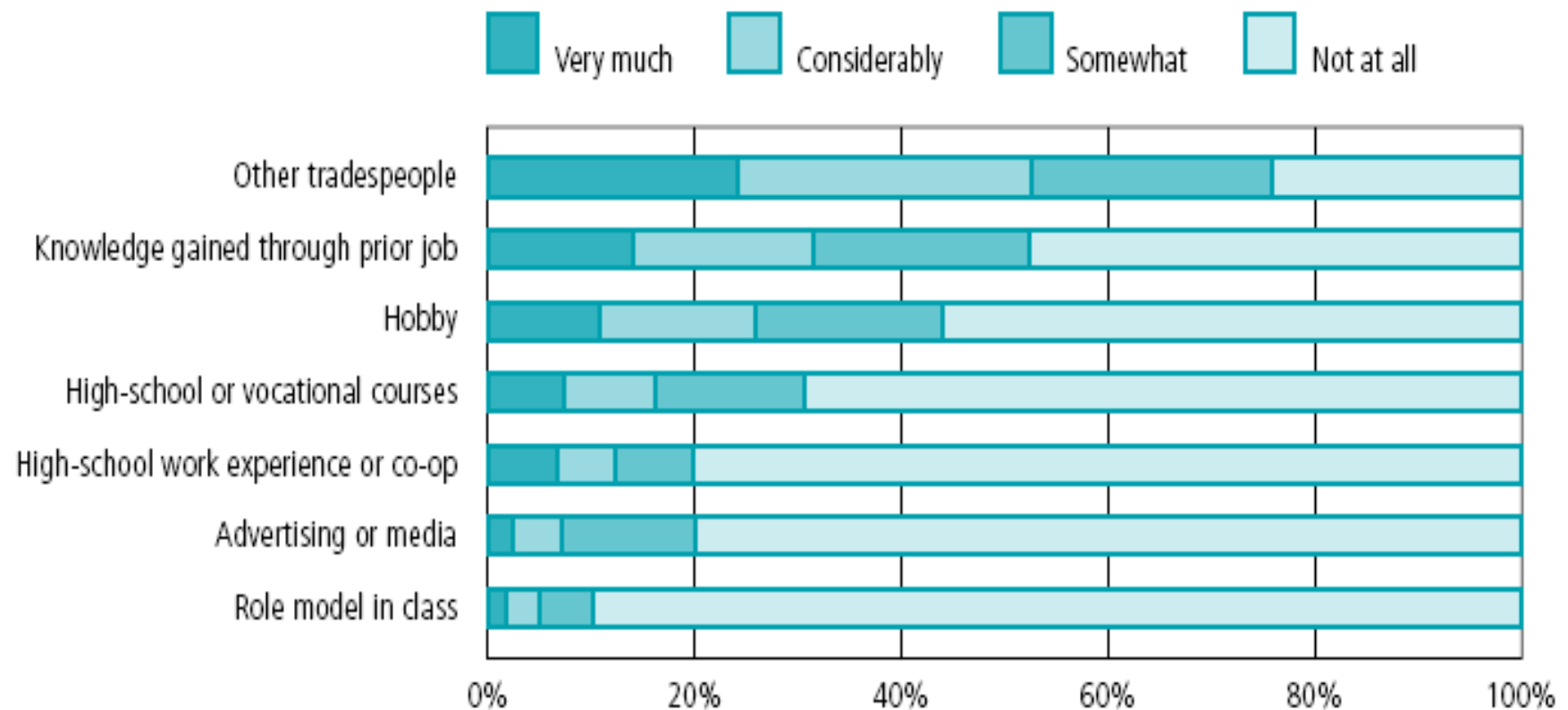
Aboriginal status	Percentage of respondents	
	Public	Private
No	92.6	93.2
Yes	7.3	6.7
Total <sup>a</sup>	100	100
Valid responses	1,486	697

<sup>a</sup> Not all totals sum to 100 due to rounding.



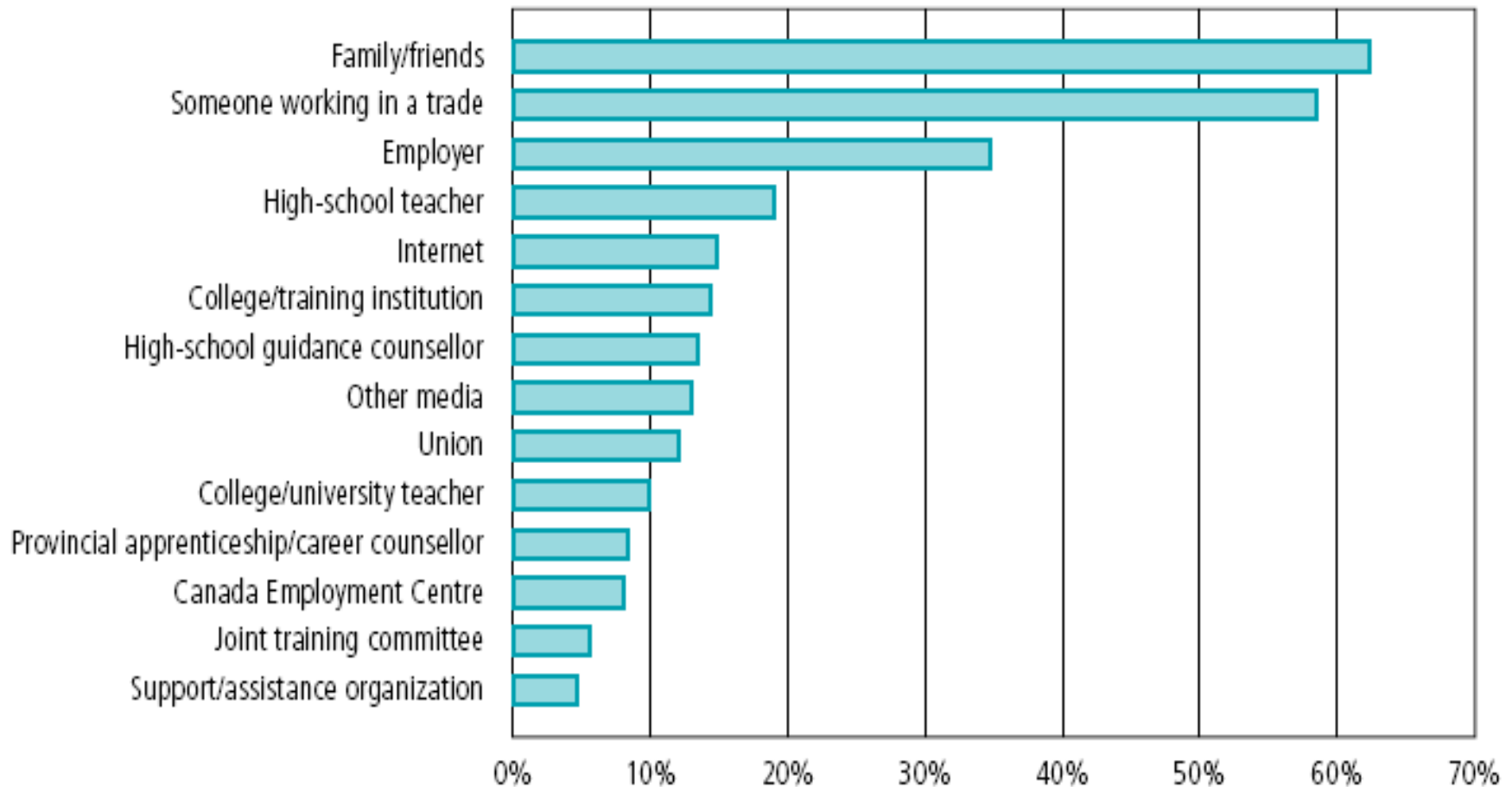
## C. Pathways/Perceptions:

Figure 5: Importance of factors in considering apprenticeship as a post-secondary career-training option—public system



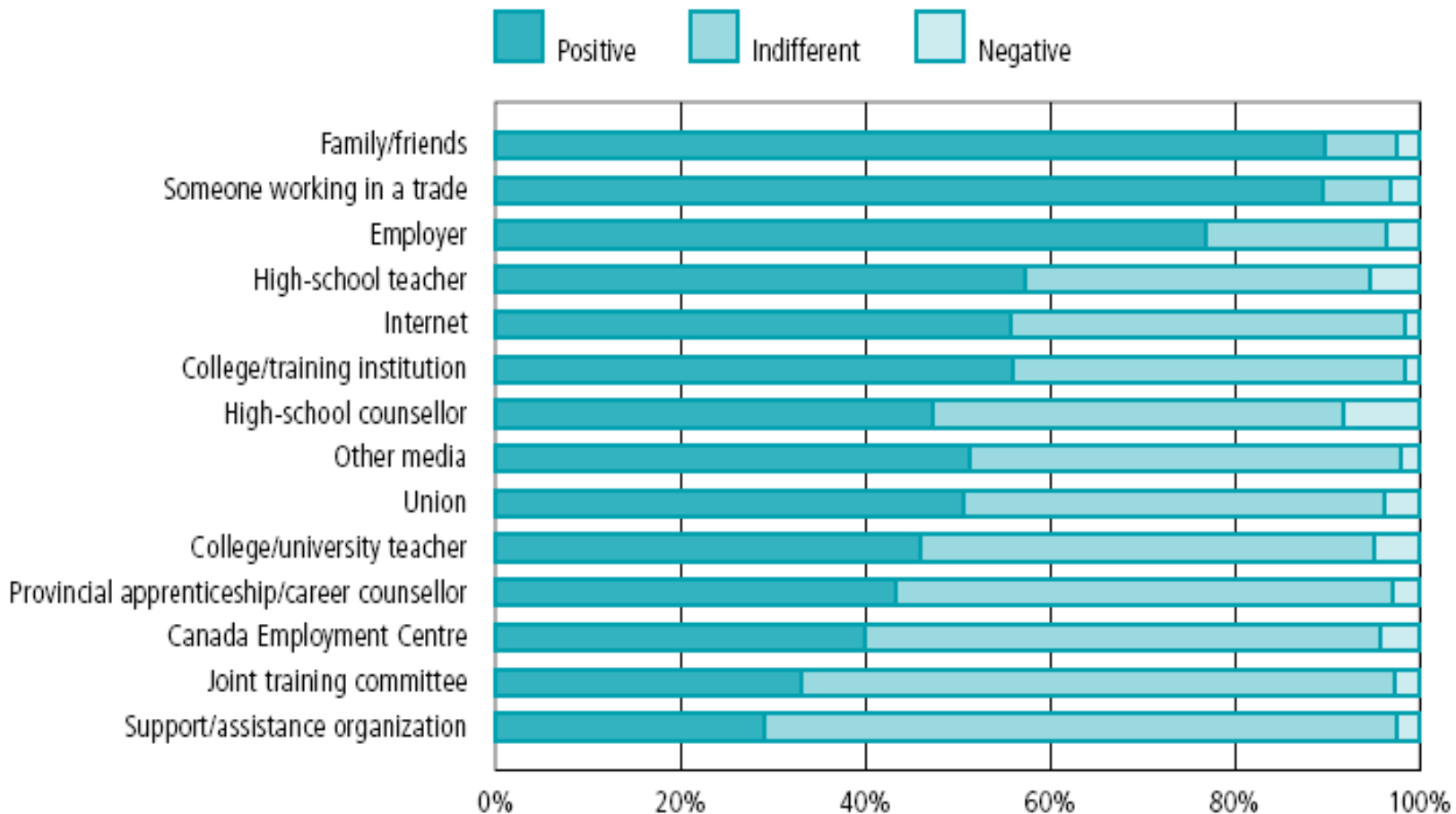
## C. Pathways/Perceptions:

Figure 7: Frequency of receiving positive counselling on apprenticeship



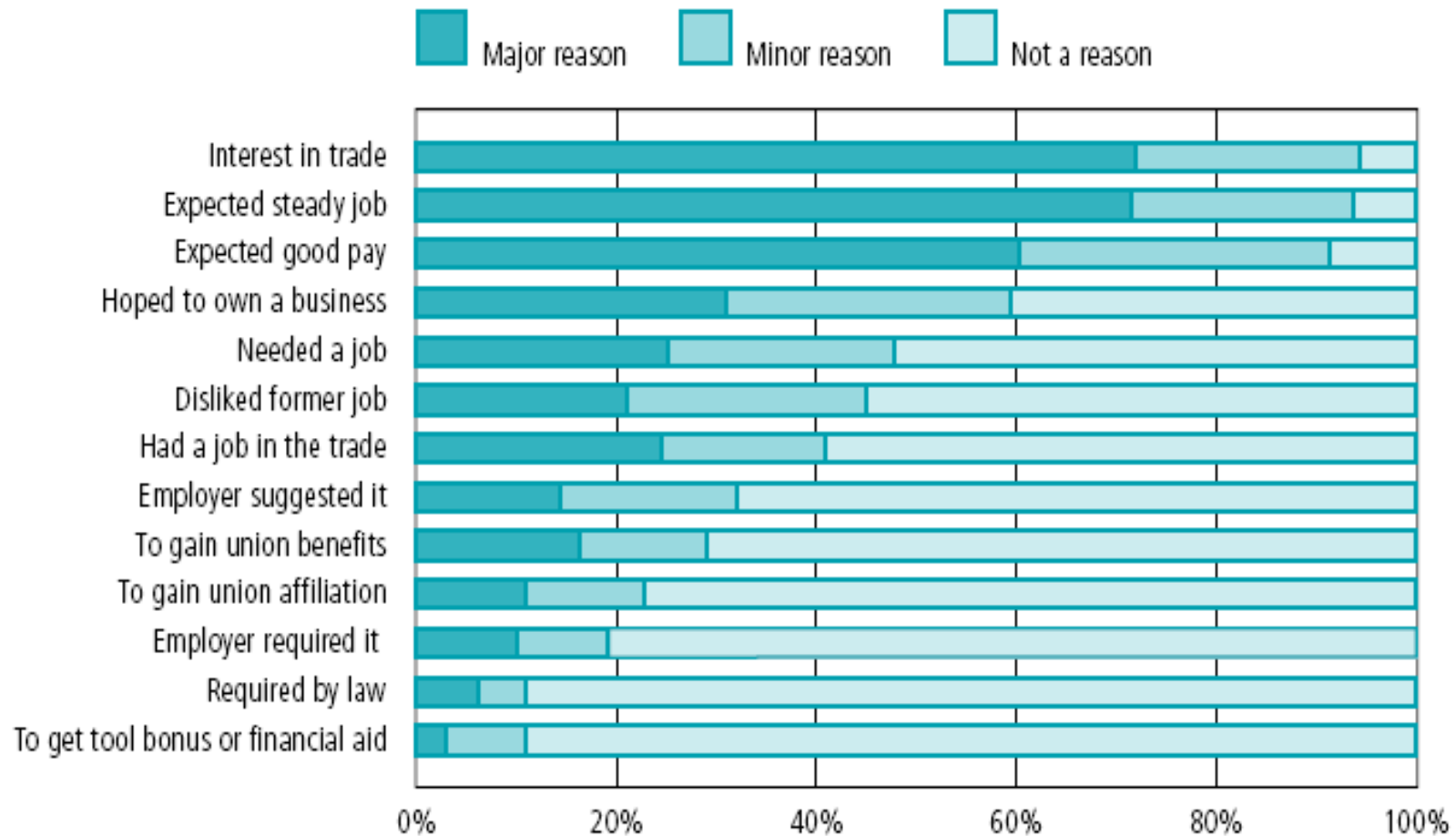
# C. Pathways/Perceptions:

Figure 8: Proportion of counselling sessions yielding positive, indifferent, or negative results, by source of counselling



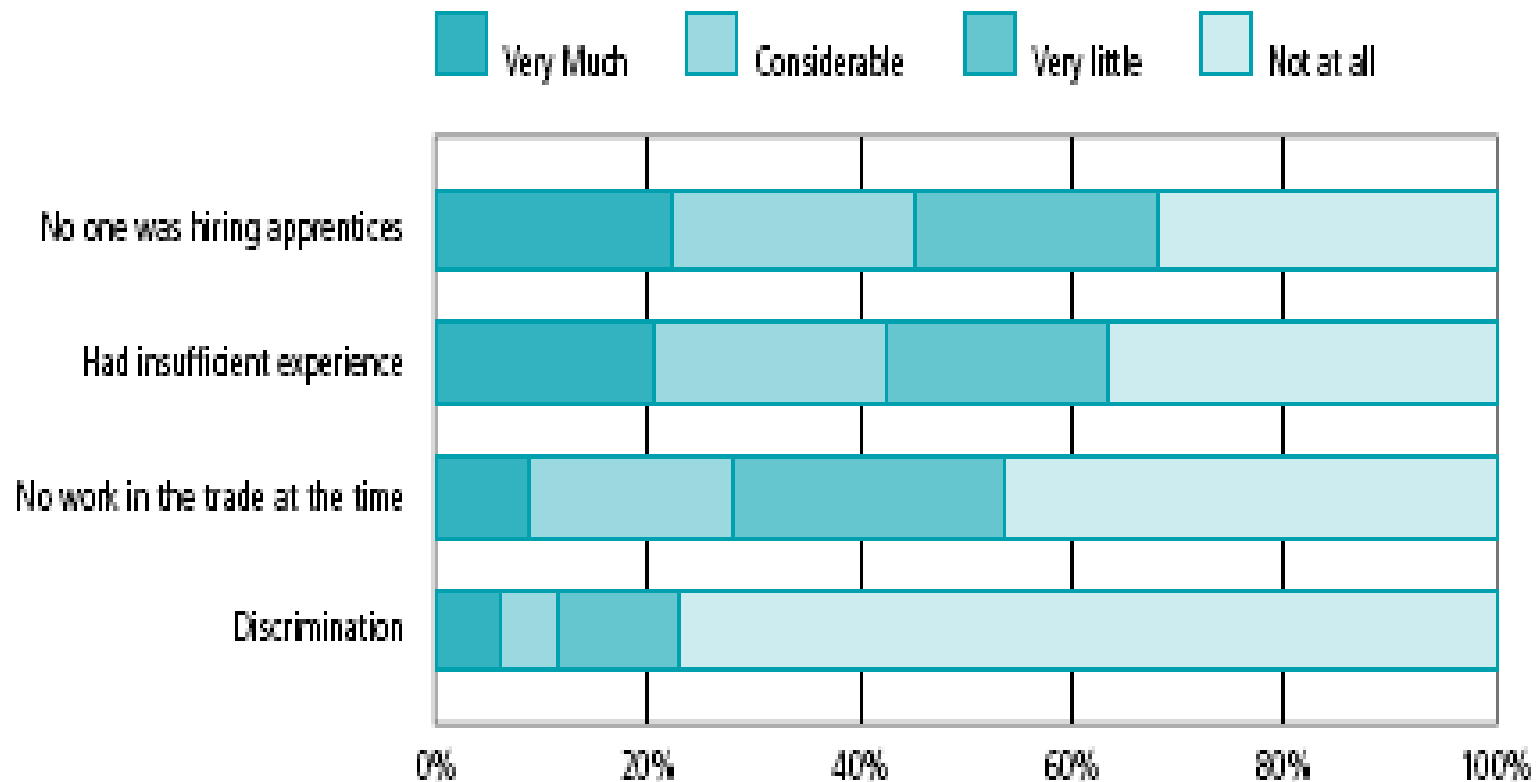
# C. Pathways/Perceptions:

Figure 7: Importance of motivations for deciding to register in an apprenticeship program—public



## C. Pathways/Perceptions:

Figure 2: Perceived importance of selected factors in explaining difficulties of finding an employer sponsor



Note: Questions were asked only of those reporting difficulty finding employment.

# Recommendations:

- I. Continue to enhance research on the ROTI for:
  - Employers
  - Apprentices
  
- II. Continue to improve recruitment among untapped sources of talent:
  - Youth
  - Women
  - Visible minorities and recent immigrants
  - Aboriginal peoples
  - Persons with disabilities



# Recommendations:

## III. Reduce the “time to finding an employer sponsor” by:

- Engaging employers in apprenticeship training
  - Collect additional ROTI findings
  - Dialoguing with employers about their short and long-term strategies for recruiting and retaining skilled workers
- Engaging with apprentices and other stakeholders
  - Better understand the challenge of finding an employer sponsor





# Thank You!



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