



CAF-FCA Return on Apprenticeship Training Investment

Part of the Solution...



Canadian Apprenticeship Forum
Forum canadien sur l'apprentissage



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



The Business Case for Apprenticeship

- CAF-FCA is interested in enhancing participation in apprenticeship by showing both employers and apprentices that there is a business case for apprenticeship.
- As a part of its work, CAF-FCA has and will continue to:
 - build upon the business case for investing in apprenticeship
 - provide a conduit for industry-driven dialogue and research



CAF-FCA's Work

- Return on Training Investment for Employers Phase I and Phase II
 - Report available online for Phase I
 - Report for Phase II should be available in June 2009
- Employer Engagement Forums
 - Report available online
- Return on Training Investment for Apprentices
 - Reports available online

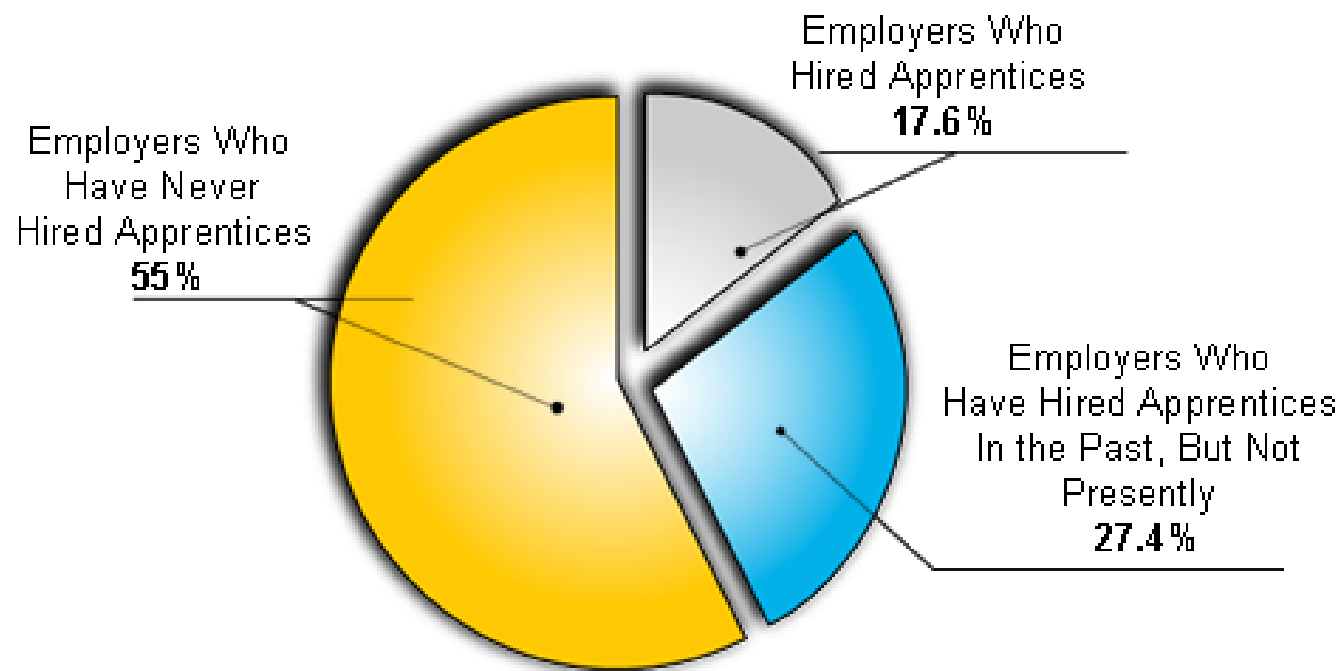


Why a Return on Training Investment Study for Employers?

- Employers need skilled workers to enhance productivity and competitiveness, however, research indicates there is low employer participation in apprenticeship
- CAF-FCA survey results indicate out of all the employers who could potentially train apprentices, less than 20% of employers participate in apprenticeship training.



Why a Return on Training Investment Study for Employers?



Employer Perceptions

- Cost was perceived to be a barrier to apprenticeship training.
- Less than 5% of employers believe there is a business case for apprenticeship.
- Less than 11% of employers believe hiring an apprentice makes financial sense.
- Employers tend to be reluctant to take on apprentices because they perceive the investment in training to be risky and slow to return a benefit.



Accuracy of Employer Perceptions?

- CAF-FCA decided to investigate the return on training investment of apprenticeship training based on employers' experiences across the country in various trades.
- CAF-FCA wanted to look at employer supplied financial data and to gather employers' opinions based on their experiences.



The CAF-FCA Return on Training Investment Project

- CAF-FCA worked with an economist to develop a methodology for the survey tool.
- A detailed survey questionnaire asked employers information on the following:
 - Wages
 - Charge-out rates
 - Training costs (i.e. cost of journeyperson time, wastage)
 - Qualitative measures on the benefits of apprenticeship



Results for Construction Electrician

Exhibit 3.4 Per Apprentice Costs and Benefits by Year of Apprenticeship – Construction Electrician (n=52)

A. EXCLUDING ELIGIBLE TAX CREDITS

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Benefits						
Attributed Revenue	\$ 51,508.30	\$ 61,007.78	\$ 66,851.28	\$ 74,888.70	\$ 83,783.89	\$ 338,039.95
Costs						
Wages and Benefits	\$ 31,362.40	\$ 37,159.75	\$ 43,021.92	\$ 50,393.82	\$ 57,700.90	\$ 219,638.79
Journeyman Time	\$ 16,081.88	\$ 9,896.54	\$ 6,575.60	\$ 4,977.91	\$ 2,783.40	\$ 40,315.34
Wastage	\$ 2,905.45	\$ 3,334.44	\$ 1,467.78	\$ 926.25	\$ 203.33	\$ 8,837.26
Disbursements	\$ 1,331.45	\$ 538.58	\$ 538.58	\$ 687.55	\$ 236.96	\$ 3,333.12
Administration	\$ 659.84	\$ 659.84	\$ 659.84	\$ 659.84	\$ 659.84	\$ 3,299.18
Total	\$ 52,341.03	\$ 51,589.15	\$ 52,263.72	\$ 57,645.36	\$ 61,584.43	\$ 275,423.69
Net Benefit (Cost)	\$ (832.73)	\$ 9,418.63	\$ 14,587.56	\$ 17,243.33	\$ 22,199.45	\$ 62,616.26

Employer Participation Phase I

- 11,550 employers were contacted
- 1,941 (16.8%) qualified for the study
- Approximately 1 in 5 qualifying employers completed the survey.
- A total of 433 employers from across the country completed the survey as a part of Phase I.



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	



Research Findings

- Apprentices for all 15 trades generate net benefits for employers within a short period of time.
- Majority of employers indicated apprentices' productive value exceeds training costs by end of 2nd year.
- Majority of employers indicated their journeyperson derived a benefit from training an apprentice.



Research Findings

- Employers saw a significant benefit to employing a journeyperson that was trained as an apprentice.
- Majority of employers across all business sizes and regions viewed a “homegrown” journeyperson as more productive than an externally trained journeyperson.



Research Findings

- Apprenticeship training makes good business sense.
- On average, for each \$1 invested in an apprentice, a benefit of up to \$1.38 accrues to the employer
- All 15 trades included show an overall net benefit of apprenticeship training.



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



Return on Training Investment for Employers Phase II

- Second Phase of ROTI Employer Survey is collecting additional data from employers.
- The demand for these results is industry driven.
- As a part of Phase II, results were obtained from over 700 employers.
- Report should be available in June 2009 off the CAF-FCA website.



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	New trades added: Cabinetmaker, Plumber, Hairstylist, Power Line Technician, Boilermaker
Sheet Metal Worker	



Any Questions?

- To download any of our reports go to:
- www.caf-fca.org.
- www.careersintrades.ca.
- For more information contact:
- emily_arrowsmith@caf-fca.org.

