

Recruiting, hiring & training costs Colorado businesses \$24K+ per employee

Middle-skilled positions take 15% longer to fill in Colorado compared to the national average<sup>1</sup>

## RECRUITING EMPLOYEES

1 Burning Glass Technologies, Interim Deliverable, "Overview of Colorado's Middle-Skill Job Market"; Colorado
2 CPR. org, "Colorado Unveils \$9.5M Youth Apprenticeship Program", September 2016 An estimated 25,000 weekly job vacancies in high-growth industries go unfilled because of a LACK OF SKILLED WORKERS, costing the state more than \$300 million in lost GDP<sup>2</sup>



## COLORADO'S EDUCATION SYSTEM



Students start high school



Students reach graduation



Enroll in college



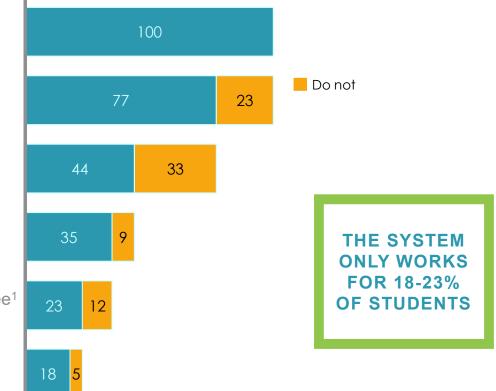
Return for a second year



Receive a post-secondary degree<sup>1</sup>



Immediately enter employment In Colorado



1 Certificate, associates or bachelor's degree within 150% of allotted time SOURCE: The Colorado Talent Pipeline Report 2015

## Consider the Gallup Hope Index

The Gallup measure of hope has three components:

- · The degree to which a person has goals
- A person's level of self determination
- A person's belief that there are multiple pathways to achieve their goals

The component most often missing when a person does not have hope is the belief that there are multiple pathways to achieve their goals.

When we show students one pathway, and that pathway is only working for 23% of students, we deprive 77% of our students of hope for their future.



"Why America Must Create an Educonomy" Presentation by Brandon Busteed, Gallup, 2/5/16 Denver, Colorado

## BRIDGING THE GAP BETWEEN EDUCATION & CAREER

CareerWise Colorado connects industry and education to create a statewide, modern youth-apprenticeship system. Apprentices earn a wage while gaining valuable workplace experience, a nationally recognized industry certification and debt-free college credit.

### APPRENTICE





Industry benefits from tangible financial ROI as it makes the shift from being consumers of talent to producers of talent.

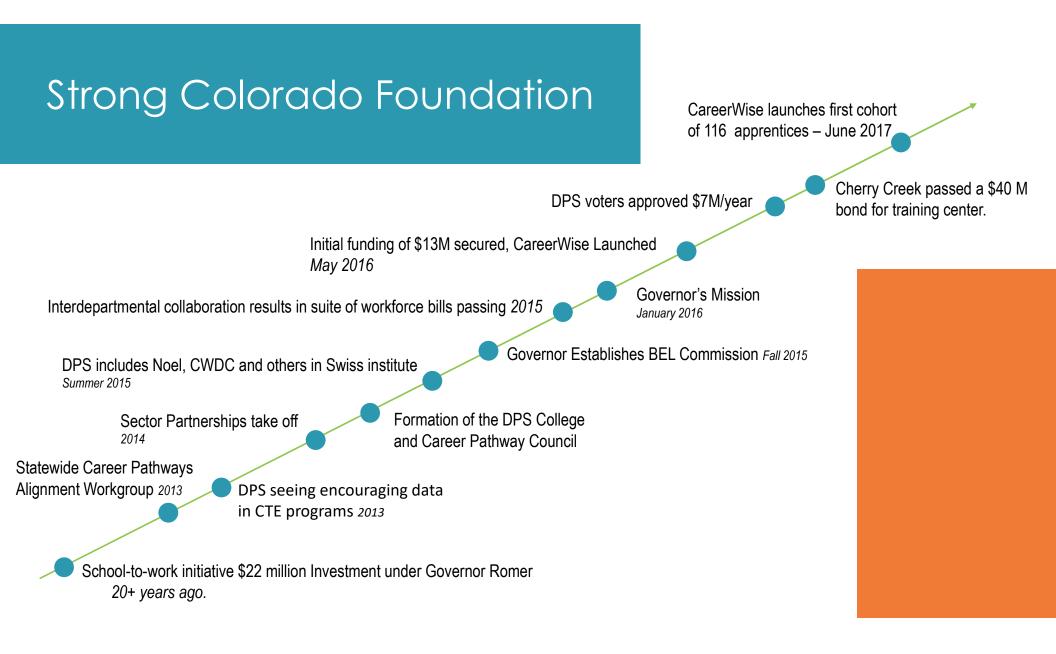
### BUSINESS

### EDUCATION



K-12 and higher education institutions improve student outcomes with increased student engagement and attendance, graduation rates and college-credit attainment.





## Current and Future Enabling Policy

### Current

Blending public fundingConcurrent EnrollmentPtechEarly CollegeASCENT

Creating Higher Education PermeabilityGuaranteed Transfer (GT) Courses

Policies that Enable Alignment and Efficiency
Competency-based graduation
Competency-based learning
Competency-based work at community colleges

### Future

Diploma

Removing seat time from school funding formula
Apprenticeship-specific ASCENT Fund
Expansion of GT courses
Redefinition of Endorsed





**COLORADO** Department of Education



### COLORADO

Department of Higher Education



### COLORADO

Department of Labor and Employment



### COLORADO

Office of Economic Development & International Trade the BEL Commission



Colorado Workforce Development Council



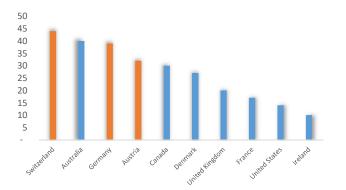
## Learning from outside CO and US

100%

# Systems with the best outcomes are highly structured as systems and built on a foundation of youth apprenticeship

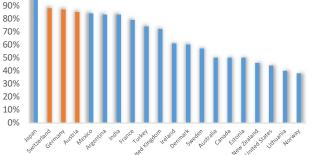
## ...the highest participation in apprenticeships

Apprentices per 1,000 People Employed by Country

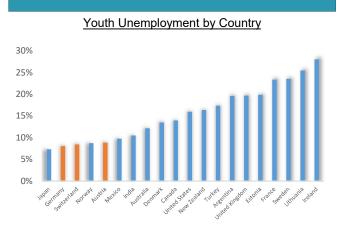


## ...highest apprenticeship completion rates

Apprenticeship Completion Rates by Country



### ...and the lowest youth unemployment



Switzerland, Germany, and Austria highlighted in orange

Source: World Bank; Country Response via OECD 2014; Overview Of Apprenticeship Systems And Issues, Nov 2012

## Income Inequality

The Gini coefficient is based on the comparison of cumulative proportions of the population against cumulative proportions of income they receive, and it ranges between 0 in the case of perfect equality and 1 in the case of perfect inequality.

## Switzerland

## **United States**

.297

.394

https://data.oecd.org/inequality/income-inequality.htm#indicator-chart 2014 data – most recent available

## Poverty Rate

The poverty rate is the ratio of the number of people whose income falls below the poverty line; taken as half the median household income of the total population

## Switzerland

## **United States**

9.9%

17.5%

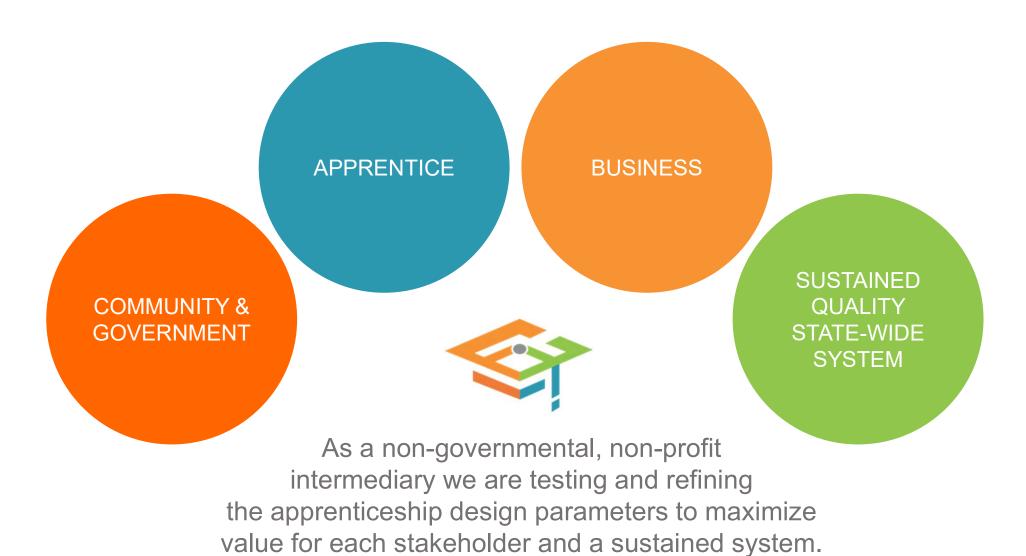
https://data.oecd.org/inequality/poverty-rate.htm#indicator-chart 2014 data – most recent available

## What should we replicate?

Values	Business Driven and Student Centered	
Incentives	What are the naturally existing selfish reasons for all parties to participate	

The Swiss system works because it aligns with shared values and facilitates a perpetual balancing and rebalancing of the the natural needs and wants of all participating stakeholders.







## BUSINESS

### **Design Parameters**

- State-wide business –identified competencies per pathway
- Living wage earning potential —
- College credits
- High school credit for work experience
- 3 year apprenticeship duration
- Company paid wages
- Company paid training and certification exam(s)

### Alignment with Natural Incentives

- Concrete mechanism they can
   use to drive alignment between industry needs, training centers and companies
  - Attracts wide range of talent, maybe more diverse than their current pool
  - Ensures positive ROI
  - Encourages supervisors to push for high-skill work
  - Contributes to loyalty
  - Gives companies decision making authority re: training providers



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### Alignment with Natural Incentives

- Ensures viable pathways &
   Creates transferable value for youth who participate
  - Ensures one path to success
  - Makes a second path to success more feasible and affordable
  - Contributes to K-12 graduation
  - Encourages access to high-skill work during apprenticeship
  - Gives access to students whose school or family couldn't afford



# HERE'S HOW

### CAREERWISE APPRENTICES SPLIT TIME BETWEEN SCHOOL, TRAINING CENTERS, AND WORK ON A SCHEDULE THAT WORKS FOR STUDENTS AND BUSINESSES

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# HERE'S HOW

### CAREERWISE APPRENTICES SPLIT TIME BETWEEN SCHOOL, TRAINING CENTERS, AND WORK ON A SCHEDULE THAT WORKS FOR STUDENTS AND BUSINESSES

**AT HIGH SCHOOL** Core academic courses at school (e.g., math), some community college coursework

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**ON-THE-JOB** On-the-job training, in form of occupation, rotation or projects

#### AT TRAINING CENTER

Multi-skill training curriculum in pathway-specific skills

### AT THE END OF THEIR APPRENTICESHIP

- High school diploma
- One or more professional credentials or certifications
- 30+ debt-free college credits
- \$25-30K of accumulated pay
- Living wage earning potential
- Another 1-2 semesters of technical credits

## AFTER APPRENTICESHIP

		YEAR 1	YEAR 2	YEAR 3
	AT HIGH SCHOOL Core academic courses at school (e.g., math), some community college coursework	~3 days a week	~2 days a week	NA
Ð	ON - THE - JOB On the job training, in form of occupation, rotation or projects			32-40 hours a week
<u>ل</u> يم	AT TRAINING CENTER Multi-skill training curriculum in pathway-specific skills	~150 hours a year	~175 hours a year	-200 hours a year



# Student signs on as full-time EMPLOYEE

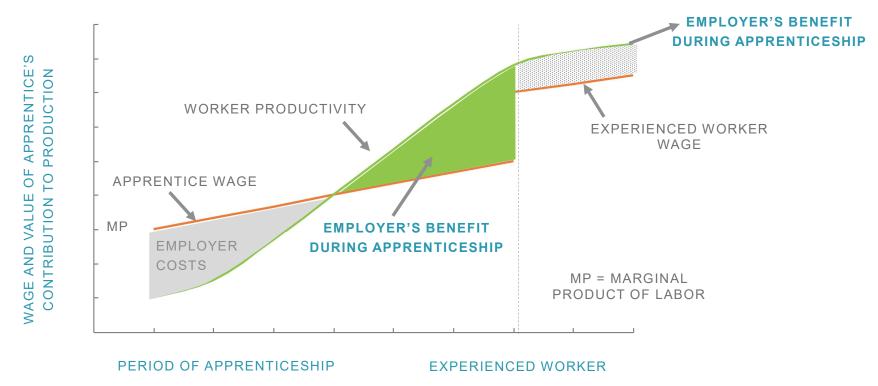


Student continues EDUCATION with 2- or 4-year degree



Swiss firms saw an ROI of 10% during the training period, and additional ROI once apprentices became full-time employees<sup>1</sup>

### **PROJECTED WAGES & PRODUCTIVITY, RELATIVE TO STANDARD FTE**



1 Wolter et al (2006)

## Characteristics of Cohort 1 Companies

Clear human capital pain point
Retirement cliff coming
Current staff not as diverse as current and projected client make up
Believe growth of a talent pool will have longterm benefits in terms of cost and retention of talent

Care about youth development









## CareerWise SUPPORTS







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### NEW COMMUNITIES READINESS

# New CareerWise communities need active participation from:

- ✓ The business community, including local business-support organizations
- The education community, including K12 and higher education/training partners
- Community leadership interested in fostering a supportive ecosystem and infrastructure

## Learn more

# gretchen.morgan@@areerWiseColorado.org www.CareerWiseColorado.org



**Reference Slides** 



# COMMUNITY & GOVERNMENT



### **Design Parameters**

- State-wide business-identified occupational pathways
- State-wide business –identified competencies per pathway
- Require K-12 partners make concurrent enrollment contribution
- Business fees to sustained system quality functions
- Unsubsidized apprentice wage  $\rightarrow$  Encourages access to high skill
- Make registering apprenticeship pathways easier → for companies who are interested

Alignment with Natural Incentives

- Creates transferable value for
   youth who participate
  - Prevents program from seeking/relying upon sustained additional public funding
- Ensure adequate training while understanding limits of CE
  - Encourages access to high skill work during apprenticeship
  - Support state in goals re: expansion of registered apprenticeships in a biz-centered way

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- use to drive alignment between industry needs, training centers and companies
- Attracts wide range of talent, maybe more diverse than their current pool
- → Encourages supervisors to push for high-skill work
  - Contributes to loyalty
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**BUSINESS** 

### **SUSTAINED** QUALITY STATE-WIDE **SYSTEM**

### **Design Parameters**

- State-wide business-identified  $\longrightarrow$  Contributes to system that will occupational pathways
- State-wide business –identified competencies per pathway
- Package of outcomes for \_\_\_\_\_ students

- Package of outcomes for businesses
- Business participation fee

### Alignment with Natural Incentives

- continuously pull parts of the system into alignment
- → Will bring more students into postsecondary skill development which is good for economic growth and costs of public assistance
  - $\rightarrow$  Will bring more companies to Colorado, with further contributes to economic development
  - → Funds functions that help grow the system with sustained quality
    - Funds research system learning/evolution functions



What should	COMMUNITY & GOVERNMENT	APPRENTICE	BUSINESS
we replicate? Values and Incentives: Business Driven &	<ul> <li>Ensures education and training alignment</li> <li>A range of options for youth</li> </ul>	<ul> <li>choices and wa pathways</li> <li>Independence</li> <li>Access to higher education</li> <li>Earn wages</li> <li>Innependence</li> <li>Access to higher pathways</li> <li>Earn wages</li> <li>Innependence</li> <li>Professional proposition</li> <li>A path to happy and successful young adult life</li> </ul>	<ul> <li>Cost-effective way to attract, develop and keep talent</li> <li>Productivity from</li> </ul>
	<ul> <li>options for youth</li> <li>A system to ensure stability</li> <li>Ensures a strong start for all young people</li> <li>Creates business need to provide "sniffing" opportunities</li> </ul>		<ul> <li>paid employees</li> <li>Innovation in products and operations</li> <li>Positive ROI</li> <li>Ensures education and training alignment</li> </ul>
Student Centered	The Swiss system works because it facilitates a perpetual balancing and rebalancing of the the natural needs and wants of all participating stakeholders.		