



Encourage Career Development Through Existing Private Sector Apprenticeship Training Programs

Background:

- NECA contractors and their employees possess a strong work ethic, an ability to learn and master technical concepts, a desire to work with their hands, a drug-free lifestyle, and a passion for the construction trades. Studies have shown that every \$1 investment in apprenticeship produces \$28 in taxpayer benefits. Congress should promote existing skilled apprenticeship programs as an option for post high school education that offers a real education, economic growth, and a pathway that is debt free.

NECA Asks:

- *There is a Serious Need to Build the Next Generation of Skilled Electricians.* Nearly 70 percent of our supervisor rolls are staffed by Baby Boomers, with the average age of a journeyman electrician hovering around 53 years old. Over 12,000 more workers will be needed each year just to meet attrition and growth.
- *Privately Funded Apprenticeship Programs Provide a Legitimate Career Pathway.* A career in the construction trades offers an opportunity for a substantive post-secondary education at a minimal cost to the participants and no cost to the federal government.
- *Apprentices Earn an Excellent Wage and Benefits Package During Their Indentured Apprenticeship.* The salary of a typical first-year apprentice graduate would rank among the top-ten in college majors with the highest starting salaries. The average starting salary of an apprentice graduate is \$50,000 per year, with the ability to earn over \$100,000.

NECA Asks:

- Congress should establish a Construction Apprenticeship Tax Credit for Employers. A tax credit of \$5,000 per apprentice should be made available to companies that employ indentured apprentices enrolled in a federal- or state-registered apprentice program.
- Congress should establish a Training Tax Credit for Construction Apprentices. This training tax credit would incentivize people to join an apprenticeship at a younger age than the current average of 29. An annual tax credit of \$1,500 should be made available to any apprentice under the age of 25, while those over 25 would receive a \$1,000 credit.

Note:

- A "construction apprenticeship" is defined as an employee who is indentured in an officially recognized construction apprentice program registered with the Office of Apprenticeship of the Employment and Training Administration of the Department of Labor or a state apprenticeship agency.
- All incentives should use statistics such as length of the apprenticeship and graduation rates to determine if an apprenticeship program is "worthy" of Federal incentives.