

TESTIMONY OF NOEL GINSBURG

CEO AND FOUNDER

CAREERWISE COLORADO

UNITED STATES SENATE

COMMITTEE ON HEALTH, EDUCATION, LABOR & PENSIONS

SUBCOMMITTEE ON EMPLOYMENT AND WORKPLACE SAFETY

SEPTEMBER 22, 2021

GETTING AMERICA READY TO WORK – SUCCESSFUL ON THE JOB,
APPRENTICESHIP TRAINING PROGRAMS TO HELP WORKERS AND BUSINESSES
GET READY TO WORK

Introduction

Good morning. Thank you for inviting me to speak to you about youth apprenticeship today. My name is Noel Ginsburg. I am the founder and chairman of the Colorado manufacturing companies Intertech Plastics and Intertech Medical, as well as the founder and CEO of CareerWise.

Youth apprenticeship has the power to change lives. CareerWise was founded in Colorado in 2017 to solve two pressing problems facing our country: first, the need to create more opportunities for young people to access dignified careers with upward mobility, and second, growing talent shortages at businesses around the country. In the four years since our founding, we've seen tremendous impact on both young people and the businesses that have been employing them.

Though there is a history of apprenticeship in this country, youth apprenticeship is still in its nascent stage. It will require significant investment at all levels in order to realize its true potential. I'm here today to share with you our model, the impact that it has had, and some recommendations for how we can continue to multiply post-secondary options and paths to high-growth, high-pay careers, and at the same time create new, diverse talent pipelines to keep America competitive on the world stage.

Description of the Model

CareerWise works as the intermediary between education and employers to create opportunities for modern youth apprenticeship. Modern youth apprenticeship is a strategy for building a more inclusive economy by creating affordable, reliable, and equitable pathways directly from high school to good jobs. It is an evidence-based education and workforce strategy whose success has been proven in countries around the world. Our model is based on the Swiss system of youth apprenticeship, in which up to 70 percent of students participate in an apprenticeship that can lead to a dignified career. CareerWise's U.S.-based model has attracted interest from more than 30 states around the country, and since launching in Colorado, already has expanded to Washington D.C., New York, Indiana and Michigan, with several more communities in the pipeline.

The way the CareerWise model works is that it combines paid, structured, on-the-job training with related classroom learning. In the United States, this model has been tested and proven in the skilled trades. However, our modern youth apprenticeship formally starts in 11th or 12th grade, with some communities providing services even earlier. By engaging young people while they are still connected to their schools, modern youth apprenticeship is markedly different. Youth apprenticeship has the potential to act as a preventative strategy in addressing the massive attrition that we see out of our education system. Right now, data shows that out of every 100 students who start high school, less than a third will end up with a college degree. Add in the high cost of student debt, and it's clear that the system is not working for the vast majority of students.

At the same time, businesses across the country currently are facing a massive labor and talent shortage. This is true in the traditional trades such as construction, but we're also seeing it in fields like IT, education, and financial services. Employers report spending tens of thousands of dollars and months of time to train workers to fulfill their needs. Even the workers hired from prestigious schools—graduates with the baseline theoretical knowledge in their fields—take a significant degree of time and investment to be trained in the practical execution of the job.

Youth apprenticeship allows students to “learn while they earn,” and help support their families while gaining practical skills. Apprenticeship is different from internship. While interns often are only in their roles for a short amount of time, performing low-value tasks, apprentices train alongside seasoned professionals doing meaningful valuable work over multiple years. The result is a worker that is ready to step directly into positions of need for business. In the CareerWise model, those positions are all high-growth, high-wage roles that offer a path to the middle class for workers while helping keep businesses competitive.

CareerWise also is an “options multiplier.” The occupations in a CareerWise apprenticeship and the integration of higher education coursework are intended to ensure that there are no dead ends. By making investments in workforce opportunities like apprenticeship alongside investments in education, we can connect the systems to create cohesive pathways for young people. Apprenticeship can take a young person from the workplace to a Ph.D., or from the classroom to a corner office. Modern youth apprenticeship allows us to learn from our past mistakes in the binary thinking that pitted college against career. It is a sustainable double-bottom line initiative—it corrects both the inequitable tracking of traditional vocational education, and the exclusivity and expense of the “college-for-all” movement. Instead, modern youth apprenticeship formally connects work and education to meet the needs of both students and employers.

For this reason, CareerWise is a model that can work for all students. We have added an “Equity First” component to our model to correct for the inequitable racial outcomes that many workforce programs often see. Our Equity First strategy is designed to provide additional interventions and supports to students of color, students from low-income households, and their supervisors, in order to achieve equitable outcomes in accessing, succeeding in, and realizing upward mobility through youth apprenticeship. Though just in its pilot phase, we already are seeing increased interest from business, as well as improved outcomes across the lifecycle of the program for these students.

Impact So Far

In the four years of CareerWise's work, we've directly impacted nearly a thousand students at over 200 businesses around the country. You will hear from one of those young people from Colorado, Naarai Navarro, later today. I also wanted to highlight the story of an apprentice from Indiana named Graham Neer.

Graham began his registered youth apprenticeship in 2019 with Kem Krest, a company based in Elkhart, Indiana, that manages and markets customer-branded parts, chemicals and accessories on behalf of OEMs. Graham quickly became an integral part of the Kem Krest logistics team, playing a key role in purchasing, procurement, sourcing and metrics, and project coordination. His team at Kem Krest even jokes that he is the “Dougie Houser of procurement.” One of Graham’s most impressive efforts was helping Kem Krest pivot to focusing on PPE production when COVID hit.

Graham and his family report that his apprenticeship has transformed him. His mom Megan was impressed when Graham seamlessly picked up an incoming call from a Fortune 500 executive during a recent car ride. She has recognized tremendous improvement in the sense of maturity in her son. Graham also believes that he has built a stronger resume right now as a high school senior with apprenticeship experience, than that of a lot of seniors in college. Due to his apprenticeship, Graham is now headed to Indiana University with a clear focus and a professional network to back him up.

This is a common story from our apprentices. We’ve graduated two full cohorts of apprentices at this point. In the pilot cohort that graduated in 2020, over two-thirds had positive outcomes. Of the completed apprentices, more than 85 percent reported learning valuable hard and soft skills on the jobs. More than 90 percent reported a growth in their professional network that would be helpful in their future careers. Nearly all completing respondents believed they would either earn a full or partial degree by enrolling in a CW apprenticeship. On average, apprentices were rated as 91 percent as effective as a full-time worker, despite still being teenagers. Even during the COVID-19 pandemic, though it was extremely disruptive in many ways, we actually saw that in a lot of cases, having an apprenticeship allowed students to stay engaged in school and play meaningful roles in supporting their families, sometimes as the sole income earner.

Policy Recommendations

We’ve seen the impact of youth apprenticeship on individual students and companies, but what’s most transformational is the impact that youth apprenticeship can have on our country. It can assist in rebuilding our economy, growing the middle class, and helping America maintain its position as the most innovative workforce in the world. Youth apprenticeship should be a critical strategy for including youth in the economic recovery. In the short term, implementing high-quality Modern Youth Apprenticeship programs will allow young people to head off the disconnection and disengagement that already is taking hold in the wake of economic and public health crises. It will allow them to access immediate employment and transferable learning that can keep them on the path toward upward mobility.

However, there are still steps to take to help our youth apprenticeship opportunities mature and become more accessible. With that in mind, I would like to respectfully make the following policy recommendations:

- **Establish a National Modern Youth Apprenticeship Program to equip youth with paid work experience, industry recognized credentials, postsecondary credits, and pathways to high-quality careers in key future-ready fields such as IT, renewable energy, business operations advanced manufacturing, healthcare, and education.**
 - Establish a definition of “Youth Apprenticeship” that is universally recognized through the U.S. Department of Labor (DOL) Registered Apprenticeship system.
 - Enlist and appoint industry leadership to develop pathways, curriculum, and credentials that are consistent and aligned nationally to ensure that credentials are accessible and portable for apprentices.
 - Issue interagency guidelines to develop evidenced based, high-quality youth apprenticeship pathways.
 - Issue clear guidance on the use of federal K-12, higher education and workforce funds to support high quality youth apprenticeship program development and implementation at the state and local level.
 - Establish clear outcome metrics using common definitions to ensure program quality for youth apprentices.

- **Pass the National Apprenticeship Act and consider making technical updates to the Act to streamline and expand the opportunities provided through youth apprenticeship.**
 - Recognize the critical role of intermediaries in implementation of high-quality, replicable programs.
 - Fund direct wraparound supports for students through intermediaries in order to encourage youth to persist and successfully complete registered apprenticeship programs.
 - Reduce administrative burden for the registered apprenticeship system for employers, state agencies, and the DOL Office of Apprenticeship.
 - Streamline youth apprenticeship program administrative reporting requirements to encourage business adoption.
 - Support state funding for registered youth apprenticeship and formalize the accrual of postsecondary education credit and credentialing.
 - Fund career exploration and guidance beginning in middle school to ensure youth apprentices are selecting opportunities that meet their interests and aptitudes
 - Incentivize higher education institutions to award credit for on-the-job learning and related instruction activities.
 - Use incentive funds to increase the participation of small- and medium-size companies to establish registered youth apprenticeship programs.

- **Provide funding for innovation in youth apprenticeship in the National Apprenticeship Act.**

- Promote further innovation in the National Apprenticeship Act by establishing a youth apprenticeship innovation fund (a new Sec. 113 in H.R. 447) to demonstrate innovative strategies or replicate evidence-based strategies that engage intermediaries to strengthen the transition from high school to post-secondary education and work in growing 21st century industries, giving priority to young people who are low-income, of color, and/or young women, and providing incentives to industry associations to encourage--and to small and medium-size employers to establish--youth apprenticeship.
- **Enhance interagency efforts to scale youth apprenticeship.**
 - Encourage the Departments of Labor and Education, in coordination with the Department of Commerce, to create an electronic tool kit for states and local areas seeking to accelerate and scale youth apprenticeships.
 - Invest in institutions of higher education, with a focus on community and technical colleges, to ensure credit-bearing postsecondary coursework and credential attainment is provided at no cost for students employed in registered youth apprenticeships
 - Develop and clarify the use of a national apprenticeship tax credit for employer training costs for youth apprentices.
- **Formalize the apprenticeship ecosystem and align federal agencies to ensure that apprenticeship is viewed as a cohesive pathway for students.**
 - Enhance alignment between our educational system and workforce systems to better address employer skills needs and pathways for youth apprentices.
 - Provide apprentices with access to federal student financial aid resources, including Pell grants.
 - Provide guidance to states to allow Registered Youth Apprenticeship activities like on-the-job training to contribute to high school graduation requirements and accumulate higher education credit.

Thank you for the opportunity to speak to you today. I appreciate your support for youth apprenticeship, and I look forward to a world in which access to a dignified career and a dignified life is available to every American.



MEMORANDUM

TO: Senate HELP Committee
FROM: CareerWise USA (Noel Ginsburg, Founder and CEO)
DATE: April 9, 2021
RE: Request for Workforce Development Policy Ideas

WHO WE ARE

CareerWise is a nonprofit intermediary based in Colorado focused on building a national network of high-quality, high-impact registered youth apprenticeship programs for 21st century industries. We currently operate programs in Colorado, New York City, Indiana, and Washington DC. Additionally, leaders from 32 different states around the country have travelled to Colorado to learn about the CareerWise model. We are also providing consulting services to seven additional communities from Birmingham, Alabama to the Upper Peninsula of Michigan.

CareerWise registered youth apprenticeships are designed by industry for current high school students, bridging the gap between high school and post-secondary with a “13th year.” Graduates either transition to full time employment or continue working for their apprenticeship employer while pursuing post-secondary education. In some cases, graduates have leveraged the insight gained through the apprenticeship to choose a program of study more closely aligned to their career goals and increased understanding of occupations in their chosen field.

In short, CareerWise is an “options-multiplier” model of youth apprenticeship that reaches and serves a diverse student population (35-43% young women and 50-90% young people of color, depending on the geography) and broad array of industries and occupations, to help employers meet their need for skilled workers, while also diversifying their workforce.

KEY COMPONENTS OF OUR EVIDENCE-BASED MODEL

CareerWise has created an industry-driven model in coordination with the education and workforce systems. It is based upon lessons learned in working with more than 200 employers - ranging from Fortune 100 enterprises, like JPMorgan Chase’s corporate headquarters, to small, advanced manufacturing businesses in northern Indiana, and it targets the highest-demand industries in our economy, including healthcare, technology, finance, business services, creative services, and insurance.

CareerWise works as an intermediary with employers to define the program’s training components and coordinates with both secondary and post-secondary institutions to identify relevant classroom-based learning. CareerWise demands that youth apprenticeships offer the employer a measurable return on investment through active participation, while carefully guarding the value and benefit for





the apprentices by requiring employers to support credit-bearing, debt-free training that results in a portable, valuable credential.

Apprentices engage in a three-year program. The first cohort of apprentices graduated in 2020 and was rated by employers as 74% productive as a full-time adult in the occupation in which they apprenticed. In addition, 80% of CareerWise apprentices report high levels of satisfaction with and value in their experience.

The benefits of a youth apprenticeship model linked closely to the educational system have been demonstrated extensively abroad, notably in Switzerland, which provides the evidence-based model in which CareerWise is grounded. The scale of the Swiss effort is extraordinary -- 70% of Swiss students and 40% of Swiss companies participate in youth apprenticeship. Swiss employers who hire youth apprentices realize, on average, a 10% return on the investment they make in their apprentices; and return on investment grows when they convert those apprentices into full-time employees.

We believe that by passing the National Apprenticeship Act and reauthorizing WIOA with guidance that reflects the lessons learned by CareerWise, Congress can create the scale and replication of high-quality modern youth apprenticeship, like the CareerWise model, to drastically expand opportunity and mobility in our country. Bringing industry into a leadership role for youth apprenticeship will strengthen America's economy by meeting modern workforce needs with a large, diverse, and easily accessible talent pool that is right under our noses -- our high schools.

RECOMMENDATIONS

To realize that ambitious goal, CareerWise recommends that Congress promote further innovation in the National Apprenticeship Act by establishing a youth apprenticeship innovation fund (a new Sec. 113) to demonstrate innovative strategies or replicate evidence-based strategies that engage intermediaries to strengthen the transition from high school to post-secondary education and work in growing 21st century industries, give priority to young people who are low-income, of color, and/or young women, and provide incentives to industry associations to encourage, and to small- and medium-size employers to establish, youth apprenticeships. We look forward to the opportunity to explore with you in more detail the possibility of a youth apprenticeship innovation fund.

Based upon our experience in tailoring youth apprenticeship to address local circumstances, CareerWise also makes six additional recommendations:

- 1.) Emphasize the diversity of modern and growing industries and programs represented by the National Advisory Committee on Apprenticeships.
 - a. Refine and reorder Sec.112(a)(2)(B(i) to read: "...21st century industry employers or industry associations that participate in an apprenticeship program (at least 1 of which represents a women, minority, or veteran-owned business), including representatives of



in-demand industry sector employers representing non- traditional apprenticeship industries, non-traditional or high-skill, high-wage occupations, as applicable.”

b. Insert in Sec. 112(a)(2)(B)(iii)(III) line 24, “including a youth apprenticeship program” between “program” and “under.”

- 2.) Recognize the critical role of intermediaries in implementation of high-quality, replicable programs.
 - a. Sec. 201(d)(1) line 4, insert “qualified intermediary and” between “with” and “two”; in line 23, delete “or” and insert “and” after “services:”; in line 24, delete “I.”
- 3.) Reduce administrative burden for the registered apprenticeship system for employers, State Agencies, and the Office of Apprenticeship.
 - a. Revise Sec.113(c)(4) line 16, Insert: “...nationally recognized program by the Office of Apprenticeship or” between “a” and “program.”
- 4.) Support state funding for registered youth apprenticeship and formalize the accrual of post-secondary education credit and credentialing.
 - a. Delete Sec. 113(f)(1)B(ii)(1), lines 12 – 18. In line 19, renumber (II) to (1); in line 1 (page 79) renumber (III) to (II); Insert a new (III) to read: 331/3 shall be allotted on the basis of the relative number of disadvantaged youth in each State, compared to the total number of disadvantaged youth in all States.
 - b. Delete “and” in line 19 (page 139) and “,” in line 23; insert “; and” after “program”; insert a new Sec. 201(f)(D)(iii) to read: “an existing partnership with a higher education institution such as a community college to facilitate post-secondary transfers and the acquisition of college credit.”
 - c. Insert a new Sec. 132(e)(1)(F) to read: “an assessment of the impact of youth apprenticeship programs on the attainment of college credentials and longer term employment prospects of young people, primarily those of low-income, of color, and young women.”
- 5.) Reduce administrative burden on youth apprenticeship programs and encourage youth to persist and successfully complete a registered apprenticeship program.
 - a. Insert a new Sec. 122.(d)(2) Line 16 (page 97) to read: “The Workforce Innovation and Opportunity Act is amended as follows: Notwithstanding Sec. 129.(a)(1)(C) and Sec. 129.(a)(3) and (a)(4), youth enrolled in registered youth apprenticeship programs are eligible to participate in activities carried out under Chapter 2 Youth Workforce Investment Activities.”; Change current Sec. 122(d)(2) to (3) and renumber accordingly.



- 6.) Use incentive funds to increase the participation of small-and medium-size companies to establish registered youth apprenticeship programs.
 - a. Insert a new Sec. 202(b)(1)(D)(2)(iv) after line 22 (page 155) to read: “providing \$5,000 per apprentice for small- and mid-size companies establishing registered youth apprenticeships to offset the costs of training supervisors, create and use competency-based training in the workplace, set up administrative tools for required reporting, and provide data to intermediary(ies) for continuous improvement of the registered youth apprenticeship model.”
 - b. Insert a new Sec. 202(b)(1)(D)(2)(v) to read: “providing per-apprentice incentive payments of \$200.00 to industry associations and chambers of commerce (up to a maximum of \$500,000) that (I) gain member companies’ agreement to hire youth apprentices into formal registered apprenticeship; and (II) establish a “skills taskforce” to provide guidance on an ongoing basis to local K-16 institutions about what skills are required to enter and succeed in workplace training such as registered youth apprenticeship.”