

BACK TO SCHOOL, BACK TO STARTUPS:  
SUPPORTING YOUTH APPRENTICESHIP, ENTRE-  
PRENEURSHIP, AND WORKFORCE DEVELOP-  
MENT

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HEARING  
BEFORE THE  
SUBCOMMITTEE ON INNOVATION,  
ENTREPRENEURSHIP, AND WORKFORCE  
DEVELOPMENT  
OF THE  
COMMITTEE ON SMALL BUSINESS  
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# **BACK TO SCHOOL, BACK TO STARTUPS: SUPPORTING YOUTH APPRENTICESHIP, ENTREPRENEURSHIP, AND WORKFORCE DEVELOPMENT**

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**THURSDAY, SEPTEMBER 15, 2022**

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON SMALL BUSINESS,  
SUBCOMMITTEE ON INNOVATION, ENTREPRENEURSHIP,  
AND WORKFORCE DEVELOPMENT,  
*Washington, DC.*

The Subcommittee met, pursuant to call, at 10:00 a.m., in Room 2360, Rayburn House Office Building, Hon. Jason Crow [chairman of the Subcommittee] presiding.

Present: Representatives Crow, Davids, Newman, Houlahan, Williams, Tenney, and Young Kim.

Chairman CROW. Good morning. I call this hearing to order.

Without objection, the Chair is authorized to declare a recess at any time.

I would like to begin by noting some important requirements.

Standing House and Committee rules will continue to apply during hybrid proceedings. All Members are reminded that they are expected to adhere to these rules, including decorum.

House regulations require Members to be visible through a video connection throughout the proceedings. So please keep your cameras on.

Also, please remember to remain muted until you are recognized to minimize background noise.

In the event a Member encounters technical issues that prevent them from being recognized for their questioning, I will move to the next available Member of the same party. And I will recognize that Member at the next appropriate time slot, provided they have returned to the proceeding.

The COVID-19 pandemic upended the labor market like no other event in recent times. The pandemic slowed immigration, legal immigration, to a crawl, sparked early retirements, and forced many to exit the labor force due to factors like lack of childcare. These effects combined to expand a longstanding and unprecedented labor shortage that we are still working to overcome today.

As of July 2022, the total number of unemployed individuals is roughly 5.9 million, while the number of job openings stood at 11.2 million. This gap in available workers has hit small firms the hardest. According to recent surveys, over half of American small busi-

nesses are concerned with hiring enough employees to fill open positions and overall employee retention.

Given the fundamental importance of small businesses to the American economy, we must find ways to ease this labor shortage and build a lasting pipeline of talent into these businesses.

One promising strategy is to bolster workforce development programs to attract young people to small firms. As the new school year starts up, America's youth are increasingly looking for alternatives to 4-year degrees, given high tuition costs and the prospect of student loan debt. More than half of American adults agree that college costs limit their ability to pursue secondary education.

The COVID crisis has also exacerbated this issue, as total enrollment dropped by nearly 1.4 million between fall of 2019 and fall of 2021. These figures show that America's youth need more options beyond a standard 4-year degree.

Increasingly, young people are turning to youth apprenticeship programs to gain valuable, real-world experience, in addition to the instruction they receive in the classroom.

In 2022, roughly 214,000 people age 16 to 24 were in an apprenticeship. This is double the number of that demographic just a decade ago.

These apprenticeships have been proven to offer a wealth of benefits to small firms beyond just attracting new talent.

In a study of 4,000 businesses that utilized youth apprenticeships, nearly 3 in 4 mentioned that it improved productivity, and 4 in 10 said it helped them secure new business. However, implementing a costly apprenticeship program can be daunting for small firms with tight margins.

Today I would like us to explore ways Congress can make youth apprenticeship programs and other workforce development tools more accessible for small businesses.

Programs like CareerWise, which was originally started in Colorado, have successfully spread the youth apprenticeship model to cities across America and expanded into a range of new industries.

I want to take a closer look at the successes of CareerWise and other programs like it and identify ways the federal government can help more small firms utilize apprenticeships to attract talent.

Expanding youth apprenticeships and other types of career and technical education can provide young people with a comparable alternative to a 4-year university education, while bolstering the small business labor force.

I would now like to yield to the Ranking Member, Mrs. Kim, for her opening statement.

Ms. YOUNG KIM. Thank you, Chairman.

As Members of the Small Business Committee, we hear directly from small business owners and their employees on a regular basis on the challenges they face right now. They include ongoing inflationary pressures, consistent supply chain issues, burdensome regulations, and workforce shortages. The inability to find workers have led owners to make business adjustments to account for those ongoing staffing shortages.

As Chair noted, the federal government's Job Openings and Labor Turnover Summary reported that they indicate there is about 11.2 million job openings at the end of July and 4.2 million

workers left their jobs in the same month. And a recent survey reported 86 percent of small business owners said it was more difficult to find and retain employees compared with 3 months ago.

So small businesses, as we know, they do not only need to fill those open positions, but they also need to fill qualified and skilled workers. And, in August, 63 percent of small businesses reported hiring or trying to hire employees, and an astounding 91 percent of those small employers report hiring or trying to hire—reported that they have few or no qualified applicants for those open positions.

So this skills gap has been a growing issue for businesses and the economy, and it is time to rethink how to expand opportunities for individuals often left out by traditional recruiting approaches.

So that brings us to our conversation today where we will examine how apprenticeships and career and technical educational programs can help these workforce issues.

Many small firms have turned to on-the-job apprenticeships to fill those openings, and one success story I want to share with you today is located in Orange County, the company that I visited often and worked closely, Veteran Air. Veteran Air is a veteran-owned small business serving my district, and they utilize an apprenticeship program with all new employees. And their employees are paid full time while they train to become certified HVAC technicians.

Veteran Air serves as an example of small businesses utilizing apprenticeships and creating opportunities aligned with local workforce needs. And I am very proud to have toured, visited this Veteran Air's Anaheim facility, and I met with so many of their workers and employees. And I tell you they don't just work at Veteran Air, but they are actively participating, encouraging their employees to get involved and give back to their communities.

And that is the type of partnership that we want to see. These are the type of small businesses also that we must empower and support in our local communities. Apprenticeships and career development programs are not a new concept. But, in this changing economy, they can help small firms reach untapped talent and focus on the new potential and invest in solving job shortages.

So I look forward to hearing from our witnesses today. And I hope to work with my colleagues to address these skills gaps, promote career and technical educational opportunities, and encourage apprenticeships.

Thank you.

And I yield back.

Chairman CROW. Thank you, Mrs. Kim.

The gentlelady yields back.

I would like to take a moment to explain how this hearing will proceed.

Each witness will have 5 minutes to provide a statement, and each committee Member will have 5 minutes for questions. Please ensure that your microphone is on when you begin speaking, and then you return it to mute when finished.

With that, I would like to introduce our first witness. And we will go through all of them, and then we will start with the time for each.

But our first witness is going to be Mr. Noel Ginsburg, founder and CEO of CareerWise USA. Throughout his career, Noel has stood out as an entrepreneur and nonprofit leader committed to serving his community. He founded his first business, Intertech Plastics, while in his senior year at University of Denver. Go Pioneers. Now it employs nearly 200 people at two facilities in Denver, Colorado.

In 2016, Noel founded CareerWise Colorado, a nonprofit designed to create opportunities for students and businesses across the State by developing innovative and sustainable youth apprenticeship programs. CareerWise has now expanded across the country to New York City, Washington, D.C., Indiana, Buffalo, and Michigan.

Last year he was appointed to the Secretary of Labor's Advisory Committee on Apprenticeship.

Thank you for being here, Mr. Ginsburg. I look forward to your testimony.

Our next witness is Ms. Deborah Kobes—am I pronouncing that right? Thank you—senior director at Jobs for the Future, JFF, and the interim director of the Center for Apprenticeship and Work-Based Learning.

For over a decade, Ms. Kobes has been managing projects to develop innovative new training and education models and to build capacity for programs—for program delivery among a range of organizations. She seeks to create career pathways primarily for underrepresented populations, like women and people of color, in high-demand areas of the economy.

Before joining JFF, Ms. Kobes held research positions at MIT, the Brookings Institution, and the Urban Institute.

Thank you, Ms. Kobes, for being here today. We look forward to your testimony.

Our third witness is Ms. Shani Watkins. Ms. Watkins serves as the director of the West Sound Technical Skills Center in Bremerton, Washington.

For 25 years, she has worked in both secondary and postsecondary education and found her passion working in career and technical education. Ms. Watkins is active in her local community, serving as a Member of the local Lions Club. She is also active in her local regional and national associations for career and technical education, currently serving as the regional vice president of that organization. Last December she was awarded with the ACTE National Administrator of the Year award.

Congratulations.

Ms. WATKINS. Thank you.

Chairman CROW. Thank you, Ms. Watkins. We look forward to hearing your testimony.

I will now yield to the Ranking Member to introduce our final witness.

Ms. YOUNG KIM. Thank you, Chairman.

Our fourth witness is Mr. Jared Ebbing. He is the director of Mercer County Community and Economic Development. He is testifying today on behalf of the Small Business and Entrepreneurship Council, also known as the SBE Council.

As Community and Economic Development director, Mr. Ebbing works with Mercer County and its citizens to plan for future



projects and to find the funding necessary to complete them. Additionally, he works with local school districts to ensure every student has the knowledge and awareness of the many career opportunities that exist in the area.

To accomplish this, he created hometownopportunity.com as a critical tool for the region's workforce development efforts. Mr. Ebbing works closely with local companies throughout the county to ensure local businesses possess the tools and the workers necessary to grow within the region.

I know Mr. Ebbing's experience working with small businesses and vast knowledge of workforce development programs will be extremely beneficial to this hearing and our conversation today.

So, Mr. Ebbing, thank you for taking the time to testify before us today. Thank you for joining.

And thank you, all witnesses, for being with us.

Chairman CROW. Yes. Thank you all for joining us today.

Mr. Ginsburg, you are recognized for 5 minutes.

**STATEMENTS OF NOEL GINSBURG, FOUNDER & CHIEF EXECUTIVE OFFICER, CAREERWISE, DENVER, CO; DEBORAH KOBES, SENIOR DIRECTOR, JOBS FOR THE FUTURE (JFF), WASHINGTON, D.C.; SHANI WATKINS, DIRECTOR, WEST SOUND TECHNICAL SKILLS CENTER, BREMERTON SCHOOL DISTRICT, BREMERTON, WA; AND JARED EBBING, ECONOMIC DEVELOPMENT DIRECTOR FOR MERCER COUNTY, OH, MERCER COUNTY, OH, TESTIFYING ON BEHALF OF THE SMALL BUSINESS AND ENTREPRENEURSHIP COUNCIL (SBE COUNCIL).**

#### **STATEMENT OF NOEL GINSBURG**

Mr. GINSBURG. Thank you, Chairman Crow and Ranking Member Young Kim, for giving all of us the opportunity to speak about something which I believe can be transformational for our education and workforce system and, in so doing, drive opportunity for small and large businesses, but particularly small, to build a workforce that will catapult them into the future.

What I would like to start with is why I—where I started. When I founded my company, while in college, what I realized quickly is that, to be successful, talent would be the core of our success, who we could bring in, who I would surround myself with.

And, when I couldn't find that talent, I went to the schools, assuming naively that it was their fault that I didn't have the talent. But, rather than pointing a finger, I showed up at the front door of Montbello High School and said, how can I help? And that began what has been a 35-, 38-year partnership, because what I realized is the missing piece is industry, not to stand on the outside as advisors or critics, but to be partners in workforce development.

The second reason I did this is, over 30 years ago, my wife and I sponsored 42 inner city youth through the "I Have a Dream" Foundation. We made a 10-year commitment that would culminate in providing a college scholarship for each one, but in that neighborhood, 90 percent were dropping out of high school. So our challenge was to change that outcome. Ten years later, we graduated over 90 percent of our young people.

And that sent me on a journey to find a solution that would not just serve 42 or a city or a State or maybe even a country. And it led me, because I was Chairing the College and Career Pathways Council at Denver public schools, to Switzerland to learn about a system where, like the U.S., 27 percent of their population will get a 4-year degree. Unlike the U.S., 70 percent will take on an apprenticeship and not just in advanced manufacturing or the trades, but banking, finance, insurance. And it is a ROI-based system. It is transformational for the youth and transformational for the businesses.

So, with the inspiration from that, I came back to Colorado and formed CareerWise with an intention of building a system, not a program, that can be that transformational. How it works: In the junior year, an apprentice will spend 3 days in the classroom and 2 days in a business in a paid apprenticeship, not looking over someone's shoulder but learning real skills in a whole host of occupations.

In their senior year, they will spend 2 days in the classroom and 3 days in business. And they will get all of their high school credit. For some, they will earn college credit as a part of their apprenticeship.

And then, in the third year, they will work either full or part time, depending on postsecondary options.

Then, at the end, the hope is to get a job with the training company.

And so what are we seeing? We have young people now that are graduating from their apprenticeship earning between \$40,000 and as high as \$75,000 right out of high school. Our completing apprentices are transformational for the businesses that they work for and for the future of their own careers.

Congressman Crow, you mentioned places where in the country. On Monday, I was in New York where the CEO Jobs Council, founded by the Chairman of J.P. Morgan Chase, Jamie Dimon, made a commitment, along with David Banks, their chancellor, and Julie Sweet from Accenture, to hire 3,000 apprentices over the next 3 years in a whole host of occupations from banking to finance, both large and small business. That represents 135 million in wages and training that will go to these young people while they in high school. It will change their lives because we have seen that with our apprentices to this day.

The impact of youth apprenticeship is multiples. It defines youth apprenticeship early on in a young person's career as an options multiplier, not a dead end. And it can lead. You can start with the apprenticeship and end with a Ph.D. it reinforces that there is equal dignity in multiple career paths. College is not the only proxy. We need better ways to finance it, and many of our apprentices are getting their education paid for through the tuition reimbursement that these companies provide.

It serves young people from marginalized communities in a way that is powerful. There is a cement ceiling over many of our young people in this country. Youth apprenticeship, starting in high school, is like a cement drill, really building opportunity for them that is unmatched. For some apprentices that choose to continue

with a 2- or 4-year degree, it has the potential to reduce the financial burden as a result.

So my point here is this can be a transformational opportunity—it is for many young people today—but only if it is much more than a program. With your help and your guidance and the questions that you will ask, hopefully we can move our country forward.

Thank you.

Chairman CROW. Thank you, Mr. Ginsburg.

Ms. Kobes, you are recognized for 5 minutes.

#### **STATEMENT OF DEBORAH KOBES**

Ms. KOBES. Thank you.

Good morning, Chairman Crow, Ranking Member Young Kim, and other Members of the Subcommittee. Thank you for inviting me to testify today about the value and potential of apprenticeship for America's youth and in development of the nation's talent pipeline.

My name is Deborah Kobes. I am a senior director at Jobs for the Future, and I lead our Center for Apprenticeship and Work-Based Learning.

JFF works to transform America's workforce and education systems to achieve equitable economic advancement for all. Apprenticeship and work-based learning have the power to connect young people to high-demand, high-quality jobs, and they offer small businesses a grow-your-own talent solution.

The good news is that youth apprenticeship is growing. JFF just released an analysis that shows that the number of youth below the age of 25 registering as apprentices has more than doubled between 2010 and 2020, which significantly outpaces the growth of Registered Apprenticeship overall. These youth apprentices earned an average wage of \$31 an hour, which far exceeds the average wage for young workers.

Youth apprenticeship has become more accessible to more populations, with female and Latinx representation increasing throughout the decade.

While progress has been made, disparities continue. Nearly 90 percent of youth apprentices are male, and almost two-thirds are white. Male youth apprentices earn nearly twice as much as women, and White apprentices earned about \$7 more per hour than Black apprentices. These data show the need to continue to explicitly address diversity, equity, inclusion, and accessibility in Registered Apprenticeship and youth apprenticeship.

Employers are central to youth apprenticeship. They hire the apprentices. They supervise the on-the-job learning. In exchange for their participation, employers benefit from recruiting talent, aligning education and training with company needs, and building a loyal workforce.

Yet small businesses face a range of challenges in participating in youth apprenticeship. Many express concerns about liability issues and insurance costs of youth employment, which vary by state and by industry.

Establishing a work schedule that accommodates state requirements for school seat time and attendance, as well as navigating other K-12 and postsecondary requirements, can be difficult. And

identifying and managing the multiple sources of public funding for apprenticeship can be confusing and time-consuming, particularly for small businesses who are unfamiliar with the funding sources.

Yet, while it is especially important for small businesses to engage in youth apprenticeship, this can be an expensive proposition upfront.

To drive the expansion of high-quality youth apprenticeship programs, JFF recommends that Congress build on the National Apprenticeship Act to define youth apprenticeship as a Registered Apprenticeship program specifically designed for serving youth ages 16 to 24, whether in or out of school.

Congress should incentivize States to align their education and workforce systems and update K-12 policies, such as seat time requirements, in ways that encourage engagement in and expansion of youth apprenticeship.

We also urge policies that encourage the development of high-quality work-based learning opportunities as part of core academic as well as career and technical education programs. To drive diversity, equity, inclusion, and accessibility in youth apprenticeship, we recommend that Congress refocus investments on completion and wage equity.

We recommend providing flexible funding that supports pre-apprenticeship, inclusive outreach and recruitment, accessible classroom instruction, robust mentorship, and apprenticeship navigators to guide young people through their program.

Youth apprentices also need supportive services to address barriers that are just the cost of training materials and testing fees; access to technology and the internet, especially in the age of COVID; and transportation to school and work, which often have to happen in the same day.

We recommend that Congress support employers in providing inclusive workplaces, facilitating the creation of training, funding, and support to small businesses to increase their capacity to adopt these best practices.

To increase small business participation in youth apprenticeship, JFF recommends investing in intermediaries, particularly local and industry organizations, to convene employers and stakeholders, as well as to reduce the programmatic and administrative burdens of delivering youth apprenticeships.

Similarly, Congress can support sector strategies that convene employers to build career pathways and regional talent pipelines while incentivizing youth apprenticeship as a featured strategy within those sector partnerships.

Congress can assist small businesses in accessing information and training to navigate the differing state youth employment laws, as well as the multiple streams of public funding available.

In parallel, Congress can encourage greater investment in youth apprenticeship by stakeholders administering eligible funding, such as WIOA, Pell Grants, and the emerging infrastructure and CHIPS grant.

Thank you again for the opportunity share this testimony. I appreciate the Committee's longstanding interest in apprenticeship, and I look forward to supporting your efforts to facilitate the use of youth apprenticeship among small businesses.

Chairman CROW. Thank you, Ms. Kobes.  
 Ms. Watkins, you are recognized for 5 minutes.

#### **STATEMENT OF SHANI WATKINS**

Ms. WATKINS. Good morning, Chairman Crow and Ranking Member Young Kim, Members of the committee. Thank you for the opportunity to appear before you today to discuss this important issue.

My name is Shani Watkins, and I am the director of West Sound Technical Skills Center in Bremerton, Washington. I also serve as the Region V vice president for the Association for Career and Technical Education, known as ACTE, and am the 2022 ACTE Administrator of the Year.

West Sound Technical Skills Center provides advanced career and technical education, or CTE programs, to 10 school districts across the Kitsap Peninsula. It provides increased equity and access for students in small, rural areas, as well as larger suburban areas. It serves more than 500 students in their junior and senior years of high school.

Students spend half their day at West Sound Tech and the other half of their day at their sending school. We offer 13 programs across areas such as IT, automotive, construction, HVAC, healthcare, law and public safety, and more.

CTE programs like the ones offered at my school engage students through hands-on active learning and prepare them with the skills they need for both further education and fulfilling careers in vital in-demand industries and occupations.

At West Sound Tech, we have a variety of partnerships with local businesses, including small business, to provide important relevant learning and learning, paid work opportunities for our students to better prepare for life after high school. This morning I would like to share with you a few examples of these partnerships.

Each year, West Sound Tech holds a try-a-trade day where our industry partners bring their tools and equipment to our local fairgrounds so that students from grades 9-12 can experience firsthand what different careers offer. We also hold an on-site event for students called the West Sound Tech Works. This is a 2-day event where our local business and industry partners come to share their experiences and knowledge with students. Students attend sessions and participate in different workshops provided by our industry partners.

In addition, West Sound Tech holds an evening event called Explore Your Future with community partners including business and industry, local support services, 2-year and 4-year colleges, apprenticeship programs, and the military. In total, more than 65 different partners hold booths with information for families about opportunities and pathways after high school. Typically we have more than 500 students and families in attendance at that event.

Each spring, we also hold a practice interviewing event for students with business and industry partners from the student's specific content area.

In another partnership example, the Puget Sound Naval Shipyard supports an annual work-study program, hiring up to 30 students during the summer between their junior and senior years.

These students are provided an hourly wage and benefits, while participating in work and training situations at different shops located throughout the shipyard. Students learn key safety requirements, use various hand and power tools, and acquire the fundamental knowledge and skills necessary to work in an industrial environment.

At the end of the summer, students return to school for their first semester of their senior year. Then, during the second semester of their senior year, the students again work full time in the shipyard. Often the work-study experience leads to a future career for those students. Once hired after high school, candidates qualify to enter various apprenticeship programs offered at the shipyard.

This model could be replicated with other small businesses to better support workforce needs and experiences for students to prepare for living-wage careers.

As in the shipyard partnership, West Sound Tech has a long history of preparing students to enter into apprenticeship program after high school. Both our construction careers and welding courses have pre-apprenticeship articulations with the Laborers and Iron Workers Union respectively.

Students meet all requirements for entry into the apprenticeship programs while they are at West Sound Tech. For example, students in the construction program learn all of the physical requirements for entry, complete the minimum math requirements, and obtain relevant certifications.

Despite our strong partnerships and work-based learning opportunities, barriers exist for our students. The cost of programs, transportation, the needs of low-income students for paid work experience, and the lack of capacity in small businesses are all challenges we grapple with regularly.

Increased federal funding for programs like the Carl D. Perkins Career and Technical Education Act and apprenticeships, the expansion of youth and pre-apprenticeship activities, incentives for small businesses to partner with educational institutions, and targeted investments in paid work-based learning experiences, and student certifications can all help to address these challenges.

In conclusion, stronger partnerships between small business and secondary schools will help to increase a segment of the economy that is currently experiencing significant challenges in finding a ready workforce. Students engaged in CTE programs are better prepared in the workforce, less likely to need significant student loans, and are more likely to have the skills and credentials to meet workplace needs.

Thank you, Chairman Crow, Ranking Member Young Kim, and Committee for this opportunity today.

I look forward to answering any questions you may have.

Chairman CROW. Thank you, Ms. Watkins.

Mr. Ebbing, you are recognized for 5 minutes.

#### **STATEMENT OF JARED EBBING**

Mr. EBBING. Thank you, Chairman Crow, Ranking Member Young Kim, and the distinguished Members of the Subcommittee.

Again, my name is Jared Ebbing. I am the Community and Economic Development Director here in Mercer County, Ohio.

Mercer County is a rural county in west-central Ohio which is along the Ohio and Indiana border. We are part of a region of Ohio that is known for its small, homegrown companies involved in everything from advanced manufacturing to ag to food processing.

My office works with our many local companies to ensure that they have the personnel necessary to continue to grow their businesses and invest in our area.

The vast majority of the jobs created here in Mercer County can be attributed to small businesses. While we do have a couple of nationally known, larger corporations, most of our companies started right here years ago in somebody's basement, garage, or out-building with just a handful of workers. The entrepreneurial spirit here has always been alive and well in this region because people just know how to make things and have never really been afraid of the hard work needed to make it happen.

While these businesses haven't really asked for anything more than our local support in their efforts to grow and expand, they now are most certainly worried about the sustainability of their workforce in the future.

COVID-19 and its impact created an unprecedented new set of challenges for businesses. While larger corporations adjusted, utilizing remote work as an option, many of our smaller manufacturers had a hard time managing, training, and thus, developing their future workforce as a result of the pandemic.

Additionally, the Great Resignation, supply chain issues, increased raw material costs, and now hyper wage inflation have all compounded their issues, making it very difficult for our small businesses to manage their operations.

As such, we hear from our companies every day that say that, even though there is work there, they are struggling to complete it due to the various open positions that they have. So many of these unfilled positions are middle-skill jobs, meaning they require a high school diploma and some form of postsecondary education but not necessarily always a traditional 4-year college degree.

As a result, companies are indeed looking at apprenticeships and any other on-the-job training programs that could help. In order to make this happen, ongoing collaboration among our stakeholders at every level is vital to identify best practices and implement impactful programs. I would like share one such example of a program that we have implemented to great success.

Hometownopportunity.com is an online-based resource simply aimed at increasing the awareness of our many local, great careers that exist in our area to our students and to our families. Our companies are most certainly in need of our local talent, who all too often do not realize that these great opportunities exist right here in their own backyard.

Furthermore, we are utilizing this resource to make meaningful connections between our emerging workforce and the companies hoping to hire and thus train them.

We focus our efforts on first making sure students are aware of what our local companies do, what skills are needed, and what opportunities truly exist.

Properly educating our students on the myriad of options and opportunities to them may sound simple, but it is actually surpris-

ingly difficult when teenagers' attentions and interests aren't necessarily on their future. We have all been there.

Through these career navigation tools, new career-based curriculum within our schools, and the hiring of countywide career coaches, an appreciable increase in the awareness among our young people is finally occurring.

With such awareness and newfound interest, students are enrolling in job shadow opportunities, along with pre-apprenticeship programs, which eventually lead to full apprenticeships programs at our local companies. It is a long process, but once students are aware of what is here, it is so much easier to introduce them to the necessary training that combines on-the-job paid experiences with their classroom learning.

Although we feel very good about our local initiatives that we have implemented to date, more resources, ideas, and support would help. A national push for career development courses within our schools is needed. Similar support was given to the successful implementation of STEM-based classes across the country over the past decade, resulting in more young people becoming interested in science and math.

Encouraging our classrooms nationwide to increase and offer more meaningful awareness and guidance curriculum, such as CareerWise and Edge Factor, would most certainly have a positive impact on our nation's youth. Additionally, an expansion of federal programs, such as Apprenticeship USA and Pell grants for technical education, would also help our emerging workforce become better trained for the careers of the future.

Now more than ever we need to find ways to enhance the workforce development initiatives and programs that work. We must continue to support the business organizations and nonprofits who train, advocate, and bring entrepreneurs together, work with our educators to ensure we are not just graduating students from school but to an actual meaningful career, engage with organizations, such as the Small Business and Entrepreneurship Council, U.S. Chamber, and Small Business Administration to come up with new ideas, resources, and innovative policy solutions.

Doing so will empower small businesses and thus, our communities to succeed long term by investing in our greatest asset: our people.

In closing, thank you to the Subcommittee for the opportunity to testify today and for advocating and making policies that support small businesses across this great country of ours.

Thank you.

Chairman CROW. Thank you, Mr. Ebbing.

I will begin by recognizing myself for 5 minutes. I would like to start with you, Mr. Ginsburg. You had mentioned, you know, years ago, when you first looked towards Switzerland and Europe that already had these well established and very successful programs. I would be interested in what you learned as you tried to replicate or use elements of that model here in the United States, starting in Denver and in Colorado, both with respect to resistance that you may have faced, cultural resistance or other structural resistance to implementing and expanding these models but also just the bar-



riers, both with businesses and in the education system, that you faced.

Mr. GINSBURG. Thank you, Chairman Crow. Big questions. What I will tell you, what impressed me about their system is that it was market based, meaning that they didn't create apprenticeships if the jobs didn't exist. So, as industries grew and shrank, at least a young person would have the opportunity to know what their opportunities would be post apprenticeship.

Second is that their model scales so that 70 percent of young people take advantage of it and 40 percent of businesses participate because there is a true return on investment to the business. They do not subsidize the wages. Their education system is virtually free, much more so than it is here, so the related training is not as expensive, and there needs to be investments. But that is a powerful driver to scale.

Now, when you bring that to the U.S., what we have learned is, when the U.S. built its road system in the country, our highway system, you needed the roads, you needed the off-ramps, the on-ramps, everything that made traffic flow and commerce flow. Youth apprenticeship in particular is not something that is intuitive for a business to think there is an ROI for. Plus, they don't have the tools they need to be successful.

So building those tools for them, creating the connections with the high schools so that it could be successful, and to drive the ROI, which is what I observed overseas, is that, if a young person is still living at home and is making \$15 an hour, up to \$45,000 over the 3 years of their apprenticeship, the company is investing in them. As I mentioned, our employers in Colorado have invested over \$45 million in wages and training dollars, but there is a—it is not an expense in the sense of a donation. It is an investment in their workforce.

So the challenges ahead, particularly in a registered system, which I think is critical to ensure that, if you are doing business in 50 States or 2 States or 3, you are not doing business in different ways. The registered system, it is part of my role at the ACA is to make it simpler and more streamlined for businesses and more business responsive. In schools, in 50 States, we have, in essence, 50 different ways to do it. When seat time is a requirement, as it is in New York, for example, it is very difficult for an apprentice to spend time in a workplace.

Now, we are hacking the system on a small scale right now. In Colorado, we have a competency-based system. So our students are earning credit for the learning that takes place in the workplace. We need more of that across the country. Those are some of the challenges.

With employers, it is about setting up the system. Intermediaries are critical. In Switzerland, for example, industry associations drive their system. They are not ways to lobby Congress or the local Senate. It is, in essence, to build their future workforce, and as a result, a very small country competes with companies like the U.S. because of the quality of their workforce.

Chairman CROW. Thank you for that.

Ms. Kobes, you had mentioned the need to invest in intermediaries. Can you just briefly describe for us, you know, what do

you see as the most effective intermediary models that you have worked with?

Ms. KOBES. Absolutely. And I will pick up on some of what Noel was saying about intermediaries as well. You know, JFF is a national intermediary, so I don't want to undermine our value here. But, to your question, I think there is a real need to invest in local intermediaries and industry associations because that is who small businesses are already working with. So, to get the word out to small businesses, to give them a partner that they trust in really launching a program, having, you know, local chambers, local business associations within a specific industry, that is a place that you already have an in with small businesses.

And then those intermediaries can bring together the employers to find what their common skills and competency needs are, design a program, broker the relationships with the education and training providers, and then even step in to help with the administration of the program in an ongoing basis.

So, a lot of small businesses, you know, might be put off by the paperwork or not sure, you know, what they are fully signing up for in administering a program, and they can find it easier to really enter the space if their role is to be the employer, not to hold together the whole apprenticeship program and all of the different relationships required.

Chairman CROW. Thank you. My time has expired.

The Ranking Member, Ms. Kim, is now recognized for 5 minutes.

Ms. YOUNG KIM. Thank you, Chairman.

I really appreciate all of our witnesses focusing on youth apprenticeship. It is critically important. And, in my district, we have several high schools that are in the IB program and then they are also providing technical programs, like one high school in my district is, you know, Troy High School, and they provide not only the IB but Troy tech programs through which they encourage their students to take 150 hours of internship, and they do get credit for their graduation requirements.

And both—I mean, all of you spoke about the need to make this, as Mr., you know, Ginsburg, you mentioned, you don't want this to be just a program, but you want this to be a transformational system.

And, you know, Ms. Watkins, Ms. Kobes, you all talked about utilizing the intermediaries, and the Chairman also asked through your question how we can replicate this through nationwide efforts so that it could become a system, not just a program at one school or at one district.

So what are some of the challenges that you face, Mr. Ginsburg, as you make this CareerWise a, you know, successful program? When you work with the local school districts, presenting this idea to provide the students with the credits, what kind of challenges, if any, did you face in making this idea into a credit offered system?

Mr. GINSBURG. I assumed when I first learned about this approach at ETH University in Switzerland, that our biggest obstacle would be the schools. How do you take a young person out of class for both 2 days a week and then 3 days a week and then earn their credit? In the room with me in the delegation was the head of cur-

riculum at Denver public schools, and she said simply: I can do that.

And we now have 17 school districts that do that.

So the challenge, frankly, is not the schools directly; it is in how they schedule. If you have blocked schedules, as some districts do that we—in other States that we work with, it is difficult to let a student out. So, you know, changing those policies and scheduling to enable it is one way to address that problem.

The real challenge, honestly, is scale with business. They need the support, which intermediaries provide, to give them the tools, the training, and the technology to successfully launch a youth apprenticeship program, and youth is important. The statistics that you were sharing earlier go up to 24.

Doing this while students are skill in school, I believe, is key, is the bridge to opportunity and the systemic change that we need. And the numbers that we are seeing at CareerWise are much more balanced, both in male and female, with over indexing on marginalized communities in terms of the outcomes in those students that are being hired.

Ms. YOUNG KIM. Thank you.

I want to address the next questions to Mr. Ebbing, who is joining us virtually. You know, in your testimony, you talk about raising awareness of the opportunities that exist for youth apprenticeships and career development courses in high schools. I mean, that is what everybody is talking about, but specifically through your hometown opportunity. So can you please elaborate on that and talk about that resource as well as other ways that you are raising awareness for those programs, and can you cite some of the examples?

Mr. EBBING. Yeah, most certainly. Appreciate it. Appreciate the question. Yeah, you know, so, when I first got into this role, it was just startling at how many young people and their families just didn't know, you know. They went through high school; they would go through the traditional route and would graduate and just didn't know either what was here or what training programs even existed. So they just kind of followed the beaten down path of what had always been, and what has always been isn't what is today and what is the future for our companies and what they need, and what the training options that are truly out there.

So we realized early on, you know, all these programs that could and would exist aren't going to make an impact if people aren't—if students aren't aware of what they need to be, you know, aware of. So we kind of just started with that simple process of creating, you know, relationships with our schools and our companies to make sure the schools, the guidance counselors, the teachers all knew what these opportunities were and, again, created this platform that really helps connect the dots, you know, create that curriculum, create that content that students, you know, can say: Oh, I didn't know this was an option for me.

And, just in the last 10 years since we have been doing it, I mean, the number of young people that are—you know, 10 years ago were just simply just straight going off to college, which there is nothing wrong with that, but just simply doing it in college, I

would say 90 percent of our students were going down that path. Now I would say it is closer to probably 50/50.

Many more young people are going into the career-based fields. Our career high schools are filling up. Like I said, at least 50 percent of the students are now going that direction. And many, many more are enrolling in pre-apprenticeship programs and then apprenticeship programs.

So, to us, it really starts with awareness and making sure that students at a very—at early age as possible, understand what is here and start to direct them into what programs could be—if we do that right, I think more and more students will take advantage of these programs and will most certainly benefit the companies because they have somebody that, you know, truly wants to be there and understands why—you know, why they are going in that direction, so—

Ms. YOUNG KIM. Thank you.

I will yield back. We are over time.

Chairman CROW. Thank you. The gentlelady's time has expired.

I will now recognize the gentlelady, Ms. Davids from Kansas, the Chairwoman of the Subcommittee on Economic Growth, Tax, and Capital Access, for 5 minutes.

Ms. DAVIDS. Thank you, Chairman Crow, and to Ranking Member Young Kim for holding this hearing today.

You know, in the Kansas Third and across the country, we are definitely seeing serious workforce shortages in every sector, and it has, I think, been especially challenging for small businesses. And, you know, as we continue to invest in our youth and workforce development programs, I know we are hearing from you all about some of the better ways for us to be able to do that.

This is going to be the way that we build a stronger and more resilient economy, and that includes young people, us encouraging the work you are doing and encouraging young people to go into and explore entrepreneurship and apprenticeships.

And that is why I was really, really proud to help introduce the 21st Century Entrepreneurship Act with my fellow Committee Member Rep. Dean Phillips. And, for folks who aren't familiar with this bill, our bill would require the SBA to develop an entrepreneurship curriculum for the 21st Century Learning Centers, which provide additional educational opportunities and resources to typically underserved students, which we have heard you all make reference to in your work. This curriculum will be developed and implemented using the partnership with local volunteers from SCORE, which is the Service Corps of Retired Executives.

So I wanted to—Ms. Kobes, in your written testimony, you did recommend expanding youth entrepreneurship opportunities in conjunction with youth apprenticeship. I am curious, if you could share with us, though, how the legislation like the 21st century entrepreneurship bill could help do that, and then maybe talk a little bit about the ways that entrepreneurship and apprenticeships can go hand in hand.

Ms. KOBES. Yeah, I will start with the last part of your question, which I think youth apprenticeship and entrepreneurship actually go together quite well. So I appreciate that question, and I think small businesses are a place where you see that juncture.

So, if you think about a student who hasn't really explored entrepreneurship before, being in a small business is a setting where they are more likely to see all of the different aspects that you need to really operate a business. So, through what you think of as, you know, the more traditional parts of a youth apprenticeship, a student would learn the technical skills that they need in the industry that they are focused on.

And so they could learn—I think you mentioned HVAC. You know, they could learn their HVAC skills or, you know, their insurance skills or whatever. But then, being in a small business, they will actually see much more upfront and closely than they would in a large business what it actually takes to make all of the back-end decisions to run that business, to market the business, you know, the different partners that you would need to be engaged with, and the people that they are learning from would bring that broader range of skills and exposure. And so that value of a small business for students who are really considering entrepreneurship is a great pairing.

In terms of, you know, how specific legislation can support entrepreneurship, I can follow up with you in writing. JFF has thoughts on that that go beyond my thoughts for this morning, so I can put that in the record for you as a follow-up.

Ms. DAVIDS. Oh, that would be great. And one of the most disappointing parts about these is we only get 5 minutes on—especially when they are very interesting hearings like the one today.

Mr. Ginsburg, I actually do have a specific question for you, but I saw a lot of head nodding while your fellow witness was speaking. Do you want to add anything to that first question? And then I will follow up. I actually have questions for everybody on the panel.

Mr. GINSBURG. Well, I would certainly say ditto. That is why I was shaking my head. Everything you said is so right on. And we are now in the second year of a pilot working just with Black-owned businesses in inner city Denver, which tend to be very small. There might only be two or three employees, but now they have an apprentice. And for all the reasons you said, these young people are getting to see the entire business. It is what I did when I started Intertech with 12 employees. I learned everything.

So apprenticeship works particularly well for small businesses because the economics works well, and people like working with young people and seeing them grow and expand. So more to come in terms of the evidence, but what I know from the evidence we have so far with Black and Brown students in our programs is they take advantage of this more so than White students, frankly, because the narrative of “I am going to college” still exists. So, for marginalized communities, this is a real game changer and ultimately can make college more affordable if they choose.

Ms. DAVIDS. Thank you. And we will definitely follow up. I would love to hear more about the pilot program. Chairman, I yield back.

Chairman CROW. Thank you. And we will have a chance to go for a second round if we want to as well. The gentlelady yields back.

I now recognize the gentleman from Texas, Mr. Williams, the Vice Ranking Member of the Committee for 5 minutes.

Mr. WILLIAMS. Thank you, Mr. Chairman, and thank you, Ranking Member Young Kim, for bringing everybody here.

And thank you for the panelists. It is a great panel.

Just to begin with, I am from Texas. I employ 700 people down there as we speak. I think we got six apprentices working for us this morning. But I would like to start off by addressing the recent announcement we have had of another month of staggering high inflation.

And, for over a year, American families and businesses have been put under increased financial stress due to increasing prices. And Tuesday's consumer price index reading of 8.2 percent showed that inflation is still painfully high, causing more uncertainty for small business owners on main street.

A recent survey by the NFIB found that 86 percent of the business owners reported having to raise their average selling prices due to Biden's skyrocketing inflation. And I am in the car business, and it is not easy to raise prices on customers. These constant rising prices are not sustainable. We must keep reckless government spending and begin to get more disciplined with our finances, just as every business and family across the country is forced to do.

So, Mr. Ebbing, briefly, can you elaborate on how increased prices have altered operations for the businesses you work with, and how does this affect their ability to plan for future growth opportunities? If you can do that fairly quickly.

Mr. EBBING. Yeah. Everything you said we do here on a daily basis. They have to make ends meet, and they are reluctant to increase their pricing because they don't want to lose, you know, potential business, but at the same time they have to. And, on top of that, you know, the hyper wage inflation that they are experiencing, they are being forced to do more with less.

So it is very challenging. You know, obviously the workforce piece of it is a huge piece of the puzzle that we need to try to help solve because there is a lot of other things going on right now, again, including increased prices that they are having to deal with every single day. We hear it every day.

Mr. WILLIAMS. Yeah. As I said, I have been in the car business now for 51 years, an 89-year-old family business. We have hundreds of people. And I know firsthand that we are always in need of more mechanics, technicians, other critical skilled workers.

I was secretary of state of Texas before I was in Congress, and one of the stories I like to tell is that we lost a billion-dollar improvement in Texas on the coast, Governor Perry and myself. We had locked it in, were going to sign it next week, and I get a call in, and they decide to go to Minnesota. And, if you are from Texas, Minnesota is not a factor. But they are going to Minnesota simply for one thing: Minnesota had welders. And I always tell that story because this is a good example of what we are talking about.

So I know about the need of these skilled workers, and our country is facing a growing skills gap, as we have talked about, as younger generations are not joining the vocational workforce at a high enough rate. We have 100,000 kids every year dropping out of school in the ninth grade in Texas. That is 100,000 every year,

and we need to let them know it is okay to be a welder, plumber, carpenter, mechanic, and so forth, and you all are doing that.

And so it is not necessary for a high school student to always attend a 4-year college. I think we have seen that. But a 4-year degree is not for everyone. So we need to ensure students know that there are other higher demand opportunities that provide them with a good-paying job, successful career. And we know the jobs what they can get when they get out, right. Everybody thinks lawyer, business guy, architect, or whatever, but lots of times—many times there is more out there for these paying jobs than is in other areas.

And that is why I introduced the Student Debt Alternative and CTE Awareness Act—check it out—which informs high school students about career and technical education opportunities before they commit to a traditional 4-year university and take out student loans. Of course, they may not have to pay the student loans back, but at least they have that in front of them. Instead of forcing students into years of debt, this ensures that high school seniors know what their viable options are.

So, Ms. Watkins, how can we encourage more students to pursue CTE, and how is your center ensuring that high school students are made aware of the CTE programs and continue to stay involved?

Ms. WATKINS. That is an excellent question. I think we are often what we consider the best-kept secret in our area. In terms of recruiting and marketing and supporting students, a huge part of that goes back to what parents understand and what our typical rhetoric has been, which is college for all, which is great if that is the direction you want to go. If you have interest and opportunity in other areas, such as welding—for example, I have a 16-year-old son who has decided he wants to be a welder, and he is going to work in Louisiana. So it is giving them an opportunity to see their aspirations and to try things out when they are younger. And so I think a big part of this goes back to exposing students at younger ages to a variety of careers that go beyond what is typically addressed in an academic environment.

Mr. WILLIAMS. Go ahead. I am sorry.

Ms. WATKINS. Oh, that is okay.

Mr. WILLIAMS. Well, I was going to say, in closing, there is no reason a kid in the ninth grade should lose hope—

Ms. WATKINS. No.

Mr. WILLIAMS.—in this country. And that is why it is important what you are doing and what my bill does and others. We have to keep—the greatest workforce in the world is right here in America.

Ms. WATKINS. Absolutely.

Mr. WILLIAMS. Thank you, Mr. Chairman. I yield my time back.

Chairman CROW. Thank you.

The gentleman yields back.

I will now recognize the gentlelady from New York, Ms. Tenney, for 5 minutes.

Ms. TENNEY. Thank you, Mr. Chairman and Ranking Member.

And thank you to the witnesses for this great Committee discussion because I am a small business owner that is always looking to try to find people to work in our business and to work with our community partners. And, you know, we hear a lot about this labor shortage. It is the number one thing I hear on the campaign trail from employers is how do we get people to come to work, how do we get them trained and skilled.

And we are advertising for the first time extensively instead of having a waiting list for employees, which is really unusual for our business. We are in a rural area where we could provide a lot of benefits that most businesses don't, except the government, but we compete against the government for great employees.

But, you know, this is great that we are trying to find students younger and get them into things. And, you know, the tight labor market obviously is great for students—or great for young people and great for people to get—you know, to drive up the wages, get better benefits. We know what that is like because we are in a rural area, so we have always experienced the tight labor market. And it gives the employees an advantage to be able to take care of their families.

One of the issues that arise for us that I am looking at is we cannot find candidates really who have the experience, so this is really why it is so important. And this is not good for workers who are not able to take advantage of these job opportunities and what employers are looking for and needing the staff. We have always tried to bridge gaps with—a lot of our salespeople are very clever. They know how to—you can work with the local BOCES and get, you know, an apprentice to come in and help. And that is one of the things that I think that we need to rebalance, how the government responds to this tension and without getting in the way of the employers but providing a resource.

And, you know, we obviously have a lot of immigrants that are coming in, which are wonderful in our farm communities and especially helping us, but we also have foreign labor that are being incentivized to come in and take jobs from others. And this sometimes can be a disincentive through some of our small businesses who really just want to hire, as my colleague from Texas pointed out.

We have great educational institutions in my region. I just want to mention our BOCES again. They are phenomenal with the work that they do. Herkimer College, Mohawk Valley Community College in my area, the community colleges, and generally the system in New York are doing a wonderful job, and they provide this hands-on training and extra training and high-tech training. Yesterday we talked about right to repair and getting people to be able to learn how to fix things again, and that is a big issue.

But right now the answer to this—what I am concerned about with this tight labor market is also—one thing I wanted to just bring up, and I know it is—I am using up a lot of my time that I want to ask a couple of you questions—is that one of my greatest experiences as a Member of the New York State Assembly was an inner city group came in, young students who said they were for keeping the minimum wage the same because if the minimum wage went up, there would be less of them who would be able to



engage in summer programs. So I just want to mention there was a lot of interesting aspects of teaching students about the economy and economic issues.

But I first want to just draw my attention to Mr. Ginsburg. And you wrote about how many enterprise employees have effective training programs but have difficulty in recruiting young people. What is the problem with recruiting young people? And I have this question burning in my mind: Why aren't they coming out to work, and how do we get them out to work and understand the value and dignity of good work?

Mr. GINSBURG. I don't think that it is—well, thank you for the question. It is not because they don't want to work; it is they don't know what the opportunities are. What is unique about youth apprenticeship that starts in high school and does career exploration in middle school is they then have an idea of what they might be interested in.

The second part of that though is—and as an employer, I tried for many years to make those connections, but until CareerWise working as that intermediary, we didn't have the connection to the schools to help the students explore what it is their interests are, to be exposed to the different career options, and what the compensation looks like—

Ms. TENNEY. So you are saying the schools aren't even talking about this?

Mr. GINSBURG. They are not connected to the businesses until now. It is not that they didn't want businesses to share that information. Businesses were not showing up. We have created an opportunity—

Ms. TENNEY. So career day and job fairs and all the things that we host as Members of Congress?

Mr. GINSBURG. Very episodic.

Ms. TENNEY. Yeah.

Mr. GINSBURG. Not systemic.

Ms. TENNEY. Okay.

Mr. GINSBURG. And the systemic component—we have—in our tech platform, it enables employers to see the apprentices, see what their resume is essentially, have a video of that young person explaining their interests and why, and it makes those connections.

Ms. TENNEY. Quickly, because I want to ask you this though, what are the—in manufacturing, what are the toughest jobs to fill? I only have a few seconds left.

Mr. GINSBURG. All of the technical skills.

Ms. TENNEY. All of them.

Mr. GINSBURG. I will tell you that we have an apprentice who designed, engineered, and built and programmed automation cells that enabled us to bring product back from China, over \$5 million worth of product back from China. And he was a high school student when he did that. He is now earning \$70,000. The difference was we connected with the schools, in this case Cherry Creek School District, and made the opportunity available for him. It has changed his life.

Ms. TENNEY. That is tremendous. Thank you so much. I yield my time back. Thank you.

Chairman CROW. Thank you. The gentlelady yields back.

I am going to take an opportunity to do one more quick round here because I know there is some more questions, and if you all had some more, I will loop back with you.

But I wanted to flesh out—so I will recognize myself for another 5 minutes—with Ms. Watkins, because one thing that you touched on at the beginning, and you have touched on a couple of points, because we have talked a lot about systematic issues in the school districts and the education issue, systematic issues within the business system, but I really want to drive on the students, the apprentices themselves, right. And you touched on in your opening testimony the idea of some barriers that they face, whether it is transportation, whether it is childcare.

So, in CTE and the shipyards and the areas in Bremerton where you do business, like what are some of those barriers that the individuals are facing, and what are you seeing as effective to breaking down those barriers?

Ms. WATKINS. Thank you for the question. So I would say, first of all, transportation is a huge challenge for particularly our location. We are very rural. We have students that travel an hour and a half one way each day to participate in CTE programs with us because they are not offered in their areas. And those students have less access to viable careers in their industries locally, so transportation for them to do an apprenticeship program or to have a work-based learning experience is more challenging. So transportation is a huge issue.

The other thing that happens with a lot of our students is that they come from poverty. We have a lot of students that have to support their own families, and so that creates a barrier when internship opportunities, work-based learning opportunities are nonpaid; they have to make a decision between finding a job versus finding an opportunity for that career. So that is two of the big ones for us.

Chairman CROW. Thank you for that, and I appreciate it.

I will now yield to the Ranking Member, Mrs. Kim, for 5 minutes.

Ms. YOUNG KIM. Thank you very much. I am really glad that we held up the hearing as long as we could so we can have Member Houlihan join us because I know you always engage our witnesses with great questions. So I am glad you are here.

And I know on our side we have some Members who want to ask questions. But, rather than asking a question, I just, again, wanted to reiterate my special thanks for all of you being here to share your expertise on how the youth engagement, youth apprenticeship, the programs that you are, you know, implementing is really working.

And I am really glad to hear, Ms. Watkins, to hear that your 16-year-old son is engaged in welding and becoming a certified welder. That will surely prepare him for the job market that is out there.

But the challenges that we talked about is also, even when we have hearings like this, we have great, you know, Members of the small business community that we wanted to bring and share their experience as well, just like you are doing. But the challenge is they can't be here because they can't take the time off because they

are small businesses. How do they backfill if they leave their operation?

So those are the challenges of meeting the labor force, you know, the shortages. So I just wanted to echo the difficulties, the challenges, the workforce development that we need to focus on, training, retaining, the quality labor force; these are the challenges. So it is really important.

And, Chairman, I really want to thank you for your leadership for us holding these type of hearings. More and more, it is needed. But obviously we want to be able to do more roundtable type of discussions so that we can listen to more real life expertise, meeting with those challenges by telling us what we can do better so we can help build that workforce and fill the gap and all that stuff.

So I just wanted to thank you again and share that we understand what you are facing. We appreciate the information you are sharing, and we will go to work in making sure that youth apprenticeship, for example, as Mr. Ginsburg and all of you mentioned, that it is not just a program, but we can help to make it a transformational system that works.

Thank you. I yield back.

Chairman CROW. Thank you.

The gentlelady yields back.

I will now recognize the gentlelady from Pennsylvania, Ms. Houlahan, for 5 minutes.

Ms. HOULAHAN. Thank you, Mr. Chair. And thank you so much for the chance to speak. And sorry for being tardy. I am trying to straddle three different committees today at the very same time slot. But my heart is very much with small businesses. I am an entrepreneur myself, and I am grateful for the opportunity to sit with you today.

Thank you again for your testimonies.

There is definitely going to be a generation of youth that will be on the forefront of addressing the emerging challenges that we are all facing collectively today. Because these challenges will inevitably require innovative, technical, and advanced solutions, the benefits of youth apprenticeship and—of CTE can't be underestimated especially amid our workforce issues that are impacting businesses on account of the pandemic.

So I am hopeful that today's youth will be able to benefit from the recent action that has been taken in Congress to address some of our nation's most pressing issues, including the passage of the bipartisan Infrastructure Investment and Jobs Act, the bipartisan CHIPS and Science Act, and the Inflation Reduction Act.

It is really critical that our nation's youth and small business owners will be able to access the vital workforce development resources that we have provided in light of these once-of-a-generation investments and the millions of jobs that we hope that they will be able to create.

My first question is to Ms.—is it Kobes?

Ms. KOBES. Kobes.

Ms. HOULAHAN. Kobes, apologize. You mentioned in your testimony that recipients of these new federal resources will require assistance to be able to learn about apprenticeships and connect to appropriate stakeholders. Could you please elaborate on what this

Committee and what Congress in general can be doing to make sure that small businesses can tap into the public funding that is available for youth apprenticeship?

Ms. KOBES. Yes. Thank you for the question. And I think that ties into the earlier questions around inflation and how our economy is affecting individuals as well. It is certainly true that the economy has affected small businesses in a very serious way. It is also exacerbating the challenges faced by the rising inequality in our country, and individuals who are left out of economic opportunity are facing those consequences even more severely during inflation. And, you know, the investments made through the bills that you mentioned really create an opportunity to invest in our workforce.

And I have seen—my husband even works for a manufacturing company in batteries, and they were applying for, you know, a new grant, and it includes now, you know, an equity plan around job quality, around workforce development. And he came to me and he said: Who should we be talking to?

You know, they are in Colorado as well and expanding into other locations. But they don't have the background to know these are the workforce development agencies that we can work with; these are the schools that could provide us talented solutions; you know, these are the intermediaries even that we should be tapping into.

And so what you have now is funding that is going out to more businesses, to, you know, state agencies, transportation agencies, all of these different opportunities that build in workforce as a core strategy to actually succeed through these grants. But they are not workforce people, and so you really do need a way to get the word out to all of those potential grantees so they can navigate the new workforce incentives that are built within the grant opportunities.

Ms. HOULAHAN. Does anybody have anything else to add? I have another question I would love to ask as well, but, Mr. Ginsburg, you look eager.

Mr. GINSBURG. What I would say is, in order to scale this, how we connect with business, at CareerWise we say we are student centered but business driven, that that connection in educating businesses on how this impacts their bottom line in a positive way, how it fills that early pipeline of talent that is essential is part of it, and those intermediaries are essential to make it easier for them until it becomes systemic.

And we need our colleges, our community colleges. Our CTE programs are powerfully effective, but it—right now it is a fragmented system. It needs to be a holistic system. So driving investments to bring those people together and to ensure that business voice is at the center because, if it won't, they won't do it. And that is a tragedy for them and our young people and ultimately our country.

Ms. HOULAHAN. Thank you. Mr. Chairman, could I ask a second question? I just want to make sure I don't run out of time.

Chairman CROW. Yeah.

Ms. HOULAHAN. Perfect. Thank you.

I also would like very much to focus on the importance of youth workforce development with regard to STEM and STEAM. Very, very excited that my community is actively investing in initiatives that would be able to prepare our youth for valuable and needed

STEM careers with the development of new STEM high school academies in places like Reading, Pennsylvania, that have been funded by federal COVID aid, as well as West Chester University's new sciences and engineering center.

To, Mr. Ebbing, who I believe is on the screen, similar to my community in Pennsylvania's Sixth District, you mentioned that local schools in your area are establishing new career-based curricula. Can you please describe how these developments benefit local communities across our country as well as student success and career readiness?

Mr. EBBING. Yes. Thank you very much for the question. Yeah, it has been a game changer for us. We have been layering career connection curriculum in at the freshman and sophomore year already in with the STEAM curriculum so that they not only become interested in STEM and STEAM and all that goes with it but how the careers, you know, relate to those courses.

So, to us, it has been a game changer in the sense of just truly layering in that information at an early age. So every freshman will take the class. A lot of sophomores will take it to, again, learn not just about the class work but how it relates to the real world. And we bring companies in to educate them on what this class work means to them as a company.

And it just sows the seeds, you know, of awareness and connecting the dots that, when the students become juniors and seniors, whether or not they want to go into career technical education or straight into a pre-apprenticeship program, now they are armed with that information of truly understanding what this class means to the real world and the careers. So layering it in, we believe, is very important as part of that education model in their early high school years.

Ms. HOULAHAN. Thank you. I appreciate all of your time, and I yield back.

Chairman CROW. Thank you.

The gentlelady yields back.

I will now recognize the gentleman from Texas, Mr. Williams, for 5 minutes.

Mr. WILLIAMS. Thank you, Chairman.

And I just made a few notes here. You know, one thing we—and I am sure you are involved with them too. I represent Fort Hood, large military base in America. We have got a lot of soldiers that are transitioning out, that need some assistance. And I hope somehow they are included in your program too because a lot of them are 20, 21, 22 years old. They are disciplined. They know how to work. And they need a job, and they are pretty good. So that is a big, I think, opportunity for us to do that.

And I think also a lot of these kids today don't have the background we had from the fact that you go to work and, hey, if you make money, that is good. Profits are really good and so forth. They don't hear that so much anymore. They almost hear the opposite. They hear that \$15 minimum wage is a career. It is not a career. Okay. They need to think bigger than that. Drawing unemployment is not a career. Okay. They need to—bringing a payroll check home is pretty good. And I think they have to fight with that all the time.

And then they hear about, well, that you can borrow money, and it will be written off; you don't have to pay it back. Then they hear back that this—like the student loans, they don't have to pay their car notes for various reasons. They have got forbearance on their apartments. I mean, it sets a bad tone for a mind that wants to work and get after it. We need to be much more positive towards these kids and show them how to make a living. They don't need all this.

And, at the end of the day, from a small business owner standpoint, we need to cut taxes. We need to quit raising taxes and talking about it, cut taxes so I have extra money that I can go out—instead of having six apprentices, I can go have 16 apprentices. So that is kind of the things we need to do.

And so I would just say real quick, Ms. Watkins, and we have talked about this, but I want to hear what you have to say about the opportunity, what steps can a business owner like mine—I employ over—almost 300 people—what can I do to establish connections with CTE programs and recent graduates? You know, I told you, we have got a bill; we would tell them: Hey, there is opportunity out there.

But how can I do that?

Ms. WATKINS. That is a great question. So I think, first of all, going back to the Swiss model or the German model, one of the key things is that it is like a stool with three prongs. It has government support. It has business support. And it has the school support. And I think small businesses, in particular, helping us reach out to you and you reaching back to us. I think there is opportunity as simple as reaching out and saying: Hey, I need employees that can do these things.

We have an automotive program right now, and right across the street from our center is the Haselwood Group, and the Haselwood Group is an automotive group that is next to us. So they actually work with bringing our students in just to see what their shops look like now because the parents' shop days of what it looked like in an automotive shop is not what it looks like today. So getting them involved and into and interested in that way also I think is really critical.

Mr. WILLIAMS. Well, you are right. I mean, I get back to my business, and these kids are electricians. They are not mechanics, you know, or you used to call them wrenches. And these are smart kids.

Ms. WATKINS. Absolutely.

Mr. WILLIAMS. And they really, really do well, and it is—shops are cleaner. Just a great opportunity for them. And we need them bad. We need body people. We need them in body shops; we need them badly, that can fix these cars and so forth.

So, anyway, look, we get political here a lot. Most of the time we are. I have already been political in my statements today. But, at the end of the day, what you all are doing is great, and it is going to—my business is a third-generation business. Now my kids run it. And they have got to be able to have a workforce to continue the business and so forth. And we have got to make tax cuts permanent so we make more money because what we don't have—what people are saying about businesses like mine and yours, that

if we make money, we don't save it; we spend it, and we invest, and we give opportunities.

So thank you for being here. I yield—yes, sir, Mr. Ginsburg.

Mr. GINSBURG. Well, something you said resonates with me in that the jobs that you create in your shop pay really well. But, in this country, if we say there is only one path to opportunity and that is a 4-year degree, then there is something less than in a job in your shop or in my company. And it shouldn't be. There should be equal dignity in any path that you choose that leads to a career that puts a roof over your head, a car in the garage, and opportunity for your children. And business holds the key to that.

And I just want to emphasize that, when we talk about the future, it is not just one pathway to opportunity in this country anymore. That ends up with trillions of debt, noncompleters in our 4-year system, and business without the talent they need.

Mr. WILLIAMS. I mean, you talk about dignity, I can tell you, we had a cold snap in Texas, and those plumbers and those welders were called, and nobody asked them, what are you going to charge me when you get out here? So they—but you are right. A job is a job. A job in America is the greatest job. I yield back.

Chairman CROW. Thank you.

The gentleman yields back.

Thank you to our witnesses, again, for joining us today. The pandemic inflicted a deep shock on the American labor force, and as we continue to work back toward normalcy, workforce development programs can help boost our pool of qualified workers, provide young people with the education and skills they need to launch their careers.

Although I will say, some people say “return back to normal,” and we are not ever going to return back to the normal as it used to be because things are changing. The workforce is evolving. The future is looking different, and it should because I think, as you all mentioned, there are greater opportunities for our young people that we have to pursue for them.

We have seen the power of youth apprenticeship programs in providing that and the ability to upskill workers and to help small businesses meet their staffing needs. So I think there is consensus that embracing this model and others like it, we can make these programs more accessible to young people and small businesses alike. So I look forward to working with the Committee Members to pursue policies that will help achieve this goal.

Without objection, Members have 5 legislative days to submit statements and supporting materials for the record.

And, if there is no further business to come before the Committee, without objection, we are adjourned.

[Whereupon, at 11:21 a.m., the Subcommittee was adjourned.]

**A P P E N D I X**

TESTIMONY OF NOEL GINSBURG

CEO AND FOUNDER

CAREERWISE COLORADO

UNITED STATES HOUSE

THE COMMITTEE ON SMALL BUSINESS

SUBCOMMITTEE ON INNOVATION, ENTREPRENEURSHIP, AND WORKFORCE

THURSDAY, SEPTEMBER 15, 2022

BACK TO SCHOOL, BACK TO STARTUPS: SUPPORTING YOUTH APPRENTICESHIP,  
ENTREPRENEURSHIP, AND WORKFORCE DEVELOPMENT



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 was chairman of the Colorado manufacturing companies Intertech Plastics and Intertech Medical until their sale earlier this year, as well as the founder and CEO of CareerWise. I also serve as a co-chair of the Advisory Committee on Apprenticeship, appointed by the US Secretary of Labor Marty Walsh.

CareerWise was founded in Colorado in 2017, and has since expanded across the country to places like Buffalo N.Y., New York City, Indiana, Michigan and Washington, D.C. In the five years since our founding, we've seen tremendous impact on both young people and the businesses that have been employing them.

Youth apprenticeship is transformational. It's transformational for the students who enter it because they gain the skills and experience necessary to succeed in our modern economy—even without a four-year degree; it's transformational for the businesses that employ youth apprentices because it opens a completely untapped diverse talent pipeline and fosters a culture of mentorship; and, ultimately it is transformational for our economy because it lays the foundation for a dual-education system that elevates practical learning alongside academic classroom learning, creating the conditions for continued innovation and global competitiveness.

Youth apprenticeship also fosters the understanding that there is equal dignity in multiple paths of opportunity within our economy. And, most importantly, I believe youth apprenticeship is one of the most powerful tools to ensure opportunity for young people from marginalized communities.

Today, America largely sees the four-year degree as an unobstructed path to the middle-class—in fact, as a society we tend to see it as the only path to a middle-class career. But the reality is that there are lots of challenges along that path—it only successfully serves about 25 percent of our young people, and with the rising cost of higher education and skyrocketing student debt, it's clear that number isn't going to get better anytime soon. Higher education is important and valuable for many people and many professions. However, it is not the only path to the middle class. And for those careers for which a degree has served merely a proxy for job and life skills, more options—such as youth apprenticeship—are needed to fill those talent pipelines.

Small businesses and enterprise corporations alike cannot find enough skilled workers to hire into their early-career roles. That's why we're here today. Small businesses are among the hardest hit by an ongoing shortage in skilled workers that predates the pandemic. This is true of the construction trades, but it's also just as true in fields like IT, financial services, healthcare, and advanced manufacturing. Even the workers hired from prestigious schools—graduates with the baseline theoretical knowledge in their fields—take tens of thousands of dollars and months and months to train in the practical execution of the job.

I'm excited to share with you the CareerWise youth apprenticeship 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's small businesses competitive on the world stage.

### THE MODEL

Youth apprenticeship offers practical learning, and with it a clear and respected path to the middle class that may or may not run through college. A CareerWise apprenticeship is designed to intersect with higher education; many apprentice employers offer up to a semester's worth of debt-free college credit. In this way it is not a diversion from continued education, but an options multiplier and a lens that focuses career goals and the means to achieve them.

Most importantly for today's hearing about how we, as a nation, can strengthen the labor market for small businesses, youth apprenticeship creates a new talent pipeline that small businesses can leverage to remain competitive locally, nationally, and globally.

CareerWise youth apprenticeship begins for students in the 11th or 12th grade and extends for at least one year beyond high school. It's based on a rigorous work-based learning model that has been proven successful in countries around the world, including Switzerland, a model which CareerWise used as a starting point for building a modern youth apprenticeship system in the U.S. To date, CareerWise has affiliates in Buffalo, N.Y., Colorado, Elkhart County, Ind., New York City, the Upper Peninsula of Michigan and Washington, D.C. with interest from dozens of other communities for future expansion, we know there is an appetite for building a youth apprenticeship talent pipeline. But it does take investment.

While enterprise employers often have effective training programs—though not the expertise to work with young people or recruit from high schools—small businesses often lack the capacity to develop effective talent pipelines and training such as high-quality youth apprenticeship programs.

CareerWise acts as an intermediary between the systems of education and industry, developing occupations and competencies, providing training frameworks, training staff in best-practices for working with students and Gen Z, and apprentices in workplace preparedness, all of which is made efficient and effective by the technology framework we've built to draw together our education and employer partners. CareerWise is industry led and student centered. The frameworks and curriculum are co-designed with industry experts to ensure value to the employer as well as positive outcomes and opportunity for the students.

Youth apprenticeship allows students to “earn while they learn,” 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 increasingly valuable work over multiple years. The result is a worker that is ready to step directly into a position of need for business. In the CareerWise model, those positions are high-growth, high-wage roles that offer a path to the middle class for workers while helping keep businesses competitive. In fact, completing apprentices in our model are earning between \$45,000 and \$75,000 per year.

As the founder of a manufacturing business, I know first-hand the challenges of maintaining a competitive edge and what it takes. It takes talent; small business success is reliant on talent—but not just available talent, small businesses need to be able to develop their own talent. And that's the magic of youth apprenticeship. It's a paradigm shift in early-career talent pipelines.

Through youth apprenticeship, small businesses are no longer simply a consumer of talent, they play an active role in shaping talent, and in doing so, they get the skills they need to succeed, positively impact retention rates, and create a culture of mentorship that benefits the company from the bottom up.

In my small businesses, Intertech Plastics and Intertech Medical, we developed a competitive edge through the youth apprenticeship program. In the past five years, we've hired more than 15 youth apprentices. One of our first apprentices, Kevin King, who now is a full-time employee, designed and implemented an automated solution that saved our company more than \$2.4 million. Kevin is now earning more than \$70,000 per year, right out of high school.

But it's not just my business. Tolmar, Inc., a pharmaceutical manufacturing company focused on the development, approval, and commercialization of specialty pharmaceutical products for patients, is another example of how a small business is thriving with a youth apprenticeship program. As a vital business during the COVID-19 pandemic, it was crucial Tolmar continued production as its patient products remained in high-demand. Having additional team members through the CareerWise youth apprenticeship program enabled the company to keep its production timelines consistent and dependable. As essential workers, the youth apprentices became key members of the team and remain so as the company continues to navigate the pandemic and a recovery economy.

Because their skill sets and technical proficiencies grew so quickly, two of the Tolmar's youth apprentices were hired on as full-time employees after only 18 months in their roles. These former apprentices weren't hired into just entry-level positions, they were hired into higher-level positions within the company because their skillset had grown exponentially during their time as apprentices.

Because youth apprenticeship benefits both the employer and the student, industry is investing alongside the philanthropic and government funding necessary to create the infrastructure required to pave the way for large-scale adoption. Early adopting businesses—the employers that have already created apprenticeships for more than 1500 youth apprentices—have committed 67.5 million dollars in wages and training costs. And, on Monday of this week, the New York Jobs CEO Council, chaired by Jamie Dimon of JPMorgan Chase, announced a partnership with CareerWise, the NY Department of Education and Mayor Adams to create 3,000 more youth apprenticeships in the city over the next three years, representing an additional investment by business of 135 million dollars in wages and training costs.

The investment and commitment by these businesses demonstrate the value and the promise youth apprenticeship holds for employers. But beyond the training and wages, there remains infrastructure to be built around the system for scale, so that even more small businesses can leverage the same quality programs as the early adopters and enterprise employers.

#### **CALL TO ACTION**

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

enable small businesses to access and shape the talent they need to continue to propel our economy forward, while expanding pathways to bright careers and the middle class.

In the short term, implementing high-quality modern youth apprenticeship programs will allow young people, including those from low-income households, to head off the disconnection and disengagement that already is taking hold in the wake of economic and public health crises. Youth apprenticeship will enable them to access immediate employment and transferable learning that can keep them on the path toward upward mobility while simultaneously fuel the success and innovation of America's small businesses.

To accomplish these goals, this modern youth apprenticeship system needs to have the flexibility to meet the unique needs of small business—as well as medium- and large-sized businesses—and new industries; it also needs the fidelity and distinction that comes with the Registered Apprenticeship designation. With that in mind, I respectfully ask the committee members to identify and support policies that:

- **Help establish a definition of Youth Apprenticeship** that is universally recognized as part of the nation's Registered Apprenticeship system.
- **Support the connection of education and work** through investing in intermediaries to better meet the needs of both students and employers by creating opportunities along career pathways for modern youth apprenticeship based upon evidence-based strategies that have proven successful
- **Combine paid, structured, on-the-job training with related classroom learning** beginning in high school, allowing students to “earn while they learn,” and help support their families while acquiring practical skills, resulting in the acquisition of high school diplomas, industry-recognized credentials, and debt-free college credit
- **Support high schools that enable students** participating in registered apprenticeships to coordinate with their at-work training schedule and award appropriate high school credit for learning in the workplace.
- **Provide tools to recruiters, educators, career counselors, mentors, and employers** to help students, especially those who are low-income, access, persist, and succeed in youth apprenticeship that prepares them for 21st century careers.

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.



**Testimony by Deborah Kobes**

**Interim Director of the Center for Apprenticeship and Work-Based Learning, Jobs  
for the Future**

**U.S. House of Representatives Committee on Small Businesses**

**Subcommittee on Innovation, Entrepreneurship, and Workforce Development**

**“Back to School, Back to Startups: Supporting Youth Apprenticeship,  
Entrepreneurship, and Workforce Development”**

**September 15, 2022**

Good morning, Chairman Crow, Ranking Member Kim, and other members of the subcommittee. Thank you for inviting me to testify today about the value and potential of youth apprenticeship and other forms of work-based learning for America's youth and in development of the nation's talent pipeline. I am honored to participate.

My name is Deborah Kobes. I am a senior director at Jobs for the Future (JFF), and I lead our Center for Apprenticeship and Work-Based Learning. For almost 40 years, JFF has worked to transform America's workforce and education systems to achieve equitable economic advancement for all. We launched the Center for Apprenticeship and Work-Based Learning in 2017 to leverage our deep expertise in advancing these highly successful workforce development models. We build the capacity of employers, educators, and other stakeholders to implement apprenticeship and work-based learning programs in new industries, organizations, and communities.

These models can provide a grow-your-own talent solution that is particularly valuable to small businesses who have trouble attracting and retaining talent in a tight labor market.<sup>1</sup> While my testimony applies to small businesses, most of what I will discuss today does not apply exclusively to them. Rather, apprenticeship and work-based learning have the power to connect young people to high-demand, high-quality jobs across the economy. We must continue to improve these high value workforce offerings however to deliver on this promise, especially for populations who have been excluded from opportunities for economic advancement.

In my testimony today, I will share JFF's perspective on work-based learning as a powerful youth education and workforce development strategy. I'll discuss recent trends in youth apprenticeship, including challenges to diversifying the apprenticeship system, and review the important role small businesses can play in the design and delivery of youth apprenticeship. Finally, I will share JFF's recommendations of policies that can expand and improve youth apprenticeship, including strategies for increasing equity and small business engagement.

The lessons and recommendations I present today draw on a wide range of JFF experiences and those of our partners. A few of our most relevant initiatives are representative of the growing momentum for work-based learning and apprenticeship innovations at the local, state, and federal levels. For the past decade, JFF and the Harvard Graduate School of Education have partnered through the Pathways to Prosperity Network with K-12 and postsecondary education and nonprofit leaders, policymakers, and employers in 13 states and over 60 regions to build equitable college and career pathways systems that include work-based learning opportunities to expand economic opportunity for all young people and meet regional talent needs.

In the area of apprenticeship, JFF works closely with the Department of Labor's Office of Apprenticeship to expand and modernize Registered Apprenticeship. We have enrolled more than 1,400 16-to-24-year-olds into Registered Apprenticeship programs over the last five years. As a current Youth Apprenticeship Intermediary for the Department of Labor's Office of Apprenticeship, JFF has launched 20 new in-school youth apprenticeship programs and added a youth-focused element to 27 existing apprenticeships. We have also focused on serving out-of-school youth through a recent Office of Apprenticeship contract, resulting in 17 new or expanded out-of-school youth-focused programs. This summer, we were excited to launch work funded by an Apprenticeship Building America grant that will tie together these efforts to create cohesive pre-apprenticeship and apprenticeship pathways for both in-school and out-of-school youth in partnership with local leaders.

This youth-focused work complements JFF apprenticeship initiatives that focus on building diversity and equity into the Registered Apprenticeship system. As a manufacturing intermediary, we are expanding apprenticeship among primarily small and medium-size manufacturers. Of 1,550 manufacturing apprentices registered in just under two years, over one-quarter are youth and over 60 percent are from populations that are underrepresented in Registered Apprenticeship. As a Diversity, Equity, Inclusion, and Accessibility (DEIA) in Registered Apprenticeship Center of Excellence, we operate an Innovation Hub that is building the capacity of apprenticeship stakeholders to expand access and improve outcomes for apprentices from underrepresented populations. We are pursuing systemic solutions to reduce occupational segregation within apprenticeship, mobilize employers as drivers of DEIA, and connect Minority Serving Institutions and others who serve underrepresented populations to the apprenticeship system. Finally, we seek to support policymakers and other leaders in efforts to maintain the efficacy of the apprenticeship and work-based learning systems as they expand and modernize.

### **Work-Based Learning as a Youth Education and Workforce Development Strategy**

Work-based learning, through which students or young adults complete meaningful tasks in a workplace setting, is a valuable education and training model for a range of learners, including K-12 and college students and young adults.<sup>2</sup> Work-based learning spans a continuum of models, from short-term career exposure activities such as job shadowing to internships and the most rigorous form of work-based learning, Registered Apprenticeships. High quality work-based learning programs offer compensation while providing employability skills, entry-level technical knowledge, career navigation assistance, and exposure to the world of work. They also build professional networks for young people—including among small businesses and entrepreneurs.<sup>3</sup>



Work-based learning deepens education and training pathways for youth, offering a pedagogy grounded in applied learning. Young people who are not drawn to the traditional classroom can be motivated by understanding how their academic instruction relates to real-world careers. Done right, work-based learning serves not only as preparation for careers but also for college or other postsecondary education.

Achieving these goals requires high-quality programs that are accessible to all young people, including youth marginalized from these opportunities. JFF has advanced best practices for integrating work-based learning into the educational experiences of young people at scale. This work begins by cultivating, establishing, and formalizing strong partnerships and collaboration among state and regional leaders in K-12 education, postsecondary education and training, employers, and economic and workforce development to co-design an integrated system that connects education to careers. Such a system includes clear programs of study spanning grades 9-14 (and beyond); and provides academic, technical, and work-based learning that leads to in-demand and stackable credentials in careers with career ladders as dictated by regional labor markets. The success of these programs of study is predicated on a clear sequence of experiences that are developmentally appropriate, increase in complexity and rigor, and provide strategic early college course-taking aligned with work-based experience.

The intentional design of these experiences ensures that youth see a clear path without “dead ends” in terms of academic attainment or career advancement. Engaging employers in this process is key. Employers need schools and training providers to build a talent pipeline; and schools and training providers need employers to ensure they are effectively preparing youth for in-demand careers. One critical strategy to achieving these goals is establishing working groups of educators and employers to develop and validate the skills and competencies young people need to enter and succeed in the workplace.

With 45 percent of surveyed Generation Z respondents being interested in eventually launching a business, work-based learning strategies can support a wide range of career pathway options by working in concert with youth entrepreneurial education and training.<sup>4</sup> Work-based learning give students the technical industry skills for their core business services while entrepreneurship training can provide the skills start their own business. Small business are a particularly valuable setting for these programs, because they offer students the ability to witness entrepreneurship skills beyond other industry skills as well as provide access to mentors and professional networks needed to start their own business.

### **Trends in Youth Apprenticeship**



Youth apprenticeship programs represent the most in-depth model of work-based learning. Currently, there are differing definitions of what constitutes a youth apprenticeship, with variations primarily based on whether they are limited to in-school students or also include out-of-school youth; and whether they extend to programs that are not Registered Apprenticeships. Different definitions for youth apprenticeship appear in H.R. 447, the National Apprenticeship Act passed by the House in 2021, federal grant opportunities issued by the U.S. Department of Labor, state regulations, and practitioner usage.

As we will discuss in our recommendations, JFF believes that there should be *a clear and consistent federal definition of youth apprenticeship*. We favor defining youth apprenticeship as a Registered Apprenticeship program specifically designed for and serving youth—whether in or out of school—between the ages of 16 and 24. We also support the position of the U.S. Department of Labor that youth apprenticeships may vary, depending upon the location and sponsoring business or organization, but all should include these essential components:

- 1) Industry leadership in establishing and vetting standards, as well as active involvement of business, including apprenticeship councils, industry associations, and other partnerships, in apprenticeship delivery
- 2) Structured on-the-job training of at least 2,000 hours or a competency-based equivalent that often works well for in-school youth, including supports and coaching from experienced mentors on-site
- 3) Classroom-based academic instruction related to the technical and academic competencies required for the job, with high-quality in-school youth programs integrating postsecondary credit
- 4) Rewards for student acquisition of apprenticeship skills, including wages as students begin work and pay increases as they meet identified performance benchmarks
- 5) A nationally recognized credential that is portable and certifies that the apprentice is fully qualified for a position in the industry awarded by the appropriate federal or state agency upon completion of the apprenticeship, with interim credentials possible along the way

The good news is that the number of young people participating in apprenticeship programs has increased over the past decade. JFF released an analysis, “The Current State of Diversity and Equity in U.S. Apprenticeships for Young People,” on Tuesday, September 13 that shows that the number of youth below the age of 25 registering as apprentices more than doubled between 2010 and 2020, significantly outpacing the growth of registered apprentices overall.<sup>5</sup> This growth has been spurred in part by federal investments through the Department of Labor. State apprenticeship leaders are also increasingly partnering with education agencies and leaders to fold youth apprenticeship into their Registered Apprenticeship expansion efforts. For example,

Oregon and Delaware recently registered youth apprenticeships for the first time. The Partnership to Advance Youth Apprenticeship, led by New America and for which JFF is a national partner, is building local and state capacity to implement these emerging youth apprenticeships.

This growth has had a positive impact on young people: Our analysis shows that youth apprentices between 2010 and 2020 earned an average of \$31 an hour, exceeding the average wage for workers in this age group by approximately \$18 per hour. Apprenticeships in STEM occupations, while still accounting for a small share of youth apprentices overall, have grown five-fold, suggesting a strong opportunity to connect members of populations that have been underrepresented in the technology sector to well-paid jobs in STEM-related fields. Youth apprenticeship has made progress in becoming more accessible to more populations. Female representation doubled in the 10 years analyzed, with women accounting for over 10 percent of new apprentices in 2020. Similarly, the share of Latinx apprentices increased in the same period.

### Equity Challenges

While significant progress has been made in the expansion of youth apprenticeship, there is more progress to be made. The benefits of youth apprenticeship do not accrue to all apprentices equally, with persistent disparities in participation and outcomes, as illustrated by these statistics:

- Nearly 90 percent of youth apprentices were male. Almost two-thirds of youth apprentices identified as white, and the share of Black apprentices actually slightly declined over the decade.
- Male youth apprentices still consistently earned nearly twice as much as women—\$30.57 per hour at the completion of their apprenticeship programs compared to \$17.62 for women. Similarly, Black apprentices' average exit wage of \$23 per hour fell short when compared to \$30 earned by white apprentices. These wage patterns are driven in part occupational segregation—the fact that white male apprentices are most likely to access and enroll in occupations that pay higher wages than the top occupations for members of many other demographic groups.
- While we have not yet analyzed completion rates for youth apprentices, completion rates in the Registered Apprenticeship system vary demographically, with particularly low completion rates among Black apprentices.<sup>6</sup>

These statistics show the need to continue to explicitly address diversity, equity, inclusion, and accessibility in youth apprenticeship program design. JFF is continuing to analyze the data to

identify programs designed specifically for high school youth, and we are hopeful that youth-oriented programs will show progress in diversity and equity metrics. We look forward to continuing that conversation with the Department of Labor and members of Congress as we generate new findings in the months to come.

### **Engaging Small Businesses in Youth Apprenticeship**

Employers are central to the design and delivery of youth apprenticeship—they hire the apprentices and supervise structured on-the-job learning. As the employers of almost half of all private-sector workers in the country, small businesses are critical to expanding the scale of youth apprenticeship.<sup>7</sup> In exchange for investing in youth, small businesses can benefit from recruiting talent, ensuring that the education and training of their workers is aligned with company needs, and building a loyal workforce.

JFF has seen successful examples time and time again of small businesses offering apprenticeship, and we have seen how these successes can multiply as employer champions share their stories with the small business community. For example, 11 small and medium-size John Deere dealers in 14 states have registered for a John Deere Agricultural Equipment Technician program and interest continues to grow.

Yet, despite the return on investment provided by apprenticeship, employers face a range of tactical challenges in participating in youth apprenticeship. Many of these challenges are even more pronounced for small businesses, who lack the capacity to oversee workforce training efforts and lack the scale to gain the efficiency of training a cohort of apprentices. Several pervasive challenges that JFF has seen to the adoption of youth apprenticeship among small businesses are:

- **Perception of restrictive labor laws and liability for minors:** Employers are concerned about the liability issues and insurance costs of youth employment, especially in industries with hazardous occupations. These regulations vary across states and industries, but companies that are committed to delivering youth apprenticeship have been able to navigate these concerns.<sup>8</sup> In general, a company's workers' compensation insurance policy applies to youth workers, and additional insurance can be purchased by the employer or a third party like a school. Moreover, most activities considered hazardous by the Federal Labor Standards Act would not be the focus of a youth apprenticeship. Finally, federal law, and many states, make explicit exceptions for work within a supervised apprenticeship program.<sup>9</sup>



- **Scheduling work experience:** Creating a schedule that accommodates high school and employer needs can be challenging. Most states have requirements for seat time, teacher of record, and attendance reporting that limit the flexibility of schools to facilitate time in the workplace.<sup>10</sup> Small businesses must work with schools to creatively navigate these constraints, often scheduling experiences around academic calendars.
- **Navigating funding sources:** Youth apprenticeship offers a strong return on investment, but it is also expensive to deliver. While funding exists to support these programs, securing sufficient support often requires braiding together funds from multiple sources and with differing eligibility requirements, purposes, and allowable costs. Small businesses often lack the awareness and time to effectively tap into:
  - State tax credits and tuition waivers for registered apprenticeships, as well as state training funds that are often administered through community college systems. These funds are not available in all states.
  - Workforce Innovation and Opportunity Act (WIOA) funding, including a required 20 percent Youth Formula Program expenditure rate for work experiences. On-the-job training wage reimbursement varies by company size—with the greatest rate accrued to small businesses. Although apprenticeship is eligible for these funds, this is a difficult system to navigate. Local workforce development boards are not required to invest in apprenticeships, and while adoption is increasing, progress is relatively slow and uneven.
  - Apprenticeship-focused incentive funds administered through Department of Labor contractors and a range of grantees. While these funds are increasingly available to offset employer costs in delivering apprenticeship, each contractor or grantee has their own policies and latitude in deciding how to administer funds.
  - A host of federal workforce investments across a range of agencies. Pell Grants, the GI Bill, the Supplemental Nutritional Assistance Program, Department of Transportation programs, and other infrastructure funding stemming from recent legislation can all support small business engagement in apprenticeship programs, and this landscape continues to evolve.

### Policy Recommendations

A range of policies can support the continued momentum and expansion of high-quality work-based learning and youth apprenticeships, ongoing progress toward equity in apprenticeship,

and uptake of youth apprenticeship among small businesses. JFF offers policy recommendations to address the constraints and challenges currently faced by youth apprenticeship stakeholders, including employers.

Many of these federal policy recommendations reflect state-level policy recommendations of the Partnership to Advance Youth Apprenticeship, of which JFF is a national partner.<sup>11</sup>

### ***Expanding Youth Apprenticeship***

Following are policy ideas to make it easier to launch and deliver high-quality youth apprenticeships:

- **Develop a clear and consistent federal definition of youth apprenticeship.** We favor defining youth apprenticeship as a Registered Apprenticeship program specifically designed for and serving youth—whether in or out of school—between the ages of 16 and 24. Because this would be a Registered Apprenticeship program, this would include five core elements outlined by the Department of Labor: business involvement, at least 2,000 hours of on-the-job learning (or a competency-based equivalent), 144 hours of related technical instruction, progressive wage gains, and the award of an nationally-recognized occupational credential.
- **Create policy alignment across education and workforce systems:** Facilitating youth apprenticeship at scale will require secondary institutions to have the flexibility they need to accommodate student work experience. This will require the following: improved alignment across K-12, postsecondary education, and workforce development systems; incentives for K-12 systems to update policies, such as seat time requirements, that limit engagement in youth apprenticeship and other work-based learning activities; and clarification that high quality work-based learning opportunities should be integral to core academic as well as career and technical education programs.
- **Support the expansion of youth entrepreneurship opportunities in conjunction with youth apprenticeship:** Congress can invest in youth entrepreneurship through several vehicles including the Economic Development Administration's Build to Scale program, the 21<sup>st</sup> Century Entrepreneurship Act, and National Entrepreneurship Corps. In addition, we recommend including youth in policy development through a Youth Advisement group in the Small Business Administration.

### ***Increasing Equitable Access to and Outcomes From Youth Apprenticeship***

Following are policy ideas to build on the gains in diversity in youth apprenticeship and promote equitable experiences and outcomes:

- **Invest in youth apprenticeship completion and wage equity.** Congress can support greater diversity, equity, inclusion, and accessibility in youth apprenticeship by refocusing investments from a primarily scaling-driven approach to one that emphasizes apprenticeship completion and reductions in demographic inequities in apprenticeship wage outcomes. We recommend including these metrics in all federal investments in apprenticeship, and piloting pay-for-success funding structures that focus on reducing gaps in completion and wage outcomes.
- **Provide flexible funding to integrate equitable program designs into youth apprenticeships.** DELA in apprenticeship requires intentional design and investment at all stages of program delivery, from outreach and recruitment to the program experience to supportive services that enable continued participation.<sup>12</sup> We recommend that Congress provide flexible funding to support these practices, which are particularly important for youth success:
  - *Pre-apprenticeships:* These programs create accessible on-ramps for young people who aren't yet ready for apprenticeship. High-quality pre-apprenticeships provide participants with career navigation support and industry-specific entry-level skills, leading to a clear path into apprenticeships.
  - *Inclusive outreach and recruitment practices:* In-school youth programs need to identify outreach and selection processes that do not reinforce educational and career inequities and do ensure that apprenticeship isn't perceived as a pathway that is inferior to college. Programs serving out-of-school youth benefit from partnering with community-based organizations with the trust of populations that are underrepresented in apprenticeship.
  - *Accessible classroom instruction:* Equitable educational practices help apprentices understand how the skills they are developing in the classroom relate to their on-the-job work and provide opportunities for reflection. To expand accessibility, universal design for learning can benefit all individuals—including those with disabilities, instructional materials can be offered in multiple languages, and apprentices can be offered a range of ways to demonstrate knowledge gains.
  - *Robust mentorship:* Mentorship supports apprentices of all ages, but it is especially important for young people who are more likely to have limited or no experience in the workforce. Young people can benefit from access to mentors whose backgrounds are similar to theirs and who can draw on personal



experiences navigating the range of workplace dynamics facing workers from populations that are underrepresented in apprenticeship.

- *Supportive services:* Apprentices often need assistance to overcome financial barriers such as testing fees and the costs of uniforms, training materials, and equipment. Transportation can be particularly challenging for young people, including in-school youth who may have to travel to both school and work on the same day. Many young people may not have the technology or high-speed internet service necessary to access online instruction.
- *Apprenticeship navigators:* Having a single staff point of contact to support apprentices as they access services and troubleshoot challenges is valuable for young people who are shifting between educational institutions and the workplace and may not know the appropriate place to turn for a given problem.
- **Build small business capacity to deliver equitable apprenticeships.** We recommend that Congress authorize the creation of training, funding, and support to employer supervisors and training providers to increase their ability to create diverse, equitable, inclusive, and accessible workplaces for youth apprentices.
- **Support data collection on youth apprenticeship experiences.** The Registered Apprenticeship system collects individual-level data through the Department of Labor's centralized RAPIDS database. With completion rates around 35 percent in Registered Apprenticeship,<sup>13</sup> metrics that help explain why workers leave apprenticeships can provide crucial insight into how to design programs that support retention, maximize employer training investments, and identify the factors that drive variations in completion rates across demographic groups. Unfortunately, this metric often remains blank. We recommend that Congress incentivize the provision of this data and sponsor a campaign about the importance of providing this information.

### ***Expanding Small Business Engagement***

Following are policy ideas for encouraging small business to participate in youth apprenticeship.

- **Invest in intermediaries:** The time and effort required for high-quality talent development efforts creates a particularly high barrier for small businesses with limited bandwidth. Intermediaries, such as workforce boards, chambers of commerce, community colleges, and community-based organizations, can reduce this burden at all stages of youth apprenticeship design and delivery. Intermediaries, especially local and industry organizations already trusted by small businesses, can convene employers to jointly deliver a youth apprenticeship program, lead program design efforts, identify and maintain relationships with education and support service partners, secure sustainable

public and private funding, and oversee administration, including public reporting. We recommend that Congress invest flexible funds in intermediaries, with an eye toward systems change to complement training funds focused on individual-level outcomes.

- **Support sector strategies and employer consortia:** Small businesses benefit by working with one another and large employers. Sector strategies, already promoted in WIOA and a number of state investments, bring together employers in a specific industry to build career pathways and support regional talent pipelines. We recommend that Congress support sector strategies and give employer-driven partnerships incentives for making youth apprenticeship a featured option.
- **Create guidance to address perceived liability concerns:** Despite variations in labor law and insurance policies across states, the concerns that small businesses have about hiring young people can be addressed with better guidance on labor laws and insurance. We recommend that Congress support the creation of a centralized and accessible platform that provides transparency around differing state youth employment laws.
- **Streamline navigation of funding sources:** Youth apprenticeship sponsors draw on a mix of public resources to offset program costs. In some cases, such as programs funded under WIOA, Registered Apprenticeship is allowable, but workforce development boards are not yet electing to fund youth apprenticeship at scale. The Small Business Committee can support federal and state efforts to encourage greater investment in apprenticeship. We recommend that Congress clarify that Pell Grants and federal work study funds can be used for Registered Apprenticeship, while at the same time expanding Pell eligibility to include non-degree, short-term credential programs. Recipients of the emerging flow of Infrastructure Investment and Jobs, CHIPS, and Inflation Reduction Act resources will require assistance to learn about apprenticeship and connect to youth apprenticeship stakeholders. We recommend that the Committee support the creation of tools, resources, and other efforts to train small businesses to tap into the public funding available for youth apprenticeship.

## Conclusion

Thank you once again for the opportunity to share this testimony. I deeply appreciate the Small Business Committee's longstanding interest in apprenticeship, and I look forward to continuing to support your efforts to facilitate the adoption of youth apprenticeship strategies among small businesses.



## Endnotes

<sup>1</sup> “Work-Based Learning With Small Business,” Fran Kennedy, Matthew Poland, Mary Wright, Jobs for the Future. <https://www.jff.org/resources/work-based-learning-small-business/>

<sup>2</sup> For example, “Work-based Learning Leads to Engaged Employees,” Association for Career and Technical Education. <https://ctepolicywatch.acteonline.org/2014/10/work-based-learning-leads-to-engaged-employees-.html>

<sup>3</sup> “Work-Based Learning Can Advance Equity and Opportunity for America’s Young People,” Martha Ross, Richard Kazis, Nicole Bateman, and Laura Stateler, Brookings Institution:

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<sup>4</sup> EY. [https://www.ey.com/en\\_us/news/2021/11/ey-releases-gen-z-survey-revealing-businesses-must-rethink-their-plan-z](https://www.ey.com/en_us/news/2021/11/ey-releases-gen-z-survey-revealing-businesses-must-rethink-their-plan-z)

<sup>5</sup> “The Current State of Diversity and Equity in U.S. Apprenticeships for Young People,” Myriam Sullivan, Lois Joy, Dristi Adhikari, Vicki Ritterbrand, Jobs for the Future. <https://info.jff.org/apprenticeshipdeia-youth-apprenticeship-rapids>

<sup>6</sup> Equity Snapshot: Apprenticeships in America. Janelle Jones, Alexander Hertel-Fernandez, Christopher DeCarlo. U.S. Department of Labor. <https://blog.dol.gov/2021/11/03/equity-snapshot-apprenticeships-in-america>

<sup>7</sup> 2020 Small Business Profile, U.S. Small Business Administration, Office of Advocacy.

<https://cdn.advocacy.sba.gov/wp-content/uploads/2020/06/04144224/2020-Small-Business-Economic-Profile-US.pdf>

<sup>8</sup> “Not As Hard As You Think: Engaging High School Students in Work-Based Learning,” Charlotte Cahill and Sheila Jackson, Jobs for the Future. <https://www.jff.org/resources/not-hard-you-think-engaging-high-school-students-work-based-learning/>

<sup>9</sup> Framework on Registered Apprenticeship for High School Students, Training and Employment Notice 31-16. [https://wdr.doleta.gov/directives/attach/TEN/TEN\\_31-16.pdf](https://wdr.doleta.gov/directives/attach/TEN/TEN_31-16.pdf)

<sup>10</sup> State Policy Playbook to Advance Youth Apprenticeship, National Governors Association.

<https://www.nga.org/center/publications/state-policy-playbook-to-advance-youth-apprenticeship/>

<sup>11</sup> State Policy Playbook, National Governors Association. <https://www.nga.org/center/publications/state-policy-playbook-to-advance-youth-apprenticeship/>

<sup>12</sup> “Program Design Framework for Diversity, Equity, Inclusion, and Accessibility in Registered Apprenticeship,” Vanessa Bennett, Maria Cabiya, Myriam Sullivan, Deborah Kobes, Jobs for the Future. <https://info.jff.org/apprenticeshipdeia-framework>

<sup>13</sup> Equity Snapshot: Apprenticeships in America. <https://blog.dol.gov/2021/11/03/equity-snapshot-apprenticeships-in-america>

Testimony of Shani Watkins  
Director, West Sound Technical Skills Center  
Before the

Committee on Small Business  
Subcommittee on Innovation and Workforce Development  
U.S. House of Representatives

“Back to School, Back to Startups: Supporting Youth Apprenticeship, Entrepreneurship, and  
Workforce Development”

September 15, 2022

Good morning Chairman Crow, Ranking Member Kim, and members of the committee. Thank you for the opportunity to appear before you today to discuss this important issue. My name is Shani Watkins, and I am the Director of West Sound Technical Skills Center in Bremerton, Washington. I also serve as the Region V vice president for the Association for Career and Technical Education, known as ACTE, and am the 2022 ACTE Administrator of the Year.

West Sound Technical Skills Center provides advanced career and technical education (CTE) programs to 10 school districts across the Kitsap Peninsula and serves students in their junior and senior year of high school. Students spend half their school day at West Sound Tech and the other half of their day at their sending school. We offer 13 programs, 12 at our main campus, and one at a satellite at the Northwest Maritime Center in Port Townsend. Our programs are: 3D Animation & Game Design, Automotive Tech, Collision Repair Tech, Construction Careers, Cosmetology, Criminal Justice, Culinary Arts, Esthetics, Fire Science, HVAC Tech, Maritime Academy, Professional Medical Careers, and Welding. Currently, we serve 555 students. Students graduating from West Sound Tech are prepared for careers, college, and all postsecondary possibilities.

#### **Career and Technical Education**

CTE engages students through hands-on, active learning and prepares them with the skills they need for further education and fulfilling careers in vital, in-demand industries and occupations. According to the Department of Education, 92%<sup>1</sup> of high school students and 69%<sup>2</sup> of college and adult students are engaged in CTE at comprehensive and CTE-dedicated high schools, magnet schools, area technical centers, community and technical colleges, and some four-year universities.

CTE learners have opportunities to learn on the job and earn valuable credentials such as industry certifications and licenses, postsecondary certificates, and degrees. Some of the benefits of CTE include:

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<sup>1</sup> U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics (NCES), High School Longitudinal Study of 2009 (HSL:09), Base-year, 2013 Update, and High School Transcript File

<sup>2</sup> U.S. Department of Education, National Center for Education Statistics, 2015–16 National Postsecondary Student Aid Study (NPSAS:16)

- CTE students are more likely to graduate from high school. The average high school graduation rate for CTE concentrators – students who take multiple courses in one CTE program area – is 94%<sup>3</sup> compared to the national rate of 85%.<sup>4</sup>
- CTE students are just as likely as other students to enroll in college and earn a degree or postsecondary certificate.<sup>5</sup>
- CTE students build fulfilling careers. More than 75% of employers from in-demand industries report hiring an employee because of knowledge and skills gained through CTE.<sup>6</sup>
- CTE students are high earners. Workers with degrees in CTE fields can earn more than \$2 million over their lifetimes.<sup>7</sup>

### Connecting Students to Small Business Opportunities

At West Sound Tech, we have a variety of partnerships with local small businesses, including Miller Sheet Metal, SafeBoats, Stafford Suites, Martha and Mary long-term care, Haselwood Group, and True Autobody. These businesses provide important, relevant learning for our students to better prepare for life after high school. In particular, Stafford Suites, Martha & Mary long-term care, Haselwood Group, and True Autobody provide paid work opportunities for students attending West Sound Tech. Further, these partners and more support a variety of engagement activities for students on campus so that they can learn more about postsecondary opportunities.

Each year, West Sound Tech holds a Try-A-Trade day, where our industry partners bring their tools and equipment to our local fairgrounds so that students from grades 9-12 can experience, first-hand, what different careers offer. We also hold an onsite event for students, similar to a conference, called West Sound Tech Works. This is a two-day event during which our local business and industry partners come to West Sound Tech and share their experiences and knowledge with students. Students attend two sessions each day and participate in 14 different workshops provided by our industry partners. In addition, West Sound Tech holds an evening

<sup>3</sup> Perkins Collaborative Resource Network. (N.d.). Customized Consolidated Annual Report data.

<sup>4</sup> National Center for Education Statistics. (N.d.). Common Core of Data: Table 1. Public high school 4-year adjusted cohort rate. Retrieved from [https://nces.ed.gov/ipeds/data/ACGR\\_RE\\_and\\_characteristics\\_2017-18.asp](https://nces.ed.gov/ipeds/data/ACGR_RE_and_characteristics_2017-18.asp)

<sup>5</sup> U.S. Department of Education. (2019, September). Bridging the skills gap: Career and technical education in high school. Retrieved from <https://www2.ed.gov/datastory/cte/index.html>

<sup>6</sup> Advance CTE. (2021, October). Shifting the skills conversation. Retrieved from [https://cte.careertech.org/sites/default/files/files/resources/EmployerResearchReport\\_100621\\_small.pdf](https://cte.careertech.org/sites/default/files/files/resources/EmployerResearchReport_100621_small.pdf)

<sup>7</sup> Carnevale, A. P., Cheah, B., & Wenzinger, E. (2021). The college payoff: More education doesn't always mean more earnings. Georgetown University Center on Education and the Workforce. Retrieved from <https://cew.georgetown.edu/cew-reports/collegepayoff2021/#data>

event called Explore Your Future, in which community partners are invited to participate, including business and industry, local support services, two-year and four-year colleges, apprenticeship programs, and the military. In total, more than 65 different partners hold booths with information for families about opportunities after high school. Typically, we have more than 500 students and families in attendance. Each spring, West Sound Tech holds a practice interviewing event for students with two business/industry partners from the student's specific content area. For example, Miller Sheet Metal and the welding shop at Puget Naval Shipyard will interview students from the welding program, while Martha & Mary long-term care and Stafford Suites will interview students completing their CNA in the professional medical careers program. Every student enrolled at West Sound Tech completed this interview experience, which increased their likelihood of being hired upon graduation.

One-third of students attending West Sound Tech go directly into the workforce based on their work-based learning experiences at West Sound Tech, another one-third of our students go on to community and technical colleges and four-year universities, while many of the remaining students choose apprenticeships and military career options post-graduation. These work-based learning experiences are critical to preparing students for life and career.

#### **Expanding Apprenticeship Opportunities to High School Juniors and Seniors**

West Sound Tech has a long history of preparing students to enter into apprenticeship programs after high school. Both our Construction Careers and Welding courses have pre-apprenticeship articulations with the laborers and ironworker's unions, respectively. Students meet all the requirements for entry into the apprenticeship programs while they are at West Sound Tech. For example, students in the construction program learn all of the physical requirements for entry, complete the minimum math requirements, earn their First Aid/CPR card, and attain their Flagger certification to help control traffic safely in construction zones. It is critical that there be more opportunities for students to engage in pre-apprentice and apprenticeship programs during their junior and senior years of high school, better preparing them to meet the needs of business and industry. Expanding opportunities for students to engage in apprenticeship experiences through federal incentives for small businesses would increase student access to these vital and relevant experiences.

#### **Replicating Successful Programs to Small Business**

Puget Sound Naval Shipyard supports an annual work-study program, hiring up to 30 high school students during the summer between their junior and senior years. These students are provided an hourly wage (above minimum wage) and benefits during their summer experience.

Students spend their summer in work and training situations that provide the opportunity to rotate among 11 different shops located throughout the shipyard. Students learn safety requirements for each shop, review the various hand and power tools used, and acquire the fundamental knowledge and skills necessary to work in a large industrial environment. At the end of the summer, students return to school for the first semester of their senior year of high school. Then, during the second semester of their senior year, the students return to the shipyard and again work full time. Often, the work-study experience leads to a future career for many students. Once hired into the shipyard after high school, candidates qualify to enter the various apprenticeship programs offered at the shipyard. This model could be replicated with other small businesses to better support workforce needs and experiences for students to prepare for living wage careers.

#### **Barriers to Access**

Students face several challenges to accessing relevant experiences while in high school that prepare them for entry into the workforce. In particular, students in more rural areas have limited transportation options, thereby creating access issues. This limits students' opportunity to engage in CTE, pre-apprenticeship, and apprenticeship programs.

For example, many students that attend West Sound Tech travel by school bus. With the lack of bus drivers at this time, bus routes are limited and schools are eliminating routes to West Sound Tech, thus creating equity and access issues for students. In addition, we serve ten school districts across three different counties and some students travel up to an hour or more one way to attend classes daily. It can be a difficult choice for students to weigh the value of attending West Sound Tech versus the time lost daily in travel. Travel to participate in out-of-school activities like internships can be even more challenging.

In addition to transportation, many of our lower income students face challenges participating in work-based learning activities that are unpaid. Many of our students have to choose between a "volunteer" experience as an intern in a career area they are interested in and working at a local restaurant or grocery store to be able to support themselves or their families. However, many small businesses can not afford to pay students for internships.

#### **Policy Solutions**

We are very appreciative of the federal Carl D. Perkins Career and Technical Education Act funding that increases students' access to high-quality CTE and work-based learning experiences. However, industry preparation is expensive and the funding, while helpful, does

not fully fund the necessary equipment needed to run effective, rigorous, and relevant programming. We need increased funding through Perkins to better support the development of high quality, rigorous, and relevant career and technical education programming that meets the future needs of employers – especially small businesses that often do not have the capacity to provide their own training programs. This year, national CTE leaders are asking Congress to provide a \$200 million increase to the Perkins Basic State Grant program. In addition, there are several other policy actions that could help support small businesses and the education programs that prepare their workforce:

- Funding to support and incentivize small businesses to partner with educational institutions, including training for both the small business and the students on effective work-based learning experiences.
- Funding to support student pay during work-based learning experiences with small businesses - either through grants or tax credits for the business.
- Increasing access to and funding for apprenticeship programs, including youth and pre-apprenticeships.
- Funding to support student completion of certifications during high school so that they are more prepared for employment with small businesses.

In conclusion, stronger partnerships between small business and secondary schools will help to increase a segment of the economy that is currently experiencing significant challenges in finding a ready workforce. Students engaged in CTE programs are better prepared for the workforce, less likely to need significant student loans, and are more likely to have the skills and credentials that meet workplace needs.

US House Small Business Committee Testimony

WRITTEN TESTIMONY

Jared Ebbing

Director, Mercer County Community & Economic Development

Before United States Congress, House Committee on Small Business

Subcommittee on Innovation, Entrepreneurship, and Workforce Development

Back to School, Back to Startups: Supporting Youth Apprenticeship, Entrepreneurship,  
and Workforce Development

September 15, 2022

Thank you Chairman Crow, Ranking Member Kim, and the distinguished members of this subcommittee. My name is Jared Ebbing and I am the Community & Economic Development Director for Mercer County, Ohio. Mercer County is a Rural county in West Central Ohio along the Ohio/Indiana border. Mercer County is part of a region in Ohio that is known for its small, homegrown companies involved in everything from advanced manufacturing to ag and food processing. My office works with our many local companies to ensure they have the personnel necessary to continue to grow their business and invest in our area. By doing so, we believe that our businesses, communities, and families will all continue to prosper in the years to come.

The vast majority of the jobs created here in Mercer County can be attributed to small business. While we do have a couple of nationally known larger corporations, most of our companies started right here years ago in someone's basement, garage or out-building with just a handful of workers. The entrepreneurial spirit has always been alive and well in this region as people just know how to make things and have never been afraid of the hard work needed to make it happen. While these businesses haven't really asked for anything more than our local support in their efforts to grow and expand, they are worried about the sustainability of their workforce in the future.

COVID-19 and its impact created an unprecedented new set of challenges for businesses. While larger corporations adjusted utilizing remote work as an option, many small manufacturers had a hard time managing, training, and thus developing their future workforce as a result of the pandemic. Additionally, the "Great Resignation", supply chain issues, increased raw material costs and now hyper wage inflation have all compounded their issues making it very difficult for small businesses to manage their operations.



As such, we hear from our companies every day that say even though the work is there, they are struggling to complete it due to their various open positions. So many of these unfilled positions are skilled jobs, meaning they require a high school diploma and *some* form of post-secondary education but not necessarily always a traditional four-year college degree. As a result, companies are looking at apprenticeships and other on-the-job training programs. In order to make this happen, ongoing collaboration among stakeholders at every level is vital to identify best practices, explore new ideas, and implement impactful programs.

I'd like to share one such example of a program that we've implemented to great success. [HometownOpportunity.com](http://HometownOpportunity.com) is an online-based resource aimed at increasing awareness of our many great local careers to our students and families. Our companies are most certainly in need of our local talent, who all too often do not realize these great opportunities exist right here in their own backyard. Furthermore, we are utilizing this resource to make meaningful connections between our emerging workforce and the companies hoping to hire and train them.

We focused our efforts on first making sure students are aware of what our local companies do, what skills are needed and what opportunities exist. Properly educating students on the myriads of options and opportunities to them may sound simple, but it is surprisingly difficult when teenagers' attentions and interests aren't necessarily on their future. Through these career navigation tools, new career-based curriculum within our schools, and the hiring of county-wide career coaches and counselors, an appreciable increase in the awareness among our young people is finally occurring.

With such awareness and new-found interest, students are enrolling in job shadow and pre-apprenticeship opportunities eventually leading them to full apprenticeship programs at our local companies. It's a long process, but once students are aware of what's here, it is so much easier to introduce them to the necessary training that combines on-the-job, paid experience with their classroom learning. Companies welcome such collaborations as it not only helps to address their own workforce needs, but they know they are in turn investing in a positive cycle of community growth. More skilled workers lead to a more prosperous region and a stronger economy for everyone.

Although we feel very good about the local initiatives we've implemented to date, more resources, ideas and support is needed and would certainly help. A national push for more Career Development courses within our High Schools is needed. Similar support was given for the successful implementation of STEM based classes across the country over the past decade resulting in more young people becoming interested in Science and Math. Encouraging our classrooms nationwide to increase and offer more meaningful career awareness and guidance curriculum (such as *EdgeFactor*) would most certainly have a positive impact on our nation's youth. Additionally, an expansion of Federal programs such ApprenticeshipUSA would also help our emerging workforce become better trained for the careers of the future. It is our young people, who will face higher unemployment rates due to the inability to match their true career interests (and required skills) with the openings at so many companies across the country.

Now more than ever we need to find ways to enhance the workforce development initiatives and programs that work. We must continue to support the business organizations and non-profits who train, advocate and bring entrepreneurs together. Work with our educators to ensure we're not just graduating students FROM school, but TO a meaningful career. Engage with organizations such as the Small Business & Entrepreneurship Council, U.S. Chamber and the Small Businesses Administration (SBA) to come up with new ideas, resources and innovative policy solutions that will lead this nation to strong and sustainable economic growth.

Sustaining small businesses and thus our local economies begins with how we can adapt, support necessary change, and lead a transformation of true workforce development. We must do so as we depend on the vibrancy of our local economy to generate taxes which support local government, schools, and our community's health and social safety nets.

In closing, thank you to this Subcommittee for the opportunity to testify today and for supporting and making policies that support Small Businesses across this great Country of ours!



## Small Business Committee, Subcommittee on Innovation, Entrepreneurship, and Workforce Development

*"Back to School, Back to Startups: Supporting Youth Apprenticeship, Entrepreneurship, and Workforce Development"*  
September 15, 2022

### Supporting Materials following Testimony

Deborah Kobes, Senior Director, Jobs for the Future

#### Supporting Youth Entrepreneurship through Federal Policy

Representative Davids discussed the "21<sup>st</sup> Century Entrepreneurship Act" and asked about its connection to advancing youth entrepreneurship and apprenticeship. JFF is very interested in this issue. We see youth entrepreneurship as a driver of economic mobility and advancement.

We are seeing key shifts in how young people want to learn and work. While entrepreneurship rates in the United States have declined over the last several decades, we expect this to change with the rise in direct-to-consumer online businesses, especially with gen z and gen alpha youth who are increasingly curious and interested in entrepreneurship as a career. Despite this interest, entrepreneurs, especially youth entrepreneurs, do not have local, state, or federal systems supporting them in consistent, supportive, and regulated ways.

Teaching Entrepreneurship (NFTE) has identified four key learnings that relate to the specified needs of Youth Entrepreneurs. Youth Entrepreneurs want to:

- access capital and supports on how to build generational wealth
- connect with other entrepreneurs in their city, and across the country
- influence the policies and laws that affect their business and livelihood
- prioritize their mental health and work/life balance while creating a successful business

Her legislation, would authorize the SBA to support afterschool programs, using community learning centers at public schools, to teach students these skills and provide young people with critical information about how to build such careers. JFF supports these efforts and we look

forward to working with the Subcommittee and Representative Davids as we build out our work in entrepreneurship.

### **Connecting Federal Workforce Investments to Youth Apprenticeship**

Representative Houlihan requested additional information about how Congress can support efforts to grow youth apprenticeship adoption via the current funding vehicles available through the Infrastructure, CHIPS, and Inflation Reduction Acts, as well as other relevant federal workforce funding streams. Through the Good Jobs Initiative, the Biden Administration has brought together federal agencies to ensure that job quality, workforce development, and equity priorities are woven throughout federal investments. This funding is being largely put into action by state and local agencies as well as private employers – many of whom lack knowledge of workforce development strategies such as youth apprenticeship.

A pressing need in the field is to help prospective grant and funding recipients during the design phase of their federal funding. Many of these investments require a workforce, equity, or quality jobs plan to access the funds. However, the partnerships developed across federal agencies are not often mirrored at the local level, and so the potential recipients of these funds do not have the relationships needed to help them develop and implement innovative workforce development strategies. Providing technical assistance to help build these relationships after funding is awarded misses the opportunity to shape the program design. Therefore, Congress can help elevate youth apprenticeship in these investments by supporting federal agencies in providing technical assistance to interested stakeholders prior to awarding funds.

The Department of Commerce, National Telecommunications and Information Administration provides one example of what this pre-award technical assistance can look like. Prior to distributing its \$42.5b in formula funds, the Broadband Equity, Access, and Deployment (BEAD) Program requires approval of state funding plans, including a workforce development plan. NTIA is providing technical assistance to the appropriate state agencies throughout the pre-award planning phase. We recommend that NTIA include technical assistance about the value of youth apprenticeship as well as guidance on implementation. If Congress embeds this kind of strategy into administrative costs of program allocations, other federal agencies could replicate this strategy of offering publicly available technical assistance prior to grant awards, both for formula and discretionary funds.

The challenge, particularly for discretionary dollars and programs targeted at private employers including small business, is that it is not always clear who the prospective grantees will be. Just as these grants often include technical assistance contracts for national intermediaries to support implementation after the grant awards, Congress can fund national or regional intermediaries to provide technical assistance as soon as Funding Opportunity Announcements (FOAs) are released. These intermediaries would be named in the FOA and responsible for proactively identifying potential grantees and disseminating information about workforce development strategies, including youth apprenticeship, and helping potential grantees gain the basic knowledge they need to begin their workforce planning. The intermediaries can also serve

as a broker to bridge the gap at the planning stage between these prospective grantees (including small business subgrantees) and local workforce development agencies, community based organizations, schools, and other training providers. One way to maximize alignment of federal funding would be to have a single intermediary a central point of contact and hub responsible for providing support across federal funding opportunities. For example, Congress could fund the Department of Labor to contract one or more intermediaries who deploy technical assistance to stakeholders about funding opportunities available across all the agencies that are co-signers of the federal Memorandums of Understanding via the Good Jobs Initiative.

Finally, many federal grant programs include funding for a technical assistance provider. For example, JFF convenes a Community of Practice for the Department of Labor's Good Jobs Challenge. We recommend that Congress similarly require that workforce development focused technical assistance be provided across all relevant federal investments, specifically including youth apprenticeship and Registered Apprenticeship resources. As federal funding recipients begin to subaward funding to new stakeholders and implement their plans, they will continue to need support in understanding how to navigate the youth apprenticeship opportunities and challenges that they face.