# UNLOCKING WORKFORCE OPPORTUNITIES.

How Apprenticeships Build Skills, Careers, and Communities



# **Learning Objectives**



- Gain a clear understanding of what an apprenticeship is and how it differs from traditional training or internships.
- Discover the measurable benefits apprenticeships provide to employers and employees alike.
- Hear success stories from the field that show the impact apprenticeships can have on business growth and career development.
- Learn the simple steps to get started whether you need one apprentice or a full program.
- Get insider information on new grant funding recently awarded to expand apprenticeship opportunities, and how your organization may qualify.



# The Workforce Challenge

### **Are You Struggling to Find and Retain Skilled Workers?**

- Shortage of skilled labor constrains production Approximately 20.6 % of U.S. manufacturing plants report operating below full capacity due to labor or skill shortages. <u>Veryable+1</u>
- Large volume of unfilled jobs ahead The industry could face up to 2.1 million unfilled manufacturing jobs by 2030 due to a lack of skilled workers. <u>The Manufacturing Institute+1</u>
- **High cost of turnover for employers** On average, turnover costs represent about 39.6 % of a worker's annual wage across U.S. industries. *Equitable Growth+1*
- Turnover impacts quality and productivity Each percentage-point increase in weekly turnover rate was associated with a 0.74-0.79 % increase in product failure rates in one study.





# The Workforce Challenge

### **Key Data Points for Illinois**

- Manufacturing employment in Illinois: As of August 2025, the number of people employed in the manufacturing sector was about 573,500 (seasonally adjusted) in Illinois. <u>FRED+2Illinois Extension+2</u>
- Job openings and labor turnover: In November 2023, Illinois reported a job-openings rate of about 6.0%, with 391,000 job openings that month.

  \*Bureau of Labor Statistics\*
- Worker separations: Over the 12 months ending May 2025, Illinois averaged about 202,000 hires per month and 193,000 total separations per month. <u>Bureau of Labor Statistics</u>
- Aging workforce: Between 2001 and 2023 in Illinois manufacturing, the share of workers aged 55-64 grew from 12.7% to 22.8% and those 65+ grew from 2.7% to 8.1%. <u>Illinois Extension</u>





# The Workforce Challenge Continued

### 2024-2025 Generational Workforce Data

- Gen Y/Millenials are the largest generational group in the workforce, making up almost 36% of the U.S. labor force.
- Gen Z represents 18%, Gen X about 31%, Baby Boomers around 15%, and the Traditionalist approximately 1%.
- U.S. labor estimates by 2030 put Gen Z at 30% of the workforce.



# What is a Registered Apprenticeship Program?

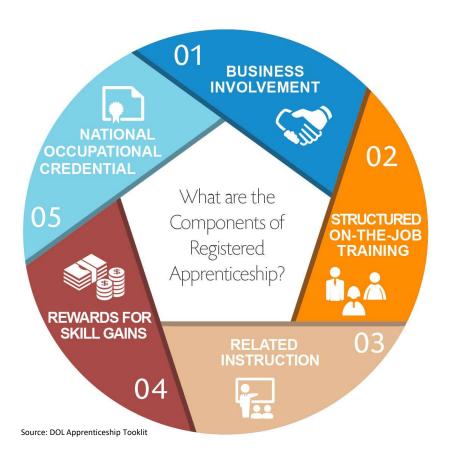
It's an **employer-driven** training model that combines on-the-job training with job-related instruction.

This "earn and learn" approach helps workers start new careers and helps businesses recruit and retain a highly-skilled workforce.

The Illinois Manufacturing Excellence Center or other educational providers offers **customized support** to help design the registered apprenticeship program to meet each employer's needs.

# **How Apprenticeships Work**

Components of a Registered Apprenticeship program



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# What Apprenticeships Mean to an Organization?

Training & Development	Expected Results
Upskill the existing employee base	Reduced employee turnover, improve retention, result in decreased cost
Capture "Tribal Knowledge"	Speed of on-boarding, getting new hires productive sooner and more consistently
Developing Career Paths or Progressions	Defined career progressions leading to improved employee engagement and morale
Administration of <b>Formal Training</b> Programs	Achievement of Industry Recognized credentials for employees
Create a framework for consistent and relevant training	Third party training manager, reducing workload on the organization
Create a more <b>agile</b> , <b>adaptable workforce</b>	Prepare your operation for the Future of Work
Develop a more <b>cross-trained</b> organization	Help with addressing absenteeism caused by external factors (ie, Covid)



# **Benefits to Employers**





- 93% of apprentices stay with the employer after program completion
- 50% higher productivity among trained apprentices
- Lower turnover and training costs
- Customized training aligned with company culture and needs
- Receive tax credits and employee tuition benefits in participating states. (Tax credit available in Illinois)

# **Benefits to Employees**

### Why Apprenticeships Work for Workers Include:

- Earn while you learn
- Debt-free education
- Nationally recognized credential
- Career progression and job security



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## **Success Stories**

"This apprenticeship program creates opportunities to highlight the skill sets of individuals and the areas in which needs improvement. Offering in house training with people that are familiar to solve those issues daily will create better learning environment our future technicians."



Simon Wu
Industrial Maintenance Apprentice
Giesecke+Devrient



"I have watched the guys in this program truly grow and understand what is expected of them. We learned that what we thought was common knowledge wasn't, and this program completely changed that for the better. As trainers, we even picked up crucial information on production hour calculations. Companies and their employees will definitely benefit from this program as it provides valuable, lasting information."



Joe Siem
Mentor/Trainer
E.J. Basler

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# **Getting Started**

### **APPRENTICESHIP PROGRAM DEVELOPMENT**



### **How Do You Get Started**



- Review Competencies and Standards
- If occupation is not on part of IMEC/Educational Institution approved occupations with DOL, IMEC or Educational Institution will submit paperwork to DOL for approval
- Sign Employer Agreement and Commitment Letter
- Identify potential apprentices and quality supervisors
- IMEC/Educational Institution ensures your training meets standards
- Report on skills mastered, wage increases, and apprentice status
- Overview of grant funding or state/federal incentives

# Illinois Apprenticeship Education Tax Credit Program

### **Program Overview**

The Illinois Apprenticeship Education Expense Tax Credit is a state incentive that awards Illinois businesses for hiring and training qualified apprentices. Participating employers can receive a tax credit against their Illinois income tax liability for qualified education expenses incurred on behalf of eligible apprentices.

### **Program Incentives**

- Up to \$5,000 per eligible apprentice annually
- Networking with other apprenticeship resource partners.
- Access to DCEO's network of business support specialists.

### **How to Apply:**

https://dceo.illinois.gov/expandrelocate/incentives/ilapprenticeshiptaxcredit.html

### **Program Eligibility**

### The apprentice must:

- Be an Illinois resident
- Be at least 16 years of age (at the close of the school year for which a credit is sought)
- Be enrolled full-time in a U.S. Department of Labor (USDOL) registered apprenticeship program during the school year
- Be employed by the taxpayer in Illinois.

### The employer must:

- Be an Illinois taxpayer
- Maintain a qualified apprenticeship program or partnership
   with a qualified apprenticeship program

# **Community and Economic Impact**

### **Apprenticeships Strengthen Local Economies:**

- Create sustainable talent pipelines
- Increase wages and upward mobility
- Support business growth and retention





# **Employer Return on Investment (ROI)**

- A Department of Labor—sponsored evaluation found a median ROI of \$144 for every \$100 invested in Registered Apprenticeship programs under the American Apprenticeship Initiative.
- Of the employers surveyed, 60% recouped at least 80% of their upfront costs, while nearly 40% fully recouped costs during the apprenticeship period—purely from direct apprentice productivity.
- A clear majority (68%) of employers maintained a positive net return within 5 years, counting both direct and indirect benefits such as retention, reduced hiring costs, and improved workplace culture.



Source: Department of Labor https://www.dol.gov/agencies/odep/program-areas/apprenticeship/

# **End Result.....**

# The United States Department of Labor

### Office of Apprenticeship Certificate of Completion of Apprenticeship

This is to certify that

### **SAMPLE**

has completed an apprenticeship for the occupation

**Industrial Maintenance Mechanic** 

under the sponsorship of

Illinois Manufacturing Excellence Center (IMEC)

In Participation With ABC Company

in accordance with the basic standards of apprenticeship established by the Secretary of Labor

Date Completed July 12, 2025

Digital PD 5313564



Megan A. Band Acting Administrator, Office of Apprenticeship

# **Call to Action**



### Take the First Step:

- "Start small—one apprentice can make a difference."
- Contact info or next steps to connect with IMEC/workforce partners
- Encourage follow-up consultation or grant exploration.

# **Question & Answer**

Your Turn ...

Please type your question into chat



# Thank You!

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