

Executive Summary

Construction is the 3rd fastest growing industry in Minnesota. Over the next decade, construction employment is projected to expand by 9 percent in Minnesota, and 7-in-10 contractors already report difficulties in filling skilled craft positions.

For many young Minnesota workers, enrolling in a registered apprenticeship program is a better option than attending college.

- While most college options exceed \$13,000 in net costs for Minnesota students, the cost of apprenticeship training is typically covered by employers and trade unions.
- The annual income gain from participating in a registered apprenticeship program is about \$4,700, greater than the effect of having an associate's degree and many bachelor's degrees.

If all registered apprenticeship programs were combined, they would be the 3rd-largest private post-secondary educational institution in Minnesota.

- There are nearly 11,500 active apprentices in Minnesota, a 27 percent increase since 2015.
- 96 percent of all apprentices are training for careers in the skilled construction trades.
- Construction programs invest over \$30 million in upgrading worker skills each year.

Joint labor-management apprenticeship programs account for the vast majority of human capital investment in Minnesota's construction industry.

- Employer-only programs are funded through voluntary contributions from contractors, who have an incentive to forgo such investments in order to win bids.
- 93 percent of all active construction apprentices are enrolled in joint programs.
- Joint programs have significantly higher shares of participation among women, people of color, and veterans than employer-only programs.
- Joint programs offer apprentices more specialized training and significantly smaller class sizes.

Joint labor-management apprenticeship programs in construction boost the Minnesota economy.

- The 10 largest joint programs invest 100 times more in worker training than the Associated Builders and Contractors of Minnesota and North Dakota.
- Over the long run, the 10 largest joint programs in Minnesota's construction industry provide \$617 million in economic value— a return on investment of \$21 per dollar invested.

To promote registered apprenticeship programs, the State of Minnesota should:

1. Boost funding for the Minnesota Apprenticeship initiative;
2. Expand access to child care programs to boost female participation;
3. Expand pre-apprenticeship programs in public high schools; and
4. Support policies that increase apprenticeship training and strengthen prevailing wage.

Construction apprenticeship programs have positive impacts on Minnesota. The programs support workers by improving their skills and growing incomes. The programs also help employers address skills shortages by supplying safe, productive workers. Funded almost entirely by a cents per hour contribution from employers and administered jointly with unions, apprenticeship programs in construction also provide value to taxpayers by ensuring high-quality infrastructure and a strong economy.