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## Economics

### Economic Impact Of Registered Apprenticeship Costs and Benefits

#### I. ECONOMIC IMPACT OF APPRENTICESHIP

##### Cost-Benefit Survey

A survey of the economic impact of apprenticeship and government investment was recently conducted by the BAT/SAC Liaison Committee. To date, 20 states and the Commonwealth of Puerto Rico responded. The first phase of the survey looked at the expenditure of tax dollars for registration agencies, public-funded related instruction and the taxes apprentices pay while in the program. The survey covered approximately 170,000 apprentices in service, manufacturing and construction occupations.

The information collected included:

- Average wage of apprentice in each state based on research on the top 32 apprenticeship occupations,
- Average State and Federal taxes paid by apprentices,
- Total apprentices by state as of
- Employer investment as expressed in wages to apprentices.

##### Results

Of the 21 states surveyed (including Puerto Rico), apprentices averaged \$ 12.25 per hour for an average annual income of \$ 24,509 and paid an average of \$ 3,755 in State and Federal taxes per year.

For the apprentices surveyed, it is estimated that the employers paid over \$ 4.2 Billion in wages. Apprentices paid over \$ 640 Million in State and Federal income taxes. Total investment by the Federal government and States was approximately \$ 31 million.

##### *Expressed as ratios:*

For every \$ 1 invested in apprenticeship by Government, apprentices pay an average of \$ 20.60 in State/Federal income taxes.

For the same \$ 1 invested by Government, employers invest over \$ 134 in wages paid to apprentices.

##### Next Steps

The BAT/SAC Liaison Committee will research the economic benefits for the employers and apprentice in Phase II of the project

The BAT/SAC Liaison Committee is composed of 12 representatives from the State Apprenticeship Agencies and the Bureau of Apprenticeship and Training working to enhance the operation of registered apprenticeship.

**March 10, 1995 Economic Impact Workgroup**

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