



Employer Engagement Forum

Hamilton
March 26, 2008



Welcome Judy Travis

Executive Director
Hamilton Training Advisory Board



Nora Sheffe

Facilitator
Sheffe Consulting Inc.



Meeting Objectives

1. To increase our understanding of the return on investment in apprenticeship training
2. To understand the tax incentives that are available to employers
3. To discuss the business case for apprenticeship



Participant Introductions



Agenda

- Return on Apprenticeship Training Investment Study
- Maximizing Incentives and Tax Credits in Your Business
- Small Group Networking and Discussion
- Closing Remarks
- Draw for free registration to CAF-FCA Conference and visit Community Displays

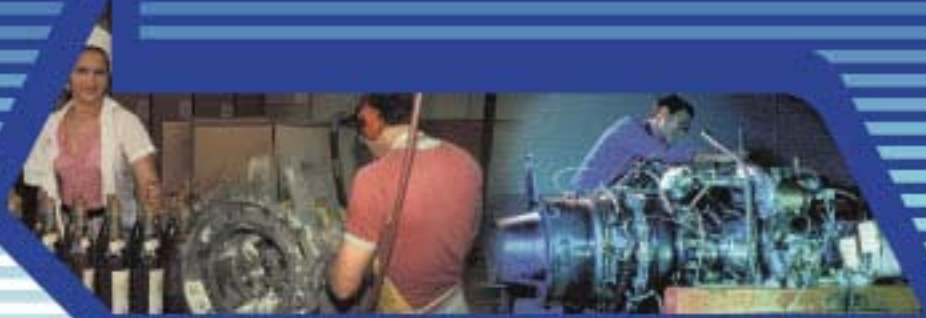


**Please complete
Section A of your
Evaluation Form**



CAF-FCA Return on Apprenticeship Training Investment Study

Emily Arrowsmith,
Researcher, CAF-FCA



CAF-FCA Return on Apprenticeship Training Investment

Part of the Solution...



Canadian Apprenticeship Forum
Forum canadien sur l'apprentissage

CAF-FCA Who are we?

- We are members of the apprenticeship community in Canada
- Represented by: Business, Labour, Inter-Provincial Alliance of Apprenticeship Board Chairs
Canadian Council of Directors of Apprenticeship, Educators, Equity groups
- Chair of the Board: Dan Mott, Mott Electric

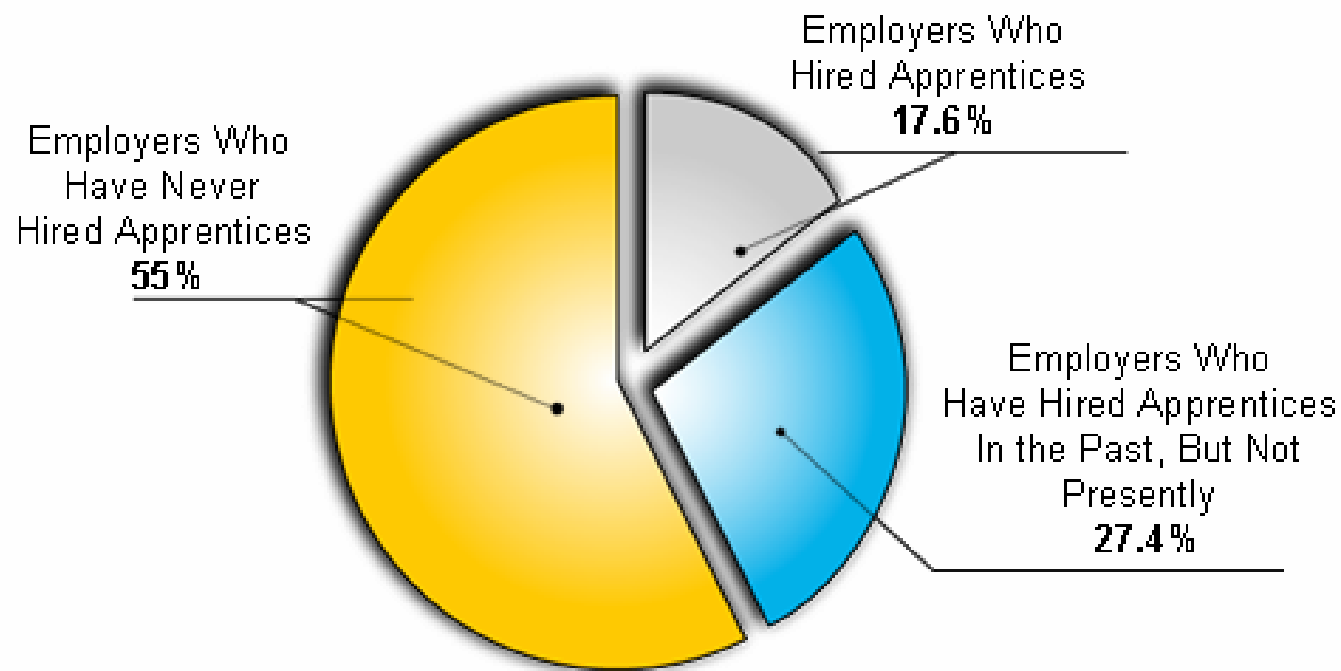


Why a Return on Training Investment Study?

- CAF-FCA survey results indicate out of all the employers who could potentially train apprentices, less than 20% of employers participate in apprenticeship training.
- Less than 5% of employers believe there is a business case for apprenticeship.
- Less than 11% of employers believe hiring an apprentice makes financial sense. In fact, many employers perceive the cost of hiring an apprentice to be a barrier.



Why a Return on Training Investment Study?



Methodology

- A detailed survey questionnaire asked employers information on the following:
 - Wages
 - Charge-out rates
 - Training costs (i.e. cost of journey person time, wastage)
 - Qualitative measures on the benefits of apprenticeship



Methodology

- 11,550 employers were contacted
- 1,941 (16.8%) qualified for the study
- 433 employers completed the survey



Trades Selected

Bricklayer	Industrial Mechanic (millwright)
Carpenter	Construction Electrician
Cook	Heavy Duty Equipment Mechanic
Machinist	Motor Vehicle Body Repairer
Insulator	Mobile Crane Operator
Sheet Metal Worker	Sprinkler System Installer
Tool and Die Maker	Automotive Service Technician
	Refrigeration and Air Conditioning Mechanic



Cost-Benefit Model

- Model used was based on a standard cost-benefit analysis for a single firm that hires apprentices.
- Net benefits (or costs) were calculated per apprentice per year.



Research Findings

- Apprentices for all 15 trades generate net benefits for employers within a short period of time.
- Majority of employers (66.1%) indicated apprentices' productive value exceeds training costs by end of 2nd year.
- Majority of employers (67.6%) indicated their journeyperson derived a benefit from training an apprentice.



Research Findings

- Employers also saw a significant benefit of employing a journeyperson that was trained as an apprentice.
- Majority of employers across all business sizes and regions viewed a “homegrown” journeyperson as more productive than an externally trained journeyperson.



Research Findings

- Apprenticeship training makes good business sense.
- On average, for each \$1 invested in an apprentice, a benefit of up to \$1.38 accrues to the employer
- All 15 trades included show an overall net benefit of apprenticeship training.



Validation Roundtables

- 5 roundtables were held to validate the cost benefit results
- Roundtables were held in:
 - Halifax Automotive Service Technicians
 - Regina Construction Electrician
 - Vancouver Refrigeration and Air Conditioning Mechanic
 - Edmonton Industrial Mechanic
 - Ottawa Economists



Findings from Roundtables

- Employers confirmed cost-benefit results are accurate, although there are regional differences.
- Employers agree, on average, apprentices generate a net return to their organization.
- Economist roundtable supported the methodology.



Research Limitations

- National level data statistically significant (n-400+)
- Sample size is not large enough to provide a regional analysis
- Trade specific data should be viewed with caution given small sample size





Maximizing Incentives and Tax Credits in Your Business

Daryl Alonzo, CA; BDO
Dunwoody LLP

John Johnson, CA;
Bettesworth, Johnson
Chartered Accountants



Small Group Networking and Discussion

Increasing Employer Participation in Apprenticeship



Small Group Discussions

- Volunteer facilitators at each table
- Please appoint a scribe - record discussion in the table report books
- Facilitators will present one strategy back to the whole group



Question

- Identify some key strategies that would encourage employers to participate in apprenticeship training.
- Choose your top three strategies.
- How would you move forward with this strategy - elaborate on "what" "who" and "how"



Wrap-Up

- Please complete the rest of your evaluation forms
- Please fill in the information on the red draw forms



Closing Remarks

Jill Halyk

Executive Director
Grand Erie Training and
Adjustment Board



**Thank you
for participating!
Please feel free
to visit our
Community Displays**