June 3, 2019

The Honorable Marc Veasey
Chairman

The Honorable Troy Balderson
Ranking Member

Subcommittee on Innovation and Workforce Development
Committee on Small Business
United States House of Representatives
Washington, DC 20515

RE: Hearing: Mind the ‘Skills’ Gap: Apprenticeships and Training Programs

Dear Chairman Veasey and Ranking Member Balderson:

The Committee for Economic Development (CED) is writing regarding the hearing titled “Mind the ‘Skills’ Gap: Apprenticeships and Training Programs”, scheduled for Tuesday, June 4, 2019. CED is a nonprofit, nonpartisan, business-led public policy think tank with a rich history dating back to the Marshall Plan.

As you prepare for tomorrow’s hearing, we would like to offer the following observations based on our recent CED research, “Improving Noncollege Pathways to Skills and Successful Careers.” In a rapidly changing 21st century economy, preparing more workers for rewarding high-skill careers that meet the needs of employers of all sizes is a critical challenge to our global competitiveness. As you discuss ways private industry and the government can partner to meet the workforce needs of small businesses, CED encourages Congress to particularly consider options that leverage the under-utilized pool of quality candidates entering the labor force without four-year college degrees. This will not only help businesses capitalize on and invest in their human talent, it will help them build pipelines of skilled workers.

The CED report highlights expansion of apprenticeships as a promising route to achieving these aims. It notes that there are significant opportunities for Congress to support a smart expansion of apprenticeships to better fit the needs of workers and businesses alike across a wider variety of industries and occupations.

Specifically, the report encourages policymakers to take steps to:
• **Educate the public on the benefits of apprenticeship programs**; including by making data on apprenticeship programs more easily available, in order to reduce potential stigma around apprenticeships as second-best alternatives to college career paths.

• **Facilitate expansion of and engagement with a more diverse group of employers and potential apprentices, by reducing the burdens associated with registration, program design, and implementation**; including through the use of existing public sector assets. Given the challenge of operating apprenticeship programs for smaller employers, the federal government has a role to play in facilitating industry, union, or employer partnerships to help small businesses benefit from the apprentice model. Business leaders will also have to be creative and farsighted in undertaking collaborative efforts that are mutually beneficial.

• **Expand sources of public financing for apprenticeship training.**

• **Aggressively pilot and evaluate different models of apprenticeship.** Although it is important to maintain protections for apprentices, a wide range of different apprenticeship models should be aggressively tested to find the ones that work best for meeting the needs of American workers and their potential employers, including small businesses.

CED has long recognized the need to help more Americans, from any background, develop better abilities and knowledge and ensure successful transitions into the workforce. Ultimately, American competitiveness depends in part on capitalizing on and investing in its human talent. The U.S. must make gains in the preparation and success of its entire workforce - for the workers themselves, for employers, and for the nation as a whole.

Thank you for the opportunity to comment on this important issue.

Sincerely,

Bernard C. Bailey, PhD
President
Committee for Economic Development (CED)

cc: Members of the Subcommittee on Innovation and Workforce Development, Committee on Small Business