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Chicago's Strategies for Apprenticeship Expansion

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Chicago's Strategies for Apprenticeship Expansion

1. Introduction

Over two-thirds of all Illinois residents live in Chicago's metropolitan area. The third largest city in the United States and also the third most economically productive, the Windy City benefits from unrivalled industry diversity.¹ Like any other city, however, Chicago faces the policy challenge of supporting well-paid employment opportunities for its residents. In spite of its economic dynamism, and although its population has grown slowly over the past decade, roughly half of Chicago's neighborhoods have youth unemployment rates of 20 percent or higher.²

Since the Great Recession, Chicago's city government and Illinois's state government have experimented with dozens of different strategies to support employment. Not all have had the desired impact. A 2015 analysis by the Illinois Economic Policy Institute (ILEPI) found that only four out of 24 different policy strategies studied directly supported employment: increased bachelor's degree attainment, better access to early childhood education and care, reduced commuting times, and improvements to transit infrastructure such as highways and bridges.³ In a more recent report, the same authors found evidence in favor of another policy strategy: increased investment in apprenticeship pathways.⁴

Because they are regular, paid employees from the start, apprentices can see the labor market value of their skills from day one. By learning on the job and taking technical coursework directly related to their work, which is usually provided at low or no cost, apprentices reap the employment and earnings benefits of higher education with less cost than traditional college. "Apprenticeship programs create pathways into middle-class careers for young adults who are unable or unwilling to go to college," wrote ILEPI's researchers in the 2020 report. Many successful apprentices, indeed, will enjoy higher lifetime returns from their educational programs than will associate degree and even some bachelor's degree graduates. To depict apprenticeship merely as an "alternative" to college, however, is an incomplete rendering.

Apprenticeship works as an end in itself—especially in traditional apprenticeship occupations in the building trades, as ILEPI's authors describe—but can also serve as a bridge to further education, in some cases integrating completely with college degree programs.⁵ These nontraditional, college-connected apprenticeships, which use college coursework for their related technical instruction, provide a work-based pathway into well-paid careers in a number of professional fields that have historically required strictly academic training. The

evolution of apprenticeship programs and the variety of their possible uses in municipal economic development strategies are nowhere as evident as in Chicagoland.⁶

The governments of the City of Chicago and Cook County have worked for decades to build policies and systems that incentivize apprenticeship training and equitable hiring in public and private development projects. Organized labor, commercial developers, and contractors, as well as the steadfast efforts of dozens of community-based organizations, all play important roles in Chicago's construction apprenticeship system. By sustaining traditional, non-college apprenticeships in the building trades, the city continues to address the underrepresentation of racial minorities in well-paid construction jobs. But more recently, Chicago has also led the way in the development of college-connected programs across a range of nontraditional apprenticeship occupations. Driven by the City Colleges of Chicago, a network of experienced workforce development advocates, and some of Chicago's largest white-collar employers, these innovative college-connected apprenticeships in business services, information technology, and healthcare support employment and college attainment at the same time.

Chicago's apprenticeship strategy is still evolving, but for municipal leaders looking to couple economic development with equitable workforce development, the city's support for traditional construction programs as well as nontraditional, college-connected apprenticeship pathways provides an instructive example.

2. Supporting diversity in construction apprenticeships

Chicago's building trades communities have historically struggled to recruit women and racial minorities and have worked for decades to improve the diversity of apprentices entering the sector. "Our issue isn't necessarily expansion," says Marc Poulos, executive director of the Indiana, Illinois, Iowa Foundation for Fair Contracting, a regional labor-management organization that advocates for contractors and workers on public projects. "We're just looking to make our workforce of the future look more like the population in Chicago and the state of Illinois."

Union apprenticeship spots are fiercely competitive: each year, Poulos says, one union representing operating engineers in northern Illinois and Indiana receives about 5,000 applications for 400 to 500 apprenticeship slots. For women and people of color, especially those who grew up in the inner city, the odds are even longer. Without a family history in the building trades, he says, these learners are less likely to hear about construction apprenticeships, and may lack foundational skills possessed by those who grew up in the suburbs or exurbs, with fenceposts to dig and small engines in the garage to fix. Female apprentices face an industry

still rife with sexist attitudes that can make construction workplaces uncomfortable at best and unsafe at worst.

Successive generations of Chicago's city leadership have worked to address the underrepresentation of women and minorities in construction using municipal policies related to contracting and bid preferences. In addition to requirements to hire local residents, city ordinances provide incentives for contractors to hire eligible construction apprentices in union- or college-connected apprenticeship programs, and establish a preferential system of "bid credits" that incentivize them to employ larger numbers of female or minority journeyworkers, apprentices, and laborers on public projects.⁷ These policies specify damages for contractors who do not live up to their local hiring requirements and diversity commitments, and have been recently expanded at the city level for private sector contracting projects⁸ and at the state level under the Illinois Tollway's Earned Credit Program.⁹

For any of these procurement policies to have their intended effect, however, contractors need partners with the expertise and facilities to help train underrepresented workers. Numerous regional organizations contribute to this effort, constantly fundraising from a range of federal, state, and philanthropic sources. Chicago Women in Trades provides pre-apprenticeships for about 100 female job seekers in the construction sector every year, as well as advanced training in welding and construction. Other organizations, such as St. Paul's Community Development Ministries and Revolution Workshop, provide similar construction pre-apprenticeships aimed at engaging young people of color in marginalized neighborhoods. In both cases, the pre-apprenticeships are designed to make candidates more competitive for the limited number of apprenticeship slots open each year.

A new initiative in Chicago also addresses the challenges that face construction apprentices once they make it into a program. Launched in 2019, HIRE360 works to improve program completion rates for underrepresented construction apprentices.¹⁰ "In the construction industry, it's very hard to keep steady work," explains Meghann Moses, a consultant who supports HIRE360 through the Chicagoland Workforce Funder Alliance. "A big challenge we have found in building trades apprenticeship is in finishing the program," she says. Apprentices can be left hanging between contracts, struggling to complete their required on-the-job training hours. Combined with other structural barriers, this leads to program completion rates among non-white apprentices that are about half those for white apprentices, according to HIRE360's executive director, Jay Rowell. HIRE360 helps by matching apprentices looking for work with contractors working to fulfill their diversity commitments, and uses its growing cadre of case managers to support job seekers with career counseling, further skills training, and small grants for tools or transportation to a job site.

Chicago has made small but important strides in diversifying construction apprenticeships by setting a high bar for diversity and inclusion, and by cultivating a network of training organizations to help realize it.¹¹ But an inclusive economy can't be built on the building trades alone. "The trades are a high-barrier position, and if we talk to 100 people, there may be only 10 who are interested in the opportunity," says Rowell. "As an organization, we're not going to be around very long if we don't have opportunities for the other 90 people we talk to."

3. College-connected work-based learning in Chicago

For many well-paid white-collar jobs, there are few training alternatives to college. But the costs and time commitments of traditional academic programs can make them impractical for many working learners. What's more, even some entry-level white-collar jobs require skills beyond what college students learn in class. So alongside other college access and completion initiatives, Chicago's business and higher education leaders have increasingly used college-connected apprenticeships to deliver more affordable and career-relevant higher education.

Illinois is home to a number of innovators in college-connected apprenticeships, including Harper College, located in the northwestern Cook County suburb of Palatine, and Illinois Central College in Peoria. Both of these institutions offer degree apprenticeships: college-connected apprenticeships that culminate in associate degrees.¹² The City Colleges of Chicago (CCC) and their employer partners have also led the way in degree apprenticeships over the past five years, but the defining characteristic of Chicago's emerging strategy of nontraditional apprenticeship expansion is the variety of college-connected work-based learning programs it offers, including but not limited to the Registered Apprenticeship model.¹³

Three firms have played an outsized role in the expansion of apprenticeship into traditional white-collar occupations: Aon, Accenture, and Zurich Insurance Group. Beginning in 2016, these three multinational professional services and insurance firms began working with CCC and Harper College to develop degree apprenticeships in finance, human resources, and information technology. This employer-driven partnership, the Chicago Apprentice Network (CAN), now counts 29 businesses as members, and continues to educate employers about the value and best practices of apprenticeship. "It's win for the city, since they're getting new jobs for City Colleges' talent pool," says Daniel Serota, manager of public affairs at Aon and the company's apprenticeship lead, "and it's a great thing for us as employers."¹⁴

In 2019, CAN's successes and growing national interest in apprenticeship led to the creation of Apprenticeship 2020, a nonprofit initiative to drive nontraditional apprenticeship growth in Chicago. Leveraging a combined \$3.2 million in

investments from eight different philanthropic funders, Apprenticeship 2020 contributed \$1.25 million to the creation of CCC's Office of Apprenticeship & Workforce Solutions, a new office to coordinate its work-based learning activities.

The CCC system is massive, comprised of seven campuses spread across Chicago that each serve as a "Center of Excellence" in one or more fields. CCC's day-to-day work of meeting the educational needs of nearly 80,000 students is even more complex when combined with work-based learning models. Terri Zhu of the Chicago Cook Workforce Partnership, which oversees federal Workforce Innovation and Opportunity Act funding for all of Cook County, says that although the mission of CCC and the rest of Chicago's workforce system is to put job seekers into high-quality jobs with advancement potential, "apprenticeship is fundamentally an answer to unmet employer demand." CCC's new office helps in this balancing act, serving as an intermediary to engage businesses in honest conversation about skills needs while maintaining focus on the interests of students.

In some cases, the outcome of skills conversations between CCC and its employer partners isn't Registered Apprenticeship, at least not right away. Aon and other large employers champion Registered Apprenticeship for its quality guidelines and easy replicability—a clear advantage for firms with offices across the country. But to spread work-based learning models among other employers hiring for nontraditional occupations, CCC has found it has to be flexible. A new pilot partnership with the Chicagoland Chamber of Commerce will place CCC students in apprenticeships with one of a dozen small- to medium-sized firms. Though the programs don't have to be registered, students work part-time and receive salary, benefits, and a tuition stipend.¹⁵ Programs under Career Launch Chicago, a CCC youth apprenticeship partnership with Chicago Public Schools, also don't have to be registered immediately, though many soon will be.¹⁶ And another CCC initiative, the Medical Assisting Program at Malcolm X College, looks a lot like an apprenticeship, but the program's specialized accreditor isn't yet on board with the apprenticeship model. Still, the program's trainees receive paid on-the-job training, customized classroom instruction, and a standards-based education leading to a credential that lets them start a healthcare career.

Although Registered Apprenticeship is the keystone of Chicago's college-connected apprenticeship strategy, the City Colleges of Chicago's support for an eclectic array of work-based learning models has allowed the system to draw in new employer partners while preserving its focus on the needs and outcomes of individual students.

4. Conclusion and outlook

Chicago doesn't have a single, unifying apprenticeship strategy—it has several. "There isn't a state apprenticeship agency, so there's always a question of who

owns what,” says Angela Morrison, a policy associate at the Chicago Jobs Council. “Apprenticeship work here is very relational.” Built on close networks among a wide array of public, nonprofit, and private stakeholders, a strong tradition of organized labor, and CCC’s flexibility with regards to experimentation in work-based learning, this multifaceted approach has made important contributions to apprenticeship awareness and uptake among businesses and learners.

The state’s Apprenticeship Illinois Framework, its federally-funded intermediary and navigator grants, and recent legislation focused on apprenticeship diversity and outcomes data all serve to reinforce the foundation for Chicago’s future apprenticeship efforts.¹⁷ Both the Illinois Workforce Innovation Board’s Apprenticeship Committee and the Illinois Apprenticeship Collaborative, led by Young Invincibles, provide helpful vehicles for further policy advocacy around program design and sustainable funding. But the continued expansion of Chicago’s traditional and nontraditional apprenticeship opportunities still faces near-term policy challenges, recalling three other policy highlights of ILEPI’s 2015 report: commuting times, child care, and a balanced state budget.

Even with its well-regarded public transit system, Chicago’s sprawling geography can make it difficult for apprentices to arrive on time to construction job sites, or to the right CCC Center of Excellence, especially without a car or when child care is a factor. Transportation and child care supports from organizations like HIRE360 and One Million Degrees (OMD), which serves learners in CCC’s nontraditional apprenticeships and work-based learning initiatives, will play a crucial part in the continuing success of apprenticeship as an economic inclusion strategy. “We’re not the employer, we’re not the institution. We’re an advocate, we’re a liaison for students to help make sure they’re having fruitful conversations with their college and employer,” says Erika Ehmann, manager of workforce and corporate partnerships at OMD. The barrier-reduction efforts of these types of nonprofits and community-based organizations will remain instrumental in Chicago’s work of balancing the needs of learners and employers in apprenticeship.

With a tight regional labor market, a strong national economy, and some timely philanthropic contributions, Chicago’s workforce advocates have found it relatively easy to strike the delicate balance between the needs of employers and apprentices. It will be much more difficult if and when the next economic downturn strikes. As the state of Illinois continues to recover from its two-year budget impasse,¹⁸ it’s important that state and municipal lawmakers work to secure regular public funding for the institutions and organizations whose ongoing efforts will be necessary to make sure Chicago’s traditional and nontraditional apprenticeships are diverse, equitable, and widely available.

Notes

1 According to Bureau of Economic Analysis (BEA) statistics, no single industry sector made up more than 12 percent of combined full- and part-time nonfarm private-sector employment in the Chicago–Naperville–Elgin Metropolitan Statistical Area in 2018. Author’s analysis of BEA Table CAEMP25N, <https://apps.bea.gov/itable/iTable.cfm?ReqID=70&step=1>

2 Emily Engel, Jason Keller, and Mark O’Dell, “A Few Examples of Chicago Tackling Youth Joblessness,” *ProfitWise News and Views*, no. 5 (2018). The authors use a common definition of youth as residents aged 16 to 24.

3 Frank Manzo IV and Robert Bruno, *Policies that Support Employment: Investments in Public Education, Investments in Public Infrastructure, and a Balanced State Budget* (La Grange: Illinois Economic Policy Institute, September 7, 2015).

4 Frank Manzo IV and Robert Bruno, *The Apprenticeship Alternative: Enrollment, Completion Rates, and Earnings in Registered Apprenticeship Programs in Illinois* (La Grange: Illinois Economic Policy Institute, January 6, 2020).

5 For more information on college-connected apprenticeships, see Lul Tesfai, “Creating Pathways to College Degrees through Apprenticeships,” *New America*, September 19, 2020, <https://www.newamerica.org/education-policy/reports/creating-pathways-postsecondary-credentials-through-apprenticeships/>

6 “Chicagoland” refers to the entire Chicago metropolitan area, which includes nine Illinois counties as well as parts of Indiana and Wisconsin. The city limits of Chicago fall entirely within Cook County, the second-most populous county in the United States. Many Chicagoland workforce development efforts engage the governments of both the City of Chicago and Cook County.

7 Section 330 of Chapter 2-92 of the Municipal Code of Chicago requires that 50 percent of hours worked on city construction contracts in excess of \$100,000 be performed by residents of Chicago; Section 335 establishes an incentive to bidders that employ graduates of Chicago Public Schools, or workers who have graduated from or are enrolled in construction technology training programs administered by the City Colleges of Chicago, as union-sponsored apprentices; and Section 390, known as the McLaughlin Ordinance, establishes further incentives for contractors that employ minorities and women among its journeyworkers, laborers, and apprentices. The same chapter establishes further rules to support participation of minority-owned and women-owned enterprises in city contracts, including those not related to construction.

8 Executive Order No. 2017-2, signed by Mayor Rahm Emanuel in August 2017, extended many of the provisions of Chapter 2-92 of the Municipal Code to private contracts requiring approval by the city’s Department of Planning and Development.

9 The Illinois State Toll Highway Authority, also known as the Illinois Tollway, established the Earned Credit Program (ECP) bid preference system in 2006 to encourage state highway contractors to hire employees who are eligible for services under the Workforce Innovation and Opportunity Act. Illinois Tollway also funds a companion program, ConstructionWorks, a pre-apprenticeship network which is operated by the Chicago Cook Workforce Partnership and provides a talent pipeline for Tollway projects. As of February 24, 2020, there were 41 construction contractors and subcontractors who held ECP certificates, employing a total of over 400 eligible workers. Illinois Tollway (website), “Diversity and Strategic Development,” <https://www.illinoistollway.com/doing-business/diversity-overview>

10 HIRE360 builds on an earlier pilot initiative, Access United, which was started in 2017 as a

partnership between the United Way of Metro Chicago and the Chicago Federation of Labor.

11 According to Manzo and Bruno (2020; see note 4 above), the proportion of white men in construction apprenticeships in Illinois dropped by about 5 percent from 2000 to 2016. Several individuals interviewed for this profile acknowledged the need for better citywide data on Chicago apprenticeships.

12 Harper College has built apprenticeship pathways from eight existing associate degree programs, including marketing, graphic arts, and supply chain management. Illinois Central College participates in the Central Illinois Center of Excellence for Secure Software (CICESS), a partnership with the Peoria-based IT firm Ishpi that trains apprentices in secure software development.

13 Registered Apprenticeships are programs approved by the U.S. Department of Labor (USDOL) or by a state agency certified by USDOL, per 29 CFR Part 29.13. Illinois's programs are federally registered. Several Chicago and Cook County workforce development professionals interviewed for this report referred to the Apprenticeship Illinois Framework, a statewide resource published by the Illinois Workforce Innovation Board that provides shared definitions for registered, unregistered, and youth apprenticeships. See Illinois workNet Center (website), "Apprenticeship: A Workforce Solution & A Strategy to a Career Pathway," <https://www.illinoisworknet.com/ApprenticeshipPlus/>

14 For more information on CAN's apprenticeship philosophy, see *Bridging the Gap between Talent and Opportunity: An Apprenticeship Playbook for Professional Jobs* (Chicago Apprentice Network, January 2019), https://s3.amazonaws.com/brt.org/Chicago-ApprenticeNetwork_BridgingtheGap_181222.pdf

15 To be eligible for the Chicagoland Chamber of Commerce's apprenticeship program, applicants must be within 15 credits of graduation from CCC. According to Kristin Roadman, director of talent programs at the Chicagoland Chamber, the initiative

will cover half of apprentices' salary and benefit costs, plus all college tuition that remains after state and federal grant aid are applied and is partly funded by the Illinois Department of Commerce and Economic Opportunity.

16 Career Launch Chicago was one of nine initiatives funded by the Partnership to Advance Youth Apprenticeship (PAYA), which New America leads. The \$150,000 PAYA grant that Career Launch Chicago received was matched with funds from Apprenticeship 2020. For more information on PAYA, visit newamerica.org/paya

17 The Apprenticeship Illinois Framework is discussed in note 12, above. Beginning in 2017, the Illinois Department of Commerce & Economic Opportunity has released annual grants to support apprenticeship intermediaries (representing the "supply" side, i.e., apprentices, institutions, and community organizations) and regional apprenticeship navigators (representing the "demand" side of businesses). See the department's website, "Apprenticeship Expansion Program Notice of Funding Opportunity," <https://www.illinoisworknet.com/WIOA/programs/Pages/Apprenticeship-Notice-of-Funding-Opportunity.aspx>. The Apprenticeship Study Act (Public Act 101-0364), which defined the Apprenticeship Illinois Framework (formerly Apprenticeship Plus Framework) and authorized a new study of apprenticeship expansion, as well as an act creating a new office and advisory board on apprenticeship diversity within the Illinois Department of Labor (Public Act 101-0170) were both passed by the Illinois General Assembly in 2019.

18 Beginning July 1, 2015, Illinois did not have a complete state budget for over 736 days. The lack of regular appropriations to support continued payments of required debts led to a threefold increase of Illinois's backlog of bills, reaching an estimated \$14.71 billion by the end of 2017. Susana A. Mendoza, *Consequences of Illinois' 2015–2017 Budget Impasse and Fiscal Outlook* (Springfield: Office of the Illinois Comptroller, September 2018).



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