

# Forging Apprenticeships

Promoting the value of hiring apprentices to employers in  
Brant, Haldimand and Norfolk



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Workforce Planning Board of Grand Erie  
Commission de planification de la main-d'œuvre de Grand Erie

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# Executive Summary



We hear a lot of talk about it. Canada needs thousands of skilled trade workers to replace those retiring. And the need is only expected to grow in the coming years as our workforce ages and baby boomers retire. Estimates vary regarding the need for skilled trades in the coming years, anywhere from 450,000 to one million workers. Ontario's estimated shortage has been pegged at 360,000 by the year 2025 by one group. There have been many dire warnings that if Canada doesn't find a way to fill those positions, it will hurt our country's economic growth and inhibit our ability to compete in the global market.

During an October 2009 interview on BNN, Paul Charette, of the *Employers Coalition for Advanced Skills*, said the construction industry is forecasting a shortage of 316,000 employees in the next eight years. The construction business isn't alone. Other industries, including travel, hospitality, health care, engineering and trucking, also face a projected labour shortage. Charette called on colleges to do more to promote skilled trade education, and encouraged a massive government investment in this area.

The recession has slowed down the need to replace our workforce, with many skilled trade workers delaying retirement for financial reasons. Other skilled trade workers are continuing to work part time, either because of job satisfaction or need or both. Yet, Canada's population is still aging and many skilled workers will soon need to be replaced. A wide array of workers will be needed: plumbers, bricklayers, auto technicians, HVAC technicians, etc. That should open the door to many job-seekers interested in skilled trades.

## **The way to get in the door is through apprenticeships.**

Governments have recognized the need to plan for current and future workforce needs, putting up money to encourage employers to take apprentices and for job-seekers to become apprentices.

The Ontario government announced in October 2009, that it was putting more financial resources into promoting apprenticeships. Queen's Park announced that new annual apprenticeship registrations had climbed to 28,000 in 2009 from 17,100 in 2003. And it planned to grow that number to 32,500 new registrations by 2012. The Ontario government also announced it would create new spaces for apprentices by funding a number of projects. This included giving money to Ontario colleges to deliver advanced knowledge and skills training (the *Knowledge Infrastructure Program*).

Under this program, area colleges benefited:

- **Mohawk College** received \$20 million to expand its Fennell Street campus to train technicians and technologists in engineering technology, health sciences, human services and digital communications.
- **Fanshawe College** in London received \$15.9 million from each of the provincial and federal governments (\$31.8 million total) for its Centre for Applied Transportation Technologies.
- **Conestoga College** in Kitchener received \$13 million to expand its School of Health and Life Sciences and Community Services.

Government influence and money is important in promoting skilled trades and the need for apprenticeships. But ultimate success will come when employers hire apprentices.

The concept of an apprenticeship is easy enough to understand: an employee receives a combination of on-the-job training and in-class education over a number of years to become fully qualified in a chosen highly-skilled trade. There's mutual benefit: the employee begins a rewarding career, while the employer gets a trained worker that helps them maintain and grow their business. Although the concept is simple, the practice isn't quite so. It takes a lot of homework, legwork, door-knocking and selling from job-seekers to find a company willing to take them on. Meanwhile, employers must also do their homework, since they are making a considerable investment in bringing on an apprentice; they want to make sure the job-seeker is the right fit for them.

To further complicate things, some fields – more popular ones such as electrician, carpenter and plumber – have many potential apprentices waiting for spots to open up for training. The International Brotherhood of Electrical Workers Local 105, which covers Brant and Hamilton, has a waiting list of some 125 people who are looking to begin an electrical apprenticeship under its union-run program.

Ratios have been raised as an issue that is holding would-be apprentices back. For example, *Ed Verboom Plumbing*, Norfolk County's largest plumbing company, would like to hire another apprentice for 2010 but has to wait until two current ones graduate and receive their papers. Since there's a required ratio of 3 journeyman to 1 apprentice, owner Ed Verboom said he must wait until his current apprentices become journeymen before hiring more apprentices. Roger Crawford, of *Rogers Plumbing and Heating*, echoes the concern over the ratio system. He believes the ratio system is a concern to almost all skilled trade contractors. The issue of the journeyman-to-apprentice ratio has been a political issue for several years. In 2008, the Ontario Chamber of Commerce urged the provincial government to drop the 3:1 ratio in favour of the 1:1 ratio which is more common across Canada. Some MPPs have also called on the government to change it, arguing it exacerbates the skilled trade shortage. The Ontario government has said the ratios are one of the issues to be looked at by the planned *Ontario College of Trades*, a new regulatory college that is supposed to "modernize the province's apprenticeship and skilled trades system." The college is being phased in but won't be fully operational until 2012.

Another issue raised by the local committee and also provincially, is the fact that there's a poor completion rate for apprenticeships. According to various reports and studies, only about one-half of those who start an apprenticeship complete it and become journeymen. At the same time, some apprentices take longer to complete their programs than the typical four or five years. In 2009, the group *Ontario Colleges* called on the province to make a commitment to double the apprenticeship completion rate. While there are many reasons apprentices don't complete their programs – financial ones are major -- the group identified participants facing literacy and numeracy challenges as one that should be targeted for action. Ontario Colleges said these challenges could be addressed by increasing the amount of in-class training for apprentices and by continuing education related to literacy and use of numbers. It also called for the *Apprenticeship Training Credit* to be expanded to more occupations.

Some of these issues are too big to address overnight.

In the meantime, there are things we can do at the community and regional level to promote, explain and sell apprenticeships to both job seekers and to employers.

In mid-2009, the *Workforce Planning Board of Grand Erie* (then known as the Grand Erie Training and Adjustment Board or GETAB) launched a review of existing apprenticeship literature. A *Skilled Trades Literature Review Committee* was established, drawing on community members to help review the literature and provide expert input. After community consultation, surveys of employers, a review of existing literature and other research, some shortcomings and suggestions emerged.

## 1. Communications Strategy

There needs to be better communications materials and messages related to apprenticeships.

Ideally, better information about apprenticeships should cover the following points:

- **Mature workers:** At some point, there needs to be at least one piece of literature geared to mature workers, pointing out that apprenticeships are an option for them. In today's economy, it is common to switch careers. Sometimes economic conditions, layoffs and plant closures force an employee to seek a new trade, a new career. Other times, mature workers (those in the workforce a number of years) choose a new trade, seeking fresh challenges, a better fit, different work conditions or higher pay. Interestingly, the average age for someone starting an apprenticeship is now 27, according to *Apprenticesearch.com*. Information for mature workers should make it plain what they are getting into: needing to balance work, school and family life; perhaps having to live on lower wages at first in the hope of making more later on.
- **All workers:** Information for everyone interested in apprenticeships, regardless of age, should be realistic. It should emphasize that people need to do homework and legwork to investigate and secure an apprenticeship. It should mention that some fields are hard to get into because of their popularity, so they may want to be open minded and consider others. Information should stress that entering into an apprenticeship agreement is a big commitment and not to be taken lightly. The pathway to become a journeyman, certified tradesperson or skilled trade worker can take years of hard work and study.
- **Employers:** Employers also should have realistic information. Information geared to employers should also promote mature workers as potential apprentices (most of the information now talks about them hiring students). Information should also make it plain that while there are tax incentives and tax credits available, these don't apply to all trades. It should be easier to find out which ones qualify for tax incentives and which ones don't. Information explaining why some trades qualify and others don't would also be useful. It's still a good idea to promote apprenticeships as making cents as well as sense, since hiring apprentices start paying off for an employer as soon as the second year. Meanwhile, there's a benefit to an employer of helping to replace older workers, maintaining the long-term health of their business.

# Primary Recommendations



The *Skilled Trades Literature Review Committee* agreed on the merits of new literature geared towards mature workers considering apprenticeships.

However, the committee felt strongly that a new piece of literature, whether online or in print, shouldn't be the No. 1 priority.

The committee was quite blunt: no piece of literature will make a difference if employers aren't willing to hire apprentices. Committee members stressed that the focus should be convincing employers of the value of hiring apprentices, with a particular emphasis on the need to plan to replace their aging workforce. Many employers are not looking ahead five to 10 years to when some of their workers will retire. Companies need to be urged to look beyond this week's payroll and do some long-term planning, looking at their future needs, requirements, challenges. This emphasis is in line with messages coming from government, labour market leaders and unions: We need to plan now for the future or we will be short of skilled labour that Canada's economy requires.

Therefore, the committee's top recommendation is to find community partners and work with them to promote the value of apprenticeships to employers.

In a nutshell, this includes promoting the need for employers to have "*vision for the future.*"

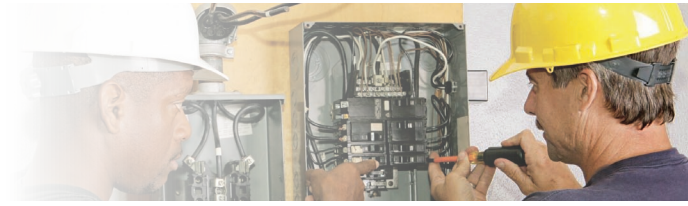
Suggestions to do this include:

1. Arranging community forums in Brant, Haldimand and Norfolk for employers to make the case for hiring apprentices, with a focus on needing to bring in new, eager employees before older workers leave. Making employers aware that apprentices can be of all ages, not just students would be part of the message but not the main focus.
2. Such community forums could build on events hosted by *St. Leonard's Community Services* and others who have pitched the value of apprenticeships in the past.
3. Suggested partners for the new initiative are the Chambers of Commerce in each community; they have a good pre-existing relationship with many employers in our communities.

In the future, there may be opportunities to draft a new piece of literature to address the needs of mature workers considering apprenticeships. That will require community and/or government partners to help fund the writing, design and publication of such literature. Similarly, there may be value in updating the document called *Making Cents of Apprenticeship*, last published in 2008 by *GETAB*, which is aimed at employers.

In the short term, the need to fill the gap in information for mature workers may best be met by working with *Apprenticesearch.com* to post new literature on its website.

# Background



Based on consultations with local employees and jobseekers, the *GETAB's 2009 TOP Report* identified the need to “*expand the pool of entrants into apprenticeship.*” The report found that Grand Erie’s aging population is creating significant gaps between the number of new entrants and the number of retiring skilled trade workers, particularly in the construction and industrial sectors.

- One issue identified was that employers lacked accurate information about apprentice pathways and resources available.
- Another issue was concern that apprentice literature was geared mainly to students and young job-seekers, leaving out mature job seekers who may be interested in a new career in the skilled trades.

The TOP recommendation was to initiate a multi-stakeholder panel from a community cross-section to review existing information, identify gaps, and suggest changes to materials to take into account mature job seekers.

A review panel, called the *Skilled Trades Literature Review Committee*, was formed and started work in the summer of 2009, while Workforce Planning Board staff launched a literature review.

## Process and Methodology

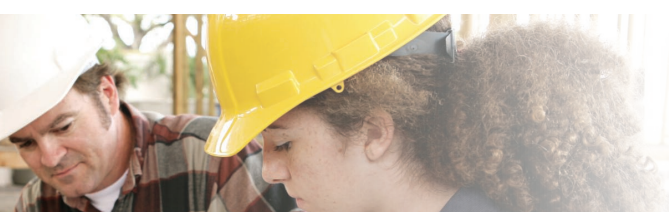
The project began by collecting apprentice-related literature, both print material and online material. The material was evaluated looking at some of the following criteria: was it current, what audience was it targeting, was it comprehensive.

This was followed by pulling together a committee of community partners and stakeholders to look at the literature and provide feedback. A further review of the literature followed. A survey was drafted to get input from employers who currently or have in the past hired apprentices. Results were compiled and melded with earlier findings to come to conclusions and recommendations for next steps.

## History of Project

- June 2009 -- John Zronik of *GETAB* launched review of current literature
- July 20, 2009 -- John met with community partners about project and got feedback
- August 2009 -- John began secondary review of literature after hearing committee’s input
- November 2009 – Mark Skeffington and Jaymie Stallman review file and literature
- December 2009-January 2010: Mark drafts survey for employers and does face-to-face interviews.
- January – February 2010 – Mark drafts strategy; Jaymie reviews it

# Initial Conclusions



## General

- An almost mind-boggling array of information and literature is available in written and electronic forms. The large amount of information is too onerous for business owners to stay on top of or refer to. Targeted, simple marketing materials are a key. Business owners would likely go to one source if it was well known and easy to access.
- Communication with the correct audience in promoting the skilled trades is a key, along with channelling individuals to the proper place for help and advice.
- Providing accurate information to job seekers is a key.
- Current literature doesn't reflect the reality of careers in the skilled trades. Most skilled trades workers don't retire at 65, meaning *"there's not going to be any mass shortages"* of skilled trades workers. Meanwhile, the majority of local businesses are not looking for apprentices.
- The need for workers varies from trade to trade. Young people look to three trades – carpenter, electrician and plumber – when starting out. Other trades aren't considered as often. Schools are a key in introducing young people to careers in the skilled trades.
- Researching a trade of interest is a key for job seekers, including an examination of ratios and whether a trade is *"red seal."*
- Initiative is also required; face-to-face meetings with potential employers are a key to securing an apprenticeship.
- Paperwork and the cost of applying for government tax credits for hiring apprentices are more trouble than they're worth for some employers. Applying for tax credits and incentives is too cumbersome for small employers and place extra demand and financial burden on existing staff.

## Mature Workers

- Most literature about skilled trades is geared to younger workers, but a unique set of barriers exist for older workers. Mature workers may require retraining for a career in the skilled trades.
- It is challenging for a mature worker to raise a family on 40 per cent of a journeyman's rate, common when starting an apprenticeship. Mortgages and other economic issues present challenges for mature workers seeking an apprenticeship. Some mature workers simply can't afford two years education, plus apprenticeship. A four-year apprenticeship simply doesn't make sense to some mature workers.

## Community Consultation

As part of the *Workforce Planning Board's* consultation process, we drafted a survey and talked to employers in a range of skilled trade industries and sectors in Brant, Haldimand and Norfolk.

In all, nine employers participated, including seven who took part in face-to-face interviews. All employers either currently had or previously had hired apprentices. Apprentices made up between 4% and 20% of their workforce.

# Survey Findings



## Information

- The information most sought by employers regarded incentive/tax credit programs. This was followed by information equally on where to find an apprentice, how to register one, where to go for resources and where to access educational training.
- Employers said they were able to access the information they needed easily (It must be remembered that these were employers with experience with the apprenticeship system).
- They most often go online or turn to the apprenticeship office for the information they need.
- The majority (67%) preferred to access information online, followed by 33% who preferred face-to-face meetings.

## Incentive Programs

- Seven of the 9 employers took advantage of the *Apprenticeship Training Tax Credit*, while 5 used *Job Connect*. Two each used the *Apprenticeship Job Creation Tax Credit* and *Targeted Wage Subsidy* programs
- Of those employers who didn't use the *Apprenticeship Training Tax Credit* and the other incentive programs, they were either unsure how they worked or didn't think the programs applied to their business type.
- Employers did refer their apprentices to tax credits they were eligible for.

## Hiring Practices

- Most employers are OK with hiring apprentices with only Grade 12 (the minimum standard), but 4 of 9 had hired apprentices with some college or university education. There was an indication that this is becoming more common.
- Employers surveyed said they mainly hired apprentices in the 16-24 age range (89%), but had also hired some 25-34 (67% of employers), and 45 and over (11% of employers surveyed).

## Employer Suggestions

When asked for suggestions on how to make hiring apprentices more attractive to them as employers, respondents largely focused on the need for improved tax credits and financial incentives.

These suggestions included extending the period for tax credits beyond three years, recognizing that it could take 4-5 years to finish an apprenticeship program. There was also talk of extending incentives to more trades, such as meter technician. And there was a suggestion to put a greater focus on health and safety training for apprentices, and having government assistance in paying for such courses. Finally, there were complaints about the amount of paperwork involved in applying for the incentives, in some cases making it more hassle than it was worth.

Such suggestions are outside the scope of this project, but it's important to take note of the feelings of employers.

Other ideas were more focused on improving communications regarding apprenticeships. These are what we are more concerned about here.

These ideas included:

- A need for a better communications strategy.
- Lots of information pushing students and youth to get into skilled trades, but not information for employees working to consider it.
- There's not enough literature encouraging employers to take apprentices. One of the key messages for employers is that they should be doing job replacement planning, looking at apprentices to replace retiring workers.
- Information for employers is geared towards them finding an apprentice who is a student, focusing on *OYAP*, *Pre-Apprenticeship Training Program*, and the *Co-op Diploma Apprenticeship Program*.
- A website geared to the needs of employers for information about apprenticeships.
- Information encouraging people to become apprentices doesn't talk about the need to balance school and work, and how hard this might be.
- That high schools need to do more to promote skilled trade as a viable career with many advantages.
- Holding seminars/workshops with the local Chamber of Commerce in our communities to promote apprentices to businesses while informing them of government incentives (NOTE: *St. Leonard's Community Services* and the *Workforce Planning Board* has done this sort of outreach in the past).

# Valuable Resources

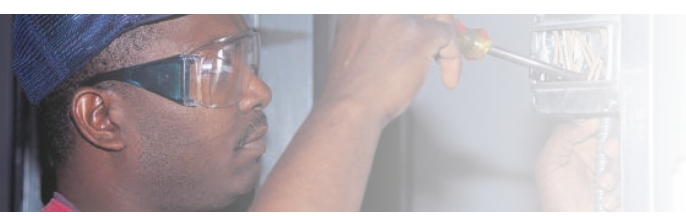


Many of the pieces of print literature out there are dated and may have limited usefulness; some may be confusing because some of the information they contain is no longer valid.

However, there are some print and online resources that are valuable:

1. ***Making Cents of Apprenticeship (2008)*** -- Published by *GETAB*, it does a good job of presenting a business case for apprentices to employers. It also gives general information on government tax incentives and tax credits. It also describes the *OYAP* and *Job Connect* programs. There is no information geared to mature workers.
2. ***Apprenticeship Grants (2009)*** -- Published by the *Government of Canada*, it does a good job of explaining the various grants, incentives and tax credit programs, and points to the *Service Canada* website, phone or centre for more information. The information still appears up to date.
3. ***Skills Work! (2008)*** -- Published by *Skills Canada – Ontario*, it has an excellent section with FAQs for students, parents and employers. It would be good to see a section on mature workers. It also does a good job on busting some myths around skilled trades. Finally, it has a comprehensive list of apprenticeable trades in Ontario, with detailed descriptions on many of them. The descriptions describe the trade, where they work, range in wage rates, and information on the relevant trade association or union.
4. ***Apprenticeship and Trade Certification (2007)*** – Published by *Employment Ontario*, this pamphlet gives good basic information on apprenticeships, lists some of the common trades and contains phone numbers for apprenticeship offices.
5. ***Apprenticeship Training Tax Credit (2007)*** – Contains basic information on the training tax credit program.
6. ***Apprenticesearch.com*** – This website and some of its print material are an excellent resource for employees and employers looking at apprenticeships. Its information *Steps to an Apprenticeship* are quite useful. Its section on *Choosing Your Trade* paints a realistic picture of the challenges in obtaining an apprenticeship and the importance of job-seekers in doing their research. It also contains a list of trades with “many job seekers” versus those with “fewer job seekers.” This helps open the eyes of job-seekers to new fields, including ones that they may not have to “wait” to get into. On the other hand, there is a lot of information on this site – maybe too much. A couple recent changes should make it a little easier to navigate.

# Where Do We Go From Here? - Next Steps



## Conclusions

Students and younger workers are well served by information and services meant to assist them to line up apprentices. High school students have the option to enter the *Ontario Youth Apprenticeship Program (OYAP)*, while there are also pre-apprenticeship programs available. However, there is little information geared to mature workers, particularly those more than 29 (although, as mentioned earlier, the average age for an apprentice is now 27). At times, looking at the information, you wouldn't think becoming an apprentice later in life is an option.

Ontario Colleges and other educational institutions appear to promote individual programs, trying to get enrolment in classes, rather than promote the concept of apprenticeships and skilled trades in general.

# Recommendations



While the community consultation and research shows a need to better meet the needs of mature workers for realistic information about apprenticeships, this is more of a long-range goal.

The *Skilled Trades Literature Review Committee* spoke out strongly in favour of putting the focus of any action on the employer. Unless employers step up and start hiring apprentices, any piece of literature will have little value. We don't want to put the cart before the horse. There must be a demand for employees before employees are hired. Similarly, there must be a demand for apprentices before apprentices are hired. The question becomes how do we spark that demand? Or, alternatively, how do we get employers to look seriously at hiring apprentices?

One suggestion was to put the focus of the message on long-term planning for an employer's workforce. Encourage employers to take a look at their workforce and ask themselves some questions: How old are your skilled employees, do they have a high absentee rate because of health problems, are they nearing retirement? Are employers prepared if some of their best, most skilled, stable and long-term employees leave? Do they have anyone who can step into their shoes? Do they realize the costs to their company if they can't fill those positions?

The focus of the message will be on having a human resources vision. Then the idea of hiring apprentices as the best solution to those needs will be emphasized.

Basically, the suggestion is an education campaign aimed at employers of the need to plan for the future and how apprentices can meet the needs of that plan.

Among the suggestions the committee made:

- Work with community partners such as local chambers of commerce and *St. Leonard's* on organizing 1-2 hour information seminars;
- Seminars should be aimed at small- to medium-sized businesses, which make up the majority of Grand Erie region employers
- Introduce employers to the topic by using a mailout explaining the average age of the local workforce, productivity levels, absentee rates, financial costs. If they have concerns over these issues, attend a seminar to plan for your long-term workforce.

Once the eyes of employers are opened to their need to plan for their workforce and how apprentices can help do that, then we can look at other recommendations. These include:

Find community/government partners and funds to draft a fresh, up-to-date, realistic piece of literature that takes into account the current reality. This information will target mature workers.

1. There's a pressing and urgent need for fresh, up-to-date and realistic information targeted at mature workers (29 and up) who are considering apprenticeships. The information should take into account the current reality, painting a true picture of the opportunities and challenges they face pursuing skilled trades training.

Some of the key points it should cover includes:

- It should cover job prospects;
- Current and future wages, including accurate information on pay for apprentices versus journeypersons;
- If there are "waiting lists" to get into certain fields;
- The length of time it may take to complete the job training and in-class education;
- The kind of basic skills needed in the field, including literacy, use of math and even customer relations;
- Awareness for workers about the possible challenge of balancing work, schooling and family;
- That it takes legwork and homework to find an employer.

In the short term, the best (and most inexpensive) vehicle to deliver this information is the *Apprenticesearch.com* website.

In the long term, there should be a print version of this information, so that it can be accessed at *Employment Ontario* offices, employment service providers, government offices, community services, schools, etc.

Print information should be reviewed and updated on a regular basis, perhaps every three years at the latest. The *Workforce Planning Board's* review of existing information resources found some that were seven to eight years old.

### **That's far too long.**

This would require identifying partners and funding to come up with the human resources, talent and dollars to develop this project.

2. Information for encouraging employers to hire apprentices needs to be updated. Again, the information should be realistic. For example, information about government tax credits and financial incentives should make it plain that it only applies to certain fields.
  - It should also cover hiring mature workers as apprentices
  - The financial benefits of hiring apprentices
  - How apprentices can help replace an aging workforce
  - How fresh talent can provide new ideas and energy to a business

*Apprenticesearch.com* is the most logical and expedient place to put up-to-date information geared towards employers.

Again, though, there is a need to take this one step further and update an existing piece of literature – *Making Cents of Apprenticeship* seems the most logical place. This will likely require working with partners and accessing dollars to do this.





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of Grand Erie

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