

TESTIMONY OF NOEL GINSBURG

CEO AND FOUNDER

CAREERWISE COLORADO

UNITED STATES HOUSE

THE COMMITTEE ON SMALL BUSINESS

SUBCOMMITTEE ON INNOVATION, ENTREPRENEURSHIP, AND WORKFORCE

THURSDAY, SEPTEMBER 15, 2022

BACK TO SCHOOL, BACK TO STARTUPS: SUPPORTING YOUTH APPRENTICESHIP,
ENTREPRENEURSHIP, AND WORKFORCE DEVELOPMENT

Good morning. Thank you for inviting me to speak to you about youth apprenticeship today. My name is Noel Ginsburg. I am the founder and was chairman of the Colorado manufacturing companies Intertech Plastics and Intertech Medical until their sale earlier this year, as well as the founder and CEO of CareerWise. I also serve as a co-chair of the Advisory Committee on Apprenticeship, appointed by the US Secretary of Labor Marty Walsh.

CareerWise was founded in Colorado in 2017, and has since expanded across the country to places like Buffalo N.Y., New York City, Indiana, Michigan and Washington, D.C. In the five years since our founding, we've seen tremendous impact on both young people and the businesses that have been employing them.

Youth apprenticeship is transformational. It's transformational for the students who enter it because they gain the skills and experience necessary to succeed in our modern economy—even without a four-year degree; it's transformational for the businesses that employ youth apprentices because it opens a completely untapped diverse talent pipeline and fosters a culture of mentorship; and, ultimately it is transformational for our economy because it lays the foundation for a dual-education system that elevates practical learning alongside academic classroom learning, creating the conditions for continued innovation and global competitiveness.

Youth apprenticeship also fosters the understanding that there is equal dignity in multiple paths of opportunity within our economy. And, most importantly, I believe youth apprenticeship is one of the most powerful tools to ensure opportunity for young people from marginalized communities.

Today, America largely sees the four-year degree as an unobstructed path to the middle class—in fact, as a society we tend to see it as the only path to a middle-class career. But the reality is that there are lots of challenges along that path—it only successfully serves about 25 percent of our young people, and with the rising cost of higher education and skyrocketing student debt, it's clear that number isn't going to get better anytime soon. Higher education is important and valuable for many people and many professions. However, it is not the only path to the middle class. And for those careers for which a degree has served merely a proxy for job and life skills, more options—such as youth apprenticeship—are needed to fill those talent pipelines.

Small businesses and enterprise corporations alike cannot find enough skilled workers to hire into their early-career roles. That's why we're here today. Small businesses are among the hardest hit by an ongoing shortage in skilled workers that predates the pandemic. This is true of the construction trades, but it's also just as true in fields like IT, financial services, healthcare, and advanced manufacturing. Even the workers hired from prestigious schools—graduates with the baseline theoretical knowledge in their fields—take tens of thousands of dollars and months and months to train in the practical execution of the job.

I'm excited to share with you the CareerWise youth apprenticeship model, the impact that it has had, and some recommendations for how we can continue to multiply post-secondary options and paths to high-growth, high-pay careers, and at the same time create new, diverse talent pipelines to keep America's small businesses competitive on the world stage.

THE MODEL

Youth apprenticeship offers practical learning, and with it a clear and respected path to the middle class that may or may not run through college. A CareerWise apprenticeship is designed to intersect with higher education; many apprentice employers offer up to a semester's worth of debt-free college credit. In this way it is not a diversion from continued education, but an options multiplier and a lens that focuses career goals and the means to achieve them.

Most importantly for today's hearing about how we, as a nation, can strengthen the labor market for small businesses, youth apprenticeship creates a new talent pipeline that small businesses can leverage to remain competitive locally, nationally, and globally.

CareerWise youth apprenticeship begins for students in the 11th or 12th grade and extends for at least one year beyond high school. It's based on a rigorous work-based learning model that has been proven successful in countries around the world, including Switzerland, a model which CareerWise used as a starting point for building a modern youth apprenticeship system in the U.S. To date, CareerWise has affiliates in Buffalo, N.Y., Colorado, Elkhart County, Ind., New York City, the Upper Peninsula of Michigan and Washington, D.C. with interest from dozens of other communities for future expansion, we know there is an appetite for building a youth apprenticeship talent pipeline. But it does take investment.

While enterprise employers often have effective training programs—though not the expertise to work with young people or recruit from high schools—small businesses often lack the capacity to develop effective talent pipelines and training such as high-quality youth apprenticeship programs.

CareerWise acts as an intermediary between the systems of education and industry, developing occupations and competencies, providing training frameworks, training staff in best-practices for working with students and Gen Z, and apprentices in workplace preparedness, all of which is made efficient and effective by the technology framework we've built to draw together our education and employer partners. CareerWise is industry led and student centered. The frameworks and curriculum are co-designed with industry experts to ensure value to the employer as well as positive outcomes and opportunity for the students.

Youth apprenticeship allows students to “earn while they learn,” and help support their families while gaining practical skills. Apprenticeship is different from internship. While interns often are only in their roles for a short amount of time, performing low-value tasks, apprentices train alongside seasoned professionals doing increasingly valuable work over multiple years. The result is a worker that is ready to step directly into a position of need for business. In the CareerWise model, those positions are high-growth, high-wage roles that offer a path to the middle class for workers while helping keep businesses competitive. In fact, completing apprentices in our model are earning between \$45,000 and \$75,000 per year.

As the founder of a manufacturing business, I know first-hand the challenges of maintaining a competitive edge and what it takes. It takes talent; small business success is reliant on talent—but not just available talent, small businesses need to be able to develop their own talent. And that's the magic of youth apprenticeship. It's a paradigm shift in early-career talent pipelines.

Through youth apprenticeship, small businesses are no longer simply a consumer of talent, they play an active role in shaping talent, and in doing so, they get the skills they need to succeed, positively impact retention rates, and create a culture of mentorship that benefits the company from the bottom up.

In my small businesses, Intertech Plastics and Intertech Medical, we developed a competitive edge through the youth apprenticeship program. In the past five years, we've hired more than 15 youth apprentices. One of our first apprentices, Kevin King, who now is a full-time employee, designed and implemented an automated solution that saved our company more than \$2.4 million. Kevin is now earning more than \$70,000 per year, right out of high school.

But it's not just my business. Tolmar, Inc., a pharmaceutical manufacturing company focused on the development, approval, and commercialization of specialty pharmaceutical products for patients, is another example of how a small business is thriving with a youth apprenticeship program. As a vital business during the COVID-19 pandemic, it was crucial Tolmar continued production as its patient products remained in high-demand. Having additional team members through the CareerWise youth apprenticeship program enabled the company to keep its production timelines consistent and dependable. As essential workers, the youth apprentices became key members of the team and remain so as the company continues to navigate the pandemic and a recovery economy.

Because their skill sets and technical proficiencies grew so quickly, two of the Tolmar's youth apprentices were hired on as full-time employees after only 18 months in their roles. These former apprentices weren't hired into just entry-level positions, they were hired into higher-level positions within the company because their skillset had grown exponentially during their time as apprentices.

Because youth apprenticeship benefits both the employer and the student, industry is investing alongside the philanthropic and government funding necessary to create the infrastructure required to pave the way for large-scale adoption. Early adopting businesses—the employers that have already created apprenticeships for more than 1500 youth apprentices—have committed 67.5 million dollars in wages and training costs. And, on Monday of this week, the New York Jobs CEO Council, chaired by Jamie Dimon of JPMorgan Chase, announced a partnership with CareerWise, the NY Department of Education and Mayor Adams to create 3,000 more youth apprenticeships in the city over the next three years, representing an additional investment by business of 135 million dollars in wages and training costs.

The investment and commitment by these businesses demonstrate the value and the promise youth apprenticeship holds for employers. But beyond the training and wages, there remains infrastructure to be built around the system for scale, so that even more small businesses can leverage the same quality programs as the early adopters and enterprise employers.

CALL TO ACTION

We've seen the impact of youth apprenticeship on individual students and companies, but what's most transformational is the impact that youth apprenticeship can have on our country. It can

enable small businesses to access and shape the talent they need to continue to propel our economy forward, while expanding pathways to bright careers and the middle class.

In the short term, implementing high-quality modern youth apprenticeship programs will allow young people, including those from low-income households, to head off the disconnection and disengagement that already is taking hold in the wake of economic and public health crises. Youth apprenticeship will enable them to access immediate employment and transferable learning that can keep them on the path toward upward mobility while simultaneously fuel the success and innovation of America's small businesses.

To accomplish these goals, this modern youth apprenticeship system needs to have the flexibility to meet the unique needs of small business—as well as medium- and large-sized businesses—and new industries; it also needs the fidelity and distinction that comes with the Registered Apprenticeship designation. With that in mind, I respectfully ask the committee members to identify and support policies that:

- **Help establish a definition of Youth Apprenticeship** that is universally recognized as part of the nation's Registered Apprenticeship system.
- **Support the connection of education and work** through investing in intermediaries to better meet the needs of both students and employers by creating opportunities along career pathways for modern youth apprenticeship based upon evidence-based strategies that have proven successful
- **Combine paid, structured, on-the-job training with related classroom learning** beginning in high school, allowing students to “earn while they learn,” and help support their families while acquiring practical skills, resulting in the acquisition of high school diplomas, industry-recognized credentials, and debt-free college credit
- **Support high schools that enable students** participating in registered apprenticeships to coordinate with their at-work training schedule and award appropriate high school credit for learning in the workplace.
- **Provide tools to recruiters, educators, career counselors, mentors, and employers** to help students, especially those who are low-income, access, persist, and succeed in youth apprenticeship that prepares them for 21st century careers.

Thank you for the opportunity to speak to you today. I appreciate your support for youth apprenticeship, and I look forward to a world in which access to a dignified career and a dignified life is available to every American.