



## Insight

# Industry Recognized Apprenticeship Programs and the Biden Administration

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## Executive Summary

- In February 2021, President Biden effectively ended Industry-Recognized Apprenticeship Programs (IRAPs), which were created in 2017 as a more flexible alternative to the traditional Recognized Apprenticeship Programs (RAPs).
- While RAPs are concentrated in stagnant industries such as construction, IRAPs allowed for expansion of high-quality apprenticeship programs into rapidly growing industries such as health care.
- The loss of IRAPs leaves apprentices and businesses relying on RAPs and hobbled by the mismatch between the industries in which they are concentrated and the most rapidly growing segments of the labor market.

## Introduction

As part of his broader effort to roll back many Trump-era policies, President Biden ended a new apprenticeship program in February. The Trump Administration created Industry-Recognized Apprenticeship Programs (IRAPs) in 2017 by executive order in an effort to expand apprenticeship offerings into a wider array of industries, specifically high-growth industries, as well as to make it easier for apprenticeship programs to be created and accessible to a greater number of workers. IRAPs were an innovative approach to worker training and upskilling that allowed employers to take a more active role in training and quickly develop new programs.

The decision to eliminate IRAPs stifles rapid scaling of apprenticeships and forces employers and workers to use the 80-year-old Registered Apprenticeship Programs (RAPs) model that is largely concentrated in a handful of industries, primarily construction, that are not expected to have significant growth in the future. The IRAP model was created to provide an alternative to the traditional RAP model, but immediately faced opposition from many on the left, as proponents of RAPs were concerned about competition for government funding. Regrettably, the elimination of IRAPs will make it more difficult for workers to get hands-on training in high-growth industries such as nursing.

## Challenges Facing Registered Apprenticeship Programs

Even strong opponents of IRAPs acknowledge that there is a problem with RAPs. To be sure, [RAPs](#) have a history of success that should not be ignored, as they have trained many workers in valuable industries. Nevertheless, while the number of workers participating in RAPs has grown by 8.3 percent between 2018 to 2019, the programs remain concentrated in a handful of [industries](#). Construction, public administration, manufacturing, transportation and warehousing, and utilities make up [90 percent](#) of active federal apprenticeships. [Bureau of Labor Statistics](#) data, however, show that six out of the 10 most rapidly growing

occupations are in the health care sector, and [American Action Forum research](#) shows that the service sector will be responsible for the majority of occupational growth through 2024. Among [RAPs](#), those categories represent 2.5 percent and 1 percent of apprenticeships, respectively. Thus, the RAP model does not appear to be flexible enough to keep up with the demands of today's workforce and keep apprenticeships in line with the fastest growing industries.

Another challenge with RAPs is that their participants are predominantly male. [Women](#) have been consistently underrepresented in the traditional apprenticeship system. This tendency may be because the majority of programs are heavily concentrated in goods-producing industries, which tend to be male dominated. Women make up [47 percent](#) of the U.S. labor force, but only 9 percent of all active federal apprenticeships.

## **Opportunities for Industry Recognized Apprenticeship Programs**

In 2017 President Trump issued an executive order that led to the creation of [IRAPs and Standards Recognition Entities \(SREs\)](#), which evaluate and approve IRAPs. IRAPs were not immediately popular in large part due to a lack of access to funding. In November 2020, the House of Representatives voted on the reauthorization of the [National Apprenticeship Act \(NAA\)](#) and ultimately barred any of the act's funding from going toward IRAPs on the grounds that IRAPs posed a threat to the traditional RAPs by taking away funding and duplicating efforts. The NAA vote therefore eliminated questions around funding and any resulting uncertainty.

Despite opposition and lack of funding, IRAPs were still able to develop. The first IRAP was created in October 2020. Since then, over [130 IRAPs and 27 SREs](#) were created, with the majority focused on nursing credentials—helping to alleviate a substantial shortage of nurses. The nursing workforce has been aging out, creating a large number of job openings. Paired with an increased demand for health care services and the effects of the pandemic, there are expected to be [500,000 vacancies](#) in nursing by 2026. The [final rule](#) on “Apprenticeship Programs, Labor Standards of Registration” projected that within the next decade, the total number of IRAPs would increase to 9,063, resulting in upwards of 2 million new apprenticeships. In contrast, [Registered Apprenticeship Programs](#) have increased by 1,677 over the last decade with an increase of 213,000 active apprentices.

While no data are available on IRAP performance because the programs are so new, there are other innovative programs that could point toward what IRAPs might have become. The [Federation for Advanced Manufacturing Education \(FAME\)](#), for example, is the kind of program that would likely have been recognized by an SRE and fallen under the IRAP designation because it operates independently of the RAP framework. Groups such as FAME work closely with employers and other stakeholders such as community colleges to create a locally focused and customized training programs that allow students to work and earn money while they gain credentials. This group and others like it report high job placement rates (85 percent for FAME participants) and have the ability to scale rapidly.

In short, IRAPs would have been a far more streamlined and customizable system that could have allowed for much more locally focused training catered to specific regional needs. In rescinding the IRAP executive order, the Biden Administration has halted the growth of this innovative program that could have rapidly trained workers and expand employment opportunities in addition to filling jobs in high-growth industries.

## **Conclusion**

It is unclear what is expected to happen to IRAPs and SREs now that the executive order that led to their creation has been rescinded. According to a Department of Labor [press release](#), “The department will suspend

its acceptance and review of new or pending applications for [Standards Recognition Entities](#) in the [Industry-Recognized Apprenticeship Program](#).” This statement means that the established programs created could continue to operate for now. The [Biden Administration](#), however, has asked the Department of Labor to consider rulemaking to reverse these programs. The momentum behind flexible and customizable training has slowed and is now likely to return to an outdated system that has failed to expand into crucial and rapidly growing industries. The resistance to innovation in apprenticeships takes away opportunities for workers to access training, affordable education, and employment flexibility.