

Executive Summary  
Estimated Impacts to Montana's Economy from  
Increased Labor Income Earned by Existing and New Apprentices  
Incentivized by HB277

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Apprentices in the Montana Department of Labor and Industry's apprenticeship programs earn significantly higher wages after the completion of their training program. A first-year apprentice earns roughly \$32,000 per year, with their wages increasing each year of the training program. After graduation, journeymen earn over \$52,700 annually – a gain of over \$20,700. The gain in labor income and increased productivity of the worker does not just provide benefits to the worker alone. The increased spending from the higher wage income also benefits the Montana economy as a whole.

This research evaluates a high and a low economic impact related to the gains in labor income due to the apprenticeship program. The high impact estimate assumes the recruitment of relatively unskilled workers into the apprentice program, thus maximizing the difference in wages before and after the training. The low impact provides the most conservative estimate of economic impact, providing a range and sensitivity analysis for the economic impact. This research finds that:

- Apprentices who have already completed the program will add between \$10.3 million to \$22.4 million of increased economic activity in 2015 due to the spending of their higher wages in the Montana economy. All Montana businesses and workers benefit from apprenticeship training.
  - This increased wage spending supports between 88 and 192 Montana jobs paying between \$3.1 and \$6.9 million in additional wage income.
- The passage of HB277 will further expand the economic impact of apprentice training in the Montana economy by between \$500,000 and \$1 million per year, supporting an additional 30 to 50 Montana jobs per year. These jobs and economic impact are additive, contributing more and more to the economy each year.
- By 2025, the passage of HB277 will generate an additional 232 to 390 jobs in the Montana economy because of the increased earnings of trained journeymen, adding between \$32 million and \$55 million of economic activity to the Montana economy.