

How Small and Medium-Sized Businesses Can Benefit from Registered Apprenticeships

Lessons from North and South Carolina

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Employer surveys consistently show concerns over widespread talent shortages across industries and geographies (World Economic Forum 2025). Over the last decade, registered apprenticeships have been shown to work as a solution to meet employers' talent needs. Apprenticeships help employers proactively build a talent pipeline of skilled workers needed for their business, reduce recruitment and turnover costs, and deliver a positive return on investment (Kuehn et al. 2022). Between 2016 and 2025, the number of apprentices nearly doubled.¹ However, apprentices still represent only 0.32 percent of the active civilian labor force,² leaving significant room for further utilization of apprenticeships as a talent development strategy.

Two groups of employers that stand to benefit the most from the registered apprenticeship model are small businesses—those with less than 100 employees—and medium-sized businesses, employing between 100 and 499 workers. Indeed, small and medium-sized businesses (SMBs) were shown to have a higher annualized return on investment than employers with over 500 employees, regardless of the program length or occupation (Kuehn et al. 2022). But SMBs face unique challenges in attracting and retaining talent, compared with large companies.

These challenges underscore the need and opportunity for SMBs to benefit from registered apprenticeships. This brief examines how SMBs can use apprenticeships to address talent shortages, shares insights from SMBs in North and South Carolina, and offers guidance on how SMBs can launch apprenticeship programs.

Key Benefits for Small and Medium-Sized Businesses

1. **Expanding talent pools:** SMBs often have difficulty hiring workers with the experience they need because of fierce competition for experienced workers.³ Apprenticeships offer a solution to help SMBs grow their own workforce by expanding the pool of individuals they can hire from to meet their talent needs. Apprenticeships do this by removing expectations for prior experience and knowledge because new hires will go through a structured training program to learn the specific skills they need to be successful. With an apprenticeship program in place, employers are able to hire anyone who is ready to learn.

When we first launched the program at Technically IT, it was in response to a real challenge, finding the right talent to effectively support our growing client base. Our initial goal was to develop a stronger workforce pipeline that would allow us to better serve our clients with excellence and reliability. However, the vision quickly expanded beyond staffing needs. We recognized the importance of bringing in individuals from diverse backgrounds, experiences, and perspectives of people who could offer fresh insight, innovative thinking, and new approaches to technology and cybersecurity challenges. There is a significant gap in our community when it comes to skilled professionals in cybersecurity and data analytics. By joining the apprenticeship program and hosting apprentices, we committed to being part

of the solution by developing local talent, exposing technical career pathways, and strengthening the systems and operations of the organizations we support. The results have been amazing for our business. The program has not only enhanced our team but has also empowered professionals to step confidently into careers in technology.

—Ashley Felton, CEO, Technically IT

2. **Local partnerships support recruitment:** Widening talent pools alone does not immediately solve labor supply challenges. Because SMBs have fewer human resources to lead hiring searches and market job opportunities, registered apprenticeship programs can assist SMBs in partnering with schools, colleges, job centers, local workforce training programs, and other community-based organizations to recruit apprentices. These partnerships are built on mutual benefit and aligned priorities, with local partners supporting apprenticeship programs because they are invested in helping connect individuals to new career opportunities. Once established, these partnerships help build reliable pipelines of candidates directly to SMBs, reducing hiring costs for employers.

Swiss Krono US in Barnwell, SC is a manufacturing company with 350 employees, and because we're part of a Swiss company, our approach follows the European style. Our youth apprenticeship program actually started pretty small— initially with just one or two apprentices. About four years ago, our team spent time visiting other companies that had established programs. We saw what they were doing, brought those ideas back, and that's really when the program began to grow.

After COVID, it became harder to find skilled employees, and that pushed us to think differently. We asked ourselves, 'What if we went into high schools and developed our own talent, with the goal of hiring them after graduation and helping them build long careers here?' That mindset is what drove the expansion.

Today, we're budgeted for 12 apprenticeship positions. We currently have 10 apprentices working across four different areas—production, maintenance, HR/finance, and controls/automation—and it's been incredible to see how much the program has developed.

—Brandon Martin, Talent Development and Acquisition Specialist, Swiss Krono

3. **Improved retention:** One of the most frequently identified benefits employers experience from apprenticeship programs is increased retention among apprenticeship graduates (Marotta et al. 2022).⁴ These reduced turnover costs are particularly beneficial for SMB employers. An example of this retention benefit was described by a small tool and die manufacturer, Ameritech, whose CEO described their apprenticeship program as a “succession plan,” with many senior leaders having started in the company's apprenticeship program (Arabandi, Boren, and Campbell 2021). Similarly, an apprenticeship sponsor in North Carolina described the following:

The impact of apprenticeship has been really meaningful for us. ... before we started this program, I was joking ... that everyone on our team had a senior next to [their title], right? It's like everybody's senior or principal, right? So, for us, we moved from this concept of a pyramid to more of a diamond where, I'm able to bring in people that are more junior. And what we're seeing now [is that] we're able to move them up. Truly this is a life changing event for a lot of them. It's important for us as well. ... We are seeing that people are moving up. At least seven [apprentices] from that first cohort are becoming consultants.

—Tal Frankfurt, CEO, Cloud for Good

Different Models of Apprenticeship and Tradeoffs for SMBs: Two Common Approaches

Incorporating the use of registered apprenticeship into a workplace's training model can seem like a daunting task for any employer, but especially so for SMBs with limited staff and financial resources. Searching "start a registered apprenticeship program" looks different from state to state and the time and energy to understand the process has turned away employers who would otherwise be interested. Although the process of developing and implementing an apprenticeship program looks different for all employers, the choice between starting your own program or joining a group program is an important one that SMBs need to consider.

1. **Start your own program.** Many employers choose to start and administer their own program (known as being an employer sponsor) because it allows for maximum autonomy and flexibility to design the program to meet specific needs. Serving as the employer sponsor allows your organization to maintain the primary decisionmaking authority and oversight, but it also comes with additional administrative responsibilities, such as navigating the program design and registration process, reporting demographic data, registrations, and program outcomes to the registration agency, and being accountable for the management of the program. Here are some benefits and tradeoffs to consider when your SMB needs consistent skilled talent and has the internal resources to manage the administrative duties of launching a custom apprenticeship program.
 - » Key benefits:
 - The main advantage of starting your own apprenticeship program is the ability to customize the on-the-job learning to specific job functions unique to your business. This makes possible a pipeline of job-ready workers to fill long-term talent needs.
 - » Tradeoffs to consider:
 - The biggest tradeoff for SMBs starting and administering their own program is the added human capital costs involved with being responsible for recruiting and onboarding apprentices, reporting to the registration agency, coordinating the delivery of related instruction, ensuring mentors are trained, and providing supportive services for all apprentices.
2. **Join a group program.** The other main option available to employers that want to benefit from a registered apprenticeship program, but are not sure about starting their own program, is to join a group program that is administered by an intermediary (known as a group sponsor). Organizations that take on the administrative responsibilities of managing the program as an intermediary vary widely, including industry associations, nonprofits, unions, training providers, colleges and universities, consortia of businesses,^{5, 6} and government agencies. This is an increasingly popular approach for all employers, but especially for SMBs.
 - » Key benefits:
 - One of the primary benefits of joining a group program is that it already exists and there is a blueprint to follow. This means no guesswork when getting started, plus there is going to be support from the intermediary sponsor and other participating employers. You can also benefit from established local partnerships for recruitment, promotion of the program, and established related instruction options.
 - Another key benefit is the economies of scale that can be gained, especially for smaller programs that only plan to hire one or two apprentices at a time. Joining a group program can help smaller programs access supports, such as related instruction, that small programs might have difficulty securing. A group program also can give apprentices the opportunity to learn alongside other apprentices working for different employers in the group program.
 - Finally, the clearest benefit of joining a group program is removing a portion of the administrative responsibilities and costs.
 - » Tradeoffs to consider:

- The primary tradeoff of joining a group program is less control and flexibility over the structure of the apprenticeship program. Participating employers must adhere to the structure, policies, and expectations set by the managing intermediary.

TABLE 1

Comparison of Apprenticeship Program Paths for SMBs

Program path	Best fit	SMB responsibilities	Benefits	Tradeoffs
Start your own program	SMBs that want full control, customization, have long-term internal capacity, and expect consistent hiring needs	• Full program design • Registration • Reporting • Recruitment • Mentor training • Apprentice support • Providing on-the-job training • Supervision • Mentoring • Performance feedback	• Maximum control • Tailored training • Builds a dedicated and reliable talent pipeline	• Administrative burden • Requires dedicated staff • Slower to launch • Start-up costs are higher
Join a group program	SMBs that want low administrative overhead and support getting started.	• On-the-job training • Supervision • Mentoring • Performance feedback	• Established program • Less administrative burden • Shared resources • Lower cost of entry	• Less flexibility • Must follow group rules

Next Steps for Starting Your Own Program

If starting a registered apprenticeship program is the best option for your business, you will want to become familiar with the registration agency in your state.⁷ You will then want to work with that registration agency, and any organizations that are able to provide technical assistance, to walk through the process of developing and registering your program.

- **Select the occupation:** When building out your application to become a registered apprenticeship sponsor, you will need to select at least one occupation you want to begin with. The needs of your business will drive your program selection.
- **Identify trainers and mentors:** A critical component of registered apprenticeship comes from the supervised delivery of on-the-job training and mentorship between one or more qualified workers, or journeyworkers, to an apprentice in any given occupation. Any program you choose to register will need to have enough existing ‘experts’ in the occupation to mentor and train the apprentices.
- **Reach out to the registration agency in your state:**⁸ Depending on where you live, your state may be an Office of Apprenticeship (OA) state, or a State Apprenticeship Agency (SSA) state. OA states are generally administered through the US DOL Office of Apprenticeship with staff supporting one or multiple states, whereas SAA states have their own registration agencies and staff at the state level.
- **Work with an apprenticeship consultant/apprenticeship training representative (ATR):** An apprenticeship consultant, ATR, or your state’s equivalent is your guide to apprenticeship. This contact will be involved in your registration process and throughout the lifetime of your program to varying degrees.

- **Complete your registration paperwork:** Your ATR, in coordination with any supportive intermediaries providing technical assistance, will help you make key decisions about the training outline, related instruction, wage schedule, hiring plan, and other key details needed to register your program.

Resources and Tools

ROADMAP FOR APPRENTICESHIP

Youth Apprenticeship: A Roadmap to Build, Manage, and Sustain a Registered Apprenticeship Program for Young People

Zach Boren, Bhavani Arabandi, Myca San Miguel, Rayanne Hawkins <https://www.urban.org/apps/youth-apprenticeship>

Explore step-by-step guides to start, grow, and sustain your program. While this roadmap has a youth focus, it can be used by anyone seeking to start an apprenticeship program.

DESIGNING A PROGRAM

Registered Apprenticeship Standards Library

Urban Institute National Apprenticeship Resource Hub <http://www.apprenticeshipstandards.org>

Use the Library to access frameworks in a variety of occupations, industries, and states.

National Occupational Frameworks

Urban Institute National Apprenticeship Resource Hub <https://apprenticeships.urban.org>

Each framework outlines the basic information sponsors need to register an apprenticeship program, including sample curricula that simplify program design.

FINDING PARTNERS AND EDUCATORS

Apprenticeship.gov Partner Finder

ApprenticeshipUSA <https://www.apprenticeship.gov/partner-finder>

Connect with intermediaries, colleges, and community-based partners. SMBs can supplement their practical and related instruction with online training providers such as [Coursera](#), [Udemy](#), [edX](#), and [Tooling U](#).

SUSTAINING YOUR APPRENTICESHIP

Youth Apprenticeships: Making Youth Apprenticeships Sustainable

Urban Institute <https://www.urban.org/youth-apprenticeships/making-youth-apprenticeships-sustainable>

The work of managing an apprenticeship program for long-term success and sustainability is just as critical as the work of getting started. These tools and guidance provide strategies to make apprenticeships more sustainable.

Improving Apprenticeship Completion Rates

Gauri Rege, Christina Curnow, and Chelsi Campbell <https://www.air.org/resource/brief/improving-apprenticeship-completion-rates>

Practical strategies to help improve completion rates of apprentices.

STATE TAX CREDITS AND TUITION SUPPORT

ApprenticeshipUSA Resources

<https://www.apprenticeship.gov/investments-tax-credits-and-tuition-support/state-tax-credits-and-tuition-support>

Resources on investments, tax credits, and tuition support.

Notes

¹ “Apprentices by State: Interactive Apprenticeship Data,” Apprenticeship.gov, accessed January 12, 2026, <https://www.apprenticeship.gov/data-and-statistics/apprentices-by-state-dashboard>.

² “Civilian Labor Force Level (CLF16OV),” Federal Reserve Bank of St. Louis, accessed January 12, 2026, <https://fred.stlouisfed.org/series/CLF16OV>.

- ³ “2026 US Talent Shortage,” ManpowerGroup, accessed April 29, 2026, <https://www.manpowergroupusa.com/talent-shortage>.
- ⁴ “ApprenticeshipUSA Factsheet” ApprenticeshipUSA, accessed January 12, 2026, https://www.apprenticeship.gov/sites/default/files/52355_DOL_IndustryFS_ApprenticeshipUSA_v1.pdf.
- ⁵ For a discussion of the consortia model, see p. 2–5 and p. 13–14 of <https://www.urban.org/research/publication/building-sustainable-apprenticeships-case-apprenticeship-2000>.
- ⁶ “Apprenticeship Consortia: What Makes a Consortium Unique?” Apprenticeship NC, accessed January 30, 2026, <https://www.nccommunitycolleges.edu/businesses/apprenticeships/consortia>.
- ⁷ “Apprenticeship System,” Apprenticeship USA, accessed January 12, 2026, <https://www.apprenticeship.gov/about-us/apprenticeship-system>.
- ⁸ “Apprenticeship System,” Apprenticeship USA.

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