



Embassy
of the Federal Republic of Germany
Washington



The Skills Initiative



Photo courtesy dpa/Tobias Kleinschmidt (MTU/Tognum)

www.Germany.info/skillsinitiative

German Investment in the United States

Foreign investors from Germany – the largest European economy – have long maintained a strong presence in the United States. Today, more than **3,400 German companies** – not only large multinationals, but also small and medium-sized businesses – have investments in the American market.

German business investment in the U.S. market reached **\$324 billion as of year-end 2018**, accounting for 7.5 percent of the total \$4.3 trillion invested in the U.S. economy by foreign companies. German businesses have created approximately **700,000 jobs** in the United States.

German companies have identified job skills as a key challenge to their success in the U.S. The German Embassy started its **Skills Initiative** to identify and share information about best practices in sustainable workforce development, in cooperation with German companies investing in the U.S.



German companies are well placed to undertake this effort, because they are familiar with Germany's first-class vocational education and training system. It is called the dual system of vocational training and is a major reason for Germany's economic success. It provides sound qualifications through its unique combination of theory and practice, learning and working, thereby offering a highly attractive and recognized training and career path after high school – as both an alternative and a complementary option to university education.

In June 2015, the German and U.S. governments signed a Joint Declaration of Intent to reinforce their cooperation in this field. The declaration provides a framework within which we can continue to share best practices in sustainable workforce development and provide joint support for future initiatives and measures. An Executive Committee oversees these activities and meets on a regular basis.

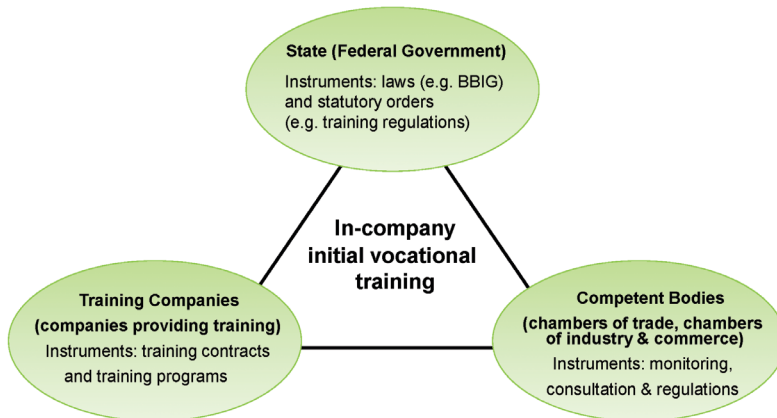
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Photo courtesy dpa/Nestor Bachmann

The German Vocational Education and Training System

Steering of In-Company Vocational Education within the Dual System according to the German Vocational Training Act (BBIG)



Staff Unit Strategic Communication, Press and Public Relations

Federal Institute for Vocational Education and Training **BiBB** Researching Advising Shaping the future

About 55 percent of high-school graduates in Germany take part in the dual system of vocational training. Employers provide practical training and vocational schools supplement this on-the-job training with theoretical instruction.

The German Dual System: Facts and Figures

- Approximately 350 nationwide recognized training occupations (270 in the fields of industry, trade, and services)
- Around 1.5 million trainees (40% female)
- Approximately 469,000 companies provide training (about 22.5%)
- Exams are generally required and supervised by the Chamber of Industry and Commerce
- The dual system is business-driven and demand-oriented
- Occupations and training are continuously updated in response to technical advances and changing business practices
- Financial burden-sharing: Private companies bear about 75% of the costs, while the Federal Employment Agency and the German federal states cover 15% and 10%, respectively.
- Gross costs of a trainee per year: \$19,850 (based on German labor costs)

The German Dual System: A Win-Win-Win Solution

Benefits for Companies

- Ideal tool for personnel recruitment
- Consistent workforce quality assured through comparable nationwide occupational, training, and assessment standards
- Influence on content and organization of training

Benefits for Employees

- Market-relevant, diversified training which improves chances in the labor market
- Acquisition of social skills within the real-life environment of a company
- Motivation provided through training stipends (earning and learning)

Public Benefits

- Manufacturing sector remains powerful driver of growth (share of manufacturing sector in GDP in GER: 23% vs. U.S.: 12%)
- Low youth unemployment rate (GER: 7.8% vs. EU: 22.8% and U.S.: 16.3%)
- Private contribution eases the burden on public budgets
- The German American Chambers of Commerce in the U.S. work together with the DIHK (Deutsche Industrie- und Handelskammertag) in Berlin and the German Embassy in Washington, DC to bring apprenticeships based on the German model to manufacturers worldwide.
- As of December 2017, the GACCs had certified almost 70 programs across 10 states in the U.S., which have trained over 450 people.
- Examples of already existing programs include:

Industry Consortium for Advanced Technical Training (ICATT) Midwest

The Georgia Consortium for Advanced Technical Training (GA CATT)



Ambassador Emily Haber:

“With the Skills Initiative, Germany sees great potential in bringing together German and American businesses and local education/training providers. The initiative aims to develop training programs that suit business needs. In close cooperation with both German and American companies, the Skills Initiative will continue to contribute to identifying and spreading best practices in vocational and educational workforce development.”

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To learn more about the Skills Initiative, please visit www.Germany.info/skillsinitiative.

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