It’s not uncommon for a fifth-year apprentice, now earning close to journeyman wages, to show up for work in a brand-new pickup truck. But apprentices often don’t realize they may not be employed for the full year and that making monthly truck payments could become tough.

Instructors and trustees of jointly managed training and education funds believe that many apprentices—like other young people—don’t know enough about financing a car or house, budgeting, using credit cards and saving. Some funds are finding a few hours in their already packed apprenticeship education schedule to try to increase financial literacy.

Over the past year, Ed Kommers, Executive Director of the Mechanical Contractors Association of Western Washington (MCAWW) in Seattle, has begun introducing financial education for plumber and pipe fitter apprentices. Kommers works with programs that have 400 to 500 apprentices at four training centers—the Local 32 center in Seattle and three Local 26 centers throughout the rest of western Washington. He also chairs the Seattle Area Plumber and Pipefitters Health & Pension Trusts and the Washington State Apprenticeship and Training Council.

About four years ago, MCAWW piloted a six-module class for fifth-year apprentices that used a portion of MCAWW’s project management class for employers. It introduces apprentices to contracting basics—everything from contracting financing to law, communications and scheduling. All four training centers adopted it, and it became a class apprentices looked forward to.

“Then one of the apprentices said, ‘Hey, Ed, how come we’re not doing this with first- and second-year apprentices? We shouldn’t be doing this just at the end—we ought to be doing it at the beginning to start coaching apprentices about the relationship with employers,’ ” Kommers said. “We tried a pilot second-year program last year, and those apprentices said it was great. One thing led to another. During the pilot I started talking to them about personal finances, which is something I have an interest in.”

Coincidentally, the Mechanical Contractors Association of America, with which the Seattle association is affiliated, had developed a two-hour program called “The Cost of an Hour of Labor” that walks second-year apprentices through what it costs a contractor per hour to put a plumbing and pipe fitting employee in the field.

“I suggested that when we teach that class, we do a Part 1 on the cost of an hour of labor and combine it with an apprentice finance class. Everyone thought that was a great idea,” so Kommers began looking for materials. The Port of Seattle “Port Jobs” Program had developed a very practical, well-done workbook and “train-the-trainer” guide Kommers liked. Mark Breslin, president of Breslin Strategies, Inc. in Alamo, California and frequent speaker and author on apprenticeship programs, also has published a good workbook and other materials. Kommers and his staff used those materials and came up with some basic materials—like having

Ed Kommer teaches a group of fifth-year plumbing and pipefitting apprentices.
apprentices clip automobile ads from newspapers, choose a car they’d like to buy someday and discuss financing.

Last year’s financial education section of the contracting basics pilot “was just a couple of hours going over personal budgets, going through the workbooks and talking about what it costs when you buy a vehicle, what the financing costs are, and how to prepare your financial statement to be prepared to buy a home someday.

“We got some good feedback about what worked and what didn’t,” he said. And the apprentices themselves said they found the session valuable.

That pilot convinced Kommers that apprentices would benefit from at least a few hours of formal education about personal budgeting, financing vehicles and saving—topics many apprentices didn’t grow up talking about around the family dinner table. Conversations with apprentice coordinators and people in the field, union and in businesses reinforced that belief.

After he has worked out best practices, materials and activities, Kommers plans to schedule a train-the-trainer session, probably next fall. Then apprenticeship instructors can introduce an activities-based financial education piece at all four training centers during the 2014-15 programs. For now, he envisions it being for second-year apprentices, who have survived their probationary period and shown a commitment to continuing their training.

Kommers foresees the education likely will be a foundation for MCAWW to build on later. “What I found in the pilot and was echoed in some of the materials is that buying a home is a bit of a stretch. They don’t relate as well to that. They realize they want to have a home, perhaps, but it’s not as immediate as credit cards and autos.” The class will touch on the need to prepare a personal financial statement so that when the time comes to buy a home, the apprentice will be ready.

Eventually, he’d like to see the program expanded, with a short financial education module becoming part of the curriculum each year of the apprenticeship program.

“I think it’s worth an investment to fill in the gaps. We know how to teach them plumbing and pipe fitting . . . but financial and personal health are two things we need to take an interest in because our employees are such long-term industry people. I think a module every year (of the apprentice program) is appropriate.”

During financial education focus group sessions with apprentice program coordinators at the 59th Annual Employee Benefits Conference last fall, “we were asked if we should even be talking about financial literacy with our apprentices in the plumbing and pipe fitting industry. I’ve thought a lot about it. I keep coming back to yes, I think it is. It’s unfortunate that it is a deficiency, but this is a lifelong industry for most of us. I had the privilege of owning a company that has third- and fourth-generation plumbers and pipe fitters. People don’t exit the industry. An investment in their financial literacy is the same as an investment in their health.”

Kommers added: “A member of our association board of education that manages the MCAWW white-collar training center said that we shouldn’t limit this to our apprentices, that we have the same concerns with our project managers.”

by | Chris Vogel, CEBS | chrisv@ifebp.org