



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 \$224 billion as of year-end 2014, accounting for 7.7 percent of the total \$2.9 trillion invested in the U.S. economy by foreign companies. German businesses have created approximately **620,000 jobs** in the United States.

German companies have identified job skills as a key challenge to their success in the U.S.



Photo courtesy dpa/Nestor Bachmann

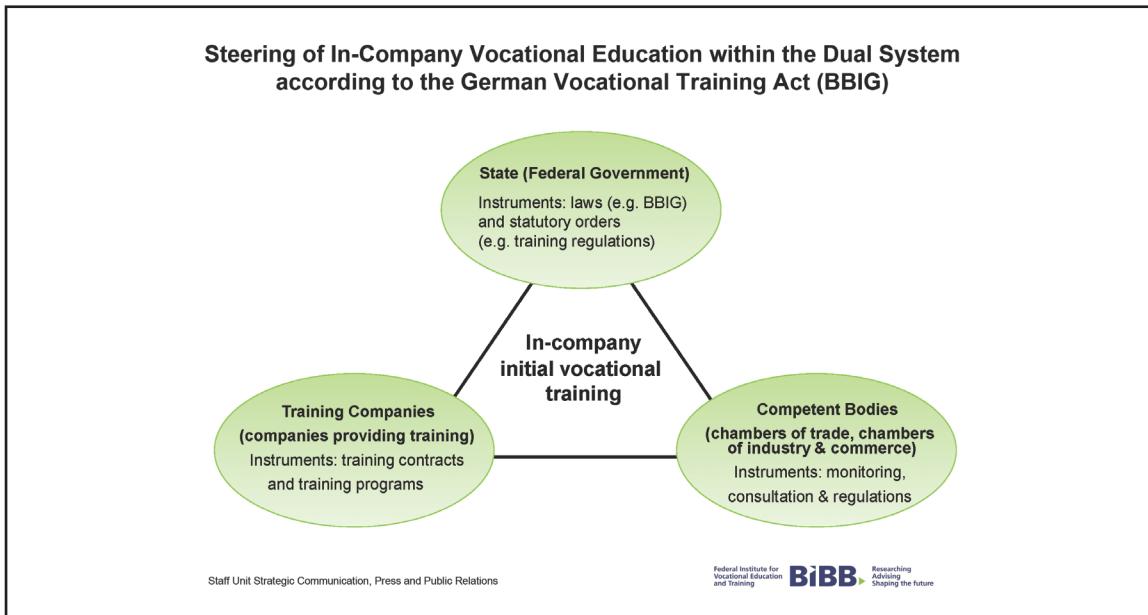


The German Embassy started its **Skills Initiative** to identify and share information about best practices in sustainable workforce development, in cooperation with German companies investing in the U.S.

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.

For more information, please visit
www.Germany.info/skillsinitiative

The German Vocational Education and Training System



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



Ambassador Peter Wittig:

"There is great potential for German-American cooperation in workforce skills development. The Skills Initiative allows us to tap this potential by spreading best practices and scaling up successful approaches. Quality education combined with professional training creates the basis for new ideas, creativity, and innovation, which allow our businesses to succeed in today's global markets."

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.: 11%)
- Low youth unemployment rate (GER: 7.8% vs. EU: 22.8% and U.S.: 16.3%)
- Private contribution eases the burden on public budgets

Supported by:

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