

The Hiring Budget Benefits of Apprenticeships

Apprenticeships provide a clear hiring budget advantage for employers, particularly when compared with hiring non-apprentice talent into entry-level roles, while also contributing to workforce structure and skills development.

A Fair Comparison: Apprentices vs Non-Apprentices

When comparing a first-year apprentice with a non-apprentice aged 18–20, the cost difference is significant:

- ✓ A first-year apprentice paid the starting rate of £8.00 per hour costs approximately £15,600 per year
- ✓ A non-apprentice aged 18–20 paid £10.85 per hour costs approximately £21,157.50 per year

That's a saving of £5,557.50 per employee per year, while still developing role-specific capability within the business.

Even Greater Savings Compared to National Living Wage

The cost gap is even greater when comparing apprentices and non-apprentices paid at National Living Wage:

- ✓ A first-year apprentice at £8.00 per hour costs around £15,600 per year, with no Employer National Insurance
- ✓ A non-apprentice aged 21+ paid £12.71 per hour costs around £27,752 per year once Employer NI is included

This represents a saving of approximately £12,152 per year for a single role.

Reducing Cost Without Reducing Capability

These savings don't come from cutting corners—they come from building skills progressively and purposefully. Apprentices are trained within their role, contributing to the business while developing capability tailored to your systems and processes.

For employers under pressure to manage costs while maintaining productivity, apprenticeships provide a way to:

- ✓ Add capacity without inflating wage bills
- ✓ Invest in skills rather than repeated recruitment
- ✓ Create sustainable entry-level pathways that support long-term growth

When combined with the ability to rebalance workloads and free up senior staff, the financial case for apprenticeships becomes as compelling as the skills case.