

Dual vocational education and training: Costs & benefits

VET in
Germany



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German Office for international Cooperation in
Vocational Education and Training



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1. Funding of the German dual system

- a) Why do companies provide training?
- b) How do employers calculate costs?
- c) Who pays for which costs?
- d) How are the costs distributed?



1. a) Why do companies provide training?

”

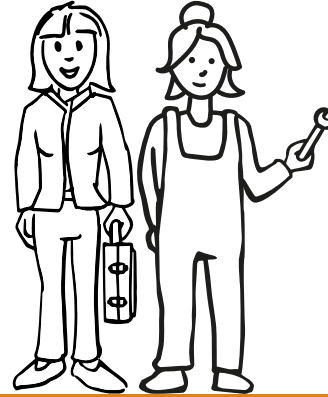
...I want employees to perform their tasks and duties professionally – now and in the future.

”

...the financial benefits convince me.

”

...ich die soziale Verantwortung dazu trage.



I would like to offer training because...

”

...I require loyal employees.

”

...I save on onboarding and retraining costs.

”

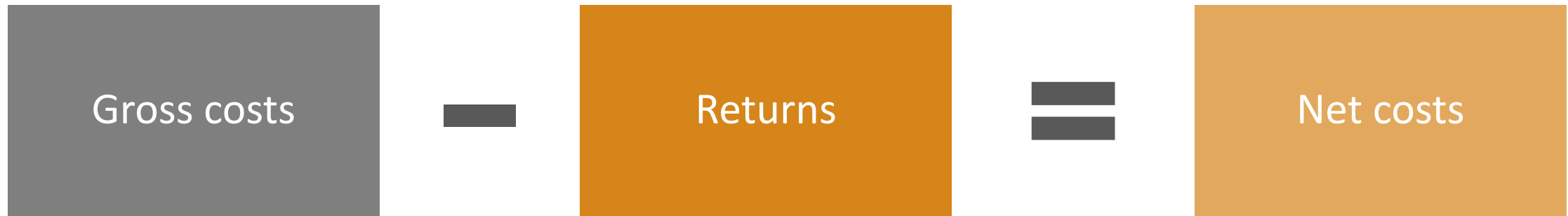
...I value the productive and innovative contribution of young employees.

”

...Investing in training pays off in the long term.



1.b) How do employers calculate costs?



1. c) Who pays which costs?

Two learning locations – shared responsibilities



Training in the work process

Legal basis: Training contract

- ▶ Company puts in place the requirements for on-the-job training (training personnel, training workshop...)
- ▶ Company pays training allowance to trainees
- ▶ **The company pays for this**

Teaching in the vocational school

Legal basis: Educational laws of the federal states

- ▶ Cities and municipalities fund the vocational schools (buildings, teachers, teaching materials)
- ▶ The teaching is free for the trainees.
- ▶ **The government pays for this**





1. d) How are the costs distributed?

Company



- ▶ **18.9%** (= 396,800) of German companies provide training. The majority are small and medium-sized enterprises
- ▶ **The economy provides €9.7 bn for vocational education and training** (this is total net costs for the 2022/23 training year)
- ▶ Businesses train more than **475,000** new trainees each year, **79%** of which they take on.

- ▶ They invest around **€26,210 per trainee per year** (45% of which is training remuneration)
- ▶ **69%** of the funding invested is recouped through the productive contributions of trainees during the training. (2022/23 training year)



Trainees

- ▶ **receive** an average training remuneration of approx. **€1,209 (gross) per month** (2025)
- ▶ attend vocational school **free of charge**



Government

- **Public expenditure** on dual vocational education and training in 2023: **approx. €4.403 bn**
 - €3.497 bn on 1,550 vocational schools
 - €0.906 bn on management, monitoring and support measures

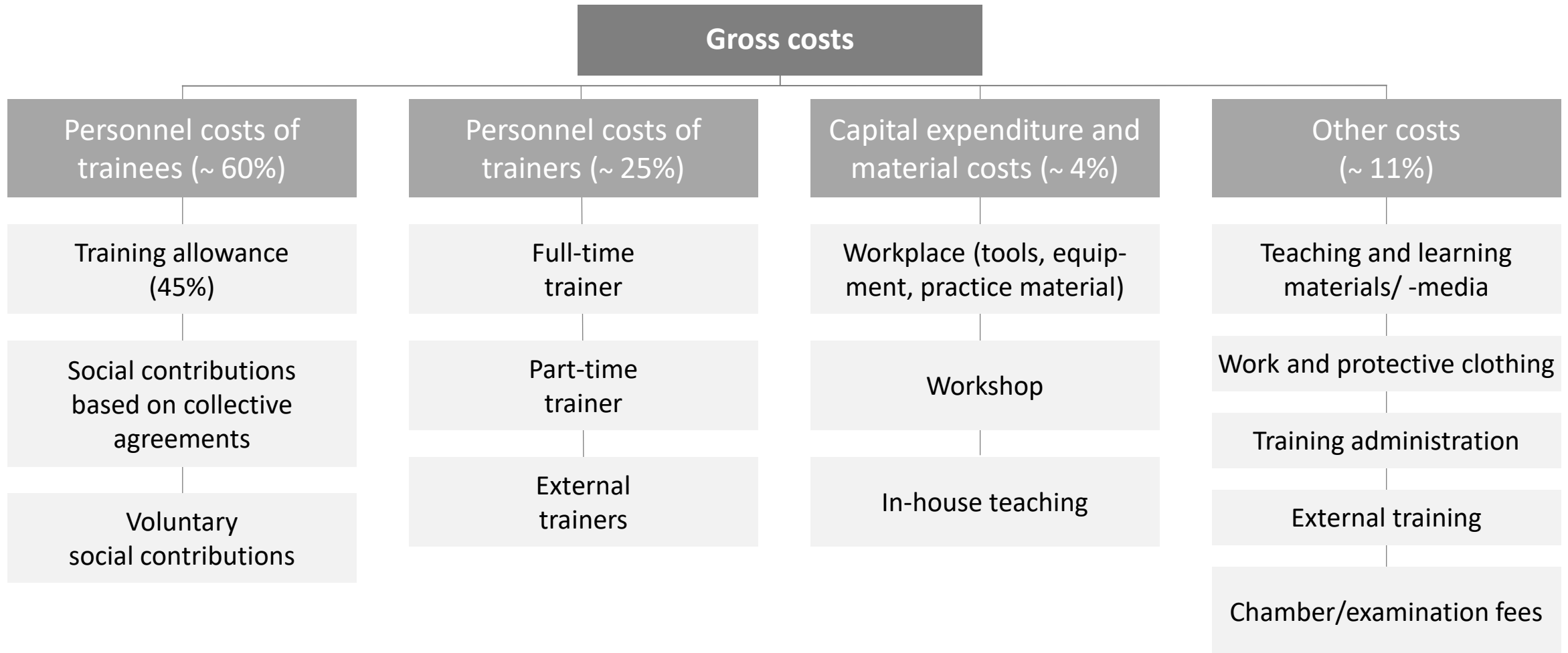


2. Types of cost and return at a glance

- a) What gross costs are incurred by trainees?
- b) Where do the returns come from?



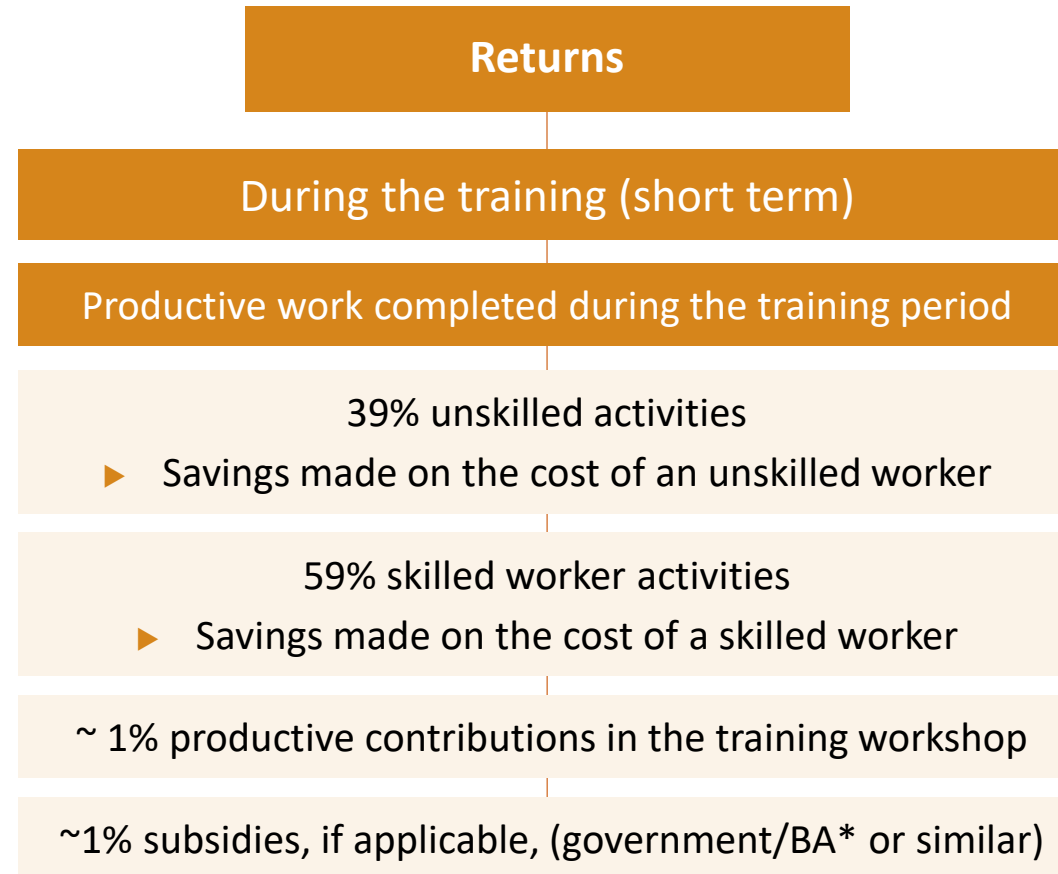
2. a) What gross costs are incurred by trainees?



Sources: BIBB Data Report to accompany the Report on Vocational Education and Training (2026), BIBB Report 2/2025



2. b) Where do the returns come from?



* European Social Fund, Bundesagentur für Arbeit (Federal Employment Agency)

Sources: BIBB Data Report to accompany the Report on Vocational Education and Training (2026), BIBB Report 2/2025





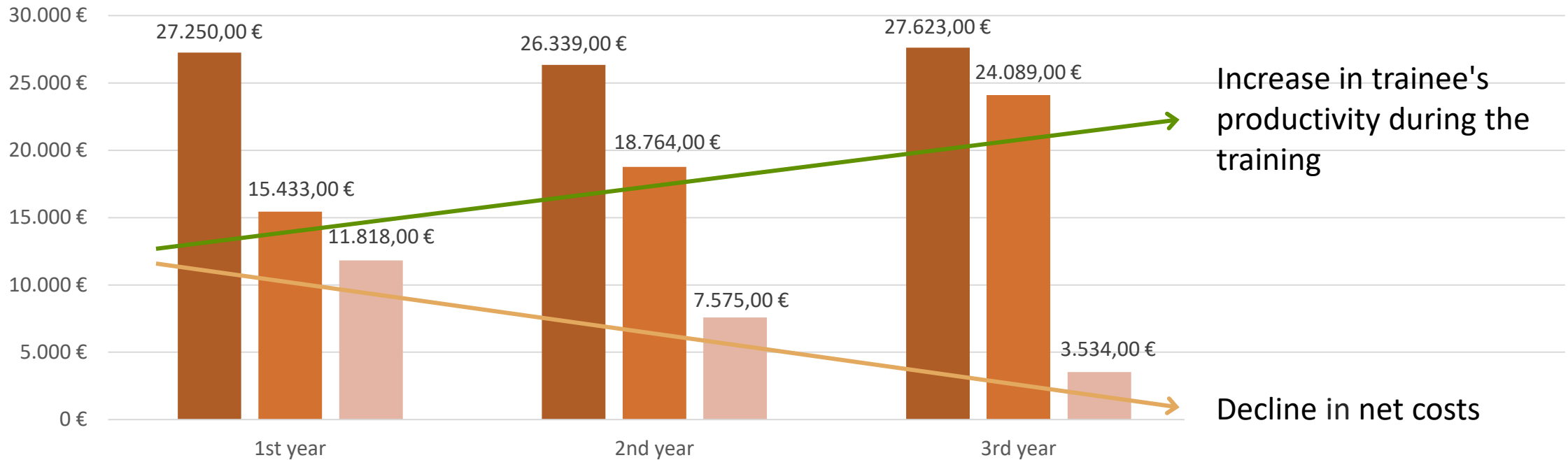
3. What does training cost? What are the benefit aspects?

- a) What is the average cost of a three-year training course?
- b) What is the yearly cost of a training position?
- c) What are the long-term benefits?



3. a) What does the training cost?

Change in costs by training year over a three-year training course*



▶ **€22.927 = total average net costs**
*Information per trainee for the 2022/23 training year

Sources: BIBB Data Report to accompany the Report on Vocational Education and Training (2026), BIBB Report 2/2025



3. b) What does a trainer cost each year?

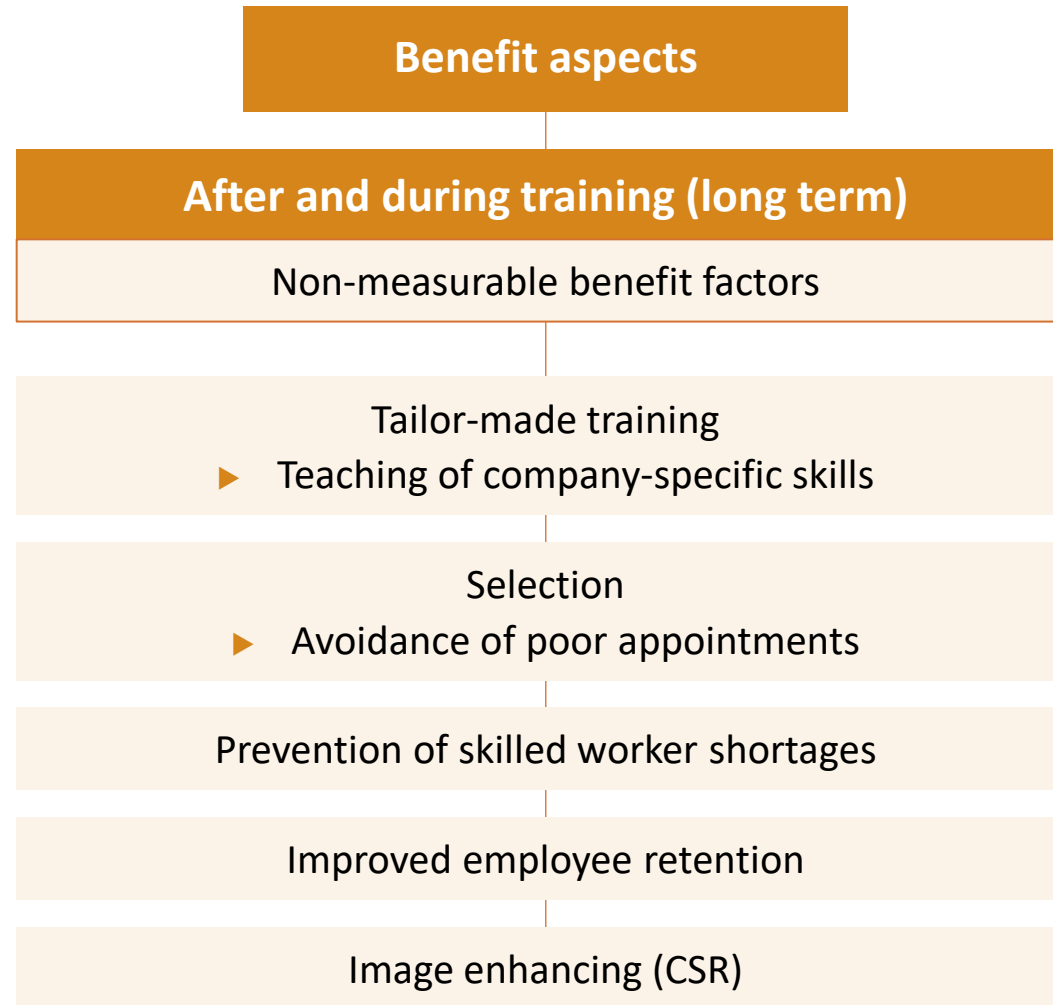
Occupation	Gross costs	Returns	Net costs	Duration of training in years
Average	€26,210	€18,124	€8,086	2–3.5
Information technology specialist	€29,732	€ 2,024	€7,707	3
Motor vehicle mechatronics technician	€19,597	€13,326	€6,217	3.5
Forwarding and logistics clerk	€24,847	€19,456	€5,391	3
Specialist food salesperson	€26,730	€17,966	€8.764	3
Specialist in hotel business	€21,639	€22.119	- €429	3
Painter and varnisher	€24,449	€16,983	€7,466	3

► **69%** of the funding invested is recouped through the productive contributions of trainees during the training.

Source: BIBB Survey 2022/23



3. c) What are the benefit aspects?



4. Is recruiting a new worker cheaper than training?

- a) What costs are incurred when recruiting new skilled workers?
- b) What does it cost to recruit a new worker?



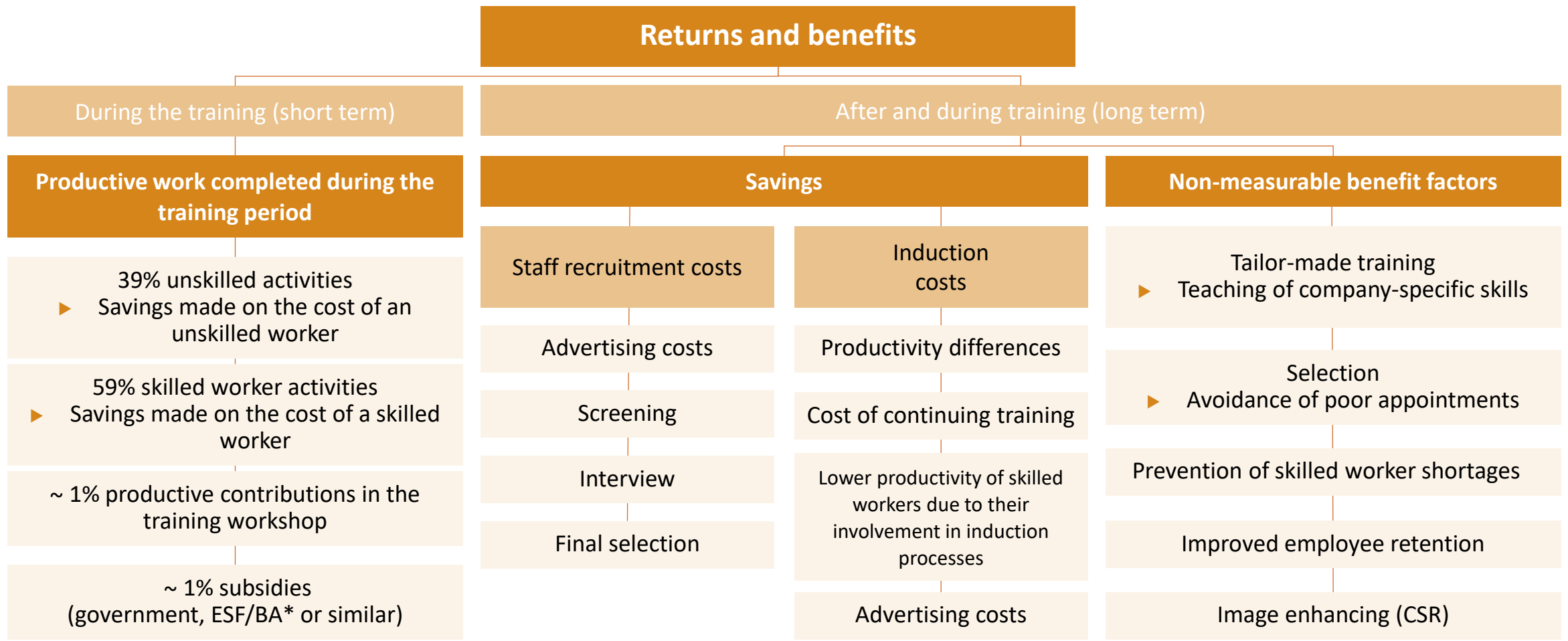
5. Vocational training in the dual system – a worthwhile model

- a) Returns and benefits at a glance
- b) Weighing up the costs and benefits.
- c) Summary of benefit aspects for the business
- d) Social and economic aspects





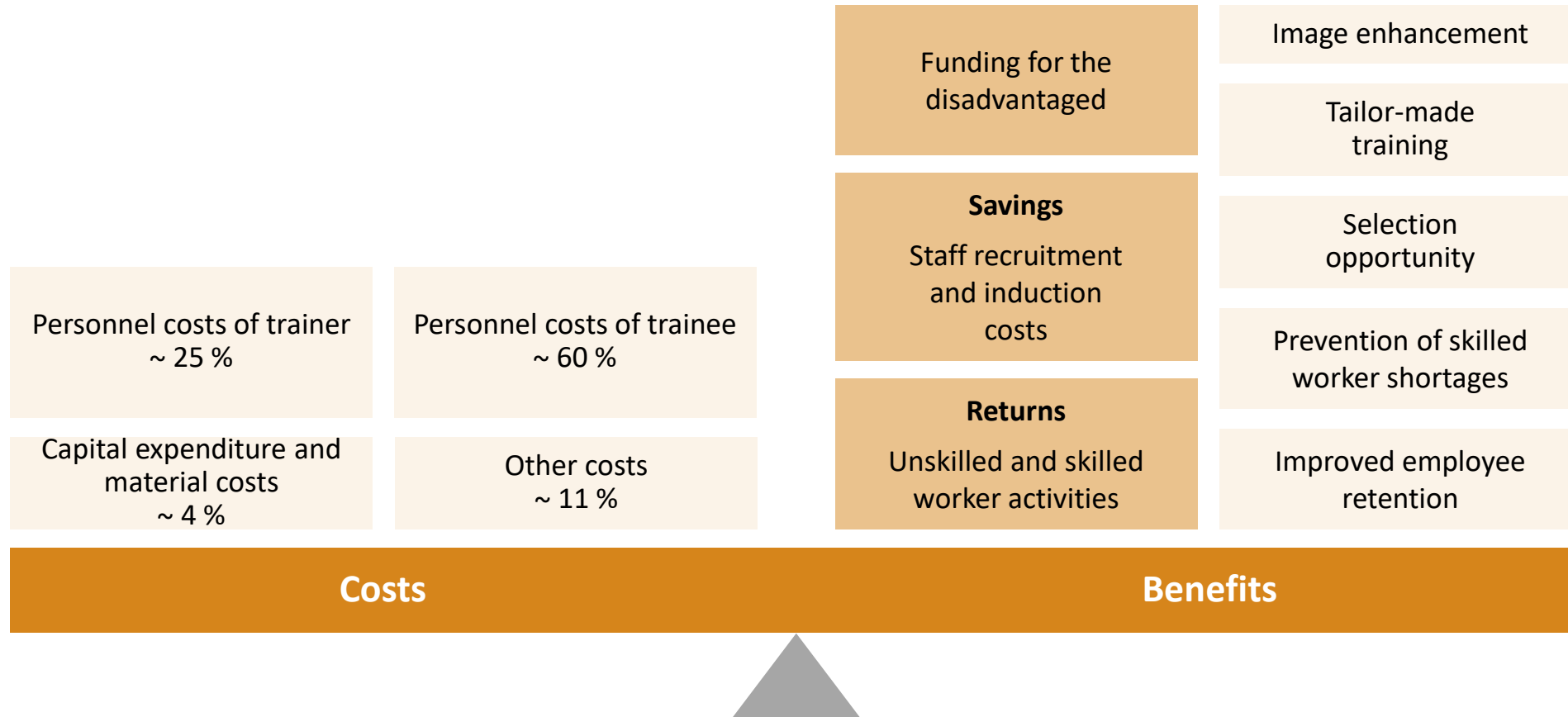
5. a) Returns and benefits at a glance



* European Social Fund, Bundesagentur für Arbeit (Federal Employment Agency)
Sources: BIBB Data Report to accompany the Report on Vocational Education and Training (2026), BIBB Report 2/2025



5. b) Weighing up the costs and benefits.



5. c) Summary of benefit aspects

Long-term saving effects

Tailor-made
know-how

Future-proofing



Loyalty to business

Greater flexibility with
vacancies

Image enhancement

Innovative strength



5. d) Social and economic aspects

Professionalisation – qualifications for VET personnel

- ▶ Easier for young people to transition from the education system into the world of work compared to skilled workers with academic training (dependent on the labour market situation)
- ▶ Contribution to social stability as a result of low (youth) unemployment
- ▶ Large pool of qualified skilled workers
- ▶ High flexibility and mobility of skilled workers as a result of high level of qualification and standards which apply throughout Germany
- ▶ Strong productivity growth as a result of qualified skilled workers
- ▶ Increase in economic competitiveness of a country
- ▶ High level of social acceptance of vocational education and training





Appendix: Special provision in the construction sector

VET levy

**All companies
in the construction sector pay**

1.9%

of the gross salary amount
into a training fund, regardless of whether they provide
training or not

**Training companies
are reimbursed:**

- ▶ Majority of the cost of training in-house or in inter-company vocational training centres.
- ▶ Costs covered in commercial or technical occupations e.g.:
 - for 10 months in year 1
 - for 4 or 6 months in year 2
 - for 1 month in year 3
 - in line with increasing productivity

* Reimbursement of training remuneration and social welfare costs, Source: SOKA-BAU



Further information

This presentation, further presentations and information on German vocational education and training and international VET cooperation are all available on our website at:

www.govet.international/en

Sources

- ▶ BIBB Data Report ([link](#))
- ▶ BIBB Report 2/2025 ([link](#))
- ▶ VET Report BMBFSFJ ([link](#))
- ▶ KMK ([link](#))
- ▶ BMFTR Data Portal ([link](#))
- ▶ Destatis statistics on VET ([link](#))



GOVET at BIBB



Friedrich-Ebert-Allee 114-116
53175 Bonn, Germany



govet@bibb.de



+49 228 107 1818



www.govet.international