Imagine a teenager advising a hedge fund client or running a retail phone store. It may sound like a class project, but at Credit Suisse and Swisscom, up to 800 teens take on responsibilities like these throughout their three-year apprenticeship at each company.

In Switzerland, small and large companies, state of the art factories and insurance agencies, banks, hospitals, and retail stores host apprentices who greet customers, work on complex machines, carry out basic medical procedures, and even advise investors—in short, they do everything an entry level employee would do, albeit under the wings of credentialed teachers within the company. Percentages of “educational” employees are similar in the 30% of Swiss companies that participate in the vocational education system.

Seventy percent of teenagers in Switzerland spend their week moving between a workplace, a sector organization, and school. They’re paid a monthly starting wage of around $800, rising to around $1,000 by the time they are in their third year. The work they do returns the cost of training and a bit more to their employer, according to the studies of Stefan Wolter, Managing Director of the Swiss Coordination Centre for Research in Education and a Professor of Economics at the University of Bern. In return, the Swiss have a “talent pipeline of young professionals,” how fledging bankers actually refer to themselves at Credit Suisse.

Using Swiss quarterly data, the youth unemployment rate is little more than 3% (pdf, in French), among the lowest in the 34 OECD countries.

Contrast this picture with the US: youth unemployment was 16.3% in July and saw its highest rate since the WWII in 2010 (pdf), according to Andrew Sum of the Center for Labor Market Research at Northeastern University. This summer, only 20% of teens whose families earn less than $20,000 worked, while about 40% whose families earned $100,000 or above had jobs. Indeed, Sum tells us that you are least likely to have a job between ages 16 and 19 if you are poor than if your family earns over $120,000 per year. The sad truth in the US is that you can’t get a job unless you have experience and you can’t get experience without a job. But the US has no system for helping teenagers learn to work.

Here’s how the Swiss upper secondary education system works:

At 16, the majority of young people enter the vocational upper secondary system. (In most developed countries, compulsory school ends at 15, and students enter either academic or vocational programs—the latter are like a combo of high school and community college.) The primary component of the Swiss system is the workplace; students sign a contract with an employer at age 15 or 16. The second component is a sectoral organization. The banking sector’s organization is the Center for Young Professionals (CYP), where students receive industry orientation and some technical training, is funded by the Swiss banking industry. The
third component is school, where 16 to 19 year olds generally study languages, mathematics, history, ethics, and law.

Today, the knowledge economy demands that young people who are interested in white-collar jobs in high growth areas such as health care, tourism, and technology as well as those choosing older trades like plumbing, electrical work, and auto mechanics need sophisticated skills. The recognition of this reality has put a spotlight on vocational education and training (VET)—as it is called in Europe, or career and technical education (CTE)—as it is known in the US. The OECD has carried out three multi-country studies on the topic all concluding that when implemented well, vocational education is the preferred strategy for transitioning young people smoothly into the labor market.

Although Germany is more widely known for its apprenticeship system, Switzerland arguably has the best so-called “dual system” in the world. Students can move between academic and VET systems, and can chose among six postsecondary occupational fields (technical, business, design, commercial, natural sciences, and health and social work) after completing their upper secondary training. The German system has fewer options for advanced degrees, and many fewer vocational students earn higher degrees. Both systems have curricula and national qualifications designed by the social partners (trade associations, companies, and training organizations) and the state invests substantially in research, evaluation, and quality control.

Interest in this approach is growing in the US, and career pathway initiatives are supported by the US Department of Education, national and regional organizations, and foundations. I co-lead the Pathways to Prosperity Network with Robert Schwartz, a collaboration between the Harvard Graduate School of Education, Jobs for the Future (my organization), and eight states focused on ensuring that many more young people complete high school and attain a postsecondary credential. With a goal of making closer links between labor market needs and the education of young people, the Network is inspired in part by the best of European vocational education systems. The greatest challenge is to gain employer buy-in.

Switzerland, unlike many dual-system countries, provides no special incentives to companies to participate. Companies benefit financially from the work of apprentices, value the privilege of employing young people they already know, and see training the next generation as part of their mission. With an upper secondary completion rate above 90% and a goal of moving the needle even further, Switzerland’s success is attributed by Swiss researchers to VET programs “[that] closely match the needs of the labor market, both in terms of professional qualifications and the number of available jobs,” according to a 2009 report from Federal Office for Professional Education and Technology. A vocational credential can land you in upper level management or at “Switzerland’s MIT,” the University of Applied Sciences. As the Swiss say, and as the VET system confirms: there are no dead ends.