

ASTD 2003 State of the Industry Report Executive Summary

U.S. Data

- **Expenditure as a percentage of payroll** was up in Benchmarking Service organizations (from 1.9 percent in 2001 to 2.2 percent in 2002) and Training Investment Leaders (from 3.6 percent in 2001 to 4.1 percent in 2002), but was down in Benchmarking Forum organizations (from 2.8 percent in 2001 to 1.8 percent in 2002).
- **Spending per employee** was up in Benchmarking Service organizations (from \$734 in 2001 to \$826 in 2002), but was down in Training Investment Leaders and Benchmarking Forum organizations.
- **Training hours per employee** increased in all three groups of organizations (from 24 in 2001 to 28 in 2002 in Benchmarking Service organizations, and from 57 to 62 in 2002 in Training Investment Leaders).
- Training Investment Leaders increased their **average outside payments** for training services from 22 percent of expenditure in 2001 to 28 percent in 2002, but Benchmarking Forum organizations reduced their outside payments from 32 percent in 2001 to 26 percent in 2002; Benchmarking Service organizations' outside payments were about the same as in 2001 (22 percent of expenditure).
- All three groups of organizations decreased the **percentage of expenditure that went to salaries** in 2002 (from 50 percent of expenditure in 2001 to 34 percent in 2002 in Benchmarking Service organizations; from 53 percent to 25 percent in Training Investment Leaders; and from 25 percent to 14 percent in Benchmarking Forum organizations).
- The average **number of instructional designers** in Training Investment Leaders and Benchmarking Forum organizations decreased dramatically in 2002, from an average of 52 in 2001 to 14 in 2002 in Training Investment Leaders; and from an average of 76 in 2001 to an average of 20 in 2002 in Benchmarking Forum organizations.
- The average **number of performance consultants** in Benchmarking Service organizations increased from 3 in 2001 to 10 in 2002, which is only 2 less than the average number of instructional designers in Benchmarking Service organizations in 2002.
- **Spending on learning technologies** decreased in Benchmarking Service organizations in 2002 (from 5 percent of expenditure in 2001 to 2 percent in 2002), but remained about the same as in 2001 in Training Investment Leaders (4 percent).
- **Delivery via learning technologies** increased in all organizations in 2002 (to 15 percent for Benchmarking Service organizations, 29 percent for Training Investment Leaders, and 25 percent for Benchmarking Forum organizations), and is projected to increase more in 2003 (to 19 percent for Benchmarking Service organizations, 31 percent for Training

Investment Leaders, and 28 percent for Benchmarking Forum organizations).

- In Benchmarking Service organizations, a larger percentage of technology-delivered training was delivered in stand-alone mode via **CD-ROM** (47 percent) than was delivered **online in a networked environment** (32 percent). In Benchmarking Forum organizations, 74 percent of technology-delivered training was online.
- The **employee groups** receiving the largest percentage of training expenditure in 2002 were customer service and production employees, with 17 percent of spending in both Benchmarking Service organizations and Training Investment Leaders going to customer service employees.
- There was little change in the distribution of **content-related expenditure** from 2001 to 2002 in Benchmarking Service organizations and Training Investment Leaders. The content areas receiving the highest percentage of content-related expenditure in BMS organizations and TILs in 2002 were technical processes and procedures, managerial/supervisory and information technology.
- The content areas receiving the lowest percentage of **content-related expenditure** in Benchmarking Service organizations and Training Investment Leaders in 2002 were basic skills and executive development.
- The percentage of organizations doing **Level 2, 3, and 4 evaluations** in 2002 was higher than in 2001.
- **Revenues and overall profitability** were positively correlated with training expenditure in Benchmarking Service organizations in 2002.

International Comparisons

- In 2002, the average **percentage of employees trained** ranged from 59 percent in Japanese organizations to 90 percent in organizations in Africa and Australia/New Zealand. Organizations in the U.S. trained an average of 79 percent of employees in 2002.
- As a **percentage of payroll**, organizations in Africa, Asia, and the Middle East were consistently the biggest spenders from 1999 through 2002, and organizations in Japan and the U.S. spent the least. In 2002, African organizations spent an average of 5.9 percent of payroll on training, while U.S. organizations spent an average of 2.2 percent.
- In 2002, the average percentage of training budgets that European organizations spent on **outside services** (44 percent) was double that of U.S. organizations (22 percent).
- In 2002, Japanese organizations were the biggest users of **learning technologies**, delivering 20 percent of training via technology compared to 15 percent in U.S. organizations. Latin American organizations delivered the smallest percentage of training via technology in 2002 (3 percent).