

HIGHLIGHTS **Q2**
2010

- The confidence of learning executives (LXs) further improved in the second quarter of 2010, after rebounding in 2009.
- The overall LXCI for Q2 2010 was 62.0, reaching its highest value to date. This demonstrates that collectively LXs expect their learning functions to improve slightly over the next six months.
- Expectations for outsourcing on external services that aid in the learning function showed minor changes in Q2, with an increasing number of LXs foreseeing a continuation of the status quo or an increase in outsourcing.
- More than seven in ten LXs anticipated WLP funding to increase or remain the same in the next six months, similar to Q1.
- A majority of LXs who anticipated a decrease in their learning expenditures over the next six months predicted an improvement in their organization's WLP expenditure from Q1 2012 onwards.

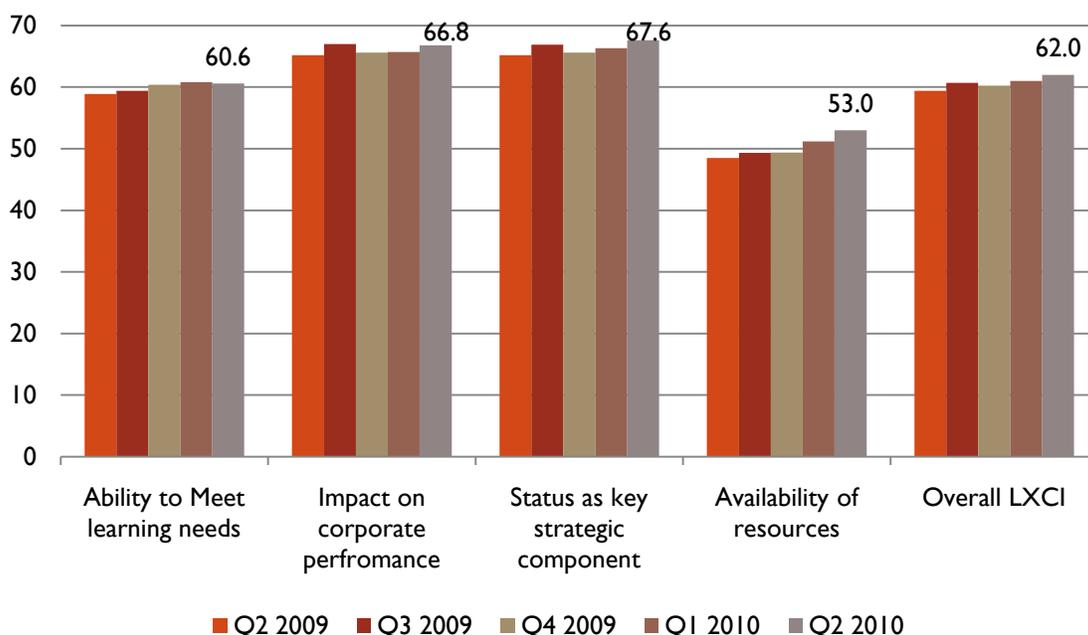


Learning Executives Confidence Index

Learning executives (LXs) revealed slightly improved scores in key indices in the second quarter, suggesting a continued sense of optimism and stabilization in most key areas. After drops at the end of 2008, executive confidence began to improve throughout 2009, continuing into the first and second quarters of 2010. The overall Learning Executives Confidence Index (LXCI) increased 1.0 points in Q2 2010, from 61.0 in Q1 to 62.0, reaching its highest value on record. Outsourcing appears to be on the rise, with 29.0% of LXs reporting that their utilization of external providers would increase, compared to 27.0% in Q1. The effects of the economy continue to be evident among LXs, as a significant majority indicates the current economic conditions will impact the learning function. However, an increasing proportion (15.3%) of LXs indicated the economy will have no impact on the learning function in the next six months.

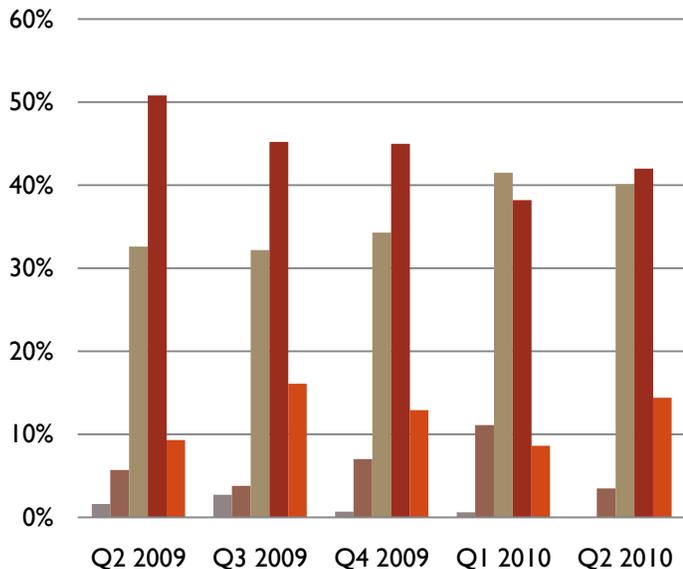
The ASTD LXCI for Q2 2010 was 62.0, compared to 61.0 in Q1 2010, based on responses from 257 LXs to an online invitation-only survey, demonstrating that collectively LXs expect their learning functions to remain the same or marginally improve over the next six months. (For those unfamiliar with the LXCI, a detailed explanation appears at the end of this report). The outlook for LXs organizational performance remained positive in Q2 2010, with 85.6% reporting their industry will remain the same or improve over the next six months, remaining constant from Q1. LXs also reported confidence in their organizations' profit expectations, with 79.0% of LXs anticipating that their organizational profit will remain the same or improve.

Learning Executive Expectations for the Next Six Months

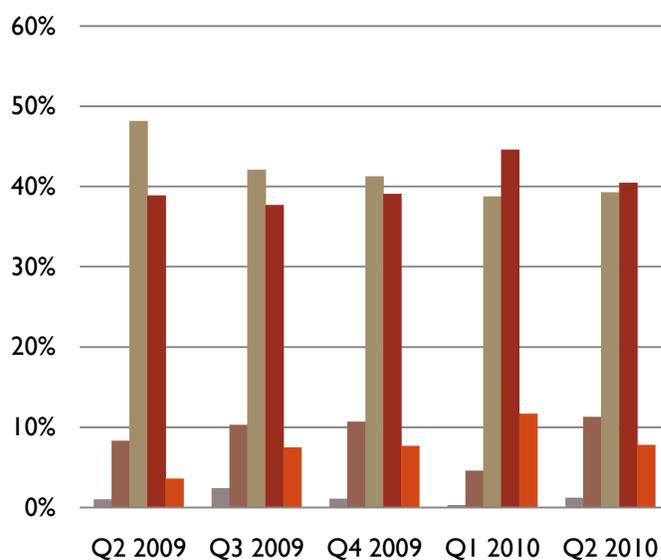




LX Expectations on Impact on Corporate Performance For Next Six Months

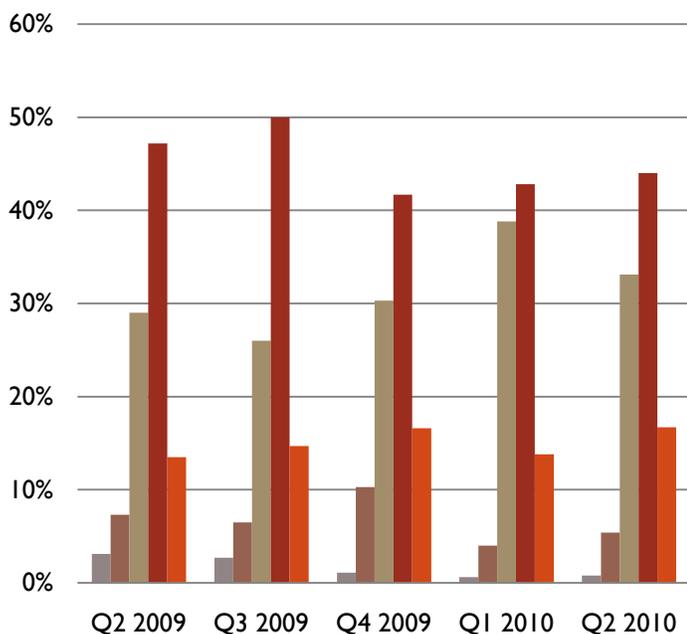


LX Expectations on Ability to Meet Learning Needs For Next Six Months

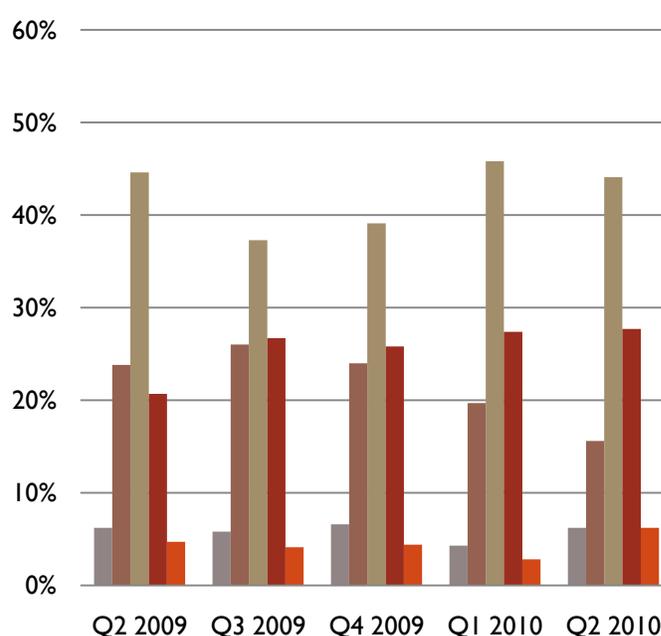


Significantly Worse	Moderately Worse	Same	Moderately Better	Significantly Better
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LX Expectations on Status as a Key Strategic Component Over the Next Six Months



LX Expectations on Availability of Resources for Next Six Months

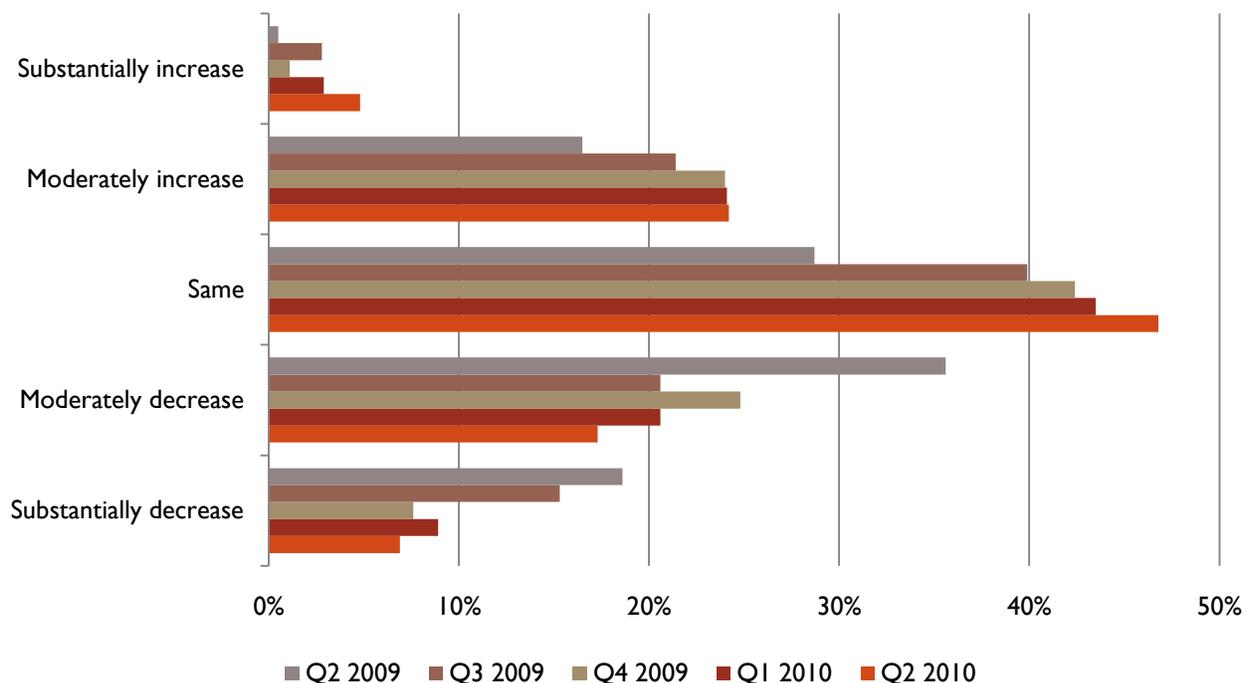




Learning Executive's Expectation of Outsourcing

Most LXs anticipate a similar amount of reliance on outsourced or external services to aid in the learning function compared to the previous quarter; however, an expectation of some increases was also evident. There is a small but steady increase in the number of LXs who anticipate greater financial support for the use of outsourcing or external services to aid the learning function. This was exemplified with 29.0% of LXs in Q2 expecting outsourcing expenditure to increase in the next six months, compared with 27.0% in Q1 2010 and 25.1% in Q4 2009. Conversely, a declining proportion of LXs foresee a reduction in the amount of money being spent on outsourcing. In Q2 2010 it fell to 24.2%, while a year ago the proportion was more than double, at 54.2%. This quarter, 46.8% of LXs expect a similar amount to be spent on outsourcing, a 3.3% increase from Q1. Outsourced or external services include such expenses as consultation services, content development, content and software licenses, and workshops and training programs delivered by external providers.

Outsourcing Expectations for the Next Six Months

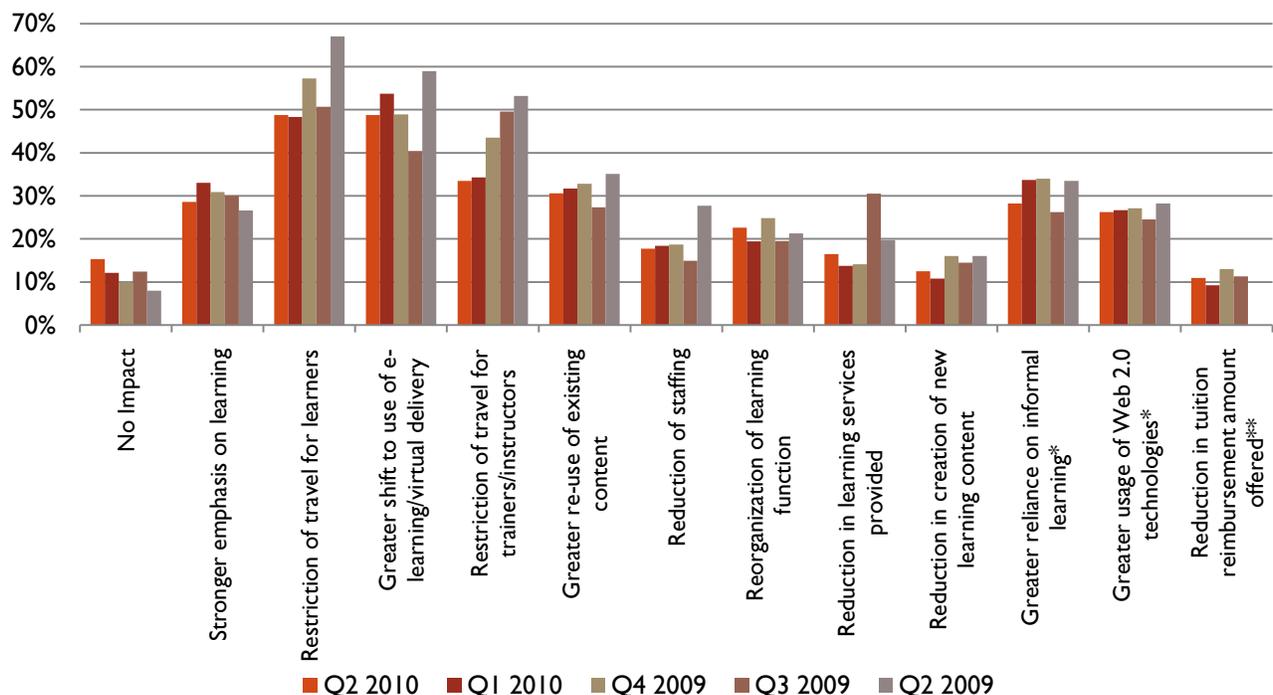




Learning Executives' Expectation of Impact of Economy on Learning

In Q2, 15.3% of LXs reported that the current economic conditions will have no impact on the learning function in the next six months, a slight increase from the previous quarter. Nevertheless, many LXs still anticipate that their learning function will continue to feel the impact of the current economy. Restriction of travel for both learners (48.8%) and trainers/instructors (33.5%) continues to be leading ways in which learning functions will feel the impact; with only subtle changes from the last quarter. Additionally, close to half of the LXs foresee a greater shift in using e-learning/virtual delivery, and more than a quarter predict greater usage of Web 2.0 technologies. Close to three in ten LXs anticipate the current economic situation will lead to a stronger emphasis on learning, however, this is a 4.4% decrease from Q1.

LX Expected Impact of Current Economy on Learning Function in the Next Six Months



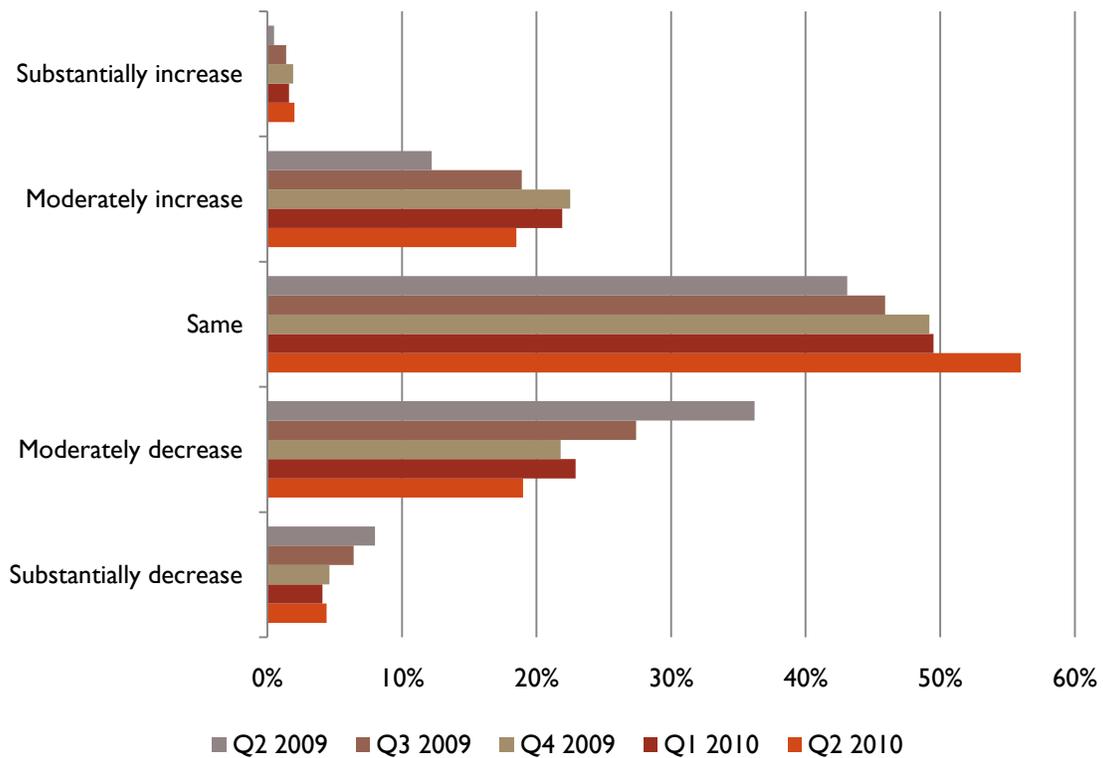
* Option not included until Q2 2009

** Option not included until Q3 2009

Expectation of Workplace Learning & Performance Expenditures

When asked about availability of funds for learning in the next six months, the most popular response from LXs was an expectation that WLP expenditures would stay the same in their organization (56.0%). The percentage of LXs in Q2 who anticipated either increased or decreased funding declined slightly from Q1. In the current quarter, 23.4% expected funding decreases, while 20.5% anticipated funding increases.

Expectations of Workplace Learning & Performance Expenditure over the Next Six Months

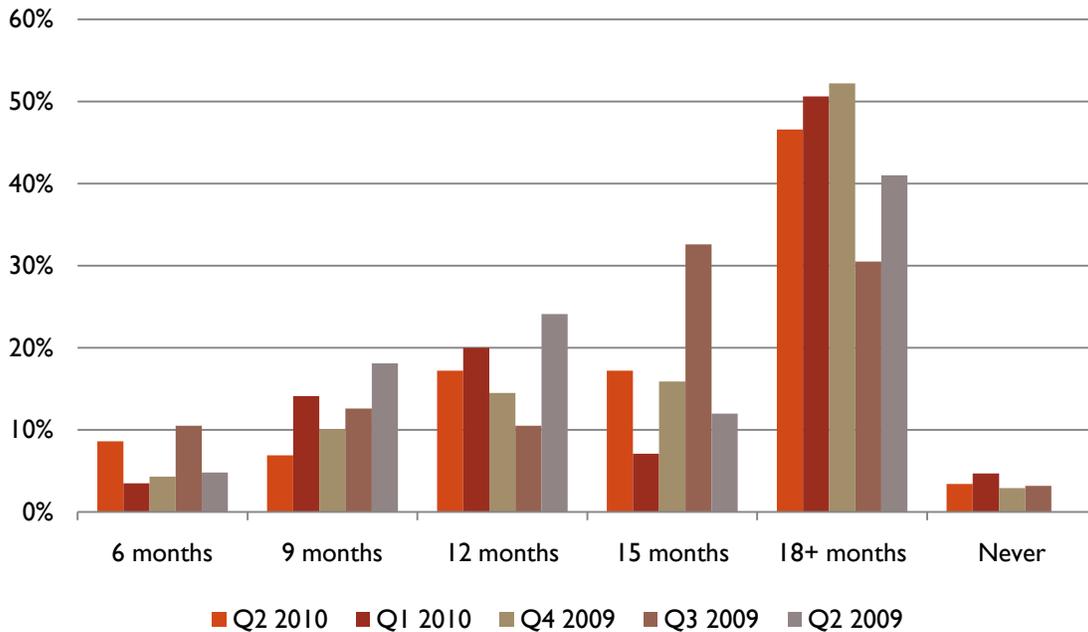


Potential Rebounding of Workplace Learning & Performance Expenditures

(Follow-up question for participants reporting current decreases)

The 23% of LXs who expected a moderate to substantial decrease in workplace learning and performance expenditures were also asked when they thought their funding status would improve. The majority (46.6%) predicted that their learning expenditures will improve from Q1 2012 onwards. LXs also appear to have increasing confidence that their learning expenditures will improve within the next 15 months, suggesting that a mid-term rebound could be in store for half of the organizations. This is a 5.2% increase in LXs who anticipated WLP expenditure to improve in the next 15 months, compared to the last quarter. This quarter, more than double the proportion of LXs expected a short-term rebound, compared to Q1. Close to 10% of LXs forecasted an increase in workplace learning and performance expenditure within the next 6 months.

When Do You Expect Your Organizational WLP Expenditure to Improve?





What is the LXCI?

ASTD has created the ASTD Learning Executive Confidence Index (LXCI) to assess the outlooks and expectations of learning executives for the next six months on a 100-point scale, modeled on the CEO Confidence Indices reported by the *Chief Executive Magazine* and The Conference Board. It provides a snapshot of LX confidence in the future and factors in expectations of their learning function's ability to meet learning needs and to impact corporate productivity, the status of learning as a key strategic component within their organization, and the availability of resources for learning. Those executives with lower scores (0 to 49 on the scale) anticipate that in six months those aspects of their learning function to be moderately or substantially worse than they are today. Those with higher scores (51 to 100 on the scale) expect those aspects of their learning function to be moderately or substantially better. The LXCI has recently shifted from a monthly survey to a quarterly survey, to better encompass the trends of the current market. The quarterly *Learning Executive Confidence Index* is a composite score for all LXs included in the survey and reflects the expectations these senior executives have for learning over the next six months. Higher indices (above 50) reflect a more positive outlook and lower indices are more negative. The ASTD Learning Executive Confidence Index was launched in August 2008 and will be assessed and tracked on a quarterly basis to get a continual and evolving picture of how learning executives anticipate the near future for learning in their organizations.

For more information, visit www.astd.org/content/research.

About ASTD

ASTD (the American Society for Training & Development) is the world's largest professional association dedicated to the training and development field. In more than 100 countries, ASTD members work in organizations of all sizes, in the private and public sectors, as independent consultants, and as suppliers. Members connect locally in 133 U.S. chapters and with 30 international partners. ASTD started in 1943 and in recent years has widened the profession's focus to align learning and performance to organizational results, and is a sought-after voice on critical public policy issues. For more information, visit www.astd.org.