

ASTD Learning Executives Confidence Index (LXCI)

Q3 2009 Report

Highlights

- The confidence of learning executives (LXs) continued to increase in the third quarter of 2009, after significantly rebounding earlier in the year.
- The overall LXCI for Q3 2009 was 60.7, up from Q2 (59.4), demonstrating that collectively LXs expect their learning functions to remain the same over the next six months.
- Each of the four major indices (impact on corporate performance, ability to meet learning needs, availability of resources, and status as a key strategic component) was on the upswing in Q3, with all but one of them reaching their highest value on record.
- A growing number of LXs expect outsourcing on external services that aid in the learning function to increase or remain at comparable levels.
- A majority of LXs who anticipated a decrease in their learning expenditures over the next six months did not predict an improvement in their organization's WLP expenditure until 2011 or later.



Learning Executives Confidence Index

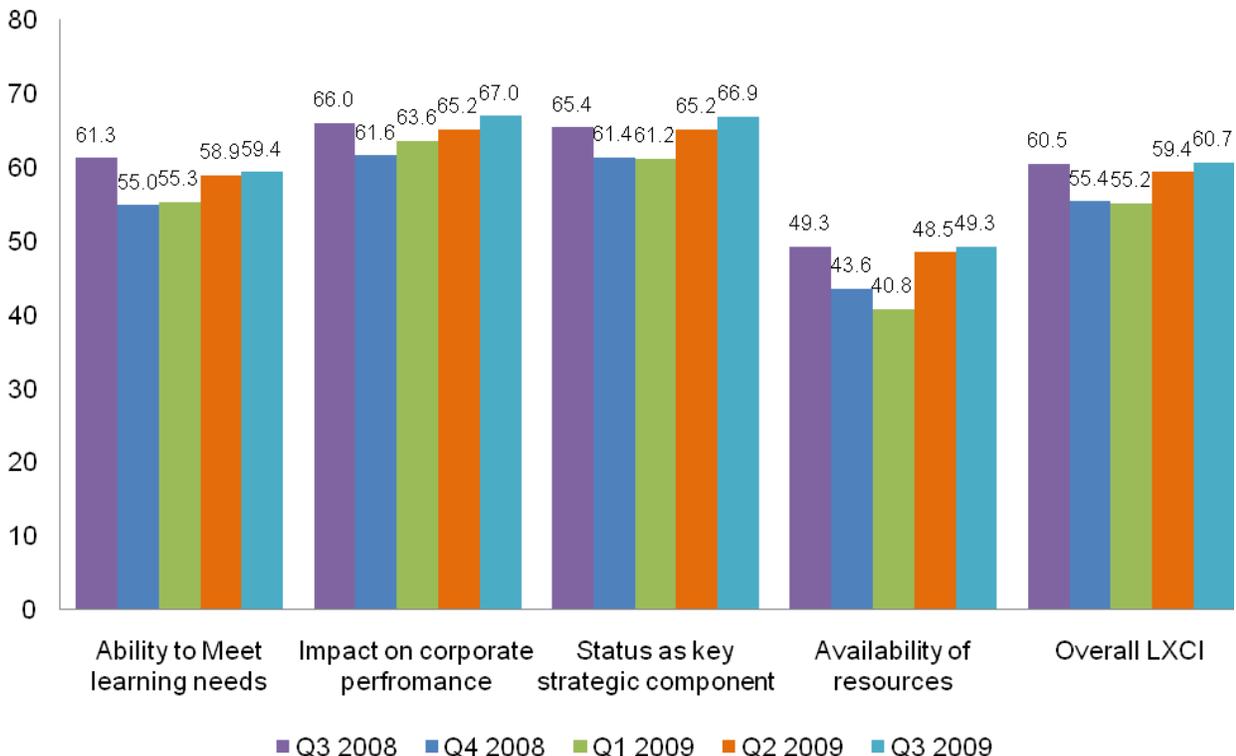
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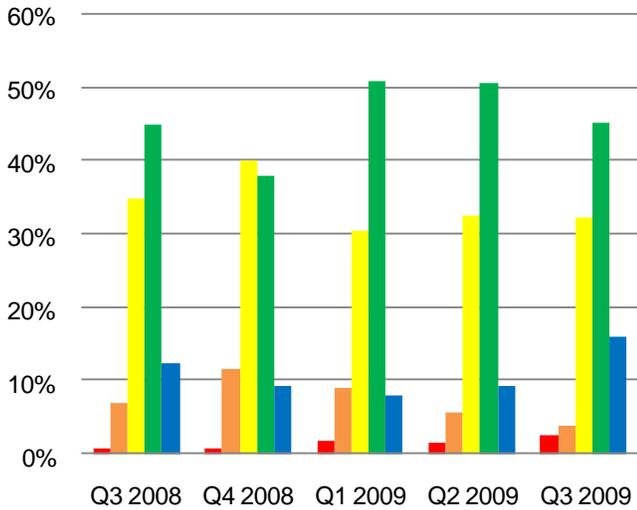
Learning executives (LXs) revealed more optimism in key areas in the third quarter; continuing the sentiment of improved confidence from Q2. After the drops at the end of 2008, executive confidence began to stabilize in Q1 2009, with increases being seen across the board in Q2 2009. In the latest quarter, the positive outlook on the performance of the learning function continued, as confidence levels for most indices reached their highest values on record. The overall Learning Executives Confidence Index (LXCI) increased 1.3 points in Q3, from 59.4 to 60.7. Outsourcing is anticipated to increase, with 24.2% of LXs reporting that their utilization of external providers would increase, compared to 17.0% in Q2 and 12.4% in Q1. Despite the renewed optimism, the effects of the uncertain economy still continue to be evident among LXs, as the majority indicates the current economic conditions will greatly affect the learning function. Conversely, an increasing proportion (12.4%) of LXs indicates the economy will have no impact on the learning function in the next six months.

The ASTD LXCI for Q3 2009 was 60.7, compared to 59.4 in Q2 2009, based on responses from 292 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). In Q3 2009, LXs' forecasts peaked at their highest since the LXCI began in Q3 2008. The outlook for LXs' own organizational performance has also improved, with 77.3% of LXs anticipating that their organization's profits will remain the same or improve, up slightly from 74.5% in Q2 2009.

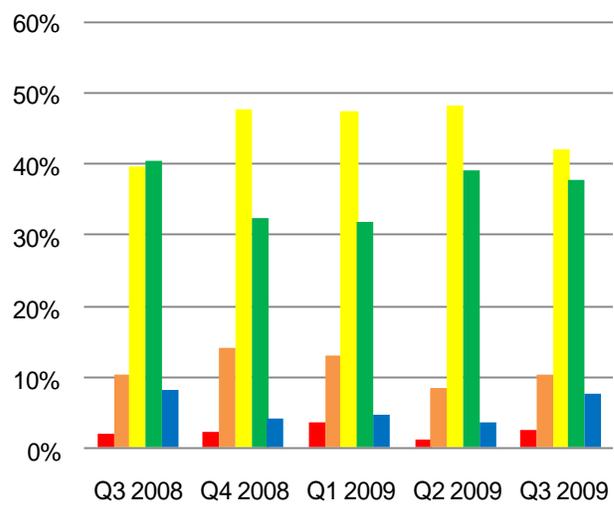
Learning Executive Expectations For Next Six Months



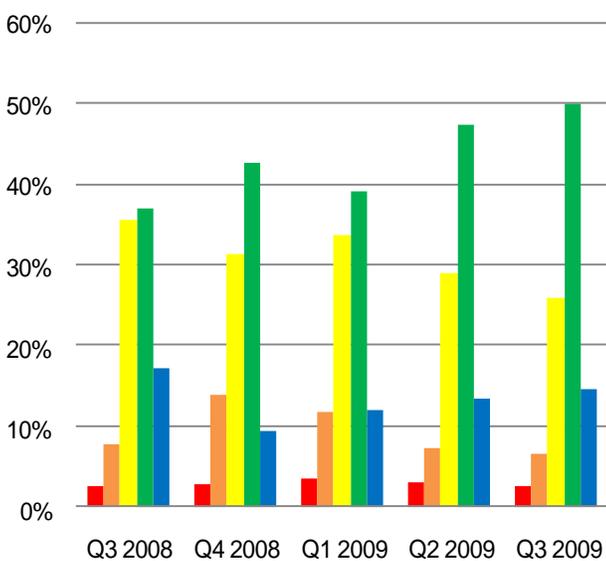
LX Expectations on Impact on Corporate Performance For Next Six Months



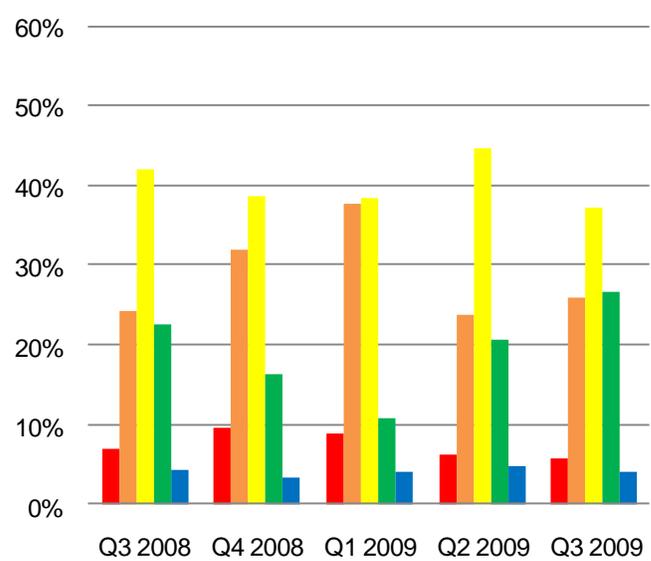
LX Expectations on Ability to Meet Learning Needs For Next Six Months



LX Expectations on Status as a Key Strategic Component Over the Next Six Months



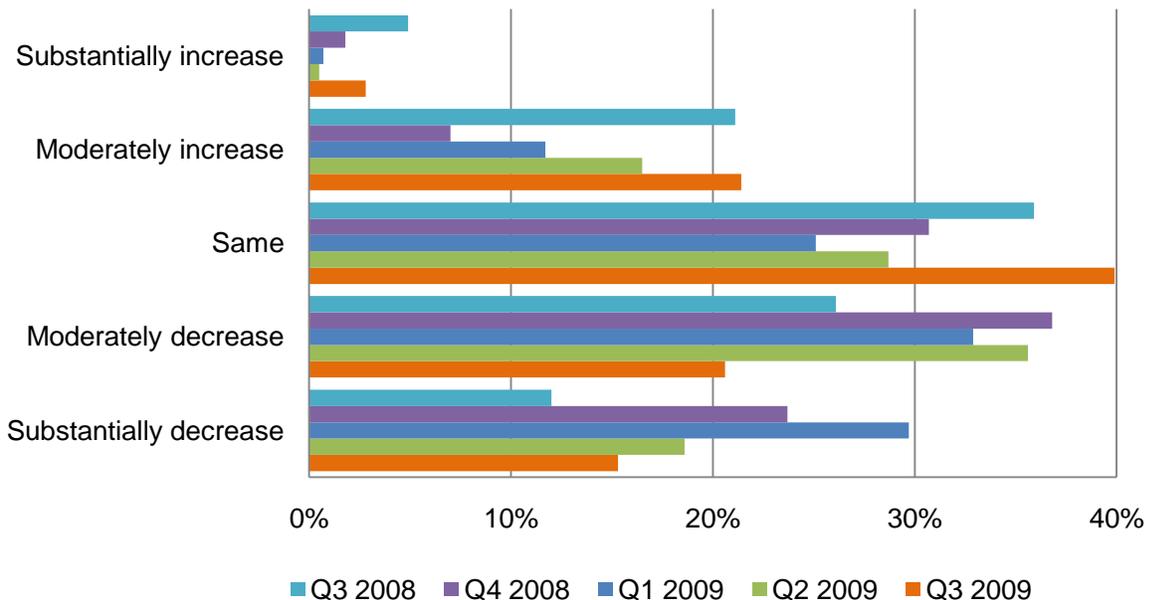
LX Expectations on Availability of Resources for Next Six Months



Learning Executives' 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 two quarters. A significant increase was evident: 39.9% of LXs in Q3 expect a similar amount to be spent on outside vendors, compared with 28.7% in Q2. Many LXs also anticipate greater financial support for the use of outsourcing or external services to aid the learning function. This was exemplified with 24.2% of LXs in Q3 expecting outsourcing expenditure to increase in the next six months, compared with 17.0% in Q2 and 12.4% in Q1. Conversely, the proportion of LXs who foresee the amount of money being spent on outsourcing and external services to decrease reached its lowest value on record, at 38.1%. In contrast, at the beginning of 2009, the percentage anticipating a decrease was 62.6%. 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.

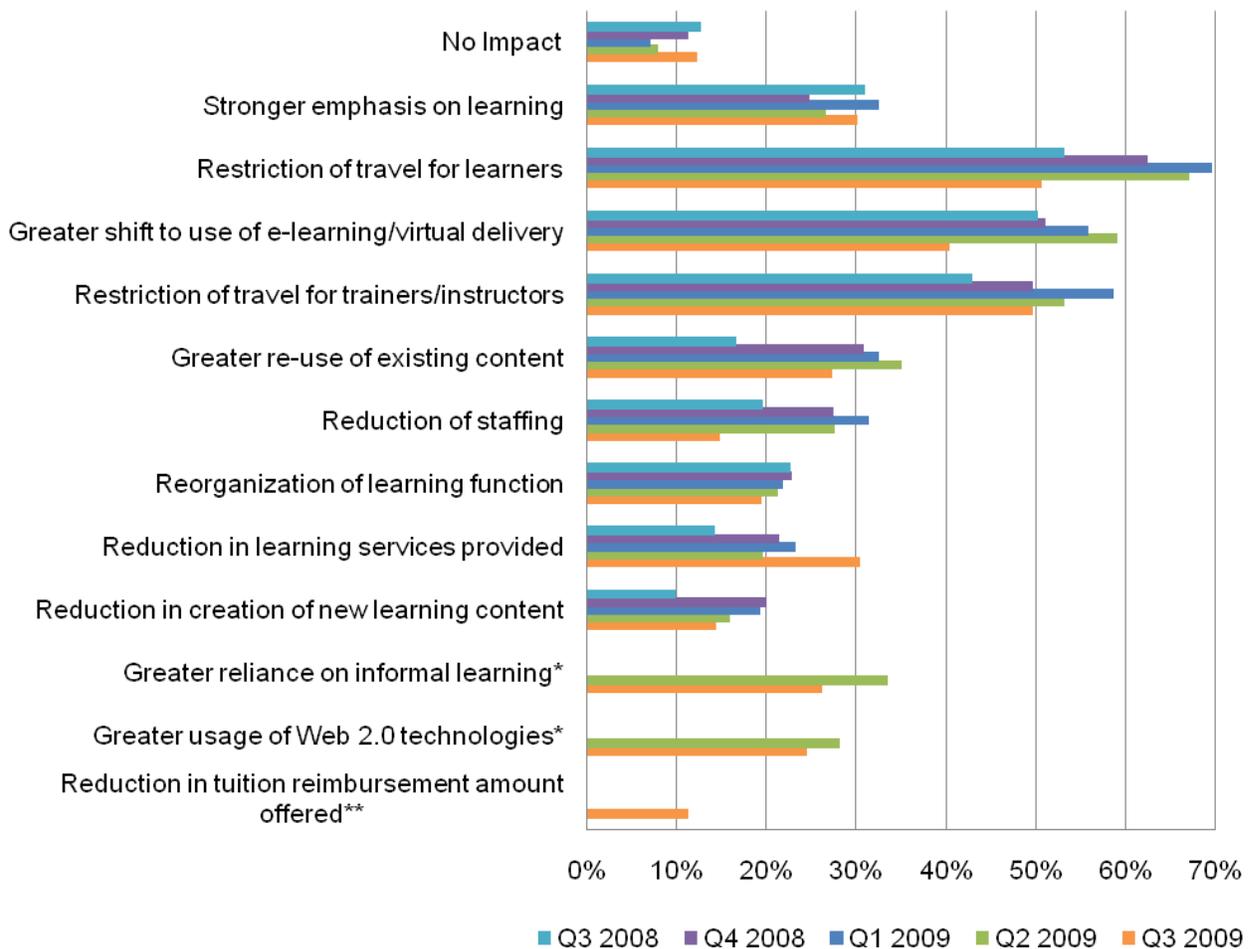
Outsourcing Expectations For Next Six Months



Learning Executives' Expectation of Impact of Economy on Learning

In Q3, approximately 12% of LXs reported that the current economic conditions will have no impact on the learning function in the next six months, more than double the percentage from the previous quarter. Nearly one-third of LXs foresee the current economic conditions leading to a stronger emphasis on learning in their organizations, with 30.1% reporting a greater emphasis in Q3 2009, up from 26.6% in Q2. However, a similar proportion (30.5%) of LXs anticipates a reduction in the learning services provided, compared to 19.7% in Q2 2009. Many responding organizations will continue to rely on travel restrictions for both learners and instructors, as well as increased usage of e-learning and virtual delivery.

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



*Option not included until Q2 2009.

**Option not included until Q3 2009.



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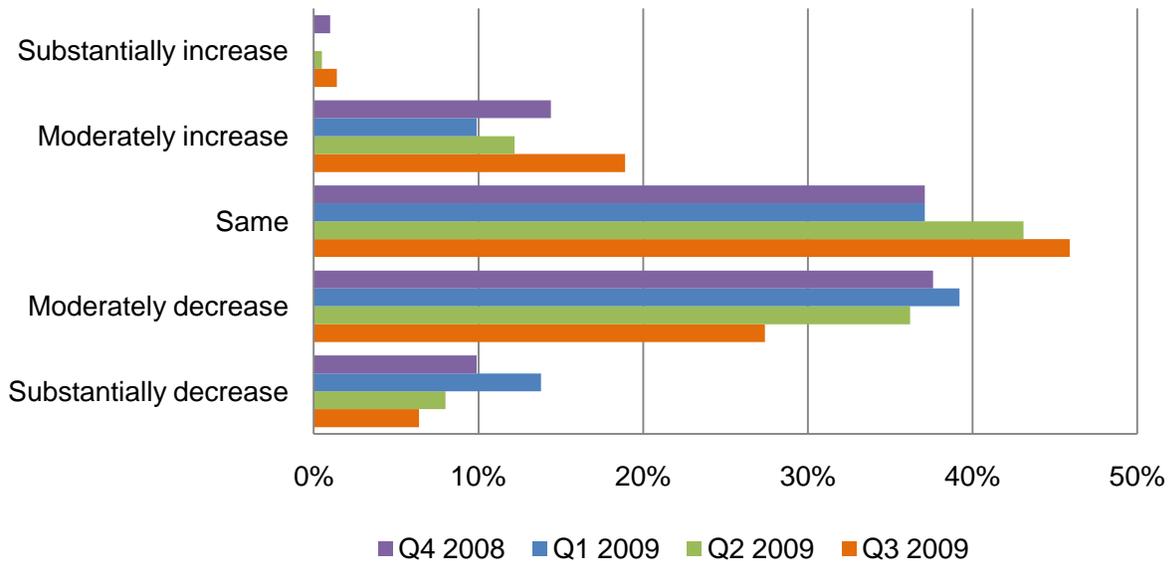
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Expectations of Workplace Learning & Performance Expenditures

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 (45.9%). The percentage of LXs who anticipated decreased funding fell from 44.1% in Q2 2009 to 33.8% in Q3. Conversely, more LXs are expecting funding increases in Q3 (20.3%) than in Q2 (12.7%).

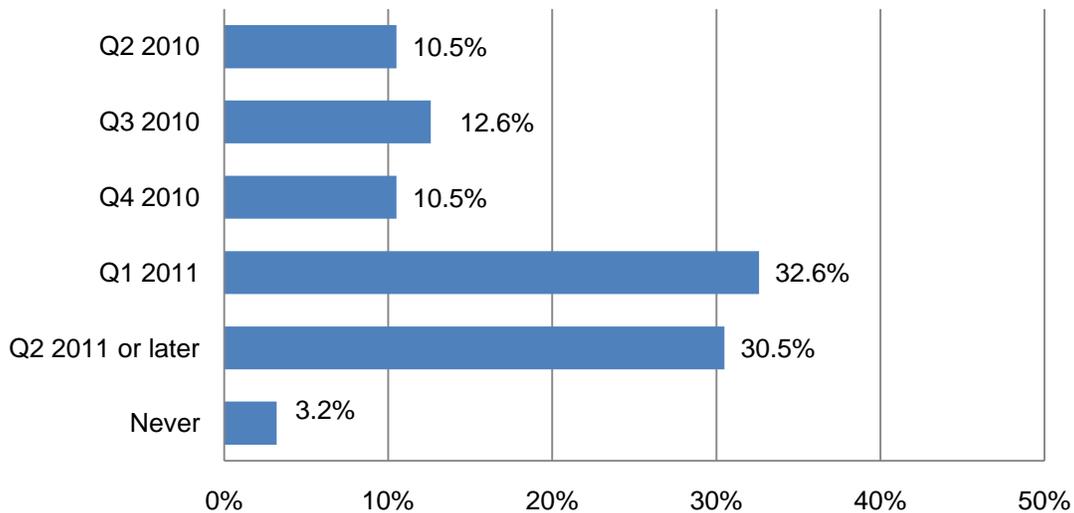
Expectations of Workplace Learning & Performance Expenditures over the Next 6 Months



**Potential Rebounding of Workplace Learning & Performance Expenditures
(Follow-up question for participants reporting current decreases)**

The 34% 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 (63.1%) predicted that their learning expenditures will improve in 2011 or later. This delayed the anticipated timeframe for improvement, as a majority of LXs had predicted in the previous survey that improvements would occur by the end of 2010. In Q3, only 33.6% of LXs anticipated learning expenditures to increase by the end of 2010, compared with 59.0% in Q2. A small proportion (3.2%) of LXs anticipated that their organization's WLP expenditure will never improve. This is an increase from last quarter, where all respondents anticipated expenditures to improve at some point in the future.

When do you expect your organizational WLP expenditure to improve?





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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 *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 learning executives with lower scores (0 to 49 on the scale) anticipate that in six months those aspects of their learning functions 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 a 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 (American Society for Training & Development) is the world's largest association dedicated to workplace learning and performance professionals. ASTD's members come from more than 100 countries and connect locally in more than 130 U.S. chapters and with more than 30 international partners. Members work in thousands of organizations of all sizes, in government, as independent consultants, and suppliers.

ASTD started in 1943. In recent years, ASTD has widened the profession's focus to link learning and performance to individual and organizational results, and is a sought-after voice on critical public policy issues.

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