



Regional Strategies...Global Results



Talent Driving Prosperity

July 11-13, 2006 • Anaheim, CA

Estimating Public And Private Expenditures On Job Training in the U.S.

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Purpose Of The Study

- **Main Question:** How much is spent specifically for job training in the U.S.
 - Other questions: How many trainees?
- **Qualification:**
 - Results are a first step in estimating spending on training across departments, programs, governments, and businesses

Defining “Training”

- ***Literal definition:*** vocational and/or occupational skills training in any instructional mode (OJT, classroom, on-line, workplace, internships, apprenticeships)
 - *Excludes:* job search assistance, job placement services, assessment, testing, pre-training preparation, counseling, degree education programs, compensatory education alone, GED, ESL, basic ed., work experience, life skills classes, “soft skills,” support services
 - *Excludes:* administrative and infrastructure costs

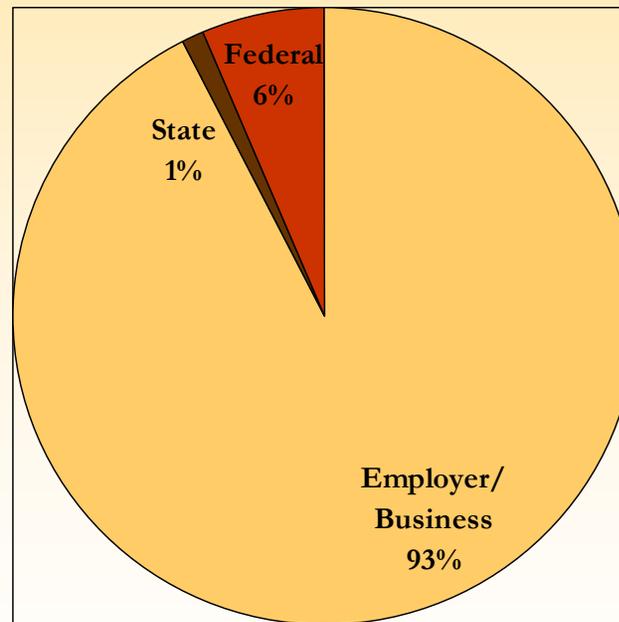
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General Finding: Of the \$50-\$60 Billion Spent On Training In 2002, Employers/Businesses Spent About 10 Times As Much As Governments



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Private Spending on Training

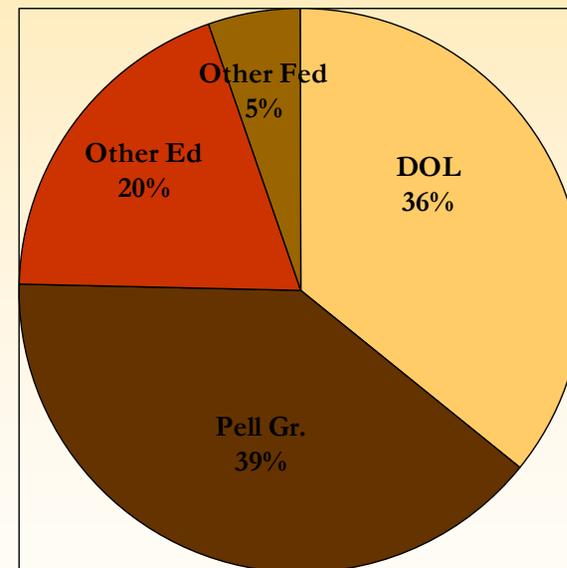
- Businesses spend \$46-\$54 billion a year on training.
- 1/5 to 1/3 of all workers receive training from their employer—low estimate is based on worker surveys; high estimate is based on firm surveys; more educated are most likely to receive training.
- Unions, businesses, and governments partner to sponsor and fund some training (e.g., AFL-CIO reports \$500 million annually for apprentice training).
- Individuals pay for some of their own training (e.g., individuals obtained loans for training of perhaps \$.5 to \$1 billion in 2002).

State Spending on Training

- States spent about \$500 million on training in 2003
- State spending on training declined from about \$700 million in 1998—the decrease may be due to slow economy and fiscal constraints

Federal Spending on Training

- Federal government spent between \$3.2 billion (low estimate) and \$5.3 billion (high estimate) on training in 2002.
- About 1/3 of federal spending was Pell Grants, 1/3 DOL, and 1/3 was other programs.

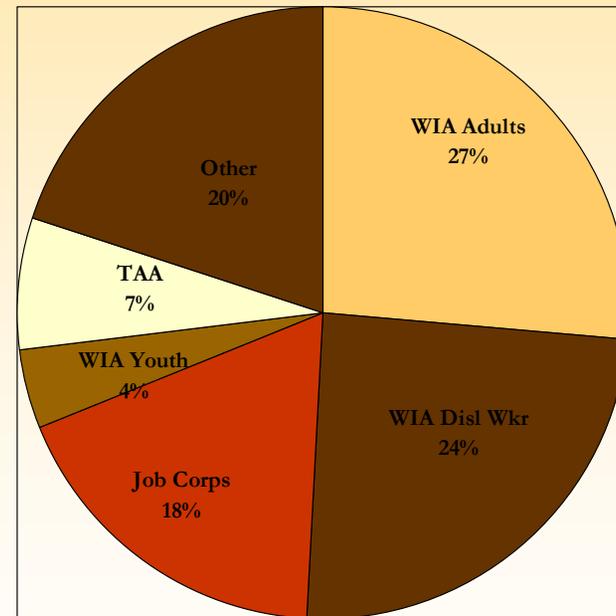


DOL Spending on Training

- **Spending.** DOL (mostly ETA) spent between \$1.1 and \$1.7 billion on training in 2002; down from \$1.3 to \$1.8 billion in 1998.
- **Trainees.** DOL programs had about ½ million trainees in 2002.
- **Training Share.** Training represented between 18% and 27% of the \$6.5 billion in total (non-admin.) spending in DOL programs that funded some training in 2002.
 - The rest of the spending (73%-88%) in these programs was for training-related or employment-related activities (e.g., education, pre-training preparation, job search assistance, job placement, retention, case management, support services)—not direct training

DOL Programs' Spending on Training

- About 2/3 of DOL's spending on training in 2002 was from three programs:
 - WIA Adult Services
 - WIA Dislocated Worker Programs
 - Job Corps



Usefulness of the Information

- Presents a framework for summarizing expenditures is provided; data and documentation can be updated
- Provides estimates of total federal spending on training, by program and by department
 - Based on best available data, adjusted for comparability, using informed judgment/assumptions when necessary.
 - DOL and HHS staff reviewed data and assumptions carefully; other agencies' data are more approximate.
 - High and low ranges of spending on job training are presented to show magnitude.