

rd *Training* magazine's annual comprehensive analysis of employer-sponsored training in the United States.

If you glance over the charts in this year's Industry Report, you might be tempted to say to yourself, "Same deal, different year." The overall amount spent on training hasn't changed much; \$51.4 billion this year, \$51.3 billion last year. Instructor-led classroom training continues to be the dominant method of delivery; 70 percent of training was delivered this way, compared to 69 percent last year. Ho-hum.

But there's a glimmer of change on the horizon, starting with reported changes in training budgets. Twenty-six percent of respondents reported larger training budgets this year, compared to 22 percent last year, and while 28 percent reported smaller budgets last year, only 15 percent did so this year.

Other shifts indicate some changes under way in the industry. Take outsourcing, for example, both in the design and delivery of training. Both design of traditional training and delivery of technical training by outside contractors rose by two percentage points, and the amount of technical training designed by outside contractors rose by three percentage points — to 41 percent.

IT's role in training seems to be changing, too. After hovering around 20 percent for the last three years, only 13 percent of respondents said that any full-time trainers at their organization drew their salaries from the IT budget rather than the training/HR budget. And only 8 percent of respondents reported that IT controlled traditional training purchases, compared to 15 percent last year.

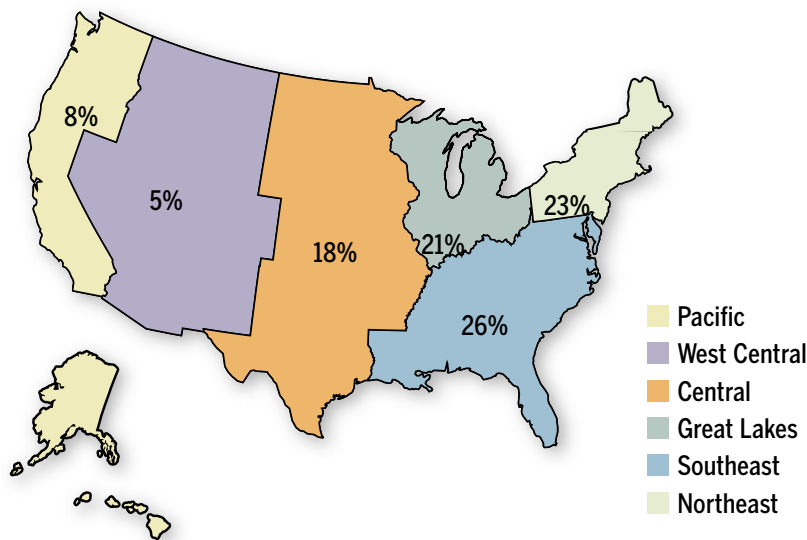
We could go on, but that's what the charts are for. As you read, keep in mind that the report details the formal training activity of U.S. organizations with 100 or more employees. As in the past, we drew on a random sample of *Training* subscribers to gather our data, beginning with phone interviews to make sure each potential respondent was the best-qualified person to answer our questions about training. Qualified respondents were then directed to a secure Web site to complete our questionnaire. The response rate was 38 percent (1,222 usable respondents from a pool of 3,180 qualified respondents), with a precision estimate of plus or minus 2.8 percent at a 95 percent confidence level.

We believe our Industry Report is the best barometer of employer-sponsored training in the United States—the skills taught, the methods employed and the dollars spent. Our paying subscribers can get still more industry data—more than 50 additional tables and a PDF of this executive summary—at www.trainingmag.com/ustis. K

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BY HOLLY DOLEZALEK

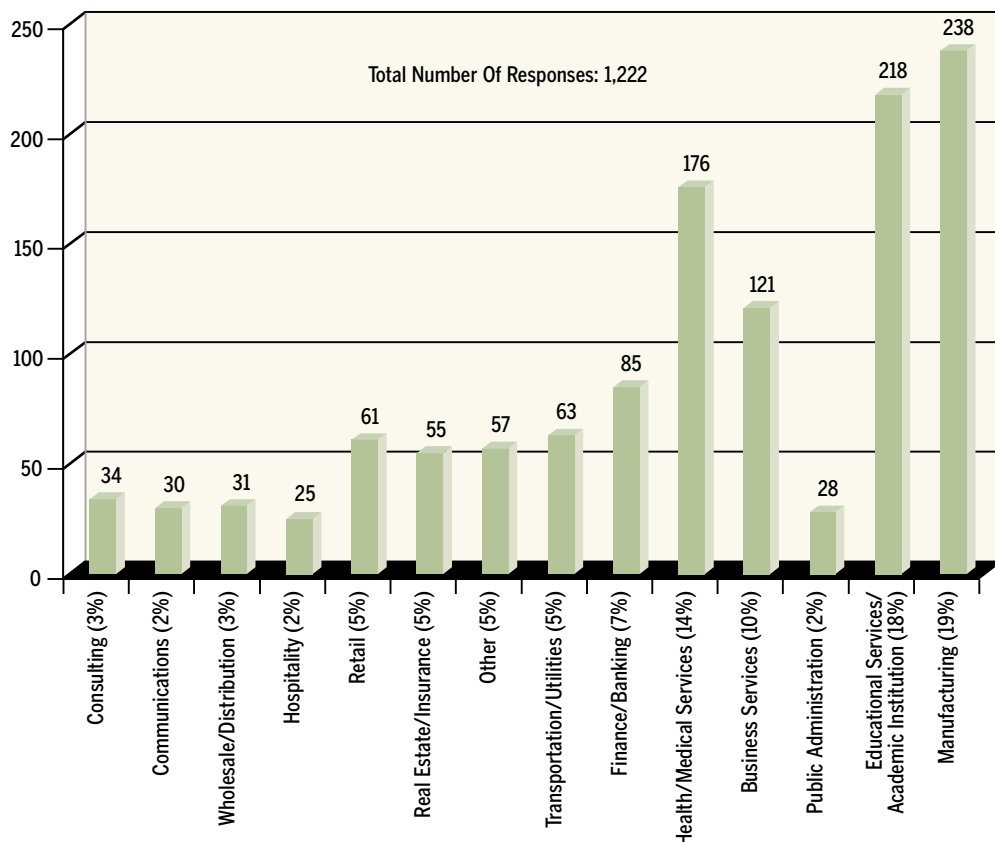
About The Survey: RESPONDENTS BY REGION



Note: Throughout the report, percentage totals in charts may amount to slightly more or less than 100 due to rounding.

About The Survey: INDUSTRIAL CLASSIFICATIONS

(Number of responses and percentage of sample)



DEFINITIONS

Training staff salaries:

Salaries paid to internal training professionals and administrative support staff in the training department.

Seminars and conferences: Training by outside providers or contractors, either at an organization's location or off site, including public seminars but not trainee travel and per diem costs.

Custom materials: Materials tailored or designed by outside suppliers specifically for an organization, such as classroom programs, computer courseware, or online programs.

Off-the-shelf materials: Prepackaged materials purchased from outside suppliers, such as computer courseware, books, videos, classroom programs, etc.

Other expenditures: Other training products or services from outside suppliers.

Traditional training: Any training that does not involve using technology to deliver it, such as classroom training with a live instructor (regardless of the instructor's or learners' use of technology during the class); noncomputerized self-study, such as textbooks or workbooks; non-computerized games; seminars; lectures; or outdoor programs.

Technology-based training: Any training that does involve using technology to deliver it, such as Web-based training, computerized self-study (including CD-ROMs, DVDs or diskette), satellite or broadcast TV, and video-, audio- or teleconferencing.

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Want More Industry Report Data?

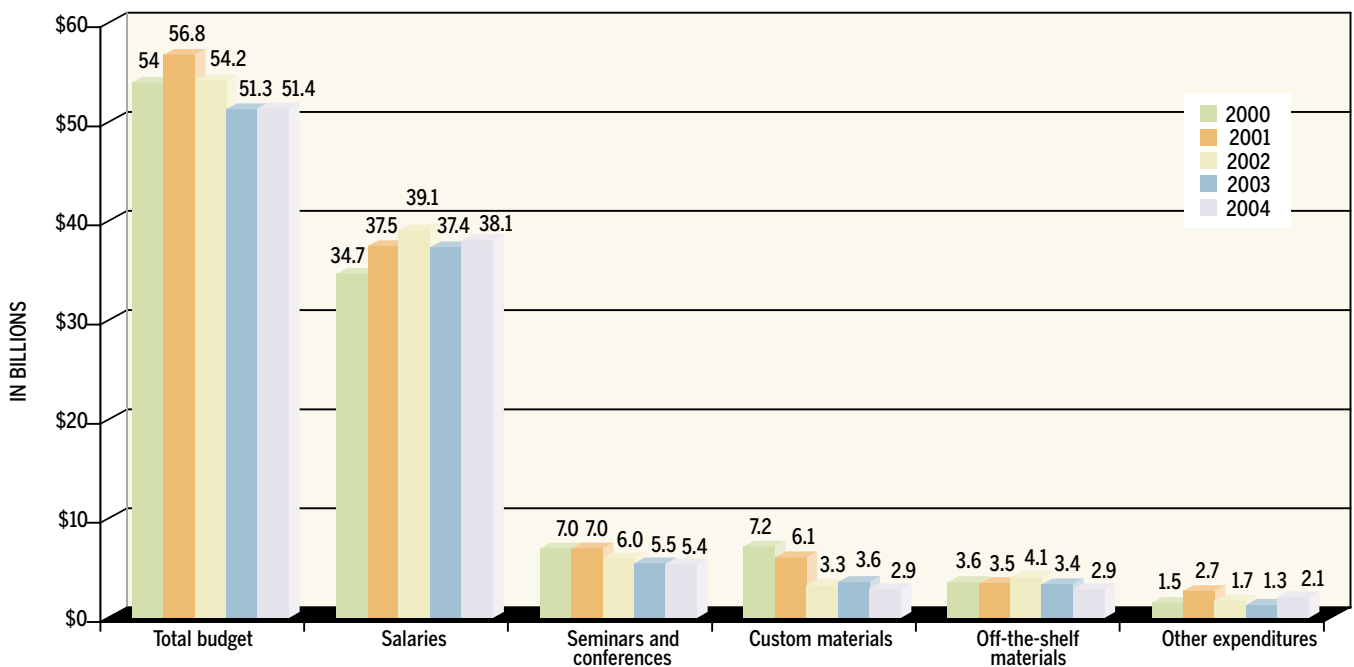
Access to more than 50 additional tables is available for paid Training subscribers at www.trainingmag.com/ustis. For more information on subscriptions, send an e-mail to info@trainingmag.com.

ABOUT THE SURVEY: ORGANIZATION SIZE CLASSIFICATIONS

Organization size	Percentage of Training's survey sample	Percentage of Dun & Bradstreet's database
Less than 100	7%	0%
100 to 499	22%	78%
500 to 999	15%	10%
1,000 to 2,499	19%	7%
2,500 to 9,999	20%	4%
10,000 or more	17%	1%
	100%	100%

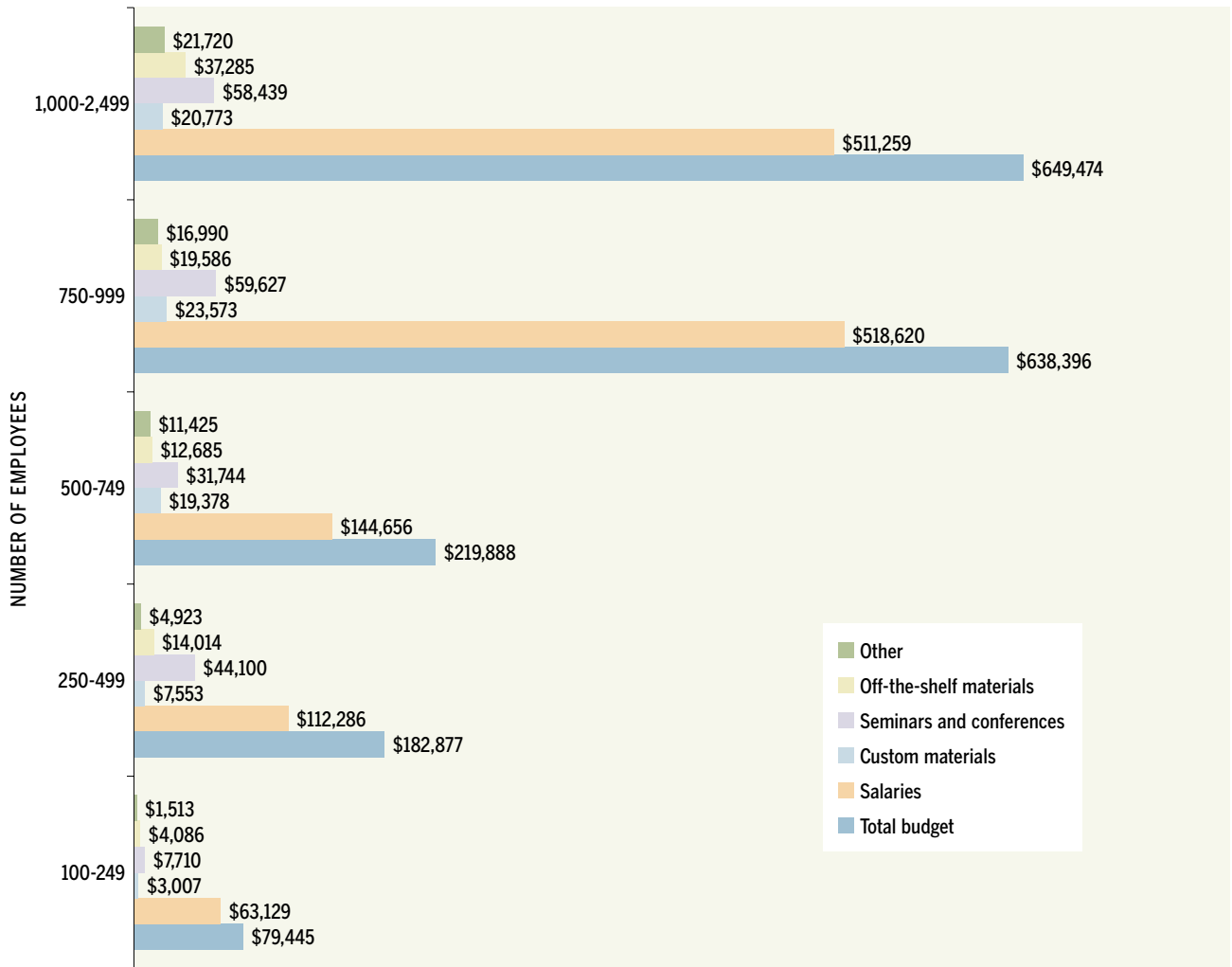
Dun & Bradstreet's database of U.S. organizations with 100 or more employees defines the "universe" described in *Training* magazine's Annual Industry Report. (Note: There are 146,961 companies in this database.) As this table shows, small organizations greatly outnumber large organizations in the database. Because we over-sample bigger companies, a weighting formula is applied to our raw data to correct for that bias. When we report findings for "overall survey" or break down data by industry, responses from small organizations are weighted more heavily than those from large organizations.

Training Budget Breakdowns 2000-2004

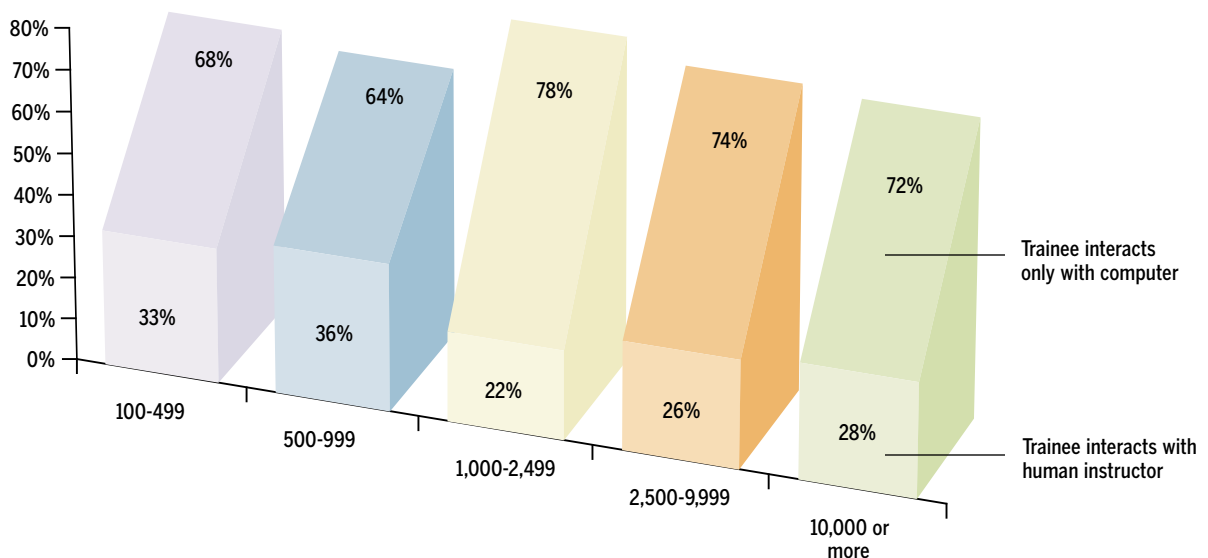


2004 Budget Breakdowns: BY ORGANIZATION SIZE

(Average budgets in dollars)

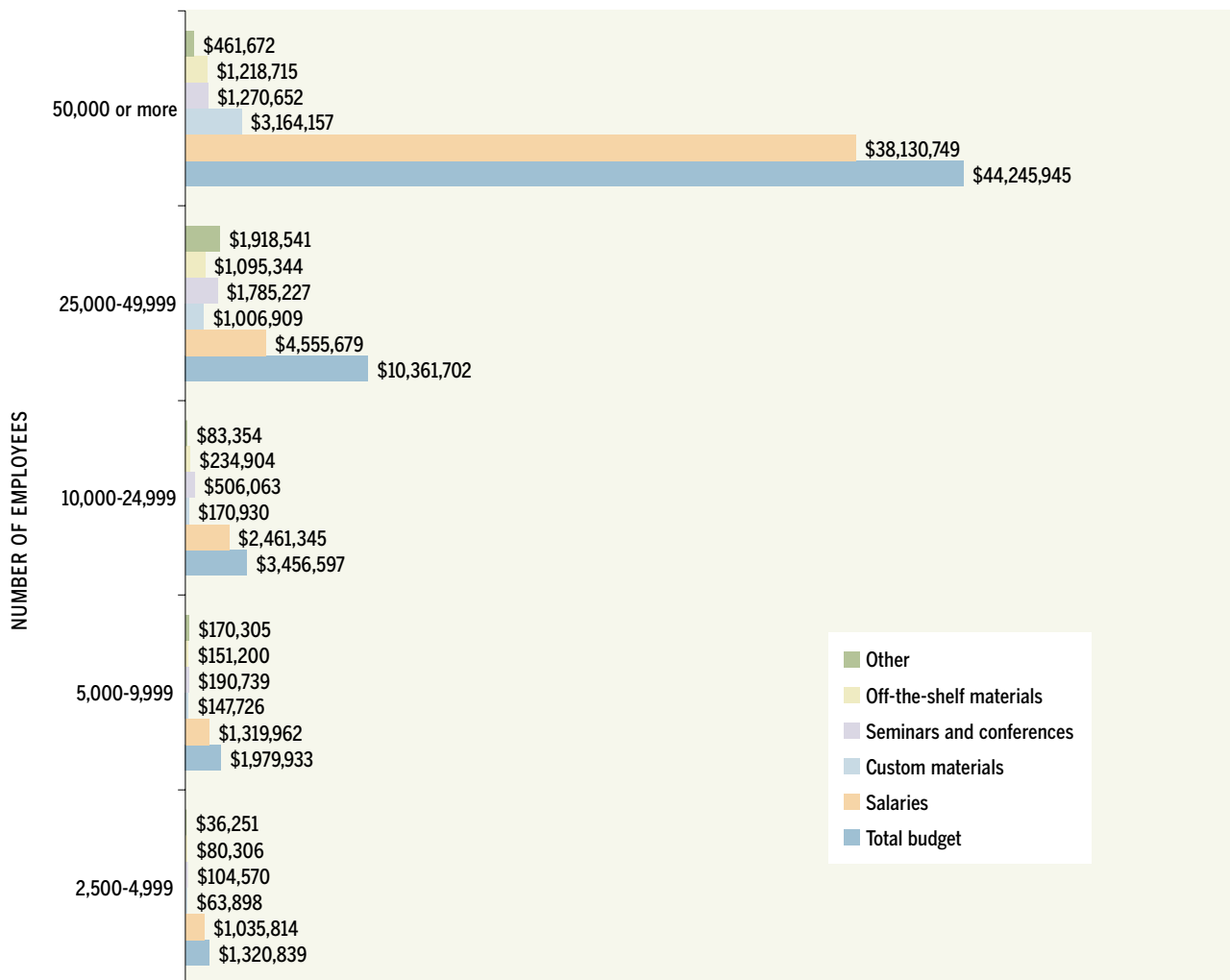


Trainee Interaction in Online Learning: BY ORGANIZATION SIZE



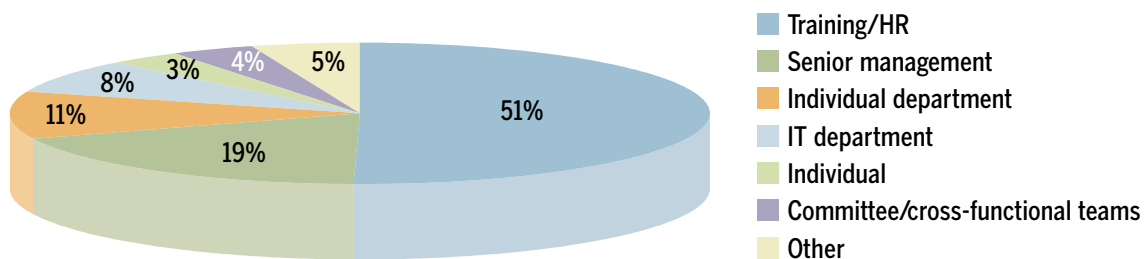
2004 Budget Breakdowns: BY ORGANIZATION SIZE (cont.)

(Average budgets in dollars)



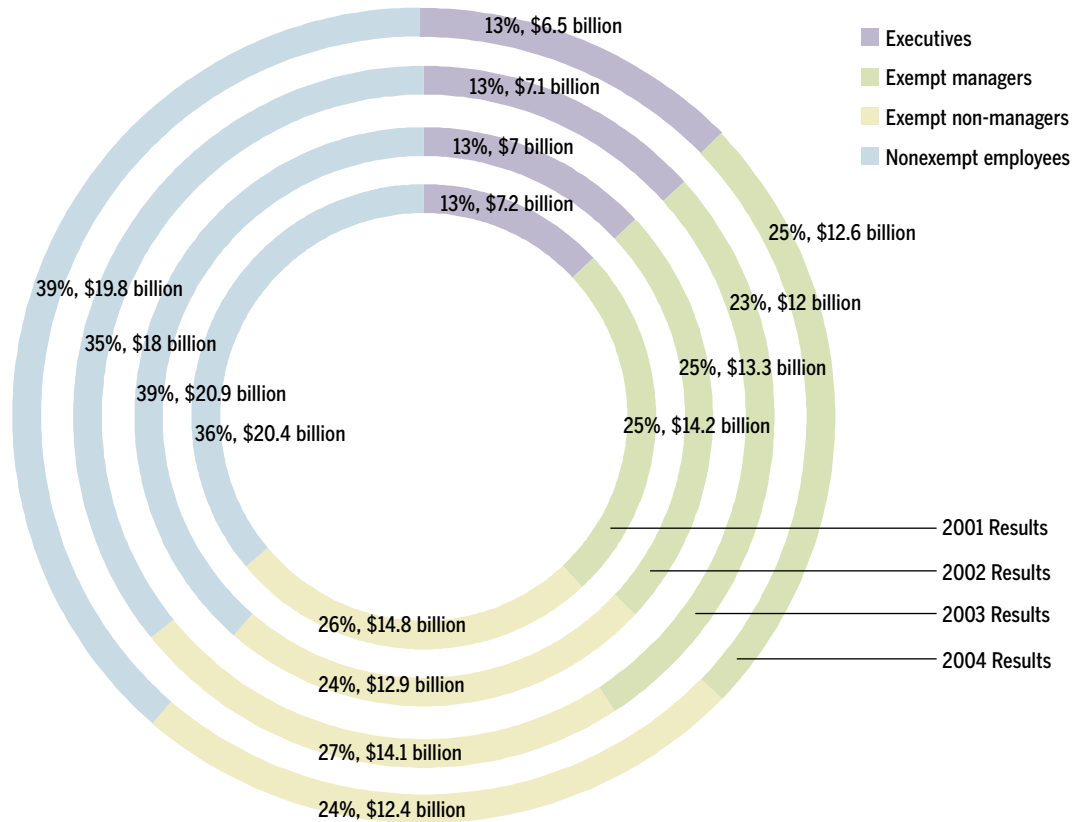
Who Controls Traditional Training Purchases?

(Overall survey)

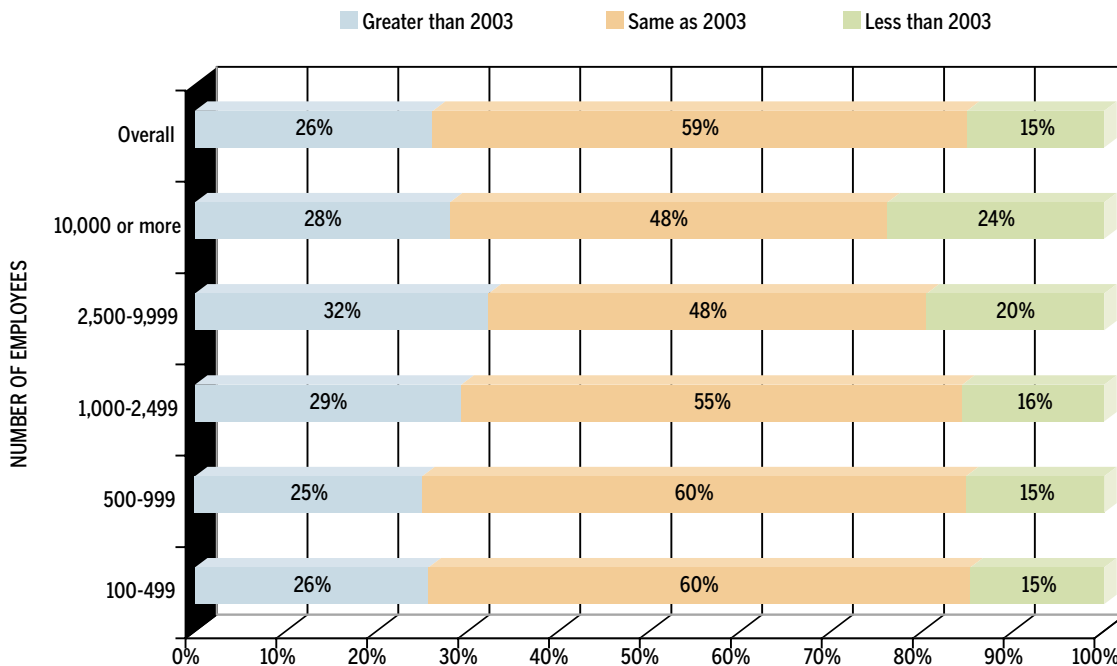


Who Benefits From Training?

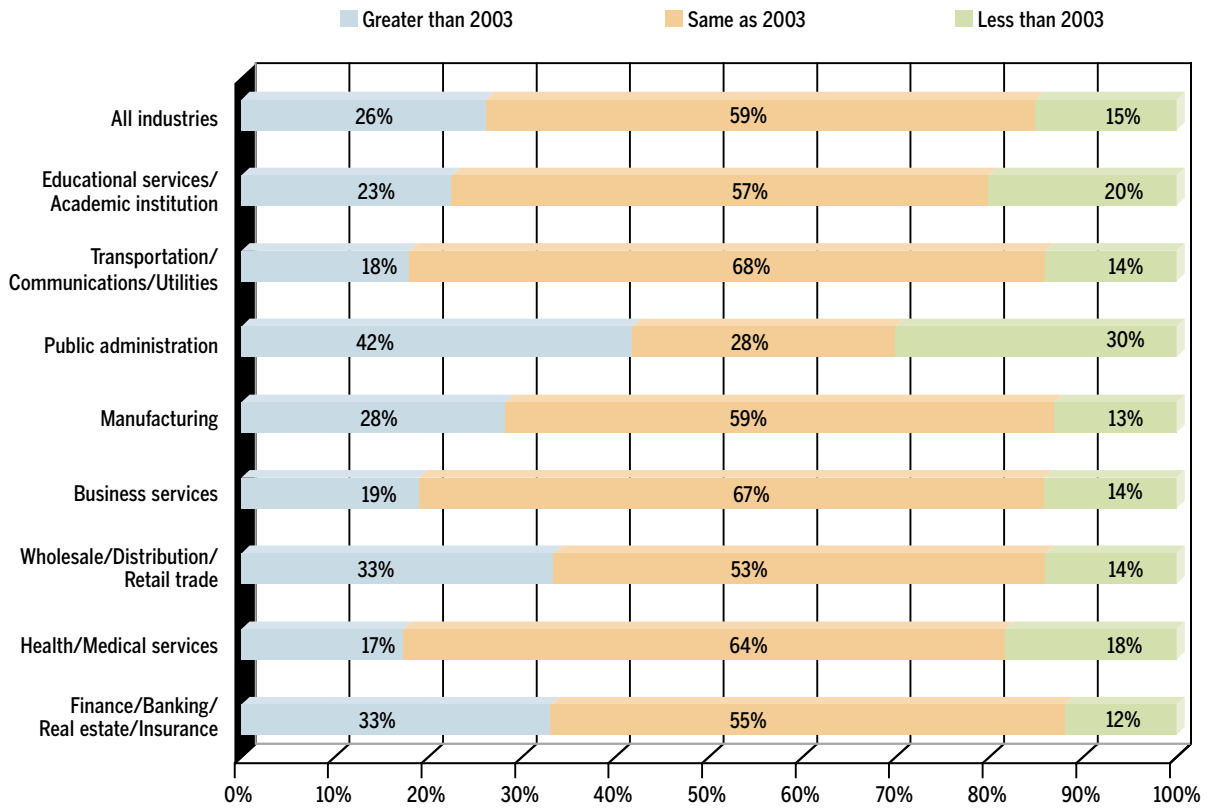
(Percent of budget and dollars spent on...)



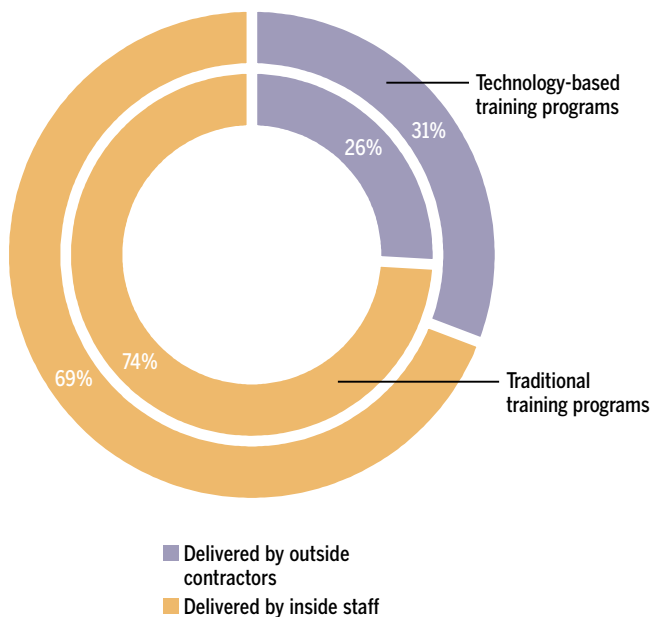
Reported Changes In 2004 Budgets: BY ORGANIZATION SIZE



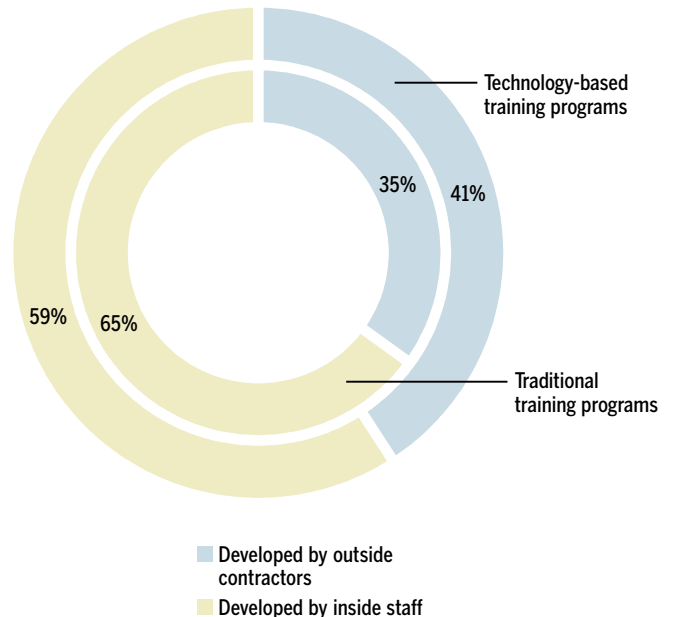
Reported Changes In 2004 Budgets: BY INDUSTRY



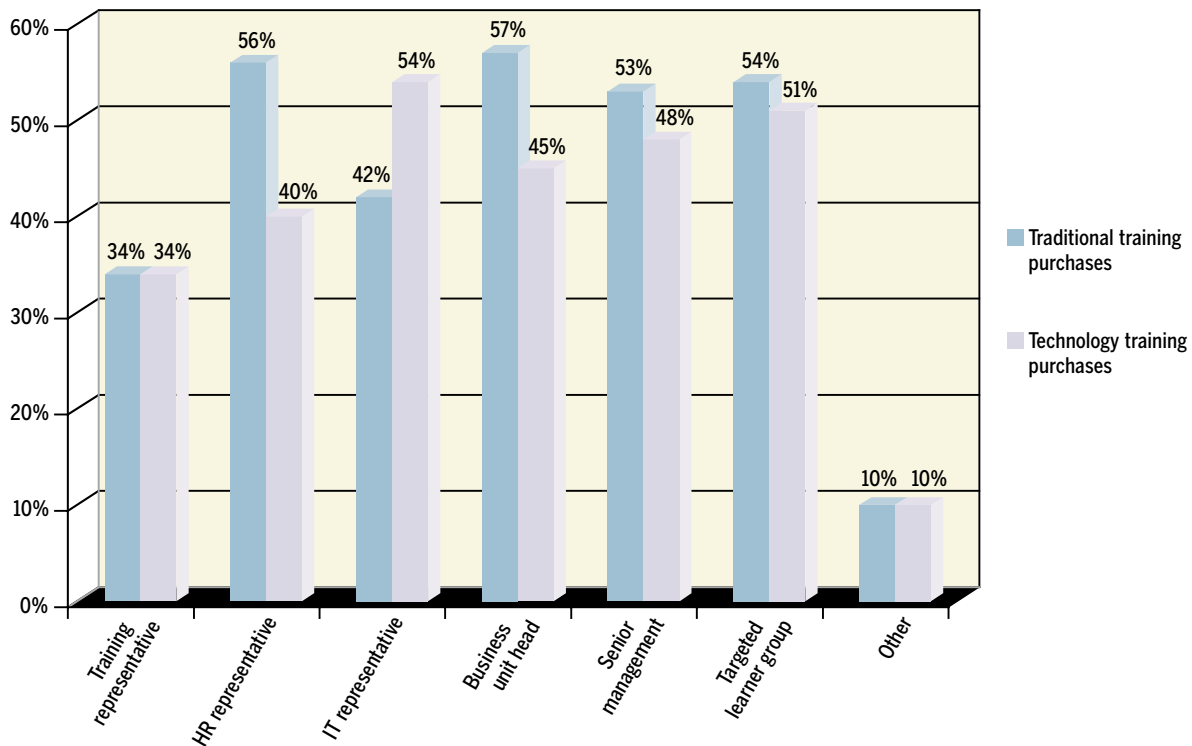
Outsourcing Of Training: DELIVERY



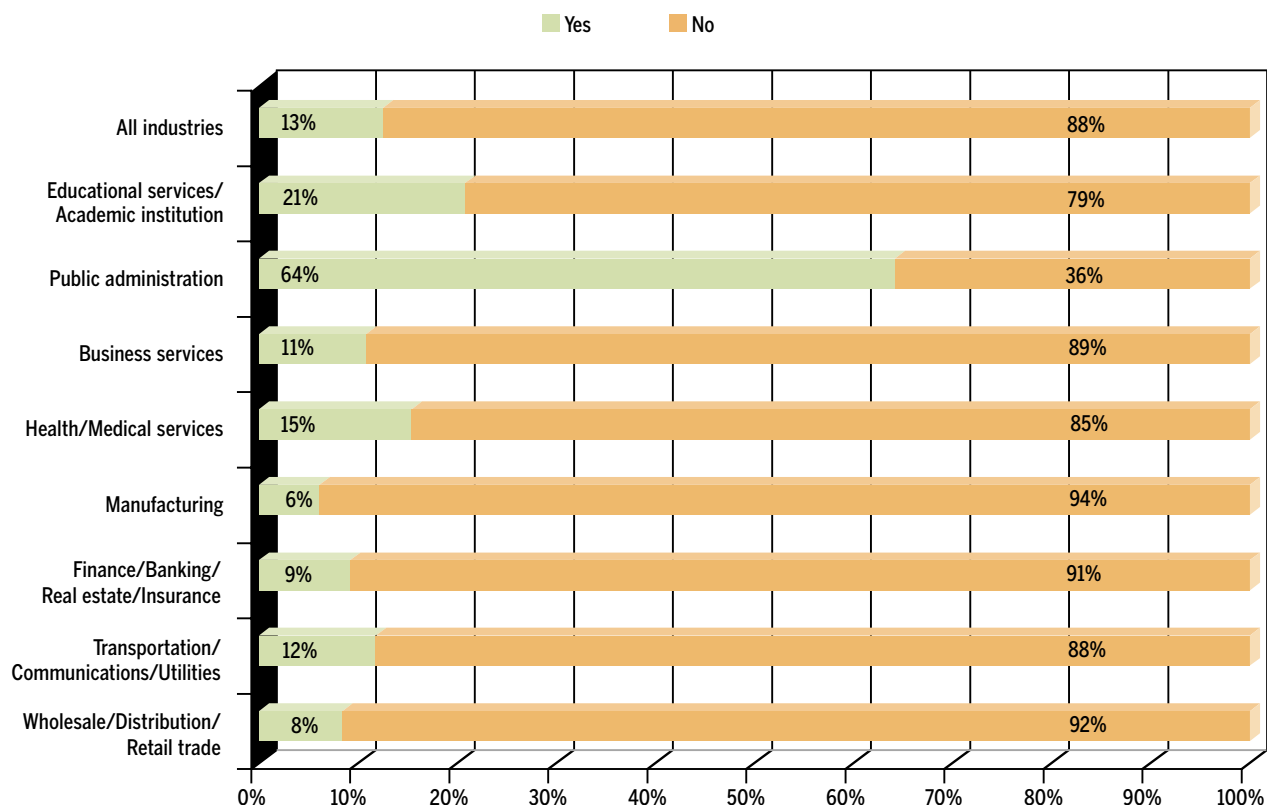
Outsourcing Of Training: DEVELOPMENT



Who Is On The Committee/Cross-Functional Team For Training Purchases?



Do Any Full-Time Trainers At Your Organization Draw Their Salaries From The IT Budget Rather Than The Training/HR Budget?



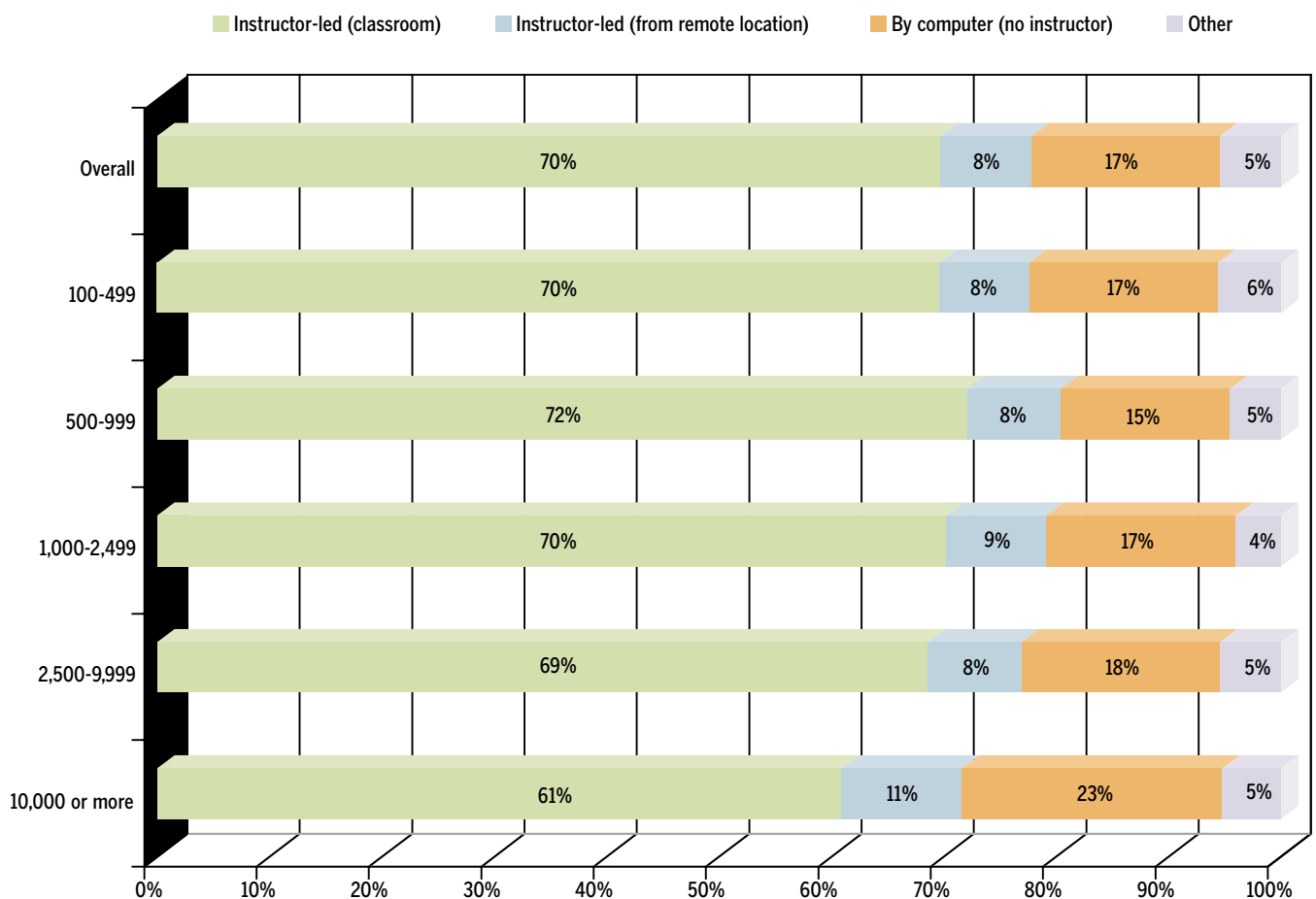
INSTRUCTIONAL METHODS: FREQUENCY OF USE

Methods	Never used	Seldom used	Often used	Always used
Case studies	17%	40%	39%	4%
Classroom w/ instructor, traditional	3%	13%	67%	18%
Classroom w/ instructor, virtual	40%	41%	17%	2%
Computer-based games	50%	41%	9%	1%
Non-computer based games	35%	44%	19%	2%
Experiential programs	34%	46%	18%	2%
Performance support	20%	40%	38%	2%
Public seminars	8%	40%	48%	4%
Role playing	19%	47%	31%	3%
Self-study, Web-based	16%	42%	37%	6%
Self-study, non-computer	29%	48%	20%	3%
Virtual reality programs	81%	16%	2%	0%

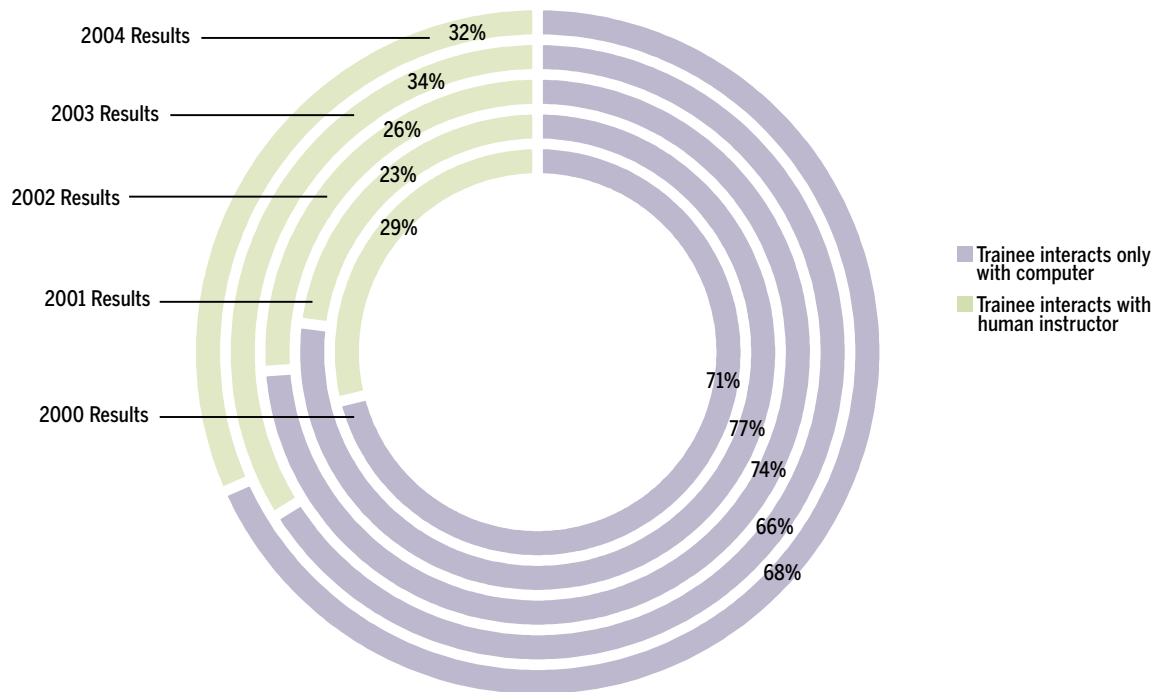
INSTRUCTIONAL MEDIA: FREQUENCY OF USE

Media	Never used	Seldom used	Often used	Always used
Audiocassettes	54%	41%	5%	0%
CD-ROM	9%	53%	35%	2%
DVD/diskettes	29%	48%	22%	1%
Internet/intranet/extranet	11%	35%	47%	7%
Satellite/broadcast TV	61%	31%	8%	0%
Teleconferencing	34%	42%	24%	1%
Videoconferencing	48%	32%	18%	1%
Videotapes	12%	32%	50%	6%
Workbooks/manuals	3%	20%	57%	20%

How Training Is Delivered: BY ORGANIZATION SIZE



Trainee Interaction in Online Learning



Do You Have A Separate Technology-Based Training Budget? (Overall survey)



METHOD BY WHICH TYPES OF TRAINING ARE PROVIDED: GENERAL

Method	E-learning	Traditional	Both	Do not provide
Communication skills	4%	62%	25%	10%
Computer systems/applications	8%	33%	57%	2%
Computer systems/programming	7%	20%	45%	28%
Customer service	2%	54%	25%	18%
Executive development	1%	51%	25%	23%
Management skills/development	3%	58%	32%	8%
Personal growth	5%	39%	31%	25%
Sales	1%	32%	23%	44%
Supervisory skills	3%	59%	30%	9%
Technological skills/knowledge	4%	42%	45%	9%