

Fact Sheet on Job Training

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Employers Spend Up To 12 Times More On Job Training Than Federal And State Governments

By D. Mark Wilson

Private Sector Spending on Job Training

Since the mid-1990's, businesses have been spending between \$46 billion and \$54 billion per year on job training, including trainee salaries, but excluding administrative and overhead costs.¹

- Businesses spend between \$8 billion and \$17 billion per year specifically on training and related costs *excluding trainee salaries* and administrative and overhead costs.²
- Depending on whether one includes or excludes trainee salaries, businesses spend between 2 and 12 times as much on training as the federal and state governments combined.³
- Nearly all firms provide some employee training.⁴
- Employer-provided classroom training appears to have declined since 1995.⁵
- The majority training hours was in credit courses or programs rather than basic skills preparation, apprenticeships, or other activities.⁶
- Employees in large firms are more likely than employees in small firms (87.7% vs. 78.9%) to receive formal training, and more educated workers are increasingly likely to receive employer-provided training.⁷

Federal Government Spending on Job Training

In 2010, the federal government spent \$18.8 billion on the 16 programs that are required to participate in the Workforce Investment Act's One-Stop system.⁸ This includes:

- \$13.0 billion for 11 programs at the Department of Labor (DOL);
- \$5.0 billion for 3 programs at the Department of Education (DOE);
- \$0.8 billion for 2 programs at other federal agencies.

Almost \$4.0 billion in DOL funding was for administering unemployment benefits and another \$1.1 billion was for Trade Adjustment Assistance benefits.

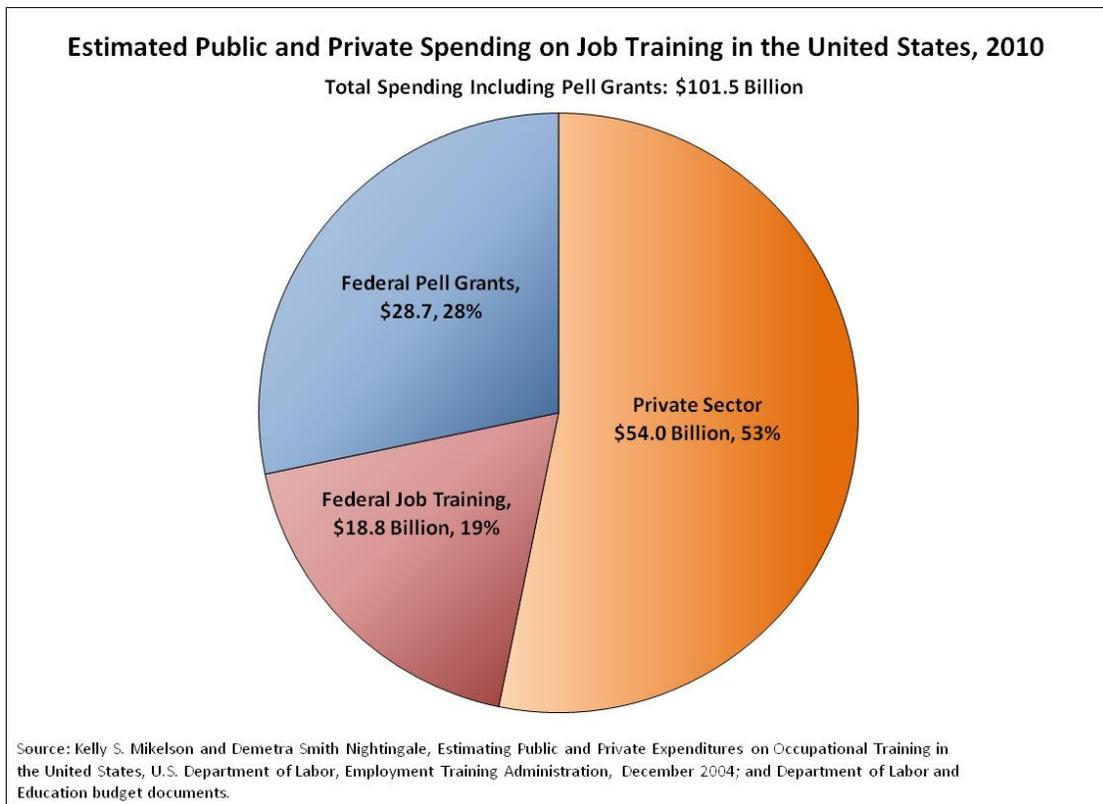
Over 73 percent of DOL funding goes towards: job search assistance, job placement, general education, life skills preparation and general employment services.⁹

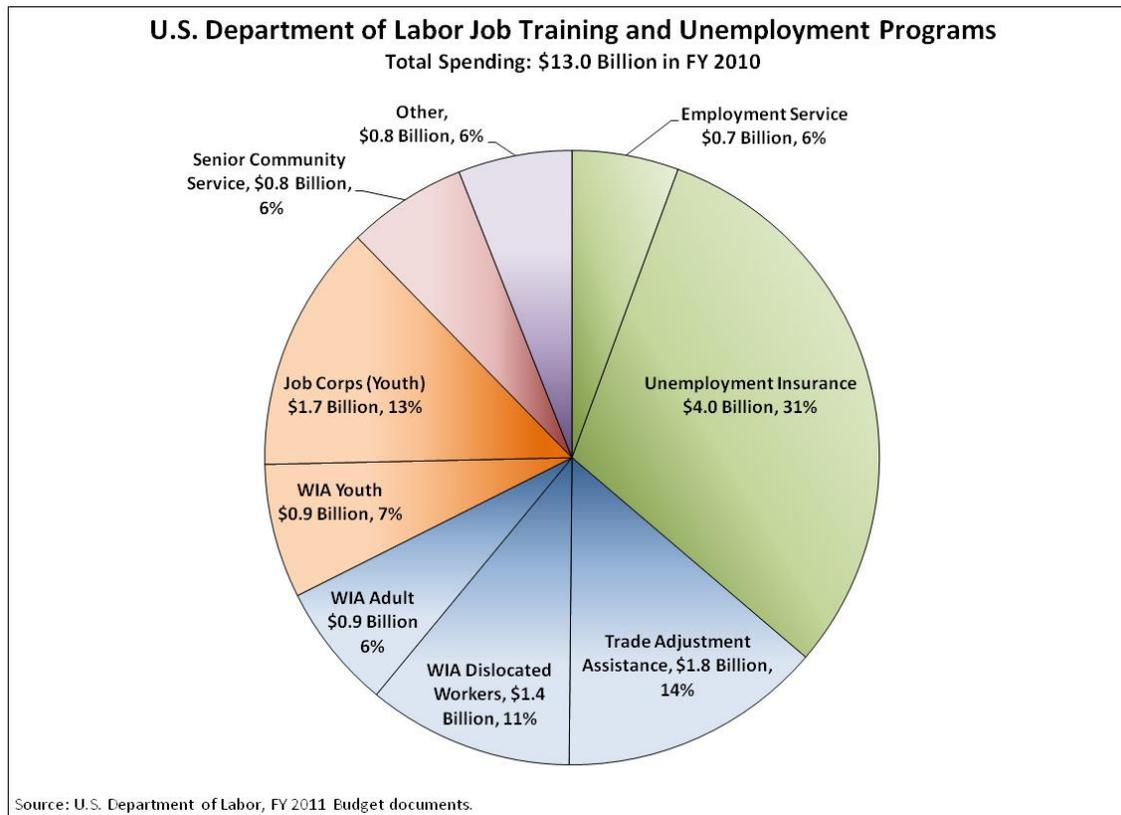
The main Workforce Investment Act one-stop programs are: Adult Disadvantaged; Dislocated Workers; Youth; Job Corps (youth); the Employment Service/UI; Trade Adjustment Assistance; Veteran Employment and Training; Welfare-to-Work Program; and Senior Community Service Employment.

The 3 DOE programs are: Vocational Rehabilitation; Adult Education and Literacy; and Vocational Education (Perkins Act).

Community Colleges also receive approximately \$2 billion per year in direct support from the federal government. However, President Obama recently announced a new \$12 billion Community College initiative that is designed to improve facilities, develop new technology, and boost graduation rates.

Spending on Pell Grants for college students was an additional \$28.7 billion in 2010.¹⁰



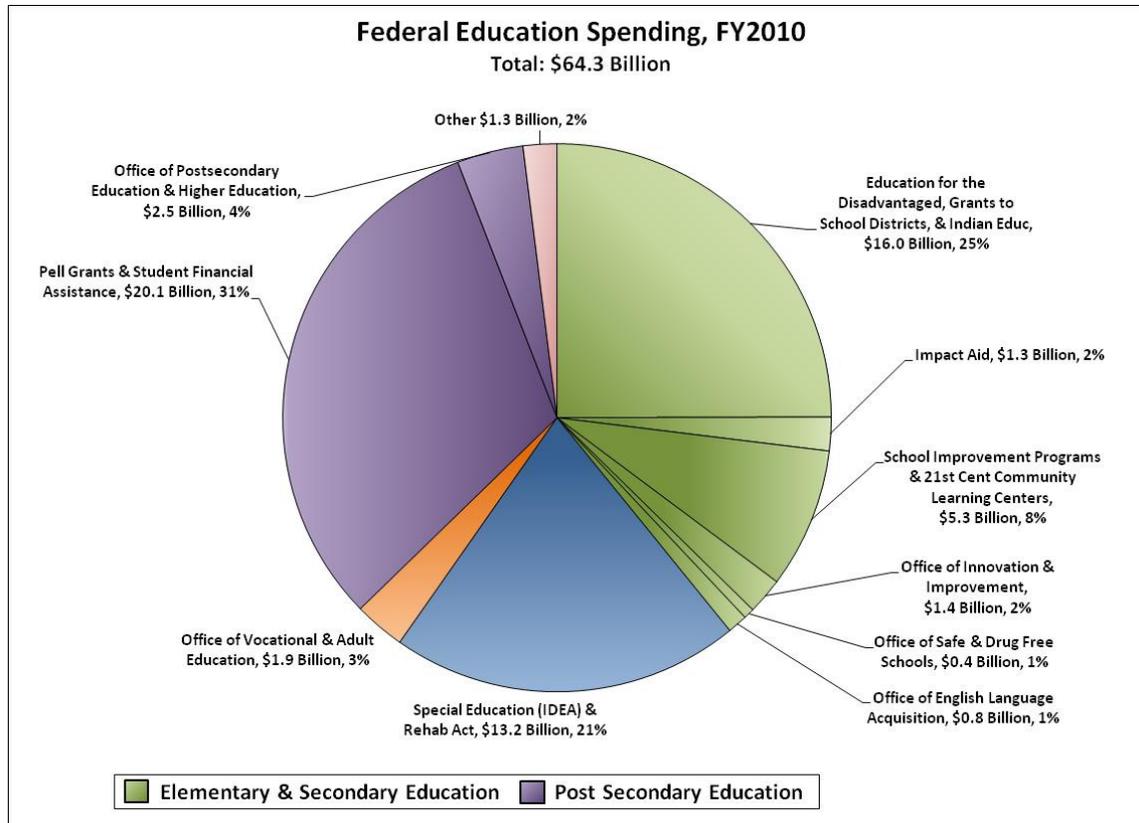


Federal Education Spending

In FY 2010, the U.S. Department of Education's total budget was \$64.3 billion.

- Funding for the Office of Elementary and Secondary Education was \$25.2 billion, or 39.2 percent of the Department of Education's total spending. Most of the funding goes towards supporting disadvantaged schools and teachers in those schools. Some of the funding goes towards developing innovative programs at the high school level.
- Funding for the Office of Special Education and Rehabilitative Services was \$13.2 billion, or 20.6 percent of the total. All of the funding goes towards improving the educational outcomes for people with disabilities.
- Funding for the Office of Vocational and Adult Education was \$1.9 billion, or just 3.0 percent of the total. The Office of Vocational and Adult Education administers programs that are related to adult education and literacy, career and technical education, and community colleges. Almost two-thirds of the funding goes towards Carl D. Perkins Career and Technical Education programs (a.k.a. vocational education in high schools). One-third of the funding goes towards enabling adults to acquire the basic skills so that they can benefit from the completion of secondary school, enhanced family life, attaining citizenship and participating in job training and retraining programs. The Office also provides national leadership to strengthen the role of community colleges.

- Funding for the Office of Post Secondary Education and high education programs, excluding Pell Grants, was \$2.5 billion, or 3.9 percent of the total. The majority of the funding goes towards minority students and colleges and universities (e.g. historically black colleges).



¹ Kelly S. Mikelson and Demetra Smith Nightingale, Estimating Public and Private Expenditures on Occupational Training in the United States, U.S. Department of Labor, Employment Training Administration, December 2004.

² Ibid.

³ Ibid.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ Bureau of Labor Statistics, "BLS Reports on the Amount of Formal and Informal Training Received by Employees, December 19, 1995.

⁸ U.S. Department of Labor, FY 2011 Budget Documents.

⁹ Kelly S. Mikelson and Demetra Smith Nightingale, Estimating Public and Private Expenditures on Occupational Training in the United States.

¹⁰ U.S. Department of Education, FY 2011 Budget Documents.