



U.S. SPENDING ON POST-SECONDARY EDUCATION AND TRAINING REACHES \$1.1 TRILLION, GEORGETOWN STUDY FINDS

(Washington, D.C., February 4, 2015) – While colleges and universities spend \$407 billion on post-secondary education and training, employers spend even more, according to a new report by the Georgetown University Center on Education and the Workforce.

Employers spend \$177 billion on formal training annually and an additional \$413 billion on informal on-the-job training.

An additional source of training is a new hybrid model that includes both formal and informal training such as industry-based certifications, apprenticeships and internships. Our study finds that federally funded job training is the smallest component of training spending at \$18 billion.

“Employers spend more on training than colleges because people only go to college for four years and continue to learn at the workplace for another 45 years,” said Anthony P. Carnevale, the report’s lead author. “Therefore, there are a lot more students and a lot more years.”

Together, formal education and training programs and informal on-the-job training account for \$1.1 trillion of annual spending.

The services sector accounts for more than half of employer spending on training, or \$92 billion per year. Among industries, manufacturing is the most training intensive. Manufacturers spend \$25 billion on formal training each year.

Other findings are:

- Fifty-eight percent of formal employer-provided training spending goes to college graduates. Only 17 percent goes to workers with a high school education or less.
- One-third of spending on formal employer-provided training goes to third-party providers.
- Eighty-six percent of employer spending on formal training goes toward training prime-age workers, while only 3 percent goes toward training young adults.

The full report for *Training: The Role of Employer-Provided Training in the American Postsecondary Education and Training System* is available online at cew.georgetown.edu/report/trilliontrainingsystem

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