

## ***Training That Works – Lessons from California’s Employment Training Panel Program (2003)***<sup>1</sup>

### **“Impact on Companies”**

The California Employment Training Panel (ETP) strives to improve both workers and the companies that employ them. ETP’s mission is in substantial part a significant economic development tool for business attraction and retention and for training California’s workforce in modern, globally competitive skills.<sup>2</sup>

Companies with ETP funded training grow faster in terms of total employees and total wages paid than similar companies without ETP funded training. Companies who trained 10 to 50% of their workers through ETP training grow faster than companies in which less than 10% of the workers are trained.<sup>3</sup>

In the study, the average ETP trained company’s total employment in the year after training increased by 14.3% relative to the year before training, whereas total employment was flat among the control group of non-ETP trained companies during the time studied. Moreover, ETP trained companies increased their total wages paid by 25.8% in the year following training, compared to a 10.2% increase among the non-ETP trained control companies.<sup>4</sup>

“The statistical studies presented in this chapter show that companies with ETP training grow faster than similar companies without ETP training. . . . We cannot prove causality, but two things may be at work: Either ETP training causes greater than expected growth, or companies with the greatest growth potential choose to use ETP. In either case, ETP provides companies with services they need to expand workforces and payrolls. This has positive implications for California and the California economy.”<sup>5</sup>

---

Endnotes:

1. This review focuses on Chapter 6, entitled “Impact on Companies,” in the 219 page book, *Training That Works – Lessons from California’s Training Panel Program* (2003), which is published by Upjohn Institute, a non-profit employment research organization, Kalamazoo, Michigan, and written by California State University management, economics and finance Professors Moore, Blake, Phillips and McConaughy.

2. *Training That Works*, Chapter 6, “Impact on Companies,” p. 125.

3. *Training That Works*, Chapter 6, appearing under the sub-heading “Statistical Analysis of the Impact of Training on Company Growth,” p. 141.

4. *Training That Works*, p. 145: “The average ETP-trained company’s *Total Employees* in the year after training was 14.3 percent higher than the year before training. This is highly favorable compared to the 0.8 percent decline in the control companies over the same period. Similarly, comparing year before training to year after figures, ETP-trained companies increased wages paid by 25.8 percent compared to the control companies’ 10.2 percent increase.”

5. *Training That Works*, p.152.