

FOR IMMEDIATE RELEASE

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**STATE AGENCY'S INVESTMENT IN TRAINING WORKERS IS
PAYING BIG DIVIDENDS FOR CALIFORNIA EMPLOYERS,
STUDY SAYS.**

California Employment Training Panel funds training programs that have increased salaries and kept jobs in California.

Sacramento, Calif. - A major two-year study has found that the California Employment Training Panel (ETP) has been a boon to California's economy. The study conducted by the College of Business Administration and Economics at California State University, Northridge found that ETP's training has increased workers' earnings, reduced unemployment, helped increase the growth of California companies and boosted the overall economic expansion of the state.

Researchers at the university studied more than 57,000 ETP trainees and found the money spent by ETP on employee training was a wise investment. Specifically, between 1995-96, ETP spent approximately \$73 million which resulted in a more than \$400 million benefit to the state's economy.

Both new hire and retrained employees appeared to benefit from training by having greater increases in earnings and more stable employment. Some specific findings of the study include:

- Retraitees and new hires had wage gains of approximately \$3,600 over two years; whereas employees not trained by ETP had a \$3,000 gain. This was a \$600 increase for ETP trained/hired employees.
- Total payroll for companies ETP served grew by almost 26 percent compared to an only 10 percent gain by non-ETP served companies of a similar nature.
- Employment in companies served by ETP grew more than 14 percent from the year before compared to a small employment decline of -.8% for similar companies not served by ETP.
- Both new hires and retrainees were more likely to remain in the California labor force after training than similar workers in the same industries.

"What this study proves is what we knew all along, that when we invest in our workers and our companies, good jobs stay here and all of California is helped," said Victoria Bradshaw, executive director of the Employment Training Panel. "California has been on the forefront of investing in our workers and because of results like this ETP remains the model for the entire country."

Buoyed by its success, ETP is continuing to fund training programs to ensure high-paying, high-skilled jobs remain in California. Currently, 45 states have some type of publicly funded worker training program. Of these programs, ETP remains the largest and most sophisticated program in the United States.

"Our study shows that companies as well as workers benefit when money is put into training frontline workers," said Dr. Richard W. Moore, project director of the Northridge study. "Our research found that after employers experience the value gained from training their employees through an ETP contract they were more willing to increase their own investment in these workers. This may be ETP's biggest contribution."

"This is a particularly powerful analysis, because we were able to capture the real earnings of almost all ETP trainees for two years," said G. Michael Phillips, project econometrician for the Northridge study. "It was not some short-term phone survey where you are not really sure what you have."

ETP is a business and labor supported state agency which reimburses California companies that provide high-skilled, high-wage training to their employees. Under ETP's various programs, eligible businesses apply to ETP for reimbursement of funds for training new and current employees. The program is funded by the employment training tax paid by California employers and targets firms threatened by out-of-state and international competition.

The reports entitled "ETP at Work: An Evaluation of 1995-96 ETP Projects" and "Training That Makes A Difference: ETP's Impact on Trainees, Companies and the State's Economy" are available. For more information about the results of the study, call Dr. Richard Moore of Cal State Northridge at 818-677-2416. Copies of the study are available by calling Mike Rice of ETP at (916) 327-5266.

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