

Digital Learning Realities 2024

L&D Budgets and Investment Trends

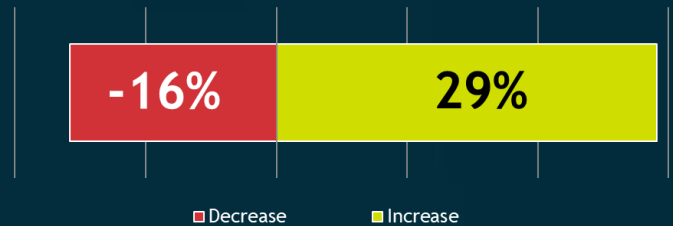
L&D budgets continue to feel the pinch as learning comes under increased scrutiny

With little movement from last year, L&D budgets have experienced sustained belt tightening. In line with 2023 results 61% of L&D teams saw their budget decrease or stay the same. That represented a significant leap from the results of 2022, when the number of L&D teams who expected to have their overall budget decrease rose from 8% to 21%. As we look out to 2025, the prospect of saving from generative AI and the long inability for many L&D teams to clearly demonstrate their value, means the pressure on moderating learning budgets is unlikely to change in the foreseeable future.

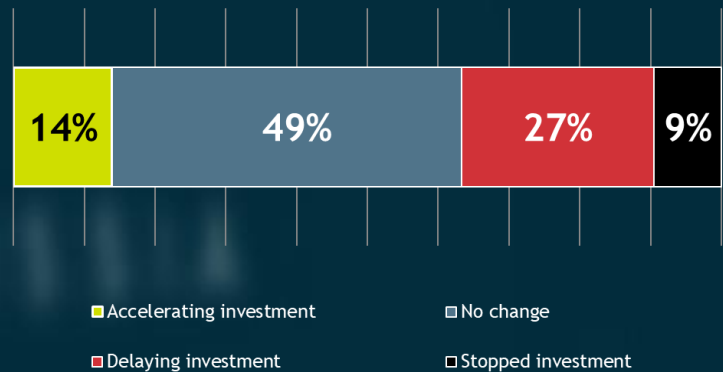
Economic headwinds are negatively influencing L&D investment in 'NEW' digital learning projects

For a significant proportion of this year's survey respondents, economic headwinds are causing them to delay or stop investment in new digital learning solutions. This is largely consistent with our finding for 2023. Whilst the majority saw no change, there is a persistent kernel of around 40% who are feeling the pinch of delayed or cancelled projects. The attraction of decreasing content costs because of AI is likely to be significant over the year ahead.

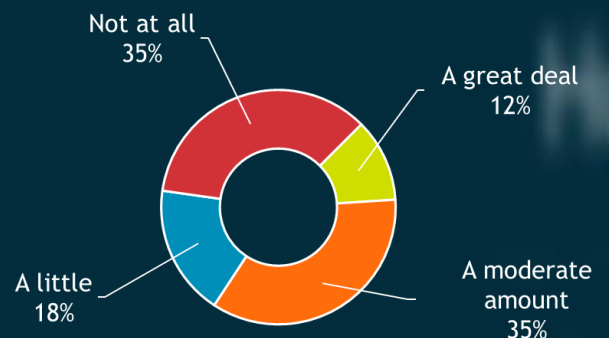
How will your organisation's overall spend on L&D change this year?



Overall, is the economic climate causing you to delay your investment in NEW digital learning projects or solutions in 2024?



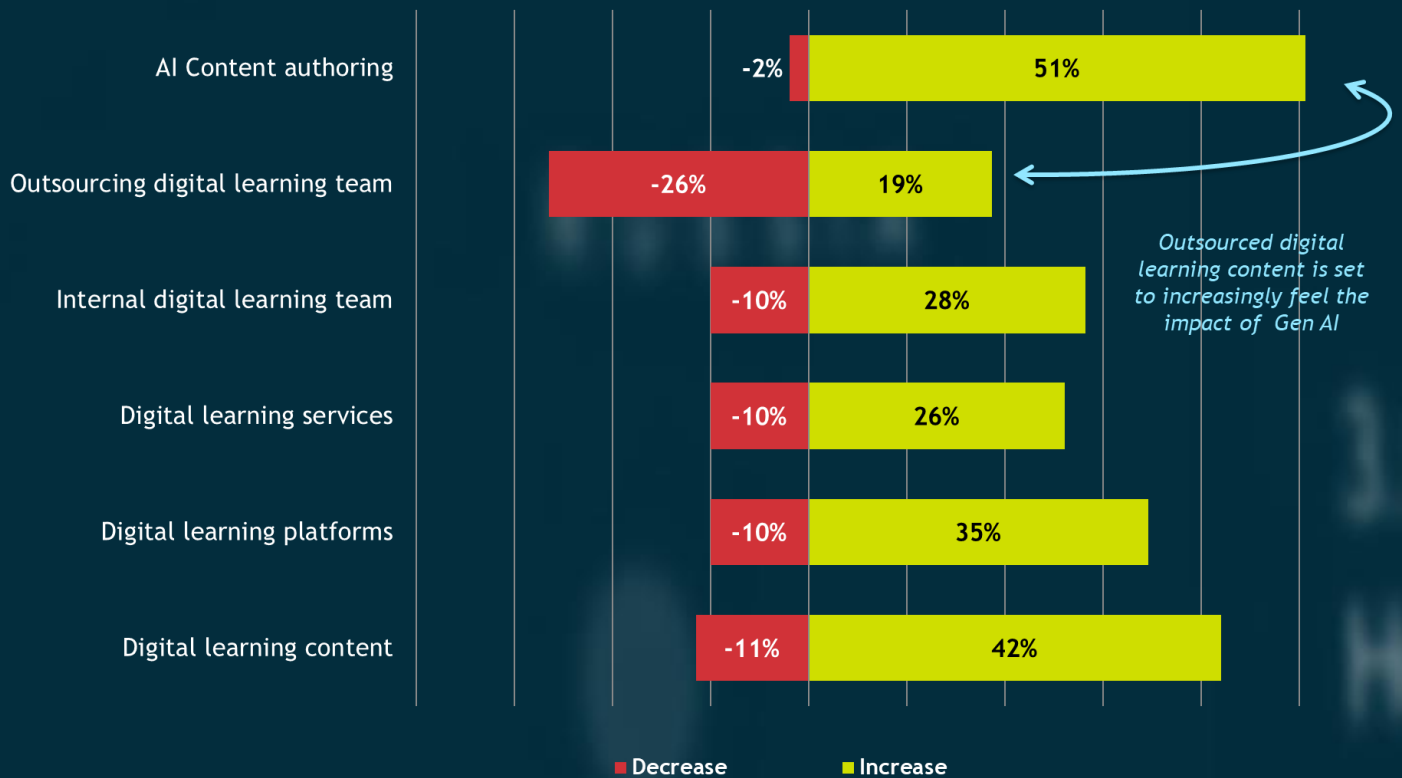
Do you expect the cost of learning content to decrease because of the increased adoption of AI?



AI-enabled learning content authoring is the focus for investment this year and year ahead

The impact of AI on the world of learning is evolving fast. For the first time in this year’s survey, we asked how L&D teams are looking to invest in AI content authoring, as well as our long-term impacts on platforms and outsourcing. The responses to AI in this question have been dramatic. Half of L&D teams say they are looking to increase their investment in AI content authoring this year. That’s way and above every other area. We all know AI is a hot topic, but the consequences of it from a digital learning perspective are probably best viewed in conjunction with the anchors being applied to investing in outsourcing the digital learning team. This implies that AI content authoring is going to bite into investment in external content development in 2025. How much of a bite it will take is still to be seen, but based on these responses the direction of travel towards AI content authoring is well beyond doubt.

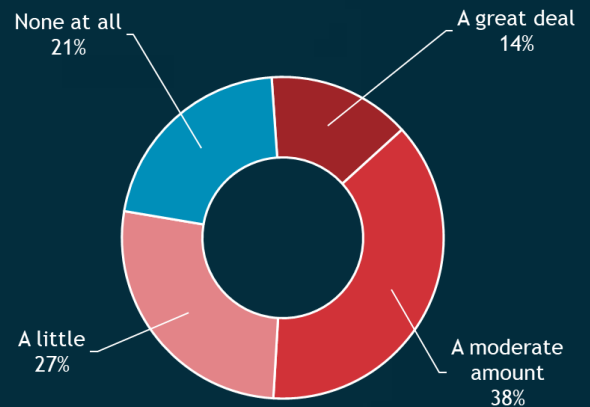
How do you expect your investment in digital learning to change over the year ahead?



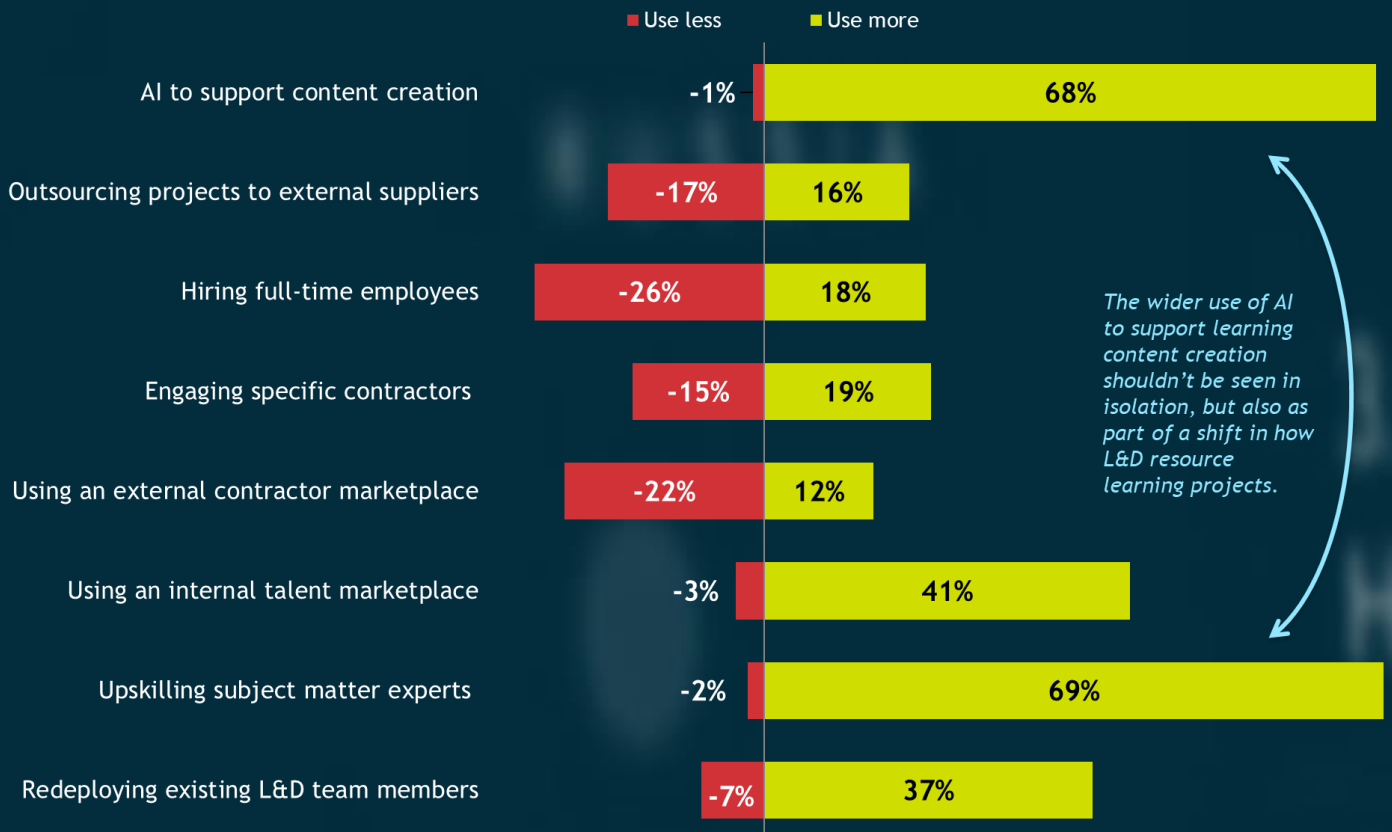
AI is going to have significant impact on how L&D projects are resourced in the year ahead

Of all the charts this is potentially one of the most telling. AI's role in democratising the creation of digital learning is at the heart of how L&D teams are thinking about how they resource learning projects in the year ahead. Upskilling subject matter experts and AI content creation should be seen as different sides of the same coin. One enables the other. As is the swing away from hiring full-time employees to support learning projects, and the redeployment of members of the existing L&D team. This shows that the learning function is reshaping itself. Tighter cost models and with a role in providing greater business agility are putting more focus on enabling project teams and subject matter experts to be increasingly self-sufficient in how they generate learning content for initiatives.

How much is AI influencing your future L&D resourcing plans?



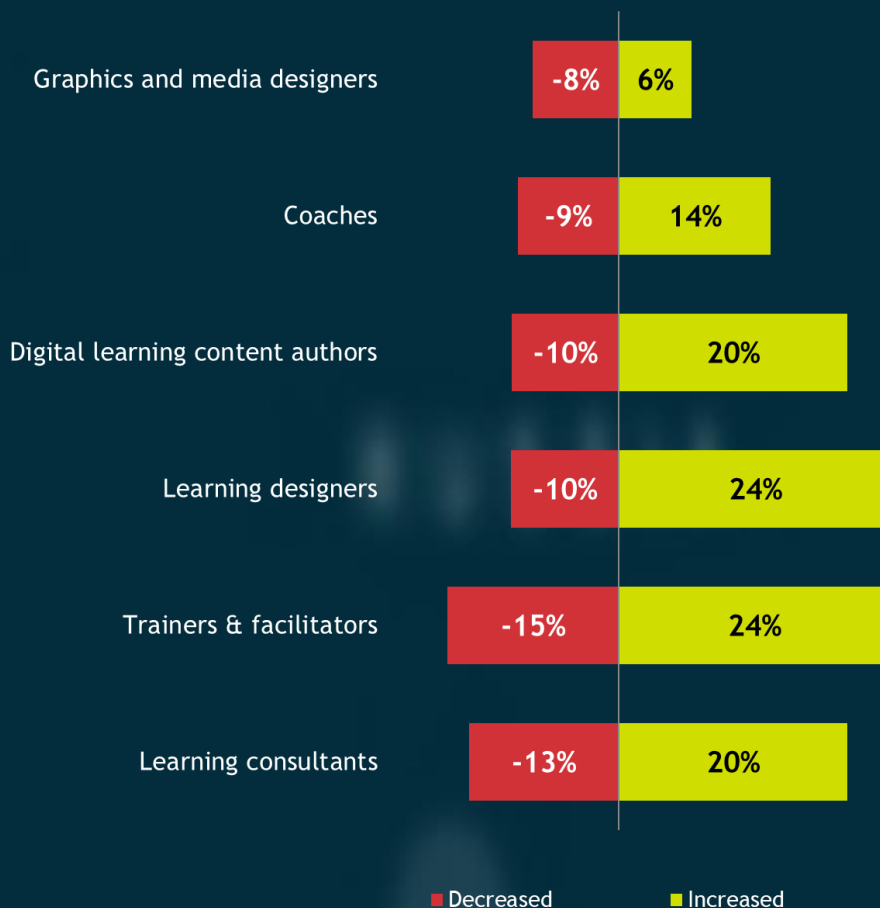
How are you planning to resource L&D projects in the year ahead?



Digital learning consolidates its hold on corporate training, against a largely stable L&D team headcount

Stability rules, with most L&D teams reporting that their learning team headcount stayed the same this year. But this is clearly not a boom time for resourcing learning teams. Only around one in five L&D teams report increased headcount for content authoring, learning design, training and learning consulting roles. With typically 10% experiencing a decrease in their learning team members. With the increased adoption of AI and the move to enabling more ‘business’ self-sufficiency, how much longer we see this headcount growth or stability is questionable. But the nature of learning teams is changing and media and graphics specialist seem to be more vulnerable to the future than their peers.

How has your learning headcount changed over the past year?



The balance of L&D teams seems to be slowly shifting to more learning design centred roles.

Sources of Information & Background
As Europe’s #1 HR industry analyst, Fosway is uniquely positioned to help the industry with independent research on these issues. More information and insight on our research will be made available on www.fosway.com

Fosway Group conducted the survey of its corporate research network and Learning Technologies Show conference attendees in partnership with Closer Still between January 2024 to July 2024. Responses were gathered from CHROs, Talent & L&D Directors, Managers and Learning, Talent & HR Technology professionals.

Results are drawn primarily from enterprise organisations in Europe and the survey includes responses from 434 individuals. 85% of respondents are based in Europe, and over 51% have a global role.

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