TRAINING ROI CALCULATION GUIDE

Training Costs
Count all applicable costs over the same period as benefits.

Include: design, delivery, materials, technology, participant time, travel, evaluation and follow-up.
Use actual costs: agree assumptions with finance; do not substitute a payroll benchmark.

Value realized benefits: extra capacity is not automatically a payroll saving or a sale.
Attribute carefully: consider other changes in staffing, demand, systems and management.

Productivity Impact
Measure the change in output, quality or time, then test what was actually realized.

Turnover Reduction
Estimate avoided separations attributable to training, not every change in turnover.

Benefit = attributable avoided separations × defensible avoided cost per separation.
Use a consistent population and period. Distinguish percentage points from relative change.

Sales benefit = incremental sales × contribution margin × supported training attribution.
Do not also count the same sales as a separate productivity benefit.

Revenue Impact
Revenue is not the same as financial benefit. Use contribution after associated variable costs.

Total Benefits
Add distinct, supportable monetary benefits. Count each benefit only once.

Report separately: learning, behavior and other outcomes without defensible monetary values. Record assumptions and uncertainty. If causal attribution is unsupported, report observed change rather than precise causal ROI.

0%: benefits equal costs. **Above 0%:** positive ROI.
100%: benefits are twice costs.
Illustration: $200,000 added sales × 40% margin × 50% attribution = $40,000 benefit. With $50,000 cost, ROI = **-20%**.

ROI Calculation
ROI (%) = [(attributable benefits - total costs) / total costs] × 100

Illustrative assumptions only, not client results or standard rates. At 25% attribution, ROI = -60%; at 75%, 20%.

No universal ROI target applies. A negative result and the uncertainty are part of an honest evaluation.

Change log | November 12, 2026
Corrected ROI threshold; added margin, attribution, cost scope and double-counting safeguards; removed unsupported rules.

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