

**Summary Report**

**Getting Back to Work:  
New Public/Private  
Strategies for Laid-Off  
American Workers**

Prepared by:

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## Methodology

The Heldrich Center developed the principles for workers, employers, and policymakers outlined in this report using several methodologies:

1. Review of existing research and data on dislocated workers, Unemployment Insurance, and the status of workers in today's volatile economy.
2. Eight focus groups with dislocated workers from across the nation to discuss the communication process by which they were informed of their layoff, the severance and services they received, and their emotional reaction to the job loss experience.
3. Structured interviews with seven human resources executives from various corporations, five outplacement firm executives, and five state dislocated worker service administrators. The Heldrich Center has withheld the names of the interviewees and firms that participated in the interviews to protect their confidentiality. Firms that are specifically mentioned in this report have given written permission to cite them.
4. A telephone survey of 192 dislocated workers to identify the services they received when they were laid off and the agencies that provided services. This report also draws from the findings of two *Work Trends* reports entitled, *The Disposable Worker: Living in a Job-Loss Economy*, released in June 2003, and *Laid Off: American Workers and Employers Assess a Volatile Labor Market*, released in April 2004.

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# Introduction

In today's volatile economy, few workers can take their job security for granted. A surprisingly large share of American workers and their families have experienced a layoff, according to a recent *Work Trends* survey conducted by the John J. Heldrich Center for Workforce Development. About 35% of workers reported that they or a family member had been laid off from a full- or part-time job in the past three years (30% and 5%, respectively). More than half (57%) said that they or a family member had been laid off from a full- or part-time job at some point in their lives (50% and 7%, respectively).<sup>1</sup>

This summary report—*Getting Back to Work: New Public/Private Strategies for Laid-Off American Workers*—offers a glimpse of the realities and consequences of involuntary job loss among workers and their employers. It describes recent economic trends, patterns of worker dislocation, and the impact of job loss on individuals and their families. It also illustrates current public policies designed to address the labor market, and ways companies notify workers and provide assistance following a layoff. The report not only describes the current reality of job displacement in the United States, but also offers recommendations for workers, employers, and policymakers for dealing with the consequences of job dislocation.

To illustrate the experiences of those affected by job loss, we have interspersed throughout this report brief sidebars that depict the challenges and struggles laid-off workers encounter. We also include examples of effective practices of the public and private sectors to support displaced workers.<sup>2</sup>

This report was prepared by the John J. Heldrich Center for Workforce Development at Rutgers, The State University of New Jersey, with support from the Talent

Alliance. The full report can be accessed on the Heldrich Center Web site at [www.heldrich.rutgers.edu](http://www.heldrich.rutgers.edu).

## A Changing Economy

During the past 25 years, the economy and the workplace have undergone a fundamental transformation. Improvements in communications and transportation have created an interconnected, global economy. Technological advances, such as the spread of computer technology, have spurred productivity growth. But the high-tech advances, productivity gains, and increased competition have come at a high cost to workers. A side effect of an ever-changing economy is permanent job loss, or dislocation, for millions of American workers.

The competitive pressures of a global economy have driven major shifts in employers' practices and their attitudes toward the workforce. In the past, many large companies offered stable employment in return for employee loyalty and commitment. However, since the 1980s, many firms have begun to stress that employees are responsible for their own careers. In some cases, firms have even revised their personnel manuals to take out references to lifetime employment and to emphasize employee responsibility for career management.<sup>3</sup>

"I think the difference now is that unlike previous downturns, the crisis that the blue-collar people have always felt has come up the corporate ladder so that we're feeling it, when previously it was just the blue-collar (workers). Now it's the blue-collar and us." (Focus group participant, Chicago, IL)

<sup>1</sup> K.A. Dixon, Neil Ridley, and Carl E. Van Horn, *At a Crossroads: American Workers Assess Jobs and Economic Security Amid the Race for President* (New Brunswick, NJ: John J. Heldrich Center for Workforce Development, Rutgers University, October 2004).

<sup>2</sup> Throughout this report, we use the terms "displaced worker," "dislocated worker," and "laid-off worker" interchangeably.

<sup>3</sup> Peter Cappelli, Laurie Bassi, Harry Katz, David Knoke, Paul Osterman, and Michael Useem, *Change at Work* (Oxford: Oxford University Press, 1997); and Peter Cappelli, *The New Deal at Work: Managing the Market-Driven Workforce* (Boston, MA: Harvard Business School Press, 1999).

A 53-year-old project manager for a technology company in Chicago was laid off from his job, where he earned a six-figure salary, and has been unable to find a new job at a comparable salary. While he has gone on many interviews, he is consistently told that he has too much experience and the employer is looking for someone newer to the industry with lower salary expectations. With a mortgage and two kids in college, this laid-off worker is living off a severance for the time being but is struggling to come to terms with his situation. He feels he has a great deal more to contribute to an employer and is willing to work for much less than he earned when he was laid off. (Focus group, Chicago, IL)

Today, no one is exempt from the risk of job loss. During the 1980s, the typical laid-off worker was a blue-collar employee in the manufacturing sector. While the risk of job loss remains exceptionally high for production workers in the manufacturing sector, it has also spread to workers in most industries and across all income and education levels. In fact, the greatest increases in the risk of displacement are for white-collar workers and college graduates.

Our research demonstrates that economic dislocation affects workers of all races, ages, and education levels in numerous occupations and industries. According to a recent *Work Trends* survey by the Heldrich Center, more than 30% of laid-off workers performed professional, managerial, or technical jobs—so-called white-collar occupations.<sup>4</sup> In addition, although the bulk of the laid-off had been on the job for less than two years, a solid quarter had six or more years of job tenure.

## Costs of Job Loss

The consequences of job loss for some workers are profound, ranging from emotional distress to financial hardship to lower earnings once a worker finds new employment. Layoffs also take a toll on the morale and productivity of those who remain employed in an organization, the so-called “survivors.”<sup>5</sup>

The costs of job loss vary because displaced workers are not all alike. Some are highly skilled professionals, while others are factory workers with limited educational backgrounds. Just as their backgrounds are different, their needs also vary widely. Some require only a brush-up on job search skills and information about available jobs, while others require counseling and training or instruction in basic skills or English language skills to move into a new field.

Many workers face a difficult transition to a new job or even a new field. For example, textile workers in south-eastern Virginia who were laid off when mills closed found that the only job opportunities in their region were in health care, law, and retail and food services.<sup>6</sup> Skilled workers we interviewed also encountered a difficult job market in which employers are demanding higher levels of education and experience.

Research shows that the unemployed remain out of work for longer periods of time than in the past. In 1969, unemployment lasting 15 weeks or more accounted for

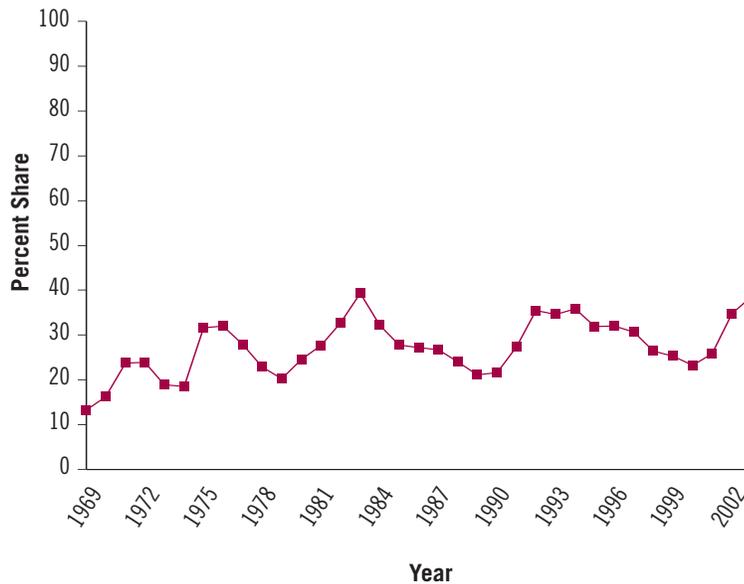
A woman in Marion, West Virginia lost both her job at a textile factory and her health insurance coverage. When her limited severance pay ran out, she collected Unemployment Insurance. Once the benefits ran out, she enrolled in a local college to get her bachelor’s degree but has found it extremely difficult because she has no income and her husband receives minimal disability benefits due to a back injury he suffered at his factory job. On the advice of her pastor’s wife, she now visits a free clinic several times a month to receive the necessary medication to treat her diabetes and high blood pressure, which she could not afford on the little income her husband receives. While she continues to get her medication, she cannot afford to visit a doctor to monitor her health. Her son, meanwhile, decided to go work for the factory, even though he was aware of how unsteady the work was, and got laid off. Now, she is competing with her own son for the few factory jobs there are left. (Focus group, Smyth County, VA)

<sup>4</sup> K.A. Dixon, William M. Rodgers, and Carl E. Van Horn, *Laid-Off American Workers and Employers Assess a Volatile Labor Market* (New Brunswick, NJ: John J. Heldrich Center for Workforce Development, Rutgers University, April 2004).

<sup>5</sup> Cappelli et al., *Change at Work*.

<sup>6</sup> Focus group in Smyth County, VA, conducted by Laurie Harrington, January 5, 2004.

Figure 1: Percentage of Unemployed Population Out of Work for 15 Weeks or More



Source: <http://www.bls.gov/cps/cpsatabs.htm>  
Historical data for the “A” tables of the Employment Situation news release

13% of the unemployed population. That number increased to 20% in 1979, 21% in 1989, and 23% in 2000. By November 2004, the share had grown to 38%. (See Figure 1.)

The difficulties of being unemployed are compounded by the isolation of the job search. Facing an array of electronic and Internet-based job banks, email, and fax machines, workers have the potential to conduct their job search without ever seeing or speaking with other people. As one individual said, looking for work has become a “faceless transaction.”<sup>7</sup>

Those laid-off workers fortunate enough to find new jobs frequently must take a pay cut, particularly if they switch occupations or industries. According to the

Displaced Worker Survey conducted by the Bureau of Labor Statistics, a majority of workers (57%) displaced between 2001 and 2003 earned less at their new jobs. About one-third found jobs that paid 20% or more below what they had earned previously.<sup>8</sup>

Laid-off workers experience earnings reductions not only when job growth is weak (as it has been since 2001), but also when the economy is relatively robust. Research shows that laid-off workers typically earn 6% to 12% less than those who were not displaced as much as seven years following their job loss.<sup>9</sup> Even during the strong labor market of the 1990s, the earnings of college-educated workers who were displaced were about 20% less than the earnings of college-educated workers who remained employed.<sup>10</sup>

<sup>7</sup> Focus group in Los Angeles, CA, conducted by Richard W. Moore, January 16, 2004.

<sup>8</sup> Bureau of Labor Statistics, “Displaced Worker Survey: Worker Displacement, 2001-2003,” news release, July 30, 2004. The Bureau of Labor Statistics generally defines displaced workers as those with at least three years of job tenure.

<sup>9</sup> Lori Kletzer, “Job Displacement,” *Journal of Economic Perspectives* 12, no. 1 (Winter 1998): 126.

<sup>10</sup> Henry S. Farber, *Job Loss in the United States, 1981-2001*, Working Paper #471 (Princeton, NJ: Princeton University, January 2003), 32.

## Wide Gaps in Private Sector Support for Laid-Off Workers

In today's economy, workers themselves bear the brunt of the costs of job loss. Individuals can turn to benefits and services available from their former employers and the government, but those support networks tend to be uneven in coverage and depth of support.

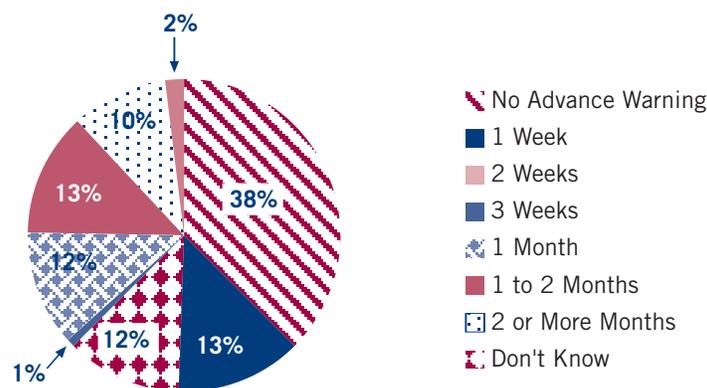
A large proportion of workers receive little or no advance notice prior to losing their jobs. In a recent *Work Trends* survey conducted by the Heldrich Center, nearly 30% of firms report that they provide news of impending layoffs with no more than one week's notice.<sup>11</sup> However, as shown in Figure 2, more than one-third of workers (38%) say they received no advance warning of job loss. Another 13% received notice only one week before a job separation.<sup>12</sup>

### The Pillowtex Story

The end of the road for the Pillowtex Corporation came on a summer day in 2003. The towel manufacturer struggled for months against a surging tide of cheap imports and a soft retail market. Hoping to stay in business, the company cut production and furloughed most of its employees. Then, on July 30, the company shuttered its factories and filed for bankruptcy protection, throwing nearly 4,800 textile employees out of work in one of the largest layoffs in North Carolina history. (*Charlotte Observer* and *Washington Post*, August 9, 2003)

The shutdown of the Pillowtex factories marked the beginning of the struggle for the company's former employees. Most of them had spent their entire working lives at the company and had acquired few skills other than those they used on the factory floor. As a result, they were not ready to compete for jobs in growing but more technically demanding fields, such as health care and finance. To make matters worse, the layoffs were concentrated in a few counties, straining the local network of social services and weakening the local economy. (*Washington Post*, August 9, 2003)

Figure 2: Time in Advance Notice of Layoff

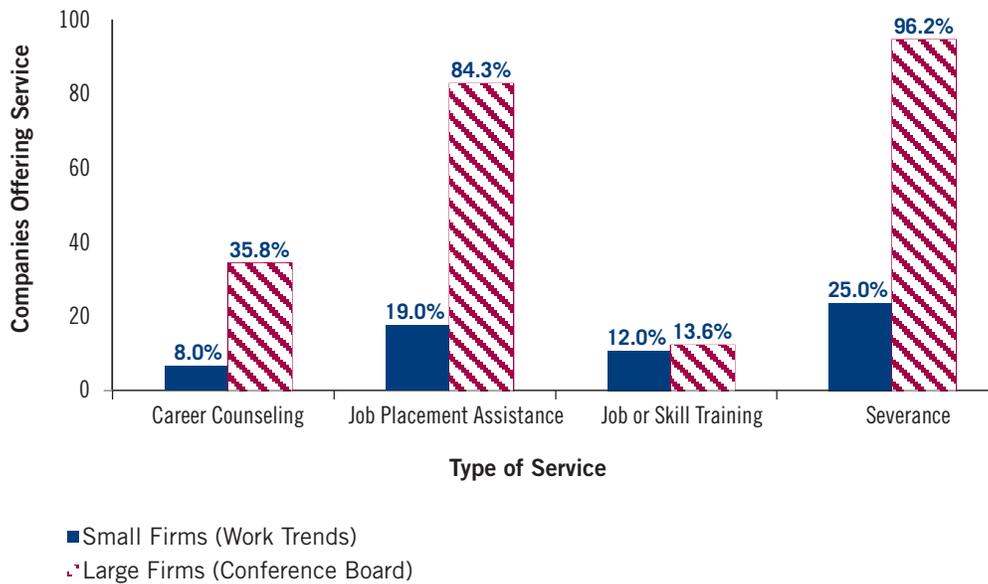


Source: *Work Trends*, April 2004, p. 11

<sup>11</sup> Dixon et al., *Work Trends*, April 2004, 17.

<sup>12</sup> Dixon et al., *Work Trends*, April 2004, 10-11.

**Figure 3: Small vs. Large Firm Layoff Assistance**



Source: *Compassionate Downsizing, 2004; Work Trends, April 2004*

Existing federal requirements for advance notification offer little protection to workers affected by many large-scale layoffs, let alone small layoffs. Companies can easily evade the complex federal requirements for advance notification by dismissing the guidelines entirely or by conducting a rolling series of small-group layoffs that do not trigger notification requirements.

Our research shows that benefits and services offered by employers in the wake of layoffs are not widely available or well coordinated with government services. As shown in Figure 3, a wide gap exists between what large and small firms offer.<sup>13</sup> Large companies tend to offer a package of transition assistance, such as severance pay, outplacement services, counseling, and other services. Small firms are much less likely to offer those benefits and services. Available evidence suggests that only a small percentage of firms—large or small—offer any education and training assistance to laid-off workers.

There are signs that large firms are trimming their commitments to laid-off workers because of cost pres-

ures. During the past five years, a number of the large companies we examined have decreased the amount of severance pay per years of job tenure or trimmed the amount of the maximum payout. Moreover, the outplacement executives we interviewed observed that companies are spending less per worker on service packages than in previous years. Even the participants in our focus groups noted reductions in post-layoff support from employers.

### **Uneven Government Support**

Government support, including Unemployment Insurance benefits and access to training, is ill-formed and uneven, and does not meet the current demands of the labor market. For example, Unemployment Insurance (UI), which has been the principal support for unemployed workers for nearly 70 years, is a prime example of a government benefit that workers value highly. However, UI provides benefits to a declining share of unemployed people. The percentage of the unemployed receiving UI benefits has gradually fallen from about 50% in the 1950s to about

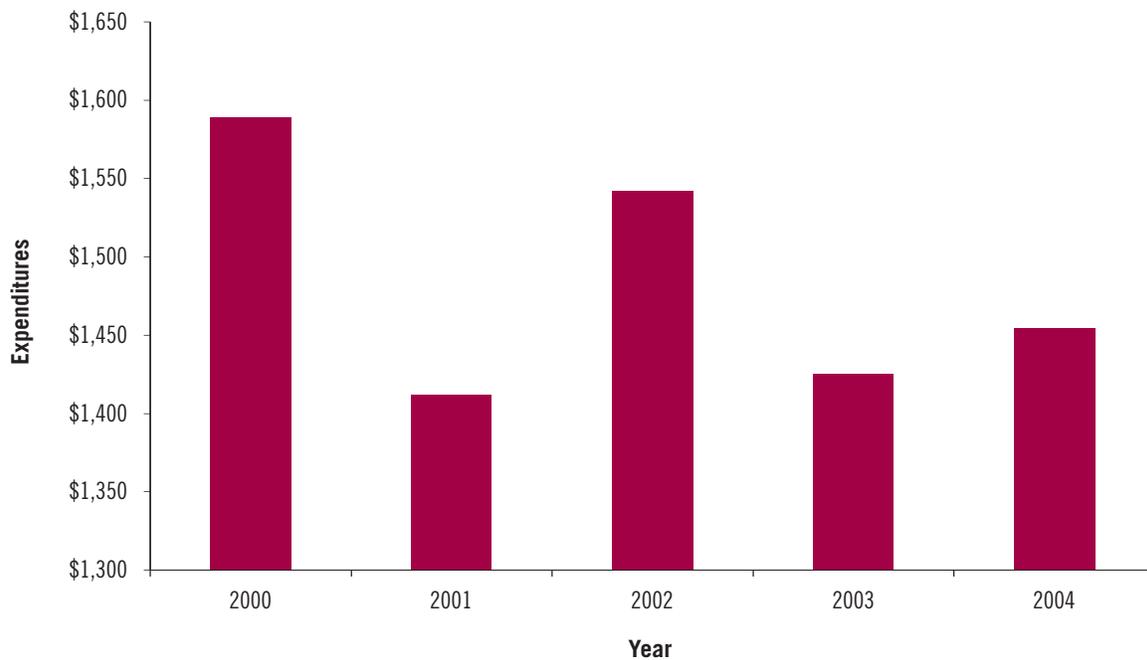
<sup>13</sup> *Work Trends* categorizes employers as 5-24 employees, 25 to 100 employees, 100 to 250 employees, 250 to 500 employees, and more than 500 employees.

35% in the 1990s. The safety net is particularly fragile for low-wage workers who face difficulty in meeting program requirements.<sup>14</sup>

Since 2000, federal funding for displaced workers has moved in different directions. Federal support for programs narrowly targeted at workers who lose their jobs due to international trade has risen since 2002. However, funding for programs that serve the majority of laid-off workers regardless of the cause of job loss has fallen from \$1.59 billion in 2000 to \$1.45 billion in 2004 (see Figure 4).

Although workers value government support following a job loss, they offer both criticism and praise for specific services. On one hand, white-collar jobseekers noted that One-Stop Centers and some government services tend to be oriented to the needs of less-skilled workers. They reported feeling frustrated that automated job-matching systems generated many job prospects but few that were suitable for their skills and backgrounds. On the other hand, workers praised the use of peer groups composed of jobseekers to provide emotional support and leads for their job search. Workers noted that the peer groups helped them to broaden their networking circles, increasing their opportunities to secure new employment.

**Figure 4: Allotments for Dislocated Worker Training Under the Workforce Investment Act (in millions of dollars)**



Source: Department of Labor, Employment Training Administration, Fiscal Year Budget Tables and Historical Data Tables, <http://www.doleta.gov/budget/>

<sup>14</sup> General Accounting Office, *Unemployment Insurance: Role as Safety Net for Low-Wage Workers is Limited* (Washington, D.C., December 2000), 10.

# Recommendations

Many workers and employers recognize the economy and workplace have undergone profound change. Confronted with rising competition at home and abroad, companies are under pressure to restructure operations and generate cost efficiencies. Corporate restructuring, downsizing, and outsourcing have become standard business practices, used not only when the economy is weak, but also when it is expanding. Changes in the business environment have in turn driven fundamental changes in the workplace. In today's economy, layoffs ripple across the U.S. workforce, affecting employees in most industries and at all education and income levels.

A key finding of this report is that the nation's public policies and private sector practices are out of sync with the reality of a changing labor market where millions of Americans face layoffs each year and millions more are at risk of job loss. While recognition is growing that the reality of the workplace has changed, it is far from clear that new norms, let alone new practices, have risen to accommodate that reality.

In light of recent trends, it is time to reexamine our public and private policies toward laid-off workers. We must also reassess our expectations for the roles of workers, employers, and the government. The belief that has gained currency in both the public and private sectors is that individuals have the primary responsibility for managing their careers and job transitions. That widely shared expectation is certainly reasonable. However, if individuals are expected to bear that responsibility, they should have the information and tools needed to succeed. They require more, not less, advance warning of job loss and a range of well-coordinated services to ease the transition to new jobs or new fields.

Employers and government—not just individuals—should play a more effective role in supporting laid-off workers. Our recommendations, outlined below and discussed in further detail in the full report, show how the burden of dislocation should be more equitably shared among workers, employers, and the government.

## Heldrich Center's Workforce Web site Recommendations

For general information about job searches, both on and off the Internet, check out:

- Occupational Information Network: <http://online.onetcenter.org/>
- The Riley Guide: <http://www.rileyguide.com/>
- Job-Hunt: <http://www.job-hunt.org/>
- New York Department of Labor: <http://www.labor.state.ny.us/> (Especially the publication, *Your Winning Edge*)

To look for jobs on the Web, look beyond the big name job boards to niche Web sites such as:

- Idealist: <http://www.idealist.org/>
- JobScience: <http://www.jobscience.com/>
- The Black Collegian Online: <http://www.black-collegian.com/>

In addition, use the Internet to help in aspects beyond just finding a job. For example, use these Web sites to help assess skills, create a more effective resume, or find networking and training opportunities:

- Career eManual: <http://www.cdm.uwaterloo.ca/> (Assessment)
- CareerOneStop Resume Tutorial: [http://www.acinet.org/acinet/resume/resume\\_intro.asp](http://www.acinet.org/acinet/resume/resume_intro.asp) (Resume)
- New Jersey Job Hunter's Guide: <http://www.wnjp.in.com/jobseeker/jbhunt.htm> (Networking)
- New Jersey Training Systems: <http://www.njtrainingsystems.org/> (Training)

## Recommendations for Workers

Workers can no longer expect to spend their entire working lives at a single company or count on their employers to manage their careers. They must instead navigate a turbulent labor market where millions face the threat of layoffs. They also can no longer rely solely on strained government programs as a stable source of guidance or support.

We suggest a set of principles to guide workers in this new environment:

**Prepare for job loss before it happens.** Recognize the new reality that job loss can occur to anyone at any time. Pay close attention to trends within firms, industries, and the broad labor market. Look for early warning signs of trouble, such as a lost contract or a drop-off in workload. Upgrade skills and maintain and broaden networks. Consider career options in case of unexpected layoffs.

**Do not rely entirely on Internet job sites.** Internet employment Web sites can be a powerful tool for jobseekers. But they should be part of a well-rounded job search strategy. Turn to company Web sites and niche job sites that specialize in an industry, profession, or geographic area. A recent study found that employers tend to rely on those sources for hiring more than high-volume national job sites.

**Employ multiple job search strategies.** Using the Internet to post resumes and search job opportunities is only one of multiple job search strategies. Tap personal and professional networks. Contact prospective employers directly.

**Tailor transition strategies to the industry.** What works in the technology industry does not necessarily work in Hollywood. Know the skill needs and expectations of a targeted industry.

**Be creative in tapping into a network of community resources.** Explore the full array of resources beyond government benefits, such as Unemployment Insurance. Consider peer support groups run by private organizations. Temporary service firms can allow workers to “audition” with prospective employers. Unions offer a range of benefits and services to affiliated members. Additional

resources include social services, such as welfare, food stamps, Medicaid, and other need-based assistance.

**Address the emotional impact of unemployment.** The Heldrich Center *Work Trends* surveys find that large proportions of individuals experience depression, fear, and anxiety upon job separation. If someone suffers from depression or intense anxiety, they may be able to benefit from counseling services provided by former employers or community organizations. They can join a peer support group, which can provide an emotional boost at a rough time as well as valuable leads for the job search. One-Stop Center staff, and others who assist dislocated workers, should be aware of the symptoms of anxiety and depression and encourage affected workers to seek assistance to deal with the emotional fallout from a layoff.

## Recommendations for Employers

The increased use of layoffs as a business strategy reflects the rise of a more temporary employment relationship between companies and their employees. Some large companies continue to provide employees with opportunities for job stability and lifelong careers, but those opportunities can no longer be taken for granted.

Our research demonstrates that employers are divided on their responsibility to employees in the wake of a layoff. A majority (about 60%) of employers believe that laid-off workers are mainly responsible for helping themselves. Barely half of employers agree that they have a responsibility to assist workers in finding another job.

While we believe employers have a moral responsibility to treat laid-off workers with professional courtesy and compassion, there are four compelling reasons why employers—acting in their own self-interest—should treat laid-off workers well:

- Companies can maintain the morale of remaining employees by providing benefits and support to those who are laid off.
- Handling layoffs with tact and compassion can avoid harming relations with the community in which a company operates.
- It is important not to “burn bridges” with former employees who may be future customers or even business partners.

- Treating laid-off workers fairly may improve the ability to retain employees when the labor market becomes tight.

Drawing on our research and interviews with human resource managers, we propose a series of principles to guide employers who are carrying out workforce reductions. These principles could serve as the foundation of a new culture for handling workers in transition in an era when jobs are inherently less secure:

**Companies should have a clear statement of values and adhere to them.** A company's core values are the basis for policies toward all employees. Ideally, a company will have a long-standing and well-documented statement of values and beliefs that addresses the company's respect for employees.

**Firms should give fair warning to employees who are laid off.** Federal legislation on advance notice, the Worker Adjustment and Retraining Notification Act (WARN), sets only a minimum standard that applies to plant closings and some large-scale layoffs. Companies need to develop their own policies on what constitutes adequate notice or develop joint standards that apply to a whole industry or economic sector.

**Employers should offer individualized packages of transition services rather than standard "one-size-fits-all" services.** Employees could receive a cafeteria-style plan that offers choices among a variety of services, such as workshops and professional networking groups. Or employees could receive a lump sum that could be spent on a range of services or benefits.

**Companies should seek to leverage resources with government agencies and other firms.** Given the cost constraints that most employers face, it makes sense to leverage a company's resources with the government's or other firms' resources. Leveraging is likely to be cost effective for firms and the government, and it is likely to enhance the level of support available to workers.

**Employers should be recognized for offering an exceptional level of benefits and services to laid-off workers.** We envision a rating system for companies modeled on

Fleet Bank offers an example of how a company can integrate its services with government services. During layoffs in 2000 and 2001, Fleet collaborated with Massachusetts' rapid response unit and a local One-Stop Center to successfully apply for federal dislocated worker funding to provide job training to its employees. Through quarterly meetings with the Commonwealth of Massachusetts during the course of the grant, Fleet was able to extend the grant's scope to provide training through local One-Stops to employees in Connecticut, Maine, New Hampshire, and Rhode Island. As a result of the receipt of the grant, 260 Fleet Boston employees accessed job training and 450 employees received counseling services. Fleet widened the same practice in 2002 and 2003 to cover employees throughout its 10-state region.

the Zagat guide for restaurants or the J.D. Power reports on companies. A rating would be determined based on the types and range of benefits and services that are offered to displaced workers.

## *Recommendations for Policymakers*

Current national policies do not fit the reality of today's labor market in which millions of people face layoffs each year. We need more comprehensive policies that address the reality of the present labor market. Such policies should focus on one goal—expediting the reemployment of laid-off workers in occupations and industries that are likely to provide long-term employment and prospects for wage growth.

Achieving that goal requires a combination of information and services adjusted to the needs of the individual, not driven by the cause of dislocation. It also requires an enhanced emphasis on early warning and provision of services. Individuals who receive advance notice as well as education and training before layoff are more likely to maintain and improve their skills and maximize their prospects for reemployment. The following recommendations flow from these policy goals:

### **Maryland Professional Outplacement Assistance Center**

The Maryland Department of Employment and Economic Development started the Maryland Professional Outplacement Assistance Center (POAC) in January 1993 to provide reemployment services to technical and managerial professionals. The objective was to provide outplacement services similar to those corporate executives receive but often not offered to middle managers. POAC reaches out to individual workers, as well as to government agencies and employers. Resources for laid-off workers include computer access, training programs, and counseling sessions to help facilitate job searches and help laid-off workers upgrade their skills. The center creates an open atmosphere where individuals can come to work on finding a job, as well as connect with peers experiencing similar challenges. POAC also provides training to government agencies and companies to help them provide outplacement services to laid-off workers on their own. POAC has proved to be such a successful model that many foreign governments, including Canada, Great Britain, and Sweden, have visited the program in hopes of replicating this service in their countries.

### **Provide workers with adequate notice in advance of lay-off by clarifying federal requirements for advance notification and by providing a combination of guidance, technical assistance, and incentives to employers.**

Policies on notifying workers of impending layoffs have not been touched since 1988. Now that workers bear most of the costs of dislocation, it is imperative that they have advance warning to ease their transitions. Legislation should be clarified so that only those employers that comply with federal and state regulations receive certain benefits.

**Ensure that Unemployment Insurance benefits are widely available and deploy program resources, not only as a source of temporary wage support, but also as a lever to reconnect unemployed individuals with the workforce.** Unemployment Insurance (UI) remains the first line of support for many unemployed workers. However, key reforms are needed to expand coverage of

all unemployed workers, to make UI work more effectively during economic downturns, and to deploy UI resources for more active support of laid-off workers.

**Help get the unemployed back to work by integrating reemployment services with the administration of Unemployment Insurance and by integrating government support and employer-funded benefits and services.** Many laid-off workers find new jobs with little or no assistance from government agencies or other sources of support. However, a large number flounder in a challenging labor market. Reemployment services designed to hasten the transition of laid-off workers into new jobs have proven to be a simple, effective, and relatively inexpensive strategy for serving laid-off workers. Policymakers can increase the payoff of reemployment services by integrating them with the delivery of UI benefits and privately funded transition services.

**Ensure that government-funded training is closely attuned to business needs and upgrade workers' skills prior to the crisis of a layoff.** Workers need strong individualized guidance after layoff. Policymakers should recognize the potential benefits and limitations of any training program. Training is certainly not for everyone, but it should be a central strategy for assisting at least some laid-off workers.

This report, with its findings and three sets of recommendations, is intended to stimulate a national dialogue on appropriate norms and expectations for an economy in which few jobs are permanent. Developing more effective public and private strategies to support laid-off workers should be a priority for business leaders, labor representatives, workers, and policymakers, including the new Congress and the Bush administration.





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