

## Layoff Aversion (Texas)

Layoff aversion involves a continuum of strategies and ideas to assist employers and employees, as well as communities. The first layoff aversion strategies in the continuum are those used to identify the possibility of layoffs. Source:

<http://www.twc.state.tx.us/files/partners/layoff-aversion-guide.pdf>

Local Workforce Development Boards (Boards) may establish an early warning system (EWS) to identify and track vulnerable firms and industrial sectors that might benefit from layoff aversion strategies. The EWS should identify firms at risk of closing or moving operations before actual decisions are made by the companies to shut down or move, and includes an early warning network and community partners along with other early warning indicators.

EWS network and community partners include, but are not limited to, the following:

- Local mayors and council members
- Local unions • Civic and religious institutions
- Local and state economic development organizations
- Chambers of commerce
- Utility companies
- Local banks
- Industry groups
- Other institutions

Early warning indicators, whether identified as immediate danger signs or as long-term patterns, can buy a community the time necessary to develop alternatives to plant closures and job losses. Monitoring industry economic health and activity is an essential component of a successful layoff aversion strategy, and assists Boards in providing rapid response services earlier in the continuum.

### PREFEASIBILITY STUDIES

Local Workforce Development Boards (Boards) may devise and oversee development of prefeasibility studies for the aversion of plant closures. Prefeasibility studies provide objective evidence as to the likelihood of an employer remaining operational and, if so, under what conditions. Boards must ensure the confidentiality of information collected in developing a prefeasibility study, and involve labor and management in the process.

Typical prefeasibility studies assess the employer's business operations in the following areas:

- Organizational Structure
- Market
- Operations/Manufacturing
- Financial
- Legal
- Conclusions and Methodology

If there is an indication that an employer closing or mass layoff can be averted, technical assistance can be provided to interested parties to investigate possible layoff aversion strategies. Strategies might include incumbent worker training or shared work. The cost of such a move would be minimal compared to the economic impact of a plant closing or mass layoff.