

Displaced Workers Landscape Review

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JANUARY 2023



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Introduction

Globalization and automation pose a potential threat to the job security of a significant portion of the American workforce by decreasing the demand for labor in specific occupations and industries ([Bughin et al., 2018](#); [Lund et al., 2021](#)). When these changes in demand are persistent, some workers may become displaced from their jobs and struggle to find new employment. Work displacement can also disproportionately impact certain demographics. Black workers are often among the first to be dismissed and spend a significantly longer period of time unemployed than White, Asian, and Latino workers. Women who face displacement exit the labor force at higher rates than men. To overcome these struggles, displaced workers may need different kinds of support than workers who become unemployed for other reasons—for example, they may need help translating their existing skills and experience to other occupations or careers. More needs to be known about why displacement disproportionately affects certain populations and what supports and strategies can help overcome these disparities. This landscape review examines the current programs and evidence of effectiveness on displaced workers and lays out suggestions for further strengthening the practices and research to support this population.

The AIR PROMISE Center

Supported by AIR's Equity Initiative, the PROMISE Center focuses on uncovering the strategies, partnerships, and conditions needed to build a modern workforce development ecosystem that helps all people succeed and thrive. A key segment of the Center's work is dedicated to discovering how to effectively support populations who have been underserved in the U.S. workforce development system. Individuals of color and those in poverty are often disproportionately represented among these underserved populations, and PROMISE is seeking to better understand the barriers that these communities face and identify promising programs and practices that better support their strengths and needs.

Displaced workers are one of four key populations that are the focus of the inaugural work of the American Institutes for Research's (AIR's) PROMISE (Promoting Resiliency, Opportunity, and Mobility in Service of Equity) Center. Founded in 2021 with a generous grant from AIR's Equity Initiative, the PROMISE Center seeks to uncover how effective workforce training practices can be adapted and scaled to serve more individuals, particularly those harmed by the effects of segregation by race and place. Billions of dollars have been invested in workforce training programs over the past few decades; however, only a few programs have been effective in increasing individuals' employment and earnings. Additionally, some populations, such as displaced workers, have been underserved in this system given their unique circumstances and needs. PROMISE is seeking to better understand the barriers these specific communities face, identify promising practices that better support their strengths and needs,

expand the evidence on their effectiveness, scale successful practices, and build bridges in other workforce and postsecondary training for these populations.

This landscape review summarizes the current state of knowledge about displaced workers by focusing on six key questions:

1. Who are displaced workers and what populations are most affected?
2. How do workers fare after displacement?
3. How does the workforce system currently support displaced workers?
4. How effective is the current approach to helping displaced workers?
5. What important questions remain unanswered?
6. What programs, practices, policies, or knowledge/evidence building might improve outcomes for displaced workers?

To answer the first five questions, we gathered and reviewed research reports, academic studies, and other materials to identify the current state of the evidence on displaced workers and programs aiming to serve them, with a specific focus on how displacement differentially affects communities of color. We also identify opportunities for future research and practice and propose three potential ways that we might further understand displaced workers' needs and improve supports for their success. These include elevating the voices of a diverse set of displaced workers to learn about their needs and potential solutions; developing a more nuanced understanding of the effectiveness of current strategies for specific populations; and generating innovative ways to identify skills that can be translated to new professions. Throughout this review, we take care to consider whether current and proposed supports have the potential to help displaced workers of all types, particularly those who have historically been disproportionately affected by displacement.

Who are displaced workers?

The U.S. Bureau of Labor Statistics (BLS) defines displaced workers as “persons 20 years of age and over who lost or left jobs because their plant or company closed or moved, there was insufficient work for them to do, or their position or shift was abolished” ([BLS, 2022](#)). However,

the definition can vary across academic literature and public programs.¹ In this landscape review, we consider displaced workers to be workers who are (1) unemployed or underemployed due to a persistent reduction in demand for their job and (2) unlikely to find a similar job with similar compensation. We do not restrict our definition based on age, education, or industry. In our view, a displaced worker is one who may need to change careers or acquire new skills in order to acquire a new job that is both sustainable and sufficiently paying. These workers have often developed skills that are specific to the job or industry from which they have separated.

A displaced worker is someone who is (1) unemployed or underemployed due to a persistent reduction in demand for their job and (2) unlikely to find a similar job with similar compensation.

The primary data on displaced workers come from BLS, which conducts a displaced worker survey every other January on displacement over the three preceding calendar years.² From January 2017 to December 2019, about 6.3 million American workers experienced job displacement, equal to roughly 4% of the total American workforce. That tally continued a downward trend in displaced workers over the prior decade: from 9.5 million in 2011–13, to 7.4 million in 2013–15 and 6.8 million in 2015–17 ([BLS, 2020a](#); [BLS, 2018](#); [BLS, 2016](#); [BLS, 2014](#)). In each of these time periods, the most common source of displacement was the manufacturing industry impacted by trade and automation.

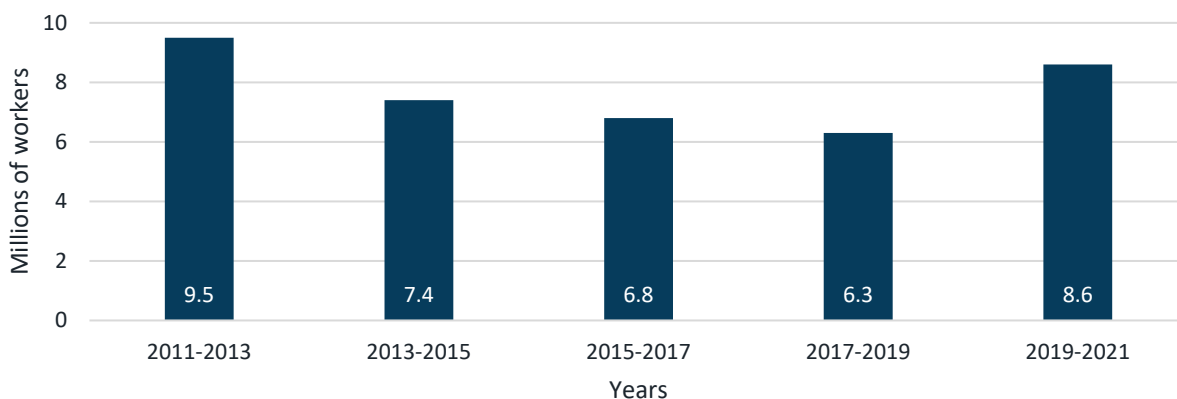
However, since the outbreak of the COVID-19 pandemic, concern has grown over a potential new wave of displaced workers: non-trade displaced workers. The results of the most recent BLS survey of displaced workers (released in August 2022) show that 8.6 million workers experienced job displacement between January 2019 and December 2021—the highest number in nearly a decade (BLS, 2022). Exhibit 1 summarizes the estimated number of displaced workers in the United States in recent years. For the first time in the 30 years that BLS has surveyed displaced workers, the manufacturing industry was not the largest source of job displacement. In fact, two industries had larger numbers of displacements in this period: leisure/hospitality and professional/business services. Still, the number of manufacturing displacements remained similar across the last two reporting periods (around 460,000). This suggests that manufacturing displacements are not going away, but instead may now be

¹ A similar term is *dislocated* workers, defined by the Workforce Innovation and Opportunity Act (WIOA) of 2014 as a worker “who has been terminated or laid off, or who has received a notice of termination or layoff, from employment... is eligible for or has exhausted entitlement to unemployment compensation... [and] is unlikely to return to a previous industry or occupation” and explicitly includes workers who become unemployed “as a result of any permanent closure of, or any substantial layoff at, a plant, facility, or enterprise” ([WIOA, 2014](#)). While this definition also falls within ours, we use the term displaced worker throughout our review for consistency.

² Given the longevity, consistency, and methodology of these survey data, we rely on BLS data as our primary source of information on displaced workers. Still, we refer to information gathered in other research and surveys when relevant.

accompanied by a new growing population of workers displaced for reasons other than trade. While a lot remains unclear about how labor markets will continue to change in response to the pandemic, the profile of displaced workers may look more diverse in coming years, encompassing a range of jobs from lower-paying service industry jobs to high-skilled, white-collar workers in the professional services industry.

Exhibit 1. Number of workers displaced in recent periods (in millions)



Note. Data were retrieved from [BLS, 2022](#); [BLS, 2020a](#); [BLS, 2018](#); [BLS, 2016](#); and [BLS, 2014](#).

How do workers fare after displacement?

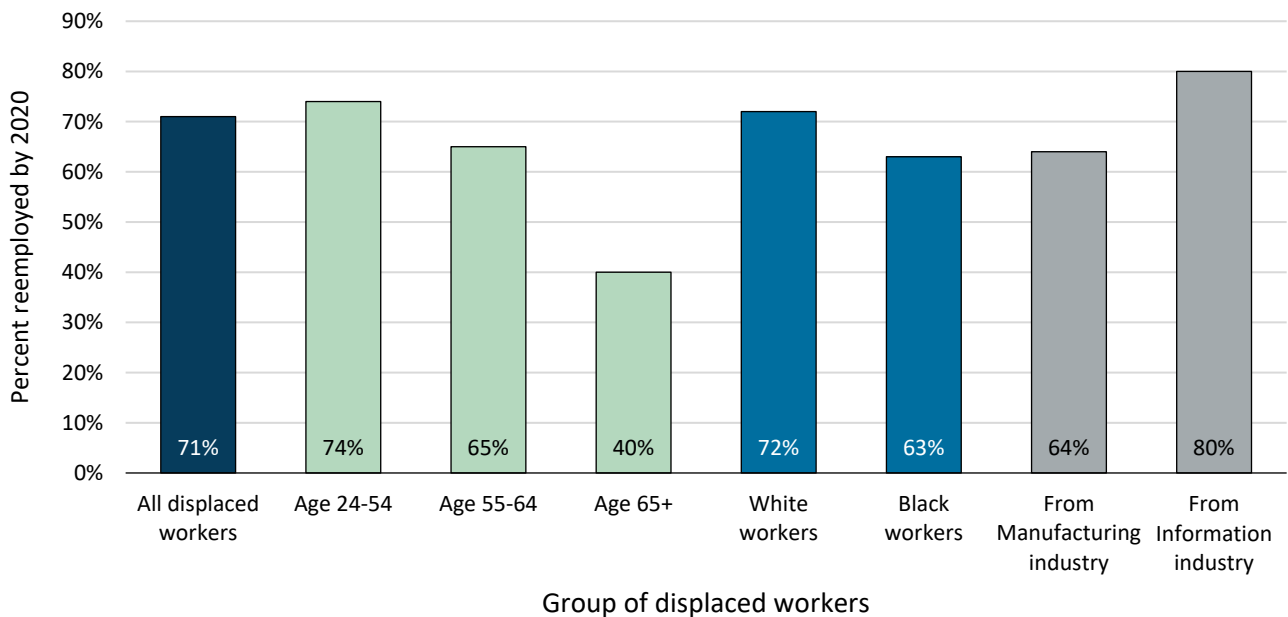
Studies show that displaced workers face several challenges after losing their jobs, including long bouts of unemployment, differential challenges to finding new work, lower future pay, and a greater chance of ending up in a new job where they have less potential for growth.

While the majority of displaced workers eventually find new jobs, they often spend multiple months unemployed. People with three or more years of tenure at their job at the time of displacement are commonly referred to as long-tenured displaced workers. Of the 3.6 million long-tenured displaced workers—who lost employment in 2019, 2020, or 2021, about 65% were reemployed as of January 2022 ([BLS, 2022](#)). Still, these workers can spend significant lengths of time in unemployment. From 1983 to 2013, displaced workers who eventually found reemployment spent an average of 10 to 20 weeks without work, though many spend much longer unemployed ([Farber, 2015](#)).

Some groups of displaced workers have a harder time finding new jobs. While most displaced workers become reemployed, certain groups of workers do so at significantly lower rates. Black long-tenured displaced workers tend to reemploy at statistically significantly lower rates than White, Asian, and Hispanic workers. They are also the first to be fired during economic

contractions, even when controlling for characteristics such as education, occupation, and industry ([Couch & Fairlie, 2010](#)). Women who experience displacement tend to exit the labor force at higher rates than men. In every BLS report on displaced workers since 2001, the percentage of displaced women that exited the workforce has surpassed that of men, sometimes by as much as 9% ([BLS Archive](#)). Age is also a significant factor; of workers displaced between 2017 and 2019, around 74% of displaced workers aged 20 to 54 years were reemployed as of January 2020 compared to only 40% of displaced workers aged 65 and older (BLS, 2020). While older displaced workers are significantly more likely to exit the labor force, those who find reemployment spend significantly longer in unemployment than younger workers ([Farber, 2015](#)). Reemployment rates also differ by industry. Historically, the manufacturing industry has the lowest reported reemployment rate (64%), while reemployment is highest for long-tenured workers displaced from the information industry (80%) ([BLS, 2022](#)).³

Exhibit 2. Reemployment rates of workers displaced during 2017, 2018, or 2019



Note. Reprinted from BLS ([2020, Table 8](#)).

Whereas the numbers in Exhibit 2 reflect the long-standing patterns in displacements, the most recent BLS report shows some changes in the relative reemployment rates of these subgroups. Notably, of workers displaced between January 2019 and December 2021, White workers were

³ The information sector comprises establishments engaged in the following processes: (a) producing and distributing information and cultural products, (b) providing the means to transmit or distribute these products as well as data or communications, and (c) processing data ([BLS, Information industry](#)).

least likely to be reemployed (64%) and Black workers were most likely to be reemployed (71%). Additionally, reemployment rates of workers from the information industry fell from 80% in January 2019 to 65% in January 2022 ([BLS, 2019](#); [BLS, 2022](#)). These changes may suggest new trends in the reemployment rates of displaced Black workers and the traditionally strong IT field.

Displaced workers are often paid less in their new jobs. Even if displaced workers secure reemployment, they often experience long-lasting reductions in pay. Of the long-tenured displaced workers who lost full-time wage and salary jobs during the 2019–20 period and were reemployed in January 2022, only 63% were earning as much or more than they did at their old job ([BLS, 2022](#)). These earnings reductions can be significant. Workers affected by mass layoffs during the Great Recession experienced an initial estimated 30% reduction in earnings with a persistent 15% reduction after six years ([Couch & Placzek, 2010](#)). Earnings losses are also largest for individuals with low initial wages, low initial tenure, and low attachment to the labor force ([Autor et al., 2014](#)).

Subsequent jobs may be worse matches or have less potential for growth. Long-term reductions in earnings may also stem from reemployed workers not fitting as well with their new employers. Analyses from a decade ago reveal that even if displaced workers find a new job that pays about as much as their old job, the rate of promotions and pay increases may be slower than what they would have experienced at their previous employer ([Raposo et al., 2015](#)). This effect appears to be continuing today. Recent analyses have suggested that this challenge is even greater for employees who had a long tenure with their original employer ([Lachowska et al., 2020](#)). Workers who experience displacement and find new jobs are more likely to get jobs in different industries or with employers who pay less. Previous analyses of have shown that lower occupational status, less job authority, fewer employer-provided benefits, and degradation of skill from time spent not working may also play a role in wage reductions ([Autor et al., 2014](#)).

How does the workforce system currently support displaced workers?

Over the past 30 years, a few large programs have provided support targeted to displaced workers, such as the Trade Adjustment Assistance (TAA) program and the Workforce Innovation and Opportunity Act's (WIOA) Dislocated Worker Program (DWP). Below we provide a brief overview of these programs.

- ***The Dislocated Workers Program***—established under the Workforce Investment Act of 1998 (WIA) and reauthorized under the WIOA in 2014—is one of the largest federal

programs targeted to displaced workers ([Fortson et al., 2017](#)). The eligible population is generally defined as those that have been laid off, are unlikely to return to a previous industry or occupation, and are eligible for or have exhausted unemployment insurance. If determined to be eligible by an American Job Center or local Workforce Development Board, workers can receive testing and skills assessments, job search assistance (in the form of resume and interview assistance), counselor-approved training (for a GED or other skills and certifications), and support services (such as funding for uniforms, transportation, or childcare) ([20 CFR § 680.130](#)). Though federally funded, the administration of the Dislocated Worker Program is handled by each state individually; that is, the specific components of WIOA programs can vary across states.

- **The Trade Adjustment Assistance program**—established by the Trade Act of 1974 and reauthorized in 2015—is the longest running federal support targeted to displaced workers. If a petition is filed to the Department of Labor (DOL) and it is determined that a group of workers have had their employment affected by trade, those workers can become eligible under TAA for a combination of any of the following services: “training, employment and case management services, job search allowances, relocation allowances, and income support in the form of Trade Readjustment Allowances (TRA)” ([DOL, n.d.](#); [Hyman, 2018](#); [Schochet et al., 2012](#)).
- The **Trade Adjustment Assistance Community College and Career Training (TAACCT)** grant program—funded through the American Recovery and Reinvestment Act of 2009—was a \$2 billion investment intended to expand community colleges’ ability to train displaced workers affected by trade. While TAACCT grants could be used by a college to build instructional infrastructure, funding could also cover skills assessments and other supports for students, such as financial support, academic counseling, or other wraparound services ([Mikelson et al., 2017](#)). In many cases colleges worked with local industries to develop academic programs that would provide the most promising employment prospects and coupled these programs with job search support services ([Scott et al., 2020](#)).

Beyond these large, targeted programs, displaced workers also have been eligible to take advantage of other programs that provide services to unemployed workers in general, not just those who have been displaced. These include programs such as Unemployment Insurance, Worker Profiling and Reemployment Services (WPRS), Reemployment and Eligibility Assessment, and SNAP (Supplemental Nutrition Assistance Program) Employment and Training. These programs provide financial support, reemployment services, employment training, or some combination of all three.

While these federal support programs specifically target displaced workers, they do not appear to be specifically tailored to displaced workers. Programs for displaced workers tend to

provide many of the same services as programs for the general population of unemployed workers. Both tend to rely on the same traditional collection of supports—training, job search assistance, and financial support—meaning that programs targeted to displaced workers do not provide any unique supports to this population. Given this, we have examined evaluations for both displaced workers and the general population below in order to gain more insight into the effectiveness of traditional supports. We also specifically examine how results vary for displaced workers when the evaluations provide results for this subset of the population.

How effective is the current approach to helping displaced workers?

Because the programs available to displaced workers provide multiple supports simultaneously, programs are evaluated as a whole and researchers cannot completely disentangle the effects of one type of support (such as training) from the effect of the other supports that a worker receives. While this makes it difficult to draw concrete conclusions about each type of support, comparing results across the literature on displaced workers provides some general insights into which approaches show the most promise. This section discusses research that primarily relies on randomized controlled trials (RCTs) or quasi-experimental analysis to summarize the evidence on programs targeted to displaced workers.

Job search assistance—in the form of job search training, skills assessments, counselor guidance, job clubs, or even direct placement—does not appear to produce significant, sustained increases in employment or earnings for displaced workers. Across a variety of time periods and settings, job search assistance at most increases the likelihood of employment by a couple percentage points, but these increases tend to fade after a year ([Decker et al., 2000](#); [Klerman et al., 2019](#); [O’Leary & Eberts, 2008](#)). The largest effect of job search assistance was for WIA-DWP participants who received “intensive services”; two and a half years after exposure in an RCT, these displaced workers experienced increases in earnings and employment by four to five percentage points relative to who only received “core services,” though the exact services received varied a lot across location ([Fortson et al., 2017](#)). There is also evidence that directly placing a displaced worker in a new job might not have a sustained effect, even if their employment is subsidized. Direct job placement assistance has no discernible effect after temporary employment expires and subsidized employment has only a small effect for up to a year ([Autor et al., 2017](#); [Dutta-Gupta et al., 2016](#)).

The effectiveness of training programs for displaced workers—in the form of post-secondary education or occupational training—varies, but it’s not entirely clear what helps make a program effective. Multiple evaluations have concluded that WIA-funded displaced worker training programs do not increase employment, income, or the likelihood of receiving fringe

benefits at a subsequent job ([Andersson et al., 2013](#); [Fortson et al., 2017](#)). A year of community college increased long-term earnings for displaced workers in the 1990s, but a meta-analysis across 16 different TAACCT Grant programs found a very minor overall effect on employment and earnings ([Blume et al., 2019](#); [Jacobson et al., 2005](#)). Still, effects can vary greatly across grants; a separate analysis found that effects were strongest for those coming from manufacturing but weakest for older participants with a longer history of unemployment ([Judkins et al., 2020](#)). Other work suggests that benefits from TAA are driven by participants who ultimately secure a job related to the TAA training they received ([Park, 2011](#)). Cumulative earnings benefits for TAA participants can be significant—as much as \$50,000 over ten years—but are likely transitory as non-participant wages eventually catch up ([Hyman, 2018](#)). It also appears that assessing displaced workers’ skills and guiding their training decisions can help them increase the returns of their skills training ([Perez-Johnson et al., 2011](#)). Research on sectoral training suggests that benefits come directly from training for and placement into high-wage occupations, though we know do not know how well these findings translate to displaced workers ([Katz et al., 2020](#)).

Approaches that combine industry-driven job placement with targeted training can produce substantial benefits but don’t always have long-term effects. Registered apprenticeships—which match workers with employers and provide years-long job-specific training—produce substantially higher earnings for apprentices. Research suggests that participation in a multi-year apprenticeship can increase annual earnings by almost \$6,000 even nine years after the apprenticeship ([Reed et al., 2012](#)). There also are examples of sectoral training benefiting displaced workers, such as WorkAdvance which provided participants with intensive screening, preemployment and career readiness services, occupational skills training, job development and placement services, and postemployment retention and advancement services—all of which was demand driven and supported by employers. This program increased employment by over 15% and annual earnings by \$2,000, though employment benefits faded for most programs after five years ([Hendra et al., 2016](#); [Schaberg & Greenberg, 2020](#)). Career pathways programs, which incorporate a similar comprehensive approach to support, have been shown to produce limited, short-term benefits ([Peck et al., 2021](#)).

What important questions remain unanswered?

Though the existing research provides some insights into how displaced workers benefit from existing support programs, some important questions remain unanswered. There is not clear evidence on how to best support workers *before* displacement occurs so that they can avoid or minimize time spent unemployed. We also need to learn how to effectively tailor

reemployment supports to the unique circumstances of displaced workers, since most current programs provide a predetermined, one-size-fits-all approach.

How do we best support workers who are at risk of displacement?

The large federal programs that provide targeted support to displaced workers all focus on how to get someone back to work after they have been displaced. Given that even short spells of unemployment can have long-lasting effects on workers, we need more evidence on how help workers *before* they are displaced ([Kroft et al., 2013](#)). Several suggestions are provided below.



Warning workers that they might become displaced may help them be more proactive, but more needs to be learned about the effectiveness of these approaches.

Identifying the threat of displacement early could potentially help workers respond, by letting them either learn new skills that allow them to advance within their current career or proactively change careers before losing their job. Some infrastructure already exists to alert workers of layoffs. The Worker Adjustment and Retraining Notification (WARN) Act requires businesses with 100 or more employees to provide at least 60 days of notice before mass layoffs and plant closings (WARN, § 2102 *et seq.*). Some dated evidence suggests that advanced notice might reduce time unemployed for workers, but not all layoffs are covered and proper notice is not always given ([Nord & Ting, 1991](#); [U.S. Government Accountability Office \[GAO\], 2003](#)). More research is needed on these types of programs for the field to better understand whether workers benefit from and respond to this type of information.



Access to training, including while someone is employed, may help prevent job loss or reduce the length of unemployment for displaced workers.

Provisions in WIOA provide funding to help employers train their current employees in order to “retain a skilled workforce or avert the need to lay off workers,” something known as Incumbent Worker Training (IWT) ([WIOA, § 134\(d\)\(4\) et seq.](#)). Only a few rigorous studies of IWT exist, though they suggest that IWT correlates with a higher likelihood of promotion for participants, increased revenue for employers, and potential job creation or retention in some industries ([Brookings, 2020](#); [Hollenbeck, 2008](#); [West, 2010](#)). Other forms of training and certifications for employed workers—including out-skilling⁴ and micro-credentials⁵—have been utilized by some private companies, but evidence on these is also limited ([GAO, 2021](#); [Maxwell et al., 2017](#)). Lifelong Learning Accounts (LLAs)—and employee-owned educational savings accounts where employers match workers contributions—give all workers, whether employed or not, access to

⁴ Outskilling occurs when an employer sponsors a current employee to learn new skills, either at an institute of higher education or through an in-house training program, in such a way that could allow the employee to qualify for and attain a new job outside of the company.

⁵ Micro-credentials, as defined by the National Education Association, are “short, competency-based recognitions” that workers can attain by exhibiting expertise in a specific skill or content area.

funded personal accounts that can be used to pay for certifications, credentials, or other forms of training. LLAs have been piloted or fully implemented in various contexts—such as [Singapore](#), [France](#), [Maine](#), and [Washington](#)—but have not been effectively evaluated ([Fitzpayne & Pollack, 2018](#)).

How can we tailor re-employment supports to the unique circumstances of displaced workers?

Most programs that focus on helping displaced workers provide the same types of supports that are offered to all unemployed workers. But displaced workers often differ from the typical unemployed person. Displaced workers, by definition, lose their jobs because of larger changes in the economy and thus are less likely than the average unemployed worker to have been fired for poor performance. As a result, they may have well-developed, transferable skills—both technical skills and soft skills—that can be leveraged to make prescribed training more efficient.



Displaced workers might benefit from personalized support that builds on their existing skills. Existing reemployment programs tend to train displaced workers for pre-determined sectors and occupations that are deemed “high growth.” Alternative approaches utilize skills testing or counselors to guide a displaced worker into a job or training program based on that worker’s specific skills. Some evidence suggests that this type of counseling could be effective, but it remains unclear which approaches could provide the largest effect for displaced workers ([Deutsch et al., 2021](#); [Fortson et al., 2017](#)). If more evidence is gathered on counseling approaches, the returns to displaced worker training could be improved by having counselors at One-Stop Career Centers that evaluate workers and guide them into training programs where they are likely to succeed ([Jacobson et al., 2011](#)). This screening and guidance could be used in coordination with WARN to get workers into training before displacement. This approach could also be used to tailor job search assistance to the worker’s skills and interests and using state-of-the-art, data-driven job-search techniques to find the best match ([Escobari et al., 2019](#)). Some organizations—such as EMSI-Burning Glass and SkyHive—already do this but have not been evaluated.



Financial support could be tailored to fill the income gap while displaced workers retrain. Because displaced workers tend to be older with more years of tenure at their employer, they often have families and lost jobs with relatively high wages. Given that unemployment insurance on average covers only about half of prior earnings, it may be financially burdensome for displaced workers to spend months or more in full-time training programs, even if the costs of training are covered ([Jacobson et al., 2011](#)). Linking financial supports to training and supporting part-time enrollments may help displaced workers’ engagement in retraining. Some researchers suggest creating Pell Grants for displaced workers and integrating more financial support services into the administration of training programs,

especially at community colleges ([GAO, 2021](#); [Lalonde, 2010](#)). Making financial support conditional on incremental training progress could also incentivize trainees and improve success rates ([Jacobson et al., 2011](#)). Others have suggested expanding apprenticeship programs through tax incentives for employers or simply better connecting displaced workers to the financial supports available to all unemployed people ([GAO, 2021](#)). While some evidence suggests that financial support can reduce the adverse effects of unemployment, more work needs to focus on understanding how different types of support can specifically help displaced workers ([Abraham & Houseman, 2013](#)).

How can we support workers for whom training for a new occupation may not be the best option?

Given the losses in earnings and the length of time it takes to complete training, pursuing training can be a costly option for displaced workers, even if the training has the potential to lead to a new job that pays as well or better than the job that has been lost. Displaced workers who are a few years away from retirement, for example, may prefer not to invest their remaining potential working years in training, searching for work, and beginning a new career. For these workers, some combination of reemployment services and financial support might help them find new, lower-paying jobs in the same field while filling the gap in their lost earning potential. Unfortunately, there is little research on this population; more work needs to be done to explore how to best support workers facing these challenges.

What types of workers will face displacement in the future and will new approaches to support be needed?

The future of displacement and its effects—as well as policies needed to attenuate these impacts—will likely evolve over time. New automation could put different populations of workers at risk—perhaps those who have not faced so much risk in the past, like more educated workers. For example, research suggests that burgeoning technologies pose the largest threat to occupations such as clinical laboratory technicians, chemical engineers, optometrists, and power plant operators ([Webb, 2020](#)). Indeed, as noted above, the most recent BLS survey reveals that displacement may be growing in different industries outside of manufacturing, such as the leisure industry and professional services ([BLS, 2022](#)).

If this trend of non-manufacturing displacement continues, the landscape for addressing displacement must also evolve. Whereas the traditional approaches to support have mostly focused on in-person training for blue-collar workers, future approaches may need to also support high-wage, high-education workers in a remote work environment. In fact some private companies, including [Microsoft](#) and [Amazon](#), have recently started offering free virtual training courses for high-demand occupations that culminate with job search assistance. Efforts like these may help lessen the effects of displacement on future displaced workers and more should

be learned about their effectiveness. Such programs should also be continually reimagined as the labor market changes and creates new generations of displaced workers.

Where do we go from here?

Based on our review of the current landscape, there are opportunities to rethink how the public workforce system supports displaced workers. Below, we identify three approaches that may advance these efforts in the near term: (1) bringing in the voices of a diverse set of displaced workers to gain a better understanding of the unique challenges different communities may face, (2) bolstering the field's knowledge of what works by testing the effectiveness of strategies that are in use today, and (3) fostering innovation to generate and implement ideas for new strategies that show promise, especially for new types of displaced workers.



Bring the voices of displaced workers into the conversation. Equity-informed research principles underscore the importance of learning from the people and communities affected by the research and by potential policy recommendations. To ensure that displaced workers have a voice in the development of any new strategies aimed at helping them, bringing the voices of displaced workers into the conversation is critical. Moreover, the data suggest that the challenges of displacement may fall disproportionately on workers of different races. Understanding the different issues that may be facing those harmed by displacement is especially important. A systematic effort to hold conversations with displaced workers of different races and ethnicities and understand their experiences and potential solutions would help ground future work. These conversations could provide a more comprehensive understanding of the challenges different types of displaced workers face, shed light on the shortfalls of current strategies, or identify areas where new approaches might prove useful. The scale of an effort like this could range from holding a small number of interviews or focus groups with displaced workers in a handful of states to doing the same with larger numbers across the entire country.



Evaluating the effectiveness of specific strategies currently in use. As our review of the research shows, the bundled nature of existing supports means there is limited evidence about the effectiveness of individual strategies or program components aimed at helping displaced workers, such as skills training, financial support, and early warning systems. Building the evidence base through rigorous research that quantifies the impact of different types of support—rather than a package of multiple supports—would help clarify what works and what doesn't. One way to do this would be to work with programs currently in operation to explore the feasibility of evaluating the impacts of specific approaches or smaller bundles of supports on important outcomes like employment and earnings. Grant competitions or other

mechanisms might encourage existing providers to partner on these kinds of efforts. Specialized attention should also be paid to how specific supports may affect different communities of displaced workers, particularly individuals of color and others who may be differentially affected.



Fostering innovation by identifying skills that can be translated to new professions.

Beyond understanding whether existing programs are effective, more could be done to support innovation that specifically focuses on how to help displaced workers navigate their loss of employment. One promising area for further work is to develop methods of helping displaced workers effectively use information about their existing skills to help them identify other promising occupations that rely on similar skills. For workers with skills that can transfer to another occupation with little to no additional training, this kind of skill matching may work better than training focused only on in-demand industries. Incorporating assessments that can gauge displaced workers readiness for different careers based on their current skills could help programs tailor their re-employment supports to the unique circumstances of different types of displaced workers. This could help reduce time spent unemployed for workers who face the biggest barriers to re-employment. If it is feasible to match displaced workers to jobs sufficiently similar to the jobs they have lost, doing so could be especially effective for serving workers for whom intensive training is impractical or particularly burdensome. To foster these kinds of new approaches, a study team could partner with one or more service providers to integrate new strategies—like a skill matching process—and to evaluate their effectiveness.

Progress in each of these three areas will provide new insights into how our current workforce system can be effectively modernized so that displaced workers get the support they need to overcome the challenges that displacement can present. AIR's PROMISE Center is exploring potential partnerships, research approaches, and technical assistance strategies that could advance the success of this population.

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