



Search

Article search...

Go

## [Work-share program to avoid layoffs gaining support](#)

Like

[Add New Comment](#)
[Login](#)



Showing 0  
comments

Sort by oldest first 

' [Subscribe by email](#) + [RSS](#)

Trackback URL

comments powered by DISQUS

**[http://tribstar.com/indiana\\_news/x60471225/Work-share-program-to-avoid-layoffs-gaining-support](http://tribstar.com/indiana_news/x60471225/Work-share-program-to-avoid-layoffs-gaining-support)**

**By Maureen Hayden**  
**[CNHI Statehouse Bureau \(http://tribstar.com\)](http://tribstar.com)**

INDIANAPOLIS — A legislative proposal that would let companies cut costs while sparing workers' jobs is picking up support from labor and business, and both sides of the political aisle.

Under the proposal, known as work-sharing, employers would be able to avoid mass layoffs by reducing their workers' weekly pay and hours by 20 to 40 percent; in turn the state would make up some of the lost wages out of the state's unemployment funds.

According to a report to be released today, 22 states are using work-sharing programs to counter the impact of a sluggish economy marked by stubbornly high unemployment rates.

The report, issued by the Indiana Institute for Working Families, cites economists and executives alike who said the programs are effective in keeping workers employed and companies staffed during economic hard times.

“We found that it’s not a cure-all to high unemployment, but it helps,” said Derek Thomas, a policy analyst with the institute.

Similar legislation has failed to gain traction in past sessions of the Indiana General Assembly. But supporters, citing Indiana’s steadily increasing unemployment rate, say it stands better chance in the 2012 session, which begins Jan. 4.

Both the Indiana Chamber of Commerce and the Indiana AFL-CIO — traditional opponents on labor bills — have come out in support of the idea.

“This is a concept everybody should like,” said Rep. Mary Ann Sullivan, D-Indianapolis, who is expected to file the bill.

“We still need to work out the details but the concept is good,” said Rep. Greg Steuerwald, R-Avon, who’s working with Sullivan on the bill’s language.

Their goal is to craft legislation that allows companies to hang on to their skilled work force while temporarily cutting labor costs. While it involves a pay cut for workers, it avoids the worse alternative of joblessness.

The Institute’s report, “Work Sharing: A Win-Win-Win Strategy for Avoiding Job Loss,” found that of the 22 states with such programs, five have implemented them since 2009.

The report found that most states incurred little additional cost, since workers in the program receive small amounts of unemployment benefits, about half of their lost wages.

The report cites Rhode Island, which started a work-sharing program in 1992. The state processed more than 12,000 claims for work sharing in 2010. State officials credit the program for averting thousands of layoffs in the last two years.

But the report also notes that work-sharing has limited appeal. It would be used mostly by employers with a skilled work force who stand to lose those valued skills if workers are laid off during a down time.

George Raymond, of the Indiana Chamber of Commerce, said the cost of recruiting and training new employees is significant. “It’s a way to keep your work force intact,” Raymond said.

Rep. Ed Delaney, D-Indianapolis, who supports the bill, said keeping skilled workers employed has impact beyond a paycheck. He notes that long spells of unemployment erode workers’ skills, which makes it harder for them to find employment once the economy rebounds.

Delaney favors some of the recommendations made in the report, including linking job training to the work-sharing program, requiring employers to continue paying benefits to workers whose hours and pay have been cut back, and including safeguards against employer abuse.

“This is a program we need for today’s economy,” Delaney said. “It’s legislation that forces us to look at today’s job reality and come up with some solutions.”

*Maureen Hayden is the Statehouse bureau chief for the CNHI newspapers in Indiana. She can be reached at [maureen.hayden@indianamediagroup.com](mailto:maureen.hayden@indianamediagroup.com).*

Recommended download		30-day trial
 <b>AVG</b> <u>Internet Security 2012</u>	Antivirus • Antispyware • Firewall	<a href="#">Free download</a>

---

News From Terre Haute, Indiana 222 S 7th St Terre Haute, IN 47807