



## WHY IS STC IMPORTANT TO THE WORK I DO?

Short-Time Compensation (STC) can add real value for your business customers and their employees. No matter what agency or organization you represent, STC is a win-win!

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### **Business and Industry Associations**

- STC enables companies to continue providing quality services/products to its customers during difficult economic times because employers retain their skilled trained workforce.
- STC is a strategy to help keep businesses in communities and workers on the job, thereby helping employers and their communities.

### **Business Services**

- STC is a valuable layoff aversion strategy to offer employers.
- STC can assist employers and their workers, especially during difficult economic times.
- Employers can choose to participate in STC; the program is entirely voluntary.

### **Chambers of Commerce**

- STC can help businesses by avoiding the loss of skilled workers, and the cost and time to recruit and hire new employees when business demand increases.
- STC allows employers to respond quickly when business is on the upswing because the employer retained its skilled trained workers.
- Employees participating in STC continue to work and earn wages, and they continue spending, which helps local businesses.

### **Economic Development**

- With STC, employers get to keep their skilled workforce intact.
- Workers continue to work and earn wages, and local businesses benefit from workers' continued purchasing.

### **Labor Unions**

- STC averts total layoffs, and employees continue to work and earn wages in challenging labor markets.
- Employees participating in a STC program receive a percentage of their unemployment insurance benefits to replace a portion of the lost wages.

- While participating in the STC program, employees may have the opportunity to get job training.
- Employees' health insurance and retirement benefits are maintained when they participate in the STC program. Employees also maintain their work skills.

### **Local Workforce Development Board (LWDB)**

- STC is an alternative to layoffs and helps local employers retain their workers -- making good business sense for local communities.
- STC is a program that LWDB members can feel confident in promoting to their colleagues because jobs are saved while helping employers during difficult economic times.

### **Rapid Response**

- STC is a promotable solution for businesses and a viable layoff aversion strategy that can become an important part of your Rapid Response "toolbox."
- STC can be an important Human Resource tool to spare employers the need to layoff trained workers during slowdowns in business.

### **Unemployment Insurance**

- STC participants get to keep their jobs and get a portion of their UI benefit.
- Participating employers are able to retain valuable workers.

### **Workforce Development**

- STC helps both businesses and employees during economic downturns.
- Workforce Innovation and Opportunity Act (WIOA) training funds can be used to provide training (if approved) to STC-impacted employees.

For additional information on Developing a State STC Program, please see [Developing a State Program](#).