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!

**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.