

## State Programs May Help Some Strapped Charities Save Jobs

By Caroline Preston

**M**ANY charity executives today are being forced to choose among an unpalatable menu of budget-cutting measures that include salary cuts, furloughs, and the least savory step: layoffs. But some may want to consider another, slightly less painful way to cut personnel costs known as work sharing.

Introduced in the late 1970s as an alternative to laying off employees, state work-sharing programs enable employers to save money by cutting back on staff members' hours while the government pays a share of their unemployment benefits. More businesses and charities are tapping into the program in the 17 states where it is available, but work sharing remains little known.

Faced with a budget shortfall of roughly \$900,000, Western Massachusetts Legal Services adopted the work-sharing program in January. Instead of eliminating 11 jobs, the nonprofit group asked 30 employees to cut back their hours by 10 percent, meaning they work three and a half fewer hours each week.

Western Massachusetts Legal Services pays 90 percent of their salaries, while the government provides partial unemployment pay (50 percent) for the time they are not working.

For example, Jessica Wood-

man-Hardy, a staff lawyer, now receives about \$41,000 in pay from the charity, instead of her usual salary of \$46,000, and gets a check for \$45 every week from the Massachusetts government.

The work-sharing program has saved the charity \$75,000 in wages and taxes in 23 weeks, and helped it hold onto staff members at a time when demand for services has skyrocketed.

"If we didn't have this program, we'd be looking at straight-out layoffs, which is much more detrimental to service provision than a few hours here and there," says Cristina Poulter, the charity's executive director.

Other charities have asked employees to cut back their hours more significantly in order to reduce costs further. The Vera Institute of Justice, in New York, has saved \$115,000 since January because five of its workers scaled back their hours to three days a week.

### Keeping Staffs Intact

While employers and economists tout work sharing as a way to help organizations retain talent as they wait out the recession, Ms. Poulter's charity is one of just five nonprofit groups in Massachusetts that has used the program. Altogether, 458 employers have tapped into work sharing in the state, 15

times more than the previous year.

In New York, nearly 14,000 employers have used the program, compared with 462 in 2008. Officials did not have figures on how many of those were nonprofit groups.

"A lot of nonprofits just haven't been through a downturn as severe as this one and haven't suffered such a significant loss of private donations and government assistance," says Suzanne Bump, secretary of labor and workforce development for the Commonwealth of Massachusetts. "So they may not be aware of all the options available."

Her department and workforce commissions in other states are trying to entice more employers to consider the program before cutting jobs. "When you lay off a person, you are losing all that institutional knowledge, and all your efforts at training and professional development go out the window," she says. "When you have a work-sharing program, you get to keep your work force and all your investment in that work force."

Some advocacy groups are also pushing more states to introduce the program. Details about work sharing and which states offer it are available in "Work Sharing—An Alternative to Layoffs for Tough Times," by the Center for Law and So-

cial Policy, <http://www.clasp.org/publications/layoffsfortoughtimespb.pdf>

### Few Hitches

Nonprofit organizations that have participated in work sharing in Massachusetts and New York say it has been relatively uncomplicated and hassle-free. That said, workers with Western Massachusetts Legal Services did experience one hitch: They didn't begin to receive their government checks until several months into the program.

While the program typically runs for a limited time period—26 weeks in Massachusetts and 53 weeks in New York—employers may reapply.

But given the severity of the recession, work sharing is not always enough to prevent organizations that participate from laying off staff members.

With its financial situation continuing to deteriorate, the Vera Institute of Justice was forced to give out pink slips this month to three of the five employees it had enrolled in the work-sharing program beginning in January. Two of the employees who had participated were hired back full time.

"We had to make some permanent cuts, just in case the economy doesn't rebound as we expect it will," says Ernest Duncan, the group's chief financial officer.

Similarly, the financial picture at Western Massachusetts Legal Services has gotten worse since January. Now 15 jobs are on the line. The charity is negotiating with its union to either conduct layoffs or ask additional employees to cut back their hours further through the work-sharing program, by 20 or 30 percent.

Ms. Poulter, the group's executive director, says she is lobbying for the latter option. While she says work-sharing does pose scheduling and management challenges, she would much rather hold onto her employees who are already struggling to keep up with the 40-percent jump in demand.

Employees who have participated in work sharing say that even though their pay has dropped, they are happy to have jobs.

Ms. Woodman-Hardy, with Western Massachusetts Legal Services, was forced to move in with her family this month to save money.

But she still calls the chance to participate in the work-sharing program "a relief" and only very reluctantly started looking for other jobs when she learned recently her group was again considering layoffs.

"I was very lucky when I graduated from law school to get the job I wanted," she says. "I would do just about anything to hold onto this job."