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case in point

PINK SLIP:
Southwestern Pennsylvania's
Response to Workforce Reductions
at US Airways, 2001–05

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SEPTEMBER 2006





The tragic events of September 11, 2001, exacerbated a downward turn in the U.S. airline industry that resulted in significant layoffs.

This *Case in Point* examines how Southwestern Pennsylvania responded to a five-year series of massive job losses at one of the region's largest employers, US Airways.

The unforgettable events of September 11, 2001, delivered a crushing blow to the U.S. airline industry, which was already in a financially precarious position. Long after the temporary shutdown was over and operations had resumed, many people were reluctant to travel. The resulting loss of revenue, coupled with increased costs associated with new security measures, caused several major carriers to take drastic actions, including significant layoffs.

Southwestern Pennsylvania was hit particularly hard. Between 2001 and 2005, 8,400 US Airways employees lost their jobs, including pilots, flight attendants, mechanics, maintenance workers, reservation agents, customer service representatives, and food preparation workers.

“September 11 was the initial catalyst. But, over time, economic conditions and changes within the airline industry emerged as primary factors” for these massive workforce reductions, explains Ron Quinn, former administrator of the Bureau of Employment and Training for the Allegheny County Office of Community Services.

“The impact [of the layoffs] was tremendous ... Everyone knew someone who was personally affected.”

In addition to causing financial hardship, the layoffs triggered feelings of anger, hopelessness, and anxiety among many dislocated workers and their families. Aftershocks reverberated throughout the community.

“The impact was tremendous in my district,” says State Senator John Pippy (R-Moon Township). “Everyone knew someone who was personally affected.”

Pittsburgh-area leaders, well aware of the potentially devastating impact of a major dislocation on the region, launched a multi-pronged response to the US Airways layoffs, with dozens of public and private agencies involved in the planning and delivery of services to affected workers. Their collective efforts are chronicled in this publication, the third in a series published by the University of Pittsburgh’s Institute of Politics that examines pivotal events in Pennsylvania and explores implications for public policy at the local, regional, state, and/or federal level.

In addition to documenting activities, this report identifies key players and highlights successes, challenges, and lessons learned. While the content relates to a specific set of dislocations, the report is intended to promote broader discussion about policies and procedures that influence the effectiveness of local workforce development systems.

Table: US Airways, 2001–05

	2001	2005	Change
Number of employees based in Southwestern Pennsylvania	11,951	3,500	(71%)
Number of flight attendants based in Southwestern Pennsylvania	2,850	399	(86%)
Number of machinists and aerospace workers based in Southwestern Pennsylvania	3,000	800	(73%)
Number of daily flights out of Pittsburgh International Airport	542	372	(31%)
Number of Airmall businesses at Pittsburgh International Airport	103	95	(8%)

PRIMER ON WORKFORCE DEVELOPMENT

What is workforce development?

The field of workforce development focuses on the quality of the labor force, the availability of good jobs, and the systems and processes that link job seekers with employers. The broad term encompasses a wide range of activities that target emerging, incumbent, and dislocated workers, as well as companies with unmet human capital needs.

How does workforce development relate to economic development?

Workforce development and economic development are inexorably linked, representing distinct yet complementary approaches to promoting growth and prosperity. By helping employers fill vacancies and upgrade the skills of existing employees, workforce development professionals support initiatives to attract, retain, and grow companies. Economic development, in turn, generates new employment opportunities for qualified workers.

What is a dislocated worker?

A dislocated worker has been permanently laid off from his or her job, as opposed to being fired for cause. Typically, the dislocation occurs because the company downsizes, goes out of business, or relocates to another area in response to economic conditions, industry-wide trends, or a natural disaster.

What kind of help is available for dislocated workers?

Dislocated workers often qualify for unemployment compensation—monetary benefits awarded on a temporary basis while they seek new employment. However, unemployment compensation is only a stopgap. Many people require additional assistance to find a new job, particularly one that allows them to maintain their standard of living without having to relocate. To help them, a network of one-stop shops, known as PA CareerLink, provides a range of services. These services, categorized as core (e.g., automated job matching, workshops on résumé writing, access to career planning resources), intensive (e.g., comprehensive assessments, the development of individual employment plans, case management services, short-term preparation for vocational training), and training (i.e., grants known as Individual Training Accounts that can be applied to programs preparing customers for in-demand occupations), are free for those who meet the eligibility criteria.

What is Rapid Response?

Rapid Response is a federally funded state initiative designed to mitigate the potential impact of major dislocations on communities through early interventions, often before the layoffs have even occurred. “[Our] process is modeled on community organizing,” explains Christine Enright, a section chief in the Pennsylvania Department of Labor and Industry, who heads the program. “[We] develop broad-based responses by building on existing networks that support human connections.”

Where does the money come from to support these activities?

Rapid Response and the PA CareerLink system are funded primarily by Title I of the federal Workforce Investment Act. Taxes levied on employers and employees support the state’s unemployment compensation program. Communities that experience major dislocations may be eligible for supplemental funding, known as national emergency grants, through the U.S. Department of Labor.

“The Rapid Response process is modeled on community organizing. Our teams develop broad-based responses by building on existing networks that support human connections.”

THE REGION'S RESPONSE

Ten days after the terrorist attacks of 2001, US Airways announced plans to reduce its workforce by 23 percent. The company did not initially indicate where the layoffs would occur, but with almost 12,000 employees based in Pittsburgh, it was likely that the area would take a hit.

Rather than adopt a wait-and-see approach, Jim Roddey, then chief executive of Allegheny County, convened a meeting at the Airport Hyatt Hotel for elected officials, union leaders, workforce development professionals, education and training providers, and others with insight about the region's capacity to respond. Presentations focused on resources available to help dislocated workers weather the storm and secure new jobs.

The meeting, as it turned out, was very well timed. Just a few days later, US Airways revealed that 3,000 Pittsburgh-based employees would lose their jobs, the first in a series of dislocations that would reduce the airline's local workforce by 71 percent during the next four years.

The region's response to the massive layoffs consisted of three main thrusts:

- Helping dislocated workers meet their immediate needs;
- Facilitating reattachment to the labor force; and
- Stemming the loss of jobs and developing new opportunities for employment through advocacy.

Meeting immediate needs

There are a lot of "what ifs" when someone loses a job, but one thing is certain: no work means no wages. To mitigate the impact on airline employees, the state worked with local leaders to set up a service center within 24 hours of the first round of layoffs. This center, equipped with a bank of 20 computers and an Internet connection and staffed by professionals representing several agencies, allowed dislocated workers to file claims for unemployment compensation, receive financial and/or psychological counseling, and access information about a range of services available to them.

The temporary service center was housed near the airport at the International Association of Machinists and Aeronautical Workers (IAMAW) union local lodge, a location that "just made the most sense," according to Frank Schifano, president of IAMAW Local 1976 at the time. He says he offered the site because he was concerned about the availability of parking at the airport and suspected that people would feel more relaxed in a different setting, as well as take advantage of other resources already housed at the lodge. The arrangement was a success; during the next 10 months, more than 2,400 workers used the center.

Over time, as it became clear that additional layoffs were imminent, the temporary center was relocated to a more permanent home a few miles away. Robinson Town Centre was selected based on proximity to the airport corridor, ample parking, and accessibility by public transportation. After this move, which occurred in August 2002, airline workers remained the target audience, but the staff also began serving other customers. A year later, the center became part of the local network of PA CareerLink one-stop shops serving job seekers and employers.



Individuals affected by the US Airways layoffs were not restricted to this facility. In fact, many sought assistance from the PA CareerLink center in Beaver Falls or one of the other Southwestern Pennsylvania locations. Local workforce investment boards throughout the region worked with PA CareerLink operators to ensure that airline workers received the same level of service (e.g., a tuition cap of \$8,000 for training for those who qualified) no matter which center they used. Between 2001 and 2004, PA CareerLink served more than 2,400 customers who said they were personally affected by airline-related layoffs.

To extend its reach even further, the PA CareerLink staff took certain service components on the road. Informational meetings were staged at several

locations, featuring presentations about unemployment compensation, consumer credit counseling, health care for uninsured children, job search assistance, career counseling, and training grants. The first was held in October 2001 at St. Margaret Mary Church in Moon Township. The Rev. Jack O'Malley, labor chaplain for the Pennsylvania AFL-CIO, helped to secure the site, which boasted a large auditorium and ample parking. During the next four years, approximately 20 more meetings took place. All of the meetings were coordinated by the state's Rapid Response team, a unit within the Pennsylvania Department of Labor and Industry charged with handling mass layoffs.

Re-employment efforts

In addition to providing a wide range of career services for job seekers, including access to training grants, PA CareerLink worked with local agencies to present five job fairs for airline workers. The first, cosponsored by the Hospital Council of Western Pennsylvania, focused on high-demand occupations in health care. Another targeted workers displaced by the closing of the US Airways call center in Green Tree. Airmall businesses, which benefited from increased traffic generated by the introduction of additional flights by low-cost carriers, were the featured employers at an event in 2005. These job fairs went beyond recruitment, incorporating individual career counseling sessions and workshops on résumé writing, interview skills, and other topics.

The Three Rivers Workforce Investment Board (TRWIB), a cosponsor of these job fairs, hoped to identify airline workers' transferable skills to facilitate re-employment efforts. However, this step proved challenging. Normally, industry data can be mapped onto occupational data to determine the knowledge and proficiencies characteristic of a particular segment of the workforce.

But when an industry is dominated locally by a single employer, as was the case with US Airways, these data are suppressed by the state for confidentiality purposes. To circumvent this problem, TRWIB worked with Carnegie Mellon University's Center for Economic Development to develop a model of the airline industry. Underwritten by a grant from the Allegheny Conference on Community Development (ACCD), the effort produced a list of local companies that valued airline workers' competencies. These companies, in turn, were invited to participate in the job fairs. The list was also shared with airline workers who attended informational meetings or sought assistance from a PA CareerLink center.

The prospect of additional layoffs and concerns about the region's capacity to guide thousands of additional dislocated workers into new jobs prompted TRWIB and ACCD to convene a strategy session in October 2004. The backdrop for the session was US Airways' second bankruptcy filing in 18 months, which had caused some to speculate that the company was headed for extinction. Local elected officials, business leaders, and economic and workforce development professionals, many of whom had participated in Roddey's strategy session three years earlier, gathered at the Embassy Suites Hotel near the airport to plan for the worst-case scenario. In his opening remarks, Dan Onorato, chief executive of Allegheny County, emphasized the importance of regional coordination, asserting that "lone rangers" could jeopardize success.

The presentations and discussions that followed revealed several gaps related to data, funding, and communications. Inadequate information systems were undermining efforts to track outcomes. Low reimbursement rates for workforce development services were creating financial disincentives for community colleges to participate in retraining workers. The failure to

articulate consistent messages was jeopardizing the reputation of the local workforce development system. These issues provided the framework for an action plan that emerged from the meeting. By engaging representatives from different agencies to work together on a common agenda, the action plan built on a foundation laid prior to the strategy session through the efforts of the local Rapid Response team.

Advocacy

The informational meetings, job fairs, and strategy sessions were geared toward addressing the needs of affected workers and their families. Meanwhile, local leaders also sought to preserve those jobs that remained and create new ones to replace those already lost. A campaign was launched, for example, to establish a new airplane maintenance facility that would have generated employment opportunities for local mechanics. The facility never materialized, but union officials remain hopeful that the recent merger between US Airways and America West could bring additional heavy maintenance work to Pittsburgh.

Another "big picture" strategy adopted by local leaders was to try to reduce the airport's debt burden, thereby driving down financing costs being passed on to carriers, in order to make it more profitable for airlines to operate in Pittsburgh.

"Once we realized that US Airways had no intention of keeping its hub here, our goal was to minimize the dip in employment that couldn't be avoided," explains State Senator John Pippy.

Pippy was instrumental in securing state funds to advance this cause, an approach that appeared to have some public support. According to a poll conducted in 2003, a majority of registered voters in Allegheny County were in favor of using tax revenues to keep

jobs at the airport. (The state funds, authorized under the Pennsylvania Gaming Act of 2004, have yet to materialize, but the airport managed to reduce landing, terminal, and ramp fees by 25 to 34 percent in 2005.)

The active phase of the region's response to workforce reductions at US Airways continued through the end of 2005, by which time the rate of dislocations had

finally slowed to a trickle and the worst-case scenario no longer seemed likely. Almost nine months later, however, some former airline workers are still in the system, either because they remain unemployed or are still enrolled in training programs equipping them for high-demand occupations. For these individuals, and the agencies tracking their progress, the saga continues.

LEAD AGENCIES AND KEY PLAYERS

A **Rapid Response team**, deployed by the Pennsylvania Department of Labor and Industry, was instrumental in setting up the temporary service center for dislocated US Airways workers. The team also convened several planning meetings among key stakeholders; took the lead in preparing and submitting grant proposals to the federal government; coordinated informational meetings for affected workers; and convened a small, volunteer transition team to facilitate communications. Team members represented several agencies, including the PA Bureau of Workforce Development Partnership, PA CareerLink, PA Children's Health Insurance Program, and PA Consumer Credit Counseling Services.

Local workforce investment boards (LWIBs), the policymaking entities that oversee the one-stop service centers in the PA CareerLink network, participated in strategy sessions and negotiated a common set of policies concerning levels of service for affected workers. LWIBs in Southwestern Pennsylvania include the Three Rivers Workforce Investment Board (Pittsburgh and Allegheny County), Southwest Corner Workforce Investment Board (Washington, Greene, and Beaver Counties), Westmoreland-Fayette Workforce Investment Board, and Tri-County Workforce Investment Board (Indiana, Butler, and Armstrong Counties).

PA CareerLink centers provided affected workers with direct access to "core" services as well as referrals to outside agencies. Intensive services and individual training accounts were administered through the PA CareerLink centers by **local WIA Title I providers**, including the Allegheny County Department of Human Services; Job Training for Beaver County; the Pittsburgh Partnership, a City of Pittsburgh agency; Southwest Training Services; Career TRACK; and the Private Industry Council of Westmoreland-Fayette.

Labor unions served as liaisons between workers and workforce development professionals, making sure that their constituents

were aware of the array of services available to them. Affected unions included the International Association of Machinists and Aerospace Workers Local 1976 and Local 1044, the Association of Flight Attendants, the Communications Workers of America Local 13302, UNITE HERE Local 57, and the Airline Pilots Association.

Local education and training providers enrolled airline workers seeking to upgrade their skills or prepare for new careers. Several providers, including Community College of Allegheny County, Community College of Beaver County, Robert Morris University, and the Mon Valley Initiative, also hosted, made presentations at, and/or distributed information at the job fairs.

Economic development organizations and employer associations, such as the Regional Air Service Partnership, the Hospital Council of Western Pennsylvania, the Pittsburgh Airport Area Chamber of Commerce, and the Allegheny Conference on Community Development, helped to identify potential re-employment opportunities for dislocated workers and recruited companies to participate in the job fairs.

Research organizations such as Carnegie Mellon University's Center on Economic Development and the Pennsylvania Center for Workforce Information and Analysis supplied data and analyzed labor market information to support decision making and efforts to secure funding.

Community-based and faith-based organizations helped affected workers access resources to address personal and family concerns. The United Way of Allegheny County and United Way of Beaver County, for example, participated in the informational sessions, one of which was hosted by St. Mary Margaret Church.

Local elected officials participated in strategy sessions, helped their constituents access services, advocated for funding, and represented the community in negotiations with US Airways.

TIMELINE: The Region Responds to the US Airways Layoffs

2001

- Strategy session for local leaders held at the Hyatt Regency Pittsburgh International Airport (9/21)
- Temporary service center opens at the IAMAW Local Lodge 1976 (9/24)
- Informational meeting for dislocated workers held at St. Mary Margaret Church (10/18)
- Informational meeting for dislocated workers held at Robert Morris College (11/5)
- Job fair held at the Holiday Inn Pittsburgh International Airport (11/19)

2002

- National Emergency Grant awarded to Pennsylvania (1/9)
- Job fair held at the Holiday Inn Pittsburgh Central/Greentree (1/15)
- Job fair held at the Embassy Suites Hotel Pittsburgh International Airport (2/22)
- Temporary service center relocated to Robinson Town Centre (8/20)
- Informational meetings for dislocated workers held at Airport Plaza Hotel Pittsburgh (11/4–11/8, 12/3, 12/5)

2003

- Informational meeting for dislocated workers held at IAMAW Local Lodge 1976 (2/18)
- PA CareerLink Allegheny West opens at Robinson Town Centre (8/20)

2004

- Second National Emergency Grant awarded to Pennsylvania (6/19)
- Informational meetings for dislocated workers held at Pittsburgh International Airport (7/12–7/16)
- Strategy session for local leaders held at the Embassy Suites Hotel Pittsburgh International Airport (10/22)
- Informational sessions for dislocated workers held at Pittsburgh International Airport (10/26–11/1)

2005

- Information sessions for dislocated workers held at Pittsburgh International Airport (2/9–2/10, 2/15–2/16, 3/16–3/17)
- Job fairs held at Robert Morris University (5/17, 9/6)

FUNDING

A combination of local, state, and federal funds financed the region’s response to the dislocations. The initial blitz of activities following the first round of layoffs was underwritten by Rapid Response additional assistance funds. These came from a special reserve known as “25 percent” funds because they represent one-quarter of the state’s total allocation for dislocated workers under Title I of the federal Workforce Investment Act (WIA). The money was used to set up and operate the temporary service center at the IAMAW Local Lodge 1976, and to convene a series of planning meetings among agencies committed to helping the affected workers.

Pennsylvania successfully sought two National Emergency Grants (NEGs) for assistance in dealing with airline industry dislocations in both the Pittsburgh and Philadelphia areas. Of these grant funds, approximately \$2.5 million ended up in Southwestern Pennsylvania. In preparing these NEG proposals, the state relied on input from local workforce investment boards representing the affected areas. Allegheny County served as fiscal agent for the grants, distributing funds throughout the region through subcontracts and coordinating the reporting of outcomes back to the state.

The NEGs supplemented locally administered federal WIA Title I formula funds earmarked for dislocated workers. Without the NEGs, local PA CareerLink centers would have been unable to meet the increased demand for intensive services and training grants associated with the US Airways layoffs. When the NEGs expired, another pot of Rapid Response “additional assistance” funds allowed active customers to complete their programs without disruption. These moneys also helped to offset the costs of providing core services to affected workers.

The layoffs resulted in another major influx of funds to the region, in the form of unemployment compensation payments to dislocated workers. The state cannot disclose the total amount due to confidentiality rules, but its magnitude can be inferred from the scale of the workforce reductions and the relatively high average wages associated with the airline industry.

Table: Funding Sources for Response to US Airways Employee Dislocations in Southwestern Pennsylvania

Source	Amount
National Emergency Grants Program	\$2,500,000* (two grants)
Rapid Response Program (“25%” funds, “additional assistance” funds)	\$2,000,000*
Workforce Investment Act, Title I, Dislocated Worker Program	\$270,000* (estimate)
Unemployment Compensation Program	N/A**
Allegheny Conference on Community Development	\$50,000
TOTAL	\$4,820,000

* This figure represents only the portion of grant funds expended in Southwestern Pennsylvania, not the total program amount.

** Unemployment compensation figures associated with a particular employer, or even a specific industry if it is dominated by one employer, are not available to the public.

“[PA] Career Link was absolutely great.”

OUTCOMES

What happened to the thousands of US Airways workers laid off in Southwestern Pennsylvania between 2001 and 2005? How many found new jobs within their fields? How many transferred their skills to different occupations or industries, locally or elsewhere? Were their new wages and benefits comparable, better, or worse?

It is, unfortunately, impossible to provide a complete account due to data gaps that plague local workforce development systems across the state. The only dislocated airline workers tracked closely were a small subset who received “intensive” services and/or training grants through PA CareerLink. According to the state, 329 of these individuals were placed in full-time jobs (i.e., more than 30 hours a week) with an average wage of \$15 per hour. The most common placements were in transportation and moving material, office and administrative support, installation, maintenance and repair, production, and health care.

Very little information is available about outcomes associated with “core” services delivered through PA CareerLink, meanwhile, as data collection does not enable analysis of specific client subgroups, such as those affected by the US Airways workforce reductions.

“New hire” and wage reports completed by employers for the Pennsylvania Department of Labor and Industry contain information that could be used for tracking purposes. At present, however, these reports are considered confidential.

While thorough statistical analysis of the region’s response to the US Airways layoffs is unavailable, individual case summaries illustrate how the system served those in need.

SUCCESS STORIES

Lou Battisti was laid off after 18 years as a US Airways mechanic, ground support, and equipment/utility employee. He was eager to get back to work but knew he would be more competitive if he had a commercial driver’s license. Job Training for Beaver County, a local WIA Title I operator, helped him enter an intensive training program at Truck Technology in Monaca. Immediately upon graduating he was hired by Waste Management, a residential and commercial trash services company.

Carolyn Sassano had accumulated 37 years of experience in customer service by the time US Airways closed its call center in Green Tree. The Mon Valley Initiative (MVI) arranged for her to earn a national certification credential through the Customer Service Supply Chain of Southwestern Pennsylvania and then scheduled a job fair with several local employers, which led to a job offer from Highmark. Sassano says she was very impressed with the attention and respect she received from MVI.

Bettie Ann Stephenson, laid off after 25 years of service, capitalized on her extensive experience in sales at US Airways by starting her own business. She qualified for a federal retraining grant through PA CareerLink Allegheny West and entered a graphic design program at the Art Institute of Pittsburgh. After completing the program, she launched Stitch Wizards, an embroidery company. Initially a home-based operation, the business recently moved to a storefront in Coraopolis.

Ron Kosmal worked as an airframe and power plant mechanic for 15 years. When his position at US Airways was eliminated, he jump-started his job search with a three-day workshop at PA CareerLink Beaver County and proceeded to contact individuals in his business and social network for job leads and related employment information. He also honed his telephone skills and reviewed some math concepts to prepare for pre-employment testing. After five months, he landed a welding position at H & K Equipment in Coraopolis.

When **Darcy Suder**, a former flight attendant, lost her job with US Airways in 2001, she decided to switch careers and become a high school teacher. She took advantage of a tuition grant available through Job Training for Beaver County and enrolled in a teacher certification program at Robert Morris University. She is now employed by the Woodland Hills School District.

LESSONS LEARNED

The system works. The local workforce development system has undergone a major transformation since the federal Workforce Investment Act was enacted in 1998, the most visible innovation being the creation of a network of PA CareerLink one-stop shops for job seekers and employers. The massive workforce reductions at US Airways were the first test of the new system's capacity to deal with large influxes of dislocated workers while continuing to serve the slow, steady stream of customers in search of help. The CareerLink system handled these demands effectively. According to Mark Gentile, a union representative for the flight attendants, "[PA] CareerLink was absolutely great. Folks had to jump through hoops and complete a lot of paperwork, but they said it was worth it."

*If you build it, they **might** come.* More than 25 events were staged for the benefit of dislocated airline workers during a period of four years. Attendance at some of these events was high; eight informational sessions held in the fall of 2004, for example, attracted an average of 100 workers each, and more than 1,000 people showed up for a job fair in May 2005. The turnout for other events, however, was less impressive. Only 45 individuals were at the informational session in July 2004, and even fewer participated in the one that followed the first round of layoffs in 2001. What factors influenced attendance? There was no formal inquiry. A survey or focus group could have yielded findings to improve planning of future events.

United we stand, divided we fall. When local leaders met in 2004 to plan for the possibility that US Airways might go out of business, they felt a strong mandate to work cooperatively. With the exception of agreements among the operators of each PA CareerLink center, however, formal mechanisms for interagency

collaboration did not exist at that time. Since then, the Regional Workforce Collaborative (RWC) of Southwestern Pennsylvania has been formed to provide a forum for local workforce investment boards to partner with economic development agencies and community colleges on a regional agenda. Given its focus on factors affecting the supply of and demand for labor across the region, RWC has the potential to play an instrumental role in future responses to large-scale dislocations.

Time is money. National Emergency Grants are designed to help communities respond to workforce reductions associated with economic downturns, natural disasters, and other factors. To access these funds, however, states must provide data to support their request, a requirement that can lead to delays. Pennsylvania spent almost three months pulling together its first NEG proposal for the airline dislocations. Fortunately, the state had other funds on hand, allowing efforts to get under way, but the lesson was clear: it pays, literally, to plan ahead. One of the action items coming out of the worst-case scenario strategy session in 2004 was to begin developing projections about the number of individuals who might be laid off, the types of services they might need, and the resources (e.g., facilities, equipment, staffing) that might be required.

Flexibility is important. Dislocated workers unable to find a job in their field are eligible for training grants, known as individual training accounts (ITAs), through PA CareerLink. ITAs cover tuition, fees, books and other expenses—but only for programs approved by the state. Many former US Airways employees were dismayed to discover that most colleges and universities were excluded because they didn't track their students after graduation. "The WIA rules were intended to promote quality, but they became barriers to good service," says

Melissa Swauger, a sociologist at Carlow University who previously worked for the Three Rivers WIB. Customers had the option to petition for a particular program's approval, but some were deterred by the time and effort involved, especially since the outcome wasn't guaranteed. A notable exception was a group of dislocated pilots intent on applying their grants toward a highly specialized program leading to advanced certification. Their petition was processed relatively quickly, the program was approved, and many of the certified pilots went on to secure jobs in their field.

Know thy customers. The ability of a local workforce development system to respond swiftly to major dislocations while maintaining good stewardship of public funds is enhanced by a thorough understanding of both sides of the local labor market: supply (workers) and demand (employers). "Workers are assets not only of the company that employs them, but also of the region in which they live and work," says Ron Painter, executive director of the Three Rivers WIB. "The more we know about workers, the better we can leverage their skills and competencies to benefit them, their families, and the larger community."

Meanwhile, employer policies and practices determine how readily new employees can be absorbed and how easily workers can make the transition to new positions within the same industry. The fact that many US Airways reservation agents were proficient in only one software language, for example, was a critical piece of information for those responsible for helping them obtain new jobs, explains Painter.

A chain is only as strong as its weakest link. Rapid Response teams rely, to a large extent, on cooperation from employers—and they usually get it, says Sharon Burk, supervisor for the western region. US Airways

was an exception, at least during the first rounds of layoffs. The company's failure to respond to repeated requests for information forced the state to rely on unemployment compensation claims to determine which workers were affected. This approach, in addition to being cumbersome, left out an important segment of the workforce that could have benefited from early intervention, namely those who were still employed but at imminent risk of losing their jobs. Eventually, US Airways began providing the state with advance warning about workforce reductions. Its initial reticence, however, underscores the importance of developing and maintaining good relationships with employers. (Note: US Airways did not respond to interview requests for this report.)

“The more we know about workers, the better we can leverage their skills and competencies to benefit them, their families, and the larger community.”

CONCLUSION

Compared to other recent workforce reductions, the situation with US Airways was unusual in its duration, scale, and scope. Layoffs occurred in stages, over a prolonged period of time, and affected a larger and more diverse pool of workers.

“There were pilots making six figures all the way down to minimum-wage workers who prepared meals for the flights, and everyone in between,” recalls Joe Delale, AFL-CIO community service liaison to the Allegheny County Labor Council.

Looking back, local leaders express satisfaction with their collective efforts and take pride in the level of cooperation they achieved.

“Turf battles among local entities trying to solve workforce problems have been a stumbling block in the past,” explains David Malone, principal and chief financial officer of Gateway Financial Group and chairperson of the Pennsylvania Workforce Investment Board, which advises the governor on workforce development policies. “The region’s response [to US Airways layoffs] was an example of how the system ought to operate, with everyone working together.”





CASE IN POINT

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The University of Pittsburgh is an affirmative action, equal opportunity institution. Published in cooperation with the Department of University Marketing Communications. UMC5886-0906



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