

## **A Fairer Deal for America's Workers in a New Era of Offshoring**

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With a new wave of white-collar offshoring coming fast on the heels of accelerated job losses in manufacturing, an ever broader pool of American workers is finding that the nation's safety net has more holes than netting. The nation can and must do more to help insure the livelihoods of American workers in the face of structural shifts of whatever form, while preserving the benefits of an open and innovative economy. With technological change and offshoring accelerating job turnover and the pace at which workers' job-specific skills lose value, the time has come for the federal government to strengthen the existing safety net.

We propose a new wage insurance program to provide incentives for more rapid reemployment and on-the-job-training—a program that insures earnings for permanently displaced workers who secure reemployment at lower pay. It would cost roughly \$3.5 billion a year to provide permanently displaced full-time workers who secure reemployment with insurance on 50 percent of their earnings loss up to a cap of \$10,000 a year for two years. An insurance policy costing \$25 per worker per year is a small price to help displaced American workers get back to work more quickly, seek opportunities in new sectors, and gain more valuable reskilling through on-the-job training.