# Addressing Large-Scale White-Collar Displacement

*Professional and business services lost 474,000 net jobs between July 2024 and July 2026. Workers at the top of their field lose the largest share of their wage when they lose a job. The federal program designed for laid-off, displaced workers rarely sees them, and the training it offers was structured for someone else.*

A year after leaving the public workforce system, the typical worker who had been earning at the top of their field and back at work has given up a sixth of their prior wage. The usual answer for laid-off professionals, send them to Dislocated Worker retraining, does not hold up against the record of what actually happened to them.

**1 in 3**
Top-of-field workers back at work a year after exit who had regained their prior wage.

**1 in 7**
Top-of-field clients who came from an industry projected to decline. Industry screens score the rest as safe.

**9 in 10**
Top-of-field clients who were not enrolled as dislocated workers. Most came through the Job Service.

**11%**
White-collar workers' share of Dislocated Worker enrollment, though they are the program's clearest layoff cases.

> *The need is immediate. White-collar unemployment is rising now, and the system has almost no picture of how these workers fare. Beyond opinion and commentary, we found no published study of how the white-collar unemployed are faring in the recent downturn, whether in the job market or after job center assistance, and the Department of Labor's own scan of research on its workforce programs lists none.*
>
> *Yet the record exists. Those drawing unemployment insurance are already on the rolls of their state's employment security agency, where they are required to register with the Job Service. The Job Service's transaction files show what laid-off workers do in the labor market afterward, and eight years of those outcomes are publicly available. This paper analyzes them for workers earning 125% or more of their industry's average, a group that captures white-collar workers in nearly every industry.*

# Higher-Paid White-Collar Workers Are in Every Industry

One in six clients with a steady work history was earning at the top of their field before entering the program. That is 1.9 million clients in this database, and they turn up in every industry.

The figures come from the National Workforce Outcomes File (NWOF), a longitudinal database of more than 23 million individual client outcomes drawn from the WIOA/Job Service transaction file, the record states keep of everyone served under the Workforce Innovation and Opportunity Act and the Job Service. Each client with two or more prior quarters in the same industry was compared with the average wage for that industry in their own metro area. Clients earning 125% or more of that average are counted here as **top of their field**.

### How many steady workers cleared the bar

| PRIOR WAGE AGAINST AREA INDUSTRY AVERAGE | CLIENTS | SHARE OF STEADY WORKERS |
|---|---|---|
| 100% or more | 3,053,626 | 26.0% |
| 110% or more | 2,515,773 | 21.4% |
| **125% or more (top of their field)** | **1,901,672** | **16.2%** |

Top of their field works as a stand-in for white-collar and management workers in any industry. A third of the group (33.5%) holds a bachelor's degree, twice the rate of all steady workers (17.0%). And standing high in one's field does not depend on working in a white-collar industry. Because each worker is measured against their own industry's average, the group can include the accountant at a hospital or the manager at a trucking company, not only workers in white-collar industries.

# Why Profiling for Additional Job Service Employment Assistance Misses Them

States decide which unemployment claimants get early help with screens built on industry risk and the local unemployment rate. Those screens look for workers leaving declining industries. Most top-of-field workers are not leaving one. Only about 1 in 7 top-of-field workers came from an industry the Bureau of Labor Statistics projects to shrink by 2035.

### Top-of-field clients, by the outlook for their prior industry

| PRIOR INDUSTRY | CLIENTS | SHARE |
|---|---|---|
| Projected to decline, 2025 to 2035 | 237,396 | 15% |
| **Not projected to decline** | **1,030,471** | **65%** |
| No projection line (mostly state and local government) | 322,678 | 20% |

A healthy industry does not protect them. A year out, top-of-field clients from industries that are *not* declining replaced 82.8% of their prior wage, slightly less than those from declining industries (85.7%). The loss follows where they stood in their field, not the health of the industry they left. Because they are spread across every industry, and mostly healthy ones, an industry screen scores them one by one as low risk and never sees them as a group. This is a fundamental flaw embedded in a system that for years has targeted blue-collar displacement by industry.

## What Happens After Well-Paid White-Collar Workers Lose a Job

Top-of-field workers find jobs about as often as everyone else. They find worse ones. A year after exit, the typical one has given up 16% of their prior wage, and white-collar workers at the top of their field have given up 20%.

### One year after exit

| | NOT WORKING | EMPLOYED AT 12 MONTHS | MEDIAN WAGE REPLACED (THOSE WORKING) | BACK TO PRIOR WAGE | SAME INDUSTRY | STILL 125%+ IN NEW INDUSTRY |
|---|---|---|---|---|---|---|
| **Top of their field, all** | **23.8%** | **76.2%** | **84%** | **34.5%** | **35.6%** | **42.1%** |
| Steady workers below 125% | 24.4% | 75.6% | 106% | 54.8% | 32.5% | 8.6% |
| White collar, top of their field | 29.4% | 70.6% | 80% | 30.4% | 29.5% | 55.9% |
| Dislocated workers, top of their field | 26.2% | 73.8% | 82% | 32.7% | 30.3% | 40.9% |
| Age 55 and over, top of their field | 35.7% | 64.3% | 76% | 27.9% | 37.6% | 41.3% |

Only about 3 in 10 white-collar top-of-field workers were back in the same detailed industry a year after exit. By that measure, even a move from one kind of financial firm to another counts as a change. Those who changed stepped down rather than out. More than half still earn 125% or more of their *new* industry's average, which means they have landed in lower-paying fields as relatively well-paid workers.

*They step down, not out: well paid for their new field, and well short of what they earned in the old one.*

Some fields fall harder than others. Workers from securities brokerage replaced 54% of their prior wage, wired telecommunications 65%, investment advising 67%, insurance carriers 72%, and banks 74%.

## Before the Floor Fell Out

The core outcomes in this paper come from program years 2016 to 2023, years of a tight labor market before the white-collar contraction began. They are the best case. Even then, all four white-collar sectors showed real wage losses among clients who found steady work, while several lower-wage sectors returned to or passed their prior wages.

Then the floor fell out. **Professional and business services lost 474,000 net jobs between July 2024 and July 2026.** By August 2026, **1.9 million Americans** had been out of work for 27 weeks or more, 27.0% of all the unemployed. That is longer than most states pay unemployment benefits. The contraction is driven more by hiring freezes and collapsed job openings than by a wave of layoffs, and industry-based profiling, tuned to layoff waves in declining industries, is least likely to register it.

The first program year after the window shows where it was heading. In Program Year 2024, white-collar clients who found stable work kept 75 cents of every dollar of their best prior wage. Those who changed industries kept 51 cents. One in four who worked after exit landed in retail, food service or temporary staffing.

This should be a cause for concern. If outcomes after job center assistance are this questionable in a strong market, the outcomes now might be even worse. The present service delivery model, as applied to this subpopulation, should be examined.

*Sources: Bureau of Labor Statistics, Current Employment Statistics (professional and business services, July 2024 and July 2026) and Current Population Survey (August 2026); National Workforce Outcomes File, Program Year 2024 exits.*

# The Federal Program Built for Layoffs Rarely Enrolled Well-Educated White-Collar Clients

The Workforce Innovation and Opportunity Act (WIOA) Dislocated Worker program is not where laid-off top-of-field workers are. Only about 1 in 10 top-of-field clients from declining industries (10.1%) was enrolled as a dislocated worker, about the same as in healthy industries (9.4%). The rest came through the Job Service or adult programs. A third of top-of-field workers hold a bachelor's degree, twice the rate of other steady workers.

Nor are its enrollees reliably the laid-off workers its title describes. Among nearly 1.9 million dislocated workers enrolled from 2016 to 2023, 4 in 10 had no recent run of steady work, though steady work just before entry is what marks a worker who was laid off.

**Dislocated workers, 2016 to 2023, by work history before entry**

| WORK HISTORY BEFORE ENTRY | DISLOCATED WORKERS | SHARE | WHITE COLLAR WITHIN GROUP |
|---|---|---|---|
| 3 straight quarters in one industry | 765,637 | 40.4% | 16.5% |
| 2 straight quarters (not 3) | 359,886 | 19.0% | 14.6% |
| Neither (no recent steady work) | 768,315 | 40.6% | 3.7% |
| **All dislocated workers** | **1,893,838** | **100%** | **11.0%** |

White-collar workers are the reverse. Of white-collar dislocated workers, 86% came straight off steady work. They are the clearest layoff cases in the program, and they make up only 11% of it. Enrollment does not even out the result: among those working a year out, white-collar dislocated workers replaced a median 97.8% of their prior wage, against 103.1% for other dislocated workers, and fewer got back to their old wage (48% against 52%).

# WIOA Training: Structured for a Different Kind of Dislocated Worker

The training on offer was built for someone else: short-term computer skills, truck driving, home health aide. Little of it fits a well-educated professional. Those are reasonable paths for a worker leaving a plant floor or a retail counter. They are not a path back for a laid-off analyst, accountant or manager with a degree and a career behind them.

*The training on offer was built for someone else.*

What training there is also goes least to the workers coming off steady jobs. About 1 in 7 dislocated workers (14.8%) received training. Those with a full three quarters of steady work were trained less often than those with none, and among top-of-field dislocated workers with two straight quarters, only 11.4% were trained. Being white collar made

no difference to the rate.

### Share of dislocated workers who received training

| WORK HISTORY BEFORE ENTRY | ALL | WHITE COLLAR | NOT WHITE COLLAR |
|---|---|---|---|
| 3 straight quarters | 13.8% | 13.9% | 13.8% |
| 2 straight quarters (not 3) | 15.2% | 14.8% | 15.2% |
| No recent steady work | 15.7% | – | 15.5% |
| **All dislocated workers** | **14.8%** | **14.9%** | **14.8%** |

*White collar is not shown for clients with no recent steady work.*

The rate held between 11% and 20% in every program year from 2016 to 2023, except the pandemic year of 2020 (27.8%), when fewer dislocated workers enrolled. Pointing the white-collar unemployed toward retraining sends them to a menu that was never written for them.

## A Job Search They Were Never Taught

Careers at the top of a field are built on stability and upward mobility inside a business or organization. Promotions came from within. Many of these workers have not run a job search in ten or twenty years, and some never have. They are highly skilled, but job search is not one of their skills.

Left on their own, they reach for the tool closest at hand. A résumé drafted by AI reads like every other résumé drafted by AI, and employers' screening, increasingly done by AI itself, is built to flag exactly that. The document meant to set them apart marks them as interchangeable. It also leaves them without their own words for what they accomplished, which is the first thing an interviewer asks for.

They also miss what actually moves a search at their level. Professional jobs are filled through contacts, and few of these workers have ever run a deliberate networking campaign. Fewer still know how to describe their skills in terms another industry will buy, and that matters: about 7 in 10 white-collar workers at the top of their field land outside their old industry.

The job center once taught all of this. The day-long job search workshop covered résumés, networking, transferable skills and interviewing in depth. It is largely gone. What remains is a staff member with 45 minutes to an hour per client, too little time to teach job search from scratch, and staff were never given a way to do it in that window.

If these workers are going to be helped, it requires tooling up staff to address new challenges: a distinctly different approach to RESEA.

# This Argues for Targeting White-Collar Workers on Claims

Any attempt to meaningfully address white-collar unemployment has to meet these workers where they are: drawing unemployment insurance. It is only logical that the white-collar unemployed should be served directly at the Job Service, starting with enforcing the requirement that claimants register there, not referred to Dislocated Worker retraining that reaches about 1 in 10 of them and was structured for a different kind of worker.

1 **Enforce the requirement to register with the Job Service.** State unemployment insurance law sets the registration and work search requirements claimants must meet to draw benefits, and federal rules require Job Service staff to give claimants the full range of services needed for their earliest return to work. Enforcing registration, first and foremost, puts the white-collar unemployed in front of the Job Service at the start of their claim, when help does the most good.

2 **Supplement the RESEA call-in to reach white-collar claimants.** No intervention other than Reemployment Services and Eligibility Assessment (RESEA) can bring meaningful services to more than a relative handful of the white-collar unemployed. It is the only reemployment service built to reach claimants at scale, in the first weeks of a claim, and those first weeks matter most. The longer a search runs, the more employers read the gap itself as a warning sign: studies sending out matched résumés have found that applicants out of work longer get markedly fewer callbacks, whatever the reason for the gap. Professional contacts go stale and savings run down. A white-collar claimant reached in the first month is still a strong candidate. One reached after benefits run out, at about six months, is competing against their own time out of work, and by August 2026, 1.9 million Americans were in exactly that position.

Today RESEA selects claimants with profiling models that measure risk by industry, which score white-collar workers as safe. Supplement the call-in by identifying white-collar claimants by occupation rather than industry, and consider adding the white-collar industries (information, finance and insurance, professional and technical services, and management of companies) as a selection factor. There is a cautionary note. Expanding RESEA as it is delivered today will likely produce more of the same outcomes. The service itself has to change, not just reach more people.

The stakes are not abstract. In just two years, professional and business services lost 474,000 net jobs. Behind those numbers are households that lost the paycheck they were built around, with mortgages, tuition and family plans still counting on it. These workers might be invisible to the systems meant to find them, but the loss is not invisible to the families living it.

3 **Address the problem they actually have.** Their loss is in reemployment at their level, not a missing skill. Many change industries and land as well-paid workers in lower-paying fields. That calls for staff-assisted job search aimed at wage and stability, not a referral to training.

4 **Measure against what they lost.** Count success by wage against their own prior wage and their area's industry average, not by the wage target each state negotiates with the Department of Labor, which a client can meet while falling well below where they started.

5 **Test it.** Run a proof of concept in a handful of states, with outcomes tracked against the baselines in this paper.

None of this requires new legislation. It requires the system to stop treating Dislocated Worker retraining as the answer for a population that program rarely enrolls and was never structured to train.

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## Sources and Methods

**Client outcomes**
The National Workforce Outcomes File, built from the WIOA/Job Service transaction file, program years 2016 to 2023, one record per client exit. Dislocated workers are clients enrolled in that program.

**Steady work**
The same 6-digit industry in 2 or 3 straight quarters before entry. Quarters with multiple employers or no record never count.

**Top of their field**
Prior median wage at 125% or more of the area industry average, from Census Quarterly Workforce Indicators (stable full-quarter earnings) for the client's metro area, or the state where no metro figure exists.

**White collar**
Prior industry in Information (51), Finance and insurance (52), Professional, scientific and technical services (54), or Management of companies (55).

**Declining industries**
Bureau of Labor Statistics industry employment projections, 2025 to 2035, lines projected to lose 1% or more.

**Training**
Whether the client received training, from the same transaction file.

**Outcomes**
Measured in the fourth quarter after exit, among clients with a recorded wage. Federal employment does not appear in state wage records. Cells under 100 clients are left blank.

**Labor market figures**
Bureau of Labor Statistics, Current Employment Statistics: professional and business services employment of 22,992,000 in July 2024 and 22,518,000 in July 2026. Current Population Survey, August 2026: long-term unemployed, 27 weeks or more.

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