

Project Insights Report

BOLD: Better Outcomes for Laid Off Displaced Workers



PARTNERS

Canadian Skills Training Ontario
& Employment Coalition



LOCATIONS



INVESTMENT

\$1,715,426



PUBLISHED

August 2026



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Executive Summary

Ontario's automotive manufacturing sector is facing growing instability driven by tariffs, global supply chain disruptions, technological change, and the transition toward zero-emission vehicle production. These pressures have increased the risk of layoffs across manufacturing and steel industries, particularly for production-level workers. In 2025 alone, manufacturing experienced an estimated 29,400 job losses linked to tariffs and economic disruption. In response, there is increasing recognition that traditional workforce adjustment approaches, which primarily support workers after layoffs occur, may no longer be sufficient in rapidly changing labour markets.

The BOLD: Better Outcomes in Layoffs and Downsizing program from the Canadian Skills Training and Employment Coalition (CSTEC) explored implementing a program that adapted the U.S. layoff aversion model in Ontario's manufacturing sector. Rather than focusing solely on post-layoff supports, the model aimed to help employers and workers respond to workforce disruption before layoffs occurred, through targeted short-term skills training and rapid-response workforce support.

Due to the COVID-19 pandemic, Phase 1 could not be implemented, and the program shifted to post-layoff support and short-term training. Training was delivered to 107 displaced manufacturing and steel workers. Despite the disruption, the program achieved strong outcomes, including a 94% retention rate and 85% completion rate. Participants reported increased confidence in securing employment, and over half of participants had obtained work after the training.

Building on these lessons, Phase 2 launched the Layoff Aversion Program with 29 manufacturing employers. The program supported 576 workers through 827 training placements in health and safety, skilled trades, and technical operations. Workers reported increased job security, career advancement opportunities, and greater workplace engagement. Employers identified benefits including reduced safety risks, stronger workforce capacity, and improved retention.

The findings highlight the importance of preventative, flexible, and industry-responsive workforce development strategies. Investments in incumbent worker training, sector partnerships, and rapid-response upskilling approaches can help workers remain attached to the labour market while supporting employer competitiveness and community economic resilience during periods of industrial and economic transition.

KEY INSIGHTS

- 1 Across 29 manufacturing employers, 576 workers completed 827 training placements in health and safety, skilled trades, and technical operations, which were designed to strengthen workforce capacity and retention.
- 2 Manufacturer workers and employers reported that short-term, industry-recognized training improved job security, workplace engagement, retention, and opportunities for career advancement.
- 3 Proactive layoff aversion and incumbent worker training approaches may be more effective than traditional reactive workforce adjustment models in responding to rapid labour market disruption.

► The Issue

Ontario's automotive manufacturing sector is facing growing instability and multiple pressures. These include unpredictable tariffs, global supply chain disruptions, and the shift toward zero-emission vehicle production. Together, these dynamics pose a significant risk of layoffs, especially for production-level workers in the auto parts and steel sectors. In 2025, the manufacturing sector was hit the hardest by tariffs and suffered an estimated 29,400 job losses.

Employers need a proactive approach to retaining talent and combating layoffs rather than relying on the traditional layoff-and-rehire cycles. However, employers lack the tools, strategies and capacity to do so. Evidence from several interventions assisting laid-off or otherwise displaced workers suggests that traditional workforce adjustment (including lengthy training) is no longer achieving the same results it once did. This is due to the accelerating pace of change due to automation, other technological change, and globalization.

Unlike the Canadian labour adjustment model, which focuses on supporting workers after layoff, the US layoff aversion model focuses on supporting both employers and workers before layoffs. This model allows workers and employers to navigate shifting economic landscapes through skills development as the company re-tools. This approach has been piloted and permanently adopted in four U.S. states, and policymakers in 12 other states are scaling up by expanding this rapid response model.



What We Investigated

Phase 1: July 2019 – December 2021

The BOLD–Better Outcomes in Layoffs and Downsizing project aimed to test a layoff aversion model among manufacturing workers in Ontario by adapting and implementing the U.S. model. The project partnered with manufacturing employers and unions to support workforce retention during periods of economic uncertainty and sector disruption.

Due to the pandemic, the model could not be piloted as intended. Instead, the pilot provided post-layoff support with a Job Action Centre. It was redesigned to offer digital and online shorter-term training leading to industry-recognized credentials. Shifting away from longer training, it focused on areas such as forklift driving, first aid, and safety elements, among others. The program was delivered between January and December 2021.

Due to the pandemic, CSTECH was not able to implement the layoff aversion model as intended in a 4-site pilot with 200 workers.

Phase 2: April 2025 – December 2025

In 2025, the Layoff Aversion Program was launched, building on the findings from Phase 1. The program aimed to prevent layoffs through targeted training interventions; strengthen employer-union collaboration; deploy short-term credentialed training aligned with production requirements; and equip workers with tools to navigate workforce transitions. Training was delivered between February and September 2025 to manufacturing workers in participating organizations.

The program focused on identifying high-risk worker groups and rapidly deploying short-duration training to upskill or re-certify workers. This approach enabled employers to maintain workforce capacity during temporary downturns while supporting workers' continued employability. CSTECH established a rapid-response process to assess employer needs, secure union buy-in, and approve training within days rather than weeks or months.

Based on Phase 1 learnings, the team simplified data collection methods, set up formal agreements with employers to clarify roles and expectations, and increased flexibility in program changes to respond to external factors.

The project evaluation focused on:

1. How effective is short-term, targeted, and accredited training for incumbent industrial trade workers in meeting employers' needs for skilled tradespeople?
2. How effective is the Layoff Aversion Program at minimizing the negative impacts being faced by manufacturers (such as production workers, assemblers, and machine operators)?
3. To what extent has the project and training provided supported industrial tradespeople who are members of equity-deserving groups?
4. How effective is the Layoff Aversion Program in promoting dialogue between employers and unions about worker retention and sustaining manufacturing operations at the facility?

Evaluation methods included post-training surveys, seven focus groups with CSTECH coordinators and training participants, and 14 interviews with CSTECH staff and external stakeholders, including unions, employers, and partners.

1.

What We're Learning

Phase 1: Modified traditional post-layoff support with short-term training leading to certificates.

Most workers completed the training and had positive outcomes

The first phase of the project served 107 displaced manufacturing and steel workers in the Greater Toronto Area, initially in-person (38% of the cohort) but then online as a result of the pandemic. The training yielded a 94% retention rate and 85% completion rate, results that are high compared with other interventions in a similar context.

Information on employment outcomes was not complete when the evaluation of the first phase was done. A total of 29 of the 107 participants were surveyed after the program. At that time, 37% were still looking for work while 53% had found either part- or full-time work. However, it is not clear that there would have been a different result without the pilot. Among workers, 86% felt that the training would help them to find work. Anecdotally, the Job Action Centre—the site of the project—received expressions of interest from other workers who had heard about the pilot.

Phase 2: The Layoff Aversion Program was implemented as intended.

CSTEC leveraged existing networks with employers, colleges and government training consultants and union reps across Ontario to help promote the program and support training delivery. Training was delivered to 576 workers at 29 manufacturing organizations. There were 827 placements related to training to meet health, safety and industry regulations (i.e., fall prevention, automotive standards) and 144 related to skilled trades (i.e., gas technicians, steam fitters) or new skills related to machinery, techniques and operations.

The evaluation was unable to measure full program outcomes due to timing and limited administrative data from employers. Few workers participated in the survey or focus groups. Despite these challenges, some promising findings emerged.

Workers said the training program increased their skills

Those workers who participated in the evaluation reported increased confidence in their job security as a result of the training. They were able to revisit and refine existing skill sets, obtain additional certifications and transition to specialized roles or apply their skill sets to troubleshoot better.

Training helped to support career pathways

Some workers indicated that the training led to a promotion or new work responsibilities. As well, many earned certifications related to safety areas. The training also supported 20 workers in gaining apprenticeships, though this was short of the target of 50 workers due to tight program timelines.

Training resulted in employer-recognized skills, but did not remove risk of future layoffs

Many employers reported that the training enhanced workers' skills and reduced errors and safety risks associated with implementing new skills. While employers did state they were less likely to lay off workers who had been trained with desired skills, future layoffs were still possible.

The impact on labour-management relations is unknown

It was unclear how the program increased collaboration with employers and unions. Only five participating manufacturers had unionized environments. Those interviewed were satisfied with the collaboration and training provided. One employer noted that increased collaboration and stronger relations helped them address challenges related to skills gaps. Employers often had to rely on external contractors (as opposed to unionized employees) due to skill gaps. The program enabled employers to better identify these gaps and train existing unionized workers, reducing the need for external contractors.

The training supported retention of workers

Workers reported that the skills they acquired made them more likely to stay with their employer. They also indicated they were more engaged with their roles and in the workplace. Employers also noticed this positive impact. Some noted that training should be viewed as a key part of the retention strategy, as it is more cost-effective to upskill existing workers than to hire new ones.

★ Why It Matters

The findings highlight the need to reassess how layoff supports are designed and implemented. Helping workers adjust to economic downturns and associated layoffs remains a key policy priority. Governments invest significant resources into layoff support through Employment Insurance and other workforce development programs that provide training, career planning, and job search assistance. Policymakers have a strong interest in approaches that reduce the time to re-employment, minimize long-term earnings loss, and support workforce attachment. However, the findings suggest that traditional models, which are often more reactive and implemented only after layoffs occur, may not be fully responding to the pace of labour market disruption.

To address this, layoff programs should focus on preventative training approaches that help workers build skills before displacement occurs. Short-term, targeted training tied to industry-recognized certifications can support workers to remain competitive in changing industries. At the same time, it can also help employers respond to evolving operational and technical demands. Collaboration between key players – employers, unions, training providers, and government stakeholders – to develop programs that support workers allows for better implementation and participation. This collaboration creates more flexible programs that help workers rapidly gain skills that have long-term positive impacts on their job progression.

The findings further suggest that preventative workforce adjustment approaches may generate benefits beyond the workplace. Supporting workers before layoffs occur not only supports the workers but also helps to strengthen community economic resilience and could reduce reliance on reactive income and employment supports after displacement occurs. This is particularly important for regions and sectors vulnerable to restructuring, economic downturns, tariffs, or shifts associated with climate transition policies.



State of Skills: Better Labour Market Transitions for Mid-Career Workers

To improve the mobility of mid-career workers, training programs should experiment to address barriers including through shorter training times, use of online and hybrid learning and targeting training to fill skill gaps.

[Read Thematic Report](#)

Overall, the findings show the need for workforce development systems to move toward more proactive, collaborative, and industry-responsive approaches. As labour market disruption continues to accelerate, investments in incumbent worker training, layoff aversion strategies, and sector partnerships may play an increasingly important role in supporting workforce resilience, employer competitiveness, and long-term economic sustainability.

► What's Next

CSTEC is moving forward with other training programs to support workers and employers facing workforce disruptions. For example, CSTEC has partnered with the United Steelworkers Union to launch a Power Action Centre to support workers impacted by recent Algoma Steel layoffs. CSTEC also aims to implement an online tool in 2026 to help industrial workers plan their career pathways and learn how to qualify for apprenticeships and transition to other skilled trades. They are also exploring funding opportunities for similar programs in the mining sector, as there is a shortage of miners and changes to tariffs will continue to impact all sectors of the economy.

Have questions about our work? Do you need access to a report in English or French? Please contact communications@fsc-ccf.ca.

How to Cite This Report

McLaren, K. (2026). Project Insights Report: BOLD: Better Outcomes for Laid Off Displaced Workers, Canadian Skills Training and Employment Coalition. Toronto: Future Skills Centre.
<https://fsc-ccf.ca/projects/professional-practice-certificate/>

Funded by the
Government of Canada's
Future Skills Program



BOLD: Better Outcomes for Laid Off Displaced Workers is funded by the Government of Canada's Future Skills Program. The opinions and interpretations in this publication are those of the author and do not necessarily reflect those of the Government of Canada.