

Layoffs Toolkit for Leaders

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About This Resource

This resource can help leaders navigate the planning, decision-making, implementation, and communication aspects of conducting layoffs. Aspects of this toolkit may also be helpful if you've chosen not to fill existing vacancies, restructure teams (involving transfers), or take other steps toward downsizing.

Here's what's included:

- [Layoffs Checklist for Decision-Makers](#)
- [Budget Cuts Decision Framework Sample](#)
- [Sample Guiding Principles for Layoff Decisions](#)
- [Stakeholder Engagement List Template](#)
- [5 Ws and FAQ For Staff Sample & Template](#)
- [Detailed Schedule Template](#)
- [Layoff Information for Employee Template](#)

For more layoffs resources, check out the following TMC resources:

- [3 Ways to Prepare Emotionally and Mentally for Layoffs](#)
- [Layoff Script](#)
- [Re-Division of Labor Worksheet](#)

Layoffs Checklist for Decision-Makers

Use these checklists to think through action items and tasks involved with layoffs.

Planning & Decision-Making

- ☐ Get clear on the financial imperative and how you plan to achieve it (See [Budget Cuts Decision Framework Sample](#))
- ☐ Name the “why” behind layoffs and develop a clear purpose statement
- ☐ Develop [guiding principles for decision-making](#)
- ☐ Identify important [choice points](#) in the process
- ☐ Make key decisions about...
 - ☐ The MOCHA:
 - ☐ (If unionized) When will we bring in the union and how will they be involved (as a C and/or H)?
 - ☐ Who needs to be consulted or provide input on decisions?
 - ☐ Who will own the final layoff decisions?
 - ☐ Logistics
 - ☐ How many positions do we need to cut?
 - ☐ What will be the length of time between notice of layoff and separation?
 - ☐ What will be included in the severance package? What, if any, contingencies are there for receiving severance?
 - ☐ What else will be part of offboarding (see [Layoff Logistics](#))?
 - ☐ Communication
 - ☐ How will we balance transparency with the need to sustain morale and avoid excess or premature panic?
 - ☐ What is the timeline for layoffs and communication before, during, and after?
 - ☐ When and how will we communicate information to the leadership team, middle managers, and all staff? What level of detail will we share?
 - ☐ When and how will we communicate to board members, funders, and partners? What level of detail will we share?
 - ☐ Post-layoff
 - ☐ What aspects of the work and team structure will shift after layoffs happen? (see [Re-Division of Labor Worksheet](#))
 - ☐ What actions will I take to recover and repair team culture after layoffs?
- ☐ Get [emotionally and mentally grounded](#)
- ☐ Make a plan to support senior leaders, managers, and staff to navigate the emotional impacts of layoffs
- ☐ Identify my support (emotional, mental, and logistical) system for this process

Engaging Stakeholders

- ☐ Make a list of [key stakeholders](#). Consider the following potential stakeholders, if applicable:
 - ☐ Senior team/leaders
 - ☐ Managers
 - ☐ Staff
 - ☐ Funders
 - ☐ Board members
 - ☐ Members
 - ☐ Volunteers

- ☐ Union
- ☐ Leaders of organizational partners
- ☐ Thought partners (a coach, mentors, and/or trusted peers)
- ☐ Decide which stakeholders will be consulted, thought partners, or simply need to be informed once the decision has been made
- ☐ Decide when to bring stakeholders into the process
- ☐ Draft talking points, emails, [FAQs](#), and other tools for communicating with stakeholders

Internal Communications

- ☐ Decide on timeline and process for communicating layoffs, including:
 - ☐ Who will notify laid off employees? How and when?
 - ☐ (If needed) Who will notify the managers of laid off staff (if they were not part of the decision-making process)?
 - ☐ Who will notify retained employees about departures? How and when?
 - ☐ Who has a role in offboarding (e.g., finance, operations, HR, and IT staff)? How and when will they be notified?
- ☐ Draft talking points, emails, FAQs, and other tools for communicating internally with staff and board members
 - ☐ Plan team meetings, 1-1s, and/or office hours to communicate information about layoffs
- ☐ Create and share scripts, guidance, and talking points for managers conducting layoff and [stay conversations](#)
 - ☐ Train all managers who will have layoff conversations with impacted employees

Layoff Logistics

- ☐ In consultation with HR, decide on severance packages, including:
 - ☐ Healthcare coverage
 - ☐ Severance amount
 - ☐ Additional benefits and support, such as career coaching, networking, and job search support
- ☐ If unionized, review collective bargaining agreement to ensure alignment
- ☐ Draft severance agreement
 - ☐ Consult with lawyers
- ☐ Send separation agreement to laid-off employees
- ☐ Create a detailed schedule for the day that layoffs will happen (see [Detailed Schedule Template](#))
- ☐ Make sure offboarding processes (such as HR and IT action steps) are set up and ready to go
- ☐ Prepare a message to go to staff after layoff conversations are finished

Manager Checklist

- ☐ Customize and finalize [layoff script](#). If possible, practice layoff conversation with a trusted colleague.
- ☐ Schedule layoff conversation (be mindful of timing)
- ☐ Block off 30 minutes immediately after layoff conversation(s) to decompress, regroup, and regroup
- ☐ Recap layoff information with employee (see [Layoff Information for Employee Template](#))
- ☐ Review departing staff's responsibilities and decide what to drop or redistribute (see [Re-Division of Labor Worksheet](#))
- ☐ Schedule and hold team meetings, 1-1s, and/or office hours to communicate information about layoffs
- ☐ Decide how to appreciate departing staff members (e.g., prepare appreciation email, send off gathering, or other acknowledgment)

Budget Cuts Decision Framework Sample

Adapt this sample decision framework for your situation. Every organization has different circumstances, financial goals, options, and timelines. In all cases, **it's critical for the organization's leader and board to have a shared understanding of the organization's cash position and requirements** (a very clear “why” for the cuts). This example illustrates a way to consider cuts across various categories.

As you fill this out, consider your stakeholders and [decision-making modes](#). Are there people you should make decisions jointly with? Should you delegate some decisions? Who will you need to consult, persuade, or tell?

To use this sample as a template, follow these steps:

1. Align on your **overall financial imperative**. What's the bottom line you're managing toward? Is it a total dollar amount for revenue or \$X cash on hand?
2. Map out **checkpoints**. Think about specific milestones that will inform your financial picture, such as a grant you're waiting to hear about or fundraising campaign results. When will you check on your financial picture?
3. Figure out your **“triggers”** for budget cuts. What would prompt you to consider budget cuts?
4. Decide the **total amount of cuts** you'd need to make at each point to stay on track to meet your financial imperative.
5. Identify the **categories and specific line items** you'd cut and calculate the total savings. (Note: this is an important place to solicit input!)

[Sample] Financial Imperative = maintain 6 months cash on hand			
Checkpoint	Apr 15	Jun 1	Jul 15
Trigger for budget cuts	Total revenue <\$XX and/or renewals down by more than X%	Total revenue <\$XX, ABC Foundation commits <\$200,000	Total revenue <\$XX
Total Cuts Needed	\$150,000	\$120,000	\$170,000
Detailed Cuts			
Projects	N/A	Cut YYY program (\$20,000)	Cut lobbying program (\$20,000)
Personnel	Cut ROLE A (\$35,000) Reduce ROLE B to half-time (\$15,000)	Cut three additional FTEs (\$20,000)	Cut three more FTEs (\$90,000)
Benefits	Require 10% healthcare payment (\$75,000)	N/A	Require 20% healthcare payment (\$70,000)
Other spending	Cut travel by 30% (\$10,000) Cut professional services by 40% (\$15,000)	Cut remaining tech support budget by 25% (\$20,000)	Eliminate remaining non-essential travel (\$10,000)
Savings	\$150,000	\$120,000	\$170,000

Sample Guiding Principles for Layoff Decisions

This is a sample set of guiding principles for making layoff decisions.

As we consider reducing staffing and adjusting our work, we will use the following guiding principles:

- **Mission Preservation and Strategy.** We will keep impact at the forefront and we will center the people we serve. We will make decisions that best fulfill our mission and execute our strategy.
- **Sustainability.** We will envision a structure we can reasonably sustain with our future revenue projections. We will adjust work, operations, and programs so that roles are realistic and doable, knowing that cutting staffing will also require cutting work. We will make decisions that best prevent having to repeat this process in the near term.
- **Equity.** We will examine our [choice points](#) to watch out for potential disparate impacts by identity, role, and tenure.
- **Communication and Care.** We will communicate clearly and regularly with staff, balancing our value of transparency with the need to be strategic and compassionate. We will treat departing staff with dignity and care. We recognize the impact of losing colleagues and collaborators on all staff, and will work to retain staff and tend to our team culture after the layoffs.

Stakeholder Engagement List Template

Use this template to identify your key stakeholders, how they will be involved, and when to engage them.

[illegible]

5 Ws and FAQ for Staff Sample & Template

Use this hybrid template/sample to track and answer frequently asked questions about the layoffs.

What is happening? What's changing?

Financial challenge: [Org] has a structural gap where ongoing expenses, particularly staffing costs, are growing faster than revenue. If we continue at this rate, our reserves will be depleted by 20XX. Based on early projections of 20XX revenue, we think we need to cut \$XX in expenses over the next X years.

Organizational staffing structure: As part of addressing our financial challenges in alignment with our long-term strategy, we need to eliminate or restructure roles. These staffing decisions were not made lightly; they were deeply considered by executive leadership in consultation with directors.

Why is this happening?

Mission Preservation: We want to preserve [org's] ability to deliver on its mission, which requires long-term financial sustainability.

Strategic Priorities: Given our current context, leadership has identified several strategic priorities to (continue to) invest in. Those are:

- A
- B
- C

Financial Considerations: As mentioned in the previous section, [Org] has a structural gap where ongoing expenses, particularly staffing costs, are growing faster than revenue. If we continue at this rate, our reserves will be depleted by 20XX. Based on early projections of 20XX revenue, we think we need to cut \$X in expenses over the next X years.

External Factors: Shifting political, nonprofit, and funding landscapes pose an existential threat not just to [org] but to many others in and across sectors.

Who will be impacted?

We understand that these decisions impact everyone in our community to different degrees.

The positions being eliminated are:

- A
- B
- C

This staff restructuring will also involve re-dividing work and responsibilities. Each team directly impacted by layoffs will revisit their priorities, goals, and workplans, and reprioritize or redistribute work accordingly. Our goal is to ensure that our highest priority work continues without overburdening remaining staff.

When will this change occur? What is the timeline?

The position eliminations are effective [date].

We will hold an all-staff meeting on [date] to answer questions and process the change together.

Team heads and managers will hold space in team meetings and check-ins for questions and discussion.

Where can staff go with questions or concerns and to ask for support?

We understand that all staff will be impacted in different ways. If you have questions or concerns, share them with your manager or team head in a check-in or via email.

We will also hold office hours/meetings for additional processing.

Detailed Schedule Template

Use this template to map out a detailed schedule for **the day you will notify staff** about layoffs.

Time	To Do	Key Staff Involved	Needs & Additional Notes

Layoff Information for Employee Template

Logistics

End date: [date]

On your last day, you'll get:

- X weeks of salary as severance (*contingent on you staying through our agreed-upon end date*).
- Unused vacation days paid out.
- The option to continue your healthcare coverage for an additional 18 months by paying your premium through the COBRA program. (X will provide more info)

Action item: Get back to [name] by [date] to either accept the proposed end date or propose a different one (must be earlier than the proposed end date).

Job Search Support

We understand that if you choose to stay, you will also likely be looking for other jobs. Here are ways that [org] can support you in figuring out next steps:

- Time off for job interviews. (Just talk to your manager)
- X can provide
 - Office hours to help with interview prep
 - Resume review
 - Interview guidance
- We have extensive organizational and individual networks. Feel free to reach out to your colleagues if you want support making connections or introductions.

Communication

Questions for you to think about:

- How would you like the colleagues on our team to be informed about your layoff?
- How would you like the colleagues outside of our team to be informed about your layoff? Consider any preferences you have around the who and how.
- How would you feel about folks (on our team or not) reaching out to you directly once they find out?
- What support would you like from colleagues, if any?

Week of...	Who/What
A	[date] Managers Meeting
B	X will send email to...
C	[date] Staff Call