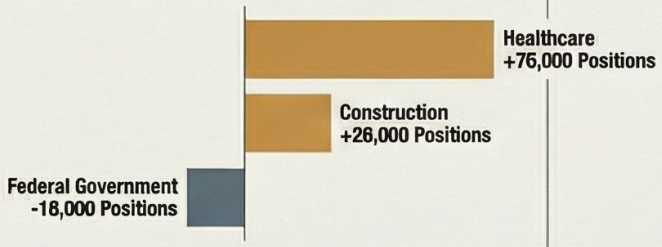
FEDERAL WORKFORCE RESTRUCTURING: NAVIGATING THE 2026 CONTRACTION

THE IMPACT OF RAPID CONTRACTION

11.8% WORKFORCE REDUCTION

The federal government shed 355,000 positions between late 2024 and March 2026.

SECTORAL EMPLOYMENT SHIFTS (MARCH 2026)



THE 10% DISRUPTION THRESHOLD

Reductions exceeding 10% typically trigger "downsizing syndrome," characterized by collapsed morale and trust.

RISING LABOR MARKET PRECARITY

Long-term unemployment rose by 322,000 annually, with 26.4% of jobless workers unemployed for 27+ weeks.

EVIDENCE-BASED TRANSITION STRATEGIES

TRANSPARENT PROCEDURAL JUSTICE

Use objective, job-related criteria and early, honest communication to preserve trust among remaining staff.

TARGETED REEMPLOYMENT SUPPORT

Providing comprehensive outplacement and retraining significantly accelerates reemployment and maintains organizational reputation.

INSTITUTIONAL MEMORY PRESERVATION

Structured knowledge transfer sessions prevent the loss of facit expertise and critical regulatory knowledge.

NotebookLM