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STRATEGY NETWORK

Even Blue-Chip Companies Fail. Here's How to Save Their Workers, and Towns, When They Do.

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The new year has not been happy for former Sears employees. As the company fights for its life in bankruptcy court, laid-off employees of the 126-year-old retailer **recently saw their severance pay stopped by the court at the same time that it approved \$25 million in bonuses** for the company's executives.

The contrast is unconscionable but not unique. The history of American business is defined by corporate failure: a long series of panics, recessions, slumps, bankruptcies and depressions. Yet while corporate leaders generally escape the financial repercussions of their own business mistakes, workers and the communities that depend on a company for their livelihoods do not. Workers must therefore prepare for economic failure. They can do so by organizing collectively.