VISIER INSIGHTS REPORT

THE LAYOFF BOOMERANG REPORT

Calculating The Hidden Costs of Workforce Cuts

Layoffs are a stark reality in the corporate world, often viewed as a necessary evil for cost reduction in the short term. A closer look at the data reveals a complex picture. While intended to streamline organizations, research[1] consistently shows that layoffs frequently fail to boost profitability and can even lead to decreased share prices. This fact is further compounded by a surprising trend: a growing number of employees are being rehired by the very companies that laid them off, suggesting that aggressive cost-cutting measures may be missing the mark.

To get a better sense of how prevalent the trend of rehiring the same employees that were laid off is, the Visier Data Science Team studied the phenomenon in an anonymized subset of the Visier Community Data set, covering 2.4 million employees in 142 enterprise sized organizations globally. Findings indicate that:

- Organizations **rehire about 5.3%** of laid-off employees.
- The "layoff boomerang" is **most common in Finance and Retail** industries.
- Tenured, high-performing individuals and people managers **are frequently rehired** after being laid off.
- Rehired employees typically return within **6–10 months**.
- Rehired employees **earn 3% more** than those who stayed.

The rehiring of laid-off employees is a strategic workforce planning practice that underscores the interconnectedness of organizational processes, driven by specific business needs and established policies. "Layoff Boomerangs" intersect with workforce planning, particularly the need to forecast an organization's staffing requirements. We studied the prevalence of this rehiring trend to inform organizations about its frequency and consequences, enabling data-informed and strategic decision-making for improved workforce planning.

1. Sucher, S. J., & Westner, M. M. (2022, December 8). What companies still get wrong about layoffs. Harvard Business Review. hbr.org/2022/12/what-companies-still-get-wrong-about-layoffs

Organizations rehire about 5.3% of laid-off employees.

Boomerang employees are former workers who return to a previous employer after a period of absence.[2] While often associated with voluntary departures, this research report specifically focuses on individuals terminated and subsequently rehired by the same company, referred to as "Layoff Boomerangs."

Our analysis of the prevalence of this phenomenon in the Visier Community data revolves around the involuntary boomerang (or Layoff Boomerang) rate, which represents the percentage of involuntarily separated employees who are subsequently rehired by the organization (see call out window: How the Layoff Boomerang rate is calculated)

Our analysis showed that over the past seven years (monthly averages between 2018–2024), approximately 5.3% of laid-off employees were rehired within 15 months. This rate has remained fairly steady year to year, consistently staying within the 4–6% range, and recently climbed up again.

NOTEWORTHY:

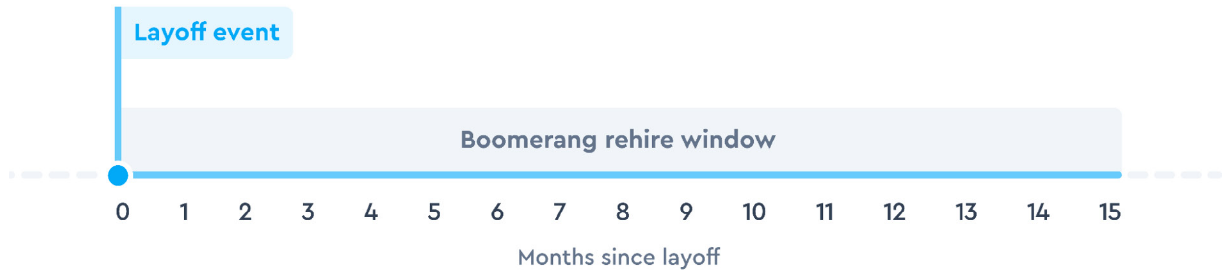
We looked across 140 companies to see if turnover and boomerang rates move together. In most, or approximately 74%, there is no connection meaning **the proportion of employees being rehired is unrelated to how many were let go**.

However, in about one-quarter of companies in our sample, we see a clear connection, which means, when more employees are being laid off, more are being rehired. The big takeaway is: **for most companies turnover and boomerangs are independent, but for about one in four, churn actually creates more opportunities for people to return.**

HOW THE LAYOFF BOOMERANG RATE IS CALCULATED

We calculated the Layoff Boomerang employee rate using a forward-looking 15-month window. This means that for each month of layoffs, we track whether those individuals are rehired within 15 months of their original layoff date. For instance, the January 2023 boomerang rate reflects the share of employees laid off in January 2023 who were subsequently rehired by March 2024.

Definition of involuntary boomerang rate

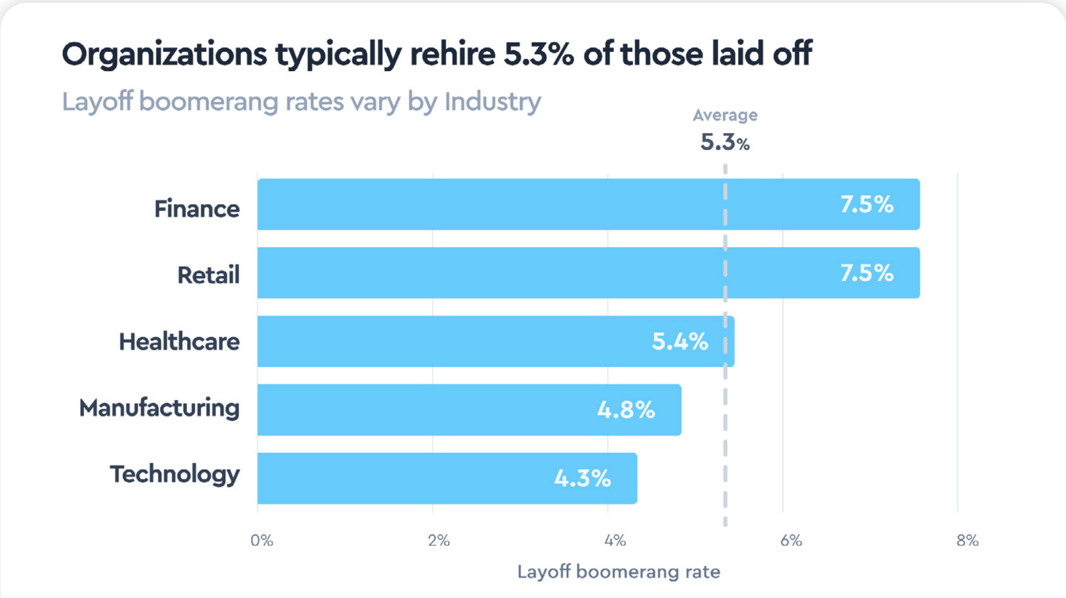


Source: Research & Insights, Visier Inc. 2025

2. Klotz, A. C., Swider, B. W., Shao, Y., & Prengler, M. K. (2021). The paths from insider to outsider: A review of employee exit transitions. Human Resource Management, 60(2), 119–144. doi.org/10.1002/hrm.22033

The "layoff boomerang" is most common in Finance and Retail industries.

A closer look at the industries within our sample reveals that the rehiring of previously laid off staff is more prevalent in the Finance and Retail industry (7.5% over the same period), and less common in High Tech at 4.3%. (see figure: Layoff boomerang rates vary by industry)

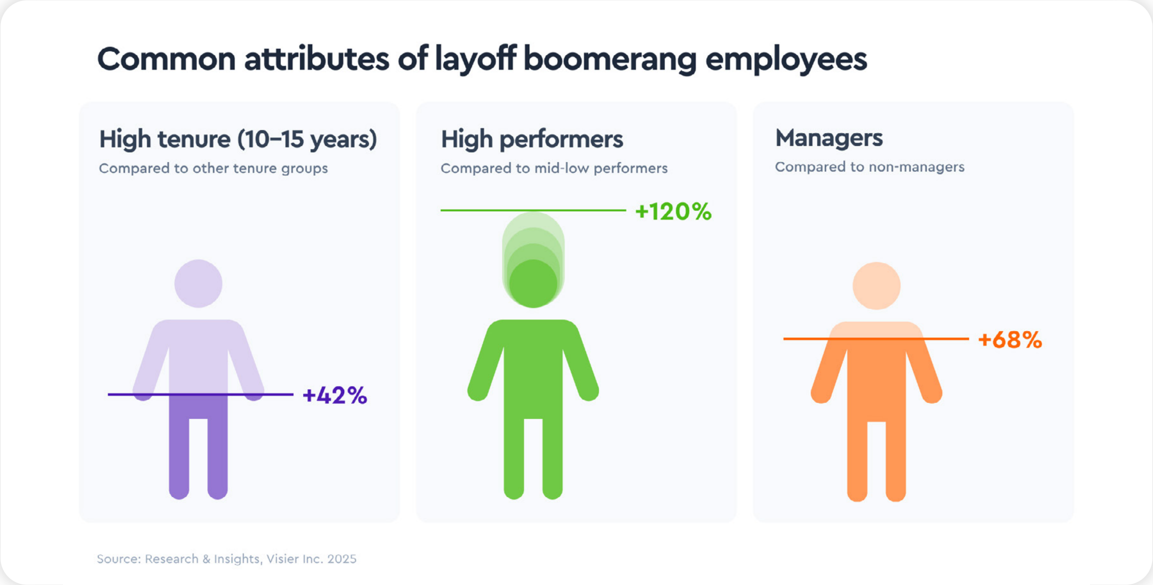


Source: Research & Insights, Visier Inc. 2025

Tenured, high-performing individuals and people managers are frequently rehired after being laid off.

Our analysis further reveals several key factors that seem to drive the rehire rate of specific populations of laid-off employees. First, employee tenure at the organization clearly plays a significant role, with employees with 10–15 years of service exhibiting a rehire rate 42% higher than those with either shorter or longer tenures.

Worker performance also acts as a strong predictor for being rehired after being laid off, as high-performing individuals demonstrate a remarkable 120% higher rehire rate compared to their mid and low-performing counterparts. Finally, leadership experience also appears to be a crucial factor, with former managers showing a 68% higher rehiring rate than non-managers. (See figure: Common attributes of layoff boomerang employees)



Layoff Boomerang Employee Attributes explained

LAYOFF BOOMERANG RATES	WHAT'S BEHIND THIS TREND	WHY IT MATTERS
The rehire rate was 42% higher for employees with **10–15 years** of tenure compared to those with shorter or longer service.	Mid-career veterans are the most likely to return. The company valued those who had been around for over a decade but hadn't yet reached the longest (and possibly most costly) tenures.	These employees represent the sweet spot of institutional knowledge and long-term commitment. They are experienced and trusted, but possibly not as expensive to rehire as the most senior staff.
High performers have a 120% higher rehire rate than mid and low performers.	The best employees are twice as likely to be rehired. A 120% higher rate means they are more than double the rehire rate of everyone else (2.2× higher).	The company is very selective when rehiring, actively prioritizing top talent that they previously had to let go.
Former managers showed a 68% higher rehiring rate compared to non-managers	Managers are significantly more likely to be brought back. For example, if the average rehire rate is 5%, the managers' rate is 10%, meaning they were rehired at double the rate of the overall average.	Leadership continuity is a priority. The skills and established relationships of managers are considered essential for rapid recovery and business stability.

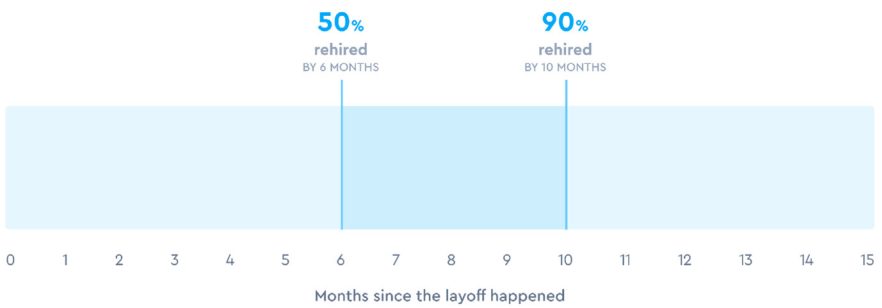
Rehired employees typically return within 6–10 months.

On average, employees who return to the company do so in just under six months (5.83 months), suggesting that the company's need for laid-off talent typically arises within half a year of the initial separation.

Organizations realize they made a mistake in just under six months after layoffs.

The overwhelming majority of these rehires are brought back within the first 10 months, emphasizing that if a boomerang hire is going to happen, it is usually resolved well before the 15-month tracking window closes. So if an employee has not been rehired after 15 months, they are unlikely to be rehired at all (see figure: Most laid off employees are being rehired by 10 months).

Most laid off employees are being rehired by 10 months



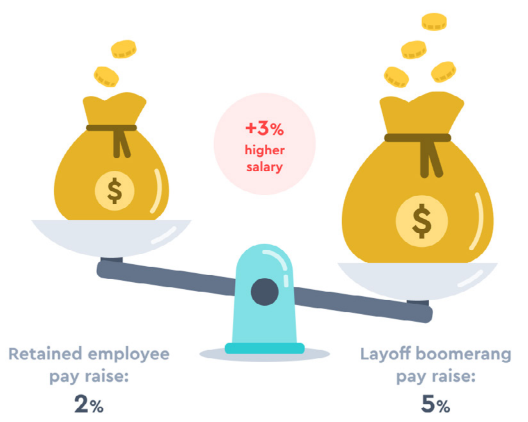
Source: Research & Insights, Visier Inc. 2025

Rehired employees earn 3% more than those who stayed.

Lastly, we wanted to understand the financial implications for organizations that decide to rehire workers that were previously let go. It's fair to say that employees experience a notable financial benefit upon their return, earning an average of 3% more than their counterparts who remained with the company.

Specifically, boomerang employees see a 5% pay increase upon rehire, while those who did not experience a layoff received an average pay increase of 2%. This suggests a potential incentive for companies to rehire laid-off talent, possibly to attract back experienced individuals. (See figure: Layoff boomerangs outearn those who stayed)

Layoff boomerangs outearn those who stayed



Source: Research & Insights, Visier Inc. 2025

Quantifying the cost of Layoff Boomerang Hiring

To illustrate the potential, "invisible," cost of layoff decisions that may later lead to rehiring of some terminated employees, we applied our findings to an example from real data about the US Finance Industry during 2024 as presented by the Bureau of Labor Statistics. We project that, based on about 83,000 layoffs that occurred in August 2024[3], with a 7.5% rehire rate in Finance and an average financial analyst salary of $101,900[4], rehiring laid off employees would have cost an estimated $19 million in additional pay premiums (see figure Finance Industry Layoff Boomerang Costs).

This figure, however, only accounts for the direct premium paid to rehired employees in comparison to the retention of workers. It's crucial to acknowledge that this does not include other costs such as:

- Severance payments for staff laid off
- Productivity loss after layoffs
- Additional attrition caused by turnover contagion effects[5]
- Employee disengagement due to layoffs

These unquantified factors suggest that the true cost of Layoff Boomerangs could be considerably higher, highlighting the complex financial implications of workforce reductions and subsequent rehiring.

The phenomenon of "Layoff Boomerangs" intersects directly with workforce planning, a process that involves forecasting an organization's staffing needs and determining how to meet them, potentially by rehiring previously laid-off employees.

Whether former employees are considered for rehire depends on organizational policies, the reasons for their initial termination, and employer-set eligibility criteria. If rehired, standard procedures like evaluating past performance, negotiating new employment terms, and onboarding (sometimes referred to as reboarding for boomerang employees) are typically followed, regardless of their prior familiarity with the company.

Finance Industry Layoff Boomerang Costs

Total laid off employees in Finance, 2024 (BLS)	83,000
Layoff boomerang rate	7.5%
Number of layoff boomerangs	6,225
Average salary Financial Analyst (BLS)	$101,900
× Layoff boomerang premium	× 3%
Total additional cost	$19,029,825

Source: Research & Insights, Visier Inc. 2025

3. The U.S. Bureau of Labor Statistics (BLS) reports that in August 2024, there were 83,000 layoffs and discharges in the broader financial activities category: bls.gov/news.release/jolts.t05.htm
4. Average salary in the same period was $101.900 for a Financial analyst role: bls.gov/ooh/business-and-financial/financial-analysts.htm
5. Visier Inc. (2022). Visier Insights™ report: New facts about layoffs and RIFs. visier.com/lp/visier-insights-report-layoffs/

Critical considerations before layoffs: key takeaways

Workforce planning and the rehiring of laid-off employees are interconnected organizational processes, driven by specific business needs and established policies. Based on our analysis of current Layoff Boomerang trends and related costs, here are our recommendations for all enterprise organizations considering a layoff:

Assess the full cost in layoff considerations (including hidden costs)

Invisible, future costs related to layoffs can erase initial savings. When considering workforce reductions be sure to evaluate all associated expenses. This includes not only immediate costs but also indirect expenditures such as legal fees, the effect on employee morale, and the future costs of re-hiring and training former employees, as well as the premium bump in compensation rehired employees command.

Account for potential rehires when planning future needs

Incorporate potential rehires into current workforce planning to avoid exchanging immediate severance costs for future skill needs, and related high recruitment expenses. This helps differentiate between genuinely non-essential positions and those that will require refilling in the near future.

Consider reducing the proposed percentage of planned layoffs by at least 5%

Establishing a talent buffer is crucial in any market, especially a volatile one. A more conservative approach to layoffs can mitigate planning uncertainties, reduce the risk of expensive emergency rehires, and safeguard both financial resources and company reputation.

To learn more about strategic workforce planning, download the Visier Collaborative Workforce Planning Guide to help you navigate how to effectively align HR, Finance and Talent Acquisition on an agile process.

Contributors

Manda Winlaw, Ph.D.

Manda is a data science manager at Visier, contributing to research and developing data products for the Visier app. She has worked as a data scientist in a number of different fields and strongly believes in using data to drive better decisions for all people.

Erfaneh Mahmoudzadeh, MSc

Erfaneh is a data scientist intern at Visier, developing HR analytics reports and transforming data into actionable insights for workforce optimization. She has a background in deep learning research and graph neural networks and is passionate about using data science to help organizations make better decisions.

Andrea Derler Ph.D., Principal, Research & Value

Andrea is the principal of research and value at Visier. Her background in management research, neuroscience, and human capital consulting helps her produce data-based, practice-oriented, and actionable insights for business and HR leaders.

Dani Haig, User Experience Designer

Dani is a User Experience Designer at Visier. Dani specializes in enhancing the experience of Visier People® by designing new features and workflows that improve data visualizations and Visier's planning software.

Sabrina Chan, Senior User Experience Designer

Sabrina is a Senior User Experience Designer at Visier working on Visier Studio. She enhances the administrator experience by designing features and workflows that simplify data modelling, content creation, and solution management.

About our data

The findings as presented in this report are curated from the Visier Community Data. Visier's database contains more than 18 million employee records from more than 10,000 customers in 75 countries.

For the analyses in this report, we used available data from a subpopulation of 142 enterprise-sized organizations, with a collective headcount of more than 2.4 million global employee records.

Companies represent a wide range of industries, including healthcare, technology, financial services and insurance, energy, and manufacturing. Weighted averages account for different headcounts per each organization.

For each of the included companies, Visier ensured a high degree of confidence in both data availability and quality for the topics and time period being covered by this report.

About Visier

Visier is the global leader in Workforce Intelligence that powers every people decision. Our award-winning, agentic AI technology surfaces the insights leaders need to plan, decide, and act with confidence in the moments that matter most. As the market leader in people analytics, workforce planning, organizational design, and manager effectiveness solutions, we fuel smarter decision-making for organizations across the globe. Our mission is to help businesses lead with insight at scale as they continuously transform.

Founded in 2010 by the pioneers of business intelligence, we have over 65,000 customers in 75 countries—including enterprises like BASF, Panasonic, Domino's Pizza, Experian, Amgen, eBay, and Ford Motor Company.

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