

State mass layoff statistics, 1998-1999

In 1999, 5,678 extended mass layoffs by employers resulted in the separation of approximately 1.1 million workers from their jobs. In 1998, a total of about 1.2 million workers were laid off in 5,851 layoff events.

Two-fifths of all layoff separations in 1999 were due to the end of seasonal work, the reason most often cited by employers. These layoffs occurred primarily in food-production establishments located in California.

Internal company restructuring layoffs reached their highest level in 1999, rising 34 percent to 251,478 separations. These layoffs occurred primarily in the manufacturing and retail trade sectors.

In 15 states, the proportion of total separations that were due to seasonal work was at least 50 percent; in 7 additional states, the proportion was over 40 percent.

Six states reported that internal company restructuring accounted for at least 50 percent of layoffs; 19 states reported that restructuring accounted for fewer than 20 percent of layoffs. Sixteen percent of all separations in 1999 occurred as a result of the permanent closing of worksites. These layoffs were due primarily to internal company restructuring, import competition, and relocation of the worksite elsewhere within or outside the

United States.

California reported the largest number of closure separations, followed by Texas and New Jersey. Compared with 1998, Texas had the largest increase, while Illinois had the largest decrease.

Persons laid off in extended mass layoff events tend not to exhaust their unemployment insurance benefits. In only 8 states did the rate of exhaustion reach 20 percent or more; 11 states reported exhaustion rates of less than 5 percent.

Of the 970,743 initial claimants for unemployment insurance who were associated with mass layoffs in 1999, workers 55 years of age or older accounted for 13 percent, the same as their proportion of the civilian labor force. There was considerable variation among the states.

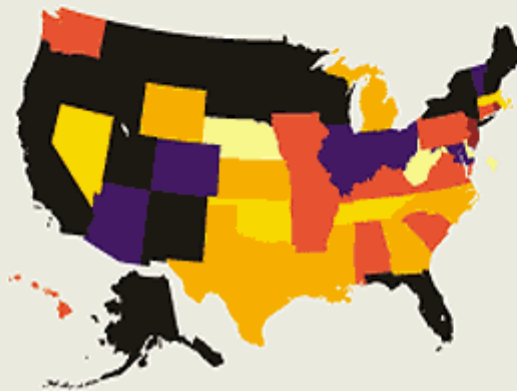
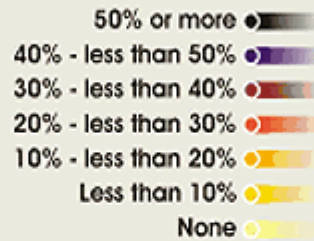


Mass layoffs by state, 1999

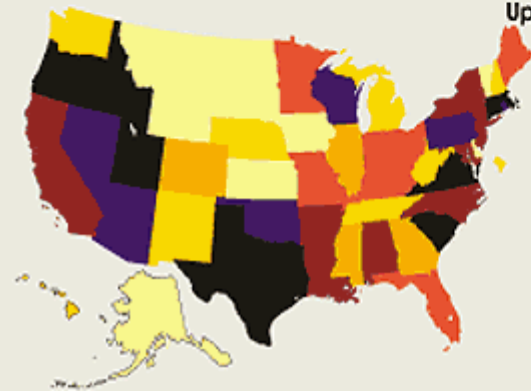
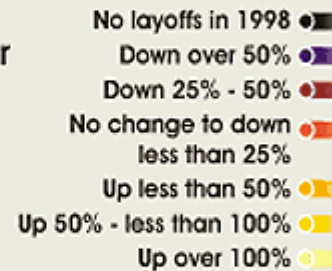
No matter what the condition of business, there are constant flows of workers into and out of jobs. This can be seen in the number and nature of mass layoffs in 1999. That year the unemployment rate was quite low. There were still 14,909 mass layoff events involving 1,572,399 initial claimants for unemployment insurance.

While separations due to seasonal work accounted for a majority of separations in quite a few states, there were rapid increases in the numbers of workers separated due to internal company restructuring in several others.

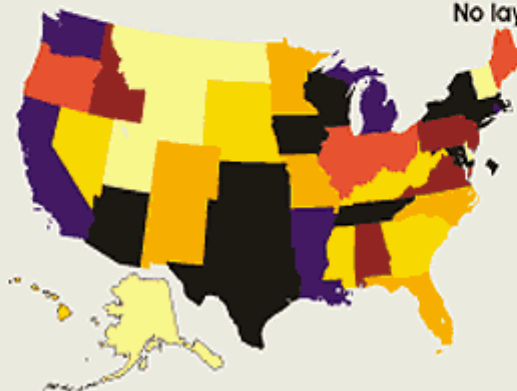
Reason for layoff: Proportion of workers separated due to seasonal work, 1999



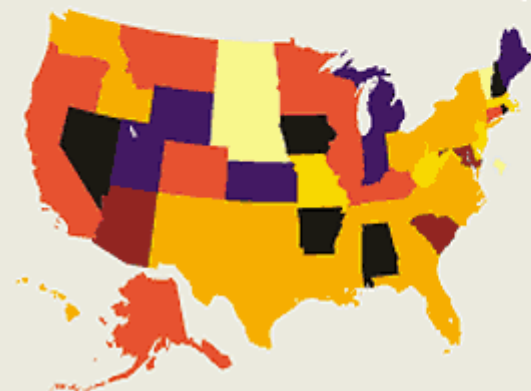
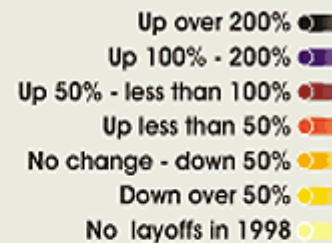
Permanent worksite closures: Over-the-year change in worker separations, 1998 - 1999



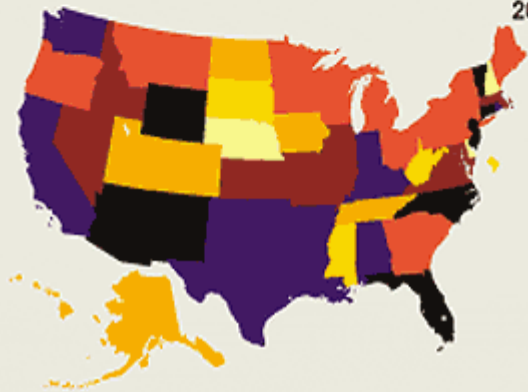
Reason for layoff: Over-the-year change in the number of workers separated due to internal company restructuring, 1998-1999



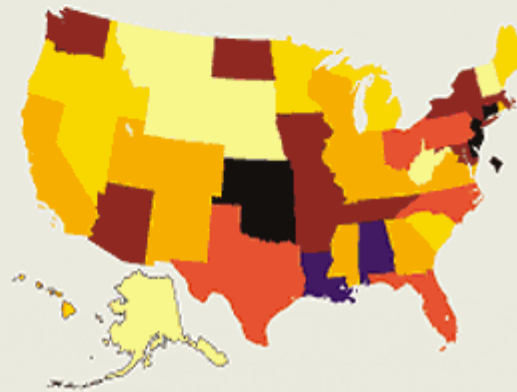
Reason for layoff: Over-the-year change in the number of workers separated due to seasonal work, 1998 - 1999



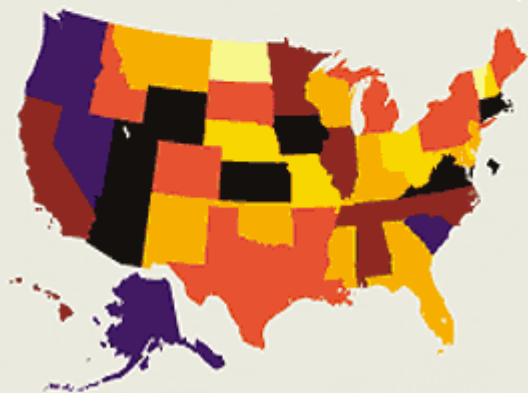
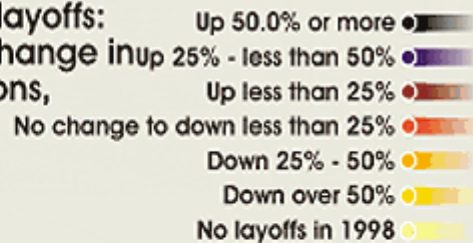
Percent of MLS initial claimants who exhausted UI benefits, 1999



Reason for layoff: Proportion of workers separated due to internal company restructuring, 1999



Extended mass layoffs: Over-the-year change in up worker separations, 1998 - 1999



Older workers in extended mass layoffs: Index of initial claimants age 55 relative to those in the labor force, 1999



About the Mass Layoff Statistics program

The Mass Layoff Statistics program is a Federal-State cooperative effort to identify, describe, and track the effects of major job cutbacks, using data from each state's unemployment insurance database.

Establishments that have at least 50 initial claims for unemployment insurance (UI) filed against them during a consecutive 5-week period are contacted by state agencies to determine whether those separations are of at least 31 days' duration. If so, information is obtained on the total number of persons separated, the reasons for these separations, and recall expectations. Establishments are identified by industry classification and location, and unemployment insurance claimants by such demographic characteristics as age, race, sex, ethnic group, and place of residence. The program yields information on an individual's entire spell of insured unemployment.

Data available. Monthly data are available for establishments that have at least 50 initial claims for unemployment insurance (UI) filed against them during a 5-week period. Quarterly data are reported for establishments that have at least 50 initial claims filed against them during a 5-week period and for cases in which the employer indicates that 50 or more people were separated from their jobs for at least 31 days. Information is obtained on the number of persons separated; the reasons for separation; worksite closures; recall expectations; and the characteristics of UI claimants. These characteristics are collected at two points: when an initial claim is filed and when the claimant exhausts regular UI benefits. In between, the status of claimants is tracked by monitoring continued claims under the regular state UI

program.

Coverage and sources of data. Monthly, quarterly, and annual data are reported for 50 states, the District of Columbia, and Puerto Rico. Monthly data are available since April 1995, and quarterly data since second-quarter 1995. Monthly data are based on records of unemployment insurance filings and establishment classifications. Quarterly data are based on administrative data supplemented with employer confirmation of layoffs and plant closings and additional employer-provided data.

Forms of publication. Monthly news releases report analyses of summary information for the 50 states and the District of Columbia. Quarterly news releases describe the nature of layoffs lasting more than 30 days for the states and the District of Columbia, as well as the claimant characteristics associated with those layoffs. An annual report on extended mass layoffs details the nature and claimant characteristics of such events.

Uses. Uses of extended mass layoffs data include: Determining substate allocations of Federal funds for dislocated workers through the Economic Development and Worker Adjustment Assistance Act; studying ailing industries or areas; identifying the causes, scope, and economic cost of worker dislocation, and the characteristics of dislocated workers; developing approaches for assisting employers and workers at the local level; and analyzing potential labor market supply.