

# The pulse of economic change: displaced workers of 1981–85

*Of the 5.1 million workers who had lost jobs  
at which they had worked at least 3 years,  
about two-thirds were reemployed as of January 1986*

FRANCIS W. HORVATH

One of the harsh realities of economic change is the closing of plants or the severe cutbacks in their operations. The mass layoffs create instant pockets of unemployment, often made up of people with years of dedicated service and acquired skills and no place to apply them. The ability of these workers to readjust after plant closings or large cutbacks has been a subject of considerable interest to policymakers, labor leaders, and economic analysts.

In January 1986, the Employment and Training Administration sponsored a special supplement to the Current Population Survey designed to answer some of the questions about “displaced workers.” The survey was almost identical to a study conducted in January 1984, which permitted additional insight into the problem.<sup>1</sup> The principal findings of the survey include:

- A total of 10.8 million workers 20 years of age and over lost jobs because of plant closings or employment cutbacks over the January 1981–January 1986 period. Those who had been at their jobs at least 3 years numbered about 5.1 million. This estimate was very similar to that obtained in the 1984 survey, which had covered the 1979–83 period.
- While both surveys yielded about the same number of displaced workers with at least 3 years of tenure on the lost jobs, the reemployed proportion was much higher in 1986 than in 1984–67, compared with 60 percent.
- Close to 18 percent of those displaced were unemployed when surveyed in January 1986. This was an improvement over 1984, when 26 percent of those displaced were looking for work.

- The number of labor force exits among displaced workers was very close to the 14-percent level observed in 1984. More than 1 of every 3 older workers (over 55 years of age) left the labor force after losing their jobs.
- Of the 3.4 million workers who found work following the displacement, 2.7 million were working at full-time wage and salary jobs. More than half of those reemployed earned as much or more in their new jobs as in their lost jobs.
- About 2 of 3 displaced workers were men.
- The geographic distribution of displaced workers was again heavily concentrated in the East North Central States. More than 1.1 million workers there had lost jobs since 1981.
- Following displacement, reemployment was more difficult for black and Hispanic workers. The percentage of those who were reemployed as of January 1986 was about 10 percentage points lower than the comparable level for whites.

## Measurement of displacement

Interest in the issue of displaced workers increased in the early 1980's, as two back-to-back recessions led to the elimination of many jobs.<sup>2</sup> Indications that the cutbacks in many industries might be permanent rather than cyclical spurred an effort to better identify those workers who had lost their jobs. The terms “displaced” or “dislocated” were used to describe workers who had put in years of service and acquired very specific skills, only to find that those skills were no longer in demand.

As noted above, only a small proportion of the displaced were unemployed when surveyed. In fact, many may have

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found another job rather quickly, although it may not have been at a pay and skill level comparable to the one from which they had been displaced. A frequently mentioned example of a displaced worker is the steel or automobile worker, who had been employed at a relatively high paying production job and who, upon losing that job, finds little prospect of replacing the earnings to which he—and his family—had become accustomed.

Some displaced workers might give up looking for work altogether, believing that there are no suitable jobs available. Unplanned early retirements often seem to be the only choice for many of the older displaced workers.

Altogether, a total of 10.8 million workers 20 years of age and over answered that they had lost a job between January 1981 and January 1986 because of plant closings, employers going out of business, or layoffs from which they had not been recalled. However, a large proportion of these workers had been at their jobs for only a short period before they were dismissed. For example, about 4 million—or 37 percent—had been at their jobs a year or less.

In order to focus on those displaced workers who had spent a substantial amount of time with their employer, while presumably acquiring a substantial amount of job-specific skills, the statistical universe used in this study was limited to those individuals with 3 years or more of tenure on the jobs they lost, some 5.1 million.

### Demographic characteristics

About two-thirds of the 5.1 million displaced workers were men, and most were in the prime working ages, 25 to 54. (See table 1.) These men were not only the largest group of displaced workers, they also had the highest level of reemployment; over three-fourths of them were reemployed in January 1986.

Blacks accounted for 11 percent of all displaced workers, and there were nearly as many black women as there were men. Also, the level of reemployment was just under 58 percent for both black men and women.

Following displacement, women were much more likely to leave the labor force than men. Almost 1 in 4 white women and 1 in 5 black women who had been displaced were outside the labor force in January 1986. The proportion of labor force leavers was nearly 1 of 3 for Hispanic women.

Black and Hispanic displaced workers were more likely to be unemployed in January 1986 than whites. About 36 percent of black men and 28 percent of Hispanic men who had been displaced were unemployed compared with 17 percent of white men.

**Industry and occupation.** As was found in the 1984 survey, about one-half of the displaced workers in January 1986 had lost jobs in manufacturing. The industries in which much of the displacement had taken place included nonelectrical machinery, electrical machinery, and primary metals. (See table 2.)

By January 1986, the rate of reemployment among manufacturing workers had improved considerably relative to 1984. About 2 of 3 workers displaced from manufacturing had found new jobs as of January 1986, a rate of reemployment quite similar to that for workers who had lost jobs in other industries. In the 1984 survey, the reemployment rate for manufacturing workers was much lower—59 percent.

The services industry accounted for about 10 percent of the displaced workers. This proportion was relatively small considering that these workers accounted for over 30 percent of all employed workers. Also, more than 2 of 3 service workers who had been displaced were able to find new jobs as of January 1986.

The largest number of displaced workers—some 1.9 mil-

**Table 1. Employment status of displaced workers by age, sex, race, and Hispanic origin, January 1986**  
[In percent]

Characteristic	Number (thousands) <sup>1</sup>	Total	Employed	Unemployed	Not in the labor force
<b>Total</b>					
Total, 20 years and over . . . . .	5,130	100.0	66.9	17.8	15.3
20 to 24 years . . . . .	222	100.0	69.1	23.2	7.7
25 to 54 years . . . . .	3,950	100.0	72.5	18.1	9.4
55 to 64 years . . . . .	789	100.0	47.4	17.6	35.0
65 years and over . . . . .	169	100.0	23.4	4.3	72.4
<b>Men</b>					
Total, 20 years and over . . . . .	3,321	100.0	70.9	18.6	10.5
20 to 24 years . . . . .	146	100.0	74.1	20.4	5.5
25 to 54 years . . . . .	2,605	100.0	76.1	19.6	4.4
55 to 64 years . . . . .	482	100.0	50.2	15.3	34.5
65 years and over . . . . .	87	100.0	24.5	6.2	69.3
<b>Women</b>					
Total, 20 years and over . . . . .	1,810	100.0	59.6	16.2	24.1
20 to 24 years . . . . .	76	100.0	59.6	28.7	11.8
25 to 54 years . . . . .	1,345	100.0	65.7	15.2	19.0
55 to 64 years . . . . .	307	100.0	43.1	21.2	35.8
65 years and over . . . . .	82	100.0	22.2	2.2	75.6
<b>White</b>					
Total, 20 years and over . . . . .	4,452	100.0	68.2	16.2	15.6
Men . . . . .	2,936	100.0	72.4	16.8	10.8
Women . . . . .	1,516	100.0	59.9	15.2	24.9
<b>Black</b>					
Total, 20 years and over . . . . .	581	100.0	57.7	29.2	13.1
Men . . . . .	312	100.0	57.6	36.0	6.3
Women . . . . .	268	100.0	57.7	21.3	21.0
<b>Hispanic origin</b>					
Total, 20 years and over . . . . .	311	100.0	56.6	27.2	16.1
Men . . . . .	208	100.0	63.7	27.9	8.4
Women . . . . .	103	100.0	42.3	25.9	31.8

<sup>1</sup> Data refer to persons with tenure of 3 years or more who lost or left a job between January 1981 and January 1986 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

NOTE: Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

**Table 2. Employment status of displaced workers by industry and class of worker of lost job, January 1986**

[In percent]

Industry and class of worker	Number (thousands) <sup>1</sup>	Total	Employed	Unemployed	Not in the labor force	Industry and class of worker	Number (thousands) <sup>1</sup>	Total	Employed	Unemployed	Not in the labor force
Total, 20 years and over <sup>2</sup>	5,130	100.0	66.9	17.8	15.3	Textile mill products	123	100.0	71.2	9.9	19.0
Nonagricultural private wage and salary workers	4,772	100.0	67.2	17.6	15.2	Apparel and other finished textile products	171	100.0	51.9	18.0	30.1
Mining	175	100.0	67.4	17.4	15.2	Paper and allied products	39	100.0	(3)	(3)	(3)
Construction	316	100.0	74.8	16.6	8.6	Printing and publishing	94	100.0	69.8	14.8	15.4
Manufacturing	2,550	100.0	65.9	18.2	15.9	Chemical and allied products	98	100.0	75.2	11.9	12.8
Durable goods	1,691	100.0	66.7	18.9	14.4	Rubber and miscellaneous plastics products	67	100.0	(3)	(3)	(3)
Lumber and wood products	104	100.0	67.0	23.2	9.8	Other nondurable goods industries	88	100.0	62.8	25.9	11.3
Furniture and fixtures	63	100.0	(3)	(3)	(3)	Transportation and public utilities	386	100.0	66.9	20.0	13.1
Stone, clay, and glass products	87	100.0	64.7	17.3	17.9	Transportation	303	100.0	66.1	20.6	13.3
Primary metal industries	235	100.0	62.0	15.0	23.0	Communication and other public utilities	83	100.0	69.9	17.7	12.4
Fabricated metal products	187	100.0	64.1	24.8	11.0	Wholesale and retail trade	689	100.0	66.3	12.4	21.3
Machinery, except electrical	361	100.0	71.9	18.6	9.5	Wholesale trade	294	100.0	74.4	12.5	13.1
Electrical machinery	255	100.0	54.9	23.2	21.9	Retail trade	395	100.0	60.3	12.4	27.4
Transportation equipment	260	100.0	74.3	16.7	8.9	Finance, insurance, and real estate	107	100.0	73.5	12.5	14.0
Automobiles	148	100.0	70.2	21.1	8.7	Services	540	100.0	68.4	21.4	10.2
Other transportation equipment	112	100.0	79.8	11.0	9.2	Professional services	198	100.0	66.8	19.1	14.1
Professional and photographic equipment	73	100.0	(3)	(3)	(3)	Other service industries	342	100.0	69.3	22.8	8.0
Other durable goods industries	66	100.0	(3)	(3)	(3)	Agricultural wage and salary workers	141	100.0	66.0	20.9	13.1
Nondurable goods	859	100.0	64.3	16.8	18.9	Government workers	172	100.0	63.0	18.9	18.0
Food and kindred products	178	100.0	57.1	19.5	23.4	Self-employed and unpaid family workers	33	100.0	(3)	(3)	(3)

<sup>1</sup> Data refer to persons with tenure of 3 years or more who lost or left a job between January 1981 and January 1986 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

<sup>2</sup> Total includes a small number who did not report industry or class of worker.

<sup>3</sup> Data not shown where base is less than 75,000.

lion—were formerly employed as operators, fabricators, and laborers, occupations which are quite prevalent in the manufacturing industries. They represented nearly 2 out of 5 displaced workers in January 1986. (See table 3.)

The higher the workers' skills, the more likely they were to have found other jobs. For example, among persons who had lost managerial and professional specialty jobs, almost 3 of 4 were reemployed in January 1986. On the other hand, fewer than 2 of 3 of the displaced operators, fabricators, and laborers had been able to find new jobs. The highest proportions of displaced workers who were still unemployed were those who had lost their jobs in the transportation and material moving occupations, as well as in the service occupations.

*Regional distribution.* As in January 1984, the largest concentration of displaced workers in the 1986 survey was found in the East North Central area—1.1 million. This area comprises the heavily industrialized States of Illinois, Indiana, Michigan, Ohio and Wisconsin. Close to half of the job losses in this area had occurred in the durable goods manufacturing industry. (See table 4.)

But some improvement was found even in the East North Central area. About 65 percent of the area's displaced workers were employed in January 1986, compared with only

about half in January 1984. However, among those still unemployed, almost one-third had been without work for 6 months or more.

Reemployment was much higher for displaced workers on the Atlantic and Pacific coasts. In New England, for example, about 75 percent of those identified as displaced workers had found new jobs. On the Pacific coast, about 70 percent of those who had been displaced were again employed in January 1986, and among those who were still looking for work, 42 percent had been unemployed for less than 5 weeks.

*Tenure on jobs lost.* In order to identify workers who had formed a long term relationship with their employers, only those who had worked for 3 years more on the jobs lost were included in the detailed analysis of the data from 1984 and 1986. While persons with shorter job durations may also face hardships following plant closings, their skills are unlikely to be tied to an employer or industry.

The tenure of displaced workers on the jobs lost tends to be higher than the tenure of the overall work force. Obviously, the restriction to 3 years or more of tenure imparts an upward bias that the general tenure level does not have. In addition, in declining industries, workers with the least tenure are likely to be released first. Should the plant

**Table 3. Employment status of displaced workers by occupation of lost job, January 1986**  
[In percent]

Occupation	Number (thousands) <sup>1</sup>	Total	Employed	Unemployed	Not in the labor force
Total, 20 years and over <sup>2</sup>	5,130	100.0	66.9	17.8	15.3
Managerial and professional specialty	782	100.0	74.1	14.1	11.7
Executive, administrative, and managerial	487	100.0	72.0	16.9	11.1
Professional specialty	295	100.0	77.7	9.4	12.8
Technical, sales, and administrative support	1,125	100.0	68.0	12.8	19.2
Technicians and related support	174	100.0	76.5	11.7	11.8
Sales occupations	447	100.0	65.1	11.9	23.0
Administrative support, including clerical	504	100.0	67.6	13.9	18.5
Service occupations	254	100.0	53.5	22.6	23.9
Protective service	32	100.0	<sup>(3)</sup>	<sup>(3)</sup>	<sup>(3)</sup>
Service, except private household and protective	222	100.0	52.6	24.1	23.2
Precision production, craft, and repair	1,018	100.0	68.5	18.2	13.3
Mechanics and repairers	268	100.0	73.7	18.5	7.9
Construction trades	255	100.0	69.2	22.4	8.4
Other precision production, craft, and repair	495	100.0	65.4	15.9	18.8
Operators, fabricators, and laborers	1,870	100.0	64.0	21.4	14.6
Machine operators, assemblers, and inspectors	1,197	100.0	64.1	19.7	16.3
Transportation and material moving occupations	328	100.0	62.6	25.7	11.7
Handlers, equipment cleaners, helpers, and laborers	345	100.0	65.1	23.4	11.4
Construction laborers	51	100.0	<sup>(3)</sup>	<sup>(3)</sup>	<sup>(3)</sup>
Other handlers, equipment cleaners, helpers, and laborers	293	100.0	64.6	23.0	12.4
Farming, forestry, and fishing	80	100.0	72.1	19.1	8.9

<sup>1</sup> Data refer to persons with tenure of 3 years or more who lost or left a job between January 1981 and January 1986 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

<sup>2</sup> Total includes a small number who did not report occupation.

<sup>3</sup> Data not shown where base is less than 75,000.

**Table 4. Employment status and area of residence in January 1986 of displaced workers by selected characteristics**  
[Numbers in thousands]

Characteristic	Total <sup>1</sup>	New England	Middle Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific
<b>Workers who lost jobs</b>										
Total	5,130	226	733	1,149	384	744	397	610	240	648
Men	3,321	129	453	774	253	464	235	401	169	443
Women	1,810	97	280	375	131	280	162	209	71	205
<b>Reason for job loss</b>										
Plant or company closed down or moved	2,809	143	427	580	206	444	223	311	123	351
Slack work	1,603	48	221	402	122	197	132	210	76	194
Position or shift abolished	719	35	84	166	55	103	42	89	41	103
<b>Industry of lost job</b>										
Construction	359	8	27	84	25	61	34	43	25	53
Manufacturing	2,592	141	428	646	179	364	197	281	66	289
Durable goods	1,707	82	272	498	120	177	101	185	41	232
Nondurable goods	885	59	157	148	59	187	96	96	25	57
Transportation and public utilities	417	19	62	83	29	55	51	51	20	46
Wholesale and retail trade	706	22	73	164	69	96	49	80	39	114
Finance and service industries	680	34	103	119	48	102	35	81	51	107
Public administration	55	2	10	12	8	3	3	3	7	8
Other industries <sup>2</sup>	319	1	29	41	25	62	27	71	32	31
<b>Employment status in January 1986</b>										
Employed	3,432	168	442	749	263	535	248	403	174	450
Unemployed	912	22	162	233	62	104	84	103	34	108
Percent less than 5 weeks	26.4	<sup>(3)</sup>	25.6	24.9	<sup>(3)</sup>	27.1	25.4	18.3	<sup>(3)</sup>	42.1
Percent 27 weeks or more	23.6	<sup>(3)</sup>	25.8	31.0	<sup>(3)</sup>	23.2	24.2	16.4	<sup>(3)</sup>	17.9
Not in the labor force	786	35	129	167	59	105	65	103	32	90

<sup>1</sup> Data refer to persons with tenure of 3 years or more who lost or left a job between January 1981 and January 1986 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

<sup>2</sup> Includes a small number who did not report industry.

<sup>3</sup> Data not shown where base is less than 75,000.

NOTE: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont compose the New England Division; New Jersey, New York, and Pennsylvania compose the Middle Atlantic Division; Illinois, Indiana, Michigan, Ohio, and Wisconsin compose the East

North Central Division; Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota compose the West North Central Division; Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia compose the South Atlantic Division; Alabama, Kentucky, Mississippi, and Tennessee compose the East South Central Division; Arkansas, Louisiana, Oklahoma, and Texas compose the West South Central Division; Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming compose the Mountain Division; Alaska, California, Hawaii, Oregon, and Washington compose the Pacific Division.

**Table 5. Displaced workers by age, sex, race, Hispanic origin, and tenure when job ended**  
[In percent]

Characteristic	Number (thousands) <sup>1</sup>	Total	3 to 4 years	5 to 9 years	10 to 14 years	15 to 19 years	20 years or more	Median years on lost job
<b>Total</b>								
Total, 20 years and over . . . . .	5,130	100.0	32.8	34.2	15.7	7.8	9.5	6.6
25 years and over . . . . .	4,908	100.0	31.0	34.5	16.4	8.2	9.9	6.9
25 to 54 years . . . . .	3,950	100.0	35.0	37.2	16.1	7.0	4.7	6.2
55 to 64 years . . . . .	789	100.0	14.6	22.6	17.9	12.8	32.0	12.9
65 years and over . . . . .	169	100.0	15.0	25.6	15.6	13.6	30.2	12.8
<b>Men</b>								
Total, 20 years and over . . . . .	3,321	100.0	31.2	33.6	15.5	8.9	10.9	6.9
25 years and over . . . . .	3,175	100.0	29.4	33.7	16.2	9.3	11.4	7.3
25 to 54 years . . . . .	2,605	100.0	32.7	36.6	16.8	8.6	5.4	6.6
55 to 64 years . . . . .	482	100.0	14.9	18.9	14.6	12.8	38.8	15.4
65 years and over . . . . .	87	100.0	12.9	30.4	9.8	10.8	36.2	13.2
<b>Women</b>								
Total, 20 years and over . . . . .	1,810	100.0	35.7	35.4	15.9	6.0	7.0	6.0
25 years and over . . . . .	1,733	100.0	34.0	35.8	16.6	6.2	7.4	6.2
25 to 54 years . . . . .	1,345	100.0	39.5	38.4	14.8	4.1	3.2	5.7
55 to 64 years . . . . .	307	100.0	14.2	28.4	23.2	12.9	21.2	10.7
65 years and over . . . . .	82	100.0	17.3	20.5	21.7	16.6	23.9	12.7
<b>White</b>								
Total, 20 years and over . . . . .	4,452	100.0	32.6	33.6	15.6	8.1	10.1	6.7
Men . . . . .	2,936	100.0	31.0	32.9	15.7	9.2	11.1	7.0
Women . . . . .	1,516	100.0	35.5	34.9	15.5	6.0	8.1	6.0
<b>Black</b>								
Total, 20 years and over . . . . .	581	100.0	35.1	36.8	16.0	6.2	5.9	6.2
Men . . . . .	312	100.0	31.9	38.4	13.5	6.7	9.5	6.6
Women . . . . .	268	100.0	38.7	34.9	18.9	5.7	1.7	5.7
<b>Hispanic origin</b>								
Total, 20 years and over . . . . .	311	100.0	33.6	42.3	12.9	6.3	4.9	6.4
Men . . . . .	208	100.0	27.7	43.9	14.5	8.3	5.6	7.3
Women . . . . .	103	100.0	45.5	39.1	9.7	2.3	3.5	5.3

<sup>1</sup> Data refer to persons with tenure of 3 years or more who lost or left a job between January 1981 and January 1986 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

NOTE: Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

ultimately close its doors, those with longer tenure are likely to be still on the job when the decision to shut down is made.

The 5.1 million displaced workers can be divided into three roughly equivalent groups on the basis of their job tenure. About one-third had been on their jobs for 3 to 4 years, one-third for 5 to 9 years, and the remaining third for 10 years or more. Median tenure on the lost jobs was 6.6 years. (See table 5.)

The proportion of older workers displaced from jobs of long tenure was noticeably higher in 1986 than in 1984. In the 1986 survey, it was found that nearly two-fifths of the displaced men age 55 and over had lost jobs which they had held for 20 years or more.

### Before, during, and after displacements

*Notification of dismissal.* An important issue in debates surrounding plant closing legislation has been the question of advance notification of workers about to be laid off. It is argued that advance notification allows the workers a better chance of finding new jobs by possibly beginning their job search efforts while still employed. On the other hand, advance notice is viewed unfavorably by some employers,

who fear the anger of disgruntled employees and the possible reduction in productivity.<sup>3</sup>

In both the 1984 and 1986 surveys, a question was asked regarding whether the displaced worker had received an advance notice, or had left the business because he or she expected to be released.<sup>4</sup> About 45 percent of the displaced workers in the 1986 survey said they had not received notification prior to displacement. (See table 6.) Among those affected by plant closings or moves, about 40 percent neither were notified in advance nor had anticipated the closing.

Among the workers who had received an advance notice or had expected an impending closing, the proportion that was reemployed by January 1986 was greater than it was among those without warning of a layoff, but by a small margin—69 versus 64 percent. Among those who had been laid off because of plant closings, the difference in the reemployment rates between those with and without prenotification was even smaller.

*Reasons for dismissals.* More than half of the 5.1 million displaced workers reported that they had lost their jobs be-

cause of plant closings or moves. (See table 7.) About one-third offered "slack work" as the reason for their dismissals. The remaining persons reported that they had been working on jobs or shifts which were abolished.

The reasons offered for the dismissals were closely related to age, with older workers more likely to be affected by plant closings. For example, about two-thirds of the workers age 55 and over were dismissed because of plant closings, while only about half of those age 25 to 34 were released for this reason. It is likely that seniority would offer older workers some protection against dismissal during periods of "slack work," whereas they would have no protection if the plant closed down.

*Weeks without work.* Displaced workers were asked to estimate the number of weeks they were without work following job loss. The median period for the entire 5.1 million was about 18 weeks. It should be noted that, for many persons, this included periods spent outside the labor force. For example, displaced workers who were not in the labor force in January 1986 reported the longest spells without work, typically stretching over a year in length. (See table 8.) For these persons, the time spent "out of work" cannot

be equated with unemployment, the latter condition implying jobseeking.

Displaced workers who were employed in January 1986 reported a much shorter period without work, the median being 13 weeks. About 1 of every 3 reemployed displaced workers had spent less than 5 weeks without work.

When surveyed, unemployed displaced workers had been jobless for a median duration of 21 weeks. This group and displaced older persons were more likely to report longer periods without work than were younger persons.

The measurement of "weeks without work" presents a difficult challenge. For example, for the reemployed the reporting may relate to a period in the distant past, the length of which is only vaguely remembered. For the unemployed, the spell of joblessness may still be in progress and could possibly last much longer than reported in the survey. And, as already noted, for persons outside the labor force, the "weeks without work" could relate to periods which, although long, might have included few, if any, attempts to find another job.

*Receipt of unemployment insurance.* For many displaced workers, loss of income was cushioned by their receipt of

**Table 6. Displaced workers by age, whether they received advanced notice or expected layoff, selected reason for job loss, and employment status in January 1986**  
[Percent distribution]

Characteristic	Total who lost jobs					Plant or company closed down or moved				
	Total (thousands) <sup>1</sup>	Employment status, January 1986				Total (thousands) <sup>1</sup>	Employment status, January 1986			
		Total	Employed	Unemployed	Not in the labor force		Total	Employed	Unemployed	Not in the labor force
<b>Total, 20 years and over</b>										
Total .....	5,130	100.0	66.9	17.8	15.3	2,809	100.0	68.7	15.2	16.2
Received advanced notice or expected layoff ..	2,812	100.0	69.0	16.3	14.7	1,664	100.0	69.8	14.7	15.4
Left before job ended .....	387	100.0	73.9	7.5	18.6	240	100.0	70.8	10.8	17.9
Did not leave before job ended .....	2,415	100.0	68.1	17.7	14.1	1,421	100.0	69.7	15.3	15.0
Did not receive advance notice or expect layoff .....	2,318	100.0	64.4	19.5	16.0	1,145	100.0	66.9	15.9	17.2
<b>20 to 34 years</b>										
Total .....	1,864	100.0	75.1	16.3	8.6	947	100.0	79.6	13.5	7.0
Received advanced notice or expected layoff ..	1,080	100.0	76.9	15.5	7.6	598	100.0	80.3	13.7	6.0
Left before job ended .....	132	100.0	84.1	9.1	6.8	92	100.0	84.8	10.9	5.4
Did not leave before job ended .....	948	100.0	75.8	16.5	7.7	506	100.0	79.4	14.2	6.1
Did not receive advance notice or expect layoff .....	784	100.0	72.4	17.5	9.9	349	100.0	78.5	13.2	8.6
<b>35 to 54 years</b>										
Total .....	2,309	100.0	70.2	20.0	9.8	1,240	100.0	72.2	17.7	10.1
Received advanced notice or expected layoff ..	1,235	100.0	72.9	17.3	9.7	708	100.0	74.7	15.1	10.2
Left before job ended .....	179	100.0	83.2	7.8	8.9	105	100.0	75.2	12.4	12.4
Did not leave before job ended .....	1,046	100.0	71.0	18.9	9.9	602	100.0	74.4	15.8	9.8
Did not receive advance notice or expect layoff .....	1,074	100.0	67.0	23.1	10.0	532	100.0	68.8	21.2	10.0
<b>55 years and over</b>										
Total .....	958	100.0	43.2	15.2	41.5	621	100.0	44.9	12.6	42.5
Received advanced notice or expected layoff ..	497	100.0	41.9	15.7	42.5	357	100.0	42.9	15.4	41.7
Left before job ended .....	76	100.0	32.9	5.3	61.8	43	100.0	(2)	(2)	(2)
Did not leave before job ended .....	421	100.0	43.5	17.6	39.0	314	100.0	44.6	16.2	39.5
Did not receive advance notice or expect layoff .....	460	100.0	44.6	14.8	40.7	264	100.0	47.7	8.7	43.6

<sup>1</sup> Data refer to persons with tenure of 3 years or more who lost or left a job between January 1981 and January 1986 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

<sup>2</sup> Data not shown where base is less than 75,000.

unemployment insurance benefits. About 3.4 million workers reported receiving unemployment benefits after they had lost their jobs.

One reason why some displaced workers do not collect unemployment insurance benefits is that some of them are able to find new jobs quickly or even immediately after their job loss. Almost 1 in 3 who were employed in January 1986 reported that they had been without work less than 5 weeks.

*Moving to another area.* Few displaced workers moved to other areas following the loss of their jobs. (See table 9.) For the 14 percent who moved, the reemployment rate was significantly higher than for those who did not move—82 versus 64 percent.

There was a pronounced difference in the relocation activity of men and women. The proportion of displaced men who had moved was almost twice as high as that of women.

Older displaced workers were least likely to pull up stakes after losing their jobs. Of those age 55 and over, only about 5 percent had moved to another city or county. Among displaced women, only about 3 percent of those age 55 and over had moved subsequent to the job loss.

*Loss of health insurance.* The loss of group health insurance which usually accompanies a job loss can deal a financial blow to workers.<sup>5</sup> Of the displaced workers surveyed in January 1986, almost 80 percent had been included in a group health insurance plan on their lost jobs. (See table 10.) For these workers, recovery of coverage was closely related to employment status: those who found new jobs were usually covered by some form of insurance, either through their new jobs or through the plans of other family members. Only about 1 in 5 of the reemployed workers were not covered in their new jobs. However, displaced workers who were unemployed in January 1986 had a much higher exposure to health cost risk; almost 60 percent of those who had been covered on the lost job no longer had any coverage when surveyed.

### Job spirals or new careers?

About 3.4 million of the 5.1 million displaced workers were reemployed in January 1986. Almost all of these, about 3.2 million workers, had been working at full-time wage and salary jobs when they were dismissed. Of these, 10 percent were holding part-time jobs when surveyed. An additional 8 percent were involved full time in their own businesses as self-employed or unpaid family workers.

Thus, the vast majority of those working in January 1986 had returned to full-time wage and salary employment. For about 2.4 million of these workers, earnings information was obtained for both the old and the new jobs, making it possible to compare nominal earnings. Overall, about 56 percent were making as much or more than before displacement. More than half of that proportion were earning 20 percent or more above pay in their

**Table 7. Displaced workers by age, sex, race, Hispanic origin, and reason for job loss, January 1986**

(Numbers in thousands)

Age and sex	Total <sup>1</sup>	Plant or company closed down or moved	Slack work	Position or shift abolished
<b>Total</b>				
Total, 20 years and over . . .	5,130	2,809	1,603	719
20 to 24 years . . . . .	222	126	68	28
25 to 54 years . . . . .	3,950	2,062	1,338	551
25 to 34 years . . . . .	1,641	821	608	212
35 to 44 years . . . . .	1,326	670	460	197
45 to 54 years . . . . .	983	571	270	142
55 to 59 years . . . . .	467	299	101	67
60 to 64 years . . . . .	322	214	61	47
65 years and over . . . . .	169	108	36	25
<b>Men</b>				
Total, 20 years and over . . .	3,321	1,783	1,145	393
20 to 24 years . . . . .	146	85	47	14
25 to 54 years . . . . .	2,605	1,337	968	301
25 to 34 years . . . . .	1,091	539	451	101
35 to 44 years . . . . .	899	439	338	122
45 to 54 years . . . . .	616	360	179	77
55 to 59 years . . . . .	286	186	68	32
60 to 64 years . . . . .	196	125	41	29
65 years and over . . . . .	87	50	21	16
<b>Women</b>				
Total, 20 years and over . . .	1,810	1,026	458	326
20 to 24 years . . . . .	76	41	21	15
25 to 54 years . . . . .	1,345	724	370	250
25 to 34 years . . . . .	551	283	157	111
35 to 44 years . . . . .	427	231	121	75
45 to 54 years . . . . .	367	211	92	64
55 to 59 years . . . . .	180	113	32	35
60 to 64 years . . . . .	126	89	20	18
65 years and over . . . . .	82	59	14	9

<sup>1</sup> Data refer to persons with tenure of 3 years or more who lost or left a job between January 1981 and January 1986 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

previous job. (See table 11.)

*Occupational displacement.* A major concern regarding displaced workers is that they will be unable to use the hard-earned skills they had acquired in the jobs they lost. Besides earnings comparisons, another way to examine the changes forced upon displaced workers is to examine their occupational mobility.

The major occupational groupings and the percent of workers within each group who were able to find new jobs in the same broad occupational classification are shown in table 12. Of the displaced workers who were reemployed in January 1986, 45 percent were working in the same general occupation they had left.

For most of the occupational groups shown, the proportion returning to jobs in the same broad occupation they had left ranged between 30 and 60 percent. The lowest rates of occupational stability across the old and new jobs were found in the occupations of technicians and related support, and handlers, equipment cleaners, helpers, and laborers. Some of these workers may have found better jobs than the ones they had lost. Professional specialty and precision production, craft, and repair occupations had the highest levels of reemployment within the same broad occupation.

**Table 8. Displaced workers<sup>1</sup> by weeks without work, age, and employment status, January 1986**

[Numbers in thousands]

Age and employment status, January 1986	Weeks without work					Median weeks without work
	Less than 5 weeks	5 to 14 weeks	15 to 26 weeks	27 to 52 weeks	More than 52 weeks	
<b>Total:</b>						
Age 20 and over .....	1,371	883	791	893	979	18.3
25 to 54 years .....	1,089	734	634	674	664	16.5
25 to 34 years .....	464	333	277	260	238	13.4
35 to 44 years .....	352	233	200	270	213	17.4
45 to 54 years .....	273	167	157	144	212	20.1
55 years and over .....	211	101	109	183	308	32.8
<b>Employed:</b>						
Age 20 and over .....	1,103	628	533	605	424	12.5
25 to 54 years .....	932	526	446	495	347	12.4
25 to 34 years .....	406	254	195	200	140	12.2
35 to 44 years .....	302	174	142	205	114	14.1
45 to 54 years .....	224	98	110	89	93	12.5
55 years and over .....	113	65	57	91	74	20.7
<b>Unemployed:</b>						
Age 20 and over .....	157	191	194	151	187	20.5
25 to 54 years .....	122	167	155	114	137	19.9
25 to 34 years .....	39	62	68	34	37	17.0
35 to 44 years .....	42	49	46	56	52	24.1
45 to 54 years .....	40	55	41	24	48	16.9
55 years and over .....	26	16	25	26	45	30.2
<b>Not in the labor force:</b>						
Age 20 and over .....	111	64	64	137	368	53.8
25 to 54 years .....	36	41	33	65	180	54.3
25 to 34 years .....	19	17	14	26	61	52.6
35 to 44 years .....	8	10	11	9	47	61.7
45 to 54 years .....	8	15	7	30	71	67.7
55 years and over .....	71	20	28	67	189	54.8

<sup>1</sup> Data refer to persons with tenure of 3 years or more who lost or left a job between January 1981 and January 1986 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

**Table 9. Displaced workers<sup>1</sup> by whether they moved to a different city or county to find or take another job, age, sex, and current employment status**

[In thousands]

Age and sex	Nonmovers				Movers			
	Total	Employment status, January 1986			Total	Employment status, January 1986		
		Employed	Unemployed	Not in the labor force		Employed	Unemployed	Not in the labor force
<b>Total</b>								
Total, 20 years and over .....	4,395	2,831	832	733	713	582	81	51
25 to 54 years .....	3,318	2,340	644	333	618	510	70	37
25 to 34 years .....	1,330	983	221	126	302	253	31	18
35 to 44 years .....	1,139	826	227	86	183	154	23	7
45 to 54 years .....	343	531	196	121	133	104	16	13
55 years and over .....	902	376	141	385	51	34	5	12
<b>Men</b>								
Total, 20 years and over .....	2,758	1,884	553	321	548	455	66	28
25 to 54 years .....	2,119	1,571	450	98	478	403	59	16
25 to 34 years .....	855	664	165	26	229	198	25	6
35 to 44 years .....	755	571	155	29	144	122	19	4
45 to 54 years .....	510	335	131	44	104	83	16	6
55 years and over .....	525	236	74	215	41	24	5	12
<b>Women</b>								
Total, 20 years and over .....	1,637	946	279	411	165	127	15	24
25 to 54 years .....	1,198	770	194	234	140	107	11	21
25 to 34 years .....	476	318	57	100	72	55	7	11
35 to 44 years .....	385	255	73	57	39	32	4	3
45 to 54 years .....	338	197	65	77	28	21	-	7
55 years and over .....	377	140	67	170	10	10	-	-

<sup>1</sup> Data refer to persons with tenure of 3 years or more who lost or left a job between January 1981 and January 1986 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

**Table 10. Displaced workers by health insurance coverage, employment status, and selected characteristics, January 1986**

[Numbers in thousands]

Characteristic	Total <sup>1</sup>	Covered by group health insurance on lost job			Not covered on lost job
		Total	Not covered under any plan in January 1986		
			Number	Percent	
<b>Total</b>					
Total, 20 years and over .....	5,130	3,977	1,274	32.0	1,082
Employed .....	3,432	2,722	610	22.4	661
Unemployed .....	912	678	398	58.7	220
Not in the labor force .....	786	577	265	45.9	201
<b>Men</b>					
Total, 20 years and over .....	3,321	2,711	809	29.8	562
Employed .....	2,353	1,937	390	20.1	382
Unemployed .....	619	479	288	60.1	129
Not in the labor force .....	349	295	130	44.1	51
<b>Women</b>					
Total, 20 years and over .....	1,810	1,266	465	36.7	520
Employed .....	1,079	784	220	28.1	279
Unemployed .....	294	199	110	55.3	90
Not in the labor force .....	437	282	135	47.9	150
<b>White</b>					
Total, 20 years and over .....	4,452	3,478	1,036	29.8	916
Men .....	2,936	2,427	681	28.1	472
Women .....	1,516	1,051	356	33.9	445
<b>Black</b>					
Total, 20 years and over .....	581	437	217	49.7	134
Men .....	312	236	116	49.2	69
Women .....	268	200	101	50.5	65
<b>Hispanic origin</b>					
Total, 20 years and over .....	311	214	94	43.9	84
Men .....	208	149	60	40.3	49
Women .....	103	65	34	52.3	36

<sup>1</sup> Data refer to persons with tenure of 3 years or more who lost or left a job between January 1981 and January 1986 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

**Table 11. Displaced workers who lost full-time wage and salary jobs and were reemployed in January 1986, by industry of lost job and characteristics of new job**

[In thousands]

Industry of lost job	Total reemployed, January 1986	Part-time job	Full-time wage and salary job				Self employment or other full-time job	
			Total <sup>1</sup>	Earnings relative to those of lost job				
				20 percent or more below	Below, but within 20 percent	Equal or above, but within 20 percent		20 percent or more above
Total who lost full-time wage and salary jobs <sup>2</sup> .....	3,236	333	2,655	730	342	651	712	248
Construction .....	250	15	198	53	24	51	63	37
Manufacturing .....	1,657	162	1,410	432	186	333	356	85
Durable goods .....	1,105	106	931	300	102	216	243	68
Primary metal industries .....	146	13	122	54	10	24	20	11
Steel <sup>3</sup> .....	118	13	97	51	8	14	16	7
Other primary metals .....	28	-	24	4	2	10	4	3
Fabricated metal products .....	116	16	85	29	8	16	21	15
Machinery, except electrical .....	258	18	232	76	33	58	53	8
Electrical machinery .....	136	11	119	46	16	21	31	6
Transportation equipment .....	190	19	165	38	7	53	54	6
Automobiles .....	102	12	87	11	-	30	38	3
Other transportation equipment .....	88	6	78	27	7	24	15	3
Nondurable goods .....	552	56	478	131	84	117	113	17
Transportation and public utilities .....	257	15	217	68	28	59	37	25
Wholesale and retail trade .....	415	43	331	62	40	78	116	40
Finance and service industries .....	426	68	309	59	41	87	100	49
Public administration .....	34	3	28	4	4	7	9	3
Other industries <sup>4</sup> .....	197	28	162	53	19	35	30	7

<sup>1</sup> Data refer to persons with tenure of 3 years or more who lost or left a full-time wage and salary job between January 1981 and January 1986 because of plant closings or moves, slack work, or their positions or shifts were abolished.

<sup>2</sup> Includes 220 persons who did not report earnings on lost job.

<sup>3</sup> Includes blast furnaces, steelworks, rolling and finishing mills, and iron and steel furnaces.

<sup>4</sup> Includes a small number who did not report industry.

**Table 12. Displaced workers by selected occupations and percent reemployed in the same occupations or in service occupations, January 1986**  
 [Numbers in thousands]

Occupation	Total <sup>1</sup>	Total reemployed	Percent in same occupation	Percent in service occupations
Executive, administrative, and managerial .....	487	351	43.0	0.2
Professional specialty .....	295	229	59.8	5.2
Technicians and related support .....	174	133	30.1	6.7
Sales occupations .....	447	291	45.3	6.2
Administrative support, including clerical .....	504	341	44.9	7.6
Service occupations .....	254	136	52.2	52.2
Precision production, craft, and repair .....	1,018	697	55.7	7.3
Machine operators, assemblers, and inspectors .....	1,870	767	36.6	18.4
Transportation and material moving occupations .....	1,197	205	45.9	11.2
Handlers, equipment cleaners, helpers, and laborers .....	328	225	26.7	10.7
Farming, forestry, and fishing .....	80	58	(2)	(2)

<sup>1</sup> Data refer to persons with tenure of 3 years or more who lost or left a job between January 1981 and January 1986 because of plant closings or moves, slack work, or the abolishment of

their positions or shifts.

<sup>2</sup> Data not shown where base is less than 75,000.

It is interesting to compare the shift into service occupations found among reemployed displaced workers. Machine operators, assemblers, and inspectors, who accounted for almost one-fourth of all displaced workers, were more likely than most other workers to move into service jobs. Still, only about 18 percent of the displaced operators, assemblers, and inspectors were working in service-related occupations.

*Number of jobs held since displacement.* Another indicator of the stability or suitability of the new jobs is the frequency with which displaced workers change them. Numerous short-term stretches of employment or quits could indicate the difficulty of finding acceptable work. A question was added to the 1986 survey regarding the number of jobs held since displacement. About one-third of those unemployed in January and just over one-fourth of those outside the labor force had held a job at some time following their displacement. As shown in the following tabulation, nearly two-thirds of those who were employed when surveyed were working on their first and only job held since the original job loss. The remainder had, of course, held more than one job since displacement.

	Total	Two jobs or more	One job	No jobs
Total .....	100.0	29.0	48.5	22.5
Employed .....	100.0	36.7	63.3	—
Unemployed .....	100.0	16.5	18.6	64.8
Not in the labor force .....	100.0	10.2	18.3	71.5

**Summary**

The 1986 survey of displaced workers presents a more positive picture of post-displacement success than the one conducted in 1984, reflecting the effect of continued employment growth in the economy. While the overall level of displacement was little changed, the number of displaced workers who were reemployed at the time of the survey was 7 percentage points higher. The regional distribution, while still not evenly balanced across the country, improved slightly, in that the rate of reemployment in areas which had been hardest hit was now closer to the national average.

However persistent unemployment has remained among some groups. Levels of reemployment among older workers were still relatively low. Reemployment rates of women lagged behind those of men by about 10 percentage points. □

FOOTNOTES

<sup>1</sup> For a more detailed discussion of the findings from the first survey of displaced workers, see Paul O. Flaim and Ellen Sehgal, "Displaced workers of 1979-83: how well have they fared?" *Monthly Labor Review*, June 1985, pp. 3-16; Richard Devens, "Displaced workers: one year later," *Monthly Labor Review*, July 1986, pp. 40-43; and U.S. Congress, Office of Technology Assessment, *Technology and Structural Unemployment: Reemploying Displaced Adults*, OTA-ITE-250 (Washington, Government Printing Office, February 1986).

<sup>2</sup> The level of concern about displaced worker issues can be seen in Kevin Hollenbeck, Frank Pratzner, and Howard Rosen, eds., *Displaced Workers: Implications for Educational and Training Institutions* (Columbus, Ohio State University, 1984); and U.S. Congress, Congressional

Budget Office, *Dislocated Workers: Issues and Federal Options* (Washington, Government Printing Office, July 1982).

<sup>3</sup> Additional information on advance notification is available from the Permanent Mass Layoffs and Plant Closings program. See the accompanying article by Sharon P. Brown.

<sup>4</sup> "Advance notice" was defined as 30 days, but the definition did not appear in the specific wording of the question asked the respondent.

<sup>5</sup> For another look at the loss of health benefits for displaced workers, see Michael Podgursky and Paul Swaim, "Job displacement and health insurance loss," *Monthly Labor Review*, April 1987, pp. 30-33.