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MASS LAYOFFS IN JULY 2003

Employers initiated 2,087 mass layoff actions in July 2003, as measured by new filings for unemployment insurance benefits during the month, according to data from the U.S. Department of Labor's Bureau of Labor Statistics. Each action involved at least 50 persons from a single establishment, and the number of workers involved totaled 226,435. (See table 1.) Of the 10 industries with highest number of initial claims in July, 6 were automotive-related. (See table A.) Compared with July 2002, the number of layoff events increased, while the number of workers involved declined. July 2003 marks the 14th consecutive month in which mass-layoff initial claims declined over the year. From January through July 2003, the total number of events, at 11,947, was higher than for the same period a year ago, but the number of initial claims, at 1,183,045, was lower.

The monthly data series in this release cover mass layoffs of 50 or more workers beginning in a given month, regardless of the duration of the layoffs. Information on the length of the layoff is obtained later and issued in a quarterly release that reports on mass layoffs lasting more than 30 days (referred to as "extended mass layoffs"). The quarterly release provides more information on the industry classification and location of the establishment and on the demographics of the laid-off workers. Because monthly figures include short-term layoffs of 30 days or less, the sum of the figures for the 3 months in a quarter will be higher than the quarterly figure for mass layoffs of more than 30 days. (See table 1.) See the Technical Note for more detailed definitions.

Industry Distribution

The manufacturing sector accounted for 45 percent of all mass layoff events and 60 percent of all initial claims filed in July, little changed from a year ago (44 and 55 percent, respectively). Within manufacturing, the number of claimants was highest in transportation equipment (60,173, mainly automotive-related), followed by plastics and rubber products (11,122), primary metals (8,676), and machinery (8,669). (See table 2.)

The administrative and waste services sector accounted for 10 percent of events and 8 percent of initial claims filed in July, with layoffs mostly in temporary help services. Retail trade accounted for 5 percent of events and 4 percent of initial claims during the month, mainly in general merchandise stores. Six percent of the events and 4 percent of the initial claims were from agriculture, forestry, fishing and hunting, largely among farm labor contractors and crew leaders. Transportation and warehousing accounted for an additional 4 percent of all layoff events and 3 percent of initial claims filed during July, as did the construction sector. Layoffs in transportation and warehousing were primarily in school and employee bus transportation. Layoffs in construction were mostly among specialty trade contractors.

Table A. Industries with largest mass layoff initial claims in July 2003^p

Industry	Initial claims	July peak	
		Year	Initial claims
Temporary help services	11,444	1998	24,601
Motion vehicle power train components	8,905	2003	8,905
Light truck and utility vehicles	8,348	1997	14,618
All other motor vehicle parts	7,349	1998	8,590
Elementary and secondary schools	7,069	2003	7,069
All other plastics products	6,778	2003	6,778
Motor vehicle metal stamping	6,702	1999	6,932
Automobiles	4,502	1996	22,644
Motor vehicle seating and interior trim	3,849	1999	6,702
Professional employer organizations	2,926	2002	3,569

p=preliminary.

Government establishments accounted for 7 percent of events and 5 percent of initial claims filed during the month, particularly in educational services, as the school year ended. The 11,265 initial claims in this sector were the most for any July since 1998.

Compared with July 2002, the largest decreases in initial claims were reported in administrative and support services (-6,527), computer and electronic products (-6,374), and motion picture and sound recording (-5,878). The largest over-the-year increase in initial claims was reported in transportation equipment manufacturing (+12,590).

Geographic Distribution

Among the four regions, the highest number of initial claims in July due to mass layoffs was reported in the Midwest, 101,533. (See table 3.) Transportation equipment manufacturing accounted for 44 percent of all initial claims in that region during the month. The South followed, with 48,895 initial claims, then the West, with 45,820, and the Northeast, with 30,187.

The number of initial claimants in mass layoffs declined over the year in three of the four regions, with the largest decrease in the West (-19,224). The Midwest had the only over-the-year increase (+12,465). Eight of the nine geographic divisions had over-the-year decreases in the number of initial claims associated with mass layoffs, with the largest declines in the Pacific (-16,921). The East North Central division had the only increase (+13,007).

California recorded the largest number of initial claims filed in mass layoff events this July, 37,033, mostly in administrative and support services and in educational services. Michigan reported 21,647 initial claims, followed by Indiana (18,688) and Ohio (17,086). These four states accounted for 44 percent of all layoff events and 42 percent of initial claims for unemployment insurance. (See table 4.)

California reported the largest over-the-year decrease in the number of initial claims (-15,523). The largest over-the-year increases occurred in Indiana (+7,321), Georgia (+7,011), and Michigan (+5,947).

From January through July, California reported 284,855 initial claims, 24 percent of the national total. The states with the next highest numbers of initial claims were Pennsylvania (75,199), Ohio (69,023), New York (60,615), and Texas (58,958).

The report on Mass Layoffs in August 2003 will be issued on Thursday, September 25, 2003.

Technical Note

The Mass Layoff Statistics (MLS) program is a federal-state program that uses a standardized, automated approach to identifying, describing, and tracking the effects of major job cutbacks, using data from each state's unemployment insurance database. Each month, states report on establishments which have at least 50 initial claims filed against them during a consecutive 5-week period. These establishments then are contacted by the state agency to determine whether these separations lasted 31 days or longer, and, if so, other information concerning the layoff is collected. States report on layoffs lasting more than 1 month on a quarterly basis.

A given month contains an aggregation of the weekly unemployment insurance claims filings for the Sunday through Saturday weeks in that month. All weeks are included for the particular month, except if the first day of the month falls on Saturday. In this case, the week is included in the prior month's tabulations. This means that some months will contain 4 weeks and others 5 weeks, and the number of weeks in a given month may be different from year to year. Therefore,

analysis of over-the-month and over-the-year change should take this calendar effect into consideration.

The MLS program resumed operations in April 1995 after it had been terminated in November 1992 due to lack of funding. Prior to April 1995, monthly layoff statistics were not available.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone number: 1-800-877-8339.

Definitions

Initial claimant. A person who files any notice of unemployment to initiate a request either for a determination of entitlement to and eligibility for compensation, or for a subsequent period of unemployment within a benefit year or period of eligibility.

Mass layoff event. Fifty or more initial claims for unemployment insurance benefits filed against an establishment during a 5-week period, regardless of duration.

Table 1. Mass layoff events and initial claimants for unemployment insurance, July 2001 to July 2003

Date	Total mass layoffs		Extended mass layoffs lasting more than 30 days		Realization rates ¹	
	Events	Initial claimants	Events	Initial claimants	Events	Initial claimants
2001						
July	2,117	273,807				
August	1,490	166,148				
September	1,327	160,402				
Third Quarter	4,934	600,357	1,815	^r 371,541	36.8	^r 61.9
October	1,831	215,483				
November	2,721	295,956				
December	2,440	268,893				
Fourth Quarter	6,992	780,332	^r 2,697	^r 502,502	38.6	64.4
2002						
January	2,146	^r 263,777				
February ^r	1,382	138,808				
March	1,460	^r 161,316				
First Quarter ^r	4,988	563,901	1,750	316,489	35.1	56.1
April ^r	1,506	165,814				
May ^r	1,723	179,799				
June ^r	1,584	162,189				
Second Quarter	4,813	^r 507,802	1,905	^r 353,017	39.6	69.5
July ^r	2,042	245,294				
August ^r	1,248	128,103				
September	1,062	^r 124,522				
Third Quarter	^r 4,352	^r 497,919	^r 1,383	^r 284,511	31.8	^r 57.1
October	1,497	^r 171,100				
November ^r	2,152	240,151				
December ^r	2,474	264,158				
Fourth Quarter	^r 6,123	^r 675,409	^r 2,257	^r 421,025	36.9	^r 62.3
2003						
January	2,315	^r 225,430				
February	1,363	^r 124,986				
March ^r	1,207	113,026				
First Quarter	^r 4,885	^r 463,442	1,700	329,153	34.8	71.0
April ^{2r}	1,581	161,412				
May ²	1,703	174,204				
June ^P	1,691	157,552				
Second Quarter ^P	4,975	493,168	³ 1,894	³ 285,884	38.1	58.0
July ^P	2,087	226,435				

¹ The event realization rate is the percentage of total mass layoff events lasting more than 30 days. The initial claimant realization rate is the percentage of total mass-layoff initial claimants associated with layoffs lasting more than 30 days.

² For April and May 2003, data were reported by all states and the District of Columbia, except Wyoming.

³ These quarterly numbers are provisional and will increase as more

data on these layoffs become available. Recent experience suggests that the number of extended mass layoff events is generally revised upwards by less than 10 percent and the number of initial claimants associated with such events increases by 25-40 percent.

^P = preliminary.

^r = revised.

Table 2. Industry distribution: Mass layoff events and initial claimants for unemployment insurance

Industry	Mass layoff events				Initial claimants for unemployment insurance			
	July 2002 ^f	May 2003	June 2003 ^p	July 2003 ^p	July 2002 ^f	May 2003	June 2003 ^p	July 2003 ^p
Total ¹	2,042	1,703	1,691	2,087	245,294	174,204	157,552	226,435
Total, private	1,937	1,591	1,397	1,932	235,626	164,028	132,185	215,170
Agriculture, forestry, fishing and hunting	118	53	61	117	8,734	3,299	4,442	8,269
Mining	13	9	4	7	1,491	1,749	591	505
Utilities	4	7	3	-	320	529	315	-
Construction	74	159	95	88	5,675	13,279	6,238	5,970
Manufacturing.....	907	499	389	946	135,271	61,278	40,845	136,410
Food	60	70	59	74	6,102	7,655	5,829	6,460
Beverage and tobacco products	(²)	5	(²)	8	(²)	548	(²)	614
Textile mills	33	21	18	27	4,795	2,204	1,970	2,828
Textile product mills	11	10	10	12	2,336	948	1,581	1,048
Apparel	34	31	19	36	3,196	3,705	1,584	3,093
Leather and allied products	6	7	6	(²)	378	544	692	(²)
Wood products	28	24	9	31	2,893	2,361	711	3,976
Paper	13	15	9	16	1,244	1,072	1,202	1,035
Printing and related support activities	13	16	14	12	1,331	1,249	1,053	723
Petroleum and coal products	(²)	3	(²)	(²)	(²)	190	(²)	(²)
Chemicals	14	8	9	15	1,451	930	878	1,332
Plastics and rubber products	71	22	19	90	10,080	1,480	3,233	11,122
Nonmetallic mineral products	18	13	10	30	2,813	1,080	828	3,954
Primary metals	64	27	29	66	7,651	3,920	2,226	8,676
Fabricated metal products	60	34	23	59	7,556	2,957	1,728	6,235
Machinery	76	39	30	65	12,778	6,179	3,062	8,669
Computer and electronic products	93	46	35	60	11,908	4,029	3,464	5,534
Electrical equipment and appliances	31	20	13	33	5,036	3,665	2,088	5,445
Transportation equipment	234	52	51	265	47,583	13,288	6,367	60,173
Furniture and related products	27	21	15	20	4,187	1,985	1,363	2,391
Miscellaneous manufacturing	17	15	6	19	1,699	1,289	572	1,648
Wholesale trade	29	31	25	36	3,017	2,431	1,597	2,776
Retail trade	93	117	100	108	10,412	12,107	9,640	9,065
Transportation and warehousing	71	80	135	84	6,658	7,755	15,035	7,489
Information	72	63	54	44	12,559	8,819	5,954	3,700
Finance and insurance	52	31	23	35	4,394	2,414	1,730	2,569
Real estate and rental and leasing	11	5	7	11	1,066	478	485	751
Professional and technical services	74	65	36	53	6,818	5,542	3,357	4,970
Management of companies and enterprises	3	5	4	4	323	369	725	438
Administrative and waste services	234	204	175	212	24,831	19,751	15,596	18,427
Educational services.....	15	8	12	25	1,239	536	961	1,714
Health care and social assistance	54	84	123	59	3,652	7,043	10,226	4,048
Arts, entertainment, and recreation	23	32	25	27	1,599	2,293	1,383	2,559
Accommodation and food services	70	98	83	50	5,930	10,068	9,975	3,764
Other services, except public administration.....	17	39	41	19	1,385	4,143	2,937	1,115
Unclassified	3	2	2	7	252	145	153	631
Government	105	112	294	155	9,668	10,176	25,367	11,265
Federal	6	14	9	10	781	1,736	841	899
State	17	17	22	24	1,330	1,454	1,699	1,527
Local	82	81	263	121	7,557	6,986	22,827	8,839

¹ For May 2003, data were reported by all states and the District of Columbia, except Wyoming.

² Data do not meet BLS or state agency disclosure standards.

^p = preliminary.

^r = revised.

NOTE: Industry data reflect the North American Industry Classification System (NAICS), 2002. Dash represents zero.

Table 3. Mass layoff events and initial claimants for unemployment insurance by census region and division

Census region and division	Mass layoff events				Initial claimants for unemployment insurance			
	July 2002	May 2003	June 2003 ^p	July 2003 ^p	July 2002	May 2003	June 2003 ^p	July 2003 ^p
United States ¹	'2,042	1,703	1,691	2,087	'245,294	174,204	157,552	226,435
Northeast	315	274	275	336	35,012	27,071	29,032	30,187
New England	68	32	55	69	7,000	2,888	5,732	6,148
Middle Atlantic	247	242	220	267	28,012	24,183	23,300	24,039
South	485	446	461	440	56,170	48,321	41,019	48,895
South Atlantic	202	214	243	200	22,290	21,217	18,913	22,033
East South Central	137	74	78	128	16,850	7,645	9,495	14,232
West South Central	146	158	140	112	17,030	19,459	12,611	12,630
Midwest	574	373	310	697	89,068	46,401	33,819	101,533
East North Central	468	271	238	589	66,354	34,240	24,398	79,361
West North Central	106	102	72	108	22,714	12,161	9,421	22,172
West ¹	'668	610	645	614	'65,044	52,411	53,682	45,820
Mountain ¹	'67	62	68	53	'6,482	6,104	5,827	4,179
Pacific	601	548	577	561	58,562	46,307	47,855	41,641

¹ See footnote 1, table 2.

^p = preliminary.

^r = revised.

NOTE: The States (including the District of Columbia) that comprise the census divisions are: New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont; Middle Atlantic: New Jersey, New York, and Pennsylvania; South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North

Carolina, South Carolina, Virginia, and West Virginia; East South Central: Alabama, Kentucky, Mississippi, and Tennessee; West South Central: Arkansas, Louisiana, Oklahoma, and Texas; East North Central: Illinois, Indiana, Michigan, Ohio, and Wisconsin; West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota; Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming; and Pacific: Alaska, California, Hawaii, Oregon, and Washington.

Table 4. State distribution: Mass layoff events and initial claimants for unemployment insurance

State	Mass layoff events				Initial claimants for unemployment insurance			
	July 2002	May 2003	June 2003 ^P	July 2003 ^P	July 2002	May 2003	June 2003 ^P	July 2003 ^P
Total ¹	^r 2,042	1,703	1,691	2,087	^r 245,294	174,204	157,552	226,435
Alabama	56	21	21	45	7,290	1,996	3,882	5,466
Alaska	—	(²)	4	—	—	(²)	439	—
Arizona	28	19	17	20	2,528	1,846	1,282	1,634
Arkansas	11	4	9	8	999	266	653	621
California	545	502	526	517	52,556	41,857	42,918	37,033
Colorado	15	7	11	7	1,658	721	884	478
Connecticut	6	5	9	12	598	403	1,296	833
Delaware	4	(²)	4	3	642	(²)	266	1,430
District of Columbia	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)
Florida	92	100	117	76	6,405	8,078	8,488	5,356
Georgia	9	38	43	53	824	3,807	3,641	7,835
Hawaii	3	6	7	(²)	256	554	525	(²)
Idaho	7	11	8	9	864	1,444	629	957
Illinois	62	70	44	85	9,521	9,525	4,231	11,117
Indiana	72	34	36	86	11,367	4,685	3,912	18,688
Iowa	25	27	10	24	6,494	4,582	1,186	4,674
Kansas	15	7	11	14	3,701	811	2,198	1,800
Kentucky	59	25	28	57	7,580	3,100	3,087	7,110
Louisiana	18	22	28	20	1,294	2,005	2,308	2,299
Maine	(²)	4	6	3	(²)	265	388	178
Maryland	11	8	11	16	1,225	969	950	1,149
Massachusetts	44	16	32	43	4,130	1,734	3,230	3,947
Michigan	144	36	39	190	15,700	6,599	3,541	21,647
Minnesota	16	22	20	18	1,702	2,119	1,898	2,127
Mississippi	5	10	7	8	583	717	547	460
Missouri	42	28	25	40	9,917	3,044	3,730	12,137
Montana	(²)	3	8	3	(²)	236	528	172
Nebraska	8	9	4	9	900	702	267	1,231
Nevada	11	14	14	10	991	1,099	1,597	694
New Hampshire	5	(²)	(²)	8	696	(²)	(²)	944
New Jersey	44	22	69	59	5,367	1,915	9,441	5,354
New Mexico	¹ 3	6	6	(²)	¹ 172	583	605	(²)
New York	88	110	46	92	9,715	11,375	4,194	8,253
North Carolina	23	27	24	11	2,244	2,790	1,918	1,298
North Dakota	—	5	—	(²)	—	349	—	(²)
Ohio	98	68	72	133	15,236	7,098	8,361	17,086
Oklahoma	20	23	13	9	2,757	4,653	1,188	1,947
Oregon	27	22	20	24	2,829	2,151	2,022	2,891
Pennsylvania	115	110	105	116	12,930	10,893	9,665	10,432
Rhode Island	9	(²)	(²)	3	1,163	(²)	(²)	246
South Carolina	35	11	12	17	6,590	1,436	1,039	1,815
South Dakota	—	4	(²)	(²)	—	554	(²)	(²)
Tennessee	17	18	22	18	1,397	1,832	1,979	1,196
Texas	97	109	90	75	11,980	12,535	8,462	7,763
Utah	(²)	(²)	4	(²)	(²)	(²)	302	(²)
Vermont	3	4	(²)	—	353	315	(²)	—
Virginia	24	26	27	21	3,974	2,967	2,189	2,981
Washington	26	17	20	18	2,921	1,684	1,951	1,579
West Virginia	3	(²)	(²)	(²)	308	(²)	(²)	(²)
Wisconsin	92	63	47	95	14,530	6,333	4,353	10,823
Wyoming	—	(¹)	—	—	—	(¹)	—	—
Puerto Rico	11	7	8	13	2,251	1,098	702	1,116

¹ See footnote 1, table 2.

² Data do not meet BLS or state agency disclosure standards.

^P = preliminary.

^r = revised.

NOTE: Dash represents zero.