

News

United States
Department
of Labor



Bureau of Labor Statistics

Washington, D.C. 20212

Technical information:
<http://www.bls.gov/mls/>

(202) 691-6392

USDL 04-287

Media contact:

691-5902

For release: 10:00 A.M. EST
Wednesday, February 25, 2004

MASS LAYOFFS IN JANUARY 2004

In January 2004, there were 2,428 mass layoff actions by employers, 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 239,454. (See table 1.) This marked the most events for a January and the third highest January level of mass-layoff initial claims since the series began. Both the number of layoff events and initial claims were higher than a year ago. January 2004 marked only the third time in the last two years that initial claims had increased over the year.

Industry Distribution

Temporary help services, with 17,544 initial claimants, and school and employee bus transportation, with 8,631 initial claimants, together accounted for 11 percent of all initial claims in January. The latter industry reached a peak for a January this month. (See table A.) The 10 industries reporting the highest number of mass-layoff initial claims accounted for 62,597 initial claims in January, 26 percent of the total.

The manufacturing sector recorded 35 percent of all mass layoff events and 37 percent of all initial claims filed in January. A year ago, manufacturing reported 36 percent of events and 40 percent of initial claims. Within manufacturing, the number of claimants was highest in transportation equipment (15,107, mostly automotive-related) and in food processing (11,083, mainly in fruits and vegetables). (See table 2.)

The administrative and waste services sector accounted for 12 percent of both events and initial claims filed in January, with layoffs mostly in temporary help services. Construction accounted for 13 percent of events and 10 percent of initial claims during the month, primarily in heavy and civil engineering construction and among specialty trade contractors. Eight percent of all layoff events and 9 percent of initial claims filed during the month were in retail trade, mainly in general merchandise stores, especially in discount department stores, which recorded a series peak for January. An additional 5 percent of events and 6 percent of initial claims in January were in transportation and warehousing.

Government establishments accounted for 4 percent of events and 5 percent of initial claims filed during the month, particularly in the administration of economic programs and in educational services. The number of initial claims in government was the highest for a January since 1998.

Compared with January 2003, the largest increases in initial claims were reported in motion picture and sound recording (+3,838), transit and ground passenger transportation (+3,096), transportation equipment

Table A. Industries with the largest mass-layoff initial claims in January 2004^p

Industry	Initial claims	January peak	
		Year	Initial claims
Temporary help services	17,544	1998	26,224
School and employee bus transportation	8,631	2004	8,631
Highway, street, and bridge construction	6,075	2000	9,680
Discount department stores	6,063	2004	6,063
Motion picture and video production	5,439	1998	12,038
Professional employer organizations	4,736	2002	5,033
Automobile manufacturing	4,378	2001	21,093
Farm labor contractors and crew leaders	3,694	1999	5,859
Hotels and motels, except casino hotels	3,355	1997	4,460
Broadwoven fabric mills	2,682	2002	5,419

p=preliminary.

(+2,927), food manufacturing (+2,830), and heavy and civil engineering construction (+2,711). The largest over-the-year decreases in initial claims were reported in computer and electronic products (-3,816) and in air transportation (-3,695).

Geographic Distribution

Among the four regions, the highest number of initial claims in January due to mass layoffs was reported in the Midwest, 68,404. (See table 3.) Transportation equipment manufacturing and administrative and waste services accounted for 23 percent of all initial claims in that region during the month. The West region was next, with 67,285 initial claims, followed by the South, with 53,115, and the Northeast, with 50,650.

The number of initial claimants in mass layoffs rose over the year in the Midwest (+16,242) and the Northeast (+6,254), and declined in the South (-8,372) and the West (-100). Four of the nine geographic divisions had over-the-year increases in the number of initial claims associated with mass layoffs, with the largest increases in the East North Central (+17,066) and Middle Atlantic (+7,493) divisions. The South Atlantic (-7,126) and East South Central (-2,142) divisions reported the largest declines in mass-layoff initial claims.

Among the states, California recorded the largest number of initial claims filed in mass layoff events in January, 51,395, mostly in administrative and support services. New York reported 24,376 initial claims, followed by Michigan (16,615) and Ohio (15,169). These four states accounted for 45 percent of both layoff events and initial claims for unemployment insurance. (See table 4.)

Michigan reported the largest over-the-year increase in the number of initial claims (+14,633), followed by New York (+5,570). The largest over-the-year decrease occurred in South Carolina (-2,391).

Note

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.

The report on Mass Layoffs in February 2004 is scheduled to be released on Wednesday, March 24, 2004.

NOTE: Due to budget constraints in the Mass Layoff Statistics (MLS) program, beginning with data for the first quarter of 2004, the scope of quarterly extended mass layoffs and plant closings, regularly reported in the release, *Extended Mass Layoffs in (Quarter)*, has been redefined to cover only the private nonfarm economy. Quarterly information on layoff events in agriculture and government will no longer be collected. However, the monthly reporting of the MLS program in the release, *Mass Layoffs in (Month)*, which is based only on administrative data, will be unaffected and will continue to cover the total economy.

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, January 2002 to January 2004

Date	Total mass layoffs		Private nonfarm					
			Mass layoffs		Extended mass layoffs lasting more than 30 days		Realization rates ¹	
	Events	Initial claimants	Events	Initial claimants	Events	Initial claimants	Events	Initial claimants
2002								
January	2,146	263,777	2,028	252,245				
February	1,382	138,808	1,253	129,849				
March	1,460	161,316	1,335	151,305				
First Quarter	4,988	563,901	4,616	533,399	1,611	292,998	34.9	54.9
April	1,506	165,814	1,378	153,216				
May	1,723	179,799	1,571	166,801				
June	1,584	162,189	1,266	136,424				
Second Quarter	4,813	507,802	4,215	456,441	1,624	299,598	38.5	65.6
July	2,042	245,294	1,819	226,892				
August	1,248	128,103	1,151	119,874				
September	1,062	124,522	957	114,736				
Third Quarter	4,352	497,919	3,927	461,502	1,186	254,955	30.2	55.2
October	1,497	171,100	1,270	149,327				
November	2,153	240,171	1,860	216,237				
December	2,474	264,158	2,324	252,807				
Fourth Quarter	6,124	675,429	5,454	618,371	1,916	370,592	35.1	59.9
2003								
January	2,315	225,430	2,130	210,918				
February	1,363	124,965	1,222	116,264				
March	1,207	113,026	1,099	104,468				
First Quarter	4,885	463,421	4,451	431,650	1,502	297,524	33.7	68.9
April	1,581	161,412	1,470	152,937				
May	1,703	174,204	1,538	160,729				
June	1,691	157,552	1,336	127,743				
Second Quarter	4,975	493,168	4,344	441,409	1,799	346,549	41.4	78.5
July	2,087	226,435	1,815	206,901				
August	1,258	133,839	1,163	124,131				
September	868	82,647	756	73,914				
Third Quarter	4,213	442,921	3,734	404,946	1,190	225,609	31.9	55.7
October	1,523	158,240	1,265	137,706				
November	1,438	138,543	1,234	123,524				
December ^P	1,929	192,633	1,793	182,750				
Fourth Quarter ^P	4,890	489,416	4,292	443,980	² 1,592	² 229,014	37.1	51.6
2004								
January ^P	2,428	239,454	2,226	220,687				

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

² These quarterly numbers are provisional and will be revised as more

data on these layoffs become available. 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.

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

Industry	Mass layoff events				Initial claimants for unemployment insurance			
	January 2003	November 2003	December 2003 ^P	January 2004 ^P	January 2003	November 2003	December 2003 ^P	January 2004 ^P
Total ¹	2,315	1,438	1,929	2,428	225,430	138,543	192,633	239,454
Total, private	2,228	1,380	1,846	2,339	217,441	133,818	185,928	228,578
Agriculture, forestry, fishing and hunting	98	146	53	113	6,523	10,294	3,178	7,891
Total, private nonfarm	2,130	1,234	1,793	2,226	210,918	123,524	182,750	220,687
Mining	20	8	21	17	1,697	568	1,937	1,329
Utilities	10	4	3	3	745	308	160	345
Construction	264	263	335	324	18,862	20,999	25,684	23,405
Manufacturing	822	408	648	848	90,244	48,419	77,915	89,551
Food	91	70	89	108	8,253	8,410	9,285	11,083
Beverage and tobacco products	11	9	5	9	755	938	781	834
Textile mills	42	13	31	48	7,611	1,178	4,299	6,376
Textile product mills	18	8	14	19	1,890	483	2,102	1,933
Apparel	53	14	32	44	6,085	1,269	3,232	5,836
Leather and allied products	5	(²)	7	11	294	(²)	842	1,195
Wood products	56	29	55	46	6,702	3,852	5,000	5,651
Paper	19	12	12	20	2,510	856	934	1,847
Printing and related support activities	21	8	7	24	1,803	570	627	2,147
Petroleum and coal products	5	(²)	10	5	339	(²)	863	362
Chemicals	14	10	9	23	1,202	908	735	2,384
Plastics and rubber products	34	27	40	50	3,599	2,085	3,579	4,821
Nonmetallic mineral products	35	21	49	42	3,201	2,089	4,079	3,813
Primary metals	48	22	33	44	5,846	2,470	3,421	4,579
Fabricated metal products	58	31	39	72	5,664	2,696	4,045	6,960
Machinery	52	28	24	39	5,962	4,642	3,629	3,017
Computer and electronic products	81	19	19	44	7,377	1,468	1,408	3,561
Electrical equipment and appliances	30	12	20	23	2,920	2,671	4,726	2,263
Transportation equipment	86	51	122	114	12,126	9,696	21,061	15,107
Furniture and related products	36	10	14	36	4,003	856	1,607	3,541
Miscellaneous manufacturing	27	8	17	27	2,102	891	1,660	2,241
Wholesale trade	43	23	27	27	3,307	2,421	2,443	2,391
Retail trade	209	76	98	188	21,592	6,877	9,203	22,145
Transportation and warehousing	147	42	131	128	16,422	4,127	15,528	14,038
Information	69	37	40	67	6,034	5,918	3,839	9,394
Finance and insurance	46	19	27	41	3,854	1,485	1,764	3,547
Real estate and rental and leasing	7	8	4	15	408	432	562	1,202
Professional and technical services	45	33	57	47	6,346	3,175	6,095	4,288
Management of companies and enterprises	(²)	(²)	3	3	(²)	(²)	296	895
Administrative and waste services	274	163	200	285	26,885	13,925	17,256	27,855
Educational services	(²)	(²)	6	8	(²)	(²)	327	553
Health care and social assistance	26	28	27	35	1,811	2,243	2,075	2,991
Arts, entertainment, and recreation	29	26	20	41	2,060	1,920	1,795	3,149
Accommodation and food services	87	75	131	113	7,102	7,348	14,701	9,614
Other services, except public administration	27	15	12	26	3,097	1,081	955	2,992
Unclassified	2	2	3	10	172	1,646	215	1,003
Government	87	58	83	89	7,989	4,725	6,705	10,876
Federal	19	9	13	26	2,303	820	1,419	2,725
State	28	22	10	13	2,630	1,917	830	1,405
Local	40	27	60	50	3,056	1,988	4,456	6,746

¹ Data were reported by all states and the District of Columbia.

^P = preliminary.

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

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			
	January 2003	November 2003	December 2003 ^P	January 2004 ^P	January 2003	November 2003	December 2003 ^P	January 2004 ^P
United States ¹	2,315	1,438	1,929	2,428	225,430	138,543	192,633	239,454
Northeast	475	210	350	498	44,396	21,478	34,437	50,650
New England	68	29	66	64	6,928	2,282	6,904	5,689
Middle Atlantic	407	181	284	434	37,468	19,196	27,533	44,961
South	554	265	335	501	61,487	27,438	32,467	53,115
South Atlantic	288	135	192	244	32,616	13,822	17,903	25,490
East South Central	167	35	59	153	19,318	4,212	6,510	17,176
West South Central	99	95	84	104	9,553	9,404	8,054	10,449
Midwest	523	426	780	688	52,162	46,298	87,806	68,404
East North Central	401	313	596	574	41,608	31,687	64,802	58,674
West North Central	122	113	184	114	10,554	14,611	23,004	9,730
West	763	537	464	741	67,385	43,329	37,923	67,285
Mountain	73	51	63	63	6,151	4,606	7,025	6,292
Pacific	690	486	401	678	61,234	38,723	30,898	60,993

¹ See footnote 1, table 2.

^P = preliminary.

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			
	January 2003	November 2003	December 2003 ^P	January 2004 ^P	January 2003	November 2003	December 2003 ^P	January 2004 ^P
Total ¹	2,315	1,438	1,929	2,428	225,430	138,543	192,633	239,454
Alabama	119	10	27	112	14,789	1,384	3,728	13,754
Alaska	7	6	3	6	471	561	213	429
Arizona	14	4	8	7	1,292	257	551	645
Arkansas	8	3	6	(²)	699	777	656	(²)
California	579	420	346	576	48,913	32,200	25,953	51,395
Colorado	16	7	11	11	1,540	549	1,107	1,043
Connecticut	16	4	13	7	1,508	312	1,166	669
Delaware	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)
District of Columbia	4	(²)	4	(²)	350	(²)	287	(²)
Florida	83	55	63	60	5,767	3,533	4,826	4,044
Georgia	89	18	31	92	12,406	1,771	3,354	10,525
Hawaii	8	(²)	6	4	773	(²)	506	296
Idaho	19	11	12	16	1,478	1,408	1,647	1,125
Illinois	88	57	123	88	8,794	5,785	15,006	9,610
Indiana	34	42	108	58	3,011	4,269	15,330	5,499
Iowa	34	29	46	29	3,083	3,464	5,305	2,267
Kansas	15	6	29	14	1,108	696	3,518	954
Kentucky	20	14	9	10	2,512	1,649	995	1,030
Louisiana	19	23	15	14	1,240	1,773	991	908
Maine	8	4	5	14	1,201	306	424	1,463
Maryland	8	9	15	19	592	843	1,119	2,009
Massachusetts	33	17	24	30	3,162	1,373	2,568	2,375
Michigan	22	48	135	171	1,982	5,058	12,275	16,615
Minnesota	33	44	51	30	3,026	3,849	6,342	2,688
Mississippi	4	3	8	6	228	165	450	384
Missouri	30	22	45	26	2,351	5,651	6,180	2,422
Montana	3	5	7	4	204	428	918	270
Nebraska	7	7	10	11	539	412	1,411	984
Nevada	15	14	20	14	1,276	1,156	2,351	2,225
New Hampshire	5	(²)	(²)	(²)	623	(²)	(²)	(²)
New Jersey	49	43	76	73	4,372	5,985	6,895	7,191
New Mexico	5	4	3	6	309	212	278	328
New York	188	59	88	194	18,806	5,648	9,448	24,376
North Carolina	26	23	23	18	3,215	3,635	1,857	1,829
North Dakota	(²)	4	(²)	(²)	474	(²)	(²)	(²)
Ohio	151	75	117	141	16,689	6,464	10,693	15,169
Oklahoma	15	3	12	13	2,225	406	1,278	1,517
Oregon	66	26	26	70	7,672	3,058	2,498	6,681
Pennsylvania	170	79	120	167	14,290	7,563	11,190	13,394
Rhode Island	4	(²)	12	5	310	(²)	1,775	332
South Carolina	50	7	17	26	5,954	547	2,713	3,563
South Dakota	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)
Tennessee	24	8	15	25	1,789	1,014	1,337	2,008
Texas	57	66	51	74	5,389	6,448	5,129	7,571
Utah	(²)	6	(²)	5	(²)	596	(²)	656
Vermont	(²)	(²)	10	5	(²)	(²)	794	573
Virginia	24	16	34	24	3,266	2,644	3,372	3,061
Washington	30	32	20	22	3,405	2,751	1,728	2,192
West Virginia	3	5	3	(²)	174	556	176	(²)
Wisconsin	106	91	113	116	11,132	10,111	11,498	11,781
Wyoming	-	-	-	-	-	-	-	-
Puerto Rico	14	-	6	5	1,371	-	486	511

¹ See footnote 1, table 2.

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

^P = preliminary.

NOTE: Dash represents zero.