

# News

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## MASS LAYOFFS IN JUNE 2002

Employers initiated 1,557 mass layoff actions in June 2002, as measured by new filings for unemployment insurance benefits during the month, according to 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 159,352. (See table 1.) A year earlier, in June 2001, there were 2,107 mass layoff events involving 253,826 workers. (June 2002 contained 4 weeks for possible mass layoffs, compared with 5 weeks in each June of the prior 2 years.) From January through June 2002, the total number of initial claims, at 1,069,361, was lower than January-June 2001 (1,134,173), while the number of events, at 9,779, was somewhat higher (9,541).

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") and 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

Manufacturing industries accounted for 22 percent of all mass layoff events and 26 percent of all initial claims filed in June. A year earlier, layoffs in this sector accounted for 35 percent of events and 46 percent of initial claims. The number of initial claimants was highest in food production (5,851, mostly in fruit and vegetable processing), followed by transportation equipment (5,594), electrical equipment and appliance manufacturing (5,171), and machinery manufacturing (4,543). (See table 2.)

Nine percent of all layoff events and 11 percent of initial claims filed during the month were in transportation and warehousing, mostly in school and employee bus transportation. Eleven percent of the events and 9 percent of initial claims were from administrative and waste services, mainly in temporary help services. The healthcare and social assistance sector accounted for an additional 7 percent of events and initial claims, primarily in child daycare services.

Government establishments accounted for 14 percent of events and 11 percent of initial claims filed during the month, largely in educational services, particularly elementary and secondary schools.

Compared with June 2001, the largest decreases in initial claims were reported in transportation equipment manufacturing (-28,790), computer and electronic products (-11,359), textile mills (-9,408), and

plastics and rubber products (-8,778). The largest over-the-year increases in initial claims were reported in professional and technical services (+4,589) and educational services (+2,855).

### Geographic Distribution

Among the four regions, the highest number of initial claims in June due to mass layoffs was in the West, 55,147. (See table 3.) Professional and technical services, administrative and support services, and educational services accounted for 39 percent of all initial claims in the West during the month. Following was the South with 37,559 initial claims (mainly in educational services), the Midwest with 36,493 (largely in machinery manufacturing), and the Northeast with 30,153 (mostly in transit and ground passenger transportation).

The number of initial claimants in mass layoffs declined over the year in all four regions. The Midwest region had the largest decrease in initial claims (-50,908), followed by the South (-27,931). Each of the nine geographic divisions reported over-the-year declines in the number of initial claims associated with mass layoffs, with the largest decreases in the East North Central (-38,097), South Atlantic (-17,177), and West North Central (-12,811) divisions.

California had the largest number of initial claims filed in mass layoff events this June, 43,520, mostly in professional and technical services and administrative and support services. Pennsylvania reported 11,198 initial claims in mass layoffs, followed by New Jersey (9,137), Texas (8,550), and Florida (7,222). These five states accounted for 55 percent of all layoff events and 50 percent of all initial claims for unemployment insurance. (See table 4.)

Michigan reported the largest over-the-year decrease in initial claims (-21,712), followed by South Carolina (-10,377). The largest over-the-year increase occurred in Connecticut (+1,235).

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The report on Extended Mass Layoffs in the Second Quarter of 2002 will be issued on Wednesday, August 14, 2002.

### Change in Industry Classification System

Beginning with the release of January 2002 mass layoff data on February 28, 2002, the Mass Layoff Statistics program implemented the 2002 version of the North American Industry Classification System (NAICS) as the basis for the assignment and tabulation of economic data by industry. NAICS is the product of a cooperative effort on the part of the statistical agencies of the United States, Canada, and Mexico. Due to differences in NAICS and the previously used Standard Industrial Classification (SIC) structures, data by industry for 2002 will not be comparable to the SIC-based data for earlier years. However, the monthly historical industry series from April 1995 through December 2001 are available on both SIC and NAICS bases.

NAICS uses a production-oriented approach to categorize economic units. Units with similar production processes are classified in the same industry. NAICS focuses on **how** products and services are created, as opposed to the SIC focus on **what** is produced. This approach yields significantly different industry groupings than those produced by the SIC approach.

Users interested in more information about NAICS can access the BLS Web page at <http://www.bls.gov/bls/naics.htm> or the Bureau of the Census Web page at <http://www.census.gov/epcd/www/naics.html>.

# 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, April 2000 to June 2002**

Date	Total mass layoffs		Extended mass layoffs lasting more than 30 days		Realization rates <sup>1</sup>	
	Events	Initial claimants	Events	Initial claimants	Events	Initial claimants
2000						
April .....	924	101,359				
May .....	984	92,193				
June .....	1,597	192,025				
Second Quarter .....	3,505	385,577	1,271	231,471	36.3	60.0
July .....	1,333	164,978				
August .....	751	97,215				
September .....	936	106,842				
Third Quarter .....	3,020	369,035	1,014	189,250	33.6	51.3
October .....	874	103,755				
November .....	1,697	216,514				
December .....	2,677	326,743				
Fourth Quarter .....	5,248	647,012	2,005	376,611	38.2	58.2
2001						
January .....	1,522	200,343				
February .....	1,501	172,908				
March .....	1,527	171,466				
First Quarter .....	4,550	544,717	1,765	340,151	38.8	62.4
April .....	1,450	176,265				
May .....	1,434	159,365				
June .....	2,107	253,826				
Second Quarter .....	4,991	589,456	2,072	401,294	41.5	68.1
July .....	2,117	273,807				
August .....	1,490	166,148				
September .....	1,327	160,402				
Third Quarter .....	4,934	600,357	1,815	371,124	36.8	61.8
October .....	1,831	215,483				
November .....	2,721	295,956				
December .....	2,440	268,893				
Fourth Quarter .....	6,992	780,332	2,700	497,136	38.6	63.7
2002						
January .....	2,146	263,821				
February .....	1,383	138,984				
March .....	1,460	161,336				
First Quarter .....	4,989	564,141	<sup>2, P</sup> 1,669	<sup>2, P</sup> 236,891	<sup>P</sup> 33.5	<sup>P</sup> 42.0
April .....	1,507	165,861				
May <sup>P</sup> .....	1,726	180,007				
June <sup>3, P</sup> .....	1,557	159,352				

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Data were reported by all states and the District of Columbia, except Arizona.

<sup>P</sup> = preliminary.

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

Industry	Mass layoff events				Initial claimants for unemployment insurance			
	June 2001 <sup>r</sup>	April 2002	May 2002 <sup>p</sup>	June 2002 <sup>p</sup>	June 2001 <sup>r</sup>	April 2002	May 2002 <sup>p</sup>	June 2002 <sup>p</sup>
Total <sup>1</sup> .....	2,107	1,507	1,726	1,557	253,826	165,861	180,007	159,352
Total, private .....	1,902	1,458	1,635	1,340	235,463	161,342	170,712	141,095
Agriculture, forestry, fishing and hunting .....	118	79	62	90	9,441	8,079	3,802	6,038
Mining .....	5	15	15	8	1,569	1,409	1,553	1,210
Utilities .....	( <sup>2</sup> )	( <sup>2</sup> )	6	3	( <sup>2</sup> )	( <sup>2</sup> )	597	303
Construction .....	89	105	165	84	6,888	9,135	13,521	5,809
Manufacturing.....	737	461	488	335	116,005	50,897	52,720	42,007
Food .....	66	80	79	49	6,061	9,291	9,335	5,851
Beverage and tobacco products .....	( <sup>2</sup> )	8	3	6	( <sup>2</sup> )	899	224	452
Textile mills .....	33	9	19	10	10,526	1,120	2,072	1,118
Textile product mills .....	9	( <sup>2</sup> )	8	5	1,151	( <sup>2</sup> )	617	663
Apparel .....	38	30	33	15	3,208	3,742	2,578	1,363
Leather and allied products .....	( <sup>2</sup> )	5	-	( <sup>2</sup> )	( <sup>2</sup> )	437	-	( <sup>2</sup> )
Wood products .....	16	19	23	18	1,448	1,637	2,348	2,359
Paper .....	19	15	10	8	2,065	1,330	1,141	1,078
Printing and related support activities .....	10	10	21	13	875	874	1,892	1,057
Petroleum and coal products .....	-	( <sup>2</sup> )	3	( <sup>2</sup> )	-	( <sup>2</sup> )	184	( <sup>2</sup> )
Chemicals .....	13	10	11	6	1,641	664	815	606
Plastics and rubber products .....	50	11	9	10	9,676	857	798	898
Nonmetallic mineral products .....	16	9	10	8	1,788	717	1,190	754
Primary metals .....	37	22	27	18	4,920	1,979	2,787	2,681
Fabricated metal products .....	46	22	25	20	4,212	1,781	2,252	2,103
Machinery .....	57	35	35	27	8,342	5,045	3,902	4,543
Computer and electronic products .....	96	74	69	36	14,318	7,336	5,813	2,959
Electrical equipment and appliances .....	31	19	28	24	5,580	2,427	4,490	5,171
Transportation equipment .....	145	53	53	34	34,384	7,428	6,869	5,594
Furniture and related products .....	32	18	12	17	4,111	1,919	2,513	2,005
Miscellaneous manufacturing .....	18	7	10	7	1,309	735	900	527
Wholesale trade .....	45	27	35	22	4,419	2,212	2,937	2,076
Retail trade .....	106	122	131	79	10,425	13,715	16,192	6,937
Transportation and warehousing .....	126	104	52	141	19,525	15,442	5,680	18,068
Information .....	70	86	86	42	7,807	12,127	13,036	4,210
Finance and insurance .....	30	34	44	34	2,781	3,142	3,327	2,379
Real estate and rental and leasing .....	( <sup>2</sup> )	4	7	7	( <sup>2</sup> )	684	452	602
Professional and technical services .....	48	62	80	36	4,313	7,767	6,199	8,902
Management of companies and enterprises .....	( <sup>2</sup> )	( <sup>2</sup> )	4	3	( <sup>2</sup> )	( <sup>2</sup> )	395	621
Administrative and waste services .....	181	177	222	164	16,840	18,110	26,191	14,175
Educational services.....	9	5	3	18	529	356	190	1,128
Health care and social assistance .....	131	29	76	113	11,841	2,406	7,006	10,475
Arts, entertainment, and recreation .....	28	33	33	28	2,251	3,507	2,267	1,928
Accommodation and food services .....	86	74	88	79	11,545	7,378	10,807	9,911
Other services, except public administration.....	53	26	34	49	4,645	3,279	3,228	3,976
Unclassified .....	29	10	4	5	3,249	1,106	612	340
Government .....	205	49	91	217	18,363	4,519	9,295	18,257
Federal .....	17	7	21	10	2,870	543	2,739	1,093
State .....	28	15	14	16	2,419	1,717	1,510	1,665
Local .....	160	27	56	191	13,074	2,259	5,046	15,499

<sup>1</sup> For June 2002, data were reported by all states and the District of Columbia, except Arizona.

<sup>2</sup> Data do not meet BLS or state agency disclosure standards.

<sup>p</sup> = preliminary.

<sup>r</sup> = revised.

NOTE: Beginning with data for January 2002, the 2002 version of the North American Industry Classification System (NAICS) is the basis for the assignment and tabulation of

economic data by industry. NAICS is the product of a cooperative effort on the part of the statistical agencies of the United States, Canada, and Mexico. Due to differences in NAICS and SIC structures, data by industry for 2002 will not be comparable to the SIC-based data for earlier years. However, the monthly historical industry series from April 1995 to December 2001 are available on both SIC and NAICS bases. 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			
	June 2001	April 2002	May 2002 <sup>p</sup>	June 2002 <sup>p</sup>	June 2001	April 2002	May 2002 <sup>p</sup>	June 2002 <sup>p</sup>
United States <sup>1</sup> .....	2,107	1,507	1,726	1,557	253,826	165,861	180,007	159,352
Northeast .....	299	306	266	258	38,111	38,576	24,998	30,153
New England .....	67	62	41	57	7,145	7,263	3,765	6,746
Middle Atlantic .....	232	244	225	201	30,966	31,313	21,233	23,407
South .....	505	331	467	380	65,490	35,740	48,506	37,559
South Atlantic .....	249	158	211	197	34,834	16,451	18,633	17,657
East South Central .....	110	58	88	67	14,057	6,629	9,448	7,935
West South Central .....	146	115	168	116	16,599	12,660	20,425	11,967
Midwest .....	569	314	377	311	87,401	37,119	44,788	36,493
East North Central .....	452	260	266	238	65,836	31,127	31,152	27,739
West North Central .....	117	54	111	73	21,565	5,992	13,636	8,754
West .....	734	556	616	608	62,824	54,426	61,715	55,147
Mountain .....	77	61	48	36	8,012	7,382	4,604	4,497
Pacific .....	657	495	568	572	54,812	47,044	57,111	50,650

<sup>1</sup> See footnote 1, table 2.

<sup>p</sup> = preliminary.

<sup>r</sup> = 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			
	June 2001	April 2002	May 2002 <sup>p</sup>	June 2002 <sup>p</sup>	June 2001	April 2002	May 2002 <sup>p</sup>	June 2002 <sup>p</sup>
Total <sup>1</sup> .....	2,107	1,507	1,726	1,557	253,826	165,861	180,007	159,352
Alabama .....	26	25	38	24	2,649	2,529	4,352	3,415
Alaska .....	( <sup>2</sup> )	4	( <sup>2</sup> )	4	( <sup>2</sup> )	361	( <sup>2</sup> )	401
Arizona .....	17	24	11	( <sup>1</sup> )	2,215	3,649	1,256	( <sup>1</sup> )
Arkansas .....	5	7	8	3	489	509	629	210
California .....	590	436	517	507	46,675	39,943	50,063	43,520
Colorado .....	14	11	9	3	1,274	1,121	858	277
Connecticut .....	8	4	9	14	783	232	665	2,018
Delaware .....	( <sup>2</sup> )	3	-	( <sup>2</sup> )	( <sup>2</sup> )	508	-	( <sup>2</sup> )
District of Columbia .....	4	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	338	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Florida .....	106	69	102	104	8,319	6,303	7,045	7,222
Georgia .....	44	16	30	20	4,361	1,686	3,083	2,966
Hawaii .....	( <sup>2</sup> )	7	6	( <sup>2</sup> )	( <sup>2</sup> )	512	462	( <sup>2</sup> )
Idaho .....	11	6	9	7	1,084	625	1,014	1,571
Illinois .....	85	61	67	58	13,605	9,583	10,079	6,074
Indiana .....	42	24	26	27	8,600	2,998	3,267	4,628
Iowa .....	14	12	19	13	1,789	1,530	2,203	1,615
Kansas .....	8	9	14	4	1,972	797	1,620	439
Kentucky .....	41	20	21	20	7,560	2,315	2,258	2,252
Louisiana .....	36	19	22	28	4,212	1,982	2,166	2,757
Maine .....	( <sup>2</sup> )	7	5	4	( <sup>2</sup> )	822	353	225
Maryland .....	9	3	6	10	649	218	534	1,095
Massachusetts .....	36	24	21	23	3,613	2,891	2,065	1,851
Michigan .....	181	30	44	50	26,714	2,714	4,408	5,002
Minnesota .....	38	14	23	19	6,327	1,936	2,768	2,900
Mississippi .....	15	5	9	6	1,276	287	821	405
Missouri .....	46	11	43	26	9,019	974	5,656	2,665
Montana .....	5	3	3	( <sup>2</sup> )	355	224	212	( <sup>2</sup> )
Nebraska .....	6	6	( <sup>2</sup> )	5	1,098	499	( <sup>2</sup> )	429
Nevada .....	17	9	8	15	2,067	1,169	714	1,933
New Hampshire .....	7	10	( <sup>2</sup> )	5	698	1,099	( <sup>2</sup> )	1,229
New Jersey .....	52	35	42	57	9,745	4,439	4,384	9,137
New Mexico .....	7	( <sup>2</sup> )	5	3	564	( <sup>2</sup> )	355	168
New York .....	32	126	80	40	3,045	17,889	6,785	3,072
North Carolina .....	23	25	21	18	2,505	2,832	1,637	1,771
North Dakota .....	( <sup>2</sup> )	( <sup>2</sup> )	5	5	( <sup>2</sup> )	( <sup>2</sup> )	653	644
Ohio .....	77	80	70	46	9,401	9,034	7,231	5,247
Oklahoma .....	11	5	7	7	1,355	324	760	450
Oregon .....	32	24	25	30	4,572	3,118	3,291	3,446
Pennsylvania .....	148	83	103	104	18,176	8,985	10,064	11,198
Rhode Island .....	11	8	( <sup>2</sup> )	8	1,700	1,431	( <sup>2</sup> )	1,246
South Carolina .....	39	21	24	19	12,225	2,450	2,492	1,848
South Dakota .....	( <sup>2</sup> )	-	5	( <sup>2</sup> )	( <sup>2</sup> )	-	562	( <sup>2</sup> )
Tennessee .....	28	8	20	17	2,572	1,498	2,017	1,863
Texas .....	94	84	131	78	10,543	9,845	16,870	8,550
Utah .....	6	6	3	6	453	460	195	422
Vermont .....	( <sup>2</sup> )	9	( <sup>2</sup> )	3	( <sup>2</sup> )	788	( <sup>2</sup> )	177
Virginia .....	21	17	23	20	4,233	1,959	3,355	2,193
Washington .....	29	24	18	29	2,944	3,110	3,154	3,163
West Virginia .....	-	3	4	( <sup>2</sup> )	-	346	347	( <sup>2</sup> )
Wisconsin .....	67	65	59	57	7,516	6,798	6,167	6,788
Wyoming .....	-	-	-	-	-	-	-	-
Puerto Rico .....	17	12	12	9	1,816	1,591	1,390	998

<sup>1</sup> See footnote 1, table 2.

<sup>2</sup> Data do not meet BLS or state agency disclosure standards.

<sup>p</sup> = preliminary.

<sup>r</sup> = revised.

NOTE: Dash represents zero.