

# Worker displacement in a strong labor market

*As economic growth continued in 1997 and 1998, job losses declined, and the displacement rate was the lowest of the 1990s; many displaced workers were able to find new jobs with little or no change in weekly earnings*

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The U.S. economy continued to expand in 1997 and 1998, experiencing its seventh and eighth consecutive years of economic growth. During this 2-year period, payroll employment rose by 6.4 million jobs, and the unemployment rate averaged less than 5 percent for the first time since the early 1970s.<sup>1</sup> As a result of these improved labor market conditions, both the level and incidence of job displacement continued to decline.

While many workers benefited from an expanding economy in the late 1990s, job loss continued to affect a substantial number of workers. During the 1997–98 period, 1.9 million workers permanently lost jobs they had held for 3 or more years because their plant or company closed down or moved, their positions or shifts were abolished, or there was insufficient work.<sup>2</sup> This compares with 2.2 million workers displaced during 1995–96, and 2.4 million during 1993–94. As the displacement decline suggests, the likelihood of losing a job also fell. The displacement rate—the proportion of long-tenured workers who were displaced from their jobs—was 2.5 percent in 1997–98, down from 2.9 percent in 1995–96, and the lowest in nearly a decade.<sup>3</sup>

Of long-tenured workers who lost jobs in 1997–98, more than three-fourths were reemployed when surveyed in February 2000. While this percentage remained relatively high, it was down slightly from the 1995–96

period. Workers displaced during 1997–98 found new jobs more quickly than did those in the early and mid-1990s. Furthermore, displaced workers who were reemployed in full-time jobs had essentially no change in their median weekly earnings.

The U.S. Department of Labor's Employment and Training Administration sponsors biennial surveys of displaced workers as supplements to the Current Population Survey (CPS). Using the survey data, this article examines job loss and reemployment in the late 1990s, focusing on characteristics of workers displaced in 1997–98 and their experiences following a job loss. A time series has been constructed using 2 years of data from each survey, beginning with the 1981–82 period (from the first survey in 1984) and ending with the 1997–98 period (from the 2000 survey). (See appendix for a description of the Displaced Worker Survey.)

The following discussion focuses on long-tenured workers—displaced workers who lost or left jobs they had held for 3 years or more. The basis for restricting the analysis to these workers is the assumption that at least 3 years with the same employer denotes a nontrivial employment relationship. In other words, displaced workers are more likely to be those who lost their jobs due to labor market conditions—not as a result of a “bad match” with their employer.

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### Characteristics of the displaced

*Age, sex, race, and Hispanic origin.* Displacement rates for adults (aged 20 and older), whites, blacks, and Hispanics continued to decline in 1997–98. Their rates were the lowest since the late 1980s, which also was a period of strong labor market conditions.<sup>4</sup> Although lower than the rate from the 1998 survey, the displacement rate for those aged 55 and older (3.1 percent) was again higher than those aged 25–54 (2.3 percent). In fact, the 0.8-percent gap between these two groups was the widest since the survey was first conducted. (See table 1.)

Displacement rates for men and women—2.4 percent and 2.5 percent, respectively—were virtually identical in 1997–98. Displacement rates for whites (2.5 percent) and blacks (2.3 percent) were somewhat lower than those for Hispanics (3.1 percent).

*Educational attainment.* Workers with higher education tend to fare better in the labor market than their less-educated counterparts. For instance, among persons aged 20 and older,

the unemployment rate during the 1997–98 period averaged 8.7 percent for high school dropouts, compared with 2.0 percent for college graduates. Educational differences in displacement rates, however, are not as large as those for unemployment rates; the 1997–98 displacement rates were remarkably similar. As the following tabulation shows, displacement rates declined across all education groups during the 1997–98 period:

	<i>Displacement rates</i>	
	<i>1995–96</i>	<i>1997–98</i>
Total, 20 years and older .....	2.9	2.5
Less than a high school diploma .....	3.7	2.5
High school graduate, no college .....	3.0	2.5
Some college, no degree .....	3.2	2.9
Associate's degree .....	3.0	2.6
College graduates .....	2.5	2.0

Although college graduates (at 2.0 percent) had slightly lower rates than individuals with less education, all rates were below 3.0 percent.

**Table 1.** Displacement rates of long-tenured workers by age, sex, race, and Hispanic origin, 1981–98

[Percent]

Characteristic	1981–82	1983–84	1985–86	1987–88	1989–90	1991–92 <sup>1</sup>	1993–94 <sup>1</sup>	1995–96 <sup>1</sup>	1997–98 <sup>1</sup>
<b>Total</b>									
Total, 20 years and older .....	3.9	3.1	3.1	2.4	3.1	3.9	3.3	2.9	2.5
20 to 24 years .....	4.0	2.0	1.8	2.0	2.2	2.0	2.5	1.9	1.7
25 to 54 years .....	4.0	3.3	3.3	2.5	3.1	3.9	3.4	2.9	2.3
25 to 34 years .....	5.0	3.9	3.5	2.5	3.1	3.9	3.5	2.9	2.2
35 to 44 years .....	3.8	3.1	3.3	2.7	3.2	4.0	3.4	3.0	2.4
45 to 54 years .....	3.0	2.6	3.0	2.2	3.1	3.9	3.4	3.0	2.4
55 years and older .....	3.6	3.1	2.9	2.2	3.1	4.4	3.1	3.3	3.1
55 to 64 years .....	3.8	3.1	3.0	2.3	3.3	4.5	3.0	3.3	3.2
65 years and older .....	3.2	2.9	2.3	1.9	2.4	3.8	3.2	3.5	2.9
Men, 20 years and older .....	4.3	3.2	3.3	2.4	3.2	4.1	3.4	2.8	2.4
Women, 20 years and older .....	3.4	2.9	2.8	2.4	2.8	3.5	3.2	3.2	2.5
<b>White</b>									
Total, 20 years and older .....	3.8	3.1	3.1	2.4	3.0	3.8	3.3	3.0	2.5
Men .....	4.2	3.2	3.3	2.4	3.2	4.1	3.4	2.8	2.4
Women .....	3.3	2.9	2.8	2.4	2.8	3.4	3.2	3.2	2.6
<b>Black</b>									
Total, 20 years and older .....	4.8	3.9	3.4	2.0	3.5	3.8	3.5	2.7	2.3
Men .....	5.3	4.0	4.1	1.6	3.9	3.9	4.2	2.6	2.6
Women .....	4.3	3.8	2.6	2.4	3.2	3.7	2.9	2.8	2.0
<b>Hispanic origin</b>									
Total, 20 years and older .....	4.3	3.9	3.9	2.9	4.3	4.7	3.6	4.0	3.1
Men .....	4.3	3.9	4.1	2.6	4.1	5.2	3.9	3.2	2.7
Women .....	4.4	3.8	3.5	3.3	4.7	3.8	3.1	5.3	3.7

<sup>1</sup>Data, beginning with the 1991–92 period, are not directly comparable with earlier periods due to differences in estimation methodology.

NOTE: Displacement rates are calculated by dividing the number of displaced workers in a specified worker group by a tenure-adjusted, 2-year

average estimate of employment for the same worker group. Employment estimates for each year were adjusted, using job-tenure data from the January 1983, 1987, 1991, and February 1996 and 1998 CPS supplements, to include only those workers with 3 years of tenure or more. A 2-year average was then computed using those adjusted employment estimates.

*Industry and occupation.* Displacement rates declined for most major industry groups between the 1998 and 2000 Dis-

placed Worker surveys, although mining and agriculture experienced rate increases. (See table 2.)

**Table 2.** Displacement rates of long-tenured workers by industry, class of worker, and occupation of lost job, 1981–98

[Percent]

Characteristic	1981–82	1983–84	1985–86	1987–88	1989–90	1991–92 <sup>1</sup>	1993–94 <sup>1</sup>	1995–96 <sup>1</sup>	1997–98 <sup>1</sup>
Total, 20 years and older .....	3.9	3.1	3.1	2.4	3.1	3.9	3.3	2.9	2.5
<b>Industry and class of worker</b>									
Nonagricultural private wage and salary workers .....	5.3	4.2	4.3	3.2	4.1	5.1	4.4	3.8	3.2
Mining .....	13.6	9.2	17.8	6.1	10.0	7.4	7.2	4.5	10.1
Construction .....	7.6	5.5	7.0	4.2	5.9	8.4	4.3	3.4	3.4
Manufacturing .....	8.2	6.5	5.2	3.9	5.0	7.1	5.8	5.1	4.2
Durable goods .....	9.3	7.0	5.8	4.0	5.1	8.4	6.3	4.6	4.3
Nondurable goods .....	6.4	5.6	4.1	3.7	4.9	5.2	5.1	5.8	4.1
Transportation and public utilities .....	4.1	3.8	3.1	1.8	3.6	4.4	4.3	3.8	2.5
Wholesale and retail trade .....	3.7	3.1	4.3	3.6	3.9	4.7	4.6	4.3	3.4
Finance, insurance, and real estate .....	1.4	1.3	3.5	2.8	3.5	5.5	4.7	3.5	3.3
Services .....	2.3	2.1	2.3	1.7	2.1	2.9	2.8	2.5	2.2
Agricultural wage and salary workers .....	5.4	9.7	4.1	2.5	3.2	3.8	3.4	2.2	4.0
Government workers .....	1.2	.6	.4	.4	.4	1.1	1.3	1.4	.7
<b>Occupation</b>									
White-collar occupations <sup>2</sup> .....	2.6	2.1	2.6	2.1	2.7	3.7	3.3	2.9	2.4
Managerial and professional specialty .....	2.1	1.8	2.1	1.8	2.3	3.6	2.9	2.3	2.3
Executive, administrative and managerial .....	2.5	2.4	2.8	2.5	3.4	4.8	3.5	2.7	2.9
Professional specialty .....	1.7	1.2	1.4	1.1	1.3	2.4	2.4	2.0	1.6
Technical, sales, and administrative support .....	3.0	2.4	3.1	2.5	3.1	3.7	3.7	3.6	2.5
Technicians and related support .....	3.3	2.9	3.0	2.2	3.2	3.7	3.4	3.6	2.5
Sales occupations .....	3.7	2.8	3.2	2.7	2.9	3.6	3.4	3.8	2.7
Administrative support, including clerical .....	2.5	2.0	3.1	2.4	3.2	3.8	3.9	3.5	2.3
Service occupations .....	2.0	1.8	1.9	1.5	1.6	2.1	1.8	2.1	1.4
Protective services .....	1.3	1.9	.5	.6	1.2	.8	0.6	2.0	.8
Other service occupations .....	2.1	1.7	2.2	1.6	1.7	2.3	2.1	2.2	1.6
Blue-collar occupations <sup>3</sup> .....	7.3	5.7	4.7	3.3	4.5	5.3	4.2	3.5	3.1
Precision production, craft, and repair .....	6.2	4.5	3.9	2.7	4.2	5.1	3.4	3.1	2.7
Mechanics and repairers .....	4.8	3.8	2.1	2.1	3.4	3.7	3.3	3.1	2.0
Construction trades .....	5.3	4.0	4.1	2.4	4.2	5.5	2.2	2.4	2.8
Other precision production occupations .....	8.5	5.6	5.5	3.7	5.1	6.4	4.7	3.8	3.6
Operators, fabricators, and laborers .....	8.2	6.7	5.5	3.8	4.8	5.5	5.0	3.8	3.5
Machine operators, assemblers, and inspectors .....	9.6	8.1	5.9	4.5	6.2	6.7	5.5	4.9	4.0
Transportation and material moving occupations .....	5.7	3.7	4.8	3.1	3.6	4.1	4.1	2.1	2.1
Handlers, equipment cleaners, helpers, and laborers .....	8.0	7.6	5.2	3.0	3.0	4.9	5.4	3.9	4.3
Farming, forestry, and fishing .....	.9	2.1	1.6	.8	1.5	1.4	.8	1.4	1.8

<sup>1</sup>Data, beginning with the 1991–92 period, are not directly comparable with earlier periods due to differences in estimation methodology.

<sup>2</sup>White-collar occupations are made up of the “managerial and professional specialty” and “technical, sales, and administrative support” categories.

<sup>3</sup>Blue-collar occupations are the sum of the “precision production, craft, and repair,” and “operators, fabricators, and laborers” categories.

NOTE: Displacement rates are calculated by dividing the number of displaced workers in a specified worker group by a tenure-adjusted, 2-year average estimate of employment for the same worker group. Employment estimates for each year were adjusted, using job-tenure data from the January 1983, 1987, 1991, and February 1996 and 1998 CPS supplements, to include only those workers with 3 years of tenure or more. A 2-year average was then computed using those adjusted employment estimates.

Although the gap in displacement rates between goods-producing and service-producing industry workers has narrowed since the early 1980s, workers in goods-producing industries—mining, construction, and manufacturing—continued to be more likely to be displaced from their job than those in service-producing industries. Among goods-producing industries, construction continued to post the lowest displacement rate (3.4 percent). Workers in both durable and nondurable goods manufacturing experienced their lowest

risk of job loss in a decade. During the 1997–98 period, the displacement rate declined more for nondurable goods manufacturing than for any other major industry (4.1 percent in 1997–98, down from 5.8 percent in the mid-1990s).

Displacement rates in the service-producing industries fell for the third consecutive 2-year period. At 2.2 percent, the services industry, which includes business, health, and educational services, continued to have the lowest rate of job loss. Transportation and public utilities, and the wholesale

**Table 3.** Displacement rates by tenure on the lost job, 1981–98

[Percent]

Tenure on the lost job	1981–82	1983–84	1985–86	1987–88	1989–90	1991–92 <sup>1</sup>	1993–94 <sup>1</sup>	1995–96 <sup>1</sup>	1997–98 <sup>1</sup>
Total displaced, 20 years and older .....	5.7	4.1	4.0	3.2	4.3	4.9	4.4	3.9	3.4
Less than 3 years .....	8.9	5.7	5.4	4.7	6.5	6.6	6.5	5.5	5.0
3 years or more .....	3.9	3.1	3.1	2.4	3.1	3.9	3.3	2.9	2.5
3 to 4 years .....	5.8	4.3	4.0	3.5	4.4	5.7	5.0	3.7	3.1
5 to 9 years .....	4.4	3.5	3.6	2.6	3.3	4.3	3.2	3.3	2.5
10 years or more .....	2.6	2.2	2.3	1.7	2.2	2.8	2.5	2.3	2.1
10 to 14 years .....	3.1	2.7	2.6	1.9	2.5	3.0	2.6	2.4	2.0
15 to 19 years .....	2.5	2.1	2.2	1.6	2.5	2.7	2.5	2.5	2.4
20 years or more .....	2.0	1.7	2.1	1.5	1.7	2.7	2.4	2.1	1.9

<sup>1</sup> Data, beginning with the 1991–92 period, are not directly comparable with earlier periods due to differences in estimation methodology.

NOTE: Displacement rates are calculated by dividing the number of displaced workers in a specified worker group by a tenure-adjusted 2-year aver-

age estimate of employment for the same worker group. Employment estimates for each year were adjusted, using job-tenure data from the January 1983, 1987, 1991, and February 1996 and 1998 CPS supplements, to include only those workers with 3 years of tenure or more. A 2-year average was then computed using those adjusted employment estimates.

**Table 4.** Long-tenured displaced workers who lost jobs in 1997 or 1998 by age, sex, educational attainment, and reason for job loss

[Numbers in thousands]

Age, sex, and educational attainment	Displaced workers	Percent distribution		
		Plant or company closed down or moved	Insufficient work	Position or shift abolished
Total, 20 years and older .....	1,920	50.3	20.8	29.0
20 to 24 years .....	48	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
25 to 54 years .....	1,453	48.0	21.5	30.5
25 to 34 years .....	344	51.2	25.6	23.3
35 to 44 years .....	602	47.2	23.4	29.4
45 to 54 years .....	507	46.7	16.6	36.7
55 years and older .....	420	55.5	18.8	25.7
55 to 64 years .....	331	57.7	15.7	26.6
65 years and older .....	89	47.2	30.3	22.5
Men, 20 years and older .....	1,045	48.9	22.0	29.1
Women, 20 years and older .....	875	51.9	19.4	28.8
<b>Educational attainment</b>				
Less than a high school diploma .....	191	57.6	34.0	8.4
High school graduate, no college .....	640	56.4	22.7	20.9
Some college, no degree .....	441	52.4	20.6	27.0
Associate's degree .....	177	48.6	22.0	28.8
Bachelor's degree .....	319	36.7	11.3	52.0
Advanced degree .....	152	38.8	15.1	46.1

<sup>1</sup> Data not shown where base is less than 75,000.

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left between January 1997 and December 1998 because their

plant or company closed or moved; there was insufficient work for them to do; or their position or shift was abolished.

and retail trade industries had lower displacement rates in 1997–98, after having the highest among service-producing industries in 1995–96.

Compared with the 1995–96 period, the risk of displacement fell for most major occupational groups. Although white-collar workers continued to be less likely than blue-collar workers to lose their jobs, the gap in displacement rates between the two groups has narrowed considerably since the early 1980s.<sup>5</sup> In 1981–82, the displacement rate for blue-collar workers was 7.3 percent, compared with 2.6 percent for white-collar workers. In 1997–98, the displacement rates were 3.1 percent and 2.4 percent, respectively.

*Tenure on the lost job.* During the 1997–98 period, 4.2 million workers were displaced, regardless of their tenure on the lost job. While a substantial number had been with their employer for 10 years or more, the risk of job loss generally declined with increasing tenure. (See table 3.)

Employees with less than 3 years of experience with their employer made up half of all displaced workers, and their risk of displacement was 5 percent—twice as high as that for their

more experienced counterparts (2.5 percent). Unlike in earlier years, experience has generally had less influence on displacement rates. For example, the displacement rate for employees with 3 to 4 years of experience with their employer was only about two-fifths higher in each of the last 2 surveys than for people with 15 to 19 years experience. Prior to that, the rate was generally at least twice as high. As in past surveys, workers with at least 20 years of tenure had the lowest risk of job loss—only a 1.9 percent displacement rate in 1997–98.

<i>Tenure on the lost job</i>	<i>Percent</i>	<i>Displacement</i>
	<i>Distribution</i>	<i>rate</i>
Total displaced, age 20 years and older .	100.0	3.4
Less than 3 years .....	51.5	5.0
3 years or more .....	45.6	2.5
3 to 4 years .....	13.6	3.1
5 to 9 years .....	13.8	2.5
10 years or more .....	17.9	2.1
10 to 14 years .....	7.0	2.0
15 to 19 years .....	4.9	2.4
20 years or more .....	6.0	1.9
Tenure not available .....	2.9	–

**Table 5.** Long-tenured displaced workers who found new jobs by weeks without work, age, sex, educational attainment, and employment status in February 2000

[Numbers in thousands]

Characteristic	Total who found jobs	Weeks without work before finding a job					Median weeks without work
		Less than 5 weeks	5 to 14 weeks	15 to 26 weeks	27 to 52 weeks	52 weeks or more	
Total, 20 years and older .....	1,541	757	340	200	184	60	5.3
25 to 54 years .....	1,241	605	282	173	134	47	5.4
25 to 34 years .....	301	183	60	34	18	6	3.0
35 to 44 years .....	503	219	124	73	68	19	6.3
45 to 54 years .....	437	204	97	66	47	23	6.2
55 years and older .....	258	127	53	22	43	13	5.7
Employed .....	1,421	721	308	180	161	51	4.4
Unemployed .....	53	15	11	9	12	6	( <sup>1</sup> )
Not in the labor force .....	68	21	21	12	11	3	( <sup>1</sup> )
<b>Men</b>							
Men, 20 years and older .....	879	461	187	105	103	23	4.2
Employed .....	816	439	168	100	87	22	4.1
Unemployed .....	25	12	5	1	7	0	( <sup>1</sup> )
Not in the labor force .....	36	10	13	4	8	1	( <sup>1</sup> )
<b>Women</b>							
Women, 20 years and older .....	663	296	153	96	81	37	6.4
Employed .....	605	283	140	80	74	28	5.9
Unemployed .....	26	3	5	8	4	6	( <sup>1</sup> )
Not in the labor force .....	31	11	8	8	2	2	( <sup>1</sup> )
<b>Educational attainment</b>							
Less than a high school diploma .....	140	71	36	6	25	2	4.4
High school graduate, no college .....	499	217	120	88	55	19	7.0
Some college, no degree .....	336	162	65	50	56	3	6.0
Associate's degree .....	151	68	27	18	20	18	6.1
Bachelor's degree .....	289	161	71	30	14	13	4.0
Advanced degree .....	125	77	22	8	14	4	1.0

<sup>1</sup>Data not shown where base is less than 75,000.

NOTE: Data refer to persons who had 3 or more years of tenure on a job

they had lost or left between January 1997 and December 1998 because their plant or company closed or moved; there was insufficient work for them to do; or their position or shift was abolished.

**Table 6.** Long-tenured displaced workers who found new jobs by weeks without work, industry, class of worker, and occupation of the lost job

[Numbers in thousands]

Characteristic	Total who found jobs	Weeks without work before finding a job					
		Less than 5 weeks	5 to 14 weeks	15 to 26 weeks	27 to 52 weeks	52 weeks or more	Median weeks without work
Total, 20 years and older .....	1,541	757	340	200	184	60	5.3
<b>Industry and class of worker</b>							
Nonagricultural private wage and salary workers ....	1,403	679	310	186	176	52	5.6
Mining .....	27	8	3	0	12	4	( <sup>1</sup> )
Construction .....	95	50	20	11	14	0	2.7
Manufacturing .....	454	204	87	62	79	22	7.6
Durable goods .....	288	139	51	34	46	18	5.6
Nondurable goods .....	167	65	36	28	33	5	8.4
Transportation and public utilities .....	95	56	22	7	9	1	3.8
Wholesale trade .....	83	36	20	22	4	1	7.7
Retail trade .....	222	120	51	27	19	5	4.1
Finance, insurance, and real estate .....	109	61	22	9	11	6	3.6
Services .....	320	144	86	49	28	13	6.2
Professional services .....	184	90	52	16	15	11	5.5
Agricultural wage and salary workers .....	38	27	10	1	0	0	( <sup>1</sup> )
Government workers .....	79	47	14	8	7	3	3.5
<b>Occupation</b>							
Managerial and professional specialty .....	487	254	108	50	58	17	4.1
Executive, administrative, and managerial .....	319	171	67	33	37	11	3.6
Professional specialty .....	170	83	42	17	21	7	5.6
Technical, sales, and administrative support .....	424	208	86	65	43	22	5.4
Technicians and related support .....	62	30	14	10	5	3	4.9
Sales occupations .....	175	90	31	29	20	5	4.3
Administrative support, including clerical .....	185	88	40	26	17	14	6.1
Service occupations .....	94	47	27	4	6	10.0	4.5
Protective services .....	9	6	0	0	0	3	( <sup>1</sup> )
Other service occupations .....	85	41	27	4	6	7.0	5.7
Precision production, craft, and repair .....	206	113	35	28	30	0	3.0
Mechanics and repairers .....	51	30	11	9	1	0	( <sup>1</sup> )
Construction trades .....	78	46	16	9	7	0	2.3
Other precision production occupations .....	76	37	8	10	21	0	5.7
Operators, fabricators, and laborers .....	279	112	66	44	47	10	7.8
Machine operators, assemblers, and inspectors .....	153	62	27	22	33	9	8.0
Transportation and material-moving occupations .....	54	15	16	14	9	0	( <sup>1</sup> )
Handlers, equipment cleaners, helpers, and laborers .....	73	35	24	8	5	1	( <sup>1</sup> )
Farming, forestry, and fishing .....	35	21	10	4	0	0	( <sup>1</sup> )

<sup>1</sup> Data not shown where base is less than 75,000.

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left between January 1997 and December 1998 because their

plant or company closed down or moved; there was insufficient work for them to do; or their position or shift was abolished.

## The displacement experience

*Reason for job loss.* One-half of the 1.9 million long-tenured workers displaced during 1997–98 had lost their job because their plant or company closed or moved. (See table 4, page 16) About 1 in 3 reported that their position or shift was abolished. The remaining one-fifth lost their job because of insufficient work. These proportions differed little from the 1998 survey.

Displaced workers without a college degree were much more likely to cite plant or company closings as the reason for losing their job. More than one-half of displaced workers

with a college degree reported that their position or shift had been abolished. By contrast, fewer than 10 percent of high school dropouts cited this reason.

*Weeks without work.* Displaced workers who found new jobs were asked how long they went without work. In the 2000 survey, the median period between jobs for these 1.5 million long-tenured displaced workers was 5.3 weeks. (See table 5, page 17.) This duration was lower than the median 7.6 weeks measured in 1995–96, down considerably from the median 8.3 weeks in 1993–94. Many workers displaced dur-

**Table 7. Long-tenured displaced workers by receipt and exhaustion of unemployment insurance benefits and employment status at the time of the survey**

[Numbers in thousands]

Characteristic	1981-82		1983-84		1985-86		1987-88		1989-90		1991-92 <sup>1</sup>		1993-94 <sup>1</sup>		1995-96 <sup>1</sup>		1997-98 <sup>1</sup>	
	Dis-plac-ed work-ers	Per-cent	Dis-plac-ed work-ers	Per-cent	Dis-plac-ed work-ers	Per-cent	Dis-plac-ed work-ers	Per-cent	Dis-plac-ed work-ers	Per-cent	Dis-plac-ed work-ers	Per-cent	Dis-plac-ed work-ers	Per-cent	Dis-plac-ed work-ers	Per-cent	Dis-plac-ed work-ers	Per-cent
Total, 20 years and older .....	2,361	100.0	1,920	100.0	1,996	100.0	1,623	100.0	2,192	100.0	2,816	100.0	2,445	100.0	2,238	100.0	1,920	100.0
Received benefits <sup>2</sup> .....	1,725	73.1	1,223	63.7	1,239	62.1	929	57.2	1,301	59.4	1,746	62.0	1,302	53.3	1,142	51.0	883	46.0
Exhausted benefits .....	980	41.5	-	-	668	33.5	451	27.8	733	33.4	878	31.2	687	28.1	619	27.7	437	22.8
Employed .....	1,517	100.0	1,363	100.0	1,533	100.0	1,278	100.0	1,600	100.0	2,113	100.0	1,920	100.0	1,846	100.0	1,496	100.0
Received benefits <sup>2</sup> .....	1,072	70.7	851	62.4	931	60.7	701	54.9	902	56.4	1,267	60.0	1,002	52.2	911	49.3	636	42.5
Exhausted benefits .....	469	30.9	-	-	443	28.9	277	21.7	424	26.5	499	23.6	468	24.4	448	24.3	251	16.8
Unemployed .....	480	100.0	240	100.0	192	100.0	124	100.0	293	100.0	313	100.0	177	100.0	114	100.0	108	100.0
Received benefits <sup>2</sup> .....	405	84.4	176	73.3	146	76.0	88	71.0	210	71.7	241	77.0	117	66.1	74	64.9	75	69.4
Exhausted benefits .....	326	67.9	-	-	105	54.7	60	48.4	161	54.9	185	59.1	79	44.6	43	37.7	52	48.1
Not in the labor force .....	364	100.0	317	100.0	271	100.0	221	100.0	299	100.0	390	100.0	348	100.0	278	100.0	316	100.0
Received benefits <sup>2</sup> .....	248	68.1	196	61.8	162	59.8	140	63.3	189	63.2	238	61.0	183	52.6	157	56.5	172	54.4
Exhausted benefits .....	185	50.8	-	-	120	44.3	114	51.6	148	49.5	194	49.7	140	40.2	128	46.0	134	42.4

<sup>1</sup>Data, beginning with the 1991-92 period, are not directly comparable with earlier periods due to differences in estimation methodology.

<sup>2</sup>Data will not sum to totals or 100 percent because the numbers of displaced workers who reported that they did not receive benefits or did not answer are not shown separately.

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left because their plant or company closed or moved; there was insufficient work for them to do; or their position or shift was abolished.

Dash indicates data not available.

ing 1997-98 obviously benefited from the strong labor market.

Other findings from the 2000 survey indicated that persons aged 25 to 34 spent the least time without work—3 weeks, compared with roughly 6 weeks for their counterparts aged 35 and older. The median duration for women (6.4 weeks) was slightly more than 2 weeks longer than that for men (4.2 weeks).

Job losers with more education typically spend less time without a job. Of those who found jobs, individuals with a bachelor's degree only and those with advanced degrees were without work for the shortest time period—4 weeks and 1 week, respectively. Interestingly, the median number of weeks high school dropouts spent without work also was relatively low—4.4 weeks.

In terms of industry, displaced construction workers spent the least time without work—2.7 weeks. By contrast, displaced workers whose last job was in manufacturing or wholesale trade went the longest time jobless—nearly 8 weeks. (See table 6.) With regard to occupation, individuals displaced from precision production and managerial occupations spent the fewest weeks without work—3.0 and 4.1 weeks, respectively. In comparison, the median number of

jobless weeks was greatest for operators, fabricators, and laborers—7.8 weeks.

*Receipt of unemployment insurance.* Nearly half of the 1.9 million long-tenured displaced workers used unemployment insurance to replace some lost income following job loss, and about one-fifth had exhausted their benefits. These proportions were roughly the same as in the 1993-94 and 1995-96 periods, although the share of workers who exhausted benefits during 1997-98 decreased almost 5 percentage points from the prior period. Nearly 7 in 10 unemployed individuals at the time of the survey had received unemployment insurance benefits, and nearly one-half had exhausted their benefits. (See table 7.)

Displaced workers who spent more time between jobs, in general, were more likely to exhaust unemployment insurance benefits. In fact, one-half of those who spent a year or more between their old and new jobs exhausted their benefits. (See table 8.)

The receipt of unemployment insurance during the last 2 decades appeared to vary with the economy's overall condi-

tion. That is, when economic conditions were generally good—as in the late 1980s and late 1990s—fewer job losers collected unemployment insurance. When conditions were relatively bad—as in the early 1980s and early 1990s—more job losers received benefits. Both the receipt and exhaustion of unemployment insurance benefits among workers displaced in 1997–98 reached the lowest levels since the Displaced Worker Survey began—46 percent and 23 percent, respectively. (See table 7.)

*Loss of health insurance.* Many workers rely on, and participate in, group health insurance plans offered by their employer. As a result, those who lose or leave a job may experience a period without health insurance coverage. About 70 percent of workers displaced during 1997–98 had participated in an employer-provided health plan. (See table 9.)

The likelihood of displaced workers having health insurance in February 2000 depended on their employment status.<sup>6</sup> For example, nearly 86 percent of the employed were covered by some group insurance plan, whereas the unemployed and those who had left the labor force had lower coverage rates—73 and 74 percent, respectively. However, these groups were more likely to be insured in February 2000 than in past surveys. In fact, the unemployed had more than doubled their coverage rate since the prior survey.

### After displacement

*Employment status.* The reemployment rate—the proportion of displaced workers employed at the time of the survey—was 78 percent in February 2000, down from 83 percent in the prior survey. The share of displaced workers who were unemployed was nearly 6 percent, about the same as in February 1998. (See table 10.)

More job losers had moved out of the labor force in the February 2000 survey compared with the prior survey. Nearly 17 percent were neither employed nor actively looking for work, compared with 12 percent in the prior survey. A higher share of older displaced workers leaving the labor force largely attributed to this increase. Among displaced workers aged 55 and older, 40 percent were out of the labor force. This, in part, also explained the decline in the overall reemployment rate of displaced workers.<sup>7</sup>

Compared with the prior survey, reemployment rates declined for all major demographic groups, despite improving economic conditions in the late 1990s. However, these rates were still relatively high. The reemployment rate for displaced workers aged 25 to 54 was 84 percent. As in past surveys, men were more likely than women to be reemployed. The reemployment rate for men, 82 percent, was 9 percentage points higher than for women.

**Table 8. Long-tenured displaced workers by receipt and exhaustion of unemployment insurance benefits, and weeks without work**

[Numbers in thousands]

Weeks without work	Total	Percent distribution		
		Received benefits		Did not receive unemployment insurance benefits
		Total	Exhausted benefits	
Total who found jobs .....	1,522	43.3	17.9	56.7
Less than 5 weeks ...	750	16.9	4.5	83.1
5 to 14 weeks .....	340	65.9	12.1	34.1
15 to 26 weeks .....	200	71.0	32.0	29.0
27 to 51 weeks .....	95	75.8	65.3	24.2
52 weeks or more .....	137	68.6	51.8	31.4

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left between January 1997 and December 1998 because their plant or company closed or moved; there was insufficient work for them to do; or their position or shift was abolished.

Whites and Hispanics who had lost a job in 1997 or 1998 had about the same reemployment rates in February 2000 (77 percent). Among blacks, 86 percent of displaced workers were reemployed, and less than 5 percent were unemployed. These post-displacement outcomes were big improvements from the prior two surveys—unemployment rates of 11 to 12 percent, and reemployment rates of 74 and 81 percent, respectively.

*Moving to another area.* Following a job loss, some workers might move to another area to look for work or take another job. Only 9 percent of workers displaced in 1997 or 1998 had moved for one of these reasons. Those who had moved were more likely to be reemployed in February 2000—91 percent of them were reemployed, compared with 77 percent of nonmovers. (See table 11.)

### The new jobs

*Switching industries and occupations.* Many displaced workers must enter a new industry or pursue an entirely new line of work in order to find a new job. Nearly half of all workers displaced in 1997 or 1998, and who were reemployed in February 2000 had found a new job in a different major industry. (See table 12.) However, industry switching was less prevalent in this most recent survey than in the past.

The shares of displaced workers who found jobs in the same industry varied significantly in February 2000. For example, less than one-quarter who lost wholesale trade jobs were reemployed in the same industry. By contrast, nearly 7 in 10 workers displaced from finance, insurance, and real estate, and more than 6 in 10 from the services industry, were reemployed in those same industries.

In 1997–98, U.S. employment growth continued to be concentrated in the services industry.<sup>8</sup> The industry accounted



**Table 9.** Long-tenured displaced workers by incidence of group health insurance coverage on lost and current job, and by sex, race, Hispanic origin, and employment status in February 2000

[Numbers in thousands]

Characteristic	Total	Covered by a group health insurance plan on lost job <sup>1</sup>			Not covered on lost job
		Total	Percent covered by any group health insurance plan in February 2000		
			Yes	No	
Total, 20 years and older .....	1,920	1,353	83.1	15.8	551
Employed .....	1,496	1,057	85.8	13.1	423
Unemployed .....	108	85	72.9	27.1	23
Not in the labor force .....	316	211	73.9	25.1	105
Men, 20 years and older .....	1,045	756	81.3	18.0	282
Employed .....	855	614	84.4	14.8	234
Unemployed .....	54	42	( <sup>2</sup> )	( <sup>2</sup> )	12
Not in the labor force .....	136	100	70.0	30.0	36
Women, 20 years and older .....	875	597	85.4	13.1	269
Employed .....	641	443	87.8	10.6	189
Unemployed .....	54	43	( <sup>2</sup> )	( <sup>2</sup> )	11
Not in the labor force .....	181	112	76.8	21.4	69
<b>White<sup>3</sup></b>					
Total, 20 years and older .....	1,662	1,158	85.2	14.1	490
Men .....	911	648	81.9	17.3	257
Women .....	751	509	89.6	10.0	233
<b>Black<sup>3</sup></b>					
Total, 20 years and older .....	190	147	66.0	29.3	41
Men .....	104	80	80.0	20.0	22
Women .....	86	67	( <sup>2</sup> )	( <sup>2</sup> )	18
<b>Hispanic origin<sup>3</sup></b>					
Total, 20 years and older .....	212	127	82.7	17.3	84
Men .....	115	61	( <sup>2</sup> )	( <sup>2</sup> )	54
Women .....	96	67	( <sup>2</sup> )	( <sup>2</sup> )	30

<sup>1</sup>Health insurance coverage excludes Medicare or Medicaid. Detail will not sum to totals or 100 percent because a small number of respondents did not know about their coverage on their past and/or current job.

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

<sup>3</sup>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.

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left between January 1997 and December 1998 because their plant or company closed or moved; there was insufficient work for them to do; or their position or shift was abolished.

for more than one-half of the 5.8 million increase in private nonagricultural employment. More than one-quarter of all reemployed displaced workers in February 2000 had taken a job in this industry. Manufacturing workers were most likely to have switched to a service-industry job.

Following a job loss, workers were less likely to change occupations than industries. Sixty-one percent of the reemployed in February 2000 worked in the same broad occupational category. (See table 13.) Across industries, many occupations often require job-specific knowledge or skills. A majority of displaced workers generally find new jobs within the same major occupation group. Displaced white-collar workers were more likely to have remained in the same occupation than blue-collar workers—67 and 53 percent, respectively.

Of the 1.5 million workers displaced in 1997 or 1998 and reemployed in February 2000, 10 percent had taken service jobs. Such occupations include private household workers,

food preparation and service, cleaning and building service, healthcare, and personal service. These jobs were generally the lowest paid and offered the fewest employee benefits.<sup>9</sup> Displaced blue-collar workers were twice as likely as white-collar workers to hold service jobs at the time of the survey.

*Earnings.* More than 90 percent of the 1.9 million long-tenured workers displaced in 1997–98 had been employed in full-time wage and salary jobs. When surveyed in February 2000, 67 percent were once again working in full-time wage and salary jobs, 6 percent held part-time jobs, and 5 percent were self-employed or working as unpaid family workers. The remaining 21 percent were either unemployed or no longer in the labor force. (See table 14.)

Workers who lost a full-time wage and salary job in 1997–98 were just as likely to be reemployed in such jobs as those displaced in the prior 2-year period. However, displaced work-

**Table 10.** Long-tenured displaced workers by age, sex, race, Hispanic origin, and employment status in February 2000

[Numbers in thousands]

Characteristic	Displaced workers	Percent distribution by employment status in February 2000		
		Employed	Unemployed	Not in the labor force
Total, 20 years and older .....	1,920	77.9	5.6	16.5
20 to 24 years .....	48	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
25 to 54 years .....	1,453	84.2	5.5	10.2
25 to 34 years .....	344	86.5	4.6	9.0
35 to 44 years .....	602	83.4	5.0	11.6
45 to 54 years .....	507	83.7	6.9	9.5
55 years and older .....	420	53.8	6.3	40.0
55 to 64 years .....	331	60.7	6.3	32.9
65 years and older .....	89	27.9	5.9	66.3
Men, 20 years and older .....	1,045	81.9	5.2	13.0
Women, 20 years and older .....	875	73.2	6.2	20.7
<b>White<sup>2</sup></b>				
Total, 20 years and older .....	1,662	77.0	5.5	17.5
Men .....	911	81.0	4.9	14.2
Women .....	751	72.3	6.2	21.5
<b>Black<sup>2</sup></b>				
Total, 20 years and older .....	190	86.2	4.8	9.0
Men .....	104	90.8	5.8	3.4
Women .....	86	80.6	3.6	15.8
<b>Hispanic origin<sup>2</sup></b>				
Total, 20 years and older .....	212	76.6	6.7	16.7
Men .....	115	87.2	5.8	7.0
Women .....	96	63.9	7.7	28.4

<sup>1</sup>Data not shown where base is less than 75,000.

<sup>2</sup>Detail for the race and Hispanic-origin groups may 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.

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left between January 1997 and December 1998 because their plant or company closed or moved; there was insufficient work for them to do; or their position or shift was abolished.

**Table 11.** Long-tenured displaced workers by age, sex, and whether they moved to a different city or county to find or take another job, February 2000

[Numbers in thousands]

Age and sex	Nonmovers			Movers		
	Total	Employed in February 2000	Percent	Total	Employed in February 2000	Percent
<b>Total</b>						
Total, 20 years and older .....	1,769	1,358	76.8	151	138	91.4
25 to 54 years .....	1,316	1,097	83.4	137	127	92.7
55 years and older .....	409	218	53.3	11	8	( <sup>1</sup> )
<b>Men</b>						
Total, 20 years and older .....	941	757	80.4	104	99	95.2
25 to 54 years .....	679	600	88.4	96	91	94.8
55 years and older .....	228	123	53.9	5	5	( <sup>1</sup> )
<b>Women</b>						
Total, 20 years and older .....	828	601	72.6	48	39	( <sup>1</sup> )
25 to 54 years .....	637	496	77.9	41	36	( <sup>1</sup> )
55 years and older .....	180	95	52.8	7	3	( <sup>1</sup> )

<sup>1</sup>Data not shown where base is less than 75,000.

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left between January 1997 and December 1998 because their

plant or company closed or moved; there was insufficient work for them to do; or their position or shift was abolished.

**Table 12. Long-tenured displaced workers by industry of lost job and percent reemployed in the same industry or in the services industry, February 2000**

[Numbers in thousands]

Industry of lost job	Total	Total reemployed	Percent in the same industry	Percent in the services industry
Total, nonagricultural private wage and salary workers .....	1,753	1,357	52.8	26.6
Mining .....	40	23	( <sup>1</sup> )	( <sup>1</sup> )
Construction .....	111	90	56.7	3.3
Manufacturing .....	571	453	54.3	21.9
Durable goods .....	348	290	47.2	20.0
Nondurable goods .....	223	163	45.4	25.8
Transportation and public utilities .....	116	91	34.1	7.7
Wholesale trade .....	105	79	24.1	16.5
Retail trade .....	280	214	48.6	17.8
Finance, insurance, and real estate .....	148	111	68.5	11.7
Services .....	381	296	62.5	62.5

<sup>1</sup>Data not shown where base is less than 75,000.

they had lost or left between January 1997 and December 1998 because their plant or company closed down or moved; there was insufficient work for them to do; or their position or shift was abolished.

NOTE: Data refer to persons who had 3 or more years of tenure on a job

**Table 13. Long-tenured displaced workers by occupation of lost job and percent reemployed in the same occupation or in service occupations, February 2000**

[Numbers in thousands]

Occupation of lost job	Total	Total reemployed	Percent in the same occupation	Percent in service occupations
Total, 20 years and older .....	1,920	1,496	60.6	9.8
White-collar occupations <sup>1</sup> .....	1,128	892	67.2	5.2
Managerial and professional specialty .....	590	477	67.3	3.8
Executive, administrative, and managerial .....	384	316	57.9	3.8
Professional specialty .....	205	161	63.4	3.7
Technical, sales, and administrative support .....	538	415	67.0	6.7
Technicians and related support .....	68	60	( <sup>2</sup> )	( <sup>2</sup> )
Sales occupations .....	219	171	53.8	9.9
Administrative support, including clerical .....	250	185	60.5	5.9
Service occupations .....	118	88	53.4	53.4
Blue-collar occupations <sup>1</sup> .....	613	469	53.3	11.5
Precision production, craft, and repair .....	258	199	53.8	7.5
Operators, fabricators, and laborers .....	355	270	53.0	14.4
Farming, forestry, and fishing .....	42	31	( <sup>2</sup> )	( <sup>2</sup> )

<sup>1</sup>See text endnote for a definition of the white- and blue-collar occupations.

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

they had lost or left between January 1997 and December 1998 because their plant or company closed down or moved; there was insufficient work for them to do; or their position or shift was abolished.

NOTE: Data refer to persons who had 3 or more years of tenure on a job

ers in the more recent survey reported almost no loss in median weekly earnings, compared with a 4.1 percent earnings loss for those displaced in 1995–96.<sup>10</sup> (See table 14.) In February 2000, 61 percent of reemployed full-time wage and salary workers earned as much or more than they had on their lost job. This proportion rose throughout the mid- and late 1990s, and stands at its highest level to date. Although more displaced workers earned at least what they did previously, 24 percent of the reemployed earned at least 20 percent less than they had on their lost job.

In a recent analysis of the February 2000 Displaced Worker Survey, Professor Henry Farber of Princeton University notes that, on average, earnings losses for displaced workers were

indeed less severe.<sup>11</sup> However, Farber finds that workers who remained employed during the full survey reference period (1997–99) experienced an average increase of 10 percent in weekly earnings. Thus while it may appear that displaced workers suffered little in earnings losses, many actually missed out on the increased wages they would have received had they not been displaced.

In the 2000 survey, median weekly earnings declined for older displaced workers on their new jobs. Persons aged 45–64 were, in fact, the only age group that suffered an earnings loss.<sup>12</sup> (See table 15.) Younger displaced workers fared better on their new jobs, earning almost 8 percent more in weekly earnings. Men and women had similar declines in median

**Table 14.** Median weekly earnings of long-tenured displaced full-time wage and salary workers on their lost jobs and on jobs held at the time of the survey

[Numbers in thousands]

Survey date, and reference period for job loss	Displaced full-time wage and salary workers	Part time	Reemployed in full-time wage and salary jobs									Self-employed and unpaid family workers	Unemployed	Not in the labor force
			Total <sup>2</sup>	Total who reported earnings	Earnings relative to those of lost job			Median weekly earnings on:						
					At least 20 percent below	Below, but within 20 percent	Equal or above, but within 20 percent	At least 20 percent above	Lost job	Job held at survey date	Percent change			
<b>January:</b>														
1984, 1981–82 .....	2,157	151	1,135	1,023	33.7	17.5	27.0	21.8	\$340	\$293	-13.8	114	446	309
1986, 1983–84 .....	1,798	122	1,087	1,086	26.5	13.9	27.1	32.5	329	330	0.3	90	233	266
1988, 1985–86 .....	1,855	111	1,187	1,105	32.9	14.8	29.3	23.0	412	353	-14.3	143	179	235
1990, 1987–88 .....	1,464	83	995	878	27.2	18.8	25.1	28.9	416	391	-6.0	92	115	179
1992, 1989–90 .....	2,011	131	1,201	1,088	31.1	17.1	28.1	23.7	439	410	-6.6	149	275	252
<b>February:</b>														
1994, 1991–92 <sup>1</sup> .....	2,563	201	1,536	1,386	34.4	17.8	28.4	19.4	553	473	-14.5	210	295	322
1996, 1993–94 <sup>1</sup> .....	2,167	143	1,396	1,245	33.7	19.8	25.2	21.3	539	461	-14.5	184	156	288
1998, 1995–96 <sup>1</sup> .....	2,011	188	1,358	1,192	26.1	19.3	30.2	24.4	558	535	-4.1	122	104	240
2000, 1997–98 <sup>1</sup> .....	1,738	109	1,171	1,005	23.7	15.7	34.5	26.1	567	565	-4	89	101	269

<sup>1</sup>Data, beginning with the 1991–92 period, are not directly comparable with earlier periods due to differences in estimation methodology.  
<sup>2</sup>Includes some workers who did not report earnings.

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left because their plant or company closed or moved; there was insufficient work for them to do; or their position or shift was abolished.

earnings following job loss. Earnings were essentially unchanged for both whites and blacks. For reemployed Hispanics, however, weekly earnings increased 27 percent. Many Hispanics benefited from this large gain—73 percent reported equal or higher earnings at their new job.

Weekly earnings for workers displaced from most industries showed little change. However, displaced workers from retail trade and other services experienced relatively large pay increases following displacement. Median weekly earnings for displaced retail trade workers rose 10 percent, while earnings for those who lost jobs in other services rose 16 percent. Thirty-one percent of displaced workers from both industries reported new job earnings of at least 20 percent more than those on their lost job. (See table 16.)

### Regions

Workers in all four census regions were less likely to lose their jobs in 1997–98 than 2 years earlier.<sup>13</sup> Displacement rates fell below 3.0 percent in each region. As in previous surveys, these rates were highest in the Northeast and West. (See table 17.)

Following displacement, workers in the four census regions had similar success in finding a new job. Reemployment rates in the Northeast, Midwest, and West regions centered around 80 percent, while nearly 73 percent of workers in the South

found work following job loss.

IN THE LATE 1990s, a downward trend continued in both the incidence and likelihood of job loss. An expanding economy and continued job growth led not only to lower unemployment, but also to greater job security. Workers in all major demographic groups, and in most industries and occupations, reaped the benefits of greater job security.

In 1997 and 1998, 1.9 million long-tenured workers were displaced from their jobs, down from 2.2 million reported in 1995–96 (also a period of rising employment). Displacement rates declined among all major demographic groups. For workers aged 20 and older, the displacement rate declined to 2.5 percent in the 2000 survey—the lowest rate of the 1990s—down from 2.9 percent in the prior survey.

Of long-tenured workers who lost jobs in the late 1990s, 78 percent were reemployed in February 2000. This proportion declined from 83 percent in the prior survey, but remained relatively high. Displaced workers who found new jobs spent a median 5.3 weeks without work—at least 2 weeks less than those displaced in the mid-1990s. During this spell without work, workers displaced in 1997–98 were less likely to use or exhaust unemployment insurance benefits than any other time since the survey’s inception. Moreover, on average, reemployed full-time workers had essentially no change in median weekly earnings.

**Table 15.** Median weekly earnings of long-tenured displaced full-time wage and salary workers on their lost jobs and on jobs held in February 2000, by age, sex, race, Hispanic origin, and educational attainment

[Numbers in thousands]

Characteristic	Displaced full-time wage and salary workers	Part time	Reemployed in full-time wage and salary jobs in February 2000									Self-employed and unpaid family workers	Unemployed	Not in the labor force
			Total <sup>1</sup>	Total who reported earnings	Earnings relative to those of lost job				Median weekly earnings on:					
					At least 20 percent below	Below, but within 20 percent	Equal or above, but within 20 percent	At least 20 percent above	Lost job	Job held in February 2000	Percent change			
Total, 20 years and older .....	1,738	109	1,171	1,005	23.7	15.7	34.5	26.1	\$567	\$565	-.4	89	101	269
20 to 24 years .....	30	3	26	26	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	0	1	0
25 to 54 years .....	1,339	64	1,000	861	23.9	16.1	33.7	26.2	581	581	0.0	79	73	124
25 to 34 years .....	314	15	255	217	29.0	17.1	16.6	37.3	508	548	7.9	11	11	22
35 to 44 years .....	548	30	389	347	18.7	19.0	36.0	26.2	619	621	.3	36	30	63
45 to 54 years .....	477	19	356	297	26.3	12.1	43.4	18.2	608	575	-5.4	31	33	38
55 to 64 years .....	297	40	131	109	25.7	11.0	44.0	19.3	551	506	-8.2	10	21	95
65 years and older .....	72	3	15	11	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	0	5	50
Men, 20 years and older .....	1,003	39	713	616	23.9	15.4	32.0	28.7	602	592	-1.7	73	53	125
Women, 20 years and older .....	735	71	458	390	23.3	16.2	38.7	21.8	515	509	-1.2	16	47	143
<b>White<sup>3</sup></b>														
Total, 20 years and older .....	1,494	98	984	871	21.9	16.5	36.4	25.1	573	572	-.2	82	84	247
Men .....	871	33	604	540	22.4	16.5	33.9	27.2	606	584	-3.6	70	44	120
Women .....	623	65	380	332	21.4	16.6	40.4	21.7	522	545	4.4	12	40	126
<b>Black<sup>3</sup></b>														
Total, 20 years and older .....	179	3	145	103	41.7	10.7	20.4	27.2	539	540	.2	7	9	16
Men .....	104	2	90	65	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	3	6	4
Women .....	75	1	55	39	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	4	3	12
<b>Hispanic origin<sup>3</sup></b>														
Total, 20 years and older .....	194	5	145	127	12.6	14.2	40.2	33.1	403	510	26.6	6	14	23
Men .....	112	5	89	79	6.3	19.0	32.9	41.8	393	510	29.8	6	7	5
Women .....	82	0	56	48	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	0	7	19
<b>Educational attainment</b>														
Less than a high school diploma .....	170	12	97	89	13.5	5.6	46.1	34.8	354	400	13.0	7	18	37
High school graduate, no college .....	584	29	436	359	27.6	17.5	24.5	30.4	466	490	5.2	8	38	72
Some college, no degree .....	389	28	236	203	22.2	16.7	36.5	24.6	608	623	2.5	31	15	79
Associate's degree .....	163	18	110	100	33.0	18.0	32.0	17.0	611	570	-6.7	7	12	16
Bachelor's degree .....	295	20	209	182	24.2	17.6	39.0	19.2	728	718	-1.4	22	5	40
Advanced degree .....	137	3	83	71	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	13	13	26

<sup>1</sup>Includes 166,000 who did not report earnings on their lost job.

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

<sup>3</sup>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.

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left between January 1997 and December 1998 because their plant or company closed or moved; there was insufficient work for them to do; or their position or shift was abolished.

**Table 16.** Median weekly earnings of long-tenured displaced full-time wage and salary workers on their lost jobs and on jobs held in February 2000, by industry and class of worker of lost job

[Numbers in thousands]

Industry and class of worker of lost job	Displaced full-time wage and salary workers	Part time	Reemployed in full-time wage and salary jobs in February 2000									Self-employed and unpaid family workers	Unemployed	Not in the labor force
			Total <sup>1</sup>	Total who reported earnings	Earnings relative to those of lost job				Median weekly earnings on:					
					At least 20 percent below	Below, but within 20 percent	Equal or above, but within 20 percent	At least 20 percent above	Lost job	Job held in February 2000	Percent change			
Total, 20 years and older .....	1,738	109	1,171	1,005	23.7	15.7	34.5	26.1	\$567	\$565	-0.4	89	101	269
Nonagricultural private wage and salary workers .....	1,608	97	1,080	941	24.0	15.4	35.1	25.5	572	563	-1.6	83	93	255
Mining .....	40	2	15	8	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	6	12	5
Construction .....	106	5	76	72	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	5	6	13
Manufacturing .....	548	24	396	332	22.9	15.4	38.3	23.5	588	572	-2.7	17	31	81
Durable goods .....	330	11	252	204	17.6	15.2	40.7	26.5	588	573	-2.6	14	14	39
Nondurable goods .....	218	12	144	128	31.3	15.6	33.6	19.5	589	570	-3.2	2	18	42
Transportation and public utilities .....	113	1	78	73	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	10	8	16
Transportation .....	51	1	36	37	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	7	5	2
Communications and other public utilities .....	62	0	41	36	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	3	3	14
Wholesale and retail trade .....	333	16	224	205	24.4	12.7	33.2	29.8	454	492	8.4	15	12	66
Wholesale trade .....	105	0	67	60	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	12	3	23
Retail trade .....	228	16	158	144	22.2	13.9	33.3	30.6	427	470	10.1	2	9	43
Finance, insurance, and real estate .....	134	17	77	64	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	9	6	25
Services .....	334	32	214	187	23.5	25.1	33.7	17.6	648	637	-1.7	21	18	49
Professional services .....	193	28	121	109	28.4	28.4	34.9	8.3	683	623	-8.8	9	7	27
Other services .....	134	1	91	78	16.7	20.5	32.1	30.8	575	667	16.0	12	7	22
Agricultural wage and salary workers .....	36	0	33	33	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	0	4	0
Government workers .....	79	12	45	27	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	6	4	12

<sup>1</sup>Includes 166,000 who did not report earnings on their lost job.

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

NOTE: Data refer to persons who had 3 or more years of tenure on a job

they had lost or left between January 1997 and December 1998 because their plant or company closed or moved; there was insufficient work for them to do; or their position or shift was abolished.

## Notes

<sup>1</sup> Data on nonfarm payroll employment are derived from the Current Employment Statistics (CES) Survey, a monthly sample survey that collects information on employment, hours, and earnings from about 400,000 business establishments. The unemployment rate is derived from the Current Population Survey (CPS), a sample survey of about 50,000 households, conducted monthly by the Census Bureau for the Bureau of Labor Statistics (BLS). The CPS collects information about the demographic characteristics and employment status of the civilian noninstitutional population aged 16 years and older.

<sup>2</sup> In addition to those who lost jobs, the count of displacement includes workers who left jobs in anticipation of losing them. Debriefing data collected as part of the quality assessment research conducted on the February 2000 Displaced Worker Survey indicate that 77 percent of the displaced were job losers, 22 percent were job leavers, and 1 percent retired. Thus, the group referred to as “job losers” includes some workers who left or retired from their jobs prior to losing them.

<sup>3</sup> Displacement rates are calculated by dividing the number of displaced workers in a specified worker group by a tenure-adjusted, 2-year average estimate of employment for the same worker group. Employment estimates for each year were adjusted, using job-tenure data from the January 1983, 1987, 1991, and February 1996 and 1998 CPS supplements, to include only those workers with 3 years of tenure or more. A 2-year average was then computed using those adjusted employment estimates.

<sup>4</sup> For instance, the average unemployment rate during 1988–89 was 5.4 percent, compared with 4.7 percent during 1997–98. Nonfarm payroll employment rose by 5.1 million during the 1989–90 period, compared to 6.4 million during 1997–98.

<sup>5</sup> For the purposes of this analysis, blue-collar occupations are defined as the sum of the “precision production, craft, and repair” and “operators, fabricators, and laborers” categories. The white-collar occupations are made up of the “managerial and professional specialty” and

**Table 17.** Reemployment rates and displacement rates of long-tenured displaced workers, by census region and division, 1995–96 and 1997–98

[Numbers in thousands]

Census designation	1995–96			1997–98		
	Displaced workers	Reemployment rate <sup>1</sup>	Displacement rate <sup>2</sup>	Displaced workers	Reemployment rate <sup>1</sup>	Displacement rate <sup>2</sup>
Total, 20 years and older .....	2,238	82.5	2.9	1,920	77.9	2.5
Northeast .....	482	73.9	3.1	417	78.9	2.6
New England .....	123	80.5	3.0	105	80.5	2.5
Middle Atlantic .....	359	71.6	3.1	312	78.3	2.7
Midwest .....	554	84.3	2.9	449	82.8	2.3
East North Central .....	405	82.0	3.0	333	81.2	2.4
West North Central .....	149	90.6	2.6	115	87.6	2.0
South .....	656	84.9	2.5	589	72.5	2.2
South Atlantic .....	395	85.3	2.9	308	68.5	2.2
East South Central .....	95	80.0	2.1	104	82.7	2.3
West South Central .....	166	86.7	2.1	177	73.6	2.2
West .....	547	85.0	3.5	466	79.1	2.9
Mountain .....	142	84.5	3.4	105	75.2	2.4
Pacific .....	405	85.2	3.6	360	80.2	3.0

<sup>1</sup>Reemployment rates are calculated by dividing the number of displaced workers in a specified worker group who were reemployed at the time of the survey by the total number displaced in the same worker group.

<sup>2</sup>Displacement rates are calculated by dividing the number of displaced workers in a specified worker group by a tenure-adjusted, 2-year average estimate of employment for the same worker group. Employment estimates for each year were adjusted, using job-tenure data from the January 1983, 1987, 1991, and February 1996 and 1998 CPS supplements, to include only

those workers with 3 years of tenure or more. A 2-year average was then computed using those adjusted employment estimates.

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left between January 1995 and December 1996 and January 1997 and December 1998 because their plant or company closed or moved; there was insufficient work for them to do; or their position or shift was abolished.

“technical, sales, and administrative support” categories.

<sup>6</sup> In the survey, the question concerning health insurance on the lost job specifically relates to receiving coverage from the former employer and excludes any other sources. The question posed to respondents at the time of the survey relates to health insurance coverage from *any* source.

<sup>7</sup> By applying the age distribution of displaced workers from 1995–96 to the total number of displaced workers in 1997–98, and assigning the reemployment rates for 1997–98, one can isolate the impact on reemployment rates of any change in the age composition of displaced workers across the two surveys. This exercise shows that about one-third of the 4.6 percentage point decline in the reemployment rate for all displaced workers aged 20 years and older can be attributed to a change in the age distribution of displaced workers. Specifically, there was a larger share of displaced workers in 1997–98 who were 55 years or older. These older displaced workers generally have lower reemployment rates, and a larger share of older displaced workers will thus tend to lower the overall rate of reemployment.

<sup>8</sup> For a comprehensive overview of jobs in the services industry, see Joseph R. Meisenheimer II, “The services industry in the ‘good’ versus ‘bad’ jobs debate,” *Monthly Labor Review*, February 1998, pp. 22–47.

<sup>9</sup> Unlike the services industry, which is very large and diverse, the service occupations tend to be concentrated in the lower end of the earnings spectrum. For example, among full-time workers in 2000, median weekly earnings for those with service jobs were \$355, compared to \$576 for all workers. In terms of health insurance and pensions in 1999, 38 percent of workers in service occupations had health insurance from their employer, and 28 percent had an employer-provided pension. By contrast, for all workers in 1999, employer-provided health insurance and pension coverage rates were 60 and 50 percent, respectively.

<sup>10</sup> Note that the impact of decreases are somewhat understated, and the impact of increases overstated, as the earnings data are not adjusted for

inflation.

<sup>11</sup> See Henry S. Farber, “Job Loss in the United States, 1981–1999,” Working Paper 453 (Industrial Relations Section, Princeton University, June 2001).

<sup>12</sup> Charles Schultze, in analyzing data on those displaced during 1993 through 1996 who were subsequently reemployed, found that earnings losses were much greater for those workers who had longer tenure on the lost job. Schultze found that displaced older workers with more tenure experienced especially large earnings losses during this period. He attributes this drop in earnings to the substantial “seniority premiums” earned on the lost job, and the perception of potential new employers that older workers will not remain with a job long enough to justify the significant training costs associated with “promising jobs.” See Charles Schultze, “Has Job Security Eroded for American Workers?” Margaret Blair and Thomas Kochan, ed., *The New Relationship: Human Capital in the American Corporation* (Washington, DC, The Brookings Institution, 2000).

<sup>13</sup> The four census regions of the United States are the Northeast, South, Midwest, and West. Within the Northeast, the New England division includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont; and the Middle Atlantic division includes New Jersey, New York, and Pennsylvania. Within the South, the South Atlantic division includes Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; the East South Central division includes Alabama, Kentucky, Mississippi, and Tennessee; and the West South Central division includes Arkansas, Louisiana, Oklahoma, and Texas. Within the Midwest, the East North Central division includes Illinois, Indiana, Michigan, Ohio, and Wisconsin; the West North Central division includes Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota. Within the West, the Mountain division includes Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming; and the Pacific division includes Alaska, California, Hawaii, Oregon, and Washington.

## APPENDIX: Scope and method of the study

The data presented in this article were collected through a supplement to the February 2000 Current Population Survey (CPS), a monthly survey of about 50,000 households that provides basic data on employment and unemployment for the Nation. The supplement's purpose was to obtain information on the number and characteristics of persons who had been displaced (as defined below) from their jobs during the prior 3 calendar years.

The first question asked of survey respondents aged 20 years and older was, "During the last 3 calendar years, that is, January 1997 through December 1999, did (you/name) lose or leave a job because a plant or company closed or moved, (your/his/her) position or shift was abolished, insufficient work, or another similar reason?" If the answer to that question was "yes," then the respondent was asked to identify which reason, among the following, best described the reason for the job loss:

- Plant or company closed down or moved
- Plant or company operating but lost job because of:
  - Insufficient work
  - Position or shift abolished
  - Seasonal job completed
- Self-operated business failed
- Some other reason

Respondents who provided one of the first three reasons—plant or company closed or moved, insufficient work, or position or shift abolished—were classified as displaced and asked additional questions about the lost job, including how many years they had worked for their employer; the year the job was lost; the earnings, industry, and occupation of the lost job; and whether health insurance had been provided. Other questions were asked to determine what occurred before and after the job loss, such as: Was the respondent notified of the upcoming dismissal? How long did he/she go without work? Did he/she receive unemployment benefits? And, if so, were the benefits exhausted? Did the person move to another location after the job loss to take or look for another job?

Information was also collected about current health insurance coverage (other than Medicare and Medicaid) and current earnings for those employed in February 2000. Most data presented here refer to workers who lost or left jobs they had worked for 3 or more years.

There are several important differences between the February 1994, 1996, 1998, and 2000 surveys, and surveys conducted every other January from 1984 to 1992, in the counting of displaced workers that render the data not strictly comparable:

- 1) In January 1994, there was a major change made to the CPS—the implementation of a redesigned survey questionnaire and collection methodology. (For more information on these changes, see "Revisions in the Current Population Survey Effective January 1994" in the February 1994 issue of *Employment and Earnings*.)
- 2) The reference period used when asking questions about displacement was shortened from "the prior 5 years" in earlier surveys to "the prior 3 calendar years" in surveys conducted since February 1994. This was done because the data reliability appears to decrease as the reference period length increases. For example, in the January 1992 survey, the number of dis-

placements in the first 2 years—that is, 1987 and 1988—were markedly lower than when those 2 years were the third and fourth years in the January 1990 survey's reference period, a clear indication of recall problems in the years farthest from the survey data.

- 3) This article also excludes displacements that occurred in the year closest to the survey date. This was done to reduce the likelihood of including persons who, having lost their jobs relatively recently, were counted as displaced when their job losses eventually prove to be temporary rather than permanent.
- 4) Displaced workers who cited one of the three displacement reasons for job loss, and then responded later in the questionnaire that their "class of worker" on their lost job was self-employed, were excluded from the count of displaced workers in the surveys conducted since 1994, whereas they had been included in prior ones.
- 5) In the surveys conducted since February 1994, respondents who reported that they had lost their jobs in the year closest to the survey date (for example, 1999 in the February 2000 survey), and expected to be recalled within the next 6 months, were left out of the displaced workers count. In earlier surveys, respondents were not asked directly about their expectation of recall.
- 6) Since 1994, displaced worker surveys have been conducted in February, whereas the five previous surveys were conducted in January. In 1994, the survey was postponed 1 month to help ease the transition of the redesigned survey and collection methodology that occurred in January 1994. Also, the reference periods in the 1994, 1996, 1998 and 2000 surveys were the prior three calendar years (for example, 1997, 1998, and 1999 in the February 2000 survey.) Prior to the 1994 survey, those losing jobs in the weeks of January prior to the survey were counted as displaced.
- 7) Displaced worker surveys conducted prior to the February 1994 survey also are not completely comparable to those from 1994 forward because the earlier surveys were not adjusted for supplement nonresponse. (It should be noted that supplement nonresponse was much lower in Displaced Worker Surveys conducted prior to 1996.) A proportion of the people who complete the basic CPS questionnaire on labor force status do not provide usable responses to the supplementary questions. Respondents may choose to answer none of the supplement questions, or they may not provide answers to key questions within the supplement. Reweighting is one of the methods historically used to adjust for such supplement nonresponse. It accounts for missing information by increasing the weights assigned to the individuals from whom information was obtained. Currently, the Census Bureau calculates supplement weights for all CPS supplemental questionnaires.

During and after the administration of the February 1996 and 1998 Displaced Worker Surveys, quality assessment research was conducted as part of the Bureau's ongoing effort to improve the quality of its surveys. For more information on the research conducted on the February 1996 survey, see James L. Esposito and Sylvia Fisher, "A Summary of Quality-Assessment Research Conducted on the 1996 Displaced-Worker/Job-Tenure/Occupational-Mobility Supplement," BLS Statistical Note Number 43.