Chapter 6.
The Mass Layoff
Statistics Program

Background

In response to Section 462 of the Job Training and Partnership Act (PL 97-300), the Secretary of Labor, in 1984, was asked to develop and maintain statistical data relating to permanent mass layoffs and plant closings. Because a program of collecting data on mass layoffs that was in operation in another Federal agency up to Fiscal Year 1984 was determined to be inadequate in terms of identifying layoffs and affected workers, BLS was asked to develop an approach which would meet legislative and statistical requirements. Thus began, in 1984, the Bureau's Mass Layoff Statistics (MLS) program.

The MLS program began with eight States funded for developmental work. When the program was eliminated in November 1992, primarily for lack of funding, 49 States and the District of Columbia were participating in it. Funding for the MLS program was reinstated in August 1994, and data collection began in April 1995. Currently, all 50 States, the District of Columbia, and Puerto Rico participate in the program.

Program Description

The Mass Layoff Statistics program is a Federal-State cooperative statistical effort which uses a standardized, automated approach to identify, describe, and track the effects of major job cutbacks, using data from each State's unemployment insurance database. Establishments which have at least 50 initial claims for unemployment insurance (UI) filed against them during a consecutive 5-week period are contacted by State agencies to determine whether those separations are of at least 31 days duration, and, if so, information is obtained on the total number of persons separated, the reasons for these separations, and recall expectations. Establishments are identified according to industry classification and location, and unemployment insurance claimants are identified by such demographic characteristics as age, race, sex, ethnic group, and place of residence. The program yields information on an individual's entire spell of unemployment, to the point when regular unemployment insurance benefits are exhausted. It provides databases of

establishments and claimants, both of which are used for further research and analysis.

To comply with the requirements of the JTPA, the MLS data initially were issued only in annual reports. To meet public demand for more current data, quarterly MLS research reports were issued beginning in March 1991 and were available regularly until December 1992 Quarterly publication resumed in February 1996 with data for April-June 1995 and has continued since that time. In addition, BLS has begun a monthly issuance of MLS data—prior to employer contact—on layoffs using only State agency data to provide users with summary information on layoffs more quickly.

Major modifications and refinements to the MLS program have been identified by a joint Federal-State workgroup. These improvements will incorporate methodologies to identify a population eligible to receive dislocated worker program services.

Data Availability

The MLS program provides detailed information on employment cutbacks and the resultant unemployment at the State and area level, including the location and industry of the firm experiencing the layoff, the reason for the layoff, the number of initial claimants for UI benefits, and the total number of persons separated.

In addition, socioeconomic characteristics on UI claimants—such as sex, age, race, Hispanic origin, and residency—are available. These characteristics are collected at two points in time—when an initial claim is filed and when the claimant exhausts regular UI benefits. In between these

points, the unemployment status of claimants is tracked through the monitoring of certifications for unemployment (continued claims) filed under the regular State UI program.

MLS data are published in monthly and quarterly news releases, and in an annual report. Monthly releases report summary layoff information whereas the quarterly releases report additional data obtained from employers having the layoffs—such as reason for layoff, number of workers, and recall expectations. Annual reports summarize mass layoff data for each calendar year and contain individual State detail.

Uses of the Data

A wide variety of information is available from the MLS program. The data are being used by States in sub-State allocations of Federal funds for dislocated workers through the Economic Development and Worker Adjustment Assistance Act. Data may also be used for the analysis of ailing industries or geographic areas. They are also useful for the analysis of the causes and scope of worker dislocation, especially in terms of the human and economic costs, and the characteristics of dislocated workers.

Work force planners and labor market analysts may use the data in developing approaches to assist employers and/or workers at the local level. Firms considering expanding their operations or entering a labor market area could use the data to answer questions on potentially available labor supply.