



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

(202) 691-6392

USDL 02-354

Media contact:

691-5902

For release: 10:00 A.M. EDT
Thursday, June 27, 2002

MASS LAYOFFS IN MAY 2002

Employers initiated 1,726 mass layoff actions in May 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 180,007. (See table 1.) A year earlier, in May 2001, there were 1,434 mass layoff events involving 159,365 workers. The number of events and initial claims this year were the highest for the month of May since the series began in 1995. (May 2002 contained 5 weeks for possible mass layoffs, compared with 4 weeks in each May of the prior 3 years.) From January through May 2002, the total number of events, at 8,222, and of initial claims, at 910,009, were higher than January-May 2001 (7,434 and 880,347, respectively).

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 28 percent of all mass layoff events and 29 percent of all initial claims filed in May. A year earlier, layoffs in this sector accounted for 37 percent of events and 41 percent of initial claims. The number of initial claimants was highest in food production (9,335, mostly in fruit and vegetable processing), followed by transportation equipment (6,869, primarily in aircraft manufacturing) and computer and electronic products (5,813, mainly in bare printed circuit board manufacturing). (See table 2.)

The administrative and waste services sector accounted for 13 percent of events and 15 percent of initial claims filed during the month, with layoffs almost entirely in administrative and support services, particularly temporary help services. Eight percent of all layoff events and 9 percent of initial claims filed during the month were in retail trade, mostly in general merchandise stores. Ten percent of the events and 8 percent of initial claims were from construction, primarily among specialty trade contractors. The information sector accounted for an additional 5 percent of events and 7 percent of initial claims, largely in motion picture and sound recording industries.

Compared with May 2001, the largest increases in initial claims were reported in administrative and support services (+9,232), general merchandise stores (+3,988), and motion pictures and sound recording

(+3,607). The largest over-the-year decreases in initial claims were reported in professional and technical services (-6,493) and computer and electronic product manufacturing (-5,050).

Geographic Distribution

Among the four regions, the highest number of initial claims in May due to mass layoffs was in the West, 61,715. (See table 3.) Temporary help services and motion picture and video production accounted for 31 percent of all initial claims in the West during the month. Following was the South with 48,506 initial claims (mainly in temporary help services), the Midwest with 44,788 (largely in school and employee bus transportation), and the Northeast with 24,998 (mostly in food service contractors).

The number of initial claimants in mass layoffs rose over the year in all four regions. The South region had the largest increase in initial claims (+8,405), followed by the Midwest (+5,835). Seven of the nine geographic divisions experienced over-the-year increases in the number of initial claims associated with mass layoffs, with the largest increase in the Middle Atlantic (+5,777) division. The New England division had the largest decrease over the year (-1,780).

California registered the largest number of initial claims filed in mass layoff events this May, 50,063, mostly in temporary help services and motion picture and video production. Texas reported 16,870 initial claims in mass layoffs, followed by Illinois (10,079), and Pennsylvania (10,064). These four states accounted for 47 percent of all layoff events and 48 percent of all initial claims for unemployment insurance. (See table 4.)

Texas reported the largest over-the-year increase in initial claims (+5,384), followed by New York (+4,677). The largest over-the-year decrease occurred in Oklahoma (-2,201).

The report on Mass Layoffs in June 2002 will be issued on Wednesday, July 24, 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 May 2002

Date	Total mass layoffs		Extended mass layoffs lasting more than 30 days		Realization rates ¹	
	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	^{2, p} 1,669	^{2, p} 236,891	^p 33.5	^p 42.0
April ^p	1,507	165,861				
May ^p	1,726	180,007				

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

² These quarterly numbers are provisional and will increase as more

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

^p = preliminary.

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

Industry	Mass layoff events				Initial claimants for unemployment insurance			
	May 2001 ^r	March 2002	April 2002 ^p	May 2002 ^p	May 2001 ^r	March 2002	April 2002 ^p	May 2002 ^p
Total ¹	1,434	1,460	1,507	1,726	159,365	161,336	165,861	180,007
Total, private	1,398	1,414	1,458	1,635	155,799	157,100	161,342	170,712
Agriculture, forestry, fishing and hunting	67	79	79	62	4,613	5,775	8,079	3,802
Mining	(²)	22	15	15	(²)	1,882	1,409	1,553
Utilities	(²)	7	(²)	6	(²)	727	(²)	597
Construction	109	150	105	165	10,558	11,826	9,135	13,521
Manufacturing.....	528	500	461	488	64,887	59,644	50,897	52,720
Food	69	74	80	79	6,839	9,070	9,291	9,335
Beverage and tobacco products	4	8	8	3	308	802	899	224
Textile mills	20	14	9	19	2,514	1,468	1,120	2,072
Textile product mills	3	(²)	(²)	8	226	(²)	(²)	617
Apparel	31	17	30	33	3,719	1,536	3,742	2,578
Leather and allied products	3	(²)	5	-	416	(²)	437	-
Wood products	12	19	19	23	1,125	2,319	1,637	2,348
Paper	9	18	15	10	1,168	2,688	1,330	1,141
Printing and related support activities	19	26	10	21	1,818	2,105	874	1,892
Petroleum and coal products	-	-	(²)	3	-	-	(²)	184
Chemicals	10	14	10	11	1,025	1,659	664	815
Plastics and rubber products	20	20	11	9	2,047	1,613	857	798
Nonmetallic mineral products	13	21	9	10	1,695	1,537	717	1,190
Primary metals	21	21	22	27	3,071	3,000	1,979	2,787
Fabricated metal products	38	34	22	25	4,050	3,319	1,781	2,252
Machinery	49	43	35	35	6,053	6,588	5,045	3,902
Computer and electronic products	94	65	74	69	10,863	6,902	7,336	5,813
Electrical equipment and appliances	34	26	19	28	6,133	3,602	2,427	4,490
Transportation equipment	45	46	53	53	8,247	8,531	7,428	6,869
Furniture and related products	24	19	18	12	2,730	1,772	1,919	2,513
Miscellaneous manufacturing	10	11	7	10	840	837	735	900
Wholesale trade	23	25	27	35	1,975	2,694	2,212	2,937
Retail trade	91	108	122	131	8,802	12,067	13,715	16,192
Transportation and warehousing	33	76	104	52	3,127	10,441	15,442	5,680
Information	66	36	86	86	9,268	4,456	12,127	13,036
Finance and insurance	29	32	34	44	2,462	2,697	3,142	3,327
Real estate and rental and leasing	5	9	4	7	407	629	684	452
Professional and technical services	72	50	62	80	12,692	8,260	7,767	6,199
Management of companies and enterprises	5	3	(²)	4	399	182	(²)	395
Administrative and waste services	177	185	177	222	16,885	21,704	18,110	26,191
Educational services.....	5	3	5	3	423	232	356	190
Health care and social assistance	45	22	29	76	4,490	1,671	2,406	7,006
Arts, entertainment, and recreation	22	13	33	33	1,809	1,013	3,507	2,267
Accommodation and food services	86	76	74	88	8,877	9,721	7,378	10,807
Other services, except public administration.....	19	7	26	34	2,297	609	3,279	3,228
Unclassified	12	11	10	4	1,291	870	1,106	612
Government	36	46	49	91	3,566	4,236	4,519	9,295
Federal	7	7	7	21	720	777	543	2,739
State	10	16	15	14	1,130	1,652	1,717	1,510
Local	19	23	27	56	1,716	1,807	2,259	5,046

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

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

^p = preliminary.

^r = 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			
	May 2001	March 2002	April 2002 ^p	May 2002 ^p	May 2001	March 2002	April 2002 ^p	May 2002 ^p
United States ¹	^r 1,434	1,460	1,507	1,726	^r 159,365	161,336	165,861	180,007
Northeast	192	210	306	266	21,001	20,443	38,576	24,998
New England	59	33	62	41	5,545	2,995	7,263	3,765
Middle Atlantic	133	177	244	225	15,456	17,448	31,313	21,233
South	^r 353	347	331	467	^r 40,101	37,291	35,740	48,506
South Atlantic	171	157	158	211	17,312	16,644	16,451	18,633
East South Central	57	73	58	88	5,783	7,076	6,629	9,448
West South Central	^r 125	117	115	168	^r 17,006	13,571	12,660	20,425
Midwest	304	327	314	377	38,953	42,491	37,119	44,788
East North Central	220	253	260	266	29,057	32,058	31,127	31,152
West North Central	84	74	54	111	9,896	10,433	5,992	13,636
West	585	576	556	616	59,310	61,111	54,426	61,715
Mountain	47	52	61	48	4,972	4,841	7,382	4,604
Pacific	538	524	495	568	54,338	56,270	47,044	57,111

¹ See footnote 1, table 2.

^p = preliminary.

^r = revised.

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

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

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

State	Mass layoff events				Initial claimants for unemployment insurance			
	May 2001	March 2002	April 2002 ^P	May 2002 ^P	May 2001	March 2002	April 2002 ^P	May 2002 ^P
Total ¹	^r 1,434	1,460	1,507	1,726	^r 159,365	161,336	165,861	180,007
Alabama	15	10	25	38	1,568	1,295	2,529	4,352
Alaska	(²)	–	4	(²)	(²)	–	361	(²)
Arizona	11	12	24	11	1,200	879	3,649	1,256
Arkansas	7	5	7	8	533	488	509	629
California	488	466	436	517	49,009	48,376	39,943	50,063
Colorado	12	10	11	9	1,294	845	1,121	858
Connecticut	13	4	4	9	1,039	377	232	665
Delaware	(²)	4	3	–	(²)	790	508	–
District of Columbia	(²)	–	(²)	(²)	(²)	–	(²)	(²)
Florida	65	64	69	102	5,328	5,689	6,303	7,045
Georgia	15	20	16	30	2,044	2,202	1,686	3,083
Hawaii	3	6	7	6	233	658	512	462
Idaho	7	13	6	9	1,031	1,628	625	1,014
Illinois	55	53	61	67	9,232	7,645	9,583	10,079
Indiana	24	21	24	26	2,311	2,212	2,998	3,267
Iowa	15	12	12	19	1,739	1,510	1,530	2,203
Kansas	6	7	9	14	730	1,357	797	1,620
Kentucky	23	31	20	21	2,853	3,354	2,315	2,258
Louisiana	^r 14	19	19	22	^r 2,026	1,501	1,982	2,166
Maine	5	4	7	5	498	226	822	353
Maryland	10	(²)	3	6	708	(²)	218	534
Massachusetts	27	15	24	21	2,686	1,652	2,891	2,065
Michigan	40	56	30	44	4,935	6,483	2,714	4,408
Minnesota	18	16	14	23	2,108	2,238	1,936	2,768
Mississippi	10	13	5	9	657	890	287	821
Missouri	38	29	11	43	4,759	4,109	974	5,656
Montana	(²)	3	3	3	(²)	264	224	212
Nebraska	–	9	6	(²)	–	1,133	499	(²)
Nevada	9	6	9	8	848	461	1,169	714
New Hampshire	6	3	10	(²)	584	247	1,099	(²)
New Jersey	28	35	35	42	2,797	3,749	4,439	4,384
New Mexico	3	3	(²)	5	219	176	(²)	355
New York	24	19	126	80	2,108	1,568	17,889	6,785
North Carolina	23	23	25	21	2,115	2,686	2,832	1,637
North Dakota	5	–	(²)	5	284	–	(²)	653
Ohio	47	52	80	70	5,035	5,780	9,034	7,231
Oklahoma	9	10	5	7	2,961	1,887	324	760
Oregon	25	27	24	25	2,974	3,507	3,118	3,291
Pennsylvania	81	123	83	103	10,551	12,131	8,985	10,064
Rhode Island	(²)	4	8	(²)	(²)	323	1,431	(²)
South Carolina	33	21	21	24	4,247	2,750	2,450	2,492
South Dakota	(²)	(²)	–	5	(²)	(²)	–	562
Tennessee	9	19	8	20	705	1,537	1,498	2,017
Texas	95	83	84	131	11,486	9,695	9,845	16,870
Utah	4	5	6	3	325	588	460	195
Vermont	6	3	9	(²)	612	170	788	(²)
Virginia	23	16	17	23	2,671	1,794	1,959	3,355
Washington	20	25	24	18	1,999	3,729	3,110	3,154
West Virginia	–	7	3	4	–	571	346	347
Wisconsin	54	71	65	59	7,544	9,938	6,798	6,167
Wyoming	–	–	–	–	–	–	–	–
Puerto Rico	6	9	12	12	1,791	1,082	1,591	1,390

¹ See footnote 1, table 2.

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

^P = preliminary.

^r = revised.

NOTE: Dash represents zero.