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MASS LAYOFFS IN DECEMBER 2004 AND ANNUAL AVERAGES FOR 2004

In December 2004, employers took 1,614 mass layoff actions, as measured by new filings for unemployment insurance benefits during the month, according to data from the U.S. Department of Labor's Bureau of Labor Statistics. Each action involved at least 50 persons from a single establishment, and the number of workers involved totaled 161,271. (See table 1.) The number of events was the lowest for any December since 1999, and the number of initial claims was the lowest for any December since 1995 when data became available.

The layoff events in December bring the total for all of 2004 to 15,980 and the total number of initial claimants from such events to 1,607,158. The annual totals were lower than in 2003 (18,963 events and 1,888,926 initial claims) and were the lowest annual totals for events since 2000 and for initial claims since 1999. Additional information on the annual data is provided starting on page 3 of this release.

Industry Distribution

The 10 industries reporting the highest number of mass-layoff initial claims accounted for 57,388 initial claims in December, 36 percent of the total. (See table A.) Highway, street, and bridge construction, with 14,348 initial claims, accounted for 9 percent of all initial claims in December. None of these industries reached December peaks in 2004.

The manufacturing sector accounted for 27 percent of all mass layoff events and 31 percent of all initial claims filed in December. These were the smallest shares for manufacturing in any December since the monthly series began in 1995. A year ago, in December 2003, manufacturing comprised 34 percent of events and 40 percent of initial claims. Within manufacturing, the number of claimants was highest in transportation equipment (12,547, mostly in travel trailer and camper manufacturing), followed by food processing (6,309) and electrical equipment and appliance manufacturing (3,741). (See table 2.)

Construction accounted for 21 percent of events and 17 percent of initial claims filed in December, with layoffs mainly in highway, street, and bridge construction. Nine percent of all layoff events and initial claims filed during the month were from accommodation and food services, mostly among food service contractors. Administrative and waste services accounted for 10 percent of events and 8 percent of initial claims, largely in temporary help services. An additional 6 percent of events and 7 percent of initial claims were from transportation and warehousing, mostly from school and employee bus transportation.

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

Industry	Initial claims	December peak	
		Year	Initial claims
Highway, street, and bridge construction	14,348	2000	17,277
Food service contractors	8,823	2003	9,229
School and employee bus transportation.....	8,636	1996	13,146
Temporary help services	6,328	2001	14,929
Motion picture and video production.....	6,235	1998	16,192
Payroll services	3,064	2000	6,268
Household refrigerator and home freezer mfg.	2,850	2000	5,758
Professional employer organizations	2,752	2000	4,032
Ready-mix concrete manufacturing	2,191	2000	2,523
Hotels and motels, except casino hotels	2,161	2000	2,664

p=preliminary.

Government establishments accounted for 5 percent of events and 4 percent of initial claims filed in December, mostly in educational services.

Compared with December 2003, the largest decreases in initial claims were reported in transportation equipment manufacturing (-8,514), administrative and support services (-4,204), transit and ground passenger transportation (-3,388), and textile mills (-3,050). The largest over-the-year increases in initial claims were reported in motion picture and sound recording industries (+4,329).

Geographic Distribution

Among the four census regions, the highest number of initial claims in December due to mass layoffs was reported in the Midwest, 61,277. (See table 3.) Transportation equipment manufacturing and heavy and civil engineering construction accounted for 31 percent of all mass-layoff initial claims in that region during the month. The West region had the second largest number of initial claims, 42,659, followed by the South, with 29,948, and the Northeast, with 27,387.

The number of initial claimants in mass layoffs fell over the year in three of the four regions. The largest decrease was in the Midwest (-26,529), followed by the Northeast (-7,050) and the South (-2,519). The West reported an over-the-year increase in initial claims (+4,736). Seven of the nine geographic divisions had over-the-year decreases in the number of initial claims associated with mass layoffs, with the largest decreases in the East North Central (-22,204), and Middle Atlantic (-5,040) divisions. The over-the-year increases were in the Pacific (+6,466) and East South Central (+2,485) divisions.

Among the states, California recorded the highest number of initial claims filed due to mass layoff events in December (32,279), mostly in motion picture and sound recording industries and in administrative and support services. Michigan was next highest with 10,841 initial claims reported, followed by Illinois (10,222), Pennsylvania (9,413) and Indiana (9,331). These five states accounted for 45 percent of all mass layoff events and initial claims for unemployment insurance. (See table 4.)

Indiana reported the largest over-the-year decrease in the number of initial claims (-5,999), followed by Ohio (-5,383), Illinois (-4,784), and Wisconsin (-4,604). The largest over-the-year increases occurred in California (+6,326) and Kentucky (+4,479).

Table B. Number of mass layoff events and initial claimants for unemployment insurance, 1996-2004

Year	Layoff events	Initial claimants for unemployment insurance
1996	14,111	1,437,628
1997	14,960	1,542,543
1998	15,904	1,771,069
1999	14,909	1,572,399
2000	15,738	1,835,592
2001	21,467	2,514,862
2002	20,277	2,245,051
2003	18,963	1,888,926
2004 ^p	15,980	1,607,158

p=preliminary.

Review of 2004

During 2004, 15,980 mass layoff events occurred in the nation, resulting in 1,607,158 initial claims filings for unemployment insurance. In 2003, there were 18,963 such events and 1,888,926 initial claimants. (See table B.)

The 10 industries with the highest number of mass-layoff initial claims accounted for 27 percent of the total in 2004. (See table C.) In 2003 they comprised 25 percent of the total.

Manufacturing accounted for 29 percent of all mass layoff events and 35 percent of initial claims filed during 2004. These were the lowest shares of events and initial claims in manufacturing for any year which data are available. In 2003, manufacturing accounted for 32 percent of events and 39 percent of initial claims. Within manufacturing, initial claim filings in 2004 were most numerous in transportation equipment, 163,026, followed by food processing, 82,114, and fabricated metal products, 30,672. The largest over-the-year decrease in initial claims in manufacturing occurred in machinery manufacturing (-31,963) and computer and electronic products (-25,658). The largest over-the-year increase in initial claims occurred in printing and related support activities (+558).

The number of initial claims filed in 2004 due to mass layoffs was higher in the West, 495,554, than in any other region. Layoffs in administrative and support services, motion picture and sound recording, and agricultural and forestry support activities accounted for 33 percent of the claims in the West. The fewest number of mass-layoff initial claims was reported in the Northeast region, 270,788. For the third consecutive year, the number of mass-layoff initial claims fell in each of the four regions. The largest decreases in initial claims were in the West (-99,383) and South (-79,826).

Among the 50 states and the District of Columbia, California recorded the largest number of initial claims filed in mass layoff events in 2004 (394,114), 25 percent of the national total. The states with the next highest numbers of initial claims were Michigan (99,124), New York (95,228), Pennsylvania (89,288), and Ohio (86,850). Half of all events and 48 percent of all initial claims were from these five states.

California reported the largest over-the-year decrease in initial claims (-73,459), followed by Texas (-27,538), and Pennsylvania (-23,068). The largest over-the-year increase occurred in Michigan (+32,258).

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

Industry	2004		2003	
	Initial claims	Rank	Initial claims	Rank
Temporary help services	103,868	1	119,738	1
School and employee bus transportation.....	64,663	2	61,465	2
Motion picture and video production.....	50,030	3	46,006	3
Food service contractors	42,920	4	37,446	5
Highway, street, and bridge construction	36,853	5	38,635	4
Automobile manufacturing.....	35,520	6	36,152	6
Professional employer organizations	31,434	7	32,031	8
Elementary and secondary schools	27,648	8	35,494	7
Discount department stores	22,540	9	24,301	11
Farm labor contractors and crew leaders	22,394	10	28,967	10

p=preliminary.

Note

The monthly data series in this release cover mass layoffs of 50 or more workers beginning in a given month, regardless of the duration of the layoffs. For private nonfarm establishments, information on the length of the layoff is obtained later and issued in a quarterly release that reports on mass layoffs lasting more than 30 days (referred to as “extended mass layoffs”). The quarterly release provides more information on the industry classification and location of the establishment and on the demographics of the laidoff workers. Because monthly figures include short-term layoffs of 30 days or less, the sum of the figures for the 3 months in a quarter will be higher than the quarterly figure for mass layoffs of more than 30 days. (See table 1.) See the Technical Note for more detailed definitions.

The report on Extended Mass Layoffs in the Fourth Quarter of 2004 is scheduled to be released on Wednesday, February 16, 2005. The report on Mass Layoffs in January 2005 is scheduled to be released on Thursday, February 24, 2005.

Addition of Seasonally Adjusted Data

Beginning with the release of data for January 2005 on February 24, 2005, the Bureau of Labor Statistics will publish seasonally adjusted mass layoff data series as well as an analysis of significant over-the-month changes in those series. Seasonal adjustment accounts for the effects of events that follow a more or less regular pattern each year, making it easier to observe the cyclical and other nonseasonal movements. Initially, six mass layoff series will be seasonally adjusted—the number of layoff events and the number of associated initial claims for unemployment insurance for the U.S. total, the private nonfarm sector, and the manufacturing sector. Historical data for each of these series will be available from April 1995 forward.

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, October 2002 to December 2004

Date	Total mass layoffs		Private nonfarm					
			Mass layoffs		Extended mass layoffs lasting more than 30 days		Realization rates ¹	
	Events	Initial claimants	Events	Initial claimants	Events	Initial claimants	Events	Initial claimants
2002								
October	1,497	171,100	1,270	149,327				
November	2,153	240,171	1,860	216,237				
December	2,474	264,158	2,324	252,807				
Fourth Quarter	6,124	675,429	5,454	618,371	1,916	370,592	35.1	59.9
2003								
January	2,315	225,430	2,130	210,918				
February	1,363	124,965	1,222	116,264				
March	1,207	113,026	1,099	104,468				
First Quarter	4,885	463,421	4,451	431,650	1,502	297,608	33.7	68.9
April	1,581	161,412	1,470	152,937				
May	1,703	174,204	1,538	160,729				
June	1,691	157,552	1,336	127,743				
Second Quarter	4,975	493,168	4,344	441,409	1,799	348,966	41.4	79.1
July	2,087	226,435	1,815	206,901				
August	1,258	133,839	1,163	124,131				
September	868	82,647	756	73,914				
Third Quarter	4,213	442,921	3,734	404,946	1,190	227,909	31.9	56.3
October	1,523	158,240	1,265	137,706				
November	1,438	138,543	1,234	123,524				
December	1,929	192,633	1,793	182,750				
Fourth Quarter	4,890	489,416	4,292	443,980	1,690	326,328	39.4	73.5
2004								
January	2,428	239,454	2,226	220,687				
February	941	84,201	832	76,577				
March	920	92,554	847	87,782				
First Quarter	4,289	416,209	3,905	385,046	1,339	238,056	34.3	61.8
April	1,458	157,314	1,316	142,657				
May	988	87,501	878	78,786				
June	1,379	134,588	1,077	110,804				
Second Quarter	3,825	379,403	3,271	332,247	1,359	251,970	41.5	75.8
July	2,094	253,929	1,860	234,877				
August	809	69,033	745	63,876				
September	708	68,972	637	63,102				
Third Quarter	3,611	391,934	3,242	361,855	^{2p} 780	^{2p} 101,456	^p 24.1	^p 28.0
October	1,242	127,918	1,101	117,375				
November ^p	1,399	130,423	1,201	115,549				
December ^p	1,614	161,271	1,487	152,092				
Fourth Quarter ^p	4,255	419,612	3,789	385,016				

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

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

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

^p = preliminary.

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

Industry	Mass layoff events				Initial claimants for unemployment insurance			
	December 2003	October 2004	November 2004 ^P	December 2004 ^P	December 2003	October 2004	November 2004 ^P	December 2004 ^P
Total ¹	1,929	1,242	1,399	1,614	192,633	127,918	130,423	161,271
Total, private	1,846	1,177	1,336	1,527	185,928	122,402	125,008	154,496
Agriculture, forestry, fishing and hunting	53	76	135	40	3,178	5,027	9,459	2,404
Total, private nonfarm	1,793	1,101	1,201	1,487	182,750	117,375	115,549	152,092
Mining	21	8	7	18	1,937	946	701	1,492
Utilities	3	(²)	(²)	6	160	(²)	(²)	1,395
Construction	335	126	231	342	25,684	9,512	17,884	27,433
Manufacturing.....	648	372	412	436	77,915	48,265	44,243	50,726
Food	89	78	77	59	9,285	9,049	7,717	6,309
Beverage and tobacco products	5	16	6	7	781	1,316	387	497
Textile mills	31	10	15	15	4,299	1,041	1,767	1,249
Textile product mills	14	8	7	8	2,102	732	638	932
Apparel	32	18	20	16	3,232	1,338	2,154	2,720
Leather and allied products	7	(²)	(²)	4	842	(²)	(²)	757
Wood products	55	16	32	25	5,000	2,744	3,437	2,346
Paper	12	9	7	7	934	580	530	575
Printing and related support activities	7	8	9	3	627	548	610	331
Petroleum and coal products	10	(²)	(²)	11	863	(²)	(²)	1,126
Chemicals	9	6	7	8	735	380	525	669
Plastics and rubber products	40	18	17	30	3,579	1,451	1,385	2,327
Nonmetallic mineral products	49	10	24	32	4,079	779	2,126	3,168
Primary metals	33	15	18	23	3,421	2,312	1,616	2,246
Fabricated metal products	39	18	28	34	4,045	1,855	2,548	2,546
Machinery	24	19	25	16	3,629	4,224	4,583	2,218
Computer and electronic products	19	18	27	19	1,408	1,416	2,534	2,039
Electrical equipment and appliances	20	17	13	13	4,726	2,573	1,757	3,741
Transportation equipment	122	58	53	85	21,061	12,733	6,961	12,547
Furniture and related products	14	13	16	13	1,607	1,637	1,548	1,096
Miscellaneous manufacturing	17	11	5	8	1,660	1,027	975	1,287
Wholesale trade	27	11	24	18	2,443	1,412	2,196	1,853
Retail trade	98	98	65	80	9,203	8,550	6,498	8,092
Transportation and warehousing	131	34	32	96	15,528	2,608	2,900	10,687
Information	40	36	45	30	3,839	7,597	5,492	8,002
Finance and insurance	27	33	22	18	1,764	2,914	1,442	1,455
Real estate and rental and leasing	4	10	(²)	4	562	697	(²)	249
Professional and technical services	57	24	22	48	6,095	3,994	2,303	5,955
Management of companies and enterprises	3	(²)	(²)	3	296	(²)	(²)	296
Administrative and waste services	200	188	187	163	17,256	15,202	17,370	13,192
Educational services.....	6	(²)	(²)	4	327	(²)	(²)	245
Health care and social assistance	27	34	27	28	2,075	2,793	2,012	2,539
Arts, entertainment, and recreation	20	30	25	30	1,795	2,424	2,126	1,967
Accommodation and food services	131	82	81	146	14,701	9,152	8,995	14,923
Other services, except public administration.....	12	6	10	13	955	482	647	1,342
Unclassified	3	3	1	4	215	309	40	249
Government	83	65	63	87	6,705	5,516	5,415	6,775
Federal	13	22	12	8	1,419	2,185	1,290	842
State	10	19	25	16	830	1,648	2,342	1,472
Local	60	24	26	63	4,456	1,683	1,783	4,461

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

^P = preliminary.

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

Table 3. Mass layoff events and initial claimants for unemployment insurance by census region and division

Census region and division	Mass layoff events				Initial claimants for unemployment insurance			
	December 2003	October 2004	November 2004 ^P	December 2004 ^P	December 2003	October 2004	November 2004 ^P	December 2004 ^P
United States ¹	1,929	1,242	1,399	1,614	192,633	127,918	130,423	161,271
Northeast	350	189	198	285	34,437	17,563	19,346	27,387
New England	66	17	26	47	6,904	1,345	1,998	4,894
Middle Atlantic	284	172	172	238	27,533	16,218	17,348	22,493
South	335	323	255	288	32,467	30,246	24,573	29,948
South Atlantic	192	190	116	140	17,903	15,237	10,333	13,620
East South Central	59	58	42	76	6,510	5,750	4,651	8,995
West South Central	84	75	97	72	8,054	9,259	9,589	7,333
Midwest	780	280	389	588	87,806	35,859	39,650	61,277
East North Central	596	219	306	414	64,802	26,965	29,986	42,598
West North Central	184	61	83	174	23,004	8,894	9,664	18,679
West	464	450	557	453	37,923	44,250	46,854	42,659
Mountain	63	43	59	60	7,025	3,610	6,470	5,295
Pacific	401	407	498	393	30,898	40,640	40,384	37,364

¹ See footnote 1, table 2.

^P = preliminary.

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

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

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

State	Mass layoff events				Initial claimants for unemployment insurance			
	December 2003	October 2004	November 2004 ^P	December 2004 ^P	December 2003	October 2004	November 2004 ^P	December 2004 ^P
Total ¹	1,929	1,242	1,399	1,614	192,633	127,918	130,423	161,271
Alabama	27	12	9	22	3,728	1,477	915	2,244
Alaska	3	5	7	(²)	213	423	686	(²)
Arizona	8	11	3	5	551	868	255	358
Arkansas	6	3	11	3	656	642	1,477	218
California	346	346	429	344	25,953	34,896	34,089	32,279
Colorado	11	10	7	13	1,107	829	533	1,347
Connecticut	13	(²)	(²)	5	1,166	(²)	(²)	510
Delaware	(²)	-	-	-	(²)	-	-	-
District of Columbia	4	-	-	(²)	287	-	-	(²)
Florida	63	143	43	44	4,826	9,737	3,107	3,567
Georgia	31	16	19	37	3,354	1,977	1,809	3,082
Hawaii	6	4	(²)	-	506	260	(²)	-
Idaho	12	3	16	10	1,647	281	1,888	736
Illinois	123	56	63	99	15,006	8,019	6,462	10,222
Indiana	108	24	40	68	15,330	2,235	5,129	9,331
Iowa	46	12	14	36	5,305	1,645	1,159	3,442
Kansas	29	5	6	16	3,518	398	1,090	1,864
Kentucky	9	27	19	38	995	2,792	2,160	5,474
Louisiana	15	11	19	16	991	714	1,789	1,297
Maine	5	3	4	7	424	207	328	570
Maryland	15	5	4	7	1,119	544	347	924
Massachusetts	24	6	15	15	2,568	437	1,108	2,085
Michigan	135	40	63	115	12,275	3,768	5,032	10,841
Minnesota	51	15	35	55	6,342	1,390	4,260	6,064
Mississippi	8	10	-	(²)	450	615	-	(²)
Missouri	45	21	23	41	6,180	4,723	2,773	5,231
Montana	7	5	7	6	918	545	1,023	474
Nebraska	10	7	(²)	18	1,411	666	(²)	1,375
Nevada	20	10	19	17	2,351	755	2,219	1,630
New Hampshire	(²)	4	-	5	292	-	-	423
New Jersey	76	35	42	46	6,895	3,294	5,386	4,979
New Mexico	3	(²)	4	5	278	(²)	384	319
New York	88	52	55	88	9,448	5,263	4,362	8,101
North Carolina	23	5	24	16	1,857	417	2,294	1,187
North Dakota	(²)	(²)	3	6	(²)	(²)	238	526
Ohio	117	54	49	67	10,693	8,193	4,219	5,310
Oklahoma	12	6	9	13	1,278	1,382	845	1,041
Oregon	26	29	31	23	2,498	2,536	2,886	2,798
Pennsylvania	120	85	75	104	11,190	7,661	7,600	9,413
Rhode Island	12	(²)	4	7	1,775	(²)	372	628
South Carolina	17	10	13	11	2,713	688	1,619	1,679
South Dakota	(²)	-	(²)	(²)	(²)	-	(²)	(²)
Tennessee	15	9	14	15	1,337	866	1,576	1,219
Texas	51	55	58	40	5,129	6,521	5,478	4,777
Utah	(²)	-	(²)	4	(²)	-	(²)	431
Vermont	10	(²)	(²)	8	794	(²)	(²)	678
Virginia	34	9	10	21	3,372	1,555	976	2,836
Washington	20	23	29	24	1,728	2,525	2,536	2,149
West Virginia	3	(²)	3	3	176	(²)	181	276
Wisconsin	113	45	91	65	11,498	4,750	9,144	6,894
Wyoming	-	3	(²)	-	-	268	(²)	-
Puerto Rico	6	8	6	10	486	693	562	706

¹ See footnote 1, table 2.

^P = preliminary.

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

NOTE: Dash represents zero.