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MASS LAYOFFS IN MAY 2003

Employers initiated 1,699 mass layoff actions in May 2003, 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 173,784. (See table 1.) Compared with a year ago, both the number of layoff events and the number of workers involved declined slightly. From January through May 2003, the total number of events, at 8,159, and initial claims, at 798,185, were lower than in January-May 2002—8,222 and 910,009, 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

Temporary help services, with 11,087 claims, accounted for over 6 percent of all initial claims in May. (See table A.) Despite declining mass layoff activity in 2003, 5 of the 10 industries with the highest number of mass-layoff initial claims recorded their peak May level this year.

The manufacturing sector accounted for 29 percent of all mass layoff events and 35 percent of all initial claims filed in May. A year ago, manufacturing accounted for 28 percent of events and 29 percent of initial claims. The total number of initial claims in the sector this May, at 61,174, has only been exceeded in May 2001. The number of claimants was highest in transportation equipment (13,288, mainly in automobile manufacturing), followed by food production (7,592) and machinery manufacturing (6,179). (See table 2.)

The administrative and waste services sector accounted for 12 percent of events and 11 percent of initial claims filed in May, with layoffs mostly in temporary help services. Construction accounted for 9 percent of events and 8 percent of initial claims during the month, primarily among specialty trade contractors. Seven percent of the events and initial claims were from retail trade, mostly from general merchandise stores, largely in discount department stores. Six percent of all layoff events and initial claims filed during this May were in accommodations and food services, mostly in food services and drinking places.

Table A. Industries with largest mass layoff initial claims in May 2003^p

Industry	Initial claims	May peak	
		Year	Initial claims
Temporary help services	11,087	2002	16,992
Automobile manufacturing	7,851	2003	7,851
Food service contractors	5,711	1998	7,267
Motion picture and video production	5,577	1999	8,985
School and employee bus transportation.....	3,747	2003	3,747
Child day care services	3,720	2002	3,894
Industrial building construction	3,463	2003	3,463
Professional employer organizations	3,446	2003	3,446
Iron and steel mills	2,487	2003	2,487
Other social advocacy organizations	2,363	2002	2,500

p=preliminary.

Government establishments accounted for 7 percent of events and 6 percent of initial claims filed during the month; layoffs were largely in educational services. The 10,158 initial claims in this sector were the most for any May since the series began in 1995.

Compared with May 2002, the largest decreases in initial claims were reported in administrative and support services (-6,651), motion picture and sound recording (-2,347), and general merchandise stores (-2,249). The largest over-the-year increase in initial claims was reported in transportation equipment manufacturing (+6,474).

Geographic Distribution

Among the four regions, the highest number of initial claims in May due to mass layoffs was reported in the West, 51,991. (See table 3.) Administrative and support services and motion picture and sound recording accounted for 28 percent of all initial claims in that region during the month. The South followed, with 48,321 initial claims, then the Midwest, with 46,401, and the Northeast, with 27,071.

The number of initial claimants in mass layoffs declined over the year in two of the four regions, with the largest decrease in the West (-9,724). The Northeast had the largest over-the-year increase (+2,073). Five of the nine geographic divisions had over-the-year decreases in the number of initial claims associated with mass layoffs, with the largest decline in the Pacific (-10,804). The East North Central division had the largest increase (+3,088).

California recorded the largest number of initial claims filed in mass layoff events this May, 41,857, mostly in administrative and support services and in motion picture and sound recording. Texas reported 12,535, followed by New York (11,375) and Pennsylvania (10,893). These four states accounted for 49 percent of all layoff events and 44 percent of initial claims for unemployment insurance. (See table 4.)

California reported the largest over-the-year decrease in the number of initial claims (-8,206), followed by Texas (-4,335). The largest over-the-year increases occurred in New York (+4,590) and Oklahoma (+3,893).

From January to May 2003, California registered 204,939 mass layoff initial claims, 26 percent of the national total. The states with the next largest number of claims during this period were Pennsylvania (55,102), New York (48,168), Ohio (43,576), and Texas (42,733).

The report on Mass Layoffs in June 2003 will be issued on Thursday, July 24, 2003.

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 2001 to May 2003

Date	Total mass layoffs		Extended mass layoffs lasting more than 30 days		Realization rates ¹	
	Events	Initial claimants	Events	Initial claimants	Events	Initial claimants
2001						
April	1,450	176,265				
May	1,434	159,365				
June	2,107	253,826				
Second Quarter	4,991	589,456	2,072	401,270	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	370,942	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	2,698	^r 502,724	38.6	64.4
2002						
January	2,146	263,821				
February	1,383	138,984				
March	1,460	161,336				
First Quarter	4,989	564,141	^r 1,747	^r 315,781	35.0	56.0
April	1,507	165,861				
May	1,726	180,007				
June	1,580	161,928				
Second Quarter	4,813	507,796	1,905	^r 352,807	39.6	^r 69.5
July	2,041	245,211				
August	1,247	128,080				
September	1,062	124,512				
Third Quarter	4,350	497,803	^r 1,382	^r 278,483	31.8	^r 55.9
October	1,497	171,088				
November	2,150	240,028				
December	2,470	263,775				
Fourth Quarter	6,117	674,891	2,259	421,669	36.9	62.5
2003						
January	2,315	225,415				
February	1,363	124,977				
March	1,206	112,914				
First Quarter	4,884	463,306	^{2, p} 1,508	^{2, p} 210,674	^p 30.9	^p 45.5
April ^{3, p}	1,576	161,095				
May ^{3, p}	1,699	173,784				

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.

³ Data were reported by all states and the District of Columbia, except Wyoming.

^p = preliminary.

^r = revised.

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

Industry	Mass layoff events				Initial claimants for unemployment insurance			
	May 2002	March 2003	April 2003 ^P	May 2003 ^P	May 2002	March 2003	April 2003 ^P	May 2003 ^P
Total ¹	1,726	1,206	1,576	1,699	180,007	112,914	161,095	173,784
Total, private	1,635	1,162	1,529	1,587	170,712	109,305	157,244	163,626
Agriculture, forestry, fishing and hunting	62	64	64	53	3,802	4,949	4,624	3,299
Mining	15	7	(²)	9	1,553	708	(²)	1,749
Utilities	6	(²)	5	7	597	(²)	326	529
Construction	165	125	150	159	13,521	7,640	10,042	13,279
Manufacturing.....	488	390	500	497	52,720	41,063	62,429	61,174
Food	79	72	85	69	9,335	7,607	8,468	7,592
Beverage and tobacco products	3	(²)	7	5	224	(²)	450	548
Textile mills	19	9	17	21	2,072	764	2,725	2,204
Textile product mills	8	5	9	10	617	432	697	948
Apparel	33	11	19	31	2,578	950	2,385	3,705
Leather and allied products	-	-	5	7	-	-	398	544
Wood products	23	35	30	24	2,348	3,104	2,858	2,361
Paper	10	9	14	15	1,141	937	1,083	1,072
Printing and related support activities	21	7	8	16	1,892	658	848	1,249
Petroleum and coal products	3	-	-	3	184	-	-	190
Chemicals	11	(²)	6	8	815	(²)	1,752	930
Plastics and rubber products	9	6	24	21	798	552	3,789	1,439
Nonmetallic mineral products	10	19	14	13	1,190	1,882	1,190	1,080
Primary metals	27	21	27	27	2,787	1,766	3,195	3,920
Fabricated metal products	25	24	35	34	2,252	1,734	2,478	2,957
Machinery	35	35	35	39	3,902	3,761	4,368	6,179
Computer and electronic products	69	41	53	46	5,813	5,077	4,985	4,029
Electrical equipment and appliances	28	26	17	20	4,490	3,787	1,836	3,665
Transportation equipment	53	44	67	52	6,869	5,061	15,454	13,288
Furniture and related products	12	14	22	21	2,513	1,727	2,829	1,985
Miscellaneous manufacturing	10	8	6	15	900	830	641	1,289
Wholesale trade	35	21	31	31	2,937	1,811	2,425	2,431
Retail trade	131	102	121	118	16,192	10,480	11,656	12,190
Transportation and warehousing	52	37	132	80	5,680	4,382	14,386	7,755
Information	86	50	51	63	13,036	6,971	11,131	8,819
Finance and insurance	44	33	34	31	3,327	2,130	2,061	2,414
Real estate and rental and leasing	7	8	10	5	452	483	569	478
Professional and technical services	80	40	60	65	6,199	3,187	5,852	5,542
Management of companies and enterprises	4	(²)	(²)	5	395	(²)	(²)	369
Administrative and waste services	222	163	186	203	26,191	15,062	16,593	19,518
Educational services.....	3	(²)	6	8	190	(²)	463	536
Health care and social assistance	76	24	24	83	7,006	1,569	1,695	6,948
Arts, entertainment, and recreation	33	12	33	32	2,267	663	2,551	2,293
Accommodation and food services	88	71	95	98	10,807	7,111	8,014	10,068
Other services, except public administration.....	34	4	17	38	3,228	280	1,504	4,090
Unclassified	4	3	5	2	612	284	389	145
Government	91	44	47	112	9,295	3,609	3,851	10,158
Federal	21	6	4	14	2,739	570	318	1,736
State	14	9	13	17	1,510	614	1,470	1,454
Local	56	29	30	81	5,046	2,425	2,063	6,968

¹ For April and May 2003, data were reported by all states and the District of Columbia, except Wyoming.

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

^P = preliminary.

NOTE: Industry data reflect the North American Industry Classification System (NAICS), 2002. 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 2002	March 2003	April 2003 ^p	May 2003 ^p	May 2002	March 2003	April 2003 ^p	May 2003 ^p
United States ¹	1,726	1,206	1,576	1,699	180,007	112,914	161,095	173,784
Northeast	266	157	326	274	24,998	15,230	30,892	27,071
New England	41	29	59	32	3,765	2,987	6,214	2,888
Middle Atlantic	225	128	267	242	21,233	12,243	24,678	24,183
South	467	263	323	446	48,506	24,630	34,922	48,321
South Atlantic	211	109	151	214	18,633	9,362	14,851	21,217
East South Central	88	55	74	74	9,448	4,752	9,550	7,645
West South Central	168	99	98	158	20,425	10,516	10,521	19,459
Midwest	377	237	334	373	44,788	26,239	43,466	46,401
East North Central	266	174	271	271	31,152	18,946	36,974	34,240
West North Central	111	63	63	102	13,636	7,293	6,492	12,161
West ¹	616	549	593	606	61,715	46,815	51,815	51,991
Mountain ¹	48	47	68	58	4,604	4,251	6,109	5,684
Pacific	568	502	525	548	57,111	42,564	45,706	46,307

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			
	May 2002	March 2003	April 2003 ^P	May 2003 ^P	May 2002	March 2003	April 2003 ^P	May 2003 ^P
Total ¹	1,726	1,206	1,576	1,699	180,007	112,914	161,095	173,784
Alabama	38	11	24	21	4,352	1,108	4,048	1,996
Alaska	(²)	-	6	(²)	(²)	-	489	(²)
Arizona	11	13	22	19	1,256	1,148	2,193	1,846
Arkansas	8	5	3	4	629	381	326	266
California	517	438	455	502	50,063	36,360	39,040	41,857
Colorado	9	9	14	7	858	1,126	1,318	721
Connecticut	9	5	3	5	665	412	206	403
Delaware	-	-	3	(²)	-	-	180	(²)
District of Columbia	(²)	-	-	(²)	(²)	-	-	(²)
Florida	102	60	64	100	7,045	4,188	4,451	8,078
Georgia	30	15	31	38	3,083	1,224	4,299	3,807
Hawaii	6	(²)	8	6	462	(²)	621	554
Idaho	9	13	8	11	1,014	1,187	778	1,444
Illinois	67	35	64	70	10,079	3,161	7,210	9,525
Indiana	26	37	37	34	3,267	4,826	6,826	4,685
Iowa	19	14	13	27	2,203	1,572	1,249	4,582
Kansas	14	9	5	7	1,620	1,449	406	811
Kentucky	21	21	29	25	2,258	2,124	4,186	3,100
Louisiana	22	8	20	22	2,166	402	2,777	2,005
Maine	5	(²)	6	4	353	(²)	575	265
Maryland	6	(²)	9	8	534	(²)	859	969
Massachusetts	21	16	29	16	2,065	1,263	3,307	1,734
Michigan	44	10	32	36	4,408	848	4,704	6,599
Minnesota	23	13	21	22	2,768	1,041	2,848	2,119
Mississippi	9	8	9	10	821	509	547	717
Missouri	43	23	18	28	5,656	2,930	1,441	3,044
Montana	3	(²)	4	3	212	(²)	443	236
Nebraska	(²)	(²)	4	9	(²)	(²)	348	702
Nevada	8	7	13	14	714	475	961	1,099
New Hampshire	(²)	(²)	3	(²)	(²)	(²)	205	(²)
New Jersey	42	17	47	22	4,384	1,253	4,523	1,915
New Mexico	5	(²)	3	(²)	355	(²)	178	(²)
New York	80	40	91	110	6,785	3,571	9,151	11,375
North Carolina	21	12	21	27	1,637	1,273	1,990	2,790
North Dakota	5	(²)	(²)	5	653	(²)	(²)	349
Ohio	70	40	62	68	7,231	4,988	10,704	7,098
Oklahoma	7	10	6	23	760	1,606	1,070	4,653
Oregon	25	41	22	22	3,291	4,336	2,238	2,151
Pennsylvania	103	71	129	110	10,064	7,419	11,004	10,893
Rhode Island	(²)	(²)	9	(²)	(²)	(²)	1,137	(²)
South Carolina	24	6	8	11	2,492	986	1,228	1,436
South Dakota	5	(²)	(²)	4	562	(²)	(²)	554
Tennessee	20	15	12	18	2,017	1,011	769	1,832
Texas	131	76	69	109	16,870	8,127	6,348	12,535
Utah	3	(²)	4	(²)	195	(²)	238	(²)
Vermont	(²)	3	9	4	(²)	833	784	315
Virginia	23	14	13	26	3,355	1,392	1,719	2,967
Washington	18	21	34	17	3,154	1,745	3,318	1,684
West Virginia	4	(²)	(²)	(²)	347	(²)	(²)	(²)
Wisconsin	59	52	76	63	6,167	5,123	7,530	6,333
Wyoming	-	-	(¹)	(¹)	-	-	(¹)	(¹)
Puerto Rico	12	5	13	7	1,390	378	1,833	1,098

¹ See footnote 1, table 2.

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

^P = preliminary.

NOTE: Dash represents zero.