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

(202) 691-6392

USDL 04-1712

Media contact:

691-5902

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## MASS LAYOFFS IN JULY 2004

In July 2004, employers took 2,094 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 253,929. (See table 1.) Both the number of events and initial claims were higher than a year ago, with the number of mass layoff events and the number of associated initial claims higher than any July since 2001. However, July 2004 contained 5 weeks for possible mass layoffs, compared with 4 weeks in each July of the prior 4 years. From January through July 2004, the total number of events, at 10,208, and of initial claims, at 1,049,541, were lower than in January-July 2003 (11,947 and 1,183,024, respectively).

### Industry Distribution

The 10 industries reporting the highest number of mass-layoff initial claims accounted for 82,562 initial claims in July, 33 percent of the total. (See table A.)

The manufacturing sector had 42 percent of all mass layoff events and 57 percent of all initial claims filed in July. A year ago, manufacturing reported 45 percent of events and 60 percent of initial claims. Within manufacturing, the number of claimants was highest in transportation equipment (72,492, mainly automotive-related), followed by plastics and rubber products manufacturing (13,053) and primary metals (8,177). (See table 2.)

The administrative and waste services sector accounted for 12 percent of events and 9 percent of initial claims filed in July, with layoffs mainly in temporary help services. Temporary help services, with 13,227 initial claims, accounted for 5 percent of all initial claims in July. Five percent of all layoff events and 4 percent of initial claims filed during the month were in retail trade, primarily in general merchandise stores. Transportation and warehousing accounted for 5 percent of events and 4 percent of initial claims, mostly in school and employee bus transportation. Construction accounted for an additional 6 percent of events and 3 percent of initial claims during the month, primarily among specialty trade contractors.

Government establishments accounted for 7 percent of events and 5 percent of initial claims filed during the month, mostly in elementary and secondary schools.

Compared with July 2003, the largest increases in initial claims were reported in transportation equipment manufacturing (+12,383) administrative and support services (+4,657), motion picture and sound recording (+3,754), and professional and technical services (+3,592). The largest over-the-year decreases in initial

**Table A. Industries with the largest mass-layoff initial claims in July 2004<sup>p</sup>**

Industry	Initial claims	July peak	
		Year	Initial claims
Temporary help services .....	13,227	1998	24,601
All other motor vehicle parts mfg. ....	9,691	2004	9,691
Light truck and utility vehicle mfg. ....	9,467	1997	14,618
All other plastics product mfg. ....	8,864	2004	8,864
Automobile manufacturing .....	8,417	1996	22,644
Motor vehicle power train components mfg. ....	8,407	2003	8,905
Motor vehicle seating and interior trim mfg. ....	7,807	2004	7,807
Motor vehicle metal stamping .....	7,061	2004	7,061
Elementary and secondary schools .....	4,963	2003	7,069
Motion picture and video production .....	4,658	1998	12,310

p=preliminary.

claims were reported in electrical equipment and appliance manufacturing (-3,784) and machinery manufacturing (-3,243).

#### Geographic Distribution

Among the four regions, the highest number of initial claims in July due to mass layoffs was reported in the Midwest, 118,913. (See table 3.) Transportation equipment manufacturing accounted for 48 percent of all initial claims in that region during the month. The South region was next, with 55,404 initial claims, followed closely by the West, with 52,412, and the Northeast, with 27,200.

The number of initial claimants in mass layoffs rose over the year in three of the four regions. The largest increase was in the Midwest (+17,380), followed by the West (+6,592) and the South (+6,509). The Northeast had the only over-the-year decline (-2,987). Six of the nine geographic divisions had over-the-year increases in the number of initial claims associated with mass layoffs, with the largest increase in the East North Central division (+20,253). The largest over-the-year decreases occurred in the New England (-3,381) and West North Central (-2,873) divisions.

Among the states, California recorded the highest number of initial claims filed in mass layoff events in July (41,702), mostly in administrative and support services and motion picture and sound recording industries. Michigan reported 35,562 initial claims, followed by Ohio (26,605), and Indiana (20,435). These four states accounted for 47 percent of all layoff events and 49 percent of all initial claims for unemployment insurance. (See table 4.)

Michigan reported the largest over-the-year increase in the number of initial claims (+13,915), followed by Ohio (+9,519), Kentucky (+5,834), and South Carolina (+5,028). The largest over-the-year decrease occurred in Georgia (-5,497).

From January to July, California reported 252,330 mass layoff initial claims, 24 percent of the national total. The states with the next largest number of claims over this period were Michigan (71,077), New York (66,849), and Ohio (65,954).

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 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.

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The report on Mass Layoffs in August 2004 is scheduled to be released on Thursday, September 23, 2004.

# 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, July 2002 to July 2004**

Date	Total mass layoffs		Private nonfarm					
			Mass layoffs		Extended mass layoffs lasting more than 30 days		Realization rates <sup>1</sup>	
	Events	Initial claimants	Events	Initial claimants	Events	Initial claimants	Events	Initial claimants
2002								
July .....	2,042	245,294	1,819	226,892				
August .....	1,248	128,103	1,151	119,874				
September .....	1,062	124,522	957	114,736				
Third Quarter .....	4,352	497,919	3,927	461,502	1,186	254,955	30.2	55.2
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	<sup>r</sup> 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	<sup>r</sup> 348,966	41.4	<sup>r</sup> 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	<sup>r</sup> 227,878	31.9	<sup>r</sup> 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	<sup>r</sup> 326,261	39.4	<sup>r</sup> 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	<sup>r</sup> 1,339	<sup>r</sup> 236,521	<sup>r</sup> 34.3	<sup>r</sup> 61.4
April .....	1,458	157,314	1,316	142,657				
May .....	988	87,501	878	78,786				
June <sup>p</sup> .....	1,379	134,588	1,077	110,804				
Second Quarter <sup>p</sup> .....	3,825	379,403	3,271	332,247	<sup>2</sup> 1,233	<sup>2</sup> 178,381	37.7	53.7
July <sup>p</sup> .....	2,094	253,929	1,860	234,877				

<sup>1</sup> 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.

<sup>2</sup> These quarterly numbers are provisional and will be revised as more 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.

<sup>r</sup> = revised.

<sup>p</sup> = preliminary.

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

Industry	Mass layoff events				Initial claimants for unemployment insurance			
	July 2003	May 2004	June 2004 <sup>P</sup>	July 2004 <sup>P</sup>	July 2003	May 2004	June 2004 <sup>P</sup>	July 2004 <sup>P</sup>
Total <sup>1</sup> .....	2,087	988	1,379	2,094	226,435	87,501	134,588	253,929
Total, private .....	1,932	915	1,156	1,945	215,170	81,381	115,626	241,601
Agriculture, forestry, fishing and hunting .....	117	37	79	85	8,269	2,595	4,822	6,724
Total, private nonfarm .....	1,815	878	1,077	1,860	206,901	78,786	110,804	234,877
Mining .....	7	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	505	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Utilities .....	–	( <sup>2</sup> )	( <sup>2</sup> )	–	–	( <sup>2</sup> )	( <sup>2</sup> )	–
Construction .....	88	76	77	119	5,970	5,424	4,924	8,700
Manufacturing.....	946	219	222	885	136,410	22,141	27,307	145,895
Food .....	74	41	38	82	6,460	3,897	2,677	7,418
Beverage and tobacco products .....	8	( <sup>2</sup> )	( <sup>2</sup> )	6	614	( <sup>2</sup> )	( <sup>2</sup> )	447
Textile mills .....	27	12	9	26	2,828	1,099	1,957	2,309
Textile product mills .....	12	13	( <sup>2</sup> )	15	1,048	2,820	( <sup>2</sup> )	1,966
Apparel .....	36	18	7	46	3,093	1,382	641	5,521
Leather and allied products .....	( <sup>2</sup> )	( <sup>2</sup> )	4	6	( <sup>2</sup> )	( <sup>2</sup> )	459	841
Wood products .....	31	5	7	33	3,976	389	634	5,523
Paper .....	16	7	( <sup>2</sup> )	( <sup>2</sup> )	1,035	665	( <sup>2</sup> )	( <sup>2</sup> )
Printing and related support activities .....	12	13	13	10	723	985	1,324	1,195
Petroleum and coal products .....	( <sup>2</sup> )	–	–	( <sup>2</sup> )	( <sup>2</sup> )	–	–	( <sup>2</sup> )
Chemicals .....	15	( <sup>2</sup> )	11	17	1,332	( <sup>2</sup> )	803	2,032
Plastics and rubber products .....	90	8	4	98	11,122	508	360	13,053
Nonmetallic mineral products .....	30	( <sup>2</sup> )	4	16	3,954	( <sup>2</sup> )	304	2,242
Primary metals .....	66	( <sup>2</sup> )	9	50	8,676	( <sup>2</sup> )	1,078	8,177
Fabricated metal products .....	59	9	11	62	6,235	660	1,464	6,961
Machinery .....	65	14	16	39	8,669	1,359	1,362	5,426
Computer and electronic products .....	60	13	11	31	5,534	1,081	1,418	4,012
Electrical equipment and appliances .....	33	10	5	17	5,445	1,572	1,222	1,661
Transportation equipment .....	265	28	51	288	60,173	2,911	9,303	72,492
Furniture and related products .....	20	12	11	23	2,391	1,098	1,323	2,331
Miscellaneous manufacturing .....	19	5	4	14	1,648	376	265	1,798
Wholesale trade .....	36	11	23	30	2,776	819	2,142	2,853
Retail trade .....	108	91	76	104	9,065	7,851	7,410	10,541
Transportation and warehousing .....	84	40	120	112	7,489	3,822	14,557	9,522
Information .....	44	32	48	40	3,700	2,966	6,748	6,778
Finance and insurance .....	35	23	22	35	2,569	1,944	1,502	2,438
Real estate and rental and leasing .....	11	( <sup>2</sup> )	4	17	751	( <sup>2</sup> )	231	1,580
Professional and technical services .....	53	44	27	55	4,970	4,116	3,174	8,562
Management of companies and enterprises .....	4	4	4	( <sup>2</sup> )	438	232	935	( <sup>2</sup> )
Administrative and waste services .....	212	119	148	253	18,427	9,839	14,058	22,955
Educational services.....	25	4	11	16	1,714	309	692	1,219
Health care and social assistance .....	59	67	149	69	4,048	5,500	12,457	4,623
Arts, entertainment, and recreation .....	27	23	25	30	2,559	2,006	1,390	2,092
Accommodation and food services .....	50	82	85	68	3,764	8,145	10,549	5,100
Other services, except public administration.....	19	35	30	15	1,115	3,112	2,278	987
Unclassified .....	7	1	2	6	631	62	181	361
Government .....	155	73	223	149	11,265	6,120	18,962	12,328
Federal .....	10	8	9	19	899	1,033	1,040	2,122
State .....	24	17	18	24	1,527	1,389	1,058	2,247
Local .....	121	48	196	106	8,839	3,698	16,864	7,959

<sup>1</sup> Data were reported by all states and the District of Columbia.

<sup>P</sup> = preliminary.

<sup>2</sup> Data do not meet BLS or state agency disclosure standards.

NOTE: 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			
	July 2003	May 2004	June 2004 <sup>P</sup>	July 2004 <sup>P</sup>	July 2003	May 2004	June 2004 <sup>P</sup>	July 2004 <sup>P</sup>
United States <sup>1</sup> .....	2,087	988	1,379	2,094	226,435	87,501	134,588	253,929
Northeast .....	336	128	204	289	30,187	11,912	25,047	27,200
New England .....	69	21	39	35	6,148	2,007	4,263	2,767
Middle Atlantic .....	267	107	165	254	24,039	9,905	20,784	24,433
South .....	440	285	337	487	48,895	27,666	31,374	55,404
South Atlantic .....	200	138	183	225	22,033	12,730	16,796	23,319
East South Central .....	128	63	48	151	14,232	7,512	3,702	20,698
West South Central .....	112	84	106	111	12,630	7,424	10,876	11,387
Midwest .....	697	237	300	706	101,533	22,294	31,267	118,913
East North Central .....	589	172	234	604	79,361	17,057	24,316	99,614
West North Central .....	108	65	66	102	22,172	5,237	6,951	19,299
West .....	614	338	538	612	45,820	25,629	46,900	52,412
Mountain .....	53	39	53	53	4,179	3,580	3,979	5,010
Pacific .....	561	299	485	559	41,641	22,049	42,921	47,402

<sup>1</sup> See footnote 1, table 2.

<sup>P</sup> = 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			
	July 2003	May 2004	June 2004 <sup>P</sup>	July 2004 <sup>P</sup>	July 2003	May 2004	June 2004 <sup>P</sup>	July 2004 <sup>P</sup>
Total <sup>1</sup> .....	2,087	988	1,379	2,094	226,435	87,501	134,588	253,929
Alabama .....	45	11	8	48	5,466	2,586	579	6,033
Alaska .....	—	( <sup>2</sup> )	4	—	—	( <sup>2</sup> )	256	—
Arizona .....	20	14	17	19	1,634	1,438	1,307	1,812
Arkansas .....	8	7	6	6	621	525	440	763
California .....	517	272	438	504	37,033	20,148	39,179	41,702
Colorado .....	7	5	5	3	478	502	431	217
Connecticut .....	12	5	10	4	833	327	1,117	255
Delaware .....	3	—	4	( <sup>2</sup> )	1,430	—	801	( <sup>2</sup> )
District of Columbia .....	( <sup>2</sup> )	—	( <sup>2</sup> )	3	( <sup>2</sup> )	—	( <sup>2</sup> )	470
Florida .....	76	67	93	90	5,356	5,152	6,466	6,491
Georgia .....	53	25	26	27	7,835	2,674	2,873	2,338
Hawaii .....	( <sup>2</sup> )	( <sup>2</sup> )	3	3	( <sup>2</sup> )	( <sup>2</sup> )	205	214
Idaho .....	9	4	4	11	957	347	291	944
Illinois .....	85	48	52	71	11,117	5,640	5,869	8,625
Indiana .....	86	22	26	96	18,688	2,155	2,564	20,435
Iowa .....	24	6	13	22	4,674	515	1,417	3,552
Kansas .....	14	5	11	17	1,800	348	1,042	2,023
Kentucky .....	57	26	16	79	7,110	2,452	1,210	12,944
Louisiana .....	20	21	31	22	2,299	1,869	2,686	1,501
Maine .....	3	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	178	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Maryland .....	16	7	6	14	1,149	488	480	1,274
Massachusetts .....	43	11	16	19	3,947	1,333	1,573	1,435
Michigan .....	190	33	55	253	21,647	3,369	5,277	35,562
Minnesota .....	18	12	20	13	2,127	959	2,258	1,884
Mississippi .....	8	10	8	8	460	879	427	500
Missouri .....	40	27	21	43	12,137	2,227	2,138	10,635
Montana .....	3	( <sup>2</sup> )	3	3	172	( <sup>2</sup> )	171	402
Nebraska .....	9	8	( <sup>2</sup> )	6	1,231	556	( <sup>2</sup> )	1,119
Nevada .....	10	3	14	11	694	291	1,152	1,094
New Hampshire .....	8	—	4	6	944	—	391	530
New Jersey .....	59	25	50	46	5,354	2,768	9,167	4,096
New Mexico .....	( <sup>2</sup> )	9	5	( <sup>2</sup> )	( <sup>2</sup> )	715	268	( <sup>2</sup> )
New York .....	92	40	36	94	8,253	3,348	4,031	9,615
North Carolina .....	11	16	13	13	1,298	1,346	1,014	1,118
North Dakota .....	( <sup>2</sup> )	4	—	( <sup>2</sup> )	( <sup>2</sup> )	290	—	( <sup>2</sup> )
Ohio .....	133	38	61	122	17,086	3,305	6,755	26,605
Oklahoma .....	9	4	10	10	1,947	347	2,690	1,919
Oregon .....	24	9	21	32	2,891	562	1,772	3,921
Pennsylvania .....	116	42	79	114	10,432	3,789	7,586	10,722
Rhode Island .....	3	( <sup>2</sup> )	6	4	246	( <sup>2</sup> )	992	381
South Carolina .....	17	7	19	51	1,815	1,429	3,438	6,843
South Dakota .....	( <sup>2</sup> )	3	—	—	( <sup>2</sup> )	342	—	—
Tennessee .....	18	16	16	16	1,196	1,595	1,486	1,221
Texas .....	75	52	59	73	7,763	4,683	5,060	7,204
Utah .....	( <sup>2</sup> )	( <sup>2</sup> )	5	5	( <sup>2</sup> )	( <sup>2</sup> )	359	499
Vermont .....	—	( <sup>2</sup> )	( <sup>2</sup> )	—	—	( <sup>2</sup> )	( <sup>2</sup> )	—
Virginia .....	21	14	17	24	2,981	1,536	1,318	2,989
Washington .....	18	15	19	20	1,579	1,146	1,509	1,565
West Virginia .....	( <sup>2</sup> )	( <sup>2</sup> )	3	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	277	( <sup>2</sup> )
Wisconsin .....	95	31	40	62	10,823	2,588	3,851	8,387
Wyoming .....	—	—	—	—	—	—	—	—
Puerto Rico .....	13	4	10	14	1,116	640	896	1,234

<sup>1</sup> See footnote 1, table 2.

<sup>P</sup> = preliminary.

<sup>2</sup> Data do not meet BLS or state agency disclosure standards.

NOTE: Dash represents zero.