

Mass layoff data indicate outsourcing and offshoring work

Employer interviews revealed that most of the relocations were domestic, involving the movement of work within the same company, but work was moved out of the country in more than a quarter of the cases

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Mass layoff statistics provide important and detailed information on a subset of establishments experiencing major job cutbacks and of workers experiencing layoffs and dislocation. In cooperation with State agencies, the Bureau of Labor Statistics Mass Layoff Statistics (MLS) program identifies establishments that employ 50 or more workers and have at least 50 initial claims for unemployment insurance. State analysts conduct interviews with employers of those establishments to identify mass layoff events that last more than 30 days and to augment the administrative data with information on the nature of the layoff itself, including the reason for separation.

The MLS program provides aggregate data nationally and by State and selected areas. The statistics are among the most timely economic measures issued by BLS. Monthly data on mass layoff events and laid-off workers (without regard to duration of the layoff) by State and industry of the establishment are issued about 3 weeks after the end of the reference month. Data on extended mass layoffs (those lasting more than 30 days) are issued about 7 weeks after the end of the reference quarter. In addition to providing timely labor market information, the MLS data are used to identify the need for employment and training services to workers and to indicate available labor supply.

BLS has operated the MLS program since 1995. During this period, the program has been able to examine the effects of current economic events in a timely manner through the employer interview. For example, after the terrorist events of 9/11, the MLS program added “nonnatural disaster” as a reason

for separation, allowing analysts to identify and track job loss directly and indirectly associated with 9/11. Another example is the increased use of offshoring and outsourcing of work. The MLS program, particularly the employer interview component, was determined to be an appropriate vehicle for collecting information on this economic phenomenon. After an intensive development period, questions were added to the MLS employer interview in January 2004 that identify job loss associated with movement of work from within a company to another company, and from the United States to another country. Beginning in June 2004, the results of these questions have been published.

MLS program description

The MLS is a Federal-State cooperative program. BLS is responsible for certain tasks and the States are responsible for others. For instance, BLS provides specifications for the program, maintains quality assurance, reviews and accepts the data, and publishes monthly and quarterly BLS news releases. State analysts collect administrative data, interview employers, develop the data, and publish State publications.

The MLS program identifies, describes, and tracks the effects of major job cutbacks. To define the MLS population, the program uses administrative statistics on establishments covered by unemployment insurance laws and on unemployment insurance claimants who previously worked in these establishments. Data are retrieved from records created as part of the administration of the Unemployment Insurance program. These

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statistics are augmented by information obtained through the employer interview.

Administrative data. Administrative data are available in every State, and provide important socioeconomic information. For an establishment identified as having conducted a mass layoff event, administrative data include the State in which the establishment is located and its detailed industry code. For the workers who file for unemployment compensation, administrative data include their age, race, gender, location of residence, and status in the unemployment insurance system. The program yields information on the individual's entire spell of insured unemployment, up to the point at which regular unemployment insurance benefits are exhausted.

The MLS establishment data are the universe of establishments meeting program specifications, and the claimant data are all claims filed against these establishments. MLS specifications concerning the size of establishment, number of claims, and timing of filing refine the administrative data to represent an economic event. However, they also limit the scope of the program.

Size specification. Relatively large and concentrated layoffs are identified through the MLS size limitation on establishments and the requirement that at least 50 initial claims for unemployment insurance were filed against the establishment in a consecutive 5-week period.

Focusing on the subset of establishments employing 50 or more workers means that, according to 2004 data, 4.6 percent of all covered employers and 56.2 percent of covered employment are in program scope. The size criterion was determined more than two decades ago, when 5 percent of establishments and 61 percent of employment were reported in establishments of 50 or more workers. Since then, smaller establishments have accounted for a greater share of covered employment. Layoff activity in these establishments may be significant, but such actions are not in the scope of the MLS program.

Reference period for filing. The MLS program specifies that at least 50 initial claims must be filed in a 5-week period. The 5-week period is used to approximate a "mass" layoff. Once 50 claims are reached, the event is triggered and claims are allowed to aggregate against the establishment. However, if a large layoff occurs gradually, the requirement of 50 claims in a 5-week period may not be reached and the event not identified in the MLS program.

Minimum duration of layoff. The requirement that the layoff last more than 30 days to be included in the MLS program allows analysts to focus on more permanent job dislocation, and significantly reduces program coverage of job loss.

The following tabulation provides the number of mass layoff events and initial claims for unemployment insurance

from the private nonfarm sector, for 2001–04. Note that private nonfarm mass layoff events are those in which 50 or more initial claims for unemployment insurance benefits were filed against an establishment during a 5-week period, regardless of duration. Extended mass layoff events reflect the constraint that the layoff had to last more than 30 days.

	2001	2002	2003	2004
Mass layoff events:				
Total	19,449	18,212	16,821	14,207
Extended	7,375	6,337	6,181	5,010
Percent of total	37.9	34.8	36.7	35.3
Mass layoff initial claimants:				
Total	2,346,584	2,069,713	1,721,985	1,464,164
Extended	1,457,512	1,218,143	1,200,811	902,365
Percent of total	62.1	58.9	69.7	61.6

The tabulation shows that most layoff events involving 50 or more workers last for 30 days or less. On the one hand, by excluding such layoffs, more than 500,000 workers in 2003 were out of program scope. On the other hand, more than 1,200,000 initial claimants were identified in extended mass layoffs in 2003. In 2004, more than 900,000 initial claimants were identified in extended mass layoffs and about 560,000 were excluded because the layoff lasted 30 days or less.

Employer interviews. All employers in establishments meeting the MLS layoff event trigger of 50 initial claims in a consecutive 5-week period are interviewed. The employer is first asked whether the separations are of at least 31 days duration and, if so, information is obtained on the total number of affected workers, the economic reason for the layoff, the open/closed status of the worksite, and recall expectations. (See the appendix for more information on the structure of the MLS employer interview, including questions asked about the movement of work.)

The employer interview is conducted via telephone and largely in an unstructured manner, by trained State employment security agency analysts. Employer participation in the MLS interview is voluntary, with a 95-percent response rate in 2004. The employer is not provided with a copy of the questionnaire or response options in advance of the interview. From responses provided by the employer, the analyst codes the information into standard categories. The MLS contained 25 reasons for separation in 2003; among them were separation for "domestic relocation" and "overseas relocation."

Movement of work

BLS decided to use the MLS as the vehicle for collecting additional information on outsourcing and offshoring because

the employer interview component collects specific information on the nature of the layoff event, including reason for separation. In doing so, the following definitions were used.

- Outsourcing is the movement of work that was formerly conducted in-house by employees paid directly by a company to a different company. The different company can be located inside or outside of the United States. The work can occur at a different geographic location or remain onsite.
- Offshoring is the movement of work from within the United States to locations outside of the United States. “Offshoring” can occur within the same company and involve movement of work to a different location of that company outside of the United States, or to a different company altogether (offshoring/outsourcing).

Recognizing that the terms “offshoring” and “outsourcing” may be open to interpretation, BLS chose to approach the data collection by defining these economic actions in terms of “movement of work.” A BLS group, which included members from the BLS Behavioral Sciences Research Laboratory, crafted the following two basic questions on movement of work associated with the layoff event. One pertains to movement within the company and the other pertains to movement of work to another company under contractual arrangements:

1. “Did this layoff include your company moving work from this location(s) to a different geographic location(s) within your company?”
2. “Did this layoff include your company moving work that was performed in-house by your employees to a different company, through contractual arrangements?”

If an employer responded “yes” to either of those basic questions, then the respondent was asked to indicate the specific geographic area to which work was moved and the number of separated workers associated with that action. Those questions were to be asked when the employer-provided reason for layoff was other than seasonal or vacation, because such reasons would not have a movement of work component. (See the appendix for the employer interview.)

Analysts then related the responses to the two questions to the terms “offshoring” and “outsourcing.” Offshoring is measured by an affirmative response to either question 1 or question 2, when the work moved out of the United States, and outsourcing is measured by an affirmative response to question 2, when the work moved domestically, out of the United States, or remained on-site.

As part of the development and implementation of the movement-of-work questions, BLS conducted a review of the

reasons for separation used by the program. In this evaluation, Bureau analysts recognized that, although “domestic relocation” and “overseas relocation” were accepted as reasons for separation, these fell short of the requirement that the reason for separation be an economic one. “Domestic relocation” and “overseas relocation” actually provide information on the effect of the economic reason on the establishment, rather than the reason itself. Economic reasons for these actions can include reorganizing staff to be more efficient, saving costs, or moving closer to customers. Additionally, before the offshoring and outsourcing terms were used, respondents volunteered those reasons, but such responses could not be viewed as representative of the experiences of all MLS-identified layoff events with movement of work. Therefore, effective with the implementation of the movement-of-work questions in 2004, “domestic relocation” and “overseas relocation” were no longer to be used as economic reasons for separation. Analysts were directed to probe employers who cite these actions and obtain the underlying economic reasons for moving work.

Through the expanded employer interview, direct job loss from offshoring, as well as outsourcing, both domestically and outside of the United States, can be measured when these job losses fall within the scope of the MLS program.

It is important to recognize, however, those components of offshoring that are beyond the scope of the MLS program. The MLS program does not collect statistics from small establishments—those employing fewer than 50 workers. In establishments employing 50 or more, MLS does not collect statistics on small layoffs—those of less than 50 workers in a 5-week period. Also, MLS does not collect information when there is no direct job loss—where employers initiate or transfer work elsewhere without laying off workers.

Findings

Overview. MLS data have been collected since the second quarter of 1995. Statistics from the program identified an annual total of nearly 17,000 layoff events of 50 or more workers, affecting more than 1.8 million initial claimants who were identified each year. Private nonfarm layoff events totaled nearly 15,000 per year, with more than 1.6 million initial claimants. Considering those events that lasted more than 30 days, the MLS identified an annual total of 5,400 extended mass layoff events and more than 1 million workers from private nonfarm industries. Mass layoff and plant closing activity peaked in 2001, when the MLS identified 7,375 extended mass layoff events affecting more 1.5 million workers.

In 2004, the program identified 5,010 layoff events from private nonfarm industries, affecting 993,511 workers. Manufacturing establishments accounted for more than one-fourth of MLS activity during the year. Fifteen percent of extended layoff events in 2004 were permanent closures, accounting for

159,856 workers, and were due to mainly internal company restructuring. Permanent closures were most numerous in manufacturing, primarily in food, transportation equipment, computer and electronic products, and furniture. Reorganization within the company was most often cited as the reason for closures in manufacturing.

Employers expected to recall workers in 51 percent of the mass layoff actions in 2004, which is higher than the 43-percent recall rate in 2003, and about the same as the 50-percent recall rate since the data collection began.

Seasonal work continued to be most often cited as the reason for layoff. Internal company restructuring (bankruptcy, business ownership change, financial difficulty, and reorganization) accounted for 20 percent of layoff events and resulted in the separation of nearly 200,000 workers in 2004.

Movement of work in 2004. The questions on movement of work were implemented in the employer interview beginning with layoff events identified in January 2004. Thus far, quarterly reports on the job loss associated with movement of work have been issued from first quarter 2004 through second quarter 2005.

As the following tabulation shows, in 2004, employers took 5,010 mass layoff actions that resulted in the separation of 993,511 workers from their jobs for at least 31 days. Extended mass layoffs that involve the movement of work within the same company or to a different company, domestically or out of the United States, occurred in 366 of all private nonfarm events excluding those for seasonal or vacation reasons. The events involving movement of work were associated with the separation of 73,217 workers—about 11 percent of all separations resulting from nonseasonal and nonvacation mass layoff events.

<i>Action</i>	<i>Layoff events</i>	<i>Separations</i>
Total, private nonfarm sector	5,010	993,511
Total, excluding seasonal and vacation events	3,222	641,519
Total with movement work	366	73,217
Movement of work actions	480	...
With separations reported	382	55,122
With separations unknown	98	...

As part of the 366 layoff events, 480 movement-of-work actions were taken by employers. (The number of movement-of-work actions exceeds the number of layoff events because individual mass layoff events may involve more than one movement of work action. For example, an employer may shut down a worksite and move the work previously performed there to two or more other sites.) Employers were able to provide information on the specific separations associated with the movement of work component of the layoff in 382 actions, 80 percent of the total for 2004.

More than 55,000 separations were associated with these 382 layoff actions. (In the remaining 98 movement-of-work actions, the employer could not provide the number of separations associated with these actions.) Thus, a range of 55,122 (separations in movement of work actions for which the employer was able to provide specific detail) to 73,217 (total separations in all layoff events that included movement of work) is established for separations due to movement of work in 2004.

Of the broadest measure of layoffs events—the 366 layoff events that involve some movement of work—63 percent were permanent closures of worksites that affected 50,348 workers. This compares with a 15-percent closure rate for all 5,010 layoff events in 2004.

Internal company restructuring (bankruptcy, business ownership change, financial difficulty, and reorganization) accounted for 68 percent of layoff events involving relocation of work, and resulted in 50,022 separations. (See table 1.) Most of these were due to reorganization within the company. In contrast, about 20 percent of all layoff events in 2004 were attributed to internal company restructuring.

Of the layoffs involving movement of work, about two-thirds of the events and separations were from manufacturing industries in 2004. (See table 2.) Among all private nonfarm extended layoffs, manufacturing accounted for 29 percent of events and 26 percent of separations.

The information technology-producing industries (communication equipment, communication services, computer hardware, and software and computer services) accounted for 235 layoff events affecting 40,409 workers in 2004. (See table 3.) Movement of work was reported in 42 events in these industries, affecting 10,347 workers. Although these industries accounted for a relatively greater proportion of movement-of-work events and separations than for the total, layoff activity in these industries is markedly lower than in the recent past. Closings and layoffs within the computer hardware industry peaked in 2001 (503 layoff events and 102,587 separations). Annual highs in 2001 were also recorded for software and computer services (242 events and 36,016 separations) and for communications equipment (140 events and 34,874 workers). Layoff activity for communications services reached a high in 2002 (176 events and 32,134 separations).

Of the 382 movement-of-work actions reported in 2004 for which complete information is available, more than 7 in 10 of the relocations were domestic—270 out of 382—and more than 8 in 10 of those involved moving work within the company. (See table 4.) More than 1 out of 4 of the relocations were out of the United States, and again, most (74 percent) involved the movement of work within the company. When work was moved out of the United States, Mexico and China were cited 52 percent of the time. When work was moved to another company under contractual arrangements, in nearly 4 out of 10 instances, the work was moved outside of the United States.

Table 1. Extended mass layoff events and separations associated with the movement of work by reason for layoff, 2004

Reason for layoff	Layoff events		Separations	
	Total	Movement of work	Total	Movement of work
Total, private nonfarm	5,010	366	993,511	73,217
Automation	(¹)	(¹)	(¹)	(¹)
Bankruptcy	90	—	20,119	—
Business ownership change	128	24	30,376	3,805
Contract cancellation	111	9	18,398	1,362
Contract completed	772	5	170,192	621
Energy-related	—	—	—	—
Environment-related	(¹)	—	(¹)	—
Financial difficulty	219	25	43,220	6,517
Import competition	51	17	8,064	3,149
Labor dispute	31	—	29,935	—
Material shortage	5	—	384	—
Model changeover	9	(¹)	2,417	(¹)
Natural disaster	(¹)	—	(¹)	—
Non-natural disaster	(¹)	—	(¹)	—
Plant or machine repair	19	—	2,811	—
Product line discontinued	35	10	7,143	1,766
Reorganization within company	552	200	105,482	39,700
Seasonal work	1,678	(²)	334,380	(²)
Slack work	579	17	76,643	3,476
Vacation period	110	(²)	17,612	(²)
Weather-related	62	—	7,626	—
Other	173	56	37,513	11,642
Not reported	375	—	78,816	—

¹ Data do not meet BLS or State agency disclosure standards.

² The questions on movement of work were not asked of employers

when the reason for layoff was either seasonal work or vacation period.

NOTE: Dash represents zero.

The separation of 16,197 workers were associated with out-of-country relocations, 29 percent of all separations related to movement of work and about 2.5 percent of all extended layoff separations excluding seasonal and vacation. Domestic relocation of work—both within the company and to other companies—affected 36,246 workers.

Data comparisons

Did some industries experience more layoff events or lay off more workers than others? Are the characteristics of the workers laid off from their jobs in establishments that made decisions to move work any different from those whose employers did not? Are there geographical differences in layoff events, amount of separations, and movement of work? The MLS has some data available to answer these questions.

For the following analysis, the baseline data are from those employers in extended mass layoff events. Those employers were asked about the movement-of-work activities. The total of 3,222 such events in 2004 was split between 366 events (11 percent) in which the employer engaged in at least some movement of work and 2,856 events (89 percent) in which the employer did not. The total number of workers laid off as a

result of these events, 641,519, was similarly divided—73,217 or 11 percent in movement-of-work situations and 568,302 (89 percent) without them.

Industry. About two-thirds of the layoff events and worker separations associated with the movement of work occurred in manufacturing, particular in transportation equipment, computer and electronic products, food, and electrical equipment and appliances. Layoff activity among those employers who did not engage in any movement of work was also concentrated in manufacturing, but at substantially lower proportions—about one-third of the events and one-fourth of the separations. Transportation equipment and food manufacturing were the most numerous among total manufacturing separations.

Layoffs in retail trade and in information ranked second and third, respectively, among movement-of-work-related layoffs. In contrast, establishments in administrative and waste services (largely in temporary help) and retail trade reported the next largest layoff activity (after manufacturing) among employers who had layoffs in which there was no movement of work.

Reason for layoff. Reorganization within the company was by far the most frequently reported reason for layoff among

Table 2. Extended mass layoff events and separations associated with the movement of work by industry distribution, 2004

Industry	Layoff events		Separations	
	Total	Movement of work	Total	Movement of work
Total, private nonfarm	5,010	366	993,511	73,217
Mining	40	—	6,123	—
Utilities	13	(¹)	2,964	(¹)
Manufacturing	1,467	246	254,427	48,183
Food	310	19	64,050	4,233
Beverage and tobacco products	21	3	4,505	314
Textile mills	40	9	6,140	1,522
Textile product mills	26	7	4,546	1,129
Apparel	69	16	11,583	4,102
Leather and allied products	11	3	1,873	444
Wood products	38	3	4,587	224
Paper	43	14	5,750	1,889
Printing and related support activities	41	8	5,764	1,473
Petroleum and coal products	21	—	2,781	—
Chemicals	48	9	6,566	1,248
Plastics and rubber products	78	19	10,336	3,501
Nonmetallic mineral products	70	3	11,269	467
Primary metal	49	5	8,217	623
Fabricated metal products	94	12	13,549	2,097
Machinery	63	13	9,195	2,035
Computer and electronic products	95	27	14,979	6,481
Electrical equipment and appliance	49	16	11,395	4,224
Transportation equipment	189	27	40,634	6,223
Furniture and related products	73	21	10,761	3,473
Miscellaneous manufacturing	39	12	5,947	2,481
Wholesale trade	94	15	15,908	2,096
Retail trade	344	24	143,660	5,298
Transportation and warehousing	278	10	59,098	2,090
Information	170	17	36,593	4,605
Finance and insurance	158	20	34,026	3,180
Real estate and rental and leasing	13	(¹)	3,889	(¹)
Professional and technical services	151	7	33,199	1,244
Management of companies and enterprises	21	(¹)	3,688	(¹)
Administrative and waste services	545	14	113,288	2,832
Educational services	16	—	1,429	—
Health care and social assistance	284	3	44,212	621
Arts, entertainment, and recreation	138	—	37,687	—
Accommodation and food services	314	(¹)	68,711	(¹)
Other services, except public administration	88	3	14,906	311
Unknown	6	—	748	—

¹ Data do not meet BLS or State agency disclosure standards.

NOTE: Dash represents zero.

employers having movement of work—about 54 percent of both events and separations. In contrast, about 12 percent of the events and separations among employers who did not move work were attributed to reorganization. Rather, those employers were more likely to cite contract completion (27 percent of events and 30 percent of separations) or slack work (20 percent of events and 13 percent of separations).

Worker characteristics. With respect to gender and age, the characteristics of the workers in the two groups were not very different. In both groups, men made up more than half of the laid-off workers, but the share was even larger for cases in which no movement of work took place (58 percent, versus 53 percent).

Those workers also tended to be somewhat younger (57 percent under age 45, compared with 52 percent).

Geography. Across the four census regions, almost two-thirds of the mass layoff events and separations among “movement-of-work employers” took place in the Midwest and the South, more than one-fifth in the West, and about one-seventh in the Northeast. In contrast, slightly more than half of the movement-of-work events and separations were in the Midwest and South and a little less than half were in the Northeast and West.

Forty-four percent of movement-of-work-related layoff activity occurred in California, Illinois, North Carolina, and New Jersey in 2004. In mass layoffs in which there was no

Table 3. Extended mass layoff events and separations in information technology-producing industries, private nonfarm sector, 1996-2004

Year	Total extended mass layoffs		Information technology-producing industries ¹							
			Computer hardware ²		Software and computer services ³		Communications equipment ⁴		Communications services ⁵	
	Layoff events	Separations	Layoff events	Separations	Layoff events	Separations	Layoff events	Separations	Layoff events	Separations
Total										
1996	4,760	948,122	100	17,884	20	10,724	32	5,323	33	6,612
1997	4,671	947,843	64	11,934	25	3,206	23	2,515	18	3,237
1998	4,859	991,245	166	36,069	23	4,056	33	6,971	25	4,150
1999	4,556	901,451	103	22,557	29	5,194	27	4,344	18	3,930
2000	4,591	915,962	66	18,805	70	16,774	25	4,618	24	4,048
2001	7,375	1,524,832	503	102,587	242	36,016	140	34,874	136	30,084
2002	6,337	1,272,331	303	59,653	162	22,382	112	23,236	176	32,134
2003	6,181	1,216,886	196	32,689	100	16,230	62	10,408	113	21,721
2004 ⁶	5,010	993,511	76	11,524	62	9,732	16	1,887	81	17,266
Movement of work										
2004 ⁶	366	73,217	18	4,618	9	2,626	5	608	10	2,495

¹ Information technology-producing industries are defined in *Digital Economy 2003*, Economics and Statistics Administration, U.S. Department of Commerce.

² The industries included in this grouping, based on the 2002 North American Industry Classification System (NAICS), are: semiconductor machinery manufacturing; office machinery manufacturing; electronic computer manufacturing; computer storage device manufacturing; computer terminal manufacturing; other computer peripheral equipment manufacturing; electron tube manufacturing; bare printed circuit board manufacturing; semiconductors and related device manufacturing; electronic capacitor manufacturing; electronic resistor manufacturing; electronic coils, transformers, and inductors; electronic connector manufacturing; printed circuit assembly manufacturing; other electronic component manufacturing; industrial process variable instruments; electricity and signal testing instruments; analytical laboratory instrument manufacturing; computer and software merchant wholesalers; and computer and software stores.

³ The industries included in this grouping, based on the 2002 North American Industry Classification System (NAICS), are: software publishers;

Internet service providers; Web search portals; data processing and related services; computer and software merchant wholesalers; computer and software stores; custom computer programming services; computer systems design services; computer facilities management services; other computer related services; office equipment rental and leasing; and computer and office machine repair.

⁴ The industries included in this grouping, based on the 2002 North American Industry Classification System (NAICS), are: telephone apparatus manufacturing; audio and video equipment manufacturing; broadcast and wireless communication equipment; fiber optic cable manufacturing; software reproducing; and magnetic and magnetic and optical recording media manufacturing.

⁵ The industries included in this grouping, based on the 2002 North American Industry Classification System (NAICS), are: wired telecommunications carriers; cellular and other wireless carriers; telecommunications resellers; cable and other program distribution; satellite telecommunications; other telecommunications; and communication equipment repair.

⁶ Preliminary data.

movement of work, 45 percent of the events and 50 percent of the worker separations were in businesses that were located in California, Florida, Pennsylvania, and New York.

Data collection continues

MLS data collection, including the specific movement of work questions for employers, continues. As we, at BLS, receive additional quarters of information on extended mass layoffs with domestic and out-of-country relocations, we will be able to learn more about this activity and provide more information to the public.

During the first year of movement-of-work data collection, employers could not provide specific information on job loss associated with the movement of work in 98 instances—about 20 percent of all actions. BLS is continuing to explore ways to obtain the actual numbers for this question.

First, BLS conducted a cognitive reinterview of a sample of MLS establishments, not only with the events identified with movement of work, but also from the general MLS population as well. The purpose of the reinterviews was to gauge whether or not the respondents understood the movement-of-work questions as they were intended. The results have indicated that respondents do understand the questions and this allows us to be confident about the data that are being collected on layoff events.

Second, these reinterviews have led us to conclude that the typical respondent who may be the best source to provide information on other aspects of the layoff, may not be the best person to answer the questions relating to the movement of work. Rather, a management official higher in an organization's chain-of-command would be more likely to know the details of the business decisions to outsource or offshore jobs (or both). Thus, we have instructed our State partners to ask the

Table 4. Relocations of work actions by employers, 2004

Action	Layoff actions	Separations
Total, private nonfarm sector, excluding seasonal and vacation events, with movement of work	382	55,122
By location:		
Out of country	103	16,197
Within company	76	12,905
Different company	27	3,292
Domestic relocations	270	36,246
Within company	228	30,769
Different company	42	5,477
Unable to assign	9	2,679
By company:		
Within company	312	45,700
Domestic	228	30,769
Out of country	76	12,905
Unable to assign	8	2,026
Different company	70	9,422
Domestic	42	5,477
Out of country	27	3,292
Unable to assign	1	653

movement-of-work questions of someone else in the establishments that are having extended mass layoffs.

And third, BLS will undertake an in-depth review of the reasons for separation used in the MLS program. Are they

appropriate as descriptors of economic activity today? Are we anticipating the reasons why employers take certain actions? The major thrust will be to ensure that we are focusing on economic reasons for layoffs.

Appendix: MLS employer interview including offshoring and outsourcing questions

The analyst has the following information on a potential layoff event:

- Establishment name
- Establishment address
- Industry of the company
- Number of initial claims filed against the company, weeks in which the claims were filed, and week in which the event triggered
- Prior layoff history of the establishment

Using the telephone number and contact person, the analyst calls and asks the following:

- Did a layoff in fact occur?
- Did the layoff last more than 30 days?
- How many people were involved in the layoff?
- When did the layoff begin?
- What was the (economic) reason for the layoff?
 - For all reasons other than seasonal and vacation:
 - 1.a. Did this layoff include your company moving work from this location(s) to a different geographic location(s) within your company?
 - Yes, go to 1b.
 - No, skip to question 2a.
 - 1.b. Is the other location inside or outside of the U.S.?

- Inside U.S.: Which State(s)?
- Outside U.S.: Which Country(s)?
- c. How many of the layoffs were a result of this reduction?
 - Number inside U.S.?
 - Number outside U.S.?
- 2.a. Did this layoff include your company moving work that was conducted in-house by your employees to a different company, through contractual arrangements?
 - Yes, go to 2b.
 - No, proceed with employer interview.
 - Don't know or refusal, proceed with employer interview.
- b. Is that company located inside or outside of the U.S.?
 - Inside U.S.: Which State(s)?
 - Outside U.S.: Which Country(s)?
- c. How many of the layoffs were a result of moving the work to the different company?
 - Number inside U.S.?
 - Number outside U.S.?
- Is a recall expected?
- Will the recall be total or partial (percentage)?
- What is the timeframe for possible recall?
- Open/closed status of the worksite?