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MASS LAYOFFS IN JUNE 2003

Employers initiated 1,691 mass layoff actions in June 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 157,595. (See table 1.) Elementary and secondary schools, with 17,369 claims, accounted for over 11 percent of all initial claims in June. (See table A.) Compared with June 2002, the number of layoff events increased, while the number of workers involved declined. June 2003 marks the 13th consecutive month in which mass-layoff initial claims declined over the year. Through the first half of 2003, the total number of events, at 9,850, was higher than for the same period a year ago; in contrast, the number of initial claims, at 955,780, was lower. (See table B.)

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"). That 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.

Industry Distribution

The manufacturing sector accounted for 23 percent of all mass layoff events and 26 percent of all initial claims filed in June, little changed from a year ago (21 and 26 percent, respectively). Within manufacturing, the number of claimants was highest in transportation equipment (6,367, mainly automotive-related), followed by food production (5,829, mostly in fruit and vegetable processing). (See table 2.)

The administrative and waste services sector accounted for 10 percent of events and initial claims filed in June, with layoffs mostly in temporary help services. Layoffs in temporary help services this June, at 8,936, were exceeded only in June 2000 (13,815). (The series began in 1995.) Transportation and warehousing accounted for 8 percent of events and 10 percent of initial claims during the month, almost entirely in school and employee bus transportation. Seven percent of the events and initial claims were from the healthcare and social assistance sector, largely child daycare services. Five percent of all layoff events and 6 percent of initial claims filed during this June were in accommodations and food services, primarily among food service contractors. An additional 6 percent of events and initial claims were from the retail trade sector, mostly from general merchandise stores.

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

Industry	Initial claims	June peak	
		Year	Initial claims
Elementary and secondary schools	17,369	2003	17,369
School and employee bus transportation.....	12,716	2002	15,668
Temporary help services	8,936	2000	13,815
Food service contractors	6,208	1999	6,410
Child day care services	6,129	1995	8,779
Motion picture and video production.....	3,057	2000	9,435
Tire manufacturing, except retreading	2,260	2001	3,555
Executive and legislative offices	2,224	2003	2,224
Professional employer organizations	2,165	2001	3,358
Other social advocacy organizations	2,057	2000	3,815

p=preliminary.

Government establishments accounted for 17 percent of events and 16 percent of initial claims filed during the month, particularly in educational services, as the school year ended. The 25,376 initial claims in this sector were the most for any June since the series began in 1995.

Compared with June 2002, the largest decreases in initial claims were reported in professional and technical services (-5,545), transit and ground passenger transportation (-3,647), and electrical equipment and appliance manufacturing (-3,193). The largest over-the-year increase in initial claims was reported in educational services (+5,370).

Geographic Distribution

Among the four regions, the highest number of initial claims in June due to mass layoffs was reported in the West, 53,725. (See table 3.) Educational services and administrative and support services accounted for 36 percent of all initial claims in that region during the month. The South followed, with 41,019 initial claims, then the Midwest, with 33,819, and the Northeast, with 29,032.

The number of initial claimants in mass layoffs declined over the year in three of the four regions, with the largest decrease in the West (-3,998). The South had the only over-the-year increase (+3,460). Five of the nine geographic divisions had over-the-year decreases in the number of initial claims associated with mass layoffs, with the largest declines in the East North Central (-3,341) and Pacific (-2,795). The East South Central (+1,560) and South Atlantic (+1,256) divisions had the largest increases.

California recorded the largest number of initial claims filed in mass layoff events this June, 42,918, mostly in educational services and in administrative and support services. Pennsylvania reported 9,665 initial claims, followed by New Jersey (9,441), Florida (8,488), Texas (8,462), and Ohio (8,361). These six states accounted for 58 percent of all layoff events and 55 percent of initial claims for unemployment insurance. (See table 4.)

Wisconsin reported the largest over-the-year decrease in the number of initial claims (-2,435). The largest over-the-year increase occurred in Ohio (+3,114).

Table B. Number of mass layoff events and initial claimants for unemployment insurance, January-June 1996-2003

Year	Layoff events	Initial claimants for unemployment insurance
1996	6,600	653,184
1997	7,336	735,181
1998	7,733	838,886
1999	7,810	779,259
2000	7,470	819,545
2001	9,541	1,134,173
2002	9,802	1,071,937
2003 ^p	9,850	955,780

p=preliminary.

Review of January through June 2003

During the first half of 2003, the nation experienced 9,850 mass layoff events, resulting in 955,780 initial claims filings for unemployment insurance. The number of events was the highest for any January-June period since such data became available in 1996. The number of initial claimants during January-June 2003 was lower than it had been in 2001 and 2002. (See table B.)

Manufacturing accounted for 31 percent of all mass layoff events and 36 percent of initial claims filed thus far this year, about the same as a year earlier. Initial claim filings within manufacturing were most numerous in transportation equipment (62,831), followed by food production (43,142), computer and electronic products (28,622), and machinery (27,539).

The number of mass-layoff initial claims filed in January-June 2003 was higher in the West (317,281) than in any other region. Layoffs in administrative and support services and in motion picture and sound recording accounted for 25 percent of the claims in the West. The fewest number of mass-layoff initial claims was reported in the Northeast region (169,912). Over the year, the largest decreases in mass-layoff initial claims occurred in the West (-47,372), followed closely by the Midwest (-41,648). The Northeast reported the only over-the-year increase (+5,567).

Among the 50 states and the District of Columbia, California had the largest number of initial claims filed in mass layoff events for the first half of the year (279,240) and accounted for 26 percent of the national total. California reported the largest over-the-year decrease in initial claims (-31,383), followed by Illinois (-18,500). New York had the largest over-the-year increase (+18,192).

The report on Extended Mass Layoffs in the Second Quarter of 2003 will be issued on Wednesday, August 20, 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 June 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	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	1,747	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	352,807	39.6	69.5
July	2,041	245,211				
August	1,247	128,080				
September	1,062	124,512				
Third Quarter	4,350	497,803	1,382	278,483	31.8	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	1,576	161,095				
May ^{3, P}	1,699	173,784				
June ^P	1,691	157,595				
Second Quarter ^{3, P}	4,966	492,474				

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

^P = preliminary.

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

Industry	Mass layoff events				Initial claimants for unemployment insurance			
	June 2002	April 2003	May 2003 ^P	June 2003 ^P	June 2002	April 2003	May 2003 ^P	June 2003 ^P
Total ¹	1,580	1,576	1,699	1,691	161,928	161,095	173,784	157,595
Total, private	1,356	1,529	1,587	1,397	142,567	157,244	163,626	132,219
Agriculture, forestry, fishing and hunting	92	64	53	61	6,256	4,624	3,299	4,442
Mining	8	(²)	9	4	1,210	(²)	1,749	602
Utilities	3	5	7	3	303	326	529	315
Construction	84	150	159	95	5,809	10,042	13,279	6,238
Manufacturing.....	336	500	497	389	42,117	62,429	61,174	40,845
Food	49	85	69	59	5,851	8,468	7,592	5,829
Beverage and tobacco products	6	7	5	(²)	452	450	548	(²)
Textile mills	10	17	21	18	1,118	2,725	2,204	1,970
Textile product mills	5	9	10	10	663	697	948	1,581
Apparel	15	19	31	19	1,363	2,385	3,705	1,584
Leather and allied products	(²)	5	7	6	(²)	398	544	692
Wood products	18	30	24	9	2,359	2,858	2,361	711
Paper	8	14	15	9	1,078	1,083	1,072	1,202
Printing and related support activities	13	8	16	14	1,057	848	1,249	1,053
Petroleum and coal products	(²)	—	3	(²)	(²)	—	190	(²)
Chemicals	6	6	8	9	606	1,752	930	878
Plastics and rubber products	10	24	21	19	898	3,789	1,439	3,233
Nonmetallic mineral products	8	14	13	10	754	1,190	1,080	828
Primary metals	18	27	27	29	2,681	3,195	3,920	2,226
Fabricated metal products	20	35	34	23	2,103	2,478	2,957	1,728
Machinery	27	35	39	30	4,543	4,368	6,179	3,062
Computer and electronic products	36	53	46	35	2,959	4,985	4,029	3,464
Electrical equipment and appliances	25	17	20	13	5,281	1,836	3,665	2,088
Transportation equipment	34	67	52	51	5,594	15,454	13,288	6,367
Furniture and related products	17	22	21	15	2,005	2,829	1,985	1,363
Miscellaneous manufacturing	7	6	15	6	527	641	1,289	572
Wholesale trade	23	31	31	25	2,165	2,425	2,431	1,597
Retail trade	83	121	118	100	7,257	11,656	12,190	9,640
Transportation and warehousing	141	132	80	135	18,068	14,386	7,755	15,035
Information	42	51	63	54	4,210	11,131	8,819	5,954
Finance and insurance	35	34	31	23	2,431	2,061	2,414	1,730
Real estate and rental and leasing	7	10	5	7	602	569	478	485
Professional and technical services	36	60	65	36	8,902	5,852	5,542	3,357
Management of companies and enterprises	3	(²)	5	4	621	(²)	369	725
Administrative and waste services	165	186	203	175	14,236	16,593	19,518	15,596
Educational services.....	18	6	8	12	1,128	463	536	961
Health care and social assistance	117	24	83	123	10,987	1,695	6,948	10,245
Arts, entertainment, and recreation	29	33	32	25	1,983	2,551	2,293	1,383
Accommodation and food services	80	95	98	83	9,966	8,014	10,068	9,979
Other services, except public administration.....	49	17	38	41	3,976	1,504	4,090	2,937
Unclassified	5	5	2	2	340	389	145	153
Government	224	47	112	294	19,361	3,851	10,158	25,376
Federal	13	4	14	9	1,791	318	1,736	841
State	16	13	17	22	1,665	1,470	1,454	1,699
Local	195	30	81	263	15,905	2,063	6,968	22,836

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			
	June 2002	April 2003	May 2003 ^p	June 2003 ^p	June 2002	April 2003	May 2003 ^p	June 2003 ^p
United States ¹	1,580	1,576	1,699	1,691	161,928	161,095	173,784	157,595
Northeast	258	326	274	275	30,153	30,892	27,071	29,032
New England	57	59	32	55	6,746	6,214	2,888	5,732
Middle Atlantic	201	267	242	220	23,407	24,678	24,183	23,300
South	380	323	446	461	37,559	34,922	48,321	41,019
South Atlantic	197	151	214	243	17,657	14,851	21,217	18,913
East South Central	67	74	74	78	7,935	9,550	7,645	9,495
West South Central	116	98	158	140	11,967	10,521	19,459	12,611
Midwest	311	334	373	310	36,493	43,466	46,401	33,819
East North Central	238	271	271	238	27,739	36,974	34,240	24,398
West North Central	73	63	102	72	8,754	6,492	12,161	9,421
West ¹	631	593	606	645	57,723	51,815	51,991	53,725
Mountain ¹	59	68	58	68	7,073	6,109	5,684	5,870
Pacific	572	525	548	577	50,650	45,706	46,307	47,855

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			
	June 2002	April 2003	May 2003 ^P	June 2003 ^P	June 2002	April 2003	May 2003 ^P	June 2003 ^P
Total ¹	1,580	1,576	1,699	1,691	161,928	161,095	173,784	157,595
Alabama	24	24	21	21	3,415	4,048	1,996	3,882
Alaska	4	6	(²)	4	401	489	(²)	439
Arizona	23	22	19	17	2,576	2,193	1,846	1,282
Arkansas	3	3	4	9	210	326	266	653
California	507	455	502	526	43,520	39,040	41,857	42,918
Colorado	3	14	7	11	277	1,318	721	884
Connecticut	14	3	5	9	2,018	206	403	1,296
Delaware	(²)	3	(²)	4	(²)	180	(²)	266
District of Columbia	(²)	—	(²)	(²)	(²)	—	(²)	(²)
Florida	104	64	100	117	7,222	4,451	8,078	8,488
Georgia	20	31	38	43	2,966	4,299	3,807	3,641
Hawaii	(²)	8	6	7	(²)	621	554	525
Idaho	7	8	11	8	1,571	778	1,444	629
Illinois	58	64	70	44	6,074	7,210	9,525	4,231
Indiana	27	37	34	36	4,628	6,826	4,685	3,912
Iowa	13	13	27	10	1,615	1,249	4,582	1,186
Kansas	4	5	7	11	439	406	811	2,198
Kentucky	20	29	25	28	2,252	4,186	3,100	3,087
Louisiana	28	20	22	28	2,757	2,777	2,005	2,308
Maine	4	6	4	6	225	575	265	388
Maryland	10	9	8	11	1,095	859	969	950
Massachusetts	23	29	16	32	1,851	3,307	1,734	3,230
Michigan	50	32	36	39	5,002	4,704	6,599	3,541
Minnesota	19	21	22	20	2,900	2,848	2,119	1,898
Mississippi	6	9	10	7	405	547	717	547
Missouri	26	18	28	25	2,665	1,441	3,044	3,730
Montana	(²)	4	3	8	(²)	443	236	528
Nebraska	5	4	9	4	429	348	702	267
Nevada	15	13	14	14	1,933	961	1,099	1,597
New Hampshire	5	3	(²)	3	1,229	205	(²)	296
New Jersey	57	47	22	69	9,137	4,523	1,915	9,441
New Mexico	3	3	(²)	6	168	178	(²)	648
New York	40	91	110	46	3,072	9,151	11,375	4,194
North Carolina	18	21	27	24	1,771	1,990	2,790	1,918
North Dakota	5	(²)	5	—	644	(²)	349	—
Ohio	46	62	68	72	5,247	10,704	7,098	8,361
Oklahoma	7	6	23	13	450	1,070	4,653	1,188
Oregon	30	22	22	20	3,446	2,238	2,151	2,022
Pennsylvania	104	129	110	105	11,198	11,004	10,893	9,665
Rhode Island	8	9	(²)	(²)	1,246	1,137	(²)	(²)
South Carolina	19	8	11	12	1,848	1,228	1,436	1,039
South Dakota	(²)	(²)	4	(²)	(²)	(²)	554	(²)
Tennessee	17	12	18	22	1,863	769	1,832	1,979
Texas	78	69	109	90	8,550	6,348	12,535	8,462
Utah	6	4	(²)	4	422	238	(²)	302
Vermont	3	9	4	(²)	177	784	315	(²)
Virginia	20	13	26	27	2,193	1,719	2,967	2,189
Washington	29	34	17	20	3,163	3,318	1,684	1,951
West Virginia	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)
Wisconsin	57	76	63	47	6,788	7,530	6,333	4,353
Wyoming	—	(¹)	(¹)	—	—	(¹)	(¹)	—
Puerto Rico	9	13	7	8	998	1,833	1,098	702

¹ See footnote 1, table 2.

^P = preliminary.

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

NOTE: Dash represents zero.