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MASS LAYOFFS IN SEPTEMBER 2004

In September 2004, employers took 708 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 68,972. (See table 1.) Both the number of events and initial claims were lower than a year ago. From January through September 2004, the total number of events, 11,725, and initial claims, 1,187,546, were lower than in January-September 2003 (14,073 and 1,399,510, respectively).

Industry Distribution

The 10 industries reporting the highest number of mass-layoff initial claims accounted for 27,382 initial claims in September, 40 percent of the total. (See table A.) Temporary help services, with 6,789 initial claims, accounted for 10 percent of all initial claims in September.

The manufacturing sector had 27 percent of all mass layoff events and 37 percent of all initial claims filed in September. A year ago, manufacturing reported 31 percent of events and 38 percent of initial claims. The number of manufacturing events this month was the lowest for any September since 1997, and the number of initial claims was the lowest for any September since 1998. Within manufacturing, the number of claimants was highest in transportation equipment (7,400, mainly automotive-related), followed by food processing (4,848) and electrical equipment and appliances (3,211). (See table 2.)

The administrative and waste services sector accounted for 15 percent of both events and initial claims filed in September, with layoffs mainly in temporary help services. Ten percent of all layoff events and 9 percent of initial claims filed during the month were in retail trade, primarily in general merchandise stores. Accommodation and food services accounted for 9 percent of events and 6 percent of initial claims during the month, mainly in full-service restaurants. Construction also accounted for 9 percent of events and 6 percent of initial claims, mostly among specialty trade contractors. An additional 4 percent of events and 5 percent of initial claims were from the information sector, largely in motion picture and sound recording.

Government establishments accounted for 6 percent of events and initial claims filed during the month, mostly in elementary and secondary schools.

Compared with September 2003, the largest decreases in initial claims were reported in computer and electronic products (-4,078), textile mills (-2,809), professional and technical services (-2,021), and motion

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

Industry	Initial claims	September peak	
		Year	Initial claims
Temporary help services	6,789	2001	12,752
Automobile manufacturing	5,060	2004	5,060
Household refrigerator and home freezers	2,981	2004	2,981
Motion picture and video production	2,663	1997	11,176
Elementary and secondary schools	2,363	2004	2,363
Supermarkets and other grocery stores	1,755	2004	1,755
Hotels and motels, except casino hotels	1,741	2001	10,886
Professional employer organizations	1,418	2001	2,435
Men's pants, except work pants, mfg.	1,395	1995	1,919
Full-service restaurants	1,217	2001	1,702

p=preliminary.

picture and sound recording industries (-1,806). The largest over-the-year increases in initial claims were reported in transportation equipment (+2,575) and electrical equipment and appliances (+2,069).

Geographic Distribution

Among the four regions, the highest number of initial claims in September due to mass layoffs was reported in the West, 24,324. (See table 3.) Administrative and support services and motion picture and sound recording industries accounted for 35 percent of all initial claims in that region during the month. The South region was next, with 19,467 initial claims, followed by the Midwest, with 16,380, and the Northeast, with 8,801.

The number of initial claimants in mass layoffs fell over the year in three of the four regions. The largest decrease was in the West (-10,053), followed by the Northeast (-3,314) and the Midwest (-488). Five of the nine geographic divisions had over-the-year decreases in the number of initial claims associated with mass layoffs, with the largest decreases in the Pacific (-8,648), New England (-3,922), and West South Central (-2,773) divisions. The largest over-the-year increases were in the East South Central (+1,499) and South Atlantic (+1,454) divisions.

Among the states, California recorded the highest number of initial claims filed in mass layoff events in September (21,752), mostly in administrative and support services and in motion picture and sound recording industries. Florida reported 6,349 initial claims, followed by Michigan (5,997) and Pennsylvania (3,584). These four states accounted for 57 percent of all layoff events and 55 percent of all initial claims for unemployment insurance. (See table 4.)

California reported the largest over-the-year decrease in the number of initial claims (-7,677), followed by Texas (-2,622) and Illinois (-1,943). The largest over-the-year increases occurred in Michigan (+4,136) and Florida (+3,794).

From January to September, California reported 292,850 mass layoff initial claims, 25 percent of the national total. The states with the next largest number of claims over this period were Michigan (79,483), New York (77,502), Ohio (69,128), and Pennsylvania (64,614).

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.

The report on Extended Mass Layoffs in the Third Quarter of 2004 is scheduled to be released on Thursday, November 18, 2004. The report on Mass Layoffs in October 2004 is scheduled to be released on Tuesday, November 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 September 2004

Date	Total mass layoffs		Private nonfarm					
			Mass layoffs		Extended mass layoffs lasting more than 30 days		Realization rates ¹	
	Events	Initial claimants	Events	Initial claimants	Events	Initial claimants	Events	Initial claimants
2002								
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	297,608	33.7	68.9
April	1,581	161,412	1,470	152,937				
May	1,703	174,204	1,538	160,729				
June	1,691	157,552	1,336	127,743				
Second Quarter	4,975	493,168	4,344	441,409	1,799	348,966	41.4	79.1
July	2,087	226,435	1,815	206,901				
August	1,258	133,839	1,163	124,131				
September	868	82,647	756	73,914				
Third Quarter	4,213	442,921	3,734	404,946	1,190	227,878	31.9	56.3
October	1,523	158,240	1,265	137,706				
November	1,438	138,543	1,234	123,524				
December	1,929	192,633	1,793	182,750				
Fourth Quarter	4,890	489,416	4,292	443,980	1,690	326,261	39.4	73.5
2004								
January	2,428	239,454	2,226	220,687				
February	941	84,201	832	76,577				
March	920	92,554	847	87,782				
First Quarter	4,289	416,209	3,905	385,046	1,339	236,521	34.3	61.4
April	1,458	157,314	1,316	142,657				
May	988	87,501	878	78,786				
June	1,379	134,588	1,077	110,804				
Second Quarter	3,825	379,403	3,271	332,247	^{2,p} 1,233	^{2,p} 178,381	^p 37.7	^p 53.7
July	2,094	253,929	1,860	234,877				
August ^p	809	69,033	745	63,876				
September ^p	708	68,972	637	63,102				
Third Quarter ^p	3,611	391,934	3,242	361,855				

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

² 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.

^p = preliminary.

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

Industry	Mass layoff events				Initial claimants for unemployment insurance			
	September 2003	July 2004	August 2004 ^P	September 2004 ^P	September 2003	July 2004	August 2004 ^P	September 2004 ^P
Total ¹	868	2,094	809	708	82,647	253,929	69,033	68,972
Total, private	799	1,945	769	669	76,296	241,601	65,294	64,917
Agriculture, forestry, fishing and hunting	43	85	24	32	2,382	6,724	1,418	1,815
Total, private nonfarm	756	1,860	745	637	73,914	234,877	63,876	63,102
Mining	4	(²)	(²)	(²)	259	(²)	(²)	(²)
Utilities	(²)	-	-	(²)	(²)	-	-	(²)
Construction	82	119	75	65	5,205	8,700	5,266	4,160
Manufacturing	271	885	194	189	31,428	145,895	17,698	25,808
Food	44	82	28	56	4,145	7,418	2,797	4,848
Beverage and tobacco products	(²)	6	4	3	(²)	447	216	271
Textile mills	21	26	10	6	3,510	2,309	1,313	701
Textile product mills	(²)	15	(²)	4	(²)	1,966	(²)	438
Apparel	10	46	12	9	1,212	5,521	898	1,878
Leather and allied products	(²)	6	(²)	(²)	(²)	841	(²)	(²)
Wood products	11	33	7	4	969	5,523	566	268
Paper	10	(²)	3	4	834	(²)	193	369
Printing and related support activities	(²)	10	6	-	(²)	1,195	447	-
Petroleum and coal products	-	(²)	(²)	-	-	(²)	(²)	-
Chemicals	9	17	3	(²)	602	2,032	189	(²)
Plastics and rubber products	10	98	9	12	886	13,053	614	976
Nonmetallic mineral products	5	16	4	8	420	2,242	369	759
Primary metals	24	50	10	(²)	2,011	8,177	740	(²)
Fabricated metal products	5	62	21	11	826	6,961	2,031	794
Machinery	21	39	15	11	2,073	5,426	1,946	1,118
Computer and electronic products	26	31	12	11	4,820	4,012	963	742
Electrical equipment and appliances	9	17	4	5	1,142	1,661	293	3,211
Transportation equipment	31	288	30	21	4,825	72,492	2,846	7,400
Furniture and related products	11	23	4	10	1,254	2,331	394	912
Miscellaneous manufacturing	10	14	7	10	662	1,798	534	842
Wholesale trade	22	30	11	14	1,808	2,853	749	1,028
Retail trade	69	104	98	68	5,789	10,541	8,752	5,974
Transportation and warehousing	20	112	52	21	1,723	9,522	5,130	1,692
Information	26	40	37	26	5,791	6,778	4,909	3,455
Finance and insurance	35	35	29	16	2,371	2,438	2,117	1,211
Real estate and rental and leasing	5	17	(²)	(²)	382	1,580	(²)	(²)
Professional and technical services	29	55	21	19	3,730	8,562	1,641	1,709
Management of companies and enterprises	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)
Administrative and waste services	109	253	124	106	9,606	22,955	10,220	10,255
Educational services	8	16	5	(²)	634	1,219	368	(²)
Health care and social assistance	13	69	32	15	945	4,623	2,117	975
Arts, entertainment, and recreation	19	30	7	21	1,237	2,092	459	1,366
Accommodation and food services	37	68	41	61	2,623	5,100	2,581	4,173
Other services, except public administration	3	15	12	8	183	987	1,486	525
Unclassified	1	6	2	1	50	361	72	71
Government	69	149	40	39	6,351	12,328	3,739	4,055
Federal	13	19	8	5	1,910	2,122	602	364
State	14	24	8	3	1,417	2,247	800	233
Local	42	106	24	31	3,024	7,959	2,337	3,458

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

^P = preliminary.

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

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			
	September 2003	July 2004	August 2004 ^P	September 2004 ^P	September 2003	July 2004	August 2004 ^P	September 2004 ^P
United States ¹	868	2,094	809	708	82,647	253,929	69,033	68,972
Northeast	107	289	166	101	12,115	27,200	17,163	8,801
New England	19	35	14	9	4,559	2,767	1,274	637
Middle Atlantic	88	254	152	92	7,556	24,433	15,889	8,164
South	196	487	217	204	19,287	55,404	16,351	19,467
South Atlantic	96	225	116	123	8,698	23,319	7,914	10,152
East South Central	31	151	41	41	4,144	20,698	3,759	5,643
West South Central	69	111	60	40	6,445	11,387	4,678	3,672
Midwest	165	706	151	125	16,868	118,913	14,653	16,380
East North Central	125	604	125	99	12,646	99,614	11,886	13,827
West North Central	40	102	26	26	4,222	19,299	2,767	2,553
West	400	612	275	278	34,377	52,412	20,866	24,324
Mountain	30	53	17	15	2,568	5,010	1,099	1,163
Pacific	370	559	258	263	31,809	47,402	19,767	23,161

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			
	September 2003	July 2004	August 2004 ^P	September 2004 ^P	September 2003	July 2004	August 2004 ^P	September 2004 ^P
Total ¹	868	2,094	809	708	82,647	253,929	69,033	68,972
Alabama	8	48	10	18	1,164	6,033	1,080	1,793
Alaska	3	–	(²)	(²)	185	–	(²)	(²)
Arizona	4	19	5	–	423	1,812	353	–
Arkansas	3	6	3	(²)	268	763	261	(²)
California	345	504	246	246	29,429	41,702	18,768	21,752
Colorado	6	3	(²)	3	439	217	(²)	199
Connecticut	4	4	4	(²)	291	255	268	(²)
Delaware	(²)	(²)	–	–	(²)	(²)	–	–
District of Columbia	–	3	–	–	–	470	–	–
Florida	43	90	78	86	2,555	6,491	4,842	6,349
Georgia	19	27	21	11	2,130	2,338	1,827	815
Hawaii	3	3	(²)	(²)	196	214	(²)	(²)
Idaho	6	11	5	3	463	944	266	331
Illinois	41	71	30	26	4,510	8,625	3,358	2,567
Indiana	13	96	19	19	983	20,435	1,707	2,767
Iowa	9	22	5	6	1,108	3,552	491	764
Kansas	6	17	4	4	547	2,023	587	380
Kentucky	16	79	15	11	2,259	12,944	1,182	2,892
Louisiana	4	22	16	5	231	1,501	1,155	402
Maine	–	(²)	(²)	–	–	(²)	(²)	–
Maryland	(²)	14	(²)	5	–	1,274	(²)	529
Massachusetts	10	19	7	6	1,047	1,435	678	439
Michigan	18	253	25	23	1,861	35,562	2,409	5,997
Minnesota	7	13	7	6	511	1,884	897	441
Mississippi	(²)	8	6	3	(²)	500	613	314
Missouri	13	43	6	3	1,307	10,635	540	195
Montana	(²)	3	–	–	(²)	402	–	–
Nebraska	5	6	(²)	6	749	1,119	(²)	646
Nevada	12	11	4	7	879	1,094	302	471
New Hampshire	(²)	6	(²)	–	(²)	530	(²)	–
New Jersey	8	46	26	11	691	4,096	2,979	1,630
New Mexico	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)
New York	38	94	73	31	3,384	9,615	8,063	2,950
North Carolina	11	13	9	10	897	1,118	577	712
North Dakota	–	(²)	(²)	(²)	–	(²)	(²)	(²)
Ohio	29	122	23	16	2,979	26,605	1,822	1,352
Oklahoma	5	10	(²)	(²)	359	1,919	(²)	(²)
Oregon	5	32	(²)	6	375	3,921	(²)	370
Pennsylvania	42	114	53	50	3,481	10,722	4,847	3,584
Rhode Island	(²)	4	(²)	(²)	(²)	381	(²)	(²)
South Carolina	5	51	(²)	6	1,548	6,843	(²)	921
South Dakota	–	–	–	–	–	–	–	–
Tennessee	5	16	10	9	608	1,221	884	644
Texas	57	73	40	32	5,587	7,204	3,201	2,965
Utah	–	5	–	(²)	–	499	–	(²)
Vermont	(²)	–	–	–	(²)	–	–	–
Virginia	14	24	4	5	1,321	2,989	272	826
Washington	14	20	8	7	1,624	1,565	753	819
West Virginia	(²)	(²)	(²)	–	(²)	(²)	(²)	–
Wisconsin	24	62	28	15	2,313	8,387	2,590	1,144
Wyoming	–	–	–	–	–	–	–	–
Puerto Rico	7	14	9	30	573	1,234	803	4,059

¹ See footnote 1, table 2.

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

^P = preliminary.

NOTE: Dash represents zero.