

# News

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## MASS LAYOFFS IN JUNE 2004

In June 2004, employers took 1,379 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 134,588. (See table 1.) Both the number of events and initial claims were lower than a year ago. The number of mass layoff events and the number of associated initial claims were at their lowest levels for any June since 1999. From January through June 2004, the total number of events, at 8,114, and of initial claims, at 795,612, were lower than in January-June 2003 (9,860 and 956,589, respectively).

### Industry Distribution

Elementary and secondary schools, with 12,614 initial claims, and school and employee bus transportation, with 12,498 initial claims, together accounted for 19 percent of all initial claims in June. The 10 industries reporting the highest number of mass-layoff initial claims accounted for 62,767 initial claims in June, 47 percent of the total. (See table A.)

The manufacturing sector had 16 percent of all mass layoff events and 20 percent of all initial claims filed in June—the lowest shares for any June since 1995, when the monthly series began. A year ago, manufacturing reported 23 percent of events and 26 percent of initial claims. Within manufacturing, the number of claimants was highest in transportation equipment (9,303, mainly automotive-related), followed by food processing (2,677) and textile mills (1,957). (See table 2.)

The transportation and warehousing sector accounted for 9 percent of events and 11 percent of initial claims filed in June, with layoffs mostly in school and employee bus transportation. Eleven percent of all layoff events and 10 percent of initial claims filed during the month were in administrative and waste services, mainly in temporary help services. Healthcare and social assistance accounted for 11 percent of events and 9 percent of initial claims, largely in child day care services. Accommodation and food services accounted for 6 percent of events and 8 percent of initial claims during the month, primarily among food service contractors. An additional 6 percent of events and initial claims were in retail trade, mostly in general merchandise stores.

Government establishments accounted for 16 percent of events and 14 percent of initial claims filed during the month, mostly in educational services as the school year ended.

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

Industry	Initial claims	June peak	
		Year	Initial claims
Elementary and secondary schools .....	12,614	2003	17,360
School and employee bus transportation .....	12,498	2002	15,668
Temporary help services .....	8,242	2000	13,815
Child day care services .....	7,667	1995	8,779
Food service contractors .....	6,289	1999	6,410
Motion picture and video production .....	4,480	2000	9,435
Automobile manufacturing .....	3,982	1998	41,501
Other individual and family services .....	2,637	2004	2,637
Discount department stores .....	2,258	2004	2,258
Executive and legislative offices .....	2,100	2003	2,224

p=preliminary.

Compared with June 2003, the largest decreases in initial claims were reported in educational services (-5,103), food processing (-3,152), and plastics and rubber products manufacturing (-2,873). The largest over-the-year increases in initial claims were reported in transportation equipment manufacturing (+2,936) and social assistance (+2,525).

#### Geographic Distribution

Among the four regions, the highest number of initial claims in June due to mass layoffs was reported in the West, 46,900. (See table 3.) Educational services and administrative and support services accounted for 34 percent of all initial claims in that region during the month. The South region was next, with 31,374 initial claims, followed closely by the Midwest, with 31,267, and the Northeast, with 25,047.

The number of initial claimants in mass layoffs declined over the year in all four regions. The largest decrease was in the South (-9,645), followed by the West (-6,782). Each 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 East South Central (-5,793) and Pacific (-4,934) divisions.

Among the states, California recorded the highest number of initial claims filed in mass layoff events in June (39,179), mostly in educational services and administrative and support services. New Jersey reported 9,167 initial claims, followed by Pennsylvania (7,586), Ohio (6,755), and Florida (6,466). These five states accounted for 52 percent of all layoff events and 51 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 (-3,739), followed by Texas (-3,402) and Alabama (-3,303). The largest over-the-year increase occurred in South Carolina (+2,399).

From January to June, California reported 210,628 mass layoff initial claims, 26 percent of the national total. The states with the next largest number of claims over this period were New York (56,874), Pennsylvania (45,461), and Ohio (39,349).

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 Extended Mass Layoffs in the Second Quarter of 2004 is scheduled to be released on Thursday, August 26, 2004. The report on Mass Layoffs in July 2004 is scheduled to be released on Tuesday, August 31, 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, April 2002 to June 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
<b>2002</b>								
April .....	1,506	165,814	1,378	153,216				
May .....	1,723	179,799	1,571	166,801				
June .....	1,584	162,189	1,266	136,424				
Second Quarter .....	4,813	507,802	4,215	456,441	1,624	299,598	38.5	65.6
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
<b>2003</b>								
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	297,607	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	348,890	41.4	79.0
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	227,568	31.9	56.2
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	325,765	39.4	73.4
<b>2004</b>								
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>2,p</sup> 1,204	<sup>2,p</sup> 165,272	<sup>p</sup> 30.8	<sup>p</sup> 42.9
April .....	1,458	157,314	1,316	142,657				
May <sup>p</sup> .....	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>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>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			
	June 2003	April 2004	May 2004 <sup>P</sup>	June 2004 <sup>P</sup>	June 2003	April 2004	May 2004 <sup>P</sup>	June 2004 <sup>P</sup>
Total <sup>1</sup> .....	1,691	1,458	988	1,379	157,552	157,314	87,501	134,588
Total, private .....	1,397	1,396	915	1,156	132,185	149,806	81,381	115,626
Agriculture, forestry, fishing and hunting .....	61	80	37	79	4,442	7,149	2,595	4,822
Total, private nonfarm .....	1,336	1,316	878	1,077	127,743	142,657	78,786	110,804
Mining .....	4	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	591	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Utilities .....	3	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	315	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Construction .....	95	149	76	77	6,238	11,904	5,424	4,924
Manufacturing.....	389	343	219	222	40,845	36,172	22,141	27,307
Food .....	59	112	41	38	5,829	13,582	3,897	2,677
Beverage and tobacco products .....	( <sup>2</sup> )	5	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	319	( <sup>2</sup> )	( <sup>2</sup> )
Textile mills .....	18	8	12	9	1,970	1,091	1,099	1,957
Textile product mills .....	10	5	13	( <sup>2</sup> )	1,581	420	2,820	( <sup>2</sup> )
Apparel .....	19	12	18	7	1,584	922	1,382	641
Leather and allied products .....	6	5	( <sup>2</sup> )	4	692	399	( <sup>2</sup> )	459
Wood products .....	9	16	5	7	711	1,684	389	634
Paper .....	9	7	7	( <sup>2</sup> )	1,202	499	665	( <sup>2</sup> )
Printing and related support activities .....	14	15	13	13	1,053	1,618	985	1,324
Petroleum and coal products .....	( <sup>2</sup> )	-	-	-	( <sup>2</sup> )	-	-	-
Chemicals .....	9	11	( <sup>2</sup> )	11	878	677	( <sup>2</sup> )	803
Plastics and rubber products .....	19	12	8	4	3,233	936	508	360
Nonmetallic mineral products .....	10	7	( <sup>2</sup> )	4	828	452	( <sup>2</sup> )	304
Primary metals .....	29	9	( <sup>2</sup> )	9	2,226	920	( <sup>2</sup> )	1,078
Fabricated metal products .....	23	22	9	11	1,728	2,030	660	1,464
Machinery .....	30	19	14	16	3,062	1,658	1,359	1,362
Computer and electronic products .....	35	17	13	11	3,464	1,375	1,081	1,418
Electrical equipment and appliances .....	13	7	10	5	2,088	1,252	1,572	1,222
Transportation equipment .....	51	32	28	51	6,367	4,625	2,911	9,303
Furniture and related products .....	15	11	12	11	1,363	835	1,098	1,323
Miscellaneous manufacturing .....	6	11	5	4	572	878	376	265
Wholesale trade .....	25	21	11	23	1,597	1,944	819	2,142
Retail trade .....	100	118	91	76	9,640	12,659	7,851	7,410
Transportation and warehousing .....	135	145	40	120	15,035	20,292	3,822	14,557
Information .....	54	42	32	48	5,954	7,851	2,966	6,748
Finance and insurance .....	23	31	23	22	1,730	2,594	1,944	1,502
Real estate and rental and leasing .....	7	11	( <sup>2</sup> )	4	485	1,214	( <sup>2</sup> )	231
Professional and technical services .....	36	54	44	27	3,357	6,939	4,116	3,174
Management of companies and enterprises .....	4	4	4	4	725	269	232	935
Administrative and waste services .....	175	194	119	148	15,596	20,812	9,839	14,058
Educational services.....	12	4	4	11	961	374	309	692
Health care and social assistance .....	123	31	67	149	10,226	2,118	5,500	12,457
Arts, entertainment, and recreation .....	25	40	23	25	1,383	3,368	2,006	1,390
Accommodation and food services .....	83	93	82	85	9,975	10,067	8,145	10,549
Other services, except public administration.....	41	26	35	30	2,937	3,240	3,112	2,278
Unclassified .....	2	6	1	2	153	563	62	181
Government .....	294	62	73	223	25,367	7,508	6,120	18,962
Federal .....	9	14	8	9	841	1,173	1,033	1,040
State .....	22	11	17	18	1,699	884	1,389	1,058
Local .....	263	37	48	196	22,827	5,451	3,698	16,864

<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			
	June 2003	April 2004	May 2004 <sup>P</sup>	June 2004 <sup>P</sup>	June 2003	April 2004	May 2004 <sup>P</sup>	June 2004 <sup>P</sup>
United States <sup>1</sup> .....	1,691	1,458	988	1,379	157,552	157,314	87,501	134,588
Northeast .....	275	332	128	204	29,032	40,728	11,912	25,047
New England .....	55	49	21	39	5,732	5,913	2,007	4,263
Middle Atlantic .....	220	283	107	165	23,300	34,815	9,905	20,784
South .....	461	292	285	337	41,019	27,553	27,666	31,374
South Atlantic .....	243	139	138	183	18,913	12,141	12,730	16,796
East South Central .....	78	52	63	48	9,495	5,936	7,512	3,702
West South Central .....	140	101	84	106	12,611	9,476	7,424	10,876
Midwest .....	310	275	237	300	33,819	31,619	22,294	31,267
East North Central .....	238	235	172	234	24,398	27,755	17,057	24,316
West North Central .....	72	40	65	66	9,421	3,864	5,237	6,951
West .....	645	559	338	538	53,682	57,414	25,629	46,900
Mountain .....	68	52	39	53	5,827	5,962	3,580	3,979
Pacific .....	577	507	299	485	47,855	51,452	22,049	42,921

<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			
	June 2003	April 2004	May 2004 <sup>P</sup>	June 2004 <sup>P</sup>	June 2003	April 2004	May 2004 <sup>P</sup>	June 2004 <sup>P</sup>
Total <sup>1</sup> .....	1,691	1,458	988	1,379	157,552	157,314	87,501	134,588
Alabama .....	21	15	11	8	3,882	2,051	2,586	579
Alaska .....	4	5	( <sup>2</sup> )	4	439	633	( <sup>2</sup> )	256
Arizona .....	17	20	14	17	1,282	3,177	1,438	1,307
Arkansas .....	9	6	7	6	653	513	525	440
California .....	526	440	272	438	42,918	44,311	20,148	39,179
Colorado .....	11	9	5	5	884	973	502	431
Connecticut .....	9	6	5	10	1,296	513	327	1,117
Delaware .....	4	3	-	4	266	165	-	801
District of Columbia .....	( <sup>2</sup> )	-	-	( <sup>2</sup> )	( <sup>2</sup> )	-	-	( <sup>2</sup> )
Florida .....	117	69	67	93	8,488	5,447	5,152	6,466
Georgia .....	43	21	25	26	3,641	2,111	2,674	2,873
Hawaii .....	7	7	( <sup>2</sup> )	3	525	570	( <sup>2</sup> )	205
Idaho .....	8	6	4	4	629	559	347	291
Illinois .....	44	54	48	52	4,231	7,471	5,640	5,869
Indiana .....	36	25	22	26	3,912	2,227	2,155	2,564
Iowa .....	10	8	6	13	1,186	846	515	1,417
Kansas .....	11	9	5	11	2,198	1,222	348	1,042
Kentucky .....	28	20	26	16	3,087	2,559	2,452	1,210
Louisiana .....	28	28	21	31	2,308	2,554	1,869	2,686
Maine .....	6	7	( <sup>2</sup> )	( <sup>2</sup> )	388	662	( <sup>2</sup> )	( <sup>2</sup> )
Maryland .....	11	9	7	6	950	906	488	480
Massachusetts .....	32	16	11	16	3,230	1,759	1,333	1,573
Michigan .....	39	38	33	55	3,541	3,556	3,369	5,277
Minnesota .....	20	5	12	20	1,898	327	959	2,258
Mississippi .....	7	6	10	8	547	419	879	427
Missouri .....	25	15	27	21	3,730	1,242	2,227	2,138
Montana .....	8	( <sup>2</sup> )	( <sup>2</sup> )	3	528	( <sup>2</sup> )	( <sup>2</sup> )	171
Nebraska .....	4	3	8	( <sup>2</sup> )	267	227	556	( <sup>2</sup> )
Nevada .....	14	6	3	14	1,597	420	291	1,152
New Hampshire .....	( <sup>2</sup> )	( <sup>2</sup> )	-	4	( <sup>2</sup> )	( <sup>2</sup> )	-	391
New Jersey .....	69	47	25	50	9,441	4,862	2,768	9,167
New Mexico .....	6	4	9	5	605	346	715	268
New York .....	46	120	40	36	4,194	19,056	3,348	4,031
North Carolina .....	24	20	16	13	1,918	1,768	1,346	1,014
North Dakota .....	-	-	4	-	-	-	290	-
Ohio .....	72	51	38	61	8,361	5,811	3,305	6,755
Oklahoma .....	13	5	4	10	1,188	425	347	2,690
Oregon .....	20	33	9	21	2,022	3,899	562	1,772
Pennsylvania .....	105	116	42	79	9,665	10,897	3,789	7,586
Rhode Island .....	( <sup>2</sup> )	8	( <sup>2</sup> )	6	( <sup>2</sup> )	1,624	( <sup>2</sup> )	992
South Carolina .....	12	6	7	19	1,039	796	1,429	3,438
South Dakota .....	( <sup>2</sup> )	-	3	-	( <sup>2</sup> )	-	342	-
Tennessee .....	22	11	16	16	1,979	907	1,595	1,486
Texas .....	90	62	52	59	8,462	5,984	4,683	5,060
Utah .....	4	4	( <sup>2</sup> )	5	302	248	( <sup>2</sup> )	359
Vermont .....	( <sup>2</sup> )	10	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1,177	( <sup>2</sup> )	( <sup>2</sup> )
Virginia .....	27	10	14	17	2,189	849	1,536	1,318
Washington .....	20	22	15	19	1,951	2,039	1,146	1,509
West Virginia .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	3	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	277
Wisconsin .....	47	67	31	40	4,353	8,690	2,588	3,851
Wyoming .....	-	( <sup>2</sup> )	-	-	-	( <sup>2</sup> )	-	-
Puerto Rico .....	8	11	4	10	702	1,147	640	896

<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.