

# News

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## MASS LAYOFFS IN AUGUST 2002

Employers initiated 1,247 mass layoff actions in August 2002, as measured by new filings for unemployment insurance benefits during the month, according to 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 128,080. (See table 1.) A year earlier, in August 2001, there were 1,490 mass layoff events involving 166,148 workers. Mass layoff initial claims in August are usually among the lowest for the year. Almost 9 percent of the initial claims in August were from the temporary help services industry (11,059). From January through August 2002, both the total number of events, at 13,090, and initial claims, at 1,445,228, were lower than January-August 2001 (13,148 and 1,574,128, respectively).

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") and 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

Manufacturing industries accounted for 34 percent of all mass layoff events and 38 percent of all initial claims filed in August. A year earlier, layoffs in this sector accounted for 40 percent of events and 48 percent of initial claims. The number of initial claimants was highest in machinery manufacturing (9,197, mostly in air conditioning, refrigeration, and forced air heating equipment), followed by transportation equipment (6,665, largely in aircraft manufacturing) and computer and electronic products (6,202, primarily in semiconductors and related devices). (See table 2.)

Fourteen percent of all layoff events and initial claims filed during the month were in administrative and waste services, mostly in temporary help services. (From January through August, 102,476 mass layoff initial claims were filed from temporary help services.) Nine percent of the events and initial claims in August were from retail trade industries, mainly in general merchandise stores. Construction accounted for 8 percent of events and 6 percent of initial claims, primarily among specialty trade contractors. The transportation and warehousing sector accounted for an additional 5 percent of events and 6 percent of initial claims, largely in school and employee bus transportation.

Government establishments accounted for 5 percent of events and initial claims filed during the month, mostly in executive, legislative, and general government agencies.

Compared with August 2001, the largest decreases in initial claims were reported in transportation equipment manufacturing (-9,491) and computer and electronic product manufacturing (-9,386). The largest over-the-year increases in initial claims were reported in transit and ground passenger transportation (+1,893) and general merchandise stores (+1,399).

### Geographic Distribution

Among the four regions, the highest number of initial claims in August due to mass layoffs was in the West, 43,122. (See table 3.) Administrative and support services and professional and technical services accounted for 34 percent of all initial claims in the West during the month. The South followed with 31,764 initial claims (mainly in administrative and support services), then the Midwest, with 28,016 (largely in machinery manufacturing). The Northeast continued to report the lowest number of initial claims, with 25,178 (mostly in transit and ground passenger transportation).

The number of initial claimants in mass layoffs declined over the year in three of the four geographic regions, with the largest decreases occurring in the West (-19,704) and Midwest (-16,601). Seven of the nine geographic divisions reported over-the-year declines in the number of initial claims associated with mass layoffs, with the largest declines in the Pacific (-18,754) and East North Central (-14,303). The largest increase (+717) was reported in the New England division.

California had the largest number of initial claims filed in mass layoff events this August, 34,590, mostly in administrative and support services and in professional and technical services, followed by Texas (11,660) and New York (11,213). These three states accounted for 48 percent of all layoff events and 45 percent of all initial claims for unemployment insurance. (See table 4.) Thus far this year, 366,386 mass layoff initial claims were filed in California, 25 percent of the national total. The states with the next largest number of claims were Texas (87,953) and Pennsylvania (84,225).

California reported the largest over-the-year decrease in initial claims (-15,753), followed by Michigan (-10,379). The largest over-the-year increase occurred in New York (+5,035).

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The report on Mass Layoffs in September 2002 will be issued on Thursday, October 24, 2002.

### **Change in Industry Classification System**

Beginning with the release of January 2002 mass layoff data on February 28, 2002, the Mass Layoff Statistics program implemented the 2002 version of the North American Industry Classification System (NAICS) as the basis for the assignment and tabulation of economic data by industry. NAICS is the product of a cooperative effort on the part of the statistical agencies of the United States, Canada, and Mexico. Due to differences in NAICS and the previously used Standard Industrial Classification (SIC) structures, data by industry for 2002 will not be comparable to the SIC-based data for earlier years. However, the monthly historical industry series from April 1995 through December 2001 are available on both SIC and NAICS bases.

NAICS uses a production-oriented approach to categorize economic units. Units with similar production processes are classified in the same industry. NAICS focuses on **how** products and services are created, as opposed to the SIC focus on **what** is produced. This approach yields significantly different industry groupings than those produced by the SIC approach.

Users interested in more information about NAICS can access the BLS Web page at <http://www.bls.gov/bls/naics.htm> or the Bureau of the Census Web page at <http://www.census.gov/epcd/www/naics.html>.

# 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 2000 to August 2002**

Date	Total mass layoffs		Extended mass layoffs lasting more than 30 days		Realization rates <sup>1</sup>	
	Events	Initial claimants	Events	Initial claimants	Events	Initial claimants
2000						
July .....	1,333	164,978				
August .....	751	97,215				
September .....	936	106,842				
Third Quarter .....	3,020	369,035	1,014	189,250	33.6	51.3
October .....	874	103,755				
November .....	1,697	216,514				
December .....	2,677	326,743				
Fourth Quarter .....	5,248	647,012	2,005	376,611	38.2	58.2
2001						
January .....	1,522	200,343				
February .....	1,501	172,908				
March .....	1,527	171,466				
First Quarter .....	4,550	544,717	1,765	340,210	38.8	62.5
April .....	1,450	176,265				
May .....	1,434	159,365				
June .....	2,107	253,826				
Second Quarter .....	4,991	589,456	2,072	401,168	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	370,620	36.8	61.7
October .....	1,831	215,483				
November .....	2,721	295,956				
December .....	2,440	268,893				
Fourth Quarter .....	6,992	780,332	2,698	500,925	38.6	64.2
2002						
January .....	2,146	263,821				
February .....	1,383	138,984				
March .....	1,460	161,336				
First Quarter .....	4,989	564,141	1,749	313,686	35.1	55.6
April .....	1,507	165,861				
May .....	1,726	180,007				
June .....	1,580	161,928				
Second Quarter .....	4,813	507,796	<sup>2, P</sup> 1,754	<sup>2, P</sup> 256,338	<sup>P</sup> 36.4	<sup>P</sup> 50.5
July <sup>P</sup> .....	2,041	245,211				
August <sup>P</sup> .....	1,247	128,080				

<sup>1</sup> 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.

<sup>2</sup> 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.

<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			
	August 2001 <sup>f</sup>	June 2002	July 2002 <sup>p</sup>	August 2002 <sup>p</sup>	August 2001 <sup>f</sup>	June 2002	July 2002 <sup>p</sup>	August 2002 <sup>p</sup>
Total <sup>1</sup> .....	1,490	1,580	2,041	1,247	166,148	161,928	245,211	128,080
Total, private .....	1,459	1,356	1,936	1,189	163,504	142,567	235,558	122,106
Agriculture, forestry, fishing and hunting .....	73	92	118	39	5,197	6,256	8,734	2,255
Mining .....	8	8	12	10	682	1,210	1,450	701
Utilities .....	3	3	4	( <sup>2</sup> )	169	303	320	( <sup>2</sup> )
Construction .....	83	84	74	98	7,352	5,809	5,675	8,241
Manufacturing.....	603	336	908	427	79,515	42,117	135,313	48,733
Food .....	49	49	60	47	5,082	5,851	6,102	5,150
Beverage and tobacco products .....	7	6	( <sup>2</sup> )	5	504	452	( <sup>2</sup> )	405
Textile mills .....	27	10	33	12	3,166	1,118	4,795	1,177
Textile product mills .....	6	5	11	( <sup>2</sup> )	359	663	2,336	( <sup>2</sup> )
Apparel .....	33	15	34	24	3,546	1,363	3,196	3,127
Leather and allied products .....	9	( <sup>2</sup> )	6	( <sup>2</sup> )	809	( <sup>2</sup> )	378	( <sup>2</sup> )
Wood products .....	9	18	28	11	803	2,359	2,893	1,198
Paper .....	16	8	13	8	2,876	1,078	1,244	741
Printing and related support activities .....	10	13	13	5	623	1,057	1,331	558
Petroleum and coal products .....	-	( <sup>2</sup> )	( <sup>2</sup> )	-	-	( <sup>2</sup> )	( <sup>2</sup> )	-
Chemicals .....	10	6	14	( <sup>2</sup> )	825	606	1,451	( <sup>2</sup> )
Plastics and rubber products .....	20	10	71	16	1,834	898	10,080	1,368
Nonmetallic mineral products .....	8	8	18	12	1,233	754	2,813	1,334
Primary metals .....	32	18	64	25	3,267	2,681	7,651	2,862
Fabricated metal products .....	44	20	60	33	4,170	2,103	7,556	3,136
Machinery .....	71	27	76	50	9,001	4,543	12,778	9,197
Computer and electronic products .....	118	36	94	74	15,588	2,959	11,950	6,202
Electrical equipment and appliances .....	36	25	31	23	5,264	5,281	5,036	3,082
Transportation equipment .....	64	34	234	50	16,156	5,594	47,583	6,665
Furniture and related products .....	24	17	27	11	3,550	2,005	4,187	888
Miscellaneous manufacturing .....	10	7	17	13	859	527	1,699	931
Wholesale trade .....	30	23	29	23	2,286	2,165	3,017	2,357
Retail trade .....	113	83	93	111	11,613	7,257	10,412	11,322
Transportation and warehousing .....	71	141	71	68	7,359	18,068	6,658	8,140
Information .....	80	42	72	45	6,942	4,210	12,559	4,006
Finance and insurance .....	24	35	52	26	2,117	2,431	4,394	2,161
Real estate and rental and leasing .....	7	7	11	11	559	602	1,066	647
Professional and technical services .....	46	36	74	47	11,618	8,902	6,818	6,455
Management of companies and enterprises .....	5	3	3	-	361	621	323	-
Administrative and waste services .....	192	165	233	179	17,168	14,236	24,762	18,192
Educational services.....	7	18	15	( <sup>2</sup> )	385	1,128	1,239	( <sup>2</sup> )
Health care and social assistance .....	20	117	54	27	1,574	10,987	3,652	1,738
Arts, entertainment, and recreation .....	14	29	23	17	1,482	1,983	1,599	1,422
Accommodation and food services .....	56	80	70	38	4,473	9,966	5,930	2,702
Other services, except public administration.....	15	49	17	13	1,419	3,976	1,385	1,745
Unclassified .....	9	5	3	3	1,233	340	252	737
Government .....	31	224	105	58	2,644	19,361	9,653	5,974
Federal .....	5	13	6	15	480	1,791	781	2,056
State .....	13	16	17	12	1,231	1,665	1,315	1,596
Local .....	13	195	82	31	933	15,905	7,557	2,322

<sup>1</sup> For August 2002, data were reported by all states and the District of Columbia.

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

<sup>p</sup> = preliminary.

<sup>f</sup> = revised.

NOTE: Beginning with data for January 2002, the 2002 version of the North American Industry Classification System (NAICS) is the basis for the assignment and tabulation of economic data by industry. NAICS is the product of a cooperative effort on the part of

the statistical agencies of the United States, Canada, and Mexico. Due to differences in NAICS and SIC structures, data by industry for 2002 will not be comparable to the SIC-based data for earlier years. However, the monthly historical industry series from April 1995 to December 2001 are available on both SIC and NAICS bases. 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			
	August 2001	June 2002	July 2002 <sup>p</sup>	August 2002 <sup>p</sup>	August 2001	June 2002	July 2002 <sup>p</sup>	August 2002 <sup>p</sup>
United States <sup>1</sup> .....	<sup>r</sup> 1,490	1,580	2,041	1,247	<sup>r</sup> 166,148	161,928	245,211	128,080
Northeast .....	224	258	315	195	24,891	30,153	35,012	25,178
New England .....	34	57	68	27	3,180	6,746	7,000	3,897
Middle Atlantic .....	190	201	247	168	21,711	23,407	28,012	21,281
South .....	<sup>r</sup> 318	380	485	308	<sup>r</sup> 33,814	37,559	56,170	31,764
South Atlantic .....	149	197	202	159	14,245	17,657	22,290	13,884
East South Central .....	52	67	137	30	5,444	7,935	16,850	3,574
West South Central .....	<sup>r</sup> 117	116	146	119	<sup>r</sup> 14,125	11,967	17,030	14,306
Midwest .....	315	311	574	251	44,617	36,493	89,068	28,016
East North Central .....	245	238	468	186	35,511	27,739	66,354	21,208
West North Central .....	70	73	106	65	9,106	8,754	22,714	6,808
West .....	633	631	667	493	62,826	57,723	64,961	43,122
Mountain .....	53	59	66	38	4,883	7,073	6,399	3,933
Pacific .....	580	572	601	455	57,943	50,650	58,562	39,189

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

<sup>p</sup> = preliminary.

<sup>r</sup> = revised.

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			
	August 2001	June 2002	July 2002 <sup>p</sup>	August 2002 <sup>p</sup>	August 2001	June 2002	July 2002 <sup>p</sup>	August 2002 <sup>p</sup>
Total <sup>1</sup> .....	<sup>r</sup> 1,490	1,580	2,041	1,247	<sup>r</sup> 166,148	161,928	245,211	128,080
Alabama .....	10	24	56	5	678	3,415	7,290	691
Alaska .....	( <sup>2</sup> )	4	—	( <sup>2</sup> )	( <sup>2</sup> )	401	—	( <sup>2</sup> )
Arizona .....	10	23	28	7	655	2,576	2,528	485
Arkansas .....	6	3	11	( <sup>2</sup> )	854	210	999	( <sup>2</sup> )
California .....	519	507	545	415	50,343	43,520	52,556	34,590
Colorado .....	5	3	15	7	492	277	1,658	573
Connecticut .....	3	14	6	4	308	2,018	598	588
Delaware .....	( <sup>2</sup> )	( <sup>2</sup> )	4	—	( <sup>2</sup> )	( <sup>2</sup> )	642	—
District of Columbia .....	—	( <sup>2</sup> )	( <sup>2</sup> )	—	—	( <sup>2</sup> )	( <sup>2</sup> )	—
Florida .....	71	104	92	72	5,822	7,222	6,405	5,154
Georgia .....	16	20	9	17	1,368	2,966	824	1,734
Hawaii .....	( <sup>2</sup> )	( <sup>2</sup> )	3	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	256	( <sup>2</sup> )
Idaho .....	8	7	7	10	804	1,571	864	1,708
Illinois .....	56	58	62	51	6,441	6,074	9,521	6,185
Indiana .....	24	27	72	23	3,291	4,628	11,367	2,954
Iowa .....	15	13	25	10	1,373	1,615	6,494	939
Kansas .....	11	4	15	11	1,104	439	3,701	1,378
Kentucky .....	24	20	59	14	3,422	2,252	7,580	2,032
Louisiana .....	<sup>r</sup> 19	28	18	19	<sup>r</sup> 3,105	2,757	1,294	1,513
Maine .....	3	4	( <sup>2</sup> )	—	211	225	( <sup>2</sup> )	—
Maryland .....	( <sup>2</sup> )	10	11	8	( <sup>2</sup> )	1,095	1,225	898
Massachusetts .....	15	23	44	17	1,246	1,851	4,130	2,132
Michigan .....	57	50	144	26	12,914	5,002	15,700	2,535
Minnesota .....	11	19	16	11	1,421	2,900	1,702	1,243
Mississippi .....	3	6	5	3	182	405	583	176
Missouri .....	27	26	42	28	4,474	2,665	9,917	2,884
Montana .....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	—	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	—
Nebraska .....	( <sup>2</sup> )	5	8	4	( <sup>2</sup> )	429	900	287
Nevada .....	23	15	11	11	1,958	1,933	991	891
New Hampshire .....	7	5	5	3	840	1,229	696	618
New Jersey .....	30	57	44	33	3,108	9,137	5,367	3,371
New Mexico .....	( <sup>2</sup> )	3	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	168	( <sup>2</sup> )	( <sup>2</sup> )
New York .....	53	40	88	86	6,178	3,072	9,715	11,213
North Carolina .....	22	18	23	27	1,732	1,771	2,244	3,104
North Dakota .....	3	5	—	( <sup>2</sup> )	430	644	—	( <sup>2</sup> )
Ohio .....	50	46	98	47	6,153	5,247	15,236	5,602
Oklahoma .....	3	7	20	5	211	450	2,757	1,008
Oregon .....	33	30	27	24	4,986	3,446	2,829	2,603
Pennsylvania .....	107	104	115	49	12,425	11,198	12,930	6,697
Rhode Island .....	5	8	9	( <sup>2</sup> )	525	1,246	1,163	( <sup>2</sup> )
South Carolina .....	26	19	35	19	3,583	1,848	6,590	1,238
South Dakota .....	( <sup>2</sup> )	( <sup>2</sup> )	—	—	( <sup>2</sup> )	( <sup>2</sup> )	—	—
Tennessee .....	15	17	17	8	1,162	1,863	1,397	675
Texas .....	89	78	97	93	9,955	8,550	11,980	11,660
Utah .....	4	6	( <sup>2</sup> )	( <sup>2</sup> )	242	422	( <sup>2</sup> )	( <sup>2</sup> )
Vermont .....	( <sup>2</sup> )	3	3	( <sup>2</sup> )	( <sup>2</sup> )	177	353	( <sup>2</sup> )
Virginia .....	10	20	24	15	1,372	2,193	3,974	1,693
Washington .....	25	29	26	14	2,337	3,163	2,921	1,856
West Virginia .....	—	( <sup>2</sup> )	3	( <sup>2</sup> )	—	( <sup>2</sup> )	308	( <sup>2</sup> )
Wisconsin .....	58	57	92	39	6,712	6,788	14,530	3,932
Wyoming .....	—	—	—	—	—	—	—	—
Puerto Rico .....	9	9	11	10	862	998	2,251	772

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

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

<sup>p</sup> = preliminary.

<sup>r</sup> = revised.

NOTE: Dash represents zero.