

WEST INFORMATION OFFICE  
San Francisco, Calif.

For release Thursday, June 10<sup>th</sup>, 2010

BLS-10-63

Technical information: (415) 625-2286  
Media contact: (415) 625-2270

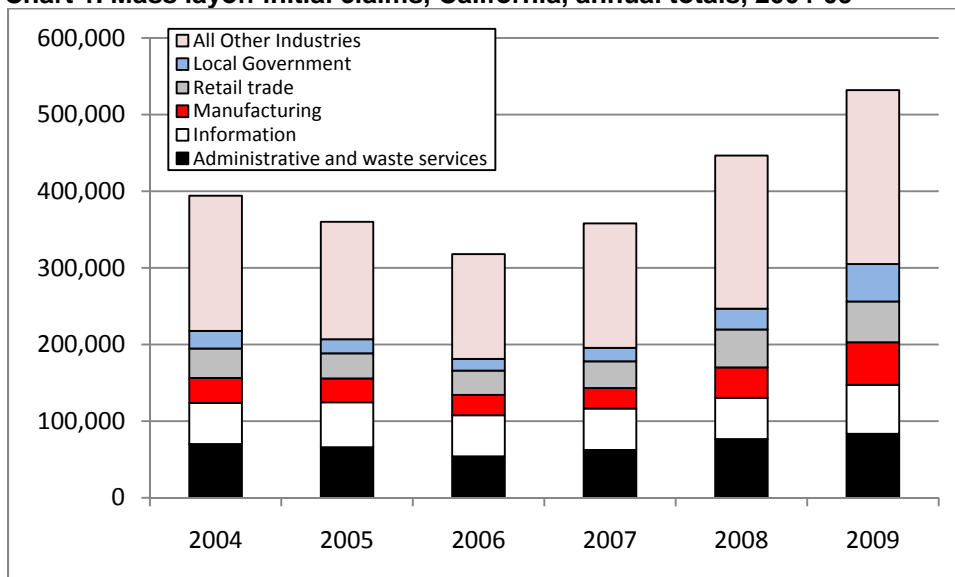
• BLSinfoSF@bls.gov

• www.bls.gov/ro9

## MASS LAYOFFS IN CALIFORNIA – 2009 ANNUAL TOTALS

Employers in California took 6,377 mass layoff actions in 2009 that resulted in the separation of 532,028 workers, as measured by new filings for unemployment insurance benefits during the year, the U.S. Bureau of Labor Statistics reported today. (See chart 1 and table 1.) Each action involved at least 50 persons from a single employer. Regional Commissioner Richard J. Holden pointed out that the number of initial claimants has been rising steadily since 2006, finally exceeding 500,000 in 2009. The last time initial claims surpassed half a million was in 2002.

Chart 1. Mass layoff initial claims, California, annual totals, 2004-09



Over the two-year period encompassing 2008 and 2009—a time span coinciding with the first two years of the national recession which began in December 2007—the number of mass layoff events in the State totaled 11,780, and the associated number of initial claims was 978,508. (The start of the national recession was designated by the National Bureau of Economic Research.)

### Industry distribution

Of all the industry sectors in California, manufacturing experienced the most mass layoff events in 2009 with 808, followed closely by administrative and waste services with 791. However, administrative and waste services had the largest number of initial claimants at 83,420, accounting for 15.7 percent of the State's total. Information had the second highest total of claimants with 63,817, followed by

manufacturing and retail trade, both with more than 50,000. Local government had almost 49,000 claimants, of which about 38,000, or 78 percent, were in educational services. Overall, eight industry sectors reached a record high number of initial claimants in 2009. (See table A.)

**Table A. Industry sectors reaching series highs for mass layoff initial claimants in California, 2009**

<u>Sector</u>	Initial claimants for unemployment <u>insurance</u>
Retail trade	53,295
Local Government	48,811
Construction	44,188
Accommodation and food services	28,396
Finance and insurance	19,133
Health care and social assistance	12,117
Wholesale trade	10,009
Real estate and rental and leasing	4,725

The public sector, not the private, had the largest over-the-year increase in mass layoff-related claims from 2008 with local government adding 21,707. Manufacturing had the next largest number of new claimants, 15,926. No other industry sector had an increase in claimants from 2008 to 2009 that exceeded 10,000. Other sectors with at least 6,000 additional claimants over the year included information, accommodation and food services, and administrative and waste services. Five other sectors finished 2009 with at least 2,000 more initial claimants than the prior year. (See table B.) On a percentage basis, the largest over-the-year increases in 2009 occurred in mining, quarrying, and oil and gas extraction (219.5 percent) and wholesale trade (77.3 percent).

**Table B. Industry sectors with at least 2,000 more mass layoff initial claims in California, 2009**

<u>Sector</u>	Net Change <u>2008-09</u>
Local Government	21,707
Manufacturing	15,926
Information	9,877
Accommodation and food services	7,502
Administrative and waste services	6,836
Wholesale trade	4,363
Retail trade	3,811
Arts, entertainment, and recreation	2,702
Finance and insurance	2,496
Professional and technical services	2,303

## 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 employers which have at least 50 initial claims filed against them during a consecutive 5- week period. These employers 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. The number of weeks in a given month may be different from year to year, and the number of weeks in a year may vary. Therefore, analysis of over-the-month and over-the-year change in not seasonally adjusted series 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.

### Definitions

*Employer.* Employers in the MLS program include those covered by state unemployment insurance laws. Information on employers is obtained from the Quarterly Census of Employment and Wages (QCEW) program, which is administered by the Bureau of Labor Statistics (BLS).

*Industry.* Employers are classified according to the 2007 version of the North American Industry Classification System (NAICS). For temporary help and professional employer organization industries, monthly MLS-related statistics generally reflect layoffs related to underlying client companies in other industries. An individual layoff action at a client company can be small, but when initial claimants associated with many such layoffs are assigned to a temporary help or professional employer organization firm, a mass layoff event may trigger.

*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 employer during a 5-week period, regardless of duration.

For personal assistance or further information on mass layoff data, as well as other Bureau products, contact the Western Information Office at 415-625-2270 from 9:00 a.m. to 11:30 a.m. and 1:30 p.m. to 4:00 p.m. PT.

**Table 1. Mass layoff events and initial claimants for unemployment insurance, selected industries, California, annual totals**

Industry	Mass layoff events				Initial claimants for unemployment insurance			
	2006	2007	2008	2009	2006	2007	2008	2009
Total <sup>1</sup>	3,702	4,130	5,403	6,377	317,907	357,994	446,480	532,028
Total, private	3,406	3,817	4,946	5,703	298,252	336,563	414,482	476,886
Agriculture, forestry, fishing and hunting	529	541	563	584	35,294	36,127	38,080	38,326
Crop production	193	172	183	198	13,832	12,218	12,968	13,585
Agriculture and forestry support activities	336	366	379	382	21,462	23,789	25,067	24,562
Mining, quarrying, and oil and gas extraction	(2)	(2)	7	24	(2)	(2)	430	1,374
Mining, except oil and gas	(2)	(2)	6	6	(2)	(2)	362	315
Support activities for mining	-	-	(2)	18	-	-	(2)	1,059
Utilities	6	6	11	10	362	366	729	641
Construction	482	558	729	744	29,481	32,174	43,450	44,188
Construction of buildings	74	95	108	111	3,904	5,185	6,164	6,361
Heavy and civil engineering construction	140	157	200	187	10,320	9,971	13,003	12,709
Specialty trade contractors	268	306	421	446	15,257	17,018	24,283	25,118
Manufacturing	395	400	600	808	26,390	26,787	39,631	55,557
Food	148	123	141	126	11,568	9,322	12,013	10,896
Beverage and tobacco products	19	20	24	24	1,046	1,157	1,683	1,373
Textile product mills	3	(2)	(2)	7	148	(2)	(2)	365
Apparel	14	18	23	34	934	1,111	1,346	2,208
Wood products	16	32	36	41	1,156	2,349	2,589	3,792
Paper	3	6	13	16	120	318	776	808
Printing and related support activities	5	5	9	13	211	267	575	828
Petroleum and coal products	-	-	4	5	-	-	243	248
Chemicals	4	8	15	23	291	827	683	1,232
Plastics and rubber products	6	12	16	23	291	618	871	1,252
Nonmetallic mineral products	34	34	69	69	1,910	2,531	3,877	4,430
Primary metals	7	6	8	18	318	364	461	1,012
Fabricated metal products	22	20	36	51	1,227	1,270	2,112	2,775
Machinery	6	9	22	47	304	489	1,333	4,188
Computer and electronic products	49	47	83	180	3,540	2,662	5,138	12,304
Electrical equipment and appliance mfg.	6	3	5	24	377	173	298	1,356
Transportation equipment	32	33	51	68	1,971	2,040	3,181	4,443
Furniture and related products	9	15	24	17	368	712	1,237	829
Miscellaneous manufacturing	10	8	19	19	514	527	1,100	1,091
Wholesale trade	60	65	106	168	3,291	3,530	5,646	10,009
Merchant wholesalers, durable goods	26	20	54	79	1,309	1,061	2,827	4,808
Merchant wholesalers, nondurable goods	22	35	37	60	1,354	2,002	2,110	3,722
Electronic markets and agents and brokers	12	10	15	29	628	467	709	1,479

**Table 1. Mass layoff events and initial claimants for unemployment insurance, selected industries, California, annual totals- continued**

Industry	Mass layoff events				Initial claimants for unemployment insurance			
	2006	2007	2008	2009	2006	2007	2008	2009
Retail trade	326	369	510	532	31,710	34,994	49,484	53,295
Motor vehicle and parts dealers	16	19	57	42	897	1,138	3,205	2,203
Furniture and home furnishings stores	10	10	31	21	466	477	2,024	1,211
Electronics and appliance stores	23	25	32	39	1,507	1,957	2,640	3,945
Building material and garden supply stores	15	16	24	33	1,999	3,292	3,386	3,522
Food and beverage stores	63	75	81	84	5,977	6,454	8,618	8,277
Health and personal care stores	22	26	28	31	1,772	2,146	2,593	3,311
Gasoline stations	4	5	10	8	218	279	498	602
Clothing and clothing accessories stores	62	63	92	121	3,939	3,796	6,117	7,707
Sporting goods, hobby, book and music stores	25	33	39	47	1,757	1,857	2,347	3,483
General merchandise stores	62	68	73	68	11,719	12,037	15,656	16,652
Miscellaneous store retailers	19	23	32	34	1,226	1,213	1,774	2,145
Nonstore retailers	5	6	11	4	233	348	626	237
Transportation and warehousing	94	114	175	181	7,956	10,580	16,763	15,569
Air transportation	6	(2)	7	9	338	(2)	766	796
Water transportation	9	4	4	4	718	327	244	275
Truck transportation	26	45	75	77	2,348	3,071	4,675	5,332
Transit and ground passenger transportation	26	39	46	44	2,336	4,296	5,859	4,500
Support activities for transportation	10	10	19	23	891	1,696	2,798	2,317
Couriers and messengers	13	11	16	16	1,146	801	1,927	1,908
Warehousing and storage	3	4	7	8	138	339	391	441
Information	217	251	328	368	53,633	53,933	53,940	63,817
Publishing industries, except Internet	13	16	39	48	768	1,033	2,463	3,489
Motion picture and sound recording industries	145	174	216	241	48,867	49,259	46,211	54,386
Broadcasting, except Internet	24	24	30	31	1,364	1,396	1,974	2,224
Telecommunications	35	31	36	35	2,634	1,865	2,968	2,933
Data processing, hosting and related services	-	5	3	6	-	341	132	342
Other information services	-	(2)	4	7	-	(2)	192	443
Finance and insurance	158	240	210	247	10,984	18,770	16,637	19,133
Credit intermediation and related activities	75	161	116	91	5,820	12,841	9,421	8,450
Securities, commodity contracts, investments	6	10	12	26	330	752	730	1,523
Insurance carriers and related activities	70	68	81	97	4,510	5,136	6,428	7,380
Funds, trusts, and other financial vehicles	7	(2)	(2)	33	324	(2)	(2)	1,780
Real estate and rental and leasing	27	36	62	80	1,421	2,082	3,346	4,725
Real estate	8	15	22	27	401	873	1,167	1,531
Rental and leasing services	17	20	40	53	937	1,164	2,179	3,194

**Table 1. Mass layoff events and initial claimants for unemployment insurance, selected industries, California, annual totals- continued**

Industry	Mass layoff events				Initial claimants for unemployment insurance			
	2006	2007	2008	2009	2006	2007	2008	2009
Professional and technical services	102	149	223	299	15,080	22,245	25,682	27,985
Professional and technical services	102	149	223	299	15,080	22,245	25,682	27,985
Administrative and waste services	558	580	743	791	54,100	62,402	76,584	83,420
Administrative and support services	558	579	740	782	54,100	61,877	76,459	82,969
Waste management and remediation services	-	(2)	3	9	-	(2)	125	451
Educational services	23	26	36	57	1,280	1,378	2,227	3,668
Educational services	23	26	36	57	1,280	1,378	2,227	3,668
Health care and social assistance	101	119	164	190	6,596	7,373	10,382	12,117
Ambulatory health care services	17	22	34	42	898	1,353	1,861	2,229
Hospitals	27	30	44	47	1,844	1,723	3,105	3,467
Nursing and residential care facilities	10	15	24	31	481	730	1,193	1,550
Social assistance	47	52	62	70	3,373	3,567	4,223	4,871
Arts, entertainment, and recreation	98	103	124	158	5,630	6,210	7,700	10,402
Performing arts and spectator sports	58	63	67	81	3,346	3,457	3,953	5,468
Museums, historical sites, zoos, and parks	-	-	(2)	5	-	-	(2)	250
Amusements, gambling, and recreation	40	40	55	72	2,284	2,753	3,652	4,684
Accommodation and food services	193	222	309	383	12,905	15,112	20,894	28,396
Accommodations	65	74	100	147	3,971	4,650	6,300	10,705
Food services and drinking places	128	148	209	236	8,934	10,462	14,594	17,691
Other services, except public administration	18	24	43	74	963	1,357	2,725	4,052
Repair and maintenance	3	6	10	12	132	305	503	542
Personal and laundry services	6	10	15	32	347	550	757	1,577
Membership associations and organizations	9	8	18	30	484	502	1,465	1,933
Government	296	313	457	674	19,655	21,431	31,998	55,142
Federal	7	4	5	4	977	418	531	546
State	48	54	64	81	3,360	3,561	4,363	5,785
Local	241	255	388	589	15,318	17,452	27,104	48,811

<sup>1</sup> Total includes all industries, including those not listed in the table.

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

NOTE: Dash represents zero.