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MASS LAYOFFS IN MAY 2004

In May 2004, employers took 988 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 87,501. (See table 1.) Both the number of events and initial claims were sharply lower than a year ago. The number of mass layoff events was at its lowest level for any May since 2000, and the number of associated initial claims was at its lowest level for any May since 1996. (May 2004 contained 4 weeks for possible mass layoffs, compared with 5 weeks in each May of the prior 2 years.) From January through May 2004, the total number of events, at 6,735, and of initial claims, at 661,024, were lower than in January-May 2003 (8,169 and 799,037, respectively).

Industry Distribution

Food service contractors, with 5,310 initial claims, and temporary help services, with 5,256 initial claims, together accounted for 12 percent of all initial claims in May. The 10 industries reporting the highest number of mass-layoff initial claims accounted for 25,796 initial claims in May, 29 percent of the total. (See table A.)

The manufacturing sector had 22 percent of all mass layoff events and 25 percent of all initial claims filed in May—the lowest shares for any May since 1995, when the monthly series began. A year ago, manufacturing reported 29 percent of events and 35 percent of initial claims. Within manufacturing, the number of claimants was highest in food processing (3,897), followed by transportation equipment (2,911) and textile product mills (2,820). (See table 2.)

The administrative and waste services sector accounted for 12 percent of events and 11 percent of initial claims filed in May, with layoffs mostly in temporary help services. Eight percent of all layoff events and 9 percent of initial claims filed during the month were in accommodation and food services, mainly among food service contractors. Retail trade accounted for 9 percent of events and initial claims, largely in general merchandise stores. Healthcare and social assistance accounted for 7 percent of events and 6 percent of initial claims during the month, primarily in child day care services. An additional 8 percent of events and 6 percent of initial claims were in construction, mostly among specialty trade contractors.

Government establishments accounted for 7 percent of events and initial claims filed during the month.

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

Industry	Initial claims	May peak	
		Year	Initial claims
Food service contractors	5,310	1998	7,267
Temporary help services	5,256	2002	16,992
Child day care services	3,484	2002	3,894
Other household textile product mills	2,567	2004	2,567
Professional employer organizations	1,850	2003	3,446
Other social advocacy organizations	1,846	2002	2,500
Supermarkets and other grocery stores	1,550	1996	4,492
School and employee bus transportation.....	1,326	2003	3,747
Motion picture and video production.....	1,308	1999	8,985
Full-service restaurants	1,299	2002	1,319

p=preliminary.

Compared with May 2003, the largest decreases in initial claims were reported in transportation equipment manufacturing (-10,432) and administrative and waste services (-9,920). The largest over-the-year increase in initial claims was reported in textile product mills (+1,872).

Geographic Distribution

Among the four regions, the highest number of initial claims in May due to mass layoffs was reported in the South, 27,666. (See table 3.) Administrative and support services and textile product mills accounted for 23 percent of all initial claims in that region during the month. This is the third time that the South reported the most mass-layoff initial claims; the others were in May 1995 and August 1995. The West region was next, with 25,629 initial claims, followed by the Midwest, with 22,294, and the Northeast, with 11,912.

The number of initial claimants in mass layoffs declined over the year in all four regions. The largest decrease was in the West (-26,782), followed closely by the Midwest (-24,107). Each of the nine geographic divisions had over-the-year decreases in the number of initial claims associated with mass layoffs, with the largest decrease in the Pacific division (-24,258).

Among the states, California recorded the highest number of initial claims filed in mass layoff events in May (20,148), mostly in administrative and support services. Illinois reported 5,640 initial claims, followed by Florida (5,152), Texas (4,683), and Pennsylvania (3,789). These five states accounted for 49 percent of all layoff events and 45 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 (-21,709), followed by New York (-8,027), Texas (-7,852), and Pennsylvania (-7,104). The largest over-the-year increase occurred in New Jersey (+853).

From January to May, California reported 171,449 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 (52,843), Pennsylvania (37,875), and Ohio (32,594).

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 Mass Layoffs in June 2004 is scheduled to be released on Thursday, July 22, 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 May 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								
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
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	297,607	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
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	^{2p} 1,204	^{2p} 165,272	^p 30.8	^p 42.9
April ^p	1,458	157,314	1,316	142,657				
May ^p	988	87,501	878	78,786				

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			
	May 2003	March 2004	April 2004 ^P	May 2004 ^P	May 2003	March 2004	April 2004 ^P	May 2004 ^P
Total ¹	1,703	920	1,458	988	174,204	92,554	157,314	87,501
Total, private	1,591	884	1,396	915	164,028	89,955	149,806	81,381
Agriculture, forestry, fishing and hunting	53	37	80	37	3,299	2,173	7,149	2,595
Total, private nonfarm	1,538	847	1,316	878	160,729	87,782	142,657	78,786
Mining	9	4	(²)	(²)	1,749	206	(²)	(²)
Utilities	7	(²)	(²)	(²)	529	(²)	(²)	(²)
Construction	159	106	149	76	13,279	7,288	11,904	5,424
Manufacturing.....	499	258	343	219	61,278	34,686	36,172	22,141
Food	70	56	112	41	7,655	6,220	13,582	3,897
Beverage and tobacco products	5	9	5	(²)	548	1,039	319	(²)
Textile mills	21	6	8	12	2,204	456	1,091	1,099
Textile product mills	10	(²)	5	13	948	(²)	420	2,820
Apparel	31	13	12	18	3,705	1,050	922	1,382
Leather and allied products	7	-	5	(²)	544	-	399	(²)
Wood products	24	16	16	5	2,361	1,540	1,684	389
Paper	15	7	7	7	1,072	529	499	665
Printing and related support activities	16	7	15	13	1,249	501	1,618	985
Petroleum and coal products	3	-	-	-	190	-	-	-
Chemicals	8	7	11	(²)	930	416	677	(²)
Plastics and rubber products	22	14	12	8	1,480	1,061	936	508
Nonmetallic mineral products	13	12	7	(²)	1,080	860	452	(²)
Primary metals	27	4	9	(²)	3,920	375	920	(²)
Fabricated metal products	34	16	22	9	2,957	1,103	2,030	660
Machinery	39	10	19	14	6,179	693	1,658	1,359
Computer and electronic products	46	15	17	13	4,029	1,274	1,375	1,081
Electrical equipment and appliances	20	12	7	10	3,665	2,789	1,252	1,572
Transportation equipment	52	38	32	28	13,288	13,430	4,625	2,911
Furniture and related products	21	11	11	12	1,985	985	835	1,098
Miscellaneous manufacturing	15	(²)	11	5	1,289	(²)	878	376
Wholesale trade	31	19	21	11	2,431	1,518	1,944	819
Retail trade	117	77	118	91	12,107	6,733	12,659	7,851
Transportation and warehousing	80	38	145	40	7,755	4,682	20,292	3,822
Information	63	32	42	32	8,819	4,912	7,851	2,966
Finance and insurance	31	27	31	23	2,414	2,228	2,594	1,944
Real estate and rental and leasing	5	5	11	(²)	478	332	1,214	(²)
Professional and technical services	65	29	54	44	5,542	2,619	6,939	4,116
Management of companies and enterprises	5	(²)	4	4	369	(²)	269	232
Administrative and waste services	204	129	194	119	19,751	11,546	20,812	9,839
Educational services.....	8	3	4	4	536	163	374	309
Health care and social assistance	84	19	31	67	7,043	1,039	2,118	5,500
Arts, entertainment, and recreation	32	4	40	23	2,293	167	3,368	2,006
Accommodation and food services	98	82	93	82	10,068	8,755	10,067	8,145
Other services, except public administration.....	39	9	26	35	4,143	506	3,240	3,112
Unclassified	2	1	6	1	145	85	563	62
Government	112	36	62	73	10,176	2,599	7,508	6,120
Federal	14	5	14	8	1,736	428	1,173	1,033
State	17	10	11	17	1,454	763	884	1,389
Local	81	21	37	48	6,986	1,408	5,451	3,698

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			
	May 2003	March 2004	April 2004 ^p	May 2004 ^p	May 2003	March 2004	April 2004 ^p	May 2004 ^p
United States ¹	1,703	920	1,458	988	174,204	92,554	157,314	87,501
Northeast	274	123	332	128	27,071	12,196	40,728	11,912
New England	32	12	49	21	2,888	912	5,913	2,007
Middle Atlantic	242	111	283	107	24,183	11,284	34,815	9,905
South	446	207	292	285	48,321	22,094	27,553	27,666
South Atlantic	214	101	139	138	21,217	8,749	12,141	12,730
East South Central	74	41	52	63	7,645	4,141	5,936	7,512
West South Central	158	65	101	84	19,459	9,204	9,476	7,424
Midwest	373	185	275	237	46,401	25,756	31,619	22,294
East North Central	271	138	235	172	34,240	19,002	27,755	17,057
West North Central	102	47	40	65	12,161	6,754	3,864	5,237
West	610	405	559	338	52,411	32,508	57,414	25,629
Mountain	62	30	52	39	6,104	3,146	5,962	3,580
Pacific	548	375	507	299	46,307	29,362	51,452	22,049

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			
	May 2003	March 2004	April 2004 ^P	May 2004 ^P	May 2003	March 2004	April 2004 ^P	May 2004 ^P
Total ¹	1,703	920	1,458	988	174,204	92,554	157,314	87,501
Alabama	21	7	15	11	1,996	654	2,051	2,586
Alaska	(²)	–	5	(²)	(²)	–	633	(²)
Arizona	19	6	20	14	1,846	593	3,177	1,438
Arkansas	4	3	6	7	266	422	513	525
California	502	341	440	272	41,857	25,730	44,311	20,148
Colorado	7	(²)	9	5	721	(²)	973	502
Connecticut	5	–	6	5	403	–	513	327
Delaware	(²)	(²)	3	–	(²)	(²)	165	–
District of Columbia	(²)	(²)	–	–	(²)	(²)	–	–
Florida	100	57	69	67	8,078	4,405	5,447	5,152
Georgia	38	11	21	25	3,807	927	2,111	2,674
Hawaii	6	8	7	(²)	554	788	570	(²)
Idaho	11	10	6	4	1,444	1,156	559	347
Illinois	70	29	54	48	9,525	3,812	7,471	5,640
Indiana	34	13	25	22	4,685	2,609	2,227	2,155
Iowa	27	11	8	6	4,582	1,330	846	515
Kansas	7	5	9	5	811	357	1,222	348
Kentucky	25	18	20	26	3,100	2,164	2,559	2,452
Louisiana	22	10	28	21	2,005	887	2,554	1,869
Maine	4	(²)	7	(²)	265	(²)	662	(²)
Maryland	8	(²)	9	7	969	(²)	906	488
Massachusetts	16	6	16	11	1,734	386	1,759	1,333
Michigan	36	27	38	33	6,599	4,548	3,556	3,369
Minnesota	22	9	5	12	2,119	2,979	327	959
Mississippi	10	(²)	6	10	717	(²)	419	879
Missouri	28	14	15	27	3,044	1,429	1,242	2,227
Montana	3	(²)	(²)	(²)	236	(²)	(²)	(²)
Nebraska	9	5	3	8	702	363	227	556
Nevada	14	7	6	3	1,099	642	420	291
New Hampshire	(²)	(²)	(²)	–	(²)	(²)	(²)	–
New Jersey	22	23	47	25	1,915	2,151	4,862	2,768
New Mexico	6	3	4	9	583	323	346	715
New York	110	27	120	40	11,375	2,451	19,056	3,348
North Carolina	27	13	20	16	2,790	1,261	1,768	1,346
North Dakota	5	(²)	–	4	349	(²)	–	290
Ohio	68	31	51	38	7,098	4,167	5,811	3,305
Oklahoma	23	8	5	4	4,653	3,254	425	347
Oregon	22	13	33	9	2,151	1,858	3,899	562
Pennsylvania	110	61	116	42	10,893	6,682	10,897	3,789
Rhode Island	(²)	3	8	(²)	(²)	219	1,624	(²)
South Carolina	11	6	6	7	1,436	863	796	1,429
South Dakota	4	(²)	–	3	554	(²)	–	342
Tennessee	18	14	11	16	1,832	1,231	907	1,595
Texas	109	44	62	52	12,535	4,641	5,984	4,683
Utah	(²)	(²)	4	(²)	(²)	(²)	248	(²)
Vermont	4	(²)	10	(²)	315	(²)	1,177	(²)
Virginia	26	10	10	14	2,967	1,010	849	1,536
Washington	17	13	22	15	1,684	986	2,039	1,146
West Virginia	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)
Wisconsin	63	38	67	31	6,333	3,866	8,690	2,588
Wyoming	–	(²)	(²)	–	–	(²)	(²)	–
Puerto Rico	7	4	11	4	1,098	318	1,147	640

¹ See footnote 1, table 2.

^P = preliminary.

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

NOTE: Dash represents zero.