Which layoffs—and which laid-off workers—are in the Mass Layoff Statistics?

Employers surveyed in the Mass Layoff Statistics (MLS) program are larger, pay higher wages, and have larger drops in employment than other employers with declining employment not surveyed in the MLS program; workers in the MLS are older, appear more likely to file for unemployment insurance, and appear to collect unemployment insurance over a longer period than the general population of recently unemployed workers

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The Mass Layoff Statistics (MLS) program is a federal–state cooperative effort to collect data on major job cutbacks throughout the United States. In this program, representatives of state workforce agencies contact establishments with at least 50 claims for unemployment insurance (UI) filed against them during a consecutive 5-week period to determine whether these claims are associated with layoffs that will last at least 31 days. If so, the state agencies administer a short survey. This survey asks how many people were laid off in total, what the reason for the layoff was, and whether (and when) any recall of these workers is expected. These data, available since April 1995, are combined with administrative data on employers, such as their industry and location, as well as with data on the characteristics of their associated UI claimants, such as gender, age, and race, to form the MLS.

The MLS data are used for within-state allocations of federal funds for dislocated workers through the Economic Dislocation and Worker Adjustment Assistance Act. Academic researchers who study the impact of mass layoffs on workers have not used these data. Instead, researchers studying layoffs, such as Jacobson, LaLonde, and Sullivan;[1] Schoeni and Dardia;[2] Kodrzycki;[3] von Wachter and Handwerker;[4] Couch and Placzek;[5] and von Wachter, Song, and Manchester,[6] use administrative wage records to identify employers with at least 50 workers in some baseline period, followed by an employment decline of at least 30 percent, and consider these employment declines to be mass layoffs. All of these authors use administrative wage data—most often the employee-level earnings data from state UI systems—to trace the path of workers' earnings before and after mass layoffs and to calculate the cost of mass layoffs for the affected workers.

To describe the continuing impact of mass layoffs on workers in the United States, researchers would find it useful to be able to combine the total number of workers affected in such extended layoffs (a number the MLS program publishes quarterly) with estimates of the impacts of layoffs on each affected worker. However, to discuss both the extended mass layoffs counted by the

MLS program and the impact of these layoffs measured by the academic literature, we need to establish whether these separate sources are describing the same layoffs and the same laid-off workers. Each source has a very different approach to defining a mass layoff—the MLS program uses the number of employees filing for UI (measured contemporaneously) and the academic research uses the size of permanent declines in employment (measured only in retrospect, using different size criteria, different data, and a different measure). These approaches could describe two different sets of employers with mass layoffs and two different sets of people laid off. This article describes the amount of overlap between the MLS employers and the employers identified with a similar method to the one used in the academic literature on mass layoffs. In particular, it shows how the MLS employers differ from the sets of employers whose employment level falls either by 50 workers (based on the MLS layoff size criteria) or by 30 percent or more (from an initial employment size of at least 50, using the academic layoff size criteria). This article also describes the separated workers of the MLS and compares this group of people with the broader population of recent job losers in the United States.

Method of comparing employers

To compare the MLS employers with the sets of employers who have large reductions in employment in the administrative wage records data, we begin with data assembled from the Quarterly Census of Employment and Wages (QCEW). These data are an employer-level version of the same UI administrative data that many academic researchers use. We select three sets of UI accounts[7] in these data. First, we select all UI accounts in these data with 50 or more workers and declines in employment between consecutive quarters of at least 30 percent, which is the definition of mass layoff that academic researchers use. This set of UI accounts differs from the MLS in changing both the definition (50 workers vs. 30 percent drop) and the method of identifying a mass layoff (workers filing for UI vs. an employer size change) at the same time. Therefore, we select a second set of UI accounts: those with a decline in total employment between consecutive quarters of at least 50 employees (the MLS definition of a layoff and the academic method of identifying the layoff). Our third set of UI accounts are the accounts associated with events in the MLS. For all three groups of UI accounts, we select data from the "layoff quarter," identifying all establishments of the UI account in that quarter, as well as for the previous four quarters. We sum employment in the QCEW for all
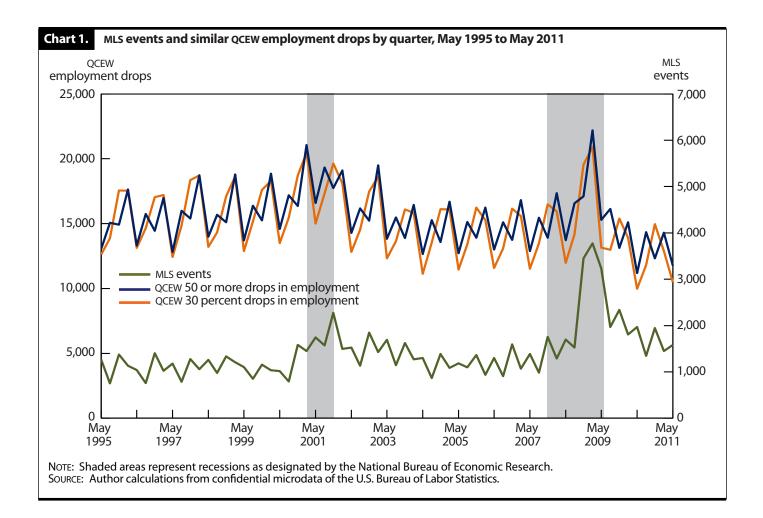
establishments of each employer in the layoff quarter as well as one quarter previous and 1 year previous.[8] Since employers may have multiple establishments in different industries, we identify the industry in which each employer has the greatest employment (in the layoff quarter).

Chart 1 shows the distribution of MLS events and similar declines in employment from the QCEW. It shows that the number of UI accounts with declines in employment of 30 percent or more between consecutive quarters (from an initial size of at least 50 employees) is very similar to the number of UI accounts with declines in employment of at least 50 employees. However, about 10 times as many UI accounts have large drops in total QCEW employment as compared with MLS events. The number of all three types of events increases during recessions, but the increases are larger for MLS events (perhaps because laid-off workers are more likely to register for UI benefits when they are less sure of finding another job).

We can use a Venn diagram, shown in chart 2, to show these different ways of measuring mass layoffs, where the red circle represents MLS events, the green circle represents large declines in employment in the QCEW data, and the overlap between the circles represents MLS events showing large declines in employment in their associated QCEW data.

As shown in table 1, only 5 percent of the UI accounts with declines in employment of 50 or more workers between consecutive quarters are also MLS events. UI accounts may decline this much without triggering the MLS survey when layoffs are spread over a period longer than 5 weeks (perhaps to avoid compliance with the provisions of the Worker Readjustment and Retraining Notification Act of 1988) or if less than 50 eligible[9] workers file for UI benefits. As described by Wandner and Stettner[10] and Budd and McCall,[11] many recently unemployed workers do not apply for UI benefits, largely because of perceived ineligibility and optimistic reemployment expectations; workers are more likely to file for UI if they are part of a union or if their former employer files on their behalf.

Although many more UI accounts have large drops in employment than the number of MLS events, only half the MLS events (47,963 out of 93,123) are associated with UI accounts that have declines in employment of 50 or more workers between consecutive quarters. In addition, only a quarter of the MLS events (23,318 out of 93,123) are associated with UI accounts that have declines in employment of 30 percent or more. (See table 1.) For an employer to have an MLS event without a decline in overall employment of 50 or more employees, either the employer is hiring new employees (perhaps in other establishments or

Chart 1. MLS events and similar QCEW employment drops by quarter, May 1995 to May 2011

QCEW
employment drops

MLS
events

NOTE: Shaded areas represent recessions as designated by the National Bureau of Economic Research.
SOURCE: Author calculations from confidential microdata of the U.S. Bureau of Labor Statistics.

in other occupations than in those occupations in which employees were let go) or recalling some of the separated employees to work or the data has errors. Thus, we investigate the overlap between MLS events and UI accounts with large drops in employment for employers with only one establishment and for those without expected recalls. Among single-establishment UI accounts, half the MLS events (25,305 out of 51,492) are associated with declines in employment of 50 or more workers in the UI account data (data not shown). Among employers who answered the MLS survey and said that they did not expect to recall workers within 180 days, 58 percent of MLS events (23,745 out of 40,967) are associated with UI accounts with declines in employment of 50 or more workers. Even among employers with only one establishment *and* no expected recall within 180 days, only 55 percent (11,690 out of 21,256) of MLS events have UI accounts with a decline in employment of 50 or more workers at the same time.

Because the overlap between MLS events and large declines in employment in the administrative data is so limited, we investigate whether this overlap varies by industry.

In terms of the Venn diagram (see chart 2), the fraction

$$\frac{\text{MLS events with large employment declines in administrative data}}{\text{All MLS events}}$$

is the size of the overlap relative to the size of the red circle. For declines in employment of 50 or more employees in the administrative data, this fraction is greatest in the arts, entertainment, and recreation; retail trade; and finance and insurance industries and lowest in the transportation and warehousing and educational services industries. For declines of 30 percent or more in employment in the administrative data, this fraction is also greatest in the arts, entertainment, and recreation industry but is lowest in the industries of utilities, information, and finance and insurance. The fraction

$$\frac{\text{MLS events}}{\text{Large employment declines in administrative data}}$$

is the size of the overlap, relative to the size of the green circle. For declines in employment of 50 or more employees in the administrative data, this fraction is greatest in the manufacturing, mining and extraction, and construction industries

and lowest in the public administration and educational services industries (this finding is unsurprising, since the MLS program ceased collecting information on public sector layoffs, including those in the education sector, in 2004). For declines of employment of 30 percent or more in the administrative data, this fraction is greatest in the (1) manufacturing, (2) management of companies and enterprises, and (3) mining and extraction industries and lowest in the public administration and educational services industries.
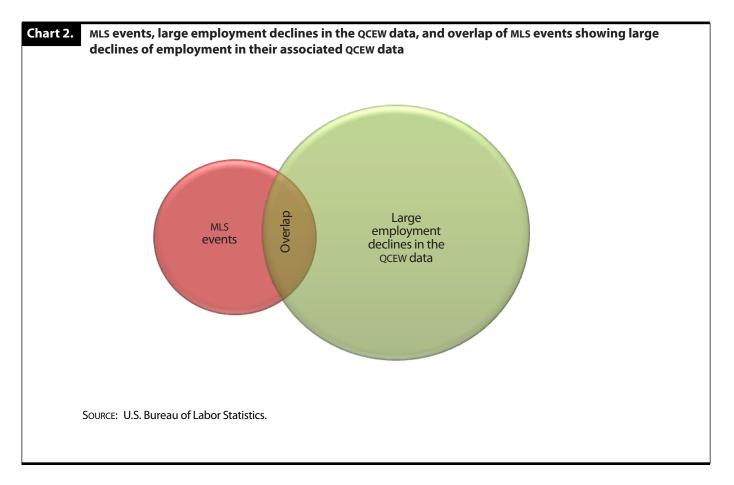
MLS employers versus all other employers

Differences are found in the aggregate between the characteristics of employers appearing in the MLS and employers with large employment declines in the administrative data. Table 2 shows the characteristics of employers with large employment declines in the administrative data by whether or not they are also MLS employers (the characteristics of employers in the green circle of the Venn diagram (chart 2) by whether or not they are in the overlap).

As shown in table 2, employers in the MLS are more likely to be in manufacturing or construction industries (than other employers with either type of large employ-

ment decline in the administrative data). We repeated all of these comparisons twice—first, by weighting all employers by their employment and, second, by weighting the employers in the administrative data by the distribution over time of MLS events—and found similar results from both reweightings to the unweighted patterns shown in table 2.[12] The relatively strong representation of manufacturing industries in the MLS is consistent with the notion that unionized industrial employers are more likely to file for UI on behalf of their former employees. Employers in the MLS are larger, with more establishments and more employees in the layoff quarter and the previous quarter than other employers with either type of large employment tab in the administrative data that do not appear in the MLS.[13] Employers that appear in the MLS have bigger declines in employment from the previous quarter or the previous year. Dividing the total wages paid to all employees in the layoff quarter by the number of employees on payroll during the quarter, the employers in the MLS pay higher average wages per employee.

However, the information available in the QCEW has limited power to predict which large declines in QCEW employment appear in the MLS. We put indicators for all

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Chart 2. MLS events, large employment declines in the QCEW data, and overlap of MLS events showing large declines of employment in their associated QCEW data

SOURCE: U.S. Bureau of Labor Statistics.

Table 1. MLS events and large employment declines based on administrative data

Statistic	All MLS events	Employment declines of 50 or more in administrative data		Employment declines of 30 percent or more in administrative data	
		MLS event	Not MLS event	MLS event	Not MLS event
Count	93,123	47,963	958,349	23,318	960,755
Percentage of MLS events	100	52	—	25	—
Percentage of UI account drops	—	5	95	2	98

NOTE: Dash indicates data not applicable. SOURCE: Author calculations from confidential microdata of the U.S. Bureau of Labor Statistics.

Table 2. Summary statistics for large employment declines in the administrative data by whether or not these declines are also mass layoff statistics events

Statistic	Declines of 50 or more in employment since previous quarter in administrative data			Declines of 30 percent in employment since previous quarter in administrative data		
	Mass layoff statistics event	Not mass layoff statistics event	Difference	Mass layoff statistics event	Not mass layoff statistics event	Difference
Observations	47,963	958,349	—	23,318	960,755	—
Average event date[1]	2004.01	2002.96	[2]1.05	2003.91	2002.87	[2]1.04
Industry (percent)						
Mining, quarrying, and oil and gas extraction	1.1	.5	[2].7	1.2	.5	[2].7
Utilities	.3	.3	0	.2	.1	0
Construction	16.3	6.9	[2]9.5	23.6	13.7	[2]9.8
Manufacturing	32.3	10.0	[2]22.3	27.8	8.7	[2]19.1
Wholesale trade	2.1	2.3	[3]–.1	2.4	3.1	[2]–.7
Retail trade	7.4	10.1	[2]–2.7	5.5	7.4	[2]–2.0
Transportation and warehousing	4.6	2.9	[2]1.6	4.8	2.8	[2]2.1
Information	3.2	2.6	[2].6	1.7	1.9	[2]–.3
Finance and insurance	3.7	2.8	[2].9	1.9	2.0	–.1
Real estate and rental and leasing	.6	1.1	[2]–.5	.5	1.4	[2]–.9
Professional, scientific, and technical services	3.8	4.2	[2]–.4	4.1	5.1	[2]–.9
Management of companies and enterprises	1.6	1.0	[2].7	1.6	.6	[2].9
Administrative and support and waste management and remediation services	7.8	12.9	[2]–5.1	6.5	12.3	[2]–5.8
Educational services	.4	10.9	[2]–10.5	.4	4.8	[2]–4.4
Health care and social assistance	4.2	6.1	[2]–1.9	5.5	4.6	[2].9
Arts, entertainment, and recreation	2.9	5.0	[2]–2.1	4.4	7.4	[2]–2.9
Accommodation and food services	6.1	8.7	[2]–2.5	6.0	10.6	[2]–4.6
Other services (except public administration)	1.4	1.9	[2]–.5	2.0	2.8	[2]–.8
Public administration	0	3.8	[2]–3.8	0	2.0	[2]–2.0
Number of establishments	26.86	11.95	[2]14.91	7.34	2.09	[2]5.26
Total employment	1,735.17	919.10	[2]816.07	217.90	75.09	[2]142.81
Total employment, previous quarter	2,022.33	1,099.84	[2]922.49	540.44	201.98	[2]338.46
Quarterly employment change	–287.16	–180.75	[2]–106.41	–322.54	–126.89	[2]–195.65
Yearly employment change	–212.53	–89.69	[2]–122.84	–167.69	–74.98	[2]–92.71
Quarterly wage bill per employment	$23,747.43	$17,479.34	[2]$6,268.09	$36,548.12	$18,255.96	[2]$18,292.16

[1] Average event date is the average date of the MLS event or Quarterly Census of Employment and Wages employment declines, in years.

[2] p = value for statistical significance of the difference is less than .001.

[3] p = value for statistical significance of the difference is less than .1.

SOURCE: Author calculations from confidential microdata of the U.S. Bureau of Labor Statistics.

these variables in a regression of the form MLS_i = $\mathrm{Quarter}_i$ + State_i + $\mathrm{Industry}_i$ + #Estab $\mathrm{Category}_i$ + #Employees $\mathrm{Category}_i$ + Quarter Δ Employment $\mathrm{Category}_i$ + Year Δ Employment $\mathrm{Category}_i$ + Quarter $\%\Delta$ $\mathrm{Category}_i$ + Year $\%\Delta$ $\mathrm{Category}_i$ + Average Wage $\mathrm{Category}_i$ and find that

this equation has very little explanatory power in predicting which of the mass layoffs in the administrative data appear in the MLS. The R^2 for this equation among employers with falls in employment of 50 or more employees in the administrative data is 8.6 percent and among

Table 3. Summary statistics for MLS events, which do and do not have large employment declines in the administrative data

Statistic	A decline of 50 or more in the QCEW	Not a decline of 50 or more in the QCEW	Difference	A decline of 30 percent in the QCEW	Not a decline of 30 percent in the QCEW	Difference
Observations	47,963	45,160	—	23,318	69,805	—
Average event date	2004.0	2004.1	[1]–0.08	2003.9	2004.1	–0.19
Industry (percent)						
Mining, quarrying, and oil and gas extraction	1.1	1.1	0	1.2	1.1	.1
Utilities	.3	.2	0	.2	.3	[2]–.1
Construction	16.3	19.8	[2]–3.4	23.6	16.1	[2]7.4
Manufacturing	32.3	32.2	.1	27.8	33.8	[2]–5.9
Wholesale trade	2.1	1.9	[1].2	2.4	1.9	[2].5
Retail trade	7.4	5.0	[2]2.4	5.5	6.5	[2]–1.0
Transportation and warehousing	4.6	7.2	[2]–2.6	4.8	6.2	[2]–1.4
Information	3.2	2.5	[2].6	1.7	3.3	[2]–1.6
Finance and insurance	3.7	2.5	[2]1.2	1.9	3.6	[2]–1.7
Real estate and rental and leasing	.6	.5	.1	.5	.5	–.1
Professional, scientific, and technical services	3.8	3.1	[2].7	4.1	3.2	[2].9
Management of companies and enterprises	1.6	1.4	[3].2	1.6	1.5	0
Administrative and support and waste management and remediation services	7.8	7.9	–.1	6.5	8.3	[2]–1.9
Educational services	.4	.7	[2]–.2	.4	.6	[2]–.2
Health care and social assistance	4.2	5.0	[2]–.9	5.5	4.3	[2]1.2
Arts, entertainment, and recreation	2.9	1.8	[2]1.1	4.4	1.7	[2]2.7
Accommodation and food services	6.1	5.4	[2].7	6.0	5.7	.2
Other services (except public administration)	1.4	1.5	–.1	2.0	1.2	[2].7
Number of establishments	26.86	22.12	[2]4.74	7.34	30.32	[2]–22.974
Total employment	1,735.17	1,572.42	[2]162.75	217.90	2,136.72	[2]–1,918.82
Total employment, previous quarter	2,022.33	1,484.44	[2]537.89	540.44	2,169.36	[2]–1,628.92
Quarterly employment change	–287.16	87.98	[2]–375.14	–322.54	–32.65	[2]–289.89
Yearly employment change	–212.53	26.99	[2]–239.52	–167.69	–72.56	[2]–95.13
Quarterly employment percent change	–35.8	74.0	[2]–109.7	–61.3	43.5	[2]–104.8
Yearly employment percent change	41.1	267.1	[3]–226.0	–17.2	206.0	[2]–223.2
Quarterly wage bill per employee	$23,747.43	$12,382.58	[2]$11,364.85	$36,548.12	$12,362.56	[2]$24,185.56
Recall (percent)						
None expected	39.8	29.1	[2]10.7	33.6	35.0	[2]–1.4
Expected	44.7	52.1	[2]–7.3	54.2	46.3	[2]7.9
Information not available	15.7	19.0	[2]–3.2	12.3	19.0	[2]–6.7
Expected in less than 90 days	18.1	28.6	[2]–10.6	19.6	24.4	[2]–4.8
Expected in 90–180 days	16.9	14.4	[2]2.5	23.9	12.9	[2]11.0
Expected in 181–270 days	3.7	1.7	[2]2.0	5.6	1.7	[2]3.9
Expected in 271–364 days	.6	.3	[2].3	.7	.4	[2].4
Expected in 365 or more days	.1	.1	0	.1	.1	[2]0
Date not available	21.2	26.0	[2]–4.8	16.7	25.8	[2]–9.1
Reason for layoff (percent)						
Business demand	33.9	37.9	[2]–4.0	26.3	39.0	[2]–12.7
Disaster	1.2	1.8	[2]–.6	1.9	1.4	[2].5
Financial	9.6	5.7	[2]4.0	11.1	6.6	[2]4.4
Organizational	12.7	9.2	[2]3.4	8.4	11.9	[2]–3.5
Production	1.9	2.2	[3]–.3	1.5	2.2	[2]–.6
Seasonal	30.0	29.9	0	42.6	25.7	[2]16.8
Other	3.0	2.5	[2].5	2.6	2.8	–.1
None stated	8.0	11.0	[2]–3.0	5.7	10.7	[2]–5.0

[1] p = value for statistical significance of the difference is less than .1.
[2] p = value for statistical significance of the difference is less than .001.
[3] p = value for statistical significance of the difference is less than .01.

NOTE: Dash indicates data not applicable.
SOURCE: Author calculations from confidential microdata of the U.S. Bureau of Labor Statistics.

employers with falls of 30 percent in employment in the administrative data is 7.8 percent.

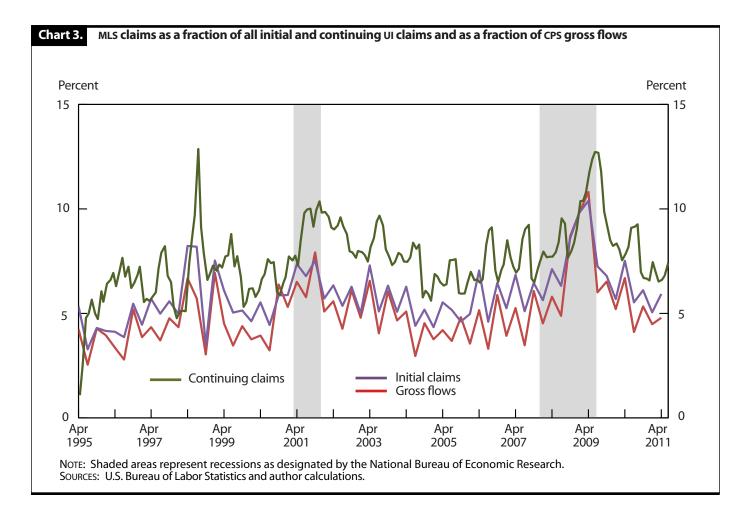Table 3 shows the characteristics of the employers in the MLS by whether or not they have large employment declines in their administrative data (i.e., the characteristics of employers in the red circle of the Venn diagram [chart

2] by whether or not they are in the overlap). We find that MLS events with expected recalls, especially those anticipating recalls in less than 90 days, are less likely to appear as large employment declines in the administrative data than other MLS events. MLS events with a business demand reason are more common among layoffs not appearing as large employment declines in the administrative data, while layoffs for financial, organizational (drops of 50 or more only), or seasonal (30 percent or more only) reasons are more common for mass layoffs that do appear as large employment declines in the administrative data.

The information available in the MLS has limited power to predict which MLS events will appear as large declines in employment in the administrative data. We put indicators for MLS variables in a regression of the form "mass layoff" = Quarter_i + State_i + Industry_i + #Estab Category$_i$ + #Employees Category$_i$ + Average Wage Category$_i$ + Recall Expectation Category$_i$ + Anticipated Return Category$_i$ + Layoff Reason Category$_i$. We find that the R^2 for using these variables to predict a fall in employment of 50 or more in the administrative data is 12.3 percent, and the R^2 for using these variables to predict a fall of 30 percent in employment is 40.2 percent.

MLS employees versus other unemployed workers

The MLS program compiles information on the characteristics of both employers and employees involved in mass layoffs, including the number of people filing initial claims for UI associated with each MLS event,[14] as well as the number of continuing claims filed for each event over time. The initial and continuing claims of people included in the MLS program are a subset of all the initial and continuing UI claims in the United States. These claims are compiled and published weekly by the Employment and Training Administration of the Department of Labor. Chart 3 shows the fraction of all people collecting unemployment benefits (either for the first time [initial claims] or as part of continuing UI claims) and connected to an MLS event.

The fraction of initial claims for unemployment benefits that are associated with MLS events is generally between 5 and 7 percent, and the fraction of continuing claims for

Chart 3. MLS claims as a fraction of all initial and continuing UI claims and as a fraction of CPS gross flows

NOTE: Shaded areas represent recessions as designated by the National Bureau of Economic Research.
SOURCES: U.S. Bureau of Labor Statistics and author calculations.

unemployment benefits that are continuing claims associated with mass layoff events is generally between 6 and 9 percent. Both fractions generally appear to grow during recessions. That a higher fraction of continuing claims than initial claims are associated with MLS events suggests that workers who are separated from jobs as part of mass layoffs are unemployed longer, on average, than other workers who collect UI benefits.

The Employment and Training Administration collects the demographic characteristics of UI recipients only for continuing claims (to compare with general levels of unemployment in the Current Population Survey [CPS]), while the MLS program collects the demographic characteristics of UI recipients only for their initial claims. Thus, to examine whether the MLS disproportionately represent certain subgroups of workers, we must turn to other data.

The CPS data come from a large monthly survey of households in the United States. Comparing characteristics of unemployed recent job losers[15] in these data with the characteristics of initial claimants for UI from MLS events over the same time, we find several important differences. First, as shown in table 4 and chart 4, the MLS initial claimants are older. MLS initial claimants are much less likely to be younger than 30, more likely to be ages 30 to 44 (although this likelihood has been falling in recent years), much more likely to be ages 45 to 54, and more likely to be older than 55. The fraction of MLS initial claimants who are older than 55 also has a marked seasonal pattern, unlike the age distribution of the unemployed recent job losers overall.

Until the 2008 recession, the fraction of MLS initial claimants who came from Midwestern states or manufacturing employers was much higher than the fraction of all unemployed recent job losers. Charts 5 and 6 show the pattern of these fractions over time.

Another way to compare the MLS data with the CPS data on all unemployed workers is to examine the CPS gross flows tabulations. The gross flows are published estimates of the number of people who move from one labor force status to another in each month. These flows are published for all workers and separately for men and women. Aggregating these monthly flows to the quarter level, we estimate a crude measure of the number of people moving from "employed" to "unemployed" each quarter, to compare with the number of initial UI claims in the MLS data each quarter. In most quarters, the number of people filing initial claims for unemployment as part of MLS events represents about 5 percent of the total number of people moving from employment to unemployment. However, as shown in chart 3, mass layoffs represent larger shares of the total movement of people into unemployment during recessions. In 2001, fourth quarter, the number of people filing initial claims for unemployment as part of MLS events was 7.9 percent of the total number of people moving from employment to unemployment, and during 2009, second quarter, this figure reached 10.8 percent.
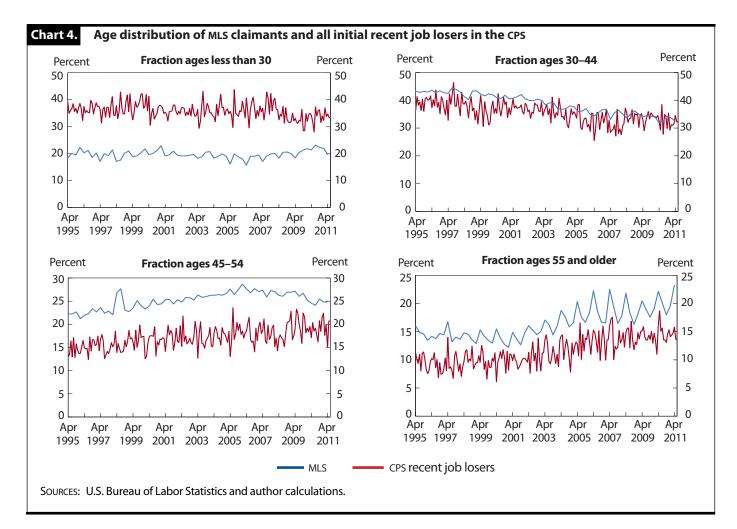
Overall, this pattern does not vary by gender; men are more likely to appear in both the initial claims for unemployment that are part of mass layoffs, and men are similarly more likely to appear in movements from em-

Table 4.	Comparing characteristics of people filing for initial unemployment insurance claims as part of MLS events with all unemployed recent job losers in the Current Population Survey, April 1995–September 2011			
Statistic	**MLS initial claims (percent)[1]**	**Current Population Survey (weighted percent)[1]**		
		All adults	**All unemployed**	**Unemployed recent job losers**
Observations	18,791,534	20,170,777	728,560	98,832
Male	58.9	48.3	55.2	61.1
Ages less than 30	19.8	26.4	45.0	35.5
Ages 30–44	38.0	28.1	29.2	35.2
Ages 45–54	25.5	17.6	15.3	17.4
Ages 55 and older	16.7	27.9	10.5	11.8
Hispanic	16.9	12.1	16.9	18.5
White, not Hispanic	63.9	70.8	57.1	62.2
Black, not Hispanic	15.7	11.6	20.3	14.7
American Indian, not Hispanic	.7	.6	1.0	.9
Asian or Pacific Islander, not Hispanic	2.8	4.2	3.6	2.9
Midwestern[2]	30.3	22.6	22.5	24.2
Manufacturing industry	36.0	8.5	12.4	16.2
Unemployed	100.0	3.8	100.0	100.0
Recent job loser/separator	100.0	.5	13.3	100.0

[1] Values are in percentages, except for observations.
[2] See **http://www.census.gov/geo/www/us_regdiv.pdf** for region definition.

Sources: U.S. Bureau of Labor Statistics and author calculations.

Chart 4. Age distribution of MLS claimants and all initial recent job losers in the CPS

Fraction ages less than 30

Fraction ages 30–44

Fraction ages 45–54

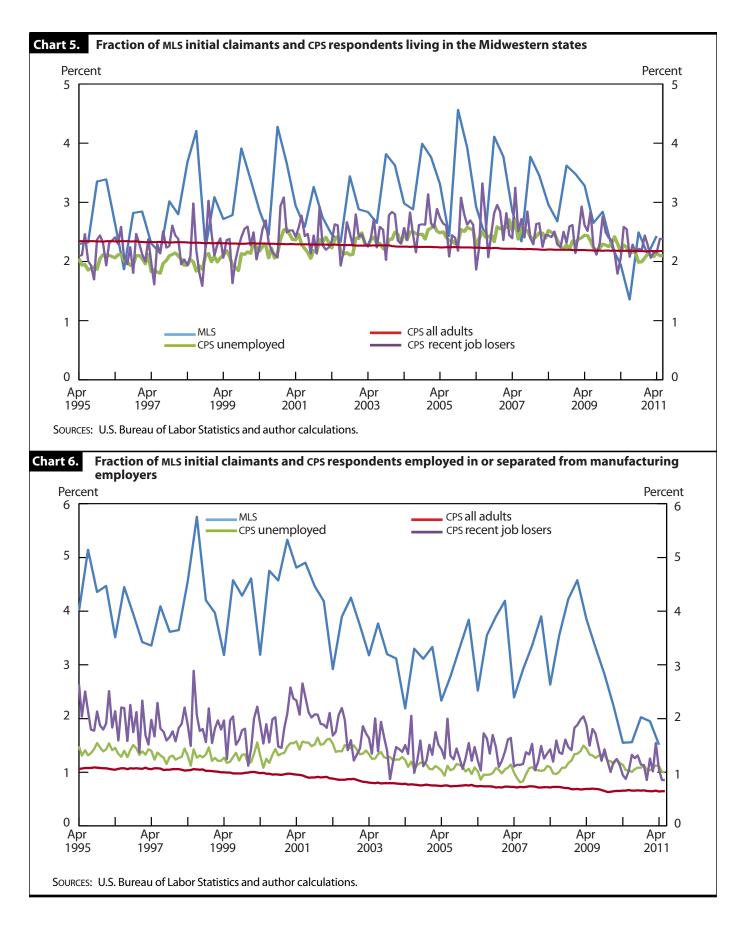Fraction ages 55 and older

— MLS   — CPS recent job losers

SOURCES: U.S. Bureau of Labor Statistics and author calculations.

ployment to unemployment in the CPS data. However, the initial UI claimants in the MLS data have a strong seasonal pattern by gender, and this pattern yields a seasonal difference between men and women in the relationship between MLS initial claims and CPS gross flows by gender. In the fourth quarter, men's layoffs are more likely to appear in the MLS data (relative to the CPS gross flows), while women's layoffs in the second quarter are more likely to appear in the MLS data (relative to the CPS gross flows).

THE MLS PROGRAM measures layoffs involving 50 or more workers from the same employer who file for UI within 5 weeks and whose employer reports to a state agency that these workers were not recalled for at least 31 days. Only half the employers surveyed as part of this program have employment declines of 50 or more workers in the administrative data, and only a quarter have employment declines of 30 percent in the administrative data (as mass layoffs are measured in the academic literature). The employers surveyed as part of the MLS program are larger (having more establishments and more workers), paying

higher wages and having larger layoffs than employers with declining employment that are not part of the MLS. However, the characteristics of employers with declining employment have little power to predict which employers will appear in the MLS. Among the employers appearing in the MLS, those without expected recalls and with seasonal reasons for layoff are more likely to appear as having large declines in administrative data.

The workers included in the MLS are disproportionately older than the general population of recent job losers, with some seasonality in the number of workers 55 years and older not seen in the general population. Before the recent recession, the MLS program disproportionately included recent job losers from manufacturing industries and Midwestern states. The racial and gender composition of employees in the MLS is not very different from the general population of recent job losers. In general, the displaced workers included in the MLS represent about 5 percent of the total number of people moving from employment to unemployment each quarter as measured in the CPS gross flows, about 6 percent of all initial claimants for UI and 8

Chart 5. **Fraction of MLS initial claimants and CPS respondents living in the Midwestern states**

Percent | Percent

Legend:
- MLS
- CPS unemployed
- CPS all adults
- CPS recent job losers

Apr 1995 · Apr 1997 · Apr 1999 · Apr 2001 · Apr 2003 · Apr 2005 · Apr 2007 · Apr 2009 · Apr 2011

SOURCES: U.S. Bureau of Labor Statistics and author calculations.

Chart 6. **Fraction of MLS initial claimants and CPS respondents employed in or separated from manufacturing employers**

Percent | Percent

Legend:
- MLS
- CPS unemployed
- CPS all adults
- CPS recent job losers

Apr 1995 · Apr 1997 · Apr 1999 · Apr 2001 · Apr 2003 · Apr 2005 · Apr 2007 · Apr 2009 · Apr 2011

SOURCES: U.S. Bureau of Labor Statistics and author calculations.

percent of all continuing claims for UI, with all three of these fractions rising during recessions. The higher fraction of initial claims than employment transitions suggests that workers included in the MLS are more likely to file for UI than other recently unemployed workers. The higher fraction of continuing claims than initial claims associated with MLS events suggests that the workers included in the MLS are unemployed longer than other workers filing for UI. □

Notes

[1] Louis S. Jacobson, Robert J. LaLonde, and Daniel G. Sullivan, "Earnings Losses of Displaced Workers," *American Economic Review*, September 1993, pp. 685–709.

[2] Robert F. Schoeni and Michael Dardia, "Estimates of Earnings Losses of Displaced Workers Using California Administrative Data," PSC Research Report No. 03–543 (University of Michigan, PSC Publications, December 2003).

[3] Yolanda K. Kodrzycki, "Using Unexpected Recalls to Examine the Long-Term Earnings Effects of Job Displacement," Working Paper 07–2 (Federal Reserve Bank of Boston, August 2007).

[4] Till von Wachter and Elizabeth Weber Handwerker, "Variation in the Cost of Job Loss by Worker Skill: Evidence Using Matched Data from California, 1991–2000" (Mimeo, Columbia University, New York, December 30, 2009).

[5] Kenneth A. Couch and Dana W. Placzek, "Earnings Losses of Displaced Workers Revisited," *American Economic Review*, March 2010, pp. 572–589.

[6] Till von Wachter, Jae Song, and Joyce Manchester, "Long-Term Earnings Losses Due to Mass Layoffs During the 1982 Recession: An Analysis Using Longitudinal Administrative Data from 1974 to 2004" (Mimeo, Columbia University, New York, 2011).

[7] Most academic researchers define employers using their Employer Identification Numbers (EINs) rather than unemployment insurance (UI) accounts. Thus, we briefly examined identifying large declines in employment by examining EINs with 50 or more employees instead of UI accounts this size. The total number of large employment declines (measured as either drops of 50 or more employees or 30 percent or more employees) identified using EINs differed by less than 1 percent from the number identified using UI accounts, and we did not pursue this further.

[8] We use a consistent set of establishments when examining the employment of a UI account in the layoff quarter, the previous quarter, and in the previous year. If any establishments of these UI accounts move to different UI accounts over this period, we examine the full set of all establishments ever associated with these UI accounts.

[9] To be eligible for UI benefits, workers must meet state-specific requirements for wages earned or time worked before displacement.

[10] Stephen A. Wandner and Andrew Stettner, "Why are many jobless workers not applying for benefits?" *Monthly Labor Review*, June 2000, pp. 21–33, **http://www.bls.gov/opub/mlr/2000/art2full.pdf**.

[11] John W. Budd and Brian P. McCall, "Unions and Unemployment Insurance Benefits Receipt: Evidence from the Current Population Survey," *Industrial Relations*, April 2004, pp. 339–355.

[12] One difference between the unweighted and weighted tabulations is that after reweighting by employment, we found that the employers in the MLS are more likely to be in manufacturing, finance and insurance, and retail trade compared with other employers with declines of 50 or more employees in the administrative data. They also are more likely to be in manufacturing, construction, and retail trade compared with other employers with declines of 30 percent or more in the administrative data.

[13] To have a 30 percent decline in employment *and* a decline in employment of 50 employees, an employer would need a predisplacement employment of at least 167. Thus, employers appearing in the MLS are necessarily larger on average than all employers with 30 percent declines in employment. No such size difference exists by definition between employers appearing in the MLS and employers with declines of at least 50 employees.

[14] MLS data on people filing initial claims for UI only include those who were eligible to receive UI benefits.

[15] Unemployed recent job losers in the CPS are defined as those whose monthly labor force recode is unemployed (either on layoff or looking for work), reason for unemployment is job loser (excluding those with temporary jobs that ended), and duration of unemployment is less than 5 weeks.