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MASS LAYOFFS IN JULY 2002

Employers initiated 2,041 mass layoff actions in July 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 245,457. (See table 1.) A year earlier, in July 2001, there were 2,117 mass layoff events involving 273,807 workers. From January through July 2002, the total number of initial claims, at 1,317,394, was lower than January-July 2001 (1,407,980), while the number of events, at 11,843, was somewhat higher (11,658).

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 44 percent of all mass layoff events and 55 percent of all initial claims filed in July. A year earlier, layoffs in this sector accounted for 54 percent of events and 62 percent of initial claims. The number of initial claimants was highest in transportation equipment (47,583, mostly in light truck and utility vehicles), followed by machinery manufacturing (12,778, largely in construction machinery), computer and electronic products (11,987, primarily in semiconductors and related devices), and plastics and rubber products (10,080, mainly in miscellaneous plastic products). (See table 2.)

Eleven percent of all layoff events and 10 percent of initial claims filed during the month were in administrative and waste services, mostly in temporary help services. From January through July, 91,480 mass layoff initial claims were filed from this industry. Four percent of the events and 5 percent of initial claims were from the information sector, mainly in motion picture and sound recording. Retail trade accounted for an additional 5 percent of events and 4 percent of initial claims, primarily in general merchandise stores.

Government establishments accounted for 5 percent of events and 4 percent of initial claims filed during the month, largely in educational services, particularly elementary and secondary schools.

Compared with July 2001, the largest decreases in initial claims were reported in manufacturing industries—machinery manufacturing (-7,052), primary metals (-5,397), and computer and electronic products (-4,973). The largest over-the-year increases in initial claims were reported in educational services (+2,940), food services and drinking places (+2,408), and general merchandise stores (+2,185).

Geographic Distribution

Among the four regions, the highest number of initial claims in July due to mass layoffs was in the Midwest, 89,068. (See table 3.) The manufacture of transportation equipment, machinery, and plastics and rubber products accounted for 56 percent of all initial claims in the Midwest during the month. The West followed with 64,961 initial claims (mainly in administrative and waste services), then the South, with 56,416 (largely in transportation equipment manufacturing), and the Northeast, with 35,012 (mostly in fabricated metal product manufacturing).

The number of initial claimants in mass layoffs declined over the year in 2 of the 4 geographic regions, with the largest decrease occurring in the Midwest (-27,049). The largest over-the-year increase was reported in the Northeast (+1,522). Six of the nine geographic divisions reported over-the-year declines in the number of initial claims associated with mass layoffs, with the largest decline in the East North Central (-30,155). The largest increase was reported in the East South Central (+6,078).

California had the largest number of initial claims filed in mass layoff events this July, 52,556, mostly in administrative and support services and in motion picture and sound recording industries. Michigan reported 15,700 initial claims in mass layoffs, followed by Ohio (15,236), Wisconsin (14,530), and Pennsylvania (12,930). These five states accounted for 49 percent of all layoff events and 45 percent of all initial claims for unemployment insurance. (See table 4.) Thus far this year, 331,796 mass layoff initial claims were filed in California, 25 percent of the national total. The states with the next largest number of claims were Pennsylvania (77,528) and Texas (76,293).

Michigan reported the largest over-the-year decrease in initial claims (-12,950), followed by Ohio (-7,907) and Illinois (-6,510). The largest over-the-year increases occurred in Alabama (+5,978) and New York (+5,644).

The report on Mass Layoffs in August 2002 will be issued on Wednesday, September 25, 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 July 2002

Date	Total mass layoffs		Extended mass layoffs lasting more than 30 days		Realization rates ¹	
	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	^r 340,210	38.8	^r 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	^r 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	^r 370,620	36.8	^r 61.7
October	1,831	215,483				
November	2,721	295,956				
December	2,440	268,893				
Fourth Quarter	6,992	780,332	^r 2,698	^r 500,925	38.6	^r 64.2
2002						
January	2,146	263,821				
February	1,383	138,984				
March	1,460	161,336				
First Quarter	4,989	564,141	^r 1,749	^r 313,686	^r 35.1	^r 55.6
April	1,507	165,861				
May	1,726	180,007				
June ^p	1,580	161,928				
Second Quarter ^p	4,813	507,796	² 1,754	² 256,338	36.4	50.5
July ^p	2,041	245,457				

¹ 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.

² 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.

^p = preliminary.

^r = revised.

Table 2. Industry distribution: Mass layoff events and initial claimants for unemployment insurance

Industry	Mass layoff events				Initial claimants for unemployment insurance			
	July 2001 ^f	May 2002	June 2002 ^p	July 2002 ^p	July 2001 ^f	May 2002	June 2002 ^p	July 2002 ^p
Total ¹	2,117	1,726	1,580	2,041	273,807	180,007	161,928	245,457
Total, private	2,042	1,635	1,356	1,936	266,358	170,712	142,567	235,792
Agriculture, forestry, fishing and hunting	90	62	92	118	7,230	3,802	6,256	8,734
Mining	8	15	8	12	1,308	1,553	1,210	1,450
Utilities	3	6	3	4	1,019	597	303	320
Construction	65	165	84	74	5,167	13,521	5,809	5,675
Manufacturing.....	1,144	488	336	908	168,877	52,720	42,117	135,392
Food	81	79	49	60	9,832	9,335	5,851	6,102
Beverage and tobacco products	(²)	3	6	(²)	(²)	224	452	(²)
Textile mills	41	19	10	33	5,807	2,072	1,118	4,801
Textile product mills	10	8	5	11	933	617	663	2,336
Apparel	46	33	15	34	7,116	2,578	1,363	3,196
Leather and allied products	11	-	(²)	6	1,056	-	(²)	378
Wood products	26	23	18	28	3,239	2,348	2,359	2,893
Paper	19	10	8	13	2,362	1,141	1,078	1,244
Printing and related support activities	10	21	13	13	1,023	1,892	1,057	1,331
Petroleum and coal products	(²)	3	(²)	(²)	(²)	184	(²)	(²)
Chemicals	22	11	6	14	2,690	815	606	1,473
Plastics and rubber products	83	9	10	71	9,333	798	898	10,080
Nonmetallic mineral products	21	10	8	18	2,871	1,190	754	2,813
Primary metals	79	27	18	64	13,048	2,787	2,681	7,651
Fabricated metal products	96	25	20	60	10,190	2,252	2,103	7,556
Machinery	101	35	27	76	19,830	3,902	4,543	12,778
Computer and electronic products	129	69	36	94	16,960	5,813	2,959	11,987
Electrical equipment and appliances	47	28	25	31	7,949	4,490	5,281	5,046
Transportation equipment	258	53	34	234	47,285	6,869	5,594	47,583
Furniture and related products	33	12	17	27	4,639	2,513	2,005	4,191
Miscellaneous manufacturing	26	10	7	17	2,427	900	527	1,699
Wholesale trade	31	35	23	29	2,591	2,937	2,165	3,017
Retail trade	96	131	83	93	10,996	16,192	7,257	10,447
Transportation and warehousing	86	52	141	71	7,378	5,680	18,068	6,691
Information	59	86	42	72	11,329	13,036	4,210	12,555
Finance and insurance	34	44	35	52	2,814	3,327	2,431	4,394
Real estate and rental and leasing	13	7	7	11	939	452	602	1,066
Professional and technical services	59	80	36	74	6,597	6,199	8,902	6,818
Management of companies and enterprises	4	4	3	3	595	395	621	323
Administrative and waste services	205	222	165	233	28,056	26,191	14,236	24,853
Educational services.....	6	3	18	15	435	190	1,128	1,239
Health care and social assistance	38	76	117	54	2,406	7,006	10,987	3,652
Arts, entertainment, and recreation	13	33	29	23	1,038	2,267	1,983	1,599
Accommodation and food services	53	88	80	70	4,271	10,807	9,966	5,930
Other services, except public administration.....	10	34	49	17	596	3,228	3,976	1,385
Unclassified	25	4	5	3	2,716	612	340	252
Government	75	91	224	105	7,449	9,295	19,361	9,665
Federal	18	21	13	6	2,020	2,739	1,791	787
State	7	14	16	17	592	1,510	1,665	1,321
Local	50	56	195	82	4,837	5,046	15,905	7,557

¹ For July 2002, data were reported by all states and the District of Columbia.

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

^p = preliminary.

^f = 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			
	July 2001	May 2002	June 2002 ^p	July 2002 ^p	July 2001	May 2002	June 2002 ^p	July 2002 ^p
United States ¹	2,117	1,726	1,580	2,041	273,807	180,007	161,928	245,457
Northeast	319	266	258	315	33,490	24,998	30,153	35,012
New England	70	41	57	68	8,574	3,765	6,746	7,000
Middle Atlantic	249	225	201	247	24,916	21,233	23,407	28,012
South	462	467	380	485	56,394	48,506	37,559	56,416
South Atlantic	236	211	197	202	28,391	18,633	17,657	22,536
East South Central	89	88	67	137	10,772	9,448	7,935	16,850
West South Central	137	168	116	146	17,231	20,425	11,967	17,030
Midwest	763	377	311	574	116,117	44,788	36,493	89,068
East North Central	618	266	238	468	96,509	31,152	27,739	66,354
West North Central	145	111	73	106	19,608	13,636	8,754	22,714
West	573	616	631	667	67,806	61,715	57,723	64,961
Mountain	74	48	59	66	8,156	4,604	7,073	6,399
Pacific	499	568	572	601	59,650	57,111	50,650	58,562

¹ See footnote 1, table 2.

^p = preliminary.

^r = 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			
	July 2001	May 2002	June 2002 ^p	July 2002 ^p	July 2001	May 2002	June 2002 ^p	July 2002 ^p
Total ¹	2,117	1,726	1,580	2,041	273,807	180,007	161,928	245,457
Alabama	13	38	24	56	1,312	4,352	3,415	7,290
Alaska	–	(²)	4	–	–	(²)	401	–
Arizona	22	11	23	28	2,149	1,256	2,576	2,528
Arkansas	13	8	3	11	1,043	629	210	999
California	444	517	507	545	51,198	50,063	43,520	52,556
Colorado	12	9	3	15	1,248	858	277	1,658
Connecticut	(²)	9	14	6	(²)	665	2,018	598
Delaware	6	–	(²)	4	1,021	–	(²)	642
District of Columbia	–	(²)	(²)	(²)	–	(²)	(²)	(²)
Florida	80	102	104	92	6,692	7,045	7,222	6,405
Georgia	15	30	20	9	1,413	3,083	2,966	824
Hawaii	(²)	6	(²)	3	(²)	462	(²)	256
Idaho	12	9	7	7	2,104	1,014	1,571	864
Illinois	68	67	58	62	16,031	10,079	6,074	9,521
Indiana	83	26	27	72	12,304	3,267	4,628	11,367
Iowa	49	19	13	25	8,154	2,203	1,615	6,494
Kansas	9	14	4	15	883	1,620	439	3,701
Kentucky	52	21	20	59	7,227	2,258	2,252	7,580
Louisiana	15	22	28	18	2,109	2,166	2,757	1,294
Maine	5	5	4	(²)	586	353	225	(²)
Maryland	7	6	10	11	691	534	1,095	1,225
Massachusetts	44	21	23	44	5,051	2,065	1,851	4,130
Michigan	231	44	50	144	28,650	4,408	5,002	15,700
Minnesota	24	23	19	16	2,792	2,768	2,900	1,702
Mississippi	12	9	6	5	1,171	821	405	583
Missouri	57	43	26	42	6,939	5,656	2,665	9,917
Montana	–	3	(²)	(²)	–	212	(²)	(²)
Nebraska	4	(²)	5	8	434	(²)	429	900
Nevada	20	8	15	11	2,095	714	1,933	991
New Hampshire	11	(²)	5	5	1,846	(²)	1,229	696
New Jersey	43	42	57	44	4,963	4,384	9,137	5,367
New Mexico	5	5	3	(²)	252	355	168	(²)
New York	39	80	40	88	4,071	6,785	3,072	9,715
North Carolina	28	21	18	23	3,705	1,637	1,771	2,490
North Dakota	(²)	5	5	–	(²)	653	644	–
Ohio	127	70	46	98	23,143	7,231	5,247	15,236
Oklahoma	14	7	7	20	1,720	760	450	2,757
Oregon	33	25	30	27	6,336	3,291	3,446	2,829
Pennsylvania	167	103	104	115	15,882	10,064	11,198	12,930
Rhode Island	4	(²)	8	9	338	(²)	1,246	1,163
South Carolina	63	24	19	35	9,790	2,492	1,848	6,590
South Dakota	–	5	(²)	–	–	562	(²)	–
Tennessee	12	20	17	17	1,062	2,017	1,863	1,397
Texas	95	131	78	97	12,359	16,870	8,550	11,980
Utah	(²)	3	6	(²)	(²)	195	422	(²)
Vermont	(²)	(²)	3	3	(²)	(²)	177	353
Virginia	35	23	20	24	4,971	3,355	2,193	3,974
Washington	20	18	29	26	1,928	3,154	3,163	2,921
West Virginia	(²)	4	(²)	3	(²)	347	(²)	308
Wisconsin	109	59	57	92	16,381	6,167	6,788	14,530
Wyoming	–	–	–	–	–	–	–	–
Puerto Rico	8	12	9	11	896	1,390	998	2,251

¹ See footnote 1, table 2.

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

^p = preliminary.

^r = revised.

NOTE: Dash represents zero.