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MASS LAYOFFS IN AUGUST 2004

In August 2004, employers took 809 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 69,033. (See table 1.) Both the number of events and initial claims were lower than a year ago. It should be noted that August 2004 contained 4 weeks for possible mass layoffs, compared with 5 weeks in each August of the prior 3 years. (See the Technical Note for an explanation of how the number of weeks for data collection can vary from month to month.) From January through August 2004, the total number of events, at 11,017, and of initial claims, at 1,118,574, were lower than in January-August 2003 (13,205 and 1,316,863, respectively).

Industry Distribution

The 10 industries reporting the highest number of mass-layoff initial claims accounted for 23,342 initial claims in August, 34 percent of the total. (See table A.) Temporary help services, with 4,978 initial claims, and school and employee bus transportation, with 4,718 initial claims, together accounted for 14 percent of all initial claims in August.

The manufacturing sector had 24 percent of all mass layoff events and 26 percent of all initial claims filed in August—the smallest shares for any August since 1995, when the monthly series began. A year ago, manufacturing reported 32 percent of events and 39 percent of initial claims. Within manufacturing, the number of claimants was highest in transportation equipment (2,846, mainly automotive-related), followed by food processing (2,797) and fabricated metal products (2,031). (See table 2.)

The administrative and waste services sector accounted for 15 percent of events and initial claims filed in August, with layoffs mainly in temporary help services. Temporary help services, at 4,978 initial claims, accounted for more than 7 percent of all mass layoff initial claims in August. Twelve percent of all layoff events and 13 percent of initial claims filed during the month were in retail trade, primarily in general merchandise stores. Construction accounted for 9 percent of events and 8 percent of initial claims during the month, mainly among specialty trade contractors. Transportation and warehousing accounted for 6 percent of events and 7 percent of initial claims, mostly in school and employee bus transportation. An additional 5 percent of events and 7 percent of initial claims were from the information sector, largely in motion picture and sound recording.

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

Industry	Initial claims	August peak	
		Year	Initial claims
Temporary help services	4,978	1999	11,533
School and employee bus transportation.....	4,718	2003	6,538
Motion picture and video production	2,445	2003	6,812
Discount department stores	2,106	2002	2,271
Professional employer organizations	2,082	2002	2,855
Supermarkets and other grocery stores	1,615	2001	2,357
Elementary and secondary schools	1,525	2003	2,020
Wired telecommunications carriers.....	1,500	2000	2,560
Nonresidential electrical contractors.....	1,284	2004	1,284
All other personal services.....	1,089	2002	1,267

p=preliminary.

Government establishments accounted for 5 percent of events and initial claims filed during the month, mostly in elementary and secondary schools.

Compared with August 2003, the largest decreases in initial claims were reported in transportation equipment manufacturing (-6,679), administrative and support services (-5,966), and textile mills (-5,841). The largest over-the-year increase in initial claims was reported in telecommunications (+811).

Geographic Distribution

Among the four regions, the highest number of initial claims in August due to mass layoffs was reported in the West, 20,866. (See table 3.) Administrative and support services and motion picture and sound recording industries accounted for 34 percent of all initial claims in that region during the month. The Northeast region was next, with 17,163 initial claims, followed closely by the South, with 16,351, and the Midwest, with 14,653.

The number of initial claimants in mass layoffs fell over the year in each of the four regions. The largest decrease was in the West (-26,156), followed by the South (-18,322) and the Midwest (-16,219). Each of the nine geographic divisions had over-the-year decreases in the number of initial claims associated with mass layoffs, with the largest decreases in the Pacific (-23,175), East North Central (-13,821), and South Atlantic (-10,281) divisions.

Among the states, California recorded the highest number of initial claims filed in mass layoff events in August (18,768), mostly in administrative and support services and in motion picture and sound recording industries. New York reported 8,063 initial claims, followed by Pennsylvania (4,847) and Florida (4,842). These four states accounted for 56 percent of all layoff events and 53 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 (-19,046), followed by North Carolina (-6,103), Illinois (-4,638), and Ohio (-4,567). The largest over-the-year increase occurred in Minnesota (+392).

From January to August, California reported 271,098 mass layoff initial claims, 24 percent of the national total. The states with the next largest number of claims over this period were New York (74,552), Michigan (73,486), Ohio (67,776), and Pennsylvania (61,030).

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 September 2004 is scheduled to be released on Thursday, October 21, 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, July 2002 to August 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								
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	297,608	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	348,966	41.4	79.1
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	227,878	31.9	56.3
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	326,261	39.4	73.5
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	1,339	236,521	34.3	61.4
April	1,458	157,314	1,316	142,657				
May	988	87,501	878	78,786				
June	1,379	134,588	1,077	110,804				
Second Quarter	3,825	379,403	3,271	332,247	^{2p} 1,233	^{2p} 178,381	^p 37.7	^p 53.7
July ^p	2,094	253,929	1,860	234,877				
August ^p	809	69,033	745	63,876				

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			
	August 2003	June 2004	July 2004 ^P	August 2004 ^P	August 2003	June 2004	July 2004 ^P	August 2004 ^P
Total ¹	1,258	1,379	2,094	809	133,839	134,588	253,929	69,033
Total, private	1,201	1,156	1,945	769	126,266	115,626	241,601	65,294
Agriculture, forestry, fishing and hunting	38	79	85	24	2,135	4,822	6,724	1,418
Total, private nonfarm	1,163	1,077	1,860	745	124,131	110,804	234,877	63,876
Mining	4	(²)	(²)	(²)	283	(²)	(²)	(²)
Utilities	(²)	(²)	-	-	(²)	(²)	-	-
Construction	114	77	119	75	7,862	4,924	8,700	5,266
Manufacturing.....	405	222	885	194	52,620	27,307	145,895	17,698
Food	42	38	82	28	5,803	2,677	7,418	2,797
Beverage and tobacco products	(²)	(²)	6	4	(²)	(²)	447	216
Textile mills	21	9	26	10	7,154	1,957	2,309	1,313
Textile product mills	8	(²)	15	(²)	739	(²)	1,966	(²)
Apparel	25	7	46	12	2,255	641	5,521	898
Leather and allied products	(²)	4	6	(²)	(²)	459	841	(²)
Wood products	21	7	33	7	1,773	634	5,523	566
Paper	13	(²)	(²)	3	1,083	(²)	(²)	193
Printing and related support activities	4	13	10	6	231	1,324	1,195	447
Petroleum and coal products	-	-	(²)	(²)	-	-	(²)	(²)
Chemicals	7	11	17	3	549	803	2,032	189
Plastics and rubber products	24	4	98	9	2,203	360	13,053	614
Nonmetallic mineral products	6	4	16	4	463	304	2,242	369
Primary metals	23	9	50	10	1,988	1,078	8,177	740
Fabricated metal products	32	11	62	21	2,806	1,464	6,961	2,031
Machinery	39	16	39	15	6,606	1,362	5,426	1,946
Computer and electronic products	34	11	31	12	2,675	1,418	4,012	963
Electrical equipment and appliances	21	5	17	4	2,564	1,222	1,661	293
Transportation equipment	50	51	288	30	9,476	9,303	72,492	2,846
Furniture and related products	21	11	23	4	2,513	1,323	2,331	394
Miscellaneous manufacturing	11	4	14	7	1,351	265	1,798	534
Wholesale trade	18	23	30	11	1,322	2,142	2,853	749
Retail trade	99	76	104	98	9,980	7,410	10,541	8,752
Transportation and warehousing	86	120	112	52	9,025	14,557	9,522	5,130
Information	51	48	40	37	9,114	6,748	6,778	4,909
Finance and insurance	41	22	35	29	3,113	1,502	2,438	2,117
Real estate and rental and leasing	4	4	17	(²)	349	231	1,580	(²)
Professional and technical services	41	27	55	21	3,775	3,174	8,562	1,641
Management of companies and enterprises	(²)	4	(²)	(²)	(²)	935	(²)	(²)
Administrative and waste services	168	148	253	124	16,242	14,058	22,955	10,220
Educational services.....	7	11	16	5	592	692	1,219	368
Health care and social assistance	32	149	69	32	2,427	12,457	4,623	2,117
Arts, entertainment, and recreation	19	25	30	7	1,386	1,390	2,092	459
Accommodation and food services	45	85	68	41	3,228	10,549	5,100	2,581
Other services, except public administration.....	22	30	15	12	2,234	2,278	987	1,486
Unclassified	4	2	6	2	259	181	361	72
Government	57	223	149	40	7,573	18,962	12,328	3,739
Federal	10	9	19	8	1,287	1,040	2,122	602
State	16	18	24	8	1,766	1,058	2,247	800
Local	31	196	106	24	4,520	16,864	7,959	2,337

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			
	August 2003	June 2004	July 2004 ^P	August 2004 ^P	August 2003	June 2004	July 2004 ^P	August 2004 ^P
United States ¹	1,258	1,379	2,094	809	133,839	134,588	253,929	69,033
Northeast	220	204	289	166	21,272	25,047	27,200	17,163
New England	25	39	35	14	2,151	4,263	2,767	1,274
Middle Atlantic	195	165	254	152	19,121	20,784	24,433	15,889
South	330	337	487	217	34,673	31,374	55,404	16,351
South Atlantic	164	183	225	116	18,195	16,796	23,319	7,914
East South Central	68	48	151	41	8,033	3,702	20,698	3,759
West South Central	98	106	111	60	8,445	10,876	11,387	4,678
Midwest	239	300	706	151	30,872	31,267	118,913	14,653
East North Central	199	234	604	125	25,707	24,316	99,614	11,886
West North Central	40	66	102	26	5,165	6,951	19,299	2,767
West	469	538	612	275	47,022	46,900	52,412	20,866
Mountain	42	53	53	17	4,080	3,979	5,010	1,099
Pacific	427	485	559	258	42,942	42,921	47,402	19,767

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			
	August 2003	June 2004	July 2004 ^P	August 2004 ^P	August 2003	June 2004	July 2004 ^P	August 2004 ^P
Total ¹	1,258	1,379	2,094	809	133,839	134,588	253,929	69,033
Alabama	24	8	48	10	3,740	579	6,033	1,080
Alaska	(²)	4	–	(²)	(²)	256	–	(²)
Arizona	10	17	19	5	703	1,307	1,812	353
Arkansas	(²)	6	6	3	(²)	440	763	261
California	383	438	504	246	37,814	39,179	41,702	18,768
Colorado	(²)	5	3	(²)	(²)	431	217	(²)
Connecticut	3	10	4	4	237	1,117	255	268
Delaware	3	4	(²)	–	598	801	(²)	–
District of Columbia	(²)	(²)	3	–	(²)	(²)	470	–
Florida	80	93	90	78	5,554	6,466	6,491	4,842
Georgia	20	26	27	21	2,077	2,873	2,338	1,827
Hawaii	(²)	3	3	(²)	(²)	205	214	(²)
Idaho	11	4	11	5	1,500	291	944	266
Illinois	50	52	71	30	7,996	5,869	8,625	3,358
Indiana	29	26	96	19	3,478	2,564	20,435	1,707
Iowa	10	13	22	5	1,650	1,417	3,552	491
Kansas	6	11	17	4	775	1,042	2,023	587
Kentucky	21	16	79	15	2,377	1,210	12,944	1,182
Louisiana	17	31	22	16	1,215	2,686	1,501	1,155
Maine	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)
Maryland	5	6	14	(²)	422	480	1,274	(²)
Massachusetts	15	16	19	7	1,388	1,573	1,435	678
Michigan	11	55	253	25	2,369	5,277	35,562	2,409
Minnesota	6	20	13	7	505	2,258	1,884	897
Mississippi	8	8	8	6	571	427	500	613
Missouri	15	21	43	6	1,521	2,138	10,635	540
Montana	4	3	3	–	599	171	402	–
Nebraska	–	(²)	6	(²)	–	(²)	1,119	(²)
Nevada	11	14	11	4	915	1,152	1,094	302
New Hampshire	3	4	6	(²)	195	391	530	(²)
New Jersey	33	50	46	26	2,708	9,167	4,096	2,979
New Mexico	3	5	(²)	(²)	127	268	(²)	(²)
New York	94	36	94	73	10,633	4,031	9,615	8,063
North Carolina	32	13	13	9	6,680	1,014	1,118	577
North Dakota	(²)	–	(²)	(²)	(²)	–	(²)	(²)
Ohio	54	61	122	23	6,389	6,755	26,605	1,822
Oklahoma	6	10	10	(²)	603	2,690	1,919	(²)
Oregon	27	21	32	(²)	2,447	1,772	3,921	(²)
Pennsylvania	68	79	114	53	5,780	7,586	10,722	4,847
Rhode Island	(²)	6	4	(²)	(²)	992	381	(²)
South Carolina	10	19	51	(²)	870	3,438	6,843	(²)
South Dakota	(²)	–	–	–	(²)	–	–	–
Tennessee	15	16	16	10	1,345	1,486	1,221	884
Texas	74	59	73	40	6,571	5,060	7,204	3,201
Utah	(²)	5	5	–	(²)	359	499	–
Vermont	(²)	(²)	–	–	(²)	(²)	–	–
Virginia	13	17	24	4	1,887	1,318	2,989	272
Washington	14	19	20	8	1,714	1,509	1,565	753
West Virginia	–	3	(²)	(²)	–	277	(²)	(²)
Wisconsin	55	40	62	28	5,475	3,851	8,387	2,590
Wyoming	–	–	–	–	–	–	–	–
Puerto Rico	10	10	14	9	1,035	896	1,234	803

¹ See footnote 1, table 2.

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

^P = preliminary.

NOTE: Dash represents zero.