

**MASS LAYOFFS IN THE U.S. CONTINUE UNABATED –
HOW MANY MORE WORKERS, EN MASSE,
WILL LOSE THEIR JOBS ?**

While everybody and his cat is shouting the praises of the US Government's actions in 'saving' the largest and most-important single economy of the world, today, from a fate that had the potential of being worse than decade-long, Great Depression that started in 1929, by the same token, there are definite signs that things are not, altogether, anywhere near back to normal in The Land of The Free and the Home of The Brave.

It is said that obtaining a client or a customer is one thing, but keeping that client or that customer is quite another matter.

It is said, also, that, today, the US is emerging out of the recession and that, as far as the US economy is concerned, the worst is over.

The road to full recovery may be a bit bumpy, one is told, but things, from hereon in, will improve.

Is that so?

According to The Bureau of Labour Statistics, a branch of the US Government's Department of Labour, in the third quarter of 2009, US employers 'initiated 1,766 mass layoff events.'

Those layoff events resulted in 277,924 workers, being thrown out of work and filing for unemployment insurance.

A 'mass layoff' is defined as being at least 50 workers from a single employer, being sacked, resulting in the workers, filing initial claims for unemployment insurance.

The Bureau commented:

'The number of extended mass layoff events reached a record high for any third quarter (with data available back to 1995) ...'.

The third quarter was up to September 30, 2009, when the unemployment level in the US was standing at 9.60 percent.

As **TARGET** () reported last week, the October unemployment level stood at 10.20 percent, a level that is the highest since 1983.

Since the beginning of the US recession, said to have been in December of 2007, not less than 7.30 million Americans have found themselves, pounding the streets, looking for work.

The Bureau, in its analysis of the reasons for the extended mass layoffs, stated that *‘Separations due to business demand reasons increased by 27 percent from the same period a year ago ...’*.

Then, The Bureau went on to state:

‘Thirty-three percent of employers reporting an extended mass layoff event in the third quarter of 2009 indicated they anticipated some type of recall, up slightly from 29 percent a year earlier ...’.

By the end of the third quarter of 2009, the national unemployment rate had increased, Year-On-Year, by about 60 percentile points, from about 6.00 percent to about 9.60 percent.

In terms of the latest unemployment statistics, the 60 percentile figure has been eclipsed, increased to at least 70 percentile points.

Breaking down the statistics in respect of the third quarter of the current year, The Bureau said that manufacturing entities were responsible for 29 percent of the private, nonfarm, extended layoff events.

Manufacturers reported 511 extended layoff events, involving 80,135 workers, being separated in the third quarter of 2009.

In the third quarter of 2008, manufacturers accounted for about 31 percent of extended layoff events, The Bureau said.

Within manufacturers, the largest number of separations of workers was associated with transportation equipment manufacturing and food manufacturing.

The following table is copied from The Bureau’s statistics and tells the tale, going back to 2005:

Selected measures of extended mass layoff activity

<u>Period</u>	<u>Layoff events</u>	<u>Separations</u>	<u>Initial Claimants</u>
<u>2005</u>			
January-March.....	1,142	186,506	185,486
April-June.....	1,203	246,099	212,673
July-September.....	1,136	201,878	190,186
October-December.....	1,400	250,178	246,188
<u>2006</u>			
January-March.....	963	183,089	193,510
April-June.....	1,353	295,964	264,927
July-September.....	929	160,254	161,764
October-December.....	1,640	296,662	330,954
<u>2007</u>			
January-March.....	1,110	225,600	199,250
April-June.....	1,421	278,719	259,234
July-September.....	1,018	160,024	173,077
October-December.....	1,814	301,592	347,151
<u>2008</u>			
January-March.....	1,340	230,098	259,292
April-June r	1,756	354,713	339,630
July-September r	1,581	290,453	304,340
October-December r	3,582	641,714	766,592
<u>2009</u>			

January-March r	3,979	705,133	835,017
April-June r	3,396	650,679	727,494
July-September p	1,776	277,924	266,938
r = revised. p = preliminary.			

The Bureau, also, said that about 48 percent of the events, leading to extended mass layoffs, was due to 'business demand factors'.

The separations of labour, during the third quarter, increased by 26,286 events, an increase of about 27 percent, Year-On-Year.

As for the average size of a layoff event, The Bureau said that about 50 percent involved between 50 workers and 99 workers and about 73 percent of the events affected less than 150 workers.

In respect of the initial claimant characteristics, The Bureau said that 266,938 initial claimants for unemployment insurance were associated with mass layoffs in the third quarter of 2009.

Of those claimants, the ethnicities, sexes and ages of the claimants were:

- Blacks 13 percent
- Hispanics 18 percent
- Females 36 percent
- Between 30 years and 44 years 35 percent
- 55 years and older 19 percent

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