

# **NEWS RELEASE**



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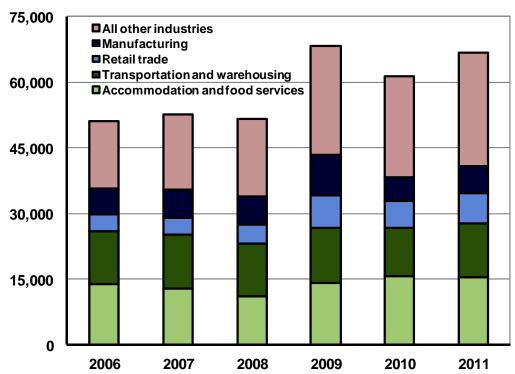
Technical information: (646) 264-3600 • BLSInfoNY@bls.gov • www.bls.gov/ro2

Media contact: (646) 264-3620 • Kohli.Martin@bls.gov

## MASS LAYOFFS IN NEW JERSEY – 2011 ANNUAL TOTALS

Employers in New Jersey took 585 mass layoff actions in 2011 that resulted in the separation of 66,811 workers, as measured by new filings for unemployment insurance benefits during the year, the U.S. Bureau of Labor Statistics reported today. (See chart 1.) Each action involved at least 50 persons from a single employer. Acting Regional Commissioner Joyce A. Sweeney pointed out that the number of claims rose by 5,413 over the year to reach the second highest total in the history of the series, which goes back to 1996 on an annual basis.

Chart 1. Mass layoff initial claims, New Jersey, annual totals, 2006-11



Source: U.S. Bureau of Labor Statistics



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### **Industry distribution**

Of all the industry sectors in New Jersey, transportation and warehousing experienced the most mass layoff events with 128, resulting in 12,432 claims for unemployment insurance. (See table 1 and chart 1.) Accommodation and food services had the next highest number of layoff events, 84, but the industry had the largest count of initial claimants, 15,435, which accounted for 23.1 percent of the state's total. Retail trade and manufacturing rounded out the top four sectors, with 73 and 70 events, respectively; each registered more than 6,000 claims. Information and administrative and waste services were the only other sectors to have more than 5,000 initial claims.

Information experienced the largest increase in mass layoff-related initial claims (4,647), reaching a program high in 2011. Transportation and warehousing posted the next highest increase (1,370), while four other sectors finished the year with at least 750 more initial claimants above the 2010 level. All six of these industries had posted declines from 2009 to 2010, but only information added enough claims to offset its 2009-10 reduction. (See table A.) In retail trade, the number of claimants rose to the second-highest total in the history of the series.

Table A. Sectors with at least 750 more mass layoff initial claims in 2011, New Jersey

|                                   | Net ch  | ange    |
|-----------------------------------|---------|---------|
| Sector                            | 2009-10 | 2010-11 |
| Information                       | -1,151  | 4,647   |
| Transportation and warehousing    | -1,413  | 1,370   |
| Administrative and waste services | -1,518  | 919     |
| Manufacturing                     | -3,987  | 816     |
| Retail trade                      | -1,386  | 815     |
| Construction                      | -863    | 759     |

In contrast, four sectors saw a decrease in the number of initial claims associated with mass layoff events, led by local government, down 3,781 or 47.2 percent, and accommodation and food services, down 341 or 2.2 percent. Despite declines, numbers of claimants in both of these industries in 2011 was the second highest for the 16 years data are available.

Among the states, California recorded the greatest number of initial claims, 377,413, in 2011. Pennsylvania (124,838) ranked second, followed by New York (119,398) and Florida (79,766). Twentynine states experienced over-the-year declines in total initial claims for the year. Seven states recorded a decline of at least 5,000, with the largest reduction in claims occurring in California (-42,396) and Illinois (-19,191). Twenty-one states and the District of Columbia had more initial claims related to mass layoffs in 2011 than in 2010, with New Jersey among the seven states where the claimant count grew by more than 5,000. In two of these states, Arkansas and North Carolina, the number of claimants reached a series high; and in two others, Mississippi and New Jersey, the number of claimants increased to the second-highest level on record.

#### **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 employers which have at least 50 initial claims filed against them during a consecutive 5-week period. These employers 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. The number of weeks in a given month may be different from year to year, and the number of weeks in a year may vary. Therefore, analysis of over-the-month and over-the-year change in not seasonally adjusted series 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; Federal Relay Service: (800) 877-8339.

#### **Definitions**

*Employer*. Employers in the MLS program include those covered by state unemployment insurance laws. Information on employers is obtained from the Quarterly Census of Employment and Wages (QCEW) program, which is administered by the Bureau of Labor Statistics (BLS).

*Industry*. Employers are classified according to the 2007 version of the North American Industry Classification System (NAICS). For temporary help and professional employer organization industries, monthly MLS-related statistics generally reflect layoffs related to underlying client companies in other industries. An individual layoff action at a client company can be small, but when initial claimants associated with many such layoffs are assigned to a temporary help or professional employer organization firm, a mass layoff event may trigger.

*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 employer during a 5-week period, regardless of duration.

Table 1. Mass layoff events and initial claimants for unemployment insurance, selected industries, New Jersey, annual totals

| oralis .                                     |                  | Mass layoff events |                  |                  |                  | Initial claims for unemployment insurance |                  |                  |  |  |
|--|------------------|--------------------|------------------|------------------|------------------|---|------------------|------------------|--|--|
| Industry                                     | 2008             | 2009               | 2010             | 2011             | 2008             | 2009                                      | 2010             | 2011             |  |  |
| Total, all industries <sup>1</sup>           | 518              | 690                | 569              | 585              | 51,623           | 68,149                                    | 61,398           | 66,811           |  |  |
| Total private                                | 480              | 637                | 484              | 536              | 48,186           | 63,108                                    | 52,371           | 61,536           |  |  |
| Total private nonfarm                        | 479              | 636                | 483              | 535              | 48,091           | 63,044                                    | 52,309           | 61,461           |  |  |
| Construction                                 | 33               | 40                 | 27               | 32               | 2,490            | 2,856                                     | 1,993            | 2,752            |  |  |
| Heavy and civil engineering construction     | 17               | 19                 | 14               | 23               | 1,315            | 1,387                                     | 921              | 2,116            |  |  |
| Specialty trade contractors                  | 13               | 19                 | 11               | 8                | 947              | 1,349                                     | 961              | 559              |  |  |
| Manufacturing                                | 73               | 115                | 59               | 70               | 6,171            | 9,260                                     | 5,273            | 6,089            |  |  |
| Food   | 9                | 11                 | 10               | 16               | 796              | 913                                       | 1,279            | 1,445            |  |  |
| Paper  | ( <sup>2</sup> ) | 6                  | ( <sup>2</sup> ) | 5                | ( <sup>2</sup> ) | 466                                       | ( <sup>2</sup> ) | 342              |  |  |
| Chemicals                                    | 12               | 20                 | 19               | 9                | 892              | 1,852                                     | 1,637            | 820              |  |  |
| Plastics and rubber products                 | 8                | 5                  | ( <sup>2</sup> ) | 6                | 797              | 288                                       | ( <sup>2</sup> ) | 352              |  |  |
| Nonmetallic mineral products                 | 8                | 14                 | 5                | 11               | 746              | 1,100                                     | 518              | 1,140            |  |  |
| Fabricated metal products                    | ( <sup>2</sup> ) | 10                 | ( <sup>2</sup> ) | 5                | ( <sup>2</sup> ) | 889                                       | ( <sup>2</sup> ) | 505              |  |  |
| Computer and electronic products             | 6                | 13                 | ( <sup>2</sup> ) | 4                | 447              | 951                                       | ( <sup>2</sup> ) | 460              |  |  |
| Wholesale trade                              | 13               | 19                 | 14               | 13               | 1,087            | 1,695                                     | 1,452            | 1,795            |  |  |
| Merchant wholesalers durable goods           | ( <sup>2</sup> ) | 10                 | 6                | ( <sup>2</sup> ) | ( <sup>2</sup> ) | 860                                       | 671              | ( <sup>2</sup> ) |  |  |
| Merchant wholesalers nondurable goods        | 10               | 9                  | 8                | 8                | 790              | 835                                       | 781              | 1,467            |  |  |
| Retail trade                                 | 52               | 82                 | 67               | 73               | 4,573            | 7,426                                     | 6,040            | 6,855            |  |  |
| Building material and garden supply stores   | 7                | 9                  | ( <sup>2</sup> ) | 8                | 621              | 936                                       | ( <sup>2</sup> ) | 815              |  |  |
| Food and beverage stores                     | 10               | 20                 | 19               | 21               | 685              | 1,643                                     | 1,672            | 1,777            |  |  |
| Health and personal care stores              | ( <sup>2</sup> ) | 4                  | 6                | ( <sup>2</sup> ) | ( <sup>2</sup> ) | 264                                       | 425              | ( <sup>2</sup>   |  |  |
| Clothing and clothing accessories stores     | ( <sup>2</sup> ) | 6                  | 5                | ( <sup>2</sup> ) | ( <sup>2</sup> ) | 430                                       | 320              | ( <sup>2</sup>   |  |  |
| General merchandise stores                   | 26               | 29                 | 25               | 27               | 2,435            | 2,751                                     | 2,626            | 2,937            |  |  |
| Transportation and warehousing               | 107              | 119                | 105              | 128              | 11,902           | 12,475                                    | 11,062           | 12,432           |  |  |
| Transit and ground passenger transportation  | 91               | 100                | 87               | 115              | 9,632            | 10,538                                    | 9,617            | 11,220           |  |  |
| Warehousing and storage                      | 4                | 6                  | 9                | 8                | 392              | 504                                       | 765              | 638              |  |  |
| Information                                  | 12               | 17                 | 12               | 10               | 1,050            | 2,399                                     | 1,248            | 5,895            |  |  |
| Publishing industries except Internet        | ( <sup>2</sup> ) | 7                  | 5                | ( <sup>2</sup> ) | ( <sup>2</sup> ) | 669                                       | 559              | ( <sup>2</sup>   |  |  |
| Telecommunications                           | 6                | 9                  | 7                | 6                | 575              | 1,680                                     | 689              | 5,576            |  |  |
| Finance and insurance                        | 24               | 23                 | 15               | 14               | 1,781            | 1,760                                     | 1,150            | 993              |  |  |
| Credit intermediation and related activities | 16               | 13                 | 10               | 9                | 1,144            | 1,005                                     | 729              | 603              |  |  |
| Securities commodity contracts investments   | 7                | 7                  | 4                | ( <sup>2</sup> ) | 557              | 419                                       | 309              | (2               |  |  |
| Professional and technical services          | 11               | 21                 | 13               | 8                | 909              | 1,750                                     | 1,136            | 1,016            |  |  |
| Management of companies and enterprises      | ( <sup>2</sup> ) | ( <sup>2</sup> )   | ( <sup>2</sup> ) | 5                | ( <sup>2</sup> ) | ( <sup>2</sup> )                          | ( <sup>2</sup> ) | 320              |  |  |
| Administrative and waste services            | 55               | 80                 | 60               | 68               | 4,362            | 5,997                                     | 4,479            | 5,398            |  |  |
| Administrative and support services          | 55               | 77                 | 58               | 67               | 4,362            | 5,837                                     | 4,350            | 5,301            |  |  |
| Educational services                         | 4                | 4                  | 5                | ( <sup>2</sup> ) | 238              | 233                                       | 348              | ( <sup>2</sup> ) |  |  |
| Health care and social assistance            | 14               | 15                 | 14               | 16               | 1,500            | 1,933                                     | 1,186            | 1,388            |  |  |
| Hospitals                                    | ( <sup>2</sup> ) | 5                  | 3                | ( <sup>2</sup> ) | ( <sup>2</sup> ) | 1,015                                     | 248              | ( <sup>2</sup> ) |  |  |
| Social assistance                            | 9                | 10                 | 10               | 13               | 721              | 918                                       | 886              | 1,146            |  |  |

Table 1. Mass layoff events and initial claimants for unemployment insurance, selected industries, New Jersey, annual totals—Continued

|                                    | <u>N</u> | Mass layoff events |                  |      | Initial claims for unemployment insu |        |                  | insurance |
|------------------------------------|----------|--------------------|------------------|------|--------------------------------------|--------|------------------|-----------|
| Industry                           | 2008     | 2009               | 2010             | 2011 | 2008                                 | 2009   | 2010             | 2011      |
|                                    |          |                    |                  |      |                                      |        |                  |           |
| Arts entertainment and recreation  | 5        | 6                  | ( <sup>2</sup> ) | 7    | 294                                  | 445    | ( <sup>2</sup> ) | 607       |
| Amusements gambling and recreation | 4        | 5                  | ( <sup>2</sup> ) | 4    | 239                                  | 380    | ( <sup>2</sup> ) | 286       |
| Accommodation and food services    | 70       | 89                 | 79               | 84   | 11,150                               | 14,191 | 15,776           | 15,435    |
| Accommodations                     | 18       | 31                 | 23               | 36   | 2,040                                | 2,688  | 2,046            | 3,455     |
| Food services and drinking places  | 52       | 58                 | 56               | 48   | 9,110                                | 11,503 | 13,730           | 11,980    |
| Government                         | 38       | 53                 | 85               | 49   | 3,437                                | 5,041  | 9,027            | 5,275     |
| Federal                            | -        | -                  | 2                | -    | _                                    | · -    | 149              | -         |
| State                              | 7        | 7                  | 6                | 8    | 1,298                                | 1,018  | 861              | 1,039     |
| Local                              | 31       | 46                 | 77               | 41   | 2,139                                | 4,023  | 8,017            | 4,236     |

<sup>&</sup>lt;sup>1</sup> Total includes all industries including those not listed in the table.

NOTE: Dash represents zero.

<sup>&</sup>lt;sup>2</sup> Data do not meet BLS or state agency disclosure standards.