

# Extended Mass Layoff

## Statistics in Utah

Employee layoffs are an unfortunate reality of any free market economy. Even in healthy economic climates, some firms exit the market and no longer need the labor they once employed. During a recession, layoffs can be more prevalent as a decrease in the demand for goods and services spur some establishments to reduce their workforce. The state of Utah, in cooperation with the Bureau of Labor Statistics, conducts the Mass Layoff Statistics (MLS) program to identify and characterize significant job cutback events using data from the state unemployment insurance database.

Unemployment insurance plays a role in identifying layoffs in that when a worker is laid off, that worker will usually qualify for unemployment insurance benefits. When the worker files for these benefits, their claim information is stored and the MLS program is able to compile it with other claims filed against the same employer. When these claims sum to more than 50 over a consecutive 5-week period, and the laid-off workers are separated from their jobs for more than 30 days, the respective employer is considered to have had an extended mass layoff.

While layoffs and unemployment insurance claims are an economic phenom-

enon common to most labor markets, extended mass layoffs are not. In fact, Utah's mass layoff counts are so few that to aggregate and analyze them on a monthly, quarterly or even annual basis yields little insight. As such, the analysis herein sums mass layoffs and the associated initial unemployment insurance claims by industry, from the beginning of the most recent recession (the fourth quarter of 2007) to the second quarter of 2011. Note that the event and claim counts in the table do not sum to the total because the total includes data that must be suppressed at an industry level. Counts are suppressed when they are so small that the identity of the employer may be deduced. Also, keep in mind that the 29,183 total initial unemployment insurance claims depicted in the table only represent those claims that corresponded to a mass layoff. By contrast, there were nearly 21,000 initial claims filed in January of 2009 alone.

The most telling information in the table belongs to the construction and manufacturing industries. Together, these industries



accounted for almost 60 percent of the extended mass layoffs and almost 70 percent of the related unemployment insurance claims during the period studied. These statistics coincide with the significant job losses that the two industries experienced during the recession.

Beyond the construction and manufacturing industries, mass layoffs in Utah were relatively few, even during the slumping economic environment that was analyzed. To view mass layoff statistic data under a broader scope, go to [www.bls.gov/mls](http://www.bls.gov/mls) to see how state data is combined to produce national mass layoff estimates. ⓘ



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Extended Mass Layoffs in Utah:  
4th Quarter 2007 – 2nd Quarter 2011

Industry	Layoff Events	Initial Claims
Mining, Quarrying, and Oil and Gas Extraction	5	505
Construction	51	8,414
Manufacturing	49	12,214
Retail Trade	7	789
Transportation and Warehousing	4	372
Administrative and Waste Services	11	1,950
Health Care and Social Assistance	7	927
Arts, Entertainment, and Recreation	13	1,852
Accommodation and Food Services	12	1,129
<b>Total*</b>	<b>169</b>	<b>29,183</b>