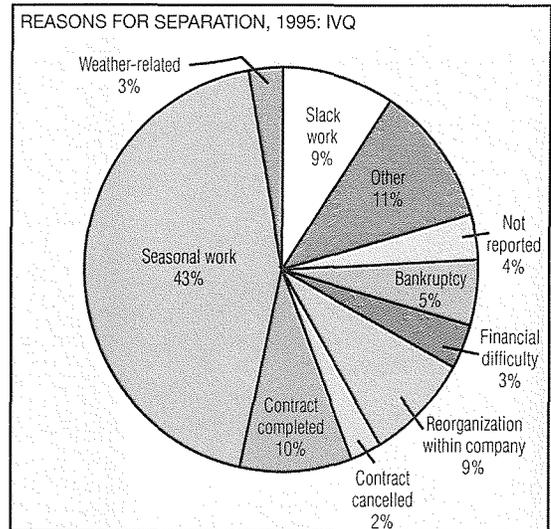
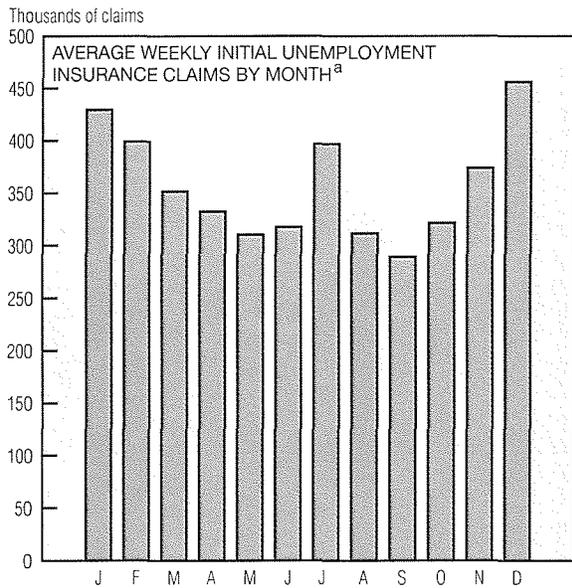
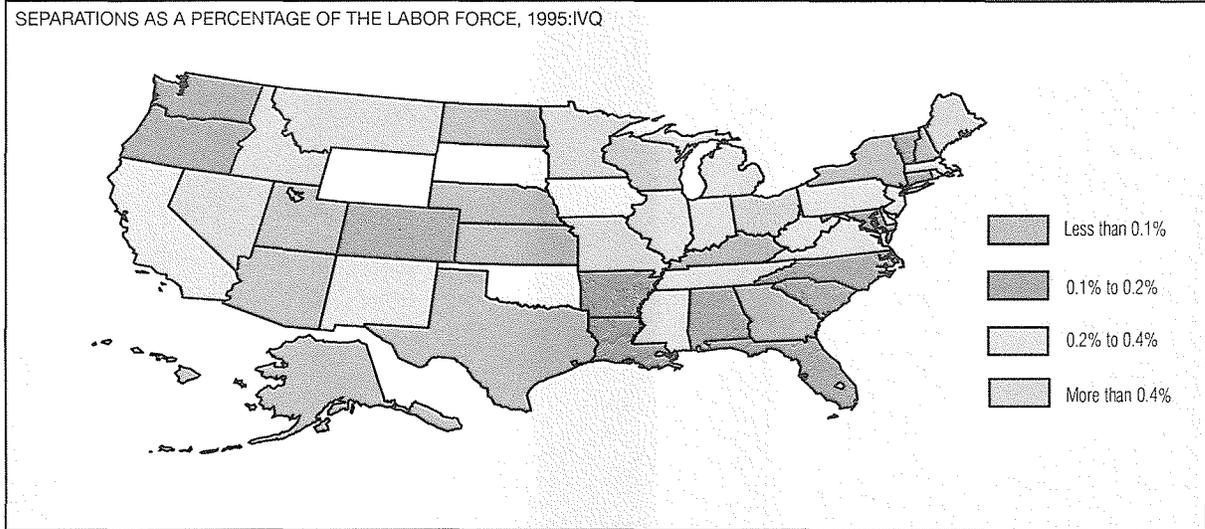


Regional Conditions



a. Five-year average, 1991-96.
 SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

In nonrecessionary times, nearly a tenth of all initial unemployment insurance claims result from mass layoffs. A mass layoff, in which a single plant lays off at least 50 workers for more than 30 days, puts considerable pressure on a community's social services. Because the last quarter of 1995 was characterized by an expanding economy throughout most of the country, it offers an opportunity to study the features of mass layoffs during a nonrecessionary period.

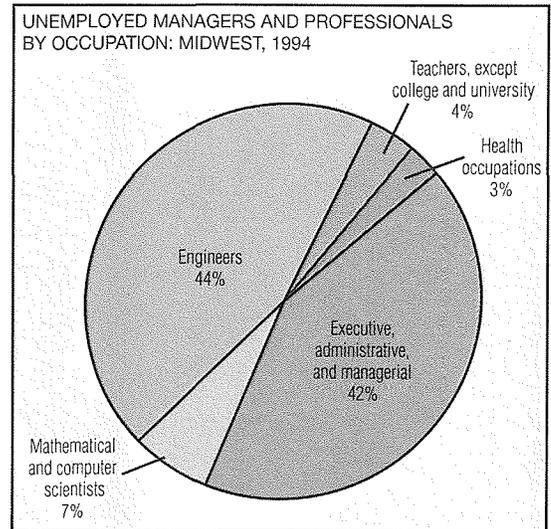
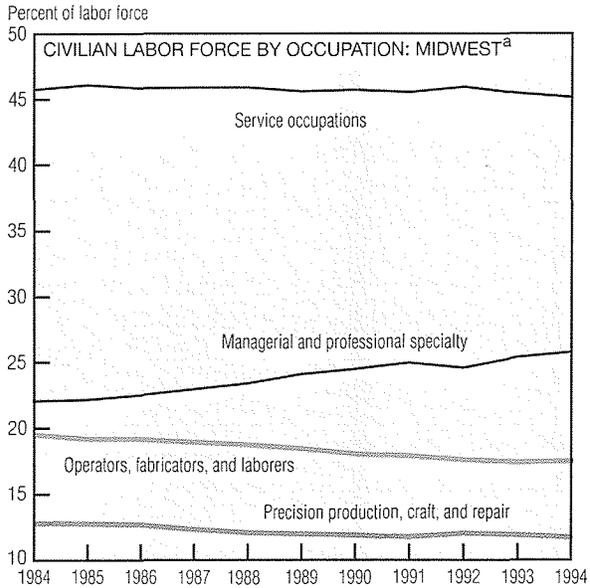
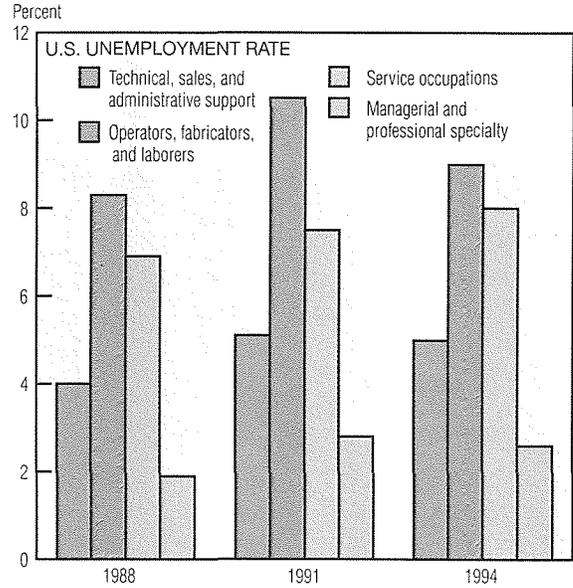
States bordering the Great Lakes have relatively high rates of mass layoffs, perhaps reflecting the greater prevalence of these events in the transportation equipment and durable goods manufacturing sectors, both heavily represented in this region. On average, transportation equipment plants are three times the size of all manufacturing plants, and manufacturing plants average three times the size of nonmanufacturing establishments.

A mass layoff is not necessarily a

surprise. Indeed, in 1995:IVQ nearly half of all job losses resulted primarily from the seasonal nature of the work. This factor is clearly shown in the pattern of initial unemployment compensation claims. However, it may be even more important than these data suggest, since mass layoffs may be more seasonal than other separations, or some of the seasonality of individual layoffs may be cancelled out when many layoffs are aggregated.

(continued on next page)

Regional Conditions (cont.)



a. Excludes agriculture, fishing, and forestry.
 SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

The 1990 recession has been described as “white collar” because of the number of managers and professionals who were laid off. A look at how this recession hit different regions points up just how the white-collar occupations were affected.

Nationwide, managers and professionals had a lower unemployment rate than any other major occupational group during the entire period, including the worst of the recession. (Historically, operators often experience jobless rates that are

quadruple those of managers and professionals.) However, starting in 1990, the jobless rate of managers and professionals increased relative to total U.S. unemployment. One possible reason is the regional mix of the recession. In recent years, the unemployment rates in New York and California have included more managers and professionals than did the rates for the industrial Midwest. The 1990 recession affected New York (which had an unemployment rate of 6.6% in 1991) and California (6.7%) more than it did Ohio (5.8%),

giving the coastal states greater weight among the regional components of unemployment. Indeed, in Ohio the ratio of unemployed managers to all jobless workers fell during the recession.

However, the industrial Midwest still shows some of the nation’s occupational trend toward more managers and professionals. This may well be reflected in future recessions, when managers and engineers make up more of the region’s unemployed.