Mass Layoffs in Ohio

The Worker Adjustment Retraining Notification (WARN) Act protects workers, their families, and their communities by requiring employers to give notice 60 days before plant closings and mass layoffs. This advance notice gives workers time to search for new jobs or obtain job retraining. Relatively few WARN notices were issued in 2005:IIQ, and even fewer in 2005:IIIQ. The number of workers affected likewise fell.

The Mass Layoff Statistics (MLS) program is designed to identify, describe, and track major job cutbacks. A mass layoff event occurs when at least 50 initial unemployment compensation claims are filed against an establishment within a five-week period and the layoff lasts more than 30 days. The MLS data include events that do not meet the WARN standard. And companies can sometimes configure layoffs to avoid issuing WARN notices. Thus there are more layoff events than notices filed. Since 2001, the annual number of mass layoff events in Ohio has trended downward. Through the first six months of 2005, this number was nearly equal to that reported for the same period in 2004. However, in 2005:IIQ, the number of events was 8.5% lower than in 2004:IIQ.

The number of separations (job losses) in mass layoff events fell in 2002 and 2003, only to rise again in 2004. The average number of separations per event followed a similar pattern. For the first six months of 2005, there were 162 mass layoff

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Employers identified as having mass layoffs are asked the main reason. In 2005:IIQ, they reported that 53% of mass layoffs resulted from seasonal factors, 21% from a contract completion, 15% from slack work, and the rest from company reorganization. In that quarter, the number of events caused by reorganization was less than the average quarterly number since 2000, but more events than average resulted from seasonal factors.

The MLS program began providing information on worker relocation in 2004. In the mass layoff events associated with the movement of work in the second quarter of this year, 146 jobs were moved outside Ohio, 125 went offshore, and 58 were eliminated. All of these separations resulted from three business closures in the manufacturing sector.