

# Worker displacement in 1999–2000

*As the economic expansion of the 1990s neared its peak, both the incidence and likelihood of job loss remained low; many displaced workers found new jobs, but earnings losses persisted*

Ryan Helwig

The economic expansion that began in 1991 continued through 1999 and 2000, peaking in March 2001, exactly 10 years from the trough of the prior recession.<sup>1</sup> During 1999 and 2000, nonfarm payroll employment increased by 5.1 million jobs, and the national unemployment rate fell to historic lows, averaging 4.1 percent over the period.<sup>2</sup> These strong labor market conditions allowed the incidence of job displacement to remain low.

The final years of the 1990s expansion brought continued job and wage gains across the economic spectrum, although job loss remained a reality for many workers. During the 1999–2000 period, 2.0 million persons permanently lost jobs they had held for 3 or more years because their plant or company closed down or moved, their positions or shifts were abolished, or there was insufficient work for them to do. This level of displacement was about the same as the 1.9 million reported during the 1997–98 period. The displacement rate—the proportion of long-tenured workers who were displaced from their jobs—was 2.5 percent in 1999–2000, the same as the 1997–98 rate. Despite the strongest labor market witnessed since the inception of the survey in 1984, the displacement rate did not fall below its all-time low of 2.4 percent from 1987–88.<sup>3</sup>

About three-fourths of long-tenured workers who lost jobs in 1999–2000 were reemployed when surveyed in January 2002.<sup>4</sup> The median time spent between jobs remained low, at 5.5 weeks. As a result, relatively few of these displaced workers were forced to rely on unemployment insurance to replace lost income.

The U.S. Department of Labor's Employment and Training Administration sponsors biennial surveys of displaced workers as supplements to the Current Population Survey (CPS). Using data from the January 2002 supplemental survey, this article examines job loss and reemployment, focusing on characteristics of workers displaced in 1999–2000 and their experiences following a job loss. A time series has been constructed using 2 years of data from each survey, beginning with the 1981–82 period (from the first survey in 1984) and ending with the 1999–2000 period (from the 2002 survey). (See appendix for a description of the Displaced Worker Survey.)

This article largely discusses long-tenured workers—displaced workers who lost or left jobs they had held for 3 or more years. The basis for restricting the analysis to this subset of workers is the assumption that at least 3 years with the same employer denotes a solid employment relationship. Long-tenured workers are likely to have acquired firm-specific or other specialized skills unique to their jobs. In other words, displaced workers are more likely to be those who lost jobs due to labor market conditions—not as a result of a “bad match” with their employer.

While this article focuses on individuals displaced during 1999–2000, the full survey reference period for the 2002 survey includes 2001. The onset of the recession in March 2001 certainly affected the level of job displacement and the experience of job losers. Over the full 1999–2001 reference period, 4.0 million long-tenured workers lost jobs. Indeed, about half (2.0 million) were displaced during 2001 alone.<sup>5</sup>

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## Characteristics of the displaced

*Age, sex, race, and Hispanic origin.* The overall displacement rate for persons aged 20 and older held at 2.5 percent in 1999–2000. Displacement rates for men (2.4 percent), women (2.6 percent), and whites (2.5 percent) were essentially unchanged from the prior survey. The rate for blacks edged up to 3.0 percent during the period. The displacement rate for Hispanics dropped slightly to 2.0 percent, the lowest rate recorded for Hispanics in the two decades for which data are available. (See table 1.) This low incidence of displacement for Hispanics coincided with the lowest 2-year average unemployment rate (6.1 percent) the group has experienced.

*Educational attainment.* Educational attainment often determines an individual's success in the labor market. In general, individuals with more formal schooling have lower unemployment rates and higher earnings than those who are less educated. For example, among persons aged 20 and older, the unemployment rate during 1999–2000 averaged 7.5 percent for high school dropouts, compared with 1.9 percent for college graduates. Educational differences in displacement rates, however, are not as pronounced as those for

unemployment rates. As the following tabulation shows, during 1999–2000, displacement rates were remarkably similar across educational groups:

	Displacement rates	
	1997–98	1999–2000
Total, 20 years and older .....	2.5	2.5
Less than a high school diploma .....	2.5	2.4
High school graduate, no college .....	2.5	2.5
Some college, no degree .....	2.9	2.9
Associate's degree .....	2.6	3.0
College graduate .....	2.0	2.0

*Industry and occupation.* Displacement rates in some major industries remained steady during the 1999–2000 period, while in others, workers were more likely to be displaced. Workers in goods-producing industries—mining, construction, and manufacturing—continued to be affected more by displacement than those in most service-producing industries.

Among goods-producing industries, construction posted the lowest displacement rate (3.3 percent). In manufacturing, the displacement rate rose to 4.7 percent. The increased likelihood of displacement in 1999–2000 was felt in both major component industries—durable and nondurable goods manufacturing. (See table 2.)

**Table 1. Displacement rates of long-tenured workers by age, sex, race, and Hispanic origin, 1981–2000**

[Percent]

Characteristic	1981–82	1983–84	1985–86	1987–88	1989–90	1991–92 <sup>1</sup>	1993–94	1995–96	1997–98	1999–2000
<b>Total</b>										
Total, 20 years and older .....	3.9	3.1	3.1	2.4	3.1	3.9	3.3	2.9	2.5	2.5
20 to 24 years .....	4.0	2.0	1.8	2.0	2.2	2.0	2.5	1.9	1.7	1.7
25 to 54 years .....	4.0	3.3	3.3	2.5	3.1	3.9	3.4	2.9	2.3	2.5
25 to 34 years .....	5.0	3.9	3.5	2.5	3.1	3.9	3.5	2.9	2.2	2.3
35 to 44 years .....	3.8	3.1	3.3	2.7	3.2	4.0	3.4	3.0	2.4	2.5
45 to 54 years .....	3.0	2.6	3.0	2.2	3.1	3.9	3.4	3.0	2.4	2.6
55 years and older .....	3.6	3.1	2.9	2.2	3.1	4.4	3.1	3.3	3.1	2.6
55 to 64 years .....	3.8	3.1	3.0	2.3	3.3	4.5	3.0	3.3	3.2	2.7
65 years and older .....	3.2	2.9	2.3	1.9	2.4	3.8	3.2	3.5	2.9	2.1
Men, 20 years and older .....	4.3	3.2	3.3	2.4	3.2	4.1	3.4	2.8	2.4	2.4
Women, 20 years and older .....	3.4	2.9	2.8	2.4	2.8	3.5	3.2	3.2	2.5	2.6
<b>White</b>										
Total, 20 years and older .....	3.8	3.1	3.1	2.4	3.0	3.8	3.3	3.0	2.5	2.5
Men .....	4.2	3.2	3.3	2.4	3.2	4.1	3.4	2.8	2.4	2.4
Women .....	3.3	2.9	2.8	2.4	2.8	3.4	3.2	3.2	2.6	2.6
<b>Black</b>										
Total, 20 years and older .....	4.8	3.9	3.4	2.0	3.5	3.8	3.5	2.7	2.3	3.0
Men .....	5.3	4.0	4.1	1.6	3.9	3.9	4.2	2.6	2.6	3.1
Women .....	4.3	3.8	2.6	2.4	3.2	3.7	2.9	2.8	2.0	2.9
<b>Hispanic origin</b>										
Total, 20 years and older .....	4.3	3.9	3.9	2.9	4.3	4.7	3.6	4.0	3.1	2.0
Men .....	4.3	3.9	4.1	2.6	4.1	5.2	3.9	3.2	2.7	1.2
Women .....	4.4	3.8	3.5	3.3	4.7	3.8	3.1	5.3	3.7	3.4

<sup>1</sup> Data, beginning with the 1991–92 period, are not directly comparable with earlier periods due to differences in estimation methodology.

NOTE: Displacement rates are calculated by dividing the number of displaced workers in a specified worker group by a tenure-adjusted, 2-year average estimate of employment for the same worker group. Employment

estimates for each year were adjusted, using job-tenure data from the January 1983, 1987, 1991, and February 1996, 1998, and 2000 cps supplements, to include only those workers with 3 years of tenure or more. A 2-year average was then computed using those adjusted employment estimates.

**Table 2. Displacement rates of long-tenured workers by industry, class of worker, and occupation of lost job, 1981–2000**

[Percent]

Characteristic	1981–82	1983–84	1985–86	1987–88	1989–90	1991–92 <sup>1</sup>	1993–94	1995–96	1997–98	1999–2000
Total, 20 years and older .....	3.9	3.1	3.1	2.4	3.1	3.9	3.3	2.9	2.5	2.5
<b>Industry and class of worker</b>										
Nonagricultural private wage and salary workers .....	5.3	4.2	4.3	3.2	4.1	5.1	4.4	3.8	3.2	3.3
Mining .....	13.6	9.2	17.8	6.1	10.0	7.4	7.2	4.5	10.1	7.5
Construction .....	7.6	5.5	7.0	4.2	5.9	8.4	4.3	3.4	3.4	3.3
Manufacturing .....	8.2	6.5	5.2	3.9	5.0	7.1	5.8	5.1	4.2	4.7
Durable goods .....	9.3	7.0	5.8	4.0	5.1	8.4	6.3	4.6	4.3	4.7
Nondurable goods .....	6.4	5.6	4.1	3.7	4.9	5.2	5.1	5.8	4.1	4.8
Transportation and public utilities .....	4.1	3.8	3.1	1.8	3.6	4.4	4.3	3.8	2.5	2.7
Wholesale and retail trade .....	3.7	3.1	4.3	3.6	3.9	4.7	4.6	4.3	3.4	3.1
Finance, insurance, and real estate ...	1.4	1.3	3.5	2.8	3.5	5.5	4.7	3.5	3.3	3.7
Services .....	2.3	2.1	2.3	1.7	2.1	2.9	2.8	2.5	2.2	2.5
Agricultural wage and salary workers .....	5.4	9.7	4.1	2.5	3.2	3.8	3.4	2.2	4.0	1.7
Government workers .....	1.2	.6	.4	.4	.4	1.1	1.3	1.4	.7	.5
<b>Occupation</b>										
White-collar occupations <sup>2</sup> .....	2.6	2.1	2.6	2.1	2.7	3.7	3.3	2.9	2.4	2.4
Managerial and professional specialty ...	2.1	1.8	2.1	1.8	2.3	3.6	2.9	2.3	2.3	2.1
Executive, administrative, and managerial .....	2.5	2.4	2.8	2.5	3.4	4.8	3.5	2.7	2.9	2.7
Professional specialty .....	1.7	1.2	1.4	1.1	1.3	2.4	2.4	2.0	1.6	1.6
Technical, sales, and administrative support .....	3.0	2.4	3.1	2.5	3.1	3.7	3.7	3.6	2.5	2.7
Technicians and related support .....	3.3	2.9	3.0	2.2	3.2	3.7	3.4	3.6	2.5	2.7
Sales occupations .....	3.7	2.8	3.2	2.7	2.9	3.6	3.4	3.8	2.7	2.9
Administrative support, including clerical .....	2.5	2.0	3.1	2.4	3.2	3.8	3.9	3.5	2.3	2.6
Service occupations .....	2.0	1.8	1.9	1.5	1.6	2.1	1.8	2.1	1.4	1.4
Protective services .....	1.3	1.9	.5	.6	1.2	.8	0.6	2.0	.8	.9
Other service occupations .....	2.1	1.7	2.2	1.6	1.7	2.3	2.1	2.2	1.6	1.6
Blue-collar occupations <sup>3</sup> .....	7.3	5.7	4.7	3.3	4.5	5.3	4.2	3.5	3.1	3.3
Precision production, craft, and repair ...	6.2	4.5	3.9	2.7	4.2	5.1	3.4	3.1	2.7	2.8
Mechanics and repairers .....	4.8	3.8	2.1	2.1	3.4	3.7	3.3	3.1	2.0	2.1
Construction trades .....	5.3	4.0	4.1	2.4	4.2	5.5	2.2	2.4	2.8	1.6
Other precision production occupations .....	8.5	5.6	5.5	3.7	5.1	6.4	4.7	3.8	3.6	5.1
Operators, fabricators, and laborers .....	8.2	6.7	5.5	3.8	4.8	5.5	5.0	3.8	3.5	3.7
Machine operators, assemblers, and inspectors .....	9.6	8.1	5.9	4.5	6.2	6.7	5.5	4.9	4.0	4.8
Transportation and material moving occupations .....	5.7	3.7	4.8	3.1	3.6	4.1	4.1	2.1	2.1	3.0
Handlers, equipment cleaners, helpers, and laborers .....	8.0	7.6	5.2	3.0	3.0	4.9	5.4	3.9	4.3	2.7
Farming, forestry, and fishing .....	.9	2.1	1.6	.8	1.5	1.4	.8	1.4	1.8	.5

<sup>1</sup> Data beginning with the 1991–92 period are not directly comparable with earlier periods due to differences in estimation methodology.

<sup>2</sup> White-collar occupations are made up of the “managerial and professional specialty” and “technical, sales, and administrative support” categories.

<sup>3</sup> Blue-collar occupations are the sum of the “precision production, craft, and repair” and “operators, fabricators, and laborers” categories.

NOTE: Displacement rates are calculated by dividing the number of displaced workers in a specified worker group by a tenure-adjusted, 2-year average estimate of employment for the same worker group. Employment estimates for each year were adjusted, using job-tenure data from the January 1983, 1987, 1991, and February 1996, 1998, and 2000 Current Population Survey (CPS) supplements, to include only those workers with 3 years of tenure or more. A 2-year average was then computed using those adjusted employment estimates.

In the service-producing industries, displacement rates were up to 3.7 percent in finance, insurance, and real estate and up to 2.5 percent in services. The services industry, however, continued to have the lowest displacement rate among nonagricultural industries in the private sector.

In the early 1980s, displacement among blue-collar workers was significantly higher than among their white-collar counterparts.<sup>6</sup> Over the past 2 decades, however, the difference in displacement rates for these two groups has narrowed. In 1999 and 2000, blue-collar workers again had a higher rate of job loss (3.3 percent) compared with white-collar workers (2.4 percent).

*Tenure on the lost job.* During the 1999–2000 period, 4.7 million workers were displaced, regardless of their tenure on the lost job. Nearly three-fifths of these displaced workers had less than 3 years of tenure before losing their job. As in prior displacement surveys, long-tenured workers were generally less likely to lose a job. (See table 3.)

The displacement rate for those with less than 3 years of experience with their employer was 5.3 percent—more than twice the rate for their more experienced counterparts (2.5 percent). The job loss rate during 1999–2000 was lowest (1.6 percent) for workers who had tenure of 20 years or more with their employer.

## The displacement experience

*Reason for job loss.* About one-half of the 2.0 million long-tenured workers displaced during 1999–2000 lost their job because their plant or company closed or moved. As in prior surveys, plant or company closings contributed the most to worker displacement. About 3 in 10 workers reported their position or shift had been abolished. The remaining 20 percent of displaced workers cited insufficient work for their lost job. (See table 4.) These proportions have changed little across recent surveys.

Displaced workers with less education were more likely to cite plant or company closings as the reason for losing their job in 1999 or 2000. By contrast, displaced college graduates more often attributed job losses to having their position abolished. Research conducted by Henry S. Farber shows an increase in the share of more-educated displaced workers who cited a position or shift abolishment as the reason for job loss during the 1990s.<sup>7</sup> Farber finds this consistent with reports of significant job loss among white-collar workers during the early and mid-1990s.

*Weeks without work.* Displaced workers who found a new job were asked how long they went without work. The strong labor market of 1999 and 2000 again kept the duration of job search relatively low. In the 2002 survey, the median period between jobs for these 1.6 million displaced workers was 5.5 weeks, little changed from the prior survey. (See table 5.)

Other findings from the 2002 survey show that displaced workers aged 55 and older spent the most time without work—7.2 weeks, 2 weeks more than their counterparts aged 25–54. The median duration for women (7.7 weeks) was longer than that for men (4.1 weeks).

Displaced workers with more education typically spent less time without a job than those with less education. College graduates spent 5.6 weeks without a job, compared with a median 10.5 weeks for displaced workers without a high school diploma.

Long-tenured displaced workers in construction and in transportation and public utilities spent the least time between jobs—2.2 weeks and 2.3 weeks, respectively. By contrast, displaced workers whose last job was in finance, insurance, or real estate were without work for the longest median duration—8.2 weeks. Workers displaced from manufacturing jobs spent a median 6.5 weeks without work. In manufacturing and in finance, insurance, and real estate, nearly one-third of displaced workers spent 15 or more weeks without work. (See table 6.)

**Table 3.** Displacement rates by tenure on the lost job, 1981–2000

[Percent]										
Tenure on the lost job	1981–82	1983–84	1985–86	1987–88	1989–90	1991–92 <sup>1</sup>	1993–94	1995–96	1997–98	1999–2000
Total displaced, age 20 years and older ....	5.7	4.1	4.0	3.2	4.3	4.9	4.4	3.9	3.4	3.7
Less than 3 years .....	8.9	5.7	5.4	4.7	6.5	6.6	6.5	5.5	5.0	5.3
3 years or more .....	3.9	3.1	3.1	2.4	3.1	3.9	3.3	2.9	2.5	2.5
3 to 4 years .....	5.8	4.3	4.0	3.5	4.4	5.7	5.0	3.7	3.1	3.2
5 to 9 years .....	4.4	3.5	3.6	2.6	3.3	4.3	3.2	3.3	2.5	2.8
10 years or more .....	2.6	2.2	2.3	1.7	2.2	2.8	2.5	2.3	2.1	1.9
10 to 14 years .....	3.1	2.7	2.6	1.9	2.5	3.0	2.6	2.4	2.0	1.9
15 to 19 years .....	2.5	2.1	2.2	1.6	2.5	2.7	2.5	2.5	2.4	2.2
20 years or more .....	2.0	1.7	2.1	1.5	1.7	2.7	2.4	2.1	1.9	1.6

<sup>1</sup> Data, beginning with the 1991–92 period, are not directly comparable with earlier periods due to differences in estimation methodology.

Note: Displacement rates are calculated by dividing the number of displaced workers in a specified worker group by a tenure-adjusted, 2-year

average estimate of employment for the same worker group. Employment estimates for each year were adjusted, using job-tenure data from the January 1983, 1987, 1991, and February 1996, 1998, and 2000 Current Population Survey (CPS) supplements.

**Table 4. Long-tenured displaced workers who lost jobs in 1999 or 2000, by age, sex, educational attainment, and reason for job loss**

Age, sex, and educational attainment	Displaced workers (in thousands)	Percent distribution		
		Plant or company closed down or moved	Insufficient work	Position or shift abolished
Total, 20 years and older .....	2,005	52.1	18.8	29.2
20 to 24 years .....	50	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
25 to 54 years .....	1,584	51.8	18.9	29.4
25 to 34 years .....	352	56.0	16.2	27.8
35 to 44 years .....	639	50.5	21.9	27.5
45 to 54 years .....	593	50.6	17.2	32.2
55 years and older .....	371	51.2	16.4	32.3
55 to 64 years .....	303	52.8	13.9	34.0
65 years and older .....	68	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Men, 20 years and older .....	1,071	48.5	20.3	31.3
Women, 20 years and older .....	933	56.2	17.0	26.8
<b>Educational attainment</b>				
Less than a high school diploma .....	176	59.8	27.5	12.7
High school graduates, no college .....	665	55.0	24.4	20.6
Some college, no degree .....	450	55.9	14.5	29.6
Associate's degree .....	218	52.0	17.4	30.6
Bachelor's degree .....	345	42.2	14.2	43.6
Advanced degree .....	150	41.2	8.6	50.1

<sup>1</sup> Data not shown where base is less than 75,000.

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left between January 1999 and December 2000 because

their plant or company closed or moved, there was insufficient work for them to do, or their positions or shifts were abolished.

**Table 5. Long-tenured displaced workers who found new jobs by weeks without work, age, sex, educational attainment, and employment status in January 2002**

Characteristic	Total who found jobs (in thousands)	Weeks without work before finding a job					
		Less than 5 weeks	5 to 14 weeks	15 to 26 weeks	27 to 52 weeks	52 weeks or more	Median weeks without work
Total, 20 years and older .....	1,604	785	360	225	170	64	5.5
25 to 54 years .....	1,336	656	306	202	135	37	5.2
25 to 34 years .....	311	136	84	56	30	5	6.6
35 to 44 years .....	549	281	136	63	52	17	4.3
45 to 54 years .....	474	238	86	83	53	14	4.5
55 years and older .....	230	107	43	21	32	27	7.2
Employed .....	1,433	713	315	209	149	47	4.7
Unemployed .....	104	41	24	12	17	10	8.3
Not in the labor force .....	68	31	21	4	5	7	( <sup>1</sup> )
<b>Men</b>							
Men, 20 years and older .....	883	467	207	100	80	29	4.1
Employed .....	795	424	186	88	71	26	4.0
Unemployed .....	57	26	10	11	9	1	( <sup>1</sup> )
Not in the labor force .....	29	16	11	0	0	2	( <sup>1</sup> )
<b>Women</b>							
Women, 20 years and older .....	720	318	153	125	90	34	7.7
Employed .....	636	288	129	120	78	21	7.2
Unemployed .....	45	14	14	1	7	9	( <sup>1</sup> )
Not in the labor force .....	38	15	10	4	5	4	( <sup>1</sup> )
<b>Educational attainment</b>							
Less than a high school diploma .....	109	38	36	23	6	6	10.5
High school graduates, no college .....	505	260	116	59	53	17	4.4
Some college, no degree .....	371	183	74	50	46	18	4.8
Associate's degree .....	177	83	48	19	25	2	5.8
Bachelor's degree .....	315	153	60	58	31	13	5.6
Advanced degree .....	126	67	26	16	9	8	4.0

<sup>1</sup> Data not shown where base is less than 75,000.

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left between January 1999 and December 2000 because

their plant or company closed or moved, there was insufficient work for them to do, or their positions or shifts were abolished.

*Receipt of unemployment insurance.* The receipt of unemployment insurance (UI) among displaced workers over the last 2 decades appears cyclical, varying with the economy's overall condition. With the economic expansion of the 1990s entering its 9th and 10th consecutive years in 1999 and 2000, relatively few displaced workers used UI.

About 45 percent of the 2.0 million long-tenured displaced workers in 1999–2000 used UI to replace some lost income following job loss, and one-fifth of those who received UI reported they had exhausted their benefits.

Both proportions are the lowest recorded since the inception of the Displaced Worker Supplement in the early 1980s. (See table 7.) This lower incidence of UI receipt reflects the relatively few weeks that most displaced workers went without work and a high reemployment rate. As one would expect, displaced workers who spent more time between jobs were more reliant upon unemployment insurance and more likely to exhaust their benefits. Over two-thirds of those who spent a year or more between their old and new jobs exhausted their benefits. (See table 8.)

**Table 6. Long-tenured displaced workers who found new jobs by weeks without work, industry, class of worker, and occupation of the lost job**

Characteristic	Total who found jobs (in thousands)	Weeks without work before finding a job					Median weeks without work
		Less than 5 weeks	5 to 14 weeks	15 to 26 weeks	27 to 52 weeks	52 weeks or more	
Total, 20 years and older .....	1,604	785	360	225	170	64	5.5
<b>Industry and class of worker</b>							
Nonagricultural private wage and salary workers .....	1,522	732	353	214	162	61	5.7
Mining .....	19	6	4	5	0	4	( <sup>1</sup> )
Construction .....	99	62	22	9	4	2	2.2
Manufacturing .....	466	209	113	71	50	23	6.5
Durable goods .....	272	132	69	34	32	5	5.2
Nondurable goods .....	194	77	44	36	18	19	9.9
Transportation and public utilities ...	101	55	13	18	15	0	2.3
Wholesale trade .....	108	58	14	11	13	12	4.2
Retail trade .....	207	96	53	20	31	7	6.1
Finance, insurance, and real estate ..	154	66	38	32	13	5	8.2
Services .....	371	181	96	50	37	7	5.0
Professional services .....	170	87	46	16	18	3	4.4
Agricultural wage and salary workers ....	7	4	1	0	0	2	( <sup>1</sup> )
Government workers .....	63	45	5	11	2	0	( <sup>1</sup> )
<b>Occupation</b>							
Managerial and professional specialty Executive, administrative, and managerial .....	493	224	125	75	53	16	6.2
Professional specialty .....	311	122	88	61	26	14	7.8
Professional specialty .....	184	102	38	15	27	2	3.6
Technical, sales, and administrative support .....	510	251	112	61	65	21	5.0
Technicians and related support .....	58	31	17	6	0	4	( <sup>1</sup> )
Sales occupations .....	213	105	41	32	22	13	5.7
Administrative support, including clerical .....	240	115	54	23	43	5	5.1
Service occupations .....	88	45	27	9	5	2	4.4
Protective services .....	14	5	6	0	3	0	( <sup>1</sup> )
Other service occupations .....	73	40	20	9	2	2	( <sup>1</sup> )
Precision production, craft, and repair .....	214	108	47	29	24	6	4.4
Mechanics and repairers .....	61	27	8	10	14	2	( <sup>1</sup> )
Construction trades .....	50	37	6	6	1	0	( <sup>1</sup> )
Other precision production occupations .....	103	45	32	13	9	4	6.0
Operators, fabricators, and laborers ...	281	151	44	50	20	16	3.9
Machine operators, assemblers, and inspectors .....	160	75	21	35	14	15	8.4
Transportation and material moving occupations .....	79	59	11	2	6	1	1.6
Handlers, equipment cleaners, helpers, and laborers .....	41	16	12	13	0	0	( <sup>1</sup> )
Farming, forestry, and fishing .....	4	1	1	0	0	2	( <sup>1</sup> )

<sup>1</sup> Data not shown where base is less than 75,000.

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left between January 1999 and December 2000 because

their plant or company closed or moved, there was insufficient work for them to do, or their positions or shifts were abolished.

*Loss of health insurance.* Many workers rely on employer-provided health insurance coverage. As a result, those who lose or leave a job may experience a period without health insurance. Nearly 3 in 4 workers displaced during 1999–2000 had been covered by an employer-provided health plan on the job they lost. (See table 9.)

Among displaced workers whose health insurance had been provided by their employer, 80 percent were covered by some group health insurance plan in January 2002.<sup>8</sup> The likelihood of having health insurance at the time of the survey largely depended on the employment status of displaced

workers. About 86 percent of those employed in January 2002 had group health insurance, compared with only 48 percent of those who were unemployed. The coverage rate for unemployed persons was much lower than that recorded in the 2000 survey.

### After displacement

*Employment status.* The reemployment rate—the proportion of long-tenured displaced workers employed at the time of the survey—was 74 percent in January 2002, about the same

**Table 7. Long-tenured displaced workers by receipt and exhaustion of unemployment insurance benefits and employment status at the time of the survey**

[Numbers in thousands]

Characteristic	1981–82		1983–84		1985–86		1987–88		1989–90	
	Displaced workers	Percent	Displaced workers	Percent	Displaced workers	Percent	Displaced workers	Percent	Displaced workers	Percent
Total, 20 years and older .....	2,361	100.0	1,920	100.0	1,996	100.0	1,623	100.0	2,192	100.0
Received benefits <sup>1</sup> ..	1,725	73.1	1,223	63.7	1,239	62.1	929	57.2	1,301	59.4
Exhausted benefits .....	980	41.5	( <sup>2</sup> )	( <sup>2</sup> )	668	33.5	451	27.8	733	33.4
Employed .....	1,517	100.0	1,363	100.0	1,533	100.0	1,278	100.0	1,600	100.0
Received benefits ...	1,072	70.7	851	62.4	931	60.7	701	54.9	902	56.4
Exhausted benefits .....	469	30.9	( <sup>2</sup> )	( <sup>2</sup> )	443	28.9	277	21.7	424	26.5
Unemployed .....	480	100.0	240	100.0	192	100.0	124	100.0	293	100.0
Received benefits ...	405	84.4	176	73.3	146	76.0	88	71.0	210	71.7
Exhausted benefits .....	326	67.9	( <sup>2</sup> )	( <sup>2</sup> )	105	54.7	60	48.4	161	54.9
Not in the labor force ...	364	100.0	317	100.0	271	100.0	221	100.0	299	100.0
Received benefits ...	248	68.1	196	61.8	162	59.8	140	63.3	189	63.2
Exhausted benefits .....	185	50.8	( <sup>2</sup> )	( <sup>2</sup> )	120	44.3	114	51.6	148	49.5
	1991–92		1993–94		1995–96		1997–98		1999–2000	
	Displaced workers	Percent	Displaced workers	Percent	Displaced workers	Percent	Displaced workers	Percent	Displaced workers	Percent
Total, 20 years and older .....	2,816	100.0	2,445	100.0	2,238	100.0	1,920	100.0	2,005	100.0
Received benefits <sup>1</sup> ..	1,746	62.0	1,302	53.3	1,142	51.0	883	46.0	897	44.7
Exhausted benefits .....	878	31.2	687	28.1	619	27.7	437	22.8	419	20.9
Employed .....	2,113	100.0	1,920	100.0	1,846	100.0	1,496	100.0	1,487	100.0
Received benefits ...	1,267	60.0	1,002	52.2	911	49.3	636	42.5	613	41.2
Exhausted benefits .....	499	23.6	468	24.4	448	24.3	251	16.8	233	15.7
Unemployed .....	313	100.0	177	100.0	114	100.0	108	100.0	210	100.0
Received benefits ...	241	77.0	117	66.1	74	64.9	75	69.4	118	56.2
Exhausted benefits .....	185	59.1	79	44.6	43	37.7	52	48.1	79	37.6
Not in the labor force ..	390	100.0	348	100.0	278	100.0	316	100.0	308	100.0
Received benefits ...	238	61.0	183	52.6	157	56.5	172	54.4	166	53.9
Exhausted benefits .....	194	49.7	140	40.2	128	46.0	134	42.4	107	34.7

<sup>1</sup> Data will not sum to totals or 100 percent because the numbers of displaced workers who reported that they did not receive benefits or did not answer are not shown separately.

<sup>2</sup> Data not available.

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left during the survey reference period because their plant or company closed or moved, there was insufficient work for them to do, or their positions or shifts were abolished.

**Table 8. Long-tenured displaced workers by receipt and exhaustion of unemployment insurance benefits, and weeks without work before finding a new job, 1999–2000**

Weeks without work	Total (in thousands)	Percent distribution		
		Received benefits		Did not receive unemployment insurance
		Total	Exhausted benefits	
Total who found jobs .....	1,593	42.2	17.1	57.7
Less than 5 weeks .....	781	16.4	4.9	83.6
5 to 14 weeks .....	355	58.2	6.9	41.8
15 to 26 weeks .....	223	68.1	27.3	31.9
27 to 51 weeks .....	102	86.0	59.0	14.0
52 weeks or more .....	131	75.6	67.2	24.4

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left between January 1999 and December 2000 because their plant or company closed or moved, there was insufficient work for them to do, or their positions or shifts were abolished.

**Table 9. Long-tenured displaced workers by incidence of group health insurance coverage on lost and current job, and by sex, race, Hispanic origin, and employment status in January 2002**

Characteristic	Total (in thousands)	Covered by a group health insurance plan on lost job <sup>(1)</sup>			Not covered on lost job
		Total (in thousands)	Percent covered by any group health insurance plan in January 2002		
			Yes	No	
Total, 20 years and older .....	2,005	1,457	79.7	20.0	537
Employed .....	1,487	1,108	85.6	14.0	372
Unemployed .....	210	146	47.9	52.1	60
Not in the labor force .....	308	203	69.5	29.6	105
Men, 20 years and older .....	1,071	795	82.8	17.0	266
Employed .....	824	625	88.6	11.2	192
Unemployed .....	130	90	51.1	48.9	35
Not in the labor force .....	118	80	71.3	26.3	38
Women, 20 years and older .....	933	662	76.0	23.6	271
Employed .....	663	483	81.8	17.6	180
Unemployed .....	80	56	( <sup>2</sup> )	( <sup>2</sup> )	25
Not in the labor force .....	190	123	68.3	31.7	67
<b>White<sup>3</sup></b>					
Total, 20 years and older .....	1,678	1,226	80.5	19.1	441
Men .....	907	679	83.9	15.8	217
Women .....	770	547	76.4	23.0	223
<b>Black<sup>3</sup></b>					
Total, 20 years and older .....	261	177	78.0	22.0	84
Men .....	128	88	80.7	19.3	39
Women .....	134	89	75.3	25.8	44
<b>Hispanic origin<sup>3</sup></b>					
Total, 20 years and older .....	152	80	73.8	27.5	72
Men .....	53	27	( <sup>2</sup> )	( <sup>2</sup> )	26
Women .....	99	53	( <sup>2</sup> )	( <sup>2</sup> )	46

<sup>1</sup> Health insurance coverage excludes Medicare or Medicaid. Detail will not sum to totals or 100 percent because a small number of respondents did not know about their coverage on their past and/or current job.

<sup>2</sup> Data not shown where base is less than 75,000.

<sup>3</sup> Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented, and

Hispanics are included in both the white and black population groups.

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left between January 1999 and December 2000 because their plant or company closed or moved, there was insufficient work for them to do, or their positions or shifts were abolished.

**Table 10. Long-tenured displaced workers by age, sex, race, Hispanic origin, and employment status in January 2002**

Characteristic	Displaced workers (in thousands)	Percent distribution by employment status in January 2002		
		Employed	Unemployed	Not in the labor force
Total, 20 years and older .....	2,005	74.2	10.5	15.4
20 to 24 years .....	50	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
25 to 54 years .....	1,584	78.4	11.1	10.5
25 to 34 years .....	352	80.2	9.3	10.6
35 to 44 years .....	639	79.8	12.0	8.2
45 to 54 years .....	593	75.8	11.2	13.0
55 years and older .....	371	56.8	8.2	35.0
55 to 64 years .....	303	64.4	7.6	27.7
65 years and older .....	68	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Men, 20 years and older .....	1,071	76.9	12.1	11.0
Women, 20 years and older .....	933	71.0	8.6	20.4
<b>White<sup>2</sup></b>				
Total, 20 years and older .....	1,678	75.1	9.8	15.1
Men .....	907	78.8	11.2	10.0
Women .....	770	70.7	8.1	21.2
<b>Black<sup>2</sup></b>				
Total, 20 years and older .....	261	68.7	14.3	17.0
Men .....	128	66.2	15.1	18.6
Women .....	134	71.1	13.5	15.4
<b>Hispanic origin<sup>2</sup></b>				
Total, 20 years and older .....	152	69.6	18.2	12.2
Men .....	53	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Women .....	99	67.4	15.1	17.5

<sup>1</sup> Data not shown where base is less than 75,000.

<sup>2</sup> Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented, and Hispanics are included in both the white and black population groups.

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left between January 1999 and December 2000 because their plant or company closed or moved, there was insufficient work for them to do, or their positions or shifts were abolished.

as in the prior survey. The share of displaced workers who were unemployed when surveyed was nearly 11 percent, almost double the proportion measured in the 2000 survey. (See table 10.)

Overall, labor market conditions were weak in January 2002 following the recession that ended in November 2001.<sup>9</sup> The employment-population ratio declined from 64.3 percent when the recession began in March 2001 to 62.7 percent in January 2002. The national unemployment rate rose from 4.3 percent to 5.6 percent over the same period. Thus, at the time of the survey, displaced workers faced a labor market characterized by significantly diminished labor demand.

Compared with the prior (Feb. 2000) survey, displaced workers across the major demographic groups experienced declines in reemployment rates and increased likelihood of unemployment when surveyed in January 2002. Men were again more likely than women to be reemployed. The reemployment rate for men was 77 percent, compared with 71 percent for women. Blacks and Hispanics who had lost jobs during 1999 or 2000 had similar reemployment rates in January 2002, about 69 percent and 70 percent, respectively. The reemployment rate for blacks was down nearly 18 percentage points from the 2000 survey; the rate for Hispanics

was down 7 percentage points. The proportions of black and Hispanic job losers who were unemployed in January 2002 increased significantly to 14 and 18 percent, respectively.

Older displaced workers were most likely to have left the labor force following displacement. Among displaced workers aged 55 and older, 35 percent were not in the labor force. Following a job loss, this exit from the labor force among many older individuals likely reflects a decision to retire.<sup>10</sup>

*Moving to another area.* After losing a job, some displaced workers move to another area to search for work or to take another job. Among long-tenured workers displaced during 1999 or 2000, only 8 percent had moved for one of these reasons. Overall, those who moved to find work had the same reemployment rate as those who did not move. (See table 11.)

### The new jobs

*Switching industries and occupations.* To find work following job loss, many displaced workers enter a new industry or pursue an entirely new line of work. One-half of all long-tenured workers displaced in 1999 or 2000 and reemployed in January 2002 had switched to a new major industry. (See table 12.)

**Table 11. Long-tenured displaced workers by age, sex, and whether they moved to a different city or county to find or take another job, January 2002**

[Numbers in thousands]

Age and sex	Nonmovers			Movers		
	Total	Employed in January 2002	Percent	Total	Employed in January 2002	Percent
<b>Total</b>						
Total, 20 years and older .....	1,847	1,370	74.2	158	117	74.1
25 to 54 years .....	1,449	1,143	78.9	135	99	73.3
55 years and older .....	357	202	56.6	14	9	( <sup>1</sup> )
<b>Men</b>						
Total, 20 years and older .....	967	743	76.8	105	81	77.1
25 to 54 years .....	776	631	81.3	96	73	76.0
55 years and older .....	177	104	58.8	8	8	( <sup>1</sup> )
<b>Women</b>						
Total, 20 years and older .....	880	627	71.3	53	36	( <sup>1</sup> )
25 to 54 years .....	673	511	75.9	39	26	( <sup>1</sup> )
55 years and older .....	180	98	54.4	5	1	( <sup>1</sup> )

<sup>1</sup>Data not shown where base is less than 75,000.

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left between January 1999 and December 2000 because

their plant or company closed or moved, there was insufficient work for them to do, or their positions or shifts were abolished.

**Table 12. Long-tenured displaced workers by industry of lost job and percent reemployed in the same industry or in the services industry, January 2002**

[Numbers in thousands]

Industry of lost job	Total	Total reemployed	Percent in the same industry	Percent in the services industry
Total, nonagricultural private wage and salary workers ..	1,893	1,413	49.9	33.8
Mining .....	27	19	( <sup>1</sup> )	( <sup>1</sup> )
Construction .....	121	82	58.5	17.1
Manufacturing .....	619	445	46.1	24.9
Durable goods .....	376	263	40.3	28.1
Nondurable goods .....	244	182	29.7	20.3
Transportation and public utilities .....	131	84	35.7	28.6
Wholesale trade .....	119	108	21.3	21.3
Retail trade .....	249	174	48.3	21.3
Finance, insurance, and real estate .....	170	138	49.3	16.7
Services .....	453	363	66.4	66.4

<sup>1</sup>Data not shown where base is less than 75,000.

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left between January 1999 and December 2000 because

their plant or company closed down or moved, there was insufficient work for them to do, or their positions or shifts were abolished.

Industry switching varies across the major sectors. Workers displaced from jobs in construction and in the services industry were most likely to be reemployed in the same industry. In fact, about two-thirds of those who lost jobs in services were reemployed in that same industry when surveyed in 2002. By contrast, only one in five workers displaced from jobs in the wholesale trade industry remained in that sector upon reemployment.

Employment growth during 1999 and 2000 was concentrated in the service sector.<sup>11</sup> Employment in the services industry increased by 4.0 million during this period. One-third of all reemployed displaced workers were employed in

the services industry in January 2002.

Displaced workers are less likely to switch their occupation following job loss than they are to change industries. Sixty percent of these reemployed individuals worked in the same major occupational group in January 2002. (See table 13.) Across different industries, many occupations require specific knowledge or skills, leading many who have lost jobs to search for work in a similar occupation. Displaced white-collar workers are more likely to stay in the same occupation than blue-collar workers—64 versus 53 percent, respectively.

Among the 1.5 million long-tenured workers who lost jobs in 1999 or 2000 and who were reemployed in January 2002,

9 percent had taken a service job. Displaced blue-collar workers were more likely to switch to a service job than their white-collar counterparts.

*Earnings.* Of the 2.0 million long-tenured workers displaced during 1999–2000, 92 percent lost full-time jobs. When surveyed in January 2002, about 62 percent of them were once again working in full-time wage and salary jobs, 8 percent

held part-time jobs, and 6 percent were self-employed or working as unpaid family workers. One-quarter of these displaced workers were either unemployed or no longer in the labor force when surveyed. (See table 14.)

Among displaced workers who were reemployed in full-time jobs in January 2002, half reported earning at or above what they had earned on the lost job, and half reported earning less than what they had earned previously. After losing a job

**Table 13. Long-tenured displaced workers by occupation of lost job and percent reemployed in the same occupation or in service occupations, January 2002**

[Numbers in thousands]

Occupation of lost job	Total	Total reemployed	Percent in the same occupation	Percent in service occupations
Total, 20 years and older .....	2,005	1,487	60.1	9.0
White-collar occupations <sup>1</sup> .....	1,194	930	63.7	4.8
Managerial and professional specialty .....	596	469	68.7	1.9
Executive, administrative, and managerial .....	373	300	48.3	2.3
Professional specialty .....	223	170	71.2	1.2
Technical, sales, and administrative support .....	598	461	58.6	7.8
Technicians and related support .....	72	53	( <sup>2</sup> )	( <sup>2</sup> )
Sales occupations .....	249	196	51.0	8.2
Administrative support, including clerical .....	277	212	50.0	4.7
Service occupations .....	124	85	64.7	64.7
Blue-collar occupations <sup>1</sup> .....	646	454	53.1	7.5
Precision production, craft, and repair .....	267	219	44.3	8.2
Operators, fabricators, and laborers .....	379	235	61.3	6.8
Farming, forestry, and fishing .....	11	6	( <sup>2</sup> )	( <sup>2</sup> )

<sup>1</sup> See text footnote for a definition of the white- and blue-collar occupations.

<sup>2</sup> Data not shown where base is less than 75,000.

NOTE: Data refer to persons who had 3 or more years of tenure on a job

they had lost or left between January 1999 and December 2000 because their plant or company closed down or moved, there was insufficient work for them to do, or their positions or shifts were abolished.

**Table 14. Median weekly earnings of long-tenured displaced full-time wage and salary workers on their lost jobs and on jobs held at the time of the survey**

[Numbers in thousands]

Survey date and reference period for job loss	Displaced full-time wage and salary workers	Part time	Reemployed in full-time wage and salary jobs												
			Total <sup>1</sup>	Total who reported earnings	Earnings relative to those of lost job				Median weekly earnings on:			Self-employed and unpaid family workers	Un-employed	Not in the labor force	
					At least 20 percent below	Below, but within 20 percent	Equal or above, but within 20 percent	At least 20 percent above	Lost job	Job held at survey date	Percent change				
January:															
1984, 1981–82 .....	2,157	151	1,135	1,023	33.7	17.5	27.0	21.8	\$340	\$293	-13.8	114	446	309	
1986, 1983–84 .....	1,798	122	1,087	1,086	26.5	13.9	27.1	32.5	329	330	0.3	90	233	266	
1988, 1985–86 .....	1,855	111	1,187	1,105	32.9	14.8	29.3	23.0	412	353	-14.3	143	179	235	
1990, 1987–88 .....	1,464	83	995	878	27.2	18.8	25.1	28.9	416	391	-6.0	92	115	179	
1992, 1989–90 .....	2,011	131	1,201	1,088	31.1	17.1	28.1	23.7	439	410	-6.6	149	275	252	
February:															
1994, 1991–92 .....	2,563	201	1,536	1,386	34.4	17.8	28.4	19.4	553	473	-14.5	210	295	322	
1996, 1993–94 .....	2,167	143	1,396	1,245	33.7	19.8	25.2	21.3	539	461	-14.5	184	156	288	
1998, 1995–96 .....	2,011	188	1,358	1,192	26.1	19.3	30.2	24.4	558	535	-4.1	122	104	240	
2000, 1997–98 .....	1,738	109	1,171	1,005	23.7	15.7	34.5	26.1	567	565	-4	89	101	269	
January:															
2002, 1999–2000 .....	1,853	141	1,140	948	26.4	22.9	30.7	20.0	695	645	-7.2	103	205	264	

<sup>1</sup> Includes some workers who did not report earnings on the lost job.

NOTE: Data refer to persons who had 3 or more years of tenure on a job

they lost or left because their plant or company closed or moved, there was insufficient work for them to do, or their positions or shifts were abolished.

**Table 15. Median weekly earnings of long-tenured displaced full-time wage and salary workers on their lost jobs and on jobs held in January 2002, by age, sex, race, Hispanic origin, and educational attainment**

[Numbers in thousands]

Characteristic	Displaced full-time wage and salary workers	Part time	Reemployed in full-time wage and salary jobs in January 2002											
			Total <sup>1</sup>	Total who reported earnings	Earnings relative to those of lost job				Median weekly earnings on:			Self-employed and unpaid family workers	Un-employed	Not in the labor force
					At least 20 percent below	Below, but within 20 percent	Equal or above, but within 20 percent	At least 20 percent above	Lost job	Job held in January 2002	Percent change			
Total, 20 years and older .....	1,853	141	1,140	948	26.4	22.9	30.7	20.0	\$695	\$645	-7.2	103	205	264
20 to 24 years .....	35	4	16	10	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	0	4	12
25 to 54 years .....	1,478	88	993	842	26.4	21.6	31.1	20.9	697	650	-6.7	80	171	146
25 to 34 years .....	334	21	229	208	21.2	19.7	28.4	30.8	570	618	8.4	19	28	37
35 to 44 years .....	590	53	393	342	23.1	24.3	31.9	20.8	708	686	-3.1	24	77	43
45 to 54 years .....	554	14	370	294	34.0	19.7	32.3	13.9	783	635	-18.9	37	67	65
55 to 64 years .....	286	37	131	95	29.5	26.3	29.5	14.7	720	662	-8.1	21	23	74
65 years and older .....	54	12	0	0	0	0	0	0	0	0	0	2	7	33
Men, 20 years and older .....	1,033	42	676	559	25.0	22.9	32.2	19.9	779	721	-7.2	79	125	112
Women, 20 years and older .....	820	99	463	390	28.2	23.1	28.5	20.3	590	527	-10.7	24	80	153
<b>White<sup>3</sup></b>														
Total, 20 years and older .....	1,541	115	964	807	26.4	21.8	30.4	21.4	722	670	-7.2	89	159	215
Men .....	873	36	590	486	24.9	23.7	30.0	21.4	811	745	-8.1	65	97	85
Women .....	669	78	374	321	28.7	19.0	30.8	21.5	605	558	-7.8	24	62	130
<b>Black<sup>3</sup></b>														
Total, 20 years and older .....	251	24	143	111	26.1	29.7	36.0	8.1	536	454	-15.3	6	37	40
Men .....	124	6	69	58	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	6	19	24
Women .....	127	18	74	54	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	0	18	16
<b>Hispanic origin<sup>3</sup></b>														
Total, 20 years and older .....	143	19	78	71	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	3	28	16
Men .....	53	7	29	25	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	3	13	1
Women .....	90	12	48	46	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	0	15	15
<b>Educational attainment</b>														
Less than a high school diploma .....	167	27	67	53	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	7	27	39
High school graduates, no college .....	616	40	351	288	27.8	28.1	24.3	19.8	607	555	-8.6	13	111	100
Some college, no degree .....	419	33	273	240	31.3	21.7	26.3	20.8	615	571	-7.2	18	28	67
Associate's degree .....	201	15	143	121	32.2	18.2	33.1	16.5	704	715	-1.6	7	12	24
Bachelor's degree .....	311	20	207	177	20.3	22.0	33.9	23.7	998	962	-3.6	39	24	20
Advanced degree .....	139	5	98	68	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	19	2	14

<sup>1</sup> Includes 192,000 who did not report earnings on their lost job.

<sup>2</sup> Data not shown where base is less than 75,000.

<sup>3</sup> Detail for the above race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups.

NOTE: Data refer to persons who had 3 or more years of tenure on a job they had lost or left between January 1999 and December 2000 because their plant or company closed or moved, there was insufficient work for them to do, or their positions or shifts were abolished.

**Table 16. Median weekly earnings of long-tenured displaced full-time wage and salary workers on their lost jobs and on jobs held in January 2002, by industry and class of worker of lost job**

[Numbers in thousands]

Industry and class of worker of lost job	Displaced full-time wage and salary workers	Part time	Reemployed in full-time wage and salary jobs in January 2002											
			Total <sup>1</sup>	Total who reported earnings	Earnings relative to those of lost job				Median weekly earnings on:			Self-employed and unpaid family workers	Un-employed	Not in the labor force
					At least 20 percent below	Below, but within 20 percent	Equal or above, but within 20 percent	At least 20 percent above	Lost job	Job held in January 2002	Percent change			
Total, 20 years and older .....	1,853	141	1,140	948	26.4	22.9	30.7	20.0	\$695	\$645	-7.2	103	205	264
Nonagricultural private wage and salary workers .....	1,767	130	1,096	917	27.0	23.1	29.7	20.2	694	643	-7.3	100	196	244
Mining .....	27	0	15	15	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	4	4	4
Construction .....	116	2	73	65	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	7	34	0
Manufacturing .....	607	28	379	312	33.3	27.6	20.2	18.9	662	571	-13.7	28	51	121
Durable goods .....	370	18	213	169	29.0	26.6	22.5	21.9	716	597	-16.6	26	35	78
Nondurable goods ...	237	10	165	143	38.5	28.7	17.5	15.4	614	511	-16.8	2	16	43
Transportation and public utilities .....	128	8	68	54	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	5	26	21
Transportation .....	75	8	40	36	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	5	16	6
Communications and other public utilities .....	52	0	27	18	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	0	10	15
Wholesale and retail trade .....	327	31	196	163	25.2	14.7	44.8	15.3	662	606	-8.5	27	36	37
Wholesale trade .....	116	12	74	56	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	19	9	3
Retail trade .....	210	19	123	106	33.0	18.9	34.9	13.2	595	533	-10.4	7	27	34
Finance, insurance, and real estate .....	162	18	109	92	19.6	23.9	38.0	18.5	787	716	-9.0	9	12	14
Services .....	394	39	257	215	25.6	20.5	29.8	24.2	692	715	3.3	21	30	47
Professional services .....	186	18	118	102	33.3	17.6	29.4	19.6	680	688	1.2	10	7	32
Other services .....	196	20	132	107	19.6	24.3	31.8	24.3	671	711	6.0	10	23	10
Agricultural wage and salary workers .....	17	6	2	2	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	3	0	6
Government workers .....	58	4	38	31	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	0	5	11

<sup>1</sup>Includes 192,000 who did not report earnings on their lost job.

<sup>2</sup>Data not shown where base is less than 75,000.

NOTE: Data refer to persons who had 3 or more years of tenure on a job

they had lost or left between January 1999 and December 2000 because their plant or company closed or moved, there was insufficient work for them to do, or their positions or shifts were abolished.

in 1999 or 2000, median weekly earnings for these reemployed persons fell 7 percent.<sup>12</sup> One-quarter of this group reported their earnings on the new job were 20 percent or more below those on the job they lost.

In an analysis of earnings losses incurred by displaced workers over the full survey reference period (1999–2001), Farber not only emphasizes the decline in earnings on the new job compared with the old, but also measures the foregone earnings increases many workers might have received had they not been displaced.<sup>13</sup> Using a control group of non-displaced workers, Farber estimates an average wage gain of nearly 7 percent in the 1999–2001 period. When combined with the average earnings decline from the lost job to the new,

Farber finds that the overall earnings decline associated with displacement increased in the 1990s from a low of 5.5 percent in the mid-1990s to a high of 15.2 percent in 1999–2001. Given the relatively strong wage growth since the mid-1990s, he attributes a greater share of the overall earnings effect to the foregone earnings component.

Older displaced workers who were reemployed in 2002 experienced steep declines in their median weekly earnings. Persons aged 45 to 54 saw their earnings decline by 19 percent, and those aged 55 to 64 lost 8 percent at the median. (See table 15 on page 65.) Younger displaced workers received better pay in their new jobs, with median weekly earnings up 8 percent. Men and women had similar median

earnings losses following displacement. Earnings for blacks declined by 15 percent, about twice the earnings loss experienced by whites (7 percent).

Reemployed displaced workers across most major industries experienced earnings losses. Workers displaced from manufacturing found jobs with median weekly earnings nearly 14 percent below those on their former job. One-third had jobs in which earnings were 20 percent or more below what they earned previously. Those who lost jobs in finance, insurance, and real estate, as well as those who lost wholesale or retail trade jobs, saw their median earnings decline by 9 percent upon reemployment. (See table 16 on page 66.)

THE PEAK IN ECONOMIC ACTIVITY in 1999–2000 contributed to the strongest labor market conditions in 30 years. The incidence and likelihood of job loss remained low. In 1999–2000, 2.0 million long-tenured workers were displaced from their jobs, about the same level reported during 1997–98 (1.9 million). The overall displacement rate

held at 2.5 percent for a second consecutive 2-year survey period. While these measures indicate there were relatively few job losers in 1999–2000, the displacement rate did not fall below the rate experienced during the economic expansion of the late-1980s.

Of long-tenured workers who lost jobs in 1999 or 2000, about three-quarters were reemployed when surveyed in January 2002. Displaced workers who found a new job spent relatively few weeks without work—5.5 weeks at the median, about the same as in the prior survey. With little time between jobs, a relatively small proportion of displaced workers used unemployment insurance benefits.

The 2001 recession brought an increased incidence of job displacement. While the official end to the recession preceded the January 2002 survey date, the labor market in early 2002 was characterized by continued job loss and decreasing labor demand. These labor market conditions certainly affected the ability of displaced workers to find new jobs and contributed to overall earnings losses upon reemployment. □

## Notes

<sup>1</sup> The National Bureau of Economic Research (NBER), generally viewed as the arbiter of business cycle dates, designated March 1991 as the trough of the recession that began in July 1990.

<sup>2</sup> Data on nonfarm payroll employment are derived from the Current Employment Statistics (CES) Survey, a monthly sample survey that collects information on employment, hours, and earnings from about 400,000 business establishments. The unemployment rate is derived from the Current Population Survey (CPS), a sample survey of about 60,000 households, conducted monthly by the Census Bureau for the Bureau of Labor Statistics (BLS). The CPS collects information about the demographic characteristics and employment status of the civilian noninstitutional population aged 16 years and older.

<sup>3</sup> Displacement rates are calculated by dividing the number of displaced workers in a specified worker group by a tenure-adjusted, 2-year average estimate of employment for the same worker group. Employment estimates for each year were adjusted using job-tenure data from the January 1983, 1987, 1991, and February 1996, 1998, and 2000 CPS supplements, to include only those workers with 3 years of tenure or more. A 2-year average was then computed using those adjusted employment estimates.

<sup>4</sup> Reemployment rates and other measures concerning a worker's current employment status may not be strictly comparable between the 2002 and 2000 surveys. In 2002, the survey was conducted in January and, in 2000, it was done in February. Between January and February of each year, there is usually a large seasonal increase in employment. Hence, it is possible that reemployment rates as measured in any given January may be lower than those measured in February because of this seasonal employment pattern. However, in the January 2002 data, it is not possible to disentangle the effects of the seasonal pattern on the data from cyclical or other economic factors.

<sup>5</sup> Estimates of worker displacement in the year immediately preceding the survey date should be analyzed with caution. Research suggests a significant "recall bias" among survey respondents who are asked to report the year in which they were displaced. There is evidence to suggest that displacement may be overstated in the year closest to the survey data, in this case, 2001. For more information on recall bias in the Displaced

Worker Supplement to the CPS, see David S. Evans and Linda S. Leighton, "Retrospective Bias in the Displaced Worker Surveys," *Journal of Human Resources*, spring 1995, pp. 386–396.

<sup>6</sup> For the purposes of this analysis, blue-collar occupations are defined as the sum of the "precision production, craft, and repair" and "operators, fabricators, and laborers" categories. The white-collar occupations are made up of the "managerial and professional specialty" and "technical, sales, and administrative support" categories.

<sup>7</sup> See Henry S. Farber, "Job Loss in the United States, 1981–2001," Working Paper 9707 (National Bureau of Economic Research, May 2003).

<sup>8</sup> In the survey, the question concerning health insurance on the lost job specifically relates to receiving coverage from the former employer and excludes any other sources. The question posed to respondents about current health insurance coverage (at the time of the survey) relates to health insurance coverage from *any* source.

<sup>9</sup> The NBER designated November 2001 as the trough of the recession that began in March 2001. However, although the recession officially ended in late-2001, labor market conditions continued to weaken well into 2002.

<sup>10</sup> Sewin Chan and Ann Huff Stevens, in their analysis of Health and Retirement Study (HRS) data, found that a job displacement for an older worker led to a significant increase in the likelihood of retirement. See Sewin Chan and Ann Huff Stevens, "How Does Job Loss Affect the Timing of Retirement?" Working Paper 8780 (National Bureau of Economic Research, February 2002).

<sup>11</sup> For a comprehensive overview of jobs in the services industry, see Joseph R. Meisenheimer II, "The services industry in the 'good' versus 'bad' jobs debate," *Monthly Labor Review*, February 1998, pp. 22–47.

<sup>12</sup> Note that the impact of decreases are somewhat understated, and the impact of increases overstated, as the earnings data are not adjusted for inflation.

<sup>13</sup> Farber, "Job Loss in the United States," May 2003.

## Appendix: survey methods and data limitations

The data presented in this article were collected through a supplement to the January 2002 Current Population Survey (CPS), a monthly survey of about 60,000 households that provides basic data on employment and unemployment for the nation. The purpose of this supplement was to obtain information on the number and characteristics of persons who had been displaced (as defined below) from their jobs over the prior 3 calendar years.

The first question asked of survey respondents aged 20 and older was, “During the last 3 calendar years, that is, January 1999 through December 2001, did (you/name) lose a job, or leave one because: (his/her/your) plant or company closed or moved, (his/her/your) position or shift was abolished, insufficient work, or another similar reason?” If the answer to that question was “yes,” then the respondent was asked to identify which reason, among the following, best described the reason for the job loss:

- Plant or company closed down or moved
- Plant or company operating but lost job because of:
  - Insufficient work
  - Position or shift abolished
  - Seasonal job completed
- Self-operated business failed
- Some other reason

Respondents who provided one of the first three reasons—plant or company closed or moved, insufficient work, or position or shift abolished—were classified as displaced and asked additional questions about the lost job, including how many years they had worked for their employer; the year the job was lost; the earnings, industry, and occupation of the lost job; and whether health insurance had been provided. Other questions were asked to determine what occurred before and after the job loss, such as: Was the respondent notified of the upcoming dismissal? How long did he/she go without work? Did he/she receive unemployment benefits? And, if so, were the benefits used up? Did the person move to another location after the job loss to take or look for another job?

Information also was collected about current health insurance coverage (other than Medicare and Medicaid) and current earnings for those employed in January 2002. Most data presented here refer to workers who lost or left jobs in which they had worked for 3 or more years.

There are several important differences between the February 1994, 1996, 1998, and 2000 surveys, and surveys conducted every other January from 1984 to 1992, in the counting of displaced workers that render the data not strictly comparable:

- 1) In January 1994, there was a major change made to the CPS—the implementation of a redesigned survey questionnaire and collection methodology. (For more information on these changes, see “Revisions in the Current Population Survey Effective January 1994” in the February 1994 issue of *Employment and Earnings*. See also “Overhauling the Current Population Survey: a special issue,” *Monthly Labor Review*, September 1993, pp.3–33.)
- 2) The reference period used when asking questions about displacement was shortened from “the prior 5 years” in earlier surveys to “the prior 3 calendar years” in surveys conducted since February 1994. This was done because the reliability of the data appears to decrease as the length of the reference period increases. For example, in the January 1992 survey, the number of displacements in the first 2 years—that is, 1987 and 1988—were markedly lower than when those 2 years were the third and fourth years of the reference period in the January 1990 survey, a clear indication of recall problems in the years farthest from the survey date.
- 3) This article also excludes displacements that occurred in the year closest to the survey date. This was done to reduce the likelihood of including persons who, having lost their jobs relatively recently, were counted as displaced when their job losses eventually prove to be temporary rather than permanent.
- 4) Displaced workers who cited one of the three displacement reasons for job loss, and then responded later in the questionnaire that their “class of worker” on their lost job was self-employed, were excluded from the count of displaced workers in the surveys conducted since 1994, whereas they had been included in prior ones.
- 5) In the surveys conducted since February 1994, respondents who reported that they had lost their jobs in the year closest to the survey date (for example, 2001 in the January 2002 survey), and expected to be recalled within the next 6 months, were left out of the count of displaced workers. In earlier surveys, respondents were not asked directly about their expectation of recall.
- 6) Between 1994 and 2000, displaced worker surveys were conducted in February, whereas the five previous surveys, and the most recent, were conducted in January. In 1994, the survey was postponed 1 month to help ease the transition of the redesigned survey and collection methodology that occurred in January 1994. Also, the reference periods in the 1994, 1996, 1998, 2000, and 2002 surveys were the prior three calendar years, for example, 1999, 2000, and 2001 in the January 2002 survey. Prior to the 1994 survey, those losing jobs in the weeks of January prior to the survey were counted as displaced.
- 7) Displaced worker surveys conducted prior to the February 1994 survey also are not completely comparable to those from 1994 forward because the earlier surveys were not adjusted for supplement nonresponse. (It should be noted that supplement nonresponse was much lower in Displaced Worker Surveys conducted prior to 1996.) A proportion of the people who complete the basic CPS questionnaire on labor force status do not provide usable responses to the supplementary questions. Respondents may choose to answer none of the supplement questions, or they may not provide answers to key questions within the supplement. Reweighting is one of the methods historically used to adjust for such supplement nonresponse. It accounts for missing information by increasing the weights assigned to the individuals from whom information was obtained. Currently, the Census Bureau calculates supplement weights for all CPS supplemental questionnaires.

During and after the administration of the February 1996 and 1998 Displaced Worker Surveys, quality assessment research was conducted as part of the Bureau’s ongoing effort to improve the quality of its surveys. For more information on the research conducted on the February 1996 survey, see James L. Esposito and Sylvia Fisher, “A Summary of Quality-Assessment Research Conducted on the 1996 Displaced-Worker/Job-Tenure/Occupational-Mobility Supplement,” BLS Statistical Note Number 43.