# Worker displacement in a period of rapid job expansion: 1983–87

*The picture of displacement has improved in recent years, despite more layoffs in the service sector*

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The 5 years from January 1983 through January 1988 were marked by rapid economic growth and declining unemployment. Over this period, the total number of persons with jobs expanded by 15 million to 114 million, and the civilian worker unemployment rate declined from more than 10 percent to under 6 percent. Over the same period, the number of workers who lost their jobs also declined substantially, according to a special survey conducted in January 1988.

Given the strength of the economy over the period, it may seem odd to discuss worker displacement, a phenomenon usually associated with periods of economic distress. However, while many industries and regions experienced rapid job growth, others did not. And, even in those industries in which employment expanded, corporate restructuring was often associated with some job losses.[1] So, while the latest survey showed a substantial decrease in the frequency of displacement relative to that in the early 1980's, it also showed that the problem continued to affect certain sectors of the economy.

Interest in worker displacement rose in the early 1980's, when two back-to-back recessions led to large-scale job loss, particularly in manufacturing industries. Displaced workers were generally defined as persons who, through no fault of their own, had lost jobs in which they had made a substantial investment in terms of tenure or training. For the most part, concern over displacement focused on the experiences of blue-collar workers who lost jobs in declining industries.[2]

In the last several years, the *picture of displacement* has begun to change. Recent discussions have focused less on the plight of manufacturing workers and more on the firing of middle managers, financial industry employees, and, with increasing automation in office equipment, clerical workers.[3] In fact, the image of a displaced worker has been changing from one of middle-aged and older male factory workers to one of diverse individuals working in a wide range of industries and occupations.

To what extent is worker displacement really changing? Were the characteristics of those men and women displaced from 1983 to 1988 different from those of workers who lost jobs in previous years? What were the experiences of displaced workers, and what were the outcomes of job loss?

## The January 1988 survey

Most of the data on displaced workers presented in this article come from a special supplement to the monthly Current Population Survey (CPS) conducted in January 1988.[4] The supplement covered the period from January 1983 to January 1988 and was nearly identical to supplements used in both 1984 and 1986. The main purpose of the 1988 sur-

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Table 1. **Employment status of displaced workers by age, sex, race and Hispanic origin, January 1988**

[In percent]

| Characteristic | Number (thousands)[1] | Employed | Unemployed | Not in labor force |
|---|---|---|---|---|
| **Total** | | | | |
| Total, 20 years and over | 4,629 | 71.5 | 13.8 | 14.7 |
| 20 to 24 years | 149 | 77.2 | 16.1 | 6.7 |
| 25 to 54 years | 3,608 | 77.3 | 14.1 | 8.6 |
| 55 to 64 years | 683 | 51.4 | 13.6 | 35.0 |
| 65 years and over | 188 | 29.8 | 6.9 | 63.8 |
| **Men** | | | | |
| Total, 20 years and over | 2,938 | 74.5 | 15.1 | 10.3 |
| 20 to 24 years | 98 | 78.6 | 17.3 | 3.1 |
| 25 to 54 years | 2349 | 79.7 | 15.3 | 5.0 |
| 55 to 64 years | 419 | 53.0 | 14.3 | 32.7 |
| 65 years and over | 72 | 26.4 | 11.1 | 62.5 |
| **Women** | | | | |
| Total, 20 years and over | 1,691 | 66.3 | 11.5 | 22.2 |
| 20 to 24 years | 52 | 73.1 | 13.5 | 13.5 |
| 25 to 54 years | 1,259 | 72.8 | 11.9 | 15.3 |
| 55 to 64 years | 264 | 49.2 | 12.5 | 38.3 |
| 65 years and over | 116 | 31.9 | 3.4 | 63.8 |
| **White** | | | | |
| Total, 20 years and over | 4,022 | 72.5 | 12.5 | 14.9 |
| Men | 2,568 | 75.4 | 14.1 | 10.5 |
| Women | 1,454 | 67.5 | 9.8 | 22.8 |
| **Black** | | | | |
| Total, 20 years and over | 491 | 65.8 | 21.4 | 12.8 |
| Men | 291 | 69.8 | 22.3 | 7.9 |
| Women | 200 | 60.0 | 20.0 | 20.0 |
| **Hispanic origin** | | | | |
| Total, 20 years and over | 338 | 66.9 | 17.8 | 15.4 |
| Men | 219 | 65.8 | 21.0 | 13.2 |
| Women | 119 | 68.9 | 11.8 | 19.3 |

[1]Data refer to person with tenure of 3 years or more who lost or left a job between January 1983 and January 1988 because of plant closing or moves, slack work, or the abolishment of their positions or shifts.

NOTE: Detail for the above racial and Hispanic origin groups will not sum to totals because data for the "other races" group are not presented, and Hispanics are included on both the white and black population groups.

vey, like that of both previous surveys, was to measure the extent of displacement and the ease or difficulty with which workers readjusted after job loss.

In all three surveys, displaced workers were defined as individuals who had 3 or more years of tenure with their employer and who lost a job due to either a plant or business closing or moving, slack work, or the elimination of their position or shift. Excluded were those who were displaced for reasons that were related to the nature of their jobs, such as seasonal patterns.

The January 1988 supplement is especially useful for two reasons. First, it provides an opportunity to examine displacement during 5 years of economic expansion. The previous surveys, in contrast, looked at displacement during the 1979-83 and 1981–85 periods and thus included severe recessions. Second, in combination with previous surveys, the 1988 survey provides a longer term view of displacement.

## Who was displaced?

Between January of 1983 and 1988, 4.6 million workers 20 and older were displaced.[5] This compares with 5.1 million identified in each of the earlier surveys. While the decline was fairly substantial—in a period when total employment rose considerably—the impact of improved economic conditions showed up even more in the proportion of the displaced who were working once again when surveyed. Compared with the 1984 survey, the proportion of the displaced who were found to be reemployed was up markedly and the proportion unemployed was down across all race and sex groups:

| | Percent reemployed, January | | Percent unemployed, January | |
|---|---|---|---|---|
| | 1984 | 1988 | 1984 | 1988 |
| Total | 60.1 | 71.5 | 25.5 | 13.8 |
| Men | 63.6 | 74.5 | 27.1 | 15.1 |
| Women | 53.4 | 66.3 | 22.5 | 11.5 |
| White | | | | |
| Men | 66.1 | 75.4 | 25.1 | 14.1 |
| Women | 55.7 | 67.5 | 20.1 | 9.8 |
| Black | | | | |
| Men | 43.9 | 69.8 | 44.7 | 22.3 |
| Women | 38.9 | 60.0 | 35.7 | 20.0 |
| Hispanic | | | | |
| Men | 55.0 | 65.8 | 35.4 | 21.0 |
| Women | 46.2 | 68.9 | 30.1 | 11.8 |

The demographic makeup of those recently displaced was similar to that found in the previous two surveys; nearly two-thirds were men and more than three-quarters were between the ages of 25 and 54. (See table 1.) As in both previous surveys, white men made up the majority of displaced workers; that group also had the highest reemployment rate—75 percent.

Nearly 1.7 million women were displaced from their jobs between January of 1983 and 1988. These women were more than twice as likely as the displaced men to have dropped out of the labor force by January 1988—22 percent versus 10 percent. Still, reemployment among displaced women was up markedly, compared with previous surveys, reflecting both overall improvement in the labor market and a general increase in women's attachment to paid work. Two-thirds of all women displaced in the prior 5 years were again working in January 1988. This compares with a 53-percent reemployment rate among the women found to have been displaced in January 1984.

Black and Hispanic workers accounted for 11 percent and 7 percent of the displaced workers in January 1988. Hispanics were the only group that saw an increase in the actual number of displaced workers after the 1984 survey. This does not imply a deterioration in their employment situation, but, rather, reflects a much greater number of employed Hispanics in the later period than in the earlier one. The reemployment rate for Hispanics rose in line with the total. The rate for blacks increased more dramatically, from only 42 percent in January 1984 to 66 percent 4 years later.

*Tenure on lost jobs.* Of the 4.6 million displaced workers identified in the 1988 survey (who, by definition, had 3 or more years of tenure on their lost job), about a third had been at their jobs for 3 or 4 years. Another third had 5 to 9 years of tenure, and the remaining third had worked for their employer 10 years or more. This pattern was about the same as was found in previous surveys. (See table 2.)

Many of the older job losers had been with their employers for much of their work

Table 2. **Displaced workers' tenure when job ended, by age and sex**

[In percent]

| Characteristic | Number (thousands)[1] | 3 to 4 years | 5 to 9 years | 10 to 14 years | 15 to 19 years | 20 years or more | Median years on lost job |
|---|---|---|---|---|---|---|---|
| **Total** | | | | | | | |
| Total, 20 years and over | 4,629 | 31.5 | 34.4 | 15.0 | 8.8 | 10.3 | 6.8 |
| 25 years and over | 4,479 | 30.0 | 34.7 | 15.5 | 9.1 | 10.7 | 7.0 |
| 25 to 54 years | 3,608 | 33.6 | 37.1 | 15.4 | 8.4 | 5.6 | 6.2 |
| 55 to 64 years | 683 | 13.4 | 24.9 | 16.5 | 13.2 | 32.0 | 12.9 |
| 65 years and over | 188 | 21.8 | 24.6 | 13.6 | 8.6 | 31.5 | 10.6 |
| **Men** | | | | | | | |
| Total, 20 years and over | 2,938 | 29.3 | 34.0 | 15.3 | 9.8 | 11.6 | 7.2 |
| 25 years and over | 2,840 | 27.9 | 34.2 | 15.8 | 10.1 | 12.0 | 7.4 |
| 25 to 54 years | 2,349 | 31.3 | 36.7 | 15.6 | 9.7 | 6.8 | 6.6 |
| 55 to 64 years | 419 | 9.9 | 21.9 | 15.5 | 12.7 | 39.9 | 15.7 |
| 65 years and over | 72 | 20.3 | 23.9 | 25.3 | 9.9 | 20.6 | 10.4 |
| **Women** | | | | | | | |
| Total, 20 years and over | 1,691 | 35.3 | 35.0 | 14.4 | 7.2 | 8.2 | 6.2 |
| 25 years and over | 1,639 | 33.6 | 35.7 | 14.9 | 7.4 | 8.4 | 6.4 |
| 25 to 54 years | 1,259 | 37.8 | 37.9 | 15.0 | 6.0 | 3.4 | 5.8 |
| 55 to 64 years | 264 | 18.8 | 29.7 | 18.2 | 14.0 | 19.3 | 10.4 |
| 65 years and over | 116 | 22.7 | 25.0 | 6.2 | 7.8 | 38.3 | 12.2 |

[1] Data refer to persons with tenure of 3 years or more who lost or left a job between January 1983 and January 1988 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

Table 3. **Workers displaced in three survey periods and employment status in January 1988 of workers displaced between 1983 and 1987, by industry and class of worker of lost job**

[In thousands]

| Industry and class of worker | Total 1979–83[1] | Total 1981–85 | Total 1983–87 | Workers displaced during 1983–87 period | | |
|---|---|---|---|---|---|---|
| | | | | Employed | Unemployed | Not in labor force |
| Total, 20 years and over[2] | 5,091 | 5,130 | 4,629 | 71.5 | 13.8 | 14.7 |
| Nonagricultural private wage and salary | 4,700 | 4,772 | 4,443 | 71.5 | 13.7 | 14.8 |
| Mining | 150 | 175 | 215 | 68.8 | 13.0 | 18.1 |
| Construction | 401 | 316 | 390 | 70.8 | 21.5 | 7.7 |
| Manufacturing | 2,483 | 2,550 | 1,791 | 69.6 | 15.9 | 14.5 |
| Durable goods | 1,675 | 1,691 | 1,230 | 70.0 | 15.9 | 14.0 |
| Lumber and wood | 81 | 104 | 68 | (3) | (3) | (3) |
| Furniture and fixtures | 65 | 63 | 42 | (3) | (3) | (3) |
| Stone, clay, and glass | 75 | 87 | 32 | (3) | (3) | (3) |
| Primary metals | 219 | 235 | 142 | 64.1 | 10.6 | 24.6 |
| Fabricated metals | 173 | 187 | 159 | 66.0 | 14.5 | 18.9 |
| Machinery, except electric | 396 | 361 | 299 | 79.3 | 12.4 | 8.7 |
| Electrical machinery | 195 | 255 | 200 | 70.0 | 14.0 | 16.0 |
| Transportation equipment | 354 | 260 | 199 | 61.3 | 30.2 | 8.5 |
| Autos | 224 | 148 | 118 | 51.7 | 39.8 | 8.5 |
| Other | 130 | 112 | 80 | 75.0 | 16.3 | 8.8 |
| Professional and photographic equipment | 54 | 73 | 50 | (3) | (3) | (3) |
| Other durable goods | 62 | 66 | 40 | (3) | (3) | (3) |
| Nondurable goods | 808 | 859 | 561 | 68.8 | 15.9 | 15.5 |
| Food and kindred products | 175 | 178 | 131 | 71.0 | 19.1 | 9.9 |
| Textile mill products | 80 | 123 | 52 | (3) | (3) | (3) |
| Apparel and other finished textiles | 132 | 171 | 128 | 69.5 | 8.6 | 21.9 |
| Paper and allied products | 60 | 39 | 36 | (3) | (3) | (3) |
| Printing and publishing | 103 | 94 | 52 | (3) | (3) | (3) |
| Chemicals and allied products | 110 | 98 | 71 | (3) | (3) | (3) |
| Rubber and miscellaneous products | 100 | 67 | 37 | (3) | (3) | (3) |
| Other nondurable goods | 49 | 88 | 55 | (3) | (3) | (3) |
| Transportation and public utilities | 336 | 386 | 292 | 73.3 | 14.7 | 12.3 |
| Transportation | 280 | 303 | 228 | 72.4 | 13.6 | 14.0 |
| Communication and public utilities | 56 | 83 | 64 | (3) | (3) | (3) |
| Wholesale and retail trade | 732 | 689 | 930 | 73.4 | 7.4 | 19.1 |
| Wholesale trade | 234 | 294 | 232 | 79.3 | 8.6 | 11.6 |
| Retail trade | 498 | 395 | 698 | 71.3 | 7.0 | 21.6 |
| Finance, insurance, and real estate | 93 | 107 | 250 | 78.0 | 6.4 | 15.2 |
| Services | 506 | 540 | 574 | 71.8 | 14.6 | 13.6 |
| Professional services | 187 | 198 | 252 | 71.8 | 11.5 | 16.7 |
| Other | 318 | 342 | 322 | 71.7 | 17.1 | 11.2 |
| Agriculture wage and salary | 100 | 141 | 46 | 78.3 | 19.6 | 2.2 |
| Government | 248 | 172 | 136 | 72.1 | 14.7 | 13.2 |
| Self-employed and unpaid family workers | 25 | 33 | 4 | (3) | (3) | (3) |

[1] Data refer to persons with tenure of 3 years or more who lost or left a job during the indicated period because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

[2] Total includes a small number who did not report industry or class of worker.

[3] Data not shown where base is less than 75,000.

lives. In fact, nearly 1 in 3 of those age 55 to 64 had lost jobs they had held for 20 years or more. The median tenure of displaced workers in this age group was more than double that of workers in the central ages of 25 to 54.

*Industry and occupation.* As was the case in previous surveys, the largest proportion of workers had lost jobs in goods-producing industries, which include mining, construction, and manufacturing. While these industries together provided only about one-fourth of total employment, they accounted for more than half of the workers displaced over the 5-year span. Manufacturing along accounted for 1.8 million, or nearly 4 in 10 displaced workers. Factory workers thus continued to be the most likely to lose their jobs. (See table 3.)

About two-thirds of the workers displaced from manufacturing jobs had been working in

durable goods industries. Even during the expansionary years covered by the 1988 survey, about 300,000 workers lost jobs in the manufacture of machinery, 200,000 in electrical equipment, and an equal number in transportation equipment. An additional 160,000 lost jobs in fabricated metals. Among nondurable goods industries, food processing and apparel had the most displaced workers—130,000 each.

In service-producing industries, retail trade had the greatest number of displacements, 700,000, followed by services with 575,000. Recent weakness in the finance, insurance, and real estate industry was also reflected in the displacement figures, with a relatively large number of workers reporting they had recently lost long-held jobs in their field.

There was also a striking change in the occupational makeup of the displaced. Whereas operators, fabricators, and laborers were predominant among displaced workers identified in the 1984 and 1986 surveys, their number dropped dramatically in the latest period. Conversely, there was a slight increase in the number of workers reported as having lost technical, sales, and administrative support jobs. (See table 4.)

While the percentage of displaced workers who were reemployed at the survey date was generally higher in January 1988 than in either previous survey, that was not the case for those who had lost jobs in the automobile industry. Of those, only half were working, and nearly 4 in 10 were still looking for work. In general, reemployment rates were highest for workers who had been in service-producing industries and for those in occupations that normally require high skill. (See tables 3 and 4.)

*Displacement rates.* An increase over time in the number of displaced workers in a particular industry (or occupation) does not necessarily indicate that workers in that industry faced an increased *risk* of displacement. In fact, if industry employment growth outpaced displacement growth, then the risk of job loss for an average worker would have gone down. Thus, to examine trends in

Table 4. **Workers displaced in three survey periods and employment status in January 1988 of workers displaced between 1983 and 1987, by occupation of lost job**

[In thousands]

| Occupation | Total 1979–83[1] | Total 1981–85 | Total 1983–87 | Workers displaced during 1983–87 period | | |
|---|---|---|---|---|---|---|
| | | | | Employed | Unemployed | Not in labor force |
| Total, 20 years and over[2] | 5,091 | 5,130 | 4,629 | 71.5 | 13.8 | 14.7 |
| Managerial and professional specialties | 703 | 782 | 815 | 78.0 | 11.2 | 10.8 |
| Executive, administrative, and managerial | 444 | 487 | 524 | 75.0 | 12.0 | 13.0 |
| Professional specialty | 260 | 295 | 292 | 83.2 | 9.9 | 6.8 |
| Technical, sales, and administrative support | 1,162 | 1,125 | 1,317 | 71.9 | 9.8 | 18.3 |
| Technicians and related support | 122 | 174 | 165 | 76.4 | 10.9 | 13.3 |
| Sales | 468 | 447 | 506 | 73.9 | 9.3 | 16.8 |
| Administrative support, including clerical | 572 | 504 | 645 | 69.3 | 9.9 | 20.8 |
| Service occupations | 275 | 254 | 312 | 64.4 | 16.3 | 19.2 |
| Private household | (3) | (3) | 11 | (4) | (4) | (4) |
| Protective services | 32 | 32 | 31 | (4) | (4) | (4) |
| Other services | 243 | 222 | 271 | 63.8 | 15.5 | 20.7 |
| Precision production, craft, and repair | 1,042 | 1,018 | 833 | 71.7 | 17.2 | 11.0 |
| Mechanics and repairers | 261 | 268 | 188 | 70.2 | 17.0 | 12.8 |
| Construction trades | 315 | 255 | 272 | 71.0 | 24.6 | 4.4 |
| Other precision production occupations | 467 | 495 | 373 | 72.9 | 11.8 | 15.0 |
| Operators, fabricators, laborers | 1,823 | 1,870 | 1,302 | 68.7 | 16.4 | 14.9 |
| Machine operators, assemblers, and inspectors | 1,144 | 1,197 | 751 | 65.4 | 18.5 | 16.1 |
| Transportation and material moving occupations | 324 | 328 | 323 | 71.8 | 13.0 | 15.2 |
| Handlers, equipment cleaners, helpers, and laborers | 355 | 345 | 227 | 75.3 | 14.5 | 10.1 |
| Farming, forestry, fishing | 68 | 80 | 50 | (4) | (4) | (4) |

[1] Data refer to persons with tenure of 3 years or more who lost or left a job during the indicated period because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

[2] Total includes a small number who did not report industry or class of worker.

[3] Data not available.

[4] Data not shown where base is less than 75,000.

displacement more objectively, it is useful to look at changes in the *proportions* of employed persons in any industry or occupation who lost jobs. Table 5 presents such *displacement rates*; that is, the percentage of workers in any given industry or occupation that had experienced displacement sometime during each of the 5-year periods covered in the three surveys.[6]

The displacement rates illustrate the far greater risk of job loss faced by workers in goods-producing than in service-producing industries. Approximately 3 in 10 workers in mining were displaced at some time between January 1983 and 1988, compared with 1 in 10 workers in wholesale and retail trade, and only 1 in 20 of those in services. In terms of occupation, machine operators, assemblers, and inspectors were more than twice as likely as administrative support workers to lose their jobs over the period.

While the risk of displacement had clearly declined for workers in manufacturing since the early 1980's, it either remained stable or increased for workers in most service-producing industries. This occurred despite the very rapid pace of overall job growth in most service-producing industries during the 5-year reference period. Persons employed in wholesale and retail trade, for example, were more likely to lose their jobs during the expansionary period from 1983 to 1987 than they were during the 1979 to 1983 period. The risk of displacement for workers in finance, insurance, and real estate was more than twice as high during the more recent period. Patterns by occupation reflected the industry trends, with the risk of displacement from factory jobs being much lower in the later than in the earlier survey period, and the risk of displacement from service-oriented jobs either remaining the same or growing.

Table 5. **Industry and occupation displacement rates,[1] 1979–83 and 1983–87**

[In percent]

| Industry and class of worker | 1979–83 | 1983–87 |
|---|---|---|
| Total, 20 years and over | 8.5 | 7.2 |
| Nonagricultural private wage and salary | 11.5 | 10.0 |
| Mining | 20.2 | 31.7 |
| Construction | 19.7 | 16.7 |
| Manufacturing | 15.2 | 12.8 |
| Durable goods | 19.1 | 14.4 |
| Nondurable goods | 14.5 | 10.3 |
| Transportation and public utilities | 9.2 | 7.5 |
| Wholesale and retail trade | 8.7 | 10.0 |
| Finance, insurance, and real estate | 3.0 | 7.0 |
| Services | 5.6 | 5.3 |
| Agricultural wage and salary | 12.4 | 5.4 |
| Government | 2.2 | 1.2 |
| Self-employed and unpaid family workers | .4 | .1 |
| **Occupation** | | |
| Total, 20 years and over | 8.5 | 7.2 |
| Managerial and professional specialty | 4.5 | 4.5 |
| Executive, administrative, and managerial | 6.0 | 6.1 |
| Professional specialty | 3.1 | 3.1 |
| Technical, sales, and administrative support | 6.8 | 7.1 |
| Technicians and related support | 6.9 | 8.4 |
| Sales | 8.0 | 7.5 |
| Administrative support, including clerical | 6.0 | 6.5 |
| Service occupations | 4.5 | 4.8 |
| Private household | (2) | 2.5 |
| Protective services | 3.1 | 2.7 |
| Other | 5.4 | 5.5 |
| Precision production, craft, and repair | 12.9 | 9.6 |
| Mechanics and repairers | (2) | 6.2 |
| Construction trades | (2) | 10.3 |
| Other | (2) | 12.6 |
| Operators, fabricators, and laborers | 18.0 | 13.3 |
| Machine operators assemblers, and inspectors | 21.1 | 14.9 |
| Transportation and material moving occupations | 12.0 | 11.7 |
| Handlers, equipment cleaners, helpers, and laborers | 17.4 | 11.3 |
| Farming, forestry, and fishing | 2.7 | 2.0 |

[1] Displacement rates for individual industries are calculated by dividing the industry proportion of total displaced (in the specified 5-year period) by the industry proportion of average total employment (over the same period).

[2] Data not available.

*Geographic areas.* The East North Central region, which includes Michigan and other heavily industrialized States, had the largest number of displaced workers during the 1983-1987 period—860,000. (See table 6.) That figure, however, was well below the region's 1.2 million displaced workers between 1979 and 1983. Improvements resulted almost entirely from declines in manufacturing layoffs. Displacement was more common in the current survey than in the first one in the West South Central and Mountain areas, both of which had recently been affected by sharp declines in oil prices that had severe repercussions on the local economies.[7]

Compared with both January 1984 and 1986, reemployment of displaced workers was up across regions. The percentage who held a job in January 1988 ranged from 68 percent in the Middle Atlantic, East South Central, and East North Central regions to 76 percent in the West North Central region.

## The displacement experience

*Reasons for job loss.* Plant closings and companies ceasing operations were much more common reasons for job loss during the period covered by the 1988 survey than they had been during the 1984 survey period, increasing not only as a percentage of all displacement, but also absolutely. Nearly 6 in

Table 6. **Employment status and area of residence of displaced workers, January 1988**

[Numbers in thousands]

| Characteristic | Total[1] | New England | Middle Atlantic | East North Central | West North Central | South Atlantic | East South Central | West South Central | Mountain | Pacific |
|---|---|---|---|---|---|---|---|---|---|---|
| **Workers who lost jobs** | | | | | | | | | | |
| Total, 20 years and over | 4,629 | 202 | 646 | 862 | 367 | 609 | 304 | 665 | 320 | 654 |
| Men | 2,938 | 137 | 415 | 591 | 204 | 359 | 185 | 411 | 221 | 415 |
| Women | 1,691 | 65 | 231 | 271 | 163 | 251 | 119 | 254 | 99 | 239 |
| **Industry of lost job** | | | | | | | | | | |
| Construction | 394 | 12 | 31 | 66 | 20 | 52 | 28 | 96 | 48 | 41 |
| Manufacturing | 1,797 | 117 | 324 | 395 | 115 | 238 | 142 | 179 | 64 | 222 |
| Durable goods | 1,233 | 76 | 210 | 314 | 64 | 134 | 86 | 112 | 54 | 182 |
| Nondurable goods | 563 | 41 | 113 | 80 | 51 | 104 | 56 | 68 | 10 | 40 |
| Transportation and public utilities | 300 | 19 | 27 | 64 | 26 | 36 | 17 | 33 | 27 | 52 |
| Wholesale and retail trade | 934 | 21 | 119 | 185 | 107 | 133 | 54 | 123 | 72 | 120 |
| Finance, insurance, and real estate | 253 | 2 | 23 | 31 | 29 | 25 | 7 | 66 | 17 | 52 |
| Services | 660 | 29 | 100 | 90 | 42 | 94 | 35 | 83 | 50 | 138 |
| Professional services | 337 | 15 | 40 | 49 | 32 | 48 | 18 | 33 | 25 | 77 |
| Other | 324 | 14 | 60 | 41 | 10 | 46 | 16 | 50 | 25 | 61 |
| Public administration | 30 | 1 | 3 | 4 | 2 | 5 | 0 | 5 | 4 | 6 |
| Other industries[2] | 261 | 0 | 20 | 27 | 27 | 26 | 22 | 79 | 38 | 22 |
| **Reason for job loss** | | | | | | | | | | |
| Plant or company closed down or moved | 2,679 | 131 | 371 | 509 | 198 | 388 | 201 | 349 | 166 | 368 |
| Slack work | 1,262 | 41 | 182 | 233 | 91 | 144 | 71 | 226 | 99 | 175 |
| Position or shift abolished | 687 | 30 | 93 | 120 | 79 | 77 | 32 | 90 | 55 | 111 |
| **Employment status in January 1988** | | | | | | | | | | |
| Employed | 3,310 | 148 | 439 | 587 | 280 | 446 | 206 | 489 | 233 | 484 |
| Unemployed | 639 | 29 | 88 | 151 | 33 | 58 | 53 | 91 | 41 | 97 |
| Percent less than 5 weeks | 26.9 | (3) | 29.6 | 22.3 | (3) | (3) | (3) | 27.4 | (3) | 18.9 |
| Percent 27 weeks or more | 21.6 | (3) | 20.5 | 22.2 | (3) | (3) | (3) | 36.0 | (3) | 15.1 |
| Not in the labor force | 679 | 25 | 120 | 123 | 55 | 106 | 45 | 86 | 46 | 73 |
| **Percent distribution of displaced** | | | | | | | | | | |
| 1983-1987 | 100.0 | 4.4 | 14.0 | 18.6 | 7.9 | 13.2 | 6.6 | 14.4 | 6.9 | 14.1 |
| 1981-1985 | 100.0 | 4.4 | 14.3 | 22.4 | 7.5 | 14.5 | 7.7 | 11.9 | 4.7 | 12.6 |
| 1979-1983 | 100.0 | 5.1 | 15.6 | 23.7 | 8.4 | 13.0 | 7.4 | 9.5 | 4.1 | 13.1 |

[1] Data refer to persons with tenure of 3 years or more who lost or left a job between January 1983 and January 1988, or, where indicated, during earlier survey periods, because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

[2] Includes a small number who did not report industry.

[3] Data not shown where base less than 75,000.

NOTE: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont compose the New England Division; New Jersey, New York, and Pennsylvania compose the Middle Atlantic Division; Illinois, Indiana, Michigan, Ohio, and Wisconsin compose the East North Central Division; Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota compose the West North Central Division; Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia compose the South Atlantic Division; Alabama, Kentucky, Mississippi, and Tennessee compose the East South Central Division; Arkansas, Louisiana, Oklahoma, and Texas compose the West South Central Division; Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming compose the Mountain Division; Alaska, California, Hawaii, Oregon, and Washington compose the Pacific Division.

10 workers displaced between January of 1983 and 1988 had lost their jobs because their plant or company closed down or moved. A quarter had lost their jobs due to slack work, and 15 percent because their positions or shifts had been abolished. (See table 7.)

The circumstances surrounding job loss were different for workers of different ages. As shown, older workers were much more likely than younger workers to have lost their jobs because their plant or company closed or moved. Nearly 65 percent of displaced workers age 55 and over lost their jobs for that reason, compared with 54 percent of those between ages 20 and 24. While tenure may have provided many older persons a cushion against layoffs due to cutbacks, it typically provides no protection from job loss due to plant closings or moves.[8]

Reasons for displacement varied by industry as well and primarily reflected differences in the structure of industry operations. In retail trade, where entire businesses often close down, and in apparel manufacturing, where some operations have moved overseas, 8 in 10 workers lost their jobs due to closings or moves. In contrast, slack work was the primary reason for displacement in the construction in-

dustry, and job elimination accounted for a much higher-than-average proportion of job loss in finance, insurance, and real estate.

*Weeks without work.* In January 1988, displaced workers were asked how many weeks went by before they started another job.[9] For the 3.4 million displaced workers who found jobs and were employed at the survey date, the median number of weeks without work was 8.3.[10] As shown in the following tabulation, older displaced workers spent a longer average period out of work than did younger ones. The median number of weeks without work for those age 55 and over was 10.5, while that for workers ages 25 to 54 was 8.2. This disparity does not necessarily mean that employers preferred younger workers. In fact, because different groups of workers have different income needs and resources, the length of time they will look for work and the types of work they will accept, may vary.[11]

| *Age of displaced workers* | *Total employed in January 1988* | *Median weeks before reemployment* |
|---|---|---|
| Total, 20 and over | 3,310 | 8.3 |
| 25 to 54 | 2,788 | 8.2 |
| 25 to 34 | 1,075 | 6.2 |
| 35 to 44 | 1,060 | 8.4 |
| 45 to 54 | 653 | 8.2 |
| 55 and over | 407 | 10.5 |

*Notification of dismissal.* Employers' obligation to inform employees of impending layoffs is an issue that has received much attention in recent years.[12] To examine employer

Table 7. **Displaced workers by reason for job loss, age, sex, race, and Hispanic origin, January 1988**

[In percent]

| Characteristic | Number (thousands)[1] | Plant or company closed down or moved | Slack work | Position or shift abolished |
|---|---|---|---|---|
| **Total** | | | | |
| Total, 20 years and over | 4,629 | 57.9 | 27.3 | 14.8 |
| 20 to 24 years | 149 | 53.7 | 39.6 | 7.4 |
| 25 to 54 years | 3,608 | 56.5 | 29.0 | 14.6 |
| 55 to 64 years | 683 | 64.0 | 18.4 | 17.6 |
| 65 years and over | 188 | 66.5 | 17.6 | 16.0 |
| **Men** | | | | |
| Total, 20 years and over | 2,938 | 56.4 | 30.7 | 13.0 |
| 20 to 24 years | 98 | 49.0 | 48.0 | 3.1 |
| 25 to 54 years | 2,349 | 55.6 | 32.1 | 12.3 |
| 55 to 64 years | 419 | 62.8 | 19.8 | 17.4 |
| 65 years and over | 72 | (2) | (2) | (2) |
| **Women** | | | | |
| Total, 20 years and over | 1,691 | 60.5 | 21.4 | 18.1 |
| 20 to 24 years | 52 | 61.5 | 23.1 | 15.4 |
| 25 to 54 years | 1,259 | 58.2 | 23.1 | 18.7 |
| 55 to 64 years | 264 | 65.5 | 16.3 | 17.8 |
| 65 years and over | 116 | 73.3 | 13.8 | 12.9 |
| **White** | | | | |
| Total, 20 years and over | 4,022 | 58.0 | 27.0 | 15.0 |
| Men | 2,568 | 56.5 | 30.5 | 13.0 |
| Women | 1,454 | 60.6 | 20.8 | 18.6 |
| **Black** | | | | |
| Total, 20 years and over | 491 | 57.8 | 29.9 | 12.2 |
| Men | 291 | 55.0 | 34.4 | 10.7 |
| Women | 200 | 62.0 | 24.0 | 14.0 |
| **Hispanic origin** | | | | |
| Total, 20 years and over | 338 | 53.6 | 33.4 | 13.0 |
| Men | 219 | 48.9 | 37.0 | 14.2 |
| Women | 119 | 62.2 | 26.9 | 10.9 |

[1] Data refer to persons with tenure of 3 years or more who lost or left a job between January 1983 and January 1988 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

[2] Data not shown where base less than 75,000.

NOTE: Detail for the above racial and Hispanic origin groups will not sum to the totals because data for the "other races" groups are not preseented, and Hispanics are included in both the white and black population groups.

Table 8. **Displaced workers by whether they received advance notice or expected layoff, reason for job loss, and employment status in January 1988**

| Characteristic | Total (thousands)[1] | Percent distribution by employment status | | |
|---|---|---|---|---|
| | | Employed | Unemployed | Not in the labor force |
| **Total** | | | | |
| Total, 20 years and over[2] | 4,629 | 71.5 | 13.8 | 14.7 |
| Received advance notice or expected layoff | 2,681 | 72.7 | 13.2 | 14.1 |
| Received written advance notice | 922 | 73.8 | 12.8 | 13.3 |
| Did not receive advance notice or expect layoff | 1,943 | 70.1 | 14.5 | 15.5 |
| **Plant or company closed or moved** | | | | |
| Total, 20 years and over[2] | 2,679 | 72.1 | 11.3 | 16.6 |
| Received advance notice or expected layoff | 1,680 | 73.2 | 11.9 | 14.9 |
| Received written advance notice | 577 | 73.9 | 12.4 | 13.7 |
| Did not receive advance notice or expect layoff | 999 | 70.2 | 10.4 | 19.4 |
| **Slack work** | | | | |
| Total, 20 years and over[2] | 1,262 | 71.1 | 19.0 | 9.9 |
| Received advance notice or expected layoff | 657 | 71.9 | 17.5 | 10.5 |
| Received written advance notice | 191 | 77.7 | 13.3 | 9.0 |
| Did not receive advance notice or expect layoff | 601 | 70.5 | 20.3 | 9.2 |
| **Position or shift abolished** | | | | |
| Total, 20 years and over[2] | 687 | 70.1 | 13.8 | 16.1 |
| Received advance notice or expected layoff | 344 | 71.3 | 11.5 | 17.1 |
| Received written advance notice | 154 | 68.7 | 13.9 | 17.4 |
| Did not receive notice or expect layoff | 343 | 68.8 | 16.1 | 15.0 |

[1] Data refer to persons with tenure of 3 years or more who lost or left a job between January 1983 and January 1988 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

[2] Includes a small number who did not report information on advance notice.

practices with regard to advance notice and to see whether they had any measurable impact on workers' readjustment, the January 1988 displaced worker supplement contained several questions on the topic.

Even though nearly 6 in 10 displaced workers reported that they had received advance notice of a plant closing or had expected to be laid off, only about 2 in 10 said they had received such notices in writing. Receiving notice appeared to have little impact on whether displaced workers eventually found new jobs; about the same proportion of those who received notice as those who did not were working in January 1988. (See table 8.)

Receiving written notice may have had short-term effects. As the following tabulation shows, those who received written notice of their impending dismissal spent an average of 5.2 weeks without work; at the other extreme, those who neither anticipated their job loss nor received any advance notice spent 8.3 weeks between jobs. The relative success of workers who received notice, compared to those who did not, may reflect the kinds of industries in which the two groups had been employed.

| *Notification* | *Median weeks without work* |
|---|---|
| Received advance notice or expected layoff | 7.1 |
| Received written notice | 5.2 |
| Less than 1 month in advance | 6.2 |
| 1 to 2 months in advance | 5.1 |
| 2 or more months in advance | 4.1 |
| Did not receive notice or expect layoff | 8.3 |

*Receipt of unemployment insurance.* More than 6 in 10 displaced workers received unemployment insurance benefits after losing their jobs, with about half of that group exhausting them. Receipt of benefits was closely related to the length of time spent out of work. Among the displaced who found new jobs, only a third of those who had been without work for less than 5 weeks received any unemployment insurance; in contrast, more than 80 percent of those who had been without work for longer periods had received benefits. (See table 9.)

Of the nearly 1 million persons who had not found work, two-thirds had received unemployment insurance for some time. More than half—370,000—had exhausted their benefits. While many of the workers who had received benefits were out of the labor force at the time of the survey, others were

Table 9. **Displaced workers by receipt of unemployment insurance and weeks without work**

[In thousands]

| Displaced workers | Total[1] | Worked since displacement | | | Did not work |
|---|---|---|---|---|---|
| | | Total worked since displacement | Less than 5 weeks without work | 5 or more weeks without work | |
| Total, 20 years and over[2] | 4,629 | 3,635 | 1,474 | 2,161 | 994 |
| Received benefits | 2,867 | 2,212 | 462 | 1,750 | 655 |
| Exhausted benefits | 1,354 | 986 | 125 | 862 | 368 |
| Did not exhaust benefits | 1,423 | 1,149 | 322 | 827 | 274 |
| Did not receive benefits | 1,715 | 1,401 | 1,002 | 399 | 314 |
| Percent distribution | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Received benefits | 61.9 | 60.9 | 31.3 | 81.0 | 65.9 |
| Exhausted benefits | 29.3 | 27.1 | 8.5 | 39.9 | 37.0 |
| Did not exhaust benefits | 30.7 | 31.6 | 21.8 | 38.3 | 27.6 |
| Did not receive benefits | 37.0 | 38.5 | 68.0 | 18.5 | 31.6 |

[1] Data refer to persons with tenure of 3 years or more who lost or left a job between January 1983 and January 1988 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

[2] Total includes some workers who did not know whether they received unemployment insurance benefits.

Table 10. **Displaced workers[1] by sex, age, and whether they moved to a different city or county to find or take another job, January 1988**

[In thousands]

| Age and sex | Nonmovers | | | Movers | | |
|---|---|---|---|---|---|---|
| | Total (thousands) | Employed in January 1988 | Percent | Total (thousands) | Employed in January 1988 | Percent |
| Total | | | | | | |
| Total, 20 years and over | 3,811 | 2,649 | 69.5 | 808 | 652 | 80.7 |
| 25 to 54 years | 2,890 | 2,204 | 76.3 | 710 | 576 | 81.1 |
| 55 years and over | 804 | 357 | 44.4 | 65 | 49 | (2) |
| Men | | | | | | |
| Total, 20 years and over | 2,313 | 1,685 | 72.8 | 618 | 498 | 80.6 |
| 25 to 54 years | 1,793 | 1,421 | 79.3 | 551 | 446 | 80.9 |
| 55 years and over | 445 | 207 | 46.5 | 45 | 32 | (2) |
| Women | | | | | | |
| Total, 20 years and over | 1,498 | 964 | 64.4 | 190 | 153 | 80.5 |
| 25 to 54 years | 1,096 | 783 | 71.4 | 160 | 130 | 81.3 |
| 55 years and over | 359 | 149 | 41.5 | 20 | 17 | (2) |

[1] Data refer to persons with tenure of 3 years or more who lost or left a job between January 1983 and January 1988 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

[2] Data not shown where base is less than 75,000.

still unemployed; it was quite probable that a large number of the latter group would eventually exhaust their benefits.

*Moving to find work.* About 1 in 6 workers displaced between January 1983 and 1988 moved to another city or county to find work. That proportion was slightly higher than was found in either previous survey. Those who had moved were more likely to be employed than were nonmovers; about 8 in 10 of the former group had jobs in January 1988, compared to 7 in 10 of the latter. (See table 10.)

Displaced men were nearly twice as likely to women to have moved in search of employment. In contrast with findings from previous surveys, however, men who moved were no more likely to be reemployed than were their female counterparts. Not surprisingly, older displaced workers were much less likely to have moved than were younger workers. Only 7 percent of displaced workers age 55 and older relocated, compared with 20 percent of those between the ages 25 and 54.

*Loss of health insurance.* Three of every 4 workers displaced between January 1983 and 1988 had been covered by some type of group health insurance on their lost jobs. Many of them were no longer covered. Half of workers who were unemployed at the survey date and 4 in 10 of those who had dropped out of the labor force no longer had any group health insurance coverage. Even among the reemployed, 2 in 10 of those who had been covered were without insurance when surveyed.

Black and Hispanic displaced workers were particularly at risk of being without any health insurance. Not only were those who were previously covered more likely than whites to lose coverage, but a smaller proportion of the minority groups had insurance in the first place. As a result, in January 1988, more than half of displaced blacks and Hispanics had no group health insurance coverage at all.

## The new jobs

How workers readjust following job loss depends greatly on their success in becoming reemployed and on the characteristics of the jobs they find. While many workers who were displaced between January 1983 and 1988 were found to be reemployed in jobs that were similar to those they had lost, others had changed occupations, industries, or both. And, while some workers held jobs that paid as much or even more than their previous jobs, others suffered large earnings declines.

*Types of work.* Roughly half of reemployed workers held jobs in January 1988 that were

in the same broad occupational categories as their old ones; this varied, however, by occupation. Two-thirds of the workers displaced from administrative-support jobs who were reemployed in January 1988 were in jobs that were similar to those they had lost. In contrast, fewer than half of executives, administrators, and managers found positions similar to their old ones; about 17 percent of reemployed managers held sales jobs in January 1988, and 14 percent were working in administrative support occupations.

Changing industries following displacement was about as common as changing occupations. This depended in part on the overall strength of specific industries. As the following tabulation shows, fewer than 1 in 4 reemployed workers displaced from mining, an industry that has experienced employment declines for several years, were again working in the industry in January 1988. In contrast, more than half of the reemployed workers who had been displaced from the expanding services industries were again working in those industries when surveyed:

| *Industry* | *Percent in same industry in January 1988* |
|---|---|
| Mining | 23.6 |
| Construction | 51.4 |
| Manufacturing | 53.2 |
| Transportation and public utilities | 52.3 |
| Trade | 48.6 |
| Finance, insurance, and real estate | 57.4 |
| Services | 59.5 |

*Earnings on new jobs.* While job quality is a function of many factors, probably the best measure for comparing quality across jobs is earnings. Table 11 compares earnings for the 2.6 million workers who were employed in full-time wage and salary jobs both before and after displacement. While more than half of reemployed workers were working in jobs that paid either as much or more than those they had lost, nearly 1 in 3 had earnings that were 20 percent or more below those on their lost jobs. Earnings outcomes varied by

Table 11. **Displaced workers who lost full-time wage and salary jobs and were reemployed in January 1988, by industry of lost job and characteristics of new job**

[Numbers in thousands]

| Industry | Total employed, January 1988[2] | Full-time wage and salary job | | | | | | Part-time job | Self-employed or other full-time job |
|---|---|---|---|---|---|---|---|---|---|
| | | Total | Total reporting earnings | Earnings on new job relative to lost job | | | | | |
| | | | | 20 percent or more below | Below, but within 20 percent | Equal or above, within 20 percent | 20 percent or more above | | |
| Total who lost full-time wage and salary jobs[1] | 3,106 | 2,574 | 2,368 | 30.4 | 13.5 | 28.0 | 28.0 | 302 | 230 |
| Construction | 270 | 220 | 205 | 29.8 | 11.2 | 35.6 | 23.4 | 20 | 29 |
| Manufacturing | 1,236 | 1,077 | 995 | 28.7 | 15.9 | 29.0 | 26.3 | 76 | 82 |
| Durable goods | 854 | 751 | 687 | 30.6 | 15.6 | 30.6 | 23.3 | 48 | 55 |
| Primary metal industries | 91 | 74 | 63 | 50.8 | 12.7 | 7.9 | 28.6 | 15 | 3 |
| Steel[3] | 67 | 52 | 43 | 48.8 | 9.3 | 9.3 | 32.6 | 13 | 2 |
| Other primary metals | 24 | 21 | 18 | 61.1 | 16.7 | 5.6 | 16.7 | 2 | 1 |
| Fabricated metal products | 105 | 96 | 97 | 43.3 | 7.2 | 21.6 | 27.8 | 3 | 6 |
| Machinery except electrical | 231 | 200 | 181 | 21.0 | 22.7 | 35.9 | 20.4 | 10 | 22 |
| Electrical machinery | 138 | 117 | 110 | 15.5 | 14.5 | 45.5 | 24.5 | 10 | 11 |
| Transportation equipment | 125 | 120 | 112 | 41.1 | 15.2 | 25.9 | 17.9 | 5 | — |
| Automobiles | 61 | 60 | 52 | 38.5 | 11.5 | 36.5 | 13.5 | 2 | — |
| Other transportation equipment | 64 | 60 | 59 | 44.1 | 18.6 | 16.9 | 20.3 | 3 | — |
| Nondurable goods | 382 | 326 | 307 | 24.8 | 16.6 | 25.7 | 32.9 | 28 | 27 |
| Transportation and public utilities | 214 | 178 | 156 | 41.7 | 7.7 | 30.1 | 20.5 | 26 | 10 |
| Wholesale and retail trade | 591 | 479 | 435 | 34.9 | 12.6 | 21.6 | 30.8 | 83 | 29 |
| Finance insurance and real estate | 185 | 146 | 130 | 23.1 | 11.5 | 27.7 | 37.7 | 25 | 14 |
| Services | 415 | 316 | 292 | 21.2 | 13.4 | 28.8 | 36.6 | 59 | 40 |
| Professional services | 204 | 156 | 145 | 22.8 | 14.5 | 33.1 | 29.7 | 29 | 19 |
| Other | 211 | 160 | 149 | 19.5 | 12.8 | 24.8 | 43.0 | 30 | 21 |
| Public administration | 18 | 13 | 14 | 0.0 | 28.6 | 42.9 | 28.6 | 4 | 1 |
| Other industries | 177 | 144 | 140 | 45.0 | 10.0 | 24.3 | 20.7 | 8 | 25 |

[1] Data refer to persons with tenure of 3 years or more who lost or left a job between January 1983 and January 1988 because of plant closings or moves, slack work, or the abolishment of their positions or shifts.

[2] Includes 206,000 persons who did not report earnings on lost job. Also includes a small number who did not report industry.

[3] Includes blast furnaces, steelworks, rolling and finishing mills, and iron and steel foundries.

jobs in their former industries. However, movement into the services industry, which often pays lower wages and offers fewer benefits, was increasingly common among those who lost jobs in transportation and public utilities, trade, and durable goods manufacturing. In short, it is difficult to generalize about the quality of new jobs found by recently displaced workers, as compared with those found by workers who lost their jobs in earlier years.

IN SUMMARY, the level of displacement found in the January 1988 survey represented a decline from earlier surveys. Workers were more successful at finding new jobs than were those displaced during the 1979–83 and 1981–85 periods. While the demographic profile of recently displaced workers was similar to that of workers who lost jobs in earlier years, the former group were less likely to have lost jobs in goods-producing industries. Like workers displaced in earlier years, many faced hardships; some never found subsequent employment, and, even among those who did, some lost health insurance coverage or worked at lower wages than they had earned on their previous jobs. □

## Footnotes

[1] The net employment effects of restructuring are debatable. Conflicting evidence exists on the level of job creation or job termination that can be attributed to restructuring. It is clear, however, that some actions, such as the liquidation of acquired businesses, do lead to job loss. For information, see Norman J. Glickman and Douglas P. Woodward, *The New Competitors: How Foreign Investors are Changing the U.S. Economy* (New York, Basic Books, 1989).

[2] Definitional issues are discussed in depth in an article that reported findings from the January 1984 survey. See Paul Flaim and Ellen Sehgal, "Displaced workers of 1979–83: how well have they fared?" *Monthly Labor Review*, June 1985, pp. 3–16.

[3] See, for example, "White Collar Displacement: Job Erosion in the Service Sector," 9 to 5, National Association of Working Women, Cleveland, Ohio, February 1989. See also "The Big Chill on Wall Street," *Business Week*, Dec. 7, 1987, pp. 54-56; "Wall Street's New Austerity," *Business Week*, Oct. 26, 1987, pp. 28-9, and "Middle Managers Face Extinction," *The Economist*, Jan. 23, 1988, pp. 59-60.

[4] The Current Population Survey is a monthly survey of 60,000 households conducted by the Bureau of the Census for the Bureau of Labor Statistics. Previous analyses of CPS data on displacement include Flaim and Sehgal, "Displaced workers," cited above. See also Richard M. Devens, Jr., "Displaced workers: one year later," *Monthly Labor Review*, July 1986, pp.40-43; and Francis W. Horvath, "The pulse of economic change: displaced workers of 1981-85," *Monthly Labor Review*, June 1987, pp.3-12.

[5] The 4.6 million total differs slightly from that in the Bureau of Labor Statistics' press release on data from the January 1988 supplement (USDL 88-611, issued Dec. 9, 1988). This difference reflects the inclusion in the press release of data on individuals who did not respond to the supplement question on tenure on their lost job. The new total excludes all nonrespondents to the tenure question, making it comparable to totals from previous surveys. All numbers in this article reflect this revision.

[6] The displacement rates shown were calculated by dividing the level of displacement in a specific industry (or occupation) by an estimate of total employment in that industry (or occupation). The employment estimate was derived by averaging total industry and occupational employment figures (persons age 16 and over) over either the 1979–83 or 1983–87 period, whichever was applicable, and adjusting the figure to represent only those workers with 3 or more years of tenure. While displacement figures represented workers age 20 and over and total employment figures were for persons 16 and over, adjusting for tenure resulted in the exclusion of nearly all 16-to-19-year-olds from the denominator. The tenure adjustment was based on data derived from the January 1987 job tenure supplement to the Current Population Survey.

[7] See annual issues of the Supplement to the Producer Price Index, U.S. Department of Labor, Bureau of Labor Statistics. Also, for a discussion of regional employment and unemployment, see Richard M. Devens, Jr., "A movable beast: regional employment patterns," *Monthly Labor Review*, April 1988, pp. 60-2.

[8] The special characteristics of displaced older workers are discussed in *Labor Market Problems of Older Workers*, U.S. Department of Labor, Report of the Secretary of Labor, January 1989.

[9] The "weeks without work" question was slightly different in 1988 than in previous surveys. As a result, comparisons between surveys were not possible. The 1988 survey question referred to the number of weeks without work before working again at any job, while the previous surveys totaled all periods without work since displacement.

[10] As noted earlier, not all displaced workers were reemployed at the survey date. About 600,000 displaced persons were jobless and 700,000 were outside the labor force. Approximately two-thirds of the persons in each nonemployed group had not held a job since displacement, and were not included in the calculation of weeks before reemployment used in the text. For those who had held a job, the median number of weeks between displacement and reemployment was similar to that of employed workers—9.4 weeks for those unemployed in January, and 8.3 weeks for those not in the labor force.

[11] See *Labor Market Problems of Older Workers*, pp. 16–19.

[12] In 1988, the Worker Adjustment and Retraining Notification Act (WARN) was passed, requiring specific types of employers to provide 60 days notice of plant closings or layoffs to their employees. For a discussion of issues surrounding plant-closing legislation, see Ronald G. Ehrenberg and George H. Jakubson, *Advance Notice Provisions in Plant Closing Legislation* (Kalamazoo, MI, W.E. Upjohn Institute for Employment Research, 1988). Also see Douglas O. Love and William D. Torrence, "The Value of Advance Notice of Worker Displacement," *Southern Economic Journal*, January 1989, pp. 626–43.

[13] This figure was calculated by averaging earnings declines in those industries in which pre-displacement earnings exceeded $450; the same figure is derived when a weighted average (based on the number of employees in those industries) is calculated.