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# Economic Policy Institute

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## LABOR SECRETARY IS URGED TO REINSTATE REPORTS ON MASS LAYOFFS

The board of directors of the Economic Policy Institute is urging U.S. Secretary of Labor Elaine Chao to reverse a recent decision to end the Bureau of Labor Statistics' monthly Mass Layoffs Statistics Report.

The termination of the MLS, which supplies the public and state and local officials with crucially important information about the location and number of victims of plant closings and mass layoffs, was announced by Secretary Chao on Christmas Eve, the same time that the report for November was released.

In a letter authorized by EPI's board at its most recent meeting, EPI President Lawrence Mishel and Chairman Gerald McEntee stressed the uniqueness of the data provided in this report and outlined how important it is for directing sorely needed services, training, and other aid to displaced workers and their families in a time of crisis.

Mishel and McEntee also noted that the Secretary's decision to kill the report is at odds with the recommendations of a joint federal-state task force that evaluated the need for the MLS and recommended its expansion.

The complete text of the letter follows:

The Honorable Elaine Chao  
Secretary of Labor  
U.S. Department of Labor  
Washington, D.C. 20210

Dear Madame Secretary:

We are writing on behalf of our board of directors to ask you to reconsider your decision to terminate the Bureau of Labor Statistics' monthly Mass Layoffs Statistics Report (MLS). The MLS is the government report that details the geographic and industrial location of plant closings and mass layoff events involving 50 or more employees and what kinds of workers were affected.

The information the MLS provides is vital to policy makers at all levels who have to budget for and respond to mass dislocations, and many states have found it essential for delivering services effectively to dislocated workers. It provides critical information on a regional basis and helps government and service organizations understand labor market trends. The MLS also describes the reasons for the closings and layoff events.

It is disappointing that you have ignored the report of the joint federal-state task force that evaluated the need for the MLS and recommended that it be expanded. We agree with the task force that there is great value to this report, which is the only national, standardized source of data tracking plant closings, allowing states to compare their layoffs with those of other states.

The MLS has also shown its value in a way the task force never predicted. To our knowledge, it is the only official government report to measure the impact on the labor market of the terrorist attacks of September 11, 2001. The MLS found that in the 10 weeks following the attacks, 350 mass layoff events involving 103,781 workers were directly or indirectly linked to the attacks by the employers who reported them. Nearly two-thirds (64%) of these reported separations occurred in just 6 states, and 71% of the workers had been employed by scheduled air carriers, hotels, or motels. This rather narrow geographic and industrial impact runs contrary to the claims of those who want to blame all the economy's woes on 9/11.

The MLS is, thus, critically important both for informing our understanding of layoffs and their impact on labor markets and the economy and for helping us shape informed and effective policy responses. And the MLS offers information that is available nowhere else. We urge you to reverse your decision, and to continue the publication of this important report.

Sincerely,

Lawrence Mishel, President

Gerald McEntee, Chairman