

Part B. Statistical Methods

1. Universe

MLS identifies all layoffs where there are 50 or more initial claims for regular State unemployment insurance (UI) filed against an employer in a 5-week period. These layoffs are reported by BLS monthly.

Employers in the private nonfarm sector having a mass layoff as described above are contacted by State MLS staff by telephone to verify whether there are at least 50 people who have been separated from their jobs for more than 30 days. All layoffs meeting these criteria are considered extended mass layoffs. BLS reports these mass layoff statistics quarterly.

Thus, all establishments with 50 or more workers are within the scope of the MLS program. Establishments employing 50 or more workers account for about 5 percent of all establishments covered by UI and 56 percent of all covered workers.

2. Information collection procedures

The data is collected from a complete universe of layoffs with 50 or more initial claims filed against an employer in a 5-week period and is not probability based. The refusal rate in the employer interviews is less than 5 percent of all private nonfarm employers (monthly).

MLS is a Federal/State cooperative program. The participating State agency in each State:

- obtains and performs editing on source information used for identifying employers experiencing mass layoffs. The source information includes weekly initial claim filings for UI and employer information from the State's Quarterly Census of Employment and Wages (QCEW) files;
- develops reports on the status of mass layoff activities via a computerized Windows-based MLS operating system known as WinMLS;
- interviews private nonfarm employers experiencing mass layoffs to determine whether layoffs meet the extended mass layoff criteria, and, if so, collects additional information on the nature of the layoffs;
- enters employer-provided information into the WinMLS system;
- obtains and performs basic editing on continued claim and final payment information that is used to track the continuing impact of the layoff on separated workers; and
- creates reports of mass layoff activity monthly and extended mass layoff activity quarterly using the WinMLS system and transmits these reports to BLS.

State MLS staff receive training so they are familiar with the processes and standards that are necessary to ensure comparability among States and to generate verifiable nationwide counts of mass layoff activity. Technical memoranda that contain additional information on the program are issued to States as necessary. State MLS staff receive periodic training on the WinMLS

software system and are provided with the WinMLS *User's Guide* that details how to properly use the software. The WinMLS software is designed to edit and validate the information States input for quality assurance purposes. Additional training is provided at the MLS annual training conference.

3. Maximizing the response

The MLS program initially identifies employers experiencing mass layoffs based on data gathered from administrative sources. UI initial claim filings are processed weekly in the WinMLS system to determine whether there are 50 or more initial claims filed against an employer in a 5-week period. Attachment 1 lists the items captured from the weekly initial claims filed by employees. In situations that meet the criteria, the UI information is matched with detailed employer information from the QCEW. A list of items captured from the QCEW program is in Attachment 2.

For those layoffs identified from the administrative data, the private nonfarm employers are contacted by telephone by MLS State staff to determine whether layoffs meet the criteria for an extended mass layoff (i.e., 50 or more workers separated for more than 30 days). If an employer confirms an extended mass layoff occurred, MLS State staff would ask the employer additional questions for further information about the layoff. Attachment 3 contains a list of data items that are collected during the employer interview.

Employers who cite a reason for layoff other than the ending of seasonal work or vacation period are asked additional questions concerning the movement of work (e.g. outsourcing/offshoring). Responses to these questions provide insight into whether layoffs are associated with work moving to other U.S locations or to locations outside of the U.S., and whether they occurred either within the same company or to other companies.

For 2007, outright refusal to participate in the employer interview accounted for less than 5 percent of all private nonfarm events (monthly). In cases where the employer participates but either does not know or refuses to answer a specific data item, the item usually is coded as "not available." Exceptions to that rule include the primary reason for layoff, separation code, movement-of-work, and business function data items, for which do not know and refusal responses are broken out separately.

In the unlikely event that an employer refuses to participate in the employer interview, the WinMLS software contains a selection to indicate the employer has refused to provide any information. The MLS program defaults to include such refusals as extended mass layoffs. The number of separated workers that normally would have been obtained directly from the employer is set equal to the number of initial claims that have been associated with a layoff event.

4. Tests of procedures

Modifications and enhancements to the MLS program are ongoing. BLS often issues technical memorandum and updates computer systems to incorporate State and user recommendations for more efficient data collection as well as additional edits to improve data quality.

A recent example of an MLS program modification is the addition of the Business Function questions, which seek information on those activities companies perform that are affected by the layoff. Proposed wording of questions were vetted through relevant offices within BLS. A group of 11 States volunteered to test the new questions. Results were favorable. MLS State staffs were instructed via technical memoranda on how to ask the questions and on how to code responses. In addition, two training sessions were held in January 2007 with all States to discuss this additional data collection of the Business Function questions. WinMLS software was modified to permit entry of these responses and to edit them for quality assurance purposes. When initially implementing the collection of Business Function data, States were asked to provide feedback in the form of several progress reports.

5. Statistical contact person

Shail Butani (202-691-6347), branch chief of the Statistical Methods Group in the Office of Employment and Unemployment Statistics, is the contact person at BLS.

One agency in each of the States is designated as the data collection organization for the MLS program. A list of participating State agencies and agency contacts is available on request.

**Mass Layoff Statistics
Data Elements Captured from Initial Claims**

- Social security number
- State and county FIPS code of residence
- Initial claim type
- Initial claim date
- Gender
- Race\ethnicity
 - White/not of Hispanic origin
 - Black/not of Hispanic origin
 - Hispanic origin
 - American Indian or Alaska Native
 - Asian or Pacific Islander
 - Information not available
- Birth date
- Veteran status
- Last employer UI account number
- Last employer establishment name

**Mass Layoff Statistics
Data Elements Captured on Establishments
(From the QCEW)**

- UI account number
- Reporting unit number
- Employer identification number
- North American Industry Classification System code
- Standard Industrial Classification code (if available)
- Ownership code
- Trade name
- Physical location street address
- Establishment legal name
- Physical location: city
- Physical location: State
- Physical location: zip code
- Multi-establishment employer indicator code
- Telephone number
- Third month of quarter employment
- 3-digit establishment county FIPS code

**Mass Layoff Statistics
Employer Interview Data Elements Coded by States**

- Date of first separation
- Stop date of layoff
- Layoff status of establishment
 - Temporary Layoff
 - Permanent Layoff
 - Closure
 - No layoff event occurred
- Primary reason for layoff
 - Contract cancellation
 - Contract completion
 - Domestic competition
 - Excess inventory/saturated market
 - Import competition
 - Slack work/insufficient demand/non-seasonal business slowdown
 - Business-ownership change
 - Reorganization or restructuring of company
 - Bankruptcy
 - Cost control/cost cutting/increase profitability
 - Financial difficulty
 - Automation/technological advances
 - Energy related
 - Governmental regulations/intervention
 - Labor dispute/contract negotiations/strike
 - Material or supply shortage
 - Model changeover
 - Plant or machine repair/maintenance
 - Product line discontinued
 - Hazardous work environment
 - Natural disaster (not weather related)
 - Non-natural disaster
 - Extreme weather-related event
 - Seasonal
 - Vacation period-school related or otherwise
 - Other
 - Data not provided: refusal
 - Data not provided: does not know
- Required comment for the primary reason (if necessary)
- Secondary reason for layoff (if necessary) - the options are the same as above plus:
 - Federal government cutbacks, unspecified
 - Federal government cutbacks, defense-related
- Required comment for the secondary reason (if necessary)
- Recall expectations
- Size of recall expected
- Timing of expected recall
- Worksite status
 - Establishment and worksites remain open with no change to operating status

- Establishment remains open, but entire worksites affected by layoffs are closed
- or are planning to close (partial closure of multi-unit establishment)
- Establishment and all worksites remain open, but either (a) divisions within
- affected worksites have stopped or are planning to stop operations, or (b) shifts
- at affected worksites have been or are going to be permanently cut (partial
- closure of multi-unit establishment)
- Partial closure of single-unit establishment
- Full closure of either multi-unit or single-unit establishments
- Long term work completed offsite
- Information not available
- Pre-layoff employment
- Number of separations
- Separation code (if necessary)
- County location of the worksite
- Movement-of-work information
 - Domestic relocations – A drop-down list including all states is available for selection
 - Out-of-country relocations – A text field, in which the name of the country can be filled in, is available.
- NAICS industry code (if necessary)
- Ownership code (if necessary)
- Business function(s) and business process(es)