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RAHALL JOINS IN EFFORT TO PROVIDE FOR DISLOCATED WORKERS AND COMMUNITIES

WASHINGTON, DC - U.S. Rep. Nick Rahall (D-W.Va.) has announced that he is joining colleagues in the House in sponsoring legislation to provide dislocated workers and communities with the assistance they need in adjusting to plant closings and mass layoffs. Known as H.R. 1122, the measure recommends the creation of a new \$980 million federal worker assistance program.

The legislation would greatly aid the state of West Virginia which ranks high in both the number of plant closings and workers dislocated.

"Unfortunately, West Virginia ranks number one in both the number of dislocated workers and plant closings," Rahall said. "This legislation would be of great aid to the Mountain State where many towns have been hit by layoffs and virtually become stagnant. We have seen all too often the case of mines closing and taking with them hundreds of jobs and the revenue localities depend on for survival. Without the plants, many towns cannot afford to operate street lights or maintain an adequate water system. H.R. 1122 would help alleviate the problems."

The bill also contains a provision mandating advance notice of plant closings so the personnel and community could take necessary action to avoid the trauma caused by sudden layoffs.

"A Task Force appointed by Secretary of Labor Brock discovered that the average blue-collar worker gets less than two weeks notice of impending layoffs," Rahall said. "To keep firms from packing up and leaving overnight the way the Colts left Baltimore in 1984, the measure requires 3 to 6 months notice, depending on the size of the layoff."

Table: Worker Dislocation by State in Actual Numbers and Percentage of Employment

State	Dislocation		Percentage of Employment		Rank	
	Total*	Plant Closings**	Total	Plant Closings	Total	Plant Closings
ALABAMA	218.8	111.4	15.24%	7.76%	8	2
ALASKA	23.4	8.3	17.30%	6.15%	2	14
ARIZONA	160.9	69.0	13.81%	5.92%	16	20
ARKANSAS	103.4	47.6	12.01%	5.53%	31	26
CALIFORNIA	1269.4	561.3	12.08%	5.34%	30	29
COLORADO	195.9	96.7	13.44%	6.63%	20	10
CONNECTICUT	117.9	53.0	8.37%	3.76%	46	45
DELAWARE	22.6	8.5	8.77%	3.31%	44	50
D.C.	19.2	6.6	6.88%	2.37%	51	51
FLORIDA	470.6	240.6	11.21%	5.73%	34	24
GEORGIA	206.5	96.3	8.85%	4.13%	43	40
HAWAII	31.8	15.9	7.51%	3.76%	50	46
IDAHO	44.6	21.1	11.64%	5.50%	32	27
ILLINOIS	678.2	262.3	14.59%	5.64%	11	25
INDIANA	284.7	129.7	13.28%	6.05%	21	16
IOWA	153.9	64.0	12.80%	5.32%	24	30
KANSAS	130.9	47.0	12.55%	4.51%	26	39
KENTUCKY	191.8	82.8	13.64%	5.89%	17	21
LOUISIANA	267.9	113.3	16.87%	7.13%	5	5
MAINE	57.4	31.1	12.72%	6.90%	25	6
MARYLAND	155.4	66.9	8.12%	3.49%	48	48
MASSACHUSETTS	219.6	97.0	8.52%	3.76%	45	44
MICHIGAN	510.7	226.8	14.97%	6.65%	9	9
MINNESOTA	210.6	90.4	11.39%	4.89%	33	36
MISSISSIPPI	150.8	65.9	17.04%	7.45%	4	3
MISSOURI	283.4	119.6	14.31%	6.04%	13	18
MONTANA	45.4	20.9	13.50%	6.22%	19	13
NEBRASKA	86.7	45.8	12.47%	6.58%	28	11
NEVADA	51.9	21.8	12.51%	5.25%	27	32
NEW HAMPSHIRE	45.8	24.0	10.43%	5.46%	36	28
NEW JERSEY	319.6	157.8	10.15%	5.01%	38	34
NEW MEXICO	61.9	29.9	12.16%	5.86%	29	22
NEW YORK	536.4	242.5	7.70%	3.48%	49	49
NORTH CAROLINA	270.5	123.1	10.75%	4.89%	35	35
NORTH DAKOTA	25.3	10.5	9.15%	3.80%	41	43
OHIO	556.8	223.4	13.17%	5.28%	22	31
OKLAHOMA	206.4	75.5	15.70%	5.75%	7	23
OREGON	178.8	75.5	15.98%	6.75%	6	7
PENNSYLVANIA	630.2	275.8	13.82%	6.05%	15	17
RHODE ISLAND	40.1	20.7	9.91%	5.12%	39	33
SOUTH CAROLINA	129.0	57.7	10.28%	4.60%	37	38
SOUTH DAKOTA	25.9	11.0	8.94%	3.81%	42	42
TENNESSEE	272.6	110.9	14.88%	6.05%	10	15
TEXAS	888.8	392.4	13.51%	5.96%	18	19
UTAH	80.4	37.8	13.93%	6.54%	14	12
VERMONT	21.6	9.1	9.39%	3.96%	40	41
VIRGINIA	202.0	88.0	8.34%	3.63%	47	47
WASHINGTON	294.7	122.2	17.22%	7.14%	3	4
WISCONSIN	258.6	95.3	12.87%	4.74%	23	37
WYOMING	32.7	15.1	14.51%	6.69%	12	8
W. VIRGINIA	125.6	55.0	20.83%	9.11%	1	1
TOTAL	11567.0	5073.9	12.23%	5.36%		

* Total = Number and % of dislocation for all causes.

** Plant Closings = Number and % of dislocation due to plant closings or relocation.

FACT SHEET

ECONOMIC DISLOCATION AND WORKER ADJUSTMENT ASSISTANCE ACT (S. 538) (H.R. 1122)

The Issue

- o More than two million adult workers permanently lose their jobs each year, which is 25 to 30 percent of all adult unemployment.
- o Contrary to popular misconceptions that the problem is confined to the "Rust Belt," the highest rates of worker dislocation and plant closures are in the South Central and Rocky Mountain regions.
- o Dislocated workers experience long-term joblessness (averaging about six months) and those who are reemployed find jobs at 15 to 30 percent lower wages.
- o Contrary to the belief that dislocation is confined to high wage occupations, over 50 percent of dislocated workers are concentrated in lower and middle wage jobs.
- o Most workers receive little or no advance notice of mass layoffs or plant closures. According to the General Accounting Office (GAO), two-thirds of blue collar workers receive two weeks or less notice and nonunion workers receive an average of two days notice. The recent Department of Labor Task Force said, "Advance notice is an essential component of a successful adjustment program."
- o Current job dislocation programs serve only 5 percent of the eligible population, have no rapid response capability and provide only limited training opportunities.

The Economic Dislocation and Worker Adjustment Assistance Act (S. 538) (H.R. 1122):

- o Requires each state to establish a Dislocated Worker Unit capable of providing a rapid, coordinated response to mass layoffs and plant closures.
- o Provides adjustment services to all workers who permanently lose their jobs, including: reemployment assistance; job testing, counseling and referrals; basic and vocational education and on-the-job training; and income stipends for workers in retraining.
- o Requires a minimum 90-day advance notice to employees by employers with layoffs of 50-100 workers in any 30-day period. Longer notice is required for larger layoffs (120 days for layoffs of 101-499 workers, 180 days for layoffs of 500 or more). An exception is provided in cases of unforeseeable business necessity.
- o Requires employers to consult with representatives of the employees and local governments on possible alternatives to the plant closing or mass layoff.

Sponsors

Senators Edward Kennedy (D-MA), Howard Metzenbaum (D-OH), and Paul Simon (D-OH).

Representatives William Ford (D-MI), William Clay (D-MO), Silvio Conte (R-MA), and Matthew Martinez (D-CA).

Action Requested

- o Members of Congress are urged to cosponsor S. 538 and H.R. 1122.

**States With Highest Rates of Dislocation and
Jobs Lost from Plant Closings**

<u>Total Dislocation</u>	<u>Rank</u>	<u>Plant Closings</u>
West Virginia	1	West Virginia
Alaska	2	Alabama
Washington	3	Mississippi
Mississippi	4	Washington
Louisiana	5	Louisiana
Oregon	6	Maine
Oklahoma	7	Oregon
Alabama	8	Wyoming
Michigan	9	Michigan
Tennessee	10	Colorado
Illinois	11	Nebraska
Wyoming	12	Utah
Missouri	13	Montana
Utah	14	Alaska
Pennsylvania	15	Tennessee
Arizona	16	Indiana
Kentucky	17	Pennsylvania
Texas	18	Missouri
Montana	19	Texas
Colorado	20	Arizona

Prepared by: **Industrial Union Department, AFL-CIO**

Geographic Patterns of Worker Dislocation:
Total and Plant Closing Dislocation by State and Region

These tables indicate:

- o Permanent job loss and jobs lost from plant or facility closures is a nationwide problem. There are significant amounts of dislocation in each region.
- o Contrary to a popular misconception, dislocation is not only a "Rust Belt" problem. The highest rates of dislocation (the percentage of the workforce which lost their jobs) have occurred in the South Central states.
- o The regions with the highest rates of job loss due to plant closings are the South Central areas, the Mountain states and the upper Midwest.
- o The states most severely affected by dislocation (see list of top 20) are West Virginia, Alaska, Washington, Mississippi and Louisiana. The states with the highest rates of dislocation due to plant closings are West Virginia, Alabama, Mississippi, Washington and Louisiana. Other states with high rates of dislocation are: Wyoming, Colorado, Nebraska, Utah, Montana, Indiana, Tennessee, Kentucky and Arizona.

Sources of Data

The following tables present computations of dislocation and rates of dislocation derived from two Bureau of Labor Statistics surveys of dislocated workers (January 1984 and 1986), each of which covers a five-year period (1979 to 1983 and 1981 to 1985). The information from both surveys is combined to provide greater statistical reliability for the job loss computations for individual states and regions. Dislocation is defined as a permanent job loss due to a plant closure, a shift in production or jobs being abolished, from slack work or from a business failure. The rate of dislocation is computed as the number of adult dislocated workers as a percentage of the adult employment in 1983 in the particular state or region.

Prepared by: **Industrial Union Department, AFL-CIO**

Dislocation and Rates of Dislocation by Region

<u>BLS Region***</u>	<u>Worker Dislocation*</u>		<u>Rate of Dislocation**</u>	
	<u>Plant Closings</u> (000)	<u>Total</u> (000)	<u>Plant Closings</u>	<u>Total</u>
East South Central	371	834	6.7 %	15.0 %
West South Central	629	1,466	6.1	14.2
East North Central	937	2,289	5.7	13.9
Mountain	312	674	6.2	13.3
Pacific	783	1,798	5.3	12.9
West North Central	388	916	5.3	12.5
South Atlantic	742	1,601	4.7	10.2
Middle Atlantic	676	1,486	4.6	10.1
New England	235	502	4.3	9.1
Total	5,224	11,210	5.36	12.23

Source: Bureau of Labor Statistics January 1986 and January 1984 Dislocated Worker Survey and Geographic Employment Profile, 1983 (Bulletin 2215).

* Dislocation is all workers (aged 20+) who permanently lost their job because of a plant closing or because of a position or shift being abolished, slack work or self-employed business failure. Data are average of both BLS surveys.

** Rate calculated as percentage of adult employment in 1983.

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

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