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Plant Closings, Mass Layoffs, and Worker Dislocations: Data Issues

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Summary

For at least 15 years Members of Congress have continued to ask: *How many U.S. manufacturing plants have closed*? For at least 15 years they have continued to ask: *How many U.S. manufacturing plants have relocated abroad, and where have they gone*? For at least 15 years the answer has been: For the most part, those questions can't be answered, based on Government data.

Over the years, Congress has undertaken two legislative efforts to learn the answers to these questions. First, it mandated collection and publication of plant closing data under the *Job Training Partnership Act* of 1982. Six years later, it mandated notification of State dislocated worker units created under the 1982 Act, when a major plant closing (or other layoff event) was scheduled to occur. This second mandate was part of the *Worker Adjustment and Retraining Notification Act* (WARN) of 1988. Because these two laws are thus linked together, the potential exists for data collected under the WARN Act to be fed into or coordinated with the data system established under the Job Training Partnership Act, to avoid duplication or to act as a check for consistency.

During the continuing congressional debates on the North American Free Trade Agreement, plant closing questions have arisen again, but in a more specific form: *How many plants are moving to Mexico*? *What industries and what States are the plants from*? *How many U.S. workers are losing their jobs as a result*?

In an attempt to obtain answers to these questions, the Senate Governmental Affairs Committee, Subcommittee on Oversight of Government Management asked the Secretaries of Labor and Commerce to report on all data systems that provide information on plant closings, plant relocations, layoffs, worker dislocations, and export-related job creations.

Based upon a CRS analysis of the agencies' responses, which include data sources beyond the two mentioned above, it appears that still, after two legislative attempts to mandate collection of these data, the Government publishes no counts of U.S. plant closings, and almost no information on plant relocations. Options for strengthening the data systems include addressing three main weaknesses: inadequate data program design, a plant closing definition that misses its mark, and publication of partial instead of complete survey results.

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In the past two decades, the nature of U.S. industry has changed. Pressured by domestic and international competition, businesses have exhibited a new kind of dynamism and mobility. Aiming to improve competitiveness, businesses automate. They tighten up, downsize, or decentralize operations. They open, close, expand, consolidate, or relocate plants.

An important side effect from all this activity is a trail of American workers dislocated from their jobs by changing production processes and shifting production locations. Yet, comprehensive data are not available to show overall and by industry, how many plants close permanently in the United States each year; how many plants relocate to another State, another country, or another region (i.e., to Asia/Pacific or to Mexico); how many plants automate or downsize production processes; and how many workers lose their jobs as a result of each of these changes.

Why Data Are Needed

Congressional policy decisions, especially those that may impact U.S. jobs, could benefit from data tracking this dynamic industrial movement. Such data would help policymakers focus on trends that might be exacerbated, assisted, or targeted by specific trade, training, job creation, or education policy decisions. The consequences from lack of data are that certain policy decisions are made, to a great extent, "in the dark."

The implications of this lack of data are evident in the debate on the North American Free Trade Agreement (NAFTA). According to recent surveys of the Departments of Labor and Commerce, no comprehensive Federal data are regularly published on how many plants have relocated to Mexico, where the plants have relocated from, what industries they are in, and how many U.S. jobs have been lost as a result. Nor are there data on how many U.S. jobs have been crowded out by Mexican imports. What little data that do exist are often sketchy, and not available in press releases or other printed publications.

No complete Government data base *tracks* business decisions *pre*-NAFTA. Therefore, data on business relocations to Mexico as a result of Mexico's maquiladora program have been hard to come by. Without full data on current relocation trends, it becomes even more difficult to estimate with any reliability the potential for additional plants moving to Mexico (and the consequences of such dislocation) *after* the added incentive of NAFTA.

Congressional Efforts to Establish a Data Base

Since the 1970s, various Members of Congress have expressed urgency in obtaining information about mass layoffs, plant closings and plant relocations to areas either within or outside the United States, and the resulting loss of jobs. The objective in obtaining this information is to learn more about the perceived erosion of the U.S. manufacturing sector and the alleged export of U.S. jobs.

To this end, Congress mandated the establishment of two systems in the Department of Labor (DOL). One system was a labor market information program for collecting and publishing each year, data on permanent layoffs and plant closings. This system was mandated by the *Job Training Partnership Act* (JTPA) of 1982 (P.L. 97-300). The *Mass Layoff and Plant Closing Survey* (MLS) was undertaken by the Department of Labor in response to this mandate. The other system stemmed from congressional passage of the *Worker Adjustment and Retraining Notification Act* (WARN) in 1988. In this law, Congress required that employers notify three bodies — workers, State dislocated worker units created under JTPA, and local governments — of impending major mass layoffs, plant closings, or plant relocations.

Yet, the statistical systems produced by the DOL in response to the congressional mandate to track plant closing, plant relocation, and worker displacement, appear to miss the mark to varying degrees in meeting these objectives. The incompleteness of the resulting data stems from three main causes: program design that is inadequate to meet congressional objectives, a definition of *plant closing* that does not coincide with the generally accepted definition, and publication of partial instead of complete data survey results.

In order to document and examine the issue of data adequacies and inadequacies, this report aims: first, to identify the extent to which certain statistical programs of the DOL and the Department of Commerce (DOC) meet or fall short of providing needed information on mass layoffs, plant closings, worker dislocations and the counterbalancing effects of export-related job creation; and second, to offer options for changes to improve the usefulness to Congress of the data being published.

Congressional Survey

In December of 1992, letters were sent out by the Subcommittee on Oversight of Government Management of the Senate Committee on Governmental Affairs to the Secretaries of Labor and Commerce. The purpose of these letters was to obtain documentation on the availability of data tracking plant closings, mass layoffs, worker dislocations, and counterbalancing export-related job creation. The motivation behind the request, as stated in the respective letters, was to obtain data for the NAFTA debate.

Each agency was asked to identify data sources that are "readily available and in an organized form" tracking the data requested. Each agency was *further* asked to indicate whether the data were *available* over each of the last 10 years, by number

of workers, by industry and occupation, by geographic area, and by reasons for various closing and layoff events. Agencies were asked for information on the availability of data for eight specific layoff events or subject areas. The first four focus on *establishment* events and workers affected. The remaining four focus more exclusively on *workers* or *jobs* affected. The eight layoff events are:

1. Plant closures in the United States;
2. Plant relocations to foreign countries;[1]
3. Plant downsizings;
4. Layoffs;
5. Dislocated or displaced (the words are interchangeable here) workers;
6. Dislocated or displaced workers receiving Trade Adjustment Assistance (TAA);
7. Jobs lost in the United States from import penetration; and
8. Export-related jobs created.

In addition, the DOL was specifically asked about the Mass Layoff and Plant Closing Survey and the Worker Adjustment and Retraining Notification (WARN) data program. Finally, DOL was also asked to identify steps it could take to collect and make the requested information which is currently unpublished, available to the public in the future, together with the costs and benefits of taking such steps.

Responses by the Departments of Labor and Commerce

Both agencies responded to the congressional request in the first half of January 1993, with memos and data sources. The DOC's role, concerned mainly with *commerce*, is really secondary to the DOL's role, concerned mainly with *labor* in providing plant closing, plant relocation, and mass layoff data.

In particular, the DOL, submitted data on *some* of the layoff events. For those layoff events for which it did not *publish* the requested data, it failed to report whether some of the data might be available *unpublished* in its data bases. Nor did the DOL response identify steps that the agency could take to collect and make such data available to the public in the future.

Table 1 on page 11, prepared by CRS, summarizes the extent to which the sources offered by DOL and DOC provide data requested by the committee. The analysis which follows discusses in greater detail the ability and inability of the data sources to provide answers to the questions asked. A succeeding section reviews some options for making the surveys more useful in providing policymakers with answers to the questions here enumerated.

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[1] Information on plant relocations to other parts of the United States is also an important aspect of the plant relocation phenomenon, but was not specifically requested in the letters.

Data Sources

The DOL response was somewhat limited in providing comprehensive responses to the subcommittee, both in terms of providing complete reports and in terms of providing detailed information on material in the data bases that is not reflected in published documents. Because of this, the analysis below draws on some additional information from CRS files and previous CRS research on the data bases. Additional information to answer the subcommittee's questions may exist in the data bases, beyond that reported here.

Mass Layoff and Plant Closing Survey

As mentioned, the Mass Layoff and Plant Closing Survey (MLS) is the Department of Labor's response to the congressional mandate in section 462 of the Job Training Partnership Act (JTPA) that the Secretary of Labor "shall develop and maintain statistical data relating to permanent lay-offs and plant closings." Specifically required by JTPA was that the Secretary publish an annual report including: 1) the number of permanent plant closings; 2) the number of workers displaced; 3) the location of the affected facilities; and 4) the types of industries involved.

The MLS program obtains reports on layoffs involving at least 50 workers and lasting more than 30 days. Information on mass layoffs is gathered from each State's unemployment insurance data base. The State agencies then contact these establishments by telephone for additional information.[2]

At present the MLS survey has been suspended. Collection of the data for the program by States ended in November of 1992.[3]

What follows is a discussion of the adequacy of the MLS to meet the data needs of policymakers as iterated above.

Plant Closings. Despite the specificity of the JTPA requirement, that the Secretary of Labor publish an annual report including the number of permanent plant closings, the MLS falls short of the mandate in two ways.

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[2] U.S. Department of Labor, Bureau of Labor Statistics. *Mass Layoffs in 1990*. February 1992. p. 1.

[3] For the FY 1992, no line item funding the program was included in the President's budget. Appropriations committees subsequently instructed the DOL to fund the program from money appropriated under the Job Training Partnership Act, and amended JTPA to reserve $6 million for the MLS program, from the amounts appropriated under Title IV of the JTPA. The Secretary of Labor agreed to fund the program in FY 1992, as directed. She subsequently notified Congress that she did *not* intend to be bound by report language for FY 1993 if she were directed to use JTPA national account money for the MLS again (which she was). What will happen to the MLS under the new Administration is unclear. (Information for this paragraph was taken from letters exchanged between the Secretary of Labor and chairmen of several committees, and from discussions with the DOL office producing the MLS survey.)

First, it fails to count and tabulate many of what are generally considered to be plant closings, even though they may involve 50 or more workers. This is because DOL defines permanent plant closings to include only those closings which represent the final termination of the entire physical plant. According to the DOL letter submitted to the committee, "if parts of the establishment — a branch or department — were closing, the establishment was considered to be staying open." Thus, the way DOL counts plant closings, if a General Motors (GM) assembly plant closes in Ypsilanti, Michigan, this would not be counted as a plant closing if an accounting or other office physically associated with the plant remains open. Thus, the DOL counting of plant closings may significantly underreport the actual number of plant closings occurring in the United States.

Second, the MLS fails to report on, or even to mention plant closings in any of its published tables, even though tabulation of plant closings was *the* stated requirement in the congressional mandate included in the JTPA. Only one sentence in the lengthy annual reports (generally over 100 pages each) even addresses the issue of plant closings. In the report issued in 1992, for example, that sentence reads (p. 2): "Closure of the establishments results in about 14 percent of the layoff events." In 1988 the term "plant closing" was dropped from the title of the MLS document, and the initial title, *Report on Mass Layoffs and Plant Closings*, was simplified and shortened to *Mass Layoffs*.

Plant Relocations. Even though the MLS reports contain no data on plant closings except for the one summary sentence discussed above, they do include line item counts for *relocation* events -- both domestic and overseas, and total number of workers affected for the country as a whole, as well as by State. The MLS does not include any indication of *industries* represented by the plant relocations, geographic areas from which the relocations are sourced, or to which the relocations are targeted.

The DOL letter responding to the subcommittee inquiry notes that in 1991 information was obtained from employers specifying the *country* to which the establishment was relocating, when out-of-country moves were reported. DOL also included two supplemental unpublished sheets which reported a number of relocations to Mexico for 1991 and the first half of 1992, and the number of workers affected.[4] The sheets did not identify industries represented in the relocation to Mexico, although they reported on overseas relocation for two industries without regard to target country.[5]

The DOL did not give any indication of industry or geographic identity for any relocations within the United States. It is possible that such data does not exist in the data base. However, it would be useful to track relocation within the United States.

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[4] Six relocations were reported for 1991, dislocating 810 workers, and 5 for the first half of 1992, dislocating 1,270 workers.

[5] These industries are: rubber/plastics, with 3 layoff events for 1991, dislocating 443 workers; and electrical and electronic equipment, with 4 layoff events in 1991, dislocating 603 workers.

Downsizing. The DOL letter responding to the subcommittee inquiry indicates that data on actual downsizing of corporations are not available. However, DOL may have in its data base, such data *by companies*, since it includes a line item (tallying events and workers) on one aspect of initial downsizing -- *automation*. DOL's letter notes that the agency "cannot provide information on *specific companies* that have relocated or downsized their workforces" because data are collected under a pledge of confidentiality to respondents. However, perhaps data in the database at the company level could be aggregated to the industry level to protect the privacy of individual companies.

Layoffs. While the MLS report provides only sketchy results for *plant closings*, it provides *detailed* aggregate information on the number of *layoff events* and the number of workers affected: The survey provides *layoff data* by industry (but not by occupation) by State, and by reasons for the event.

There are two weaknesses in the reported data on layoff events. First, the data do not provide *geographic* or *industry* detail on the *reason* for the separation or layoff. Temporary layoff events could be grouped together and data could be published by industry and by region. Such data may be available in the data base, although the DOL letter responding to the committee inquiry gave no indication on this one way or the other.

Second, MLS data from early years are not comparable with MLS data from more recent years because between 1986 and 1992, the survey coverage expanded from its original 26 States to 46 States plus the District of Columbia. California is a major State not included.

Jobs Lost from Import Penetration. The Trade Adjustment Assistance (TAA) data (discussed below) reflect the number of workers for whom imports "*contributed importantly*" to their job loss. Data on the number of workers for whom imports *contributed somewhat* to their unemployment is harder to find.

The DOL letter responding to the subcommittee inquiry reports that both conceptually and empirically the measurement of job loss due to import demand is difficult, and that at present no official data series fully identifies the extent of such activity. The MLS survey does, however, contain a line item called "import competition" (noting the number of layoff events and related worker separations). This number purports to reflect jobs lost from import penetration. What is notable about these figures is that they show fewer workers dislocated from import penetration than do TAA data.[6]

The reason for this discrepancy is unclear. One possibility is the fact that the MLS data only included 26 States in 1987, and a larger but still incomplete list of 45 States in 1990. Another possibility is that the MLS survey counts jobs lost to import penetration only when this is the single most important reason for dislocation,

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[6] For 1987, the MLS survey reports 16 percent as many workers dislocated from import competition as the TAA figures show; for 1990, the MLS survey reports 48 percent as many workers.

whereas the TAA data could reflect import competition as one of several important reasons for dislocation.

Worker Adjustment and Retraining Notification Act (WARN)

The WARN Act of 1988 (P.L. 100-379) requires that all businesses with 100 or more workers give 60 days advance notice to workers, local governments, and State dislocated worker units before closing a plant or laying off a substantial number of workers (according to a formula in the law). Data on notifications under the WARN system are collected by each State, and summary data are forwarded to the DOL.

The summary data provided to the committee by DOL include only total numbers of WARN notices for the United States. The weakness of the WARN data transmitted by DOL is that they are not separated out from other JTPA data. There are no data reported for the number of workers affected by WARN notices, for type of layoff event (permanent or temporary), or for industries or geographic areas affected. Yet, according to DOL, a covered employer contemplating a qualifying plant closing or layoff event must report a minimum of information to the State dislocated worker unit including the name and address of the employment site, the name and telephone number of a company official, and the number of workers affected. The employer must keep additional detailed information, including the nature of the layoff event (temporary, permanent, and if permanent, whether it is a plant closing, etc.) readily available.

The WARN system is certainly a potential source of data on closings, layoffs, and relocations among plants with 100 or more workers (thus potentially capturing data on layoff, closing, and relocation activities of multinational corporations).[7] If the WARN data reporting system were structured to capitalize on this potential, it could be used either as a double check on the data received under the MLS system or as a funnel to feed data into the MLS system.

Displaced Worker Survey

The displaced worker survey, is conducted every other year as a survey of households (as opposed to establishments.) It is a joint product of the DOC and the DOL. The DOC, as part of its Current Population Survey, inquires door-to-door whether any member of the household was displaced from his or her job at any time during the past 5 years because of a plant closure or relocation, abolition of shift, or slack work. If the answer is "yes," a series of questions then are asked. The DOC submits the results of the survey to the DOL, which tabulates and publishes them in the report *Displaced Workers*.

A *survey* such as the displaced worker survey, is not as precise a sampling tool as an actual count of workers and events, as reflected in the MLS and the WARN data systems. Errors in surveys can result from self-reporting as well as from

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[7] Businesses of 100 or more workers constitute about 2 percent of all businesses in the United States, but employ about 45 percent of all private workers, according to the U.S. Department of Commerce publication *County Business Patterns*, 1989.

nonsampling — i.e., failure to represent all units within the sample. They can also result from sampling variability — that is, variations that occur by chance because a sample rather than an entire population is surveyed.

Plant Closing Data. The displaced worker survey is notable in that it is the only Government survey to report, *by industry*, the number of workers who report themselves to be specifically dislocated by plant closings or plant relocations.

The main weaknesses of the survey are three: First, it reports on the number of *workers* displaced from plant closure, not on the number of *establishments* or plants closing. This is only a weakness of the survey from the standpoint of the policymaker wanting a count of plant closings in the United States. By its nature as a household survey, the displaced worker survey was never intended to tally establishments.

Second, each every-other-year survey represents a *long-range* snapshot in *time*, collecting aggregate sampling data on all dislocations that have occurred within the previous *five years*. Thus, the survey produces no data on year-by-year dislocations.

Third, in its *Displaced Workers* report, the DOL *publishes* detailed data only on workers employed *three or more years with the employer*. Thus, published results of this survey ignore more than half the displaced worker population covered by the survey.[8] Although DOL did not mention this in any of the materials it submitted to the committee, it does have data for all dislocated workers regardless of tenure, in its data base, and does make this data available to requesters who know to ask for it.

Displaced Workers. The *Displaced Workers* report includes in tables, considerable detail about displaced workers: their numbers, the industries and occupations from which they were dislocated, their geographic distribution, and even the reasons for dislocation.

The weakness of the report in giving a picture of displaced workers echoes the weaknesses of the report in measuring plant closings, iterated in reasons two and three immediately above: it does not afford year-by-year counts of displaced workers. In addition, it only describes less than half the total universe of displaced workers covered in the survey.

Trade Adjustment Assistance Program

Trade Adjustment Assistance program data (submitted by DOL for the years 1975-1990) reflect dislocated workers receiving trade adjustment assistance benefits. These are workers for whom a determination was made, as required by the Trade Act of 1974 (P.L. 93-618) that imports "*contributed importantly*" to their dislocation. According to the DOL letter responding to the committee inquiry, data are also

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[8] This figure was derived from comparing the number of displaced workers with three years tenure with the number of displaced workers regardless of tenure. This latter figure is included in unpublished data.

available by State and by Standard Industrial Classification code (i.e., by industry). This data source is reasonably complete as it stands.[9]

Export-related Jobs

Several publications were submitted by DOC and DOL in response to a request for information on export-related jobs. The publication *Trade and Employment* is the product of a joint effort by the DOC and the DOL. This publication is of limited value for measuring export-related jobs because it measures not jobs created by exports, but rather total jobs in industries that had at least 20 percent of their 1987 employment levels tied to direct or indirect manufactured exports.[10] As the DOL letter points out, the change in employment data primarily reflect "domestic consumption trends," rather than export-related jobs.

The DOC publication *U.S. Jobs Supported by Merchandise Exports* does measure export-related jobs. The data results come from a University of Maryland input-output model, based in part on the DOC Bureau of Economic Analysis's input-output tables. The report includes for the years 1983-1990, estimates on both *direct* and *indirect employment requirements* for shipments of merchandise exports from all sectors of the economy (agriculture, other goods-producing, and service-producing sectors). A companion publication, *U.S. Jobs Supported by Merchandise Exports to Mexico*, provides detailed information on jobs, by industry, supported by exports to Mexico. Neither publication includes data on jobs supported by exports by *State*.

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[9] CRS is aware that in addition to information submitted to the subcommittee by DOL, current data are published monthly by DOL Employment and Training Administration, Office of Trade Adjustment. In addition, the *Federal Register* publishes the name and location of each plant for which trade adjustment assistance is approved.

[10] Indirect exports refer to manufactured input *upstream* to produce the intermediate inputs and capital goods, and *downstream* to complete the final products ready for export.

TABLE 1. Overview of DOL and DOC Sources for Data on Plant Closings, Mass Layoffs, and Worker Dislocations

Category	Data source offered by Departments of Labor (DOL) or Commerce (DOC)	General evaluation and comments	Does the source provide data for the "category" listed at left?				
			Does source provide data named in category at left?	By number of workers?	By industry (IND)/occupation (OCC)?	By geographic area?	By reasons for closure, relocation, layoff, etc.?
Plant closures in U.S.	Mass Layoff Statistics Program /Mass Layoffs and Plant Closings (MLS-DOL)	Essentially, this source does not contain data on plant closings.	No	No	IND: No OCC: No	No	No
	Worker Adjustment and Retraining Notification (WARN) data system (DOL)	This source does not separate out plant closures from all layoff events.	No	No	IND: No OCC: No	No	No
	Displaced Worker Survey/ Displaced Workers (DOC/DOL)	This source reports on proportions of tenured workers dislocated by plant closures, but not on the number of plant closures themselves.	No	Reports number of workers, but not plant closings by number of workers	IND: No for plant closures, yes for workers dislocated by plant closures OCC: No	No	No
Plant relocations	MLS (DOL)	This source includes domestic and overseas plant relocations for 1986-1992; some data are reported by industry and relocation target for 1991-92 only	Yes, for the years 1986-92	Yes	IND: Some, for overseas relocations in 1991-92 OCC: No	No for relocation source; some for relocation target, for 1991-92 only	No
Downsizing	MLS (DOL)	Some line items could reflect downsizing	No	Yes	IND: No OCC: No	No	No

Category	Data source offered by Departments of Labor (DOL) or Commerce (DOC)	General evaluation and comments	Does the source provide data for the "category" listed at left?				
			Does source provide data named in category at left?	By number of workers?	By industry (IND)/occupation (OCC)?	By geographic area?	By reasons for closure, relocation, layoff, etc.?
All layoffs in U.S.	MLS (DOL)	Layoff data cover 26 States in 1986; 46 States in 1992	No, only for 7 years	Yes	IND: Yes OCC: No	Yes	Yes, but not by reason by industry
Displaced workers	Displaced Workers (DOC/DOL)	These data provide the best picture of worker dislocation. However, data published count only workers with 3 or more years' tenure with employer	Yes	Yes	IND: Yes OCC: Yes	Yes	Yes
Displaced workers receiving TAA	Trade Adjustment Assistance program (DOL)	Detailed data exists on TAA beneficiaries, beginning in 1975	Yes	Yes	IND: Yes OCC: No	Yes	Yes – Imports contributed importantly
Jobs lost in U.S. from import penetration	MLS	Not as inclusive as TAA data	No	Some: line item: "import competition"	IND: No OCC: No	No	No
Export-related jobs created	Trade and Employment (DOL)	Source does not track export-related jobs	No	No	IND: No OCC: No	No	Not applicable
	U.S. Jobs Supported by Merchandise Exports and U.S. Jobs Supported by Merchandise Exports to Mexico (DOC)	Provides specific data on export-related jobs from a Univ. of Maryland input/output model for 1983-1990	Yes for 7 years	Yes	IND: Yes OCC: No	Yes on foreign markets exported to; No on jobs created, by State	Not applicable

Table prepared by CRS.

Options for Making the Data More Useful to Policymakers

In light of the weaknesses identified for the three data sources addressed above — the MLS survey, the WARN program, and the displaced worker survey — some options for strengthening these programs are included here. The DOC data sources are fairly complete (although data on export-related job creation by industry within each State would be useful). Options for strengthening the MLS, WARN, and displaced worker data systems under DOL could include:

MLS Data System

1. The suspended MLS data program could be reinstated.

2. The MLS could *redefine* "*plant closing*" to include all permanent closings of branches or major departments as well as physical plants of an establishment.

3. The MLS could then collect and report data on plant closings.

4. The MLS could provide counts of workers, by industry and by geographic location, for separate permanent events including plant closings, plant relocations and other permanent layoffs (automation, downsizing, etc.)

WARN Data System:

1. A legislative requirement or DOL regulation could mandate *restructuring the compilation of* data by State dislocated worker units, from data reported by employers. Thus, data could be collected and reported on permanent plant closings, relocations, and other permanent layoff events, including the geographic area, the industry, and the number of workers associated with each event.

2. Data from the WARN system possibly could be fed into and coordinated with the more comprehensive MLS system. This coordination could result in a single system for producing data on plant closings, relocations, and permanent layoff events, avoiding duplication of effort and expense.

Displaced Worker Survey:

1. The DOL could pull from its data system and *publish* data on all workers — not just data on workers with three or more years tenure with an employer. Currently, such data are available only to those who know to ask for it. Because these data are already in the data base, publication of more complete data could be done with minimum expense.

2. The DOL could *publish* data on the number of workers displaced *by* State or geographic region for categories of layoff events including permanent plant closures, plant relocations, and automation/downsizing.

Conclusions

The options mentioned for possible changes in the MLS, WARN, and displaced worker reporting systems could help provide policymakers with much needed data tracking U.S. plant closings, plant relocations, and worker dislocations. The results could enable these three systems to provide data both by industry and by geographic area, for the major types of permanent layoff events.

The question arises about duplication in data production, if all three systems are producing data to their potential. The basic potential for duplication lies with the WARN and the MLS system, which are both surveys of *establishments*. The displaced worker survey polls only *households*, and thus affords no count of establishments.

The displaced worker survey is a potentially important check on the other two systems in its counting of *workers* displaced from such events as plant closings and plant relocations -- events which employers may be reluctant to divulge. However, for the displaced worker survey to be truly useful for policy-making purposes, data on *all* displaced workers (not just the long-tenured ones, as is currently the case) need to be reported. Since these data on the entire universe of displaced workers are already tabulated in the system, the cost of reporting it should be fairly minimal.

While the WARN data production system *could* potentially be duplicative of the MLS system, the reverse is not the case, because the WARN system is potentially less inclusive (once the MLS system includes all States.) The WARN system only reports closing and layoff events in cases involving businesses of 100 or more workers. Ideally, what could evolve with the WARN and MLS systems is data *coordination* between the two systems. Efficiency in structuring a single data system from these two might well save the U.S. Government money in the longer term.

At present *neither* the MLS nor the WARN *establishment* data collection systems provides needed comprehensive data on plant closings. Both data collection systems miss the mark and the MLS system also misses its legislative mandate to provide: *data on plant closings, plant relocations and other permanent layoff events, tabulated by industry and by geographic location*. If these data were available, policymakers could use the resulting report on trends in industrial restructuring to help them make informed policy decisions. Especially important are decisions affecting U.S. workers and U.S. jobs, such as those surrounding the debate on NAFTA.