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Moving from One Job to the Next: A First Look, 2005

Maine Department of Labor

Maine Center for Workforce Research and Information

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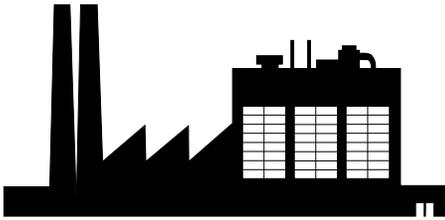
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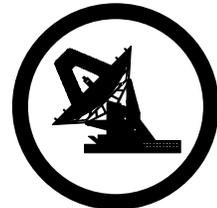
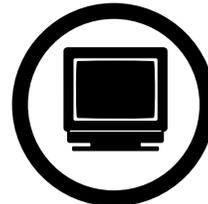
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Moving from One Job...



...to the
Next



A First Look

A Publication Series on the Maine Workforce

MAINE
DEPARTMENT OF
LABOR
Labor Market Information

The Division of Labor Market Information Services

LMIS is responsible for gauging the conditions of Maine's labor market, assessing workforce developments, and communicating the resulting analysis to support decisions and plans of workers, employers, policymakers, economic developers, education and training planners, and career guidance and employment service specialists.

The Division is made up of a staff of 30 economists, statistical analysts, and labor market information specialists.

In addition to expert staff, LMIS makes extensive use of Web-based communications technologies and systems. LMIS also fields three regional economists who track local and regional labor market developments. Our annual budget is approximately \$3 million and our financial support comes primarily from the U.S. Department of Labor, Bureau of Labor Statistics (BLS) and the Employment and Training Administration (ETA).



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Moving from One Job to the Next

A First Look

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Preface

The Maine economy is in the midst of significant structural change. Some industries are declining and shedding jobs while new industries are emerging and adding to the continued expansion of Maine employment overall. Across the spectrum of Maine workplaces, more is being demanded of workers as technology, management innovation, and global competition escalate the knowledge, skills, and abilities required for job performance. Understanding the dynamics of our economy is fundamental to making effective public policy and developing sound investment strategies. The Maine Department of Labor, Division of Labor Market Information Services, is committed to examining the challenges that face Maine workers and employers in this economic environment.

This study examines the experiences of laid-off workers from a major shoe manufacturing company in central Maine. We used a combination of administrative data from the Bureau of Unemployment Compensation and Bureau of Employment Services One-Stop CareerCenters. These two data sources provided us with considerable detail about the demographic characteristics, work histories, retraining and employment service interventions, and post-service labor market experiences of these workers. The analysis provided in this report is intended to help workforce planners, economic development officials and community leaders formulate more effective strategies and service intervention to re-position workers and communities impacted by plant closings and large scale workforce reductions.

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John Dorrer, Director
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Contents

	<i>Page</i>
Introduction	1
The Layoff.....	2
Before the Layoff.....	2
After the Layoff.....	5
Re-employment	6
Training.....	11
Summary	14

List of Tables

Characteristics of All Workers.....	2
All Workers by Pre-layoff Occupation.....	3
Characteristics of Workers Not Employed for Twenty-four Months after Layoff	5
Characteristics of Workers with Re-employment.....	6
Time to Re-employment by Pre-layoff Occupation	7
Time to Re-employment by Pre-layoff Occupation and Date of Layoff.....	8
Workers by Re-employment Occupation	9
Types of Training in Which Workers Participated.....	11
Workers by Training Occupations and Re-employment Occupations Related to Training	12

List of Charts

All Workers by Pre-layoff Occupation.....	4
Workers by Re-employment Occupation	10
Earnings Profile of Workers Pre-layoff and Post-layoff	10
Earnings Profile of Workers who Participated in Training	13

Introduction

The announcements of plant closings and workforce reductions seem to be a constant as the economy continues to transform. Thousands of workers throughout the state have lost their jobs and entire communities have been challenged to reinvent themselves as long standing industries have disappeared or left the state. The steady march of technology innovation, globalization, and management restructuring has altered Maine's employment landscape dramatically.

What happens to the workers impacted by plant closings and workforce reductions? Where do they find the next job? What is the impact on their earnings? For workforce planners charged with assisting dislocated workers, there are information gaps. How long did it take most of the workers to find a new job? For re-employed workers, what was the differential in earnings from their prior job? How did older workers fare compared to younger workers? Did those with higher levels of educational attainment find jobs more quickly than those with less education? Was there a difference in re-employment between men and women? Did those who participated in training programs find better jobs than those who did not? These are just some of the questions for which policy makers, workforce planners, education training experts, employers, and Maine workers themselves need better answers.

The Maine Department of Labor launched a new research program to study workers in transition by occupations and industries. Two primary data sources were used for this study. Administrative data from the Bureau of Unemployment Compensation, which include quarterly wage records of individual workers submitted by employers to the Department of Labor under Maine's Employment Security Law, provided information on wages and employers. CareerCenter One-Stop Operating System data from the Bureau of Employment Services provided demographic information along with data on services, training, and employment. This report contains the initial analysis of this pilot project, which tracked laid-off workers from a major shoe manufacturing company in central Maine.

What happens to the workers impacted by plant closings and workforce reductions?

The Layoff

Like many other traditional industries, the employment decline at the former Maine shoe manufacturing company in this study occurred over an extended period of time. This analysis tracks the workers displaced through layoffs and the eventual closure of all of the company's plants between April, 1999, and December, 2002. The layoffs and closures took place in stages with some workers laid off, recalled, and laid off again.

This closure is demonstrative of a basic shift in employment within the state from manufacturing occupations to service occupations. The middle part of the state (the western, central, and northeastern regions) has long been the manufacturing hub of the state, with particularly high concentrations of jobs in some of the fastest declining industries, including shoe shops, textile mills, and paper mills. In this region, where one employer or industry has been historically dominant, the closing of a plant or significant workforce reductions in the industry have created severe worker dislocations and formidable economic challenges.

The analysis of the initial unemployment claims data identified 1,137 separations, or layoffs. These separations led to 1,076 initial claims impacting 822 individuals. Since the layoffs occurred in stages, an individual may have been laid off from one job, rehired at the company for a period of time, and then laid off again. This cycle could have occurred several times before the final separation from the company, allowing multiple separations and initial claims for individuals.

Before the Layoff

The first objective of the project was to identify the baseline characteristics of the workers. This addresses the basic question of who the workers were. The characteristics of gender, age group, education level, and family responsibility were set for the time of each individual's first layoff from the company. An individual's age group would be determined according to their age at the time of their first layoff. Table 1 describes the characteristics of the 822 workers.

This closure is demonstrative of a basic shift in employment within the state from manufacturing occupations to service occupations.

Characteristic	Number of Workers	Percent of Workers
Gender		
Male	362	44.0
Female	460	56.0
Age Group		
Under 25	23	2.8
25 to 34	108	13.1
35 to 44	260	31.6
45 to 54	253	30.8
55 and Over	178	21.7
Education Level		
Less than High School Diploma	121	14.7
High School Diploma	593	72.1
High School and Some Post-secondary	70	8.5
Four-year College Degree	11	1.3
More than Four Years of College	4	0.5
Unknown	23	2.8
Family Responsibility		
Lives Alone	111	13.5
Principal Wage Earner	450	54.7
Secondary Wage Earner	261	31.8
Total of All Workers	822	100.0

From Table 1 we can see that slightly more than half of the workers were female. Approximately 84% of the workers were over the age of 34, and over half of the workers were age 45 or older. The majority of the workers, about 72%, had a high school diploma as their highest level of education prior to layoff. About half of the workers were the principal wage earner for their household.

The workers laid off from this company were mostly within an older age range, which is typical in the manufacturing industry. As the Maine population continues to age, it is important to understand what happens to individuals in this group who lose their jobs due to the changing economy. Most of the workers examined in this study had no formal education beyond high school, making it difficult to draw any conclusions based solely on formal education levels. However, a large number of individuals participated in training after layoff, and this group can help us understand the impact of further education on workers who lose their jobs.

A large focus of this project was on the occupations of the workers. As a single employer was being examined, all workers fell within the same industry prior to layoff, so industry had very little analytical power in this case. Occupation allowed for a much richer examination of employment data. The occupations the workers were employed in prior to layoff were compared to the occupations in which they trained and the occupations in which they found new jobs. This was done using the major occupational group based on the Standard Occupational Classification (SOC) coding structure. Table 2 describes the pre-layoff occupations of the workers by the major occupational groups. The major occupational groups that are combined in the “All Other” group represent those groups whose numbers are so small that it would not be practical to draw any conclusions from the data.

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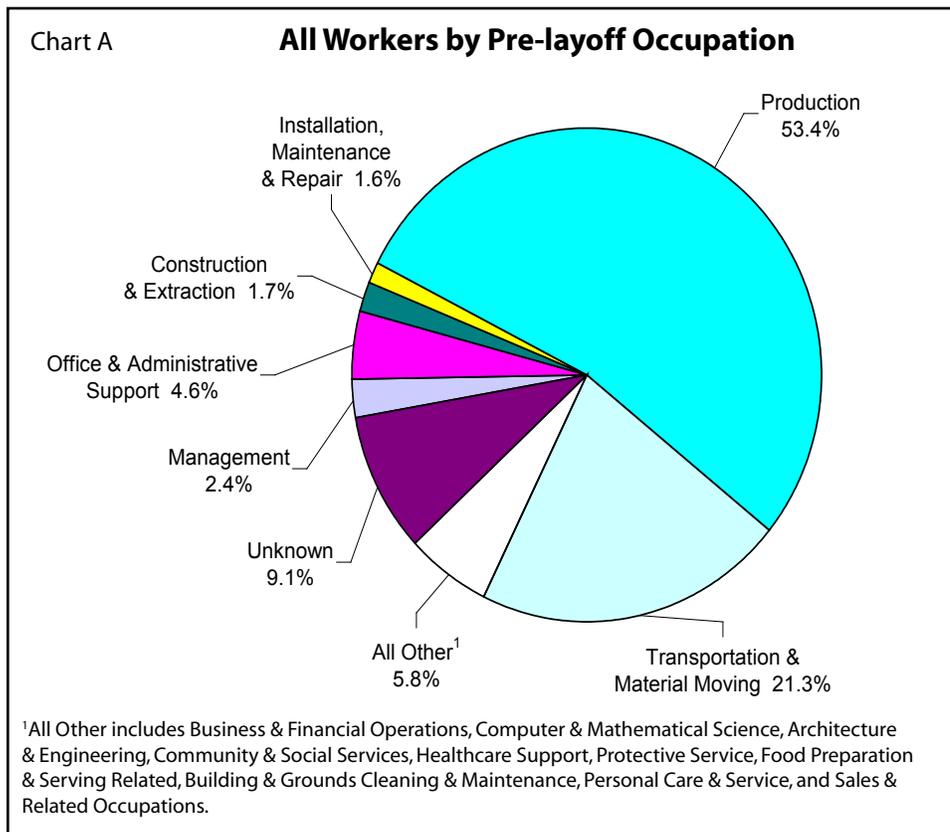
Major Occupational Group	Number of Workers	Percent of Workers
Management	20	2.4
Office & Administrative Support	38	4.6
Construction & Extraction	14	1.7
Installation, Maintenance & Repair	13	1.6
Production	439	53.4
Transportation & Material Moving	175	21.3
All Other ¹	48	5.8
Unknown	75	9.1
Total	822	100.0

¹All Other includes: Business & Financial Operations, Computer & Mathematical Science, Architecture & Engineering, Community & Social Services, Healthcare Support, Protective Service, Food Preparation & Serving Related, Building & Grounds Cleaning & Maintenance, Personal Care & Service, and Sales & Related Occupations.

Prior to layoff, most of the workers were employed in occupations related to production, transportation, and material moving. Approximately 75% of the workers were employed in production or transportation and material moving occupations, with approximately 16% in the remaining occupations and 9% unknown. This range of occupations is typical for the manufacturing industry.

Chart A depicts the same data as Table 2, highlighting the large numbers of workers in production and transportation and material moving occupations.

As the Maine economy changes, there are fewer and fewer jobs available in production-related occupations. Skills from these occupations are difficult to apply to other occupations, particularly without any re-training. Consequently, it is becoming necessary for workers in these occupations who lose their jobs to seek further training in order to become re-employed.



After the Layoff

The next step in the analysis was to divide the workers into several groups for closer examination. The first group identified included those workers who were not employed for the first two years after they were laid off. This group consists of 166 of the 822 workers. Table 3, which shows the characteristics of these 166 workers, is a subset of Table 1, which shows the characteristics of all 822 workers.

Maine covered employment excludes a number of different groups of workers, such as the self-employed, federal employees, and individuals working in other states. These individuals are classified as “not employed” within the wage record data, along with any workers who were continuing to search locally for a suitable job or chose to retire or otherwise leave the labor force. Therefore, we have no further employment information on these individuals.

The characteristics of workers not employed after layoff were comparable to the characteristics of all workers, with one notable exception. Prior to layoff, about half of the workers were age 45 or older, while 72% of workers not employed after layoff fell into this age range. Around 40% of the workers not employed after layoff were 55 years of age or older. It is very likely that a large number of these individuals chose to retire rather than seek re-employment.

Characteristic	Number of Workers	Percent of Workers
Gender		
Male	75	45.2
Female	91	54.8
Age Group		
Under 25	*	*
25 to 34	10	6.0
35 to 44	34	20.5
45 to 54	53	31.9
55 and Over	67	40.4
Education Level		
Less than High School Diploma	31	18.7
High School Diploma	115	69.3
High School and Some Post-secondary	12	7.2
Four-year College Degree	*	*
More than Four Years of College	0	0.0
Unknown	6	3.6
Family Responsibility		
Lives Alone	28	16.9
Principal Wage Earner	91	54.8
Secondary Wage Earner	47	28.3
Total Workers Not Employed	166	100.0

**Data does not meet Federal or State disclosure criteria, but is included in the Total row.*

Note: Possible reasons for being identified as “not employed” include: self-employment, federal employment, out of state employment, retirement, unemployment, exiting the labor force.

Re-employment

The next group of workers identified included those who did become re-employed after layoff. One of the first questions that arose was how long it took these workers to become re-employed. Time to re-employment was calculated by counting all the quarters with no wages from the last layoff event per individual to the next time a Maine covered employer reported wages for that individual through the eighth quarter after layoff. Quarters were counted rather than months because the wage record data only reports quarterly wages. Only those workers with wages reported sometime in the first twenty-four months after layoff were used to calculate time to re-employment. Workers with no wage records for the first twenty-four months after layoff were excluded because they were never re-employed in Maine covered employment. The excluded workers may have been self-employed, employed by the federal government, employed in another state, retired, unemployed, or out of the labor force. This left 656 individuals with post-layoff wages. Table 4, which shows the characteristics of this group of workers with re-employment along with the average time in quarters it took them to become re-employed, is a subset of Table 1, which shows the characteristics of all 822 workers.

Time to re-employment was calculated by counting all the quarters with no wages from the last layoff event per individual to the next time a Maine covered employer reported wages for that individual through the eighth quarter after layoff.

Quarters were counted rather than months because the wage record data reports quarterly wages.

Characteristic	Number of Workers	Percent of Workers	Average Time to Re-employment (in quarters)
Gender			
Male	287	43.8	2.6
Female	369	56.3	2.4
Age Group			
Under 25	21	3.2	2.7
25 to 34	98	14.9	2.3
35 to 44	226	34.5	2.6
45 to 54	200	30.5	2.6
55 and Over	111	16.9	2.3
Education Level			
Less than High School Diploma	90	13.7	2.2
High School Diploma	478	72.9	2.6
High School and Some Post-secondary	58	8.8	2.5
Four-year College Degree	9	1.4	2.7
More than Four Years of College	4	0.6	2.5
Unknown	17	2.6	1.7
Family Responsibility			
Lives Alone	83	12.7	2.2
Principal Wage Earner	359	54.7	2.6
Secondary Wage Earner	214	32.6	2.5
Total of All Workers with Re-employment	656	100.0	2.5

Note: Excluded from this group are individuals who are self-employed, employed by the federal government, working in another state, retired, unemployed, or not in the labor force.

As with those workers who did not find re-employment after layoff, the characteristics of this group of re-employed workers were comparable to the characteristics of all workers. The exception again was in age: while nearly 22% of all workers were age 55 or older, only 17% of workers with re-employment had been age 55 or older at the time of layoff. Overall, it took an average of 2.5 quarters before re-employment was found, and most workers were close to this average. Interestingly, those workers with a level of education below that of a high school diploma took less time to re-employment than any of the other education levels. The workers with a four-year college degree actually took the longest time to re-employment of the education levels. Workers who lived alone took the least amount of time to re-employment, which could be explained by having only one wage earner in a household.

Table 5 shows the time to re-employment by pre-layoff occupation. The occupations that took the longest time to re-employment were installation, maintenance and repair and transportation and material moving, which averaged longer than 3.0 quarters to re-employment. The occupation that took the shortest time to re-employment was management, which averaged less than 2.0 quarters to re-employment.

Major Occupational Group	Number of Workers	Percent of Workers	Average Time to Re-employment (in quarters)
Management	17	2.6	1.9
Office & Administrative Support	30	4.6	2.3
Construction & Extraction	14	2.1	2.4
Installation, Maintenance & Repair	9	1.4	3.6
Production	355	54.1	2.4
Transportation & Material Moving	128	19.5	3.3
All Other ¹	44	6.7	2.7
Unknown	59	9.0	1.6
Total	656	100.0	2.5

¹All Other includes: Business & Financial Operations, Computer & Mathematical Science, Architecture & Engineering, Community & Social Services, Healthcare Support, Protective Service, Food Preparation & Serving Related, Building & Grounds Cleaning & Maintenance, Personal Care & Service, and Sales & Related Occupations.

It is possible that the management occupational group had the shortest average time to re-employment because the skills from this group are readily transferable to other occupations and industries. Little, if any, training would be required for re-employment. The occupations that took the longest time to re-employment require more specific skills, possibly leading to a longer period of re-training before re-employment could be found.

Table 6 shows two subgroups of Table 5 according to the workers' time to re-employment by date of layoff. The first category consists of those workers who were laid off between 1999 and 2000, during a period of economic growth. The second category consists of those workers who were laid off between 2001 and 2002, during a period of economic decline.

Major Occupational Group	Layoff before 2001		Layoff 2001 or after	
	Percent of Workers	Average Time to Re-employment (in quarters)	Percent of Workers	Average Time to Re-employment (in quarters)
Management	1.9	3.7	2.8	1.5
Office & Administrative Support	6.8	1.9	3.8	2.6
Construction & Extraction	0.0	0.0	2.8	2.4
Installation, Maintenance & Repair	0.0	0.0	1.8	3.6
Production	68.5	2.1	49.4	2.5
Transportation & Material Moving	4.9	2.8	24.3	3.3
All Other ¹	6.8	1.8	6.7	3.0
Unknown	11.1	2.4	8.3	1.3
Total	100.0	2.1	100.0	2.6

¹All Other includes: Business & Financial Operations, Computer & Mathematical Science, Architecture & Engineering, Community & Social Services, Healthcare Support, Protective Service, Food Preparation & Serving Related, Building & Grounds Cleaning & Maintenance, Personal Care & Service, and Sales & Related Occupations.

For nearly all of the occupations, time to re-employment was longer for the workers laid off in 2001 or after. This indicates that the economic conditions at the time of layoff do have an impact on time to re-employment. One exception was those workers employed in management occupations. The average time to re-employment for these workers was 3.7 quarters for those laid off before 2001 and 1.5 quarters for those laid off in 2001 or after.

Table 7, on the following page, looks at the re-employment occupations of the 656 workers identified in Table 4. Of the 656 workers with wages after layoff, the administrative data for 482 of these workers listed the occupation in which they found re-employment. The administrative data for the remaining 174 workers with wages after layoff did not list their re-employment occupation.

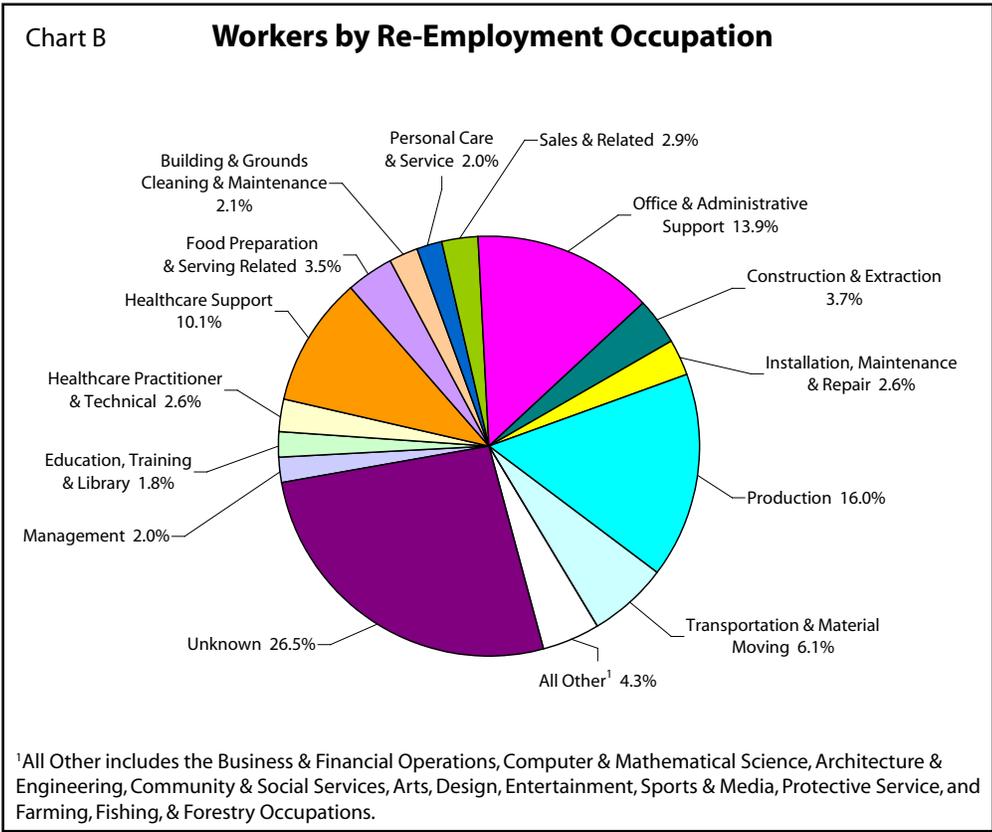
Three occupational groups provided re-employment for approximately 40% of the workers: production, office and administrative support, and healthcare support. When examining the data, it is important to note that the number of workers entering employment in production may be slightly inflated because the re-employment occupation was determined using the first post-layoff occupation. For many workers, this may have been a transitional job, with only a short period of time spent in the first re-employment occupation.

Major Occupational Group	Number of Workers	Percent of Workers
Management	13	2.0
Education, Training, & Library	12	1.8
Healthcare Practitioner & Technical	17	2.6
Healthcare Support	66	10.1
Food Preparation & Serving Related	23	3.5
Building & Grounds Cleaning & Maintenance	14	2.1
Personal Care & Service	13	2.0
Sales & Related	19	2.9
Office & Administrative Support	91	13.9
Construction & Extraction	24	3.7
Installation, Maintenance & Repair	17	2.6
Production	105	16.0
Transportation & Material Moving	40	6.1
All Other ¹	28	4.3
Unknown	174	26.5
Total	656	100.0

Only 22% of all the workers were employed in production or transportation and material moving occupations after re-employment, compared to 75% employed in these occupations prior to layoff.

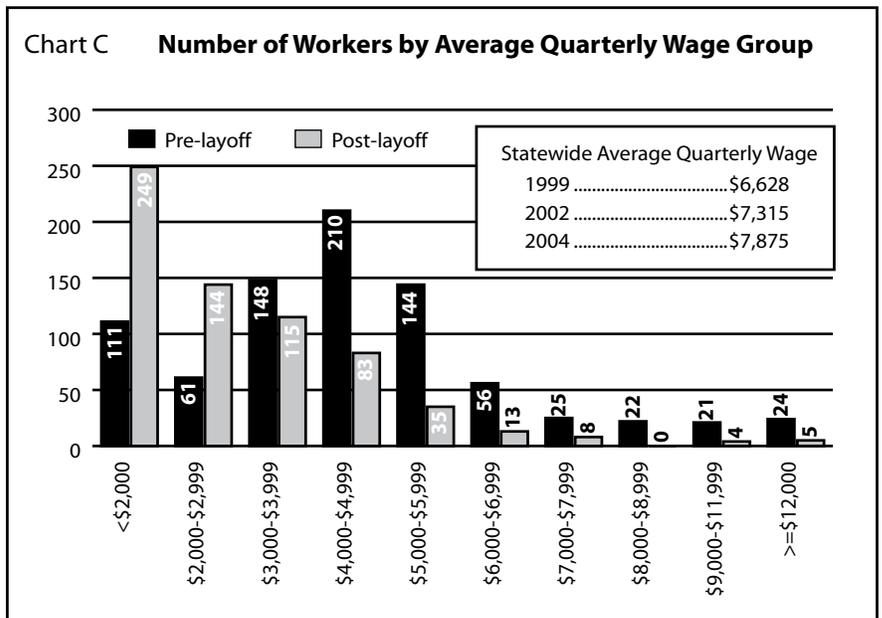
¹All Other includes the Business & Financial Operations, Computer & Mathematical Science, Architecture & Engineering, Community & Social Services, Arts, Design, Entertainment, Sports & Media, Protective Service, and Farming, Fishing, & Forestry Occupations.

Chart B puts the data from Table 7 into a visual format, making it readily apparent how much the occupational distribution of workers changed after layoff. There was a much broader range of occupations following re-employment than there was prior to layoff. Only 22% of the workers were employed in production or transportation and material moving occupations after re-employment, compared to 75% employed in these occupations prior to layoff. Roughly 13% of workers had re-employment occupations in healthcare-related occupations and 14% in office and administrative support.



Both of these occupational groups are projected to have a large number of annual openings between 2002 and 2012. During the same time period, production occupations are projected to decrease. This makes it very likely that the shift in occupations observed in this specific project is an indication of what is to come and not an abnormality in the Maine economy.

In order to gain an understanding of the post-layoff situation of the workers, it is not enough to look at how many workers became re-employed and what occupations they were re-employed in. It is also necessary to consider what the wages were like before layoff and whether workers were able to match those wages upon re-employment. Manufacturing jobs typically have high average wages, and it is difficult to find re-employment in a different industry at a comparable level of compensation. Chart C compares the number of workers by average quarterly wage group before and after layoff. Post-layoff average quarterly wages were calculated in a similar manner as the time to re-employment. The wage records for the eight quarters after the layoff quarter were used. Those workers with no wages for the twenty-four months after layoff were excluded.



It is important to note that the quarterly wage record represents employment during the quarter whether the individual was employed one day or ninety days. Until steady employment is achieved, the average quarterly wages might be deflated. The statewide average quarterly wage for all industries in 1999 was \$6,628, in 2002 was \$7,315, and in 2004 was \$7,875. The statewide average quarterly wage for the manufacturing industry in 1999 was \$8,641, in 2002 was \$9,538, and in 2004 was \$10,250.

Before layoff, approximately 21% of all 822 workers had average quarterly wages less than \$3,000, 61% had average quarterly wages in the range of \$3,000 to \$5,999, and 18% had average quarterly wages of \$6,000 or more. After layoff, approximately 60% of the 656 workers with post-layoff wages had average quarterly wages less than \$3,000, 35% of workers had average quarterly wages in the range of \$3,000 to \$5,999, and 5% had average quarterly wages of \$6,000 or more.

The percentage of workers with average quarterly wages less than \$3,000 increased after layoff while the percentage of workers with average quarterly wages of \$3,000 or more decreased after layoff. This is a dramatic shift in income for these workers overall, and indicates that many workers were unable to find employment that matched their pre-layoff income levels. One of the possible explanations for the large number of workers in the less than \$2,000 wage group is that since many workers were in training during this time period, they may have been working part-time or they may have had wages for only a small portion of the months after layoff.

Training

Of the 822 workers in this study, 645, or 78.5%, participated in training or CareerCenter services after layoff. Looking at the results from these workers allows an understanding of how training can impact laid-off workers. The training programs ranged from basic skills training and on-the-job training to specific occupational skills training at a community college, college, university, or other training location. Table 8 shows the types of training the workers participated in. Basic skills training includes adult education, reading, writing, math computation, literacy activities, etc. Occupational skills training is training designed to respond to the immediate needs of a specific job or career including skills upgrading and retraining, job readiness training, etc. On-the-job training consists of training by the employer that is provided to a paid participant while engaged in productive work. Slightly more than 76% of the workers participated in occupational skills training, either on its own or in combination with other training.

Slightly more than 76% of the workers participated skills training, either on its own or in combination with other training.

Types of Training	Number of Workers	Percent of Workers
Basic Skills Training Only	90	14.0
Occupational Skills Training Only	262	40.6
Basic Skills and Occupational Skills Training	216	33.5
Occupational Skills and On-the-Job Training	13	2.0
Basic Skills, Occupational Skills, and On-the-Job Training	4	0.6
Training or Services Not Identified	60	9.3
Total	645	100.0

Table 9, which follows, shows the occupations that workers trained in and how many actually entered employment related to their training. It is likely that workers without a training occupation code received general training assistance such as résumé writing, interviewing skills, or career decision making. In Table 9, the percent entering employment related to training for each occupation was calculated by dividing the number entering employment related to training in that occupation by the actual number in training for that occupation.

Of the 645 workers who participated in some form of training, the administrative data for 545 of these workers listed a specific occupation in which they were receiving training. The administrative data for the remaining 100 workers did not list an occupation, although it is unclear how many were receiving only non-specific training and how many simply did not report an occupation. There were 177 workers who did not indicate that they were receiving training services. 282 workers not only received occupation-specific training, but also entered employment related to the occupation in which they trained.

Table 9

Workers by Training Occupation and Re-employment Occupation Related to Training

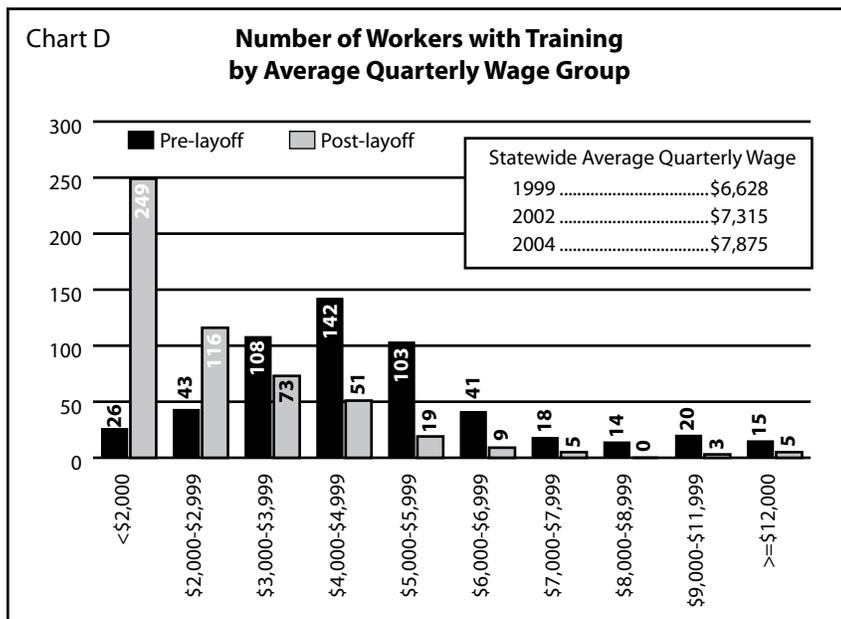
Major Occupational Group	Number in Training	Number Entering Employment Related to Training	Percent Entering Employment Related to Training
Management	36	4	11.1
Business & Financial Operations	10	*	*
Computer & Mathematical Science	22	7	31.8
Architecture & Engineering	7	3	42.9
Community & Social Services	25	3	12.0
Education, Training, & Library	10	9	90.0
Arts, Design, Entertainment, Sports & Media	5	3	60.0
Healthcare Practitioner & Technical	34	17	50.0
Healthcare Support	87	62	71.3
Protective Service	8	3	37.5
Food Preparation & Serving Related	5	5	100.0
Building & Grounds Cleaning & Maintenance	5	*	*
Personal Care & Service	27	11	40.7
Sales & Related	14	10	71.4
Office & Administrative Support	108	64	59.3
Construction & Extraction	35	17	48.6
Installation, Maintenance & Repair	27	13	48.1
Production	28	22	78.6
Transportation & Material Moving	52	26	50.0
Total	545	282	51.7
Workers with No Training Occupation Code Listed	100		
Total Workers Who Participated in Training	645		
Workers Indicating No Training Services	177		
Total Number of Workers	822		

* Data does not meet Federal or State disclosure criteria, but is included in the Total row.

While most of the workers were employed in production occupations prior to layoff, Table 9 shows that workers trained in many different occupations. Three occupational groups in particular drew large numbers of trainees: office and administrative support, healthcare support, and transportation and material moving. Approximately 45% of the 545 workers who listed a training occupation trained in one of these three occupational groups. Overall, approximately 52% of the 545 workers found employment related to their training.

While most of the workers were employed in production occupations prior to layoff, Table 9 shows that workers trained in many different occupations.

Chart D addresses the question of whether receiving training impacts re-employment wages. A total of 530 individuals had re-employment wages and received training or services. Before layoff, approximately 13% of these 530 workers had average quarterly wages less than \$3,000, 67% had average quarterly wages in the range of \$3,000 to \$5,999, and 20% had average quarterly wages of \$6,000 or more. After layoff, approximately 69% of the 530 workers had average quarterly wages less than \$3,000, 27% of the workers had average quarterly wages in the range of \$3,000 to \$5,999, and only 4% had average quarterly wages of \$6,000 or more. As in Chart C, post-layoff average quarterly wages were calculated using the wage records for the first twenty-four months after layoff. Those workers with no wages during that time period were excluded from the calculations. The statewide average quarterly wage for all industries in 1999 was \$6,628, in 2002 was \$7,315, and in 2004 was \$7,875.



The trend shown in this chart is very similar to the one shown in Chart C. The workers who participated in training were not, in the twenty-four months after layoff, able to recapture a larger portion of their pre-layoff earnings than those workers who did not participate in training. In fact, nearly 70% of the workers with training had re-employment average quarterly wages below \$3,000 while only 60% of all workers with post-layoff wages had re-employment wages in the same range. However, the time period being considered likely plays a factor in this wage disparity. Those workers with training were likely working for less time than their counterparts who did not participate in training. Some workers may have been employed part-time while in training, or only began working again after completing their training. Workers who did not participate in training probably re-entered the workforce sooner than those workers who chose to participate in training. These considerations will be examined further in a future report as more data continue to be collected.

Summary

This initial analysis has formed a clear picture of who the laid-off workers were and what their situation was soon after layoff. The next step is to look at how the workers are doing not two years after the layoff, but four years, or six. While these results have answered some questions, they also bring to light further questions that still need to be addressed.

Around 87% of the workers had a high school diploma or less as their highest level of education. In the long run, does further education or training result in better re-employment outcomes for these individuals? This paper only examines the results for the first two years after layoff. Training can often take up to two years, leaving us without a clear picture of the impact of further training on wages. Overall, average quarterly wages were lower upon re-employment than before layoff. Do average quarterly wages increase if the second two years after layoff are examined?

Over half of the workers were age 45 or older, a trend consistent with the aging population in the state. What particular obstacles do these workers face regarding re-training and re-employment? This age group also had the largest proportion of workers who did not have any wages after layoff. Did these individuals choose to retire, or were they unable to find re-employment and essentially forced into retirement?

Production occupations, particularly in the manufacturing industry, are rapidly declining in Maine. Before layoff, around 53% of the workers were employed in production occupations. After layoff and re-employment, only 16% were employed in production occupations, while 24% were employed in healthcare support or office and administrative support occupations. This parallels a statewide shift from production occupations, which are declining, to support and service occupations, which are generally increasing. Healthcare support and office and administrative support occupations are both expected to see increases in jobs over the coming years. How can we best direct resources towards retraining workers from production occupations to occupations expected to grow in the coming years?

On average, it took workers over seven months to become re-employed. How much of this time was spent in training and how much was spent looking for an appropriate job? 645 workers participated in some form of training, and approximately 44% of these workers reported entering employment related to their training. How many of these workers were training in an occupation unrelated to what they had been working in prior to layoff?

As the economic structure of the state of Maine continues to change, it is crucial to understand what happens to the workers impacted by these changes. As jobs in the manufacturing industry disappear, more and more workers will be in a similar situation. This report has provided an initial analysis of the impact of the closure of a major manufacturing company on its employees. This group of workers will continue to be tracked in order to paint as complete a picture as possible. While

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their particular situation is unique, their experiences can be applied to workers undergoing similar layoffs throughout the manufacturing industry. Additionally, the methodology of this analysis will be available in future projects to examine industry-wide changes.



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