This report analyzes New Mexico’s extended mass layoff events and their corresponding initial claims. An extended mass layoff event is defined as any permanent layoff lasting 31 or more consecutive days involving 50 or more initial claim filings against a company in a sequential five-week period. The initial claims in this report represent only those individuals filing for unemployment insurance in New Mexico that are included in the extended mass layoff event count. The Mass Layoff Statistics (MLS) system identifies potential mass layoffs in the private nonfarm sector of the economy. Employers are subsequently interviewed and an event verified and deemed an extended mass layoff event if the criteria above are met. The Longitudinal Tracking System (LTS) compiles the initial claims and corresponding demographics for those extended mass layoff events.

Unlike in previous downturns, the New Mexico economy was not spared significant impact from the national recession that extended from December 2007 to June 2009. As shown in the chart below, layoff events began rising sharply in 2008, peaked in 2009, and then declined in 2010 to a level more than double the 1997-2007 average. In 2008, the number of extended mass layoff events reached 38, a 111.1 percent increase over 2007. The situation deteriorated further in 2009 when the number of events climbed to 65, a 71.1 percent increase above the already high total for 2008. The number of events declined in 2010 to a level similar to that of 2008. Although the total declined by over 30 percent from 2009 to 2010, it remained well above average, at 45 events. According to national data from the Bureau of Labor Statistics (BLS), layoff events totaled 8,259 (up 54.0 percent) in 2008; 11,824 (up 43.2 percent)
in 2009, including a peak increase of 196.9 percent in the first quarter of the year; and 7,158 (down 39.5 percent) in 2010, though still above the national average of 5,578 for 2000-2007. New Mexico’s peak increase occurred in fourth quarter 2008, at 466.7 percent.

Initial claims for the MLS program fell to 5,542 in 2010 from a peak of 9,168 in 2009. Both totals were well above the pre-recession average of approximately 2,334 claims per year (see chart above). New Mexico’s unemployment rate gradually increased to 8.6 percent at year-end 2010, while nonfarm employment growth closed the year down 0.8 percent from its December 2009 level.

The recent recession was especially difficult for men. The chart to the right illustrates the pronounced gender gap in initial claims filings that began just before the national recession’s onset and continued in subsequent years. Men represented 63.5 percent of initial claims filings in the MLS program for 2010, while the share for women totaled 35.7 percent. The bulk of mass layoff statistics events were in the goods-producing industries, which include construction, manufacturing, and mining. According to the Census Bureau’s 2005-2009 American Community Survey, the male share of employment in these three industries was 91.0 percent, 72.9 percent, and 89.0 percent, respectively. The chart on the left shows that 2009 initial claims counts were among the highest in construction and manufacturing, with most of those claims filed by men. This is the expected result given the gender distribution in the two industries. The service-providing industries generally posted lower initial claims counts and exhibited less gender disparity. Three industries—information, administrative support services, and health care and social assistance—tallied the bulk of the initial claims for service-providing industries, with only health care and social assistance employing primarily women. Census data list the male and female shares of total employment for the service-providing industries as follows: retail trade, 48.5 percent male and 51.5 percent female; transportation, warehousing, and utilities, 75.6 percent male and 24.4 percent female; information, 56.1 percent male and 43.9 percent female; professional, scientific & technical services, 58.0 percent male and 42.0 percent female; administrative, support & waste management, 60.2 percent male and 39.8 percent female; education services, 31.5 percent male and 68.5 percent female; health care and social assistance, 21.7 percent male and 78.3 percent female; arts, entertainment & recreation, 54.0 percent male and 46.0 percent female; accommodation & food services, 44.6 percent male and 55.4 percent female; and other services, 48.7 percent male and 51.3 percent female. Generally speaking, more men work in the transportation, warehousing, and utilities industry, while more women work in education services and health care and social assistance.
The chart below shows the age distribution for New Mexico extended mass layoff claims. Nationally, according to Current Population Survey data for 2010, 8.1 percent of the employed were 16 to 24 years old, 72.7 percent were 25 to 54 years old, and 19.2 percent were 55 and above. The unemployed distribution from the CPS was as follows: 26.0 percent for 16 to 24, 59.8 percent for 25 to 54, and 14.2 percent for 55 and older. The national unemployed percentage for the 16 to 24 age group was similar to the New Mexico extended mass layoff claims percentage of 20.3 percent for the under 30 group. Additionally, the 30 to 54 age group represented 59.6 percent of New Mexico extended mass layoff claims, which compares closely to the CPS' 25 to 54 age group unemployed share of 59.8 percent.

As indicated in the chart below, “business demand” was the most commonly cited reason for layoffs during the observed period. This category includes contract cancellations, contract completions, domestic competition, excess inventory or saturated market, import competition, and slack work or insufficient demand. The second most cited reason category was “other,” which includes film and television industry layoffs. The third most cited reason was “seasonal,” which includes construction, manufacturing, and school vacations or any event that occurs annually or routinely.