A recent article in the *New York Times* titled “Income Loss Persists Long After Layoffs” discussed the wage difficulties facing people affected by past layoffs. This article raised questions regarding how long it took to get back into a job and whether they earned as much as they were earning before the layoff. These are just a couple of the questions asked after a layoff has occurred. Currently, we have the opportunity to use a new system called the MLS Longitudinal Tracking System (LTS) that can analyze past layoffs in order to answer these questions and many others.

As with the rest of the country, New Mexico has been experiencing an increase in mass layoffs. In smaller, more rural areas of New Mexico, a mass layoff has a much more profound and noticeable effect. Many of the workers live and work in the local area, so a layoff can have a significant impact on the small community. When local layoffs are announced, economic development boards require information to help their communities. Recently, a local development board requested information about a planned layoff in a rural area of New Mexico; we used the MLS LTS system to help them answer some fundamental questions.

The company planning the layoff has been manufacturing its product for 25 years. Similar to others in the manufacturing industry, this company has experienced layoffs during the last 10 years. The company employed more than 400 at its peak but is now planning to lay off its remaining workforce and cease production. For the last 10 years, it has slowly laid off a large number of its employees, most of which lived and worked in this small community with limited employment opportunities.

The local economic development board came to us and asked what economic opportunities might be brought in for the area to help foster growth. Using the MLS LTS, we can analyze the last three layoffs to show what industry attracted most of these employees and how they fared financially. These questions can be answered using the basic reports from the LTS system. The LTS system will not allow for a specific company to be chosen, but specific industries and time periods can be selected and analyzed. After the dates of the previous layoffs were determined, the standard report titled “By industry of layoff to industry of reemployment, 2 and 4 quarters after layoff” was used to find reemployment wage and count information for each of the three layoffs. The three time periods for which this company had layoffs included 1999, 2003, and 2006.

In 1999, after two quarters of separation, although there wasn’t a dominant industry, many employees were reemployed in the Administrative Services, Agriculture, and Construction industries. There wasn’t one specific industry that could be pointed to as a direct path of reemployment. Less than 5 percent of the claimants were not reemployed by two and four quarters after the layoff event. According to the LTS system, the average quarterly wage for the claimants in the manufacturing industry was just over $2,500. Post-layoff wages were only 57.8 percent of pre-layoff wages.

In 2003, the major industry of reemployment was Manufacturing with 28 percent of the employees remaining in that industry, followed by Administrative Services with 12 percent. Less than 5 percent of claimants were not reemployed by two and four quarters after the layoff event. The average quarterly wage for these claimants was $4,428, much higher wages than in 1999, but after the layoff, the claimants averaged 47 percent of their pre-layoff wages. In 2006, 100 percent of claimants were reemployed with many staying in the Manufacturing Industry or moving to the Administrative Services industry. The pre-layoff average quarterly wage for 2006 was $3,466, and after the layoff, claimants averaged only 40 percent of their pre-layoff wages.

The MLS LTS system easily answered the questions asked in the *New York Times* article and added useful information for the local development boards by showing which industries might help the area develop. The LTS system is a great tool to use for layoff studies, but it is still in the experimental stages. Any future software releases will need to answer questions regarding the validity of the calculations for us to provide economic developers and data users with useful information about past layoffs. We are looking forward to future software releases.