

# FACING THE FACTS: DISLOCATED WORKERS

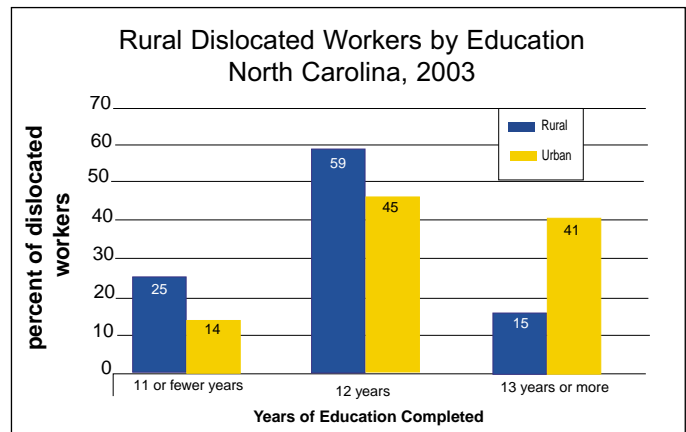


Structural changes in the North Carolina economy combined with the recession of 2001 left many companies struggling for ways to save money and stay in business. Some companies downsized or moved operations overseas, while others filed for bankruptcy or closed down. As a result, many jobs were eliminated, people were laid off and the unemployment rate in North Carolina skyrocketed. Over the last few years, there has been job creation, but not enough to re-employ all the people who are out of work. This fact sheet looks at individuals who have lost their jobs and what has happened to them.

NOTE: "Dislocated workers" are generally defined as unemployed individuals who lost a job due to no fault of their own, such as a plant closing. Especially in rural North Carolina, many dislocated workers have lost jobs in declining industries such as textiles, apparel, furniture and tobacco manufacturing. These jobs are unlikely to return.

## Who are Rural Dislocated Workers?

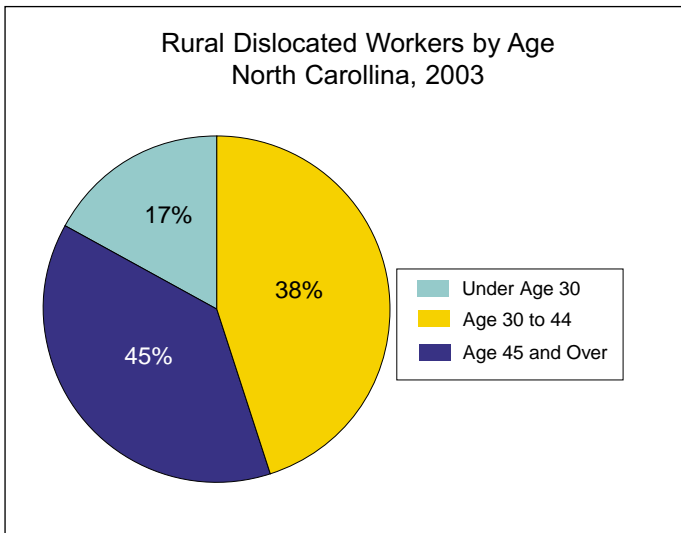
- ▶ Rural dislocated workers are somewhat more likely to be women - 55 percent are female.
- ▶ Forty-two percent of rural dislocated workers are black, even though blacks comprise only 21 percent of the rural population.



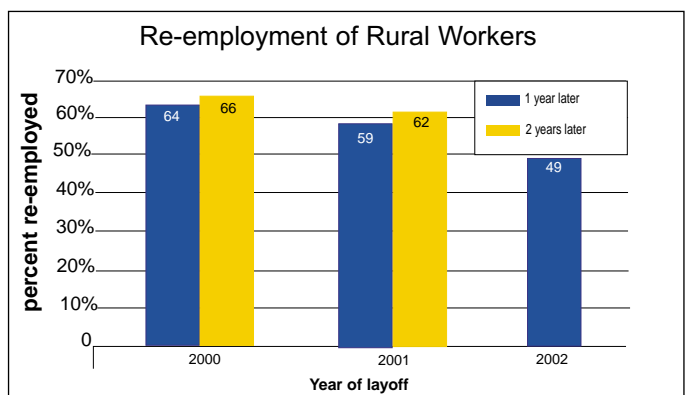
- ▶ Most rural dislocated workers have limited education.
  - 85 percent of dislocated workers in rural North Carolina have 12 or fewer years of education.
  - 25 percent of rural dislocated workers have 11 or fewer years of education.

## Harder and Harder to Find a Job in Rural N.C.

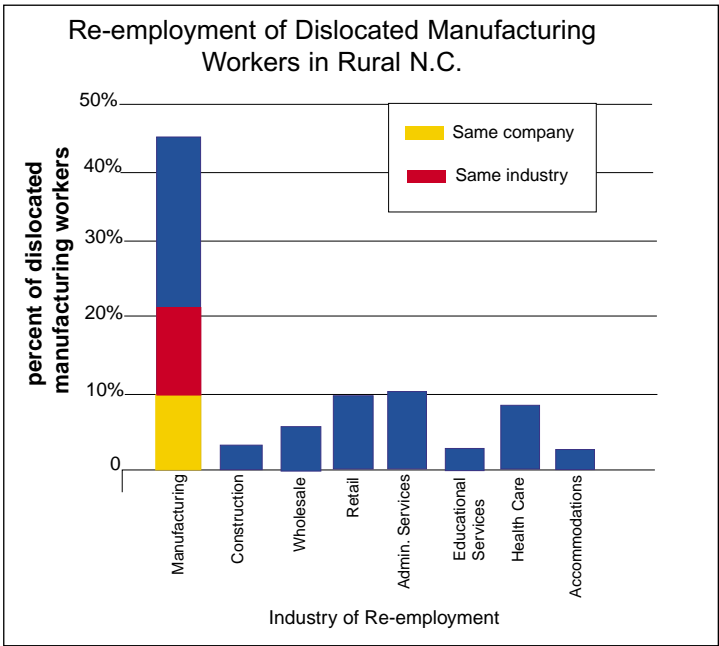
- ▶ The number of rural workers re-employed within one year after being laid off has continued to decrease.
  - 64 percent of rural workers laid off in 2000 were re-employed within one year; 59 percent in 2001; and 49 percent in 2002.



- ▶ Forty-five percent of rural dislocated workers are ages 45 and over, although this age group comprises only 34 percent of the labor force.
- ▶ Most dislocated workers in rural North Carolina were working in low-to-moderate paying jobs prior to their layoffs.
  - 38 percent of rural dislocated workers earned \$12,000-20,000 prior to being laid off.
  - In contrast, the largest portion of urban dislocated workers, 27 percent, earned more than \$36,000 a year before being laid off.

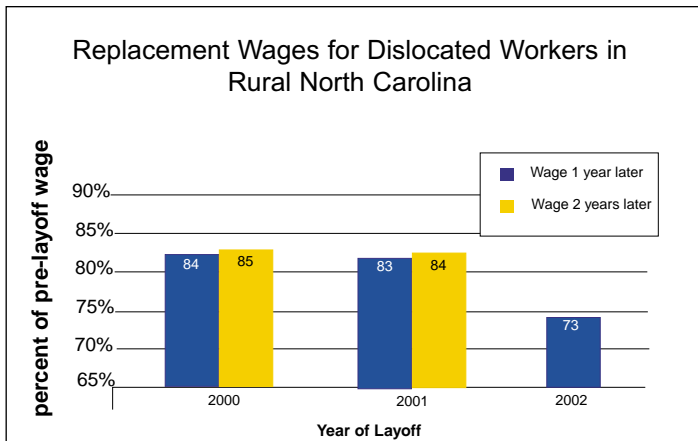


- ▶ Fifty-two percent of men who lost their jobs in 2002 were re-employed within a year. Only 46 percent of women found work in this period.
- ▶ Fifty-four percent of black workers who lost their jobs in 2002 were re-employed one year later. Only 46 percent of white workers were re-employed.
- ▶ Fifty-six percent of rural workers under age 30 who were laid off in 2002 were re-employed one year later, while only 36 percent of rural workers over age 55 were re-employed within a year.

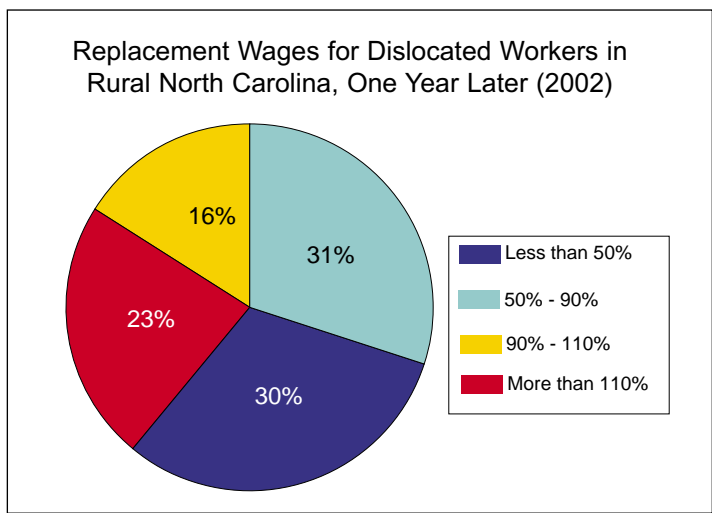


- ▶ In 2002, 47 percent of dislocated manufacturing workers were re-employed within one year.
  - Forty-three percent of these individuals went back to work in a manufacturing industry:
  - 11 percent went back to the company from which they were laid off.
  - 11 percent found work in the same type of manufacturing industry.
  - 21 percent found work in another manufacturing industry.

### What About Wages?



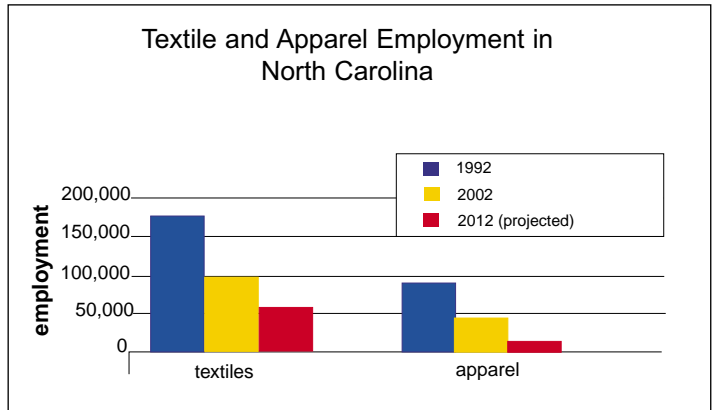
- ▶ On average, rural North Carolinians laid off in 2000-01 who found new jobs earned less than 85 percent of what they earned before the layoff. For those laid off in 2002, the average re-employment wage was only 73 percent.
- ▶ Twenty-three percent of rural workers laid off in 2002 earned at least 10 percent more than their job before the layoff, and 16 percent earned within 10 percent (higher or lower) of their wages in their prior job.
- ▶ Over 60 percent of rural dislocated workers who found a job within a year of their layoff in 2002 took at least at 10 percent pay cut. Thirty percent were earning less than half their pre-layoff wage.



- ▶ Workers over age 55 had the lowest replacement wage - only 60 percent of their pre-layoff wage. Workers under age 30 had the highest - 79 percent.

### More Layoffs in Textiles and Apparel?

- ▶ On January 1, 2005, all remaining taxes and tariffs will be removed from textile and apparel goods. This change will give some companies in other parts of the world an advantage over U.S. companies with regard to price. It is projected that employment declines will accelerate in the textile and apparel manufacturing industries in the U.S. and N.C. Even in the past year, these industries have been in decline - apparel industry employment decreased by 17 percent in the past year.



Sources:  
 N.C. Employment Security Commission, 2004  
 U.S. Bureau of Labor Statistics (BLS), 2004  
 N.C. Rural Center calculations based on BLS projections, 2004