

# **The Labor Market Problems of Dislocated Workers in the Industrial Midwest At the Time of the January 2010 Dislocated Worker Survey**

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## The Labor Market Problems of Dislocated Workers in the Midwest

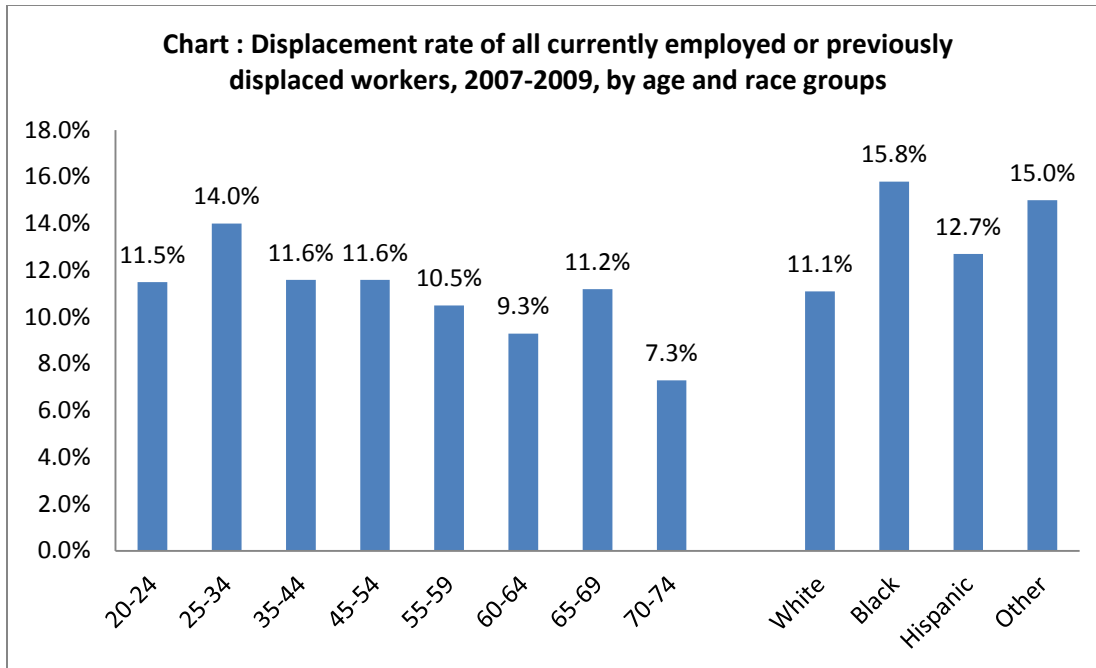
Fueled by the worst economic conditions in decades, labor markets across the United States have seen substantial declines not seen since Great Depression. Record number of workers 20 and older was permanently displaced from their jobs over the 2007-2009 periods. In this section, we concentrate on labor outcomes of dislocated workers in five Midwestern states. We use data collected by the Bureau of Labor statistics in its January's 2010 supplement of Current Population Survey. Over a three-year period 2007-2009, almost 2.5 million workers in the five Midwest states got displaced from their place of employment, or 12% of all employed workers. Michigan suffered the highest displacement rate, standing at 13.2% with Indiana faring the best with a displacement rate of 9.8%. Consistent with overall labor market trends, men performed far worse than women, suffering a 14.2% dislocation rate versus only a 9.2% rate for women.

Table : Displacement rate of all currently employed or previously displaced workers, 2007-2009.

<i>State</i>	<i>MALE</i>	<i>FEMALE</i>	<i>Total</i>
Illinois	13.4%	9.3%	11.5%
Indiana	13.3%	6.0%	9.8%
Michigan	16.4%	9.8%	13.2%
Ohio	14.8%	10.2%	12.6%
Wisconsin	12.1%	8.8%	10.5%
Total	14.2%	9.2%	11.8%

Source: CPS 2010 January supplement, tabulation by CLMS.

Every age group of workers under 60 and those 65-69 years old incurred a double-digit rate of dislocation. Younger adults suffered somewhat larger dislocation rates, standing at 14% for 25 to 34 year olds, while rates for older workers stood somewhat lower in the 7 to 11% range. Black workers fared the worst, with 16% displacement rate versus only 11% for white workers.



Source: CPS 2010 January supplement, tabulation by CLMS.

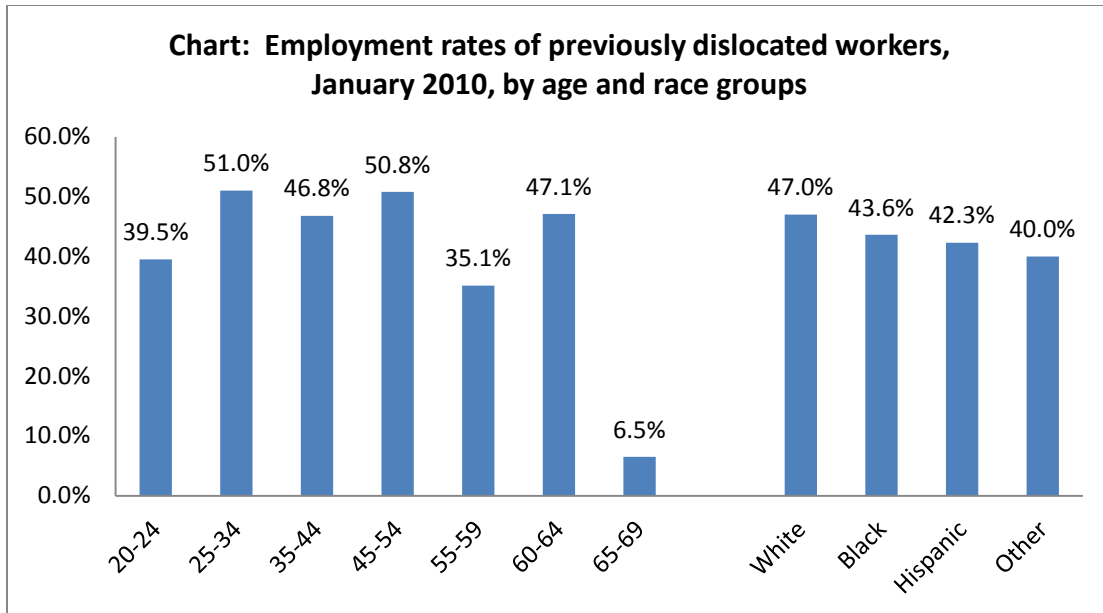
Once displaced, many individuals found it hard to find new employment. Overall, of all workers displaced between 2007 and 2009, just under half found some type of employment by January 2010, with males faring worse than women in gaining new employment. Only 43.5% of the men gained employment versus 50% for women.

Table : Re-employment rates of all previously displaced workers, January 2010.

<i>State</i>	<i>MALE</i>	<i>FEMALE</i>	<i>Total</i>
Illinois	47.1%	54.6%	50.0%
Indiana	39.3%	51.1%	42.8%
Michigan	44.0%	40.8%	42.8%
Ohio	38.8%	49.0%	42.7%
Wisconsin	50.2%	57.9%	53.4%
Total	43.5%	50.0%	46.0%

Source: CPS 2010 January supplement, tabulation by CLMS.

Though they suffered the highest dislocation rates, younger workers were slightly more successful in finding new jobs than their older counterparts. White workers were modestly more fortunate than Black and Hispanic workers in locating a new job.



Source: CPS 2010 January supplement, tabulation by CLMS.

Workers who were not able to find employment by January were unemployed on average for a long time: 38 weeks. This duration was longer than during any time period in previous three decades. Unemployed workers in Michigan suffered the most, looking for a job on average 43 weeks.

State	<i>Number of weeks unemployed</i>			Average spell of unemployment in weeks
	0-13 week	26-52 wee	53+ weeks	
Illinois	37.3%	28.6%	34.1%	42
Indiana	47.9%	30.3%	21.8%	33
Michigan	29.3%	36.1%	34.6%	43
Ohio	50.9%	27.8%	21.3%	34
Wisconsin	49.1%	33.0%	17.9%	30
Total	41.9%	30.7%	27.4%	38

Source: CPS 2010 January supplement, tabulation by CLMS.

Once re-employed, workers often lose a significant portion of their previous weekly compensation. Overall, workers lost about 7.2% of weekly wages. Male workers lost a larger portion of their compensation than female workers, 8.2% loss vs. 5.7%.

State	MALE	FEMALE	Total
All Midwestern States	-8.2%	-5.7%	-7.2%

Source: CPS 2010 January supplement, tabulation by CLMS.

Nearly 4 of every 9 workers who became re-employed lost 20% or more of their previous weekly wage and 55% lost at least 10%. Indiana had the largest share (57%) of workers losing more than 20% of their weekly compensation.

	20% or higher loss	20 to 10% loss	10 to 0% loss	0 to 10% gain	10 to 20% gain	20% or higher gain
Illinois	34.9%	4.9%	18.7%	10.8%	9.0%	21.8%
Indiana	57.2%	3.6%	18.2%	0.0%	17.7%	3.4%
Michigan	46.5%	6.8%	9.3%	7.0%	5.4%	25.1%
Ohio	44.6%	6.1%	15.6%	5.7%	6.4%	21.6%
Wisconsin	47.0%	20.9%	5.4%	6.7%	3.5%	16.6%
Total	43.8%	7.7%	13.9%	7.0%	7.6%	19.9%

Source: CPS 2010 January supplement, tabulation by CLMS.