

3.2 Million Workers Lost Long-Term Jobs Due to Closings, Business Failings

1 in 3 displaced workers remained unemployed or out of the labor force

By Ali Meyer

Millions of workers lost jobs they had held for at least three years due to business closings and failings from 2013 to 2015, according to data released Thursday from the Bureau of Labor Statistics.

“Displaced workers are defined as persons 20 years of age and older who lost or left jobs because their plant or company closed or moved, there was insufficient work for them to do, or their position or shift was abolished,” the bureau states.

A plurality of displaced workers, or 37.4 percent, said they lost their job because their company closed down or moved. An additional 37.1 percent said their position or shift was abolished, and 25.6 percent reported that there was insufficient work for them to do.

Of the 3,191,000 workers who lost long-time jobs from 2013 through 2015, 34.5 percent remain unemployed or out of the labor force, which means they have given up looking for a job, while 65.5 percent have found new jobs.

A majority of workers who found new jobs after being let go had to accept a pay cut or part-time work. There were 810,000 displaced workers who took a part-time job or pay cut, while there were 649,000 workers who found a job that pays the same or more than what they were earning before.

The vast majority of workers who lost jobs were in the private sector. There were 2,960,000 private-sector workers who lost their jobs, while only 165,000 government workers lost their jobs.

The management, professional, and financial sector was responsible for most of the job displacement, with 1,301,000 workers losing jobs. The sales and office sector reported 820,000 displaced workers, the production and transportation sector reported 418,000 displaced workers, the service sector reported 313,000 displaced workers, and the construction and natural resource sector reporting 302,000 displaced workers.

More than half of displaced workers, or 54 percent, did not receive notice in advance of losing their job.

“The fact that one-third of displaced employees, who honed their skills for at least three years on the job, have been unable to get back into the workforce suggests that the labor market is much weaker than topline figures suggest,” said Alfredo Ortiz, president and CEO of the Job Creators Network. “To provide more opportunities for these and other jobseekers, legislators must reduce the tax and regulatory hurdles holding back small businesses—the economy’s job creators.”

Ali Meyer is a staff writer with the Washington Free Beacon covering economic issues that expose government waste, fraud, and abuse. Prior to the Free Beacon, she was a multimedia reporter with CNSNews.com where her work appeared on outlets such as Drudge Report and Fox News. She also interned with the Heritage Foundation and Pacific Research Institute. Her Twitter handle is @DJAliMeyer, and her email address is meyer@freebeacon.com.