

Displacement of Textile & Apparel Workers

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Textiles & Apparel and Nonmetro Areas

- The United States lost over 800,000 textile & apparel jobs 1994-2004
 - NAFTA accelerated decline in 1994
 - expiration of MFA quota at end of 2004
- Textile & apparel industries are disproportionately nonmetro—one third of all textile & apparel employment is in nonmetro counties (2002)
- Textile & apparel manufacture is geographically concentrated in nonmetro counties in the Southeast



Objective

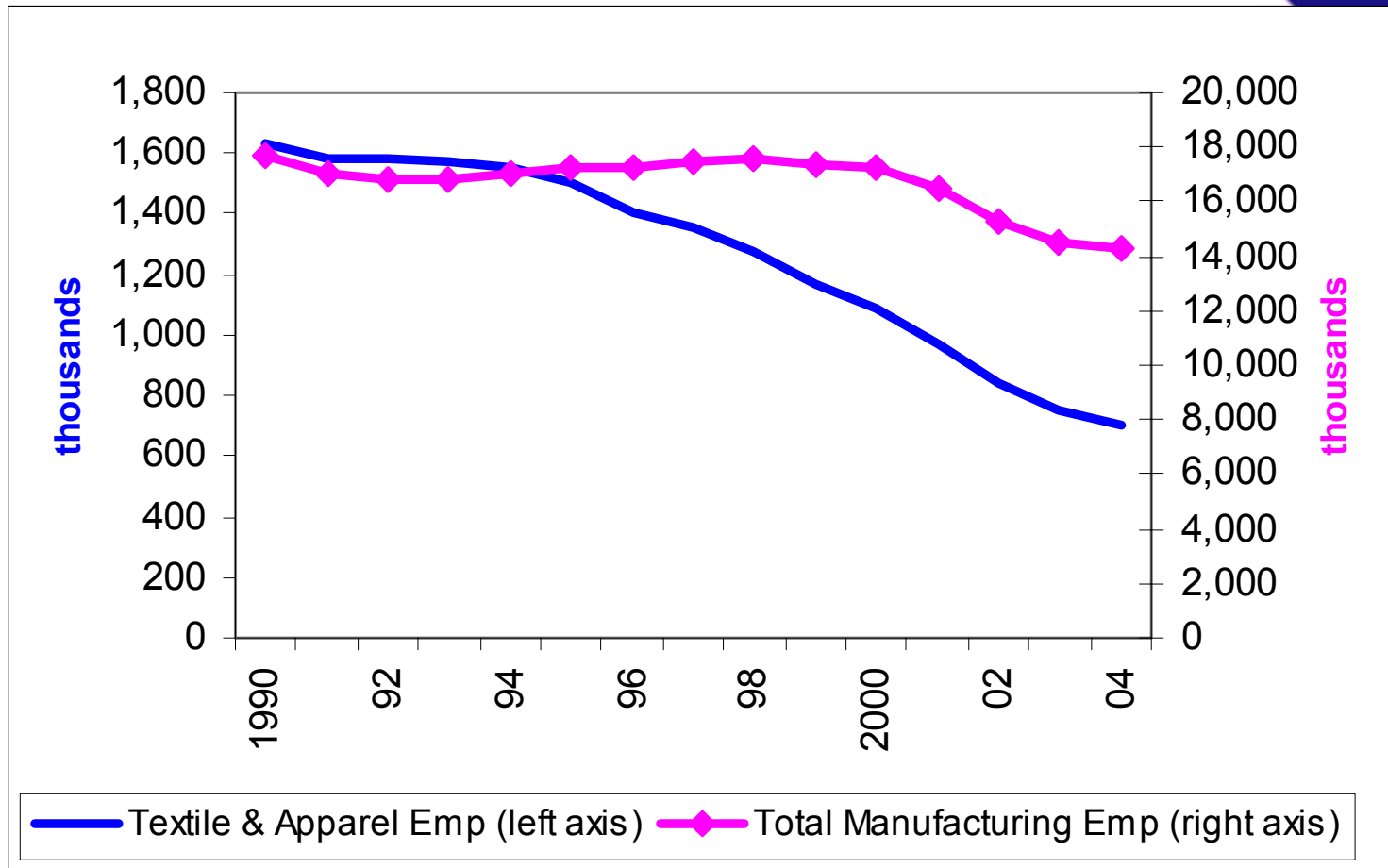
- Objective of this research:
To analyze the incidence of displacement among textile & apparel workers and workers in other industries over 1997-2003, and to determine if there are differential effects in metro/nonmetro areas.



Importance: Findings would be relevant to worker programs, and also community development strategies.



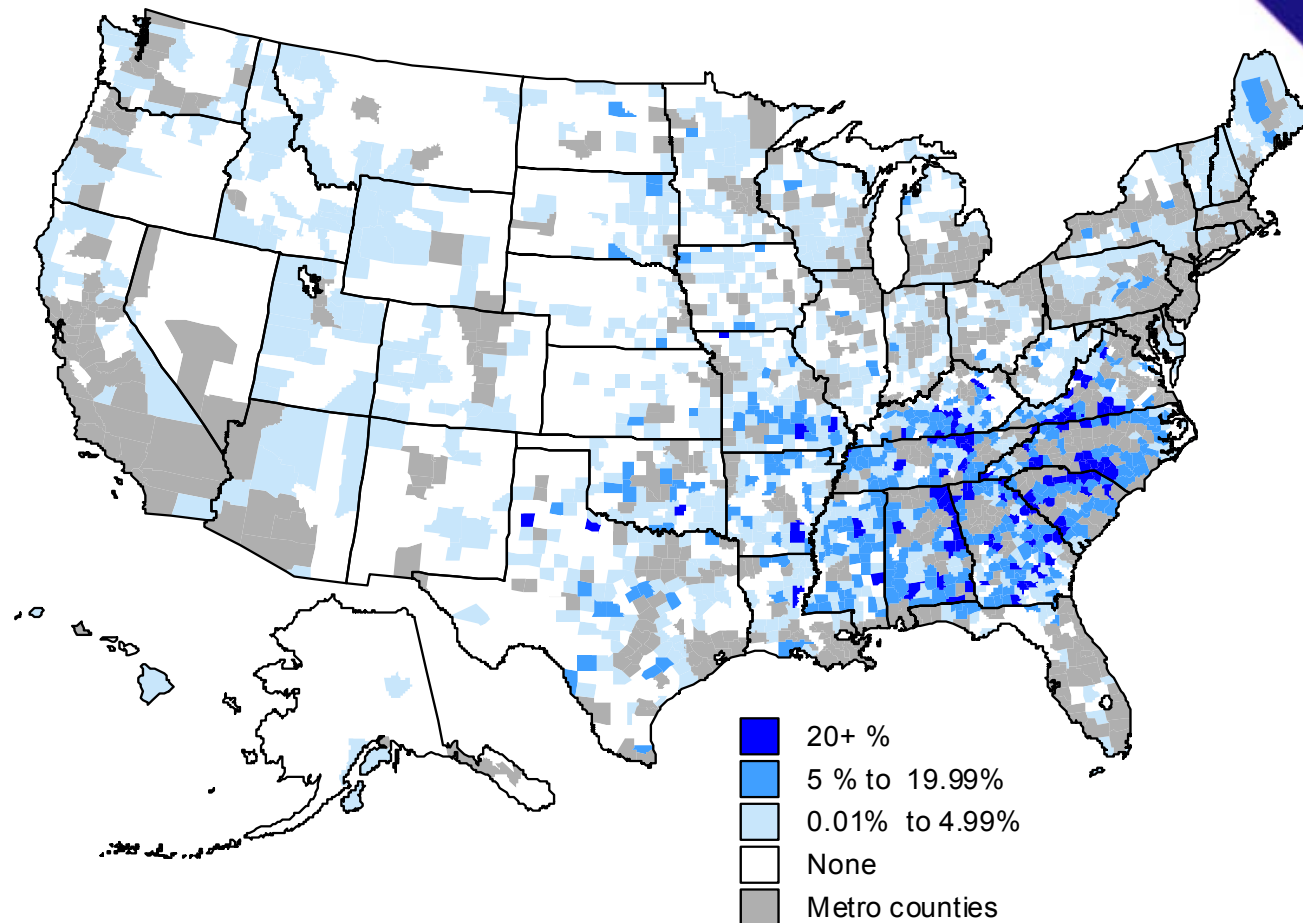
Decline in textile & apparel jobs, 1990-2004



Source: Current Employment Statistics Survey, BLS



Jobs in textile & apparel manufacture as percentage of all jobs in the county, 1996



Source: ERS calculations using County Business Patterns data.



Textile & apparel displaced workers

- Over 1997-2003, 297,000 textile & apparel workers displaced
 - 44% were nonmetro residents
- Displaced workers
 - lost their job because:
 - plant or company closed or moved
 - insufficient work
 - position or shift abolished
 - displacement *as measured*:
 - workers who are 20 years or older
 - workers who had attained 3 or more years of tenure on lost job
- Data: 2000, 2002, and 2004 Displaced Worker Survey Supplements of the Current Population Survey

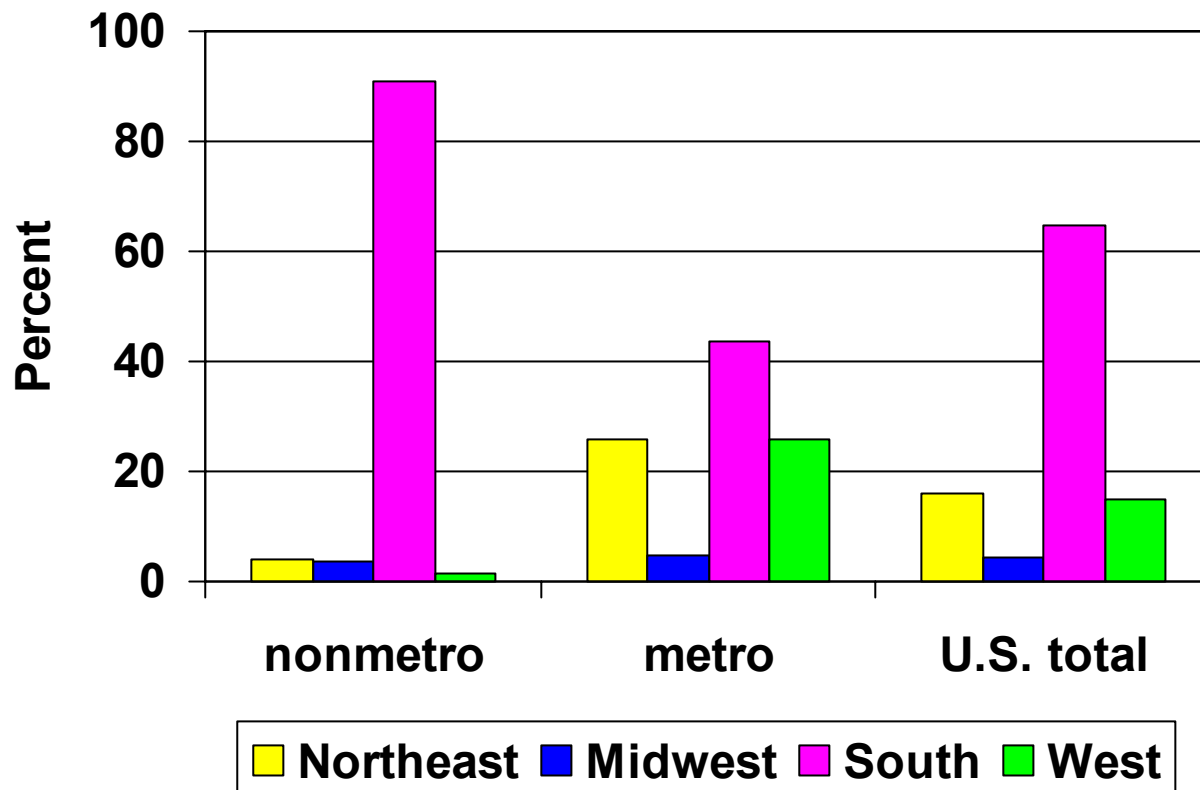


- Nonmetro areas bore a disproportionate share of textile & apparel job loss—44.5 percent of all displaced textile & apparel workers were nonmetro residents, over double the share of nonmetro workers in the U.S. labor force (18%):

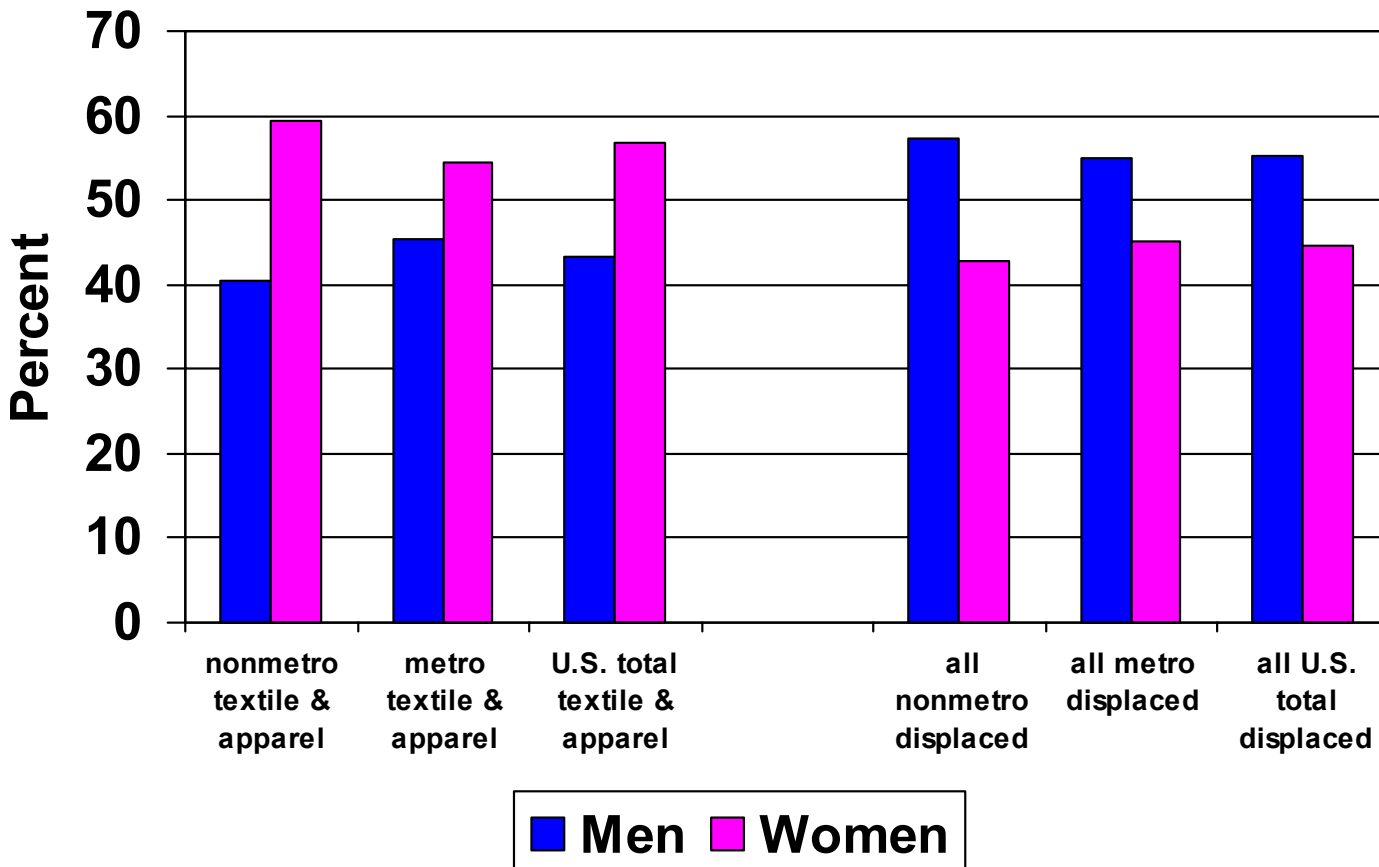
1997-2003	Textile & apparel			All displaced		
	nonmetro	metro	U.S. total	nonmetro	metro	U.S. total
Displaced workers (thous)	132.2 (44.5%)	164.9 (55.5%)	297.1	1,515.4 (16.3%)	7,779.4 (83.7)	9,294.8



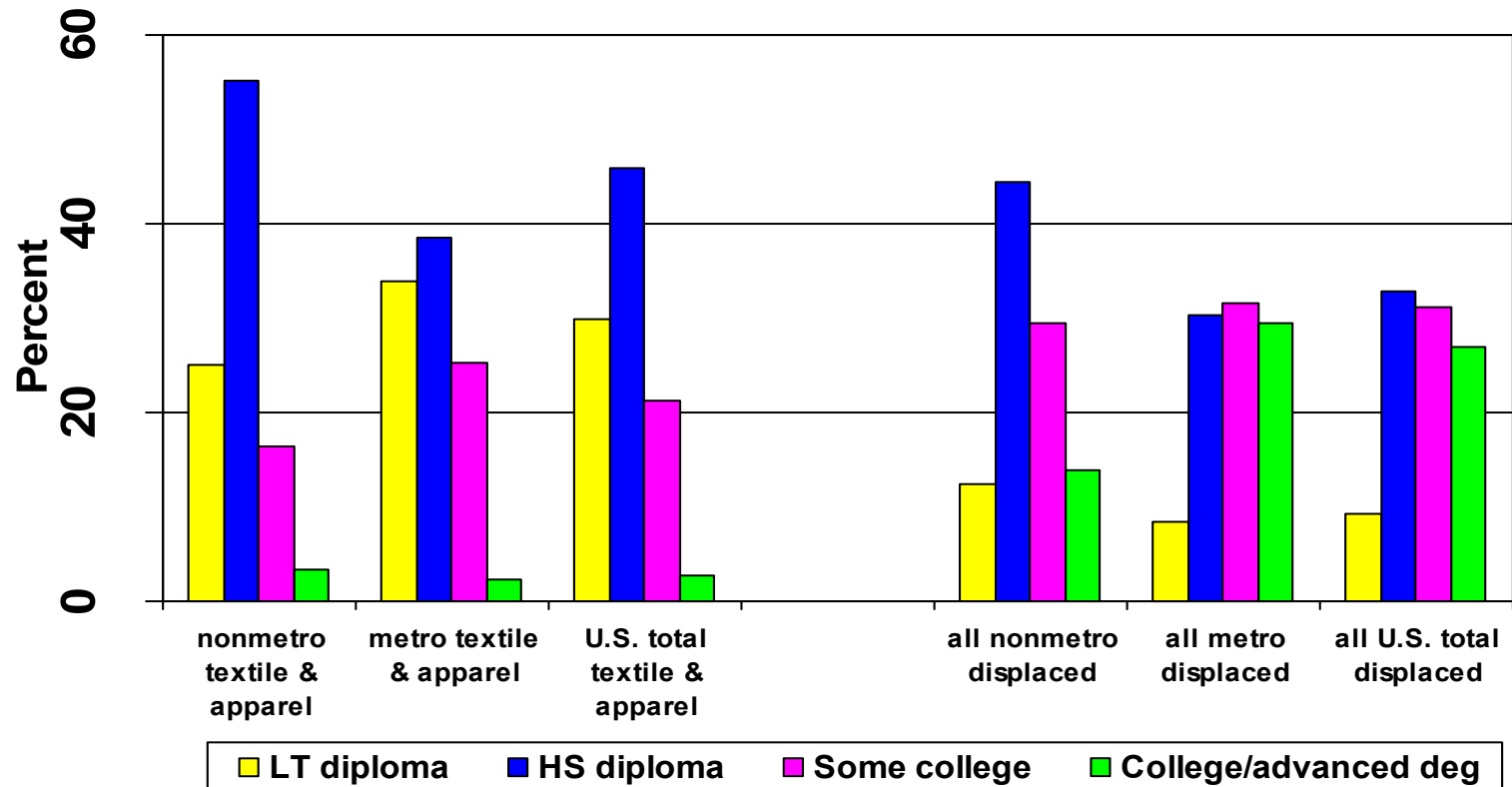
- Nonmetro displaced textile & apparel workers overwhelmingly in the South:



- Displaced textile & apparel workers were more likely to be women:



- Displaced textile & apparel workers had lower education levels than all displaced:

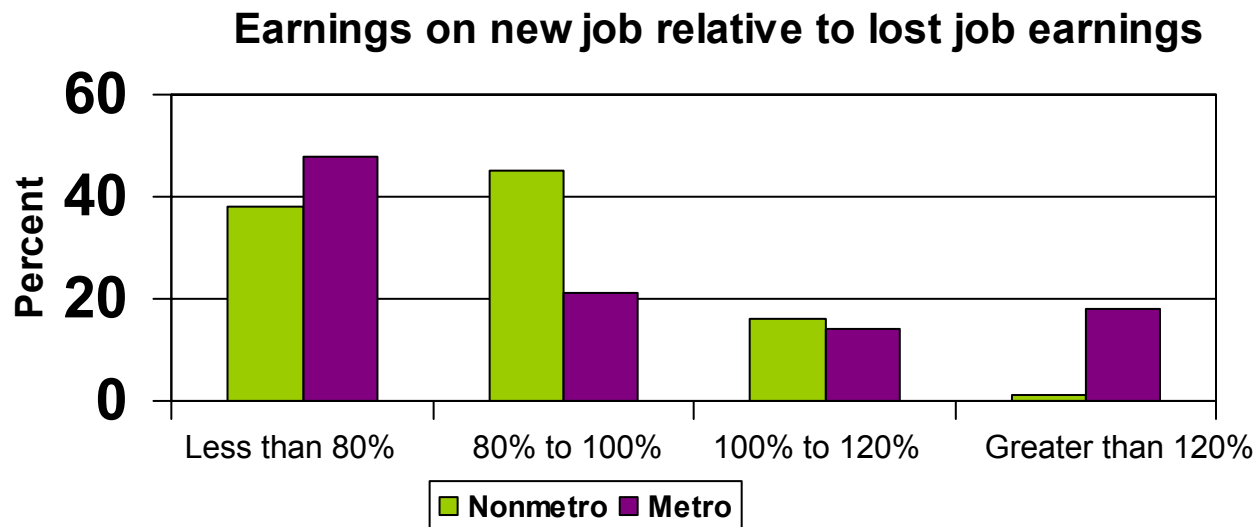


- Nonmetro displaced textile & apparel workers were more likely to drop out of the labor force:

1997-2003	Textile & apparel			All displaced		
	nonmetro	metro	U.S. total	nonmetro	metro	U.S. total
Percent						
Unemployed	15.9	15.2	15.5	15.0	15.0	15.0
Employed	55.9	65.0	61.0	66.7	70.1	69.5
Not in the labor force	28.2	19.8	23.5	18.3	14.9	15.5



- Of those who found a new job, textile & apparel workers had to look longer, about 23 weeks, versus 16 weeks for all displaced.
- Of the nonmetro textile & apparel workers who found a new job, over 80% had lower real earnings on the new job.



Models

- What is the probability of displacement for different groups of workers in nonmetro and metro areas? Did textile & apparel workers have a greater probability of displacement?

probability(y_i =displacement) = f(age, education level, sex, race, industry, unemployment rate, metro/nonmetro residence)

Probit analysis on all respondents (displaced and not displaced) and on all tenures. Also analysis done metro/nonmetro.



Models

- Of those displaced workers, what is the probability of employment after displacement? Did textile & apparel displaced workers have a lower probability of employment than other displaced workers?

*probability(y_i =employment after displacement) =
f(age, sex, industry, tenure on lost job,
weekly earnings on lost job,
skill level on lost job, unemployment rate,
metro/nonmetro residence)*



Models

- For those who find a new job after displacement, what are the factors that contribute to earning loss in nonmetro areas, and for textile & apparel workers?

*log (current weekly earnings/real lost job weekly earnings) =
f(tenure on lost job, tenure², age as proxy for experience,
education level, sex, race, industry of lost job,
union status on lost job, advance notice received on lost job,
change in industry, full-time status to part-time status,
weeks looking for work after displacement,
unemployment rate, metro/nonmetro residence)*



Future research

- Probability of displacement analysis
- All estimates with industry/occupation analysis: SIC/NAICS, old SOC/new SOC
 - goods-producing industries, low-skill occupations
- Hazard analysis with incompleted jobless spells for probability of employment
- Analysis of Trade Adjustment Assistance Certifications



Conclusions so far

- Over 1997-2003, textile & apparel workers appear to have greater difficulty after displacement than workers laidoff from other industries.
- Nonmetro areas had a disproportionate share of textile & apparel job loss over 1997-2003.
- These findings indicate that nonmetro displaced textile & apparel workers may need additional or different assistance in finding a new job than displaced workers overall. Lower education levels, longer tenure on their lost job, and geographical concentration, compounded with the secular decline in textile & apparel jobs, may put the textile & apparel workers at a disadvantage when job hunting.



ERS project on post-MFA world

- Webchapter on textiles & apparel and rural areas under development for ERS website
 - will include employment and industry analysis, trade analysis, likely impact on other industries (cotton)
 - on ERS website later this summer
- Recent report:
The Forces Shaping World Cotton Consumption After the Multifiber Arrangement – MacDonald and Vollrath



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