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George W Bush's America

Shooting the Messenger: Report on Layoffs Killed

by David Lazarus

The Bush administration, under fire for its handling of the economy, has quietly killed off a Labor Department program that tracked mass layoffs by U.S. companies.

The statistic, which had been issued monthly and was closely watched by hard-hit Silicon Valley, served as a pulse reading of corporate America's financial health.

There's still plenty of economic data available charting employment trends nationwide. But the mass-layoffs stat comprised an easy-to-understand overview of which industries are in the greatest distress and which workers are bearing the brunt of the turmoil.

"It was a visible number," said Gary Schlossberg, senior economist at Wells Capital Management in San Francisco. "In times like these, it was a good window on how businesses were cutting back."

No longer. But then, businesses cutting back didn't exactly jibe with the White House's recent declarations that prosperity is right around the corner.

You had to look pretty hard just to learn that the mass-layoffs stat had been scotched. No announcement was made by the Labor Department, and no prominent mention of the change was posted at the department's Web site.

In fact, news of the program's termination came only in the form of a single paragraph buried deep within a press release issued on Christmas Eve about November's mass layoffs.

It simply said that funding for the program had dried up and that the Labor Department's Bureau of Labor Statistics was unable to find an alternative source of funding.

No doubt as intended, the announcement slipped by virtually unnoticed. Even state officials

were surprised to learn of the demise of what they called an important, if downbeat, barometer of the nation's economy.

Sharon Brown oversaw compilation of the mass-layoffs number at the Bureau of Labor Statistics in Washington. She was pleased to blow her agency's horn.

HIGH-QUALITY PROGRAM

"This was a high-quality program, producing timely information on important developments in the labor market," Brown said.

According to the bureau's final monthly report, U.S. employers initiated 2, 150 mass layoffs in November, affecting 240,028 workers. A mass layoff is defined as any firing involving at least 50 people.

California by far had the most employees given the boot -- 62,764, primarily in administrative services. Wisconsin was a distant second with 15, 544, followed by Texas with 14,624.

Between January and November, 17,799 mass layoffs were recorded and nearly 2 million workers were handed their hats by businesses.

Brown said that because of a bureaucratic quirk, the \$6.6 million in annual funding for the mass-layoffs program -- money primarily doled out to state officials to gather relevant data -- was channeled through the Labor Department's Employment and Training Administration.

FUNDING ELIMINATED

When that agency decided it needed more cash to handle its own affairs, the Bureau of Labor Statistics was told to look elsewhere for its budget needs.

Apparently no extra money was to be found anywhere within the Labor Department, which had a total budget of \$44.4 billion last year, up from \$39.2 billion in 2001.

"With very finite discretionary resources, we have to make difficult decisions," said Mason Bishop, the Labor Department's deputy assistant secretary for employment training. "We didn't see how this program was helping workers re-enter the workforce."

Coincidentally, the same conclusion was reached in 1992 when the first President Bush canceled the Mass-Layoffs Statistics program amid election-year charges that he had bungled handling of the economy.

REVIVED BY CLINTON

The program was resuscitated two years later by the Clinton administration.

Now Bush the younger is following in his father's footsteps, once again deciding that the American people have no real need to know how many mass layoffs are made each month.

"It's questionable what value this program has for workers," insisted Bishop.

On the other hand, the Labor Department this week released a sweeping study of volunteer work over the past year, reporting that 59 million Americans donated their time and know-how to helping others.

President Bush has spoken repeatedly about the virtues of volunteerism since taking office in 2001.

VOLUNTEERISM MEASURED

During his own stint in the White House, the elder Bush was a proud advocate of community service. That was also the last time the Labor Department was told to devote its finite discretionary resources to a study of volunteer work by U.S. citizens.

Then, as now, it's difficult to see how feel-good surveys of volunteer activities contribute to an understanding of the economy's vitality or the re-employment of displaced workers.

There does seem to be merit, though, in easily seeing how many people have received pink slips as companies tighten their belts, and which states and industries are in facing the greatest challenges.

"The United States economy is growing again," Bush declared in a holiday radio address from his Texas ranch. "This economy is strong and it can be stronger."

And if not, best to just sweep the whole mess under the rug.

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