

NC Economy Watch

December 2023

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What's up (or down) with layoffs?

Context: the economy is **cooling off**

- Economy is still growing, but slowing
- Labor market is still tight, but loosening

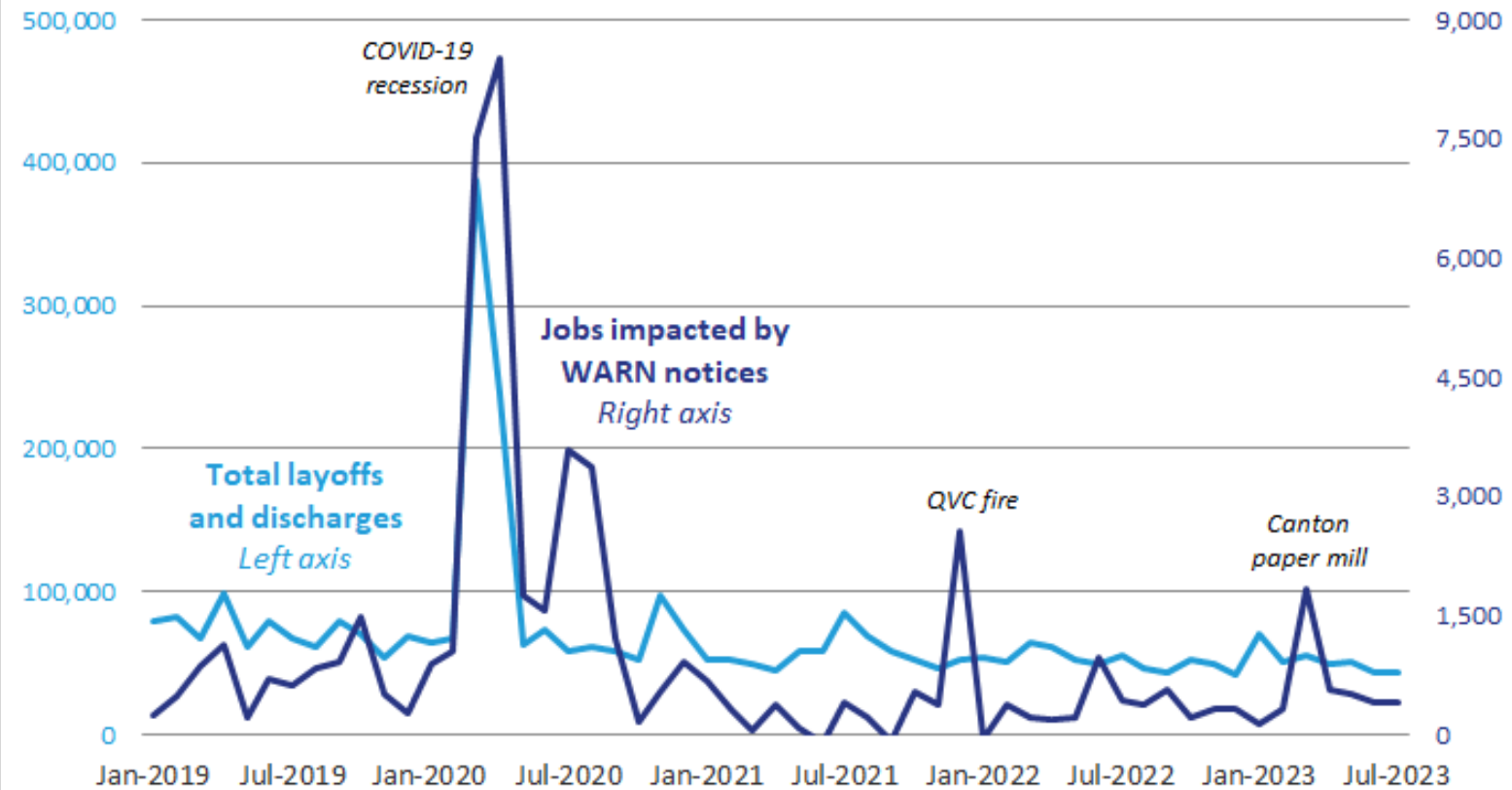
Recent **WARN notices** have led to concern about more widespread job losses

- Mar 2023 (Canton paper mill); Aug 2023 (Klaussner Furniture; Mitchell Gold + Bob Williams)

These layoffs, although painful, **do not** appear to be signaling a broader downturn

Despite Recent Plant Closures, Layoffs Remain Relatively Uncommon

Layoff activity in North Carolina (Jan 2019 - Jul 2023)



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Source: US Bureau of Labor Statistics/JOLTS (layoffs and discharges), Cleveland Fed (WARN notices)

Note: WARN data are seasonally adjusted by LEAD

Where are layoffs happening?

Recent high-profile layoffs have been concentrated in NC's **manufacturing** sector

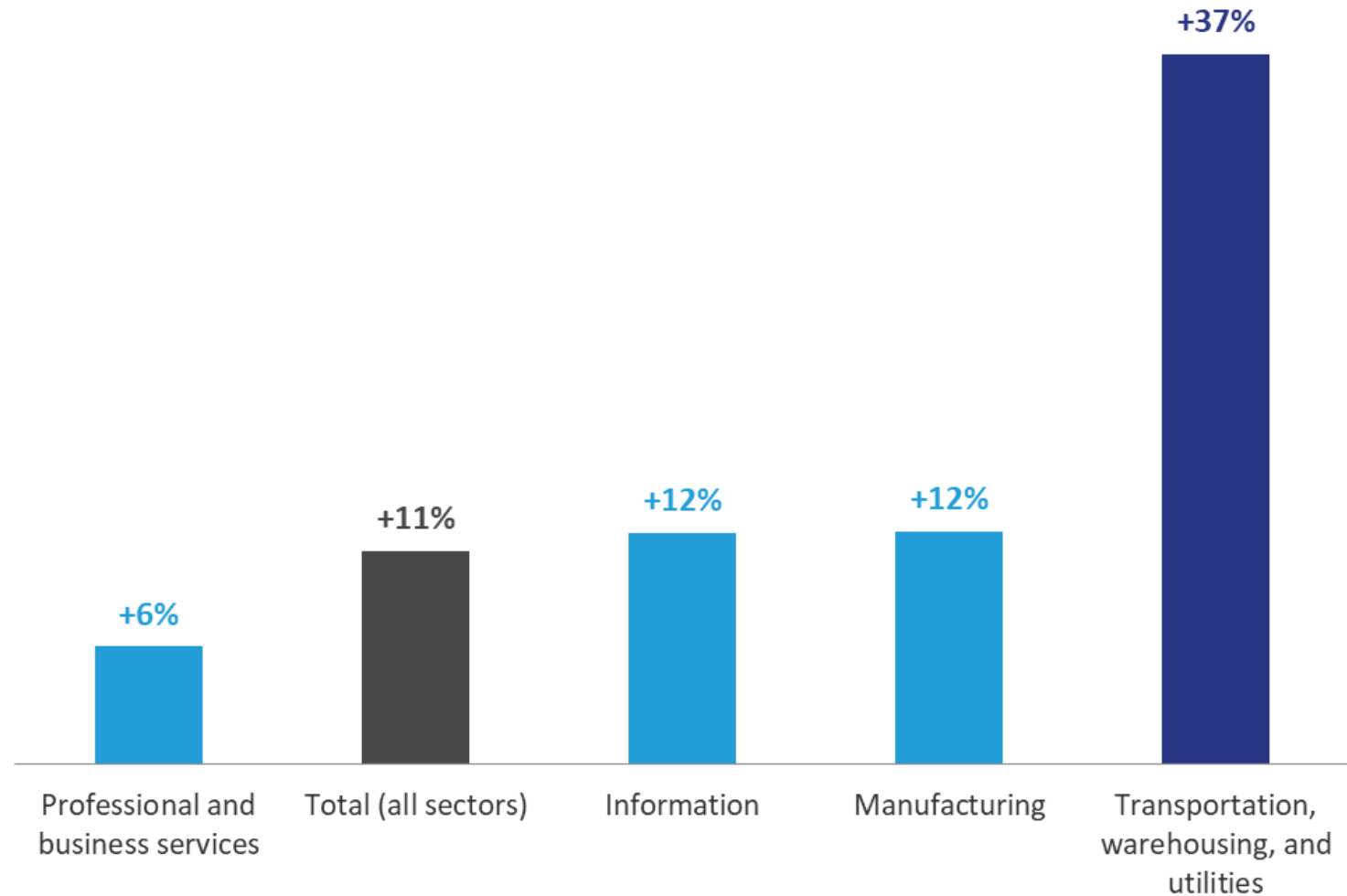
- Consistent with a nationwide manufacturing slowdown

Nationwide, layoffs have ticked up *slightly* in both “**blue-collar**” and “**white-collar**” sectors

Despite this uptick, layoffs remain near a **multi-decade low** nationwide, and **job opportunities** remain relatively **plentiful**

Nationwide, Layoffs Rose Slightly in Most Sectors, Especially Freight

Nationwide year-over-year increase in layoffs (Sep 2021-Aug 2022 to Sep 2022-Aug 2023)

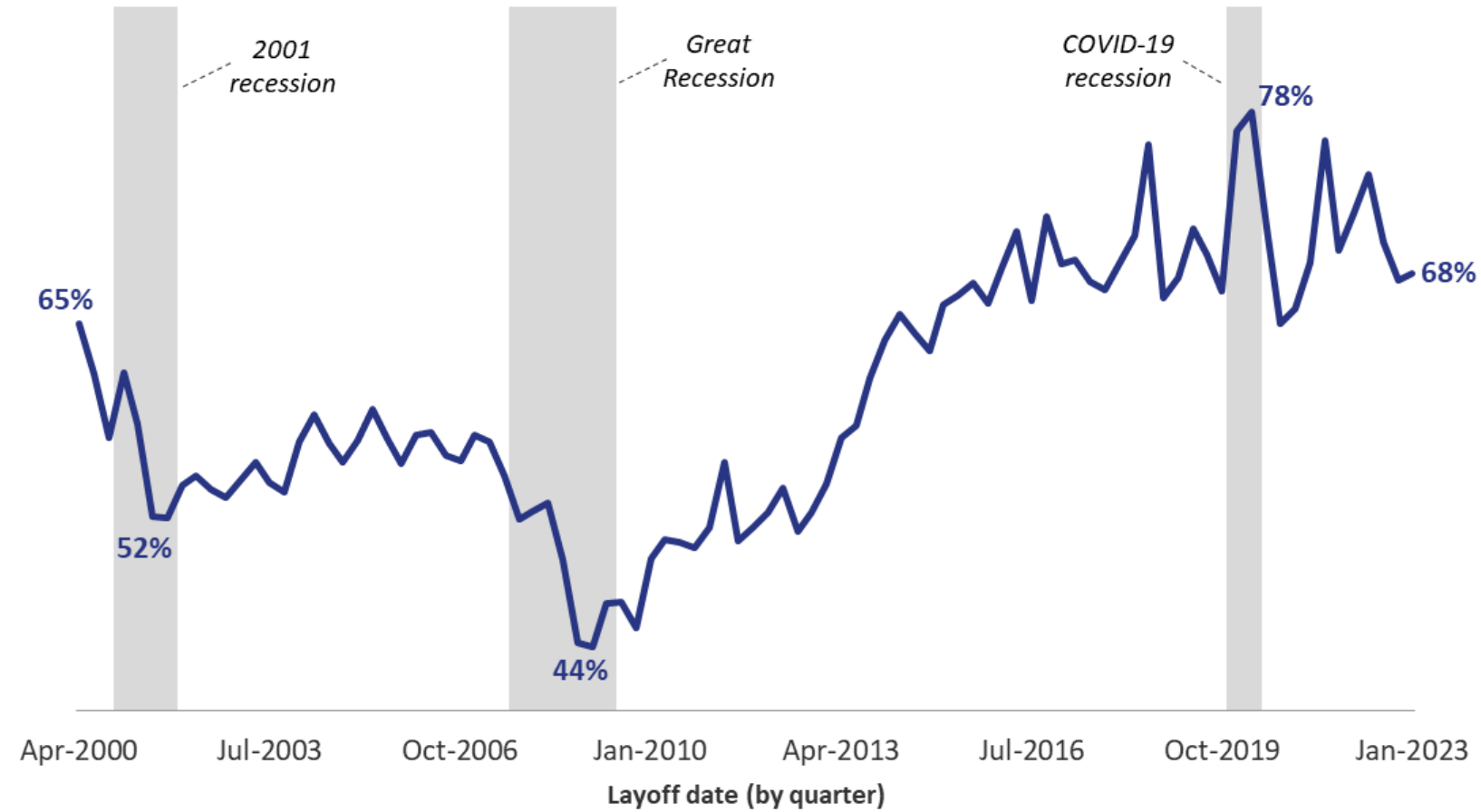


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Source: US Bureau of Labor Statistics (Job Openings and Labor Turnover Survey)

Most Laid-Off Workers Are Quickly Re-Employed in Tight Labor Market

% of workers re-employed in North Carolina one quarter after layoff date



NC Department of Commerce, Labor & Economic Analysis Division (LEAD)
Source: analysis of data from North Carolina Common Follow-up System
Note: data are not seasonally adjusted

The upshot

Workers still have the upper hand (for now)

It's possible that the economy will **slow further** in the months to come

- Higher interest rates → less investment, slower hiring
- Fewer job openings, more layoffs

For now, **job openings** abound, and employers are **reluctant to let go of workers**

- Labor market has been surprisingly **resilient**, surviving a trade war, a pandemic, price inflation, high interest rates, and a regional banking crisis
- Jobseekers should try to take advantage of the many opportunities available in our labor market while they're still there for the taking

Resources of interest

October 2023 NC Economy Watch

Despite Recent Plant Closures, Layoffs Remain Relatively Uncommon

<https://www.commerce.nc.gov/news/the-lead-feed/october-2023-nc-economy-watch>

November 2023 NC Economy Watch

A Closer Look at Recent Layoff Activity

<https://www.commerce.nc.gov/news/the-lead-feed/november-2023-nc-economy-watch>

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“Thank you!”

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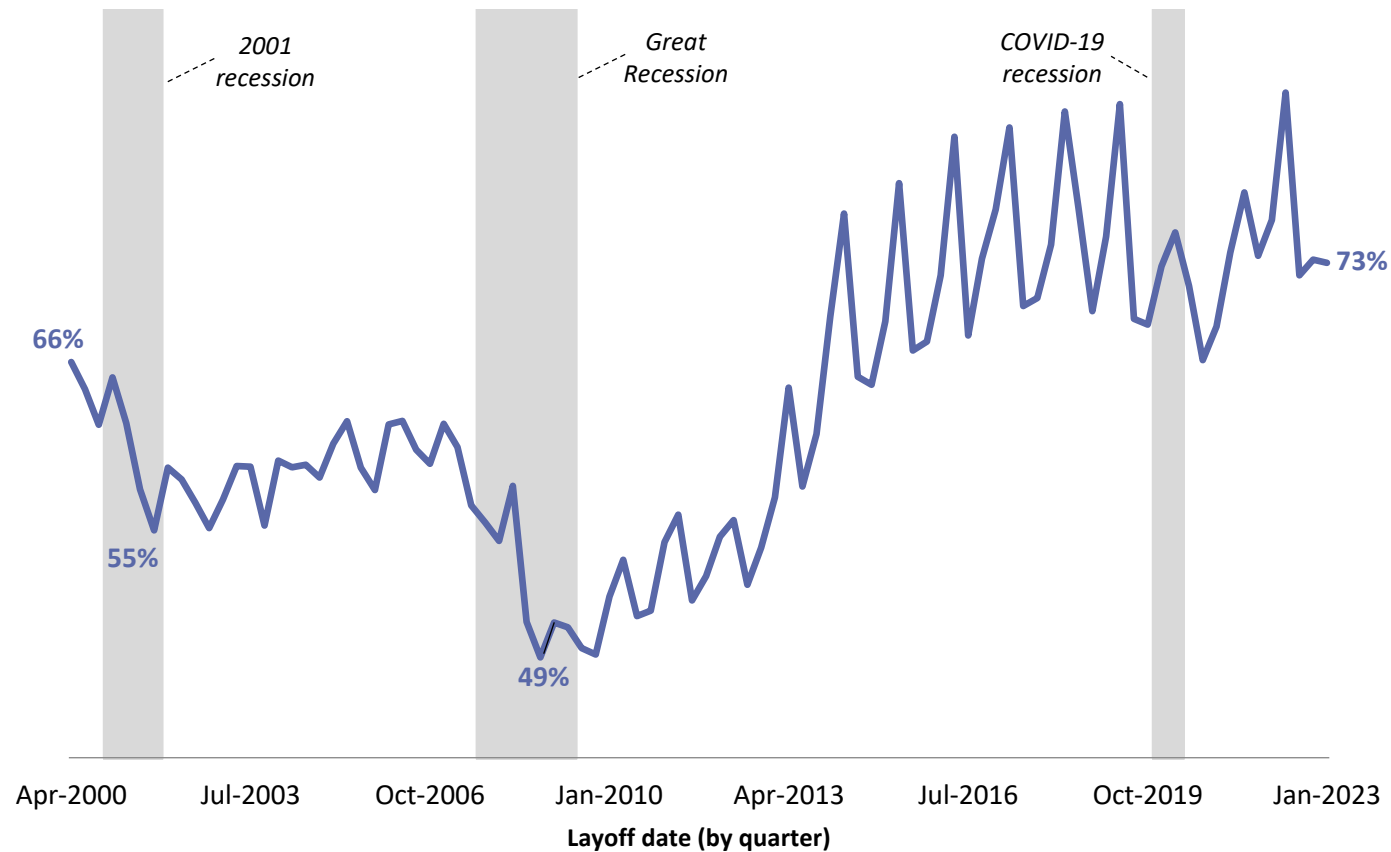
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Appendix: reemployment rates

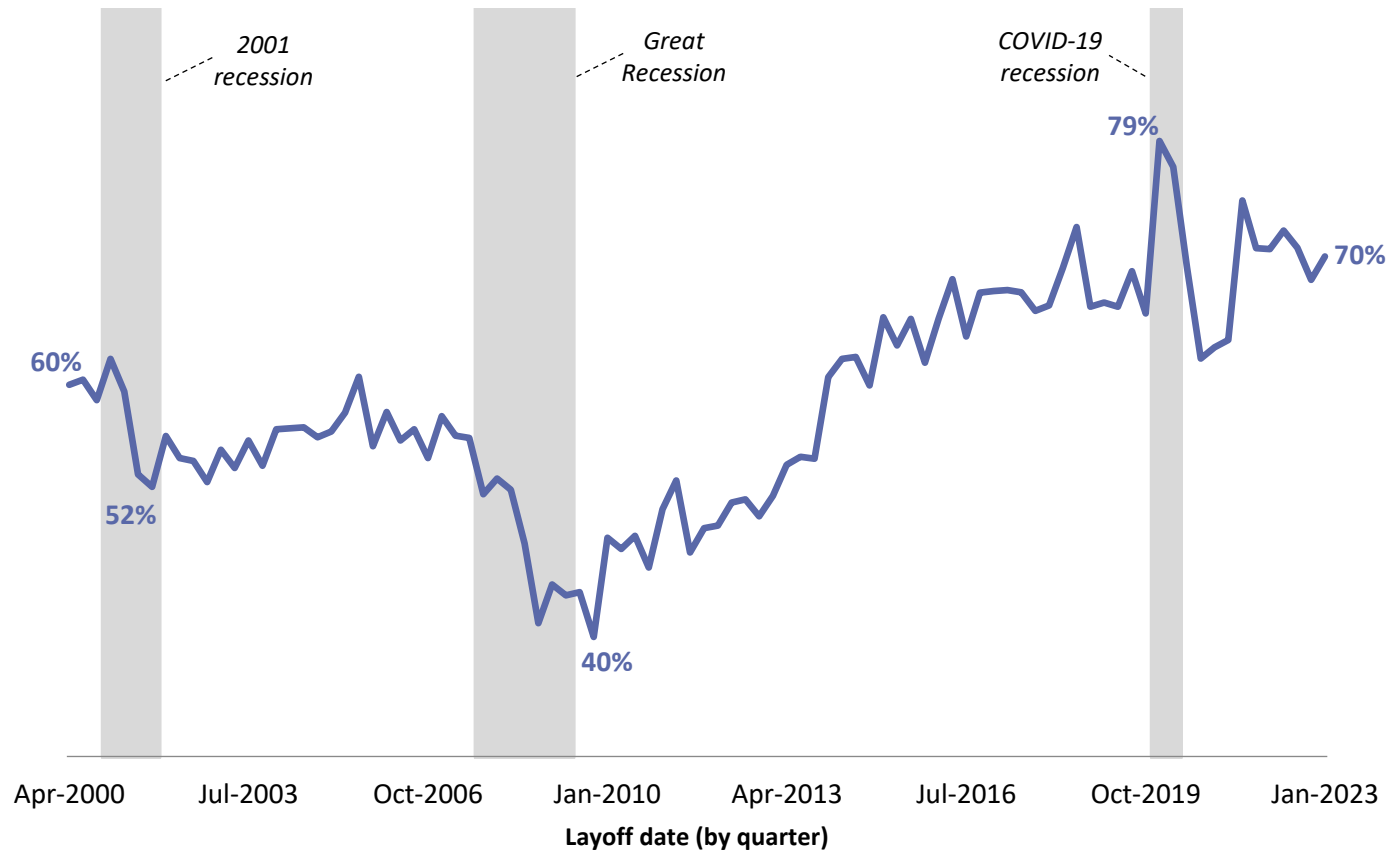
Accommodation and food services sector



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Source: analysis of data from North Carolina Common Follow-up System
Note: data are not seasonally adjusted

Appendix: reemployment rates

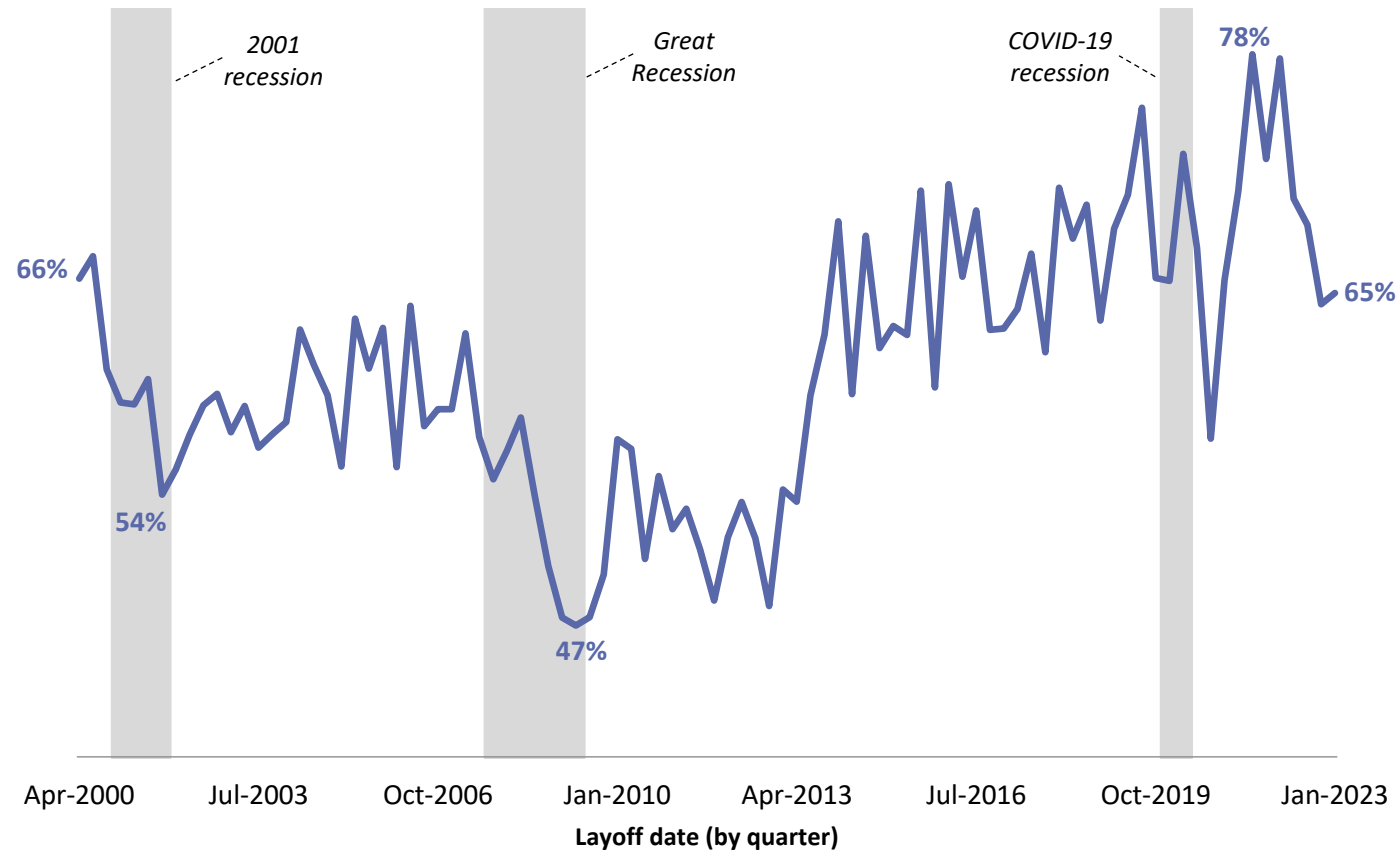
Retail trade sector



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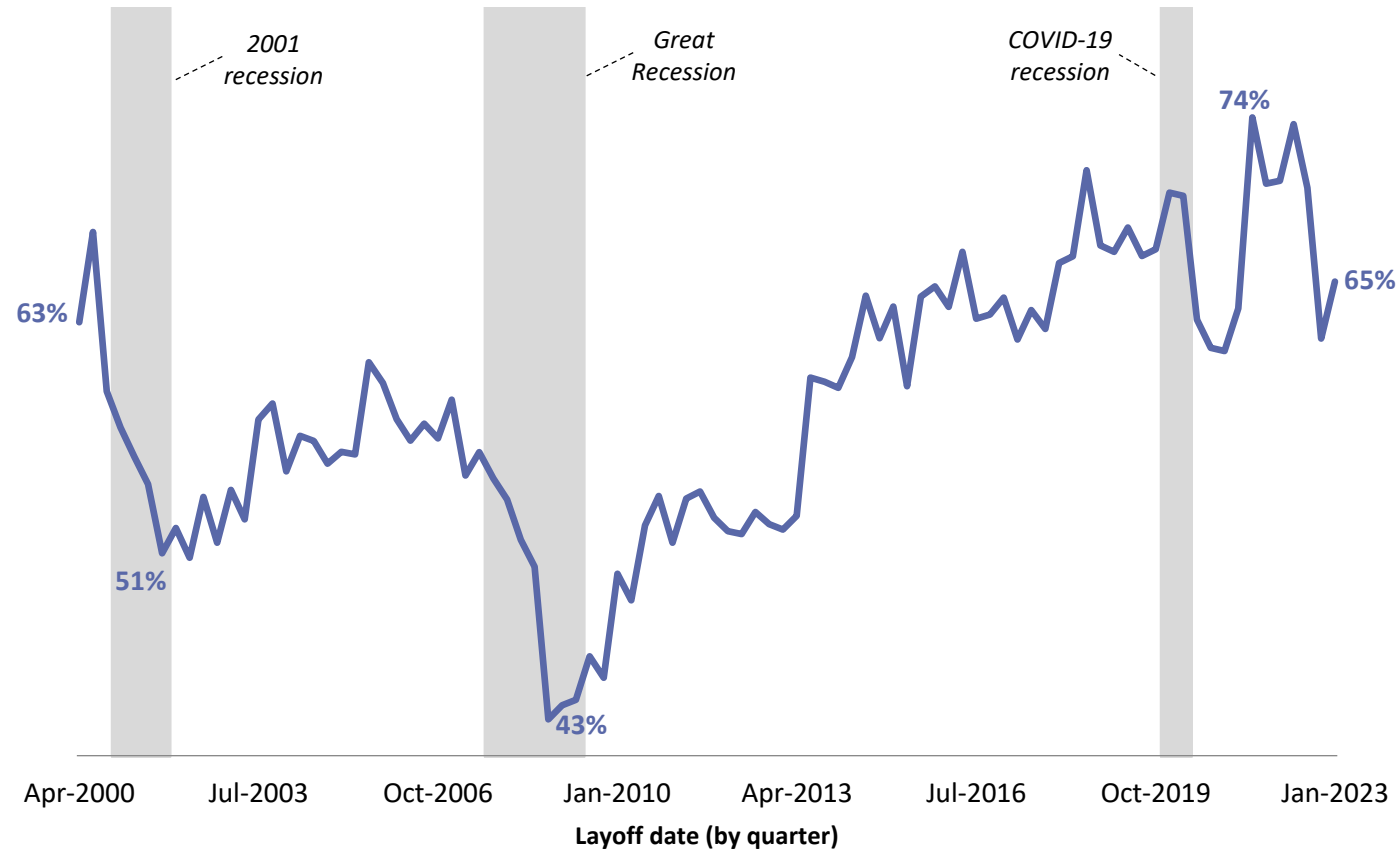
Information sector



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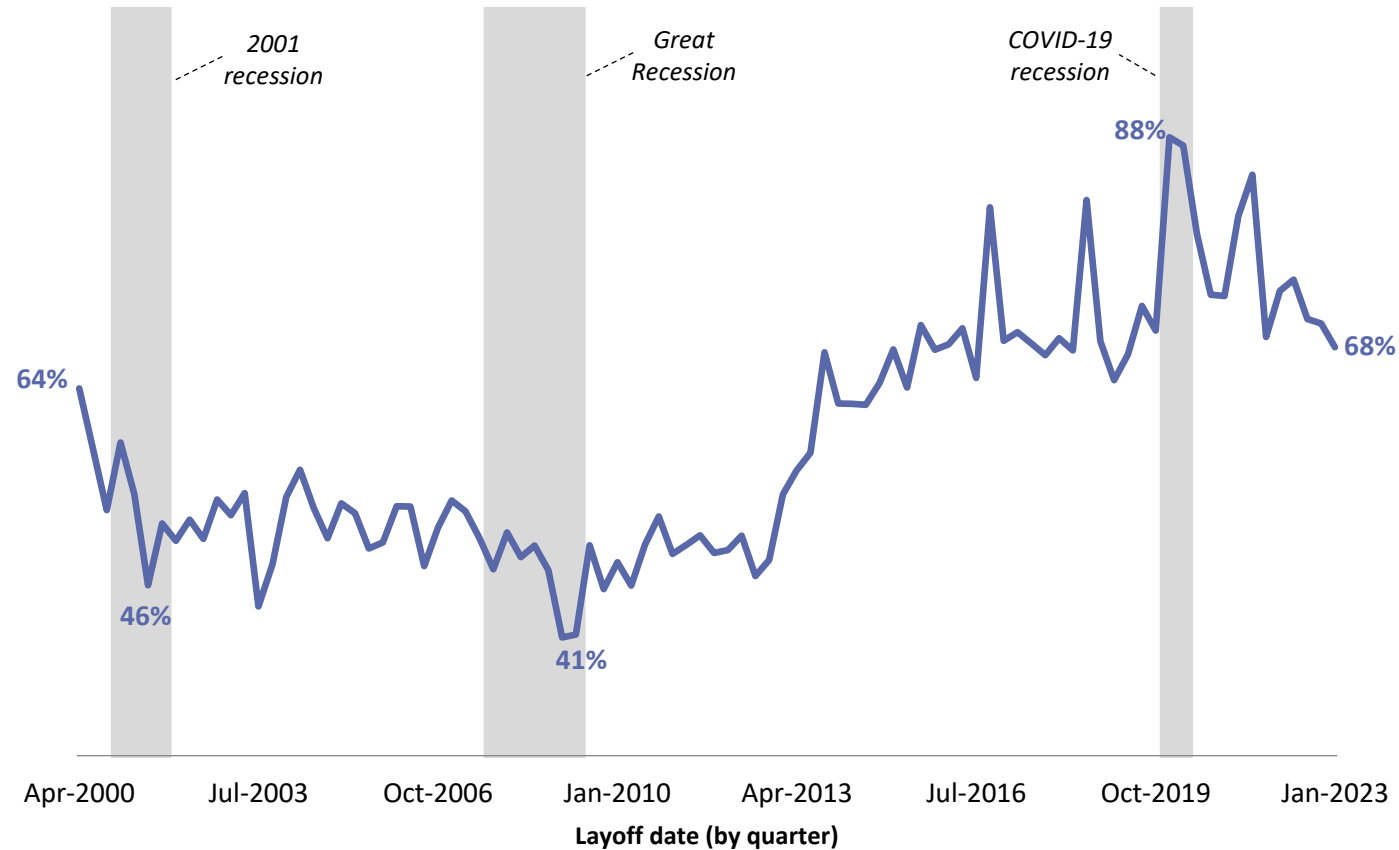
Professional, scientific, and technical services sector



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Source: analysis of data from North Carolina Common Follow-up System
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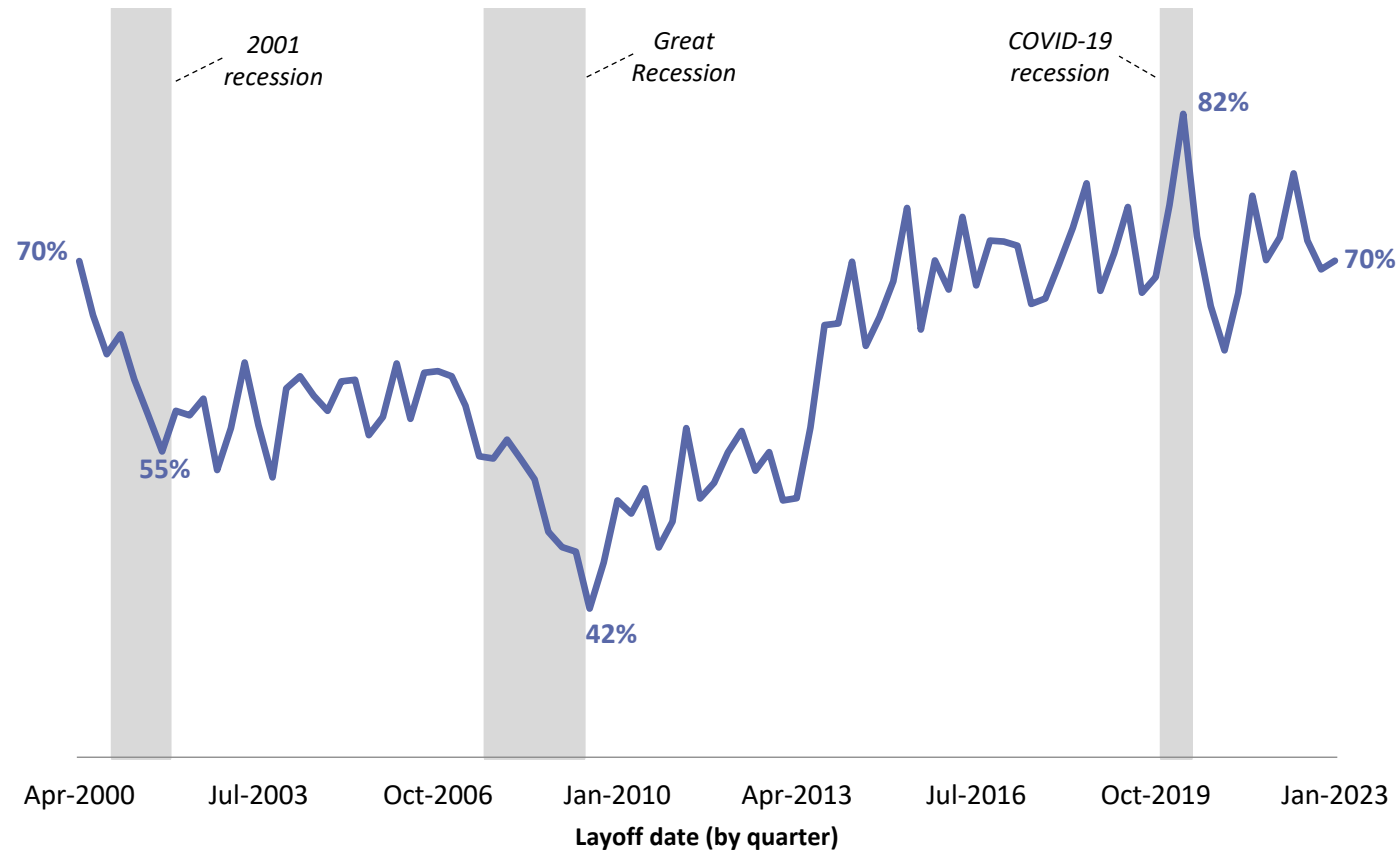
Manufacturing sector



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Appendix: reemployment rates

Transportation and warehousing sector



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