
Who Are Import-Competing Displaced Workers?

This chapter examines the characteristics of import-competing displaced workers, comparing them with other manufacturing workers and with workers displaced from other sectors of the economy. This comparison provides an opportunity to explain the differences between manufacturing workers and other, nonmanufacturing workers, and—more important to the task at hand—the differences between import-competing displaced workers and manufacturing workers displaced for other reasons. Explaining the individual and labor market characteristics of this group of displaced workers is an important first step in explaining the consequences of their job loss.

One focus of the examination will be to consider the realism of the common perception that import-competing displaced workers are unskilled. Sachs and Shatz provide just one example of this view when they write “that a cutback in manufacturing employment (particularly import-competing manufacturing employment) will release relatively unskilled workers into the service sector, with the effect being larger should those employees come from the import-competing sector of manufacturing” (1998, 30).

The sample used in this chapter and those that follow differ very slightly from the one used in chapter 2. One goal for chapter 2 was to establish a reliable, if conservative, count of the number of displaced workers (taking into account the recall-period limitations discussed in appendix A). With this point established, it is desirable to use the fullest possible representation of displaced workers, so as to explain more fully the individual and labor market characteristics of affected workers. To accomplish

this goal, I ignore differential recall periods and include all workers displaced from the relevant industries in all years of the surveys.

Comparing Manufacturing with Nonmanufacturing Workers

Table 3.1 reports basic individual characteristics for two subsets of the sample, manufacturing and nonmanufacturing workers, for the period 1979-99. The group of nonmanufacturing workers includes those displaced from transportation, utilities, communications, wholesale and retail trade, finance, insurance, real estate, and services. Throughout this analysis, workers displaced from agriculture, mining, and construction are excluded. Averages are calculated across workers, not from industry means. (A full set of tables, with separate panels for various time periods, is given in appendix table D.2.)

There is one very important first observation from table 3.1: manufacturing displaced workers are different from nonmanufacturing ones. Manufacturing displaced workers are older, less educated, notably more tenured, considerably less likely to be female, more likely to be minority, and far more likely to be production oriented (in particular, lower-skill production oriented) than nonmanufacturing ones. These differences have been maintained during the 21 years of the sample (see panels A-C of appendix table D.2).

The education, tenure, and occupation differences are particularly stark. Twenty-one percent of manufacturing displaced workers are high school dropouts, relative to 11.9 percent of nonmanufacturing ones. This difference widened in the 1990s as compared with the 1980s: the share dropped throughout the economy, but more so outside manufacturing. The share of manufacturing workers who were high school dropouts was 60 percent higher than the nonmanufacturing share for the period 1979-89, and the share of manufacturing workers who were high school dropouts was 80 percent higher than the nonmanufacturing share for 1990-99. Similarly, manufacturing workers are less likely to be college graduates: during the 1979-99 period, workers with a college degree or higher made up about 14 percent of the manufacturing displaced and 22 percent of the nonmanufacturing displaced. This difference remained constant during the 21-year period.

In the displacement literature, there is a clear focus on workers with established work histories, for whom some of the risks of job loss seem clear. Human capital (skills) specific to firms and employers may be lost, job search skills are rusty, and starting over may be difficult. In regard to job tenure, manufacturing workers are far more likely to have long tenure: during the 1979-99 period, 21.5 percent of manufacturing displaced workers had more than 10 years' tenure on their lost job, as com-

Table 3.1 Characteristics of displaced manufacturing and nonmanufacturing workers, 1979-99

Worker characteristics	Manu- facturing (share)	Nonmanu- facturing (share)
Age at displacement (years)		
20-24	0.144	0.164
25-34	0.333	0.344
35-44	0.254	0.256
45-54	0.168	.153
55-64	0.101	0.082
Mean age, years (standard deviation)	38.6 (11.5)	37.3 (11.2)
Education		
Less than high school	0.210	0.119
High school graduate	0.437	0.365
Some college	0.215	0.294
College degree or higher	0.137	0.222
Mean years of education (standard deviation)	12.3 (2.6)	13.2 (2.4)
Job tenure at time of displacement (years)		
Less than 3	0.402	0.510
3-5	0.227	0.229
6-10	0.156	0.133
11-20	0.131	0.082
Greater than 20	0.084	0.045
Mean job tenure, years (standard deviation)	6.5 (7.8)	4.6 (6.2)
Share female	0.369	0.504
Share minority	0.176	0.170
Share displaced from full-time jobs	0.956	0.837
Predisplacement occupation		
White collar	0.307	0.645
Skilled blue collar	0.188	0.075
Unskilled blue collar	0.480	0.138
Services	0.023	0.140
Weekly earnings on old job		
Mean (standard deviation)	\$396.88 (\$250.89)	\$368.65 (\$269.19)
Share earned less than \$200/week	0.18	0.28
Share earned more than \$800/week	0.06	0.07
Share reemployed at survey date	0.648	0.691
For reemployed workers		
Mean change in log earnings (standard deviation)	-0.121 (0.473)	-0.038 (0.575)
Median change in log earnings	-0.047	0
Share with no earnings loss or earning more	0.35	0.41
Share with earnings losses greater than 15 percent	0.35	0.29
Share with earnings losses greater than 30 percent	0.25	0.21

Note: Workers displaced from agriculture, mining, construction, forestry, and fishing were excluded.

Source: Author's calculations from the Displaced Worker Surveys, 1984-2000, using sampling weights.

pared with 12.7 percent of nonmanufacturing ones. On the other side of the tenure distribution, there is a different story, one contrary to expectations. Many displaced workers do not have particularly long job tenure. Forty percent of manufacturing workers and 51 percent of nonmanufacturing workers were displaced after fewer than 3 years on the job.¹

Previewing what lies ahead, job tenure is an important characteristic for explaining (and predicting) difficult labor market adjustments. Long-tenured workers are less likely to be reemployed, and once reemployed, they experience larger earnings losses. For workers with shorter work histories before job loss, there may still be losses, in particular the earnings growth that would have been realized if the old job had not ended.² This second type of earnings loss is difficult to measure in the Displaced Worker Surveys.

In regard to occupation, just less than half (48 percent) of the manufacturing displaced are lower-skilled blue collar workers (fabricators, laborers, et al.), as compared with 14 percent of the nonmanufacturing displaced. There is a countertrend, appearing over time. The share of white collar workers among the manufacturing displaced rose sharply, from 27.9 percent for the period 1979-89 to 35.3 percent for 1990-99. This is consistent with the increase in the share of displaced workers with some college experience, from 29.9 percent for 1979-89 to 43.8 percent for 1990-99.³ The risks of job loss have clearly changed in manufacturing, spreading throughout the sector from production workers to nonproduction workers. This change put more-educated workers at greater risk of job loss by the late 1990s than they were in the 1980s.

Earnings on the old job were higher for the average manufacturing worker than for the average nonmanufacturing one.⁴ The difference (statistically significant at the mean) was about 8 percent and fairly constant over time. The earnings difference at the median, about 15 percent, was considerably greater, due to the larger share of nonmanufacturing workers earning less than \$200 a week. During the full period, 1979-99, fully 28 percent of nonmanufacturing workers earned less than \$200 a week, as compared with 18 percent of manufacturing ones. Part of this difference in the incidence of low earnings is accounted for by the difference in the prevalence of full-time work. Ninety-five percent of displaced manufac-

1. This is consistent with more general reports from the Displaced Worker Surveys. About half of all displaced workers have less than 3 years' tenure on the old job. See Hipple (1999).

2. In an analysis of displacement among young adult workers, Kletzer and Fairlie (2001) report sizable earnings losses for young job losers, relative to what they would have earned if not displaced.

3. See Kletzer (1995b) for a broader discussion of white collar job loss.

4. Earnings are reported in 1987 dollars.

turing workers reported being on the old job full time; about 84 percent of nonmanufacturing workers reported the same.⁵

The analysis below examines how these differences matter for postdisplacement outcomes and consequences. At this point, I note that a widely recognized finding from the displaced-worker literature (particularly on those displaced by trade) is that workers who are older, less educated, and longer tenured have more difficult and costly adjustments to permanent job loss.⁶

Outcomes after Job Loss

Turning from characteristics to consequences, the first postdisplacement outcome of interest is reemployment—becoming employed again in a new job. On this score, manufacturing workers do not fare as well as nonmanufacturing ones. This difference in outcomes can be seen in the lower half of table 3.1, where the share of workers reemployed is reported. In the Displaced Worker Surveys, reemployment is measured as survey date reemployment.⁷ About 65 percent of manufacturing displaced workers were reemployed at their survey date, as compared with 69 percent of nonmanufacturing ones. (This difference, 4.3 percentage points, is not large, but it is statistically significant at the 1 percent level.)

The likelihood of reemployment was markedly higher in the 1990s than in the 1980s. During the period 1990-99, the manufacturing reemployment rate was 66.3 percent, 2.3 percentage points higher than it was for 1979-89. For nonmanufacturing, the strong labor market of the late 1990s provided an even bigger boost: reemployment rose to a 70.8 percent average for the 1990s, 3.8 points higher than its 1980s average. This is consistent with the far more robust employment growth of services in the 1990s, relative to manufacturing. It is notable that it took the robustly strong labor market of the late 1990s for the manufacturing reemployment rate to equal the nonmanufacturing reemployment rate of the more troubled 1980s.

Earnings on the new job are the next concern—in particular, how earnings on the new job compare with earnings on the old one. Earnings are measured in the Displaced Worker Surveys as weekly earnings, and the

5. For the nonmanufacturing workers displaced from full-time jobs during the period 1979-99, mean weekly earnings on the old job were \$400 a week, with 20 percent earning less than \$200 a week and 8 percent earning more than \$800 a week. This earnings distribution is similar to the manufacturing-worker distribution.

6. For an early reference, see Neumann (1978).

7. This measure could understate total reemployment because it misses spells of employment that begin and end before the date on which a worker is surveyed. Workers not employed at their survey date may also become reemployed in the future.

available comparison is between weekly earnings at the time of displacement and, if reemployed, weekly earnings at the time of the survey. In other words, earnings losses are measured as old job to new job. This measure will “miss” earnings growth that would have occurred on the old job, in the absence of displacement.⁸ Manufacturing displaced workers experience large earnings losses on average, 12 percent at the mean, in comparison with a loss of just under 4 percent for nonmanufacturing ones.⁹ This average masks considerable heterogeneity, and the real story lies in the distribution. Half of those displaced from manufacturing have earnings losses greater than 5 percent, as compared with the median nonmanufacturing earnings change of 0 percent. Approximately 25 percent of manufacturing workers report earnings losses of 30 percent or more, and 35 percent report earning the same or more on their postdisplacement job than on their predisplacement one. For nonmanufacturing displaced workers, the share with very large (30 percent or more) earnings losses is slightly smaller (21 percent), and the share of workers with no earnings loss or an earnings gain is 41 percent.¹⁰ In contrast to differences over time in reemployment rates, the manufacturing-nonmanufacturing difference in earnings changes remained relatively unchanged from the 1980s to the 1990s.

Earnings losses exceeding 30 percent are very costly. Within the framework of Trade Adjustment Assistance, the mandate is to assist individuals who become unemployed as a result of foreign imports to return to suitable employment as quickly as possible. Suitable employment is defined as work that is substantially equal to—or higher in skill level than—the person’s past adversely affected employment, and that pays not less than 80 percent of his or her previous employment.¹¹ The more detailed panels of appendix table D.2 show that the risk to workers of experiencing very large earnings losses is insensitive to business cycle and labor market fluctuations.

8. For some groups of workers, earnings fall before displacement, and the DWSs also miss this aspect of displacement-related earnings change (see Jacobson, LaLonde, and Sullivan 1993; Stevens 1997).

9. Very low reemployment earnings can dramatically increase estimates of earnings losses. To minimize the role of these outliers, workers with reemployment earnings below \$75 a week (about 1.5 percent of reemployed workers) were omitted.

10. An important weakness of the DWS is the lack of a control group. The proper measure of earnings loss is not the comparison between pre- and postdisplacement earnings; rather, it is the difference in earnings between observationally similar displaced and nondisplaced workers. See Ruhm (1991) and Jacobson, LaLonde, and Sullivan (1993) for two different displaced-worker studies using control groups.

11. See the discussion of Trade Act programs at the US Department of Labor Web site, http://wdsc.doleta.gov/trade_act/.

These losses, although sizable, underestimate total earnings losses, if those losses are defined with respect to what workers would have earned if they had not been displaced. If these workers had not been displaced, they would have realized at least some earnings growth. Longitudinal studies, which follow a group of individuals over time, offer the best information for constructing a comparison group of nondisplaced workers. These studies are discussed in appendix C. For a sample of long-tenured Pennsylvania workers displaced in the 1980s, Jacobson, LaLonde, and Sullivan (1993) found that earnings fall dramatically below the levels expected in the absence of displacement. In the first year after job loss, earnings losses calculated this way averaged 40 percent of predisplacement earnings. Even during the fifth year after job separation, earnings losses averaged 25 percent of former earnings.¹²

Even at this summary level, the distribution of earnings losses has clear implications for US worker adjustment assistance policy and for our understanding of who most needs assistance. One-third of workers (and more for nonmanufacturing ones) experience no earnings loss or even a gain in pay with reemployment. For these workers, job displacement does not result in a diminished ability to support themselves and their families.¹³ To meet the most immediate needs, resources can be targeted to those workers facing much more costly adjustments, those with earnings losses. About 30 percent of manufacturing workers face earnings losses of 0-15 percent, and a quarter of manufacturing workers experience very large earnings losses. With many workers experiencing small or zero earnings losses, the costs of a simple program of financial assistance, conditioned on earnings losses upon reemployment, are quite reasonable. Adjustment policies are discussed in chapter 7.

Comparing Import-Competing Displaced Workers with Other Manufacturing Workers

What about import-competing displaced workers? Using my import-competition categories, table 3.2 reports basic worker characteristics for high, medium, and low import-competing manufacturing industries. There is (again) one clear first observation: The average import-competing displaced worker looks very much like any other manufacturing worker.

12. Farber (2001) offers a method for calculating a similar control group from the Current Population Surveys. Overall, he reports that accounting for lost earnings growth can increase the estimate of earnings losses considerably, by about 50 percent in the 1980s. In the early 1990s, particularly for less-educated workers, the underestimate is smaller, because there was virtually no earnings growth. The general rise in real wages from 1995 increases estimates of total earnings loss, to the extent that most of the loss is forgone earnings growth.

13. This statement takes earnings as a primary component of compensation.

Table 3.2 Characteristics of displaced workers, by manufacturing-industry level of import competition, 1979-99

Worker characteristics	High import competition (share)	Medium import competition (share)	Low import competition (share)
Age at displacement (years)			
20-24	0.131	0.149	0.157
25-34	0.323	0.338	0.340
35-44	0.267	0.240	0.262
45-54	0.174	0.169	0.155
55-64	0.104	0.103	0.087
Mean age (standard deviation)	39.1 (11.4)	38.4 (11.6)	37.8 (11.3)
Education			
Less than high school	0.213	0.219	0.182
High school graduate	0.427	0.444	0.446
Some college	0.212	0.210	0.229
College degree or higher	0.148	0.126	0.142
Mean years of education (standard deviation)	12.3 (2.7)	12.3 (2.6)	12.5 (2.5)
Job tenure at time of displacement (years)			
Less than 3	0.388	0.398	0.442
3-5	0.221	0.231	0.230
6-10	0.168	0.154	0.134
11-20	0.130	0.133	0.125
Greater than 20	0.091	0.083	0.069
Mean job tenure, years (standard deviation)	6.8 (7.9)	6.5 (7.8)	5.9 (7.7)
Share female	0.449	0.304	0.351
Share minority	0.190	0.165	0.167
Share displaced from full-time jobs	0.966	0.960	0.924
Predisplacement occupation			
White collar	0.313	0.286	0.345
Skilled blue collar	0.180	0.209	0.155
Unskilled blue collar	0.488	0.478	0.466
Services	0.018	0.025	0.029
Weekly earnings on the old job			
Mean (standard deviation)	\$402.97 (\$273.39)	\$400.41 (\$236.55)	\$375.11 (\$230.52)
Share earned less than \$200/week	0.24	0.16	0.18
Share earned more than \$800/week	0.07	0.06	0.05

Source: Author's calculations from the Displaced Worker Surveys, 1984-2000, using sampling weights.

Import-competing workers are very slightly older (a larger share are 45-54 years of age), their educational levels are very similar, and they have similar average levels of job tenure. Those displaced from high import-competing industries do have slightly more job tenure than those displaced from industries with less import competition, with most of the difference occurring at less than 3 years' tenure.¹⁴

The most striking characteristic is the degree to which high import-competing industries employ and displace women. This difference was sharper in the 1990s than in the 1980s. Import-competing industries account for a large share of female employment in manufacturing.¹⁵ This concentration of female manufacturing employment puts women at a relatively higher risk of import-competing job loss. This concentration is reflected in table 3.2, where women represent 45 percent of those displaced from high import-competing industries, 30 percent from medium, and 35 percent from low. These differences are all statistically significant, and they arise from the far greater level of female employment in traditional import-competing industries. This predominance is examined in more detail below.

High- and low-wage industries are fairly evenly represented among the import-competing displaced. For high and medium import-competing industry workers, mean real predisplacement weekly earnings are very similar, and somewhat higher than the least import-competing of the manufacturing industries (the high-low and medium-low differences are statistically significant). As we will see below, these averages (again) mask considerable variation. There are a number of low-wage traditional import-competing industries, and workers in them are observably different from workers in the rest of manufacturing.

Turning to postdisplacement outcomes in table 3.3, high import-competing displaced workers are less likely to be reemployed than other displaced manufacturing workers, with an average rate for 1979-99 of 63.4 percent. The difference between high and low import-competing workers, 3.4 percentage points, is statistically significant. The high-medium difference is smaller, at 2 points, also statistically significant. The medium-low difference is small, at 1.4 percentage points, and is not statistically significant.

Particularly for the high import-competing group, reemployment was more difficult in the 1980s, with a lower rate of 62.3 percent, than it was

14. The high, medium, and low distinctions made in this section are robust to alterations in the definition of import competing.

15. At the beginning of the study period, 1978, industries with an average import share of 0.20 or higher accounted for 6.8 percent of female manufacturing employment, relative to 2.6 percent of male manufacturing employment. Industries with the smallest exposure to imports, those with an average import share of less than 0.10, respectively accounted for 53.4 and 66.9 percent of female and male manufacturing employment (see Kletzer 1995a).

Table 3.3 Postdisplacement outcomes, by manufacturing-industry level of import competition, 1979-99

Outcomes	High import competition (share)	Medium import competition (share)	Low import competition (share)
Share reemployed at survey date	0.634	0.654	0.668
For reemployed:			
Mean change in log earnings (standard deviation)	-0.132 (0.475)	-0.126 (0.469)	-0.086 (0.475)
Median change in log earnings	-0.047	-0.062	-0.027
Share with no earnings loss or earning more	0.36	0.34	0.38
Share with earnings losses greater than 15 percent	0.35	0.36	0.34
Share with earnings losses greater than 30 percent	0.25	0.25	0.26

Source: Author's calculations from the Displaced Worker Surveys, 1984-2000, using sampling weights.

in the 1990s, when 65.4 percent of workers were reemployed, on average (see appendix table D.2). Reemployment differences between the 1980s and 1990s were smaller for other displaced manufacturing workers.

Among the reemployed, high import-competing displaced workers have large average earnings losses, about 13 percent at the mean. This average earnings loss is significantly different from workers displaced from industries with the least exposure to imports, but not the medium-import group. Again, these large average losses mask considerable heterogeneity: 36 percent of import-competing displaced workers report earning the same or more after displacement as before, and 25 percent reported losses of 30 percent or more. This spread is very similar to manufacturing as a whole.

Drawing these elements together, there are few striking differences between import-competing displaced workers and other manufacturing workers, on the basis of average characteristics. It is useful, however, to look beyond the averages and at the distribution of these characteristics. Table 3.4 reports on a set of characteristics (expanded from tables 3.2 and 3.3) for just the high-import group of industries and workers. Appendix tables D.3 and D.4 report similarly for medium and low import-competing industries.

High import-competing industries vary from the low wage (apparel, footwear, knitting mills, and leather products) to the high wage (computers, blast furnaces, tires and inner tubes, construction and material moving

machines, and motor vehicles). Note that the low-wage industries tend to be unbalanced importers, and the high-wage ones balanced or even unbalanced exporters. This is consistent with studies that reveal that exporting plants and firms offer “better” jobs, with higher pay and more job security (see Richardson and Rindal 1995, 1996).

Across the board, the low-wage industries employ and displace large shares (and often large numbers) of women. A few industries stand out: Women account for 79 percent of displaced workers from apparel (compared with their 82 percent employment share in 1978). In footwear, women represent 66 percent of displaced workers, from a 70 percent 1978 employment share. In leather products, women are 73 percent of the displaced, and 69 percent of 1978 employment. From knitting mills, women account for 80 (!) percent of displaced workers. The large shares of women in the groups of displaced workers, relative to their employment shares, may not be an overrepresentation due solely to gender. Shorter average job tenure for women and inverse seniority-based layoff rules, along with part-time status, may account for women’s high incidence of displacement. But explaining gender differences in the incidence and consequences of import-competing job loss is a subject for another study. What is clear here is that the burden of import-competing job loss falls on women, in large part because women traditionally have been employed in these high import-competing industries.

Lower educational attainment also describes these lower-wage industries. High school dropouts make up 25 to 50 percent of the displaced from these industries. A few, unbalanced importer industries stand out: textiles, apparel, leather products, and footwear. The fraction of high school dropouts is notably lower in the higher-wage industries, at 7-10 percent. These industries are also either balanced or unbalanced exporters. This point should be clear. We expect our traditional import-competing industries to be relatively low skill, and their displaced workers face readjustment starting from modest levels of formal schooling. Their on-the-job skills are more difficult to observe, but formal schooling and on-the-job training are known to be positively correlated. We should expect these workers to face difficult readjustments (see Field and Graham 1997).

Many high import-competing displaced workers were established in their jobs. Long tenures clearly characterize the high-wage industries. Half of the displaced from tires and inner tubes reported being on the job 10 years or more before their job loss. Even in the low-wage industries, sizable shares (about 20 percent) of displaced workers had been on the job at least 10 years. Just being on a job for 10 years can mean rusty job search skills and a general lack of information about current labor market conditions.

For workers with little formal schooling and long tenure, job loss can be a costly experience. For the high import-competing group as a whole,

Table 3.4 Characteristics of high import-competing industry workers, rank ordered by number of workers displaced, 1979-99

High import-competing industry	Mean old job earnings	Share female	Share high school	Share with tenure > 10 years	Share reemployed	Change in weekly earnings		Share with earnings loss > 30 percent	Share with joblessness > 26 weeks
						Median	Mean		
Electrical machinery	\$412.16	0.484	0.139	0.414	0.673	-0.033	-0.143	0.22	0.222
Apparel	\$236.37	0.791	0.378	0.447	0.556	-0.041	-0.083	0.199	0.203
Motor vehicles	\$448.32	0.248	0.196	0.503	0.622	-0.117	-0.228	0.35	0.296
Electronic computing equipment	\$588.10	0.377	0.068	0.256	0.737	-0.068	-0.239	0.254	0.134
Radio and television	\$431.61	0.479	0.138	0.431	0.657	-0.003	-0.071	0.192	0.252
Blast furnaces	\$509.54	0.111	0.203	0.465	0.617	-0.36	-0.493	0.446	0.367
Construction and material moving machinery	\$489.36	0.178	0.152	0.415	0.678	-0.17	-0.296	0.307	0.3
Miscellaneous manufacturing industries	\$327.01	0.46	0.236	0.416	0.638	-0.023	-0.173	0.229	0.201
Footwear	\$240.26	0.662	0.427	0.439	0.543	-0.071	-0.072	0.239	0.329
Scientific and controlling instruments	\$464.28	0.403	0.087	0.311	0.717	0.021	-0.088	0.17	0.198
Toys and sporting goods	\$333.96	0.506	0.212	0.312	0.619	-0.03	-0.153	0.245	0.23
Knitting mills	\$223.05	0.759	0.368	0.487	0.609	-0.024	-0.107	0.225	0.263

Other primary metals	\$444.22	0.252	0.189	0.563	0.257	0.581	-0.061	-0.157	0.306	0.207
Other rubber products	\$311.23	0.533	0.261	0.522	0.297	0.683	0	-0.166	0.231	0.101
Tires and inner tubes	\$605.57	0.247	0.085	0.309	0.485	0.689	-0.42	-0.464	0.487	0.315
Photographic equipment	\$526.49	0.223	0.137	0.414	0.385	0.777	-0.077	-0.15	0.254	0.236
Cycles and miscellaneous transport	\$352.04	0.219	0.221	0.647	0.136	0.681	0	-0.203	0.255	0.251
Leather products	\$226.64	0.734	0.525	0.321	0.17	0.378	-0.089	-0.106	0.254	0.335
Office and accounting machines	\$464.81	0.432	0.095	0.462	0.167	0.612	0.206	0.175	0.117	0.237
Pottery and related	\$267.02	0.454	0.376	0.386	0.229	0.396	-0.223	-0.464	0.338	0.214
Miscellaneous textiles	\$282.40	0.666	0.379	0.559	0.222	0.511	-0.077	-0.328	0.398	0.242
Watches, clocks	\$403.63	0.268	0.098	0.434	0.241	0.777	0.01	-0.066	0.128	0.169
Leather tanning and finishing	\$322.83	0.368	0.098	0.471	0.202	0.635	0.158	0.101	0.092	0.109
High-import-competing average	\$402.97	0.449	0.213	0.427	0.221	0.635	-0.047	-0.132	0.253	0.24
Manufacturing average	\$396.88	0.369	0.211	0.437	0.215	0.648	-0.047	-0.121	0.252	0.221
Nonmanufacturing average	\$368.65	0.511	0.119	0.365	0.127	0.691	0	-0.038	0.212	0.127

Note: Changes in weekly earnings are changes in ln(earnings). See appendix tables D.3 and D.4 for medium and low import-competing industries.

Source: Author's calculations from the Displaced Worker Surveys, 1984-2000, using CPS sampling weights.

the likelihood of reemployment is less than two-thirds (at 63.5 percent), and it varies from a low of 38 percent for leather products to a high of 83 percent for photographic equipment. Almost all of these workers (97 percent) were employed full-time before displacement, making weak labor force attachment, from the worker side, an unlikely cause for the low reemployment rates.

For most high-import-competing workers, the time needed to find a new job is within the usual 26-week period of eligibility for unemployment compensation. Half of these workers had unemployment spells of 8 weeks or less. Interestingly, 27 percent of workers were unemployed for less than 1 week (this group is included in the half with spells of less than 8 weeks). Yet a full quarter of workers were unemployed for more than 26 weeks (6 months), at which point standard unemployment compensation is exhausted. There is a wide variation in the incidence of long spells of unemployment (jobless for 6 months or longer) across the high import-competing industries. In some industries, relatively few workers were jobless 6 months or more (10 percent in other rubber products and leather tanning and finishing), and in others long periods of joblessness were a more likely experience (36.7 percent in blast furnaces, 32.9 percent in footwear, and 31.5 percent in tires and inner tubes).

What about earnings losses? The mean earnings loss was 13.2 percent. The range of earnings losses is striking across the high import-competing industries. Mean earnings losses from two of the high-wage industries were greater than 45 percent (blast furnaces, and tires and inner tubes). Mean earnings losses from other high-wage industries were notably smaller (e.g., motor vehicles at 23 percent and photographic equipment at 15 percent). Low-wage industries have lower mean and median earnings losses, and we expect some of that effect statistically (i.e., high-wage workers have more earnings to “lose” as they drop down in the earnings distribution than do low-wage ones). High-wage industries have a greater share of their workers reporting large (higher than 30 percent) earnings losses. With their predominance in low-wage industries, women have slightly smaller mean earnings losses than men (12 percent compared with 15 percent), a difference that is not statistically significant.

Similar details for the medium and low import-competing industries are reported in appendix tables D.3 and D.4. Differences between our high-import group and these two groups are more subtle than striking. In the rest of manufacturing, women have larger mean earnings losses than men. This result is the reverse of that found for the high import-competing displaced group. Overall, long tenure and modest levels of formal schooling characterize many displaced manufacturing workers.

Summary, and a Look Ahead

This chapter reveals a few points for summary, and points that also look ahead. The characteristics of displacement have changed since the 1980s

(see Farber 1997, 2001; Kletzer 1998b). Displaced workers were older, more educated, and more white collar in the 1990s than they were in the 1980s. To little surprise, these characteristics also increasingly describe the workforce (US Department of Labor 1994, 1995). The high import-competing displaced workers examined here are disproportionately blue collar, goods-producing ones; that is, “old-style” displaced workers. At the outset, this means that they may carry into their job loss characteristics that are not in step with growing segments of the economy.

A difficult question is predicting who will find job loss particularly costly. It is difficult to discern clear patterns in the data. Higher pre-displacement earnings are associated with larger earnings losses. To learn more, we need to turn to a more detailed examination of the correlates of postdisplacement labor market outcomes. To focus our thoughts, it is useful to remember one of the reasons why job displacement is an important policy question: Displacement involves a combination of losing an established job *and* the need to seek reemployment. This creates the possibility of losses of job- or firm-specific human capital (including job networks), and the risk of permanently lower wages for workers. We will consider factors influencing reemployment first, and then earnings losses.