

Have Employment Patterns of Older Displaced Workers Improved Since the Late 1970s?

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Abstract

In this paper, we document the post-displacement employment patterns observed between 1979 and 2004 for displaced workers aged 50 to 54. We uncover four key patterns. First, we detect no upward trend in the re-employment rates of male displaced workers in the aggregate, in manufacturing or outside manufacturing. Second, we show that re-employment rates of displaced women generally increased over time. Third, we find substantial evidence that median and average earnings losses of males displaced from manufacturing in recent years (i.e. between 2000 and 2004) were higher than those of comparable cohorts displaced during the 1980s. Part of this increase is related to the lower re-employment rates observed in recent years for males displaced from manufacturing. These lower re-employment rates suggest that, following displacement, aggregate working hours likely fell for males displaced from manufacturing. Finally, we show that median and average earnings losses of women displaced from non-manufacturing firms fell over time.

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