LAYOFFS DURING RECESSIONS CAUSE GREATER LOSSES FOR WORKERS IN NEW YORK THAN LAYOFFS DURING GOOD ECONOMIC TIMES

Workers who lose jobs during a recession sustain greater earnings losses once they find new jobs than workers displaced during good economic times, according to a 2008 study of more than 40,000 Connecticut workers. The trend indicates that workers displaced in the recessionary period sustained long-term earnings losses of 16 percent to 20 percent, compared with a reduction of 5 percent to 9 percent for workers displaced during the economic expansion. Five years after being laid off, the average loss in annual earnings for workers laid off during the downturn was $5,791, more than double the $2,601 average for workers displaced during the boom.

(Source: BNA, Daily Labor Report, No. 228, December 1, 2009, pp. D1-D2.)