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PLANT CLOSINGS
in
Southwestern Pennsylvania:
An Inventory and Survey

David Levdansky

Research Consultant

Dr. Roger Ahlbrandt, Jr.
Associate Provost

Jim DeAngelis, AICP
Director, Urban & Regional
Planning Program

University Center For Social And Urban Research

University of Pittsburgh

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Preface

Plant closings in Southwestern Pennsylvania have caught the attention of people in this region and throughout the nation. The media has headlined these events and their consequences. Elected officials are exploring remedies. The civic leadership has announced a strategy for the region's economic growth through the Allegheny Conference on Community Development. While the complexity of understanding the regional economy's restructuring is acknowledged and while evidence of public-private solidarity to address this complexity is emerging, the fact remains that we need to know more about the extent to which plant closings are affecting our economy and we need more insights on which strategic initiatives can be based.

As an initial step in building knowledge about plant closings in Southwestern Pennsylvania, we have worked closely with David Levdansky to complete what we believe is the first inventory of plant closings. In addition to the inventory, we selected thirty five manufacturing establishments that had recently closed or significantly reduced their workforce and asked David to conduct in-depth interviews with knowledgeable people in management and, where appropriate, organized labor. The three of us have reviewed the findings and prepared this report for your consideration.

Jim DeAngelis, AICP
Roger Ahlbrandt, Jr.

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Introduction

The nature of the economic restructuring that has been occurring during recent decades in Southwestern Pennsylvania has been well documented by colleagues at the University of Pittsburgh (see bibliography) and the recently released report by the Economic Development Committee of the Allegheny Conference on Community Development. These reports describe and analyze the long term economic shifts that have been affecting the region's economy, present the most recently available data, and consider the consequences of these economic shifts.

Plant closings are a more recent phenomena that need to be placed in context with recent data. Southwestern Pennsylvania's total employment declined by 96,000 (9%) between the first quarter of 1980 and the fourth quarter of 1983. Manufacturing employment declined by 86,000 (35%) during that same time period and represented nearly 90% of all jobs lost. More than one out of every three manufacturing jobs was lost during that period. Net manufacturing employment loss was approximately the same in the 1980-81 and 1982-83 periods: approximately 44,000 jobs in 1980-81 and 42,000 jobs in 1982-83 (see Table 1).

Non-manufacturing employment also declined during this same period--a net loss of 10,000 jobs, representing 10% of all jobs lost. From 1980 through

1982 non-manufacturing employment actually declined by 16,000 (2%) but grew by 6,000 jobs during 1982 and 1983.

Net employment change, as just reported, provides useful insights; however, this type of data does not provide establishment specific employment estimates because establishment data are summarized by the primary industry of which an establishment is a part. Hence, the extent to which net employment changes reflect expansions or reductions in the workforces at establishments is not known, and the extent to which net employment changes reflect establishments' openings and closings is not known. As an initial step in gaining some insights about establishment-specific data, an inventory of manufacturing establishment closings in Southwestern Pennsylvania has been completed.

Inventory of Plant Closings and Significant
Reductions in Workforces

Fifty-two plants have closed in Southwestern Pennsylvania from January 1, 1982 to July 1, 1984 (see Table 2). These closings resulted in a loss of 13,280 jobs during the same time period. This study does not attempt to determine if the people who held these jobs have found employment after the plant closed.

During the thirty months for which plant closings were inventoried, an

average of 1.73 closings per month involving 443 jobs losses per month occurred. While the average number of jobs lost per plant closing was 266, it is important to realize that 6 plant closings account for approximately 59% of the manufacturing jobs lost and that 25 plant closings resulted in per plant job losses less than 100. Steel-related industries (SIC 33 - Primary Metals and SIC 34 - Fabricated Metal Products) account for 6,353 (47.8%) of the 13,280 manufacturing jobs lost involving 24 (46%) of plant closings (see Table 3). The problems in the nation's steel industry are illustrated directly by these figures.

During 1982 and 1983 the net change in Southwestern Pennsylvania's manufacturing employment was reported as approximately 42,000. During approximately the same time period 36 (of the 52) manufacturing establishment closings occurred. It is estimated that approximately 10,189 jobs were lost at these establishments in 1982 and 1983 combined.

While there are technical limitations in making a direct comparison of net manufacturing employment change and estimated job losses due to manufacturing establishments' closings, it is, nonetheless, useful to make the comparison (see Table 4) as a basis for getting a rough idea of the relative magnitude of job losses associated with manufacturing establishment closings.

Roughly 32% of the net manufacturing employment loss in Southwestern Pennsylvania during 1982 and 1983 may be explained by job losses associated with the closings of manufacturing establishments. In the steel-related industries (SICs 33 and 34) the comparable figure is roughly 20%.

In addition to the 52 manufacturing establishment closings which account for 13,280 jobs lost in the 1982-1984 period, fifty-two additional establishments experienced significant workforce reductions totaling 22,265 during the same period. Table 5 summarizes the 52 establishments with significant workforce reductions in the period of January 1, 1982 to July 1, 1984. Note that 42.3% (22) of the establishments and 62% (13,928) of the jobs lost through workforce reductions are in the Primary Metals Industry (SIC 33).

Table 6 summarizes the geographic location of plant closings and significant reductions in workforces. Appendices A and B contain the inventory of establishments on the basis of which Tables 2-6 have been prepared.

Inventory Procedure

This report identifies companies which have either closed their operations or reduced their workforce in the Southwestern Pennsylvania labor market (counties of Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Lawrence, Washington, and Westmoreland) from January 1, 1982 to July 1, 1984. Because no data on plant closings or workforce reductions are compiled and/or made available by any agency of the state or federal governments, this report represents the most comprehensive inventory of plant closings/workforce reductions in the Southwestern Pennsylvania labor market. While we make no claim that this report is a complete accounting of all plant

closings or workforce reductions, it represents the best attempt to inventory plant closings and workforce reductions given the limited public access to corporate employment data.

The establishments involved in this study were identified from the plant closings files of the Pittsburgh Press and Post Gazette, from information obtained from the Research Department of the United Steelworkers of America, and from a statewide listing of plant closings compiled by the Bureau of National Affairs (a private research organization).

Each firm has been classified by three- and four-digit Standard Industrial Classification (SIC) code. Those firms identified through the newspaper files and involved in manufacturing were classified according to SIC code through the Pennsylvania Industrial Directory, Bureau of Statistics, Research, and Planning, and Pennsylvania Department of Commerce. The U.S.W.A. Research Department data classifies local unions and plant locations by four-digit SIC code.

Data obtained from the U.S.W.A. Research Department indicate average dues-paying members employed in each bargaining unit (corresponding to each company location). The dues-paying U.S.W.A. membership data is compiled monthly and averaged quarterly for each quarter from 1980 through the first quarter of 1984. A comparison of quarterly dues-paying U.S.W.A. membership permits the identification of workforce reductions and possible plant closures. Because striking U.S.W.A. members do not pay dues to the union for the duration of a strike, an indication of "no dues-paying members" in a

particular bargaining unit in a particular quarter does not necessarily indicate a plant closing. Consequently interviews with the U.S.W.A. district staff were conducted to identify actual plant closings.

Fifty-two establishments were identified as having experienced a significant workforce reduction. In all but seven cases this determination was made by comparing U.S.W.A. average dues-paying membership in the first quarters of 1982 and 1984. If a net loss of 100 workers or 30% was detected, the establishment was classified as having a significant workforce reduction. This method of comparison understates the magnitude of the workforce reduction because salaried and other non-bargaining unit employees are exclusive of U.S.W.A. membership data. Employment loss is further understated because the average dues-paying membership data includes all bargaining unit employees employed a minimum of one week per month (U.S.W.A. members pay dues of two hours average earnings per month, regardless of whether they work one or four weeks per month). Underemployed U.S.W.A. members (those working fewer than 160 hours per month) are thus counted as fully employed.

Establishments which have either totally or partially closed are indicated by the effective date of such closing and have been derived from the newspaper sources, through telephone interviews with company representatives, or through personal interviews with U.S.W.A. staffpersons in sub-district offices located in Baden, Versailles, Donora, Johnstown, and Washington (Pa.). Employment loss among firms closing their operations is also understated because firms usually phase-out their operations with a

significant loss of employment prior to the effective date of the closing.

Survey Procedure

After the inventory of the establishments experiencing closings or reductions in workforce was compiled, 35 firms were selected for in-depth interviews. Before conducting the interviews with the appropriate company representatives, interviews of union staff representatives were undertaken to verify the data from the USWA Research Department and to gain their insights regarding particular plant closings or reductions in workforce.

The thirty-five sampled establishments were selected to represent seven industry groups (see Table 7). Representatives from three establishments were unwilling or unavailable to grant interviews: one company representative cited "confidential corporate information" in denying the interview request; another company's representative remained "unavailable" after repeated attempts to contact him (most likely because his establishment was in the process of being acquired by a German firm); a third establishment which had closed its operations was impossible to trace. Consequently, 32 interviews were conducted between August 14-30, 1984. One of these interviews was with a non-manufacturing firm and has thus been excluded from analysis. Thus, 31 interviews comprise the survey.

Survey Findings

The 32 interviews were conducted with company representatives who were knowledgeable of their company's decision to close or to reduce their workforce. Company representatives interviewed held the positions of plant manager, personnel manager, director of industrial relations/contract administration, vice-president of sales/marketing, or controller. Two sets of inquiries were made during these interviews. The initial questions pertained to the location of the establishment, product(s) produced at the establishment and levels of employment (maximum and present). The remainder of the telephone interview focused on (a) the decision of the firm to close or reduce their workforce, (b) possible relocation of production, and (c) an attempt to ascertain if anything could have been done to avert the decision to close or reduce the workforce. The following two sections of this report summarize key findings.

Reasons for Closing or Reduction in Workforce

Thirty-one manufacturing firms were questioned about their particular reason for closing their operations or reducing their workforce. An average of 2.2 reasons were cited by respondents.

The reasons cited by the respondents can be classified as follows:

Market demand decline - lack of business orders; the general recession; industry overcapacity; diminishing or shifting markets; product substitution; diminishing or marginal profits due to price competition; lack of government spending for infrastructure repairs.

Uncompetitive labor costs/practices - high wages; union work rules; adversary labor-management relations.

Foreign import competition - including non-union domestic competition.

Automation/consolidation of production process - department or division divestiture; elimination of marginal or unprofitable product lines.

Insufficient capital spending - inefficient plant/equipment; unwise capital investment; non-productive capital spending (i.e. pollution controls); company failure to modernize; capital investment elsewhere within corporation.

Pennsylvania business climate - corporate income taxes; unemployment compensation taxes; workmen's compensation taxes; inability to obtain low-interest loans.

Costs of business (excluding labor costs) - increasing natural gas costs; increasing overhead costs; failure to renegotiate building lease.

Mismanagement - ineffective marketing of product; illogical business location decision; excessive executive personnel costs.

most important?

The reason most often cited by the respondents for explaining their decision to close or reduce their workforce was market demand decline. This reason was cited by 24 of the 31 respondents (77%) representing every two-digit SIC industry classification included in the telephone survey. These respondents were quick to note the impact of the recession in their industry on their particular firm and viewed their decision to close or reduce their workforce as a logical business decision responding to greater market forces.

Uncompetitive labor costs was the second most often reason cited in the decision to close or reduce the workforce, being cited by 13 (42%) of all respondents. Significantly, 29 (94%) of the respondents' facilities were unionized while only one respondent operated non-union and in one case union status was undetermined. Of these 29 unionized firms 18 (62%) had relocated production to other facilities. Twelve of these 18 (67%) actually closed their existing facility and relocated. The remaining 6 firms relocated production while reducing the workforce at the existing location.

Labor costs are an important variable in a firm's decision to locate production facilities. Business location decisions are also influenced by other variables including transportation costs, access to skilled or unskilled labor, proximity to markets, access to raw materials, overhead fixed costs, and local amenities such as infrastructure and taxes. But labor costs continue to be seen by those making business location decisions as one of the most important cost considerations. As such, right-to-work states (those states, primarily southern states, which outlaw the union shop) send a "signal" to business leaders that labor costs are generally lower and likely to remain lower than in states permitting "union shop" contractual provisions. Labor costs are likely to be lower in right-to-work states for two reasons.

First, unions lack institutional security and are financially weaker in right-to-work states because more workers fail to pay dues to the union even though the union is legally obligated to represent them. From the worker's perspective the "right-to-work" is in reality the "right-to-freeload." Why pay (dues) for union representation when you can get it for free?

Secondly, just as the unions are institutionally weakened by right-to-work legislation, so are the union efforts to organize the unorganized. In addition, the loopholes and ineffectiveness of the National Labor Relations Act enables employees to violate the Act with impunity. Thus right-to-work legislation and the inherent weakness of the N.L.R.A. effectively acts to impede union efforts to organize the South and Sunbelt states.

Of the 18 **unionized firms relocating production**, 11 also closed their existing production facility while the remaining 7 reduced their workforce. Further, of these 18 relocating firms, 7 reopened non-union, 5 reopened under union contracts but at lower labor costs, while in only 2 cases did relocation occur at a unionized site with comparable labor costs. In two cases it was unknown if the relocation site was unionized while in the remaining two relocation sites were unionized but it was unknown if relocation was achieved with lower labor costs. Thus of the 18 firms relocating, 12 (66%) were unionized with lower labor costs or operated without a union at their new facilities.

Of the 13 firms citing **uncompetitive labor costs** in their decision to close or reduce the workforce (8 closed their operations while 5 reduced their workforce), 8 also relocated their production. While 6 of the 13 respondents noted that union concessions had been granted at existing operations, 4 respondents had not received union concessions and the status of concessions was uncertain in the remaining three cases. Of the four firms citing "uncompetitive labor costs" and failing to achieve contract concessions, three closed their operations while the other experienced a reduction in force. In the 6 occasions where the union granted concessions to employers who cited "uncompetitive labor costs," three involved closings and three involved

reductions in force.

For all intents and purposes no general conclusion can be drawn from this survey on the effectiveness of granting or not granting union/wage concessions as a strategy for retaining an establishment that might seek a new or additional production facility location. Indeed, the data may suggest that each establishment's concern for union/labor concessions is particular to its own situation and does not fit into a general pattern.

The survey, however, does suggest that labor costs are one of several key factors in the decision to close or to reduce the workforce at a manufacturing establishment. The fact that 12 of 18 relocating firms (66%) were operating non-union or unionized but at lower labor costs illustrates that unionized workers are competing against non-unionized workers and union members are now competing against each other.

Foreign import competition was cited by 26% (8) of the respondents as among the reasons for closure or reduction in force and was highly correlated with "market demand decline" (7 of 8 respondents cited foreign import competition and market demand decline). This suggests that imported products in the primary metals, fabricated metals, transportation equipment, and stone, clay, and glass products industries have garnered increasing shares of their markets. Four of the eight respondents citing "foreign import competition" were within SIC 34, fabricated metal products.

Automation/consolidation of the production process was identified by 6

(19%) of the respondents, with five experiencing a reduction in force and one closing. Four of the six also noted "market demand decline" in addition to "automation/consolidation," indicating consolidation and automation of existing production processes as a business strategy in response to the economy's decline. The most obvious result of introducing new technologies to the production process is a net loss of production jobs.

Insufficient capital spending was also identified by 6 (19%) of the respondents with 4 experiencing closings and 2 reductions in force. Interestingly, respondents citing "insufficient capital spending" also cited two other reasons in four cases, and three additional reasons in two other cases. The respondents thus view "insufficient capital spending" as a minor cause of their decision to close or reduce the workforce and/or are reluctant to criticize the investment decisions of management. Most likely, insufficient capital spending is a greater cause of plant closings and workforce reductions than corporate officials are willing to admit.

Four respondents (13%) noted the **Pennsylvania business climate** in their decisions to close or reduce the workforce, with 3 closing operations and 1 reducing its workforce. All 4 firms relocated their production processes, with 3 relocating at non-union facilities. Also, all 4 respondents cited "uncompetitive labor costs" in explaining their decision to close or reduce their workforce. Three respondents also lamented labor's "political power" resulting in "excessive" unemployment and workmen's compensation benefits.

Costs of business, excluding labor costs, were also cited by 4

respondents (13%). In only one case could the "costs of business" be considered a major reason for the closing or reduction in force. Of these 4 respondents, 3 closed their facilities and one reduced the workforce. All four respondents indicated that they had relocated production to other facilities.

Finally, **mismanagement** was also cited by 4 respondents (13%), all of whom experienced plant closings. In only one case was "mismanagement" identified as the major reason for the closing. As management is unlikely to blame themselves or their superiors for decisions to close or reduce the workforce, it is not surprising that "mismanagement" was cited by only 4 respondents.

Recommendations to Avert Plant Closing or Reduction
in Workforce

The thirty-one manufacturing firms interviewed were asked the question, "Could anything have been done to avert this plant closing or reduction in workforce?" Of the 31 respondents 14 (45%) gave no specific recommendation while 17 (55%) did cite a specific proposal or recommendation. Though failing to recommend a specific proposal or course of action, the 14 respondents did note that their specific decision to close or reduce their workforce was unalterable and inescapable given the present recessionary environment. Only a general and sustained economic improvement within their particular industry could have altered their condition. Indeed, 13 of the 14 respondents failing

to make a policy recommendation also cite "market demand decline" as a reason for their closure or reduction in force. Thus 45% of the respondents indicate that the recession, with its attendant decline in market demand, had a direct impact in their particular firm and decision to close or reduce the workforce. For these 14 firms changes in national economic policies seemed to be the only alternative.

The 17 firms representing 55% of those interviewed cited recommendations classified as:

Union contractual concessions - Wage concessions; work rule concessions; fringe benefits concessions; promote labor-management cooperative efforts.

Import protection - Import restrictions by imposing quotas; enforce existing trade laws.

State government policies/programs - Make low-interest loans as available to in-state firms as they presently are to firms beginning operations in Pennsylvania; make SBA loans available to firms "restarting" operations in Pennsylvania; and in need of operating capital; reform workmen's compensation system; reform unemployment compensation system.

Federal government policies/programs - Encourage/increase government purchases of products; promote support of federal government in nuclear and synfuels industries; abolish windfall profits tax; monetary policy change to devalue the dollar.

Miscellaneous - Lease renegotiation with owner of building. Reduce executives' salaries and benefits. Make Pennsylvania a right-to-work state.

Capital investments - Reinvestment in capital improvements within firm; promote capital investment in modern technology.

Of the 17 respondents making recommendations, 8 made specific recommendations classified as **union contractual concessions**, representing 28%

of total recommendations. Of the 8 respondents recommending concessions, 6 were from firms in the primary metals (SIC 33) and fabricated metals products (SIC 34) industries. Furthermore, 3 of the 8 respondents noted that while contract concessions may have mitigated the closure or reduction in force, the decision to close or reduce the workforce was seen as inevitable. Of the 8 recommending contract concessions, 4 had not previously received contract concessions, two respondents noted that their firm had, in fact, received contract concessions, while it was not determined if concessions had occurred in the remaining 2 cases. The data suggest that no conclusions can be drawn about the efficacy of contract concessions in preventing plant closings or workforce reductions.

The second most often cited recommendation by respondents was support for some form of **import protection**, particularly in steel. "Import protection" was cited by 7 respondents representing 24% of all recommendations. Of the 7 respondents, 6 are from firms located in the primary metals (SIC 33) and fabricated metals products (SIC 34) industries, while the remaining respondent cited import protection for the vitreous china industry (SIC 32). The political support for some form of protection from foreign steel among the USWA and the major steel producers and economic studies in support of import protection are well documented and long-standing positions. Thus it is not surprising that "import protection" is the second most often recommendation cited by the respondents to this study.

Four respondents cited **state government programs**, representing 14% of all

recommendations made. The four respondents recommending "state government programs" represent firms located in the primary metals (SIC 33), fabricated metal products (SIC 34), transportation equipment (SIC 37), and the stone, clay, and glass products (SIC 32) industries. Within this area of recommendation, reform of the unemployment and workmen's compensation systems was most often noted. One respondent, expressing a need for operating capital as the only obstacle preventing the firm from beginning operations, proposed that state loans be made available to firms "restarting" their operations. Another respondent indicated that low-interest loans presently available to firms willing to locate in Pennsylvania, should be made available to firms already operating in Pennsylvania. Above all else, the respondents in this area recommended reducing the unemployment and workmen's compensation taxes levied by the state on business. Thus, they were most critical of Pennsylvania's "business climate."

Recommendations concerning **federal government programs** were also cited by 4 respondents representing 14% of total recommendations, though all 4 respondents came from firms in the primary metals (SIC 33) and fabricated metals (SIC 34) industries. Respondents in this area tended to cite specific federal programs or policies to be implemented or changed. One specific proposal was for increased federal government support for the nuclear and synfuels industries, unlikely given the lack of political and popular support for these programs. Another proposal came from a respondent who recommended the devaluation of the dollar to increase the costs to purchases of imported steel, while enhancing the competitiveness of American exports.

Two recommendations representing 7% of all recommendations were made concerning **capital investments**. These two respondents indicated that failure to reinvest in existing operations, and lack of investment in modern state-of-the-art technology, contributed to the closure or reduction in workforce. These two respondents had obviously lost the internal corporate debate for the allocation of capital in the facility under study. Given the sensitivity of upper management to criticisms of their decisions regarding capital investments, it is no surprise that only two respondents were willing to discuss this delicate subject. Some may expect union representatives to be critical of corporate leaders' investment decisions, but since investment decisions are outside the scope of collective bargaining it is not surprising to note the reluctance of union representatives to criticize corporate investment decisions. The best that unions can do on this issue is to "jawbone."

The final 14% of all recommendations have been classified as "miscellaneous" and represent those recommendations from 4 respondents. With one exception, these recommendations tended to be unique, i.e., only applicable to that specific firm. The one exception was from a respondent who, claiming not to be anti-union, proposed making Pennsylvania a right-to-work state. This respondent had also ceased operating in Pennsylvania and relocated operations in North Carolina. The North Carolina facility was operating non-union.

The results of the telephone interviews with the 31 respondents indicate

that while 55% (17) made specific recommendations, nearly as many (14 respondents representing 45%) indicated that nothing short of sustained economic growth within their industry and throughout the general economy could have altered their decision to close or reduce their workforces. Of the 55% (17) making specific recommendations, 54% cited "import protection" and "contract concessions." Furthermore, of all recommendations, 76% came from firms in the primary metals (SIC 33) and fabricated metal products (SIC 34) industries.

Conclusions

On the basis of this inventory and sample survey of manufacturing establishment closings and significant reductions in workforces it is clear that:

- a program to monitor manufacturing establishment closings and significant reductions in workforces on a periodic basis is warranted in Southwestern Pennsylvania. The University Center for Social and Urban Research will undertake this monitoring in conjunction with other interested organizations. Presently there exists no institution which serves as a centralized organization to collect data on plant closings or workforce reductions. Policymakers need to understand the parameters of the problem if they are to fashion efficient and effective solutions. It is important that individuals and organizations cooperate with efforts to

collect data in a timely and efficient manner.

- Local and areawide (regional) economic development efforts should include interactions with establishments in industries that are vulnerable to changes in market demand that could result in closing or significant reductions in workforces. However, these interactions should distinguish between large employers and smaller employers (less than 100 workers) since this inventory demonstrated that 12% of the manufacturing establishments closings accounted for nearly 60% of the employment loss due to closings, while 48% of the closings involved job losses of less than 100 workers.

- Interactions between economic development organizations and manufacturing firms should seek to determine the relationships between the needs of particular firms and the available assistance that can be provided by local and areawide (regional) economic development organizations.

- Depending on each situation, local and areawide (regional) economic development organizations should be prepared to advocate in coalition with others, state and national actions that might affect market demand for manufactured products produced by firms in Southwestern Pennsylvania. Economic development organizations and their leaders need to recognize that though the steel industry will likely never dominate the area's economy as it has, it must play a major role in the economy's restructuring. The 35,545 jobs lost through plant closings or workforce reductions identified in this report represent a challenge to economic

development efforts. "Writing off" the steel industry as the major actor in our area's economy will exacerbate the problems confronting economic and community development efforts in Southwestern Pennsylvania's communities.

- In other situations local and areawide (regional) development organizations should be prepared to provide technical assistance and/or related resources to improve a firm's competitiveness or to assist the firm in penetrating new markets.
- manufacturing establishment closings (and significant reductions in workforce) should be considered as one element of a complex regional economy that includes many establishments that are thriving and still others that are opening for business. There should be a comprehensive and coherent regional economic development strategy that acknowledges this complexity and seeks in a pragmatic fashion to address opportunities for development concurrently with the resolution of development problems.

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Table 1

Estimated Employment in Southwestern Pennsylvania¹
from 1980 through 1983 (thousands of jobs)

Sector	Estimated Employment			Rates of Employment Change	
	1980 ²	1982 ³	1983 ⁴	1980 ² thru 1981 ³	1982 ³ thru 1983 ⁴
Non-Manufacturing	790	774	780	- 2.0%	+ 0.8%
Manufacturing	269	225	183	-16.2%	-18.6%
Total	1,059	999	963	- 5.6%	- 3.6%

SOURCE: Summary reports from ES202 employment file; University Center for Social and Urban Research, University of Pittsburgh.

- 1) Southwestern Pennsylvania includes ten counties: Allegheny, Beaver, Washington and Westmoreland (the SMSA) and Armstrong, Butler, Fayette, Greene, Indiana, and Lawrence.
- 2) Employment at first quarter, 1980.
- 3) Employment at first quarter, 1982.
- 4) Employment at fourth quarter, 1983.

Table 2

Number of Manufacturing Establishments Closed in Southwestern Pennsylvania¹
and Estimated Jobs Lost² by Year of Closing (1982-1984⁴)

Year of Establishments Closing	Number of Establishments Closed	Estimated Jobs Lost ²	Average Jobs Lost	
			Per Establishment	Per Month
1982	22	8,364	380	697
1983	14	1,825 ³	140 ³	152
1984 ⁴	16	3,091 ³	206 ³	515
1982-1984 ⁴	52	13,280	266 ³	443

SOURCE: Manufacturing Establishment Closing Survey of Southwestern Pennsylvania by University Center for Social and Urban Research, University of Pittsburgh, December, 1984.

- 1) Southwestern Pennsylvania includes ten counties: Allegheny, Beaver, Washington, Westmoreland (the SMSA) and Armstrong, Butler, Fayette, Greene, Indiana, and Lawrence.
- 2) Estimates of jobs lost are based on employment levels in 1982 at establishments; in cases where these data are not available, estimated jobs lost are at the time of the establishment's closing.
- 3) Estimates of jobs lost are not available at one establishment.
- 4) 1984 data are complete through June, 1984.

Table 3

Summary of Manufacturing Establishment Closings and Estimated Jobs
Lost in Southwestern Pennsylvania¹ from 1982-1984²
by Manufacturing Industry Groups

SIC	Industry Group	Jobs Lost Due to Plant Closings ³	Number of Plants Closed
20	Food & Kindred	453	2
22	Textiles	250	1
23	Apparel	50	1
26	Paper	34	1
27	Printing & Publishing	40	1
28	Chemical	75	2
30	Rubber & Plastics	400	1
32	Stone, Clay & Glass	1339 ⁴	6
33	Primary Metals	4497	9
34	Fabricated Metals	1856 ⁴	15
35	Machinery (exc. electric)	1320	7
36	Electric & Electronic Equipment	340	1
37	Transportation Equipment	2626	5
	Other Manufacturing	0	0
	All Manufacturing	13280	52

SOURCE: Preliminary findings of Manufacturing Establishment Closing Survey of Southwestern Pennsylvania by University Center for Social and Urban Research, University of Pittsburgh, October, 1984.

- 1) Southwestern Pennsylvania includes ten counties: Allegheny, Beaver, Washington and Westmoreland (the SMSA) and Armstrong, Butler, Fayette, Greene, Indiana and Lawrence.
- 2) Data are complete through June, 1984.
- 3) Estimates of jobs lost are based on employment levels in 1982 at establishments; in cases where these data are not available, estimated jobs lost are at the time of the establishment's closing.
- 4) Estimates of jobs lost are not possible for one establishment.

Table 4

Comparison of Net Employment Change and Jobs Lost Due to Manufacturing
Establishment Closings in Southwestern Pennsylvania¹
from 1982² through 1983³ for Manufacturing Industry Groups

Industry Group	Net Employment Change		Jobs Lost Due to Plant Closings ⁴	Number of Plants Closed
	%	#		
Food & Kindred	- 1.2%	-135	453	2
Textiles	-66.7%	-228	250	1
Apparel	- 4.1%	-126	50	1
Paper	-20.1%	-477	34	1
Printing & Publishing	+ 1.9%	+196	40	1
Chemical	- 3.5%	-379	75	2
Rubber & Plastics	+14.9%	+606	400	1
Stone, Clay & Glass	- 4.4%	-803	1339	6
Primary Metals	-34.6%	-26172	4497	9
Fabricated Metals	-22.7%	-5268	1856 ⁵	15
Machinery (exc. electric)	-27.2%	-6600	1320	7
Electric & Electronic Equipment	-11.7%	-2525	340	1
Transportation Equipment	+44.4%	+2029	2626	5
Other Manufacturing	-13.6%	-2071	0	0
All Manufacturing	-18.6%	-41953	13280	52
Non-Manufacturing	+ 0.8%	+5929		
Total	- 3.6%	-36024		

SOURCE: Summary reports from ES202 employment file and preliminary findings of Plant Closing Survey of Southwestern Pennsylvania; University Center for Social and Urban Research, University of Pittsburgh, October, 1984

- 1) Southwestern Pennsylvania includes ten counties: Allegheny, Beaver, Washington, and Westmoreland (the SMSA) and Armstrong, Butler, Fayette, Greene, Indiana and Lawrence
- 2) Employment at first quarter of 1982
- 3) Employment at fourth quarter of 1983
- 4) Estimates of jobs lost are based on employment levels in 1982 at establishments; in cases where these data are not available, estimated jobs lost are at the time of the establishment's closing
- 5) Job losses not attainable for two establishments and estimated for a third

Table 5

Manufacturing Establishments in Southwestern Pennsylvania¹
with Significant Reductions in their Workforces (1982 thru 1984²)

SIC	Industry Group	Number of Firms	Estimated Reductions in Workforce ³
28	Chemical	2	111
32	Stone, Clay & Glass	2	472
33	Primary Metals	22	13,928
34	Fabricated Metals	13	3,096
35	Machinery (exc. electric)	10	1,889
36	Electric & Electronic Equipment	2	1,819
37	Transportation Equipment	1	950
Total		52	22,265

SOURCE: Preliminary findings of Plant Closing Survey of Southwestern Pennsylvania by University Center for Social and Urban Research, University of Pittsburgh, October, 1984.

- 1) Southwestern Pennsylvania includes ten counties: Allegheny, Beaver, Washington and Westmoreland (the SMSA) and Armstrong, Butler, Fayette, Greene, Indiana and Lawrence
- 2) Data are complete through September, 1984
- 3) These estimates are for the period between 1982 and October, 1984 but may not reflect employee callbacks or reassignments to other establishments in manufacturing industries.

Table 6

Geographic Location of Manufacturing Establishment Closings or With Significant Reductions in Workforces in Southwestern Pennsylvania¹(1982 - 84)²

	<u>Number of Establishments</u>	
	<u>Closings</u>	<u>Reductions in Workforce</u>
City of Pittsburgh	6	8
Allegheny County (exc. Pgh.)	11	22
Armstrong County	2	0
Beaver County	6	10
Butler County	2	0
Greene County	1	0
Lawrence County	9	2
Washington County	7	4
Westmoreland County	5	4
Location Uncertain	3	2
TOTAL	52	52

Source: See Table 5

¹ See Table 5

² See Table 5

Table 7

Plants Identified in Sample
(Manufacturing Only)

	SIC	Total Plants Identified	No. Plants Inter- viewed	% Inter- viewed	Plant Closures			Workforce Reductions		
					Total Identified	Total Inter- viewed	% Inter- viewed	Total Identified	Total Inter- viewed	% Inter- viewed
Food & kindred products	20	2	0	0	2	0	0	0	0	0
Textile mill products	22	1	0	0	1	0	0	0	0	0
Apparel & other textile prod.	23	1	0	0	1	0	0	0	0	0
Paper & allied products	26	1	0	0	1	0	0	0	0	0
Printing & publishing	27	1	0	0	1	0	0	0	0	0
Chemicals & allied products	28	4	1	25.0	2	0	0	2	1	50.0
Rubber & misc. plastics prod.	30	1	0	0	1	0	0	0	0	0
Stone, clay & glass products	32	8	5	62.5	6	3	50.0	2	2	100.0
Primary metals	33	31	7	22.6	9	4	44.4	22	3	13.6
Fabricated metal products	34	28	12	42.8	15	5	33.3	13	7	53.8
Machinery, except electrical	35	17	2	11.7	7	1	14.3	10	1	10.0
Electric & electronic equip.	36	3	2	66.6	1	1	100.0	2	1	50.0
Transportation equipment	37	6	3	50.0	5	2	40.0	1	1	100.0
TOTALS		104	32	26.6	52	16	27.1	52	16	26.2

Appendix A

PLANT CLOSINGS

<u>S.I.C.</u>	<u>COMPANY</u>	<u>LOCATION</u>	<u>DATE OF CLOSURE</u>	<u>EMPLOYMENT AT CLOSING</u>	<u>MAXIMUM EMPLOYMENT (1)</u>
ALLEGHENY COUNTY					
2011	Armour Food Co.	Pittsburgh	12-17-83	260	434 (1982)
2651	Model Box Co.	Pittsburgh	5-31-82	34	
2751	W. G. Johnson Co.	Pittsburgh	5-20-82	40	
3297	General Retractories	Pittsburgh	1-03-84		
3325	Blawnox Machine Co.	Pittsburgh	3-82	150	1400 (1982)
3441	Pittsburgh-Des Moines	Pittsburgh	early 1983		400 (1980)
TOTALS	6 plants	Pittsburgh		484	1908
2813	Union Carbide	Duquesne	8-82	63	
307	Fesco Plastics Corp.	McKees Rocks	4-30-82	400	
3312	Tygart Industries	McKeesport	1-84	45	90 (1982)
3411	Continental Can Co.	West Mifflin	mid 1982	51	325 (1980)
3441	Edgecomb Metals Co.	Glenshaw	6-83	60	160 (1978)
3441	Reliance Steel	McKeesport	10-30-83	12	225 (1976)
3494	Fisher Controls International	Coraopolis	1983	263	
3496	Copperweld Corp.	Glassport	10-83	123	
3498	A. B. Murray Co.	McKeesport	12-82	14	23 (1980)
3547	Yankie Roller Guides	Bethel Park	5-14-84	12	
3547	Mesta Machine Co.	West Homestead	10-82	489	600 (1982)
TOTALS	17 plants			2016	3596
ARMSTRONG COUNTY					
3441	Apollo Fabricators	Apollo	1-03-84		20 (1982)
3547	Mesta Machine Co.	Apollo	10-82	55	
TOTALS	2 plants			55	75

Appendix A

PLANT CLOSINGS

<u>S.I.C.</u>	<u>COMPANY</u>	<u>LOCATION</u>	<u>DATE OF CLOSURE</u>	<u>EMPLOYMENT AT CLOSING</u>	<u>MAXIMUM EMPLOYMENT</u> (1)
BEAVER COUNTY					
3312	Crucible Steel Co.	Midland	10-82	2318	
3316	Wyckoff Steel	Ambridge	2-29-84	125	375 (1970s)
3356	Crucible Steel Co.	Midland	10-82	100	181 (1981)
3441	United States Steel	Ambridge	6-84		915 (1982)
3533	Hydril Co.	Rochester	4-83	6	440 (1982)
3544	D-M-E Company	Darlington	4-83	23	60 (1980)
TOTALS	6 plants			2572	3921
BUTLER COUNTY					
3299	Saxonburg Ceramics	Saxonburg	12-84*	130	240 (1964)
374	Pullman Standard	Butler	2-3-82	2000	
TOTALS	2 plants			2130	2130
GREENE COUNTY					
2021	Bishoff-Waynesburg Creamery	Waynesburg	3-1-84	2	19 (1982)
TOTALS	1 plant			2	19
LAWRENCE COUNTY					
2253	Ellwood Knitting Mills	Ellwood City	10-82	250	
2821	Shenango Phenolics	New Wilmington	12-82	12	
3241	Bessemer Cement Co.	Bessemer	10-82	174	
3261	Universal Rundle	New Castle	6-84	200	400 (1960s)
3316	National Steel Service Center	New Castle	1983	59	83 (1982)
3325	Ellwood Steel Casting Corp.	Ellwood City	11-82	90	117 (1982)
3452	Townsend Fastenings	Ellwood City-Fallston	8-31-83	150	350 (1970s)
3547	Mesta Machine Co.	New Castle	6-82	150	
3714	Rockwell International	New Castle	5-82	160	500 (1979)
TOTALS	9 plants			1245	1296

Appendix A

PLANT CLOSINGS

<u>S.I.C.</u>	<u>COMPANY</u>	<u>LOCATION</u>	<u>DATE OF CLOSURE</u>	<u>EMPLOYMENT AT CLOSURE</u>	<u>MAXIMUM EMPLOYMENT</u> (1)
WASHINGTON COUNTY					
3221	Brockway Glass	Washington	3-30-84	600	900 (1978)
3321	Abex Corporation	Meadowlands	3-84	50	194 (1982)
3443	National Annealing Box Co.	Washington	1-31-84	50	150 (1980)
3441	O'Brien Steel Construction Co.	Washington	1-31-84		20 (1982)
3496	Tri-State Engineering	Washington	12-82	81	170 (1980)
3599	Maintenance Welding	Donora	6-84	13	40 (1982)
3731	J & L Marine Ways	Florette	Fall '83	15	32 (1982)
TOTALS	7 plants			809	1017
WESTMORELAND COUNTY					
3221	Westmoreland Glass	Grapeville	5-82	150	235 (1982)
3496	American Chain & Cable	Monesson	late 1983	37	
3699	Gibson Electric	Delmont	6-21-84	125	340 (1982)
3724	Hanlon & Wilson Co.	Jeannette	11-83	40	98 (1982)
3452	Townsend Fastenings	West Newton	12-82	60	80 (1970s)
TOTALS	5 plants			412	770
LOCATION UNKNOWN					
233	Bobbie Brooks Inc.		10-82	50	300 (1979)
3312	Crucible Spring		12-83	70	
3743	Berwick Forge & Fabricating		1-3-84		336 (1982)
TOTALS	3 plants			120	456
TOTALS	52 plants	8 counties**		9361	13,280

Appendix

WORKFORCE REDUCTIONS

<u>S. I. C.</u>	<u>COMPANY</u>	<u>LOCATION</u>	<u>1982 EMPLOYMENT</u>	<u>1984 EMPLOYMENT</u>	<u>WOR REL</u>
ALLEGHENY COUNTY					
3312	Snango Furnace, Inc.	Pittsburgh	791	662	
3441	J. L. Steel Co.	Pittsburgh	981	900	
3494	Mer Piping	Pittsburgh	240	80	
3498	Monal Valve & Mfg.	Pittsburgh	518(1981)	77	
3532	Mersoll-Rand	Pittsburgh	208	15	
3532	In Machine Co.	Pittsburgh	140	87	
3547	W. N. Bliss	Pittsburgh	172	159	
3547	Mt. Shoop-Hemphill	Pittsburgh	226	165	
TOTALS	plants	Pittsburgh	3,276	2,143	1
2821	Acules, Inc.	W. Elizabeth	181	156	
3211	I.G. Industries	Creighton	700	500	
3312	Universal Cyclops	Mt. Lebanon	445	317	
3312	I.S. Christy Park	McKeesport	316	181	
3312	I.S. Clairton Works	Clairton	2,912	1,758	1
3312	I.S. National Tube	McKeesport	3,944	622	3
3312	I.S. Homestead Works	Homestead	4,385	2,785	1
3312	I.S. Duquesne Works	Duquesne	2,590	1,705	
3312	I.S. Carrie Furnace	Rankin	322	58	
3312	I.S. Edgar Thompson	Braddock	851	738	
3312	J. L. Steel	Hazelwood	1,367	1,088	
3316	Columbia-Summerill	Carnegie	384	270	
3322	Combustion Engineering	E. Monongahela	700	435	
3462	Pittsburgh Forgings	Coraopolis	460	330	
3462	Union Electric Steel	Carnegie	167	141	
3462	I.S. Corp.	McKees Rocks	137	116	
3494	Homestead Industries	Coraopolis	86	72	
3495	Iron Spring & Mfg.	Coraopolis	95	76	
3511	Winghouse	Large			
3537	Ellips Mone & Mill	Bridgeville	36	8	
3545	African Shear Knife	Homestead	86	53	
3743	Winghouse Air Brake	Wilmerding	3,950(1983)	3,000	
TOTALS	0 plants	Allegheny County	27,390	16,554	10

Appendix B

WORKFORCE REDUCTIONS

<u>S.I.C.</u>	<u>COMPANY</u>	<u>LOCATION</u>	<u>1982 EMPLOYMENT</u>	<u>1984 EMPLOYMENT</u>	<u>WORKFORCE REDUCTION</u>
BEAVER COUNTY					
3312	Armco, Inc.	Ambridge	1,992	925	1,067
3312	J & L Steel	Aliquippa	6,660	3,418	3,242
3316	Meltrap Steel Corp.	Beaver Falls	111	51	60
3316	Republic Steel	Beaver Falls	184	118	66
3316	Pittsburgh Tool Steel	Monaca	88	69	19
3316	Vasco Colonial	Monaca	82	69	13
3317	Pittsburgh Tube Co.	Monaca	167	156	11
3444	H. H. Robertson Co.	Ambridge	257	195	62
3498	Babcock & Wilcox	Beaver Falls	3,752	1,977	1,775
3498	Colona Thread	Monaca	200	67	133
TOTALS	10 plants		13,493	7,045	6,448
LAWRENCE COUNTY					
3262	Anchor Hacking Corp.	New Castle	1,055	783	272
3547	Aetna Standard Engineering	Ellwood City	257	11	246
TOTALS	2 plants		1,312	794	518
WASHINGTON COUNTY					
3312	Jessop Steel Co.	Washington	522	443	79
3316	Wheeling-Pittsburgh Steel Co.	Allenport	1,550	617	933
3662	Tactel Systems	Meadowlands	400	100	300
3675	McGraw-Edison	Cannonsburg	2,268	749	1,519
TOTALS	4 plants		5,140	1,909	2,831
WESTMORELAND COUNTY					
2819	Welland Chemical, Inc.	Newell	138(1981)	52	86
3325	Wean United	Vandergrift			50
3452	Modulus Corp.	Mt. Pleasant	286(1983)	68	218
3511	Carrier Corp.	Jeannette	1,425	613	812
TOTALS	4 plants		1,849	733	1,166

Appendix B

WORKFORCE REDUCTIONS

<u>S.I.C.</u>	<u>COMPANY</u>	<u>LOCATION</u>	<u>1982 EMPLOYMENT</u>	<u>1984 EMPLOYMENT</u>	<u>WORKFORCE REDUCTION</u>
		LOCATION UNKNOWN			
3446	Standard Steel Specialty Co.		107	91	16
3511	Westinghouse	Walz Mill			350
TOTALS	2 plants		107	91	366
TOTALS	52 plants		49,291	27,126	22,265