

Manufacturing- Part 8: Factory Closings: 2003-2006 ^[1]

Manufacturing

by Alfred W. Stuart

Professor Emeritus of Geography, [University of North Carolina at Charlotte](#)^[2], 2006.

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Part 8: Factory Closings: 2003-2006

Figure 4 displays the pattern of factory closings that were announced by the [Employment Security Commission of NC](#) ^[22] (ESC) for the 2003-2004 period. These include actual plant closings and not lay-offs. The closing of 185 factories were announced during these two years, along with their job losses, which totaled 26,609. Of these, 100 of the closings and 17,605 of the lost jobs (66 percent of the total) were in the three traditional industry groups (Table 3a). While this two-year period represents only a fraction of the time in which factory losses occurred, it can be taken as a very current portrayal of the major losses. Figure 4 also shows that, while there were a number of closings in rural parts of eastern North Carolina, the great majority were in the Piedmont corridor. In fact, a high proportion occurred in parts of the metro areas in and around [Greensboro](#) ^[23]/[Winston-Salem](#) ^[24], [Charlotte](#) ^[25], and [Hickory](#) ^[26]. However, even there many closings were in small towns that are scattered throughout these metro areas, rather than in the larger central cities.

The good news is that the NC Employment Security Commission reports that the rate of factory closings decreased sharply in the most recent eleven months of 2004. The number of closings had averaged 11.5 per month throughout 2003, with a total of 18,889 jobs lost. January, 2004 was another bad month, with 22 more factory closings and 2,250 jobs lost. However, in the February through December, 2004 period there were only 53 factory closings (less than five per month) involving 5,470 lost jobs.

The Employment Security Commission of North Carolina (ESC) reported that total manufacturing employment from plant closings dropped less between January, 2005 and September, 2006 (-19,745) than during the 2003-2004 period (-26,690) and the number of factories that closed declined from 185 to 130 during the same time periods (Table 3b). The traditional, labor-intensive industries ([textiles](#) ^[9], [apparel](#), and [furniture](#) ^[6]) continued to account for the bulk of the closing impacts, together accounting for about two-thirds of the job losses in 2005-2006, similar to their share in 2003-2004.

Table 3a. Factory Closings in North Carolina, 2003 - 2004

Industries	Number of Closings	Jobs Lost
All Manufacturing	185	26,690
Textiles	58	5,925
Apparel	16	6,538
Furniture	26	5,142
All Others	95	9,004

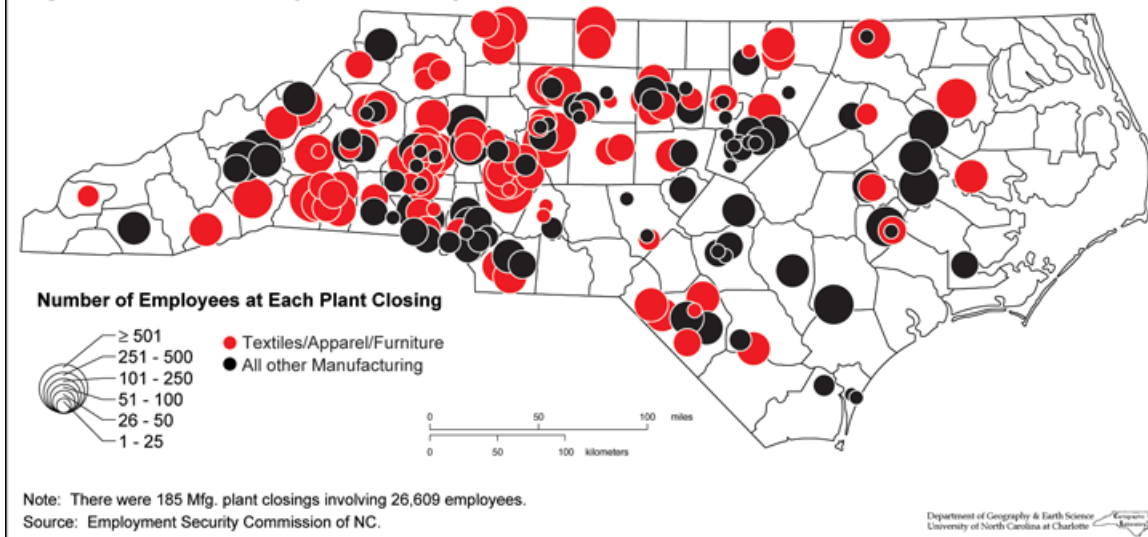
Source: Employment Security Commission of NC

Table 3b. Factory Closings in North Carolina, 2005 - September, 2006

Industries	Number of Closings	Jobs Lost
All Manufacturing	130	19,745
Textiles	46	6,880
Apparel	12	1,902
Furniture	26	4,041
All Others	56	6,922

Source: Employment Security Commission of NC

Figure 4. Manufacturing Plant Closings, 2003 - 2004



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