

# **From the Old Economy to the New Economy:**

## **The Case of the Pillowtex Plant in Kannapolis, North Carolina**

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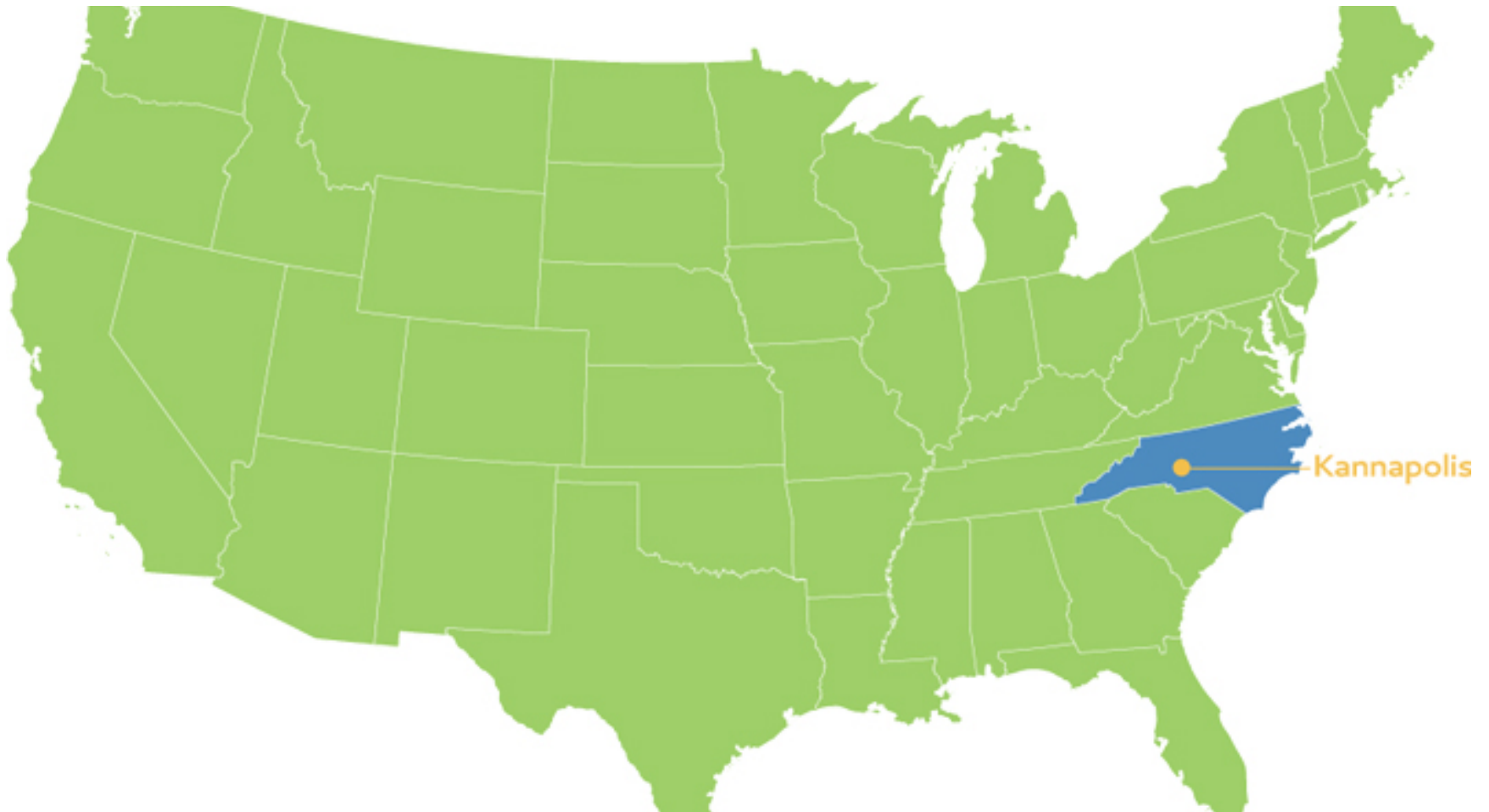
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**Southern Sociological Society 77<sup>th</sup> Annual Meeting  
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# Kannapolis, North Carolina

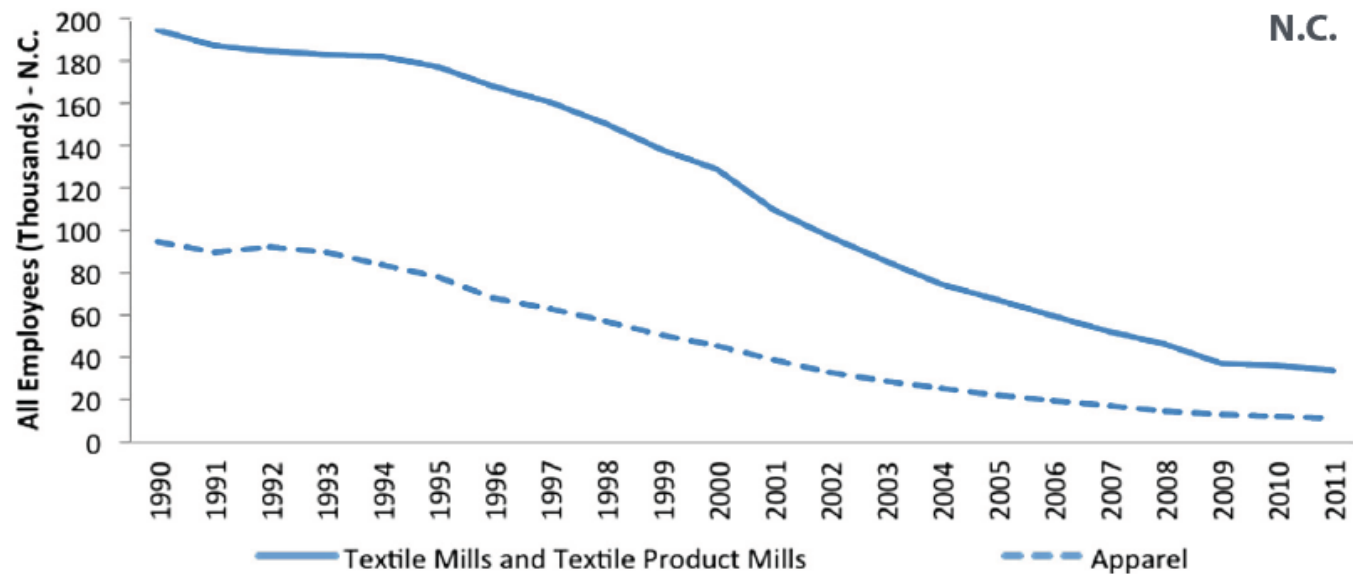
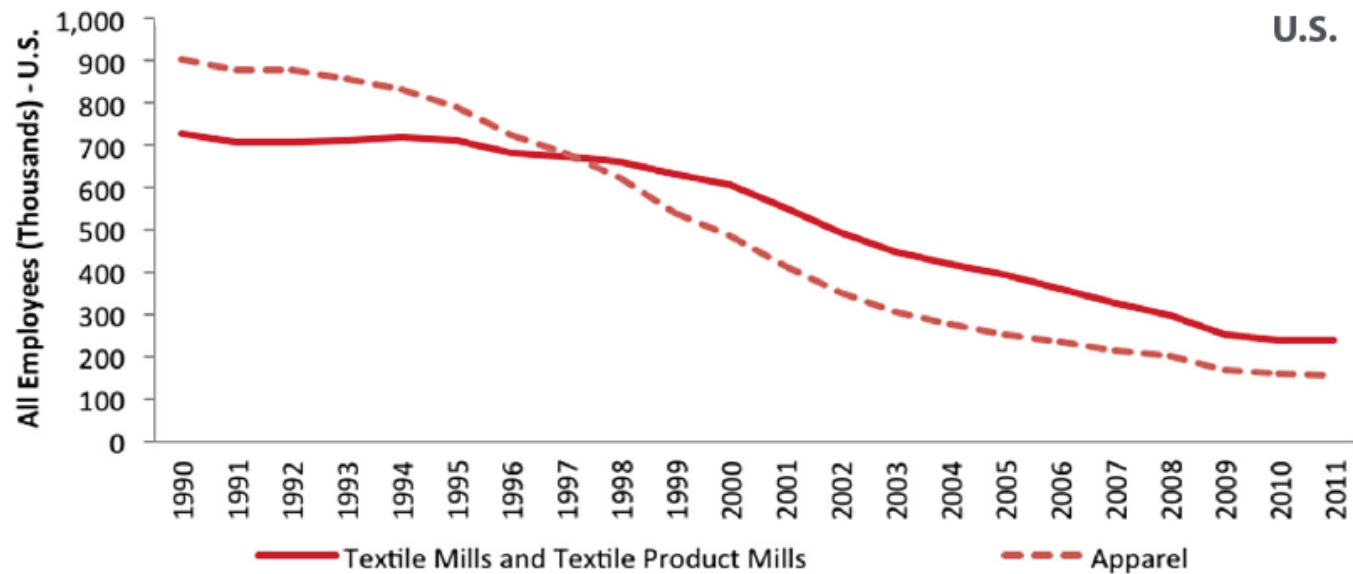


# Old Economy: Mass Layoffs at Pillowtex (July 2003)

- Cannon Mills Founded in 1887
- Fieldcrest Cannon (1985)
- Pillowtex (1997)
- Largest Company Town in U.S.
- Pillowtex Plant Closings were the Largest Mass Layoff in N.C. History (4,820)



# Employment in the textile and apparel industries, United States and North Carolina, 1990–2011



Note: The numbers for 2011 are based on the average of the reported monthly data for 2011.

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, State and Metro Area Employment.



**New Economy: NC Research Campus**

# Demographic Characteristics (N = 4,820)

## ➤ Gender

- Female 53.5%
- Male 46.5%

## ➤ Age

- <25 4.6%
- 25 - 34 14.0%
- 35 - 44 24.7%
- **45 - 54 28.8%**
- **55 - 64 24.8%**
- 65+ 3.2%

## ➤ Education

- **< HS 29.8%**
- HS 51.3%
- Some College 10.9%
- College and + 5.8%
- Unknown 2.2%

## ➤ Race/Ethnicity

- White 57.2%
- Other 12.9%
- Black 29.9%
- Hispanic 7.1%

# Sources of Data on Pillowtex Workers (N=4,820)

## ➤ Administrative Sources

- Unemployment Insurance Claims files
- Quarterly Census of Employment and Wages
- Trade Programs Participant files
- Education, Employment and Training program participant files from the North Carolina Common Follow-up System (CFS)

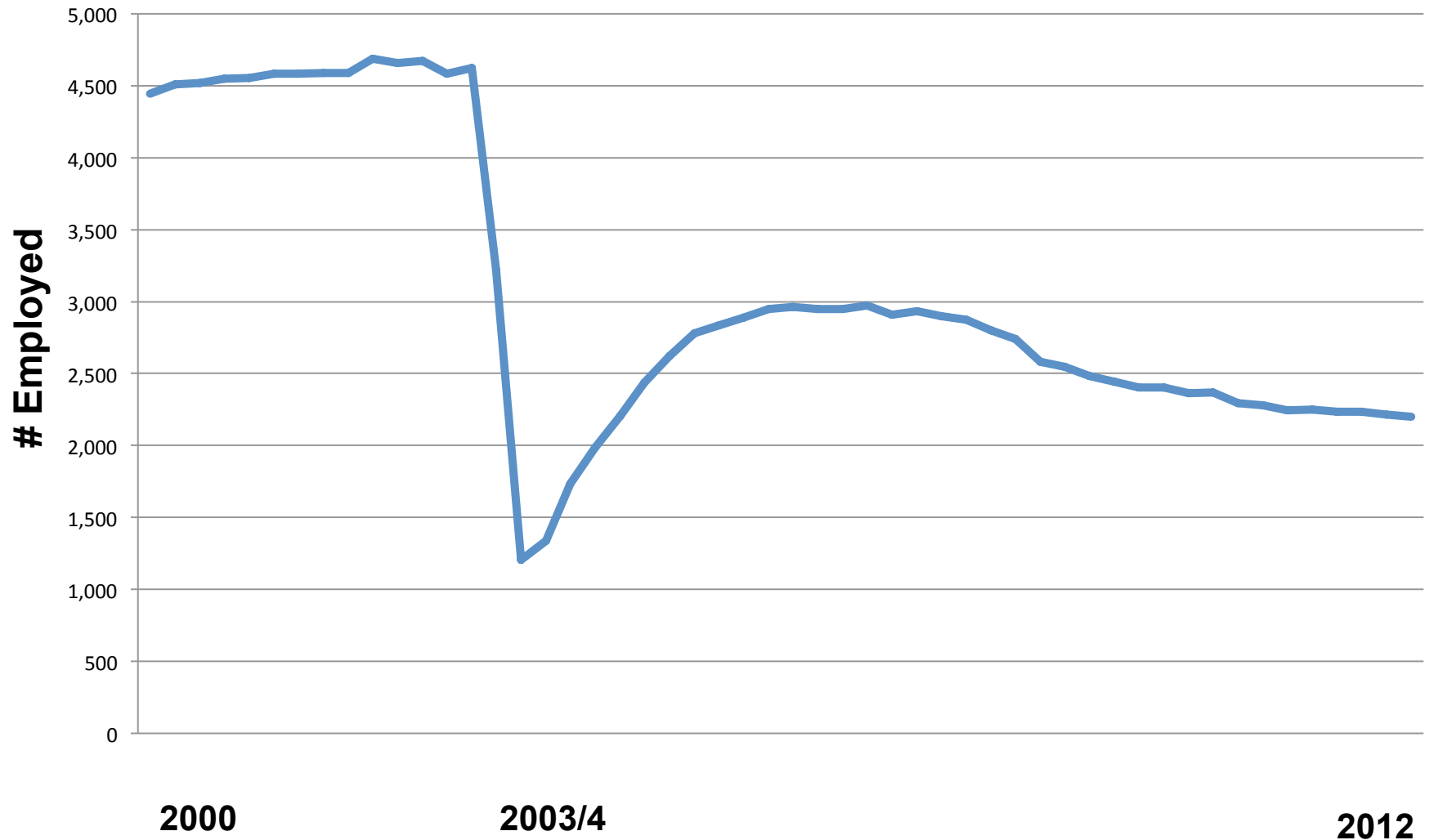
## ➤ Matched UI and NC Community College Transcript Data

## ➤ List of Pillowtex Workers

## ➤ Interviews with Pillowtex Workers

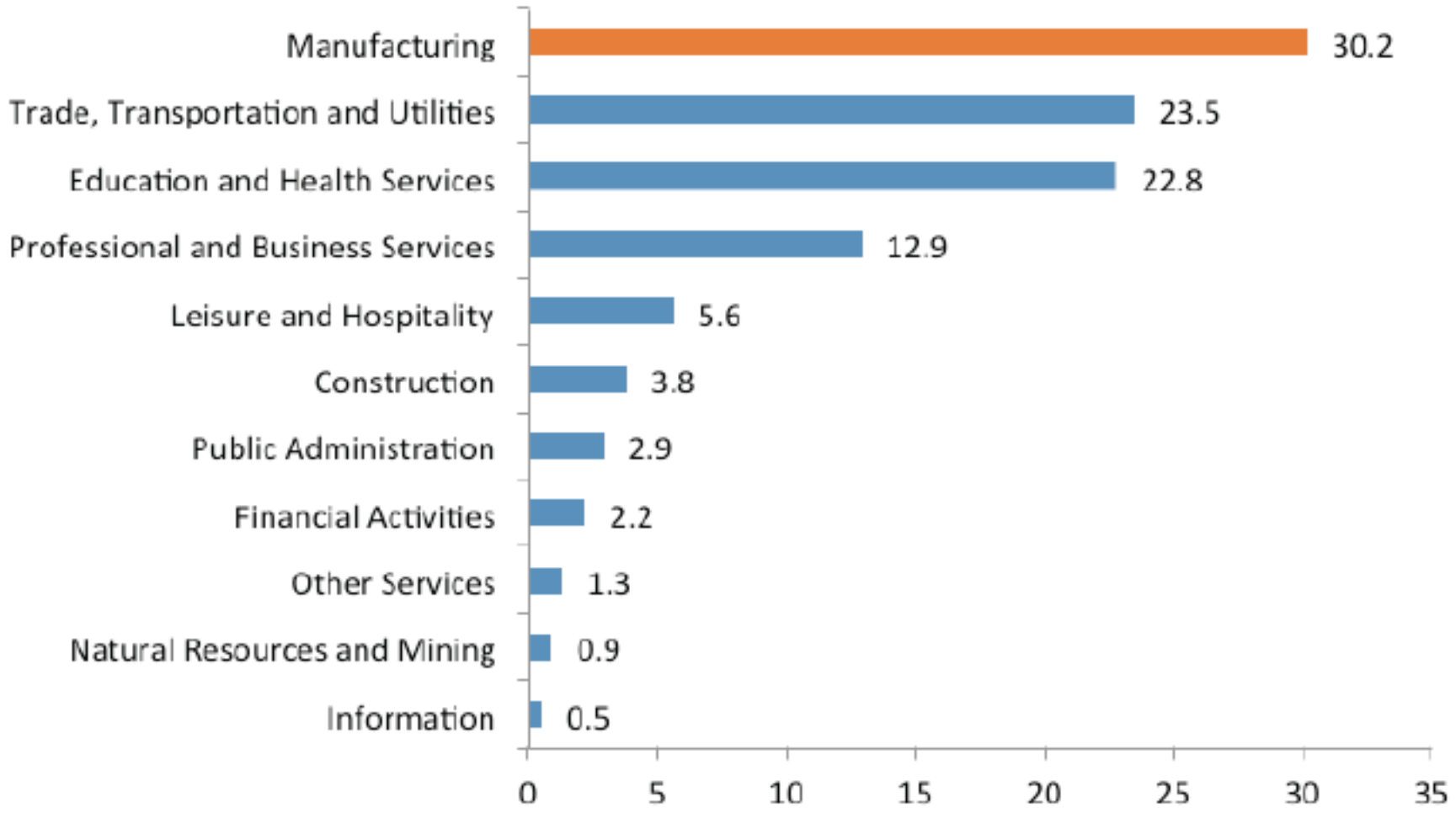


# # Employed, 2000-2012



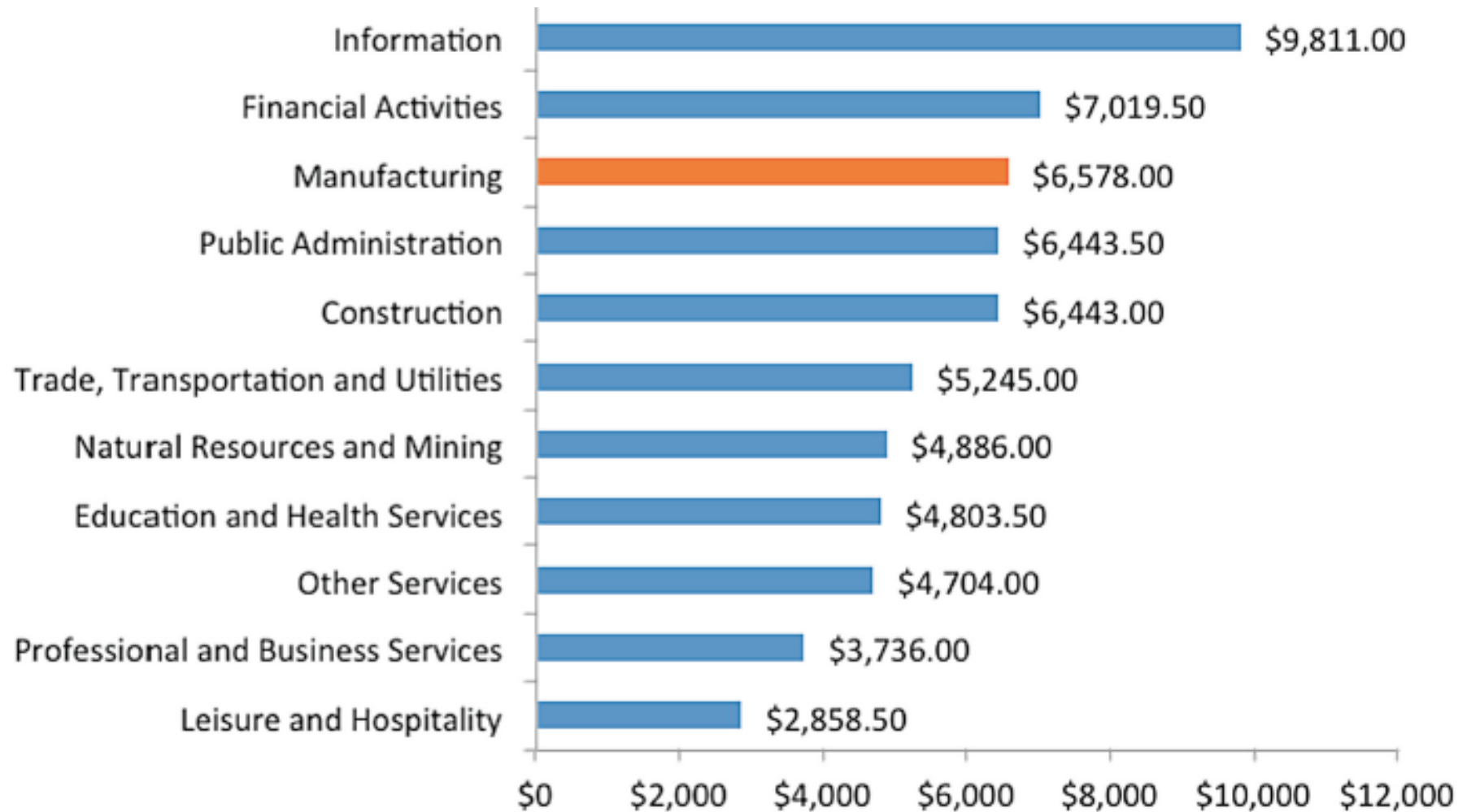


Share of Employment of Former Pillowtex Workers in NC by Industry, 2008/2<sup>nd</sup> 1/4



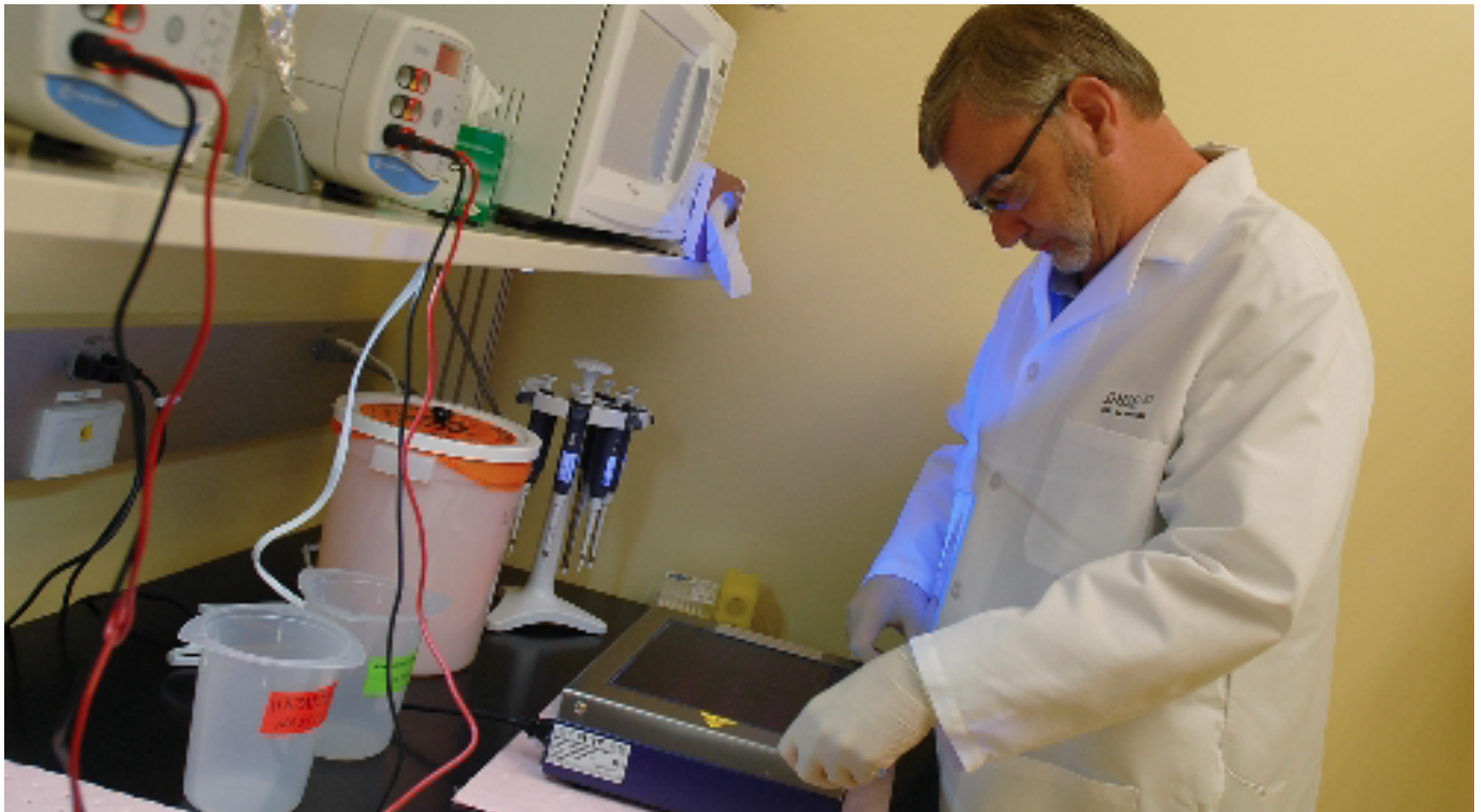
Source: Employment Security Commission of North Carolina.

## Median Quarterly Wage of Former Pillowtex Workers, By Industry (2008, 2<sup>nd</sup> 1/4)



Source: Employment Security Commission of North Carolina.

# From Pillowtex to NC Research Campus: Randy Crowell



# Interviews with Pillowtex Workers-1

➤ **Woman, age 51, worked folding sheets for 17.5 years at Pillowtex:**

- *[What did you study at RCCC]* Early Childhood Development.
- *[Where did you work?]* I worked at RCCC daycare for 2 years. Then, I went to First Assembly a year. Now, I work at New Life Kid Care.
- *[How would you compare your income before and after the plant closing?]* It was a lot different. I had to ... I suffer a lot and I still suffer. The money wise went way down. Now, I'm just making a little bit over minimum wage. So, it hurts real bad. And, I don't have no benefits. When I worked in the mill, I had insurance. I had dental insurance, I had holiday pay. I had a lot of other benefits. Now I don't have no benefits. I just get a paycheck.

➤ **Woman, age 64, worked for 22 years at Pillowtex as a sewer and a supply person:**

- Well, after the plant closed, I went to RCCC and got my GED. Then I went to work for a good health service here in Concord doing in-home care, but then after a while, they told us that the state required us to get a NAI. That's a nursing assistant... accreditation. So, I went back to RCCC and got that.
- *[So, when you worked at the hospital, did you do nursing assistant stuff, too.]* I didn't work at the hospital. St. Andrews is a nursing home. I started just working in housekeeping for just 8 hours a day. Then when they found out that I had taken the NAI classes, they put me on the floor working with the residents, but I couldn't... I didn't want to do that. So, as soon as I could, I went back to work.... I guess I was there a little over a year, and then I went back to work for good health service again.
- *[Compared to the time before the plant closed, are you better off financially or about the same?]* No. When the plant closed, I was making pretty good. We got health insurance, but it is not really at all that good.

# Interviews with Pillowtex Workers-2

- **Woman, age 60, worked as a department manager in towel sewing at Pillowtex for 27 years:**
  - I went to RCCC and got a 2-year degree in Business Administration
  - *[What have you been doing?]* At that time, I was 52 years old, so even with the degree and my past background, it was difficult to find a job, and so, I took a job of Toyota Scion of Concord. The local dealership here in Concord as a service cashier.
  - *[Are you still working for them?]* I do, but I am a warranty administrator now.
  - *[How would compare financially how you were from your time at the mill and now?]* I make probably 50% less.
- **Man, age 66, worked as the manager for mill accounting for 25 years and was the manager of the raw material warehouse for 6 years. He had a 4-year degree from Catawba College already:**
  - I went back to school. I went to Rowan Cabarrus Community College, and got a degree in construction management. I worked for a homebuilder as a general superintendent. They also went out of business with the housing market. Then, I went to work for the Employment Security Commission.
  - *[Were the programs that you did at Rowan Cabarrus pretty helpful for what you ended up doing afterwards?]* Sure. I was actually offered a job while I was in the class. Yes, the school recommended me for the job.
- **Woman, age 65 years, worked as a machine operator for 38 years at Pillowtex:**
  - I went back to college. I was 58 years old when my job went to Mexico. And, my whole family was raised in the mill. And, I had a good life. Me and my husband both worked over there. My daughter and her husband. nobody knew what to do...really. And, they offered to help pay for us to go to college. So, I took medical coding and billing, which was the only thing that was left for me available to take. And, I took 3 computer classes that were separate. I took a customer service class and passed all of them. But, guess what? I could never get a job even after I went to college and passed all of them. Because like I said to start with, I was 58 years old ... They said they'd like to have 3 years experience, but it was because of our age. That was it exactly...because, we were 58 years old.

# Conclusions

- Very few Pillowtex workers made the transition to jobs at NC Research Campus; these tended to be infrastructure not “high tech” jobs
- Low education, older ages, and immobility of Pillowtex workers constrained their ability to find new jobs
- Most Pillowtex workers who re-entered the workforce did so in lower-paying service jobs
- CC most useful for retraining those workers who already had education and skills
- CC provided a “community” to help laid off workers transition to new jobs

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