Plant closings are widespread throughout the U.S. economy. The affected businesses are not limited by industry, size or any other factor. When one company closes a plant the impact is felt in other businesses in the community including customers, suppliers, and competitors. Import competition, restructuring, manufacturing phase-out, technological obsolescence, declining orders (loss of contracts), cost cuts, bankruptcy, or selling of a firm often trigger unhappy and demoralizing stories of plant closings. This paper attempts to classify and assess the key antecedent conditions that lead to plant-closing announcements and the consequential financial impact of these announcements. We use Dow Jones, Reuters, and similar news wires to collect announcements of plant closings over a five-year period, and through cluster analysis develop a classification scheme to develop a typology of plant-closing announcements. Then we use Compustat to test hypotheses related to key financial antecedent conditions and consequences of these announcements. We find significant tendencies in the financial data to suggest antecedents and consequences of plant-closing announcements.

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