

US job cuts hit financial, IT, manufacturing sectors

Kate Randall
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Job cutting continues in the new year across a wide range of economic sectors in the US. Layoff announcements so far in January appear to follow last month's trend, in which planned firings rose 31 percent over previous year figures. According to Chicago-based Challenger, Gray & Christmas, job cuts rose to 41,785 in December, up from 32,004 in December 2010.

While the Labor Department said US non-farm payrolls registered a net increase of 200,000 jobs last month, the largest since April, economists estimate that at such a pace the US will not return to its pre-recession unemployment rate until the end of the decade. Long-term unemployment remains entrenched, with some 5.6 million officially counted as jobless for more than six months.

The banking and financial sector continues to shed jobs. More than 600 jobs at RBC Bank in Raleigh and Rocky Mount, North Carolina are threatened with elimination with the bank's takeover by PNC Financial Services Group. PNC anticipates that it will slash \$230 million in annual costs through "operational and administrative efficiency improvements."

Rocky Mount, with an official jobless rate of 13.2 percent, will be particularly hard hit by the cuts. In Raleigh, the RBC layoff announcement follows the proposed merger of Progress Energy with Duke Energy, which will result in the dismantling of Progress's Raleigh headquarters and the elimination of 700 to 1,000 jobs.

About 860 employees of MetLife Inc. in Irving, Texas are slated to lose their jobs as the New York-based insurance giant gets out of the mortgage origination business. The company currently employs about 1,400 at two locations in Irving. MetLife has cited the regulatory environment as a major factor in shutting down this segment of its operations.

Also in the Dallas-Fort Worth area, agribusiness conglomerate Archer Daniels Midland Co. announced plans Wednesday to shed 1,000 mostly salaried jobs. The move will eliminate about 15 percent of the Decatur, Illinois-based company's corporate staff, or about 3 percent of its total workforce. ADM aims to cut about \$100 million in annual expenses through the layoffs and other cost-cutting measures.

In the IT sector, San Jose, California-based Adobe Systems plans to eliminate about 225 jobs in the Bay Area within weeks. The move follows a reduction of about 750 jobs announced last November, 7 percent of its workforce, as part of the software maker's push into digital media and marketing.

Citing unnamed sources, Bloomberg News reports that Microsoft Corp. is planning a companywide restructuring of its marketing operations, which could result in hundreds of job cuts. The company has about 90,000 full-time employees, with about 25,000 devoted to sales and marketing.

Microsoft spent about \$13.9 billion on sales and marketing in 2011. According to Bloomberg's sources, CEO Steve Ballmer doesn't think Microsoft is getting enough return on the money spent. The job cuts are aimed at better positioning the company to respond to threats from competitors Apple, Google, and Amazon, which are increasingly targeting Microsoft's corporate-computing customers.

In heavy manufacturing, Boeing Co. plans to shut down its operations in Wichita, Kansas, where it has built airplanes since 1929. The plant's 2,160 employees will lose their jobs when work on aerial-refueling tankers ordered in February is shifted to Boeing's wide-body jet factory in Washington state.

Boeing announced Wednesday that the Wichita facility, which has served as the hub of operations for

the B-52 and 767 military tanker programs, will be shuttered by the end of 2013. The cuts result in part from a projected \$450 billion reduction in US defense spending through 2021.

Alcoa, the world's largest aluminum company, has announced it will slash global smelting capacity by 12 percent, as rising costs and slumping prices threaten the company's profit margin. The company said last week it would reduce its capacity by an additional 240,000 tons a year, to 4.5 million tons.

The news sounds the death knell for Alcoa, Tennessee, population 6,920, a small community at the foothills of the Great Smoky Mountains, which was founded in 1919 around the company's aluminum plant. The smelter in Alcoa, which was idled in 2009 at a cost of 1,100 jobs, will now be permanently closed. The aluminum maker will continue to operate its recycling and rolling mill plant in the town, employing 1,000 people.

Pittsburgh-based Alcoa is also closing two of six production lines in Rockdale, Texas. The company is building a new plant in Saudi Arabia, capitalizing on the ready availability of natural gas for its power-intensive operations.

In the food industry, Tillamook County Creamery Association (TCCA) announced last week that it will cut about 50 jobs at its Tillamook, Oregon plant at the beginning of February. In a press release, the company said the job cuts stem from issues connected to distribution of its products to a growing customer base outside the US Northwest.

TCCA President and CEO Harold Strunk said only 40 percent of the company's cheese will be packaged at the Tillamook facility beginning next month. Almost half of the approximately 115 workers at the plant stand to lose their jobs, and the layoffs will deeply impact residents of the small town, population 4,400.

In Patterson, California, 489 workers are threatened with the loss of their jobs when Patterson Vegetable Company closes down its 66-year-old plant. The company, formerly known as Patterson Frozen Foods, plans to shut down operations February 20.

Patterson Vegetables is the second largest employer in the city, freezing a wide variety of vegetables from the San Joaquin Valley under various labels. The company's announcement follows an overwhelming vote by workers at the plant, organized in Teamsters

Local 948, to reject proposed pay cuts management claimed were needed to pay for upgrades to the plant.

Patterson Vegetables CEO Eric Schwartz said the shutdown was not definite, and the plant's future was now in the hands of lenders. "They have requested some face-to-face meetings with us in the next couple of days," Schwartz told the *Modesto Bee*. Many workers have been with the company for decades.



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