

US retailer Sam's Club announces 2,300 layoffs

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Retail warehouse giant Sam's Club announced on Friday it is laying off 2,300 workers from various store locations nationwide. The announcement comes on the heels of declining sales for retailers nationwide and the December jobs report showing the US added roughly 74,000 jobs during the month of December, the lowest number since January 2011.

The decision caused the stock market shares of Walmart, the chain's parent organization, to take a 0.7 percent loss in value the day of the announcement. The layoffs represent 2 percent of the company's workforce and are the deepest job cuts the company has implemented since 2010.

The majority of the positions lost will consist of hourly workers and assistant managers. "We're trying to rebalance our resources," Walmart company spokesman Bill Durling told the *Christian Science Monitor*, describing the decision to lay off workers as one made for efficiency.

Sections of Sam's Club selling fresh meats, seafood, produce and dairy would lose half of their management team, with the remaining department heads receiving an increase in pay. Those individuals having their positions cut will receive 60 days' pay and be encouraged to reapply within Sam's Club and the company's parent organization Walmart, Durling said. Those failing to find positions within the company after the 60 days had elapsed would be let go.

The announcement of layoffs at Sam's Club comes as other large retailers have announced similar staff downgrades. Earlier this month, clothing retailer Macy's announced it would lay off 2,500 workers, or nearly 1.4 percent of its staff. Similarly, J.C. Penney, the nation's oldest department store, announced this month it would be closing 33 stores and slashing 2,000 positions.

The decision of retailers to lay off significant sections of their workforce comes in the wake of signs that the US still remains in the grip of an economic downturn. Last month's holiday sales showed a sharp drop-off in profit. Sales fell by 2.7 percent from the same time last year, with retailers only managing to pull in \$57.4 billion, according to the National Association of Retailers.

Likewise, the Department of Labor's December jobs report indicated that the US added only 74,000 positions to the total workforce last month. This amount is less than half of what is considered required to keep pace with normal population growth. Total unemployment in the US dropped 0.3 points to 6.7 percent in the same report, indicating that rather than finding jobs, workers have simply vacated the workforce en masse, no longer being counted as searching for work.

Finally, the announcement of further layoffs comes as the federal government has moved to shift the long-term unemployed off extending jobless benefits. As part of last month's budget agreement between Congress and the White House, jobless benefits supporting 1.3 million workers were ended just days after Christmas. Several million others are expected to lose their benefits this year.



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