

US retailer Family Dollar to close 370 stores

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Discount retailer Family Dollar said Thursday that it plans to close 370 stores over the next six months, about 5 percent of its 8,100 locations.

The Charlotte, North Carolina-based retail chain operates in 46 states and employs over 60,000 people. The company has not said which locations will be closed or how many jobs are expected to be lost.

Family Dollar's quarterly profits fell by 35 percent to \$90.9 million, earning only 80 cents a share, down from \$140.1 million, or \$1.21 a share in the same quarter a year earlier. The company's revenue also fell to \$2.72 billion from \$2.89 billion. CEO Howard Levine said that poor weather contributed to the company's worse-than-expected performance, disrupting merchandise deliveries and adding unexpected costs.

Catering towards lower-income shoppers, Family Dollar's typical customers are female heads of households making less than \$40,000 a year. Many of the company's low-income customers have been dramatically affected by the cuts to food stamps and federal jobless benefits implemented over the past year.

In addition to closing existing locations, the retailer plans to cut back the number of new locations it plans to open next year to 350, down from 525 this year.

Jobs are also being cut at the retailer's headquarters in Matthew, North Carolina, where 135 workers, or about 6 percent of the workforce, are scheduled to lose their jobs. This is the second round of layoffs in three years at the location.

The closure of the Family Dollar stores comes as other companies across the United States and internationally are laying off workers and shutting down facilities.

Hillshire Brands Company said earlier this month that 1,100 employees at its Florence, Alabama production facility will find themselves without a job by December 30. Tom Hayes, the chief supply chain officer at

Hillshire Brands, said that the closure of the plant was due to its inability to meet long-term profit expectations.

United Airlines announced last week that it intends to lay off 430 airport operation employees at the Hopkins International Airport in Cleveland, Ohio, as well as 60 percent of its flights from the airport.

In addition to the US layoffs, the Canadian Broadcasting Corporation (CBC) said Thursday that it will cut 657 jobs over the next two years, or about 8 percent of its 8,000 employees. CBC President and Chief Executive Hubert Lacoix said at an employee meeting that the cuts are essential to address a \$130 million hole in its budget for the 2014-2015 year.

These mass layoffs and closures follow the expiration of federal extended jobless benefits at the end of last year for nearly 2.3 million Americans, along with 1.2 million dependent children they support. Food stamps benefits, meanwhile, have been cut twice in the past year.

The US Labor Department said earlier this month that the US economy added 192,000 jobs in March, barely enough to keep up with population growth, while the unemployment rate remain unchanged at 6.7 percent.

The National Employment Law Project noted that a "significant portion" of the jobs were created "in lower-wage sectors of the economy, like retail, temporary help services, food services and drinking places, and home health care that pay wages too low to sustain families."

One in three people in the United States live from paycheck to paycheck, without any significant savings. While 16 percent of the population, or 49.7 million individuals, are classified as poor, the number of people living "hand to mouth" is twice as large.

There are currently 10.5 million people in the United States who are actively looking for work. Out of these, one third, or 3.7 million people, have been out of work

for more than six months, and are considered long-term unemployed.

Although the labor force participation rate rose slightly last month, to 63.2 percent, it is still near its lowest level since the late 1970s, as millions of unemployed have fallen out of the workforce. According to the Economic Policy Institute, there are some 5.66 million such “missing workers.”



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