

Lowe's lays off thousands of workers as "retail apocalypse" continues

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The home improvement retailer Lowe's announced an unspecified number of layoffs, expected to number in the thousands. According to the company and its employees, layoffs will consist of assemblers, who piece together items for customers, and maintenance and facility-service jobs such as janitors. Lowe's will outsource these jobs to third-party companies.

"We are moving to third-party assemblers and facility services to allow Lowe's store associates to spend more time on the sales floor serving customers," a spokesperson for Lowe's said.

The layoffs at the home improvement giant coincide with the further contraction of the retail sector of the economy. On Tuesday, Walgreens announced it will close 200 US stores, a few months after the pharmacy giant said it planned to cut \$1.5 billion in annual costs by 2022. The shutdowns, whose locations have not yet been revealed, will start in the fall. On Wednesday competitor CVS Health said it would reduce the number of stores it planned to open over the next few years from 300 to 150 after announcing in May that it was closing 46 underperforming stores.

Although Lowe's refused to say how many jobs will be lost, the company said the targeted workers will receive transition pay and have an opportunity to apply for other open positions. According to a securities filing in February, Lowe's employed approximately 190,000 full-time and 110,000 part-time employees in the United States, Canada and Mexico.

Lowe's employees expressed indignation about the company's move and CEO on The Layoff, an anonymous online discussion board for mass layoffs.

One worker said, "[The CEO] really is a sack of s-t. He doesn't care one bit about ANY employee.."

"Lowe's doesn't create jobs without taking away jobs. In order to build the technology center in

Charlotte Marvin [Lowe's CEO Marvin Ellison] needed funding while at the same time he needs to increase the dividends paid to shareholders," another said.

"In the past year our customer count has dropped, sales have dropped, customer service is nonexistent, Stock price is flat, profits are down, morale is terrible, and finally Tens of THOUSANDS of Loyal, Productive, Tenured Employees have been TERMINATED!!!!"

Ever since CEO Marvin Ellison, the former CEO of near bankrupt retailer JCPenney, took control of the company in July of last year, Lowe's has been engaged in a savage cost-cutting campaign to compete with Home Depot, the largest home improvement retailer in the US. Last year, Lowe's shuttered 51 stores in the US and Canada and shut down its 99 Orchard Supply Hardware stores. In April, the company announced the end of its nine-year venture in Mexico with the closure of its 13 stores in the country.

The company's string of store closures and layoffs is part of a broader ongoing trend since the Great Recession, which has been fueled by stagnating wages and online purchasing spearheaded by Amazon. The "retail apocalypse" has devastated North American brick-and-mortar retail stores since 2010. Since the financial crisis, the retail industry has seen a myriad of buyouts, mergers and acquisitions as large and small retailers are forced into bankruptcy or outright liquidation by financial parasites on Wall Street.

According to tracking by Coresight Research, more than 7,000 store closures have been announced so far this year. However, Coresight predicts that the tally could reach up to 12,000, setting a new record of store closures in a year.

Despite the lowest official unemployment rate in 50

years, bankruptcy related layoffs are reaching heights not seen since the 2008–09 global financial crash. According to a Challenger, Gray & Christmas report, US companies have announced 42,937 job cuts due to bankruptcy in the first seven months of the year, up 40 percent on the same period last year and nearly 20 percent higher than all bankruptcy-related job losses last year.

Companies cited bankruptcy as the reason for 11.6 percent of all job cuts announced from January to July. This is a 0.3 percent increase since the same period in 2018. Bankruptcy has also accounted for approximately 6 percent of all job cuts every year since 2007.

The report stated, “It is the highest seven-month total since 2009 when 50,258 cuts due to bankruptcy were announced... In fact, it is higher than the annual totals for bankruptcy cuts every year since 2009, when 50,911 were announced for the entire year.”

This is part of a global trend. On Tuesday, Tesco announced that it was cutting 4,500 jobs at 153 Tesco Metro supermarkets, adding to the 9,000 jobs the UK’s biggest retailer warned were at risk earlier this year. According to the British Retail Consortium, the number of people employed in retail is down 72,000 from a year ago.



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