

Macy's announces 150 store closures as layoffs continue in tech and logistics

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Major US retailer Macy's announced Tuesday a restructuring involving the closure of 150 stores over the next three years at "underproductive" locations.

No figures were released on estimated job losses, but the closures represent about 30 percent of Macy's 350 existing stores. Macy's said that it is booking \$50 million in estimated termination costs. As late as 2019 the company had 870 stores.

It is the second major downsizing for the company since 2020. In January Macy's announced it was cutting 2,300 from its corporate staff, about 3.5 percent of its total workforce. It plans to close 50 stores this year and the rest by 2026.

The announcement of major cuts by Macy's takes place as department stores continue to lose business to online retailers. JC Penney filed for Chapter 11 bankruptcy protection in May 2020, early in the coronavirus pandemic, as did Neiman Marcus.

The closure of scores of Macy stores will be broadly felt, as the stores are often the anchor of shopping malls, which are already struggling. One of the stores planned for closure is Macy's 400,000 square-foot flagship location in San Francisco's Union Square.

One Macy's worker writing on Thelayoff.com commented about the announced cuts, "There isn't enough transparency. Employees have no idea what's going on and that affects our work. How hard is that to figure out? The more we stress over things and the more we wonder what's going to happen, the more morale will go down, and with it productivity. It doesn't take a genius to realize that."

Another post referenced the 150 stores targeted for closure. "All of the managers and employees who work at these locations will be out of jobs. Store level employees won't be the only ones impacted. Everyone who survived the 2,350 job cuts last month and were

starting to feel relief and perhaps a glimmer of hope for the future will again be entering into the seemingly endless version of the Hunger Games at Macy's...

"But hey, maybe you work in a store that isn't on the closing list, maybe even a strategic F50 door. Your job is protected right? Sure, as long as there isn't someone in a closing store that leadership would like to see in your position. Perhaps someone younger, who presents better and says what they want to hear."

In recent years Macy's has been opening smaller stores in strip malls rather than in indoor shopping malls. The company said it is now refocusing on smaller stores and higher end brands, including its luxury Bluemercury cosmetics business.

The store closure announcement came after the company posted a fourth-quarter loss and recorded declining sales. Macy's has been under pressure from investors who are demanding greater returns. Its US retail sales fell by 0.8 percent in January, more than the 0.3 percent decline that had been expected. The company's fourth quarter 2023 year-over-year sales fell 1.7 percent, and 6 percent at its Macy's department stores. Its net income for the fourth quarter was \$665 million, low by Wall Street standards.

Earlier this year Macy's rejected a takeover attempt by investment firms Arkhouse Management and Brigade Capital Management, saying they did not advance a viable financing plan.

Wall Street has welcomed the downsizing announcement. Macy's shares were up three percent the day of the job cut announcement.

Job cuts have been accelerating in various sectors across the US as corporations seek to cut costs in order to drive up profits, squeezing more labor out of a smaller workforce. The cuts are part of a deliberate policy by the US and international ruling classes to

undermine workers' militancy and impose the burden of militarism on the backs of the population.

Significant layoffs have hit workers in the tech industry and manufacturing, with Ford, General Motors and Stellantis announcing job cuts, as well as logistics giant United Parcel Service.

So far this year 170 tech companies have cut over 45,000 jobs, according to layoffs.fyi. This includes Cisco Systems, which said that it is cutting 729 jobs in the San Francisco Bay Area by April. This follows the company announcement earlier this month that it is planning to lay off some 5 percent of its global workforce. The planned cuts will hit sites in San Jose, Milpitas and San Francisco, California.

Sony Interactive Entertainment is planning to slash 8 percent of its workforce, 900 jobs. The company is the maker of Playstation. Company CEO Jim Ryan said the decision was based on an "evolving economic landscape, changes in the way we develop, distribute, and launch products, and ensuring our organization is future ready in this rapidly changing industry."

It was only the most recent gaming company to announce layoffs. SuperMassive Games has said that it plans some job cuts, and last month Microsoft Gaming, a major competitor of Playstation, said it was cutting its workforce by 1,900.

Online dating company Bumble said Tuesday that it plans to lay off 350 workers as part of a restructuring. The cuts represent more than one-third of the company's workforce.

Travel technology company Expedia Group said it plans to cut 1,500 jobs this year, or 8 percent of its workforce, as part of a restructuring plan. The company is the parent of Expedia.com as well as Travelocity, Vrbo, Hotels.com, Orbitz and Hotwire, and employs 17,100 worldwide. It aggregates travel fares and lets users book airline flights and lodging from its platform.

Northrop Grumman has warned workers of coming potential layoffs at its Space Park operations in Redondo Beach, California. About 7,000 are employed at the facility, which has been in operation since 1961. According to one source the cuts could impact 1,000 workers.

"We are working to match impacted employees with existing job openings and opportunities across Northrop Grumman," the spokesperson said. "This is ongoing, and a higher number of employees will

receive WARN notices than may ultimately be impacted."

Mass layoffs are also continuing in the logistics industry. After UPS announced 12,000 job cuts in January and recently confirmed the permanent closure of its Swan Island facility in Portland, Oregon, with 300 jobs lost, other logistics firms have announced layoffs. Companies in California, Illinois and Michigan have announced cuts in recent days.

- Third-party logistics provider DHL Supply Chain is laying off 161 workers from a warehouse in Joliet, Illinois.

- Ceva Logistics is laying off 80 workers from a facility in Romulus, Michigan, due to what it says is less business from Ford.

- Quad Logistics Services is closing a mail processing and distribution facility in Bolingbrook, Illinois, and laying off 74 workers.

- Universal Intermodal Services is cutting 42 truck drivers at a Fontana, California, facility



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