

# Jobs assault deepens, while report says workers' share of national income has fallen to 55 percent

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New unemployment claims in the US for the week ending May 4 showed an increase of more than 10 percent from the previous week, with the number of workers filing for benefits going from 209,000 to 231,000, according to the US Labor Department.

The increase was the largest since August 2023. Weekly unemployment claims are considered a proxy for the number of layoffs taking place during a specific week and an indication of the direction of employment generally.

Another sign of the growing assault on jobs in the US was the Labor Department's report that employers added just 175,000 jobs in the month of April, the fewest over the past six months, and the unemployment rate went up to 3.9 percent from 3.8 percent in March. Job openings were also reported at 8.5 million in March, which is the lowest number in three years.

The capitalist press maintains that these unemployment numbers are nothing to worry about. As the Associated Press reported, the increase in weekly unemployment shows a "relatively low number of layoffs and not cause for concern."

For the working class, these indicators are a warning that the jobs massacre in recent months is ramping up and wreaking havoc on workers and their families under conditions of rising cost of living due to inflation.

For millions of workers, especially young people, entry-level jobs start at \$15 an hour—or less, and these employees wind up being stuck at this wage without any opportunity for an increase for years. Meanwhile, this situation prevails while the workers are given part-time hours, and they are vulnerable to being laid off due to corporate cost-cutting.

Additionally, these trends play into the dramatic decline in the social position of the working class over the last 25 years. According to data released by the Bureau of Labor Statistics (BLS), the share labor receives of national income has fallen to 55.8 percent as of the first quarter of 2024. A little more than two decades ago, in 2001, the BLS reported that the national income share of non-farm workers stood at 64.1 percent.

This situation is the product of grotesque levels of income inequality under capitalism. As reported by the *Guardian*, for example, a McDonald's worker who has been with the company for 10 years is now making \$15 an hour, while "Comparatively, the McDonald's chief has one of the highest CEO-to-worker pay ratios in the world, at 1,224 times the median worker pay. A typical McDonald's worker would have to work more than 1,200 years to make his compensation for a year."

The *Guardian* report also states, "CEO pay has soared 1,209.2 percent from 1978 to 2022, according to an analysis by the Economic Policy Institute, compared to a 15.3 percent rise in typical workers' pay." This is a major component of the massive transfer of wealth from the wages of workers into the pockets of multi-millionaires and billionaires.

The sharp edge of layoffs in the US and around the world is taking place in the auto industry. As reported previously, Tesla announced the elimination of 14,000 jobs, 10 percent of its global workforce, in mid-April. Ford has announced 8,000 layoffs among salaried employees, and GM and Stellantis have laid off another 10,000 employees combined. The layoffs by major manufacturers has also been followed by major job cuts at suppliers, such as Magna International, Lear

Corporation and Visteon.

Much of the auto jobs massacre is taking place in connection with the transition to electric vehicle (EV) production. In a report in *Car & Driver*, GM confirmed on Wednesday that the automaker is killing off its longtime, highly successful Chevrolet Malibu model, with production officially ending in November 2024.

According to a statement made by an unnamed representative from Chevrolet to the monthly auto enthusiast magazine, GM made the decision as part of its \$390 million investment in the Fairfax Assembly Plant in Kansas. Along with the cancellation of the Malibu, GM is also pausing production of the Cadillac XT4 in January, “allowing the company to retool the facility and begin production of the Ultium-based Bolt EV.”

Although the number of autoworkers to be furloughed during this transition was not specified, layoffs will clearly be required between the end of the year and the resumption of production with the new EV. “Production there is expected to resume in late 2025 with the XT4 and Bolt EV to be built on the same assembly line,” *Car & Driver* reported.

On Wednesday, 145 temporary workers at the Customer Care and Aftersales Processing Plant (CCA) in Burton, Michigan, were notified by the UAW that they are all being terminated on May 17. The Burton CCA is GM’s largest customer care and aftersales hub in the US. Last year, GM announced a \$148 million investment to implement automation technology designed to increase the facility’s output with less workers. It is the “Amazonization” of the auto industry.

One of the temporary workers told the WSWS, “We will be fired, not laid off. I said ‘fired’ as per our committee rep just now. I learned about this when a coworker sent me a screenshot of the UAW’s statement from a Facebook page. To my knowledge, that was the first notice.”

One worker’s reaction was, “Well I left a very stable job that had a union that would go to bat for its employees so obviously I’m f\*\*king pissed. My coworkers are gutted. Some moved just to take this job and will be fired before 90 days. Some like me left jobs in good standing with hopes to find a lifelong career at GM. That wasn’t the case. Lots of crying. Morale for the temps is at an all-time low after the news.”

The Burton CCA facility has been on Emergency Plant Status since at least March, forcing workers to work mandatory seven-day weeks.

The worker about to be fired continued, “We were 100 percent used as a tool to get the plant out of emergency status and we did just that in less than three months. From 200-plus trailers a day, down to a consistent 70 in my area and just 66 today. Once that was completed, they ruled we weren’t necessary and will now be terminated.”

A seniority worker declared, “This is not going to stop at the temp workers. The terminations will go deeper.”

Members of the GM Flint Rank-and-File Committee at the nearby GM truck assembly plant denounced the termination of the temporary workers at the CCA plant. “We are outraged at UAW acting chairman Mike King’s statement, which complains that ‘management is dragging its feet’ about notifying workers that they were being fired.

“Instead of defending jobs, the UAW apparatus is enforcing the dictates of management. Meanwhile, the UAW did not lift a finger to oppose the ‘Emergency Plant Status’ at the facility allowing the company to impose mandatory seven-day workweeks. Who benefits from this? Not the workers!

“UAW President Shawn Fain told us temporary workers would be rolled over and tiers would be ended to get the contract passed. But the supposed ‘record contract’ hailed by the UAW bureaucrats and President Biden has opened the door for a massive attack on jobs throughout the auto industry.

“We urge CCA workers to build rank-and-file committees in order to end the UAW’s collusion with GM, Ford and Stellantis and take up the fight to defend the jobs of all workers. The termination of CCA temp workers is just the tip of the iceberg and must be a warning to all autoworkers.”



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