ADP report shows 32,000 jobs cut in November

30 percent of US corporations planning holiday season layoffs

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The monthly report by human resources firm ADP (Automatic Data Processing) found that US private employers cut 32,000 jobs in the month of November, the latest sign of an accelerating jobs massacre.

Meanwhile, there is a massive increase in firings during this holiday season, something companies were previously likely to avoid because of bad publicity. More than 3 in 10 US companies plan to carry out layoffs before the end of the year, according to a survey of 1,000 business leaders by Resume.org. Some 69 percent are using AI to help decide whom to fire, and 42 percent will not give severance to all employees. Around 82 percent of firms say executives will receive bonuses this year.

The drop in ADP's figures was unexpected among analysts, who projected a small increase. The fall was driven by a sharp decline in employment on the part of small businesses, with 120,000 cuts by companies with 50 or fewer employees. Small net increases in hiring by large firms only partially offset these losses.

Significantly, the report does not include public sector workers, hundreds of thousands of whom have been fired under the Trump administration, which is slashing social programs, regulatory agencies and anything that restricts profit-making by the rich. Were "reductions in force" during the government shutdown in October and November taken into account, the report would undoubtedly be far worse for workers. The Trump administration is refusing to release unemployment data for the month of October, a tacit admission that the shutdown created a social catastrophe.

By some measures, this is the biggest wave of job cuts since the 2008–2009 recession. Last month's report from Challenger, Gray & Christmas found that 1.1 million layoffs had been announced by US employers by the end of October this year. The November report is expected later in the week.

A report by *HR Digest* found mass layoff warnings filed with the government at their highest level in a decade. The publication called 2025 "the year of layoffs."

Corporations are using rapidly developing automation and artificial intelligence technology to eliminate vast swaths of the workforce, imposing the cost of the developing economic crisis on the backs of the working class. This crisis is driven by a combination of out-of-control speculative bubbles, including AI itself, and trade war measures worldwide that are being spearheaded by the Trump administration.

The picture that emerges is of a sweeping redistribution of wealth from a large majority of the population, including the working class and more economically vulnerable sections of the middle class, to the oligarchy and the wealthiest layers of society. It is the result of a policy of class warfare that finds its most direct expression in Trump's ongoing plans for dictatorship.

The ADP report found the sharpest falls in employment among professional and business services (26,000), financial activities (9,000) and information (20,000), all white-collar industries where jobs are most susceptible to replacement by AI. HP recently announced it will slash 10 percent of its global workforce, or 4,000 to 6,000 people, by 2028.

In addition, there was a sharp fall in manufacturing (18,000) and a virtual plateau in trade, transportation and utilities (which increased by 1,000).

Employment in the latter sector is usually boosted at the end of the year by seasonal hires, but that gain is being offset by huge layoffs as part of automation-driven restructuring. United Parcel Service has announced 48,000 layoffs so far this year, and the United States Postal Service (USPS) recently bragged it would hire only 14,000 seasonal workers this year.

Among manufacturing workers, some of the steepest cuts are in the auto industry, where companies are carrying out vast layoffs. This past week, General Motors announced over 1,000 layoffs at its "Factory Zero" plant in the Detroit enclave of Hamtramck. Previously hailed as the centerpiece of the company's electric vehicle transition, it is now down to one shift. Layoffs are taking place worldwide, with similar cuts spreading throughout the German auto industry.

A major factor behind the decline in small business jobs is rising costs and mounting economic uncertainty, especially due to tariffs. Less capital makes small businesses more vulnerable to market shifts.

"Most of my manufacturers and publishers don't really have the space to absorb, or to pass on price increases to their customers, so they're getting squeezed," one small business owner told *The Guardian*. Disastrous results from Small Business Saturday, a major date on the holiday calendar following Black Friday, saw spending decline 18 percent.

An ADP analysis of its figures from last month found that gross pay for new hires increased year over year by only 1.7 percent. Median hourly pay has flatlined for 16 months at a pathetic $18 an hour. For a 40-hour workweek, this equals to little more than half the average cost for an apartment in the US of $1,631, according to figures from Apartments.com.

A Senate report found that Americans spend on average over $11,000 more to maintain the same standard of living as at the start of 2021. While the report was released for factional purposes, blaming this entirely on Biden, the fact is that both parties are committed to a policy of massive decline in working class living standards.

A majority of people are reporting severe economic distress during the holidays. A WalletHub study found that 85 percent will spend the same or less than last year.

Nevertheless, Adobe found that total spending is up 7.1 percent to $137 billion so far this year. A separate study by BMO bank found that Americans will spend around $2,800 during the holiday season, a 60 percent increase from last year.

This apparent discrepancy is accounted for by two factors. The first is the financing of spending through debt. "Buy now pay later" purchases increased by 9.0 percent, according to the same Adobe study. A survey commissioned by *Beyond Finance* found that one in three expects to slip into debt and that two-thirds say it is impossible to know how much to "safely" spend due to financial uncertainty. Most have overspent or expect to overspend, with "many … putting expenses on their credit cards (54 percent), pulling from their savings (21 percent) or using buy-now, pay-later plans (20 percent)."

The second factor is that declining spending by the vast majority is being offset by huge increases among the super rich, who are increasingly driving consumer spending. Reports refer to a "K-shaped" holiday economy, a reference to extreme polarization.

Some of the spectacular holiday vacations laid out by villapads.com illustrate this. At the ski resort town of Aspen, Colorado, "the ultra-wealthy rarely settle for hotel suites. Instead, they select ski-in, ski-out estates equipped with heated pools, private theaters, and staff who manage every aspect of the stay. Helicopter transfers, in-house chefs, and wellness experts are standard."

Others will travel to the island of Saint Barthélemy in the Caribbean, where a "megayacht" harbor attracts "private yachts, supermodels, and business magnates each winter season."

This inequality has global dimensions. *Gentleman's Journal* in Britain writes: "if you're feeling the fiscal pinch this season, spare a thought for the uber-wealthy, who will be splashing out upwards of £1 million on escaping to the perfect, premium bolthole for Christmas. Whether they're chartering a superyacht, commandeering a whole castle, or enjoying their own slice of splendid isolation on a private island … the people who have it all flaunt it at the most wonderful time of the year."

The tech boom has produced a spectacular rise in luxury real estate. In San Francisco, one of the most expensive cities in the country, the "artificial intelligence boom has reignited demand for high-end homes among buyers cashing in on soaring startup valuations," with one analyst comparing it to a car accelerating to 100 miles per hour (162 kph). The city has seen a surge among home buyers from the AI industry from around 15 to 25 percent from the third to the fourth quarter this year.

"The ultrarich have shown renewed faith in the city," *Bloomberg* writes. "Billionaire Laurene Powell Jobs paid a city record $70 million for a home last year. OpenAI CEO Sam Altman assembled a compound on Russian Hill, paying $14 million in January for three lots next to the estate he bought in 2020 for $27 million."

One local realtor told *Bloomberg*, without a hint of irony: "Nob Hill was deader than a doornail. ... You could get a condo for $800 or $900 a square foot. Now it's $1,200." The latter figure for a single square foot is more than double the monthly rent paid by elderly resents at the Leland House in downtown Detroit, who are being forced out of their homes under threat of a utility shutoff only weeks before Christmas.

These fortunes are being driven by massive speculative bubbles, with "circular deals" of the kind reached between Nvidia and OpenAI setting the stage for an economic crash in the likely event that labor savings from AI fail to materialize quickly enough. One estimate from market research firm MacroStrategy Partnership estimates the size of the bubble as 17 times the dot-com bubble of the early 2000s and four times the real estate bubble that led to the Great Recession in 2008-2009.

This will drive even further attacks on living standards, as the corporate elite seeks to extract as much surplus value as possible to maintain profits and share values. Moreover, experience shows that the oligarchy and major corporations will be made whole through trillions in government bailouts.

This is an indictment of the capitalist system. Impossible conditions, which are only worsening this holiday season, will drive tens of millions into struggle and many to the conclusion that revolutionary change is needed.