

US unemployment highest in 5 years, as Ford, other companies announce layoffs before Christmas

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US unemployment rose to 4.6 percent last month, the highest level in five years, according to the latest figures from the Bureau of Labor Statistics. The economy added only 64,000 jobs in November and lost 105,000 jobs in October. These figures provide the latest indication of an accelerating jobs bloodbath by US corporations, which are seeking to use artificial intelligence and other new technologies to eliminate sections of the workforce and drive up profits.

The impact has been particularly severe in the automotive and transportation industries. Transportation employment has declined by 51,600 jobs between September and November, including a loss of 17,800 jobs in November. By comparison, the industry added 27,700 jobs last November. The auto industry cut 11,000 jobs over the same three-month span, accounting for more than two-thirds of all losses in durable goods manufacturing. Last month, leisure and hospitality employment also fell by 12,000 jobs.

Layoffs have continued without interruption in the days before Christmas. On Monday, Ford announced that it would lay off all 1,800 workers at its Kentucky battery plant, converting the facility to energy storage production for AI data centers. The company also announced the end of production of the electric F-150 Lightning, a model the company had previously compared in importance to the Model T, the world's first mass-produced car.

In Detroit, the last day of work for more than 1,100 workers at General Motors' Factory Zero is scheduled for Friday. These moves are the latest in a wave of layoffs across the auto industry driven by trade war measures and slower-than-expected electric vehicle adoption.

Cost-cutting has also produced a wave of workplace deaths. Two postal workers died last month at the US Postal Service, while in the auto industry the death of

Ronald Adams Sr. in April has outraged workers. These incidents are being investigated by rank-and-file committees, while union officials have done nothing to prevent such disasters.

A huge 162,000 decline in federal jobs was reported for October. This figure does not include furloughed employees during the shutdown but rather those who had been forced out or taken buyout packages as part of the Trump administration's attack on federal programs. So far this year, federal employment has declined by a staggering 271,000 jobs.

The situation underscores the need for action by the working class to defend the right to a job. A recent statement on the WSWWS called for a mass, independent movement of the working class to defend this basic social right. It explained: "The fight for social rights must be combined with the fight against dictatorship in defense of democratic rights, and for the enormous expansion of democracy to the workplace."

The statement added: "Workers' control over new 21st century technologies could be used to fund improvements in living standards and ease the burden of work, rather than throwing workers back to 19th-century levels of misery."

The real state of affairs is far worse than admitted by official figures. Using the government shutdown as a pretext, the Trump administration has refused to release full unemployment figures for the month of October, when the majority of the shutdown took place. The shutdown not only placed hundreds of thousands of workers on furlough, but the cutoff of food stamps plunged tens of millions into food insecurity.

In remarks to the press, Federal Reserve Chair Jerome Powell estimated that the BLS (Bureau of Labor Statistics) has been overestimating employment figures by

around 60,000 jobs per month. This assessment broadly aligns with other measures of employment. ADP, which bases its estimates on private payroll figures, reported that US companies cut 32,000 jobs last month. Challenger, Gray & Christmas has counted nearly 1.2 million layoffs so far this year, the highest level since the start of the pandemic in 2020 and, before that, the 2008–2009 Great Recession.

Earlier this year, employment figures for 2024 were revised downward by nearly 1 million jobs, a change that would imply similar levels of revision for this year. The August and September figures were also revised downward by a combined 33,000 jobs.

There are growing signs of social distress. Hourly wages increased by just 5 cents last month, while annual wage growth slowed to 3.5 percent, the lowest rate since the start of the pandemic, according to the *New York Times*, citing Federal Reserve data. This increase does little to make up for price increases, with the latest inflation figures standing at 3 percent as of September.

Unemployment among African Americans rose to 8.3 percent, up 2 percentage points from last year. Among young people, unemployment has skyrocketed to 13.4 percent, up from 12.1 percent last year. The number of long-term unemployed reached 1.9 million, an increase of 300,000 from a year ago.

Corporations are weaponizing AI technologies in a desperate bid to vastly increase the rate of exploitation through higher productivity. Consulting firm McKinsey—which regularly produces reports on the job-cutting impact of AI—announced plans this week to eliminate 10 percent of its global workforce through the use of AI, or around 4,000 jobs. Electric vehicle technology is being deployed in a similar fashion, as EVs require fewer moving parts and less labor than gas-powered vehicles.

The ruling class relies on these measures to prop up unsustainable levels of debt and financial bubbles. AI itself is increasingly showing signs of becoming a bubble, with one estimate suggesting it is 17 times larger than the dot-com bubble and four times larger than the real estate bubble that produced the Great Recession. There are mounting signs that cost savings are not arriving quickly enough to satisfy investors, while labor productivity growth continues to slow.

There are increasing indications that the United States is headed for a recession. Moody's Analytics economist Mark Zandi estimates that 23 out of 50 states, plus Washington D.C., are already in a recession. Together,

these regions account for roughly one-third of US gross domestic product.

Layoffs and joblessness are a global trend. More than 55,000 have been laid off in the German auto industry this year. Young people around the world are being hit particularly hard. In Africa, youth have staged protests across the continent over the past year and a half.

According to the World Economic Forum last month:

For those in the first fully online generation, the employment challenge extends beyond AI and automation. They are also facing a structural slowdown in hiring, stalled social mobility and deepening skills mismatches, all against a backdrop of economic uncertainty and rising geopolitical tension.

The latest jobs figures are another indication of a society being driven to the breaking point by capitalism. While social misery worsens for billions, a total of 60,000 millionaires and billionaires own three times more wealth than the poorest half of the globe, according to the World Inequality Lab. In the United States, more than half of the population cannot afford a \$1,000 emergency expense, and 32 percent have no emergency savings at all.

The continuation of capitalism inevitably means worsening unemployment and poverty, skyrocketing inequality, mass repression and war. Fear of the eruption of mass opposition in the working class is the primary factor in the move towards dictatorship in the United States and in other countries. Such struggles are inevitable but must be guided by an independent, socialist program based on the international unity of the working class.



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