# Spirit Airlines collapses: 17,000 workers pay for Wall Street’s war on Iran

**Tom Hall**
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*Have you been impacted by Spirit’s bankruptcy? Contact the WSWS below to tell us your story. All submissions will be kept anonymous.*

Spirit Airlines, the largest ultra-low-cost carrier in the United States, announced Saturday that it has permanently ceased operations after 34 years in business. Some 17,000 workers learned overnight that they had lost their jobs.

Tens of thousands of passengers and crew members were left stranded at airports across the country with no re-booking assistance. Scenes of confusion spread across Spirit’s network. In Atlanta, families arrived at the gate to find no staff and no aircraft. In Las Vegas and Fort Lauderdale, where Spirit had its largest footprint, ticketing counters stood empty.

Flight attendant Freddy Peterson learned of the shutdown at 3 a.m., and had to catch a Delta flight back to his home base in Atlanta. “I’ll probably do my boo-hoo crying once I get in the car,” he told PBS. Transportation Secretary Sean Duffy’s answer to those stranded was terse: “If you have a flight scheduled with Spirit Airlines, don’t show up at the airport. There will be no one here to assist you.”

The immediate cause of Spirit’s liquidation is the massive surge in jet fuel prices triggered by the US-Israeli war on Iran and the closure of the Strait of Hormuz. Since the war began in late February, jet fuel prices have more than doubled—from roughly $2.10 per gallon to over $4 per gallon in the United States, and from €68 to €153 per barrel in Europe.

Spirit—carrying $8.1 billion in debt from its second Chapter 11 filing in August 2025, and operating on the thinnest margins in the industry, with no hedging on fuel costs whatsoever—had no buffer to handle this shock.

On April 16, International Energy Agency (IEA) Executive Director Fatih Birol warned that Europe had “maybe six weeks or so” of jet fuel remaining. Nearly three weeks have now passed. Europe consumes 1.6 million barrels of jet fuel per day, of which 500,000 barrels previously came through the Hormuz corridor. South Korea, the world’s leading jet fuel exporter, has begun restricting its own exports as its Gulf crude supply dries up.

The impact across the industry is staggering. United Airlines CEO Scott Kirby has warned that his carrier’s annual fuel bill could swell by $11 billion if current prices persist. The US airline sector as a whole faces an estimated $25 billion in unbudgeted costs this year.

In Europe, Lufthansa is cutting 20,000 short-haul flights over the next six months. Air France-KLM has imposed a €100 surcharge on long-haul tickets. Scandinavian Airlines has canceled 1,000 flights.

The Trump administration briefly considered a government rescue of Spirit, but by Friday night the deal was dead. Duffy’s explanation to the press was: “We oftentimes don’t have half a billion dollars laying around.”

For a government requesting $200 billion for the war in Iran and an extra $500 billion for next year’s military budget, this is obscene. The war burned through $11 billion in its first week alone. The Center for Strategic and International Studies estimates US aircraft losses in the war at up to $2.8 billion.

The decision not to rescue Spirit was deliberate class policy, aimed at making the working class pay for the war. It follows the logic which Trump explained at a closed Easter lunch at the White House, when he said childcare, Medicaid, Medicare and other social programs should be gutted because “we’re fighting wars” and that the government’s role was “one thing, military protection.”

Meanwhile, the war is generating a profit bonanza for the oligarchy. With oil around $100 per barrel, the major oil conglomerates—Aramco, ExxonMobil, Shell, Chevron and others—stand to collect an additional $234 billion in 2026 profits, $30 million every hour, according to one report last month by *The Guardian*. ExxonMobil alone stands to gain an additional $11 billion; Aramco, $25.5 billion.

The six largest US banks posted collective first-quarter profits of $47.6 billion—JPMorgan up 13 percent, Goldman Sachs up 19 percent, Citigroup up 42 percent—boosted by war-driven market volatility, which they used to fund record share buybacks.

The Iran war shock is the trigger, but Spirit's collapse is the outcome of 47 years of bipartisan policy. Indeed, Spirit's ultra-low cost business model was made possible by the 1978 Airline Deregulation Act enacted during the Democratic administration of Jimmy Carter, sponsored in the Senate by Democrat Edward Kennedy and championed by Carter's Civil Aeronautics Board chairman Alfred Kahn. The Civil Aeronautics Board—which had regulated routes, prices and market entry since 1938, creating the conditions under which airline workers won relatively high wages, relatively secure employment and defined-benefit pensions—was formally abolished in 1984.

In 1981, using blueprints first drawn up under Carter, Republican President Ronald Reagan fired 11,000 striking air traffic controllers from the Professional Air Traffic Controllers Organization. The refusal of the AFL-CIO union officials to call a general strike in defense of PATCO began a decade of union-busting and wage-cutting during which time millions of industrial workers lost their jobs.

Mass layoffs and a steady erosion of working conditions, airline service and safety followed with no resistance by unions which claimed to represent machinists, pilots, flight attendants and ground crews. Continental Airlines voided all union contracts in 1983 and operated with strikebreaking replacement workers. Eastern Airlines was liquidated in 1991 after a bitter two-year strike betrayed by the International Association of Machinists (IAM). Pan Am dissolved the same year, eliminating 26,000 jobs.

Following the September 11, 2001 terror attacks, US Airways, United, Delta and Northwest used Chapter 11 to tear up labor agreements, destroy defined-benefit pensions and slash wages. American Airlines issued layoff notices to 13,000 workers.

One result is the industry has consolidated from dozens of competing carriers into four mega-airlines—Delta, United, American and Southwest—controlling 80 percent of domestic traffic.

During the initial stages of the COVID-19 pandemic, $25 billion was handed to the airlines through the bipartisan CARES Act bailout, Spirit among them. The carriers then issued 100,000 layoff notices, with Southwest demanding 10 percent wage cuts. The union bureaucracy, especially the Association of Flight Attendants (AFA-CWA), openly collaborated with management to lobby Congress for bailout money.

Workers have sought repeatedly to fight back. But they are under the discipline of the Railway Labor Act, which enforces years of mandatory rounds of mediation before workers are allowed to strike. The law was used in 2022 by Congress to impose a contract on railroad workers who had voted to strike.

But the main obstacle has been the union bureaucracy, which works hand in glove with management. During Spirit's first bankruptcy in November 2024, AFA-CWA President Sara Nelson—a prominent figure in the Democratic Socialists of America—told workers to report normally and pledged to work toward "as little disruption as possible." Nelson had also backed an earlier Spirit-JetBlue merger which was rejected by antitrust regulators.

In opposition to the corporatist labor bureaucrats, workers in the airlines and across the transport sector must build independent rank-and-file committees through the International Workers Alliance of Rank-and-File Committees, free of the union apparatus and both capitalist parties.

Spirit's 17,000 workers must receive full compensation—jobs, pay, benefits, pensions and seniority—and the same must apply to every worker thrown out of work by the economic consequences of the Iran war. This must be financed through the immediate expropriation of the windfall war profits of the oil majors, banks and defense contractors enriched by the Hormuz blockade.

The US-Israeli war on Iran must end immediately. The airline industry—which has now demonstrated that private ownership and the profit motive are incompatible with the needs of workers and the traveling public—must be taken out of private hands and converted into a public utility, collectively owned and democratically controlled by the working class. The Railway Labor Act must be abolished and the unconditional right to strike recognized for transport workers.

This requires the political mobilization of the working class—in the airlines, across the transport sector, and internationally—against the capitalist system.