

Wall Street prepares to pick the bones clean

# Spirit workers lose paychecks and benefits as executives seek \$10.7 million in “retention” bonuses

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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.*

As ultra-low-cost carrier Spirit Airlines’ 17,000 workers learned overnight that they had lost their jobs, benefits, and potentially their final paychecks, Spirit’s lawyers filed a motion in federal bankruptcy court in New York requesting \$10.7 million in retention bonuses for executives and managers overseeing the wind-down, with undisclosed additional amounts for the top three executives.

Antonio Mancheno, president of the Association of Flight Attendants (AFA-CWA) Local 76, said Sunday: “We don’t even know if we’re going to get our last paychecks. Most of us are going to have to pull out retirement savings and use it as emergency funds, because a lot of flight attendants live paycheck to paycheck.” Medical, dental and vision benefits for all Spirit employees were terminated the moment the last flight landed. The Air Line Pilots Association advised its 2,000-plus Spirit members to immediately download their own pay stubs and W-2s before company systems shut down.

Workers were deliberately kept in the dark up until the last minute. WARN Act notices—legally required advance warning of mass layoffs—were issued only after the shutdown. Spirit’s explanation in its court filing was that publicizing the layoffs earlier “would have hindered its efforts to secure additional funding.”

Spirit has told the court that it does not even have enough cash on hand to organize a structured auction of its remaining assets, including 131 aircraft. Instead, the company is requesting permission to allow it to abandon this equipment or let creditors repossess them. Most of Spirit’s fleet was not actually owned by the airline but leased to it by major banks such as Wells Fargo.

Bankruptcy law prioritizes the company’s secured creditors—the Wall Street banks and aircraft lessors like Wells Fargo—over workers. Pilots, flight attendants and ground staff will get whatever is left after Wall Street has picked the bones clean.

The impact of the shutdown, not only for ex-employees but for workers in communities surrounding the airline’s hubs, will be

devastating. Around 3,000 jobs are affected in Broward County in south Florida, including at the company’s headquarters and at the Fort Lauderdale International Airport.

“I haven’t been in the job market for 29 years,” Tashia, a former Spirit employee of 29 years, told local news station WSVN at a Broward County career fair Monday.

The impact on travelers is equally severe. Spirit’s ridership was concentrated among working class and lower-income passengers, owing to base fares only a fraction of the cost of traditional carriers. Spirit was the second-largest airline by flights at the Detroit Metropolitan Airport, carrying 1.7 million passengers in 2025.

Donna Ja, a Metro Detroit resident, told CBS News she had booked a Spirit flight to her nephew’s high school graduation in New Jersey and that rebooking on another carrier would cost several hundred dollars more. She plans to drive 10 hours each way instead.

Brittany McGee told the *Detroit News* she had booked Spirit months in advance for a family cruise, with eight relatives traveling together. “Spirit was keeping everyone in check ... If there’s no affordable option, no one’s going to be flying.”

Travel analyst Lee Abbamonte told Fox News that Spirit “almost singlehandedly kept pricing competitive in many markets in the country. With Spirit being no longer viable, there is no pressure on legacy carriers to keep prices lower.” The 47 years of airline deregulation, sold to the public as the guarantor of competitive pricing, has produced a market dominated by four carriers controlling 80 percent of domestic traffic.

Other carriers have offered rebooking fares capped at \$200 for displaced Spirit passengers, but these are time-limited and route-restricted.

The response of the airline unions has been limited to groveling appeals to the Trump administration and bankruptcy courts.

On Saturday, AFA-CWA President Sara Nelson sent a letter to Transportation Secretary Sean Duffy and Acting Secretary of Labor Keith Sonderling, calling on them to “deploy the full capacity of the federal government to support Spirit workers.” The letter attributed the collapse to “global geopolitical tensions [that]

have driven a sharp and sustained increase in fuel prices.”

“Geopolitical tensions” is Nelson’s polite reference to the criminal attack on Iran, launched by the government she is now petitioning to support ex-Spirit workers. Nelson references the war by name later, without attributing blame to the Trump administration.

But the White House already showed its stance by refusing to bail out Spirit, which Duffy justified to a press conference Saturday with the absurd claim that “we oftentimes don’t have half a billion dollars laying around.” This is a government which has requested \$200 billion for the war and a \$500 billion increase in military spending next year. The political establishment, Democrats and Republicans alike, had no problem finding over \$2 trillion in corporate bailout money in a few days in 2020, including \$54 billion for the airline industry.

Duffy’s remarks amounts to a statement of policy that the working class must be made to pay for the war, both through mass layoffs and sharp airfare hikes.

Nelson’s letter urged the Trump administration to intervene with the bankruptcy court to prioritize payment of workers’ earned compensation, maintain Spirit flight attendants’ healthcare through the end of 2026, provide a \$600 weekly supplement to state unemployment benefits for six months, coordinate with other airlines to prioritize hiring displaced Spirit workers, supported by a temporary federal wage subsidy, and extend FSA (flexible spending accounts, a form of employer-sponsored medical benefit) usage periods with emergency childcare subsidies.

Such demands, however, can only be won through struggle. The example for Spirit workers is the ongoing fight by Turkish miners for back pay, severance for laid-off workers and other demands. They marched 120 miles (190 kilometers) to the nation’s capital, winning widespread popular support even in the face of arrests.

Instead, Nelson appeals to the better nature of a fascist president, calling on it to make good on its lying promise to “build a stronger America by investing in our greatest asset: the American worker.” In reality, millions of layoffs have been announced under the second Trump administration, including 300,000 federal workers, while social spending is being sucked dry to pay for war.

Nelson’s embrace and legitimization of Trump’s populist phrases, which were meant not to justify aid to workers, but trade war, expresses the nationalist, pro-capitalist orientation of the union bureaucrats, many of whom are openly aligning with Trump. Given Nelson is also a leading member of the Democratic Socialists of America, it also exposes this pseudo-left organization’s hostility to an independent movement of the working class.

Spirit is the opening act of a broader industry crisis. Jet fuel was roughly \$80 per barrel in March. By the week ending April 24, the International Air Transport Association recorded an average of \$179 per barrel. The Middle East previously accounted for 75 percent of Europe’s net jet fuel imports, according to the International Energy Agency, whose executive director warned in mid-April that European supplies could be exhausted within weeks.

Michael O’Leary, CEO of Irish ultra-low-cost carrier Ryanair, warned CNBC of “real failures” among European carriers if oil

prices remain at \$150 through the summer, and acknowledged that such failures would be “good for Ryanair’s business.” EasyJet absorbed £25 million in additional fuel costs in March alone and posted a headline loss of £540–£560 million for its most recent six-month reporting period. Lufthansa has cut 20,000 short-haul flights through October.

More bankruptcies in the United States are likely. Industry blog View From the Wing reports one analyst now estimates low-cost carrier JetBlue’s probability of bankruptcy by next year at greater than 75 percent. JetBlue founder Dave Neeleman warned publicly this year that the airline could file this year; it has not turned a profit in six years, carries \$9 billion in debt, and faces a potential pre-tax loss exceeding \$1 billion in 2026. Frontier Airlines, a direct competitor to Spirit, is already returning aircraft and deferring deliveries.

Spirit’s 17,000 workers must be made whole. They must not be forced to drain their retirement savings while bankruptcy court allocates what remains after the secured creditors are paid.

The tens of billions in windfall war profits of the oil industry and the major banks must be expropriated to fund full compensation for every worker dislocated by the economic consequences of the Iran war.

More broadly, both airline jobs and affordable travel can only be guaranteed by removing the industry from the profit motive. The airlines must be taken out of private hands and operated democratically as a public utility under workers’ control. The US-Israeli war on Iran must be ended, with full compensation for the Iranian people and the trial of those war criminals responsible for it.

Fighting for this requires new forms of organization for industrial and political struggle. Workers need to build independent rank-and-file committees, connected through the International Workers Alliance of Rank-and-File Committees, to organize across carriers, across borders, and in opposition to the union bureaucracies that seek to manage their defeat.



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