

The collapse of Spirit Airlines: The latest in a decades-long war on the working class

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When Spirit Airlines ceased operations last week, 17,000 workers lost their jobs, their benefits and potentially their final paychecks in a single night. Medical, dental and vision coverage for every Spirit employee was terminated the moment the last flight landed.

The collapse immediately prices millions of working-class travelers out of air travel, because Spirit's fare were a fraction of those charged by the legacy carriers. In other words, workers are paying twice: as producers, stripped of jobs and conditions; as consumers, stripped of affordable travel.

The most immediate trigger for the bankruptcy is the doubling of jet fuel prices during the war on Iran, as a direct consequence of the blockade of the Strait of Hormuz, through which 20 percent of global oil traffic previously flowed. Spirit, already under bankruptcy, could not absorb the shock. Other airlines are expected to fall if the war continues, including JetBlue and Frontier.

But in reality, the fuel shock is being used as an opportunity to further consolidate the industry and wipe out jobs. Spirit has been allowed to collapse by the US government because the removal of the ultra-low cost carrier will significantly increase prices and profits for the rest of the industry.

The Trump administration explored a \$500 million bridge loan, then walked away. "We oftentimes don't have half a billion dollars laying around," Transportation Secretary Sean Duffy said. He told Reuters: "What we don't want to do is put good money after bad, and there's been a lot of money thrown at Spirit, and they haven't found their way into profitability."

Duffy also rebuffed suggestions that the government could provide \$2.5 billion in emergency federal fuel assistance to the remaining ultra-low cost carriers Frontier, Avelo, Sun Country and Allegiant. "At this point, I don't think it's necessary... If they want to come to the U.S. government, we would be a lender of last resort."

This is the same administration that is spending \$1 billion per day in its war on Iran and demanding a \$1.535 trillion

military budget next year, the biggest in human history. Meanwhile, Spirit's management is likely to receive \$10.7 million in retention bonuses to oversee the airline's liquidation.

The *World Socialist Web Site* demands that Spirit's workforce, and all those dislocated by the economic impact of the war, must be made whole, with full pay and benefits until they find new employment. This must be paid for through the expropriation of the windfall profits extracted by the oil companies and major banks from the war they support. This, however, is only a first step towards the nationalization of the airline industry and operating them as public utilities under workers' control, guaranteeing decent conditions for airline workers and affordable fares for the traveling public.

These demands cannot be won through appeals to the Trump government, but through the building of independent rank-and-file committees uniting Spirit workers with workers across the airline industry and the working class as a whole, which are capable of preparing and coordinating the actions necessary to enforce them.

The economic shocks produced by the war are being used to accelerate a bipartisan attack on the working class which has lasted for half a century.

Deregulation of the US airline industry began in 1978, under the Democratic administration of Jimmy Carter and a Democratic-controlled Congress. Carter signed legislation dismantling the Civil Aeronautics Board ending strict regulations on routes and prices, touching off a brutal competition among the airlines to see who could cut pay, jobs and services the deepest.

This touched off a series of bitter strikes in the 1980s, including at Continental (1983-85), Pan-Am (1985), pilots at United Airlines (1985), flight attendants at TWA (1986) and machinists at Eastern Airlines from 1989 to 1991, which ended in that airlines' liquidation. The airlines used bankruptcy courts to void union contracts and carry out huge layoffs and pay cuts, including at Continental in 1983 and Eastern Airlines in 1989. By 1991, Eastern and Pan Am air

lines had collapsed, wiping out the pensions of workers who had spent their entire careers at those carriers.

This could not have been done without the crucial assistance of the trade union bureaucracy, which transformed itself into an arm of management, protecting its own interests rather than organizing a struggle which would inevitably challenge capitalism. The Air Line Pilots Association and the International Association of Machinists delivered \$200 million in annual wage cuts at TWA in 1985 in exchange for an equity stake; United workers accepted up to a 15.7 percent wage cut in 1994 for 55 percent ownership and a six-year no-strike pledge.

Of the 10 major “trunk” carriers in 1978, only three now survive: American, Delta and United. In 1978, the top four carriers accounted for 40 percent of ticketed passengers; now they account for 80 percent.

Deregulation was part of a wider attempt by the ruling class to extricate itself from a structural economic crisis through massive attacks on the working class, summed up in the declaration of Carter’s Fed Chairman Paul Volcker that the “standard of living of the average American has to decline.” The same policies were enacted in every advanced country, including Britain under Margaret Thatcher and France under François Mitterrand.

A major turning point was in 1981 when, acting upon plans first drawn up under Carter, Republican president Ronald Reagan fired 11,000 striking air traffic controllers from the PATCO union. In spite of mass support, including a rally of 400,000 workers in Washington, the AFL-CIO refused to support a general strike. This sealed the fate of PATCO and was followed by a series of unending betrayals and sellouts which continues to the present day.

Airline safety in the US has never recovered from the PATCO firings. Today, more than 90 percent of air traffic control facilities now operate below recommended staffing levels, contributing to a chain of disasters such as the fatal collision between a jet and a fire truck at LaGuardia Airport in March.

Economic shocks were capitalized on to carry out further attacks in recent decades. The industry downturn following the September 11 terror attacks was the occasion for further bankruptcies, including US Airways in 2002 and United months later, and then Delta and Northwest in 2005.

The Obama administration completed the consolidation. The Justice Department approved Delta’s acquisition of Northwest in 2008, United’s merger with Continental in 2010, Southwest’s takeover of AirTran in 2011 and American’s merger with US Airways in 2013.

In 2020, with the pandemic shutting down much of the world economy, the industry sought and received—with the support of the Association of Flight Attendants—a \$54 billion

pandemic bailout as part of the \$2 trillion CARES Act. Supposedly to protect jobs, instead it was followed by 70,000 cuts the following year.

The war in Iran is the latest shock being used to accelerate policies already in place. Last year, US companies announced 1.2 million layoffs, while executives hope to eliminate as much as 80 percent of the workforce in the coming years through artificial intelligence.

Iran is part of a global war on the working class. The World Bank estimates that an extended conflict keeping oil above \$100 a barrel could push 45 million more people into acute food insecurity. Prices for urea, a key ingredient in fertilizer, have surged 60 to 70 percent, threatening famine across sub-Saharan Africa at planting season. The Iranian government has acknowledged that 2 million workers have already lost their jobs as a direct consequence of the conflict. In Britain, as many as 250,000 jobs could be lost by next year, and in Germany 200,000 jobs are at risk because of the war.

The scope of these attacks will inevitably trigger huge social struggles. As David North told the International May Day Rally last Friday, “the first months of 2026 mark the point at which the resistance of the working class has emerged as a global force, contending against the offensive of the oligarchy on a scale that places the fundamental questions of the epoch—war or peace, dictatorship or democracy, socialism or barbarism—directly on the historical agenda.”

The outcome, North stressed, “will be settled by the struggles now underway and by the political consciousness, organization and leadership that the working class develops in the course of these struggles.”



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