

HUTCHINSON TECHNOLOGY PLANS ON LAYOFFS FOR HUNDREDS OF WORKERS



Hutchinson Technology is planning a big consolidation that will affect hundreds of their local employees. Residents of the small town of Hutchinson, Minnesota, said that they knew that layoffs were a possibility. The company employs over 1,100 of the town's 13,000 residents, and is planning on laying off approximately 600 of those employees starting March 21st. The employees will be given severance packages, and Hutchinson also plans on asking the state to give assistance to their employees in finding new work. According to Connie Pautz, company spokeswoman, the company is also planning on layoff in its Eau Claire, Wis. location, although not at the level they will be laying off employees in its Hutchinson plant. The company says that these cuts are necessary, as they have reported net losses for the last two quarters. For the quarter ending December 26th, it reported net losses of \$17 million. The quarter before that, the company suffered a \$27.1 million net loss. By making these cuts and shifting more of its manufacturing work to its Thailand plant, the company should be able to save \$45 to \$60 million every year. Gradually over the next year, the manufacturing plant in Hutchinson will be shut down. The company is still going to have its research and development, specialized operations, and its corporate headquarters in Hutchinson.

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