

NAEIR LAYS OFF 13



As it turns out even the charitably minded can't always afford to keep their employees on hand if they are going to stay afloat. In this case the charitably minded organization is NAEIR. For the sizable majority of you who have never heard of NAEIR the company has somewhat unique mission. They find companies with an excess of stock, and charities that are in need of the supplies. They then hook the two up, giving the charity what it needs and the company a hefty tax break, kind of like a matchmaker. Well NAEIR's president and chief executive officer, Gary Smith, released a statement yesterday saying that the organization is getting ready to let go of some of its staff in order to stay afloat. In the announcement the company shed 13 of its workers. When asked about the layoffs Mr. Smith had this to say to a reporter for a local news organization, "a terrible day. It's the first time NAEIR has ever had a layoff," which is an interesting, point. Many times when a company lays off its workers we tend to think of it as a callous move and at least some people wonder what other cuts the company is not making that could have kept people in their jobs. Yes, in many cases there was another solution that those in power simply were not willing to consider. In many companies something as simple as a 5% pay cut across the board to executive compensation could save dozens (or even hundreds) or jobs. The problem is the people who would have to take the cuts also make the decisions. One notable example was the recent layoffs by Australian airline Qantas, which came directly after an announcement about obscene executive compensation packages. That move managed to draw a great deal of public attention and upset the public at large. For NAEIR however this is not the case at all. The company is simply facing pressure from two directions. In the past a profitable company would have made a donation to get the tax write off at the end of the year. In the current market many companies who have donated have instead turned to a liquidation firm. That firm sells off the products, at a severely reduced rate, and the company hopes to recoup at least its production costs in the deal. Mr. Smith had this to say to a local journalist about the cuts, "You have to look at the entity as a whole," he said, "my heart goes out to all of those we had to let go. Until this economy turns around, we're like one of many other businesses. We can't predict what the economy will do. In my 30 years of business, I've never seen it like this before." On the other end most non-for-profits have had their budgets slashed. This means that they cannot afford to pay for a matching service that brings in donations. So the company has less to offer and less places to send it. With fewer organizations paying to be brokered the company is at a loss on both sides. The cuts leave the company with 78 employees currently.

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