BANK OF AMERICAN BEGINS LAYOFFS

There was a time when a company would not dream of laying off any sizable section of their workforce during the holiday season. After all it conjures up images of Ebenezer Scrooge hunched over at his work desk saying, “What’s Christmas time... but a time for paying bills without money.” You would think that bankers, especially big banks, would be wary of creating those kinds of connotations. After all, it is not like they currently have a sterling reputation to balance those actions out. Well, it looks like the management at Bank of America simply does not care that the holidays are coming up. They are letting go staff, starting now. While these cuts are not completely out of the blue, Bank of America did make an announcement last week that it would cut 30,000 people from their work force over the next few years, few people expected the cuts to come quite as swiftly as they are. A representative of the company had this to say about the cuts in a statement released to TheStreet.com. “Bank of America continually reviews and assesses the efficiency and effectiveness of our operations. As a result, we have made the difficult but necessary decision to eliminate certain staff support functions in technology and operations.” Currently, the company will not release any specific information about which locations and departments are expected to be affected by this first wave of layoffs. Though this may be less about corporate vagueness and more about the fear of a second protest. On the 17th of this month, not long after the 30,000 job cuts were announced, a San Francisco branch was flooded by protesters who sported signs and faux pink slips. 100 people were arrested in the banks lobby during that protest. The layoffs strike people as funny because the company increased executive compensation earlier this year. A report by Bloomberg in May of this year showed that the CEO’s compensation was increased. While Brian T. Moynihan, the current CEO, took home only $1.9 million in salary, he was also given a $9.1 million bonus in the form of restricted stock for his performance last fiscal year. Apparently, the company thinks that posting a net loss of $2.2 billion and taking $12.4 billion in impairments on mortgage and credit card operations is doing a good job? It seems like Bank of America is waging a war against any goodwill that the company may have had remaining. Bank of America was recently forced by consumer demand to take back a 5$ fee that they tried to pass onto their customers for the privilege of having a debit card that you actual dare to use. Currently these fees are being watched by officials at the Department of Justice. The company has also recently made a regulatory filing the shows that they do not intend to cooperate with Fannie Mae’s efforts to suss out issues related to bad mortgages and potentially wrongful foreclosures. These issues have already cost the bank about $40 billion since 2007, when the housing market went sour. Currently the company’s shares are down 59 percent for the current year. They are trading at 2009 levels.