

500 AMERICAN AIRLINES JOBS SAVED



Some of our more fastidious readers may recall our earlier coverage of the massive layoffs to come for the workers of American Airlines. For those of you who missed out on the coverage here is **an excerpt** : “It looks like AMR is going to get ready to lay off a serious number of workers at American Airlines. If you’re a little bit confused by now lets begin by clearing the air. We are not talking about the medical supply company. We are talking about the parent company of American Airlines.... How many workers are getting the boot? Well, that is the worst of the news. The layoffs are expected to affect up to 20,000 workers. While that number is massive, it is by no means the entirety of the company’s workforce. AMR actually employs about 87,000 workers between the two airlines, so the cuts will end up being about one quarter of the total staff. That is, if the numbers are as high as is expected. At the current moment there is no official statement with a solid number on the layoffs that are coming. We do know that in a letter the CEO of American Airlines, Tom Horton, warned staffers that every work group in the company should get ready to lose staff of up to 20%. He made it very clear in this letter that this would include the management groups. The company us looking to save many billions of dollars, and they are expected to get about \$1.25 billion of those saving from cutting back on staff.” That initial number of job cuts has been taken down in the past couple of week, thanks to some solid accounting and concessions by the Transportation Workers Union. Those concessions were slated to be able to save a fair number of jobs by making concessions in retirement packages. Now it looks like the Association of Professional Flight Attendants have been able to save themselves another 500 jobs from the layoffs. The plan, which saves a considerable amount of money for the company is relying on two strategies in order to save the jobs. The first is a series of voluntary furloughs. For those of you who are not familiar with the concept a furlough is basically unpaid time off. Workers on a furlough are not eligible for unemployment benefits. The second technique is a job sharing program that will allow workers to keep their jobs, while still accommodating the lower needs for staff on the fewer flights run by the airline. While this will technically save jobs the problem is that these workers will not be working full time. Basically two, or more, workers will share the same full-time job, basically making each of them a part-time worker in terms of salary. There is no word given yet about how entering the job-sharing program will impact the benefits of these workers, both now and for their retirement. All of these cuts are part of the companies need to file for bankruptcy back in November of 2011 and the massive company wide restructuring that has come out of that filing.

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