

ARM CUTS AIRLINE JOBS AGAIN



We've talked about ARM before and the devastating job cuts that they have already made to one of their airlines, American Airlines. Don't worry if you missed out on that earlier coverage, we will catch you up on that a little bit later because today's coverage isn't about cuts ARM is making to American Airlines. Today it's about the job cuts they are making to another airline they own, American Eagle. American Eagle, not to be confused with the somewhat trendy brand of clothing found in many mid-sized suburban American malls, this American Eagle is a regional air carrier that is in some serious trouble. The airline must cut back about by \$75 million from the carrier. What does that mean in terms of jobs? Well, for the current moment it means that about 600 jobs are on the chopping block. Of course these 600 people who are going to be put out of work are not nearly enough to cover all of that. More of the money will be saved by asking workers to take a pay cut, if by ask you mean demand, and by cutting back on the amount of extra hours that are available to workers who are paid by the hour. At the current moment no details have been given about the nature of the employees who are going to be cut, how many from which positions and what, if any, kind of severance or benefits they will be entitled to once they are cut loose by their employer. We do know however that unions for both the pilots and the flight attendants have already chimed in about the job cuts. So we know that both of those groups expect to suffer cuts as the airline goes through its changes and, it is expected, begins to produce a lesser number of flights than before. Now, for those of you who missed out on our earlier coverage at the much larger cuts at American here is **an excerpt** from our earlier coverage: "Today, AMR is the parent company of both American Airlines, Inc. and American Eagle Airlines, Inc., and has a number of businesses and key facilities within its corporate structure. The company is also a founding member of the global **oneworld** Alliance. All aspects of the airline's worldwide activities are overseen from AMR's Corporate Headquarters campus in Fort Worth, Texas." 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 is looking to save many billions of dollars, and they are expected to get about \$1.25 billion of those savings from cutting back on staff."

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