

## **American Airlines plans 30% staff cuts**

Layoffs target support workers, management

### **Morgan Hines**

USA TODAY

American Airlines will cut its management and support staff by about 30%, according to an internal letter from Elise Eberwein, executive vice president of people and communication, obtained by USA TODAY.

Airlines have suffered major losses since travel screeched to a near halt as the coronavirus pandemic spread across the globe, infecting nearly 6 million people and killing more than 355,000, according to Johns Hopkins data.

Though the company's pre-pandemic liquidity, assistance from the government bailout and cash raised provide some stability, the American Airlines letter said the company needs to make cuts where its "most significant expense" occurs: in compensation and benefits.

The airline's management and support staff include about 17,000 people, American Airlines spokesperson Ross Feinstein told USA TODAY.

"We must plan for operating a smaller airline for the foreseeable future," Eberwein wrote. "We have already taken steps to prepare for this new reality, with nearly 39,000 team members electing to take a voluntary leave or early retirement."

The airline has accelerated fleet retirement and will fly roughly 100 fewer planes next summer than planned. Because the airline has shrunk, so must management and support staff, according to the letter. "We will be a smaller airline, with fewer routes and fewer flights."

American will first offer a buyout option through June 10, though if not enough people volunteer, there will be layoffs, which would be communicated in July, Eberwein wrote.

Laid-off employees would remain on the payroll until Sept. 30 and receive benefits and full pay but not severance.

Provisions in the government relief package mean American, which was eligible

for up to \$10.6 billion in relief, and other airlines cannot involuntarily lay off workers through Sept. 30. As it stood in April, American CEO Doug Parker said, the airline would have more employees “than we have work for” in the fall.

More employees are likely to leave American in the summer months as the airline plans to announce buyouts for its front-line workers in June, according to Eberwein. She said the airline hopes to stay away from involuntary furloughs for the team.

American isn't the only airline in trouble.

United Airlines President Scott Kirby has issued bleak outlook after bleak outlook since the coronavirus crisis began hitting U.S. airlines in late February, noting each time that he was laying out a worst-case scenario.

The bleakest arrived this month during the airline's quarterly earnings conference call.

Kirby said travel demand is essentially “zero” and the airline is bracing for that to be the case for the rest of the year and into 2021. Part of its contingency plan includes layoffs beginning in October, when it is allowed to start cuts, according to the Coronavirus Aid, Relief and Economic Security Act. United has 93,000 employees.

*Contributing: Dawn Gilbertson, USA TODAY; David Koenig, The Associated Press*



**American Airlines is burning through its cash rapidly amid the pandemic.**  
AMERICAN AIRLINES