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### **Why Are Many Big Companies Doing Layoffs if the Economy is Booming and National Job Numbers are Surging?**

#### **Tonawanda Metal Plant Cuts 42% of Workforce Ken-Ton Bee, Buffalo, NY**

By Robert Weiner and Gene Lambey

Many are asking why several big companies are doing layoffs if the economy is booming and national job numbers are surging? The new jobs surge--350,000 last month, 15 million since Biden took office, unemployment under 4 percent--is a central part of the Democratic success claims, while the layoffs are integral to the Republican talking points.

Half of the jobs increases are in health care, which is not a bad thing given that the Affordable Care Act (ACA) has over nine million new enrollees since 2020, all 304 million Americans with health insurance now include children to 26 on parents' plans, people with pre-existing conditions, and ability to afford drugs priced lower. Those are good, not bad, developments that require health service jobs. The rest of the "boom" is helped by the infrastructure jobs and money the administration pushed into the economy as anti-Covid measures which helped block the recession most economists predicted. Biden deserves a big part of the credit for engineering the bills and bipartisan votes on most of this.

However, national and local newspapers have been closing or firing, there are layoffs by tech companies such as Amazon (18,000), Google (12,000), and Meta (11,000), and iconic U.S.Steel is under threat of purchase by Japan. On Feb 5, according to the Buffalo News Business section, DKP Buffalo laid off 42 percent of their workforce. So what's causing all that?

Print newspapers are working hard to adjust to online competition. For all the big companies laying off people, perhaps it's the increasing automation, AI, and robotic manufacturing. Presidential candidate Andrew Yang told the National Press Club on Oct. 21, 2019. "We are in the midst of this incredible economic transformation." Yang answered a question from the journalists on whether automation, trade deals, or anything else are the cause of this job decline saying, "Most of the studies I've seen put the main cause as automation to the tune of 70 to 85 percent of lost manufacturing jobs." The Fourth Industrial Revolution is still underway. Individuals who have lost their jobs must be prepared and adapt quickly. Infrastructure, factory manufacturing, delivery and similar jobs are falling. Self-driving trucks are present across the country. Yang said, "Self driving trucks will be great for the GDP; they will be terrible for millions of truck drivers" at big truck companies like YellowCorp.

The U.S. Bureau of Labor Statistics recorded a 5,000 job decline in January in the mining, quarrying, oil and gas extraction industries. Job growth was significant in professional and business (74,000) services, health care (70,000), retail trade (45,000), and social assistance (30,000) in the same report. Companies are investing into AI and robotic manufacturing as they lower costs and increase efficiency. Some companies are recovering from the effects of the pandemic's massive job resignation during 2020 through 2022, over hiring workers. Back office jobs in the medical field are being replaced by AI as well. All of these changes are

happening right now in different industries, yet these results are not reflected on the overall job numbers nor a decline in the economy.

Yang claimed that the initiative he promoted in his campaign, the “freedom dividend”, would give Americans extra income. This type of plan is only available in Alaska. Alaskans receive a sum of up to \$2000 monthly which comes from oil. Yang wanted to take a modern approach, providing monthly income up to \$1000 through a Value Added Tax (VAT). He believes Americans could fight the negative curve in the new automation age if this came to pass. His prediction of conversions to automation five years ago has come to fruition.

A plan like the “freedom dividend” presented by Yang would give affected Americans and families a backup. Training support to those who are not technologically savvy a chance to make a living wage. Congress should be fully funding the infrastructure law’s jobs which helped prevent a recession and will continue to do so. Assuring the appropriations annually is a job for Congress. Investing in education and training programs should equip the workforce with the skills to function in this changing job market.

In addition, "For workers to have a voice on the job when it comes to automation and new tech," Jonathan Battaglia, Communications Director of the International Association of Machinists told us, "joining a union" is an effective approach. Battaglia cites artificial intelligence workers organizing in Chicago.

In other words, while technology has evolved, jobs are still on the increase, and in cases where there are layoffs, there are national and local strategies that can be of enormous assistance.

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