



Travel Industry Update

September 28, 2020

Already facing its worst crisis since 9/11, airline industry set to cut more than 35,000 jobs this week

- More than 35,000 across the airline industry are set to be out of a job come Thursday. It's another devastating blow for an industry facing a crisis analysts say is already far worse than it experienced after the terrorist attacks of Sept. 11, 2001, and one that has already seen employment in air transportation decline by 100,000 jobs according to one measure.
- The employees facing furlough will be victims of the ongoing devastation the pandemic has inflicted on airlines, which have seen demand for travel drop precipitously since March, but also of a Congress that says it wants to protect their jobs with billions of dollars in aid and yet has been unable to reach agreement on a bill to do so.
- "What Congress and the administration did back in March was a remarkable effort to save the U.S. economy and to save aviation," United Airlines chief executive Scott Kirby said. His airline, which employs 79,000 people, received \$5 billion in the first coronavirus relief package.
- "But this is taking longer than most people expected six months ago and the reality is we need to do more to keep those professionals and to keep their support of the economy intact."
- The more than 35,000 facing furlough are only part of the industry's story. Tens of thousands more have already taken unpaid leave, or left their airlines for good. Others have seen hours cut and worry about pay cuts this fall.
- More than 1,800 U.S. airline planes remain parked — a third of the industry's fleet — and cuts to service are likely to follow the job losses.
- Though the aviation industry took a hit from 9/11, a different coronavirus outbreak in 2003 and a deep recession in 2008, economists say those episodes — while painful — pale in comparison to this year's calamity.
- Labor Department figures released this month show there are more than 100,000 fewer air transportation jobs in the U.S. than in March, a decline of more than 20 percent.
- Daniel K. Elwell, deputy administrator at the Federal Aviation Administration, recently told state aviation leaders that the government is consulting with airlines and international officials on plans to "incentivize travel while keeping passengers safe and healthy," and said details would be forthcoming. The goal, Elwell told the National Association of State Aviation Officials, is not "to create zero risk or to eliminate any chance of Covid," but rather to "bring the highest level of health security into the system without making it so burdensome that we can't fly."
- United and American, which are heavily unionized, kept most employees on their payrolls, and the two airlines account for nearly all of the coming job losses.