

Household-name companies to slash thousands of jobs

Home Depot closing two Expo centers in Md.

By Andrew Cannarsa
Examiner Staff Writer

The names read like a who's who of big American business: Pfizer, Sprint Nextel, Home Depot and General Motors.

Unfortunately, the companies were linked Monday because all announced thousands of job cuts as the deepening economic recession continues to claim victims across all business sectors.

With the U.S. unemployment rate already at 7.2 percent in December — the highest rate in 16 years — that number should only go higher as 2009 progresses.

"Unemployment ... is headed for 8 percent before the end of 2009," said Peter Morici, a professor at the University of Maryland Robert H. Smith School of Business.

Pfizer and Sprint are planning to lay off as many as 8,000 workers each, Home Depot is shuttering stores and trimming 7,000 from its work force, and GM is cutting another 2,000 while limiting production at several of its assembly plants.

Also, Caterpillar Inc., a Peoria, Ill.-based manufacturer of mining and construction machinery, disclosed nearly 20,000 job cuts, most of which have already been made.

They include 5,000 new layoffs of white-collar workers, which will occur globally by the end of March. And Texas Instruments, which makes chips for cell phones and other gadgets, says it will cut 3,400 jobs because demand has slackened amid a slowing economy. The Dallas-based company said Monday that it would cut 12 percent of its work force.

Grim outlook

- » 39 percent of National Association of Business Economics members predict job reductions through attrition or "significant layoffs" over the next six months, up from 32 percent in October
- » 45 percent anticipated no change in hiring plans
- » 17 percent thought hiring would increase

Source: NABE January 2009 Industry Survey

The immediate effects in Maryland were clearer for some companies than others.

Home Depot said the recession and housing slump have forced it to close its Expo Home Design centers, including locations in Columbia and Bethesda. The closing of the Expo centers, which will occur over the next two months, will affect about 34 stores across the county and eliminate about 5,000 jobs. The company plans to cut an additional 2,000 non-store jobs.

"I'm sad to hear they're closing," Baltimore County resident Debbie Barrett said Monday at the Columbia location. "They have top-of-the-line and unusual things that you can't find in other stores."

The Expo business sells everything from throw pillows and sconces to bathtubs and vanities. Home Depot in a statement said the business wasn't strong even during the housing boom and "has not performed well financially and is not expected to anytime soon."

GM said its job cuts would occur at plants in Michigan and Ohio, while production would be halted for several weeks at nine U.S. assembly plants over the next six months due to slow sales. It's too soon to tell what, if any,

trickle-down effect would hit GM Powertrain's Baltimore Transmission Plant in White Marsh.

"Right now we won't know," said facility spokesman John Raut. "From what I've seen, lower sales haven't yet affected the powertrain or stamping plants."

Sprint Nextel is cutting about 14 percent of its work force, as the company lost 3.5 million subscribers from September 2007 to September 2008.

The company, which recently opened a new Sprint Store in the Candler Building in downtown Baltimore, said it was still deciding where the cuts would come, but it would likely avoid significant reductions in its customer service and network quality divisions.

Drugmaker Pfizer said Monday it was buying competitor Wyeth for \$68 billion in a deal that ultimately will wipe out nearly 20,000 jobs. The company will cut about 8,000 jobs, 10 percent of its work force, as part of what it expects will be a staff reduction totaling 15 percent of the combined companies' workers — implying a total job loss of almost 20,000.

Last week, Microsoft said it would slash up to 5,000 jobs over the next 18 months. Intel said it would cut up to 6,000 manufacturing jobs, and United Airlines parent UAL Corp. said it would get rid of 1,000 jobs, on top of 1,500 axed late last year.

The job losses continue to pile up, and when they'll end is anybody's guess, said state Sen. E.J. Pipken.

"This is truly an historic time that we're going through," Pipken said Monday at the Greater Baltimore Committee's 2009 Legislative Forum. "This isn't just a deepening recession. This is a reset of how we do business in this country."

The Associated Press contributed to this article.

acannarsa@baltimoreexaminer.com

