



AMR jobs cuts will be blow to Dallas area

By BRENDAN CASE

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Feb. 02--The North Texas economy is set to take a wallop as a marquee employer cuts thousands of jobs.

AMR Corp.'s plan to slash at least 13,000 jobs companywide could mean 3,000 to 4,000 job losses for local employees, estimated economist Robert Dye. A few thousand more jobs could be lost locally in the coming years because of ripple effects from the AMR cuts, he said.

"It represents a significant cutback by a major employer, so we have to take this very seriously," said Dye, chief economist of Dallas-based Comerica Bank.

AMR, parent company of American Airlines and American Eagle, has about 25,000 employees in the Dallas-Fort Worth area.

It's too soon to gauge the ultimate impact of the cuts outlined Wednesday, said Ed Martelle, a spokesman for American.

"Any suggested number may be different at the end of the negotiations and the end of the Chapter 11 process months from now," he said in an email.

It doesn't take a doctorate in economics to understand that the proposed job cuts and pension terminations will inflict severe pain on the affected employees and retirees.

Even the remaining employees might reduce their spending for fear of additional cuts, said economist Rajeev Dhawan, who followed Delta Air Lines' 2005-2007 bankruptcy case. That would also hurt the economy.

"When people are getting laid off from a company, morale is down and spending decreases even by people who are still getting their paychecks," said Dhawan, director of the Economic Forecasting Center at Georgia State University.

On a macro level, the North Texas economy will probably absorb the hit, said Bill Crowder, an economist at the University of Texas at Arlington.

"I don't think this is going to have a huge impact," he said. "The Dallas-Fort Worth metroplex has got a very diverse economy. As large and important as American Airlines is, it's not that big a piece of the whole."

The Dallas-Fort Worth area added more than 45,000 jobs last year, according to preliminary data released last month by the Texas Workforce Commission, bringing total local payrolls to nearly 3 million.

Employers expanded local payrolls by about 50,000 in 2010 after cuts of more than 100,000 in 2009 and more than 30,000 in 2008.

Still, a few thousand job cuts by a single employer are bound to take a heavy toll.

"We are poised and ready. We are familiar with situations like this, and we have services for displaced workers," said Laurie Larrea, president of Workforce Solutions Greater Dallas. "This is on a scale, however, that would be quite different, depending on where the numbers land."