

Boeing announces voluntary layoff plan

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The initiative was announced by Boeing Chief Executive David Calhoun, who said such belt-tightening was needed amid the hit to the industry caused by the pandemic.

"It's important that we start adjusting to our new reality now," he said.

Boeing's financial picture was already a bit cloudy prior to the coronavirus outbreak because of the crisis surrounding the 737 MAX, which has been grounded for more than a year following two [fatal crashes](#).

But the COVID-19 crisis has made Boeing's situation significantly worse, grounding most commercial airline travel and putting major carriers in a life-or-death fight to go forward.

"When the world emerges from the pandemic, the size of the commercial market and the types of products and services our customers want and need will likely be different," Calhoun said.

"We will need to balance the supply and demand accordingly as the industry goes through the recovery process for years to come."

Calhoun said the company would have additional information on the program in three to four weeks.

A Boeing official said the company expects "several thousand employees to take the voluntary layoff package or retire," adding that the company would continue to recruit in some targeted areas, including for defense and space programs.

Workers would exit Boeing permanently and would generally receive a pay and benefits package that includes a period of partially-subsidized healthcare coverage.

"We're in uncharted waters," Calhoun said. "We're taking actions—including offering this voluntary layoff plan—based on what we know today."

Boeing, along with major airlines, is eligible for federal funds under the

\$2.2 trillion relief package signed into law last week, but has thus far not said if it will seek money under the law.

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