

Jabil planned for Albuquerque to be a star in 3D printing. Now, the company plans to cut 130 jobs

By Matthew Narvaiz | Jul 24, 2024



Jabil, which has a manufacturing facility in Albuquerque, plans to lay off 130 employees this fall.
Jon Austria/Journal

When a Jabil Inc. executive spoke at a 2019 news conference in Albuquerque announcing the company's \$42 million expansion in the former Johnson & Johnson facility, the official spoke with authority about the future growth of additive manufacturing and the city's place in it.

But now the company plans to cut some 130 jobs starting in September. The layoffs will run through October, eating into a workforce of roughly 400.

The company, which manufactures 3D metal products for medical devices, announced the layoffs in a Worker Adjustment and Retraining Notification, or WARN, letter sent to state and city officials last week and obtained by the Journal through an Inspections of Public Records Act request. Included in the email as recipients were Albuquerque Mayor Tim Keller and Sheryl Springer, the state coordinator for rapid response at the New Mexico Department of Workforce Solutions.

Ava Montoya, a spokeswoman for Keller, wrote in an email that the Mayor's Office received the layoff notice.

“The City is already working with (Central New Mexico Community College) and local partners who are hiring or will be hiring soon to find new opportunities for employees who are affected,” she said. “We are also hiring for positions across City departments, and welcome folks to explore what jobs we have available.”

Several levels of positions for manufacturing engineers and technicians will be part of the layoffs, according to the letter. Thirty-seven jobs in the Operator I and Operator II areas are getting cut.

Jabil's senior human resources director, Helen Ly, wrote in the letter the layoffs are a “result of loss of business for a certain product manufactured at the identified Albuquerque location, resulting in the shutdown of the entire operating unit servicing such business at this location.” Ly didn't specify what the operating unit is.

Ly said in the letter that the layoffs are expected to be permanent and that the workers being cut are not represented by a union. She didn't respond to a Journal request for additional comment.

But a Jabil spokesperson, without addressing specific questions, sent a statement, saying in part the company "must continuously optimize operations and align manufacturing capacity to meet the needs of a dynamic marketplace."

"This announcement is in no way a reflection of the hard work and dedication of our employees," the spokesperson continued. "We are committed to supporting them with severance benefits and career outplacement assistance. They will also be encouraged to apply for open positions with the company."

The layoffs follow others over the past few months at the company. The Oregonian in Portland reported earlier this year on Jabil's plans to lay off 120 employees from its Vancouver, Washington facility. Layoffs also took place last year in California, according to The Mercury News.

Jabil, headquartered in St. Petersburg, Florida, said in 2019 when announcing its expansion in Albuquerque that it planned to add 120 jobs over five years.

A 2019 project participation agreement between Jabil and city officials detailed salaries for the jobs it planned to add in both production and non-production roles, ranging from \$64,000 to \$92,000, though it isn't clear what the salaries are for the workers losing their jobs this fall.

Jabil Executive Vice President Steve Borges at the 2019 news conference, surrounded by public officials such as Gov. Michelle Lujan

Grisham and Keller, spoke about making the company a center of excellence in 3D printing and “really putting a foundational footprint here in Albuquerque for the future to take advantage of that growth.”

“We’re really excited to be able to do that, and I know our employees are incredibly excited as well,” he said at the time.

The massive commitment also landed a combined \$1 million from the city of Albuquerque and state in Local Economic Development Act funding, according to previous reporting.

Mark Roper, interim secretary for the state Economic Development Department, confirmed the company had received the LEDA money — \$750,000 from the state, \$250,000 from the city — through 2023. He said, though, that the state can claw back the incentives against the collateral held in place.

“The potential is there,” he said.

He said the fiscal impact from Jabil’s activity in the state has led to about \$4.7 million in gross receipts and personal income taxes for the state, another \$3.4 million in GRT and property taxes for the city and \$1.4 million in GRT and property taxes for Bernalillo County.

Roper also said the total economic impact from Jabil’s activity stands at \$143 million, adding that both the city and state are aware of the layoffs and “will be monitoring Jabil’s activity per the (project participation agreement) entered into in September of 2019.”