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## LIFO in the Czech jobs market



In accounting, the Last-In, First-Out (LIFO) inventory-management method means that the last items produced or acquired are the first items used, sold or disposed of. It's banned under International Financial Reporting Standards, because it distorts the financial position of a company by prolonging the length of time that lower-priced inventory remains on the books. Instead, the First-In, First-Out (FIFO) method must be used. In a normal labor market, a sort-of unofficial FIFO method also prevails. As long-serving workers retire, they're replaced by younger reinforcements. In an overheated labor market, where wage increases start outstripping productivity and profitability benchmarks, companies must explore their options. When the economy then turns down, companies start by jettisoning the overpriced ballast. Czech workers who are ready to jump ship for an extra grand don't always seem to realize how close the jobs market might be to switching to LIFO.

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