

# Amazon makes another round of deep job cuts in its desire to get lean

Article

**The news:** Amazon announced that it will lay off an additional **9,000** workers on top of the [18,000 job cuts it made in January](#).

A Monday memo from CEO **Andy Jassy** indicated that the most recent cuts will affect the company's **cloud division, advertising, HR, and Twitch**, per [CNBC](#).

**Fears take shape:** We predicted that [tech industry layoffs would continue](#) past January's bloodbath. Amazon's latest cuts follow similar moves by [Meta](#), [Google](#), and [Microsoft](#).

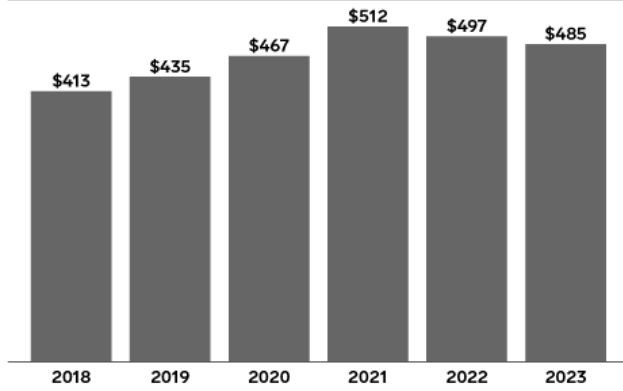
- Like many of its Big Tech peers, Amazon pursued rampant growth during the pandemic. Globally, its employee numbers jumped to over **1.6 million** by the end of 2021, up from **798,000** in Q4 2019, per CNBC.
- Reduced consumer spending coupled with the Federal Reserve's interest rate hikes have made tech companies question their large payrolls.
- **Apple**, the most profitable among Big Tech, avoided the pandemic-era hiring spree and is now [cutting other costs to avoid layoffs](#).

**Tech too reactive for its own good:** Just like it was shortsighted during the pandemic, the tech industry may come to regret its deep workforce cuts in the future.

- Tech companies are shedding their workforces during the **tightest US labor market in 30 years**, with 0.6 workers available per job to fill 11 million open roles, per [Forbes](#). And the worker shortages aren't going away anytime soon.
- Big Tech may be viewing [increased automation as a safety blanket](#) to insulate itself from the tight labor market, but **companies' volatile hiring strategies in recent years suggest they're operating impulsively**.
- Automation will likely transform the workplace, but it's also likely to require human participation, oversight, and troubleshooting to work.
- **A leaner tech industry might find future growth difficult as talent migrates to other sectors.**

## US Consumer Technology Spending, 2018-2023

billions



Note: includes hardware and software/services

Source: Consumer Technology Association (CTA) as cited in press release, Jan 3, 2023

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