

# Amazon's 100,000 job cuts reflect industry-wide adjustments to economic uncertainty

Article

**The news:** Amazon shrank its staff by 100,000 last quarter, joining the ranks of Netflix and Google in an industry-wide adjustment to reduced profits, heightened inflation, and

unprecedented pandemic growth, [per](#) Bloomberg.

**Why it's worth watching:** Amazon, which is the [second-largest employer](#) in the United States (behind Walmart), also revealed during its earnings call last week that it's been adding jobs at the slowest rate since 2019.

- Amazon's reduction affected [6% of its headcount](#) and is by far the largest cut in a single quarter. Amazon reportedly overstaffed its warehouses to [ramp up pandemic-driven demand](#).
- Even with the quarter-over-quarter decline, its employment is still up 14% YoY, from 1.36 million people in the second quarter of 2021.
- Amazon's job cuts reflect a course-correction across various industries that are adjusting their businesses in the wake of weaker earnings and challenging [economic conditions](#).

**Job cuts across the industry:** Over **28,000 tech workers** at more than **150 companies** have been cut from their roles since the beginning of the year.

- **Microsoft, Gopuff, and Twitter** [announced](#) layoffs last week.
- **Alphabet, Google's** parent company [slowed down on recruiting](#), and while the company added 10,000 new hires in Q2, it will step on the hiring brakes for the rest of the year except for engineering and technical talent.
- **Apple** has similarly said it [plans to slow down hiring](#) even as it approaches the busy fall period with new iPhones and Macs waiting to be released.
- **Twitter** is in a hiring freeze and laid off [30%](#) of its hiring acquisition team.
- **Meta, Facebook's** parent company, slashed plans to hire new engineers by 30%.
- **Tesla** cut [200 Autopilot](#) jobs as it closed its San Mateo, California, facility. CEO **Elon Musk** said that 10% of salaried employees [would lose their jobs](#).
- **Shopify** announced it was laying off 1,000 employees, or [10% of its workforce](#), mostly in recruiting, support, and sales.
- **Oracle** is similarly [cutting workers](#) as part of a larger plan to reduce its headcount by thousands and save \$1 billion in costs for the year.

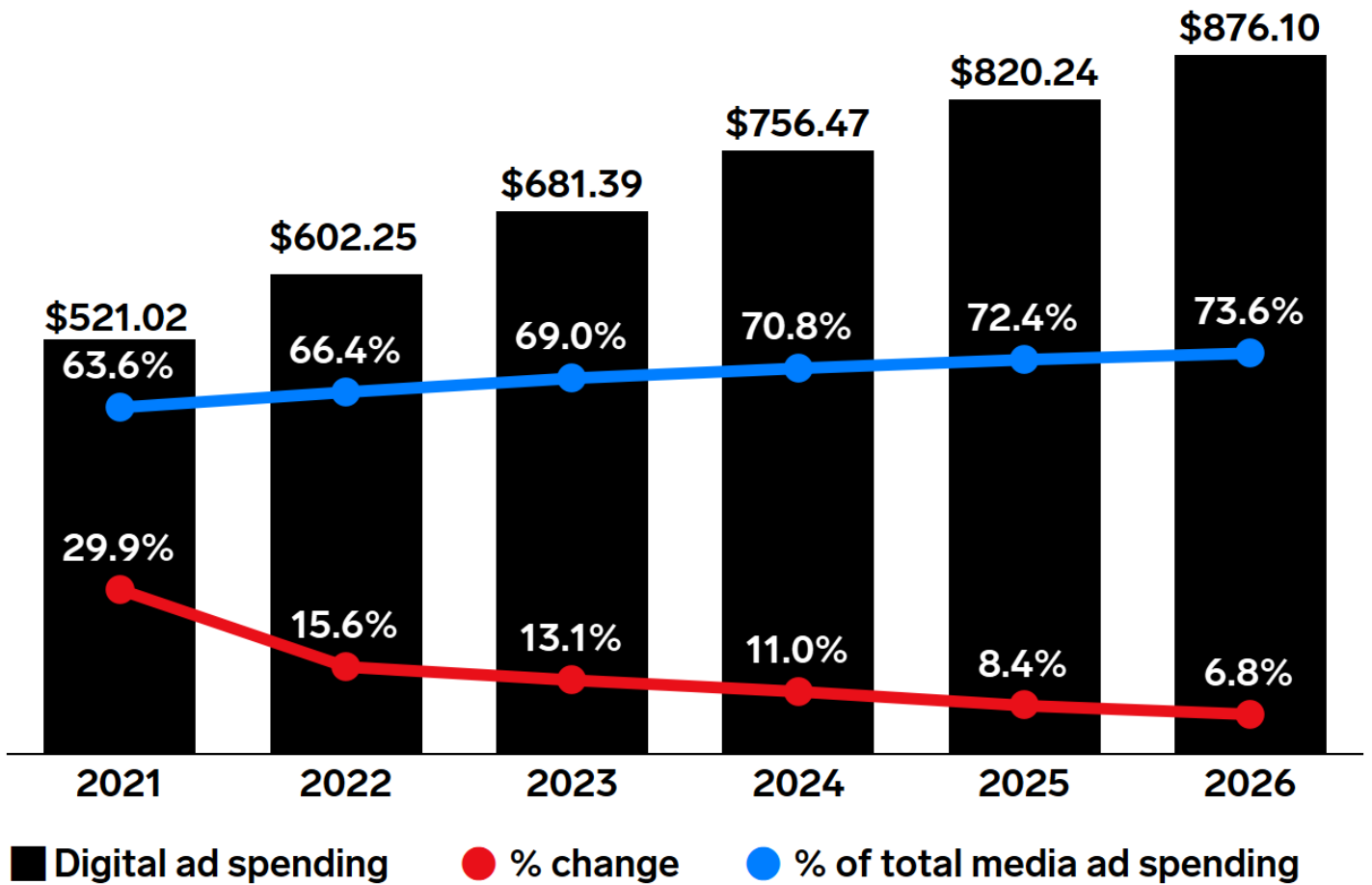
**The rash of layoffs could accelerate Big Tech's labor movement:** This year's [initial unionization efforts](#) have yielded mixed results but could intensify as tech workers seek better representation and protection from layoffs.

**Key takeaways:** Big Tech and adjacent businesses are reeling from the decline in pandemic-era spending and slowing advertising spending, and this is being reflected in hiring slowdowns and layoffs.

- The job outlook remains grim in the short term as entire industries navigate revenue shortfalls and unpredictable economic conditions.
- The situation is not permanent, as many technology companies in high-growth businesses will need to staff up accordingly to pursue growth and expansion.
- The fallout of the current job cuts might make potential hires more selective in deciding which companies to consider.

# Digital Ad Spending Worldwide, 2021-2026

billions, % change, and % of total media ad spending



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms

Source: eMarketer, March 2022

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