# Tech Companies Announce Mass Layoffs Amid Economic Woes

## Description

The mass layoffs that started late last year have continued into 2023, amid recession fears and economic slowdowns.

So far, the number of tech layoffs globally this year has exceeded the total number from a year ago.

According to data compiled by online tracker Layoffs.fyi, the running total of tech layoffs to date is 191,416, surpassing last year’s total of 164,576.

Some experts are warning that a U.S. recession is expected this year, despite the latest data from the Bureau of Labor Statistics (BLS) showing that the U.S. economy added 253,000 new jobs in April.

The unemployment rate dropped slightly to 3.4 percent, down from 3.5 percent, according to the BLS.

“We still forecast a recession to start in 2023 as the Fed continues to raise its target interest rate to bring inflation under control,” wrote Selcuk Eren, senior economist at The Conference Board, following the BLS report released on May 5.

Eren added: “The slowing economy will reduce labor demand. We expect the unemployment rate to rise to around 4.5 percent by the beginning of 2024.”

On May 4 e-commerce company Shopify announced that it was cutting 20 percent of its workforce and selling off its logistics business.

In April, DropBox announced that it would reduce its headcount by 16 percent, equivalent to about 500 employees, owing to slowing growth.

Mass layoffs have not been limited to the tech sector. Below is a list of major companies that have announced layoffs in recent months.

## April 2023

3M, best known for its consumer products of Post-Its and Scotch tape, announced on April 25 that it would lay off 6,000 employees around the world, adding to the reduction of 2,500 global manufacturing roles announced in January.

“3M is taking restructuring actions that are intended to make 3M stronger, leaner and more focused,” the company’s statement said.

3M added that it anticipated pre-tax savings of up to $900 million a year after the layoffs are complete.

Ride-hailing company Lyft announced in a filing with the U.S. Securities and Exchange Commission (SEC) that it was letting go of approximately 1,072 employees, which represented about 26 percent of its workforce. The company also said it had eliminated over 250 open positions.

Lyft’s latest announcement came after the company said in November that it was laying off about 683 employees, or 13 percent of its workforce.

IBM-owned Red Hat, an open source software company, announced on April 23 that it will lay off 4 percent of its global workforce globally, or about 760 employees. The company noted the cuts will impact those with general and administrative positions.

Clothing giant Gap disclosed in an SEC filing that it was planning to lay off 1,800 employees from its headquarters and upper-field workforce.

On April 23, Bed Bath & Beyond filed for Chapter 11 bankruptcy protection.

## March 2023

Facebook parent Meta announced a layoff of about 10,000 employees while closing an additional 5,000 open jobs. It was the second round of mass layoffs, after 13 percent of its staff, or 11,000 workers, were laid off in November last year.

In a memo to employees announcing the latest round of layoffs, Meta Chief Executive Mark Zuckerberg said the layoffs were part of a “year of efficiency.”

Having announced a round of layoffs involving over 18,000 jobs in January, retail giant Amazon announced an additional round in March, eliminating another 9,000 jobs in the coming weeks.

“Given the uncertain economy in which we reside, and the uncertainty that exists in the near future, we have chosen to be more streamlined in our costs and headcount,” Amazon CEO Andy Jassy explained in a memo about the layoffs.

Tech consulting firm Accenture announced in an SEC filing that it was laying off about 19,000 people, or 2.5 percent of its workforce, with more than half of the layoffs coming from its “non-billable corporate functions.”

New York-based satellite radio company SiriusXM announced a cut of 475 jobs, or 8 percent of its workforce, according to its SEC filing.

Jennifer Witz, CEO of SiriusXM, cited “uncertain economic environment” as a reason for the headcount reductions, in an email sent to employees.

## February 2023

Dell Technologies announced plans to cut 5 percent of its workforce, or about 6,650 positions, according to its SEC filing.

“What we know is market conditions continue to erode with an uncertain future,” said Jeff Clarke, Dell’s co-chief operating officer, in a memo to employees. He said the job cuts were part of the company’s moves to “stay ahead of downturn impacts.”

Electric vehicle maker Rivian announced a 6 percent cut to its workforce.

Dallas-based online dating giant Match Group, which owns Tinder, OkCupid, and Hinge, announced an 8 percent cut to its workforce, or about 200 employees.

Palantir Technologies, a Denver-based big data analytics company, said about 2 percent of its workforce will be cut. According to its SEC filing, the company had 3,838 full-time employees as of Dec. 31, 2022.

Yahoo announced plans to lay off more than 20 percent of its staff, or more than 1,600 workers.

Zoom announced a 15 percent workforce cut, laying off about 1,300 people.

“The uncertainty of the global economy, and its effect on our customers, means we need to take a hard—yet important—look inward to reset ourselves so we can weather the economic environment, deliver for our customers and achieve Zoom’s long-term vision,” Eric Yuan, CEO of Zoom, said in a message to employees.

Aerospace giant Boeing announced plans to cut about 2,000 jobs in the company’s finance and human resources department in 2023.

## January 2023

Dow Chemical announced a series of actions to achieve $1 billion in cost savings in 2023, including laying off 2,000 workers from its global workforce.

“We are taking these actions to further optimize our cost structure and prioritize business operations toward our most competitive, cost-advantaged and growth-oriented markets,” said Jim Fitterling, Dow’s chairman and CEO, in a statement.

IBM announced it will lay off 3,900 workers, as part of some asset divestments.

Google's parent company, Alphabet, announced it will reduce its workforce by 12,000 employees. Alphabet CEO Sundar Pichai, in an internal email, said he took "full responsibility" for the headcount reductions.

Microsoft CEO Satya Nadella, in a memo to employees, said the company will be "making changes that will result in the reduction of our overall workforce by 10,000 jobs through the end of FY23 Q3." The layoffs will affect less than 5 percent of the company's workforce, he added.

Spotify announced it was cutting 6 percent of its workforce, or about 600 employees, as part of the company's cost-cutting measures.

Data storage provider NetApp said in an SEC filing that it was going to cut 8 percent of its workforce, or about 960 employees.

"Companies are facing an increasingly challenging macroeconomic environment, which is driving more conservatism in IT spending. We are not immune to these challenges," said NetApp CEO George Kurian, in an email to employees included in the SEC filing.

California-based Workday, a cloud-based software provider, announced plans to lay off 3 percent of its global workforce.

On Jan. 31, PayPal said it will lay off about 2,000 employees in the coming weeks, or about 7 percent of its total workforce, owing to the "challenging macro-economic environment."

by Frank Fang

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