

Tech firms, crypto companies, Goldman Sachs announce major layoffs

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Following announcements last week by Salesforce, Vimeo and Amazon that they would be laying off thousands of workers, dozens of other companies around the world have followed suit and announced significant job cuts.

The announced layoffs are not restricted to any single industry. However, newer tech and cryptocurrency companies, along with major banks such as Goldman Sachs, confirmed cuts to their global workforces this week. The job losses will mainly impact white collar workers, including mid-level managers, but even senior management positions are on the chopping block.

Tech industry layoff tracker Layoffs.fyi is reporting that so far this year 82 tech companies have laid off 23,550 workers around the world. A separate tracker, trueup.io, has reported 29,923 layoffs at 120 tech companies so far this year.

The tech industry already experienced record-setting layoffs last year. According to figures compiled by trueup.io, 237,874 people lost their jobs in the tech sector in 2022, while Layoffs.fyi reported that 1,023 tech companies laid off a total of 154,256 workers last year.

Either figure represents at least a doubling of the highest number of tech layoffs experienced by workers during the Great Recession, according to data by Challenger, Gray & Christmas, a Chicago-based global outplacement & career transitioning firm. In 2008 and 2009, the firm estimated that 65,000 tech workers around the world lost their jobs each year.

On Friday, Crypto.com CEO Kris Marszalek announced in a blog post that the company was reducing its “global workforce by approximately 20 percent.” The Singapore-based company, founded by Marszalek in 2016, employs 2,450 people according to PitchBook, meaning some 490 employees are being laid off.

Brian Armstrong, the billionaire CEO of US-based cryptocurrency exchange Coinbase, announced this past Tuesday that the company would be cutting a fifth of its global workforce, or roughly 950 jobs. This is the second major round

of layoffs at the company in the last year.

Last June, 1,100 workers were laid off at the company. In his post Tuesday, Armstrong threatened more layoffs, writing, “We may not have seen the last of it.”

Referring to the collapse of FTX and the nearly \$1.4 trillion lost in the crypto market in 2022, Armstrong said, “[T]here will be increased scrutiny on various companies in the space to make sure that they’re following the rules.”

“The FTX collapse and the resulting contagion has created a black eye for the industry,” Armstrong added, predicting that there were still more “shoes to drop.”

The ending of the cheap money policies that fueled the growth of the cryptocurrency markets has seen a collapse in the stock prices of the remaining major cryptocurrency companies. CNBC reported this week that shares of Bitcoin fell 58 percent last year, while Coinbase shares have dropped 83 percent.

Outside of crypto, layoffs were announced Wednesday by the co-CEOs of Flexport, Ryan Petersen and Dave Clark. In their memo, Petersen and Clark revealed that the supply chain software company would be laying off 20 percent of its global workforce, affecting some 640 workers.

Scale AI, an artificial intelligence start-up founded in 2016 and valued at \$7.3 billion in 2021, announced in a blog post Monday that it would also be laying off 20 percent of its workforce.

Boosted by over \$600 million from institutional investors such as Tiger Global, Dragoneer and Index Ventures, along with contracts with the US Department of Defense, Scale AI co-founder Alexandr Wang, 25, has been crowned the “world’s youngest self-made billionaire” by *Forbes*.

These, and the countless thousands more layoffs to come, are the result of deliberate class policies enacted by central banks around the world, led by the US Federal Reserve. The raising of interest rates is aimed at increasing the ranks of the unemployed in order to blunt growing demands of workers for

increased wages to combat once-in-a-generation and far from transitory inflation.

The US-NATO war against Russia in Ukraine is exacerbating supply-chain woes. This, compounded by corporate price-gouging and profiteering, drove inflation in 2022 to the highest levels in decades, according to consumer price index data released by the US Labor Department.

While the department reported that the inflation rate for December 2022 was 6.5 percent, down from the 9.1 percent peak in June 2022, price increases for staple items such as eggs, butter and margarine, utilities, electricity and white bread remained in the double-digits.

The Labor Department reported that as of December 2022, year-to-year prices for eggs increased by nearly 60 percent. Fuel oil was up 41.5 percent; white bread increased by 17.7 percent. Health insurance increased by 7.9 percent, slightly less than the 8.3 percent year-to-year increase in rent prices. Overall, food at home increased by 11.8 percent from December 2021 to December 2022.

As workers around the world struggle to afford basic necessities, companies are making it clear that more layoffs are on the way. According to a report by *The Information*, Google's parent company, Alphabet, is preparing to lay off as much as 6 percent of its global workforce, translating to up to 11,000 job losses.

While an official number has yet to be publicly announced, in an interview with *insiderradio.com*, a spokesperson for major market research company Nielsen confirmed that it will be reducing the firm's "total headcount" to "be roughly in line with where it was a year ago," resulting in hundreds of job losses.

In the UK, British telecom giant Vodafone, which employs about 104,000 workers globally, including some 9,400 in the UK, announced that it will be shedding "hundreds" of jobs, centered at its headquarters in London.

Banking giant Goldman Sachs announced earlier this week it will be laying off 3,200 staff around the world. The figure represents the most layoffs at the bank since the 2008 global financial crisis.

IndianExpress reported on Friday that "at least 700 [Goldman Sachs] employees in India" were laid off on Wednesday and Thursday, including "a number of senior employees."

Before the layoffs, *IndianExpress* reported that the Wall Street bank had employed nearly 9,000 people at offices in Bengaluru, Hyderabad and Mumbai. Five fired workers who spoke to the

Express told the paper that they were summoned for a "quick meeting" earlier this week and informed that they had been let go.

After being laid off, the workers said they were prevented from going back to their desks and were immediately hustled out of the building.

"Right after I was informed that I was being fired, I was escorted out of the building and asked to go home. I couldn't even say bye to my friends," a former software developer at Goldman's Bengaluru office told the *Express*.

Former work-from-home employees who were terminated by the bank were notified over Zoom that they no longer had a job.

Major banks have begun to post their final quarter 2022 profits. JPMorgan, reported this week that it "earned" a profit of \$11 billion last quarter, a six percent increase from last year.

On a call with investors this week, Bank of America CEO Brian Moynihan said that 2022 was "one of the best years ever for the bank," with over \$7 billion in net income reported in the fourth quarter alone.

While Citigroup and Wells Fargo did not exceed last year's figures, Citigroup still reported \$2.5 billion in profit for the fourth quarter, while Wells Fargo reported nearly \$3 billion.

In the face of the global jobs bloodbath, trade unions around the world have done nothing but acquiesce to the demands of capital, while imposing sellout contracts over the objections of rank-and-file workers.

Socialists reject the so-called right of the capitalists to shut down factories, slash wages and carry out mass layoffs for the supposed good of "the economy," by which the ruling class means the interests of finance capital.



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