

Layoffs by US firms tripled in January, as mass job cuts accelerate to Great Recession levels

Tom Hall**5 February 2026**

More than 108,000 layoffs were announced by US firms in January, the highest total for the start of the year since 2009, the second year of the Great Recession. According to Challenger, Gray & Christmas, which produces the widely-cited monthly report on layoffs, hiring levels also fell to their lowest point since the firm began tracking the data in 2009. January's layoffs were more than double the total recorded in the same month last year and triple the level announced in December.

In 2025, US companies announced more than 1.2 million layoffs, the highest level since 2020, the first year of the pandemic. The figures for the first month of 2026 already indicate that the pace of job destruction is accelerating into the new year.

The wave of layoffs is part of a global jobs bloodbath, driven by a ruthless global search for new sources of profit to sustain uncontrollable levels of debt and financial bubbles on which the wealth of the oligarchy rests. The other side of this global war on the working class is imperialist plunder, expressed in the attack on Venezuela and the impending attack on Iran.

Among the largest announcements, Amazon announced 16,000 job cuts last month, concentrated in corporate and technology positions. UPS, now entering the third year of a vast restructuring program, announced plans to eliminate 30,000 additional jobs on top of the 48,000 already cut since last year. UPS and Amazon alone accounted for nearly half of all layoffs announced in January.

Other major layoffs announced so far this year include:

- About 1,000 jobs cut last month at Citi, with further reductions expected as part of an overall plan to shed 20,000 jobs

Cuts of 10 to 15 percent of the workforce at Meta Reality Lab, between 1,500 and 2,200 jobs

4 percent of the global workforce at Mastercard, or around 1,400 jobs

7 percent of jobs at software firm Autodesk, around 1,000

positions

800 jobs at Home Depot

775 Nike distribution center jobs in the American South

- 15 percent of the workforce at social media platform Pinterest

400 jobs at business software firm Workday

In addition, some 30,000 layoffs are reportedly pending at Oracle, as the company seeks to fund an expansion of data center capacity.

This week, 300 layoffs were also announced at the *Washington Post*. Purchased by Jeff Bezos in 2013, the newspaper has been rapidly shifted in recent years toward a pro-Trump editorial stance, a process that now amounts to the virtual destruction of one of America's principal newspapers of record.

Another major center of job cuts is the federal government, where around 300,000 layoffs were carried out last year. The Trump administration is slashing social programs, regulatory agencies, and all other government functions that do not directly contribute to boosting corporate profit, war or police repression. A new rule announced by the White House on Thursday strips job protections from 50,000 higher-level federal employees.

A key element is the weaponization of artificial intelligence to attempt to replace entire sections of the workforce. Kristalina Georgieva, managing director of the International Monetary Fund, recently warned that AI is "hitting the labor market like a tsunami, and most countries and most businesses are not prepared for it." While businesses cited AI as a factor in only 55,000 layoffs last year, Goldman Sachs predicts that the figure will rise to 20,000 a month this year in industries exposed to the new technology.

Among industrial workers, the largest sections affected so far are in logistics, where the introduction of new autonomous robotics threatens to eliminate almost all in-warehouse jobs. In that sector, some 95,000 jobs were cut

last year.

Other industries experiencing steep declines include the auto industry, where 32,000 layoffs were carried out last year alone in response to lower-than-expected sales of electric vehicles.

In healthcare, more than 17,000 layoffs were announced last month, the highest level since the start of the pandemic in 2020. This is particularly significant as 46,000 nurses and other healthcare workers are currently on strike on both coasts of the United States. These workers are being driven into struggle not only in defense of jobs and pay, but over safe staffing levels and the well-being of patients.

A tremendous upsurge of class struggle is already beginning in the United States in response to the impossible economic situation confronting workers and the oligarchic dictatorship of Trump. Demands for a general strike, initially raised in protests against ICE murders in Minneapolis, will only grow over the course of the year.

A significant aspect of the mass layoffs is their concentration among middle-class professionals. This represents a dramatic and extremely rapid reversal for some of the few sections of the workforce that were able to maintain a relatively decent standard of living in recent years.

The tech industry alone has cut more than 478,000 jobs since the start of 2024, according to Challenger, making it one of the sectors most exposed to AI-driven restructuring. The development of the new Claude Cowork platform, for example, touched off a selloff of tech stocks this week, as it threatened the future of a whole series of companies offering software-as-a-service products to corporate clients.

As one tech worker told the *Austin-American Statesman*: “We are not hourly employees. We are not struggling. We are not at food banks. We are usually pretty well educated ... But when we talk about the jobs that are lost, and we talk about bookkeepers, or accountants, or customer service agents, a lot of these jobs that people are able to support their families with and make a good living doing, those are now going to be taken over by AI.” In reality, hundreds of federal employees were already forced to line up at food banks during last year’s government shutdown, a warning of what lies ahead.

A survey conducted by an AI research group in Austin found that 61 percent of respondents were worried about unemployment, while 45 percent feared an outright unemployment crisis.

San Francisco, along with the broader Bay Area a long-standing center of the US tech industry, recorded a net loss of 4,400 jobs last year, according to government statistics cited by the *San Francisco Standard*. The primary drivers of job losses were tech, with 4,500 jobs eliminated, and

professional and business services. The main sources of new employment were hospitality and leisure, low-wage jobs catering to a small layer enriching itself on massive inflows of Wall Street cash. This process has driven housing prices in the city, already among the highest in the country, to new heights.

While the potential of AI is tremendous, it is being implemented in an irrational and unplanned manner that is inevitable under capitalism. Harvard Business Review notes that “To understand the productivity impact of gen AI requires disciplined experiments and measurement, which few organizations have done.”

A massive speculative bubble has developed around artificial intelligence, which one economist has described as 17 times larger than the dot-com bubble of 2000 and four times the real estate bubble that produced the Great Recession. Actual cost savings from AI deployment are reportedly developing far slower than anticipated, and may take years to fully realize. Nevertheless, vast sums continue to pour into the sector, with \$1.6 trillion invested in new data centers and AI startups through 2024, and an estimated \$375 billion more expected in 2025, according to Reuters.

The run-up on Wall Street has enriched a tiny layer at the top, with US billionaires increasing their combined wealth by \$1.5 trillion last year. At the same time, it is laying the groundwork for a massive financial crisis in the near future that will far exceed the crash of 2008–09. The rise in gold prices indicates that this crisis is already calling into question the viability of the dollar and the credibility of US government debt.

These shocks will produce, and already are producing, profound political consequences that are forcing a radicalization of the population, not only among workers but also among substantial sections of the middle class. The growing demands for a general strike among protests have not yet acquired a distinctly working class character. Increasingly, these layers are turning toward the working class for leadership in the fight against capitalist exploitation.

This underscores the decisive importance of conscious preparations for a mass movement by the working class, acting as an independent and leading force against mass layoffs, austerity and the broader assault on democratic and social rights.



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