

# Meta and Microsoft announce mass layoffs, as AI jobs massacre continues

Kevin Reed  
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On Thursday, Facebook parent company Meta announced it will cut roughly 8,000 jobs, while Microsoft announced it is offering buyouts to about 7 percent of its US staff, or approximately 8,750 jobs. Together the announcements pushed 2026 totals in the tech sector to more than 92,000 jobs destroyed industrywide.

Meta's internal memo, as reported by multiple outlets, said the company planned to reduce staff by 10 percent of its current 80,000 workforce beginning May 20 and would not fill about 6,000 vacant roles. A Meta spokesperson and company memo framed the cuts as a matter of "efficiency" and "offsetting the other investments we're making," a transparent reference to the company's massive spending in artificial intelligence (AI).

BBC reported that Meta's CEO Mark Zuckerberg had already signaled that "2026 will be the year when AI fundamentally transforms our work processes," while Meta was simultaneously planning to spend \$135 billion on AI this year.

Microsoft is also pouring hundreds of billions into data centers and AI infrastructure. Both Bloomberg and Fortune attributed the cuts directly to the company's drive to offset heavy AI spending and streamline operations.

In March, Block CEO Jack Dorsey boasted about the financial benefits of replacing employees with AI technology. He was summing up the attitude of major tech firms in general which are presenting AI as a financial justification for throwing thousands of workers overboard.

The business press has normalized the cuts as a critical "efficiency" move. The *Wall Street Journal* headlined Meta's layoffs as part of a "relentless shift toward AI," reducing the question to a management

strategy rather than social devastation. Bloomberg's coverage, as summarized in companion reporting, described the layoffs as a response to "heavy AI spending" and a need to "trim workforces," language that conceals the class content of the decision behind balance-sheet jargon.

In a recent article, *Fortune* warned of "the AI layoff trap" and noted that companies are using rapid AI adoption to rationalize cuts that would otherwise appear as corporate downsizing.

The human costs of the AI layoffs are enormous. Meta workers were told through a company memo that they would be terminated in waves starting May 20, with the company also eliminating thousands of open positions rather than hiring into them.

*Fortune* reported that Meta HR chief Janelle Gale acknowledged, "I know this is unwelcome news and confirming this puts everyone in an uneasy state, but we feel this is the best path forward, given the circumstances," a corporate rationalization for announcing the layoffs as unavoidable.

The terminations themselves are being organized in a way meant to maximize fear and discipline. Reuters reported that Meta's layoffs were initially leaked, then confirmed, with more cuts planned later in 2026, producing an atmosphere in which workers are left waiting for notices while management continues business as usual.

CNBC reported that Microsoft's buyouts are structured as a first in the company's 51-year history, with workers being pushed out under the guise of "voluntary" separation.

Industry journalists have been blunt that the layoffs are part of a broader restructuring of tech employment under AI. CNBC described the layoffs as evidence of a potential "AI-driven labor crisis," linking the cuts to

the corporate rush to maximize efficiency while investing massively in AI systems.

TechXplore noted that Meta’s chief people officer said the cuts were intended to “offset the other investments we’re making,” while pointing out that the company’s AI spending is being paired with staff reductions and hiring freezes. That is the actual operating principle: AI spending on one side, labor destruction on the other.

BBC reported that tech CEOs now routinely justify layoffs by claiming AI enables companies to do “more with fewer staff members.” BBC said that this explanation is replacing older boilerplate language about over-hiring or restructuring.

The scale of the job cuts since January is increasing. Layoffs.fyi-based reporting cited by CNBC says more than 92,000 tech employees have been cut in 2026. The layoffs are reported to have been announced by 95 companies. *Newsweek* cited Challenger, Gray & Christmas reports 154,445 tech sector layoff announcements in 2025, with 52,050 by the end of March.

Layoffs last year included major reductions at Microsoft, Intel, Amazon, Verizon and HP, all while those corporations poured billions into stock buybacks and executive compensation. But 2026 was beginning with an even more coordinated offensive to use AI for deeper cuts.

Wall Street’s response has been predictable. Meta’s stock fell on Thursday on the layoff news, only to rebound and exceed previous levels. Microsoft shares went through a similar downward cycle on Thursday and then bounced back by Monday.

The Wall Street sentiment is bound up with the significant capital expenditures required for AI development. Reporting cited in CNBC and elsewhere notes that Amazon, Google, Meta and Microsoft are expected to spend some \$650 billion on capital expenditures in 2026, much of it connected to AI infrastructure.

Wall Street is effectively cheering a model in which workers are discarded so that speculative bets on AI can be funded and corporate valuations preserved and increased. The market celebrates “productivity” because the financial benefit from gutting employees translates into increased shareholder value.

The WSWS has already explained the class logic of

the new wave of job cuts. In March, we wrote that executives were openly justifying mass layoffs as the product of artificial intelligence and “new ways of working.” In a year-end review, the WSWS warned that “AI and automation were used to implement thousands of layoffs” while corporations continued funneling money into buybacks and executive compensation. That analysis is now being acknowledged by corporate statements and business news reporting.

The latest surge of layoffs at Meta and Microsoft must be understood as part of a deliberate corporate offensive against the working class. The financial oligarchy is using it to reorganize work, intensify exploitation and shift the costs of technological change onto the remaining workforce. While the corporate press describes these cuts as strategic and prudent, the socio-economic purpose is unmistakable: The jobs of tens of thousands of workers are being sacrificed by the multi-trillion dollar tech giants with the expectation of another surge in their market value.



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