



Congresswoman

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Congressional Report into AI's Impact on American Jobs (2025)



Americans are feeling uncertain about the economy, even as the Bureau of Labor Statistics (BLS) releases its delayed September 2025 employment report, the first since the August update. While U.S. employers added 119,000 jobs in September, the unemployment rate climbed to 4.4 percent, its highest level since October 2021. October's unemployment picture remains even less clear; the BLS has announced it will not release the October jobs report, citing the impact from the government shutdown, which also delayed the September release.

MAJOR TAKEAWAYS:

- **54,694 jobs lost in 2025** specifically cited as AI-related reductions, disproportionately affecting tech.
- Amazon, Salesforce, Meta, Verizon, Microsoft, Google, IBM, Lenovo, Synopsys, Accenture, HP, Intel, Target, and UPS all conducted **significant layoffs linked to AI restructuring**, with several cases involving major investments into AI infrastructure and automation initiatives.
- **Rising unemployment for Black Americans at 7.5%**, compared to 5.7% in 2024, showing persistent racial disparities and economic vulnerability in diverse communities.
- Over **half of employers** surveyed by the National Association of Colleges and Employers **predict that the class of 2026 will graduate into the most challenging job market for new college graduates in half a decade.**

THE ROLE OF AI IN WORKFORCE REDUCTIONS

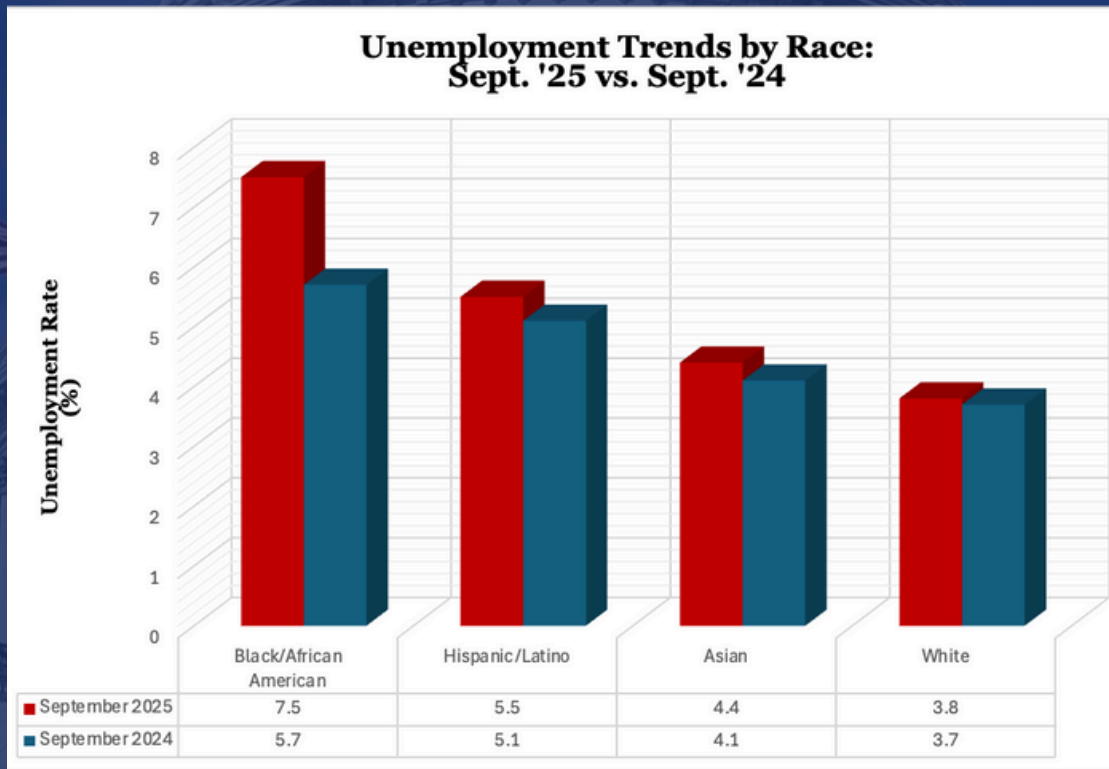
AI's rapid adoption has been identified as a major factor behind large-scale layoffs and was the second-most cited factor for job cuts in October, while the tech sector records the most private-sector layoffs in 2025.

Even as companies race to deploy AI tools in the workplace to boost efficiency, emerging evidence calls their effectiveness into question. MIT's 2025 State of AI in Business finds that firms invested an estimated \$30–40 billion in generative AI, yet 95 percent of the AI pilots studied never moved beyond the testing phase.



CURRENT EMPLOYMENT LANDSCAPE:

- BLS Data (September 2025): 119,000 jobs added; **unemployment rate rises to 4.4%.**
- Challenger, Gray & Christmas recorded **153,074 job cuts** in October 2025—a **183% increase from September** and the highest monthly total since 2003—with **layoff announcements for the year now topping 1.1 million**, the most since the 2020 pandemic surge.
- Technology Sector: **33,281 layoffs in October**, nearly six times higher than September's figures. Overall, 2025 layoffs in the tech sector have increased 17% compared to 2024.
- **Rising unemployment** for Black Americans, at **7.5%** in 2025, compared to 5.7% in 2024 and 3.8% for White Americans.



Note: Bureau of Labor Statistics, The Employment Situation - September 2025. BLS. November 20, 2025, <https://www.bls.gov/news.release/pdf/empsit.pdf>

As businesses increasingly adopt automation, the need for accessible and effective reskilling and retraining programs becomes urgent to help both technical and non-technical workers adjust to the evolving digital landscape and AI-focused workforce. However, these reskilling and upskilling efforts are challenging and do not guarantee a positive outcome.

A 2021 report from the OECD found that only a fraction of workers participates in these training programs, and those who do often are not the ones most at risk.



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BROADER ECONOMIC IMPLICATIONS:

Industry leaders predict that ongoing advances in AI may eliminate up to 50 percent of entry-level jobs over the next decade, compounding current uncertainty for graduating students and early-career professionals. With over a 16 percent decline in full-time job postings, these trends are especially alarming for students preparing to enter the labor force, as over half of employers surveyed by the National Association of Colleges and Employers predict that the class of 2026 will graduate into the most challenging job market for new college graduates in half a decade.

This potential for widespread displacement adds to the present economic uncertainty, particularly in the absence of comprehensive and updated data from the BLS. The need for more transparent, timely labor data and accountable corporate reporting is urgent to support adaptive workforce development, economic policy, and public policy decision-making, and to inform congressional oversight of AI's labor impacts.

KEY FINDINGS:

- **UPS:** Nearly **48,000 job cuts** this year as part of its turnaround plan.
- **Amazon:** **14,000 corporate jobs eliminated**, including nearly 700 roles in NYC and more than 2,300 in Washington.
- **Verizon:** **13,000+ jobs cut** in its largest layoff to date as it moves further toward AI-driven service operations.
- **Microsoft:** Around **15,000 positions cut** this year in multiple rounds as the company shifts resources into AI infrastructure.
- **Accenture:** More than **11,000 jobs cut** as part of an \$865 million AI-related reorganization, citing an inability to reskill workers fast enough.
- **HP Inc:** Between **4,000 and 6,000 jobs are expected to be cut** by fiscal year 2028 due to AI adoption plans.
- **IBM:** **2,700 to 5,000 planned layoffs** as it pivots toward AI and software.
- **Salesforce:** **4,000 customer support roles cut**, with the company stating that AI tools can handle up to half of the company's work.
- **Intel:** 669 additional layoffs in Oregon, raising its **total annual job cuts to more than 3,000**.
- **Synopsys:** Nearly 2,800 workers – about **10% of its global workforce** – cut following AI-focused restructuring.
- **Target:** **1,800 roles eliminated**, roughly 8% of its corporate workforce, in its largest layoff in a decade.
- **Lenovo:** **3% of full-time staff laid off**, significantly impacting its AI team at the **Research Triangle Park in North Carolina**.
- **Meta:** Roughly **600 positions cut** within its AI unit as part of a restructuring of AI strategy.
- **Google:** **Over 200 AI workers laid off**, alongside the elimination of **nearly 35% of managers** over the past year.



Endnotes:

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