

AI will reduce employment

Published: October 27, 2026, 7:48 am

How do I know AI will cost jobs? Because Microsoft has said so.

As the [FT notes](#) this morning:

Microsoft will offer buyout packages to up to 60,000 staff as the tech giant tries to keep costs under control and pare its workforce as it spends hundreds of billions of dollars on AI.

They add:

Microsoft, like its Big Tech rivals, has been spending hundreds of billions of dollars on AI, developing its own frontier-level models and constructing or leasing dozens of new data centres every quarter to meet surging internal and external demand.

Chief executive Satya Nadella has urged staff to incorporate AI into every part of their working lives to improve their productivity.

Now those staff are paying the price for that.

To contextualise this, Microsoft has around 220,000 staff. Around one quarter are being offered the chance to leave. The last time Microsoft did this, thirty per cent took the chance to go. They might lose around 20,000 people, or about ten per cent of their staff, as a result.

Now just extrapolate that across the companies that employ all those bright young things most associated with tech companies.

Then recall we already face three global crises from war with Iran, climate change and the AI stock market bubble bursting (of which this is not an indicator).

Then worry.