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The Layoff Wave Tells Two Stories. Most People Only See One.

4 min read · 6 days ago



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1. UPS: 48,000 employees
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3. Intel: 24,000 employees
4. Nestle: 16,000 employees
5. Accenture: 11,000 employees
6. Ford: 11,000 employees
7. Novo Nordisk: 9,000 employees
8. Microsoft: 7,000 employees
9. PwC: 5,600 employees
10. Salesforce: 4,000 employees
11. Paramount: 2,000 employees
12. Target: 1,800 employees
13. Kroger: 1,000 employees
14. Applied Materials: 1,444 employees
15. Meta: 600 employees

The labor market is clearly weakening.

9:31 AM · Oct 28, 2025 · **15.1M** Views

The headlines all say the same thing. Layoffs. Cuts. Downsizing.

But there are actually two completely different things happening. And understanding which one affects you matters more than you think.

Story 1: Tech Giants Are Cutting to Buy GPUs

Google, Microsoft, Meta, Amazon. They're all laying people off.

But look closer. Their revenues are growing. Their stock prices are climbing. This isn't about survival.

They're firing people to free up cash for compute.

Every percentage point of headcount reduction funds another batch of H100s. This isn't cost cutting during a downturn. It's a forced reallocation from payroll to datacenter capacity.

The math is brutal but simple. Engineers cost \$300K per year. H100s cost \$30K each but generate revenue through AI products. Replace 100 engineers with 1,000 GPUs and you get more output for less money.

This is a strategic shift, not a panic move.

Story 2: Traditional Companies Are Cutting Because AI Works

UPS, Nestle, Ford, Target. They're cutting too.

But for the opposite reason.

They've already deployed AI tools that work. Customer service automation. Supply chain optimization. Generative design systems.

The productivity gains are real and compounding.

These companies don't need to buy massive GPU clusters. They're renting inference from hyperscalers and cutting headcount because the math finally works.

A customer service team of 50 people becomes a team of 10 people plus AI agents. The AI handles 80% of inquiries. The humans handle the complex 20%.

Join 195k+ PMs learning how to stay ahead of these shifts. [Get my newsletter here.](#)

Both Sides Feed the Same Beast

Tech companies are buying the shovels. Everyone else is buying the gold those shovels dig up.

And semiconductor companies sit in the middle, collecting rent from the entire value chain.

TSMC, NVIDIA, ASML. They're printing money while employment craters on both ends.

The wealth is concentrating in compute, not labor.

The Timing Matters More Than You Think

We're at roughly 10% enterprise AI adoption right now.

History says we're heading toward 50% within 3–5 years.

This phase moves fastest and generates the most wealth. The dot-com boom. The mobile revolution. The cloud transition. The pattern repeats.

But this time, that wealth is going to companies and capital, not workers.

The gap between market cap growth and wage growth has never been wider.

Microsoft's market cap grew by \$1 trillion in 18 months. Their headcount shrank by 5%. That wealth didn't go to employees. It went to shareholders and compute infrastructure.

This isn't a recession. It's a rebalancing.

And most workers are on the wrong side of it.

What This Actually Means for You

If you're reading this, you're probably in tech or tech-adjacent.

You have two choices.

Choice 1: Hope your skills stay relevant long enough to retire.

Some people will get lucky. Their specific role won't be automated for another 10–15 years. They'll retire before it matters.

Choice 2: Upskill aggressively into AI and become indispensable.

Learn to work with AI. Build with AI. Understand AI deeply enough that you're the one deploying it, not being replaced by it.

There's no middle path.

The PMs, engineers, designers, and operators who master AI tools will have incredible careers. The ones who don't will struggle to find work.

It's harsh. But it's true.

The Path Forward (It's Not Too Late)

You can still get ahead of this. But you need to move now.

Here's what actually matters:

AI Fundamentals — Understand how AI actually works. Not surface level. Real understanding.

Vibe Coding — Learn to build with AI assistance. This skill is becoming mandatory for PMs.

AI Prototyping — Ship working demos in hours, not weeks. The speed advantage is massive.

Claude Projects — Master the tools that let you work 10x faster.

AI Agents — Understand how to build systems that work autonomously.

AI Experimentation — Test and iterate faster than ever before.

These aren't optional anymore. They're the baseline.

The Uncomfortable Truth

Most people won't do this.

They'll read articles like this. Nod along. Maybe bookmark a few links. Then go back to work the same way they always have.

And in 18 months, they'll be looking for jobs in a market that doesn't want their skills anymore.

The PMs who invest 10 hours per week learning these skills now will be unreachable by the ones who wait.

Not because they're smarter. Because they moved when it mattered.

I send deep dives on exactly what to learn and how to learn it. Join 195k+ PMs here.

This Isn't Doom and Gloom

Here's the thing people miss.

Yes, there are layoffs. Yes, AI is displacing workers. Yes, the wealth gap is widening.

But there's also more opportunity than ever for people who adapt.

AI PMs are getting paid \$300K-500K. Companies are desperate for people who can actually build with AI. The demand far exceeds supply.

You just need to be on the right side of the shift.

The PMs building AI products. The engineers using AI tools. The designers prototyping with AI. The operators deploying AI systems.

These people are getting hired, promoted, and paid more than ever.

The gap isn't between AI and humans. It's between humans who use AI and humans who don't.

Your Move

You can wait and hope this doesn't affect you.

Or you can spend the next 3 months getting aggressively good at AI tools and positioning yourself as indispensable.

The resources are linked above. The path is clear.

Start with fundamentals. Learn to prototype. Build something real. Do it this week.

And get my newsletter where I break down exactly what's working, what's changing, and how to stay ahead. 195k+ PMs are already using these insights to future-proof their careers.

The layoff wave isn't one story. It's two. Make sure you're on the right side of both.

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Which story are you in? Drop a comment with your industry and whether you're seeing AI deployment or AI investment where you work.

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Written by Aakash Gupta

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Helping PMs, product leaders, and product aspirants succeed

Responses (16)



Bgerby

What are your thoughts?



Aleksandr Novikov

1 day ago

...

Is vibe-coding really still a thing, apart from boilerplates and unit tests? I mean seriously, anyone still hopes it will work. I saw people castigated for doing it on standups.

If your product can be vibe-coded, it's probably worthless and not worth building in the first place.



1 reply

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Cindy Wiggins her/she

3 days ago

...

The money never goes to the workers and never will. Even you, I guess, will eventually become pointless like the rest of us. I hope the tech companies implode and die horribly tbh. They have caused so much crap over

the past few years, we would be better off without most of what they 'produce'.



57



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Ozzy

4 days ago

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retire

They already see the retirees as 'useless eaters' and are trying to reduce their numbers.



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