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‘AI is part of this, but not the whole story’: US employers announced 97,000 job cuts in May — and AI was blamed for 40% of them



Victoria Vesovski Jun 25, 2026

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The steady drumbeat of headlines warning that artificial intelligence is disrupting the workforce has left many workers wondering whether their jobs could be next.

New data suggests those concerns aren’t going away anytime soon.

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era layoffs of 2020, according to Challenger, Gray & Christmas. Employers cited AI as the primary reason for 40% of those announced job cuts.

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Still, some experts caution against assuming every layoff attributed to AI is the result of a machine replacing a worker.

“Roles involving repetitive tasks that primarily require recognition and interpretation of patterns can utilize AI with greater efficiency,” Chris Hutchins, founder and CEO of Hutchins Data Strategy Consultants, told Moneywise.“If AI is assigned blame after job cuts that proceed beyond these roles, then the underlying cause is likely something other than AI.”

In other words, while companies are increasingly pointing to AI as a reason for layoffs, the technology’s role in job cuts may be more complicated than the headlines suggest.

Why the numbers don’t tell the whole story

In just five months, employers have attributed more layoffs to AI than they did in all of last year. The report shows 87,714 announced job cuts tied to AI through May, compared to 54,836 throughout 2025.

Workers’ concerns about AI are widespread. A 2025 Pew Research Center survey found that 52% of workers are worried about AI’s future impact on the workplace, while one-third said they feel overwhelmed by the technology.

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artificial intelligence.

Oracle disclosed recently that it has reduced its workforce by roughly 21,000 employees over the past year. Meanwhile, Google has continued trimming staff through performance reviews, buyout programs and reorganizations, with outside estimates suggesting between 1,500 and 3,000 engineering roles have been eliminated in 2026.

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Meta also laid off roughly 8,000 employees earlier this year while shifting about 7,000 workers into AI-focused roles, highlighting how some companies are cutting jobs in certain areas while continuing to invest heavily in artificial intelligence.

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Not every layoff is about AI

Not every layoff tied to AI means a worker is being directly replaced by the technology.

Hutchins, whose work focuses on the healthcare industry, says AI's impact varies significantly from one sector to another. In healthcare, for example, persistent staffing shortages mean many AI tools are being deployed to help workers do their jobs more efficiently rather than replace them altogether.

"Consider if the company claims AI will help them do more with less," he said. "If AI will help them do more, then they will employ AI to augment their workforce. In contrast, if they will use AI to do less with more, then the company intends to displace their workforce with AI."

Despite growing concerns about AI-related job cuts, U.S. payrolls increased by 172,000 in May, more than double economists' expectations, with prior months also revised higher.

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Several industries continued to add workers despite concerns about AI-driven layoffs. Leisure and hospitality saw the strongest hiring growth in May, with local government and healthcare also contributing tens of thousands of new jobs.

The impact depends on the industry

Sheldon Arora, CEO of healthcare staffing platform StaffDNA, said workers should be cautious about assuming AI is the sole driver behind recent layoffs.

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but not the whole story."

For workers, that means the impact of AI may depend less on national headlines and more on how the technology is being used within their own industry.

"I don't think workers should view AI as a job killer," he said. "We've seen times when technology has changed jobs more than eliminated them. Employees who learn to work alongside AI will likely be in the strongest position as the technology continues to mature."

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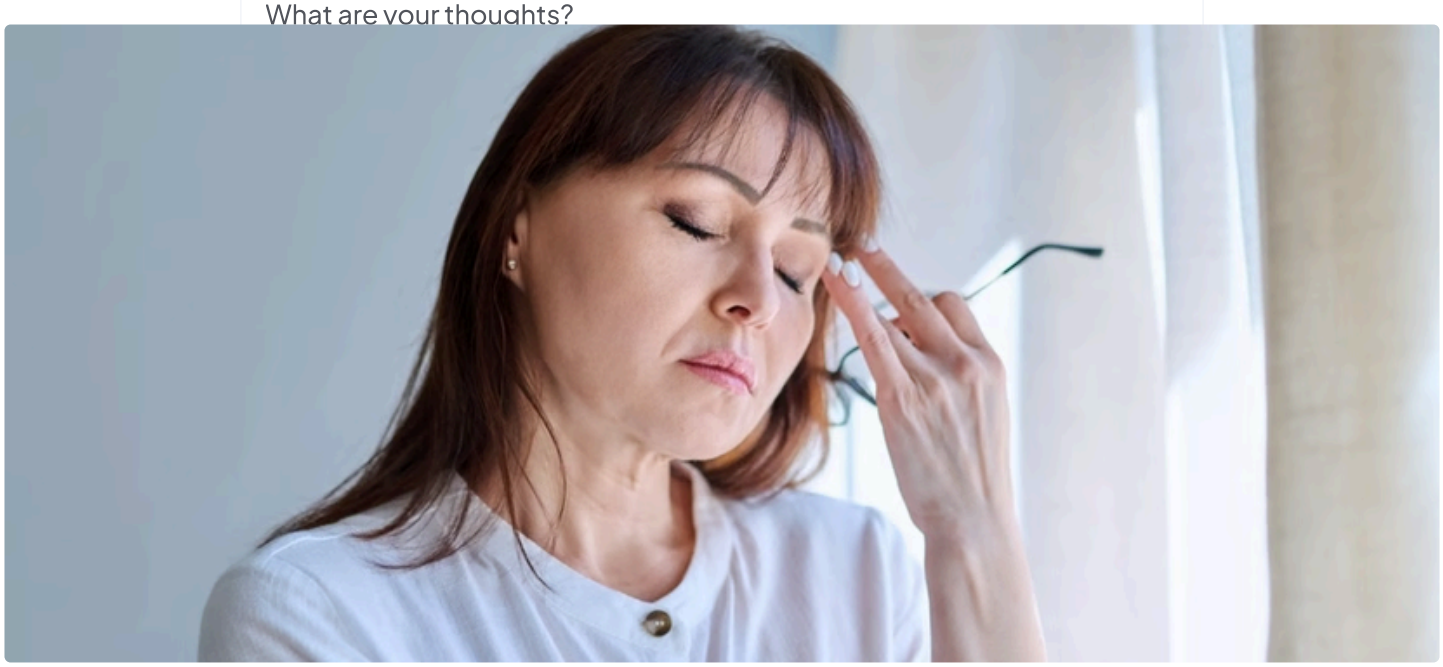
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