Uber Lays Off Another 3,000 Full-Time Workers

The layoffs come just weeks after 3,700 customer support and recruiting team employees lost their jobs.

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Uber plans to lay off another 3,000 full-time employees as the COVID-19 crisis looms. Earlier this month, the ridesharing firm dropped some 3,700 workers from its customer support and recruiting teams. Uber drivers, treated as independent contractors, are not directly affected by these cuts.

“Given the dramatic impact of the pandemic, and the unpredictable nature of any eventual recovery, we are concentrating our efforts on our core mobility and delivery platforms and resizing our company to match the realities of our business,” CEO Dara Khosrowshahi said in a Monday filing with the Securities and Exchange Commission. “That’s led us to some painful decisions.”

Among them: reducing the workforce by thousands of people—”each of whom I want to personally thank for their contributions to Uber,” Khosrowshahi added. “We are making these hard choices now so that we can move forward and begin to build again with confidence.” While the company is expected to spend upwards of $40 million on severance and termination

benefits, these measures should also save it at least $1 billion annually (versus Uber’s original 2020 financial plan).

Companies across the gig economy are slashing staff in an effort to survive. In Uber’s case, that also means shuttering 40 percent of its “Greenlight Hubs,” which provide in-person support to drivers across the world. Rival Lyft, meanwhile, recently reduced its workforce by 17 percent.

As if a global pandemic weren’t enough, California is suing Uber and Lyft for allegedly depriving drivers of worker protections, including minimum wage and paid sick leave. The state demands hundreds of millions of dollars in restitution for those affected.

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