

Amazon plans to replace more than half a million jobs with robots

Karen Weise

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Shreveport, Louisiana | Over the past two decades, no company has done more to shape the American workplace than Amazon. In its ascent to become the nation's second-largest employer, it has hired hundreds of thousands of warehouse workers, built an army of contract drivers and pioneered using technology to hire, monitor and manage employees.

Now, interviews and a cache of internal strategy documents viewed by *The New York Times* reveal that Amazon executives believe the company is on the cusp of its next big workplace shift – replacing more than half a million jobs with robots.



A robot moves between shelving units containing goods at Amazon's fulfillment centre in Kolbaskowo, Poland. **Bloomberg**

Amazon's US workforce [<https://www.afr.com/link/follow-20180101-p5kb5m>] has more than tripled since 2018 to almost 1.2 million. But Amazon's automation team expects the company can avoid hiring more than 160,000 people in the United States it would otherwise need by 2027. That would save about 30 US cents (46 cents) on each item that Amazon picks, packs and delivers to customers.

Executives told Amazon's board last year that they hoped robotic automation would allow the company to continue to avoid adding to its US workforce in the coming years, even though they expect to sell twice as many products by 2033. That would translate to more than 600,000 people whom Amazon did not need to hire.

At facilities designed for superfast deliveries, Amazon is trying to create warehouses that employ few humans at all. Documents show that Amazon's robotics team has an ultimate goal to automate 75 per cent of its operations. Amazon is so convinced this automated future is around the corner that it has started developing plans to mitigate the fallout in communities that may lose jobs. Documents show the company has considered building an image as a "good corporate citizen" through greater participation in community events such as parades and Toys for Tots.

Don't say 'robots', say 'cobots'

The documents contemplate avoiding using terms such as “automation” and “artificial intelligence” when discussing robotics, and instead use terms such as “advanced technology” or replace the word “robot” with “cobot”, which implies collaboration with humans.

Amazon said in a statement that the documents viewed by the *Times* were incomplete and did not represent the company’s overall hiring strategy. Kelly Nantel, a spokesperson for Amazon, said the documents reflected the viewpoint of one group inside the company and noted that Amazon planned to hire 250,000 people for the coming holiday season, though the company declined to say how many of those roles would be permanent.

Amazon also said that it was not insisting executives avoid certain terms and that community involvement was unrelated to automation.

Amazon’s plans could have profound impact on blue-collar jobs throughout the country [<https://www.afr.com/link/follow-20180101-p5mn69>] and serve as a model for other companies such as Walmart, the nation’s largest private employer, and UPS. The company transformed the US workforce as it created a booming demand for warehousing and delivery jobs. But now, as it leads the way for automation, those roles could become more technical, higher paid and more scarce.

“Nobody else has the same incentive as Amazon to find the way to automate,” said Daron Acemoglu, a professor at the Massachusetts Institute of Technology who studies automation and won the Nobel Prize in economic science last year. “Once they work out how to do this profitably, it will spread to others, too.”

If the plans pan out, “one of the biggest employers in the United States will become a net job destroyer, not a net job creator,” Acemoglu said.

A long history of using automation

The *Times* viewed internal Amazon documents from the past year. They included working papers that show how different parts of the company are navigating its ambitious automation effort, as well as formalised plans for the department of more than 3000 corporate and engineering employees who largely develop the company’s robotic and automation operations.

Udit Madan, who leads worldwide operations for Amazon, said in an interview that the company had a long history of using the savings from automation to create new

jobs, such as a recent push to open more delivery depots in rural areas.

“That you have efficiency in one part of the business doesn’t tell the whole story for the total impact it might have,” he said, “either in a particular community or for the country overall.”

For years, Jeff Bezos, Amazon’s founder and longtime CEO

[<https://www.afr.com/person/jeff-bezos-3ig>], pushed his staff to think big and envision what it would take to fully automate its operations, according to two former senior leaders involved in the work. Amazon’s first big push into robotic automation started in 2012, when it paid \$US775 million to buy robotics maker Kiva. The acquisition transformed Amazon’s operations. Workers no longer walked miles crisscrossing a warehouse. Instead, robots shaped like large hockey pucks moved towers of products to employees.

The company has since developed an orchestrated system of robotic programs that plug into each other together like Lego. It has focused on transforming the large, workhorse warehouses that pick and pack the products customers buy with a click.

Amazon opened its most advanced warehouse, a facility in Shreveport, Louisiana, last year as a template for future robotic fulfilment centres. Once an item there is in a package, a human barely touches it again. The company uses 1000 robots in Shreveport, allowing it to employ a quarter fewer workers last year than it would have without automation, documents show. Next year, as more robots are introduced, it expects to employ about half as many workers there as it would without automation.

‘Ability to flatten Amazon’s hiring curve’

“With this major milestone now in sight, we are confident in our ability to flatten Amazon’s hiring curve over the next 10 years,” the robotics team wrote in its strategy plan for this year.

Amazon plans to copy the Shreveport design in about 40 facilities by the end of 2027, starting with a massive warehouse that just opened in Virginia Beach, Virginia. It has begun overhauling old facilities, including one in Stone Mountain, Georgia, near Atlanta.

That facility now has roughly 4000 workers. But once the robotic systems are installed, it is projected to process 10 per cent more items but need as many as 1200 fewer employees, according to an internal analysis. Amazon said the final head count was subject to change.

The documents also show that after the Stone Mountain retrofit is done, it should need fewer workers and depend more on temporary employees than full-time staff. (Amazon said some facilities would have more employees after they were retrofitted.)

Bracing for job cuts, some employees working on the transition have strategised ways to “control the narrative” in Georgia by focusing on new technician jobs and “innovation to give local officials a sense of pride”, documents show.

Amazon said that local officials knew about the retrofit and that its involvement in local efforts was unrelated.

1 million robots

Amazon's automation plans became more pressing after the pandemic's surge in online shopping sent Amazon on a hiring spree unrivalled in the history of corporate America. Madan said the company had embarked on a complete redesign of its typical warehouses.

In March last year, when executives working on the automation plans gave a presentation to the Amazon board, the directors pressed them to do more with less. By the northern hemisphere autumn, the robotics team had made progress. It reduced the cost of the automation plan to less than \$US10 billion and increased the expected savings to \$US12.6 billion from 2025 to 2027.

Andy Jassy, who took over as CEO in July 2021 when Bezos stepped aside, has pushed to cut costs across the e-commerce business. “For years and years, they were really investing for growth, and in the last three years the company's focus has shifted to efficiencies,” said Justin Post, a Wall Street analyst at Bank of America who has covered Amazon for two decades. Robotics “really does make a big difference to the bottom line”.

Amazon has said it has 1 million robots at work around the globe, and it believes the humans who take care of them will be the jobs of the future. Both hourly

workers and managers will need to know more about engineering and robotics as Amazon's facilities operate more like advanced factories.

At the Shreveport facility, more than 160 people work as robotics technicians, and they make at least \$US24.45 an hour. Most of Shreveport's 2000 employees are regular hourly workers, whose pay starts at \$US19.50.

Training workers for these new roles is "something close to my heart", Madan said. He pointed to data that almost 5000 people had gone through Amazon's mechatronics apprenticeship program since 2019. "It can be a very successful path," he said.

There are concerns automation could affect people of colour particularly hard because Amazon's warehouse workers are about three times as likely as a typical American worker to be black.

That dynamic could play out at the warehouse in Stone Mountain.

This summer, a 28-year-old black man who lived near the facility posted on Reddit looking for help landing a job at Amazon. The man, who in an interview declined to be named to protect his privacy, wrote that he had passed the initial screening for a job earlier this year, but that there were no time slots available for the final appointment to check his identification and do a drug test. And he hadn't seen a single job listing there for five months.

He said he checks Amazon's hiring website constantly, even using a computer tool that refreshes the site every 10 seconds.

The job hunter did not know that even though Amazon is not planning layoffs at the Stone Mountain facility, it plans over time to shrink its 4000-employee workforce through attrition.

Although it is only five years old, the Stone Mountain warehouse is already outdated. Work is under way to transform it into a robotic facility that, eventually, could need 1000 fewer workers.

This article originally appeared in The New York Times

<https://www.nytimes.com/2025/10/21/technology/inside-amazons-plans-to-replace-workers-with-robots.html>].



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