

# Amazon axes charity program amid wider cost-cutting moves

January 19 2023, by Haleluya Hadero

---



In this Feb. 14, 2019 file photo, people stand in the lobby for Amazon offices in New York. Amazon is ending a charity donation program it ran for a decade in its latest cost-cutting move. In a blog post on Wednesday, Jan. 18, 2023, the company said the program, called AmazonSmile, will shut down by February 20. Credit: AP Photo/Mark Lennihan, File

Amazon is ending a charity donation program it ran for a decade in its latest cost-cutting move.

In a blog post on Wednesday, the company said the program, called AmazonSmile, will shut down by February 20 because it had "not grown to create the impact" the retailer had hoped.

The program allowed Amazon to donate a small percentage of eligible purchases to a charity selected by shoppers.

"With so many eligible organizations—more than 1 million globally—our ability to have an impact was often spread too thin," the company said.

The decision also comes as the Seattle-based company is laying off workers and axing different areas of its business in an effort to trim costs. Other tech companies, such as Facebook parent Meta and Salesforce, are also letting workers go after ramping up hiring over the past couple of years, when the pandemic made consumers increasingly reliant on the tech sector.

Amazon CEO Andy Jassy said earlier this month the layoffs at his company will impact about 18,000 employees. Jassy said the job cuts will mostly affect the company's retail division and its PXT organizations, which handle human resources and other functions. Other teams, including the company's Alexa division, have also faced layoffs since November.

The company said charities that have been a part of the AmazonSmile program will be provided a "one-time donation equivalent" to three months of what they earned last year through the program. They'll also be able to accrue additional donations until the program officially closes, it said.

Amazon noted in the blog post it will also continue supporting other charitable programs, such as its housing equity fund that aims to build more affordable homes.

© 2023 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: Amazon axes charity program amid wider cost-cutting moves (2023, January 19)  
retrieved 20 April 2024 from  
<https://techxplore.com/news/2023-01-amazon-axes-charity-wider-cost-cutting.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.