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The Washington Post floats laying off staff as ad revenues shrink

Article

The news: The ad industry's downturn is continuing to ripple through related industries, affecting even giants like **The Washington Post**. The storied paper's CEO, **Fred Ryan,** has floated implementing hiring freezes or laying off as many as 100 employees as subscriber growth and ad revenues begin to drag, per The New York Times.

By the numbers: The Washington Post had a boost in subscriptions and revenues after its acquisition by **Jeff Bezos** in 2013, and again during the Trump administration. But now, it's having trouble getting users to stay on.

- The Times reports that while the Post had about 3 million subscribers at the end of 2020, that number has since decreased.
- Internal documents also revealed that ad revenues fell 15% year over year to approximately **$70 million** (compared with a 2.4% drop for the Times).
- The Post pushed back on the Times' reporting, saying it planned to add up to 150 positions and was working to reach 5 million subscribers by 2025.

Publishing feels the ad downturn: The already embattled publishing industry has been hit hard by the ad downturn, and the Post news is the latest in a long string of layoffs and closures.

- Earlier this summer, **Recurrent Ventures** shut down **Mel Magazine** and laid off its staff of around 15 employees just one year after acquiring it. That was followed by the layoff of about 39 employees at **Vox**, where CEO Jim Bankoff cited the ad downturn and hinted at another possible round of job cuts later this year.
- Over the last month, **Gannett** laid off **400 employees** across dozens of publications and closed an additional **400 open positions** in one of the largest media layoffs of the year, per Poynter.
- Layoffs and ad revenue wells drying up also color some recent publishing M&A. **Axios** was recently purchased by investor **Cox Enterprises** for **$525 million**—perhaps its previous owners sensed turbulent times and decided to cash out.

The future of ad-dependent work: Publishing joins several industries feeling the burn of the ad downturn, from tech giants like **Meta** to ad agencies themselves.

- In our Analyst Take on the future of work across industries, we noted that layoffs have hit advertising at every stage of the funnel, from indie agencies like **The Many** to social media marketing firms like **Hootsuite**, which laid off 400 employees in July.
- But still, ad industry jobs are growing and industry employment is higher than it was just before the pandemic. Advertising itself is stabilizing and readjusting its focus after a year of record spending, but the same isn't true for publishing.

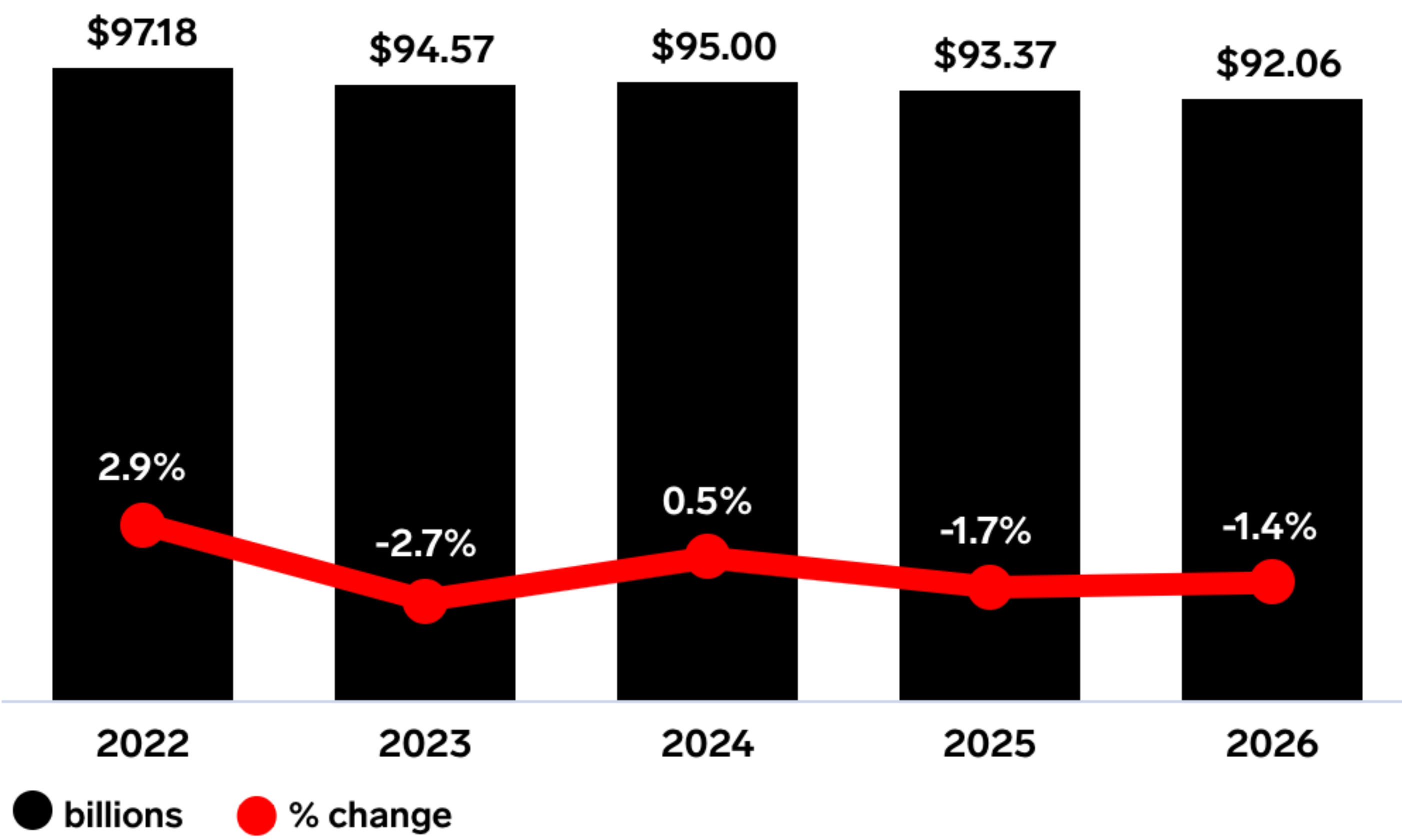
- Media jobs have been shrinking for years before the current downturn, and even alternative business models that were hailed as the new era of digital publishing like **Substack** are starting to reel in spending.

The big takeaway: Publishing is facing a bleak future. Ad revenues are dwindling in part because of the current spending downturn but also because of drastic changes to the ad tracking landscape that make banner and programmatic ads less valuable.

- Subscriptions aren't a one-size-fits-all solution, either. Consumers are starting to cancel subscriptions to save money, and only those that provide a broad range of content or services will survive.

Traditional Media Ad Spending

US, 2022-2026



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