

Meta's 'year of efficiency' could result in thousands of layoffs

Article

The news: Meta is planning its second round of job cuts in four months, which could result in thousands more laid off this week, per [Bloomberg](#).

Tech layoffs continue to pile on: [Meta, which axed 11,000 workers](#) in 2022, was one of the first Big Tech companies to resort to layoffs as a release valve for the economic downturn

that was exacerbated by evaporating ad budgets.

- CEO **Mark Zuckerberg** is embracing his role as [Meta's chopper-in-chief](#) and has designated 2023 as the company's "year of efficiency," foreshadowing continued cutbacks.
- Meta is also [trimming middle management](#) roles and has been asking directors and VPs to make lists of employees that can be let go.

What's next: While still unconfirmed by the company, news of a new wave of layoffs resulted in Meta's stock rising Tuesday.

- Meta could justify the next round of layoffs by pointing at its [operating costs, which have jumped 22% YoY to \\$25.8 billion](#) even as sales dropped 4% to **\$32 billion** during Q4 2023.
- **Meta's stock plunged 71%** in 2022 after [the company spent \\$15 billion](#) on building Zuckerberg's vision for a VR metaverse.

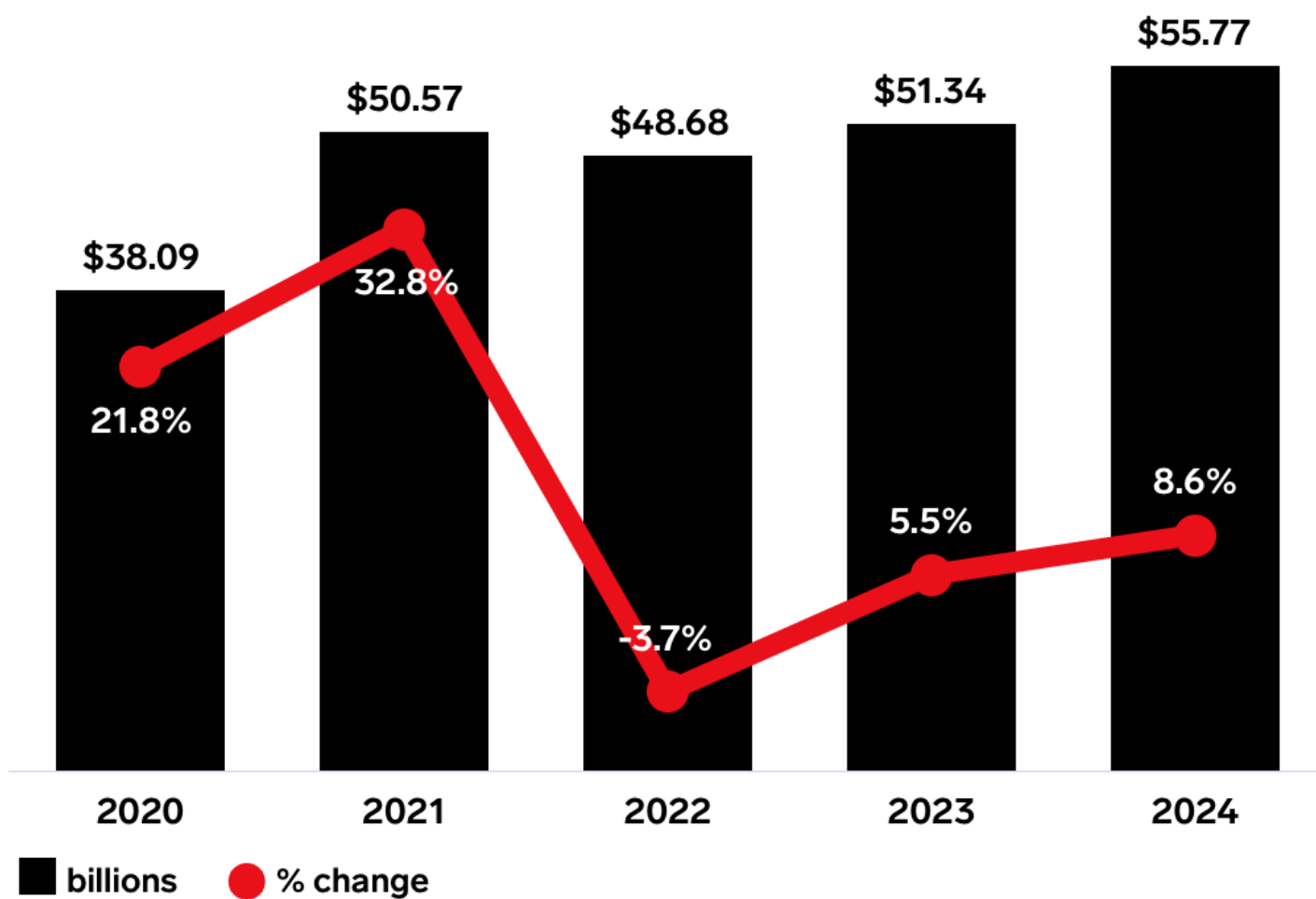
Our take: Multiple waves of layoffs are expected to hit Meta this year. **Facebook, Instagram, WhatsApp, Facebook, and Reality Labs** are just some of the businesses under Meta that may be affected, and rebalancing staff in each business unit will take time.

- The latest Meta layoffs, which will likely be finalized before Zuckerberg takes his paternity leave, could set off another flurry of layoffs in other companies.
- Tech companies have already laid off more than 125,000 employees so far this year, per [Layoffs.fyi](#). In all of 2022, over 160,000 tech workers were laid off.

Atlassian, SiriusXM, MasterClass, and Airbnb are just a few of the [latest companies to undergo layoffs](#).

Meta Ad Revenues

US, 2020-2024



Note: paid advertising only; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices includes Facebook and Instagram ad revenues; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; excludes spending by marketers that goes toward developing or maintaining a Facebook and/or Instagram presence; excludes revenues reported under Meta's Reality Labs segment

Source: eMarketer, October 2022

eMarketer | [InsiderIntelligence.com](https://www.insiderintelligence.com)

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