

Meta faces Facebook's real-world problems

Article

The news: A leaked memo shows a hiring freeze at **Meta** for the rest of 2022 that will affect “almost every team.” This, and the company’s plan to cut investments, could delay the rollout of its ambitious metaverse plans.

More on this: Insider previously [reported](#) that Meta had paused hiring certain levels of engineers, but the current hiring freeze will “affect hiring goals for [almost every team](#) across the company,” **CFO David Wehner** said in the memo.

- The company cites **the invasion of Ukraine**, [data-privacy clampdowns](#) on iOS devices, and an **"industry-wide downturn"** as reasons for the hiring freeze, [per](#) Protocol.
- Ad sales growth at Facebook [plummeted in Q1](#) to the lowest level since the company went public a decade ago.
- Meta's stock price has [declined by 40%](#) since the start of 2022, and employees say that **Facebook's** business is plateauing and that it could be [the next Yahoo](#).
- The leaked memo contradicts an earlier announcement from **Meta CEO Mark Zuckerberg** that said the company is hiring 10,000 people in Europe to help [build](#) the metaverse.
- Meta is also [cutting back on investments](#), specifically for its nascent metaverse VR ecosystem. In context, Meta [invested \\$10 billion](#) in the metaverse last year.

The problem: After its monumental rebranding and metaverse pivot, the company formerly known as Facebook was bullish on all things VR. Its enthusiasm was contagious—it seems the entire tech industry had to [reveal their metaverse pivots](#) as well.

Why this could backfire: Meta on a hiring freeze months after [refocusing its brand and company](#) could be seen as a warning signal that now may not be the right time to shift to the metaverse.

- A hiring freeze at any company is a warning to employees and investors that possible restructuring or [job cuts](#) are on the horizon. This could dissuade tech workers wanting jobs at Meta when interest in metaverse careers are at an [all-time high](#).
- After drumming up interest in all things VR, Meta has a limited runway on which to cash in on its momentum or its efforts could be dismissed as vaporware.
- Competing metaverses in [gaming](#), social networking, [work, and productivity](#), can seize the narrative—and the talent—while Meta seemingly flounders.

The big takeaway: Meta is struggling to sustain its legacy ecosystem in Facebook, which, if it continues to lose money, would delay necessary hiring and funding of its future metaverse expansion.

Interest in Using the Metaverse Among US Adults, by Demographic, March 2022

% of respondents in each group

	Very interested	Somewhat interested	Not that interested	Not at all interested
Gender				
Female	7%	21%	21%	50%
Male	18%	28%	19%	35%
Age				
18-34	23%	33%	17%	27%
35-44	20%	28%	20%	32%
45-64	6%	22%	23%	49%
65+	2%	12%	20%	66%
Race/ethnicity				
Black	17%	35%	19%	29%
Hispanic	20%	32%	21%	27%
White	12%	22%	20%	46%
Other	11%	28%	24%	37%
Income level				
<\$50K	10%	25%	20%	45%
\$50K-\$100K	12%	24%	21%	44%
\$100K+	20%	23%	20%	37%
Total	12%	24%	20%	43%

Note: respondents were given a brief description of the metaverse; numbers may not add up to 100% due to rounding
Source: Morning Consult, "National Tracking Poll #2203015," April 11, 2022

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