

The ad industry lost 2,400 jobs in May, and more could be on the way

Article

The news: Advertising and public relations **lost 2,400 jobs** in May despite an overall increase in US employment, per the US Bureau of Labor Statistics, a sign that the industry is beginning to wade through a period of uncertainty that will define the rest of 2022.

By the numbers: Ad agency employment is still at a high, but last month's downturn comes as the industry faces an uncertain economic outlook and adtech issues.

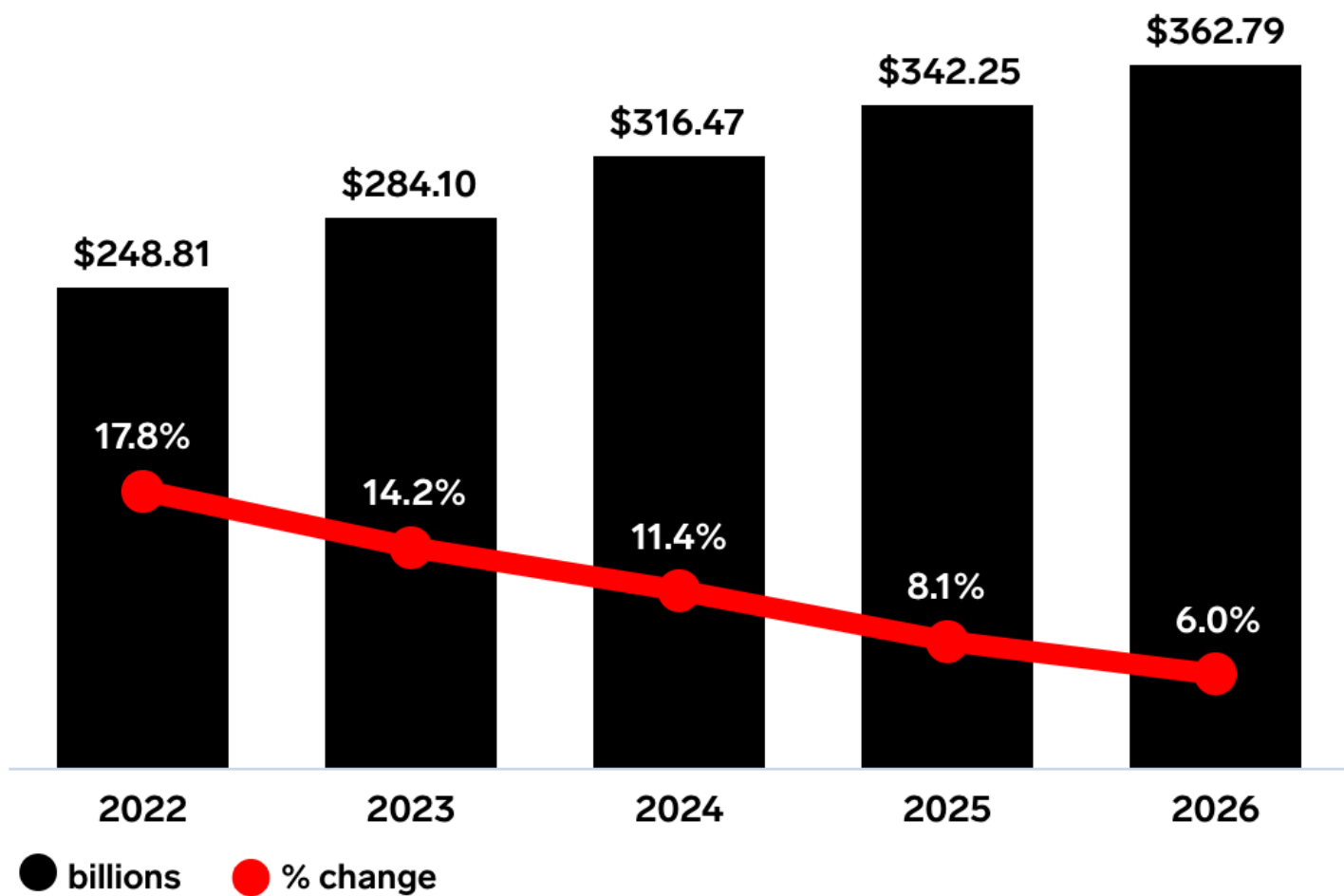
- The May employment loss was the first monthly decrease in advertising jobs this year. Overall, the US economy added 390,000 jobs last month.
- Moreover, it was the first employment decrease since November 2020, a sign that the advertising boom brought on by the pandemic is slowing down.
- Layoffs have plagued several adjacent industries like [tech](#) and [social media](#). The [tight labor market](#) and rising interest rates means hiring is currently a slow and difficult process for many companies.

What's behind the reversal? By some metrics, digital advertising seems to be doing better than ever. Digital ad spending will reach [record highs](#) this year, consumers are [still spending](#), and industries that suffered during the pandemic are seeing a [return to advertising](#).

- But despite this, ad industry employment has been slowing down for a short while. April may have added 300 advertising jobs, but that was down significantly from 1,300 in March.
- Recent events have raised concerns about the efficacy of digital advertising. **Snap** recently [shook the tech and ad industries](#) with news that it would not meet its own revenue expectations.
- Surrounding Snap's update were a series of layoffs and [hiring freezes](#) at companies with a [heavy influence on digital advertising](#) like **Meta**, **Twitter**, and more.
- Still, that refocusing doesn't instill much confidence since many advertising platforms are dealing with [the fallout](#) from **Apple's** ad tracking and privacy changes.

Digital Ad Spending

US, 2022-2026



Source: eMarketer, March 2022

eMarketer | InsiderIntelligence.com

Indie agency feels the squeeze: Recent layoffs at independent advertising agency **The Many** are a preview of how advertising's troubles will take form.

- The small shop, which reportedly lost **Google** as a client, recently let go of around half its staff after two rounds of layoffs, Adweek [reports](#).
- Agency co-founder Christian Jacobsen's statement about the layoffs was telling: "[The Many] built believing the economic growth of 2021 would continue through 2022," he told Adweek. "We don't believe this will be the case."

- That's the story not just for agencies, but for tech and social media companies that hired aggressively during the pandemic and now find themselves in an economic squeeze.

The big takeaway: The immediate future of the digital ad industry is unclear, and if a recession really is coming for the US economy, advertising is often one of the first industries to get cut.