Another 10,000 layoffs at social media giant Meta

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Meta, the $500 billion parent company of Facebook, announced on Tuesday that it will lay off 10,000 employees, or 13 percent of its workforce.

In a memo to the Meta staff posted on his Facebook profile, CEO Mark Zuckerberg said the layoffs were part of a restructuring plan, and that "we expect to reduce our team size by around 10,000 people and to close around 5,000 additional open roles that we haven't yet hired."

Zuckerberg wrote that, with less hiring, the layoffs would immediately impact and "further reduce the size of our recruiting team" and will hit the company's tech groups in late April and business groups in late May. The job cuts and firing freeze will also impact the Meta international teams.

The new announcement follows 13,000 job cuts in November and brings the layoffs at the largest social media company in the world to 23,000 out of 87,000 workers, or 26 percent, within five months. In addition to Facebook, which has 2.9 billion worldwide active users, Meta also owns the popular platforms Instagram and WhatsApp, each with 2 billion worldwide active users.

The Meta layoffs also increased the total number of tech workers laid off in the US in 2023 to 138,302 by 485 companies, as tracked by the website Layoffs.fyi. The other large layoffs in tech this year have included 12,000 at Google, 10,000 at Microsoft, 8,000 at Amazon, 8,000 at Salesforce and 6,650 cuts at Dell.

Meanwhile, media reports on Tuesday said that Apple—the most valuable company on Wall Street with a market capitalization of $2.4 trillion—would be delaying bonuses for some of its divisions and is planning to freeze hiring in an effort to cut costs. *Bloomberg* reported that people, who asked not to be identified, said the frequency of bonuses would be reduced and "limiting hiring for more jobs and leaving additional positions open when employees depart."

While half of the 300,000 tech layoffs since the beginning of 2022 are among a few dozen of the largest corporations, the other half of the eliminated jobs have been lost by over 1,000 smaller companies. These firms have been hard hit by the economic slowdown and rapid rise in interest rates, both spearheaded by the Federal Reserve Bank.

Layoffs have also been carried out in the entertainment, retail, banking and auto industries with job cuts announced recently at Disney, Waymo, Citigroup, General Motors and Rivian.

The job cuts at Meta are being demanded by powerful financial interests among Wall Street investors, who watched their share values fall from a peak of $378 in September 2021 to a low of $90.79 in early November 2022 or a decline of 76 percent. Since the first round of layoff announcements late last year, the Meta stock value has more than doubled and stands at $194.02 as of this writing.

In his memo CEO Zuckerberg is presenting the layoffs at Meta as part of a strategic vision called "Year of Efficiency," involving the "flattening of our orgs" and "building a better technology company." He also wrote, "A leaner organization will execute its highest priorities faster."

However, the motivating hand of Wall Street still found its way into his buzzword-laden justifications for the massive attack on the Meta workforce. He wrote, "Since we reduced our workforce last year, one surprising result is that many things have gone faster. In retrospect, I underestimated the indirect costs of lower priority projects."

In other words, investors are putting Zuckerberg on notice that his cost cutting is not going fast enough. As reported by The Byte, "investors are growing more and more upset at CEO and founder Mark Zuckerberg. … Disgruntled investors have had—and will continue to have—only one choice while he's still in power: sell, sell, sell."

The timing of the new round of Meta layoffs points to a connection between the ongoing destruction of tech jobs, the Federal Reserve Bank's rapid interest rate increases and the failure of the tech industry-focused Silicon Valley Bank (SVB) over the weekend.

Even though hundreds of thousands of jobs have been shed in the tech sector because of the Fed rate increases that began in March 2022, the value of Wall Street tech stocks fell by nearly $4 trillion last year, and the investors are demand further massive cost cutting.

Meanwhile, the Fed rate increases led to the insolvency of SVB because the bank's management and top tech customer depositors sought to make risky investments in government bonds that fell dramatically in value over the past year.

The collapse and bailout of SVB has further destabilized the tech industry globally. For example, Wired reported on Monday that the insolvency of SVB "has reverberated across India's tech sector." The Santa Clara, California-based bank had "a large number of Indian companies with US venture capital funding, and much of India's $13 billion software-as-a-service industry, which services American clients."

According to Anand Krishna, founder of fintech startup Inkle, "This was a global catastrophe. A serious number of jobs were at risk everywhere from small towns in India that you've never heard of to San Francisco. A lot of startups in India are still remote, and those jobs were at serious risk because people were running out."