

Snap plans to lay off 20 percent of employees

Snap is planning to lay off approximately 20 percent of its more than 6,400 employees, according to people familiar with the matter.

The layoffs, which Snap has been planning for the past several weeks, will begin on Wednesday and hit some departments harder than others, the people said. For example, the team working on ways for developers to build mini apps and games inside Snapchat will be severely impacted. Zenly, the social mapping app Snap bought in 2017 and has since run separately, will also see deep cuts.

Another team that will see layoffs is Snap's hardware division, which is responsible for its AR Spectacles glasses and the Pixy camera drone that was recently canceled after being on sale for just a few months. The company's ad sales organization is also being restructured with Jeremi Gorman, Snap's chief business officer, departing to run ads for Netflix.

Russ Caditz-Peck, a Snap spokesperson, declined to comment on the layoffs.

Though the scale of the layoffs is significant, it shouldn't necessarily come as a surprise: Snap's stock price has lost nearly 80 percent of its value since the beginning of this year, and the company said in May that it would slow hiring and look for ways to cut costs. It then delivered dismal earnings for the second quarter and said it wouldn't forecast results for the third quarter.

Snap hired aggressively during the pandemic

Like its other tech peers, Snap hired aggressively during the pandemic. It entered March of 2020 with roughly 3,427 full-time employees and ended last quarter with 6,446, a 38 percent increase from the same time last year. And in May of 2021, the company made its largest acquisition ever by buying WaveOptics, the supplier of the AR displays used in its latest Spectacles, for more than \$500 million.

The problem is that Snap's business hasn't fared well coming out of the pandemic, thanks to recession fears and the trouble it had navigating Apple's crackdown on ad tracking across iOS apps. Snap's user base has continued to grow strongly – it has 347 million daily users, which is more than Twitter – but it has managed to turn a profit only once since it went public in 2017.

Update August 30th, 5:30PM ET: *Added that Snap's Chief Business Officer is leaving for Netflix.*

<https://www.theverge.com/2022/8/30/23329301/snap-layoffs-20-percent-employees-snapchat>