The Companies Cutting Staff, Freezing Hiring or Slashing Costs: See the List; Even amid a tight labor market and low unemployment, some public companies and startups are turning cautious amid falling markets and economic concerns

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FULL TEXT

Companies which saw substantial growth during the Covid-19 pandemic are starting to take a more cautious approach toward hiring and spending.

From Peloton Interactive Inc. and Meta Platforms Inc. to Twitter Inc., Uber Technologies Inc. and others, corporate belt tightening comes as the Federal Reserve is raising interest rates, global stock markets have fallen and concerns of an economic slowdown are mounting.

Still, last week's jobs report showed the labor market continued growing rapidly . And many businesses have struggled to fill jobs throughout the pandemic.

Here's a look at the companies that are laying people off, changing their hiring practices or cutting spending.

Twitter

Twitter is imposing a hiring freeze and might renege on some job offers , Chief Executive Parag Agrawal said in an internal memo. The social-media company isn't planning companywide layoffs, he said. "Please continue to treat Twitter's resources as you would your own, and manage tightly to your budgets, prioritizing what matters most," Mr. Agrawal said in the memo. The hiring freeze comes shortly after Twitter agreed to sell itself to Elon Musk for $44 billion.

Carvana

Carvana Co. is cutting around 2,500 staffers, or 12% of its workforce after finalizing an expansion deal. The online car dealer grew substantially during the pandemic and paid for it through low-cost borrowing. "It has always been the right move to start building for growth well ahead of when we expect it to show up," Carvana CEO Ernie Garcia III wrote in an email to employees. "This strategy worked for us every year until this one." A spokeswoman told The Wall Street Journal that the adjusted head count will offer a better balance between sales volumes and staffing levels for the company.

Peloton

Peloton recently logged its worst quarterly loss as a public company and raised $750 million in loans to help bolster its balance sheet. In February, the at-home fitness company said it would cut 2,800 corporate jobs as it suffers from weaker-than-expected demand for its equipment. Instructors were excluded from the layoffs.

Netflix

Netflix Inc. laid off about 25 people in its marketing department in April. Those cuts included some employees for the streaming giant's website called Tudum, which produces content related to Netflix's different shows and movies. A Netflix spokeswoman said the site "is an important priority for the company."

Robinhood

Robinhood Markets Inc. said late last month it was laying off 9% of its full-time staffers . The trading platform, which saw rapid growth during the Covid-19 pandemic as individuals flocked to trading, said it is cutting back on duplicate roles it added during that period of growth. Robinhood's head count more than quintupled during the pandemic to 3,800 people, according to Chief Executive Vlad Tenev. "This rapid head count growth has led to some duplicate roles and job functions, and more layers and complexity than are optimal," Mr. Tenev said.

Enlarge this image.

Robinhood Markets began trading on Nasdaq last summer. PHOTO: Amir Hamja for The Wall Street Journal

Meta Platforms

Facebook parent Meta Platforms announced earlier this month a slowdown in hiring . "We regularly re-evaluate our talent pipeline according to our business needs and in light of the expense guidance given for this earnings period, we are slowing its growth accordingly," a Meta spokesperson said in a statement. "However, we will continue to grow our workforce to ensure we focus on long term impact."

Uber

Ride-hailing company Uber plans to scale back on its hiring and cut marketing costs . "We will treat hiring as a privilege and be deliberate about when and where we add head count," Chief Executive Dara Khosrowshahi told staff in an email earlier this month. "We will be even more hard-core about costs across the board.".

Better.com

Online mortgage lender Better.com has had three rounds of layoffs since December , including one where it fired 900 employees over a Zoom call . It also recently offered staffers voluntary buyouts . While mortgage lenders benefited from substantial refinancing and home buying earlier in the Covid-19 pandemic, they now face an environment where fewer people are expected to refinance and mortgage rates are climbing, which could curb home purchases. "This is not the measure we wanted to take," Richard Benson-Armer, Better.com's chief people, performance and culture officer, told employees in a memo last month. "But, this is both prudent and necessary for the health of our business."

Scotts Miracle-Gro

Scotts Miracle-Gro Co. Chief Executive James Hagedorn said earlier this month that the company is targeting cutting its overhead structure by around 10% before the start of the next fiscal year. He said the company aims to cut staff in its Hawthorne business and that it will "run skinnier and be more mindful of redundant roles" in its U.S. consumer businesses and corporate call centers.

Wells Fargo

Wells Fargo &Co. has laid off people in its home lending department, a spokeswoman said, without disclosing the specific number of people affected. "The home lending displacements are the result of cyclical changes in the broader home lending environment," she said.

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