

# [***Forbes Daily: Rough Ride For Peloton Amid Layoffs And CEO Departure***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BY8-GGV1-DXVP-52JR-00000-00&context=1516831)

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**Highlight:** Friday's edition of Forbes Daily features an exclusive interview with Chime CEO Chris Britt, Apple narrowly beating earnings expectations and a look at the U.S. economy.

**Body**

**This is a published version of the Forbes Daily newsletter, you can sign-up to get Forbes Daily in your inbox here.**

Good morning,

Pink slips came for nearly 65,000 workers in the U.S. last month, continuing 2024 s rough trend of technology sector layoffs,according to a new report. Tesla s biggest layoff ever was responsible for 14,000 of those lost jobs.

But April s job cuts were down quite a bit from roughly 90,000 announced in March, and**800 of last month s layoffs were attributed to AI** the most since May 2023 but still a small portion compared to the overall picture. It signals that for all of the hype around AI, true productivity gains and impact to workers may still be at least a few years off.

Thankfully, our nation s mindstasked with deploying nuclear weaponsfeel similarly. In a briefing this week, a senior U.S. official urged China and Russia to ensure that humans, not AI, remain in control of the powerful weapons.

**FIRST UP**

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CODY PICKENS FOR FORBES

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Chime is the nation s largest digital-only bank, but it s taken the company 12 up-and-down years to get to that point and**it s still not consistently profitable**. But through it all, cofounder and CEO Chris Britt hasstayed true to his mission of serving the less affluent. Now, with an IPO possible as early as next year, Britt, his executive team and some of his investors have opened up to**Forbes**with new details about the business, its history (including missteps) and its future plans.

Apple managed to surpass Wall Street expectations in its quarterly earnings, as the flagging Chinese demand which drove the iPhone maker s stock down for much of the last six months**proved to be less severe than predicted**. Apple s stock surged 5% following the release, building on its 3% gain during regular hours andtrading at what would be its highest levelsince February.

**BUSINESS + FINANCE**

Sony Pictures CEO Tony Vinciquerra and Aaron Sobel, a partner at private equity firm Apollo Global Management,submitted an offer letterdetailing**an all-cash, $26 billion bid for Paramount Global**on Wednesday, according to**The Wall Street Journal**. Shares of Paramount Global were up slightly more than 13% to $13.86 at the end of trading Thursday.

Pandemic darling**Peloton announced it would lay off about 15% of its staff**, and that CEO Barry McCarthy will step down, as the exercise bike companyaims to cut spending amid growing concerns about cash flow. McCarthy joined the company in 2022 following a burst of revenue during Covid-19 gym closures, but Peloton has seen its share price decrease more than 91% during his tenure.

**TECH + INNOVATION**

Xiaomi smartphoneshave a host of security flaws that could allow hackers to steal passwords and compromise social media accounts, according to cybersecurity researchers. Sergey Toshin, the founder of Oversecured, the mobile security startup that found the weaknesses, told**Forbes**that the**most dangerous flaws could be abused to grant an attacker system privileges.** After Oversecured disclosed the vulnerabilities to Xiaomi, the Chinese company patched them within a week. Users of the phones should update them as soon as possible.

Tesla isrescinding internship offersweeks before its latest class of interns were set to start at the company, according to Bloomberg, continuing the**electric vehicle maker s recent wave of cost-cutting measures**. More than 3,000 students are hired for internships and apprenticeships each year at Tesla, though it s unclear how many of those have been rescinded. The news of the cuts came just one day after the company reportedly fired its team responsible for creating vehicle chargers, impacting about 500 people.

**MONEY + *POLITICS***

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President Joe Biden speaks about the protests over Israel's war against Hamas in Gaza that have roiled US college campuses, in the Roosevelt Room of the White House, on May 2, 2024.

DREW ANGERER/AFP via Getty Images

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While defending the right to protest peacefully, President Joe Bidencondemned violent acts of protestwhile speaking for the first time about**pro-Palestinian demonstrations on college campuses**onThursday. When asked by reporters, Biden said he does not support calling on the National Guard to intervene, as some Republicans have demanded, and that he has no plans to change his policies surrounding the Israel-Hamas war.

**SPORTS + ENTERTAINMENT**

Universal Music Group and TikTok have a new licensing deal that will**allow music from Taylor Swift, Billie Eilish and other top artists on the platform**again after a three-month standoff over TikTok s handling of artist payments and AI-generated content. Thedeal includes better pay for the label s songwriters and artists, according to UMG, and TikTok has also committed to taking down unauthorized AI-generated music and improving artist and songwriter attribution, as part of the deal.

Three billionaire owners (and one former minority owner) of the NBA s Philadelphia 76ers this weekpurchased and distributed more than 2,000 tickets to fans, particularly**first responders, health care professionals and other local organizations**. Michael Rubin, who had an ownership stake in the team until 2022, said the group was spurred to make the purchase after Knicks fans filled the Wells Fargo Center in Philadelphia on Sunday. The Knicks won Thursday night s game to move on to the second round of the playoffs.

**SCIENCE + HEALTHCARE**

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Protein Evolution cofounder Connor Lynn: "We're excited about textile waste because the mechanical recycling technologies are unfit to process it."

SHIRLEY YU/PROTEIN EVOLUTION

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Landfills are overflowing with plastic trash, and startup Protein Evolution found a solution:**Using AI to create enzymes that can eat old plastics**and plastic-based textiles, before recycling them into a material that acts new. Armed with $25 million in venture funding andplans to raise at least that much morethis year, the three-year-old startup is gearing up to build a pilot plant in 2025 that could produce 300 tons of recycled plastic annually.

**TRAVEL + LIFESTYLE**

The U.S. Senate appears to be moving ahead with the Federal Aviation Administration Reauthorization Act, which willgovern the FAA and provide $105 billion in fundingover the next five years. In addition to targeting safety concerns amid a rise in near-collisions of commercial aircraft, the bill would codify a regulation**requiring airlines to refund customers for extended delays**. Congress has until May 10 to approve the legislation or extend the deadline.

**TRENDS + EXPLAINERS**

In January, former IRS contractor Charles Littlejohn was sentenced to five years in prison for**illegally accessing and distributing the private tax information of wealthy taxpayers**including former President Donald Trump and fellow billionaires Elon Musk, Jeff Bezos, Warren Buffett and Michael Bloomberg. But he also disclosedtax return information for thousands of others, and the IRS is now notifying those taxpayers.

**DAILY COVER STORY**

**Why The American Economy Is Suddenly Exceptional**

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INDIE STUDIOS LLC/GETTY IMAGES

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**TOPLINE**Hop in a time machine back to late 2022, and you ll probably hear a lot of economists talk about a coming recession that ultimately never arrived. Then it shifted to the U.S. recession coming in 2024, but so far, the**irrepressible American economy has refused to play along**.

At the start of the year, investors around the world were looking for**as many as six quarter-point interest rate cuts**from the Federal Reserve to protect economic growth and fight inflation. But inflation has stayed stubbornly above the central bank s 2% target and the economy keeps growing despite an overnight interest rate target range of 5.25-5.5%, the most among the Group of Seven industrial countries.

By early February those six rate cuts had become three, and on Wednesday, Fed Chair Jerome Powell gave the world the idea that**there might not be any**.

In the normal course of events, you could expect a tight monetary policy to curb economic growth and put a lid on stock gains. But Wall Street keeps rising, the dollar remains strong and investors keep financing Washington s budget deficits. At the heart of this apparent conundrum is the idea that there is something special about the U.S. and its economy.

In a 2010 television interview, just off the depths of the Great Financial Crisis, economic advisor Mohamed El-Erian began referring to the U.S. as the **cleanest dirty shirt among major economies**. People still use the phrase to compare the U.S. to its industrialized peers, but lately, it has been rebranded as American exceptionalism. It s a concept that has been kicking around since before the Revolution, that the U.S. is unique based on its size, history, culture and geography. More recently, it is being used to explain world-leading results for U.S. stocks and the resilience of the American economy in the years since the financial crisis.

**WHY IT MATTERS** The resilient American economy lends strength to the dollar, which in turn allows the U.S. to borrow in its own currency even as it has been racking up debt. While this may be one reason why the perceived inflation hedges gold and bitcoin have touched record highs this year, it has not dented the dollar against other currencies.

In practical terms this means that**investors will finance American budget deficits for the foreseeable future**, with little to fear from depreciation in the foreign-exchange market. There is economic growth being achieved through this spending, says Kit Juckes, chief foreign-exchange strategist at Societe Generale. The U.S. has succeeded in getting genuine growth during this period, whereas the rest of us haven t.

**FACTS + COMMENTS**

Heavy-drinking**adults under 30 are consuming less alcohol**compared to before the Covid-19 pandemic,a new study suggests. The trend has led some alcohol brands to shift toward no- and low-alcohol options:

**12.8:**How many fewer drinks per month participants in the study consumed compared with before the pandemic, a shift that was mainly contributed to less drinking on weekends

**62%:**The share of adults under 35 who say they drink, according to a 2023 Gallup poll, down from 72% two decades ago

**$11 billion:**The market value of the no- and low-alcohol industry in 2022, and it s expected to grow 25% by 2026

**STRATEGY + SUCCESS**

Passive income is an alluring prospect, but if you or someone you know is living paycheck to paycheck,there is an annoyingly simple wayto achieve it:**Focus on decreasing the amount of money you are giving to someone else**. Your debt, whether it s in credit cards or a car payment, is someone else s passive income, and aggressive debt-reduction strategies will result in more money in your wallet over the long-term. Then, commit to canceling monthly subscriptions to free up your cash flow.

**QUIZ**

An original watercolor work that was later used as the cover for the first book in a popular series is expected to become the most expensive item from the franchise ever sold when it hits the auction block at Sotheby's later this year. **Which book**is it?

A. The Hobbit

B. The Lion, The Witch and the Wardrobe

C. Harry Potter and the Philosopher s Stone

D. The Hunger Games

Check your answer.

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