

# ACCOUNTING in the headlines

## What happens to the breakeven point when Sports Illustrated lays off all six staff photographers and uses freelancers instead?

*Sports Illustrated* announced in late January 2015 that it would be laying off all six of its staff photographers. Instead, it will be using freelance photographers around the world. *Sports Illustrated* is one of 90 magazines owned by Time Inc. ([TIME](#)). Published 56 times a year, *Sports Illustrated* is read by over 23 million people each week.

### Questions

1. What type of cost would staff photographers be for *Sports Illustrated* (fixed, variable, or mixed)?
2. What type of cost would the freelance photographers be for *Sports Illustrated*?
3. What is likely to happen to the breakeven point for *Sports Illustrated* due to the switch to using freelance photographers?
4. What are some disadvantages to *Sports Illustrated*'s decision to outsource its photography?