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FOR RELEASE AT 7:30 A.M. ET, SEPTEMBER 1, 2016

JOB CUTS DECLINE 29% IN AUGUST TO 32,188

CHICAGO, September 1, 2016 – Downsizing slowed in August, as US-based employers announced plans to cut their payrolls by 32,188, a 29 percent decline from the 45,346 cuts in July, according to the report released Thursday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

The August figure was the lowest monthly total since May (30,157) and the second lowest of the year. It was 22 percent lower than August 2015, when 41,186 planned job cuts were announced.

To date, employers have announced 391,288 job cuts in 2016. That is 10 percent fewer than the 434,554 job cuts recorded between January and August 2015.

The computer sector saw the heaviest job cuts during the month with 6,103. The bulk of the cuts came from Cisco Systems, which announced plans to reduce its workforce by 5,500. That was lower than the initially reported 14,000 cuts that were expected from the tech giant, but still represents a sizable downsizing in an industry that has experienced a surge in job cuts over the last 18 months.

“Since January of last year, there has been a string of large scale job cuts from major players in the technology sector, including Hewlett-Packard, Intel, Dell, Microsoft and, now, Cisco. The surge in cuts does not necessarily signal weakness in the sector, but it certainly signals a shift. In most cases, we are seeing these firms move from making hardware to providing services,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

Computer firms have announced 55,567 job cuts this year. That is up 111 percent from last year, when cuts totaled 26,374 through the first seven months.

The computer sector ranks second in year-to-date job cuts behind the energy sector, which has announced 97,366 job cuts in 2016, including 2,430 in August. Unlike most months, August energy cuts were not dominated by oil-focused firms. Surprisingly, the majority of last month's cuts came from solar firms, including SolarCity and SunPower.

"Solar is a burgeoning segment of the energy sector that appears to be going through some growing pains. Competition is keeping prices low. Reports suggest that SolarCity is basically taking a loss on every installation. So, it is relying on volume, but the volume isn't quite where it needs to be. Meanwhile, utilities are paying less to solar companies in the power purchase agreements that are a staple of the business model," noted Challenger.

August also experienced heavy job cutting in the industrial goods sector and entertainment and leisure, where employers announced 3,073 and 3,037 job cuts, respectively.

Low oil prices have been a contributing factor in the industrial goods sector, where many of the firms provide materials and equipment to the energy sector. In August, oil prices were blamed in just one announcement from an industrial goods firm, but that one announcement accounted for about one-third (1,000) of the sector's cuts during the month.

The bulk of the entertainment and leisure job cuts announced last month resulted from the closure of the Trump Taj Mahal casino and resort in Atlantic City. The closure impacted 2,845 employees.

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**CHALLENGER, GRAY & CHRISTMAS, INC.
JOB-CUT ANNOUNCEMENT REPORT**

**TOP FIVE INDUSTRIES
Year To Date**

	2016	2015
Energy	97,366	71,628
Computer	55,567	26,374
Retail	44,643	57,363
Industrial Goods	25,840	36,872
Financial	17,707	20,045

MONTH BY MONTH TOTALS

	2016	2015
January	75,114	53,041
February	61,599	50,579
March	44,207	36,594
April	64,141	61,582
May	30,157	41,034
June	38,536	44,842
July	45,346	105,696
August	32,188	41,186
September		58,877
October		50,504
November		30,953
December		23,622
TOTAL	391,288	598,510

Some reductions are identified by employers as workers who will take early retirement offers or other special considerations to leave the company.

LAYOFF LOCATION

Year To Date

Texas	93,363
California	62,208
Arkansas	18,944
N. Carolina	18,393
Illinois	17,137

Listings are identified by the location of the layoff or corporate headquarters as stated in announcement.

**CHALLENGER, GRAY & CHRISTMAS, INC.
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JOB CUTS BY INDUSTRY

	15-Aug	16-Jul	16-Aug	Jan-Aug 2015	Jan-Aug 2016
Aerospace/Defense	526	732	285	8,141	9,333
Apparel			413	959	765
Automotive	1,528	480	1,296	8,777	10,157
Chemical		140	30	15,823	10,452
Commodities		454	560	503	2,112
Computer	832	9,875	6,103	26,374	55,567
Construction			160	589	1,199
Consumer Products	1,589	326	1,347	10,564	7,264
Education	2,367	216	1,872	16,657	9,719
Electronics	700	1,941	435	9,412	6,544
Energy	2,078	17,725	2,430	71,628	97,366
Entertainment/Leisure	531	28	3,037	9,606	14,433
Financial	461	1,524	381	20,045	17,707
Food	3,303	1,592	1,144	15,403	12,445
Government	492	796	942	67,917	6,598
Health Care/Products	3,101	449	1,992	19,128	13,174
Industrial Goods	7,949	2,425	3,073	36,872	25,840
Insurance	450	144	311	3,337	2,675
Legal				1,172	56
Media	135	220	224	3,100	3,593
Non-Profit	1,129	100	145	1,740	1,796
Pharmaceutical	298	366	389	6,632	7,001
Real Estate		600		407	722
Retail	9,601	1,523	1,025	57,363	44,643
Services	1,511	1,623	395	5,580	8,194
Telecommunications	1,100	940	1,706	3,727	9,050
Transportation	1,505	951	2,223	12,209	12,269
Utility		176	270	889	614
TOTAL	41,186	45,346	32,188	434,554	391,288

**CHALLENGER, GRAY & CHRISTMAS, INC.
JOB-CUT ANNOUNCEMENT REPORT**

JOB CUTS BY REGION, STATE

EAST	AUGUST	Y-T-D
New York	920	14,545
New Jersey	3,945	10,642
Pennsylvania	1,742	9,432
Connecticut	704	7,760
Massachusetts	1,077	4,275
Maine	35	1,522
Maryland		1,452
Dist. of Columbia		1,057
Vermont		578
Rhode Island	320	456
Delaware		183
New Hampshire		68
TOTAL	8,743	51,970

MIDWEST	AUGUST	Y-T-D
Illinois	1,847	17,137
Ohio	441	10,233
Minnesota	475	8,376
Iowa	324	7,792
Wisconsin	642	7,245
Michigan	159	6,718
Indiana	368	6,063
Missouri	6	5,650
Kansas	230	1,823
Nebraska		65
TOTAL	4,492	71,102

**CHALLENGER, GRAY & CHRISTMAS, INC.
JOB-CUT ANNOUNCEMENT REPORT**

JOB CUTS BY REGION, STATE

WEST	AUGUST	Y-T-D
Texas	1,951	93,363
California	10,786	62,208
Washington	140	8,327
Colorado	246	7,307
Oklahoma		4,717
Oregon	286	2,969
Idaho		1,689
New Mexico	300	1,390
Arizona		927
Utah	310	863
Montana	72	725
Nevada		721
Hawaii		700
Alaska		584
Wyoming	9	540
North Dakota		333
South Dakota		73
TOTAL	14,100	187,436

SOUTH	AUGUST	Y-T-D
Arkansas		18,944
N. Carolina	1,342	18,393
Florida	354	9,217
Virginia		7,712
Tennessee	500	6,337
Mississippi	20	5,286
Georgia	1,959	5,022
Kentucky	7	2,840
Alabama	400	2,232
Louisiana	94	2,176
West Virginia	177	1,371
S. Carolina		1,250
TOTAL	4,853	80,780

**CHALLENGER, GRAY & CHRISTMAS, INC.
JOB-CUT ANNOUNCEMENT REPORT**

JOB CUTS BY REASON

	AUGUST	YTD
Restructuring	14,235	135,622
Oil Prices	1945	88,709
Closing	7,911	67,244
Cost-Cutting	3,276	31,308
Merger/Acquisition	703	14,145
Bankruptcy	530	13,784
Demand Downturn	76	10,894
Loss of Contract	1653	6,354
Outsourcing	110	5,871
Relocation	1,570	3,563
Coal Downturn		2,824
Voluntary Severance	74	2,774
Steel Downturn		1,886
Aluminum Prices		1,152
Government Regulation		1,029
Competition		975
Budget Cuts		657
Copper Downturn		454
Labor Dispute		435
Listeria		311
Economic Conditions		245
Legal Trouble		230
No Reason Provided		209
Funding Loss	105	169
Financial Losses		125
Grain Downturn		121
Fire		100
Weather		88
Flint, MI Water Crisis		5
Technological Update		5
TOTAL	32,188	391,288

**CHALLENGER, GRAY & CHRISTMAS, INC.
JOB-CUT ANNOUNCEMENT REPORT**

QUARTER BY QUARTER

	Q1	Q2	Q3	Q4	TOTAL
1989	9,850	10,100	24,085	67,250	111,285
1990	107,052	87,686	49,104	72,205	316,047
1991	110,056	76,622	147,507	221,107	555,292
1992*	110,815	85,486	151,849	151,850	500,000
1993	170,615	84,263	194,486	165,822	615,186
1994	192,572	107,421	117,706	98,370	516,069
1995	97,716	114,583	89,718	137,865	439,882
1996	168,695	101,818	91,784	114,850	477,147
1997	134,257	51,309	95,930	152,854	434,350
1998	139,140	131,303	161,013	246,339	677,795
1999	210,521	173,027	173,181	118,403	675,132
2000	141,853	81,568	168,875	221,664	613,960
2001	406,806	370,556	594,326	585,188	1,956,876
2002	478,905	292,393	269,090	426,435	1,466,823
2003	355,795	274,737	241,548	364,346	1,236,426
2004	262,840	209,895	251,585	315,415	1,039,735
2005	287,134	251,140	245,378	288,402	1,072,054
2006	255,878	180,580	202,771	200,593	839,822
2007	195,986	197,513	194,095	180,670	768,264
2008	200,656	275,292	287,142	460,903	1,223,993
2009	562,510	318,165	240,233	151,122	1,272,030
2010	181,183	116,494	113,595	118,701	529,973
2011	130,749	115,057	233,258	127,018	606,082
2012	143,094	139,997	102,910	137,361	523,362
2013	145,041	113,891	128,452	121,667	509,051
2014	121,341	124,693	117,374	119,763	483,171
2015	140,214	147,458	205,759	105,079	598,510
2016	184,920	132,834			317,754
AVG	201,650	156,780	181,213	204,620	

*Estimate based on half-year total. Challenger began tracking job-cut data in 1993. Before that, it was tabulated by an independent newsletter no longer published.

**CHALLENGER, GRAY & CHRISTMAS, INC.
JOB-CUT ANNOUNCEMENT REPORT**

**ANNOUNCED HIRING PLANS
By Month**

	2016	2015	2014	2013	2012	2011
January	8,362	8,774	6,312	60,585	7,568	29,492
February	7,539	14,574	11,054	92,372	10,720	72,581
March	10,997	6,412	6,860	8,115	12,390	10,869
April	11,557	13,898	11,145	9,322	11,794	59,648
May	24,732	12,598	10,141	9,618	7,722	10,248
June	13,564	11,176	15,530	8,774	12,314	15,498
July	16,051	11,637	16,544	9,728	10,350	10,706
August	9,101	11,778	9,657	7,662	12,079	15,201
September		492,306	567,705	445,617	425,683	76,551
October		86,107	147,935	87,874	75,065	159,177
November		10,026	11,291	14,177	28,526	63,527
December		11,465	7,332	11,362	16,266	14,074
TOTAL	101,903	690,751	821,506	765,206	630,477	459,971

**CHALLENGER, GRAY & CHRISTMAS, INC.
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ANNOUNCED HIRING PLANS

INDUSTRY	AUGUST	YEAR-TO-DATE
Aerospace/Defense	500	3,150
Apparel	1,000	1,000
Automotive	1,192	11,448
Chemical		490
Commodities		0
Computer	935	9,077
Construction		506
Consumer Products		1,338
Education	87	596
Electronics		1,452
Energy		1,713
Entertainment/Leisure	492	1,042
Financial	861	2,876
Food	400	2,498
Government		693
Health Care/Products	355	4,594
Industrial Goods	610	5,778
Insurance	865	1,561
Legal		91
Media		360
Non-Profit		0
Pharmaceutical	64	2,728
Real Estate		150
Retail	850	38,343
Services	100	3,638
Telecommunications	100	3,257
Transportation	690	3,384
Utility		140
TOTAL	9,101	101,903