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FOR IMMEDIATE RELEASE

AUTO CUTS UP OVER 200% FROM LAST YEAR: FORD'S LATEST ANNOUNCEMENT ADDS TO NEARLY 20,000 AUTO CUTS ALREADY ANNOUNCED THIS YEAR

CHICAGO, May 21, 2019 – The automotive industry, which has seen a significant shift as automakers deal with changing consumer demands and the implementation of automation, has announced 19,802 job cuts through April. That is 207% higher than the 6,451 automotive sector cuts announced through the same period last year, according to tracking from global outplacement and executive and business coaching firm Challenger, Gray & Christmas, Inc.

The total announced cuts for the first four months of this year is the highest since 2009, when 101,036 cuts were announced in the auto sector through April.

Ford's May 20th announcement that it would cut 10% of its current salaried workforce, including at plants overseas, is an attempt to reduce bureaucracy and boost profits in a field seeing more and more competition outside of the Big Three automakers.

"As consumers in the U.S. demand vehicles with lower emissions, more energy efficiency, and autonomous driving options, tech companies like Tesla and Google's parent company, Alphabet, have entered the fray," said Andrew Challenger, Vice President of Challenger, Gray & Christmas, Inc.

"Automakers, like many companies pivoting to include new technology, must become nimble in order to make decisions as rapidly as the technology evolves," he added.

Ford's plan comes nearly six months after General Motors announced the closure of five plants and a 15% reduction in salaried staff, resulting in 14,000 job cuts. Meanwhile, Tesla announced over 3,000 job cuts in January.

“When automakers announce job cuts, especially if they include plant closings or the end of production of a certain type of vehicle, a trickle-down effect occurs as suppliers lose contracts,” said Challenger.

In fact, Challenger tracked 859 job cuts announced from auto suppliers since December 2018.

“Job cuts in this sector are likely to continue, especially with the implementation of additional tariffs on Chinese goods. Automakers and suppliers will feel the pressure, which may lead to more cuts,” said Challenger.

Announced Automotive Cuts

	2019	2018	2017	2016	2015	2014
January	3,949	703	3,365	1,238	120	1,290
February	3,100	1,375	643	2,800	72	518
March	8,838	2,468	1,293	708	1,446	795
April	3,915	1,905	3,424	1,706	3,043	1,243
May		454	1,671	677	1,445	959
June		4,260	2,174	1,252	700	862
July		531	951	480	423	88
August		654	1,684	1,296	1,528	725
September		1,613	1,026	775	3,180	268
October		526	60	1,104	1,049	237
November		14,040	1,101	2,542	1,463	858
December		2,058	129	4,705	1,966	3,189
TOTAL	19,802	30,587	17,521	19,283	16,435	11,032

Source: Challenger, Gray & Christmas, Inc. ©

Annual Auto Cuts

2013	13,497
2012	24,092
2011	10,593
2010	16,001
2009	174,192
2008	127,281
2007	78,880

Source: Challenger, Gray & Christmas, Inc. ©