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## **MEDIA ALERT**

### **5,000 Global Job Cuts Due to COVID-19. Will There Be More To Follow?**

**March 6, 2020, CHICAGO - Oyo, the hotel start-up based in India and backed by Softbank, announced 5,000 job cuts from a workforce of 30,000 due to a demand downturn for its hotel partners from the outbreak of Coronavirus. The bulk of those cuts, 3,000, will occur in China, while the rest will be in the US and India, according to anonymous sources as reported by Bloomberg.**

Meanwhile, Silicon Valley venture capital firm Sequoia Capital told CEOs to think about “doing more with less” as the outbreak ramps up in the United States causing softness in investing and consumer demand.

“No doubt concerns over the virus will impact Retail, Hospitality, and Travel in the short term, especially as people begin to stay away from crowds. We could see people stop eating out, going to department stores, or taking unnecessary trips,” said Andrew Challenger, Vice President of global outplacement and executive coaching firm Challenger, Gray & Christmas, Inc.

“The economy is doing well, in part, because of a strong consumer. Virus concerns may change that,” he added.

Retail has already been hit hard as consumer behavior and new technologies change the landscape. Retail led all industries in job cuts in 2019 and has cut over 18,000 job cuts through February, according to Challenger tracking.

## Announced Retail Job Cuts

United States								
	2020	2019	2018	2017	2016	2015	2014	2013
JAN.	10,444	22,327	15,378	22,491	22,246	6,699	11,394	6,676
FEB.	8,096	18,874	6,106	11,889	1,096	9,163	3,848	2,279
MARCH		4,860	35,042	4,084	8,490	6,640	2,989	16,445
APRIL		2,015	7,844	11,669	5,145	3,594	6,993	5,897
MAY		2,167	4,946	5,777	1,287	1,187	472	1,386
JUNE		3,005	3,750	4,217	3,831	17,947	1,167	217
JULY		1,919	2,697	3,862	1,523	2,532	2,183	1,794
AUGUST		2,059	3,715	3,607	1,025	9,601	1,063	873
SEPT.		8,132	5,907	3,461	7,296	2,467	1,965	927
OCT.		6,127	7,350	1,543	1,180	5,153	6,874	538
NOV.		3,201	3,769	2,065	4,850	626	2,640	9,998
DEC.		2,789	2,059	1,419	1,355	249	2,195	2,269
<b>TOTAL</b>	<b>18,540</b>	<b>77,475</b>	<b>98,563</b>	<b>76,084</b>	<b>59,324</b>	<b>65,858</b>	<b>43,783</b>	<b>49,299</b>

Source: Challenger, Gray & Christmas, Inc. ©

The most recent jobs report from the Bureau of Labor Statistics saw 53,000 new jobs at restaurants and bars, as consumers continued to spend in February in a tight labor market.

“Entertainment and food service will likely take a hit to jobs in the immediate future. However, Health Care, which added 57,000 jobs last month, may add more jobs in March and April as the spread of the virus takes hold,” said Challenger.

Companies in all sectors are grappling with how to handle the spread of the virus, he said.

“Every HR exec in the country is dealing with Coronavirus issues this week, as US workers fear they could contract the virus at work or during their commutes. Some companies are instituting travel bans and asking employees to work remotely. Unfortunately, not every American worker has that option,” said Challenger.

In fact, according to the most recent data from the Bureau of Labor Statistics, only 29% of workers have the ability to work from home.

Meanwhile, the virus is costing US companies in other ways. Upcoming professional conferences nationwide are being cancelled or having distributors and sponsors pull out. There are reports of Airlines asking for volunteers to be furloughed as consumers stop flying.

The virus has also caused some companies to file for bankruptcy. A UK airline Flybe, Japanese cruise liner Luminous Cruising Co., and US insulin device manufacturer Valeritas Holdings all filed for bankruptcy directly due to the COVID-19 outbreak.

"Companies would prefer to hang on to their workers during an unforeseen circumstance like this. Asking for volunteers to go on furlough or take a pay cut is a first step for companies to assess the situation and hold off on making more permanent cuts," said Challenger.

"Typically, companies can hold on to their workers for possibly two quarters of lower-than-expected growth before cutting," he added.

**To arrange an interview with Andrew Challenger, Vice President of Challenger, Gray & Christmas, or to obtain more information, please contact Colleen Madden Blumenfeld.**