



Challenger, Gray & Christmas, Inc.
The original outplacement company



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JOB CUTS FALL 16%, DOWN 4% YEAR OVER YEAR; TECH CUTS UP 1,041%

CHICAGO, March 5, 2020 – Job cuts announced by U.S.-based employers fell 16.4% from January’s total of 67,735 to 56,660 in February. Despite widespread concern, COVID-19 has not yet caused companies to cut positions, according to a report released Thursday from global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

Last month’s total is 26.3% lower than the 76,835 cuts announced in the same month last year. Through February, employers announced 124,395 job cuts, down 4.2% from the 129,823 cuts announced in the first two months of 2019.

Technology leads all industries in announced job cuts with 24,087, 10,218 of which were announced in February. That is 1,041% higher than the 2,111 cuts announced in that sector through February last year.

“The Tech sector is undergoing immense change, as large companies make cuts to become more efficient. Meanwhile, recent start-ups are folding or pivoting to more lucrative avenues or cutting back in order to comply with government regulations,” said Andrew Challenger, Vice President of Challenger, Gray & Christmas, Inc.

Retail announced the second-highest number of cuts with 8,096, bringing the two-month total to 18,540. This is 55% lower than the 41,201 cuts announced through the same period last year. Bankruptcy claimed 667 jobs in this sector last month, while store closings claimed 6,260.

Companies in the Transportation sector have announced the third-highest number of cuts this year with 10,056, 6,703 of which occurred in February. Challenger tracked 4,768 cuts due to losses of contracts, with 2,694 specifically due to a loss of contract with Amazon.

The Media announced 1,584 cuts in February, the highest monthly total since 3,365 cuts were announced in March 2019. Of those, 386 were in the news media.

Restructuring claimed 40,581 jobs, while unit and store closings claimed another 38,175 so far this year. Lost contracts accounted for 7,179 cuts this year, while Bankruptcy was cited for 4,979 cuts.

“Despite widespread concerns about COVID-19, it has yet to impact job cut announcements. This may change if the supply side remains dormant, as companies grapple with whether to keep operations open without product. It could also impact Retail, Hospitality, and Travel companies, if concerns keep people at home,” said Challenger.

“Companies are already deciding which paths they need to take to keep the virus from spreading within their own offices. This includes limiting business-related travel and telling workers to stay home, not only when they are sick, but also, when technology allows, to do their jobs,” he added.

“We do not yet know how far-reaching the virus is in the United States. While the majority of cases worldwide have been mild and many people who contract it may not even require a hospital stay, that is not the case for high-risk populations, and limiting the spread of the virus is in everyone’s best interest,” said Challenger.

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JOB CUT ANNOUNCEMENT REPORT**

**Table 1: EXECUTIVE SUMMARY
TOP-FIVE INDUSTRIES**

Year To Date

	2020	2019
Technology	24,087	2,111
Retail	18,540	41,201
Transportation	10,056	7,193
Industrial Goods	9,229	31,948
Health Care/Products	8,687	7,766

MONTH-BY-MONTH TOTALS

	2020	2019
January	67,735	52,988
February	56,660	76,835
March		60,587
April		40,023
May		58,577
June		41,977
July		38,845
August		53,480
September		41,557
October		50,275
November		44,569
December		32,843
TOTAL	124,395	592,556

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

California	16,244
Ohio	15,134
Illinois	11,587
Texas	8,983
New York	7,609

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

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Table 2: JOB CUTS BY INDUSTRY

	19-Feb	20-Jan	20-Feb	YTD 2019	YTD 2020
Aerospace/Defense	272	3,422	393	2,007	3,815
Apparel	120	358	121	242	479
Automotive	3,100	5,437	366	7,049	5,803
Chemical				247	0
Construction	521	241	994	616	1,235
Consumer Products	978	1,573	1,539	3,052	3,112
Education	905	138	2,869	963	3,007
Electronics	59	536	125	59	661
Energy	2,152	2,111	1,466	2,399	3,577
Entertainment/Leisure	606	2,350	1,344	4,139	3,694
Financial	456	2,339	919	4,686	3,258
FinTech		371	40	186	411
Food	1,325	1,601	2,703	2,664	4,304
Government	98	926	476	759	1,402
Health Care/Products	5,986	5,610	3,077	7,766	8,687
Industrial Goods	29,665	6,098	3,131	31,948	9,229
Insurance	136	478	1,276	506	1,754
Legal		226		0	226
Media	1,152	794	1,584	2,431	2,378
Mining	203	509		347	509
Non-Profit	18	151	217	71	368
Pharmaceutical	144	168	577	683	745
Real Estate		80	564	78	644
Retail	18,874	10,444	8,096	41,201	18,540
Services	442	1,737	1,152	2,972	2,889
Technology	1,473	13,869	10,218	2,111	24,087
Telecommunications	234	635	5,670	695	6,305
Transportation	5,878	3,353	6,703	7,193	10,056
Utility	318			318	0
Warehousing	1,720	2,180	1,040	2,435	3,220
TOTAL	76,835	67,735	56,660	129,823	124,395

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Table 3: JOB CUTS BY REGION, STATE

EAST	Feb-20	YTD 2020	YTD 2019
Connecticut	1,304	1,745	161
Delaware		0	0
Dist. of Columbia		330	77
Maine	466	466	305
Maryland	130	2,259	273
Massachusetts	1,243	3,566	29,206
New Hampshire		0	0
New Jersey	1,216	1,942	3,093
New York	2,798	7,609	24,306
Pennsylvania	1,191	2,571	1,382
Rhode Island		0	0
Vermont	711	722	217
TOTAL	9,059	21,210	59,020

MIDWEST	Feb-20	YTD 2020	YTD 2019
Illinois	4,430	11,587	13,813
Indiana	1,013	2,149	608
Iowa	222	333	236
Kansas	1,052	4,450	93
Michigan	864	1,279	855
Minnesota	351	3,084	496
Missouri	49	1,444	521
Nebraska		296	550
Ohio	3,777	15,134	1,719
Wisconsin	824	1,625	2,413
TOTAL	12,582	41,381	21,304

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Table 3 (cont'd): JOB CUTS BY REGION, STATE

WEST	Feb-20	YTD 2020	YTD 2019
Alaska	100	100	70
Arizona	250	1,654	255
California	9,493	16,244	23,484
Colorado	732	1,149	2,593
Hawaii		0	24
Idaho	13	102	261
Montana		70	0
Nevada		0	2,239
New Mexico		171	0
North Dakota		383	100
Oklahoma	295	295	28
Oregon	2,222	3,041	94
South Dakota	125	125	70
Texas	5,861	8,983	3,840
Utah		96	60
Washington	3,647	5,100	367
Wyoming	0	0	116
TOTAL	22,738	37,513	33,601

SOUTH	Feb-20	YTD 2020	YTD 2019
Alabama	90	476	529
Arkansas	1,052	1,226	43
Florida	1,570	4,751	1,395
Georgia	561	1,936	4,393
Kentucky	196	1,857	24
Louisiana	2,428	2,428	1,240
Mississippi		357	754
North Carolina	4,006	4,752	3,895
South Carolina		957	430
Tennessee	1,417	3,390	1,634
Virginia	320	1,227	1,561
West Virginia	641	934	0
TOTAL	12,281	24,291	15,898

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Table 4: JOB CUTS BY REASON

	Feb-20	YTD
Restructuring	18,157	40,581
Closing	19,232	38,175
No Reason Provided	3,964	9,371
Contract Loss	5,512	7,179
Bankruptcy	1,127	4,979
Voluntary Severance/Buyouts	600	4,500
Financial Losses	800	3,700
737 Max Halt in Production	178	3,233
Cost-Cutting	2,149	3,005
Acquisition/Merger	717	1,812
Market Conditions	561	1,716
Demand Downturn	281	1,422
Technological Update	1,127	1,327
Outsourcing Operations to Another U.S. Company	649	755
Steel Downturn	438	578
Refocus	382	382
Coal Downturn		342
Government Regulation	280	280
Fires	170	260
Relocation (International)	125	260
Relocation (Domestic)	50	249
Tariffs		108
Consolidation	100	100
Oil Prices	61	61
Legal Trouble		20
TOTAL	56,660	124,395

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Table 5: 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	1,120,908
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	180,920	132,834	121,858	91,303	526,915
2017	126,201	100,799	94,478	97,292	418,770
2018	140,379	104,800	120,879	172,601	538,659
2019	190,410	140,577	133,882	127,687	592,556
AVG	196,748	152,002	173,027	193,633	

**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.*

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Table 6: ANNOUNCED HIRING PLANS

By Month

	2020	2019	2018	2017	2016	2015	2014
January	23,229	74,040	41,890	136,501	8,362	8,774	6,312
February	88,202	15,279	139,925	25,765	7,539	14,574	11,054
March		96,368	14,525	127,006	10,997	6,412	6,860
April		258,302	13,842	61,537	11,557	13,898	11,145
May		8,663	9,889	77,447	24,732	12,598	10,141
June		11,946	13,504	40,095	13,564	11,176	15,530
July		22,316	9,823	88,142	16,051	11,637	16,544
August		24,937	17,274	14,530	9,101	11,778	9,657
September		459,689	595,997	422,726	487,075	492,306	567,705
October		190,835	130,338	37,387	135,532	86,107	147,935
November		19,063	15,422	61,300	108,994	10,026	11,291
December		26,313	15,999	8,218	35,198	11,465	7,332
TOTAL	111,431	1,207,751	1,018,428	1,100,654	868,702	690,751	821,506

NOTES:

In January 2020, Dollar General announced it would add 8,000 jobs.

In February, The Home Depot announced 80,000 hires.

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Table 7: ANNOUNCED HIRING PLANS

INDUSTRY	February	YEAR-TO-DATE
Aerospace/Defense	280	2,555
Apparel		0
Automotive	1,750	2,361
Chemical		0
Construction	268	557
Consumer Products	536	536
Education		0
Electronics	56	56
Energy	3,000	4,000
Entertainment/Leisure		100
Financial		200
FinTech		0
Food	690	1,090
Government		0
Health Care/Products		2,000
Industrial Goods	779	1,273
Insurance		1,000
Legal		0
Media		0
Mining		0
Non-Profit		0
Pharmaceutical		460
Real Estate		0
Retail	80,000	88,000
Services		0
Technology	543	3,343
Telecommunications		0
Transportation	300	2,300
Utility		0
Warehousing		1,600
TOTAL	88,202	111,431