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FOR RELEASE AT 7:30 A.M. ET, FEBRUARY 2, 2017

JOB CUTS SURGE AMID RETAIL HOLIDAY HANGOVER

Employers Shed 45,934 Workers in January

CHICAGO, February 2, 2017 – The new year started with an increase in corporate downsizing, as the nation’s employers announced plans to cut payrolls by 45,934 in January, according to the latest report on monthly job cuts released Thursday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

January job-cut announcements were up 37 percent from December 2016, when planned layoffs totaled 33,627.

While last month’s tally was the highest since last April (64,141), it was 39 percent lower than January 2016, when employers announced plans to eliminate 75,114 jobs from their ranks.

January job cuts in 2016 were dominated by the energy and retail sectors. This year, planned cuts were concentrated in just retail, which continues to reel from the shift toward online shopping.

The top four job cuts announced during the month occurred in the retail sector, with Macy’s leading the pack by reporting plans to close 68 stores and decrease its headcount by 10,000 workers.

“Overall, it was a solid holiday shopping season, but several retailers, including Macy’s were unable to capitalize on stronger consumer confidence and spending,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

In all, retailers announced 22,491 planned layoffs in January, accounting for 49 percent of all job cuts recorded during the month. The January total is virtually unchanged from the previous January, when retailers announced 22,246 job cuts to start 2016.

STRUGGLING RETAILERS

January

	Stores Closed	Job Cuts
Macy's	68	10,000
The Limited	250	4,000
American Apparel*	110	3,457
Wet Seal Inc.	171	3,000
Lowe's		2,400
Sears/Kmart**	150	406
Abercrombie & Fitch***	60	150

**Based on California Worker Adjustment and Retraining Notification Act listing*

***Only cuts found so far in announcements, news reports*

****Corporate cuts*

Source: Challenger, Gray & Christmas, Inc. ©

“A January surge in retail layoffs has become the standard. Most retailers ramp up hiring in the final three months of the year to handle the holiday rush. However, as consumers increasingly go online to shop, retailers are not only dismissing temporary seasonal workers, but also increasingly closing stores and laying off permanent staff,” said Challenger.

Meanwhile, the energy sector, which announced 20,103 job cuts in January 2016, reported just 1,853 planned layoffs to kick off 2017.

“Oil prices were already starting to rebound in the last half of 2016. Now, with an administration that is expected to be very friendly to the oil, gas, and mining industries, many are forecasting a swift and sustained turnaround for these firms in 2017. The fact that January job cuts in the sector were 91 percent lower than a year ago, certainly appears to support that outlook,” said Challenger.

January 2016 also experienced heavy layoffs in the computer industry, where employers announced plans to shed 11,003 job cuts. This year, however, job-cut plans announced by these firms totaled 2,211 in the first month of 2017. That represents an 80 percent decline.

“Job cuts will not be the leading story in the tech industry this year. It is more likely to be labor shortages, particularly if the new administration continues to tighten the borders to immigrants, many of whom come to America to work at leading tech companies,” noted Challenger.

CHALLENGER, GRAY & CHRISTMAS, INC.

**JOB-CUT ANNOUNCEMENT REPORT
TOP FIVE INDUSTRIES**

Year To Date

	2017	2016
Retail	22,491	22,246
Automotive	3,365	1,238
Health Care/Products	2,250	494
Computer	2,211	11,003
Government	1,897	149

MONTH BY MONTH TOTALS

	2017	2016
January	45,934	75,114
February		61,599
March		44,207
April		64,141
May		30,157
June		38,536
July		45,346
August		32,188
September		44,324
October		30,740
November		26,936
December		33,627
TOTAL		526,915

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

Ohio	16,104
California	7,142
N. Carolina	3,088
Texas	2,648
Michigan	2,286

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JOB-CUT ANNOUNCEMENT REPORT**

JOB CUTS BY INDUSTRY

	16-Jan	16-Dec	17-Jan
Aerospace/Defense	731	2,286	964
Apparel		200	
Automotive	1,238	4,705	3,365
Chemical	150	1,920	51
Commodities		9	
Computer	11,003	633	2,211
Construction	94	133	370
Consumer Products	874	362	316
Education	670	65	146
Electronics	515	70	90
Energy	20,103	2,673	1,853
Entertainment/Leisure	32	1,200	1,634
Financial	998	598	260
Food	1,726	2,929	387
Government	149	3,498	1,897
Health Care/Products	494	1,695	2,250
Industrial Goods	3,009	1,779	1,306
Insurance	75	1,300	138
Legal	45		3
Media	836	104	546
Non-Profit	821	185	234
Pharmaceutical	3,046	959	872
Real Estate			48
Retail	22,246	1,355	22,491
Services	155	333	1,691
Telecommunications	3,371	1,197	1,033
Transportation	2,712	3,439	328
Utility	21		1,450
TOTAL	75,114	33,627	45,934

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JOB CUTS BY REGION, STATE

EAST	JANUARY
Pennsylvania	1,677
New York	1,466
Maine	609
New Jersey	406
Dist. of Columbia	248
Massachusetts	183
Maryland	
Connecticut	
Rhode Island	
Delaware	
New Hampshire	
Vermont	
TOTAL	4,589

MIDWEST	JANUARY
Ohio	16,104
Michigan	2,286
Illinois	634
Indiana	615
Kansas	572
Minnesota	380
Wisconsin	252
Missouri	45
Iowa	14
Nebraska	
TOTAL	20,902

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JOB CUTS BY REGION, STATE

WEST	JANUARY
California	7,142
Texas	2,648
Washington	773
Colorado	597
New Mexico	490
South Dakota	420
Oklahoma	91
Utah	52
North Dakota	52
Arizona	30
Nevada	
Oregon	
Alaska	
Montana	
Hawaii	
Idaho	
Wyoming	
TOTAL	12,295

SOUTH	JANUARY
N. Carolina	3,088
Florida	1,572
Arkansas	1,236
West Virginia	866
Louisiana	447
Kentucky	336
Virginia	199
S. Carolina	178
Georgia	149
Tennessee	77
Alabama	
Mississippi	
TOTAL	8,148

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JOB CUTS BY REASON

	JANUARY
Closing	13,597
Restructuring	13,242
Demand Downturn	10,466
Cost-Cutting	3,776
Loss of Contract	1,760
Merger/Acquisition	1,303
Relocation	685
Outsourcing	625
Bankruptcy	373
Voluntary Severance	107
TOTAL	45,934

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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	180,920	132,834	121,858	91,303	526,915
AVG	201,507	156,780	179,093	200,423	

**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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**ANNOUNCED HIRING PLANS
By Month**

	2017	2016	2015	2014	2013	2012
January	136,501	8,362	8,774	6,312	60,585	7,568
February		7,539	14,574	11,054	92,372	10,720
March		10,997	6,412	6,860	8,115	12,390
April		11,557	13,898	11,145	9,322	11,794
May		24,732	12,598	10,141	9,618	7,722
June		13,564	11,176	15,530	8,774	12,314
July		16,051	11,637	16,544	9,728	10,350
August		9,101	11,778	9,657	7,662	12,079
September		487,075	492,306	567,705	445,617	425,683
October		135,532	86,107	147,935	87,874	75,065
November		108,994	10,026	11,291	14,177	28,526
December		35,198	11,465	7,332	11,362	16,266
TOTAL		868,702	690,751	821,506	765,206	630,477

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JOB-CUT ANNOUNCEMENT REPORT**

ANNOUNCED HIRING PLANS

INDUSTRY	JANUARY
Aerospace/Defense	1,900
Apparel	
Automotive	2,562
Chemical	
Commodities	
Computer	100,562
Construction	
Consumer Products	87
Education	
Electronics	50
Energy	100
Entertainment/Leisure	
Financial	
Food	
Government	
Health Care/Products	600
Industrial Goods	290
Insurance	
Legal	
Media	
Non-Profit	
Pharmaceutical	4,800
Real Estate	
Retail	20,000
Services	500
Telecommunications	5,000
Transportation	50
Utility	
TOTAL	136,501

**Amazon announced hiring of 100,000*