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## **MONTHLY CEO TURNOVER CONTINUES UPWARD TRAJECTORY WITH RECORD 219 EXITS IN JANUARY**

**CHICAGO, February 12, 2020** – Chief Executive Officer turnover surged 37%, from the 160 who left their posts in December to 219 to begin the year. Last month’s total is 27% higher than the previous monthly record of 172 in October 2019, according to a report released Wednesday by global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

Last month’s total is 39.5% higher than the 157 CEOs who left their posts in the same month last year.

“January is typically a busy month for CEO turnover, as companies make leadership changes after assessing business conditions at the end of the fiscal year. January is the beginning of the fiscal year for many companies, and a good time to make decisions about the direction of the company,” said Andrew Challenger, Vice President of Challenger, Gray & Christmas, Inc.

Using SEC filings, news reports, and company announcements, Challenger tracks CEO changes each month from U.S.-based companies that have been in business for at least two years and employ a minimum of ten employees. According to the U.S. Census Bureau, there were roughly 1.3 million establishments that matched these criteria in 2016. While Challenger cannot track every CEO who leaves a company, the numbers have been steadily trending upward since August 2018.

January’s record total was led by the Government/Non-Profit sector, which saw 41 chief executive exits, 41% higher than the 29 CEOs who left in this industry in December. Companies in this sector led all sectors in 2019, with 339 total exits.

“With the upcoming elections on both the national and local levels, many Government agencies and Non-Profits are gearing up for shifts in funding. For companies that work in Government, this could mean shifts in priorities for incoming administrations and for charities and foundations as well as shifts in effective fundraising,” said Challenger.

The Health Care/Products sector, which includes medical device manufacturers, hospital suppliers, and other health care-related services, announced 18 chief executive exits, while Hospitals announced another 18.

The Technology sector, which over the last decade of expansion has seen scores of new start-ups, saw 35 chief executive exits.

“Tech companies that survived the recession or began during the recovery are finding themselves in a new phase of growth and in need of new leadership. Meanwhile, large, longstanding tech firms are pivoting in new directions and trying to remain competitive with smaller start-ups,” said Challenger.

The majority of CEOs stepped down from their posts into other areas of the company, usually as a Board Chair or Member or into another role in the C-Suite. Another 49 CEOs retired from their positions. Twenty CEOs saw their interim periods end, while 16 left to pursue new opportunities.

“Most companies are holding on to their CEOs in some capacity, whether they transition to the Board, remain in a consulting role, or lead a different area of the business. This suggests that while a record number of CEOs are leaving that post, the vast majority of companies are generally happy with their performance,” said Challenger.

Of the 198 replacements Challenger tracked in January, 107 of them came from outside the company, while 91 were internal candidates.

“This continues the trend from last year which saw companies hiring external candidates versus grooming someone from within,” said Challenger.

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***NEW: Challenger will now report on replacement data each month. Please see tables on the last page of the report.***

**CHALLENGER CEO REPORT**  
**CEO DEPARTURES**  
**By Month**

<b>Month</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
January	219	157	132	128	131	110	131	113	123	96	89	113	134
February		124	113	72	87	94	112	110	104	92	132	82	114
March		135	96	101	101	95	123	86	94	99	119	114	123
April		97	109	91	108	97	94	94	90	103	101	78	112
May		114	91	80	100	90	98	104	99	103	125	115	115
June		99	90	95	97	102	103	94	99	113	107	105	126
July		124	94	102	92	128	105	128	83	104	88	126	124
August		159	154	96	109	107	119	113	104	104	95	101	144
September		151	148	101	119	104	124	107	95	108	111	105	140
October		172	149	105	99	94	122	104	108	91	81	89	125
November		148	147	94	106	86	103	94	112	82	79	94	104
December		160	129	95	99	114	107	99	103	83	107	105	123
<b>TOTAL</b>	<b>219</b>	<b>1,640</b>	<b>1,452</b>	<b>1,160</b>	<b>1,248</b>	<b>1,221</b>	<b>1,341</b>	<b>1,246</b>	<b>1,214</b>	<b>1,178</b>	<b>1,234</b>	<b>1,227</b>	<b>1,484</b>

**Company Type, January**

Private/Government/Non-Profit	181
Public	38

**Annual CEO Turnover by Company Type**

<b>Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>CEO Turnover at Public Companies</b>	<b>278</b>	<b>296</b>	<b>266</b>	<b>249</b>	<b>278</b>	<b>254</b>	<b>230</b>	<b>230</b>	<b>262</b>	<b>311</b>

## CHALLENGER CEO REPORT

### By Industry

	19-Jan	19-Dec	20-Jan
Aerospace/Defense	2	1	3
Apparel	1	2	3
Automotive	5		3
Cannabis	2	1	1
Chemical		2	1
Commodities			
Construction	2		1
Consumer Products	2	4	6
Electronics			
Energy	5	6	3
Entertainment/Leisure	4	12	12
Financial	13	17	15
FinTech	1		
Food	4	6	3
Government/Non-Profit	29	29	41
Health Care/Products	17	6	18
Hospitals	5	16	18
Industrial Goods	9	4	10
Insurance	3	4	1
Legal			2
Media	1	4	4
Pharmaceutical	10	2	6
Real Estate	8	1	1
Retail	6	8	6
Services	13	9	17
Technology	10	16	35
Telecommunications	1	1	3
Transportation	2	4	4
Utility	2	5	2
<b>TOTAL</b>	<b>157</b>	<b>160</b>	<b>219</b>

**CHALLENGER CEO REPORT**  
**By State**

<b>EAST</b>	<b>JANUARY</b>
Connecticut	3
Delaware	2
Dist. of Columbia	3
Maine	
Maryland	1
Massachusetts	14
New Hampshire	1
New Jersey	7
New York	17
Pennsylvania	5
Rhode Island	1
Vermont	
	<b>54</b>

<b>MIDWEST</b>	<b>JANUARY</b>
Illinois	6
Indiana	3
Iowa	1
Kansas	2
Michigan	3
Minnesota	6
Missouri	8
Nebraska	
Ohio	4
Wisconsin	4
<b>TOTAL</b>	<b>37</b>

**CHALLENGER CEO REPORT**  
**By State**

<b>WEST</b>	<b>DECEMBER</b>
Alaska	
Arizona	3
California	35
Colorado	6
Hawaii	2
Idaho	3
Montana	
Nevada	3
New Mexico	4
North Dakota	
Oklahoma	2
Oregon	2
South Dakota	
Texas	14
Utah	
Washington	4
Wyoming	
<b>TOTAL</b>	<b>78</b>

<b>SOUTH</b>	<b>DECEMBER</b>
Alabama	3
Arkansas	
Florida	13
Georgia	6
Kentucky	5
Louisiana	2
Mississippi	
N. Carolina	4
S. Carolina	4
Tennessee	9
Virginia	3
West Virginia	1
<b>TOTAL</b>	<b>50</b>

## CEO DEPARTURES

### By Reason

Reason	JANUARY
Stepped Down	79
Retired	49
No Reason Given	23
Interim Period Over	20
New Opportunity	16
Resigned	12
Acquisition/Merger	6
Deceased	4
Scandal	3
Relocation	2
Personal Reasons	2
Allegations of Professional Misconduct	1
Financial Losses	1
Terminated	1
<b>Total</b>	<b>219</b>

### Average Age, Tenure

	Age		Tenure	
	2020	2019	2020	2019
January	55.7	60.7	10.6	11.6
February		57.1		11.4
March		57.6		11.2
April		60		8.8
May		61.4		11.1
June		61.6		8.7
July		59.2		9
August		68.5		10.6
September		58.9		8.8
October		53.3		10.7
November		53.2		9.4
December		57.2		11.5

## Challenger CEO Report CEO Replacements

Replacement	JANUARY
External Replacement	107
Internal Replacement	91

### Annual Internal vs. External Replacement CEOs

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
External Replacements	469	469	431	513	524	478	493	462	564	784
Internal Replacements	458	479	529	480	539	560	557	515	630	620

Source: Challenger, Gray & Christmas, Inc. ©

### Replacements by Gender, January

Replacement	CEOs (Interim)
Women Replacing Women	13 (2)
Men Replacing Women	21 (2)
Women Replacing Men	35 (1)
Men Replacing Men	129 (9)
<b>Total Replacements</b>	<b>198</b>
Percentage of New CEOs who are Women	24.20%

### Annual

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Women Replacing Women	39	24	42	45	54	50	64	69	89	119
Men Replacing Women	58	67	72	78	89	91	99	88	120	131
Women Replacing Men	77	95	94	117	107	109	130	119	182	189
Men Replacing Men	760	761	753	755	812	788	757	741	814	983
Grand Total	934	947	961	995	1,062	1,038	1,050	1,017	1,205	1,422
<b>Percent of Women Replacement CEOs</b>	<b>12.4%</b>	<b>12.6%</b>	<b>14.2%</b>	<b>16.3%</b>	<b>15.2%</b>	<b>15.3%</b>	<b>18.5%</b>	<b>18.5%</b>	<b>22.5%</b>	<b>21.7%</b>