



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



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JOB CUTS SURGE 106% TO START 2020; EMPLOYERS ANNOUNCE 67,735 CUTS IN JANUARY

CHICAGO, February 6, 2020 – Job cuts announced by U.S.-based employers jumped 106%, from December’s total of 32,843 to 67,735, the highest monthly total since February 2019, according to a report released Thursday from global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

Last month’s total is 27.8% higher than the 52,988 cuts announced in the same month last year. It is the highest total since February 2019, when employers announced 76,835 cuts.

Technology companies led in announced job cuts last month with 13,869, 1,828.9% higher than the 719 cuts announced in that sector in December 2019 and 2,073.4% higher than the 638 cuts from Technology firms announced in the same month last year. Technology companies cut 64,166 jobs in 2019, compared to 14,230 in 2018.

“We have seen large Technology companies shed workers as they pivot to new products or services. In some cases, long-standing, bellwether companies are reducing bureaucracy and removing layers of management to become nimbler,” said Andrew Challenger, Vice President of Challenger, Gray & Christmas, Inc.

“Tech is not the only industry embarking on this kind of restructuring. Companies across all industries are reexamining their hierarchies, particularly in Automotive and Retail, where innovations in technology are changing the landscape,” he added.

In fact, Retail announced the second-highest number of cuts, with 10,444, many due to bankruptcies. Of the 3,852 bankruptcy cuts last month, 2,631 were in Retail. Another 6,924 cuts in the sector were due to store closings.

Retail Cuts Due to Bankruptcy

Year	Cuts
2001	11,172
2002	2,075
2003	7,542
2004	9,297
2005	23,647
2006	545
2007	106
2008	26,218
2009	34,346
2010	375
2011	8,698
2012	253
2013	328
2014	5,555
2015	13,791
2016	9,187
2017	3,131
2018	30,412
2019	48,733

Industrial Goods Manufacturers continue to shed workers, announcing 6,098 cuts in January, 1,740 of which cited the causes as market conditions and financial losses. Companies in this sector announced 70,894 cuts last year.

“Industrial Manufacturing continues to be in recession. This industry has been hit hard by slowing orders, lower corporate investments, and trade concerns over the last 12 months,” said Challenger.

The Automotive sector has felt the impact of trade concerns, technological innovations, and cutting bureaucracy as well. Automotive companies announced 5,437 cuts in January, after cutting 50,776 in all of 2019.

The Media, which announced 25,675 cuts between January 2018 and December 2019, announced 794 cuts in January, the highest monthly total since May 2019, when the industry announced 1,120 job cuts.

Companies cited restructuring for 22,424 job cuts last month. Plant or location closings accounted for 18,943. Financial losses were cited for 2,900 cuts, while market conditions caused 1,155. Tariffs were cited for 108 cuts, and the steel and coal downturns accounted for a combined 482.

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JOB CUT ANNOUNCEMENT REPORT**

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

Year To Date

	2020	2019
Technology	13,869	638
Retail	10,444	22,324
Industrial Goods	6,098	2,283
Health Care/Products	5,610	1,780
Automotive	5,437	3,949

MONTH-BY-MONTH TOTALS

	2020	2019
January	67,735	52,988
February		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	67,735	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

Ohio	11,357
Illinois	7,157
California	6,751
New York	4,811
Kansas	3,398

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-Jan	19-Dec	20-Jan
Aerospace/Defense	1,735	1,378	3,422
Apparel	122	340	358
Automotive	3,949	3,258	5,437
Chemical	247	55	
Construction	95	915	241
Consumer Products	2,074	1,109	1,573
Education	58	240	138
Electronics		275	536
Energy	247	2,979	2,111
Entertainment/Leisure	3,533	574	2,350
Financial	4,230	2,949	2,339
FinTech	186	35	371
Food	1,339	769	1,601
Government	661	442	926
Health Care/Products	1,780	1,618	5,610
Industrial Goods	2,283	2,753	6,098
Insurance	370	4	478
Legal			226
Media	1,279	450	794
Mining	144	1,614	509
Non-Profit	53	32	151
Pharmaceutical	539	1,051	168
Real Estate	78	88	80
Retail	22,327	2,789	10,444
Services	2,530	1,219	1,737
Technology	638	719	13,869
Telecommunications	461	120	635
Transportation	1,315	4,115	3,353
Utility		573	
Warehousing	715	380	2,180
TOTAL	52,988	32,843	67,735

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Table 3: JOB CUTS BY REGION, STATE

EAST	Jan-20	Dec-19	Jan-19
Connecticut	441	45	
Delaware			
Dist. of Columbia	330	10	
Maine			245
Maryland	2,129	1,100	273
Massachusetts	2,323	797	143
New Hampshire			
New Jersey	726	310	1,001
New York	4,811	3,445	5,950
Pennsylvania	1,380	608	742
Rhode Island			
Vermont	11		
TOTAL	12,151	6,315	8,354

MIDWEST	Jan-20	Dec-19	Jan-19
Illinois	7,157	2,362	11,129
Indiana	1,136	4,025	50
Iowa	111	532	40
Kansas	3,398	875	93
Michigan	415	2,368	
Minnesota	2,733	324	237
Missouri	1,395	448	446
Nebraska	296	65	
Ohio	11,357	114	726
Wisconsin	801	59	1,608
TOTAL	28,799	11,172	14,329

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

WEST	Jan-20	Dec-19	Jan-19
Alaska		1,660	70
Arizona	1,404	368	54
California	6,751	3,496	16,483
Colorado	417	687	2,102
Hawaii		325	
Idaho	89		
Montana	70	34	
Nevada			2,160
New Mexico	171	59	
North Dakota	383		
Oklahoma		800	
Oregon	819	47	81
South Dakota			70
Texas	3,122	609	1,825
Utah	96		60
Washington	1,453	715	330
Wyoming			101
TOTAL	14,775	8,800	23,336

SOUTH	Jan-20	Dec-19	Jan-19
Alabama	386	790	459
Arkansas	174		31
Florida	3,181	2,081	635
Georgia	1,375	50	1,943
Kentucky	1,661	1,350	
Louisiana		494	864
Mississippi	357		754
North Carolina	746		750
South Carolina	957	397	
Tennessee	1,973	483	288
Virginia	907	856	1,245
West Virginia	293	55	
TOTAL	12,010	6,556	6,969

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Table 4: JOB CUTS BY REASON

	Jan-20
Restructuring	22,424
Closing	18,943
No Reason Provided	5,407
Voluntary Severance/Buyouts	3,900
Bankruptcy	3,852
737 MAX Halt in Production	3,055
Financial Losses	2,900
Contract Loss	1,667
Market Conditions	1,155
Demand Downturn	1,141
Acquisition/Merger	1,095
Cost-Cutting	856
Coal Downturn	342
Technological Update	200
Relocation (Domestic)	199
Steel Downturn	140
Relocation (International)	135
Tariffs	108
Outsourcing Operations to Another U.S. Company	106
Fires	90
Legal Trouble	20
TOTAL	67,735

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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	2013	2012
January	23,229	74,040	41,890	136,501	8,362	8,774	6,312	60,585	7,568
February		15,279	139,925	25,765	7,539	14,574	11,054	92,372	10,720
March		96,368	14,525	127,006	10,997	6,412	6,860	8,115	12,390
April		258,302	13,842	61,537	11,557	13,898	11,145	9,322	11,794
May		8,663	9,889	77,447	24,732	12,598	10,141	9,618	7,722
June		11,946	13,504	40,095	13,564	11,176	15,530	8,774	12,314
July		22,316	9,823	88,142	16,051	11,637	16,544	9,728	10,350
August		24,937	17,274	14,530	9,101	11,778	9,657	7,662	12,079
September		459,689	595,997	422,726	487,075	492,306	567,705	445,617	425,683
October		190,835	130,338	37387	135,532	86,107	147,935	87,874	75,065
November		19,063	15,422	61,300	108,994	10,026	11,291	14,177	28,526
December		26,313	15,999	8,218	35,198	11,465	7,332	11,362	16,266
TOTAL		1,207,751	1,018,428	1,100,654	868,702	690,751	821,506	765,206	630,477

NOTES:

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

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Table 7: ANNOUNCED HIRING PLANS

INDUSTRY	January
Aerospace/Defense	2,275
Apparel	
Automotive	611
Chemical	
Construction	289
Consumer Products	
Education	
Electronics	
Energy	1,000
Entertainment/Leisure	100
Financial	200
FinTech	
Food	400
Government	
Health Care/Products	2,000
Industrial Goods	494
Insurance	1,000
Legal	
Media	
Mining	
Non-Profit	
Pharmaceutical	460
Real Estate	
Retail	8,000
Services	
Technology	2,800
Telecommunications	
Transportation	2,000
Utility	
Warehousing	1,600
TOTAL	23,229

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