



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



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### **JOB CUTS FALL TO 38,845, LOWEST LEVEL IN 11 MONTHS; YTD CUTS UP 36%**

**CHICAGO, August 1, 2019** – The pace of downsizing slowed in July, as U.S.-based employers announced plans to cut 38,845 jobs from their payrolls, down 7.5% from the 41,977 cuts announced in June, according to the latest report on job cuts released Thursday from global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

July marks the second consecutive drop in monthly job cut announcements since May, and is the lowest total since August of last year, when 38,472 job cuts were announced.

Despite the drop, July's total is 43.2% higher than the 27,122 job cuts announced in the same month last year. So far this year, employers have announced plans to cut 369,832 jobs, a 35.8% increase from the 272,301 cuts announced in the first seven months of last year. It is the highest seven-month total since 2015, when 393,368 cuts were announced.

"The US is enjoying the longest economic expansion in American history and the June jobs report documented a decidedly strong labor market. However, slowing GDP growth in the second quarter, cuts in business investment, and trade tensions led the Federal Reserve to cut its key interest rate by a quarter-point. This move signals trouble on the horizon for the current economic cycle," said Andrew Challenger, Vice President of Challenger, Gray & Christmas, Inc.

"Employment tends to be a lagging indicator, as companies often keep hiring up to the edge of a recession. Right now, the labor market is strong. Employees can continue to anticipate moderate wage growth and advantageous employment prospects for the time being," he added.

Transportation led all sectors in July, with 5,532 announced cuts, followed by Industrial Goods Manufacturing, which announced 4,403 cuts last month. The Energy sector announced 3,737 job cuts in July, while Pharmaceutical companies announced 3,062.

“Manufacturers are being hit, not only by shifting consumer behavior and automation, but by the imposed tariffs. Last month saw over 1,000 cuts announced due to the impact of tariffs,” said Challenger.

In fact, 1,053 cuts were announced due to tariffs, for a total of 1,430 this year.

Retail continues to lead all sectors in 2019 with 55,167 cuts, 1,919 of which occurred last month. That is 27.2% fewer cuts than the 75,763 announced in the same period last year.

Companies in the Industrial Goods sector have announced 52,054 cuts, 529% higher than the 8,276 announced in the first seven months of last year. Meanwhile, Automakers and suppliers announced plans to cut 34,379 jobs through July, up 194% from the 11,696 cuts announced through July of 2018.

Companies in the Technology sector announced 23,281 job cuts through July, up 187% from the 8,124 cuts announced in the same period last year. Energy sector job cuts are up 259% over last year, with 18,264 cuts so far this year compared to 5,088 announced through July 2018.

While job cuts are up in every region, companies located in the Southern United States have seen the largest jump in job cut announcements, as employers in this region have announced 51% more job cuts than through the same period last year: 77,923 compared to 51,497 in 2018. Companies in the Eastern United States had the second-largest percentage increase with 39.9%, as employers in this region announced 108,806 cuts in 2019 compared to 77,795 last year (Table 3).

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*Note: Challenger has updated the names of two industries to better describe the companies that are tracked therein. “Computer” will now be labeled “Technology” and “Commodities” will now be called “Mining.”*

*Challenger is also breaking out Financial Tech firms, which will be referred to as “FinTech.” These changes are represented in Table 2 (Job Cuts by Industry) and Table 7 (Announced Hiring Plans).*

**CHALLENGER, GRAY & CHRISTMAS, INC.  
JOB CUT ANNOUNCEMENT REPORT**

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

**Year To Date**

	<b>2019</b>	<b>2018</b>
<b>Retail</b>	55,167	75,763
<b>Industrial Goods</b>	52,054	8,276
<b>Automotive</b>	34,379	11,696
<b>Health Care/Products</b>	23,899	28,484
<b>Technology</b>	23,281	8,124

**MONTH-BY-MONTH TOTALS**

	<b>2019</b>	<b>2018</b>
<b>January</b>	52,988	44,653
<b>February</b>	76,835	35,369
<b>March</b>	60,587	60,357
<b>April</b>	40,023	36,081
<b>May</b>	58,577	31,517
<b>June</b>	41,977	37,202
<b>July</b>	38,845	27,122
<b>August</b>		38,472
<b>September</b>		55,285
<b>October</b>		75,644
<b>November</b>		53,073
<b>December</b>		43,884
<b>TOTAL</b>	<b>369,832</b>	<b>538,659</b>

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**

<b>California</b>	<b>49,986</b>
<b>New York</b>	<b>40,588</b>
<b>Massachusetts</b>	<b>34,046</b>
<b>Texas</b>	<b>24,974</b>
<b>Michigan</b>	<b>23,234</b>

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**

	18-Jul	19-Jun	19-Jul	YTD 2018	YTD 2019
Aerospace/Defense	420	1,201	2	4,165	4,081
Apparel	100	152	68	338	1,288
Automotive	531	10,904	2,029	11,696	34,379
Chemical	266	310	68	805	837
Construction	502	179	58	1,356	2,537
Consumer Products	3,793	821	1,348	22,210	12,432
Education	1,882	1,458	2,433	6,404	14,196
Electronics	554	255	674	8,703	1,691
Energy		1,624	3,737	5,088	18,264
Entertainment/Leisure	1,808	718	498	6,796	9,297
Financial	716	509	2,143	8,667	15,088
FinTech		95	226	0	1,501
Food	636	1,891	1,634	8,528	15,771
Government	352	419	10	1,695	6,100
Health Care/Products	2,286	4,766	1,619	28,484	23,899
Industrial Goods	1,082	3,099	4,403	8,276	52,054
Insurance	576	480	188	3,466	2,410
Legal				0	0
Media	787	543	33	7,222	7,808
Mining		210	1,910	395	3,392
Non-Profit	351	96	577	1,798	2,011
Pharmaceutical	610	1,516	3,062	5,388	7,174
Real Estate		222	563	357	1,561
Retail	2,697	3,005	1,919	75,763	55,167
Services	1,540	800	1,664	24,168	13,812
Technology	2,182	3,209	1,504	8,124	23,281
Telecommunications	1,152	2,249	487	9,525	13,938
Transportation	2,187	550	5,532	11,399	19,039
Utility	50	92		938	894
Warehousing	62	604	456	547	5,930
<b>TOTAL</b>	<b>27,122</b>	<b>41,977</b>	<b>38,845</b>	<b>272,301</b>	<b>369,832</b>

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**Table 3: JOB CUTS BY REGION, STATE**

<b>EAST</b>	<b>July</b>	<b>YTD 2019</b>	<b>YTD 2018</b>	
Connecticut	217	1,540	3,323	
Delaware	525	525	224	
Dist. of Columbia		1,302	367	
Maine	94	1,814	0	
Maryland	996	3,528	1,892	
Massachusetts	1,005	34,046	6,254	
New Hampshire		25	235	
New Jersey	1,103	8,029	38,839	
New York	4,615	40,588	16,302	
Pennsylvania	3,830	17,129	9,610	
Rhode Island		61	690	YTD Percentage Change
Vermont		219	59	Eastern U.S.
<b>TOTAL</b>	<b>12,385</b>	<b>108,806</b>	<b>77,795</b>	<b>↑39.9%</b>

<b>MIDWEST</b>	<b>July</b>	<b>YTD 2019</b>	<b>YTD 2018</b>	
Illinois	716	22,140	10,326	
Indiana	232	3,559	4,526	
Iowa	104	2,648	4,193	
Kansas		355	916	
Michigan	484	23,234	7,006	
Minnesota	52	5,361	6,637	
Missouri	241	2,215	3,813	
Nebraska	276	2,313	2,317	
Ohio	3,668	9,444	15,472	YTD Percentage Change
Wisconsin	487	6,308	7,951	Midwestern U.S.
<b>TOTAL</b>	<b>6,260</b>	<b>77,577</b>	<b>63,157</b>	<b>↑22.8%</b>

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

<b>WEST</b>	<b>July</b>	<b>YTD 2019</b>	<b>YTD 2018</b>	
Alaska	2,185	3,777	1,028	
Arizona	360	3,395	2,182	
California	4,215	49,986	43,898	
Colorado	665	4,972	2,401	
Hawaii		102	0	
Idaho		1,015	1,081	
Montana		256	16	
Nevada	170	2,409	210	
New Mexico	267	1,783	846	
North Dakota		100	52	
Oklahoma		700	1,156	
Oregon	86	1,650	1,344	
South Dakota	600	760	686	
Texas	2,494	24,974	20,963	
Utah	70	342	624	
Washington	855	7,354	3,365	<b>YTD Percentage Change</b>
Wyoming	1,700	1,951	0	Western U.S.
<b>TOTAL</b>	<b>13,667</b>	<b>105,526</b>	<b>79,852</b>	<b>↑32.2%</b>

  

<b>SOUTH</b>	<b>July</b>	<b>YTD 2019</b>	<b>YTD 2018</b>	
Alabama	346	1,378	2,831	
Arkansas	15	977	1,182	
Florida	1,240	8,599	10,710	
Georgia	897	8,447	5,212	
Kentucky	269	5,284	3,225	
Louisiana	54	3,557	3,385	
Mississippi	30	1,913	1,860	
North Carolina	1,134	10,080	7,155	
South Carolina	113	9,633	3,941	
Tennessee	1,553	7,273	3,648	
Virginia	694	19,327	6,942	<b>YTD Percentage Change</b>
West Virginia	188	1,455	1,406	Southern U.S.
<b>TOTAL</b>	<b>6,533</b>	<b>77,923</b>	<b>51,497</b>	<b>↑51.3%</b>

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**Table 4: JOB CUTS BY REASON**

	July	YTD
Restructuring	6,720	92,885
Closing	10,634	73,402
No Reason Provided	4,562	43,288
Bankruptcy	1,727	42,937
Cost-Cutting	3,218	35,698
Contract Loss	1,989	17,079
Voluntary Severance/Buyouts	29	15,004
Acquisition/Merger	87	11,395
Demand Downturn	2,150	10,325
Relocation (Domestic)	203	5,572
Government Regulation	4,500	4,565
Market Conditions	234	3,538
Financial Losses	800	3,083
Fires		2,455
Tariffs	1,053	1,430
Relocation (International)	370	1,388
Technological Update		1,078
Outsourcing Operations to Another U.S. Company	569	769
Consolidation		715
Hurricane Michael		600
Coal Downturn		485
Steel Downturn		405
Reduced Medicaid/Medicare Payouts		355
Fired		303
ICE Inquiry		300
Competition		200
Hurricane Florence		115
Reorganization		113
New Focus		89
Climate Legislation		60
Contract Dispute		50
Labor Dispute		40
Privatization		40
Price Downturn		40
Flood		25
Hurricane Matthew		6
<b>TOTAL</b>	<b>38,845</b>	<b>369,832</b>

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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			330,987
AVG	196,748	152,002	174,332	195,907	

*\*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**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>January</b>	<b>74,040</b>	41,890	136,501	8,362	8,774
<b>February</b>	<b>15,279</b>	139,925	25,765	7,539	14,574
<b>March</b>	<b>96,368</b>	14,525	127,006	10,997	6,412
<b>April</b>	<b>258,302</b>	13,842	61,537	11,557	13,898
<b>May</b>	<b>8,663</b>	9,889	77,447	24,732	12,598
<b>June</b>	<b>11,946</b>	13,504	40,095	13,564	11,176
<b>July</b>	<b>22,316</b>	9,823	88,142	16,051	11,637
<b>August</b>		17,274	14,530	9,101	11,778
<b>September</b>		595,997	422,726	487,075	492,306
<b>October</b>		130,338	37,387	135,532	86,107
<b>November</b>		15,422	61,300	108,994	10,026
<b>December</b>		15,999	8,218	35,198	11,465
<b>TOTAL</b>	<b>486,914</b>	<b>1,018,428</b>	<b>1,100,654</b>	<b>868,702</b>	<b>690,751</b>

**NOTES:**

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

In April, McDonald's announced 250,000 hires.

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**Table 7: ANNOUNCED HIRING PLANS**

<b>INDUSTRY</b>	<b>JULY</b>	<b>YEAR-TO-DATE</b>
Aerospace/Defense		3,110
Apparel	713	1,295
Automotive	1,303	21,555
Chemical		10
Construction	300	300
Consumer Products	530	1,930
Education		286
Electronics		964
Energy	50	171
Entertainment/Leisure		200
Financial	1,000	2,020
FinTech		2,680
Food	450	1,636
Government		0
Health Care/Products	1,266	7,755
Industrial Goods	649	4,564
Insurance	170	3,510
Legal		0
Media	330	622
Mining		490
Non-Profit		0
Pharmaceutical	2,589	3,389
Real Estate		0
Retail	8,515	406,240
Services	700	2,026
Technology	1,501	14,621
Telecommunications		1,000
Transportation	1,600	5,640
Utility		250
Warehousing	650	650
<b>TOTAL</b>	<b>22,316</b>	<b>486,914</b>