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Job Cuts Surge on Army Cuts

MASSIVE TROOP AND CIVILIAN REDUCTIONS LEAD TO FIRST 100,000+ MONTH SINCE 2011

CHICAGO, August 6, 2015 – Monthly job cuts rocketed to the highest level in nearly four years, as U.S. employers announced plans to shed 105,696 workers from their payrolls in July, according to the report Thursday from global outplacement consultancy Challenger, Gray & Christmas, Inc.

The July total is 136 percent greater than the 44,842 job cuts recorded in June. It is 125 percent higher than the same month a year ago, when planned workforce reductions totaled 46,887. The last time more than 100,000 job cuts were announced in a single month was September 2011, when they reached 115,730.

The July surge brings the year-to-date job cut total to 393,368, which is 34 percent higher than the 292,921 cuts announced in the first seven months of 2014. This represents the highest seven-month total since 2009, when 978,048 job cuts were announced amid the worst recession since the Great Depression.

More than half of the July job cuts were the result of massive troop and civilian workforce reductions announced by the United States Army. The cutbacks will eliminate 57,000 from government payrolls over the next two years.

“When the military makes cuts, they tend to be deep. In fact, the last time we saw more than 100,000 job cuts in September of 2011, it was 50,000 cuts by the US Army that dominated the total. With wars in Afghanistan and Iraq winding down and pressure to cut government spending, the military has been vulnerable to reductions,” said Challenger.

Indeed, some of the biggest job cuts announced in recent years have come from the military and other government agencies. In addition to the 50,000 cuts announced by the US Army in 2011, the United States Air Force announced plans in 2005 to reduce its headcount by 40,000. Between 2002 and 2010, the United States Post Office announced three separate job cuts that affected a total of 90,000 workers.

“The transition from the military to the civilian workforce is always challenging, but the economy is in a much better position to absorb this influx of job seekers now, compared to two or three years ago. This does not mean it will be easy for these service men and women, most of whom undoubtedly thought the military would offer career-long job security,” noted Challenger.

“The most difficult part of the transition may be translating one’s military experience into terms that are meaningful to civilian employers. These men and women have skills and experience that are in demand, but they just don’t know how to describe them in a way that non-military recruiters understand. Luckily, there are a growing number of programs and services that help with this and there has been a concerted effort among the nation’s employers to hire former military,” he added.

According to the Bureau of Labor Statistics, the unemployment rate among Gulf War II veterans, which includes those from the conflicts in Iraq and Afghanistan, has fallen from a high of 15.2 percent in January 2011 to a current level of 5.4 percent, which matches the national average for all labor force participants.

While the government sector saw the heaviest cuts last month due to military cutbacks, the technology sector also announced several major workforce reductions. Microsoft shuttered the recently acquired Nokia division, which resulted in 7,800 job losses. Electronics and telecommunications equipment manufacturer Qualcomm announced plans to shed 4,500 workers. Chipmaker Intel Corp. also announced workforce reductions totaling 3,180 during the month.

Together, computer and electronics firms announced 18,891 job cuts in July. Computers firms have now announced 25,542 job cuts this year, which is 47 percent lower than the 48,361 cuts announced by these employers by this point last year.

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

**TOP FIVE INDUSTRIES
Year To Date**

	2015	2014
Energy	69,550	5,318
Government	67,425	14,707
Retail	47,762	29,046
Industrial Goods	28,923	14,074
Computer	25,542	48,316

MONTH BY MONTH TOTALS

	2015	2014
January	53,041	45,107
February	50,579	41,835
March	36,594	34,399
April	61,582	40,298
May	41,034	52,961
June	44,842	31,434
July	105,696	46,887
August		40,010
September		30,477
October		51,183
November		35,940
December		32,640
TOTAL	393,368	483,171

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

Texas	81,911
Dist. of Columbia	58,225
California	31,373
Minnesota	26,602
New York	25,595

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

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JOB CUTS BY INDUSTRY

	14-Jul	15-Jun	15-Jul	Jan-Jul 2014	Jan-Jul 2015
Aerospace/Defen	3,595	1,400	929	12,676	7,615
Apparel	35			1,517	959
Automotive	88	700	423	5,755	7,249
Chemical		9,260	137	1,514	15,823
Commodities		50		1,274	503
Computer	18,359	517	13,924	48,361	25,542
Construction	201	81	268	824	589
Consumer	338	442	1,179	7,644	8,975
Education	1,019	1,567	1,889	12,040	14,290
Electronics	3,700	299	4,967	9,056	8,712
Energy	1,410	290	9,050	5,318	69,550
Entertainment/Le	2,062	717	243	15,762	9,075
Financial	1,580	1,624	3,107	23,058	19,584
Food	1,532	2,100	1,599	11,910	12,100
Government	5,111	333	57,531	14,707	67,425
Health	845	1,721	1,568	23,045	16,027
Industrial Goods	1,225	1,360	2,382	14,074	28,923
Insurance	130	1,700	15	1,389	2,887
Legal		402		557	1,172
Media	57	263	298	3,359	2,965
Non-Profit	24	108	217	1,733	611
Pharmaceutical	2,050	1,319	93	6,265	6,334
Real Estate	55			253	407
Retail	2,183	17,947	2,532	29,046	47,762
Services	312		925	6,173	4,069
Telecommunicati	866	65	100	13,910	2,627
Transportation	110	577	2,320	20,149	10,704
Utility				1,552	889
TOTAL	46,887	44,842	105,696	292,921	393,368

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JOB CUTS BY REGION, STATE

EAST	JULY	Y-T-D
Dist. of Columbia	57,000	58,225
New York	628	25,595
Pennsylvania	3,801	15,587
New Jersey	1,034	12,325
Delaware		9,294
Massachusetts	7	7,004
Connecticut	873	3,405
Maryland	265	2,376
Vermont		679
Maine		476
New Hampshire	250	276
Rhode Island		167
TOTAL	63,858	135,409

MIDWEST	JULY	Y-T-D
Minnesota	986	26,602
Illinois	2,005	13,827
Ohio	1,819	12,276
Wisconsin	355	7,885
Michigan	706	6,771
Iowa	87	3,813
Indiana	744	3,087
Missouri	190	2,842
Kansas	187	1,543
Nebraska		638
TOTAL	7,079	79,284

**CHALLENGER, GRAY & CHRISTMAS, INC.
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JOB CUTS BY REGION, STATE

WEST	JULY	Y-T-D
Texas	8,259	81,911
California	9,337	31,373
Washington	9,147	10,901
Oklahoma	70	3,936
Colorado	285	3,137
Utah	158	1,961
Oregon	921	1,720
Arizona	905	1,345
South Dakota	815	1,292
Alaska		665
Hawaii	84	633
Nevada	45	453
Wyoming		450
Idaho		289
North Dakota		136
Montana	11	116
New Mexico		103
TOTAL	30,037	140,421

SOUTH	JULY	Y-T-D
Florida	737	8,505
Virginia	1,824	7,027
N. Carolina	450	5,330
Alabama	213	3,717
Arkansas		2,813
West Virginia		2,629
Georgia	284	2,334
Louisiana		1,822
Tennessee	200	1,737
S. Carolina	335	1,275
Kentucky	600	863
Mississippi	79	202
TOTAL	4,722	38,254

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JOB CUTS BY REASON

	JULY	YTD
Restructuring	17,494	104,472
Cost-Cutting	60,833	84,462
Oil Prices	8,878	78,460
Closing	5,540	61,865
Merger/Acquisition	9,234	18,178
Demand Downturn	205	17,567
Loss of Contract	1,464	7,384
Bankruptcy	194	6,153
Financial Losses		2,428
Economic Conditions		2,363
Outsourcing	600	2,300
Relocation	360	2,288
Listeria		1,450
Legal Trouble		1,416
Competition	830	1,341
Voluntary Severance		490
Bird Flu		382
Government Regulation		155
Technological Update		150
Listeria	40	40
Fire	24	24
TOTAL	105,696	393,368

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JOB-CUT ANNOUNCEMENT REPORT**

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			287,672
AVG	202,269	156,780	180,269	208,602	

*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**

	2015	2014	2013	2012	2011
January	8,774	6,312	60,585	7,568	29,492
February	14,574	11,054	92,372	10,720	72,581
March	6,412	6,860	8,115	12,390	10,869
April	13,898	11,145	9,322	11,794	59,648
May	12,598	10,141	9,618	7,722	10,248
June	11,176	15,530	8,774	12,314	15,498
July	11,637	16,544	9,728	10,350	10,706
August		9,657	7,662	12,079	15,201
September		567,705	445,617	425,683	76,551
October		147,935	87,874	75,065	159,177
November		11,291	14,177	28,526	63,527
December		7,332	11,362	16,266	14,074
TOTAL	79,069	821,506	765,206	630,477	459,971

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JOB-CUT ANNOUNCEMENT REPORT**

ANNOUNCED HIRING PLANS

INDUSTRY	JULY	YEAR-TO-DATE
Aerospace/Defense	200	2,103
Apparel	200	360
Automotive	360	13,746
Chemical	160	275
Commodities		0
Computer	1,375	5,134
Construction	828	1,833
Consumer Products	1,150	3,300
Education		27
Electronics		874
Energy		672
Entertainment/Leisure		480
Financial	516	4,861
Food	330	1,685
Government		300
Health Care/Products	900	3,246
Industrial Goods	463	3,347
Insurance		90
Legal		2
Media		650
Non-Profit		950
Pharmaceutical		358
Real Estate		0
Retail	3,400	14,170
Services	1,145	2,108
Telecommunications	400	11,132
Transportation	210	7,366
Utility		0
TOTAL	11,637	79,069