



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



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## **JOB CUTS RISE FOR SECOND CONSECUTIVE MONTH; 45,346 JULY JOB CUTS UP 19% FROM JUNE**

**CHICAGO, August 4, 2016** – The pace of layoffs ticked up in July, as employers announced plans to shed 45,346 workers from their payrolls. That represents a 19 percent increase from 38,536 job cuts in June, according to the report released Thursday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

It was the second consecutive increase in monthly job cuts, as the June total was up 28 percent from May, when planned layoffs fell to a five-month low of 30,157.

While the July total was up from the previous month, it was 57 percent lower than same period a year ago, when job cuts surged to a 4-year high of 105,696. The increase was due to heavy cuts in the military, where 57,000 troops and civilian personnel were discharged in budget-cutting initiatives.

To date, employers have announced 359,100 job cuts in 2016. That is down 8.7 percent from the 393,368 job cuts announced from January through July 2015.

“While job cuts were up last month, compared to June, the total was still lower the July average recorded since the end of the recession. We did see a resurgence in energy-sector job cuts. This was somewhat unexpected in light of recent projections of increased oil prices and possible labor shortages in the industry,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

Job cuts in the energy sector totaled 17,725 in July, a 796 percent increase from the previous month (1,979) and the largest job-cut tally for the industry since April, when these firms announced 18,759 job cuts.

So far in 2016, energy firms have announced 94,936 job cuts. That is 37 percent more than at this point a year ago, when energy cuts totaled 69,550.

Of the 94,936 job cuts in the energy sector announced this year, 83,412 have been blamed on oil prices. In all, low oil prices have claimed 195,415 jobs since mid-2014, mostly in the energy and industrial goods sectors.

“Even as some oil-industry firms continued to reduce their headcounts in July, a report appearing in industry publication [OilPrice.com](http://OilPrice.com) noted that the number of oil rigs rebounded in May and predicted that firms will have a difficult time ramping up operations if and when oil and gas prices go up,” said Challenger.

“Not only have laid off workers relocated to other areas for new jobs but, just as in many other industries, a large portion of the workforce is reaching retirement age.”

Indeed, a report released earlier this year by the American Petroleum Institute indicated that petrochemical companies will need to hire about 30,000 new workers each year over the next two decades to replace retiring employees.

After the energy sector, the computer industry has seen the next highest number of job cut announcements this year. To date, these firms have reported 49,464 job cuts, including 9,875 in July. The year-to-date total is 94 percent higher than the seven-month total from 2015 (25,542).

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**CHALLENGER, GRAY & CHRISTMAS, INC.**  
**JOB-CUT ANNOUNCEMENT REPORT**  
**TOP FIVE INDUSTRIES**  
**Year To Date**

	2016	2015
Energy	94,936	69,550
Computer	49,464	25,542
Retail	43,618	47,762
Industrial Goods	22,767	28,923
Financial	17,326	19,584

**MONTH BY MONTH TOTALS**

	2016	2015
January	75,114	53,041
February	61,599	50,579
March	44,207	36,594
April	64,141	61,582
May	30,157	41,034
June	38,536	44,842
July	45,346	105,696
August		41,186
September		58,877
October		50,504
November		30,953
December		23,622
<b>TOTAL</b>	<b>359,100</b>	<b>598,510</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**

Texas	91,412
California	51,422
Arkansas	18,944
N. Carolina	17,051
Illinois	15,290

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

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

**JOB CUTS BY INDUSTRY**

	15-Jul	16-Jun	16-Jul	Jan-Jul 2015	Jan-Jul 2016
Aerospace/Defense	929	575	732	7,615	9,048
Apparel				959	352
Automotive	423	1,252	480	7,249	8,861
Chemical	137	2,782	140	15,823	10,422
Commodities		14	454	503	1,552
Computer	13,924	2,736	9,875	25,542	49,464
Construction	268	150		589	1,039
Consumer Products	1,179	618	326	8,975	5,917
Education	1,889	485	216	14,290	7,847
Electronics	4,967	1,684	1,941	8,712	6,109
Energy	9,050	1,979	17,725	69,550	94,936
Entertainment/Leisure	243	2,049	28	9,075	11,396
Financial	3,107	9,052	1,524	19,584	17,326
Food	1,599	2,220	1,592	12,100	11,301
Government	57,531	491	796	67,425	5,656
Health Care/Products	1,568	1,091	449	16,027	11,182
Industrial Goods	2,382	1,936	2,425	28,923	22,767
Insurance	15	448	144	2,887	2,364
Legal				1,172	56
Media	298	651	220	2,965	3,369
Non-Profit	217	204	100	611	1,651
Pharmaceutical	93	1,080	366	6,334	6,612
Real Estate			600	407	722
Retail	2,532	3,831	1,523	47,762	43,618
Services	925	1,873	1,623	4,069	7,799
Telecommunications	100		940	2,627	7,344
Transportation	2,320	1,188	951	10,704	10,046
Utility		147	176	889	344
<b>TOTAL</b>	<b>105,696</b>	<b>38,536</b>	<b>45,346</b>	<b>393,368</b>	<b>359,100</b>

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

**JOB CUTS BY REGION, STATE**

<b>EAST</b>	<b>JULY</b>	<b>Y-T-D</b>
New York	399	13,625
Pennsylvania	1,048	7,690
Connecticut	27	7,056
New Jersey	688	6,697
Massachusetts	117	3,198
Maine		1,487
Maryland	479	1,452
Dist. of Columbia		1,057
Vermont		578
Delaware		183
Rhode Island		136
New Hampshire		68
<b>TOTAL</b>	<b>2,758</b>	<b>43,227</b>

<b>MIDWEST</b>	<b>JULY</b>	<b>Y-T-D</b>
Illinois	863	15,290
Ohio	780	9,792
Minnesota	860	7,901
Iowa	194	7,468
Wisconsin	289	6,603
Michigan	344	6,559
Indiana	485	5,695
Missouri	654	5,644
Kansas		1,593
Nebraska	55	65
<b>TOTAL</b>	<b>4,524</b>	<b>66,610</b>

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

<b>WEST</b>	<b>JULY</b>	<b>Y-T-D</b>
Texas	17,471	91,412
California	7,896	51,422
Washington	3,594	8,187
Colorado	65	7,061
Oklahoma	609	4,717
Oregon	67	2,683
Idaho	1,600	1,689
New Mexico	157	1,090
Arizona	664	927
Nevada		721
Hawaii		700
Montana	84	653
Alaska		584
Utah		553
Wyoming	15	531
North Dakota	65	333
South Dakota		73
<b>TOTAL</b>	<b>32,287</b>	<b>173,336</b>

<b>SOUTH</b>	<b>JULY</b>	<b>Y-T-D</b>
Arkansas	160	18,944
N. Carolina	213	17,051
Florida	2,128	8,863
Virginia	463	7,712
Tennessee	2,243	5,837
Mississippi		5,266
Georgia		3,063
Kentucky		2,833
Louisiana	422	2,082
Alabama		1,832
S. Carolina	78	1,250
West Virginia	70	1,194
<b>TOTAL</b>	<b>5,777</b>	<b>75,927</b>

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

**JOB CUTS BY REASON**

	<b>JULY</b>	<b>YTD</b>
Restructuring	20,969	121,387
Oil Prices	15,689	86,764
Closing	2,144	59,333
Cost-Cutting	2,404	28,032
Merger/Acquisition	581	13,442
Bankruptcy	1,230	13,254
Demand Downturn	200	10,818
Outsourcing	125	5,761
Loss of Contract	1,196	4,701
Coal Downturn		2,824
Voluntary Severance		2,700
Relocation	338	1,993
Steel Downturn		1,886
Aluminum Prices		1,152
Government Regulation		1,029
Competition		975
Budget Cuts		657
Copper Downturn	454	454
Labor Dispute		435
Listeria		311
Economic Conditions		245
Legal Trouble		230
No Reason Provided		209
Financial Losses		125
Grain Downturn		121
Fire		100
Weather	16	88
Funding Loss		64
Flint, MI Water Crisis		5
Technological Update		5
<b>TOTAL</b>	<b>45,346</b>	<b>359,100</b>

**CHALLENGER, GRAY & CHRISTMAS, INC.  
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**QUARTER BY QUARTER**

	Q1	Q2	Q3	Q4	TOTAL
<b>1989</b>	9,850	10,100	24,085	67,250	<b>111,285</b>
<b>1990</b>	107,052	87,686	49,104	72,205	<b>316,047</b>
<b>1991</b>	110,056	76,622	147,507	221,107	<b>555,292</b>
<b>1992*</b>	110,815	85,486	151,849	151,850	<b>500,000</b>
<b>1993</b>	170,615	84,263	194,486	165,822	<b>615,186</b>
<b>1994</b>	192,572	107,421	117,706	98,370	<b>516,069</b>
<b>1995</b>	97,716	114,583	89,718	137,865	<b>439,882</b>
<b>1996</b>	168,695	101,818	91,784	114,850	<b>477,147</b>
<b>1997</b>	134,257	51,309	95,930	152,854	<b>434,350</b>
<b>1998</b>	139,140	131,303	161,013	246,339	<b>677,795</b>
<b>1999</b>	210,521	173,027	173,181	118,403	<b>675,132</b>
<b>2000</b>	141,853	81,568	168,875	221,664	<b>613,960</b>
<b>2001</b>	406,806	370,556	594,326	585,188	<b>1,956,876</b>
<b>2002</b>	478,905	292,393	269,090	426,435	<b>1,466,823</b>
<b>2003</b>	355,795	274,737	241,548	364,346	<b>1,236,426</b>
<b>2004</b>	262,840	209,895	251,585	315,415	<b>1,039,735</b>
<b>2005</b>	287,134	251,140	245,378	288,402	<b>1,072,054</b>
<b>2006</b>	255,878	180,580	202,771	200,593	<b>839,822</b>
<b>2007</b>	195,986	197,513	194,095	180,670	<b>768,264</b>
<b>2008</b>	200,656	275,292	287,142	460,903	<b>1,223,993</b>
<b>2009</b>	562,510	318,165	240,233	151,122	<b>1,272,030</b>
<b>2010</b>	181,183	116,494	113,595	118,701	<b>529,973</b>
<b>2011</b>	130,749	115,057	233,258	127,018	<b>606,082</b>
<b>2012</b>	143,094	139,997	102,910	137,361	<b>523,362</b>
<b>2013</b>	145,041	113,891	128,452	121,667	<b>509,051</b>
<b>2014</b>	121,341	124,693	117,374	119,763	<b>483,171</b>
<b>2015</b>	140,214	147,458	205,759	105,079	<b>598,510</b>
<b>2016</b>	184,920	132,834			<b>317,754</b>
<b>AVG</b>	<b>201,650</b>	<b>156,780</b>	<b>181,213</b>	<b>204,620</b>	

\*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.



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

**ANNOUNCED HIRING PLANS  
By Month**

	2016	2015	2014	2013	2012	2011
January	8,362	8,774	6,312	60,585	7,568	29,492
February	7,539	14,574	11,054	92,372	10,720	72,581
March	10,997	6,412	6,860	8,115	12,390	10,869
April	11,557	13,898	11,145	9,322	11,794	59,648
May	24,732	12,598	10,141	9,618	7,722	10,248
June	13,564	11,176	15,530	8,774	12,314	15,498
July	16,051	11,637	16,544	9,728	10,350	10,706
August		11,778	9,657	7,662	12,079	15,201
September		492,306	567,705	445,617	425,683	76,551
October		86,107	147,935	87,874	75,065	159,177
November		10,026	11,291	14,177	28,526	63,527
December		11,465	7,332	11,362	16,266	14,074
<b>TOTAL</b>	<b>92,802</b>	<b>690,751</b>	<b>821,506</b>	<b>765,206</b>	<b>630,477</b>	<b>459,971</b>

**CHALLENGER, GRAY & CHRISTMAS, INC.  
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**ANNOUNCED HIRING PLANS**

<b>INDUSTRY</b>	<b>JULY</b>	<b>YEAR-TO-DATE</b>
Aerospace/Defense	400	2,650
Apparel		0
Automotive	3,376	10,256
Chemical		490
Commodities		0
Computer	319	8,142
Construction	50	506
Consumer Products	100	1,338
Education	459	509
Electronics	100	1,452
Energy		1,713
Entertainment/Leisure	150	550
Financial	937	2,015
Food	50	2,098
Government	13	693
Health Care/Products	860	4,239
Industrial Goods	1,020	5,168
Insurance		696
Legal	91	91
Media	60	360
Non-Profit		0
Pharmaceutical		2,664
Real Estate		150
Retail	6,166	37,493
Services	1,900	3,538
Telecommunications		3,157
Transportation		2,694
Utility		140
<b>TOTAL</b>	<b>16,051</b>	<b>92,802</b>