



CONTACTS

James K. Pedderson, Director of Public Relations
Office: 312-422-5078
Mobile: 847-567-1463
jamespedderson@challengergray.com

Colleen Madden, Media Relations Manager
Office: 312-422-5074
colleenmadden@challengergray.com

FOR RELEASE AT 7:30 A.M. ET, JULY 1, 2015

Job Cuts Up Slightly In June

EMPLOYERS ANNOUNCE 44,842 CUTS LAST MONTH; MIDYEAR TOTAL HIGHEST IN FIVE YEARS

CHICAGO, July 1, 2015 – Job cuts increased by about 10 percent in June, as employers announced plans to reduce payrolls by 44,842 workers during the month. Meanwhile, heavier-than-expected downsizing throughout the first half of 2015 pushed the midyear total to its highest level since 2010, according to a report released Wednesday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

June job cuts were 9.3 percent higher than the 41,032 planned layoffs announced in May. They were 43 percent higher than June 2014, when job cuts totaled just 31,434. This marks the fifth year-over-year increase in job cuts in the first six months of 2015.

Overall, employers announced 287,682 job cuts during the first half of the year. That was up 17 percent from 2014, when the six-month total was 246,034. The midyear total is the highest since 297,677 job cuts were recorded in the first half of 2010.

The pace of job cutting was virtually unchanged between the first and second quarter of year. The 147,458 job cuts announced between April and the end of June was just 5.0 percent more than the 140,214 planned layoffs in the first three months of 2015. The second-quarter total was up 18 percent from a year earlier (124,693).

The first-half surge was due largely to the decline in oil prices, which rippled through the energy and industrial goods sectors. All told, the drop in oil prices was blamed for 69,582 job cuts in the first half of 2015. That is second only to the 86,978 job cuts attributed to “restructuring.”

The energy sector has taken the heaviest hit, cutting its workforce by 60,500 between January and June. Nearly 95 percent (57,168) of those were due to the drop in oil prices. At this point last year, the energy sector had announced just 3,908 job cuts.

Energy is not the only area experiencing increased job cuts. Unexpectedly, the retail sector ranks second in job cuts for the year, having announced 45,230 planned layoffs to date. That is up 68 percent from a year ago (26,863).

“Retailers should be enjoying the benefits of falling oil prices, as consumers have the money they are saving at the gas pump to spend elsewhere. However, it appears that consumers were hoarding that cash, at least through the first half of the year. The most recent data suggests that consumers are finally starting to loosen up the purse strings,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

Last week, the United States Commerce Department reported that consumer spending increased 0.9 percent in May, up from a 0.1 percent increase the previous month. The May surge was the biggest monthly increase in nearly six years.

Even if consumers start spending consistently, retailers are always vulnerable to changing consumer trends, technology and operational factors. Retail was the leading job cutting sector in June with 17,947 job cuts. Most of those were related to the closure of all Canadian stores by Minnesota-based Target.

“Not all retail cuts are due to frugal consumers. In Target’s case, the retail chain simply made significant missteps when entering Canada two years ago and never gained traction among Canadian shoppers. The store closures, which resulted in 17,000 job cuts for the American-based employer, was among the first decisions by new CEO Brian Cornell, who is determined to revitalize the store here in America,” said Challenger.

“With consumers starting to spend more, we should see job cuts in retail start to decline in the second half of the year. We have already started to see a decline in oil-related job cuts as prices have begun to stabilize. Over the past two months, oil prices were blamed for just 1,297 job cuts. In contrast, oil prices caused 20,675 job cuts in April.

“Overall, we expect the pace of downsizing to slow in the final six months of 2015. The factors that were contributing to increased cuts in the first half of the year appear to subsiding,” he concluded.

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

**TOP FIVE INDUSTRIES
Year To Date**

	2015	2014
Energy	60,500	3,908
Retail	45,230	26,863
Industrial Goods	26,541	12,849
Financial	16,477	21,478
Chemical	15,686	1,514

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		46,887
August		40,010
September		30,477
October		51,183
November		35,940
December		32,640
TOTAL	287,672	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	73,652
Minnesota	25,616
New York	24,967
California	22,036
Illinois	11,822

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

Copyright 2015 Challenger, Gray & Christmas, Inc.

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

JOB CUTS BY INDUSTRY

	14-Jun	15-May	15-Jun	Jan-Jun 2014	Jan-Jun 2015
Aerospace/Defense	959	162	1,400	9,081	6,686
Apparel	140	30		1,482	959
Automotive	862	1,445	700	5,667	6,826
Chemical	191	1,784	9,260	1,514	15,686
Commodities			50	1,274	503
Computer	139	1,733	517	30,002	11,618
Construction	185	18	81	623	321
Consumer Products	901	359	442	7,306	7,796
Education	2,852	2,615	1,567	11,021	12,401
Electronics	1,362	350	299	5,356	3,745
Energy	683	2,654	290	3,908	60,500
Entertainment/Leisure	6,005	249	717	13,700	8,832
Financial	897	5,539	1,624	21,478	16,477
Food	644	3,754	2,100	10,378	10,501
Government	1,118	5,502	333	9,596	9,894
Health Care/Products	4,075	2,812	1,721	22,200	14,459
Industrial Goods	1,718	3,134	1,360	12,849	26,541
Insurance	98	9	1,700	1,259	2,872
Legal	150	700	402	557	1,172
Media	364	902	263	3,302	2,667
Non-Profit	343	129	108	1,709	394
Pharmaceutical	857	2,542	1,319	4,215	6,241
Real Estate	17			198	407
Retail	1,167	1,187	17,947	26,863	45,230
Services	100	604		5,861	3,144
Telecommunications	260	949	65	13,044	2,527
Transportation	5,297	1,872	577	20,039	8,384
Utility	50			1,552	889
TOTAL	31,434	41,034	44,842	246,034	287,672

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

JOB CUTS BY REGION, STATE

EAST	JUNE	Y-T-D
New York	1,307	24,967
Pennsylvania	885	11,786
New Jersey	952	11,291
Delaware	9,100	9,294
Massachusetts	919	6,997
Connecticut	1,818	2,532
Maryland	866	2,111
Dist. of Columbia		1,225
Vermont		679
Maine		476
Rhode Island	70	167
New Hampshire		26
TOTAL	15,917	71,551

MIDWEST	JUNE	Y-T-D
Minnesota	17,789	25,616
Illinois	1,607	11,822
Ohio	610	10,457
Wisconsin	2,100	7,530
Michigan	39	6,065
Iowa	268	3,726
Missouri	705	2,652
Indiana	4	2,343
Kansas		1,356
Nebraska	199	638
TOTAL	23,321	72,205

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

JOB CUTS BY REGION, STATE

WEST	JUNE	Y-T-D
Texas	526	73,652
California	1,370	22,036
Oklahoma	240	3,866
Colorado	103	2,852
Utah	725	1,803
Washington	68	1,754
Oregon	175	799
Alaska		665
Hawaii		549
South Dakota		477
Wyoming		450
Arizona	250	440
Nevada	135	408
Idaho		289
North Dakota		136
Montana		105
New Mexico		103
TOTAL	3,592	110,384

SOUTH	JUNE	Y-T-D
Florida	636	7,768
Virginia	545	5,203
N. Carolina	516	4,880
Alabama	160	3,504
Arkansas		2,813
West Virginia		2,629
Georgia		2,050
Louisiana	76	1,822
Tennessee	60	1,537
S. Carolina		940
Kentucky	19	263
Mississippi		123
TOTAL	2,012	33,532

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

JOB CUTS BY REASON

	JUNE	YTD
Restructuring	17,280	86,978
Oil Prices	278	69,582
Closing	21,287	56,325
Cost-Cutting	3,285	23,629
Demand Downturn	875	17,362
Merger/Acquisition	182	8,944
Bankruptcy	450	5,959
Loss of Contract		5,920
Financial Losses	120	2,428
Economic Conditions	500	2,363
Relocation	225	1,928
Outsourcing	250	1,700
Listeria		1,450
Legal Trouble		1,416
Competition		511
Voluntary Severance		490
Bird Flu	110	382
Government Regulation		155
Technological Update		150
TOTAL	44,842	287,672

**CHALLENGER, GRAY & CHRISTMAS, INC.
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.

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

**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		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	67,432	821,506	765,206	630,477	459,971

Copyright 2015 Challenger, Gray & Christmas, Inc.

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

ANNOUNCED HIRING PLANS

INDUSTRY	JUNE	YEAR-TO-DATE
Aerospace/Defense	798	1,903
Apparel	40	160
Automotive	2,071	13,386
Chemical		115
Commodities		0
Computer	207	3,759
Construction	200	1,005
Consumer Products	266	2,150
Education		27
Electronics	700	874
Energy	382	672
Entertainment/Leisure		480
Financial	820	4,345
Food	370	1,355
Government	300	300
Health Care/Products	1240	2,346
Industrial Goods	822	2,884
Insurance		90
Legal		2
Media		650
Non-Profit		950
Pharmaceutical		358
Real Estate		0
Retail	1690	10,770
Services		963
Telecommunications	900	10,732
Transportation	370	7,156
Utility		0
TOTAL	11,176	67,432