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AT MIDWAY POINT OF 2016 JOB CUTS AHEAD OF LAST YEAR, BUT SLOWING

CHICAGO, July 7, 2016 – Employers announced plans to cut payrolls by 38,536 jobs in June, an increase from May, but still well below the 12-month average and indicative of a positive employment environment, according to the report released Thursday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

The June job-cut total is 28 percent higher than May, when planned layoffs fell to a five-month low of 30,157.

“Job cut announcements were up last month, but they increased from the lowest total of the year to the second lowest of the year. The June total is 26 percent lower than the 53,049 monthly job cuts averaged over the past year,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

June job cuts were down 14 percent from the 44,842 planned job cuts reported by employers in June 2015.

Through the first half of the year, employers announced 313,754 planned job cuts, which is up 9 percent from the 287,672 job cuts announced in the first six months of 2015.

However, pace of job cutting has slowed significantly since the beginning of the year. Job cuts in the second quarter totaled 132,834, down 27 percent from the 180,920 first-quarter cuts and 10 percent lower than the 147,458 job cuts announced in the second quarter of 2015.

“It is not unusual to see a slowdown in job cuts during the summer months. Other factors are definitely contributing to the decline, the biggest one being the precipitous drop off in job cuts attributed to low oil prices,” said Challenger.

In the first quarter, firms in the energy and industrial goods sectors blamed oil prices for 50,053 announced job cuts. In the second quarter, oil-related job cuts declined 48 percent to 26,022.

In the energy sector alone, job cuts declined 42 percent from 48,901 in the first quarter to 28,310 in the second quarter.

Sectors linked to oil were not the only ones to see a drop in job cuts. After announcing 31,832 job cuts in the first three months of 2016, retailers announced 48 percent fewer layoffs in the second quarter (10,263). Job cuts in the health care fell by 65 percent from 7,935 in Q1 to 2,798 in Q2.

“We may continue to see low job cut totals throughout the remainder of 2016, as employers take a wait-and-see stance on workforce levels. Several uncertainties, including national elections, the recent Brexit, and global security and economic issues are giving employers pause when it comes to workforce decisions. We are seeing it in layoff numbers, as well as the job creation numbers, which have been lackluster in recent months,” said Challenger.

“Last year, the second half of the year kicked off with more than 100,000 job cuts announced in July. The surge was due primarily to massive cuts in troop and civilian jobs in the US military. We are unlikely to see similar government cuts in an election year. Even with the 105,000 July job cuts, monthly job cuts averaged just under 52,000 in the last half of 2015, well below a level that would indicate widespread contraction in employment,” said Challenger.

Not every sector is holding off on job cuts. Layoffs in the computer industry increased in the second quarter and total 39,589 through the first half of 2016, which is more than triple the 11,618 announced by these firms in the first six months of 2015.

“We have seen large scale job cuts from Intel and Dell this year, as well as, numerous smaller cuts from tech firms, including Seagate Technology, which announced 1,600 job cuts in June. The very nature of the technology sector means that these firms must remain agile and able to shift directions on a dime to meet constantly changing advances and changing consumer demands,” said Challenger.

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

**TOP FIVE INDUSTRIES
Year To Date**

	2016	2015
Energy	77,211	60,500
Retail	42,095	45,230
Computer	39,589	11,618
Industrial Goods	20,342	26,541
Financial	15,802	16,477

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		105,696
August		41,186
September		58,877
October		50,504
November		30,953
December		23,622
TOTAL	313,754	598,510

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	73,941
California	43,526
Arkansas	18,784
N. Carolina	16,838
Illinois	14,427

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-Jun	16-May	16-Jun	Jan-Jun 2015	Jan-Jun 2016
Aerospace/Defense	1,400		575	6,686	8,316
Apparel		159		959	352
Automotive	700	677	1,252	6,826	8,381
Chemical	9,260	97	2,782	15,686	10,282
Commodities	50		14	503	1,098
Computer	517	2,836	2,736	11,618	39,589
Construction	81	720	150	321	1,039
Consumer Products	442	297	618	7,796	5,591
Education	1,567	3,359	485	12,401	7,631
Electronics	299	518	1,684	3,745	4,168
Energy	290	7,572	1,979	60,500	77,211
Entertainment/Leisure	717	847	2,049	8,832	11,368
Financial	1,624	901	9,052	16,477	15,802
Food	2,100	1,276	2,220	10,501	9,709
Government	333	742	491	9,894	4,860
Health Care/Products	1,721	1,348	1,091	14,459	10,733
Industrial Goods	1,360	3,650	1,936	26,541	20,342
Insurance	1,700	204	448	2,872	2,220
Legal	402			1,172	56
Media	263	475	651	2,667	3,149
Non-Profit	108	203	204	394	1,551
Pharmaceutical	1,319	1,283	1,080	6,241	6,246
Real Estate				407	122
Retail	17,947	1,287	3,831	45,230	42,095
Services		673	1,873	3,144	6,176
Telecommunications	65	381		2,527	6,404
Transportation	577	652	1,188	8,384	9,095
Utility			147	889	168
TOTAL	44,842	30,157	38,536	287,672	313,754

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

JOB CUTS BY REGION, STATE

EAST	JUNE	Y-T-D
New York	3,071	13,226
Connecticut	1,079	7,029
Pennsylvania	113	6,642
New Jersey	1,036	6,009
Massachusetts	494	3,081
Maine	245	1,487
Dist. of Columbia	510	1,057
Maryland	334	973
Vermont	55	578
Delaware		183
Rhode Island		136
New Hampshire		68
TOTAL	6,937	40,469

MIDWEST	JUNE	Y-T-D
Illinois	2,912	14,427
Ohio	649	9,012
Iowa	190	7,274
Minnesota	200	7,041
Wisconsin	83	6,314
Michigan	2,660	6,215
Indiana	1,009	5,210
Missouri	765	4,990
Kansas	190	1,593
Nebraska		10
TOTAL	8,658	62,086

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

WEST	JUNE	Y-T-D
Texas	2,154	73,941
California	5,968	43,526
Colorado	517	6,996
Washington	272	4,593
Oklahoma	428	4,108
Oregon		2,616
New Mexico	163	933
Nevada		721
Hawaii		700
Alaska		584
Montana	200	569
Utah		553
Wyoming	180	516
North Dakota		268
Arizona	11	263
Idaho		89
South Dakota		73
TOTAL	9,893	141,049

SOUTH	JUNE	Y-T-D
Arkansas	1,500	18,784
N. Carolina	9,050	16,838
Virginia	221	7,249
Florida	861	6,735
Mississippi	409	5,266
Tennessee	870	3,594
Georgia		3,063
Kentucky		2,833
Alabama		1,832
Louisiana		1,660
S. Carolina	100	1,172
West Virginia	37	1,124
TOTAL	13,048	70,150

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

JOB CUTS BY REASON

	JUNE	YTD
Restructuring	21,655	100,408
Oil Prices	407	71,075
Closing	5,097	57,189
Cost-Cutting	3,945	25,628
Merger/Acquisition	2,035	12,861
Bankruptcy	795	12,024
Demand Downturn	1,165	10,618
Outsourcing	200	5,636
Loss of Contract	1,113	3,505
Coal Downturn	481	2,824
Voluntary Severance	800	2,700
Steel Downturn		1,886
Relocation	450	1,655
Aluminum Prices		1,152
Government Regulation	129	1,029
Competition		975
Budget Cuts		657
Labor Dispute		435
Listeria	250	311
Economic Conditions		245
Legal Trouble		230
No Reason Provided		209
Financial Losses		125
Grain Downturn		121
Fire		100
Weather		72
Funding Loss	4	64
Flint, MI Water Crisis		5
Technological Update		5
TOTAL	38,526	313,744

**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	205,759	105,079	598,510
2016	184,920	132,834			317,754
AVG	201,650	156,780	181,213	204,620	

*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		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
TOTAL	76,751	690,751	821,506	765,206	630,477	459,971

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

INDUSTRY	JUNE	YEAR-TO-DATE
Aerospace/Defense	120	2,250
Apparel		0
Automotive	435	6,880
Chemical	100	490
Commodities		0
Computer	2350	7,823
Construction	200	456
Consumer Products	128	1,238
Education		50
Electronics	300	1,352
Energy	155	1,713
Entertainment/Leisure		400
Financial	278	1,078
Food	178	2,048
Government		680
Health Care/Products		3,379
Industrial Goods	310	4,148
Insurance		696
Legal		0
Media		300
Non-Profit		0
Pharmaceutical		2,664
Real Estate		150
Retail	8020	31,327
Services	550	1,638
Telecommunications	250	3,157
Transportation	125	2,694
Utility	65	140
TOTAL	13,564	76,751