



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



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JOB CUT ANNOUNCEMENTS JUMP 46% FROM APRIL, TO 58,577; YTD CUTS UP 39%

CHICAGO, June 6, 2019 – U.S.-based employers announced plans to cut 58,577 jobs from their payrolls in May, up 46% from the 40,023 cuts announced in April, according to a report released Thursday from global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

May's cuts are up 86% from the same month last year, when 31,517 cuts were announced. So far this year, employers have announced 289,010 job cuts, 39% higher than the 207,977 cuts announced in the same period last year.

"The Tech sector announced the highest number of job cuts last month. Large Tech firms are finding they need to move workers through the pipeline in order to become more agile. In fact, we've seen a number of Tech and Telecom companies offering buyouts to older workers over the last year," said Andrew Challenger, Vice President of Challenger, Gray & Christmas, Inc.

Companies in the Technology sector announced 12,635 job cuts in May, bringing the year-to-date total to 18,568, 342% higher than the 4,205 announced through this point last year. Telecom companies announced the second-highest number of cuts in May with 6,751, 60% of the 11,202 total cuts announced for the year.

Tech companies, however, are not the biggest job cutters in 2019. Retailers continue to lead all sectors with 50,243 cuts, 2,167 of which were announced in May. Retail cuts are down 28% over last year, when 69,316 were announced.

“While job cuts in the Retail sector appear to have slowed, brick-and-mortar retailers continue to close stores and compete with the ease of online sellers. Since January 2017, we have tracked 18,242 announced store closures,” said Challenger.

“Industrial Manufacturing and Automotive companies are also announcing an increasing number of job cuts. This is significant, as these industries are likely to be most hurt by the potential trade war with Mexico, increasing costs, and lower consumer demand,” said Challenger.

So far this year, Industrial companies have announced 44,552 cuts, the second highest of the year and 671% higher than the 5,782 job cuts announced through May 2018.

Meanwhile, companies in the Automotive industry have cut 21,446 jobs, 211% higher than the 6,905 cuts in that sector in the first five months of 2018. It is the highest five-month total since 2009, when 111,614 cuts were announced through May. In fact, this year’s total for the sector has already surpassed year-end totals for every year since 2009, with the exception of last year, when 30,587 total cuts were announced, and 2012, when 24,092 Auto cuts were announced for the year.

“Automakers and suppliers, like big Tech companies, are streamlining their workforces to remain competitive. Last month’s announcement from Ford included the discussion that many of the cuts will reduce bureaucracy to make the company nimbler,” said Challenger.

In May, Ford announced they were completing 7,000 job cuts, or 10% of salaried staff, this summer. Challenger previously counted all but the 800 cuts occurring in the U.S. through August.

Announced Auto Cuts	Through May	Annual Total
2019	21,446	
2018	6,905	30,587
2017	10,396	17,521
2016	7,129	19,283
2015	6,126	16,435
2014	4,805	11,032
2013	7,813	13,497
2012	6,440	24,092
2011	4,620	10,593
2010	9,043	16,001
2009	111,614	174,192
2008	49,103	127,281
2007	34,731	78,880
2006	57,175	158,766
2005	25,060	110,016
2004	13,942	77,174
2003	20,921	74,506
2002	78,346	111,371
2001	83,547	133,686

Source: Challenger, Gray & Christmas, Inc. ©

The Challenger Report found that employers based in the Eastern U.S. are announcing the highest number of job cuts, with 87,422. That is 33% higher than the 65,562 cuts announced in this region through May last year.

Meanwhile, companies in the Southern U.S. have announced nearly 85% more job cuts than last year: 65,706 job cuts announced this year, compared to 35,549 announced during the same period last year.

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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

	2019	2018
Retail	50,243	69,316
Industrial Goods	44,552	5,782
Automotive	21,446	6,905
Technology	18,568	4,205
Health Care/Products	17,514	21,453

MONTH-BY-MONTH TOTALS

	2019	2018
January	52,988	44,653
February	76,835	35,369
March	60,587	60,357
April	40,023	36,081
May	58,577	31,517
June		37,202
July		27,122
August		38,472
September		55,285
October		75,644
November		53,073
December		43,884
TOTAL	289,010	538,659

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

California	40,956
New York	33,449
Massachusetts	32,301
Texas	19,662
Illinois	18,724

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-May	19-Apr	19-May	YTD 2018	YTD 2019
Aerospace/Defense	287	380	211	2,683	2,878
Apparel		300	325	0	1,068
Automotive	454	3,915	1,644	6,905	21,446
Chemical	238	40	91	487	459
Construction	126	562	938	492	2,300
Consumer Products	2,462	4,705	1,359	15,205	10,263
Education	1,112	3,271	3,236	2,800	10,305
Electronics	2,000	263		6,070	762
Energy	1,634	1,631	724	4,513	12,903
Entertainment/Leisure	1,093	1,390	1,023	4,579	8,081
Financial	1,814	1,295	1,571	6,290	12,436
FinTech	N/A	30	180	N/A	1,180
Food	647	1,093	5,363	6,044	12,246
Government	13	347	2,168	1,239	5,671
Health Care/Products	4,003	3,497	3,140	21,453	17,514
Industrial Goods	1,157	5,159	5,248	5,782	44,552
Insurance	95	231	549	2,185	1,742
Legal				0	0
Media	967	316	1,120	6,200	7,232
Mining		216	470	395	1,272
Non-Profit	74	533	730	769	1,338
Pharmaceutical	202	1,034	360	3,908	2,596
Real Estate		80	184	302	776
Retail	4,946	2,015	2,167	69,316	50,243
Services	4,698	3,224	3,316	19,363	11,348
Technology	1,201	1,202	12,635	4,205	18,568
Telecommunications	1,641	1,461	6,751	7,895	11,202
Transportation	653	1,141	1,725	7,692	12,957
Utility			32	888	802
Warehousing		692	1,317	317	4,870
TOTAL	31,517	40,023	58,577	207,977	289,010

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Table 3: JOB CUTS BY REGION, STATE

EAST	May	YTD 2019	YTD 2018	
New York	3,198	33,449	11,219	
Massachusetts	1,401	32,301	5,218	
Pennsylvania	2,421	8,629	7,461	
New Jersey	2,009	6,468	37,458	
Maryland	368	2,450	1,440	
Maine		1,635	0	
Dist. of Columbia	1,155	1,302	278	
Connecticut	98	906	1,835	
Vermont		219	6	
Rhode Island		59	477	
New Hampshire		4	170	YTD Percent Change
Delaware		0	0	Eastern U.S.
TOTAL	10,650	87,422	65,562	↑33.3%

MIDWEST	May	YTD 2019	YTD 2018	
Illinois	2,829	18,724	7,933	
Michigan	1,166	12,156	5,755	
Wisconsin	534	5,568	6,940	
Ohio	909	5,105	14,282	
Minnesota	907	4,799	5,267	
Indiana	1,173	3,110	3,862	
Nebraska	451	1,819	1,369	
Iowa	930	1,537	3,715	
Missouri	293	1,351	1,518	YTD Percent Change
Kansas		333	916	Midwestern U.S.
TOTAL	9,192	54,502	51,557	↑5.7%

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

WEST	May	YTD 2019	YTD 2018	
California	5,205	40,956	26,230	
Texas	6,966	19,662	17,740	
Washington	1,738	5,272	2,752	
Colorado	401	4,280	1,674	
Arizona	182	2,453	1,540	
Nevada		2,239	100	
Alaska		1,592	853	
New Mexico	189	1,438	846	
Idaho	111	1,015	271	
Oregon	506	1,006	1,040	
Oklahoma		600	1,026	
Montana		256	16	
South Dakota	90	160	675	
Utah		133	519	
Wyoming		116	0	
Hawaii	78	102	0	YTD Percent Change
North Dakota		100	27	Western U.S.
TOTAL	15,466	81,380	55,309	↑47.1%

SOUTH	May	YTD 2019	YTD 2018	
Virginia	14,431	17,816	5,829	
South Carolina	605	9,015	2,298	
North Carolina	551	7,523	4,249	
Georgia	1,373	6,994	4,280	
Florida	1,512	6,561	6,915	
Tennessee	1,305	5,446	2,584	
Kentucky	1,256	4,701	1,399	
Louisiana	961	3,313	2,644	
Mississippi		1,883	1,089	
West Virginia	1,057	1,267	915	
Alabama	98	1,024	2,165	YTD Percent Change
Arkansas	120	163	1,182	Southern U.S.
TOTAL	23,269	65,706	35,549	↑84.8%

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Table 4: JOB CUTS BY REASON

	May	YTD
Restructuring	24,274	79,980
Closing	14,861	50,720
Bankruptcy		40,560
No Reason Provided	10,493	33,824
Cost-Cutting	2,237	20,295
Voluntary Severance/Buyouts	300	14,660
Contract Loss	2,931	14,032
Acquisition/Merger	1,309	10,877
Demand Downturn	178	7,834
Relocation (Domestic)	285	3,719
Market Conditions	945	3,304
Financial Losses	5	2,261
Wildfire		1,431
Technological Update	56	1,078
Relocation (International)	83	1,018
Consolidation		715
Hurricane Michael		600
Coal Downturn	470	485
Tariffs		377
Fired		303
ICE Inquiry		300
Hurricane Florence		115
Reorganization		113
Outsourcing Operations to Another U.S. Company	100	100
New Focus		89
Government Regulation	10	65
Contract Dispute		50
Labor Dispute		40
Privatization	40	40
Flood		25
TOTAL	58,577	289,010

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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				190,410
AVG	196,748	152,383	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

	2019	2018	2017	2016	2015
January	74,040	41,890	136,501	8,362	8,774
February	15,279	139,925	25,765	7,539	14,574
March	96,368	14,525	127,006	10,997	6,412
April	258,302	13,842	61,537	11,557	13,898
May	8,663	9,889	77,447	24,732	12,598
June		13,504	40,095	13,564	11,176
July		9,823	88,142	16,051	11,637
August		17,274	14,530	9,101	11,778
September		595,997	422,726	487,075	492,306
October		130,338	37,387	135,532	86,107
November		15,422	61,300	108,994	10,026
December		15,999	8,218	35,198	11,465
TOTAL	452,652	1,018,428	1,100,654	868,702	690,751

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

INDUSTRY	MAY	YTD
Aerospace/Defense		1,784
Apparel		82
Automotive	130	19,200
Chemical		0
Construction		0
Consumer Products	350	600
Education	201	286
Electronics		950
Energy		121
Entertainment/Leisure		0
Financial	500	1,020
FinTech		1,280
Food	408	1,178
Government		0
Health Care/Products	894	5,789
Industrial Goods	1,420	3,410
Insurance	90	3,240
Legal		0
Media	115	242
Mining		240
Non-Profit		0
Pharmaceutical	700	800
Real Estate		0
Retail	525	397,225
Services	270	1,080
Technology	1,810	9,260
Telecommunications	600	600
Transportation	500	4,015
Utility	150	250
Warehousing	0	0
TOTAL	8,663	452,652