



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



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JOB CUTS TOP 50,000 IN OCTOBER, YOY UP 17%; RETAIL, INDUSTRIAL MANUFACTURING, TECH LEAD

CHICAGO, October 31, 2019 – Job cuts announced by U.S.-based employers jumped to 50,275 in October, 20.97% higher than the 41,557 announced in September, according to a report released Thursday from global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

Last month's total is 33.5% lower than the 75,644 cuts announced in the same month last year. October was the second consecutive month during which cuts were lower in 2019 than in the corresponding month one year earlier.

Employers have announced plans to cut 515,441 jobs from their payrolls, 16.6% higher than the 441,702 cuts announced through October last year. It is the highest January-October total since 2015, when 543,935 cuts were announced.

“For the most part, job cut announcements are holding steady as we enter the final quarter of the year. We’ve seen increases in certain industries, particularly those experiencing disruptions from new technologies, uncertainty from government regulation or issues with trade, or slumping from demand shifts,” said Andrew Challenger, Vice President of Challenger, Gray & Christmas, Inc.

October cuts were led by the Technology sector, which announced 15,898 cuts last month, mostly from Hewlett-Packard’s announcement that the company would cut up to 9,000 jobs by 2022. So far this year, Technology companies have announced plans to cut 56,155 jobs from their payrolls, the third-highest total for any industry through October.

Health Care companies, including hospitals and medical products manufacturers, announced the second-highest total in October, with 5,400. Hospitals cited lower Medicare and Medicaid reimbursements, declining revenue, and the changing care landscape.

Retail leads all sectors in 2019 with 71,485 cuts, 6,127 of which occurred in October. Industrial Goods manufacturers follow with 63,505, 183% higher than the 22,446 announced through October last year. It is the highest January-October total for the sector since 2009, when 105,027 cuts were announced.

“We saw many steel companies announce cuts last month, attributed to a number of reasons, including tariffs on steel, declining demand, and market conditions,” said Challenger.

In fact, of the 2,562 Industrial Goods cuts tracked last month, 1,188 were from steel companies, 355 of which were attributed specifically to tariffs on steel. Of the 1,368 cuts attributed to tariffs last month, 768 were attributed to steel tariffs. Those cuts came from companies in the Automotive, Industrial, and Aerospace industries.

Of the 3,826 announced cuts companies attributed to the tariffs this year, 1,571 were specifically due to steel tariffs. (See Table 4).

Automotive companies have announced 43,025 job cuts this year, 197% higher than the 14,489 announced through the same point last year. It is the highest total in the first ten months of the year since 2009, when 164,440 cuts were recorded.

Meanwhile, hiring plans by U.S.-based employers are at a record high. Through October, companies have announced 1,162,375 hiring plans, 431,781 of which are for the holiday season (Table 8).

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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	71,485	92,735
Industrial Goods	63,505	22,446
Technology	56,155	9,634
Automotive	43,025	14,489
Health Care/Products	37,196	35,143

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	41,977	37,202
July	38,845	27,122
August	53,480	38,472
September	41,557	55,285
October	50,275	75,644
November		53,073
December		43,884
TOTAL	515,144	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	92,028
New York	55,575
Massachusetts	35,843
Texas	30,392
Illinois	28,488

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-Oct	19-Sep	19-Oct	YTD 2018	YTD 2019	YoY Percentage Change
Aerospace/Defense	765	1,350	774	5,715	6,727	↑17.7%
Apparel	82	300	217	1,106	1,823	↑56.8%
Automotive	526	4,912	1,965	14,489	43,025	↑196.9%
Chemical	70	57	104	889	1,067	↑16.7%
Construction	176	270	385	1,791	3,710	↑107.1%
Consumer Products	717	625	1,373	29,206	15,145	-48.1%
Education	418	180	248	9,134	14,876	↑62.9%
Electronics	1,589	94		12,064	1,795	See Technology
Energy	155	2,972	1,011	6,722	23,778	↑253.7%
Entertainment/Leisure	1,311	1,150	1,447	9,910	12,308	↑24.2%
Financial	2,101	1,691	1,672	41,036	21,089	-48.6%
FinTech				0	1,501	
Food	1,274	1,255	1,136	11,363	21,172	↑86.3%
Government	386	482	77	2,502	12,444	↑397.4%
Health Care/Products	2,146	2,857	5,400	35,143	37,196	↑5.8%
Industrial Goods	1,747	5,067	2,562	22,446	63,505	↑182.9%
Insurance	1,160		50	5,133	2,930	-42.9%
Legal				124	0	-100.0%
Media	2,806	380	720	11,286	9,198	-18.6%
Mining	129	687	1,317	524	5,829	↑1,012.4%
Non-Profit		626	237	1,999	2,990	↑49.6%
Pharmaceutical	2,497	760	2,243	10,135	10,631	↑4.9%
Real Estate		156		357	2,046	↑473.1
Retail	7,350	8,132	6,127	92,735	71,485	-22.9%
Services	392	3,285	1,761	26,847	21,530	-19.8%
Technology	149	1,621	15,898	9,634	56,155	-17.5%
Telecommunications	46,616	177	177	59,518	14,908	See Technology
Transportation	1,082	1,441	1,307	16,702	25,341	↑51.7%
Utility			400	2,309	1,563	-32.3%
Warehousing		1,030	1,667	883	9,377	↑961.9%
TOTAL	75,644	41,557	50,275	441,702	515,144	↑16.6%

*Percentage increase includes industry totals for Electronics, Technology, and Telecommunications year over year.

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Table 3: JOB CUTS BY REGION, STATE

EAST	October	YTD 2019	YTD 2018	
Connecticut	829	2,745	4,220	
Delaware		525	224	
Dist. of Columbia	248	2,154	407	
Maine	38	2,103	126	
Maryland	79	3,704	3,596	
Massachusetts	1,066	35,843	7,598	
New Hampshire	40	65	330	
New Jersey	1,320	10,691	41,422	
New York	5,092	55,575	72,123	
Pennsylvania	1,485	21,711	14,082	
Rhode Island		61	1,013	YoY Percentage Change
Vermont	100	338	302	Eastern U.S.
TOTAL	10,297	135,515	145,443	-5.8%

MIDWEST	October	YTD 2019	YTD 2018	
Illinois	1,154	28,488	15,015	
Indiana	407	5,511	5,499	
Iowa	231	3,513	7,430	
Kansas	246	1,455	1,760	
Michigan	590	28,100	7,895	
Minnesota	428	7,323	7,987	
Missouri	1,269	3,687	7,789	
Nebraska	154	3,262	3,222	
Ohio	1,778	14,684	21,502	YoY Percentage Change
Wisconsin	200	7,097	18,166	Midwestern U.S.
TOTAL	6,457	103,120	96,265	↑7.1%

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

WEST	October	YTD 2019	YTD 2018	
Alaska		3,777	1,238	
Arizona	1,623	5,610	3,011	
California	20,424	92,028	83,462	
Colorado	399	7,694	3,563	
Hawaii	165	688	0	
Idaho		1,827	1,256	
Montana		318	50	
Nevada	100	2,569	210	
New Mexico	344	2,304	1,543	
North Dakota		150	369	
Oklahoma		1,051	1,813	
Oregon	232	2,877	1,490	
South Dakota	100	902	1,281	
Texas	2,443	30,392	25,891	
Utah	521	884	1,162	
Washington	1,098	9,740	4,043	YoY Percentage Change
Wyoming		1,961	0	Western U.S.
TOTAL	27,449	164,772	130,382	↑26.3%

SOUTH	October	YTD 2019	YTD 2018	
Alabama	90	1,916	3,763	
Arkansas	86	1,378	1,185	
Florida	575	15,504	16,284	
Georgia	1,384	12,375	8,154	
Kentucky	86	6,902	4,300	
Louisiana		5,278	3,853	
Mississippi	173	2,686	1,981	
North Carolina	1,171	13,697	11,185	
South Carolina	154	10,283	4,117	
Tennessee	903	16,520	4,291	
Virginia	1,108	22,571	8,652	YTD Percentage Change
West Virginia	342	2,627	1,847	Southern U.S.
TOTAL	6,072	111,737	69,612	↑60.5%

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Table 4: JOB CUTS BY REASON

	October	YTD
Restructuring	20,301	121,439
Closing	9,822	110,969
No Reason Provided	4,356	62,287
Bankruptcy	3,364	54,366
Cost-Cutting	1,998	48,688
Contract Loss	2,618	22,295
Voluntary Severance/Buyouts		15,804
Acquisition/Merger	1,729	14,040
Demand Downturn	1,737	13,788
Trade Difficulties		10,507
Relocation (Domestic)	285	6,524
Market Conditions	579	6,291
Government Regulation	58	4,919
Tariffs	1,368	3,826
Financial Losses	30	3,113
Labor Dispute		2,576
Fires		2,455
Relocation (International)	154	1,653
Technological Update	211	1,289
Coal Downturn	602	1,287
Natural Gas Downturn		965
Outsourcing Operations to Another U.S. Company	75	914
Consolidation		797
Legal Trouble	600	622
Hurricane Michael		600
ICE Inquiry		540
Reduced Medicaid/Medicare Payouts	50	434
Steel Downturn		405
Competition		372
Fired		303
Listeria		200
Low Interest Rates	200	200
Hurricane Florence		115
Reorganization		113
Environmental Regulations	100	100
New Focus		89
Climate Legislation		60
Contract Dispute		50
Privatization		40
Price Downturn		40
Flood		25
Dispute with Government over FSA	23	23
Vaping Legislation	15	15
Hurricane Matthew		6
TOTAL	50,275	515,144

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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	140,577	133,882		464,869
AVG	196,748	152,002	173,027	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	2014
January	74,040	41,890	136,501	8,362	8,774	6,312
February	15,279	139,925	25,765	7,539	14,574	11,054
March	96,368	14,525	127,006	10,997	6,412	6,860
April	258,302	13,842	61,537	11,557	13,898	11,145
May	8,663	9,889	77,447	24,732	12,598	10,141
June	11,946	13,504	40,095	13,564	11,176	15,530
July	22,316	9,823	88,142	16,051	11,637	16,544
August	24,937	17,274	14,530	9,101	11,778	9,657
September	459,689	595,997	422,726	487,075	492,306	567,705
October	190,835	130,338	37387	135,532	86,107	147,935
November		15,422	61,300	108,994	10,026	11,291
December		15,999	8,218	35,198	11,465	7,332
TOTAL	1,162,375	1,018,428	1,100,654	868,702	690,751	821,506

NOTES:

In March, The Home Depot announced 80,000 hires.

In April, McDonald's announced 250,000 hires.

For Seasonal Hiring Announcements, see Table 8.

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Table 7: ANNOUNCED HIRING PLANS

INDUSTRY	OCTOBER	YEAR TO DATE
Aerospace/Defense	1,250	5,352
Apparel		1,295
Automotive	400	22,868
Chemical		10
Construction		5,800
Consumer Products		2,000
Education		286
Electronics		1,147
Energy		271
Entertainment/Leisure		2,940
Financial		2,020
FinTech	500	4,355
Food		2,286
Government	5,000	5,000
Health Care/Products		9,525
Industrial Goods		4,720
Insurance	750	4,260
Legal		0
Media		622
Mining		490
Non-Profit		0
Pharmaceutical	49	3,938
Real Estate		0
Retail	171,300	885,890
Services	370	5,376
Technology	4,124	20,015
Telecommunications	275	1,925
Transportation	6,817	163,320
Utility		250
Warehousing		6,414
TOTAL	190,835	1,162,375

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Table 8: ANNOUNCED SEASONAL HIRING PLANS

Company	2012	2013	2014	2015	2016	2017	2018	2019
Amazon	50,000	70,000	80,000	100,000	120,000	120,000	100,000	
Target	88,000	70,000	70,000	70,000	77,500	100,000	120,000	133,000
UPS	55,000	55,000	95,000	95,000	95,000	95,000	100,000	95,000
Macy's	80,000	83,000	86,000	85,000	83,000	87,000	80,000	80,000
FedEx (Transportation)	20,000	20,000	50,000	55,000	50,000	50,000	55,000	55,000
JCPenney	40,000	35,000	35,000	30,000	40,000	40,000	39,000	37,000
Michaels						15,000	15,000	15,000
Kroger						14,000	10,000	
Kroger (GA & SC Stores)								1,000
Nordstrom				11,800	11,400	13,650		
Toys"R"Us	45,000	45,000	45,000	40,000		12,500		
Burlington Stores						12,000		
The Bon-Ton Stores					13,500	10,000		
1-800-FLOWERS.COM Inc.						8,000	8,000	8,000
McDonald's						3,179		
Williams-Sonoma						2,000		
Fanatics						2,000		
Plow & Hearth						400		
Opryland					300	400		
Kohl's	52,700	53,000	76,970	79,160	69,000		90,000	90,000
Walmart	50,000	55,000	60,000	60,000				
GameStop	17,000	17,000	25,000	28,000				
Sports Authority				3,500				
Best Buy	14,000							
Meijer	12,000	9,000	10,000					
Radial					20,000	23,000	20,000	12,581*
Party City					35,000			25,000
Gap			63,000				65,000	5,000
Versant Supply Chain					2,000			
L Brands					4,000		4,000	
XPO Logistics						6,000	8,000	
Hickory Farms (Food)	5,225	6,000						
Altar'd State								1,200
Bass Pro Shops								7,000
Total	390,925	378,000	545,970	487,460	423,200	394,129	494,000	431,781

*Announcements tracked for 2019 so far.