



Challenger, Gray & Christmas, Inc.
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FOR IMMEDIATE RELEASE

CEO TURNOVER PLUMMETS TO LOWEST MONTHLY TOTAL SINCE NOVEMBER 2004

CHICAGO, May 13, 2020 – Chief Executive Officer turnover plunged to 48 exits in April, the lowest monthly total since 46 departures were recorded in November 2004, according to a report released Wednesday by global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

April's total is 51% lower than the 97 CEO exits that were tracked in April 2019 and 49% lower than the 94 who left their posts in March. So far this year, 489 chief executives have left their posts, 4.7% lower than the 513 CEO changes tracked between January 2019 and April 2019.

"CEO turnover was at record highs last year, and January saw the most CEO exits in a single month ever recorded. The volatility in CEO movement reflects the volatility we are seeing in the job market overall," said Andrew Challenger, Senior Vice President of Challenger, Gray & Christmas, Inc.

Last month's total was led by the Technology sector, which saw nine chief executive replacements in April for a total of 67 for the year, leading all sectors in CEO turnover. That is 49% higher than the 45 CEO changes tracked through the same period last year.

"The Tech sector is not immune to the current crisis, but it does continue to see strong hiring prospects, especially for the more established companies. Start-ups are having a more difficult time securing funding, and new leadership may be needed during this uncertain time," said Challenger.

Another six CEOs left Government/Non-Profit entities in April for a total of 78 in 2020. These include charities, foundations, and government-run entities such as transportation authorities or public education. That is 32% lower than the 114 CEO exits recorded in this sector through April last year.

Four CEOs left Entertainment/Leisure companies, which have been the hardest hit by COVID-19 thus far. Thirty-two CEOs have left companies in this industry, 78% higher than the 18 who left Entertainment/Leisure companies through April 2019.

“The damage COVID-19 is doing to the economy has begun to spread beyond the initial shock due to the shutdowns. We’ll likely see a second wave of layoffs, but it is far from certain how the economy will react. Companies appear to be holding on to their leaders right now to weather the current storm, at least for the short term,” said Challenger.

While CEOs are retaining their jobs, many high-profile CEOs are reportedly taking no or reduced salaries during this time. These include the leaders of Airbnb, which recently announced it would lay off 1,900 workers. The CEOs of General Electric and GE Aviation also took reduced pay amid furloughs and layoffs.

“This move is largely symbolic, but is an effort to show solidarity with rank-and-file employees who may be currently furloughed or laid off,” said Challenger.

The majority of CEOs (120) “stepped down” this year, meaning they will stay with the company in some capacity, usually as a Board Member or Chairperson. Another 105 retired from their positions. Seventy reportedly resigned from their positions, while 55 saw their interim periods end.

After three months of ten-plus years of average tenure for exiting CEOs, April’s tenure fell to 6.8 years. That equals the previous lowest average tenure recorded in July 2012.

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NEW: Challenger will now report on replacement data each month. Please see tables on the last page of this report.

CHALLENGER CEO REPORT

CEO DEPARTURES

By Month

Month	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
January	219	157	132	128	131	110	131	113	123	96	89	113	134
February	128	124	113	72	87	94	112	110	104	92	132	82	114
March	94	135	96	101	101	95	123	86	94	99	119	114	123
April	48	97	109	91	108	97	94	94	90	103	101	78	112
May		114	91	80	100	90	98	104	99	103	125	115	115
June		99	90	95	97	102	103	94	99	113	107	105	126
July		124	94	102	92	128	105	128	83	104	88	126	124
August		159	154	96	109	107	119	113	104	104	95	101	144
September		151	148	101	119	104	124	107	95	108	111	105	140
October		172	149	105	99	94	122	104	108	91	81	89	125
November		148	147	94	106	86	103	94	112	82	79	94	104
December		160	129	95	99	114	107	99	103	83	107	105	123
TOTAL	489	1,640	1,452	1,160	1,248	1,221	1,341	1,246	1,214	1,178	1,234	1,227	1,484

Company Type, YTD 2020

Private/Government/Non-Profit	404
Public	85

Month	Announced CEO Departures from Fortune 1000 Companies
Jan-19	4
Feb-19	9
Mar-19	9
Apr-19	5
May-19	2
Jun-19	4
Jul-19	8
Aug-19	10
Sep-19	8
Oct-19	5
Nov-19	14
Dec-19	10
Jan-20	6
Feb-20	4
Mar-20	6
Apr-20	3

Annual CEO Turnover by Company Type

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
CEO Turnover at Public Companies	278	296	266	249	278	254	230	230	262	311

CHALLENGER CEO REPORT

By Industry

	19-Apr	20-Mar	20-Apr	Year to Date 2019	Year to Date 2020
Aerospace/Defense		3		6	7
Apparel		1		1	4
Automotive	1	1	1	6	5
Cannabis				2	3
Chemical				0	2
Commodities				0	0
Construction	1	1	1	4	3
Consumer Products	1	1		8	9
Electronics				0	2
Energy	7	4	2	21	11
Entertainment/Leisure	3	9	4	18	32
Financial	8	4	1	45	27
FinTech	1	3	1	2	5
Food	5	5		19	12
Government/Non-Profit	19	9	6	114	78
Health Care/Products	14	8	3	55	41
Hospitals	5	13	3	26	46
Industrial Goods	4	2	3	29	18
Insurance	1	3	1	6	6
Legal		1		2	4
Media	4	2		7	9
Pharmaceutical	2	2	3	22	13
Real Estate		1	2	11	5
Retail	4	5		18	16
Services	4	5	3	35	38
Technology	11	7	9	45	67
Telecommunications			1	1	4
Transportation	2	3	2	8	13
Utility		1	2	2	9
TOTAL	97	94	48	513	489

CHALLENGER CEO REPORT
By State

EAST	APRIL	YTD 2020	YTD 2019
Connecticut		6	10
Delaware		4	2
Dist. of Columbia		3	6
Maine		1	1
Maryland	1	3	6
Massachusetts		25	24
New Hampshire		2	0
New Jersey		13	3
New York		33	28
Pennsylvania	1	16	20
Rhode Island		1	1
Vermont		0	0
	2	107	101

MIDWEST	APRIL	YTD 2020	YTD 2019
Illinois	3	19	20
Indiana	2	7	10
Iowa		5	2
Kansas		5	6
Michigan	3	8	4
Minnesota	2	10	17
Missouri		14	16
Nebraska		0	2
Ohio		12	23
Wisconsin		11	9
TOTAL	10	91	109

CHALLENGER CEO REPORT
By State

WEST	APRIL	YTD 2020	YTD 2019
Alaska		1	0
Arizona		8	16
California	12	77	62
Colorado	2	13	18
Hawaii	1	4	1
Idaho	1	6	4
Montana		0	2
Nevada		5	4
New Mexico		6	1
North Dakota		0	1
Oklahoma	1	5	4
Oregon		5	7
South Dakota		1	2
Texas	5	37	45
Utah		2	1
Washington	2	11	14
Wyoming		1	1
TOTAL	24	182	183

SOUTH	APRIL	YTD 2020	YTD 2019
Alabama	1	8	5
Arkansas	1	1	0
Florida	5	30	34
Georgia	1	13	7
Kentucky		6	4
Louisiana		4	6
Mississippi		0	2
N. Carolina	1	13	11
S. Carolina	1	7	5
Tennessee	1	17	23
Virginia	1	9	21
West Virginia		1	2
TOTAL	12	109	120

CEO DEPARTURES

By Reason

Reason	April	YTD
Stepped down	15	120
Retired	9	105
No reason given	5	57
Interim period over	3	50
New opportunity	5	33
Resigned	3	70
New position within company	1	4
Acquisition/merger		10
Deceased		7
Scandal		8
Relocation		2
Allegations of professional misconduct		1
Financial losses		1
Personal reasons	3	6
Terminated	1	5
Differences with Board	1	2
Bankruptcy		3
Leadership restructuring		1
Contract expired		2
Economic conditions	2	2

Average Age, Tenure

	Age		Tenure	
	2020	2019	2020	2019
January	55.7	60.7	10.6	11.6
February	53.3	57.1	10.3	11.4
March	53.0	57.6	10.0	11.2
April	53.4	60	6.8	8.8
May		61.4		11.1
June		61.6		8.7
July		59.2		9
August		68.5		10.6
September		58.9		8.8
October		53.3		10.7
November		53.2		9.4
December		57.2		11.5

Challenger CEO Report CEO Replacements

Replacement Type	YTD
External Replacement	238
Internal Replacement	194

Annual Internal vs. External Replacement CEOs

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
External Replacements	469	469	431	513	524	478	493	462	564	784
Internal Replacements	458	479	529	480	539	560	557	515	630	620

Source: Challenger, Gray & Christmas, Inc. ©

Replacements by Gender, Jan-Apr

Replacement	CEOs (Interim)
Women Replacing Women	35 (3)
Men Replacing Women	40 (3)
Women Replacing Men	69 (2)
Men Replacing Men	291 (17)
Total Replacements	435
Percentage of New CEOs who are Women	23.9%

Annual

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Women Replacing Women	39	24	42	45	54	50	64	69	89	119
Men Replacing Women	58	67	72	78	89	91	99	88	120	131
Women Replacing Men	77	95	94	117	107	109	130	119	182	189
Men Replacing Men	760	761	753	755	812	788	757	741	814	983
Grand Total	934	947	961	995	1,062	1,038	1,050	1,017	1,205	1,422
Percentage of Women Replacement CEOs	12.4%	12.6%	14.2%	16.3%	15.2%	15.3%	18.5%	18.5%	22.5%	21.7%