



Challenger, Gray & Christmas, Inc.
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FOR IMMEDIATE RELEASE

AUGUST CEO TURNOVER SLOWS TO 109; YTD DOWN 11%

CHICAGO, September 9, 2020 – Turnover in the top position slowed in August, as employers at U.S.-based companies announced 109 Chief Executive Officer changes, 13% lower than the 125 CEO changes announced in July, according to a report released Wednesday by global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

August's total was 31% lower than the 159 CEO exits reported in August 2019. In total, 897 chief executives have left their roles so far this year, down 11% from the 1,009 CEOs who announced their departures in January-August 2019.

"With a global pandemic, a recession, and an upcoming presidential election, executives are faced with making critical decisions during extremely uncertain times," said Andrew Challenger, Senior Vice President of Challenger, Gray & Christmas, Inc.

"Some CEOs are rising to the occasion and leading companies through turbulence never seen before. But these challenges can be incredibly difficult for others. Many companies have delayed or abandoned planned actions due to these uncertainties," he added.

Government/Non-Profit sector CEOs announced the highest number of changes in August with 17, a 39% decrease from July's 28 and a 43% decrease from the 30 reported in August 2019. This sector, which includes charities, foundations, and government-run entities such as transportation authorities or public education, leads all industries in CEO turnover this year with 165, down 24% from the 218 reported in January-August 2019.

"This sector, particularly the Non-Profit sector, is significantly impacted during recessions, as these entities rely on giving and government funding," said Challenger.

The Health Care/Products sector reported the second-highest number of CEO replacements in August with 14, a 22% decrease from July's 18, but a 75% increase over the eight reported one year earlier in August.

So far this year, Technology has announced the second-highest number of CEO changes with 102, down 24% from the 134 announced year to date in 2019.

While CEO turnover is down this year over last year, 15 sectors tracked by Challenger are seeing more CEO changes than in 2019. This includes the Automotive industry, which announced 11 CEO exits through August, compared to eight during the same period last year. Last month, Jim Hackett announced he would retire from Ford Motor Co. amid an \$11 billion restructuring. COO Jim Farley will replace him.

Of those who gave a reason for leaving their position in August, the majority of CEOs (35) stepped down, followed by 23 who retired, and 13 who reported their interim period had ended.

More outsiders are replacing insider CEOs. According to Challenger tracking, 56% of replacement CEOs are external, on par with the annual rate in 2019. Last year saw the first year external replacements outpaced internal ones since 2013.

Exiting CEOs reported an average tenure of 8.7 years and an average age of 52 years. Year to date, 23.79% of new CEOs are women, up from 22% of women at the end of 2019 and 23.4% by midyear 2020.

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CHALLENGER CEO REPORT
CEO DEPARTURES
By Month

Month	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Jan	219	157	132	128	131	110	131	113	123	96	89	113	134
Feb	128	124	113	72	87	94	112	110	104	92	132	82	114
Mar	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	83	114	91	80	100	90	98	104	99	103	125	115	115
June	91	99	90	95	97	102	103	94	99	113	107	105	126
July	125	124	94	102	92	128	105	128	83	104	88	126	124
Aug	109	159	154	96	109	107	119	113	104	104	95	101	144
Sept		151	148	101	119	104	124	107	95	108	111	105	140
Oct		172	149	105	99	94	122	104	108	91	81	89	125
Nov		148	147	94	106	86	103	94	112	82	79	94	104
Dec		160	129	95	99	114	107	99	103	83	107	105	123
TOTAL	897	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	738
Public	159

Month	CEO Departures from Fortune-Ranked Companies
19-Jun	4
19-Jul	8
19-Aug	10
19-Sep	8
19-Oct	5
19-Nov	14
19-Dec	10
20-Jan	6
20-Feb	4
20-Mar	6
20-Apr	1
20-May	3
20-Jun	3
20-Jul	8
20-Aug	8

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-Aug	20-Jul	20-Aug	Year to Date 2019	Year to Date 2020
Aerospace/Defense				8	8
Apparel				7	6
Automotive		2	3	8	11
Cannabis	2	2	3	6	11
Chemical			1	1	4
Commodities	1			4	0
Construction	3	2		10	8
Consumer Products		4	4	14	18
Electronics	1		4	2	8
Energy	5	7	4	43	25
Entertainment/Leisure	10	10	6	36	58
Financial	12	7	6	83	51
FinTech	1	1	1	6	10

Food	6	3	4	37	25
Government/Non-Profit	30	28	17	218	165
Health Care/Products	8	18	14	83	92
Hospitals	19	6	6	65	70
Industrial Goods	3	3		44	25
Insurance	1	2	3	11	14
Legal	1	2		5	6
Media	5	3	4	17	21
Pharmaceutical	4			42	14
Real Estate	2	6	1	16	14
Retail	7	4	1	36	21
Services	9	4	13	51	69
Technology	27	10	9	134	102
Telecommunications			2	1	7
Transportation	2	1	2	17	21
Utility			1	4	13
TOTAL	159	125	109	1,009	897

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By State

EAST	AUGUST	YTD 2020	YTD 2019
Connecticut	1	11	18
Delaware		4	2
Dist. of Columbia	1	6	18
Maine		3	2
Maryland	1	6	16
Massachusetts	3	40	41
New Hampshire		3	1
New Jersey	1	20	18
New York	3	59	55
Pennsylvania	1	27	41
Rhode Island		1	1
Vermont		2	2
TOTAL	11	182	215

MIDWEST	AUGUST	YTD 2020	YTD 2019
Illinois	2	35	60
Indiana	1	10	16
Iowa		10	5
Kansas	2	10	9
Michigan	3	18	15
Minnesota	2	19	27
Missouri	2	21	24
Nebraska	2	2	5
Ohio	6	27	41
Wisconsin	3	20	16
TOTAL	23	172	218

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By State

WEST	AUGUST	YTD 2020	YTD 2019
Alaska		1	2
Arizona	5	18	26
California	17	135	131
Colorado	5	23	28
Hawaii	1	6	7
Idaho		7	6
Montana		0	3
Nevada		7	7
New Mexico		11	7
North Dakota		0	2
Oklahoma		7	7
Oregon	3	14	17
South Dakota		3	4
Texas	12	75	82
Utah		3	3
Washington	3	19	23
Wyoming	1	2	1
TOTAL	47	331	356

SOUTH	AUGUST	YTD 2020	YTD 2019
Alabama	3	13	9
Arkansas	1	4	2
Florida	9	62	60
Georgia	5	28	19
Kentucky		16	12
Louisiana		4	12
Mississippi		0	3
N. Carolina	1	19	18
S. Carolina	2	11	8
Tennessee	3	25	32
Virginia	3	27	41
West Virginia	1	3	4
TOTAL	28	212	220

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CHALLENGER CEO REPORT

By Reason

Reason	August	YTD
Stepped Down		226
Retired		195
No Reason Given		122
Interim Period Over		94
Resigned		89
New Opportunity		71
Acquisition/Merger		19
Personal Reasons		15
Scandal		15
Deceased		13
Bankruptcy		6
Terminated		6
New Position Within Company		5
Leadership Restructuring		4
Racism		4
Contract Expired		4
Differences with Board		3
Relocation		2
Economic Conditions		2
Allegations of Professional Misconduct		1
Financial Losses		1

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	56.1	61.4	11.4	11.1
June	54.7	61.6	12.0	8.7
July	58.0	59.2	11.6	9
August	52.0	68.5	8.7	10.6
September		58.9		8.8
October		53.3		10.7
November		53.2		9.4
December		57.2		11.5

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Challenger CEO Report
CEO Replacements

Replacement Type	YTD
External Replacement	445
Internal Replacement	354

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

Replacements by Gender, YTD 2020

Replacement	CEOs (Interim)
Women Replacing Women	60 (5)
Men Replacing Women	68 (5)
Women Replacing Men	131 (8)
Men Replacing Men	544 (35)
Total	803 (53)
Percentage of New CEOs who are Women	23.79%

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%