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Job Cuts Plunge 32% in December

EMPLOYERS SHED 30,623 WORKERS IN FINAL MONTH OF 2013; ANNUAL JOB CUTS FALL 3%

CHICAGO, January 9, 2014 – Announced job cuts fell to the lowest level of the year in December as U.S.-based employers reported plans to reduce payrolls by 30,623 during the month. That was down 32 percent from a November total of 45,314. For the year, job cuts were down about 3.0 percent from 2012, according to the latest report on monthly job cuts released Thursday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

The December total was six percent lower than the 32,556 job cuts announced in the same month a year earlier, marking the third consecutive year-over-year decline. Last month was not only the lowest job-cut month in 2013; it was, in fact, the lowest job-cut month in more than 13 years. The last time employers announced fewer job cuts was June, 2000, when 17,241 planned layoffs were recorded.

Overall, employers announced a total of 509,051 planned job cuts in 2013, down 3.0 percent from 523,362 in 2012. It is the lowest annual job-cut total since 434,350 cuts were announced in 1997. The fourth quarter of the year saw a slight increase in October job cuts, followed by consecutive declines in monthly job cuts to close out 2013. In all, 121,667 job cuts were announced over the final three months of the year, which was 5.3 percent lower than the previous quarter (128,452) and 11 percent lower than the fourth quarter of 2012 (137,361).

“Employers seem less and less inclined to make dramatic staffing decisions in the final month of the year. We have had several years, when it was among the largest job-cut months of the year, if not *the* largest. Over the last five years, however, December job cuts have come in well below the annual average. It was the lowest job-cut total this year and the second lowest a year ago. It could be the spirit of the holiday season that is prompting employers to hold off on announcing layoff plans, but it is more likely to be the result of increased confidence heading into each new year. The recovery has been slow, but every year since the recession has been better than the previous one,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

While overall job cuts were 3.0 percent lower than a year ago, four of the top five job-cutting industries experienced significant increases in downsizing last year. The financial sector led all other industries with 60,962 job cuts, up 49 percent from 41,008 in 2012. The second-ranked health care sector announced 52,638 job cuts in 2013, which is 45 percent more than the 36,212 a year earlier. Job cuts announced within the industrial goods nearly doubled from 26,103 in 2012 to 51,864.

Due to the heavy downsizing in the financial sector, New York-based firms announced the most job cuts in 2013 with 82,952. California ranked a distant second with 59,535. Illinois-based companies cut 43,431 jobs last year, up 66 percent from 2012, when employers in the state announced layoff plans impacting 26,163 workers both inside and beyond its borders.

“The heavy job-cutting industries were impacted by several factors in 2013, most of which were unrelated to the health of the economic recovery. In fact, in the case of the financial sector, the ongoing recovery was, ironically, a contributing factor to increased layoffs, as these institutions shed the thousands of extra workers brought on to handle foreclosures as well as the refinancing of troubled mortgages. As the economy improved, the number of foreclosures and troubled mortgages decline. At the same time, mortgage rates and home prices increased, which lowered demand for mortgage bankers,” noted Challenger.

“Likewise, job cuts in the health care sector were not driven by lower demand. Indeed, demand for health care is on the rise. However, cuts in Medicare reimbursements and Medicaid funding forced hospitals and other health care providers to adjust their staffing levels, as that source of income declines.”

“Despite the rise in job cuts, health care workers remain highly sought-after. In fact, the Bureau of Labor Statistics recently noted that health care will account for about one in every three jobs created over the next ten years,” he added.

Occupations in the health care sector that are expected to see strong hiring include physician's assistants; nurses, particularly those in specialty areas, such as oncology; physical therapists; and medical technicians. There will also be high demand for researchers, engineers, designers, chemists and other high-skill areas in bio-technology, medical equipment manufacturing and pharmaceuticals, according to Challenger.

Another area poised for strong growth in 2014 is technology. While the computer industry saw the fifth highest number of job cuts last year, the pace of downsizing in the sector was actually down 24 percent from 2012. The industry ranked third in terms of hiring announcements, with firms announcing plans to add more than 26,000 workers.

"Our hiring total represents a tiny fraction of the actual job creation, since most employers do not formally announce hiring plans. Computer science, information technology, electronics manufacturing and telecommunications will continue to be strong job generators in the 2014 economy. New companies are forming and existing companies are expanding products and services related to Big Data, cloud computing, and security, particularly in the wake of the massive security breach at Target," said Challenger.

"The coming year will hopefully see improved conditions for small and medium sized businesses that have struggled so far in this economy. Big businesses, on the other hand, have done rather well, regardless of the industry. Globalization has really driven the growth for multi-national conglomerates. The benefits are trickling down in several ways. These firms require large staffs to conduct market research, product R&D, sales and marketing. They need accountants and administrators and myriad of support staff. Their growth is also benefiting ancillary industries, such as management consulting, staffing, information technology, etc. These employers will continue to seek new workers in 2014 and beyond," he continued.

"One area that may be off many job seekers' radar is anything related to skilled trades, such as electrical maintenance, plumbing, carpentry, masonry, automotive maintenance, etc. It may be difficult for many to enter these careers from less technical areas, but for students and other young people thinking about future job opportunities, these fields will be fruitful in the coming years, as the existing workforce continues to age and retire. These are jobs that will always be in demand and that cannot be outsourced overseas," Challenger concluded.

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

TOP FIVE INDUSTRIES

Year To Date

	2013	2012
Financial	60,962	41,008
Health Care/Products	52,637	36,212
Industrial Goods	51,864	26,103
Retail	49,299	32,868
Computer	35,136	46,164

MONTH BY MONTH TOTALS

	2013	2012
January	40,430	53,486
February	55,356	51,728
March	49,255	37,880
April	38,121	40,559
May	36,398	61,887
June	39,372	37,551
July	37,701	36,855
August	50,462	32,239
September	40,289	33,816
October	45,730	47,724
November	45,314	57,081
December	30,623	32,556
TOTAL	509,051	523,362

Some reductions are identified by employees as workers who will take early retirement offers or other special considerations to leave the company.

LAYOFF LOCATION

Year To Date

New York	82,952
California	59,535
Illinois	43,431
Texas	32,327
Pennsylvania	25,193

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

	12-Dec	13-Nov	13-Dec	Jan-Dec 2013	Jan-Dec 2012
Aerospace/Defense	803	4,174	1,091	34,941	19,026
Apparel	150	121		3,091	2,781
Automotive	757	421	1,259	13,497	24,092
Chemical	239	130	1,015	3,530	7,198
Commodities		884		3,372	1,399
Computer	1,104	714	5,578	35,136	46,164
Construction	599		125	1,772	3,556
Consumer Products	1,610	573	1,913	13,451	34,133
Education	475	716	165	18,808	30,925
Electronics	400	522	629	8,830	15,191
Energy	1,812	1,701	689	17,750	26,813
Entertainment/Leisure	601	1,165	1,079	14,342	13,906
Financial	11,355	1,598	1,773	60,962	41,008
Food	270	4,160	1,508	18,235	37,033
Government	1,550	759	1,263	13,027	19,128
Health Care/Products	1,960	2,590	2,145	52,637	36,212
Industrial Goods	1,222	2,732	2,470	51,864	26,103
Insurance		180	55	6,519	8,355
Legal	80	45		776	1,011
Media	266	2,049	274	13,773	5,641
Non-Profit	39	28	200	3,621	1,659
Pharmaceutical	1,264	1,727	927	22,161	14,150
Real Estate		68		709	325
Retail	22	9,998	2,269	49,299	32,868
Services	58	1,961	1,289	10,987	7,810
Telecommunications	921	374	1,540	12,952	21,858
Transportation	4,844	5,901	1,202	20,515	42,107
Utility	155	23	165	2,494	2,910
TOTAL	32,556	45,314	30,623	509,051	523,362

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

EAST	DECEMBER	Y-T-D
New York	4,743	82,952
Pennsylvania	952	25,193
New Jersey	1,219	23,034
Massachusetts	395	12,408
Connecticut	599	10,696
Maryland	372	9,751
Dist. of Columbia	1,340	4,421
Maine	455	2,157
Delaware		1,917
New Hampshire	80	1,686
Rhode Island		814
Vermont	23	593
TOTAL	10,178	175,622

MIDWEST	DECEMBER	Y-T-D
Illinois	718	43,431
Ohio	1,122	19,766
Michigan	2,134	12,285
Missouri	165	11,308
Indiana	5	8,170
Wisconsin	256	7,810
Minnesota	425	6,273
Kansas	125	3,388
Iowa	554	1,389
Nebraska		550
TOTAL	5,504	114,370

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

JOB CUTS BY REGION, STATE

WEST	DECEMBER	Y-T-D
California	6,700	59,535
Texas	1,373	32,327
Washington	251	10,689
Colorado	340	8,804
Oklahoma	70	4,058
Oregon	30	3,562
Arizona		2,957
Idaho	352	2,656
Hawaii	163	1,499
Nevada		1,436
South Dakota		1,192
Utah		1,043
New Mexico		775
Montana		394
North Dakota		389
Alaska	27	285
Wyoming		195
TOTAL	9,306	131,796

SOUTH	DECEMBER	Y-T-D
Florida	2,183	21,509
N. Carolina	509	15,506
Virginia	1,420	11,168
Georgia		9,605
Tennessee	190	6,473
S. Carolina	225	5,186
Louisiana	591	4,064
Alabama		3,906
Mississippi	340	3,776
Kentucky	177	2,969
Arkansas		1,719
West Virginia		1,382
TOTAL	5,635	87,263

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

	DECEMBER	YTD
Restructuring	7,568	173,926
Closing	10,290	117,386
Cost-Cutting	9,054	83,305
Demand Downturn	191	27,813
Sequestration	2	16,934
Economic Conditions	1,134	16,328
Merger/Acquisition	684	16,313
Loss of Contract	140	10,947
Voluntary Severance		6,034
Outsourcing	200	5,332
Falling Sales		5,280
Bankruptcy	490	5,043
Relocation	429	4,376
Legal Trouble		4,334
Health Reform	371	3,896
Federal Spending Cuts		2,500
Competition	40	2,410
Natural Disaster	30	2,082
Labor Dispute		1,000
Rising Costs		868
Order Cancellation/Reduction		846
Government Regulation		566
Work Stoppage		400
Reorganization/Consolidation		359
Drought		221
Government Drawdown in Iraq		215
Funding Loss		180
Technological Update		149
Firing		8
TOTAL	30,623	509,051

**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	578,510	318,165	240,233	151,122	1,288,030
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
AVG	208,629	158,436	182,785	212,303	

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

**ANNOUNCED HIRING PLANS
Monthly Totals**

	2013	2012	2011
January	60,585	7,568	29,492
February	92,372	10,720	72,581
March	8,115	12,390	10,869
April	9,322	11,794	59,648
May	9,618	7,722	10,248
June	8,774	12,314	15,498
July	9,728	10,350	10,706
August	7,662	12,079	15,201
September	445,617	425,683	76,551
October	87,874	75,065	159,177
November	14,177	28,526	63,527
December	11,362	16,266	14,074
TOTAL	765,206	630,477	459,971

In January, Lowe's announced 50,000 seasonal hires.

In February, Home Depot announced 80,000 seasonal hires.

In September, seasonal/holiday hires numbered 440,200

In October, seasonal/holiday hires numbered 80,865

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

ANNOUNCED HIRING PLANS

INDUSTRY	DECEMBER	YEAR-TO-DATE
Retail		588,337
Transportation		76,397
Computer	10,200	26,026
Automotive		15,597
Health Care/Products	716	8,830
Industrial Goods		7,389
Aerospace/Defense		4,781
Financial	91	4,502
Food	131	4,328
Education		4,322
Government		4,217
Telecommunications		3,770
Entertainment/Leisure		3,285
Consumer Products		2,331
Insurance		2,322
Energy	170	1,878
Construction		1,775
Electronics		1,461
Services		1,270
Pharmaceutical		1,120
Apparel		550
Chemical	50	410
Media	4	187
Utility		100
Non-Profit		11
Legal		10
Commodities		0
Real Estate		0
TOTAL	11,362	765,206