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### Job Cuts Dip in December

## **EMPLOYERS SHED 32,640 DURING MONTH; 2014 TOTAL LOWEST SINCE 1997**

**CHICAGO, January 8, 2015** – Job cuts declined for a second consecutive month in December, as U.S.-based employers announced plans to reduce payrolls by 32,640. It was the third lowest monthly total of 2014; a year that saw the fewest planned job cuts since 1997, according to the report Thursday from global outplacement consultancy Challenger, Gray & Christmas, Inc.

December job cuts were down 9.2 percent from 35,940 planned layoffs in November. Despite the decline, last month's total was still 7 percent higher than the same month a year ago, when employers announced 30,623 job cuts, which happened to be the lowest monthly tally in 2013.

Overall, employers announced job cuts totaling 483,171 in 2014. That is 5.0 percent fewer than the 509,051 cuts tracked in 2013. It was the lowest annual total since 434,350 job cuts were recorded in 1997.

“Layoffs aren’t simply at pre-recession levels; they are at pre-2001-recession levels. This bodes well for job seekers, who will not only find more employment opportunities in 2015, but will enjoy increased job security once they are in those new positions,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

“Of course, no job is ever 100 percent secure. After all, we did record an average of 40,000 planned job cuts per month in a period of economic and employment growth. Even in the best economy, companies fail. Meanwhile, successful companies still may shift product focus, cut costs or implement other strategies that result in workforce adjustments,” Challenger added.

In 2014, the top three job-cutting industries of the year are all examples of sectors that are, for all intents and purposes, enjoying the fruits of expansion. However, various companies for various reasons made significant cuts to their payrolls.

Despite the overall strength of the tech sector, employers in the computer industry saw the heaviest downsizing of the year, announcing a total of 59,528 planned layoffs. That is 69 percent more than a year ago, when these firms cut 35,136 jobs. A large portion of the pink slips came from tech giants Hewlett Packard and Microsoft, where both are attempting to become more nimble in a very competitive market.

Job cuts in the retail sector declined by 11 percent in 2014, but the industry still ranked second with 43,783 layoffs announced during the year, including 2,195 in December. The third-ranked health care sector also saw fewer layoffs last year, going from 52,637 job cuts in 2013 to a 2014 total of 38,359.

Overall, 16 of the 28 industries tracked by Challenger saw fewer layoffs in 2014, with an average decline of 34 percent. The insurance industry experienced the biggest decline, with job cuts falling 65 percent from 6,519 in 2013 to 2,259 last year.

The largest increases in job cuts occurred among employers in the entertainment industry and electronics, where job cuts more than doubled in both. In the entertainment and leisure industry, job cuts jumped 125 percent from 14,342 in 2013 to 32,235. Job cuts in the electronics industry went from 8,830 to 19,408; a 120 percent surge.

“While 43 percent of industries saw job cuts increase in 2014, it was pretty clear that these gains were not indicative of impending trouble down the road. We expect downsizing to remain subdued in 2015, as a growing number of employers turn their attention toward job creation,” said Challenger.

“The biggest threat to the job market’s momentum could be falling oil prices, which may lead to increased job cuts in one of the high-flying sectors of 2014: energy. Lower prices mean less money for research, exploration and new drilling operations,” said Challenger.

“In fact, just this week, U.S. Steel announced plans to shutter a plant that manufactures the specialized pipes used in oil and gas exploration and extraction. The resulting 768 layoffs will be counted in January layoff figures and may be precursor of what is to come if prices remain as low as they are now or continue to fall.

“However, the slowdown in oil-related industries may be more than offset by the extra dollars in consumers’ pockets as they shell out less money for gas and heating oil. The money not spent at the pump can be used for consumer goods, travel, home improvement, and dining out. Furthermore, continued low gas prices could spur an increase in SUV sales. All of these are going to have an immediate and positive impact on the job market and hiring,” said Challenger.

Continued improvements in the housing market, the Affordable Care Act, and new technology advancements are expected to drive the economy and employment gains in 2015.

“More homeowners are coming out from being underwater and are eager to put their homes on the market. One just needs to drive around the nation’s cities and suburbs to see that home building activity has picked up significantly in the last six months. There are also a lot more ‘for sale’ signs up in front yards. This activity alone will boost the economy.

“There also some promising long-term trends that will help drive job creation now and in the future. One of those trends is the consumerization of the drone industry. It may sound silly, but the expanded use of unmanned aircraft beyond military applications is expected to add 100,000 jobs to the economy over the next decade, according to one recent report,” said Challenger.

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**CHALLENGER, GRAY & CHRISTMAS, INC.**  
**JOB-CUT ANNOUNCEMENT REPORT**  
**TOP FIVE INDUSTRIES**  
**Year To Date**

	2014	2013
Computer	59,528	35,136
Retail	43,783	49,299
Health Care/Products	38,359	52,637
Entertainment/Leisure	32,235	14,342
Industrial Goods	28,273	51,864

**MONTH BY MONTH TOTALS**

	2014	2013
January	45,107	40,430
February	41,835	55,356
March	34,399	49,255
April	40,298	38,121
May	52,961	36,398
June	31,434	39,372
July	46,887	37,701
August	40,010	50,462
September	30,477	40,289
October	51,183	45,730
November	35,940	45,314
December	32,640	30,623
<b>TOTAL</b>	<b>483,171</b>	<b>509,051</b>

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	<b>83,433</b>
New York	<b>37,312</b>
Washington	<b>34,878</b>
Illinois	<b>32,048</b>
New Jersey	<b>31,002</b>

Listings are identified by the location of the layoff or corporate headquarters as stated in announcement.

**CHALLENGER, GRAY & CHRISTMAS, INC.  
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**JOB CUTS BY INDUSTRY**

	13-Dec	14-Nov	14-Dec	Jan-Dec 2013	Jan-Dec 2014
Aerospace/Defense	1,091	1,041	747	34,941	22,799
Apparel				3,091	1,575
Automotive	1,259	858	3,189	13,497	11,032
Chemical	1,015	1,800	1,113	3,530	4,427
Commodities				3,372	1,401
Computer	5,578	2,696	1,321	35,136	59,528
Construction	125	27	103	1,772	954
Consumer Products	1,913	5,158	81	13,451	14,277
Education	165	809	669	18,808	16,279
Electronics	629	494	761	8,830	19,408
Energy	689	1,077	2,783	17,750	14,262
Entertainment/Leisure	1,079	2,300	1,649	14,342	32,235
Financial	1,773	657	490	60,962	27,443
Food	1,508	1,503	4,920	18,235	25,327
Government	1,263	929	384	13,027	22,513
Health Care/Products	2,145	5,124	2,897	52,637	38,359
Industrial Goods	2,470	4,127	2,389	51,864	28,273
Insurance	55			6,519	2,259
Legal			13	776	570
Media	274	119	841	13,773	9,387
Non-Profit	200	15		3,621	4,091
Pharmaceutical	927	823	1,438	22,161	17,636
Real Estate		99		709	599
Retail	2,269	2,640	2,195	49,299	43,783
Services	1,289	728	1,319	10,987	14,875
Telecommunications	1,540	793	990	12,952	21,821
Transportation	1,202	1,673	1,571	20,515	25,163
Utility	165	450	777	2,494	2,895
<b>TOTAL</b>	<b>30,623</b>	<b>35,940</b>	<b>32,640</b>	<b>509,051</b>	<b>483,171</b>

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**JOB CUTS BY REGION, STATE**

<b>EAST</b>	<b>DECEMBER</b>	<b>Y-T-D</b>
New York	3,198	37,312
New Jersey	1,281	31,002
Pennsylvania	367	19,760
Maryland	374	9,360
Massachusetts	382	8,593
Dist. of Columbia	180	5,276
Connecticut	72	2,984
Vermont	106	2,171
Maine	21	2,084
New Hampshire	41	871
Delaware	175	625
Rhode Island		446
<b>TOTAL</b>	<b>6,197</b>	<b>120,484</b>

<b>MIDWEST</b>	<b>DECEMBER</b>	<b>Y-T-D</b>
Illinois	911	32,048
Ohio	1,123	16,645
Michigan	3,521	13,342
Missouri	2,472	10,684
Kansas	12	10,560
Minnesota		9,100
Indiana	919	6,144
Wisconsin	193	5,811
Iowa	4	3,313
Nebraska		1,184
<b>TOTAL</b>	<b>9,155</b>	<b>108,831</b>

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**JOB CUTS BY REGION, STATE**

<b>WEST</b>	<b>DECEMBER</b>	<b>Y-T-D</b>
California	4,423	83,433
Washington	608	34,878
Texas	4,004	21,766
Colorado	460	4,582
Idaho		4,570
Arizona	531	2,539
Oklahoma	185	2,225
Nevada		2,175
Oregon	11	2,028
Hawaii		1,344
Alaska	200	1,004
New Mexico	42	958
Utah	180	543
Montana	5	212
South Dakota		120
North Dakota		66
Wyoming		33
<b>TOTAL</b>	<b>10,649</b>	<b>162,476</b>

<b>SOUTH</b>	<b>DECEMBER</b>	<b>Y-T-D</b>
Florida	1,457	21,039
Virginia	371	15,433
N. Carolina	336	13,384
Georgia	3,175	7,579
Alabama	201	6,789
Tennessee	536	6,399
Kentucky	150	5,920
Arkansas	38	4,724
Louisiana	107	3,345
Mississippi		3,048
West Virginia	115	2,231
S. Carolina	153	1,489
<b>TOTAL</b>	<b>6,639</b>	<b>91,380</b>

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**JOB CUTS BY REASON**

	December	YTD
Restructuring	11,526	203,079
Closing	10,249	129,266
Cost-Cutting	4,636	56,762
Demand Downturn	3,132	15,691
Sequestration		15,581
Merger/Acquisition	2,122	14,833
Economic Conditions		8,566
Bankruptcy	320	8,293
Voluntary Severance		7,367
Loss of Contract	145	6,246
Natural Disaster		4,068
Relocation	506	3,519
Outsourcing		3,006
Cyber Attack		2,500
Legal Trouble	4	1,703
Health Reform		1,433
Competition		506
Fired		380
Labor Dispute		290
Technological Update		79
Foreclosure		3
<b>TOTAL</b>	<b>32,640</b>	<b>483,171</b>



**CHALLENGER, GRAY & CHRISTMAS, INC.  
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**QUARTER BY QUARTER**

	Q1	Q2	Q3	Q4	TOTAL
<b>1989</b>	9,850	10,100	24,085	67,250	<b>111,285</b>
<b>1990</b>	107,052	87,686	49,104	72,205	<b>316,047</b>
<b>1991</b>	110,056	76,622	147,507	221,107	<b>555,292</b>
<b>1992*</b>	110,815	85,486	151,849	151,850	<b>500,000</b>
<b>1993</b>	170,615	84,263	194,486	165,822	<b>615,186</b>
<b>1994</b>	192,572	107,421	117,706	98,370	<b>516,069</b>
<b>1995</b>	97,716	114,583	89,718	137,865	<b>439,882</b>
<b>1996</b>	168,695	101,818	91,784	114,850	<b>477,147</b>
<b>1997</b>	134,257	51,309	95,930	152,854	<b>434,350</b>
<b>1998</b>	139,140	131,303	161,013	246,339	<b>677,795</b>
<b>1999</b>	210,521	173,027	173,181	118,403	<b>675,132</b>
<b>2000</b>	141,853	81,568	168,875	221,664	<b>613,960</b>
<b>2001</b>	406,806	370,556	594,326	585,188	<b>1,956,876</b>
<b>2002</b>	478,905	292,393	269,090	426,435	<b>1,466,823</b>
<b>2003</b>	355,795	274,737	241,548	364,346	<b>1,236,426</b>
<b>2004</b>	262,840	209,895	251,585	315,415	<b>1,039,735</b>
<b>2005</b>	287,134	251,140	245,378	288,402	<b>1,072,054</b>
<b>2006</b>	255,878	180,580	202,771	200,593	<b>839,822</b>
<b>2007</b>	195,986	197,513	194,095	180,670	<b>768,264</b>
<b>2008</b>	200,656	275,292	287,142	460,903	<b>1,223,993</b>
<b>2009</b>	562,510	318,165	240,233	151,122	<b>1,272,030</b>
<b>2010</b>	181,183	116,494	113,595	118,701	<b>529,973</b>
<b>2011</b>	130,749	115,057	233,258	127,018	<b>606,082</b>
<b>2012</b>	143,094	139,997	102,910	137,361	<b>523,362</b>
<b>2013</b>	145,041	113,891	128,452	121,667	<b>509,051</b>
<b>2014</b>	<b>121,341</b>	<b>124,693</b>	<b>117,374</b>	<b>119,763</b>	<b>483,171</b>
<b>AVG</b>	204,656	157,138	180,269	208,602	

\*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.

**CHALLENGER, GRAY & CHRISTMAS, INC.  
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**ANNOUNCED HIRING PLANS  
By Month**

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>January</b>	6,312	60,585	7,568	29,492
<b>February</b>	11,054	92,372	10,720	72,581
<b>March</b>	6,860	8,115	12,390	10,869
<b>April</b>	11,145	9,322	11,794	59,648
<b>May</b>	10,141	9,618	7,722	10,248
<b>June</b>	15,530	8,774	12,314	15,498
<b>July</b>	16,544	9,728	10,350	10,706
<b>August</b>	9,657	7,662	12,079	15,201
<b>September</b>	567,705	445,617	425,683	76,551
<b>October</b>	147,935	87,874	75,065	159,177
<b>November</b>	11,291	14,177	28,526	63,527
<b>December</b>	<b>7,332</b>	11,362	16,266	14,074
<b>TOTAL</b>	<b>821,506</b>	<b>765,206</b>	<b>630,477</b>	<b>459,971</b>

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

**ANNOUNCED HIRING PLANS**

<b>INDUSTRY</b>	<b>DECEMBER</b>	<b>YEAR-TO-DATE</b>
Aerospace/Defense	1,015	4,255
Apparel		0
Automotive	1,480	19,933
Chemical		96
Commodities	100	100
Computer	922	13,194
Construction		785
Consumer Products		1,695
Education		2,308
Electronics	300	2,533
Energy		2,186
Entertainment/Leisure		2,070
Financial	283	7,632
Food	25	2,295
Government		9,473
Health Care/Products	500	6,609
Industrial Goods	1,227	12,277
Insurance		9,770
Legal		60
Media	130	717
Non-Profit		70
Pharmaceutical	200	1,686
Real Estate		0
Retail		559,935
Services		3,304
Telecommunications	625	9,229
Transportation	250	149,019
Utility	275	275
<b>TOTAL</b>	<b>7,332</b>	<b>821,506</b>