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Job Cuts Decline in February

EMPLOYERS ANNOUNCE 41,835 CUTS LAST MONTH; LOWEST FEBRUARY TOTAL SINCE 2000

CHICAGO, March 6, 2014 – The pace of downsizing declined slightly in the second month of the new year, as U.S.-based employers announced plans to cut payrolls by 41,835 in February. The February total was 7.3 percent lower than the 45,107 job cuts employers announced to kick off 2014, according to the report Thursday from global outplacement consultancy Challenger, Gray & Christmas, Inc.

February job cuts were down 24 percent from the same month a year ago, when 55,356 planned layoffs were recorded. It was, in fact, the lowest February total since 35,415 job cuts were announced in 2000.

Through the first two months of 2014, employers announced 86,942 planned job cuts, which is 9.2 percent fewer than the 95,786 job cuts tracked in January and February of 2013. At the current pace, with job cuts averaging 43,471 per month, the first quarter could see the fewest announced layoffs since 1995, when job cuts totaled 97,716 through the end of March.

The financial sector experienced the heaviest job-cut activity in February, with these institutions announcing plans to cut 9,791 workers in the coming weeks and months. That is about double the 4,817 job cuts announced by financial services firms in January. It is largest monthly toll in the sector since last February, when these employers announced 21,724 job cuts.

Top 5 Job-Cut Sectors in February

	February	YTD
Financial	9,791	14,608
Telecommunications	5,147	6,952
Retail	3,848	15,242
Food	3,022	4,101
Industrial Goods	2,622	4,051

“While some of the cuts in the financial sector were related to cutbacks in mortgage lending operations, a large portion of the banking workforce reductions in February were due to the ongoing shift away from branch banking toward increased mobile banking. This is trend that is gaining momentum and undoubtedly will have a profound impact on banking employment levels in the coming years. The number of bank tellers and traditional banks will continue to shrink as more people manage their bank accounts over their phones, on their laptops, and at ATMs and kiosks,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

“These are the kinds of cuts we don’t see in a recession. These are successful companies taking proactive steps to adjust to new realities.”

“Last month, JP Morgan Chase revealed an additional 3,500 cuts in its consumer operations. According to reports, most of these will come from its branch network. However, these are not cuts from a weakening economy or a struggling bank. These are proactive moves by CEO Jamie Dimon in recognition of the coming sea change in the way people bank. The bank has shifted from a ‘branch-building strategy to an optimization strategy.’ In other words, Chase will have more places to bank, but technology will replace tellers for day-to-day banking. Meanwhile, the bank promises to provide more personalized asset-management services for those seeking more financial planning guidance,” said Challenger.

“Of course, retail banking is being impacted by the same technology trends that are altering the consumer products retail landscape. Last month, we saw significant job cuts from Best Buy and the closure of two-thirds of the U.S. Sony retail stores. It’s not that Americans are buying fewer consumer electronics, clothes, and household goods. What has changed is how and where they buy these products. Pretty much every brick-and-mortar retailer these days, whether it is selling clothes, books, TVs or refrigerators, has to have an Amazon.com strategy, which basically boils down to fewer stores, smaller sales staff, lower prices and heavier focus on internet sales,” he said.

Retail had the third highest job-cut total in February, with 3,848 announced layoffs. It ranks as the top job-cutting industry for the year, with 15,242 cuts over the first two months. The two-month total is up 70 percent from a year ago, when retailers cut 8,955 over the same period.

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TOP FIVE INDUSTRIES

Year To Date

	2014	2013
Retail	15,242	8,955
Financial	14,608	30,302
Computer	7,249	3,035
Telecommunications	6,952	935
Health Care/Products	5,196	5,364

MONTH BY MONTH TOTALS

	2014	2013
January	45,107	40,430
February	41,835	55,356
March		49,255
April		38,121
May		36,398
June		39,372
July		37,701
August		50,462
September		40,289
October		45,730
November		45,314
December		30,623
TOTAL	86,942	509,051

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	13,041
New York	11,655
Pennsylvania	6,561
Illinois	6,271
Texas	5,400

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

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JOB CUTS BY INDUSTRY

	13-Feb	14-Jan	14-Feb	Jan-Feb 2013	Jan-Feb 2014
Aerospace/Defense	4,388	866	1,300	5,845	2,166
Apparel		150	234	190	384
Automotive	3,803	1,290	518	4,245	1,808
Chemical	543	172	175	774	347
Commodities		402		67	402
Computer	406	6,456	793	3,035	7,249
Construction	40	52	166	193	218
Consumer Products	468	1,847	1,309	1,267	3,156
Education	1,209	215	1,500	2,421	1,715
Electronics	507	1,478	1,150	1,007	2,628
Energy	1395	413	100	1,933	513
Entertainment/Leisure	2,933	2,423	1,659	5,001	4,082
Financial	21,724	4,817	9,791	30,302	14,608
Food	1,229	1,079	3,022	4,517	4,101
Government	916	1,188	1,835	2,273	3,023
Health Care/Products	2754	2,658	2538	5,364	5,196
Industrial Goods	3,235	1,429	2,622	4,752	4,051
Insurance	65	200	309	165	509
Legal		209	9	12	218
Media	3,589	81	720	4,864	801
Non-Profit	356	124	35	530	159
Pharmaceutical	510	906	1,035	1,034	1,941
Real Estate		81	3	278	84
Retail	2,279	11,394	3,848	8,955	15,242
Services	294	300	369	482	669
Telecommunications	316	1,805	5,147	935	6,952
Transportation	2,367	3,072	1,565	5,128	4,637
Utility	30		83	217	83
TOTAL	55,356	45,107	41,835	95,786	86,942

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JOB CUTS BY REGION, STATE

EAST	FEBRUARY	Y-T-D
New York	10,179	11,655
Pennsylvania	2,806	6,561
New Jersey	964	3,020
Maryland	1,180	1,845
Massachusetts	337	1,616
Dist. of Columbia	709	1,065
Connecticut	810	935
Maine	235	260
Rhode Island	234	234
Vermont	143	143
New Hampshire		60
Delaware		0
TOTAL	17,597	27,394

MIDWEST	FEBRUARY	Y-T-D
Illinois	869	6,271
Minnesota	2,223	4,532
Ohio	609	4,346
Michigan	1,455	3,468
Missouri	1,583	1,613
Wisconsin	1,302	1,588
Indiana	357	1,308
Kansas		584
Iowa	63	204
Nebraska		63
TOTAL	8,461	23,977

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

WEST	FEBRUARY	Y-T-D
California	5,433	13,041
Texas	1,795	5,400
Idaho	2,170	2,719
Colorado	105	522
Oklahoma	45	420
Washington	185	347
Nevada	64	308
Oregon	83	206
Alaska		200
Hawaii		170
Arizona	125	125
South Dakota	120	120
Utah		70
New Mexico		50
Montana	15	24
Wyoming		0
North Dakota		0
TOTAL	10,140	23,722

SOUTH	FEBRUARY	Y-T-D
Arkansas	740	3,040
Florida	1,496	2,308
N. Carolina	895	1,204
Kentucky	705	1,158
Alabama	280	971
Virginia	690	870
Mississippi		555
Tennessee	105	539
Louisiana	369	519
Georgia	330	330
S. Carolina		200
West Virginia	27	155
TOTAL	5,637	11,849

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JOB CUTS BY REASON

	February	YTD
Restructuring	22,261	43,341
Closing	9,626	19,222
Cost-Cutting	2,905	11,904
Demand Downturn	3,324	3,837
Voluntary Severance	27	2,559
Economic Conditions	2,075	2,373
Health Reform	410	802
Outsourcing		645
Merger/Acquisition	111	531
Loss of Contract	180	468
Legal Trouble	400	450
Relocation	247	379
Bankruptcy	166	186
Competition	100	100
Natural Disaster		95
Technological Update		47
Foreclosure	3	3
TOTAL	41,835	86,942

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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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JOB-CUT ANNOUNCEMENT REPORT**

**ANNOUNCED HIRING PLANS
Monthly Totals**

	2014	2013	2012	2011
January	6,312	60,585	7,568	29,492
February	11,054	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	17,366	765,206	630,477	459,971

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

ANNOUNCED HIRING PLANS

INDUSTRY	FEBRUARY	YEAR-TO-DATE
Aerospace/Defense		200
Apparel		0
Automotive	300	1,300
Chemical		60
Commodities		0
Computer	3,000	3,050
Construction	100	235
Consumer Products	100	100
Education		1,425
Electronics	300	300
Energy		0
Entertainment/Leisure	50	50
Financial	400	529
Food		83
Government	14	14
Health Care/Products	1000	1,250
Industrial Goods	2,356	2,824
Insurance		370
Legal		60
Media		60
Non-Profit		0
Pharmaceutical		536
Real Estate		0
Retail	3,000	3,475
Services		126
Telecommunications	382	782
Transportation	52	537
Utility		
TOTAL	11,054	17,366