



Challenger, Gray & Christmas, Inc.
The original outplacement company

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2013 Starts With 24% Rise In Job Cuts

40,430 PLANNED LAYOFFS ANNOUNCED IN JANUARY

CHICAGO, January 31, 2013 –The nation’s employers announced plans to cut payrolls by 40,430 jobs in January, up 24 percent from 32,556 in December, according to the latest report on planned job cuts released Thursday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

While January job cuts were up from the previous month, they were 24 percent lower than the 53,486 layoffs announced by employers the same month a year ago. This was, in fact, the third lowest January total in Challenger records going back to 1993. The only years to see fewer January job cuts were 1995 (38,962) and 2011 (38,519).

Not only was the January total among the lowest on record, but it appears that the planned layoffs announced last month will be more than offset by planned hiring. Planned hiring announcements, which represent a small fraction of the actual hiring activity in the economy, totaled 60,585 in January.

January job cuts were led by the financial and retail sectors, which announced 8,578 and 6,676 job cuts, respectively. Financial job cuts were up slightly from a year ago, when these employers announced 7,611 to start the year. Retail job cuts were 46 percent lower than the 12,426 layoffs announced in the sector in the first month of 2012.

“While GDP contracted by 0.1 percent in the fourth quarter of 2012, the relatively low job-cut totals we have seen for the last couple of months indicate that employers do not foresee a prolonged decline in economic activity. In fact, recent data showing increased consumer spending, including a 14-percent increase in purchases of durable goods, as well as increased home sales and increased home prices, suggest that the economy is heading upward in the early part of the new year,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

“While the economy continues to improve, we will continue to see job cuts resulting from shifts in industry and societal trends, as well as other issues beyond the typical economic factors. For example, food company Cargill Inc. announced a meat processing plant closure impacting 3,000 workers, which was attributed to a prolonged drought in Texas that has significantly thinned cattle herds.

“The continued shift toward online commerce was another trend behind many January job cuts. American Express plans to reduce its headcount by 4 percent to 6 percent this year, mostly in its travel business unit, as more of its customers shift to online portals for booking travel plans and other needs. The ongoing shift toward online commerce was also behind the final nail being placed in the coffin of video rental chain Blockbuster, which announced the closure of all remaining stores, impacting about 3,000 workers,” noted Challenger.

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

TOP FIVE INDUSTRIES Year To Date

	2013	2012
Financial	8,578	7,611
Retail	6,676	12,426
Food	3,288	3,000
Transportation	2,761	1,770
Computer	2,629	288

MONTH BY MONTH TOTALS

	2013	2012
January	40,430	53,486
February		51,728
March		37,880
April		40,559
May		61,887
June		37,551
July		36,855
August		32,239
September		33,816
October		47,724
November		57,081
December		32,556
TOTAL	40,430	523,362

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

New York	9,203
Colorado	3,470
New Jersey	3,247
Texas	3,126
Florida	2,892

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

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JOB-CUT ANNOUNCEMENT REPORT**

JOB CUTS BY INDUSTRY

	12-Jan	12-Dec	13-Jan
Aerospace/Defense	3,634	803	1,457
Apparel	28	150	190
Automotive	332	757	442
Chemical	35	239	231
Commodities			67
Computer	288	1,104	2,629
Construction	622	599	153
Consumer Products	2,464	1,610	799
Education	675	475	1,212
Electronics	1,600	400	500
Energy	1,352	1,812	538
Entertainment/Leisure	3,910	601	2,068
Financial	7,611	11,355	8,578
Food	3,000	270	3,288
Government	3,021	1,550	1,357
Health Care/Products	805	1,960	2,610
Industrial Goods	2,230	1,222	1,517
Insurance	983		100
Legal	20	80	12
Media	355	266	1,275
Non-Profit	361	39	174
Pharmaceutical	4,071	1,264	524
Real Estate			278
Retail	12,426	22	6,676
Services	792	58	188
Telecommunications	1,090	921	619
Transportation	1,770	4,844	2,761
Utility	11	155	187
TOTAL	53,486	32,556	40,430

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JOB CUTS BY REGION, STATE

East	January
New York	9,203
New Jersey	3,247
Massachusetts	2,642
Pennsylvania	1,471
Dist. of Columbia	658
Rhode Island	550
New Hampshire	307
Maine	272
Delaware	52
Vermont	38
Maryland	
Connecticut	
TOTAL	18,440

Midwest	January
Illinois	1,488
Ohio	1,285
Michigan	781
Wisconsin	726
Missouri	397
Indiana	358
Kansas	175
Minnesota	174
Nebraska	55
Iowa	35
TOTAL	5,474

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JOB CUTS BY REGION, STATE

West	January
Colorado	3,470
Texas	3,126
California	1,795
Hawaii	287
Oklahoma	216
New Mexico	200
Oregon	161
Alaska	122
Nevada	100
Washington	37
North Dakota	31
Wyoming	8
Utah	5
Idaho	3
Arizona	
Montana	
South Dakota	
TOTAL	9,561

South	January
Florida	2,892
N. Carolina	825
S. Carolina	815
Kentucky	599
Virginia	565
Tennessee	440
Georgia	369
Alabama	367
Arkansas	70
Louisiana	10
West Virginia	3
Mississippi	
TOTAL	6,955

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JOB CUT REASONS

	January
Restructuring	19,188
Closing	10,621
Cost-Cutting	4,346
Natural Disaster	2,000
Demand Downturn	1,485
Merger/Acquisition	628
Economic Conditions	583
Relocation	301
Bankruptcy	209
Legal Trouble	209
Loss of Contract	207
Voluntary Severance	200
Competition	190
Funding Loss	160
Outsourcing	100
Firing	3
TOTAL	40,430

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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					
AVG	211,278	162,196	188,155	220,678	

*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.
JOB-CUT ANNOUNCEMENT REPORT****ANNOUNCED HIRING PLANS**

Industry	Jobs
Retail	54,000
Government	4,011
Education	1,000
Automotive	300
Financial	212
Consumer Products	200
Insurance	185
Energy	177
Industrial Goods	167
Transportation	153
Services	100
Telecommunications	50
Construction	30
TOTAL	60,585

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

	2013	2012
January	60,585	7,568
February		10,720
March		12,390
April		11,794
May		7,722
June		12,314
July		10,350
August		12,079
September		425,683
October		75,065
November		28,526
December		16,266
TOTAL	60,585	630,477

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