



## CONTACTS

**James K. Pedderson**, Director of Public Relations  
Office: 312-422-5078  
Mobile: 847-567-1463  
[jamespedderson@challengergray.com](mailto:jamespedderson@challengergray.com)

**Colleen Madden**, Media Relations Manager  
Office: 312-422-5074  
[colleenmadden@challengergray.com](mailto:colleenmadden@challengergray.com)

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### Job Cuts Surge 47% to Kick Off 2014

## **EMPLOYERS PLAN 45,107 JOB CUTS; RETAILERS LEAD PACK AS HOLIDAY SALES DISAPPOINT**

**CHICAGO, February 6, 2014** – After falling to a 13-year low in December, monthly job cuts surged nearly 50 percent to kick off 2014, as U.S.-based employers announced plans to reduce their payrolls by 45,107 in January, according to the latest report on monthly job cuts released Thursday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

The 45,107 job cuts last month were 47 percent higher than a December total of 30,623, which was the lowest one-month total since 17,241 planned layoffs were announced in June 2000. January job cuts were up 12 percent from the same month a year ago, when 40,430 job cuts were recorded.

The heaviest downsizing activity occurred in retail, where poor earnings led to a wave of job cut announcements from several national chains, including Macy's, Sam's Club, JC Penney, Sears, Best Buy and Target. Overall, retailers announced 11,394 job cuts in January; a 71 percent increase from the 6,676 retail cuts tracked in January 2013. Last month's retail cuts were the heaviest for the sector since last March, when 16,445 planned layoffs were announced.

"Holiday sales gains were relatively weak and many retailers achieved the gains by slashing prices on their products, which adversely impacted their year-end earnings. The post-holiday job-letting in the sector was inevitable," said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

“Retail employment will, in fact, fall further than the announced job cuts indicate. Starting in January, retailers started shedding the tens of thousands of temporary seasonal workers hired to help handle the holiday rush. The announced job cuts, on the other hand, will impact full-time, permanent workers in the stores and at the corporate offices of these struggling chains,” he added.

J.C. Penney Co., for example, announced that it would be cutting 2,000 workers from its payrolls through the closure of 33 stores. Meanwhile, reports indicate that Macy’s will rely on a combination of store closures, job cuts among front-end store personnel, as well as a reduction in some merchandise planning positions and central office roles to reduce its headcount by 2,500 jobs.

Not every sector announcing job cuts is struggling. Several significant job-cut announcements came from companies in the high-flying technology sector. The computer industry ranked second among January job cutters, announcing plans to shed 6,456 during the month. That was up 146 percent from the previous January when these firms announced 2,626 job cuts.

“Perhaps the most notable cuts in the tech sector came from Intel and EMC Corp. In both cases, the cuts were due to shifts in business strategies. In these situations, it is not uncommon for job cuts to occur in one area while hiring occurs in another. In fact, EMC indicated in its announcement that it expects to end 2014 with the same number of employees it had to begin the year,” said Challenger.

The financial sector, which finished 2013 as the top job-cutting sector of the year with 60,962 announced layoffs, started 2014 as the third largest job-cutting sector. Employers in financial services reported 4,817 planned layoffs in January. That is 44 percent fewer than the 8,578 financial job cuts these firms announced to begin 2013.

“This could be another year of significant downsizing in the banking industry. While the housing market is bouncing back, many banks had ballooned their staffing in mortgage lending area to deal with foreclosures and troubled assets. As the number of foreclosures, refinancings, and troubled mortgages continue to decline, so will the need for these extra workers. The remaining mortgage bankers should be busy with increased home lending, but right now the staffs are larger than demand warrants,” Challenger noted.

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**TOP FIVE INDUSTRIES  
Year To Date**

	2014	2013
<b>Retail</b>	11,394	6,676
<b>Computer</b>	6,456	2,629
<b>Financial</b>	4,817	8,578
<b>Transportation</b>	3,072	2,761
<b>Health Care/Products</b>	2,658	2,610

**MONTH BY MONTH TOTALS**

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

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**

California	7,608
Illinois	5,402
Pennsylvania	3,755
Ohio	3,737
Texas	3,605

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**

	<b>13-Jan</b>	<b>13-Dec</b>	<b>14-Jan</b>
<b>Aerospace/Defense</b>	1,457	1,091	866
<b>Apparel</b>	190		150
<b>Automotive</b>	442	1,259	1,290
<b>Chemical</b>	231	1,015	172
<b>Commodities</b>	67		402
<b>Computer</b>	2,629	5,578	6,456
<b>Construction</b>	153	125	52
<b>Consumer Products</b>	799	1,913	1,847
<b>Education</b>	1,212	165	215
<b>Electronics</b>	500	629	1,478
<b>Energy</b>	538	689	413
<b>Entertainment/Leisure</b>	2,068	1,079	2,423
<b>Financial</b>	8,578	1,773	4,817
<b>Food</b>	3,288	1,508	1,079
<b>Government</b>	1,357	1,263	1,188
<b>Health Care/Products</b>	2,610	2,145	2,658
<b>Industrial Goods</b>	1,517	2,470	1,429
<b>Insurance</b>	100	55	200
<b>Legal</b>	12		209
<b>Media</b>	1,275	274	81
<b>Non-Profit</b>	174	200	124
<b>Pharmaceutical</b>	524	927	906
<b>Real Estate</b>	278		81
<b>Retail</b>	6,676	2,269	11,394
<b>Services</b>	188	1,289	300
<b>Telecommunications</b>	619	1,540	1,805
<b>Transportation</b>	2,761	1,202	3,072
<b>Utility</b>	187	165	
<b>TOTAL</b>	<b>40,430</b>	<b>30,623</b>	<b>45,107</b>

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**JOB CUTS BY REGION, STATE**

<b>EAST</b>	<b>JANUARY</b>
<b>Pennsylvania</b>	3,755
<b>New Jersey</b>	2,056
<b>New York</b>	1,476
<b>Massachusetts</b>	1,279
<b>Maryland</b>	665
<b>Dist. of Columbia</b>	356
<b>Connecticut</b>	125
<b>New Hampshire</b>	60
<b>Maine</b>	25
<b>Rhode Island</b>	
<b>Delaware</b>	
<b>Vermont</b>	
<b>TOTAL</b>	<b>9,797</b>

<b>MIDWEST</b>	<b>JANUARY</b>
<b>Illinois</b>	5,402
<b>Ohio</b>	3,737
<b>Minnesota</b>	2,309
<b>Michigan</b>	2,013
<b>Indiana</b>	951
<b>Kansas</b>	584
<b>Wisconsin</b>	286
<b>Iowa</b>	141
<b>Nebraska</b>	63
<b>Missouri</b>	30
<b>TOTAL</b>	<b>15,516</b>

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**JOB CUTS BY REGION, STATE**

<b>WEST</b>	<b>JANUARY</b>
California	7,608
Texas	3,605
Idaho	549
Colorado	417
Oklahoma	375
Nevada	244
Alaska	200
Hawaii	170
Washington	162
Oregon	123
Utah	70
New Mexico	50
Montana	9
Arizona	
Wyoming	
South Dakota	
North Dakota	
<b>TOTAL</b>	<b>13,582</b>

  

<b>SOUTH</b>	<b>JANUARY</b>
Arkansas	2,300
Florida	812
Alabama	691
Mississippi	555
Kentucky	453
Tennessee	434
N. Carolina	309
S. Carolina	200
Virginia	180
Louisiana	150
West Virginia	128
Georgia	
<b>TOTAL</b>	<b>6,212</b>

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**JOB CUTS BY REASON**

<b>REASON</b>	<b>JANUARY</b>
Restructuring	21,080
Closing	9,596
Cost-Cutting	8,999
Voluntary Severance	2,532
Outsourcing	645
Demand Downturn	513
Merger/Acquisition	420
Health Reform	392
Economic Conditions	298
Loss of Contract	288
Relocation	132
Natural Disaster	95
Legal Trouble	50
Technological Update	47
Bankruptcy	20
<b>TOTAL</b>	<b>45,107</b>

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**QUARTER-BY-QUARTER**

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>TOTAL</b>
<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>	578,510	318,165	240,233	151,122	<b>1,288,030</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>AVG</b>	<b>208,629</b>	<b>158,436</b>	<b>182,785</b>	<b>212,303</b>	

\*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**

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

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ANNOUNCED HIRING PLANS**

<b>INDUSTRY</b>	<b>JANUARY</b>
Aerospace/Defense	200
Apparel	
Automotive	1,000
Chemical	60
Commodities	
Computer	50
Construction	135
Consumer Products	
Education	1,425
Electronics	
Energy	
Entertainment/Leisure	
Financial	129
Food	83
Government	
Health Care/Products	250
Industrial Goods	468
Insurance	370
Legal	60
Media	60
Non-Profit	
Pharmaceutical	536
Real Estate	
Retail	475
Services	126
Telecommunications	400
Transportation	485
Utility	
<b>TOTAL</b>	<b>6,312</b>