



CONTACTS

James K. Pedderson, Director of Public Relations
Office: 312-422-5078
Mobile: 847-567-1463
jamespedderson@challengergray.com

Colleen Madden, Media Relations Manager
Office: 312-422-5074
colleenmadden@challengergray.com

FOR RELEASE AT 7:30 A.M. ET, FEBRUARY 5, 2015

Job Cuts Surge as Oil Prices Fall **EMPLOYERS SHED 53,041 IN JANUARY; 40% DUE TO DROP IN OIL PRICES**

CHICAGO, February 5, 2015 – Job cut announcements surged to their highest level in nearly two years, as falling oil prices prompted cost-cutting efforts in energy and related industries. In all, U.S.-based employers announced plans to shed 53,041 jobs from their payrolls to start 2015; with 40 percent of those directly related to oil prices.

The January total was up 63 percent from the 32,640 planned layoffs announced in December, according to the report on monthly job cuts released Thursday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

Last month's figure was 18 percent higher than the same month a year ago, when employers announced job cuts totaling 45,107. Last month, in fact, saw the highest monthly job-cut tally since February 2013 (55,356) and the highest January total since 2012, when employers announced 53,486 job cuts to begin the new year.

Of the 53,041 job cuts announced in January, 21,322 were directly attributed to the recent and sharp decline in oil prices. Most of these cuts occurred in the energy industry, where employers announced a total of 20,193 layoffs (19,722 of which were directly attributed to oil prices). The January total is 42 percent higher than the 14,262 job cuts announced by the energy industry in all of 2014.

Falling oil prices also contributed to job cuts in the industrial goods manufacturing sector, where companies supplying products and materials to oil drillers were forced to shutter operations. These firms announced 4,859 job cuts in January, of which 1,600 (or 33 percent) were due to oil prices.

“We may see oil-related job cuts extend well beyond those industries directly involved with exploration and extraction. The economies throughout the northern United States that have been thriving as a result of the oil boom could experience a steep decline in employment across all sectors, including retail, construction, food service and entertainment,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

“On the flip side, there are a number of industries throughout the country that will benefit from falling energy prices. Delta already reported significant savings tied to lower fuel costs. The airline is also seeing more travelers as lower ticket prices are spurring purchases from travelers, who have more money in their wallets. Trucking companies, plastics manufacturers and paint makers are also seeing bottom lines improve,” said Challenger.

“Despite the recent surge in job cuts, the net result of falling oil prices could ultimately prove to be positive for the economy, as a whole. Not only will many industries see cost savings, but consumers will have more money for discretionary spending on things like dining out, travel, and entertainment. Lower prices at the pump has also been linked to higher sales of SUVs and other less fuel-efficient vehicles,” he added.

While retailers may ultimately benefit from falling oil prices, the sector did, in fact, post the second largest job cut total in January, behind energy. Employers in the sector announced 6,699, the bulk of which came from the perennially struggling JC Penney and teen fashion retailer Wet Seal.

Despite large layoff announcements from the two companies, retail job cuts were still lower than the same month a year ago, when stores announced 11,394 cuts coming out of the holiday season.

###

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

**TOP FIVE INDUSTRIES
Year To Date**

	2015	2014
Energy	20,193	413
Retail	6,699	11,394
Financial	5,375	4,817
Industrial Goods	4,859	1,429
Computer	3,732	6,456

MONTH BY MONTH TOTALS

	2015	2014
January	53,041	45,107
February		41,835
March		34,399
April		40,298
May		52,961
June		31,434
July		46,887
August		40,010
September		30,477
October		51,183
November		35,940
December		32,640
TOTAL	53,041	483,171

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

Texas	19,833
California	7,268
New York	5,140
Oklahoma	2,000
Florida	1,911

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

	14-Jan	14-Dec	15-Jan
Aerospace/Defense	866	747	1,000
Apparel	150		
Automotive	1,290	3,189	120
Chemical	172	1,113	293
Commodities	402		453
Computer	6,456	1,321	3,732
Construction	52	103	222
Consumer Products	1,847	81	144
Education	215	669	301
Electronics	1,478	761	919
Energy	413	2,783	20,193
Entertainment/Leisure	2,423	1,649	1,911
Financial	4,817	490	5,375
Food	1,079	4,920	2,115
Government	1,188	384	200
Health Care/Products	2,658	2,897	1,018
Industrial Goods	1,429	2,389	4,859
Insurance	200		
Legal	209	13	
Media	81	841	558
Non-Profit	124		62
Pharmaceutical	906	1,438	172
Real Estate	81		37
Retail	11,394	2,195	6,699
Services	300	1,319	49
Telecommunications	1,805	990	607
Transportation	3,072	1,571	2,002
Utility		777	
TOTAL	45,107	32,640	53,041

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

JOB CUTS BY REGION, STATE

EAST	JANUARY
New York	5,140
New Jersey	1,642
Pennsylvania	903
Vermont	200
Maine	193
Maryland	102
Dist. of Columbia	25
Massachusetts	
Connecticut	
Rhode Island	
Delaware	
New Hampshire	
TOTAL	8,205

MIDWEST	JANUARY
Illinois	1,211
Iowa	1,136
Kansas	1,000
Ohio	576
Indiana	569
Minnesota	240
Michigan	192
Missouri	186
Wisconsin	70
Nebraska	21
TOTAL	5,201

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

JOB CUTS BY REGION, STATE

WEST	JANUARY
Texas	19,833
California	7,268
Oklahoma	2,000
Colorado	1,817
Utah	178
Arizona	143
Oregon	91
Washington	90
Montana	85
New Mexico	65
Wyoming	5
Nevada	
Alaska	
Hawaii	
Idaho	
South Dakota	
North Dakota	
TOTAL	31,575

SOUTH	JANUARY
Florida	1,911
Georgia	1,800
Alabama	1,610
N. Carolina	1,315
West Virginia	341
S. Carolina	300
Virginia	282
Arkansas	178
Kentucky	150
Louisiana	85
Mississippi	66
Tennessee	22
TOTAL	8,060

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

JOB CUTS BY REASON

	January
Oil Prices	21,322
Restructuring	21,047
Demand Downturn	3071
Closing	2,860
Cost-Cutting	2,202
Economic Conditions	1863
Merger/Acquisition	275
Outsourcing	175
Technological Update	150
Relocation	66
Voluntary Severance	10
TOTAL	53,041

**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	562,510	318,165	240,233	151,122	1,272,030
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
2014	121,341	124,693	117,374	119,763	483,171
2015					
AVG	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.
JOB-CUT ANNOUNCEMENT REPORT**

**ANNOUNCED HIRING PLANS
By Month**

	2015	2014	2013	2012	2011
January	8,774	6,312	60,585	7,568	29,492
February		11,054	92,372	10,720	72,581
March		6,860	8,115	12,390	10,869
April		11,145	9,322	11,794	59,648
May		10,141	9,618	7,722	10,248
June		15,530	8,774	12,314	15,498
July		16,544	9,728	10,350	10,706
August		9,657	7,662	12,079	15,201
September		567,705	445,617	425,683	76,551
October		147,935	87,874	75,065	159,177
November		11,291	14,177	28,526	63,527
December		7,332	11,362	16,266	14,074
TOTAL	8,774	821,506	765,206	630,477	459,971

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

ANNOUNCED HIRING PLANS

INDUSTRY	JANUARY
Aerospace/Defense	
Apparel	120
Automotive	2,035
Chemical	45
Commodities	
Computer	900
Construction	40
Consumer Products	313
Education	
Electronics	131
Energy	
Entertainment/Leisure	180
Financial	200
Food	235
Government	
Health Care/Products	650
Industrial Goods	877
Insurance	90
Legal	
Media	
Non-Profit	
Pharmaceutical	258
Real Estate	
Retail	
Services	150
Telecommunications	1,050
Transportation	1,500
Utility	
TOTAL	8,774