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FOR IMMEDIATE RELEASE

JULY CEO TURNOVER CONTINUES TO RISE; TOTAL NUMBER OF CEO DEPARTURES STILL BELOW 2019

CHICAGO, August 12, 2020 – Chief Executive Officer turnover rose to 125 in July, up 37% from the 91 exits reported in June, according to a report released Wednesday by global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

The number of CEO departures is almost equal to the 124 reported in July 2019. So far this year, 788 chief executives have left their posts, 7.3% lower than the 850 CEO changes reported between January 2019 and July 2019.

“CEO turnover stalled in April, as the pandemic brought everything to a halt. Now, we’re beginning to see companies make decisions about leadership going forward, as they assess the new challenges presented by COVID-19,” said Andrew Challenger, Senior Vice President of Challenger, Gray & Christmas, Inc.

“For new people taking on the CEO role, it can be a completely novel experience, even for a seasoned C-Suite executive. Many employees continue to work from home, so the only way for a CEO to meet his or her new staff, even the top executives, is virtually. The entire CEO hiring process may have taken place remotely. Additionally, new CEOs may be leading companies from their homes for some time to come.”

Last month’s total was led by the Government/Non-Profit sector, which saw 28 chief executive replacements in July, for a total of 148 so far this year, leading all sectors in CEO turnover. Entities in this sector include charities, foundations, and government-run organizations, such as transportation authorities or public education. That is a 21% decrease from the 188 CEO changes in that sector tracked through the same period last year. In June, 22 Government/Non-Profit CEOs exited their positions.

The second-highest number of CEO exits for July was in the Health Care/Products sector, with 18 changes in the top position. This is a 64% increase over the 11 reported in that sector in June. So far this year, 78 CEOs have left in that sector, nearly the same as the 75 who did so between January and July 2019.

The Entertainment/Leisure and Technology sectors each saw ten CEOs step down in July. Year to date, Entertainment/Leisure has had 52 CEOs step down, a 100% increase over the 26 reported at this time last year.

Technology has so far seen 93 CEO exits in 2020, a 13% decrease compared to the 107 reported at the end of July 2019.

Racism has forced four companies to make a change in their top position so far this year. In June, three CEOs left due to racism – one so a person of color would replace him, one for making racist comments, and one due to allegations of racism. Another CEO stepped down in July because of racism.

“More and more companies are realizing the harm that toxic work environments can have on employees and productivity. There is no tolerance for bad behavior in the workplace, especially in the top positions, thanks in part to movements such as Black Lives Matter and #MeToo. Many companies are stepping up and trying to address the systemic problems that have been put up with for far too long,” said Challenger.

Of those who gave a reason for leaving their position, the majority of CEOs (35) who left their positions in July stepped down, followed by 23 who retired and 16 who left to pursue new opportunities. The average age of the CEOs leaving in July was 58 and they were in their positions for an average of 11.6 years.

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CHALLENGER CEO REPORT
CEO DEPARTURES By Month

Month	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Jan	219	157	132	128	131	110	131	113	123	96	89	113	134
Feb	128	124	113	72	87	94	112	110	104	92	132	82	114
Mar	94	135	96	101	101	95	123	86	94	99	119	114	123
April	48	97	109	91	108	97	94	94	90	103	101	78	112
May	83	114	91	80	100	90	98	104	99	103	125	115	115
June	91	99	90	95	97	102	103	94	99	113	107	105	126
July	125	124	94	102	92	128	105	128	83	104	88	126	124
Aug		159	154	96	109	107	119	113	104	104	95	101	144
Sept		151	148	101	119	104	124	107	95	108	111	105	140
Oct		172	149	105	99	94	122	104	108	91	81	89	125
Nov		148	147	94	106	86	103	94	112	82	79	94	104
Dec		160	129	95	99	114	107	99	103	83	107	105	123
TOTAL	788	1,640	1,452	1,160	1,248	1,221	1,341	1,246	1,214	1,178	1,234	1,227	1,484

Company Type, YTD 2020

Private/Government/Non-Profit	645
Public	143

CEO Departures from Fortune Ranked Companies	
Month	
19-Jun	4
19-Jul	8
19-Aug	10
19-Sep	8
19-Oct	5
19-Nov	14
19-Dec	10
20-Jan	6
20-Feb	4
20-Mar	6
20-Apr	1
20-May	3
20-Jun	3
20-Jul	8

Annual CEO Turnover by Company Type

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
CEO Turnover at Public Companies	278	296	266	249	278	254	230	230	262	311

CHALLENGER CEO REPORT

By Industry

	19-Jun	20-Jun	20-Jul	Year to Date 2019	Year to Date 2020
Aerospace/Defense		1		8	8
Apparel		2		7	6
Automotive	2		2	8	8
Cannabis		2	2	4	8
Chemical	1	1		1	3
Commodities	1			3	0
Construction	2	3	2	7	8
Consumer Products	3	1	4	14	14
Electronics		2		1	4
Energy	7	3	7	38	21
Entertainment/Leisure	3	5	10	26	52
Financial	7	5	7	71	45
FinTech	2		1	5	9
Food	6	2	3	31	21
Government/Non-Profit	26	22	28	188	148
Health Care/Products	5	11	18	75	78
Hospitals	11	3	6	46	64
Industrial Goods	5	2	3	41	25
Insurance	2	3	2	10	11
Legal	1		2	4	6
Media	1	2	3	12	17
Pharmaceutical	4			38	14
Real Estate	2	1	6	14	13
Retail	1		4	29	20
Services	2	9	4	42	56
Technology	24	6	10	107	93
Telecommunications		1		1	5
Transportation	5	3	1	15	19
Utility	1	1		4	12
TOTAL	124	91	125	850	788

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CHALLENGER CEO REPORT**By State**

EAST	JULY	YTD 2020	YTD 2019
Connecticut	2	10	13
Delaware		4	2
Dist. of Columbia		5	15
Maine		3	2
Maryland	1	5	13
Massachusetts	2	37	37
New Hampshire		3	1
New Jersey	3	19	13
New York	10	56	47
Pennsylvania	7	26	36
Rhode Island		1	1
Vermont	1	2	1
TOTAL	26	171	181

MIDWEST	JULY	YTD 2020	YTD 2019
Illinois	7	33	51
Indiana	1	9	13
Iowa	3	10	4
Kansas		8	9
Michigan	3	15	11
Minnesota		17	24
Missouri	4	19	21
Nebraska		0	3
Ohio	3	21	37
Wisconsin	2	17	14
TOTAL	23	149	187

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CHALLENGER CEO REPORT**By State**

WEST	JULY	YTD 2020	YTD 2019
Alaska		1	2
Arizona		13	23
California	12	118	107
Colorado	3	18	24
Hawaii	1	5	4
Idaho		7	5
Montana		0	3
Nevada	1	7	6
New Mexico	2	11	2
North Dakota		0	2
Oklahoma	1	7	6
Oregon	4	11	14
South Dakota	1	3	4
Texas	16	63	68
Utah		3	2
Washington	1	16	21
Wyoming		1	1
TOTAL	42	284	294

SOUTH	JULY	YTD 2020	YTD 2019
Alabama	1	10	8
Arkansas		3	1
Florida	12	53	52
Georgia	6	23	14
Kentucky	4	16	10
Louisiana		4	9
Mississippi		0	2
N. Carolina		18	17
S. Carolina	1	9	7
Tennessee	4	22	29
Virginia	5	24	36
West Virginia	1	2	3
TOTAL	34	184	188

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CHALLENGER CEO REPORT

By Reason

Reason	JULY	YTD
Stepped Down	35	191
Retired	23	172
No Reason Given	17	107
Resigned	6	87
Interim Period Over	13	81
New Opportunity	16	64
Personal Reasons	4	15
Acquisition/Merger		14
Deceased	5	12
Scandal	2	11
Terminated		6
Bankruptcy	1	5
Racism	1	4
New Position Within Company		4
Leadership Restructuring	2	3
Differences with Board		3
Contract Expired		3
Relocation		2
Economic Conditions		2
Allegations of Professional Misconduct		1
Financial Losses		1

Average Age, Tenure

	Age		Tenure	
	2020	2019	2020	2019
January	55.7	60.7	10.6	11.6
February	53.3	57.1	10.3	11.4
March	53.0	57.6	10.0	11.2
April	53.4	60	6.8	8.8
May	56.1	61.4	11.4	11.1
June	54.7	61.6	12.0	8.7
July	58.0	59.2	11.6	9
August		68.5		10.6
September		58.9		8.8
October		53.3		10.7
November		53.2		9.4
December		57.2		11.5

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Challenger CEO Report
CEO Replacements

Replacement Type	YTD
External Replacement	381
Internal Replacement	317

Annual Internal vs. External Replacement CEOs

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
External Replacements	469	469	431	513	524	478	493	462	564	784
Internal Replacements	458	479	529	480	539	560	557	515	630	620

Replacements by Gender, YTD 2020

Replacement	CEOs (Interim)
Women Replacing Women	54 (4)
Men Replacing Women	62 (5)
Women Replacing Men	108 (7)
Men Replacing Men	474 (34)
Total Replacements	698
Percentage of New CEOs who are Women	23.21%

Annual

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Women Replacing Women	39	24	42	45	54	50	64	69	89	119
Men Replacing Women	58	67	72	78	89	91	99	88	120	131
Women Replacing Men	77	95	94	117	107	109	130	119	182	189
Men Replacing Men	760	761	753	755	812	788	757	741	814	983
Grand Total	934	947	961	995	1,062	1,038	1,050	1,017	1,205	1,422
Percentage of Women Replacement CEOs	12.4%	12.6%	14.2%	16.3%	15.2%	15.3%	18.5%	18.5%	22.5%	21.7%

Source: Challenger, Gray & Christmas, Inc. ©