



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

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## **FOR RELEASE AT 7:30 A.M. ET, AUGUST 1, 2013**

### **Job Cuts Decline Slightly In July**

### **EMPLOYERS PLAN TO CUT 37,701 FROM PAYROLLS**

**CHICAGO, August 1, 2013** – Job cuts declined slightly in July, as employers announced plans to reduce payrolls by 37,701 workers, down 4.2 percent from 39,372 planned layoffs in June, according to the latest report on monthly job cuts released Thursday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

Last month's total was 2.3 percent higher than a year ago, when 36,855 planned job cuts were recorded. Employers have now announced 296,633 job cuts since January 1, which is 7.3 percent fewer than the 319,946 job cuts announced in the first seven months of 2012. At the current pace of downsizing, which is averaging 42,376 job cuts per month, 2013 will come in below the 2012 year-end total of 523,362, which was the lowest annual total since 1997 (434,350).

July job cuts were somewhat offset by announced hiring plans that will add 9,728 new workers to employer payrolls in the coming weeks and months. These include at least 5,000 new workers being hired by online retail giant Amazon.com to meet increasing demand.

July workforce reductions were led by the health care sector, which announced 6,843 planned job cuts. That represents the highest number of cuts for this sector since 9,558 health care job cuts were recorded in November 2009. Health care organizations have now cut 29,794 jobs this year, 59 percent more than the 18,770 planned job cuts announced by this point in 2012.

“Cuts in Medicare reimbursements brought about by sequestration and health care reform are hurting hospitals’ bottom line. Some states are also cutting Medicaid funding, which adds to the financial challenges. Hospitals are also reporting fewer patients as high-deductible insurance policies discourage would-be patients from seeking health services. As a result of these factors, health care providers, which had been one of the country’s best job generators in recent years, are being forced to reduce their headcounts,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

Meanwhile, aerospace and defense saw the second largest job-cut total in July, with firms in this sector announcement plans to reduce payrolls by 4,889. That brings year-to-date job cuts for the sector to 22,750, which ranks fourth among all industries and represents a 20 percent increase from the 19,026 job cuts announced by these employers in all of 2012

“The July figure for aerospace and defense is the highest monthly total since July 2011, when these firms announced 6,704 job cuts. If there is any silver lining, it is that less than 1,000 of last month’s cuts were attributed to sequestration. Yet, this industry is always at high risk for restructuring due to the fact that it relies on a steady flow of government contracts. If there is ever any ebb in that flow, companies are forced to adjust their workforce levels. Between sequestration, general federal spending cuts, the conclusion of two wars and shifting strategies in the use of our military, there are many challenges facing this industry,” noted Challenger.

# # #

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

### TOP FIVE INDUSTRIES Year To Date

	2013	2012
Financial	38,846	26,352
Retail	34,694	27,925
Health Care/Products	29,794	18,770
Aerospace/Defense	22,750	12,145
Computer	21,517	35,006

### MONTH BY MONTH TOTALS

	2013	2012
<b>January</b>	40,430	53,486
<b>February</b>	55,356	51,728
<b>March</b>	49,255	37,880
<b>April</b>	38,121	40,559
<b>May</b>	36,398	61,887
<b>June</b>	39,372	37,551
<b>July</b>	37,701	36,855
<b>August</b>		32,239
<b>September</b>		33,816
<b>October</b>		47,724
<b>November</b>		57,081
<b>December</b>		32,556
<b>TOTAL</b>	<b>296,633</b>	<b>523,362</b>

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	59,207
California	27,527
Texas	25,749
Pennsylvania	17,101
Illinois	16,028

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**

	<b>12-Jul</b>	<b>13-Jun</b>	<b>13-Jul</b>	<b>Jan-July 2013</b>	<b>Jan-July 2012</b>
<b>Aerospace/Defense</b>	686	1,514	4,889	22,750	12,145
<b>Apparel</b>	86	373	270	1,950	1,192
<b>Automotive</b>	1,448	560	967	9,340	8,119
<b>Chemical</b>	403	600	396	1,900	2,365
<b>Commodities</b>		445	226	838	674
<b>Computer</b>	626	10,133	1,587	21,517	35,006
<b>Construction</b>		495	225	1,393	1,642
<b>Consumer Products</b>	455	907	900	7,697	23,113
<b>Education</b>	2,031	5,629	2,857	15,513	26,846
<b>Electronics</b>	2,271	751	170	3,909	6,361
<b>Energy</b>	990	2,361	1,828	9,429	11,477
<b>Entertainment/Leisure</b>	708	837	982	10,127	7,744
<b>Financial</b>	6,156	1,671	2,084	38,846	26,352
<b>Food</b>	1,837	1,109	1,122	9,645	13,670
<b>Government</b>	1,171	1,458	2,127	9,854	11,633
<b>Health Care/Products</b>	4,612	2,084	6,843	29,794	18,770
<b>Industrial Goods</b>	1,199	1,620	2,351	17,897	14,586
<b>Insurance</b>	880	3,209	904	5,402	4,336
<b>Legal</b>	75	273	80	471	890
<b>Media</b>	150	321	262	6,971	3,324
<b>Non-Profit</b>	113	308	713	2,464	1,256
<b>Pharmaceutical</b>	971	320	700	7,409	8,958
<b>Real Estate</b>				378	280
<b>Retail</b>	4,135	217	1,794	34,694	27,925
<b>Services</b>	1,121	1,325	1,163	6,956	6,064
<b>Telecommunications</b>	1,344	440	803	6,017	14,403
<b>Transportation</b>	3,350	389	1,444	12,335	29,965
<b>Utility</b>	37	23	14	1,137	850
<b>TOTAL</b>	<b>36,855</b>	<b>39,372</b>	<b>37,701</b>	<b>296,633</b>	<b>319,946</b>

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

**JOB CUTS BY REGION, STATE**

<b>East</b>	<b>July</b>	<b>Y-T-D</b>
New York	3,919	<b>59,207</b>
Pennsylvania	1,764	<b>17,101</b>
New Jersey	980	<b>9,662</b>
Connecticut	3,689	<b>8,102</b>
Massachusetts	400	<b>6,105</b>
Maryland	506	<b>2,953</b>
Dist. of Columbia	105	<b>2,230</b>
Delaware	7	<b>1,447</b>
Maine	137	<b>1,065</b>
New Hampshire	203	<b>807</b>
Rhode Island	253	<b>803</b>
Vermont	106	<b>274</b>
<b>TOTAL</b>	<b>12,069</b>	<b>109,756</b>

<b>Midwest</b>	<b>July</b>	<b>Y-T-D</b>
Illinois	3,238	<b>16,028</b>
Ohio	1,131	<b>10,513</b>
Missouri	1,070	<b>9,064</b>
Michigan	852	<b>6,406</b>
Minnesota	43	<b>5,126</b>
Wisconsin	436	<b>5,013</b>
Indiana	1,042	<b>4,908</b>
Kansas	360	<b>1,724</b>
Nebraska		<b>512</b>
Iowa	201	<b>487</b>
<b>TOTAL</b>	<b>8,373</b>	<b>59,781</b>

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

**JOB CUTS BY REGION, STATE**

<b>West</b>	<b>July</b>	<b>Y-T-D</b>
California	2,267	<b>27,527</b>
Texas	2,599	<b>25,749</b>
Washington	1,353	<b>8,372</b>
Colorado	1,594	<b>6,337</b>
Oregon	211	<b>2,497</b>
Arizona	10	<b>1,957</b>
Hawaii	24	<b>1,314</b>
Utah		<b>753</b>
New Mexico	439	<b>739</b>
Idaho	182	<b>464</b>
Oklahoma		<b>416</b>
South Dakota	250	<b>403</b>
North Dakota		<b>389</b>
Wyoming		<b>189</b>
Nevada		<b>188</b>
Alaska		<b>176</b>
Montana		<b>136</b>
<b>TOTAL</b>	<b>8,929</b>	<b>77,606</b>

<b>South</b>	<b>July</b>	<b>Y-T-D</b>
Florida	785	<b>13,651</b>
Georgia	544	<b>7,999</b>
N. Carolina	509	<b>6,423</b>
Tennessee	2,165	<b>5,040</b>
Virginia	120	<b>5,025</b>
S. Carolina	1,255	<b>3,487</b>
Alabama	546	<b>2,018</b>
Louisiana	1,568	<b>1,822</b>
Kentucky	94	<b>1,698</b>
West Virginia	542	<b>866</b>
Mississippi		<b>852</b>
Arkansas	202	<b>609</b>
<b>TOTAL</b>	<b>8,330</b>	<b>49,490</b>

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

**JOB CUT REASONS**

	<b>July</b>	<b>YTD</b>
Restructuring	10,335	123,713
Closing	11,010	64,922
Cost-Cutting	9,840	42,271
Demand Downturn	1,098	12,686
Sequestration	853	9,281
Merger/Acquisition	873	8,880
Loss of Contract		6,020
Legal Trouble		3,331
Economic Conditions		3,266
Outsourcing	39	3,114
Voluntary Severance	100	2,523
Federal Spending Cuts	675	2,500
Relocation	520	2,451
Bankruptcy	75	2,421
Natural Disaster		2,000
Competition	115	1,543
Health Reform	627	1,245
Contract Loss	1,026	1,026
Labor Dispute		1,000
Order Cancellation/Reduction	459	846
Government Regulation	56	446
Work Stoppage		400
Reorganization/Consolidation		359
Drought		221
Funding Loss		160
Firing		8
<b>TOTAL</b>	<b>37,701</b>	<b>296,633</b>

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

**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			<b>258,932</b>
<b>AVG</b>	<b>208,629</b>	<b>160,183</b>	<b>188,155</b>	<b>220,678</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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**CHALLENGER, GRAY & CHRISTMAS, INC.  
JOB-CUT ANNOUNCEMENT REPORT**

**ANNOUNCED HIRING PLANS**

<b>Industry</b>	<b>July</b>	<b>Year-To-Date</b>
Aerospace/Defense		1,235
Apparel		200
Automotive	3,400	12,352
Chemical		340
Commodities		0
Computer		3,996
Construction	400	1,161
Consumer Products	189	1,414
Education		3,807
Electronics		280
Energy		1,243
Entertainment/Leisure		890
Financial	400	2,636
Food	220	3,778
Government	12	4,217
Health Care/Products		6,533
Industrial Goods	65	4,723
Insurance		1,260
Legal		0
Non-Profit		0
Media		133
Pharmaceutical		495
Real Estate		0
Retail	5,000	143,984
Services		150
Telecommunications		2,970
Transportation	42	717
Utility		
<b>TOTAL</b>	<b>9,728</b>	<b>198,514</b>

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

**ANNOUNCED HIRING PLANS  
MONTHLY TOTALS**

	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>January</b>	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>		12,079	15,201
<b>September</b>		425,683	76,551
<b>October</b>		75,065	159,177
<b>November</b>		28,526	63,527
<b>December</b>		16,266	14,074
<b>TOTAL</b>	<b>198,514</b>	<b>630,477</b>	<b>459,971</b>

**In January, Lowe's announced 50,000 seasonal hires.  
In February, Home Depot announced 80,000 seasonal hires.**