



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

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FOR IMMEDIATE RELEASE

CEO Turnover Slows In June

94 CEOS EXITED LAST MONTH; MID-YEAR TOTAL VIRTUALLY UNCHANGED FROM 2012

CHICAGO, July 10, 2013 – The number of chief executive officer departures totaled 94 in June, down 9.6 percent from 104 in May and 5.0 percent lower than the 99 departures recorded in the same month last year, according to the latest report on CEO turnover released Wednesday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

June marked the end of a slightly less active quarter for CEO turnover. For the three-month period ending June 30, a total of 292 CEO departures were announced, a 10 percent decline from the 309 departures announced in the first quarter. The second quarter total was virtually unchanged from the same period a year ago when 288 CEO changes were announced, a 1.3 percent reduction.

Challenger has now tracked 601 CEO changes so far this year, which is virtually equal to the 609 departures recorded in the first six months of 2012.

For the year, health care continues to see the heaviest turnover. It leads all other sectors with 117 in 2013, including an industry-leading 24 in June. Of those 117 health care and medical device companies, 74 CEO changes came from hospitals and hospital systems.

“Changes resulting from health care reform law, coupled with sequestration, which are resulting in funding cuts and lower Medicare reimbursements, could be the catalyst for leadership changes,” said John Challenger, chief executive officer of global outplacement and executive consulting firm Challenger, Gray & Christmas.

Despite the volatile landscape in the health care sector, CEO turnover is actually down 7.8 percent from a year ago, when 127 CEO changes among health care organizations were recorded as of June.

Government/non-profit entities announced 21 CEO changes last month, bringing the 6-month total to 78. The government/non-profit sector is the second highest industry in turnover so far this year, followed by the financial sector which has seen 73 CEO departures this year. Firms in the computer sector have seen 62 CEO changes in the first half of the year, with 8 in June.

Resignation continues to be the most cited reason for departures with 23 in June and 172 for the year. Retirement follows with 121, 22 of which in June. The number of chief executives stepping down, usually staying with the organization as chairman of the board, a director, or in some executive capacity, totals 111 so far this year, including 19 in June.

One notable CEO who stepped down amid bad publicity and falling revenue, yet retained his position as board chairman, was Micky Arison of Carnival Corp. He was replaced by long-time board member Arnold Donald.

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CHIEF EXECUTIVE DEPARTURES

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
January	113	123	96	89	113	134	114
February	110	104	92	132	82	114	127
March	86	94	99	119	114	123	103
April	94	90	103	101	78	112	126
May	104	99	103	125	115	115	144
June	94	99	113	107	105	126	105
July		83	104	88	126	124	88
August		104	104	95	101	144	124
September		95	108	111	105	140	112
October		108	91	81	89	125	96
November		112	82	79	94	104	132
December		103	83	107	105	123	85
TOTAL	601	1,214	1,178	1,234	1,227	1,484	1,356

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CHIEF EXECUTIVE DEPARTURES

Public vs. Private

	13-June	2013 YTD	2012 YTD
Private	80	483	477
Public	14	118	132

**CEO DEPARTURES
By Industry**

	12-Jun	13-May	13-Jun	12-YTD	13-YTD
Aerospace/Defense	4	1	1	8	7
Apparel		1		0	3
Automotive	1	2	2	5	8
Chemical	1	1	1	4	2
Commodities	1			2	0
Computer	10	9	3	61	62
Construction	1	1	1	8	6
Consumer Products	4	4	1	15	12
Electronics	2	2	2	15	12
Energy	4	5	4	28	23
Entertainment/Leisure	3	3	2	23	24
Financial	6	10	8	48	73
Food		5	2	13	23
Government/Non-Profit	8	13	21	83	78
Health Care/Products	28	24	22	127	117
Industrial Goods	2	4	4	15	18
Insurance	3	1	2	14	10
Legal		1	1		4
Media	2	3	3	18	15
Pharmaceutical	3	4		25	17
Real Estate	3	1	1	8	14
Retail	2		2	20	21
Services	5	3	5	35	21
Telecommunications	2	3	1	8	12
Transportation	1	2	3	17	13
Utility	3	1	2	9	6
TOTAL	99	104	94	609	601

CEO DEPARTURES

By Reason

	13-Jun	Y-T-D
Resigned	23	172
Retired	22	121
Step Down	18	111
New position in another company	13	88
Interim Period Ended	5	45
Acquisition/Merger	3	13
Another position within company	3	13
Ousted	4	12
Contract Dispute/Expiration	2	7
Scandal		4
Health	1	3
Bankruptcy		3
Died		3
Legal Trouble		2
Family		1
Differences with Board		1
Liquidation		1
Financial Losses		1

CEO DEPARTURES

Average Age, Tenure

	Age		Tenure	
	2013	2012	2013	2012
January	52	61.3	7.9	6.9
February	56.6	57.9	8.3	9.8
March	54.2	62.1	6.9	8.3
April	57.4	58	10.3	8
May	62.2	62.2	10.1	7.9
June	65.1	57.8	13.9	8.4
July		52.3		6.8
August		65.7		8.9
September		60.1		8.2
October		68.5		8.5
November		62.4		7.3
December		66.5		11.9