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CONTACT

Colleen Madden Blumenfeld, Director of Public Relations

Office: 312-422-5074

Mobile: 314-807-1568

colleenmadden@challengergray.com

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**JUNE CEO TURNOVER TICKS UP:
IN WAKE OF GEORGE FLOYD’S DEATH, THREE CEOS OUT DUE TO RACISM**

CHICAGO, July 8, 2020 – Chief Executive Officer turnover rose to 91 exits in June, up 9.6% from the 83 departures that were reported in May, according to a report released Wednesday by global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

Despite the increase, June’s total is 8% lower than the 99 CEO exits reported in June 2019. So far this year, 663 chief executives have left their posts, 8.7% lower than the 726 CEO changes reported between January 2019 and June 2019.

The second quarter saw 222 Chief Executive changes, the lowest quarterly total since the fourth quarter of 2004, when 147 CEO exits were recorded. It is 49.7% lower than the 441 CEO exits tracked in the first quarter of this year, and 28.4% lower than the 310 CEOs who left their posts in the same quarter last year.

Quarter	2020	2019	2018	2017	2016	2015
Q1	441	416	341	301	319	299
Q2	222	310	290	266	305	289
Q3		434	396	299	320	339
Q4		480	425	294	304	294
TOTAL		1,640	1,452	1,160	1,248	1,221

Source: Challenger, Gray & Christmas, Inc.

Last month’s CEO turnover was 58.4% lower than in January, which saw the highest number of CEO exits (219) ever recorded in a single month. The number plummeted in April to 48, and has been ticking up in May and June. The majority of exiting CEOs (26) announced they were retiring from their positions, followed by 21 who “stepped down” last month. This means they will stay with the company in some capacity, usually as a Board Member or Chairperson. Another eight saw their interim period end and seven sought new opportunities.

Three top executives left due to racism – one left vowing a person of color would replace him to create a more inclusive culture, one left after making racist comments, and one left because of allegations of racism. Many executives issued public statements of outrage over the death of George Floyd in Minneapolis, Minnesota, during his arrest in late May.

“The Black Lives Matter movement has led to demands for racial equality and accountability in companies’ highest offices. This may lead to a #MeToo-like reckoning for not only chief executives, but executive teams overall, as

workers begin to demand equity in hiring practices,” said Andrew Challenger, Senior Vice President of Challenger, Gray & Christmas, Inc.

June’s total was led by the Government/Non-Profit sector, which saw 22 chief executive replacements, for a total of 120 for the year, leading all sectors in CEO turnover. This group includes charities, foundations, and government-run entities, such as transportation authorities or public education. That is 25.9% lower than the 162 CEO changes tracked through the same period in 2019, when it also led all other sectors.

The Health Care/Products sector reported the second-highest number of CEO replacements at 11 in June, for a year-to-date total of 60, followed by Services at nine in June and 52 so far this year.

Through June, 1,585,047 job cuts have been announced by U.S.-based employers, according to Challenger’s monthly Job Cuts Report. Of those, 671,840 have come from companies in the Entertainment/Leisure sector, which includes bars, restaurants, hotels, and amusement parks, hit hardest by the COVID-19 pandemic. These businesses reported five CEO changes in June, the same as in May, and 42 so far this year, up 82.6% from 23 at this time in 2019.

“These companies continue to struggle to recover, and the pressure on leadership regarding how to do business during our new ‘normal’ is enormous,” said Challenger.

“The uncertainty surrounding COVID-19 and the current recession makes predicting a trend in the numbers difficult. Past recessions have caused an uptick in CEO departures, but if there is a vaccine or improved treatments by the end of this year, the economy could rebound quickly.”

“In the meantime, with numbers of infections surging in many areas, economic uncertainty remains strong,” he continued.

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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
Apr	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		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	663	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	541
Public	122

Month	Announced CEO Departures from Fortune 1000 Companies
Jun-19	4
Jul-19	8
Aug-19	10
Sep-19	8
Oct-19	5
Nov-19	14
Dec-19	10
Jan-20	6
Feb-20	4
Mar-20	6
Apr-20	1
May-20	3
June-20	3

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-May	20-Jun	Year to Date 2019	Year to Date 2020
Aerospace/Defense			1	8	8
Apparel	6		2	7	6
Automotive		1		6	6
Cannabis	1	1	2	4	6
Chemical			1	0	3
Commodities	2			2	0
Construction			3	5	6
Consumer Products	2		1	11	10
Electronics			2	1	4
Energy	6		3	31	14
Entertainment/Leisure	2	5	5	23	42
Financial	6	6	5	64	38
FinTech		3		3	8
Food	2	4	2	25	18
Government/Non-Profit	21	20	22	162	120
Health Care/Products	4	8	11	70	60
Hospitals	4	9	3	35	58
Industrial Goods	3	2	2	36	22
Insurance	1		3	8	9
Legal	1			3	4
Media	1	3	2	11	14
Pharmaceutical	7	1		34	14
Real Estate	1	1	1	12	7
Retail	8			28	16
Services	1	5	9	40	52
Technology	18	10	6	83	83
Telecommunications			1	1	5
Transportation	1	2	3	10	18
Utility	1	2	1	3	12
TOTAL	99	83	91	726	663

CHALLENGER CEO REPORT**By State**

EAST	JUNE	YTD 2020	YTD 2019
Connecticut	2	8	13
Delaware		4	2
Dist. of Columbia	2	5	11
Maine	1	3	1
Maryland		4	11
Massachusetts	6	35	32
New Hampshire		3	0
New Jersey	3	16	11
New York	7	46	42
Pennsylvania	1	19	30
Rhode Island		1	1
Vermont		1	1
	22	145	155

MIDWEST	JUNE	YTD 2020	YTD 2019
Illinois	3	26	39
Indiana	1	8	13
Iowa	1	7	4
Kansas	2	8	6
Michigan	2	12	9
Minnesota	5	17	23
Missouri		15	19
Nebraska		0	2
Ohio	4	18	34
Wisconsin		15	13
TOTAL	18	126	162

CHALLENGER CEO REPORT**By State**

WEST	JUNE	YTD 2020	YTD 2019
Alaska		1	0
Arizona	5	13	21
California	13	106	95
Colorado	1	15	23
Hawaii		4	2
Idaho		7	5
Montana		0	2
Nevada	1	6	5
New Mexico	1	9	1
North Dakota		0	1
Oklahoma	1	6	5
Oregon	1	7	11
South Dakota	1	2	4
Texas	5	47	58
Utah		3	2
Washington		15	18
Wyoming		1	1
TOTAL	29	242	254

SOUTH	JUNE	YTD 2020	YTD 2019
Alabama	1	9	7
Arkansas	1	3	0
Florida	5	41	41
Georgia	3	17	11
Kentucky	4	12	7
Louisiana		4	9
Mississippi		0	2
N. Carolina	3	18	14
S. Carolina		8	6
Tennessee		18	25
Virginia	5	19	31
West Virginia		1	2
TOTAL	22	150	155

CHALLENGER CEO REPORT

By Reason

Reason	JUNE	YTD
Stepped Down	21	156
Retired	26	149
No Reason Given	15	90
Resigned	3	81
Interim Period Over	8	68
New Opportunity	7	48
Acquisition/Merger	1	14
Personal Reasons	5	11
Scandal		9
Deceased		7
Terminated		6
New Position Within Company		4
Bankruptcy		4
Differences with Board	1	3
Contract Expired	1	3
Racism	3	3
Relocation		2
Economic Conditions		2
Allegations of Professional Misconduct		1
Financial Losses		1
Leadership Restructuring		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		59.2		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	328
Internal Replacement	336

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	46(3)
Men Replacing Women	54 (4)
Women Replacing Men	92(2)
Men Replacing Men	399(26)
Total Replacements	591
Percentage of New CEOs who are Women	23.40%

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. ©