



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

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Q1 Job Cuts Highest Since 2011

MARCH CUTS TOTAL 49,255; UP 30% FROM YEAR AGO

CHICAGO, April 4, 2013 – The nation’s employers reported job cuts totaling 49,255 in March, a decline of 11 percent from the 55,356 cuts announced in February, according to the latest report on downsizing activity released Thursday by global outplacement consultancy Challenger, Gray & Christmas, Inc. Despite the decline, quarterly job cuts reached their highest level since 2011.

March job cuts were 30 percent higher than a year ago, when employers announced plans to shed 37,880 workers from their payrolls. This marks the second consecutive month and the fourth time in the last six months that the job-cut total was higher than the year-ago figure.

Employers have now announced 145,041 job cuts through the first three months of 2013. That 5.6 percent higher than the previous quarter’s 137,361 job cuts and 1.4 percent higher than the 143,094 job cuts announced in the first quarter of 2012. The first-quarter total is, in fact, the highest quarterly tally since 233,258 job cuts were tracked in the third quarter of 2011.

Retailers led March downsizing with 16,445 reported job cuts, up from 2,279 in February. For the year, retailers have reported 25,400 cuts. That ranks second only to the financial sector, where 3,517 March job cuts brought the year-to-date total to 33,819, which more than triples the 11,092 first-quarter job cuts announced a year ago.

“While consumer spending is up in 2013, many retailers have been fighting for their lives since the end of the recession. We could see more retail job cuts in the months ahead as many traditional retailers struggle to find their footing in a more segmented and internet-driven retail environment. Best Buy, JC Penney, Sears, Kmart and Blockbuster have each been forced to shed workers in recent months or, as in the case of Blockbuster, shut down entirely,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

Another trend that is expected to result in more job cuts is government cost cutting. Sequestration has not yet led to a significant surge in government job cuts, which totaled 1,448 in March. However, the self-imposed cost-cutting measures that went into effect March 1 are already taking a toll on the aerospace and defense industry, which last month announced job cuts totaling 3,921, more than one-quarter of which were the direct result of a sequester-related lost government contract. For the year, job cuts in the sector total 9,766, up 26 percent from a year ago.

“On the hiring front, we saw a significant drop from the first two months of the year, when both Home Depot and Lowe’s announced plans to add thousands of seasonal workers to their stores nationwide. It is important to remember, however, that most employers do not formally announce hiring plans. There are definitely more hiring opportunities than our numbers suggest. In fact, the Bureau of Labor Statistics’ latest job openings and labor turnover survey shows that there were 3.7 million job openings at the end of January,” said Challenger.

“One sector that will continue to see employment gains in the months ahead is business services, particularly in the temporary employment arena. Business is picking up, but many employers remain wary about adding full-time permanent workers, so staffing agencies become the go-to source for recruits. As the economy continues to improve, these temporary workers are likely to transition into full-time employees,” said Challenger.

Since January 2012, employment in business and professional services has grown by 653,000 jobs, according to the latest available data from the Bureau of Labor Statistics. During that same period, government data show that employment at temporary help agencies increased by 186,700 workers.

Another area expected to see growth is the credit market. While Chase bank recently announced that it will shedding workers who dealt specifically with at-risk home loans, opportunities are likely to expand in other areas of the lending market. New data from the Federal Reserve’s Flow of Funds report show that lending to households, businesses and government saw its biggest increase in five years during the final three months of 2012.

“As lending grows, so does the need for people to manage the paperwork. More lending could also signal more economic activity to come, as households, businesses and governments put their loans to use,” said Challenger.

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

TOP FIVE INDUSTRIES Year To Date

	2013	2012
Financial	33,819	11,092
Retail	25,400	16,691
Health Care/Products	11,713	6,880
Aerospace/Defense	9,766	7,779
Industrial Goods	7,562	7,009

MONTH BY MONTH TOTALS

	2013	2012
January	40,430	53,486
February	55,356	51,728
March	49,255	37,880
April		40,559
May		61,887
June		37,551
July		36,855
August		32,239
September		33,816
October		47,724
November		57,081
December		32,556
TOTAL	145,041	523,362

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	36,778
Texas	21,440
California	7,130
New Jersey	6,621
Georgia	6,339

Listings are identified by the location of the layoff or corporate headquarters as stated in announcement.

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JOB CUTS BY INDUSTRY

	12-Mar	13-Feb	13-Mar	Jan-Mar 2013	Jan-Mar 2012
Aerospace/Defense	1,837	4,388	3,921	9,766	7,779
Apparel	140		117	307	872
Automotive	2,462	3,803	104	4,349	3,050
Chemical	233	543	130	904	288
Commodities	121			67	355
Computer	345	406	491	3,526	2,308
Construction	295	40	52	245	1,043
Consumer Products	2,118	468	930	2,197	18,438
Education	3,733	1,209	1,391	3,812	5,683
Electronics	778	507	388	1,395	3,113
Energy	976	1,395	611	2,544	5,153
Entertainment/Leisure	824	2,933	716	5,717	4,962
Financial	3,228	21,724	3,517	33,819	11,092
Food	1,917	1,229	1,573	6,090	6,567
Government	2,096	916	1,448	3,721	5,750
Health Care/Products	2,049	2,754	6,349	11,713	6,880
Industrial Goods	3,693	3,235	2,810	7,562	7,009
Insurance	2,052	65	943	1,108	3,160
Legal			106	118	77
Media	477	3,589	290	5,154	1,577
Non-Profit	213	356	66	596	623
Pharmaceutical	123	510	2,151	3,185	4,459
Real Estate	143		100	378	215
Retail	2,175	2,279	16,445	25,400	16,691
Services	547	294	652	1,134	1,944
Telecommunications	4,089	316	2,536	3,471	6,944
Transportation	1,216	2,367	1,216	6,344	17,051
Utility		30	202	419	11
TOTAL	37,880	55,356	49,255	145,041	143,094

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JOB CUTS BY REGION, STATE

East	March	Y-T-D
New York	2,410	36,778
New Jersey	947	6,621
Pennsylvania	1,638	4,938
Connecticut	875	3,975
Massachusetts	315	3,072
Delaware	1,200	1,252
Dist. of Columbia	443	1,160
Maryland	449	1,129
Rhode Island		550
New Hampshire	18	485
Maine	10	322
Vermont	115	168
TOTAL	8,420	60,450

Midwest	March	Y-T-D
Illinois	728	6,030
Ohio	617	4,507
Michigan	1,187	2,519
Missouri	1,610	2,431
Wisconsin	377	2,199
Minnesota	1,100	1,928
Indiana	116	828
Kansas		555
Nebraska	113	172
Iowa	70	163
TOTAL	5,918	21,332

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JOB CUTS BY REGION, STATE

West	March	Y-T-D
Texas	17,320	21,440
California	3,341	7,130
Colorado	194	4,474
Washington	3,436	3,473
Arizona	1,300	1,300
Hawaii	20	659
Oregon	23	550
Utah	150	386
North Dakota	300	331
Idaho	84	235
Oklahoma		216
New Mexico		200
Alaska	54	176
Nevada		117
Wyoming		8
Montana		0
South Dakota		0
TOTAL	26,222	40,695

South	March	Y-T-D
Georgia	3,831	6,339
Florida	970	5,246
N. Carolina	964	3,694
S. Carolina	952	1,842
Virginia	439	1,784
Tennessee	678	1,250
Alabama	381	881
Kentucky	243	872
Arkansas	150	319
Mississippi	87	302
West Virginia		25
Louisiana		10
TOTAL	8,695	22,564

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JOB CUT REASONS

	March	YEAR-TO-DATE
Restructuring	23,817	74,414
Closing	9,335	29,514
Cost-Cutting	3,074	12,858
Demand Downturn	659	3,366
Economic Conditions		3,266
Merger/Acquisition	2,197	2,893
Legal Trouble	2,600	2,809
Government Contract Loss/Sequestration Concerns	2,717	2,717
Outsourcing	864	2,114
Natural Disaster		2,000
Bankruptcy	667	1,920
Loss of Contract	800	1,851
Voluntary Severance	255	1,105
Labor Dispute		1,000
Federal Spending Cuts	917	917
Relocation	418	859
Government Regulation	230	380
Reorganization/Consolidation	290	290
Drought	200	200
Competition		190
Order Cancellation/Reduction	187	187
Funding Loss		160
Health Reform	28	28
TOTAL	49,255	145,038

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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	578,510	318,165	240,233	151,122	1,288,030
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				
AVG	208,629	162,196	188,155	220,678	

*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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JOB-CUT ANNOUNCEMENT REPORT**

ANNOUNCED HIRING PLANS

Industry	March	Year-To-Date
Aerospace/Defense	400	400
Apparel	200	200
Automotive	190	2,490
Chemical	40	40
Commodities		0
Computer	880	2,251
Construction		30
Consumer Products	200	600
Education	1,800	2,807
Electronics		0
Energy		1,063
Entertainment/Leisure		300
Financial	775	2,117
Food	1190	2,118
Government	50	4,061
Health Care/Products		1,588
Industrial Goods	458	1,074
Insurance		185
Legal		0
Non-Profit		0
Media		133
Pharmaceutical	245	325
Real Estate		0
Retail	750	136,425
Services		100
Telecommunications	650	2,300
Transportation	287	465
Utility		0
TOTAL	8,115	161,072

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**ANNOUNCED HIRING PLANS
MONTHLY TOTALS**

	2013	2012	2011
January	60,585	7,568	29,492
February	92,372	10,720	72,581
March	8,115	12,390	10,869
April		11,794	59,648
May		7,722	10,248
June		12,314	15,498
July		10,350	10,706
August		12,079	15,201
September		425,683	76,551
October		75,065	159,177
November		28,526	63,527
December		16,266	14,074
TOTAL	161,072	630,477	537,572

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

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