



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

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Job Cuts Fall For Third Consecutive Month

EMPLOYERS CUT 36,398 JOBS IN MAY; YTD CUTS DOWN 11%

CHICAGO, June 6, 2013 – Monthly job cuts declined for the third consecutive month in May, as U.S.-based employers announced plans to trim payrolls by 36,398 during the month, 4.5 percent fewer than 38,121 cuts in April. The May total was 41 percent lower than the same month a year ago, when employers slashed payrolls by 61,887, according to the report Thursday from global outplacement consultancy Challenger, Gray & Christmas, Inc.

To date, the nation's employers have announced 219,560 planned job cuts in 2013. That is down 11 percent from the 245,540 planned cuts announced in the first five months of 2012.

It is not unusual to see job cuts decline during the summer months. In fact, May is historically the slowest job-cut month of the year, averaging 57,688 since 1993. The next lowest job-cut month is June, according to Challenger records, which show it averaging 59,887 since 1993. The overall average monthly total across all months since 1993 is 70,288.

The heaviest job-cutting last month occurred in the health care sector, where 4,886 job cuts were tracked. That was up slightly from 4,268 health care job cuts in April and more than double the 2,353 announced in May 2012. Overall, layoffs in health care are up 71 percent in 2013 to 20,867, compared to 12,177 in the first five months of 2012.

Only two other sectors have seen bigger gains: media, where job cuts have increased 249 percent from 1,829 in the first five months of 2012 to 6,388 as of May; and the financial sector, which has seen job cuts increase by 103 percent from 17,284 in 2012 to 35,091 this year.

Largest Job Cut Increases

	Jan-May 2012	Jan-May 2013	% Change
Media	1,829	6,388	249.3%
Financial	17,284	35,091	103.0%
Health Care/Products	12,177	20,867	71.4%
Retail	20,983	32,683	55.8%
Non-Profit	938	1,443	53.8%

The 35,091 job cuts announced by financial firms this year make this the sector with the highest number of layoffs to date. Retail ranks a close second, with 32,683 job cuts this year, including 1,386 in May.

“Despite the increases in some sectors, the overall pace of downsizing has slowed from 2012 levels. That is particularly good news in light of the fact that 2012 saw the fewest annual job cuts since 1997. Job cuts have been on the decline since reaching 55,356 in February and we are heading into the summer, which is the time of year when all business activity, including layoff activity, tends to slow,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

“So far, the threat of massive job cuts related to federal spending cuts has failed to materialize. There were fewer than 1,500 job cuts directly attributed to federal cutbacks and sequestration. Of course, we are not out of the woods when it comes to government downsizing, but an improving economy is helping to bring in more tax revenue and lower the deficit. This may delay and/or minimize the impact of cutbacks on workforce levels,” said Challenger.

Even in areas with increased job cutting, such as health care, simultaneous hiring is offsetting the impact on the economy. In health care, for example, the nearly 21,000 planned job cuts tracked this year are far outweighed by job gains. According to the latest Bureau of Labor Statistics job report, the sector experienced a net gain of 19,000 jobs in April, marking a monthly average of 24,000 jobs per month over the past year. Meanwhile, a recent tally of online help-wanted ads by job search website Granted.com turned up more than 521,000 health care jobs on the site.

In retail, where job cuts are up 56 percent this year to 32,683, more than 550,000 were hired in March and there were still 424,000 openings at the end of the month, according to the Bureau of Labor Statistics job openings and labor turnover survey.

“Home sales and prices are starting to see much better improvements each month. If these gains continue, it is going to drive up consumer confidence and spending through the summer, which should help the economy withstand the typical summer slowdown. We expect layoffs to remain muted through the third quarter. Hopefully, the housing recovery will be strong enough to finally kick hiring into high gear,” said Challenger.

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TOP FIVE INDUSTRIES Year To Date

	2013	2012
Financial	35,091	17,284
Retail	32,683	20,983
Health Care/Products	20,867	12,177
Aerospace/Defense	16,347	10,922
Industrial Goods	13,926	12,144

MONTH BY MONTH TOTALS

	2013	2012
January	40,430	53,486
February	55,356	51,728
March	49,255	37,880
April	38,121	40,559
May	36,398	61,887
June		37,551
July		36,855
August		32,239
September		33,816
October		47,724
November		57,081
December		32,556
TOTAL	219,560	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	44,309
Texas	22,178
California	18,953
Florida	10,606
Illinois	10,405

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-May	13-Apr	13-May	Jan-May 2013	Jan-May 2012
Aerospace/Defense	820	2,927	3,654	16,347	10,922
Apparel	70	1,000		1,307	942
Automotive	823	1,195	2,269	7,813	6,440
Chemical	171			904	1,534
Commodities			100	167	674
Computer	27,754	2,170	4,101	9,797	32,599
Construction	229	85	343	673	1,402
Consumer Products	1,712	990	2,703	5,890	21,846
Education	3,536	821	2,394	7,027	18,246
Electronics	357	1,380	213	2,988	3,520
Energy	846	1,422	1,274	5,240	8,262
Entertainment/Leisure	543	372	2,219	8,308	6,425
Financial	4,424	1,037	235	35,091	17,284
Food	3,165	295	1,029	7,414	9,938
Government	543	1,384	1,164	6,269	9,393
Health Care/Products	2,353	4,268	4,886	20,867	12,177
Industrial Goods	3,479	3,550	2,814	13,926	12,144
Insurance	130	106	75	1,289	3,363
Legal	643			118	815
Media	120	691	543	6,388	1,829
Non-Profit	134	450	397	1,443	938
Pharmaceutical	212	1,517	1,687	6,389	5,042
Real Estate	65			378	280
Retail	1,927	5,897	1,386	32,683	20,983
Services	253	2,625	709	4,468	4,408
Telecommunications	1,800	296	1,007	4,774	9,221
Transportation	5,419	3,021	1,137	10,502	24,193
Utility	359	622	59	1,100	720
TOTAL	61,887	38,121	36,398	219,560	245,540

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JOB CUTS BY REGION, STATE

East	May	YTD
New York	2,028	44,309
Pennsylvania	1,948	8,724
New Jersey	802	8,171
Massachusetts	1,940	5,334
Connecticut	8	3,983
Maryland	198	2,318
Delaware		1,440
Dist. of Columbia	40	1,200
New Hampshire	95	604
Rhode Island		550
Maine	9	488
Vermont		168
TOTAL	7,068	77,289

Midwest	May	YTD
Illinois	2,780	10,405
Ohio	3,526	9,008
Missouri	790	7,646
Minnesota	2,777	5,048
Michigan	1,659	4,633
Wisconsin	417	4,180
Indiana	619	3,665
Kansas	512	1,348
Nebraska		512
Iowa		213
TOTAL	13,080	46,658

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JOB CUTS BY REGION, STATE

West	May	YTD
Texas	722	22,178
California	5,949	18,953
Washington	1,590	6,924
Colorado	12	4,493
Oregon	365	2,156
Arizona	627	1,927
Hawaii	367	1,100
Utah		623
Oklahoma		416
North Dakota	8	339
New Mexico	100	300
Idaho		235
Alaska		176
South Dakota		153
Nevada		123
Montana	100	115
Wyoming	54	74
TOTAL	9,894	60,285

South	May	YTD
Florida	3,082	10,606
Georgia	296	7,408
N. Carolina	674	4,473
Virginia	1,059	3,879
Tennessee	675	2,633
S. Carolina		2,232
Kentucky	287	1,549
Alabama	27	908
Mississippi	100	852
Arkansas		319
West Virginia		303
Louisiana	156	166
TOTAL	6,356	35,328

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JOB CUT REASONS

	May	YTD
Restructuring	9,948	95,773
Closing	8132	47,994
Cost-Cutting	7,220	24,677
Demand Downturn	4,017	9,742
Merger/Acquisition	2,337	6,828
Government Contract Loss/Sequestration Concerns	816	6,421
Loss of Contract	1,340	4,680
Legal Trouble		3,315
Economic Conditions		3,266
Outsourcing	385	3,075
Bankruptcy	180	2,346
Natural Disaster		2,000
Voluntary Severance	608	1,893
Federal Spending Cuts	591	1,825
Relocation	550	1,713
Competition		1,190
Labor Dispute		1,000
Government Regulation		390
Order Cancellation/Reduction		387
Reorganization/Consolidation		359
Health Reform	269	297
Drought		221
Funding Loss		160
Firing	5	8
TOTAL	36,398	219,560

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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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ANNOUNCED HIRING PLANS

Industry	May	Year-To-Date
Aerospace/Defense		835
Apparel		200
Automotive	3,357	7,197
Chemical	300	340
Commodities		0
Computer	1,645	3,996
Construction	245	651
Consumer Products	500	1,225
Education		2,807
Electronics	80	80
Energy		1,063
Entertainment/Leisure	500	890
Financial	69	2,236
Food		3,558
Government	13	4,199
Health Care/Products		2,188
Industrial Goods	1,095	4,325
Insurance		1,185
Legal		0
Non-Profit		0
Media		133
Pharmaceutical	150	475
Real Estate		0
Retail	1,209	138,934
Services		150
Telecommunications	400	2,700
Transportation	55	645
Utility		
TOTAL	9,618	180,012

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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	9,322	11,794	59,648
May	9,618	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	180,012	630,477	540,572

In January, Lowe's announced 50,000 seasonal hires.

In February, Home Depot announced 80,000 seasonal hires.