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FOR IMMEDIATE RELEASE

MAY CEO TURNOVER UP 73% OVER APRIL; YTD DOWN 27% OVER 2019

CHICAGO, June 10, 2020 – Turnover in the top position accelerated in May, as employers at U.S.-based companies announced 83 chief executive officer changes, 73% higher than the 48 CEO changes announced in April, according to a report released Wednesday by global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

Despite the increase over April, May's total was 27% lower than the 114 CEO exits reported in May of last year. In total, 572 chief executives have left their roles so far this year, down 8.77% from the 627 CEOs who announced their departures in the first five months of 2019, which was the highest five-month total since Challenger began tracking in 2002. This May's number is the fifth-highest five-month total.

"CEO turnover plunged in April, but is already rebounding in May. CEOs are still mostly staying put as companies continue to battle the uncertainty surrounding the pandemic and current recession," said Andrew Challenger, Senior Vice President of Challenger, Gray & Christmas, Inc.

"We may see that the recession causes another exodus of CEOs, like we saw in 2008 and 2009, if it continues into next year. However, if consumers and businesses begin to spend again, the recession could be brief and current leadership may be able to weather the storm," he added.

In 2008, 1,484 CEOs left their posts, as the credit collapse caused companies nationwide to close their doors or find new leadership. 2008 was the previous record-high year for CEO turnover prior to 2019, when 1,640 CEOs left their posts.

Government/Non-Profit sector CEOs announced the highest number of changes in May with 20, a 233% increase over April's six, but a 26% decrease over the 27 reported in May 2019. This sector, which includes charities, foundations, and government-run entities such as transportation authorities or public education, leads all industries in CEO turnover this year with 93, down 34% from the 141 reported in the first five months of 2019.

“Government employment fell by 1,548,000 jobs in April and May, according to the Bureau of Labor Statistics. This could be caused by cuts in funding at all levels and will only be exacerbated by a deepening recession,” said Challenger.

The Technology sector reported the second-highest number of CEO replacements in May with ten, an 11% increase over April’s nine and a 50% decrease over the 20 reported one year earlier in May. The Tech sector has announced 73 chief executive exits so far this year, 12.3% higher than the 65 recorded in the same time period last year.

“The Tech sector has maintained hiring throughout the downturn and is still a solid sector, especially as more companies rely on cloud-based and remote technologies to continue their work in the current environment. Like in 2019, when we saw record-high CEO turnover during a tight labor market and labor shortage, particularly in Tech, these CEOs may have a plethora of opportunities, which would explain the movement,” said Challenger.

“The majority of job cuts during the pandemic have come from companies in the Entertainment/Leisure sector, which includes bars, restaurants, hotels, and amusement parks,” said Challenger.

“These companies are also making leadership changes as Boards grapple with how to do business without visitors,” he added.

So far this year, Entertainment/Leisure companies have seen 45 chief executive departures, up 114% from the 21 who left their posts through this point last year.

Of those who gave a reason for leaving their position, the majority of CEOs (18) retired, followed closely by 15 who stepped down. Ten reported their interim period had ended, eight moved on to new opportunities, and another eight resigned.

Exiting CEOs reported an average tenure of 11.4 years, up from April’s tenure of 6.8 years, which equals the previous lowest average tenure recorded in July 2012.

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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
January	219	157	132	128	131	110	131	113	123	96	89	113	134
February	128	124	113	72	87	94	112	110	104	92	132	82	114
March	94	135	96	101	101	95	123	86	94	99	119	114	123
April	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		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
August		159	154	96	109	107	119	113	104	104	95	101	144
September		151	148	101	119	104	124	107	95	108	111	105	140
October		172	149	105	99	94	122	104	108	91	81	89	125
November		148	147	94	106	86	103	94	112	82	79	94	104
December		160	129	95	99	114	107	99	103	83	107	105	123
TOTAL	572	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	468
Public	104

Month	Announced CEO Departures from Fortune 1000 Companies
Jan-19	4
Feb-19	9
Mar-19	9
Apr-19	5
May-19	2
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

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-May	20-Apr	20-May	Year to Date 2019	Year to Date 2020
Aerospace/Defense	2			8	10
Apparel				1	5
Automotive		1	1	6	7
Cannabis	1		1	3	3
Chemical				0	2
Commodities				0	0
Construction	1	1		5	5
Consumer Products	1			9	10
Electronics	1			1	2
Energy	4	2		25	17
Entertainment/Leisure	3	4	5	21	45
Financial	13	1	6	58	32
FinTech	1	1	3	3	9
Food	4		4	23	17
Government/Non-Profit	27	6	20	141	93
Health Care/Products	11	3	8	66	52
Hospitals	5	3	9	31	13
Industrial Goods	4	3	2	33	23
Insurance	1	1		7	10
Legal				2	5
Media	3		3	10	11
Pharmaceutical	5	3	1	27	18
Real Estate		2	1	11	8
Retail	2			20	21
Services	4	3	5	39	46
Technology	20	9	10	65	73
Telecommunications		1		1	5
Transportation	1	2	2	9	18
Utility		2	2	2	12
TOTAL	114	48	83	627	572

CHALLENGER CEO REPORT

By State

EAST	MAY	YTD 2020	YTD 2019
Connecticut		6	10
Delaware		4	2
Dist. of Columbia		3	9
Maine	1	2	1
Maryland	1	4	10
Massachusetts	4	29	28
New Hampshire	1	3	0
New Jersey		13	9
New York	6	39	33
Pennsylvania	2	18	25
Rhode Island		1	1
Vermont	1	1	0
	16	123	128

MIDWEST	MAY	YTD 2020	YTD 2019
Illinois	4	23	31
Indiana		7	13
Iowa	1	6	2
Kansas	1	6	6
Michigan	2	10	6
Minnesota	2	12	21
Missouri	1	15	17
Nebraska		0	2
Ohio	2	14	30
Wisconsin	4	15	12
TOTAL	17	108	140

CHALLENGER CEO REPORT

By State

WEST	MAY	YTD 2020	YTD 2019
Alaska		1	0
Arizona		8	19
California	16	93	81
Colorado	1	14	21
Hawaii		4	2
Idaho	1	7	5
Montana		0	2
Nevada		5	4
New Mexico	2	8	1
North Dakota		0	1
Oklahoma		5	5
Oregon	1	6	8
South Dakota		1	2
Texas	5	42	52
Utah	1	3	1
Washington	4	15	17
Wyoming		1	1
TOTAL	31	213	222

SOUTH	MAY	YTD 2020	YTD 2019
Alabama		8	7
Arkansas	1	2	0
Florida	6	36	38
Georgia	1	14	7
Kentucky	2	8	6
Louisiana		4	8
Mississippi		0	2
N. Carolina	2	15	12
S. Carolina	1	8	6
Tennessee	1	18	24
Virginia	5	14	25
West Virginia		1	2
TOTAL	19	128	137

CHALLENGER CEO REPORT

By Reason

Reason	May	YTD
Stepped Down	15	135
Retired	18	123
No Reason Given	18	75
Interim Period Over	10	60
New Opportunity	8	41
Resigned	8	78
New Position Within Company		4
Acquisition/Merger	3	13
Deceased		7
Scandal	1	9
Relocation		2
Allegations of Professional Misconduct		1
Financial Losses		1
Personal Reasons		6
Terminated	1	6
Differences with Board		2
Bankruptcy	1	4
Leadership Restructuring		1
Contract Expired		2
Economic Conditions		2

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		61.6		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

Challenger CEO Report

CEO Replacements

Replacement Type	YTD
External Replacement	226
Internal Replacement	289

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

Source: Challenger, Gray & Christmas, Inc. ©

Replacements by Gender, YTD 2020

Replacement	CEOs (Interim)
Women Replacing Women	42(3)
Men Replacing Women	49(3)
Women Replacing Men	82(1)
Men Replacing Men	342 (23)
Total Replacements	515
Percentage of New CEOs who are Women	24.10%

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%