



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

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FOR IMMEDIATE RELEASE

CEO Turnover Drops Slightly in October

104 CEOS LEAVE POSTS LED BY HEALTH CARE, 25 FROM HOSPITALS

CHICAGO, November 7, 2013 – Turnover among the nation’s chief executive officers declined slightly in October as 104 planned CEO departures were reported, down 2.8 percent from the 107 in September, according to a report released Thursday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

The October total was down 3.7 percent from the same month a year ago when 108 were recorded. Challenger has now tracked 1,053 CEO changes so far this year, 5.3 percent more than the 999 departures announced in the first ten months of 2012.

Due to continued changes in the health care landscape, this sector led all industries in October with 29 CEO departures, 25 of which came from hospitals and hospital systems. Of those CEOs, nine went on to serve as high-level executives of other hospitals, usually as CEO. To date, the health care sector has now seen 224 CEO departures in 2013, which is the highest turnover among all sectors tracked by Challenger.

The second-ranked government and non-profit sector has seen just 151 changes at the CEO position in 2013. The 18 departures in this sector last month included Laura Santucci of the National Democratic Committee, who was replaced by Amy Dacey.

Meanwhile, the financial industry saw 15 chief executive changes in October, bringing the year-to-date total to 129.

“It is not surprising that these three areas – health care, government, and financial – are experiencing the highest levels of turnover this year. They are, after all, the sectors that are struggling the most in the current environment. Health care systems are dealing with cuts in Medicare and Medicaid funding. Government agencies and non-profits that depend on government funding are in cost-cutting mode, as federal and state lawmakers seek ways to cut massive deficits. The financial sector still has not fully recovered from the recession,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

“These challenges are forcing many organizations to reconsider their leadership and/or compelling many CEOs to reconsider their commitment to industries going through such volatile times,” he added.

Retirement was the most oft-cited reason for departure in October, with 30 CEOs citing it. This brings the year-to-date total for resignations to 234, second to resignations, which was cited by 301 CEOs so far this year, 28 of which occurred in October. Another 17 CEOs found new positions in other companies, including the 9 hospital CEOs. Thirteen CEOs stepped down into other chief-level or board position last month.

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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	128	83	104	88	126	124	88
August	113	104	104	95	101	144	124
September	107	95	108	111	105	140	112
October	104	108	91	81	89	125	96
November		112	82	79	94	104	132
December		103	83	107	105	123	85
TOTAL	1,053	1,214	1,178	1,234	1,227	1,484	1,356

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CHIEF EXECUTIVE DEPARTURES

Public vs. Private

	13-October	2013 YTD	2012 YTD
Private	88	843	782
Public	16	210	217

**CEO DEPARTURES
By Industry**

	12-Oct	13-Sep	13-Oct	12-YTD	13-YTD
Aerospace/Defense	1	1		10	9
Apparel		1		1	6
Automotive	2			16	9
Chemical	1	2	1	8	5
Commodities		1	1	2	6
Computer	9	12	6	102	106
Construction	2	1	2	13	10
Consumer Products	2	1	3	22	19
Electronics	3	2	6	26	22
Energy	4	5	1	45	37
Entertainment/Leisure	7	3	3	40	39
Financial	17	11	15	100	129
Food	1	2		20	31
Government/Non-Profit	19	11	18	139	151
Health Care/Products	12	26	29	194	224
Industrial Goods	5	4	4	29	32
Insurance	4	1	2	22	14
Legal	1			1	4
Media	4	7	2	28	29
Pharmaceutical	2	2	1	37	35
Real Estate	2	2	4	13	24
Retail	4	6	1	34	30
Services	3	1	1	50	29
Telecommunications		3	1	10	23
Transportation	3		3	25	20
Utility		2		12	10
TOTAL	108	107	104	999	1,053

CEO DEPARTURES

By Reason

	13-Oct	Y-T-D
Resigned	28	301
Retired	30	234
Step Down	13	181
New position in another company	17	151
Interim Period Ended	9	73
Acquisition/Merger	1	22
Another position within company		18
Ousted	4	23
Contract Dispute/Expiration		9
Scandal		7
Bankruptcy		5
Financial Losses	1	7
Health		8
Died	1	7
Legal Trouble		2
Family		1
Differences with Board		2
Leave of Absence		1
Liquidation		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	57.8	52.3	10.1	6.8
August	59.1	65.7	8.9	8.9
September	57.8	60.1	7.9	8.2
October	65.0	68.5	12.4	8.5
November		62.4		7.3
December		66.5		11.9