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Job Cuts Surge 68% in October

MORE THAN 50,000 CUTS FOR ONLY SECOND TIME IN 2014; HIGHEST OCTOBER TOTAL SINCE 2009

CHICAGO, November 6, 2014 – Just one month after falling to a 14-year low, monthly job cuts surged nearly 70 percent in October to the second highest total this year, according to the report Thursday from global outplacement consultancy Challenger, Gray & Christmas, Inc.

U.S.-based employers announced 51,183 job cuts last month, a 68-percent increase from September's 30,477, which was the lowest monthly total since June, 2000 (17,241). October job cuts were 12 percent higher than the 45,730 layoffs announced during the same month a year ago.

The October total is not only the second highest of the year behind May's 52,961, but it marks only the fourth time in the last 22 months that job cuts exceeded 50,000.

Employers have now announced 414,591 job cuts so far this year. That is 4.3 percent fewer than last year, when 433,114 job cuts were reported from January through October.

“While it is too early to say for certain, the October figure may mark the kick-off to a fourth-quarter surge in job cuts. It is not unusual to see the pace of downsizing accelerate in the final months of the year, as employers take measures to meet year-end earnings and profit goals,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

“In recent years, since the end of the recession, the fourth quarter surge in job cuts has been somewhat subdued, with much of the increase occurring in October and November. In fact, in the previous two years, December was one of the lowest job-cut months.”

October job cuts were led by the retail industry, which announced 6,874 planned layoffs during the month. That is nearly 3.5 times more than the 1,965 job cuts announced by retailers in September. To date, these employers have now announced 38,948 in 2014, second only to the computer industry.

Computer firms announced another 6,509 job cuts in October. That brings the year-to-date total for the industry to 55,511, making it the leading job-cut industry by a wide margin.

“If there is any good news in the October job-cut surge, it is that the leading job cuts are not indicative of overall weakness in the economy. The heaviest cuts came from companies that are struggling to find their footing in this recovery. In several cases, downsizing organizations are in industries that are going through fundamental changes and these companies are taking steps to catch up to these changes,” said Challenger.

“For example, Sears, which announced the closure of 77 Sears and Kmart stores, has been struggling for years to find its niche in an increasingly competitive retail space. The challenges facing the one-time leader in the retail space have gotten progressively worse as more and more consumers take their shopping online.

“Meanwhile, Hewlett-Packard, which announced it is increasing previously announced workforce reductions by another 5,000, is another company trying to catch up in an ever-changing, but still robust and competitive technology sector. Likewise, wireless service provider Sprint has undergone large-scale job cuts since the beginning of the year in an effort to better compete in its fiercely competitive sector,” said Challenger.

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

**TOP FIVE INDUSTRIES
Year To Date**

	2014	2013
Computer	55,511	28,844
Retail	38,948	37,032
Health Care/Products	30,338	47,902
Entertainment/Leisure	28,286	12,098
Financial	26,296	57,591

MONTH BY MONTH TOTALS

	2014	2013
January	45,107	40,430
February	41,835	55,356
March	34,399	49,255
April	40,298	38,121
May	52,961	36,398
June	31,434	39,372
July	46,887	37,701
August	40,010	50,462
September	30,477	40,289
October	51,183	45,730
November		45,314
December		30,623
TOTAL	414,591	509,051

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

California	75,144
New York	33,932
Washington	32,887
Illinois	28,725
New Jersey	28,710

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

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JOB CUTS BY INDUSTRY

	13-Oct	14-Sep	14-Oct	Jan-Oct 2013	Jan-Oct 2014
Aerospace/Defense	1,506	2,819	4,376	29,676	21,011
Apparel	800		58	2,970	1,575
Automotive	410	268	237	11,817	6,985
Chemical	145			2,385	1,514
Commodities	417		127	2,488	1,401
Computer	952	74	6,509	28,844	55,511
Construction	77			1,647	824
Consumer Products	150	297	854	10,965	9,038
Education	1,811	1,648	598	17,927	14,801
Electronics	1,511	99	1,648	7,679	18,153
Energy	284	2,220	130	15,360	10,402
Entertainment/Leisure	807	8,119	1,361	12,098	28,286
Financial	8,717	591	1,673	57,591	26,296
Food	1,106	2,297	2,840	12,567	18,904
Government	627	1,060	3,253	11,005	21,200
Health Care/Products	6,817	2,038	1,780	47,902	30,338
Industrial Goods	1,912	1,457	2,444	46,662	21,757
Insurance		68	352	6,284	2,259
Legal	230			731	557
Media	3,211	1,591	2,358	11,450	8,427
Non-Profit	252	877	1,370	3,393	4,076
Pharmaceutical	10,585	565	5,452	19,507	15,375
Real Estate	154	184	63	641	500
Retail	538	1,965	6,874	37,032	38,948
Services	192	1,182	1,377	7,737	12,828
Telecommunications	2,150	67	5,217	11,038	20,038
Transportation	155	875	232	13,412	21,919
Utility	214	116		2,306	1,668
TOTAL	45,730	30,477	51,183	433,114	414,591

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JOB CUTS BY REGION, STATE

EAST	OCTOBER	Y-T-D
New York	776	33,932
New Jersey	69	28,710
Pennsylvania	1,023	16,309
Maryland	1,061	8,881
Massachusetts	446	6,850
Dist. of Columbia	1,368	4,908
Connecticut	157	2,912
Maine	700	2,063
Vermont		2,040
New Hampshire	190	830
Delaware	202	450
Rhode Island		446
TOTAL	5,992	108,331

MIDWEST	OCTOBER	Y-T-D
Illinois	6,170	28,725
Ohio	725	10,669
Kansas	5,719	10,548
Michigan	897	9,198
Minnesota	1,280	8,966
Missouri	320	6,140
Wisconsin	683	5,500
Indiana	70	5,059
Iowa	385	2,905
Nebraska	175	1,184
TOTAL	16,424	88,894

**CHALLENGER, GRAY & CHRISTMAS, INC.
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JOB CUTS BY REGION, STATE

WEST	OCTOBER	Y-T-D
California	11,944	75,144
Washington	392	32,887
Texas	2,484	15,392
Idaho		4,570
Colorado	105	2,282
Arizona	957	2,008
Oklahoma	252	1,965
Oregon	207	1,817
Nevada	90	1,575
New Mexico	54	916
Hawaii	100	839
Alaska	3	804
Utah	127	363
Montana	50	207
South Dakota		120
Wyoming		33
North Dakota		18
TOTAL	16,765	140,940

SOUTH	OCTOBER	Y-T-D
Florida	297	17,026
Virginia	6,365	14,176
N. Carolina	1,415	10,862
Alabama	1,774	6,434
Kentucky	30	5,728
Tennessee	172	5,025
Arkansas	50	4,336
Georgia	1,475	4,105
Mississippi	51	3,018
Louisiana	240	2,914
West Virginia	130	2,116
S. Carolina	3	686
TOTAL	12,002	76,426

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JOB CUTS BY REASON

	October	YTD
Restructuring	33,061	174,710
Closing	6,945	111,773
Cost-Cutting	4,056	47,525
Sequestration		15,581
Merger/Acquisition	510	10,409
Demand Downturn	133	10,093
Economic Conditions		8,566
Voluntary Severance	650	7,067
Bankruptcy	727	6,923
Loss of Contract	1,235	5,506
Natural Disaster		4,068
Relocation	106	2,837
Outsourcing		2,796
Cyber Attack	2,500	2,500
Legal Trouble	1,020	1,656
Health Reform	202	1,323
Competition	25	506
Fired	13	380
Labor Dispute		290
Technological Update		79
Foreclosure		3
TOTAL	51,183	414,591

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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	562,510	318,165	240,233	151,122	1,272,030
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	113,891	128,452	121,667	509,051
2014	121,341	124,693	117,374		
AVG	204,656	157,138	180,269	212,303	

*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.

**CHALLENGER, GRAY & CHRISTMAS, INC.
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**ANNOUNCED HIRING PLANS
Monthly Totals**

	2014	2013	2012	2011
January	6,312	60,585	7,568	29,492
February	11,054	92,372	10,720	72,581
March	6,860	8,115	12,390	10,869
April	11,145	9,322	11,794	59,648
May	10,141	9,618	7,722	10,248
June	15,530	8,774	12,314	15,498
July	16,544	9,728	10,350	10,706
August	9,657	7,662	12,079	15,201
September	567,705	445,617	425,683	76,551
October	147,935	87,874	75,065	159,177
November		14,177	28,526	63,527
December		11,362	16,266	14,074
TOTAL	802,883	765,206	630,477	459,971

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ANNOUNCED HIRING PLANS

INDUSTRY	OCTOBER	YEAR-TO-DATE
Aerospace/Defense	220	3,240
Apparel		0
Automotive		18,383
Chemical		60
Commodities		0
Computer	1,300	11,862
Construction		750
Consumer Products	150	1,695
Education		2,308
Electronics	700	2,233
Energy	200	2,186
Entertainment/Leisure		2,070
Financial		2,729
Food		2,070
Government		9,473
Health Care/Products	300	5,259
Industrial Goods	225	9,680
Insurance		9,470
Legal		60
Media		587
Non-Profit		70
Pharmaceutical		1,386
Real Estate		0
Retail	144,040	558,735
Services		3,304
Telecommunications	300	6,504
Transportation	500	148,769
Utility		0
TOTAL	147,935	802,883

**CHALLENGER, GRAY & CHRISTMAS, INC.
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Announced Seasonal Hiring Plans			
	2012	2013	2014
UPS	55,000	55,000	95,000
Macy's	80,000	83,000	86,000
Amazon	50,000	70,000	80,000
Kohl's	52,700	53,000	76,970
Target	88,000	70,000	70,000
The Gap	N/A	N/A	63,000
Walmart	50,000	55,000	60,000
FedEx (Transportation)	20,000	20,000	50,000
Toys R Us	45,000	45,000	45,000
JC Penney	40,000	35,000	35,000
GameStop	17,000	17,000	25,000
Meijer	12,000	9,000	10,000
Best Buy	14,000	N/A	N/A
Hickory Farms (Food)	5,225	6,000	N/A
TOTAL	528,925	518,000	695,970