



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

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FOR IMMEDIATE RELEASE

107 CEO Changes In September

HIGHEST QUARTERLY TOTAL SINCE Q4 2008

CHICAGO, October 9, 2013 – Turnover among the nation’s chief executive officers declined slightly in September as 107 planned CEO departures were reported, down 5.6 percent from the 113 in August, according to a report released Wednesday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

The September total was up 12.6 percent from the same month a year ago when 95 were recorded. This marks the third consecutive month in which CEO changes outpaced the same month last year.

Overall, third-quarter CEO departures totaling 348 are up 23 percent from the 282 announced during the same three-month span in 2012. It is the highest quarterly since 352 CEO changes were recorded in the fourth quarter of 2008, the year Challenger tracked the most CEO changes on record with 1,484.

Challenger has now tracked 949 CEO changes so far this year, 6.5 percent more than the 891 departures announced in the first nine months of 2012.

Amid significant changes in the health care landscape, due to the Affordable Care Act and other factors, this sector led all industries in third-quarter CEO turnover with 78, including 26 in September. This marks the highest quarterly total for health care on record. To date, health care organizations have seen 195 CEO changes, 47 percent more than the sector with the next heaviest turnover (government/nonprofit, 133).

“The changes to Medicaid and Medicare reimbursements, coupled with the implementation of the Affordable Care Act, are contributing to the shake-up in leadership. It is not just hospitals and health systems that are being impacted; we are seeing a lot of CEO moves at health technology firms, medical device companies, and pharmaceutical companies. Many of these organizations are looking for CEOs better equipped to navigate through this period of tumult and uncertainty,” said John Challenger, chief executive officer of Challenger, Gray & Christmas.

Well behind health care’s 26 September CEO changes, computer firms followed with 12 CEO changes during the month, bringing the quarterly total to 38. The financial industry saw 11 chief executive changes in September, contributing to the 41 tracked in the third quarter.

Government/Non-Profit entities also announced 11 CEO changes in September and 55 for Q3.

Resignation was the most oft-cited reason for departure in September, with 34 CEOs resigning. This brings the year-to-date total for resignations to 273. Another 21 CEOs stepped down into other chief-level or board position last month. Nineteen CEOs retired and 15 found new positions in other companies.

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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		108	91	81	89	125	96
November		112	82	79	94	104	132
December		103	83	107	105	123	85
TOTAL	949	1,214	1,178	1,234	1,227	1,484	1,356

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CHIEF EXECUTIVE DEPARTURES

Public vs. Private

	13-September	2013 YTD	2012 YTD
Private	86	755	477
Public	21	194	132

**CEO DEPARTURES
By Industry**

	12-Sep	13-Aug	13-Sep	12-YTD	13-YTD
Aerospace/Defense		1	1	9	9
Apparel		1	1	1	6
Automotive	1			14	9
Chemical	1		2	7	4
Commodities		1	1	2	5
Computer	12	11	12	93	100
Construction			1	11	8
Consumer Products	1	1	1	20	16
Electronics	3	2	2	23	16
Energy	5	6	5	41	36
Entertainment/Leisure	3	4	3	33	36
Financial	12	11	11	83	114
Food	1	5	2	19	31
Government/Non-Profit	11	24	11	120	133
Health Care/Products	21	18	26	182	195
Industrial Goods	4	5	4	24	28
Insurance	1	1	1	18	12
Legal					4
Media	2	2	7	24	27
Pharmaceutical	4	9	2	35	34
Real Estate	1	4	2	11	20
Retail	5		6	30	29
Services	2	3	1	47	28
Telecommunications	1	2	3	10	22
Transportation	2	2		22	17
Utility	2		2	12	10
TOTAL	95	113	107	891	949

CEO DEPARTURES

By Reason

	13-Sep	Y-T-D
Resigned	34	273
Retired	19	204
Step Down	21	168
New position in another company	15	134
Interim Period Ended	7	64
Acquisition/Merger	3	21
Another position within company	1	18
Ousted	2	19
Contract Dispute/Expiration		9
Scandal		7
Bankruptcy	1	5
Financial Losses		6
Health	2	8
Died	1	6
Legal Trouble		2
Family		1
Differences with Board	1	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		68.5		8.5
November		62.4		7.3
December		66.5		11.9