



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



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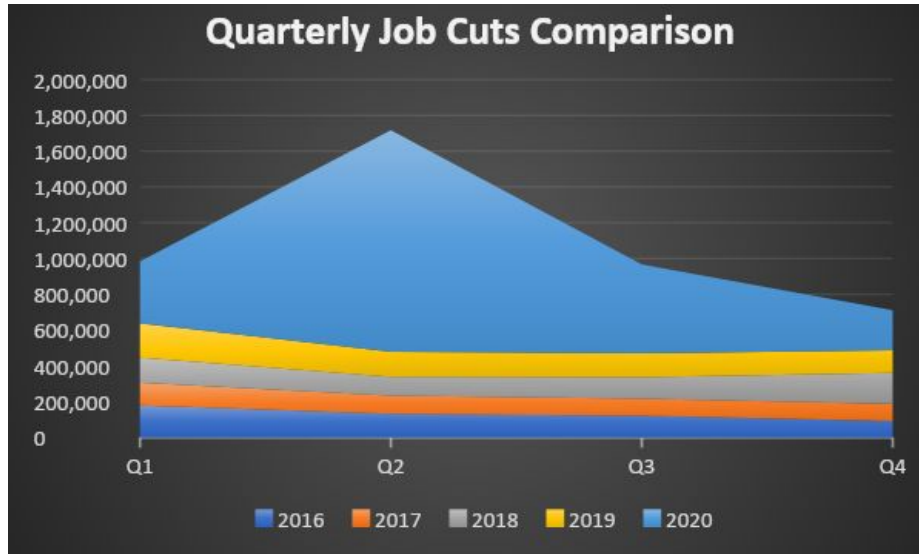
JOB CUTS JUMP IN DECEMBER; OVER 2.3 MILLION JOB CUTS ANNOUNCED IN 2020, NEARLY HALF DUE TO COVID

CHICAGO, January 7, 2021 – Planned job cuts announced by U.S.-based companies jumped to 77,030 in December, up 18.9% from the 64,797 in November, according to a report released Thursday by global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

December's total is 134.5% higher than the 32,843 cuts announced in the final month of last year. In 2020, 2,304,755 job cuts were announced, 289% higher than the 592,556 cuts announced in 2019. It is the highest annual total on record, and 17.8% higher than the previous record high of 1,956,876 cuts recorded in 2001.

Despite the jump in monthly cuts, the fourth quarter saw the fewest job cuts of the year, with 222,493, down 55.3% from the 497,215 tracked in Q3 2020. It is 74.2% higher than the same quarter in 2019, when 127,687 cuts were recorded. With the exception of the quarterly totals in 2020, it is the highest quarterly total since Q3 2011, when 233,258 job cuts were announced.

“In the final months of the year, companies that may have survived the initial impact of the pandemic in March and April determined staffing adjustments based on increasingly difficult market conditions. While some segments were up, such as warehousing, shipping, financial, and some manufacturing segments, many others were hurt considerably, chief among them Hospitality, Entertainment, and Leisure,” said Andrew Challenger, Senior Vice President of Challenger, Gray & Christmas, Inc.



Source: Challenger, Gray & Christmas, Inc. ©

Indeed, companies in the Entertainment/Leisure sector, which includes hotels, restaurants, amusement parks, and movie theaters, announced the highest number of cuts in 2020 with 866,046, 5,688% higher than the 14,963 announced in all of 2019.

Transportation, which includes shipping companies as well as airlines, announced the second-highest number of cuts this year with 199,599, many of which were due to the downturn in air travel.

Meanwhile, Retail, which has led all industries in job cut announcements in 2017, 2018, and 2019, announced the third-highest number of cuts with 184,886, 139% higher than the 77,475 announced in 2019.

“Retail has been pivoting over the last five to six years, shutting record numbers of brick-and-mortar stores, as consumer behavior shifts online. The pandemic dramatically accelerated this change, with big winners being Retailers with existing online ordering and delivery infrastructure,” said Challenger.

Retail also announced the highest number of hires this year with 1,182,776 of the record 3,190,862 hiring announcements tracked this year. The majority of these hires occurred at grocers in March and April.

According to the Bureau of Economic Analysis, disposable personal income decreased by \$218 billion in November and consumer spending decreased 0.4%.

“As the economy continues to shed jobs with hundreds of thousands of initial jobless claims each week, consumer spending will continue to drop. Retail and leisure activities will suffer

further, especially before widespread vaccinations give Americans confidence to spend money, and companies the ability to create more jobs,” said Challenger.

The Media sector announced the highest job cuts on record in 2020, according to Challenger tracking. This industry, which includes television and movie production, news, and advertising, announced 30,711 cuts. This is 201% higher than the 10,201 cuts announced in the sector in 2019. It is 6% higher than the last record number of 28,803 announced in 2008. Of the media cuts announced this year, 16,180 occurred in broadcast, digital, and print news.

Announced Newsroom Cuts Digital, Print, Broadcast News

Year	Annual
2020	16,160
2019	5,389
2018	11,878
2017	2,362
2016	5,447
2015	2,895
2014	3,833
2013	9,584
2012	2,709
2011	4,409
2010	1,337
2009	11,637
2008	14,265

Source: Challenger, Gray & Christmas, Inc. ©

Of the 30 industries Challenger tracks, just four have announced fewer job cuts this year than last. The Chemical industry announced 332 cuts in 2020, down 73% from the 1,209 in 2019. Financial firms announced 46% fewer cuts in 2020, with 13,677 compared to 25,148 in 2019. Pharmaceutical companies announced 2,131 cuts in 2020, down 83% from the 12,270 announced in all of 2019. Utilities announced 1,866 cuts in 2020, down 21% from the 2,367 announced in 2019.

Of the 2,304,755 cuts announced this year, 1,109,656 were directly due to COVID-19. Another 445,182 were attributed to market conditions. Demand downturn was the cause of 257,640, while 106,102 were due to closings. Bankruptcy was cited for 15,781 cuts.

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Table 1: EXECUTIVE SUMMARY

TOP FIVE INDUSTRIES

Year To Date

	2020	2019
Entertainment/Leisure	866,046	14,963
Transportation	199,559	30,560
Retail	184,886	77,475
Services	159,234	25,753
Automotive	87,191	50,776

MONTH-BY-MONTH TOTALS

	2020	2019
January	67,735	52,988
February	56,660	76,835
March	222,288	60,587
April	671,129	40,023
May	397,016	58,577
June	170,219	41,977
July	262,649	38,845
August	115,762	53,480
September	118,804	41,557
October	80,666	50,275
November	64,797	44,569
December	77,030	32,843
TOTAL	2,304,755	592,556

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	406,401
New York	280,498
Florida	212,998
Texas	176,741
Ohio	95,252

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

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Table 2: JOB CUTS BY INDUSTRY

	19-Dec	20-Nov	20-Dec	YTD 2019	YTD 2020	Percent Change
Aerospace/Defense	1,378	5,953	311	8,944	86,125	862.9%
Apparel	340	1,193	64	2,386	28,575	1097.6%
Automotive	3,258	231	791	50,776	87,191	71.7%
Chemical	55			1,209	332	-72.5%
Construction	915	167	213	4,886	10,470	114.3%
Consumer Products	1,109	950	3,326	17,782	38,888	118.7%
Education	240	1,648	203	15,866	41,866	163.9%
Electronics	275	367		2,239	9,978	345.6%
Energy	2,979	920	5,048	28,218	53,704	90.3%
Entertainment/Leisure	574	11,666	8,426	14,963	866,046	5687.9%
Financial	2,949	223	10	25,148	13,677	-45.6%
FinTech	35	56		1,731	2,282	31.8%
Food	769	1,100	939	23,903	32,212	34.8%
Government	442	783	10,975	13,806	78,323	467.3%
Health Care/Products	1,618	4,485	986	45,061	63,576	41.1%
Industrial Goods	2,753	1,195	431	70,894	79,653	12.4%
Insurance	4	312	53	3,139	7,878	151.0%
Legal		32		0	1,133	100.0%
Media	450	1,574	500	10,201	30,711	201.1%
Mining	1,614		338	8,135	10,901	34.0%
Non-Profit	32	977	392	3,179	52,210	1542.3%
Pharmaceutical	1,051	84	452	12,270	2,131	-82.6%
Real Estate	88	373	1	2,436	20,896	757.8%
Retail	2,789	2,787	2,579	77,475	184,886	138.6%
Services	1,219	5,412	2,572	25,753	159,234	518.3%
Technology	719	11,431	5,253	64,166	83,079	29.5%
Telecommunications	120	32	3,105	15,103	33,136	119.4%
Transportation	4,115	10,455	29,430	30,560	199,559	553.0%
Utility	573		193	2,367	1,866	-21.2%
Warehousing	380	391	439	9,960	24,237	143.3%
TOTAL	32,843	64,797	77,030	592,556	2,304,755	289.0%

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Table 3: JOB CUTS BY REGION, STATE

EAST	Dec-20	YTD 2020	YTD 2019
Connecticut	840	11,733	2,959
Delaware	122	4,800	605
Dist. of Columbia	1,200	24,546	2,224
Maine	100	2,749	2,165
Maryland	671	39,456	5,018
Massachusetts	6,089	76,853	37,133
New Hampshire		262	75
New Jersey	276	48,583	19,875
New York	20,289	280,498	61,575
Pennsylvania	11,116	89,075	23,463
Rhode Island		3,599	61
Vermont	3	910	416
TOTAL	40,706	583,064	155,569

MIDWEST	Dec-20	YTD 2020	YTD 2019
Illinois	159	67,059	32,695
Indiana	737	28,607	12,160
Iowa	118	6,734	4,072
Kansas		17,945	2,429
Michigan	1,277	49,918	31,481
Minnesota	3,287	75,001	9,475
Missouri	1,013	35,500	4,454
Nebraska		2,381	3,411
Ohio	882	95,252	15,978
Wisconsin	21	28,118	8,271
TOTAL	7,494	406,515	124,426

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Table 3 (cont'd): JOB CUTS BY REGION, STATE

WEST	Dec-20	YTD 2020	YTD 2019
Alaska		2,547	5,437
Arizona	88	21,229	6,726
California	8,618	406,401	100,506
Colorado	526	42,970	9,343
Hawaii		6,500	1,013
Idaho		2,067	1,827
Montana	24	394	352
Nevada		67,403	2,669
New Mexico	80	4,593	2,448
North Dakota		583	150
Oklahoma		8,189	1,897
Oregon	595	27,840	4,142
South Dakota		529	976
Texas	13,999	176,741	33,224
Utah		1,400	884
Washington	416	94,584	11,655
Wyoming		2,032	1,961
TOTAL	24,346	866,002	185,210

SOUTH	Dec-20	YTD 2020	YTD 2019
Alabama		7,392	2,940
Arkansas	756	2,837	1,378
Florida	995	212,998	18,954
Georgia	331	42,436	14,499
Kentucky	104	28,873	9,370
Louisiana	1,034	18,854	5,853
Mississippi		4,735	2,701
North Carolina	545	39,172	14,280
South Carolina	104	14,828	11,000
Tennessee	40	52,675	17,855
Virginia	175	16,247	25,804
West Virginia	400	8,127	2,717
TOTAL	4,484	449,174	127,351

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Table 4: JOB CUTS BY REASON

	Dec-20	YTD
COVID-19	4,057	1,109,656
Market Conditions	13,084	445,182
Demand Downturn	27,613	257,640
Closing	3,375	106,102
Cost-Cutting	7,329	93,357
Restructuring	5,256	88,832
No Reason Provided		65,815
Voluntary Severance/Buyouts	1,200	38,112
Oil Price Downturn		22,805
Financial Losses	12,106	20,162
Bankruptcy	1,608	15,781
Contract Loss	147	11,152
Acquisition/Merger	500	8,755
Refocus		4,799
Consolidation		3,390
737 MAX Halt in Production		3,233
Relocation (Domestic)		2,446
Police Protests	628	2,217
Outsourcing Operations to Another U.S. Company	102	1,557
Technological Update		1,390
Steel Downturn		578
Government Regulation		489
Coal Downturn		429
Fires		260
Relocation (International)		260
Legal Trouble		218
Tariffs	25	133
TOTAL	77,030	2,304,750

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Table 5: 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	1,120,908
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	119,763	483,171
2015	140,214	147,458	205,759	105,079	598,510
2016	180,920	132,834	121,858	91,303	526,915
2017	126,201	100,799	94,478	97,292	418,770
2018	140,379	104,800	120,879	172,601	538,659
2019	190,410	140,577	133,882	127,687	592,556
2020	346,683	1,238,364	497,215	222,493	2,304,755
AVG	201,433	185,951	183,158	194,564	

**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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Table 6: ANNOUNCED HIRING PLANS

By Month

	2020	2019	2018	2017	2016	2015
January	23,229	74,040	41,890	136,501	8,362	8,774
February	88,202	15,279	139,925	25,765	7,539	14,574
March	824,610	96,368	14,525	127,006	10,997	6,412
April	285,639	258,302	13,842	61,537	11,557	13,898
May	38,981	8,663	9,889	77,447	24,732	12,598
June	75,454	11,946	13,504	40,095	13,564	11,176
July	246,507	22,316	9,823	88,142	16,051	11,637
August	160,411	24,937	17,274	14,530	9,101	11,778
September	929,860	459,689	595,997	422,726	487,075	492,306
October	255,198	190,835	130,338	37,387	135,532	86,107
November	185,504	19,063	15,422	61,300	108,994	10,026
December	77,267	26,313	15,999	8,218	35,198	11,465
TOTAL	3,190,862	1,207,751	1,018,428	1,100,654	868,702	690,751

NOTES:

In January 2020, Dollar General announced it would add 8,000 jobs.

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

In March, COVID-19 caused companies to announce 821,810 hiring plans.

In April, COVID-19 caused companies to announce 280,200 hiring plans.

In May, COVID-19 caused companies to announce 32,000 hiring plans.

In September, 378,200 new jobs were announced due to the holidays (See Table 8).

In September, McDonald's announced it would add 260,000 jobs as it reopens restaurants.

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Table 7: ANNOUNCED HIRING PLANS

INDUSTRY	DECEMBER	YEAR-TO-DATE
Aerospace/Defense	780	16,753
Apparel	15	4,085
Automotive	5,899	26,726
Chemical	345	755
Construction	602	34,180
Consumer Products	3,346	15,930
Education	2,371	32,569
Electronics	807	3,104
Energy	196	7,135
Entertainment/Leisure	3,218	453,625
Financial	2,450	29,958
FinTech		190
Food	3,518	26,277
Government	2,319	157,577
Health Care/Products	12,477	108,844
Industrial Goods	929	8,621
Insurance	820	10,374
Legal		924
Media		1,615
Mining		14
Non-Profit	528	15,772
Pharmaceutical	630	4,900
Real Estate	1,748	18,790
Retail	11,498	1,182,776
Services	3,416	85,117
Technology	17,280	60,911
Telecommunications	43	5,718
Transportation	247	738,217
Utility	415	1,512
Warehousing	1,370	137,893
TOTAL	77,267	3,190,862