



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



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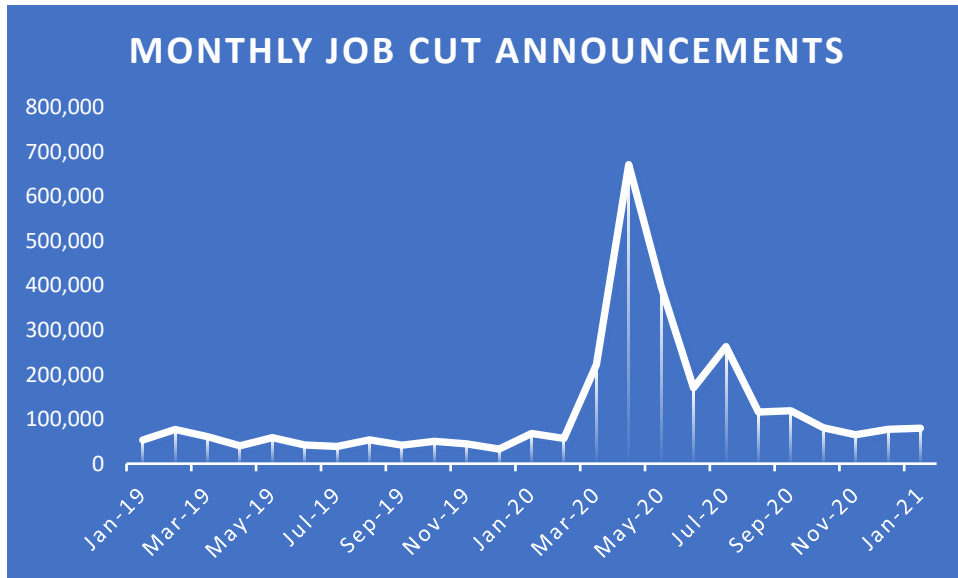
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JOB CUTS INCREASE SLIGHTLY TO 79,552 IN JANUARY; DEMAND DOWNTURN LEADS REASONS

CHICAGO, February 4, 2021 – Planned job cuts announced by U.S.-based companies rose 3.3%, to 79,552, in January from 77,030 in December, according to a report released Thursday by global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

January's total is 17.4% higher than the 67,735 cuts announced in the same month last year. It is the highest January total since 2009, when 241,749 cuts were announced.

“While cuts were higher than average last month, we are seeing a leveling off of announcements, which may bode well for recovery in the coming months. Companies may be reassessing their staffing levels and waiting on the impact of the relief bill before making any additional workforce decisions,” said Andrew Challenger, Senior Vice President of Challenger, Gray & Christmas, Inc.



January job cuts were led by the Aerospace/Defense industry, which announced 29,100 cuts. The industry has seen turmoil caused by a downturn in orders for commercial airliners, as travel dried up due to the pandemic. This sector announced 86,125 cuts in 2020, a record high. The previous record occurred in 2002, with 53,888 announced cuts in the sector. This marked the first month since February that job cut announcements were not led by the Entertainment/Leisure or Transportation sectors.

“This appears to be a new wave of layoffs hitting deeper than the initial blow,” said Challenger.

Telecommunications announced the second-highest number of cuts last month with 19,002. This sector has seen disruption for over a decade, as new technology has changed the way consumers communicate. This industry announced 33,133 cuts last year, the most since 2018, when 59,568 were announced.

Warehousing announced the third-highest number of job cuts in January with 6,601, likely due to seasonal positions ending, followed by Entertainment/Leisure with 6,399.

Of the 742 Media cuts announced in January, 242 occurred in digital, print, and broadcast news.

The leading reason for job cut announcements in January was demand downturn, followed by restructuring. Market conditions accounted for 15,056 cuts in January. COVID-19 was cited for 4,620 job cuts in January.

Top 5 Reasons	Jan-21
Demand Downturn	29,822
Restructuring	19,526
Market Conditions	15,056
COVID-19	4,620
Closing	4,358

Source: Challenger, Gray & Christmas, Inc. ©

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JOB CUT ANNOUNCEMENT REPORT**

**Table 1: EXECUTIVE SUMMARY
TOP FIVE INDUSTRIES
Year To Date**

	2021	2020
Aerospace/Defense	29,100	3,422
Telecommunications	19,002	635
Warehousing	6,601	2,180
Entertainment/Leisure	6,399	2,350
Services	3,722	1,731

MONTH-BY-MONTH TOTALS

	2021	2020
January	79,552	67,735
February		56,660
March		222,288
April		671,129
May		397,016
June		170,219
July		262,649
August		115,762
September		118,804
October		80,666
November		64,797
December		77,030
TOTAL	79,552	2,304,755

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

Washington	29,277
Texas	20,779
California	9,212
Tennessee	6,482
Florida	2,008

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

	20-Jan	20-Dec	21-Jan
Aerospace/Defense	3,422	311	29,100
Apparel	358	64	97
Automotive	5,437	791	597
Chemical			35
Construction	241	213	121
Consumer Products	1,573	3,326	412
Education	138	203	612
Electronics	536		336
Energy	2,111	5,048	1,936
Entertainment/Leisure	2,350	8,426	6,399
Financial	2,339	10	2,030
FinTech	371		408
Food	1,601	939	610
Government	926	10,975	19
Health Care/Products	5,610	986	3,124
Industrial Goods	6,098	431	232
Insurance	478	53	125
Legal	226		
Media	794	500	724
Mining	509	338	175
Non-Profit	151	392	359
Pharmaceutical	168	452	
Real Estate	80	1	31
Retail	10,444	2,579	1,359
Services	1,737	2,572	3,722
Technology	13,869	5,253	1,084
Telecommunications	635	3,105	19,002
Transportation	3,353	29,430	302
Utility		193	
Warehousing	2,180	439	6,601
TOTAL	67,735	77,030	79,552

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Table 3: JOB CUTS BY REGION, STATE

EAST	Jan-21	Jan-20	Jan-Dec 2020
Connecticut		441	11,733
Delaware			4,800
Dist. of Columbia		330	24,546
Maine			2,749
Maryland	953	2,129	39,456
Massachusetts	1,525	2,323	76,853
New Hampshire			262
New Jersey	150	726	48,583
New York	576	4,811	280,498
Pennsylvania	338	1,380	89,075
Rhode Island			3,599
Vermont	50	11	910
TOTAL	3,592	12,151	583,064

MIDWEST	Jan-21	Jan-20	Jan-Dec 2020
Illinois	773	7,157	67,059
Indiana	423	1,136	28,607
Iowa	35	111	6,734
Kansas		3,398	17,945
Michigan	3	415	49,918
Minnesota	361	2,733	75,001
Missouri	306	1,395	35,500
Nebraska		296	2,381
Ohio	817	11,357	95,252
Wisconsin	209	801	28,118
TOTAL	2,927	28,799	406,515

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

WEST	Jan-21	Jan-20	Jan-Dec 2020
Alaska			2,547
Arizona	1,100	1,404	21,229
California	9,212	6,751	406,401
Colorado	50	417	42,970
Hawaii	457		6,500
Idaho	380	89	2,067
Montana		70	394
Nevada	159		67,403
New Mexico		171	4,593
North Dakota	283	383	583
Oklahoma			8,189
Oregon	564	819	27,840
South Dakota			529
Texas	20,779	3,122	176,741
Utah		96	1,400
Washington	29,277	1,453	94,584
Wyoming	15		2,032
TOTAL	62,276	14,775	866,002

SOUTH	Jan-21	Jan-20	Jan-Dec 2020
Alabama		386	7,392
Arkansas	22	174	2,837
Florida	2,008	3,181	212,998
Georgia	815	1,375	42,436
Kentucky	142	1,661	28,873
Louisiana			18,854
Mississippi	135	357	4,735
North Carolina	484	746	39,172
South Carolina	494	957	14,828
Tennessee	6,482	1,973	52,675
Virginia	175	907	16,247
West Virginia		293	8,127
TOTAL	10,757	12,010	449,174

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Table 4: JOB CUTS BY REASON

	Jan-21
Demand Downturn	29,822
Restructuring	19,526
Market Conditions	15,056
COVID-19	4,620
Closing	4,358
Relocation (International)	1,807
Climate Change Concern	1,700
Technological Update	1,200
Cost-Cutting	562
Acquisition/Merger	326
Bankruptcy	283
Contract Loss	151
Relocation (Domestic)	138
Voluntary Severance/Buyouts	3
TOTAL	79,552

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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

	2021	2020	2019	2018	2017	2016	2015	2014
January	72,063	23,229	74,040	41,890	136,501	8,362	8,774	6,312
February		88,202	15,279	139,925	25,765	7,539	14,574	11,054
March		824,610	96,368	14,525	127,006	10,997	6,412	6,860
April		285,639	258,302	13,842	61,537	11,557	13,898	11,145
May		38,981	8,663	9,889	77,447	24,732	12,598	10,141
June		75,454	11,946	13,504	40,095	13,564	11,176	15,530
July		246,507	22,316	9,823	88,142	16,051	11,637	16,544
August		160,411	24,937	17,274	14,530	9,101	11,778	9,657
September		929,860	459,689	595,997	422,726	487,075	492,306	567,705
October		255,198	190,835	130,338	37387	135,532	86,107	147,935
November		185,504	19,063	15,422	61,300	108,994	10,026	11,291
December		77,267	26,313	15,999	8,218	35,198	11,465	7,332
TOTAL	72,063	3,190,862	1,207,751	1,018,428	1,100,654	868,702	690,751	821,506

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Table 7: ANNOUNCED HIRING PLANS

INDUSTRY	21-Jan	20-Dec
Aerospace/Defense	3,300	780
Apparel		15
Automotive	2,857	5,899
Chemical		345
Construction	1,301	602
Consumer Products	2,995	3,346
Education	594	2,371
Electronics	150	807
Energy	1,083	196
Entertainment/Leisure	1,893	3,218
Financial	6,940	2,450
FinTech		
Food	1,002	3,518
Government	5,682	2,319
Health Care/Products	14,596	12,477
Industrial Goods	2,732	929
Insurance		820
Legal	30	
Media	45	
Mining		
Non-Profit	258	528
Pharmaceutical	90	630
Real Estate	1,500	1,748
Retail	2,489	11,498
Services	2,921	3,416
Technology	1,713	17,280
Telecommunications		43
Transportation	3,600	247
Utility	13,887	415
Warehousing	405	1,370
TOTAL	72,063	77,267