



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



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JOB CUT ANNOUNCEMENTS DROP 34% FROM MARCH; YTD CUTS UP 31%

CHICAGO, May 2, 2019 – U.S.-based employers announced plans to cut 40,023 jobs from their payrolls in April, down 34% from the 60,587 cuts announced in March. This is the lowest monthly total since last August, when 38,472 cuts were announced, according to a report released Thursday from global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

Despite the monthly drop, April cuts are up 11% from the same month last year, when 36,081 cuts were announced. So far this year, employers have announced 230,433 job cuts, 31% higher than the 176,280 announced in the first four months of last year.

“The second quarter averages the fewest cuts of the year, according to our historical tracking. With the favorable jobs report from the Bureau of Labor Statistics in March, this could signify companies are slowing down plans to cut workers for the spring and summer months,” said Andrew Challenger, Vice President of Challenger, Gray & Christmas, Inc.

“That said, high job cut numbers in the Manufacturing and Automotive sectors are troubling, as changes in these industries tend to have a trickle-down effect,” he added.

April job cuts were led by manufacturers in the Industrial Goods sector, which announced 5,159 cuts last month. So far this year, this sector has announced 39,304 cuts, the second-highest total after Retail. That is 750% higher than the 4,625 cuts announced in this sector through April 2018.

Consumer Products manufacturers follow with 4,705 announced cuts in April.

“Manufacturing is an important sector to watch in the coming months. While first-quarter GDP growth was strong, we saw consumer spending add only .82%,” said Challenger.

Cuts in the Automotive sector were the third highest in April with 3,915, bringing the year-to-date total to 19,802, 207% higher than the 6,451 announced through April last year. Meanwhile, the 12,179 year-to-date cuts in the Energy sector are 323% higher than the 2,879 announced in the same period in 2018.

Retailers continue to lead all sectors in job cuts this year with 48,076. That is 25% lower than the 64,370 Retail cuts announced through April last year. According to Challenger tracking, Retailers have announced plans to shutter 4,397 stores so far this year.

The majority of cuts this year are due to “restructuring,” with 55,706 cuts announced due to this reason. Bankruptcy claimed another 40,560 this year, a 35% increase over the 30,060 cuts announced for this reason through April 2018. Another 35,859 were due to plant, unit, or store closures, down 43% from the 62,946 cuts for this reason at this point last year.

“While the lower number of cuts last month is certainly a good sign, and we saw a huge hiring announcement in the Retail sector from McDonald’s last month, we are still seeing more than a 30% increase in cuts over last year. The sectors that are making cuts could indicate trouble ahead,” said Challenger.

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Note: Challenger has updated the names of two industries to better describe the companies that are tracked therein. “Computer” will now be labeled “Technology” and “Commodities” will now be called “Mining.”

Challenger is also breaking out Financial Tech firms, which will be referred to as “FinTech.” These changes are represented in Table 2 (Job Cuts by Industry) and Table 7 (Announced Hiring Plans).

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

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

	2019	2018
Retail	48,076	64,370
Industrial Goods	39,304	4,625
Automotive	19,802	6,451
Health Care/Products	14,374	17,450
Energy	12,179	2,879

MONTH-BY-MONTH TOTALS

	2019	2018
January	52,988	44,653
February	76,835	35,369
March	60,587	60,357
April	40,023	36,081
May		31,517
June		37,202
July		27,122
August		38,472
September		55,285
October		75,644
November		53,073
December		43,884
TOTAL	230,433	538,659

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	35,751
Massachusetts	30,900
New York	30,251
Illinois	15,895
Texas	12,696

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

	18-Apr	19-Mar	19-Apr	YTD 2018	YTD 2019
Aerospace/Defense	918	280	380	2,396	2,667
Apparel		201	300	0	743
Automotive	1,905	8,838	3,915	6,451	19,802
Chemical		81	40	249	368
Construction		184	562	366	1,362
Consumer Products	965	1,147	4,705	12,743	8,904
Education	752	2,835	3,271	1,688	7,069
Electronics	2,793	440	263	4,070	762
Energy	674	8,149	1,631	2,879	12,179
Entertainment/Leisure	1,962	1,529	1,390	3,486	7,058
Financial	2,148	4,884	1,295	4,476	10,865
FinTech		784	30		1,000
Food	555	3,126	1,093	5,397	6,883
Government		2,397	347	1,226	3,503
Health Care/Products	4,959	3,111	3,497	17,450	14,374
Industrial Goods	898	2,197	5,159	4,625	39,304
Insurance		456	231	2,090	1,193
Legal				0	0
Media	1,539	3,365	316	5,233	6,112
Mining	242	239	216	395	802
Non-Profit	188	4	533	695	608
Pharmaceutical	961	519	1,034	3,706	2,236
Real Estate		434	80	302	592
Retail	7,844	4,860	2,015	64,370	48,076
Services	4,101	1,836	3,224	14,665	8,032
Technology	1,026	2,620	1,202	3,004	5,933
Telecommunications	333	2,295	1,461	6,254	4,451
Transportation	1,113	2,898	1,141	7,039	11,232
Utility	25	452		888	770
Warehousing	180	426	692	137	3,553
TOTAL	36,081	60,587	40,023	176,280	230,433

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Table 3: JOB CUTS BY REGION, STATE

EAST	April	YTD
Massachusetts	740	30,900
New York	2,298	30,251
Pennsylvania	1,136	6,208
New Jersey	672	4,459
Maryland	718	2,082
Maine	953	1,635
Connecticut	288	808
Vermont	2	219
Dist. of Columbia	70	147
Rhode Island		59
New Hampshire		4
Delaware		0
TOTAL	6,877	76,772

MIDWEST	April	YTD
Illinois	328	15,895
Michigan	3,040	10,990
Wisconsin	879	5,034
Ohio	704	4,196
Minnesota	2,777	3,892
Indiana	25	1,937
Nebraska	506	1,368
Missouri	278	1,058
Iowa	203	607
Kansas		333
TOTAL	8,740	45,310

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

WEST	April	YTD
California	6,250	35,751
Texas	5,527	12,696
Colorado	75	3,879
Washington	506	3,534
Arizona	899	2,271
Nevada		2,239
Alaska	87	1,592
New Mexico	307	1,249
Idaho	604	904
Oklahoma	372	600
Oregon	406	500
Montana	156	256
Utah		133
Wyoming		116
North Dakota		100
South Dakota		70
Hawaii		24
TOTAL	15,189	65,914

SOUTH	April	YTD
South Carolina	980	8,410
North Carolina	2,193	6,972
Georgia	574	5,621
Florida	2,041	5,049
Tennessee	596	4,141
Kentucky	530	3,445
Virginia	457	3,385
Louisiana	564	2,352
Mississippi	945	1,883
Alabama	127	926
West Virginia	210	210
Arkansas		43
TOTAL	9,217	42,437

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Table 4: JOB CUTS BY REASON

	APRIL	YTD
Restructuring	5,838	55,706
Bankruptcy	342	40,560
Closing	8,479	35,859
No Reason Provided	7,955	23,331
Cost-Cutting	3,987	18,058
Voluntary Severance/Buyouts	4,185	14,360
Contract Loss	1,782	11,101
Acquisition/Merger	1,878	9,568
Demand Downturn	249	7,656
Relocation (Domestic)	1,809	3,434
Market Conditions	2,135	2,359
Financial Losses	71	2,256
Wildfire		1,431
Technological Update		1,022
Relocation (Overseas)	166	935
Consolidation		715
Hurricane Michael	600	600
Tariffs		377
Fired		303
ICE Inquiry	280	300
Hurricane Florence		115
Reorganization	113	113
New Focus	89	89
Government Regulation		55
Contract Dispute		50
Labor Dispute	40	40
Flood	25	25
Coal Downturn		15
TOTAL	40,023	230,433

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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				190,410
AVG	196,748	152,383	174,332	195,907	

**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

	2019	2018	2017	2016	2015
January	74,040	41,890	136,501	8,362	8,774
February	15,279	139,925	25,765	7,539	14,574
March	96,368	14,525	127,006	10,997	6,412
April	258,302	13,842	61,537	11,557	13,898
May		9,889	77,447	24,732	12,598
June		13,504	40,095	13,564	11,176
July		9,823	88,142	16,051	11,637
August		17,274	14,530	9,101	11,778
September		595,997	422,726	487,075	492,306
October		130,338	37,387	135,532	86,107
November		15,422	61,300	108,994	10,026
December		15,999	8,218	35,198	11,465
TOTAL	443,989	1,018,428	1,100,654	868,702	690,751

NOTES:

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

In April, McDonald's announced 250,000 hires.

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Table 7: ANNOUNCED HIRING PLANS

INDUSTRY	APRIL	YEAR-TO-DATE
Aerospace/Defense	249	1,784
Apparel	82	82
Automotive	420	19,070
Chemical		0
Construction		0
Consumer Products		250
Education	35	85
Electronics	950	950
Energy		121
Entertainment/Leisure		0
Financial		520
FinTech	1,280	1,280
Food	44	770
Government		0
Health Care/Products	850	4,895
Industrial Goods	880	1,990
Insurance	1,300	3,150
Legal		0
Media	127	127
Mining		240
Non-Profit		0
Pharmaceutical	100	100
Real Estate		0
Retail	250,000	396,700
Services		810
Technology	1,400	7,450
Telecommunications		0
Transportation	485	3,515
Utility	100	100
Warehousing		0
TOTAL	258,302	443,989