



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



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JOB CUTS SURGE TO 53,480 IN TECH, HEALTH CARE, MANUFACTURING

CHICAGO, September 5, 2019 – U.S.-based employers ramped up the pace of downsizing in August, as companies announced plans to cut 53,480 jobs from their payrolls. This is up 37.7% from July's total of 38,845, according to the latest report on job cuts released Thursday from global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

August's total is the fourth highest for job cuts this year, and marks the eighth consecutive time job cuts were higher than the corresponding month one year earlier. Last month's total was the highest August total since 2009, when 76,456 cuts were recorded.

The August total is 39% higher than the 38,472 cuts announced in August 2018. So far this year, employers have announced plans to cut 423,312 jobs from their payrolls, up 36.2% from the 310,773 cuts in the first eight months of 2018. It is the highest eight-month total since 2015, when 434,554 cuts were announced.

"Employers are beginning to feel the effects of the trade war and imposed tariffs by the U.S. and China. In fact, trade difficulties were cited as the reason for over 10,000 job cuts in August," said Andrew Challenger, Vice President of Challenger, Gray & Christmas, Inc.

"We are continuing to see investor concerns shaking confidence in the market, and employers appear to be cutting workers in response to a slowdown in demand for their products and services," he added.

Technology led all sectors in August, with 15,355 announced cuts, including 488 cuts from Cisco. Tech companies have announced 341.2% more cuts this year over last year. The Government, both state and federal, announced 5,785 cuts last month, bringing the year-to-date total to 11,885. Health Care companies announced 5,040 cuts in August.

Meanwhile, Industrial Goods Manufacturing announced 3,822 cuts. This sector has announced 202.6% more job cuts so far this year than during the same period last year. Transportation companies announced 3,554 job cuts in August, while Food companies announced 3,010.

“A number of industries are experiencing job cut announcements well above last year’s numbers, all in sectors related to Retail, Housing, Energy, Manufacturing, and Automotive. They also tend to be in sectors that are grappling with some sort of legislation, tariff, or regulation,” said Challenger.

In fact, several industries have announced more than double the job cuts through the same period last year. Warehousing companies are cutting jobs in response to losing contracts with major Retailers and E-tailers or competition. Mining companies, like those dealing with coal and potash, are experiencing downturns. Companies that are operating in a shaky housing market, such as Real Estate and Construction, are also experiencing increased cuts.

Industry	YoY Percent Change
Warehousing	↑1,121.2%
Mining	↑868.4%
Government	↑488.1%
Real Estate	↑429.4%
Technology	↑341.2%
Energy	↑210.3%
Industrial Goods	↑202.6%
Automotive	↑192.7%
Apparel	↑164.4%
Food	↑110.1%
Construction	↑107.3%

Source: Challenger, Gray & Christmas, Inc. ©

Retail continues to lead all sectors in 2019 with 57,226 cuts, 2,059 of which occurred last month. That is 28% fewer cuts than the 79,478 announced in the same period last year. The Automotive sector has announced 36,148 cuts so far this year, the highest eight-month total since 2009, when 128,906 jobs were cut.

While job cuts are up in every region, companies located in the Southern United States have seen the largest jump in job cut announcements, as employers in this region have announced 53% more job cuts than through the same period last year: 90,337 compared to 58,964 in 2018. Companies in the Eastern United States had the second-largest percentage increase, with 46.6%, as employers in this region announced 119,689 cuts in 2019 compared to 81,616 last year (Table 3).

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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	57,226	79,478
Industrial Goods	55,876	18,464
Technology	38,636	8,758
Automotive	36,148	12,350
Health Care/Products	28,939	30,891

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	58,577	31,517
June	41,977	37,202
July	38,845	27,122
August	53,480	38,472
September		55,285
October		75,644
November		53,073
December		43,884
TOTAL	423,312	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	65,409
New York	48,455
Massachusetts	34,351
Texas	26,998
Michigan	24,731

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-Aug	19-Jul	19-Aug	YTD 2018	YTD 2019	YoY Percent Change
Aerospace/Defense	785	2	522	4,950	4,603	-7.0%
Apparel	156	68	18	494	1,306	↑164.4%
Automotive	654	2,029	1,769	12,350	36,148	↑192.7%
Chemical		68	69	805	906	↑12.5%
Construction	118	58	518	1,474	3,055	↑107.3%
Consumer Products	4,716	1,348	715	26,926	13,147	-5.1%
Education	1,508	2,433	252	7,912	14,448	↑82.6%
Electronics	1,148	674	10	9,851	1,701	-82.7%
Energy	1,099	3,737	1,531	6,187	19,795	↑210.3%
Entertainment/Leisure	481	498	414	7,277	9,711	↑33.4%
Financial	2,925	2,143	2,638	11,592	17,726	↑52.9%
FinTech	↑	226	0	N/A	1,501	
Food	410	1,634	3,010	8,938	18,781	↑110.1%
Government	326	10	5,785	2,021	11,885	↑488.1%
Health Care/Products	2,407	1,619	5,040	30,891	28,939	-6.3%
Industrial Goods	10,188	4,403	3,822	18,464	55,876	↑202.6%
Insurance		188	470	3,466	2,880	-16.9%
Legal	124			124	0	
Media	409	33	290	7,631	8,098	↑6.0%
Mining		1,910	433	395	3,825	↑868.4%
Non-Profit	21	577	116	1,819	2,127	↑16.9%
Pharmaceutical	87	3,062	454	5,475	7,628	↑39.3%
Real Estate		563	329	357	1,890	↑429.4%
Retail	3,715	1,919	2,059	79,478	57,226	-28.0%
Services	658	1,664	2,672	24,826	16,484	-33.6%
Technology	634	1,504	15,355	8,758	38,636	↑341.2%
Telecommunications	2,266	487	616	11,791	14,554	↑23.4%
Transportation	2,367	5,532	3,554	13,766	22,593	↑64.1%
Utility	1,270		269	2,208	1,163	-47.3%
Warehousing		456	750	547	6,680	↑1,121.2%
TOTAL	38,472	38,845	53,480	310,773	423,312	↑36.2%

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Table 3: JOB CUTS BY REGION, STATE

EAST	August	YTD 2019	YTD 2018	
Connecticut	150	1,690	3,357	
Delaware		525	224	
Dist. of Columbia	155	1,457	407	
Maine	251	2,065	0	
Maryland		3,528	2,624	
Massachusetts	305	34,351	6,913	
New Hampshire		25	235	
New Jersey	1,244	9,273	38,839	
New York	7,867	48,455	18,428	
Pennsylvania	911	18,040	9,840	
Rhode Island		61	690	YoY Percent Change
Vermont		219	59	Eastern U.S.
TOTAL	10,883	119,689	81,616	↑46.6%

MIDWEST	August	YTD 2019	YTD 2018	
Illinois	1,882	24,022	11,001	
Indiana	1,095	4,654	5,028	
Iowa	425	3,073	4,307	
Kansas	312	667	990	
Michigan	1,497	24,731	7,290	
Minnesota	1,001	6,362	6,737	
Missouri	14	2,229	5,274	
Nebraska	763	3,076	2,354	
Ohio	2,363	11,807	19,602	YoY Percent Change
Wisconsin	195	6,503	17,456	Midwestern U.S.
TOTAL	9,547	87,124	80,039	↑8.9%

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

WEST	August	YTD 2019	YTD 2018	
Alaska		3,777	1,108	
Arizona	265	3,660	2,291	
California	15,423	65,409	48,979	
Colorado	2,082	7,054	3,153	
Hawaii	9	111	0	
Idaho		1,015	1,081	
Montana		256	16	
Nevada		2,409	210	
New Mexico	177	1,960	982	
North Dakota		100	352	
Oklahoma	171	871	1,266	
Oregon	90	1,740	1,344	
South Dakota	42	802	1,136	
Texas	2,024	26,998	23,435	
Utah		342	1,162	
Washington	343	7,697	3,639	YoY Percent Change
Wyoming	10	1,961	0	Western U.S.
TOTAL	20,636	126,162	90,154	↑39.9%

SOUTH	August	YTD 2019	YTD 2018	
Alabama	60	1,438	3,133	
Arkansas	65	1,042	1,182	
Florida	4,973	13,572	13,091	
Georgia	1,044	9,491	6,560	
Kentucky	403	5,687	3,343	
Louisiana	617	4,174	3,406	
Mississippi	590	2,503	1,874	
North Carolina	2,330	12,410	8,667	
South Carolina	239	9,872	4,117	
Tennessee	899	8,172	3,648	
Virginia	458	19,785	8,168	YoY Percent Change
West Virginia	736	2,191	1,775	Southern U.S.
TOTAL	12,414	90,337	58,964	↑53.2%

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Table 4: JOB CUTS BY REASON

	August	YTD
Restructuring	3,036	95,921
Closing	16,718	90,120
No Reason Provided	7,386	50,674
Cost-Cutting	8,386	44,084
Bankruptcy	400	43,337
Contract Loss	140	17,219
Voluntary Severance/Buyouts	600	15,604
Acquisition/Merger	341	11,736
Demand Downturn	1,246	11,571
Trade Difficulties	10,488	10,488
Relocation (Domestic)	584	6,156
Market Conditions	1,758	5,296
Government Regulation	159	4,724
Financial Losses		3,083
Tariffs	646	2,076
Fires		2,455
Relocation (International)	111	1,499
Technological Update		1,078
Consolidation	82	797
Outsourcing Operations to Another U.S. Company		769
Natural Gas Downturn	758	758
Coal Downturn	200	685
Hurricane Michael		600
ICE Inquiry	240	540
Steel Downturn		405
Reduced Medicaid/Medicare Payouts	29	384
Competition	172	372
Fired		303
Hurricane Florence		115
Reorganization		113
New Focus		89
Climate Legislation		60
Contract Dispute		50
Labor Dispute		40
Privatization		40
Price Downturn		40
Flood		25
Hurricane Matthew		6
TOTAL	53,480	423,281

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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			330,987
AVG	196,748	152,002	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	8,663	9,889	77,447	24,732	12,598
June	11,946	13,504	40,095	13,564	11,176
July	22,316	9,823	88,142	16,051	11,637
August	24,937	17,274	14,530	9,101	11,778
September		595,997	422,726	487,075	492,306
October		130,338	37387	135,532	86,107
November		15,422	61,300	108,994	10,026
December		15,999	8,218	35,198	11,465
TOTAL	511,851	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.

SEASONAL HIRING ANNOUNCEMENTS

August: 1-800-Flowers will hire 8,000 for the holiday season, the same number the company announced last year.

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Table 7: ANNOUNCED HIRING PLANS

INDUSTRY	AUGUST	YEAR-TO-DATE
Aerospace/Defense	645	3,755
Apparel		1,295
Automotive	413	21,968
Chemical		10
Construction	5,500	5,800
Consumer Products		1,930
Education		286
Electronics	183	1,147
Energy		171
Entertainment/Leisure	1,840	2,040
Financial		2,020
FinTech	175	2,855
Food	50	1,686
Government		0
Health Care/Products	1,500	9,255
Industrial Goods	131	4,695
Insurance		3,510
Legal		0
Media		622
Mining		490
Non-Profit		0
Pharmaceutical	500	3,889
Real Estate		0
Retail	9,150	415,390
Services	2,900	4,926
Technology	1,000	15,621
Telecommunications	350	1,350
Transportation	600	6,240
Utility		250
Warehousing		650
TOTAL	24,937	511,851