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QUARTERLY JOB CUT ANNOUNCEMENTS FALL 26% FROM Q1; YTD CUTS UP 35%

CHICAGO, July 3, 2019 – U.S.-based employers announced plans to cut 140,577 jobs from their payrolls in the second quarter of this year, down 26% from the 190,410 cuts announced in the first quarter. Despite the drop, Q2 cuts are 34% higher than the 104,800 cuts announced in the same quarter last year, according to the latest report on job cuts released Wednesday from global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

Last quarter's total is the highest for the second quarter since 2015, when 147,458 cuts were recorded. So far this year, employers have announced plans to cut 330,987 jobs, a 35% increase from the 245,179 cuts announced through the first half of last year. This year marks the highest first-half total since 2009, when 896,675 job cuts were announced.

"The second quarter is historically the slowest period for job cut plans. Companies typically have not determined staffing decisions by this point, either because they are in the middle of or are only approaching their fiscal year's end by June," said Andrew Challenger, Vice President of Challenger, Gray & Christmas, Inc.

Employers announced 41,977 cuts in June, down 28% from the 58,577 cuts announced in May. Despite the monthly drop, June's cuts are 13% higher than the 37,202 cuts announced in June of last year. This is the eleventh consecutive month job cuts are higher than the corresponding month the year prior.

“Job cuts are trending higher overall. In addition to Retail, we’ve seen significant cuts in the Industrial Manufacturing and Automotive sectors in recent months,” said Challenger.

Retail continues to lead all sectors in 2019 with 53,248 cuts, 7,187 of which occurred in the second quarter. That is 27% fewer cuts than the 73,066 announced in the first half of 2018.

Companies in the Industrial Goods sector have announced 47,651 cuts, 562% higher than the 7,194 announced through June of 2018. Meanwhile, Automotive makers and suppliers announced plans to cut 32,350 jobs through June, a 190% increase over the 11,165 cuts announced in the first six months of 2018.

“Manufacturers are grappling with not only technological changes, but also increased competition, tariffs, changes in consumer behavior, and skills shortages. The Automotive sector particularly has experienced some setbacks, as consumer demand for traditional vehicles wanes,” said Challenger.

Companies in the Technology sector announced 21,777 job cuts through June, up 266% from the 5,942 cuts announced in the same period last year. Energy sector job cuts are up 185% over last year, with 14,527 cuts so far this year compared to 5,088 announced through June 2018.

Cuts in the Media industry continue to take their toll on news organizations. Through June, Challenger has tracked 7,775 media cuts, over 3,600 of which occurred at news outlets. That’s compared to 6,435 media cuts through June 2018. Last year ultimately saw 15,474 job cuts in the media, with 11,878 occurring in news, according to Challenger tracking.

The biggest blow to the news media last month came from the closing of the Youngstown Vindicator in Ohio, costing 144 employees and an estimated 250 carriers their jobs.

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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	53,248	73,066
Industrial Goods	47,651	7,194
Automotive	32,350	11,165
Health Care/Products	22,280	26,198
Technology	21,777	5,942

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		27,122
August		38,472
September		55,285
October		75,644
November		53,073
December		43,884
TOTAL	330,987	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	45,771
New York	35,973
Massachusetts	33,041
Michigan	22,750
Texas	22,480

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-Jun	19-May	19-Jun	YTD 2018	YTD 2019
Aerospace/Defense	1,062	211	1,201	3,745	4,079
Apparel	238	325	152	238	1,220
Automotive	4,260	1,644	10,904	11,165	32,350
Chemical	52	91	310	539	769
Construction	362	938	179	854	2,479
Consumer Products	3,212	1,359	821	18,417	11,084
Education	1,722	3,236	1,458	4,522	11,763
Electronics	2,079		255	8,149	1,017
Energy	575	724	1,624	5,088	14,527
Entertainment/Leisure	409	1,023	718	4,988	8,799
Financial	1,661	1,571	509	7,951	12,945
FinTech		180	95	0	1,275
Food	1,848	5,363	1,891	7,892	14,137
Government	104	2,168	419	1,343	6,090
Health Care/Products	4,745	3,140	4,766	26,198	22,280
Industrial Goods	1,412	5,248	3,099	7,194	47,651
Insurance	705	549	480	2,890	2,222
Legal				0	0
Media	235	1,120	543	6,435	7,775
Mining		470	210	395	1,482
Non-Profit	678	730	96	1,447	1,434
Pharmaceutical	870	360	1,516	4,778	4,112
Real Estate	55	184	222	357	998
Retail	3,750	2,167	3,005	73,066	53,248
Services	3,265	3,316	800	22,628	12,148
Technology	1,737	12,635	3,209	5,942	21,777
Telecommunications	478	6,751	2,249	8,373	13,451
Transportation	1,520	1,725	550	9,212	13,507
Utility		32	92	888	894
Warehousing	168	1,317	604	485	5,474
TOTAL	37,202	58,577	41,977	245,179	330,987

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Table 3: JOB CUTS BY REGION, STATE

EAST	June	YTD 2019	YTD 2018	
Connecticut	417	1,323	3,174	
Delaware		0	0	
Dist. of Columbia		1,302	367	
Maine	85	1,720	0	
Maryland	82	2,532	1,748	
Massachusetts	740	33,041	5,799	
New Hampshire	21	25	210	
New Jersey	458	6,926	38,023	
New York	2,524	35,973	14,348	
Pennsylvania	4,670	13,299	8,753	
Rhode Island	2	61	690	YTD Percent Change
Vermont		219	59	Eastern U.S.
TOTAL	8,999	96,421	73,171	↑31.8%

MIDWEST	June	YTD 2019	YTD 2018	
Illinois	2,700	21,424	9,027	
Indiana	217	3,327	4,218	
Iowa	1,007	2,544	3,890	
Kansas	22	355	916	
Michigan	10,594	22,750	6,892	
Minnesota	510	5,309	6,481	
Missouri	623	1,974	3,289	
Nebraska	218	2,037	2,003	
Ohio	671	5,776	15,141	YTD Percent Change
Wisconsin	253	5,821	7,383	Midwestern U.S.
TOTAL	16,815	71,317	59,240	↑20.4%

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

WEST	June	YTD 2019	YTD 2018	
Alaska		1,592	853	
Arizona	582	3,035	2,182	
California	4,815	45,771	36,947	
Colorado	27	4,307	1,842	
Hawaii		102	0	
Idaho		1,015	271	
Montana		256	16	
Nevada		2,239	210	
New Mexico	78	1,516	846	
North Dakota		100	27	
Oklahoma	100	700	1,156	
Oregon	558	1,564	1,198	
South Dakota		160	675	
Texas	2,818	22,480	20,039	
Utah	139	272	519	
Washington	1,227	6,499	3,056	YTD Percent Change
Wyoming	135	251	0	Western U.S.
TOTAL	10,479	91,859	69,837	↑31.5%

SOUTH	June	YTD 2019	YTD 2018	
Alabama	8	1,032	2,610	
Arkansas	799	962	1,182	
Florida	798	7,359	8,163	
Georgia	556	7,550	5,212	
Kentucky	314	5,015	1,746	
Louisiana	190	3,503	2,871	
Mississippi		1,883	1,089	
North Carolina	1,423	8,946	6,082	
South Carolina	505	9,520	2,970	
Tennessee	274	5,720	3,259	
Virginia	817	18,633	6,553	YTD Percent Change
West Virginia		1,267	1,194	Southern U.S.
TOTAL	5,684	71,390	42,931	↑66.3%

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Table 4: JOB CUTS BY REASON

	June	YTD
Restructuring	6,185	86,165
Closing	12,048	62,768
Bankruptcy	650	41,210
No Reason Provided	4,902	38,726
Cost-Cutting	12,185	32,480
Contract Loss	1,058	15,090
Voluntary Severance/Buyouts	315	14,975
Acquisition/Merger	431	11,308
Demand Downturn	341	8,175
Relocation (Domestic)	1,650	5,369
Market Conditions		3,304
Fires	1,024	2,455
Financial Losses	22	2,283
Technological Update		1,078
Relocation (International)		1,018
Consolidation		715
Hurricane Michael		600
Coal Downturn		485
Steel Downturn	405	405
Tariffs		377
Reduced Medicaid/Medicare Payouts	355	355
Fired		303
ICE Inquiry		300
Outsourcing Operations to Another U.S. Company	100	200
Competition	200	200
Hurricane Florence		115
Reorganization		113
New Focus		89
Government Regulation		65
Climate Legislation	60	60
Contract Dispute		50
Labor Dispute		40
Privatization		40
Price Downturn	40	40
Flood		25
Hurricane Matthew	6	6
TOTAL	41,977	330,987

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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		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	464,598	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	JUNE	YEAR-TO-DATE
Aerospace/Defense	1,326	3,110
Apparel	500	582
Automotive	1,052	20,252
Chemical	10	10
Construction		0
Consumer Products	800	1,400
Education		286
Electronics	14	964
Energy		121
Entertainment/Leisure	200	200
Financial		1,020
FinTech	1,400	2,680
Food	8	1,186
Government		0
Health Care/Products	700	6,489
Industrial Goods	505	3,915
Insurance	100	3,340
Legal		0
Media	50	292
Mining	250	490
Non-Profit		0
Pharmaceutical		800
Real Estate		0
Retail	500	397,725
Services	246	1,326
Technology	3,860	13,120
Telecommunications	400	1,000
Transportation	25	4,040
Utility		250
Warehousing		0
TOTAL	11,946	464,598