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CEO TURNOVER SURGES IN OCTOBER TO HIGHEST ON RECORD

CHICAGO, November 6, 2019 – Churn in the C-Suite surged in October to a new high in a record-setting year, as 172 chief executives left their posts during the month, 14% more than the 151 CEOs who left in September, according to a report released Wednesday by global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

Last month's total was 15% higher than the 149 CEO exits announced in the same month last year. September marks the ninth time this year that CEO changes were higher than the corresponding month one year earlier.

So far this year, 1,332 CEOs have left their posts, according to Challenger tracking, 13% higher than the 1,176 CEOs who had announced their exits through October 2018. It is the highest January-October total since the firm began tracking in 2002.

"October was marked by a number of high-profile CEO exits, with many being held accountable for various missteps, whether in their professional handling of the company or in their personal lives," said Andrew Challenger, Vice President of Challenger, Gray & Christmas, Inc.

In fact, six CEOs left after allegations of professional misconduct, which include actions taken in the workplace that result in investigations or findings of wrongdoing.

"That said, we've seen the majority of CEOs leaving amid normal succession plans. Meanwhile, after a decade of expansion, companies that started ten years ago are finding themselves in a phase where new leadership is needed. Other companies are adapting to changing technologies or finding new leadership based on current economic conditions and forecasts for the coming year," said Challenger.

Challenger tracks CEO changes at companies that have been in business for at least two years, with a minimum of ten employees.

The number of chief executive changes is higher than at any point on record. At this point during the Great Recession in 2008, the second-highest year for CEO turnover, 1,257 chief executives had announced exits, 6% lower than the current year-to-date total.

The majority (35) of chief executives left companies in the Government/Non-Profit sector last month. These companies include government agencies, Chambers of Commerce, education companies, charities, and foundations. This sector leads all sectors in CEO exits with 281, up 25% from the 225 who left their posts through October last year.

“Government firms are, in some cases, grappling with new legislation or political changes that influence leadership. Similarly with non-profits, CEOs often need to work with government officials for funding and priorities may have changed. Still more CEOs at these organizations are stepping down into other roles, typically to fundraise, and new leadership is being appointed,” said Challenger.

The Technology sector announced the second-highest number of CEO changes this year with 181, 188 when including CEO exits from the Telecommunications and Electronics industries. That is up 24% from the 152 CEOs who left their posts in those three industries through October last year.

Financial companies have announced the third-highest number of CEO changes with 104, 13 of which occurred in October. That is down 12% from the 118 Financial sector CEOs who left through October of last year.

Pharmaceutical companies have announced 55 CEO changes this year, up 45% from the 38 who left through October 2018.

Industrial Goods Manufacturers, Food Production companies, and Energy firms have all seen an increase in leadership changes. So far this year, 54 chief executives left Food companies, 69% higher than the 32 who left through this point last year. Fifty-two CEOs have left Industrial Manufacturing companies, up 68% from 31 last year, while 48 Energy sector CEOs left their posts this year, up 109% from the 23 who left their posts last year.

Health Care/Products companies and manufacturers have announced 98 CEO exits, down 10% from the 109 who announced their departures through October last year. Hospitals have also seen a drop in leadership changes. Hospitals have announced 95 CEO changes this year, down 17% from the 115 announced in the first ten months of 2018.

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CHALLENGER CEO REPORT
CEO DEPARTURES
By Month

Month	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
January	157	132	128	131	110	131	113	123	96	89	113	134
February	124	113	72	87	94	112	110	104	92	132	82	114
March	135	96	101	101	95	123	86	94	99	119	114	123
April	97	109	91	108	97	94	94	90	103	101	78	112
May	114	91	80	100	90	98	104	99	103	125	115	115
June	99	90	95	97	102	103	94	99	113	107	105	126
July	124	94	102	92	128	105	128	83	104	88	126	124
August	159	154	96	109	107	119	113	104	104	95	101	144
September	151	148	101	119	104	124	107	95	108	111	105	140
October	172	149	105	99	94	122	104	108	91	81	89	125
November		147	94	106	86	103	94	112	82	79	94	104
December		129	95	99	114	107	99	103	83	107	105	123
TOTAL	1,332	1,452	1,160	1,248	1,221	1,341	1,246	1,214	1,178	1,234	1,227	1,484
Through Oct	1,332	1,176	971	1,043	1,021	1,131	1,053	999	1,013	1,048	1,028	1,257

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CHALLENGER CEO REPORT

By Industry

	18-Oct	19-Sep	19-Oct	Year to Date 2018	Year to Date 2019
Aerospace/Defense	1		2	7	10
Apparel		2	3	1	12
Automotive	5	2	1	20	11
Cannabis	N/A		1	N/A	7
Chemical	1			6	1
Commodities	1		2	4	6
Construction	1	2	4	16	16
Consumer Products	6	7	2	33	23
Electronics	4		1	19	3
Energy	1	3	2	23	48
Entertainment/Leisure		10	5	46	51
Financial	15	8	13	118	104
FinTech	N/A	3	2	N/A	11
Food	3	8	9	32	54
Government/Non-Profit	21	28	35	225	281
Health Care/Products	13	10	5	109	98
Hospitals	15	14	16	115	95
Industrial Goods	7	6	2	31	52
Insurance	2	2		12	13
Legal	2			3	5
Media	3	2	1	19	20
Pharmaceutical	11	3	10	38	55
Real Estate	8	5	6	25	27
Retail	3	4	7	30	47
Services	6	7	11	77	69
Technology	15	20	27	124	181
Telecommunications	2	2	1	9	4
Transportation			2	18	19
Utility	3	3	2	16	9
TOTAL	149	151	172	1,176	1,332

CHALLENGER CEO REPORT

By State

EAST	OCTOBER	2019	Jan-Oct 2018
Connecticut	2	26	10
Delaware		2	1
Dist. of Columbia	4	31	19
Maine		2	7
Maryland	6	25	29
Massachusetts	4	48	46
New Hampshire		2	3
New Jersey	3	25	17
New York	11	79	69
Pennsylvania	5	49	61
Rhode Island	1	2	2
Vermont		4	7
	36	295	271

MIDWEST	OCTOBER	2019	Jan-Oct 2018
Illinois	5	67	49
Indiana	2	23	16
Iowa	1	7	19
Kansas		9	13
Michigan	7	24	37
Minnesota	5	33	30
Missouri	6	31	37
Nebraska	2	7	5
Ohio	5	50	33
Wisconsin	2	21	18
TOTAL	35	272	257

CHALLENGER CEO REPORT

By State

WEST	OCTOBER	2019	Jan-Oct 2018
Alaska		3	3
Arizona	2	31	21
California	19	175	124
Colorado	5	37	40
Hawaii	3	11	5
Idaho	1	8	5
Montana		3	1
Nevada		8	6
New Mexico	1	8	3
North Dakota	1	3	0
Oklahoma	1	8	6
Oregon	4	23	14
South Dakota		5	3
Texas	18	109	109
Utah	1	6	13
Washington	4	32	32
Wyoming		2	1
TOTAL	60	472	386

SOUTH	OCTOBER	2019	Jan-Oct 2018
Alabama		11	16
Arkansas	2	4	4
Florida	11	82	63
Georgia	6	26	36
Kentucky	3	21	10
Louisiana	1	13	14
Mississippi		3	5
N. Carolina	4	25	28
S. Carolina	1	10	8
Tennessee	7	44	37
Virginia	5	49	40
West Virginia	1	5	1
TOTAL	41	293	262

CEO DEPARTURES

By Reason

	19-Oct	YTD
Stepped Down	50	488
Retirement	37	329
New Position in Another Company	17	120
Resigned	11	114
No Reason Given	16	91
Interim Period Ended	15	56
Acquisition/Merger	7	30
Personal Reasons	4	20
Scandal		19
Another Position Within Company	3	15
Terminated	2	13
Allegations of Professional Misconduct	6	10
Financial Trouble	1	8
Health		5
Allegations of Sexual Misconduct		3
Deceased		3
Amid Investigation		2
Differences with Board	2	2
California Wildfire		1
Restructuring		1
Bankruptcy		1
Activist Investor	1	1

Average Age, Tenure

	Age		Tenure	
	2019	2018	2019	2018
January	60.7	60.3	11.6	17.2
February	57.1	64	11.4	14.5
March	57.6	62.5	11.2	13.4
April	60.0	63.6	8.8	10.4
May	61.4	60.4	11.1	9.5
June	61.6	65.3	8.7	10
July	59.2	63	9.0	10.1
August	68.5	61.4	10.6	9.5
September	58.9	60.4	8.8	10.2
October	53.3	60.6	10.7	9.1
November		60.1		9.6
December		56.5		10.8