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

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Summer Sees Third Consecutive Decline in Job Cuts

AUGUST JOB CUTS DROP TO 20-MONTH LOW OF 32,239

CHICAGO, September 6, 2012 – Employers announced plans to shed 32,239 workers from their payrolls in August. It was the fewest number of monthly job cuts by US-based firms since December 2010, when layoffs totaled 32,004, according to the latest job cuts report released Thursday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

August job cuts were down 12.5 percent from a July total of 36,855, making it the third consecutive decline in monthly job cuts. Last month was 37 percent lower than August 2011, when employers announced plans to eliminate 51,114 positions from their ranks.

Since January 1, employers have announced 352,185 planned job cuts. That is nearly unchanged from a year ago; down three percent from the 2011 8-month total of 363,334. Fewer job cuts over the last three months have effectively reversed a trend that saw increased downsizing through the first half of 2012. At the midway point of the year, 2012 job cuts were 15 percent higher than at the same point in 2011.

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The three-month decline in the pace of downsizing may be further evidence of an improving economy or it may simply be a summer lull in job-cut activity. The slowdown in activity many businesses experience during the summer months also appears to impact job cuts. Over the previous 10 years, the monthly average for June, July and August was consistently lower than the monthly average for the entire year, with the exception of 2005 and 2011.

Year	***Summer Average (June – August)***	***Monthly Average (Jan – Dec)***
2002	97,933	122,235
2003	74,919	103,036
2004	69,355	86,645
2005	94,846	89,338
2006	56,544	69,985
2007	59,361	64,022
2008	91,268	101,999
2009	82,741	107,336
2010	38,601	44,164
2011	52,987	50,507
2012	35,548	44,023*

*January through August

August job cuts were led by the telecommunications sector, where employers announced 4,584 job cuts. Most of these cuts (4,000 out of the total) were the anticipated cuts resulting from Google's acquisition of Motorola Mobility. Year-to-date, telecom firms have announced 18,987 job cuts, which is up 146 percent from 7,715 at this point last year.

For the year, computer firms rank as the top job cutters, having announced 37,670 job cuts since January 1, including 2,664 in July. The year-to-date total for this sector is 233 percent higher than the 11,297 job cuts announced by these employers through eight months of 2011.

"Job cuts slowed significantly over the summer, but it is too early to determine whether this is a trend. There have been other signs of economic improvement, including an uptick in home prices and strong automobile sales. However, there seem to be just as many reports showing continued trouble, such as three months of contraction in manufacturing," said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

"If international job-cut activity is any indication, we may see a surge in downsizing in the final months of 2012 and into 2013. We do not officially track job cuts announced by foreign companies, except those reporting a specific number of layoffs impacting U.S. workers. However, it has been hard to miss some of the recent figures coming from overseas companies, including 10,000 job cuts recently announced by Sony," said Challenger.

In addition to Sony, fellow consumer electronics firm Sharp Corp. announced plans last month to cut 5,000 workers in the current fiscal year. Research In Motion, the Canadian maker of Blackberry smart phones, also announced 5,000 job cuts in August. Australian airline Quantas Air plans to cut 2,800 workers. Deutsche Bank announced 1,500 job cuts.

"The US does not exist in a bubble. The ongoing crisis in Europe and weak economies around the globe will undoubtedly take a toll on the economy. There is a chance workers might be spared from a renewal of large-scale job cuts, but the situation beyond our borders certainly will not inspire companies to start adding workers en masse," Challenger concluded.

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TOP FIVE INDUSTRIES
Year To Date

	2012	2011
Computer	37,670	11,297
Transportation	32,407	7,719
Retail	28,787	40,173
Education	26,976	40,966
Financial	26,887	22,846

MONTH BY MONTH TOTALS

	2012	2011
January	53,486	38,519
February	51,728	50,702
March	37,880	41,528
April	40,559	36,490
May	61,887	37,135
June	37,551	41,432
July	36,855	66,414
August	32,239	51,114
September		115,730
October		42,759
November		42,474
December		41,785
TOTAL	**352,185**	**606,082**

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	57,772
Texas	37,626
New York	35,175
Illinois	17,889
N. Carolina	17,804

Listings are identified by the location of the layoff or corporate headquarters as stated in announcement.

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JOB CUTS BY INDUSTRY

	11-Aug	12-Jul	12-Aug	Jan-Aug 2011	Jan-Aug 2012
Aerospace/Defense	870	686	1,131	28,431	**13,276**
Apparel		86	325	1,276	**1,517**
Automotive	635	1448	389	7,904	**8,508**
Chemical		403	130	2,447	**2,495**
Commodities				0	**674**
Computer	149	626	2,664	11,297	**37,670**
Construction	981		493	5,977	**2,135**
Consumer Products	673	455	1,821	10,755	**24,934**
Education	348	2,031	130	2,262	**26,976**
Electronics	150	2271	178	4,809	**6,539**
Energy	3,670	990	1,866	7,027	**13,343**
Entertainment/Leisure	653	708	1,956	10,436	**9,700**
Financial	8,094	6,156	535	22,846	**26,887**
Food	2,850	1,837	1,657	12,368	**15,327**
Government	18,426	1,171	1,193	105,406	**12,826**
Health Care/Products	3,006	4,612	4,205	18,226	**22,975**
Industrial Goods	1,937	1,199	2,628	13,279	**17,214**
Insurance		880	189	2,670	**4,525**
Legal		75	41	2,729	**931**
Media	972	150	352	5,600	**3,676**
Non-Profit	94	113	3	444	**1,259**
Pharmaceutical	122	971	668	18,386	**9,626**
Real Estate				1,244	**280**
Retail	5,901	4,135	862	40,173	**28,787**
Services	657	1121	99	9,141	**6,163**
Telecommunications	157	1,344	4,584	7,715	**18,987**
Transportation	640	3,350	2,442	7,719	**32,407**
Utility	129	37	1,698	2,767	**2,548**
TOTAL	**51,114**	**36,855**	**32,239**	**363,334**	**352,185**

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JOB CUTS BY REGION, STATE

East	August	YTD
New York	2,705	35,175
Dist. of Columbia	167	1,510
New Jersey	1,799	12,520
Pennsylvania	564	12,819
Maryland	71	5,673
Massachusetts	169	4,424
Connecticut	273	2,410
Rhode Island		774
Delaware		703
New Hampshire		489
Vermont		80
Maine	50	700
TOTAL	**5,798**	**77,277**

Midwest	August	YTD
Michigan	2,768	**11,778**
Ohio	384	**15,532**
Illinois	677	**17,889**
Minnesota	682	**10,633**
Wisconsin	587	**6,411**
Indiana	457	**2,556**
Iowa	541	**1,390**
Missouri	79	**5,657**
Kansas	107	**3,576**
Nebraska	67	**961**
TOTAL	**6,349**	**76,383**

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JOB CUTS BY REGION, STATE

West	August	YTD
Texas	844	**37,626**
California	8,859	**57,772**
Washington	1,114	**12,891**
Nevada	453	**5,837**
Arizona		**4,687**
Colorado	207	**1,568**
New Mexico		**1,520**
Oregon	400	**2,953**
Oklahoma	150	**1,681**
Alaska	5	**265**
Utah		**1,273**
Montana		**105**
Hawaii	82	**268**
Idaho	20	**806**
Wyoming		**66**
South Dakota		**0**
North Dakota	250	**274**
TOTAL	**12,384**	**129,592**

South	August	YTD
Tennessee	712	**5,947**
N. Carolina	604	**17,804**
Georgia	269	**6,876**
Virginia	481	**5,259**
Florida	1,415	**11,441**
Alabama	197	**4,322**
S. Carolina	444	**1,440**
Louisiana	86	**2,112**
Mississippi	58	**525**
Kentucky	3,033	**8,675**
West Virginia		**1,481**
Arkansas	409	**3,051**
TOTAL	**7,708**	**68,933**

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JOB CUT REASONS

	AUGUST	YEAR-TO-DATE
Restructuring	14,569	137,708
Merger/Acquisition	5,039	13,152
Closing	4,989	74,973
Demand Downturn	2,147	11,022
Competition	1,964	2,364
Cost-Cutting	1,442	58,195
Relocation	583	2,996
Economic Conditions	500	11,471
Loss of Contract	298	7,408
Voluntary Severance	239	8,498
Outsourcing	182	694
Technological Update	173	1,211
Bankruptcy	109	20,332
Reorganization/Consolidation	5	7
Natural Disaster		609
Legal Trouble		407
Government Regulation		733
Funding Loss		300
Firing		105
TOTAL	**32,239**	**352,185**

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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	578,510	318,165	240,233	151,122	**1,288,030**
2010	181,183	116,494	113,595	118,701	**529,973**
2011	130,749	115,057	233,258	127018	**606,082**
2012	143,094	140,041			
AVG	**211,278**	**162,198**	**192,030**	**224,645**	

***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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ANNOUNCED HIRING PLANS

Industry	Jobs
Automotive	1,843
Construction	1,528
Energy	1,508
Telecommunications	1,471
Retail	1,160
Transportation	1,000
Industrial Goods	875
Electronics	700
Pharmaceutical	700
Consumer Products	579
Services	345
Health Care/Products	169
Food	90
Chemical	60
Insurance	30
Government	16
Education	5
TOTAL	**12,079**

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ANNOUNCED HIRING PLANS
MONTHLY TOTALS

	2012	2011
January	7,568	29,492
February	10,720	72,581
March	12,390	10,869
April	11,794	59,648
May	7,722	10,248
June	12,314	15,498
July	10,350	10,706
August	12,079	15,201
September		76,551
October		159,177
November		63,527
December		14,074
TOTAL	**84,937**	**537,572**

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