



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



## CONTACTS

**James K. Pedderson**, Director of Public Relations  
Office: 312-422-5078  
Mobile: 847-567-1463  
[jamespedderson@challengergray.com](mailto:jamespedderson@challengergray.com)

**Colleen Madden**, Media Relations Manager  
Office: 312-422-5074  
[colleenmadden@challengergray.com](mailto:colleenmadden@challengergray.com)

## **FOR RELEASE AT 7:30 A.M. ET, MAY 5, 2016**

### **JOB CUTS JUMP 35% IN APRIL TO 65,141** More Than 250,000 Cuts in 2016; Most Since 2009

**CHICAGO, May 5, 2016** – The pace of downsizing increased in April, as US-based employers announced workforce reductions totaling 65,141 during the month, according to the latest report released Thursday from global outplacement consultancy Challenger, Gray & Christmas, Inc.

The April figure represents a 35 percent increase over March, when employers announced 48,207 planned layoffs. Last month's job cuts were 5.8 percent higher than the 61,582 recorded in April 2015.

Employers have announced a total of 250,061 planned job cuts through the first four months of 2016. That is up 24 percent from the 201,796 job cuts tracked during the same period a year ago. It is the highest January-April total since 2009, when the opening four months of the year saw 695,100 job cuts.

“We continue to see large scale layoffs in the energy sector, where low oil prices are driving down profits. However, we are also seeing heavy downsizing activity in other areas, such as computers and retail, where changing consumer trends are creating a lot of volatility,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

The energy sector announced another 19,759 job cuts in April, bringing the year-to-date total to 72,660. That is up 26 percent from the 57,556 energy-sector job cuts announced in the first four months of 2015.

Computer firms announced 16,923 job cuts during the month; the highest total among all industries. That total includes 12,000 from chipmaker Intel, which is shifting away from the traditional desktop and laptop market and toward the mobile market.

To date, computer firms have announced 33,925 job cuts, up 262 percent from a year ago, when job cuts in the sector totaled just 9,368 through the first four months of the year.

“For all intents and purposes, the economy remains strong. The nation’s payrolls have experienced 66 consecutive months of net job gains, a trend that is likely to continue with the new report out Friday. The unemployment rate is at five percent, with a growing number of metropolitan areas at three percent or lower. Yet, job cuts are trending upward,” noted Challenger.

“However, it is not unusual to see heavy job cuts a strong economy. In December 1998, near the height of the dot.com boom, we recorded more than 103,000 planned workforce reductions. The fact is, companies are constantly retooling, and sometimes the best time to do that is when the economy is strong,” said Challenger.

A prime example of this dichotomy is IBM, where unconfirmed reports estimate as many as 14,000 layoffs in the first quarter (which is not included in any Challenger reports, due to the speculative nature of the figure). While the company has said little about the job cuts, it issued a statement touting 70,000 new hires in 2015 along with 25,000 open positions worldwide.

The closest IBM came to confirming workforce reductions was to say that it is “aggressively transforming its business to lead in a new era of cognitive and cloud computing. This includes remixing skills to meet client requirements” in its official statement.

“We are at a stage in the recovery, where it is not unusual to see hiring and firing occur simultaneously across the economy and often within a single company. Like IBM and Intel, companies are shifting strategies that require them to cut in some places while adding in others,” said Challenger.

###

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

**TOP FIVE INDUSTRIES  
Year To Date**

	<b>2016</b>	<b>2015</b>
<b>Energy</b>	72,660	57,556
<b>Retail</b>	36,977	26,096
<b>Computer</b>	34,017	9,368
<b>Industrial Goods</b>	14,756	22,047
<b>Entertainment/Leisure</b>	8,472	7,866

**MONTH BY MONTH TOTALS**

	<b>2016</b>	<b>2015</b>
<b>January</b>	75,114	53,041
<b>February</b>	61,599	50,579
<b>March</b>	48,207	36,594
<b>April</b>	65,141	61,582
<b>May</b>		41,034
<b>June</b>		44,842
<b>July</b>		105,696
<b>August</b>		41,186
<b>September</b>		58,877
<b>October</b>		50,504
<b>November</b>		30,953
<b>December</b>		23,622
<b>TOTAL</b>	<b>250,061</b>	<b>598,510</b>

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**

<b>Texas</b>	<b>71,186</b>
<b>California</b>	<b>34,160</b>
<b>Arkansas</b>	<b>16,995</b>
<b>Illinois</b>	<b>11,073</b>
<b>New York</b>	<b>9,094</b>

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

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

**JOB CUTS BY INDUSTRY**

	15-Apr	16-Mar	16-Apr	Jan-Apr 2015	Jan-Apr 2016
Aerospace/Defense	1,406	1,343	5,337	5,124	7,741
Apparel	350	123		929	193
Automotive	3,043	708	1,706	4,681	6,452
Chemical	4,349	160	453	4,642	7,403
Commodities		276	385	453	1,084
Computer	2,508	996	17,015	9,368	34,017
Construction			75	222	169
Consumer Products	6,018	2,806	831	6,995	4,676
Education	3,322	1,284	1,108	8,219	3,787
Electronics	190	51		3,096	1,966
Energy	19,745	7,747	19,759	57,556	72,660
Entertainment/Leisure	2,975	6,212	1,501	7,866	8,472
Financial	758	998	2,847	9,314	5,849
Food	724	2,071	502	4,647	6,213
Government	1,604	289	2,082	4,059	3,627
Health Care/Products	4,509	6,236	359	9,926	8,294
Industrial Goods	4,309	3,770	3,917	22,047	14,756
Insurance	131	55		1,163	1,568
Legal	32	11		70	56
Media	168	442	411	1,502	2,023
Non-Profit	41	163	110	157	1,144
Pharmaceutical	708	330	434	2,380	3,883
Real Estate	120	122		407	122
Retail	3,594	8,490	5,145	26,096	36,977
Services	731	1,108	191	2,540	3,630
Telecommunications		1,264	513	1,513	6,023
Transportation	247	1,152	460	5,935	7,255
Utility				889	21
<b>TOTAL</b>	<b>61,582</b>	<b>48,207</b>	<b>65,141</b>	<b>201,796</b>	<b>250,061</b>

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

**JOB CUTS BY REGION, STATE**

<b>EAST</b>	<b>APRIL</b>	<b>Y-T-D</b>
New York	1,907	9,094
Connecticut	5,475	5,650
Pennsylvania	1,308	4,645
New Jersey	106	4,369
Massachusetts	400	2,265
Maine	313	646
Maryland	200	425
Vermont	225	383
Dist. of Columbia	60	317
Delaware		183
Rhode Island		118
New Hampshire	46	46
<b>TOTAL</b>	<b>10,040</b>	<b>28,141</b>

<b>MIDWEST</b>	<b>APRIL</b>	<b>Y-T-D</b>
Illinois	5,458	11,073
Ohio	987	8,160
Iowa	336	7,053
Minnesota		6,658
Wisconsin	29	5,233
Indiana	394	3,364
Michigan	2,070	3,315
Missouri	1,165	2,825
Kansas	324	1,303
Nebraska	10	10
<b>TOTAL</b>	<b>10,773</b>	<b>48,994</b>

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

**JOB CUTS BY REGION, STATE**

<b>WEST</b>	<b>APRIL</b>	<b>Y-T-D</b>
Texas	10,836	71,186
California	19,962	34,160
Colorado	599	5,516
Oklahoma	81	3,266
Oregon	113	2,434
Washington	543	1,691
New Mexico	16	770
Nevada		716
Hawaii		700
Alaska	92	584
Montana		369
North Dakota	20	268
Utah		253
Arizona	120	252
Wyoming	126	176
South Dakota	9	73
Idaho		24
<b>TOTAL</b>	<b>32,517</b>	<b>122,438</b>

<b>SOUTH</b>	<b>APRIL</b>	<b>Y-T-D</b>
Arkansas	795	16,995
Virginia		6,819
N. Carolina	2,347	6,310
Florida	1,870	4,914
Mississippi	4,150	4,822
Kentucky	724	2,199
Georgia	450	2,153
Tennessee	80	1,765
Louisiana	1,015	1,249
Alabama	10	1,189
S. Carolina	100	1,062
West Virginia	270	1,011
<b>TOTAL</b>	<b>11,811</b>	<b>50,488</b>

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

**JOB CUTS BY REASON**

	<b>APRIL</b>	<b>YTD</b>
Restructuring	27,144	71,049
Oil Prices	19,285	69,338
Closing	5,261	46,098
Cost-Cutting	4,880	14,793
Bankruptcy	4,150	10,922
Merger/Acquisition	270	10,445
Demand Downturn	796	9,453
Outsourcing	330	4,830
Coal Downturn	692	2,064
Voluntary Severance		1,900
Loss of Contract	192	1,734
Steel Downturn	900	1,473
Aluminum Prices		1,152
Competition	875	915
Relocation		884
Government Regulation		792
Budget Cuts		657
Labor Dispute	245	435
Economic Conditions		245
No Reason Provided		209
Legal Trouble		185
Financial Losses		125
Grain Downturn	121	121
Fire		100
Weather		72
Funding Loss		60
Flint, MI Water Crisis		5
Technological Update		5
<b>TOTAL</b>	<b>65,141</b>	<b>250,061</b>

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

**QUARTER BY QUARTER**

	Q1	Q2	Q3	Q4	TOTAL
<b>1989</b>	9,850	10,100	24,085	67,250	<b>111,285</b>
<b>1990</b>	107,052	87,686	49,104	72,205	<b>316,047</b>
<b>1991</b>	110,056	76,622	147,507	221,107	<b>555,292</b>
<b>1992*</b>	110,815	85,486	151,849	151,850	<b>500,000</b>
<b>1993</b>	170,615	84,263	194,486	165,822	<b>615,186</b>
<b>1994</b>	192,572	107,421	117,706	98,370	<b>516,069</b>
<b>1995</b>	97,716	114,583	89,718	137,865	<b>439,882</b>
<b>1996</b>	168,695	101,818	91,784	114,850	<b>477,147</b>
<b>1997</b>	134,257	51,309	95,930	152,854	<b>434,350</b>
<b>1998</b>	139,140	131,303	161,013	246,339	<b>677,795</b>
<b>1999</b>	210,521	173,027	173,181	118,403	<b>675,132</b>
<b>2000</b>	141,853	81,568	168,875	221,664	<b>613,960</b>
<b>2001</b>	406,806	370,556	594,326	585,188	<b>1,956,876</b>
<b>2002</b>	478,905	292,393	269,090	426,435	<b>1,466,823</b>
<b>2003</b>	355,795	274,737	241,548	364,346	<b>1,236,426</b>
<b>2004</b>	262,840	209,895	251,585	315,415	<b>1,039,735</b>
<b>2005</b>	287,134	251,140	245,378	288,402	<b>1,072,054</b>
<b>2006</b>	255,878	180,580	202,771	200,593	<b>839,822</b>
<b>2007</b>	195,986	197,513	194,095	180,670	<b>768,264</b>
<b>2008</b>	200,656	275,292	287,142	460,903	<b>1,223,993</b>
<b>2009</b>	562,510	318,165	240,233	151,122	<b>1,272,030</b>
<b>2010</b>	181,183	116,494	113,595	118,701	<b>529,973</b>
<b>2011</b>	130,749	115,057	233,258	127,018	<b>606,082</b>
<b>2012</b>	143,094	139,997	102,910	137,361	<b>523,362</b>
<b>2013</b>	145,041	113,891	128,452	121,667	<b>509,051</b>
<b>2014</b>	121,341	124,693	117,374	119,763	<b>483,171</b>
<b>2015</b>	140,214	147,458	205,759	105,079	<b>598,510</b>
<b>2016</b>	184,920				<b>184,920</b>
<b>AVG</b>	201,650	156,780	181,213	204,620	

\*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.



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

**ANNOUNCED HIRING PLANS  
By Month**

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>January</b>	8,362	8,774	6,312	60,585	7,568	29,492
<b>February</b>	7,539	14,574	11,054	92,372	10,720	72,581
<b>March</b>	10,997	6,412	6,860	8,115	12,390	10,869
<b>April</b>	<b>11,557</b>	13,898	11,145	9,322	11,794	59,648
<b>May</b>		12,598	10,141	9,618	7,722	10,248
<b>June</b>		11,176	15,530	8,774	12,314	15,498
<b>July</b>		11,637	16,544	9,728	10,350	10,706
<b>August</b>		11,778	9,657	7,662	12,079	15,201
<b>September</b>		492,306	567,705	445,617	425,683	76,551
<b>October</b>		86,107	147,935	87,874	75,065	159,177
<b>November</b>		10,026	11,291	14,177	28,526	63,527
<b>December</b>		11,465	7,332	11,362	16,266	14,074
<b>TOTAL</b>	<b>38,455</b>	<b>690,751</b>	<b>821,506</b>	<b>765,206</b>	<b>630,477</b>	<b>459,971</b>

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

**ANNOUNCED HIRING PLANS**

<b>INDUSTRY</b>	<b>FEBRUARY</b>	<b>MARCH</b>	<b>APRIL</b>	<b>YEAR-TO-DATE</b>
Aerospace/Defense	300	670	260	2,130
Apparel				0
Automotive	290	155	3,600	4,545
Chemical	87	100		187
Commodities				0
Computer	500	820		2,894
Construction	50		106	256
Consumer Products	950		100	1,110
Education				0
Electronics	190	50	782	1,052
Energy			700	1,158
Entertainment/Leisure		300	100	400
Financial	300	200	200	700
Food	200	355		1,230
Government			300	530
Health Care/Products	670		1,060	2,609
Industrial Goods	658	194	1,068	2,871
Insurance		440		590
Legal				0
Media		200		200
Non-Profit				0
Pharmaceutical	1,424	1025	150	2,664
Real Estate				150
Retail	1,400	5,200	2207	9,207
Services		488		1,088
Telecommunications	40	300	100	840
Transportation	480	500	749	1,969
Utility			75	75
<b>TOTAL</b>	<b>7,539</b>	<b>10,997</b>	<b>11,557</b>	<b>38,455</b>