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FEBRUARY JOB CUTS DECLINE 18% TO 61,599

Energy sector job cuts up 24% from a year ago

CHICAGO, March 3, 2016 – After surging to a six-month high to begin the new year, downsizing slowed in February, as US-based employers announced 61,599 job cuts during the month, 18 percent fewer than the 75,114 in January, according to a report released Thursday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

The February total was up 22 percent from a year ago, when employers announced 50,579 job cuts during the month.

Planned job cuts total 136,713 through the first two months of the year, up 32 percent from the same period in 2015, when employers announced layoffs totaling 103,620 in January and February.

Just as in 2015, the energy sector has seen the heaviest job cutting in the opening months of the year. These firms announced another 25,051 job cuts in February, bringing the year-to-date total to 45,154. Most of the cuts in the sector have been attributed to low oil prices.

The 45,154 energy cuts through February represents a 24 percent increase from 2015, when employers in the sector announced 36,532 planned layoffs in the opening two months of the year.

“Low oil prices continue to take a toll on workers in the energy and industrial goods sectors. Since January of 2015, these two sectors alone have seen workforce reductions in excess of 200,000, the majority of which were attributed to oil prices. The major concern is that the job losses in cities and towns that rely heavily on oil production will begin to drag down other parts of the local economy,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

“Shockingly, we have not seen a precipitous rise in unemployment in the many cities that were benefitting from the recent oil boom, suggesting that the job losses are contained to the energy sector, for the moment,” said Challenger.

Several energy-centric metropolitan areas have seen unemployment rates increase, but most are still enjoying rates that are below the national average. The latest available date from the US Bureau of Labor Statistics shows that the unemployment rate in Houston increased from 4.0 percent in December 2014 to 4.6 percent in December 2015.

In Midland, Texas, the unemployment rate increased by more than one percentage point in 2015, but remains at an enviable 3.3 percent. As of December, Bismarck, North Dakota – another city that benefitted significantly from the oil boom – is still enjoying an unemployment rate of 2.7 percent, which is actually lower than the 3.1 percent unemployment rate recorded in December 2014.

In addition to energy, another area experiencing increased job cuts is the technology sector. Announced layoffs by computer firms this year total 16,006, which is a 143 percent increase from the 6,582 job cuts recorded in the first two months of 2015.

“There will always be heavy churn in the tech sector. It is an area that embodies change, trial and error, and constant reinvention. There is more start-up activity in the sector, but that also means there are more failures. Even among the more established firms in the industry, we see workforce volatility, as they branch into new products or services, some of which may or may not succeed,” said Challenger.

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JOB-CUT ANNOUNCEMENT REPORT**

TOP FIVE INDUSTRIES

Year To Date

	2016	2015
Energy	45,154	36,532
Retail	23,342	15,862
Computer	16,006	6,582
Industrial Goods	7,069	8,349
Chemical	6,790	293

MONTH BY MONTH TOTALS

	2016	2015
January	75,114	53,041
February	61,599	50,579
March		36,594
April		61,582
May		41,034
June		44,842
July		105,696
August		41,186
September		58,877
October		50,504
November		30,953
December		23,622
TOTAL	136,713	598,510

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

Texas	52,205
Arkansas	16,100
California	10,100
Ohio	6,672
Iowa	6,560

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

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JOB CUTS BY INDUSTRY

	Feb 2015	Jan 2016	Feb 2016	Jan-Feb 2015	Jan-Feb 2016
Aerospace/Defense	1763	731	330	2,763	1,061
Apparel	207		70	207	70
Automotive	72	1,238	2,800	192	4,038
Chemical		150	6,640	293	6,790
Commodities			423	453	423
Computer	2,850	11,003	5,003	6,582	16,006
Construction		94		222	94
Consumer Products	241	874	165	385	1,039
Education	2,126	670	725	2,427	1,395
Electronics	177	515	1,400	1,096	1,915
Energy	16339	20,103	25,051	36,532	45,154
Entertainment/Leisure	1,972	32	727	3,883	759
Financial	1,800	998	1,006	7,175	2,004
Food	594	1,726	1,914	2,709	3,640
Government	2,188	149	1,107	2,388	1,256
Health Care/Products	1841	494	1,205	2,859	1,699
Industrial Goods	3,490	3,009	4,060	8,349	7,069
Insurance	892	75	1,438	892	1,513
Legal		45		0	45
Media	67	836	334	625	1,170
Non-Profit	20	821	50	82	871
Pharmaceutical	338	3,046	73	510	3,119
Real Estate	250			287	
Retail	9,163	22,246	1,096	15,862	23,342
Services	941	155	2,176	990	2,331
Telecommunications	475	3,371	875	1,082	4,246
Transportation	2,173	2,712	2,931	4,175	5,643
Utility	600	21		600	21
TOTAL	50,579	75,114	61,599	103,620	136,713

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JOB CUTS BY REGION, STATE

EAST	FEBRUARY	YTD
New Jersey	396	3,416
Pennsylvania	2,000	2,696
New York	123	2,108
Massachusetts	463	470
Delaware	183	183
Connecticut		175
Maine	88	109
Maryland		86
Rhode Island	60	60
Vermont	16	16
Dist. of Columbia		
New Hampshire		
TOTAL	3,329	9,319

MIDWEST	FEBRUARY	YTD
Ohio	597	6,672
Iowa	6,560	6,560
Illinois	1,710	3,164
Indiana	2,338	2,970
Wisconsin	1,410	2,198
Missouri	135	1,350
Michigan	966	1,166
Kansas	150	979
Minnesota	25	358
Nebraska		
TOTAL	13,891	25,417

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JOB CUTS BY REGION, STATE

WEST	FEBRUARY	YTD
Texas	24,908	52,205
California	8,464	10,100
Oklahoma	1,657	2,026
Oregon	1,661	1,731
Colorado	100	728
Nevada		616
New Mexico	194	594
Washington		572
Alaska		330
North Dakota		225
Hawaii	95	122
Montana		66
Utah		53
Arizona		12
Idaho		
Wyoming		
South Dakota		
TOTAL	37,079	69,380

SOUTH	FEBRUARY	YTD
Arkansas		16,100
Virginia	2,553	6,393
N. Carolina	144	1,780
Georgia	1,701	1,701
Florida	1,099	1,653
Tennessee	220	1,544
Kentucky	780	860
West Virginia	107	731
Alabama		679
Mississippi	479	672
S. Carolina	180	435
Louisiana	37	49
TOTAL	7,300	32,597

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JOB CUTS BY REASON

	FEBRUARY	YTD
Oil Prices	24,856	42,034
Restructuring	8,886	34,847
Closing	4,704	26,781
Merger/Acquisition	7,420	8,840
Cost-Cutting	5,189	7,149
Demand Downturn	3,935	5,475
Outsourcing	4,020	4,320
Coal Downturn	66	1,271
Aluminum Prices		1,152
Loss of Contract	601	1,048
Government Regulation	176	792
Budget Cuts	657	657
Bankruptcy	465	472
Steel Downturn		373
Relocation		343
No Reason Provided	209	209
Labor Dispute		190
Legal Trouble	115	185
Market Conditions	175	175
Financial Losses	125	125
Fire		100
Economic Conditions		70
Funding Loss		60
Competition		40
Flint, MI Water Crisis		5
TOTAL	61,599	136,713

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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	562,510	318,165	240,233	151,122	1,272,030
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
AVG	202,269	156,780	181,213	204,620	742,901

*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
By Month**

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

**Hiring data is unavailable for February*

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