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Resurgence in Oil-Related Job Cuts

OCTOBER CUTS FALL 14% TO 50,504; OIL PRICES CLAIM HIGHEST NUMBER SINCE APRIL

CHICAGO, November 5, 2015 – The nation’s employers announced plans to eliminate 50,504 workers from their payrolls in October. More than one-quarter of those were oil-related job cuts, which climbed to a six-month high, according to the latest layoff report released Thursday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

October job cuts were 14 percent lower than the 58,877 cuts announced in September. They were down 1.3 percent from a year ago, when 51,183 October job cuts were recorded.

Employers have now announced 543,935 job cuts so far in 2015. That is 31 percent more than the 414,591 cuts announced by this point in 2014. The year-to-date total is, in fact, 13 percent higher than the 2014 year-end total (483,171).

Nearly one in five job cuts announced this year have been the result of low oil prices. In October, oil prices were blamed for 13,671 job cuts, 27 percent of all cuts announced during the month. That is the highest oil-related job-cut total since April, when 20,675 job cuts were attributed to oil.

Overall, oil prices are responsible for 101,383 job cuts in 2015. Several companies have experienced multiple workforce reductions throughout the year. For example, Chevron announced a second round of cuts in October, while Halliburton, Schlumberger and Baker Hughes have each reported at least two separate layoff events in 2015.

Due to the resurgence in oil-related job cuts, the energy sector saw the highest number of planned layoffs last month, with 17,344. That is more than triple the second-ranked retail sector, which announced 5,153 job cuts in October.

Not surprisingly, the energy sector is the top job-cutting industry for the year, having announced a total of 90,052 job cuts to date. That is up 766 percent from a year ago, when employers in this sector announced just 10,402 job cuts through October.

Energy is not the only sector to see a significant increase in job cuts this year. Large-scale cut backs in the military earlier in the year propelled the government sector to the second spot in the year-to-date job cut rankings. The 69,105 government cuts tracked through October are 226 percent higher than the 21,200 announced by these employers in 2014.

In the retail sector, which has the third highest year-to-date job-cut total, layoff announcements are up 67 percent from 38,948 in 2014 to 64,983, as of last month.

“Despite the surge in job cuts across several sectors, it is hardly time to panic. While falling oil prices are impacting the bottom lines of companies in the energy and industrial goods sectors, they are helping many other employers, such as those in transportation and plastics manufacturing,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

“And, while job cuts are up in the retail and computer sectors, these are not necessarily an indication of an economy in decline. Both industries are in a state of flux due to changing consumer and business trends. Many of the cuts we have seen this year in both industries have been the result of companies’ inability to keep up with changes versus an overall decline in demand,” he added.

“Now, we are heading into what has historically been a period of heavy job cutting, even in the strongest economy. The fourth quarter is when many companies make adjustments to operations and payrolls in order to hit year-end earnings goals. We could see an increase in layoffs, but we are just as likely to see an increase in hiring, as companies find themselves shorthanded and unable to meet demand,” said Challenger.

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CHALLENGER, GRAY & CHRISTMAS, INC.
JOB-CUT ANNOUNCEMENT REPORT
TOP FIVE INDUSTRIES

Year To Date

	2015	2014
Energy	90,052	10,402
Government	69,105	21,200
Retail	64,983	38,948
Computer	59,630	55,511
Industrial Goods	47,447	21,757

MONTH BY MONTH TOTALS

	2015	2014
January	53,041	45,107
February	50,579	41,835
March	36,594	34,399
April	61,582	40,298
May	41,034	52,961
June	44,842	31,434
July	105,696	46,887
August	41,186	40,010
September	58,877	30,477
October	50,504	51,183
November		35,940
December		32,640
TOTAL	543,935	483,171

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	103,442
California	70,070
Dist. of Columbia	58,225
Illinois	29,685
Minnesota	29,105

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

	14-Oct	15-Sep	15-Oct	Jan-Oct 2014	Jan-Oct 2015
Aerospace/Defense	4,376	2,495	324	21,011	10,960
Apparel	58	175		1,575	1,134
Automotive	237	3,180	1,049	6,985	13,006
Chemical		49	2,986	1,514	18,858
Commodities	127			1,401	503
Computer	6,509	32,500	756	55,511	59,630
Construction		175	280	824	1,044
Consumer Products	854	285	844	9,038	11,693
Education	598	523	742	14,801	17,922
Electronics	1,648	768	1,788	18,153	11,968
Energy	130	1,080	17,344	10,402	90,052
Entertainment/Leisure	1,361	1,930	238	28,286	11,774
Financial	1,673	1,025	1,378	26,296	22,448
Food	2,840	931	3,535	18,904	19,869
Government	3,253	954	234	21,200	69,105
Health Care/Products	1,780	785	2,745	30,338	22,658
Industrial Goods	2,444	7,185	3,390	21,757	47,447
Insurance	352	241	295	2,259	3,873
Legal		31	154	557	1,357
Media	2,358	590	471	8,427	4,161
Non-Profit	1,370	192	37	4,076	1,969
Pharmaceutical	5,452	51	3,665	15,375	10,348
Real Estate	63			500	407
Retail	6,874	2,467	5,153	38,948	64,983
Services	1,377	555	968	12,828	7,103
Telecommunications	5,217	98	592	20,038	4,417
Transportation	232	612	1,536	21,919	14,357
Utility				1,668	889
TOTAL	51,183	58,877	50,504	414,591	543,935

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JOB-CUT ANNOUNCEMENT REPORT**

JOB CUTS BY REGION, STATE

EAST	OCTOBER	Y-T-D
Dist. of Columbia		58,225
New York	392	28,535
New Jersey	1,514	24,200
Pennsylvania	1,785	18,145
Massachusetts	1,806	9,320
Delaware		9,294
Maryland	700	4,134
Connecticut		4,039
Vermont	8	1,109
Maine	195	1,099
New Hampshire		388
Rhode Island	37	204
TOTAL	6,437	158,692

MIDWEST	OCTOBER	Y-T-D
Illinois	1,755	29,685
Minnesota	2,045	29,105
Ohio	440	13,908
Wisconsin	1,169	13,197
Michigan	1,531	8,829
Missouri	3,600	7,110
Indiana	2,240	6,381
Iowa	71	5,258
Nebraska	256	2,779
Kansas	365	1,908
TOTAL	13,472	118,160

**CHALLENGER, GRAY & CHRISTMAS, INC.
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JOB CUTS BY REGION, STATE

WEST	OCTOBER	Y-T-D
Texas	14,853	103,442
California	6,676	70,070
Washington	20	11,014
Colorado	441	5,393
Oklahoma	815	4,751
Arizona		4,007
Oregon	430	2,150
Utah		2,031
South Dakota		1,532
Nevada		762
Hawaii		733
Alaska	20	685
New Mexico	389	492
Idaho		454
Wyoming		450
Montana		375
North Dakota		170
TOTAL	23,644	208,511

SOUTH	OCTOBER	Y-T-D
Florida	1,510	13,426
Virginia	289	10,650
N. Carolina	642	8,374
Alabama	441	5,359
West Virginia	2,000	4,669
Louisiana	742	4,311
Arkansas	450	3,354
Tennessee	602	3,039
Georgia	198	2,702
S. Carolina	27	1,332
Kentucky	50	1,004
Mississippi		352
TOTAL	6,951	58,572

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JOB CUTS BY REASON

	OCTOBER	YTD
Restructuring	13,348	170,415
Oil Prices	13,671	101,383
Cost-Cutting	2,207	94,160
Closing	8,432	81,381
Demand Downturn	5,446	24,413
Merger/Acquisition	1,985	23,817
Bankruptcy	2,000	16,653
Loss of Contract	686	9,892
Outsourcing	313	4,332
Economic Conditions	1,850	4,213
Relocation	107	2,665
Financial Losses		2,428
Competition		1,991
Legal Trouble	394	1,810
Government Regulation		1,570
Listeria		1,490
Voluntary Severance		490
Bird Flu		382
Copper Prices		211
Technological Update		150
Salmonella	65	65
Fire		24
TOTAL	50,504	543,935

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

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		493,431
AVG	202,269	156,780	181,213	208,602	

*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**

	2015	2014	2013	2012	2011
January	8,774	6,312	60,585	7,568	29,492
February	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		11,291	14,177	28,526	63,527
December		7,332	11,362	16,266	14,074
TOTAL	669,260	821,506	765,206	630,477	459,971

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Announced Seasonal Hiring Plans

	2012	2013	2014	2015
Amazon	50,000	70,000	80,000	100,000
UPS	55,000	55,000	95,000	95,000
Macy's	80,000	83,000	86,000	85,000
Kohl's	52,700	53,000	76,970	79,160
Target	88,000	70,000	70,000	70,000
Walmart	50,000	55,000	60,000	60,000
FedEx (Transportation)	20,000	20,000	50,000	55,000
Toys R Us	45,000	45,000	45,000	40,000
JC Penney	40,000	35,000	35,000	30,000
GameStop	17,000	17,000	25,000	28,000
Nordstrom	N/A	N/A	N/A	11,800
Sports Authority	N/A	N/A	N/A	3,500
Best Buy	14,000	N/A	N/A	
Meijer	12,000	9,000	10,000	
Gap	N/A	N/A	63,000	
Hickory Farms (Food)	5,225	6,000	N/A	
TOTAL	495,925	518,000	695,970	657,460

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

ANNOUNCED HIRING PLANS

INDUSTRY	OCTOBER	YEAR-TO-DATE
Aerospace/Defense	300	2,720
Apparel		575
Automotive	1,910	19,780
Chemical		418
Commodities		0
Computer	400	7,348
Construction	450	2,283
Consumer Products	450	4,160
Education		62
Electronics		924
Energy		672
Entertainment/Leisure	2,500	3,180
Financial	2,400	9,536
Food		2,145
Government		300
Health Care/Products	1,700	6,211
Industrial Goods	587	4,909
Insurance		160
Legal		2
Media		650
Non-Profit		950
Pharmaceutical	378	2,301
Real Estate		0
Retail	73,437	422,767
Services	425	3,783
Telecommunications	600	14,882
Transportation	570	158,542
Utility		0
TOTAL	86,107	669,260