



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

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## **Job Cuts Up Second Month in a Row** **FEBRUARY CUTS RISE 37% TO 55,356**

**CHICAGO, March 7, 2013** –Planned job cuts increased for the second consecutive month in February as U.S.-based employers announced workforce reductions totaling 55,356, up 37 percent from 40,430 in January, according to the report released Thursday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

The February total was 7.0 percent higher than the 51,728 job cuts announced the same month a year ago. It was the highest monthly tally since last November, when announced layoffs reached 57,081.

Employers have now announced 95,786 job cuts so far in 2013. That is 9.0 percent fewer than the 105,214 job cuts through the first two months of 2012.

The financial sector dominated job cuts last month, with firms announcing 21,724 planned layoffs, the most since 31,167 were announced in September 2011. Last month's total was nearly three times more than the 7,611 job cuts announced by financial institutions in January. Employers in this sector have now announced 30,302 job cuts this year, which is nearly 75 percent of the 41,008 financial job cuts announced in all of 2012.

Retailers announced another 2,279 job cuts in February, bringing its year-to-date total to 8,955, the second largest sector total behind financial. Retail job cuts are down 38 percent from a year ago, when these employers announced 14,516 layoffs in January and February.

The largest job-cut announcement of the month came from JP Morgan Chase, which reported plans to reduce its headcount by 19,000 positions over the next two years. On a positive note, a majority of the cuts are due to an improving housing market. The bank is trimming its mortgage unit, which had swelled in recent years to process the large number of troubled mortgages.

"Ideally, you want an improving economy to lead to job creation, but it is not unusual to see employers make reductions in some areas while simultaneously adding in others as changing economic conditions require them to shuffle workforce priorities," said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

While the Chase layoffs are a sign of economic bright spots, the 3,000 job cuts planned by United Technologies Corp. this year, may foreshadow a surge in layoffs by aerospace and defense companies as the spending cuts forced by the sequester impact these and other employers.

“In addition to aerospace and defense, the sequester is likely to result in increased job cuts in the government, education and non-profit sectors, as well as private-sector industries that count the government among their biggest customers, such as technology, construction and transportation,” said Challenger.

Sequester-related job cuts have yet to be announced, but several employers are already warning of impending workforce reductions. According to a report by cable news outlet CNN, The Federal Aviation Administration informed contractors that it will begin closing 168 contractor-staffed air traffic towers nationwide on April 1 and another 21 towers by September 30. The number of air traffic controllers impacted by the move has not been released, but one contractor operating 77 of the targeted towers told CNN that the closures could put more than 400 of its employees out of work.

Meanwhile, the Honolulu Star-Advertiser reported that BAE Systems, contracted by the Navy to repair ships in Hawaii, California, Virginia and Florida, sent a letter to its nationwide “ship repair team” warning that more than 3,500 production, management, and administrative staff may be laid off as a result of the sequestration.

“These are just the tip of the iceberg. Some are predicting that the sequester could lead to 750,000 job losses this year. This will, of course, ripple through the economy, as 750,000 mostly middle-class and upper middle-class Americans are forced to postpone vacations, major purchases, and other spending that boosts the economy,” said Challenger.

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

### TOP FIVE INDUSTRIES Year To Date

	2013	2012
Financial	30,302	7,864
Retail	8,955	14,516
Aerospace/Defense	5,845	5,942
Health Care/Products	5,364	4,831
Transportation	5,128	15,835

### MONTH BY MONTH TOTALS

	2013	2012
<b>January</b>	40,430	53,486
<b>February</b>	55,356	51,728
<b>March</b>		37,880
<b>April</b>		40,559
<b>May</b>		61,887
<b>June</b>		37,551
<b>July</b>		36,855
<b>August</b>		32,239
<b>September</b>		33,816
<b>October</b>		47,724
<b>November</b>		57,081
<b>December</b>		32,556
<b>TOTAL</b>	<b>95,786</b>	<b>523,362</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

New York	34,368
New Jersey	5,674
Illinois	5,302
Colorado	4,280
Florida	4,276

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**

	<b>February 2012</b>	<b>January 2013</b>	<b>February 2013</b>	<b>Jan-Feb 2013</b>	<b>Jan-Feb 2012</b>
<b>Aerospace/Defense</b>	2,308	1,457	4,388	<b>5,845</b>	5,942
<b>Apparel</b>	704	190		<b>190</b>	732
<b>Automotive</b>	256	442	3,803	<b>4,245</b>	588
<b>Chemical</b>	20	231	543	<b>774</b>	55
<b>Commodities</b>	234	67		<b>67</b>	234
<b>Computer</b>	1,675	2,629	406	<b>3,035</b>	1,963
<b>Construction</b>	126	153	40	<b>193</b>	748
<b>Consumer Products</b>	13,856	799	468	<b>1,267</b>	16,320
<b>Education</b>	1,275	1,212	1,209	<b>2,421</b>	1,950
<b>Electronics</b>	735	500	507	<b>1,007</b>	2,335
<b>Energy</b>	2825	538	1395	<b>1,933</b>	4,177
<b>Entertainment/Leisure</b>	228	2,068	2,933	<b>5,001</b>	4,138
<b>Financial</b>	253	8,578	21,724	<b>30,302</b>	7,864
<b>Food</b>	1,650	3,288	1,229	<b>4,517</b>	4,650
<b>Government</b>	633	1,357	916	<b>2,273</b>	3,654
<b>Health Care/Products</b>	4026	2,610	2754	<b>5,364</b>	4,831
<b>Industrial Goods</b>	1,086	1,517	3,235	<b>4,752</b>	3,316
<b>Insurance</b>	125	100	65	<b>165</b>	1,108
<b>Legal</b>	57	12		<b>12</b>	77
<b>Media</b>	745	1,275	3,589	<b>4,864</b>	1,100
<b>Non-Profit</b>	49	174	356	<b>530</b>	410
<b>Pharmaceutical</b>	265	524	510	<b>1,034</b>	4,336
<b>Real Estate</b>	72	278		<b>278</b>	72
<b>Retail</b>	2,090	6,676	2,279	<b>8,955</b>	14,516
<b>Services</b>	605	188	294	<b>482</b>	1,397
<b>Telecommunications</b>	1,765	619	316	<b>935</b>	2,855
<b>Transportation</b>	14,065	2,761	2,367	<b>5,128</b>	15,835
<b>Utility</b>		187	30	<b>217</b>	11
<b>TOTAL</b>	<b>51,728</b>	<b>40,430</b>	<b>55,356</b>	<b>95,786</b>	<b>105,214</b>

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

**FINANCIAL SECTOR JOB CUTS  
1997-2012**

<b>1997</b>	37,159
<b>1998</b>	62,366
<b>1999</b>	60,834
<b>2000</b>	55,272
<b>2001</b>	116,647
<b>2002</b>	89,210
<b>2003</b>	51,784
<b>2004</b>	97,945
<b>2005</b>	50,503
<b>2006</b>	50,327
<b>2007</b>	153,105
<b>2008</b>	260,110
<b>2009</b>	51,505
<b>2010</b>	23,996
<b>2011</b>	63,624
<b>2012</b>	38,135

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**JOB CUTS BY REGION, STATE**

<b>East</b>	<b>February</b>	<b>YTD</b>
New York	25,165	<b>34,368</b>
New Jersey	2,427	<b>5,674</b>
Pennsylvania	1,829	<b>3,300</b>
Connecticut	3,100	<b>3,100</b>
Massachusetts	115	<b>2,757</b>
Dist. of Columbia	59	<b>717</b>
Maryland	680	<b>680</b>
Rhode Island		<b>550</b>
New Hampshire	160	<b>467</b>
Maine	40	<b>312</b>
Vermont	15	<b>53</b>
Delaware		<b>52</b>
<b>TOTAL</b>	<b>33,590</b>	<b>52,030</b>

<b>Midwest</b>	<b>February</b>	<b>YTD</b>
Illinois	3,814	<b>5,302</b>
Ohio	2,605	<b>3,890</b>
Wisconsin	1,096	<b>1,822</b>
Michigan	551	<b>1,332</b>
Minnesota	654	<b>828</b>
Missouri	424	<b>821</b>
Indiana	354	<b>712</b>
Kansas	380	<b>555</b>
Iowa	58	<b>93</b>
Nebraska	4	<b>59</b>
<b>TOTAL</b>	<b>9,940</b>	<b>15,414</b>

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**JOB CUTS BY REGION, STATE**

<b>West</b>	<b>February</b>	<b>YTD</b>
Colorado	810	<b>4,280</b>
Texas	994	<b>4,120</b>
California	1,994	<b>3,789</b>
Hawaii	352	<b>639</b>
Oregon	366	<b>527</b>
Utah	231	<b>236</b>
Oklahoma		<b>216</b>
New Mexico		<b>200</b>
Idaho	148	<b>151</b>
Alaska		<b>122</b>
Nevada	17	<b>117</b>
Washington		<b>37</b>
North Dakota		<b>31</b>
Wyoming		<b>8</b>
Arizona		<b>0</b>
Montana		<b>0</b>
South Dakota		<b>0</b>
<b>TOTAL</b>	<b>4,912</b>	<b>14,473</b>

<b>South</b>	<b>February</b>	<b>YTD</b>
Tennessee	132	<b>572</b>
N. Carolina	1,905	<b>2,730</b>
Georgia	2,139	<b>2,508</b>
Virginia	780	<b>1,345</b>
Florida	1,384	<b>4,276</b>
Alabama	133	<b>500</b>
S. Carolina	75	<b>890</b>
Louisiana		<b>10</b>
Mississippi	215	<b>215</b>
Kentucky	30	<b>629</b>
West Virginia	22	<b>25</b>
Arkansas	99	<b>169</b>
<b>TOTAL</b>	<b>6,914</b>	<b>13,869</b>



**CHALLENGER, GRAY & CHRISTMAS, INC.  
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**JOB CUT REASONS**

	<b>February</b>	<b>YTD</b>
Restructuring	31,409	50,597
Closing	9,558	20,179
Cost-Cutting	5,438	9,784
Economic Conditions	2,683	3,266
Demand Downturn	1,222	2,707
Natural Disaster		2,000
Bankruptcy	1,044	1,253
Outsourcing	1,150	1,250
Loss of Contract	844	1,051
Labor Dispute	1,000	1,000
Voluntary Severance	650	850
Merger/Acquisition	68	696
Relocation	140	441
Legal Trouble		209
Competition		190
Funding Loss		160
Government Regulation	150	150
Firing		3
<b>TOTAL</b>	<b>55,356</b>	<b>95,786</b>

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**QUARTER-BY-QUARTER**

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>TOTAL</b>
<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>	578,510	318,165	240,233	151,122	<b>1,288,030</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>					
<b>AVG</b>	<b>211,278</b>	<b>162,196</b>	<b>188,155</b>	<b>220,678</b>	

\*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**

<b>Industry</b>	<b>February</b>	<b>Year-To-Date</b>
Retail	81,675	135,675
Government		4,011
Automotive	2,000	2,300
Telecommunications	1,600	1,650
Health Care/Products	1588	1,588
Computer	1,371	1,371
Financial	1,130	1,342
Energy	886	1,063
Education	7	1,007
Food	928	928
Industrial Goods	449	616
Consumer Products	200	400
Entertainment/Leisure	300	300
Insurance		185
Transportation	25	178
Media	133	133
Services		100
Pharmaceutical	80	80
Construction		30
<b>TOTAL</b>	<b>92,372</b>	<b>152,957</b>

**CHALLENGER, GRAY & CHRISTMAS, INC.  
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**ANNOUNCED HIRING PLANS  
MONTHLY TOTALS**

	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>January</b>	60,585	7,568	29,492
<b>February</b>	92,372	10,720	72,581
<b>March</b>		12,390	10,869
<b>April</b>		11,794	59,648
<b>May</b>		7,722	10,248
<b>June</b>		12,314	15,498
<b>July</b>		10,350	10,706
<b>August</b>		12,079	15,201
<b>September</b>		425,683	76,551
<b>October</b>		75,065	159,177
<b>November</b>		28,526	63,527
<b>December</b>		16,266	14,074
<b>TOTAL</b>	<b>152,957</b>	<b>630,477</b>	<b>537,572</b>

**In January, Lowe's announced 50,000 seasonal hires.  
In February, Home Depot announced 80,000 seasonal hires.**

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