



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

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FOR RELEASE AT 7:30 A.M. ET, NOVEMBER 6, 2013

Announced Job Cuts Up Slightly in October **EMPLOYERS PLAN TO SHED 45,730 WORKERS**

CHICAGO, November 6, 2013 – The pace of downsizing remained relatively flat in October, as the nation’s employers announced plans to cut 45,730 jobs from their payrolls during the month. That was up 13.5 percent from 40,289 job cuts recorded in September, according to the latest report on monthly job cuts released Wednesday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

The October job-cut total was down 4.2 percent from the same month a year ago, when 47,724 planned cuts were announced. This marks the first time in five months that the job-cut total was lower than the comparable period a year ago.

Employers have now announced 433,114 job cuts since January 1. That is virtually unchanged (down 0.14 percent) from the 433,725 job cuts announced through ten months of 2012. At the current pace, annual job cuts are positioned to come in slightly below the 2012 year-end total of 523,362, which was the lowest 12-month figure since 1997, when 434,350 job cuts were tracked by Challenger.

The pharmaceutical industry saw the heaviest job cutting in October, with 10,585 job cuts announced. That is the largest one-month job-cut total for this sector since July 2011, when 13,493 job cuts were announced. In both October and July 2011, the majority of the announced job cuts came from pharmaceutical giant Merck, which, like many other pharmaceutical companies, has had to adjust research focus and workforce levels toward drugs with the highest potential to win regulatory approval and achieve successful sales levels.

Second to the pharmaceutical industry in October job cuts was the financial sector, which announced 8,717 job cuts during the month. That is the highest monthly total for the sector since February (21,724). For the year, the financial sector has seen the heaviest downsizing activity, by a wide margin. Since January 1, these firms have announced 57,591 job cuts, nearly 10,000 more than the second-ranked health care sector, which has announced layoffs totaling 47,902 so far this year.

“The banking sector is cutting workforce levels as a direct result of an improving economy. Many banks, including Bank of America, which announced 4,200 job cuts in October, are slashing positions in their mortgage department as the number of troubled mortgages and foreclosures dwindles. Furthermore, improvements in the economy are also pushing interest rates back up, which is curbing demand for refinancing,” noted John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

“Meanwhile, the health care sector continues to experience heavy job cutting in the face of shrinking Medicare reimbursements under the Affordable Care Act as well as federal spending cutbacks imposed by sequestration. Nearly half of the 6,817 health care job cuts announced in October were attributed to ‘cost cutting’ or directly to health reform,” said Challenger.

“The increased cuts we have seen recently are probably just the beginning. If there is one thing, both political parties agree on, it is the need to somehow slow the sky-rocketing cost of health care. While they disagree on how to achieve that goal, the fact is that, regardless of what path is taken, lowering health care costs is likely to force health care providers to reduce their headcounts.

“The same can be said for the spending cuts throughout the federal government. The need to cut spending and reduce the deficit will ultimately lead to increased job cutting both within and outside of the government. Not only will government agencies need to trim payrolls, but the hundreds of private-sector companies that sell products and services to the government will also be forced to reduce their workforce levels as the revenue stream from this customer slows,” said Challenger.

“In addition to increasing the potential for private-sector job cuts, government policies, or the lack thereof, are also inhibiting hiring. While the recent federal shutdown is unlikely to result in job cuts, the fact that we had a shutdown and the very temporary solution to that shutdown is directly impacting consumer and employer confidence. The resulting uncertainty, in turn, is causing many employers to hold off on any significant, long-term hiring plans,” he noted.

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

TOP FIVE INDUSTRIES Year To Date

	2013	2012
Financial	57,591	28,450
Health Care/Products	47,902	28,449
Industrial Goods	46,662	23,798
Retail	37,032	31,319
Aerospace/Defense	29,676	16,767

MONTH BY MONTH TOTALS

	2013	2012
January	40,430	53,486
February	55,356	51,728
March	49,255	37,880
April	38,121	40,559
May	36,398	61,887
June	39,372	37,551
July	37,701	36,855
August	50,462	32,239
September	40,289	33,816
October	45,730	47,724
November		57,081
December		32,556
TOTAL	433,114	523,362

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	70,482
California	48,056
Illinois	35,107
Texas	29,279
New Jersey	21,517

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

**CHALLENGER, GRAY & CHRISTMAS, INC.
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JOB CUTS BY INDUSTRY

	12-Oct	13-Sep	13-Oct	Jan-Oct 2013	Jan-Oct 2012
Aerospace/Defense	864	4,058	1,506	29,676	16,767
Apparel	51		800	2,970	1,874
Automotive	11,615	1,136	410	11,817	22,020
Chemical	3,940		145	2,385	6,485
Commodities	100	1,225	417	2,488	774
Computer	1,076	1,712	952	28,844	41,747
Construction	194	177	77	1,647	2,887
Consumer Products	5,250	2,966	150	10,965	32,101
Education	993	190	1,811	17,927	29,099
Electronics	4,491	90	1,511	7,679	11,871
Energy	4,498	3,047	284	15,360	21,234
Entertainment/Leisure	1,021	944	807	12,098	12,121
Financial	718	6,932	8,717	57,591	28,450
Food	568	311	1,106	12,567	17,054
Government	972	136	627	11,005	15,158
Health Care/Products	2,369	8,128	6,817	47,902	28,449
Industrial Goods	3,539	4,691	1,912	46,662	23,798
Insurance	402	835		6,284	8,116
Legal			230	731	931
Media	350	229	3,211	11,450	4,437
Non-Profit	28	533	252	3,393	1,446
Pharmaceutical	1,477	129	10,585	19,507	11,586
Real Estate	45	109	154	641	325
Retail	1,013	927	538	37,032	31,319
Services	522	438	192	7,737	7,218
Telecommunications	175	251	2,150	11,038	19,394
Transportation	1,321	167	155	13,412	34,384
Utility	132	928	214	2,306	2,680
TOTAL	47,724	40,289	45,730	433,114	433,725

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JOB CUTS BY REGION, STATE

East	October	Y-T-D
New York	5,674	70,482
New Jersey	11,489	21,517
Pennsylvania	1,208	21,506
Connecticut	683	13,108
Massachusetts	3,371	11,545
Maryland	725	5,046
Dist. of Columbia	340	2,736
Delaware	470	1,917
New Hampshire	129	1,606
Maine	117	1,416
Rhode Island	11	814
Vermont	63	570
TOTAL	24,280	152,263

Midwest	October	Y-T-D
Illinois	203	35,107
Ohio	949	17,606
Missouri	1,002	10,813
Indiana	1,421	8,055
Michigan	265	7,806
Wisconsin	608	6,286
Minnesota	192	5,546
Kansas		3,110
Iowa	180	752
Nebraska		512

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JOB CUTS BY REGION, STATE

West	October	Y-T-D
California	3,925	48,056
Texas	1,140	29,279
Washington	302	9,620
Colorado	360	7,914
Oklahoma	496	3,988
Oregon	120	3,381
Arizona	500	2,957
Idaho		2,023
Hawaii		1,336
South Dakota		1,192
Utah		1,041
Nevada		1,004
New Mexico		739
North Dakota		389
Montana	60	321
Alaska	50	258
Wyoming		195
TOTAL	6,953	113,693

South	October	Y-T-D
Florida	1,351	17,319
N. Carolina	5,435	13,465
Georgia	800	9,605
Virginia	1,196	8,533
Tennessee	72	6,154
S. Carolina	70	4,804
Alabama	210	3,694
Mississippi	122	3,252
Louisiana	45	3,057
Kentucky	26	2,447
Arkansas	300	1,719
West Virginia	50	1,016
TOTAL	9,677	75,065

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	October	YEAR-TO-DATE
Restructuring	17,050	158,029
Closing	6,045	86,588
Cost-Cutting	7,771	69,568
Demand Downturn	7,216	25,363
Merger/Acquisition	892	14,868
Economic Conditions	4,145	13,917
Sequestration	261	12,228
Loss of Contract	941	10,397
Voluntary Severance		5,914
Falling Sales		5,280
Outsourcing	90	5,092
Legal Trouble	50	4,334
Bankruptcy		4,042
Health Reform	721	3,246
Relocation	63	2,739
Federal Spending Cuts		2,500
Competition	485	2,145
Natural Disaster		2,052
Labor Dispute		1,000
Rising Costs		868
Order Cancellation/Reduction		846
Government Regulation		566
Work Stoppage		400
Reorganization/Consolidation		359
Drought		221
Government Drawdown in Iraq		215
Funding Loss		180
Technological Update		149
Firing		8
TOTAL	45,730	433,114

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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	127,018	606,082
2012	143,094	139,997	102,910	137,361	523,362
2013	145,041	113,891	128,452		387,384
AVG	208,629	160,183	185,668	220,678	

*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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JOB-CUT ANNOUNCEMENT REPORT**

ANNOUNCED SEASONAL HIRING PLANS

Macy's	83,000
Target	70,000
Amazon	70,000
Walmart	55,000
UPS	55,000
Kohl's	53,000
Toys R Us	45,000
JCPenney	35,000
FedEx	20,000
GameStop	17,000
Meijer	9,000
JoAnn's	3,000
eBay (Louisville, KY)	2,000
Eddie Bauer (Columbus, OH)	1,200
Walt Disney World	1,000
eBay (Eau Claire, WI)	800
Universal Orlando	700
SeaWorld	200
Legoland Florida	165

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**ANNOUNCED HIRING PLANS
MONTHLY TOTALS**

	2013	2012	2011
January	60,585	7,568	29,492
February	92,372	10,720	72,581
March	8,115	12,390	10,869
April	9,322	11,794	59,648
May	9,618	7,722	10,248
June	8,774	12,314	15,498
July	9,728	10,350	10,706
August	7,662	12,079	15,201
September	445,617	425,683	76,551
October	87,874	75,065	159,177
November		28,526	63,527
December		16,266	14,074
TOTAL	739,667	630,477	459,971

In January, Lowe's announced 50,000 seasonal hires.

In February, Home Depot announced 80,000 seasonal hires.

In September, seasonal/holiday hires numbered 440,200

In October, seasonal/holiday hires numbered 80,865

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ANNOUNCED HIRING PLANS

Industry	October	Year-To-Date
Aerospace/Defense	600	4,745
Apparel		300
Automotive	156	15,597
Chemical		360
Commodities		0
Computer	1,610	5,826
Construction		1,675
Consumer Products	50	2,131
Education		4,242
Electronics	300	745
Energy	400	1,643
Entertainment/Leisure	2,145	3,285
Financial	150	4,011
Food	344	4,197
Government		4,217
Health Care/Products	470	8,114
Industrial Goods	824	6,924
Insurance		1,322
Legal	10	10
Non-Profit		11
Media	50	183
Pharmaceutical	400	895
Real Estate		0
Retail	3,800	588,337
Services	845	1,270
Telecommunications	90	3,180
Transportation	75,630	76,347
Utility		100
TOTAL	87,874	739,667