Challenger, Gray & Christmas, Inc.

CONTACT
Colleen Madden Blumenfeld
Office: 312-422-5074
Mobile: 314-807-1568
colleenmadden@challengergray.com

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MAY CEO TURNOVER REPORT: CEOS LEAVE AT HIGHEST MONTHLY RATE ON RECORD
224 CEOs Leave Posts in May

CHICAGO, June 22, 2023 – The number of CEO changes at U.S. companies hit the highest total for a single month on record in May with 224, up 52% from the 147 in April. May's total is up 49% from the 150 CEOs who left their posts in the same month one year prior, according to a report released Thursday by global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

May's total is the highest total for a month since Challenger began tracking CEO exits in 2002, after three consecutive months where CEO exits were the highest for that month on record. The next highest month for CEO exits occurred in January 2019 when 219 CEOs left their posts.

"It is certainly significant that so many CEOs are leaving, especially since the last time we saw numbers this high was just prior to Covid-19 lockdowns. Certainly, companies are dealing with some uncertainty heading into the second half of the year surrounding recession concerns, disruptive technology, and high interest rates," said Andrew Challenger, workplace expert and Senior Vice President of Challenger, Gray & Christmas, Inc.

So far this year, 789 CEOs have left their posts, up 18% from the 668 who left their posts in the first five months of 2022. This is the highest January through May total on record.

WOMEN CEOs

The rate of new CEOs who are women fell in May to 28.8% from 29.5% in April. This remains higher than the rate through the first five months of 2022, when 25% of new CEOs who were women. Meanwhile, women CEOs leaving the top spot ticked up to 22% through May 2023 from 21% through April, and up from 19% during the corresponding period in 2022.

"The talent pipeline for women certainly grew during post-MeToo and during the pandemic, when calls for diversity in the executive ranks were loudest. Some of the rhetoric surrounding diversity initiatives has cooled, and while the public discussion may have fallen, it would be a mistake for companies to stop promoting and supporting women in the C-suite," said Challenger.

WHERE ARE CEO EXITS HAPPENING?

Government/Non-Profit led last month with 58 CEO exits, with 42 being heads of Non-Profits. The sector has seen a total of 182 exits this year, up 18% from the 154 announced through May last year.

The Technology sector, which has seen the most layoffs for the industry since 2002 according to the latest Challenger Report, followed with 21 in May. For the year, Technology has announced 91 CEO exits, an increase of 44% from the 63 CEO exits recorded through the same period in 2022.

The Health Care/Products sector and the Hospitals industry both announced 18 CEO exits last month. Hospitals have announced a total of 80 CEO changes this year, an increase of 70% from the 47 Hospital CEOs who left their posts during the same period in 2022.

“Hospital systems are struggling in a number of areas post-pandemic. Talent shortages, retention, and wages for staff are an issue, while cost of care is rising. Many systems are struggling to operate, and new leadership is needed to attempt to turn things around,” said Challenger.

REASONS FOR EXITS

Companies are most often not giving reasons for their CEOs’ departures at 204, up 45% from the 141 who left without reason last year.

Another 182 CEOs retired this year, up 17% from the 155 who retired in the same period last year.

Four CEOs left amid professional misconduct allegations, such as fraud or mismanagement of funds. Challenger did not track any professional misconduct allegations in 2022 and two in 2021. One CEO left due to sexual harassment allegations, the same as in 2022.

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CHALLENGER CEO REPORT
CEO DEPARTURES
By Month

Month	2023	2022	2021	2020	2019	2018	2017	2016
January	**112**	125	89	219	157	132	128	131
February	**167**	151	106	128	124	113	72	87
March	**139**	119	112	94	135	96	101	101
April	**147**	123	133	48	97	109	91	108
May	**224**	150	99	83	114	91	80	100
June		106	104	91	99	90	95	97
July		58	127	125	124	94	102	92
August		63	118	109	159	154	96	109
September		74	103	119	151	148	101	119
October		71	142	92	172	149	105	99
November		95	98	110	148	147	94	106
December		100	106	96	160	129	95	99
TOTAL	**789**	**1,235**	**1,337**	**1,314**	**1,640**	**1,452**	**1,160**	**1,248**

Type	May-23	YTD
Private/Government/Non-Profit	181	661
Public	43	128

Annual CEO Turnover by Company Type

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
CEO Turnover at Public Companies	278	296	266	249	278	254	230	230	262	311	176	195	199

CHALLENGER CEO REPORT
By Industry

	22-May	23-Apr	23-May	Year to Date 2023	Year to Date 2022
Aerospace/Defense		1		6	7
Apparel	2	1	2	6	3
Automotive	1	3	2	9	5
Cannabis	1		3	7	4
Chemical	1	1		4	2
Commodities				0	0
Construction		3	2	12	10
Consumer Products	2	1	6	19	24
Electronics	2	1		1	5
Energy	2	5	5	18	13
Entertainment/Leisure	6	5	17	45	43
Financial	17	4	15	59	48
FinTech	2	2	3	14	15
Food	5	8	7	25	16
Government/Non-Profit	36	39	58	182	154
Health Care/Products	22	24	18	63	68
Hospitals	11	8	18	80	47
Industrial Goods	1	2	3	8	7
Insurance	3	1	1	6	12
Legal	1			0	4
Media		1	6	17	12
Pharmaceutical	6	1	3	12	16
Real Estate	1	1	4	10	11
Retail	3	4	6	16	9
Services	6	9	13	50	48
Technology	16	20	21	91	63
Telecommunications		1		6	2
Transportation	1	1	6	12	10
Utility	2		5	11	10
TOTAL	150	147	224	789	668

By State

EAST	May-23	YTD 2023	YTD 2022
Connecticut	1	4	6
Delaware	1	2	2
Dist. of Columbia	1	9	3
Maine	3	4	4
Maryland	4	12	8
Massachusetts	8	30	36
New Hampshire		2	4
New Jersey	7	18	13
New York	22	58	39
Pennsylvania	10	35	28
Rhode Island		5	5
Vermont	2	6	4
	59	185	152

MIDWEST	May-23	YTD 2023	YTD 2022
Illinois	7	24	23
Indiana	2	16	18
Iowa	2	5	5
Kansas		5	7
Michigan	5	18	19
Minnesota	5	26	14
Missouri	4	21	13
Nebraska	1	4	6
Ohio	7	42	28
Wisconsin	3	12	11
TOTAL	36	173	144

By State

WEST	May-23	YTD 2023	YTD 2022
Alaska		1	1
Arizona	6	15	16
California	28	105	70
Colorado	5	24	21
Hawaii	1	1	0
Idaho	1	1	3
Montana	3	7	1
Nevada	2	4	4
New Mexico	2	9	12
North Dakota	1	2	2
Oklahoma	2	7	5
Oregon	4	11	11
South Dakota		0	4
Texas	14	53	46
Utah	2	5	7
Washington	4	13	14
Wyoming		0	0
TOTAL	75	258	217

SOUTH	May-23	YTD 2023	YTD 2022
Alabama	6	11	9
Arkansas	3	4	4
Florida	16	50	43
Georgia	4	16	15
Kentucky	2	7	10
Louisiana	6	9	5
Mississippi		2	1
N. Carolina	7	24	18
S. Carolina	3	7	4
Tennessee	4	25	20
Virginia	3	18	25
West Virginia		0	1
TOTAL	54	173	155

By Reason

Reason	May	YTD
No Reason Given	84	266
Retired	51	182
Stepped Down	24	120
Resigned	23	48
New Opportunity	10	40
Interim Period Over	11	37
New Position within Company	2	32
Personal Reasons	1	17
Acquisition/Merger	4	10
Terminated	3	8
Deceased	1	7
Differences with Board	1	5
Restructuring	2	5
Allegations of Professional Misconduct	4	4
Bankruptcy		3
Legal Trouble	2	2
Scandal		1
Allegations of Sexual Misconduct	1	1
Amid Layoffs		1

Average Age, Tenure

	Age		Tenure	
	2023	2022	2023	2022
January	55.4	57.8	9.9	9.5
February	59.0	55.0	11.2	9.8
March	55.0	56.6	9.8	10.2
April	55.6	57.6	10.0	10.0
May	56.8	56.1	10.3	10.8
June		57.4		10.9
July		59.1		8.8
August		54.8		8.6
September		54.5		9.6
October		53.6		8.9
November		57.0		9.8
December		52.4		8.2

CEO Replacements

Replacement Type	YTD 2023	YTD 2022
External Replacement	361	307
Internal Replacement	366	298

Annual Internal vs. External Replacement CEOs

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
External Replacements	469	469	431	513	524	478	493	462	564	784	636	666
Internal Replacements	458	479	529	480	539	560	557	515	630	620	528	552

Incoming CEOs by Gender

Incoming	CEOs (Interim) YTD 2023	CEOs (Interim) YTD 2022
Women Replacing Women	79 (9)	59 (5)
Men Replacing Women	75 (8)	54 (3)
Women Replacing Men	129 (9)	94 (5)
Men Replacing Men	441 (38)	397 (26)
Non-Binary Replacing Men	0	0
Artificial Intelligence Replacing Men	1	0
Total	725	604
Percentage of New CEOs Who are Women/Non-Binary	28.79%	25.33%

Annual

	2014	2015	2016	2017	2018	2019	2020	2021
Women Replacing Women	54	50	64	69	89	119	79	110
Men Replacing Women	89	91	99	88	120	131	105	130
Women Replacing Men	107	109	130	119	182	189	193	222
Men Replacing Men	812	788	757	741	814	983	817	774
Grand Total	1,062	1,038	1,050	1,017	1,205	1,422	1,194	1,236
Percentage of Women Replacement CEOs	15.20%	15.30%	18.50%	18.50%	22.50%	21.70%	22.78%	26.86%

Source: Challenger, Gray & Christmas, Inc. ©