



Challenger, Gray  
& Christmas

# CHALLENGER REPORT

## August 2025

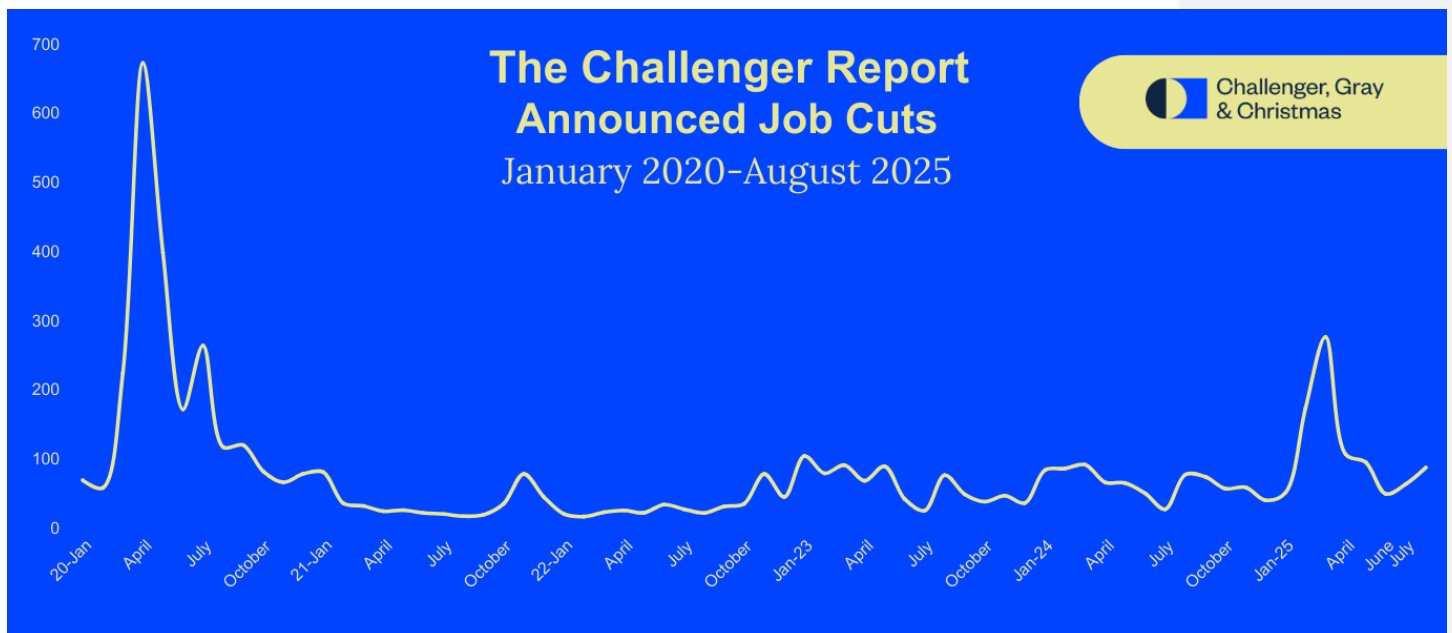
**FOR RELEASE AT 7:30 A.M. ET, THURSDAY SEPTEMBER 4, 2025**

### **PHARMA AND FINANCE LEAD AS AUGUST JOB CUTS RISE 39% TO 85,979**

**CHICAGO, September 4, 2025** – U.S.-based employers announced 85,979 job cuts in August, up 39% from the 62,075 announced in July. It is up 13% from the 75,891 announced in the same month last year, according to a report released Thursday from global outplacement and business and executive coaching firm Challenger, Gray & Christmas.

August's total was the highest for the month since 2020 when 115,762 job cuts were recorded. After 2020, it is the highest August total since the thick of the Great Recession in 2008, when 88,736 cuts were announced. August marks the sixth time this year that the job cut total surpassed that of the corresponding month one year prior.

**So far this year, companies have announced 892,362 job cuts, the highest YTD since 2020 when 1,963,458 were announced. It is up 66% from the 536,421 job cuts announced through the first eight months of last year and is up 17% from the 2024 full year total of 761,358.**



“After the impact of DOGE on the Federal Government, employers are citing economic and market factors as the driver of layoffs. We’ve also seen a spike in cuts due to operation or store closings and

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bankruptcies this year compared to last,” said Andrew Challenger, Senior Vice President and labor expert for Challenger, Gray & Christmas.

### **WHICH INDUSTRIES ARE CUTTING THE MOST IN AUGUST?**

#### **Pharmaceuticals**

Pharmaceutical companies announced plans to cut 19,112 jobs in August, for a total of 22,433. This is an increase of 142% from the 9,254 cuts in this sector during the same period last year. The industry is facing increasing competition as patents expire, while also refocusing on higher-profit products. Many of these companies are also implementing AI, causing restructuring and leading to job loss.

#### **Financial**

Financial firms announced 18,092 job cuts in August for a total of 44,986, up 27% from 35,526 cuts announced through August 2024.

“Economic uncertainty and market volatility have increased pressure on companies in finance to tighten belts,” said Challenger.

#### **Retail**

Retailers have announced 83,656 job cuts through August, up 242% from the 24,489 cuts announced during the same period last year.

“Retailers are being hard hit by tariffs, inflation, and ongoing economic uncertainty causing bankruptcies and closures. If tariffs and consumer spending constraints play out, the approaching holiday shopping season may see fewer seasonal hires and, in fact, high layoffs,” said Challenger.

#### **Non-Profits**

Non-Profits announced 4,325 job cuts last month for a total of 22,151. This is an increase of 449% from the 4,032 job cuts announced in the first eight months of 2024. This is the most job cuts for the sector since 2020, when 50,091 job cuts were announced through August.

#### **Technology**

Technology continues to be a leading job-cutting industry in August with 12,988. While it trails only Government in announced job cuts this year with 102,239, cuts in this sector are down 3% from the 105,426 cuts announced during the same period last year.

#### **Media & News**

Media companies, which include streaming services and studios, have announced 13,729 job cuts so far in 2025. That is up 13% from the 12,122 cuts announced during the same period last year. This increase has not been felt in the News industry, which Challenger tracks as a subset of Media.

Source: Challenger, Gray & Christmas

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Through August, News organizations have announced 1,547 cuts, half of the 3,102 cuts announced in the same period last year.

### **WHY ARE COMPANIES CUTTING IN 2025?**

“DOGE Actions” remains the leading reason for job cut announcements in 2025, cited in 292,279 planned layoffs so far this year. This includes direct reductions to the Federal workforce and its contractors. An additional 17,346 cuts have been attributed to DOGE Downstream Impact, such as the loss of funding to private non-profits and affiliated organizations.

Market and Economic Conditions are the second-most cited reason for workforce reductions, responsible for 199,297 cuts year to date. This reflects employers’ continued response to economic uncertainty, inflation, and shifting demand across sectors.

Closings of stores, units, or plants have led to 131,030 layoffs so far this year, up from 83,536 during the same period last year. Restructuring efforts have resulted in 96,871 job cuts. Bankruptcies accounted for another 35,744 layoffs, up from 10,356 through August 2024.

Technological Updates, including automation and possibly AI implementation, have led to 20,219 job cuts in 2025. Another 10,375 were explicitly attributed to Artificial Intelligence. No job cuts were recorded for these reasons in August.

### **WHERE ARE JOB CUTS HAPPENING THIS YEAR?**

Challenger tracks job cuts by company headquarters location, unless an announcement specifies the geographic location of the layoffs.

The East region has experienced the largest year-over-year increase in job cuts, rising 224% from 147,368 in 2024 to 477,092 in 2025. This surge is driven by reductions at Federal agencies counted in Washington, D.C., where cuts jumped from 34,526 last year to 294,696 this year. New Jersey posted the sharpest state-level increase, climbing 697% from 7,754 to 61,760, while New York rose 33% from 59,114 to 78,440. By contrast, several states saw declines: Massachusetts fell 31%, Vermont slipped 5%, and Connecticut declined 80%.

The Midwest saw a more moderate increase, with cuts rising 8.3% from 89,664 in 2024 to 97,086 in 2025. Ohio saw an 89% increase from 20,832 to 39,491, while Nebraska spiked more than 500% from 753 to 4,869. On the other hand, several states saw declines: Wisconsin dropped 69%, Indiana fell 48%, and Michigan declined 35%.

In the West, job cuts remained essentially flat, totaling 231,969 in 2025 compared to 234,141 in 2024. California drove the largest share, rising 24% from 108,863 to 135,241. Arizona also posted a notable increase of 68%, while Washington rose 54% from 18,531 to 28,614. However, Texas, Nevada, and Oregon posted declines.

The South reported a 32% increase, rising from 65,248 in 2024 to 86,215 in 2025. Georgia nearly doubled, climbing 83% from 16,585 to 30,364, while Florida saw a 65% jump from 11,168 to 18,402.

Source: Challenger, Gray & Christmas

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Alabama also more than doubled, rising from 3,250 to 6,824. By contrast, several states saw modest declines: North Carolina (–21%), South Carolina (–31%), Tennessee (–4%), and Virginia (–9%).

### **HIRING PLANS IN 2025**

So far this year, employers plan to add 87,626 jobs, up 10% from the 79,697 cuts announced through the first eight months of 2024. Employers announced plans to add 1,494 jobs in August, the lowest total for the month since Challenger began tracking hiring plans in 2009.

“September is typically when we begin to see large seasonal hiring announcements, which foretell how Retailers expect the holiday season to go. Coming off the lowest August on record for hiring plans, it may be a troubling sign,” said Challenger.

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**Table 1: EXECUTIVE SUMMARY**

**TOP FIVE INDUSTRIES**

Year To Date

	2025	2024
Government	295,273	37,616
Technology	102,239	105,426
Retail	83,656	24,489
Services	55,300	34,469
Financial	44,986	35,526

**MONTH BY MONTH TOTALS**

	2025	2024
January	49,795	82,307
February	172,017	84,638
March	275,240	90,309
April	105,441	64,789
May	93,816	63,816
June	47,999	48,786
July	62,075	25,885
August	85,979	75,891
September		72,821
October		55,597
November		57,727
December		38,792
<b>TOTAL</b>	<b>892,362</b>	<b>761,358</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**

	YTD 2025	YTD 2024
Dist. of Columbia	294,696	34,526
California	135,241	108,863
New York	78,440	59,114
New Jersey	61,760	7,754
Ohio	39,491	20,832

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

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**Table 2: JOB CUTS BY INDUSTRY**

	24-Aug	25-Jul	25-Aug	YTD 2024	YTD 2025
Aerospace/Defense	1,181	481	657	11,061	2,761
Apparel	1,700	44	80	7,725	1,845
Automotive	1,853	4,975	1,151	26,287	18,034
Chemical	75	28		1,270	2,224
Construction	833	1,777	272	9,719	4,125
Consumer Products	2,563	1,278	2,940	25,409	35,641
Education	236	2,458	2,150	25,396	16,266
Electronics		125	132	2,442	6,451
Energy	743	1,523	588	7,025	9,004
Entertainment/Leisure	1,351	864	1,298	21,686	14,766
Financial	3,155	1,096	18,092	35,526	44,986
FinTech	262	581		4,921	1,813
Food	1,429	1,850	818	20,866	12,761
Government	2	3,666	2,979	37,616	295,273
Health Care/Products	6,158	2,323	4,038	31,336	36,437
Industrial Goods	2,285	1,302	762	17,828	7,693
Insurance	210	474	193	2,004	3,623
Legal				102	403
Media	2,783	5,044	3,933	12,122	13,729
Mining			19	645	2,320
Non-Profit	555	896	4,325	4,032	22,151
Pharmaceutical	1,561	1,359	19,112	9,254	22,433
Real Estate	333	97	72	4,692	1,533
Retail	1,412	622	3,169	24,489	83,656
Services	3,691	4,702	1,862	34,469	55,300
Technology	39,563	13,037	12,988	105,426	102,239
Telecommunications	423	4,383	352	5,130	19,629
Transportation	783	1,934	1,028	23,783	11,381
Utility	5	455	356	8,879	2,329
Warehousing	746	4,701	2,613	15,281	41,556
<b>TOTAL</b>	<b>75,891</b>	<b>62,075</b>	<b>85,979</b>	<b>536,421</b>	<b>892,362</b>

Source: Challenger, Gray & Christmas

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**Table 3: JOB CUTS BY REGION, STATE**

<b>EAST</b>	<b>Aug-25</b>	<b>YTD 2025</b>	<b>YTD 2024</b>
Connecticut	134	1,574	7,986
Delaware		209	50
Dist. of Columbia	2,110	294,696	34,526
Maine	100	4,811	459
Maryland	992	8,475	6,695
Massachusetts	1,563	10,607	15,335
New Hampshire	36	154	237
New Jersey	35,065	61,760	7,754
New York	2,402	78,440	59,114
Pennsylvania	138	15,088	11,131
Rhode Island		939	3,724
Vermont	167	339	357
<b>TOTAL</b>	<b>42,707</b>	<b>477,092</b>	<b>147,368</b>

<b>MIDWEST</b>	<b>Aug-25</b>	<b>YTD 2025</b>	<b>YTD 2024</b>
Illinois	2,472	16,640	17,231
Indiana	783	1,852	3,529
Iowa	411	6,401	6,212
Kansas	72	2,772	2,108
Michigan	525	11,852	18,348
Minnesota	788	6,111	7,295
Missouri	882	4,584	5,331
Nebraska		4,869	753
Ohio	1,553	39,491	20,832
Wisconsin	156	2,514	8,025
<b>TOTAL</b>	<b>7,642</b>	<b>97,086</b>	<b>89,664</b>

<b>WEST</b>	<b>Aug-25</b>	<b>YTD 2025</b>	<b>YTD 2024</b>
Alaska		1,712	70
Arizona	1,940	14,454	8,623
California	20,565	135,241	108,863
Colorado	1,126	4,673	5,205
Hawaii	59	742	1,575
Idaho		330	702
Montana	105	349	332
Nevada	445	2,336	9,845
New Mexico		203	893
North Dakota	60	60	5
Oklahoma		1,561	596
Oregon	165	3,367	9,864
South Dakota	15	388	711
Texas	2,650	36,854	64,646
Utah	63	1,057	1,778
Washington	2,090	28,614	18,531
Wyoming		28	1,902
<b>TOTAL</b>	<b>29,283</b>	<b>231,969</b>	<b>234,141</b>
<b>SOUTH</b>	<b>Aug-25</b>	<b>YTD 2025</b>	<b>YTD 2024</b>
Alabama	294	6,824	3,250
Arkansas		520	1,649
Florida	1,497	18,402	11,168
Georgia	2,296	30,364	16,585
Kentucky	493	3,437	2,390
Louisiana	80	1,239	1,284
Mississippi		1,056	727
North Carolina	430	6,449	8,141
South Carolina	244	2,852	4,115
Tennessee	785	8,923	9,261
Virginia	228	5,160	5,698
West Virginia		989	980
<b>TOTAL</b>	<b>6,347</b>	<b>86,215</b>	<b>65,248</b>

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**Table 4: JOB CUTS BY REASON**

	<b>Aug-25</b>	<b>YTD 2025</b>
DOGE Actions	2,600	292,279
Market/Economic Conditions	28,214	199,297
Closing	10,804	131,030
Restructuring	29,992	96,871
Bankruptcy	103	35,744
Cost-Cutting	2,471	22,448
Technological Update (possibly AI)		20,219
No Reason Provided	353	20,125
DOGE Downstream Impact	4,290	17,346
Acquisition/Merger	3,185	11,255
Contract Loss	1,198	10,789
Artificial Intelligence		10,375
Demand Downturn	1,272	6,306
Tariffs		5,847
Financial Loss	926	5,835
Relocation (Domestic)	348	1,450
Labor Dispute		1,189
Consolidation	143	1,130
Voluntary Severance/Buyouts		1,000
Natural Disaster	80	870
COVID Recovery		705
Government Regulations		140
Outsourcing Operations to Another US Company		76
COVID-19		36
<b>TOTAL</b>	<b>85,979</b>	<b>892,362</b>

Source: Challenger, Gray & Christmas



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**Table 5: 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	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
2016	180,920	132,834	121,858	91,303	526,915
2017	126,201	100,799	94,478	97,292	418,770
2018	140,379	104,800	120,879	172,601	538,659
2019	190,410	140,577	133,882	127,687	592,556
2020	346,683	1,238,364	497,215	222,493	2,304,755
2021	144,686	67,975	52,560	56,749	321,970
2022	55,696	77,515	76,284	154,329	363,824
2023	270,416	187,793	146,305	117,163	721,677
2024	257,254	177,391	174,597	152,116	761,358
2025	497,052	247,256			744,308
AVG	207,756	181,307	175,300	185,083	

Source: Challenger, Gray & Christmas

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**Table 6: ANNOUNCED HIRING PLANS**

**By Month**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
January	6,089	5,376	32,764	77,630	72,063	23,229	74,040	41,890	136,501	8,362
February	34,580	10,317	28,830	215,127	146,403	88,202	15,279	139,925	25,765	7,539
March	13,198	21,102	9,044	105,224	97,767	824,610	96,368	14,525	127,006	10,997
April	16,191	9,802	23,310	88,622	76,345	285,639	258,302	13,842	61,537	11,557
May	9,683	4,236	7,885	126,083	49,118	38,981	8,663	9,889	77,447	24,732
June	3,191	19,087	13,629	102,897	110,093	75,454	11,946	13,504	40,095	13,564
July	3,200	3,676	12,774	25,506	18,281	246,507	22,316	9,823	88,142	16,051
August	1,494	6,101	7,744	41,985	94,004	160,411	24,937	17,274	14,530	9,101
September		403,893	590,353	380,014	939,790	929,860	459,689	595,997	422,726	487,075
October		266,743	35,202	237,380	52,042	255,198	190,835	130,338	37,387	135,532
November		11,621	15,566	30,203	6,527	185,504	19,063	15,422	61,300	108,994
December		7,999	3,022	51,693	89,984	77,267	26,313	15,999	8,218	35,198
TOTAL	87,626	769,953	780,123	1,482,364	1,752,417	3,190,862	1,207,751	1,018,428	1,100,654	868,702
YTD		79,697	135,980	783,074	664,074	1,743,033	511,851	260,672	571,023	101,903
Monthly Average	10,953	64,163	65,010	123,530	146,035	265,905	100,646	84,869	91,721	72,392

Source: Challenger, Gray & Christmas

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**Table 7: ANNOUNCED HIRING PLANS**

INDUSTRY	25-Aug	YTD 2025	YTD 2024
Aerospace/Defense	500	4,786	7,121
Apparel	20	218	310
Automotive	60	6,221	4,302
Chemical	30	70	552
Construction	25	932	3,804
Consumer Products	35	3,065	4,115
Education	40	40	1,542
Electronics		610	809
Energy		1,070	12,327
Entertainment/Leisure	44	28,234	1,400
Financial		75	65
FinTech		2,382	85
Food		427	3,685
Government		7,056	1,652
Health Care/Products		4,197	3,255
Industrial Goods	430	4,837	7,340
Insurance		12,800	0
Legal		0	0
Media		0	175
Mining		900	221
Non-Profit		0	60
Pharmaceutical		400	2,224
Real Estate		0	1,700
Retail	250	250	1,510
Services		298	986
Technology	60	5,570	13,663
Telecommunications		1,100	1,174
Transportation		305	2,446
Utility		1,493	1,345
Warehousing		290	1,829
<b>TOTAL</b>	<b>1,494</b>	<b>87,626</b>	<b>79,697</b>

Source: Challenger, Gray & Christmas