

CHALLENGER REPORT

September 2025

FOR RELEASE AT 7:30 A.M. ET, THURSDAY OCTOBER 2, 2025

SEPTEMBER JOB CUTS FALL 37% FROM AUGUST; YTD TOTAL HIGHEST SINCE 2020, LOWEST YTD HIRING SINCE 2009

CHICAGO, October 2, 2025 – U.S.-based employers announced 54,064 job cuts in September, a 37% drop from the 85,979 cuts announced in August. It is down 26% from the 72,821 announced in the same month last year. September marks the third time this year job cuts were lower than the corresponding month one year earlier, according to a report released Thursday from global outplacement and business and executive coaching firm Challenger, Gray & Christmas.

In the third quarter, planned layoffs by U.S. employers totaled 202,118, the highest Q3 total since 2020, when 497,215 job cuts were recorded. It is up 16% from the 174,597 planned cuts announced in the third quarter of 2024, and down 18% from the 247,256 recorded in the previous quarter.

So far this year, companies have announced 946,426 job cuts, the highest YTD since 2020 when 2,082,262 were announced. It is up 55% from the 609,242 job cuts announced through the first three quarters of last year and is up 24% from the 2024 full year total of 761,358. The 2025 year-to-date total is the fifth highest in the 36 years Challenger has reported.



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“It’s very likely job cut plans are going to surpass a million for the first time since 2020 and for the ninth time in our series. Previous periods with this many job cuts occurred either during recessions or, as was the case in 2005 and 2006, during the first wave of automations that cost jobs in manufacturing and technology,” said Andy Challenger, Senior Vice President and labor expert for Challenger, Gray & Christmas.

“Right now, we’re dealing with a stagnating labor market, cost increases, and a transformative new technology. With rate cuts on the way, we may see some stabilizing in the job market in the fourth quarter, but other factors could keep employers planning layoffs or holding off hiring,” he added.

WHICH INDUSTRIES ARE CUTTING THE MOST THIS YEAR?

Government

The Government sector has announced 299,755 planned job cuts this year, of which 289,363 were Federal workers impacted by DOGE. In September, Challenger tracked 5,656 rescinded layoffs and attempts to rehire previously laid off workers at eight agencies. These are counted as hiring plans and reported in the firm’s hiring figures represented in Tables 6 and 8.

Technology

Through September, Technology companies have announced 107,878 job cuts, including 5,639 last month. This is an 8% decline from the 116,856 job cut plans from Tech companies during the same period last year. Technology companies have cut 241,866 jobs since January 2024.

“Tech firms are undergoing incredible disruption with AI that is not only costing jobs, but also making it difficult to land positions, particularly for entry-level engineers. Tech leaders have stressed that AI is changing the nature of work, and more companies are requiring their teams be trained on it,” noted Challenger.

In September, Challenger tracked 7,000 job cuts due to artificial intelligence specifically, bringing the total to 17,375. Another 20,219 cuts have been attributed to technological updates that likely include artificial intelligence.

Retail

Retailers have announced 86,233 job cuts through September, up 203% from the 28,440 cuts announced during the same period last year.

“Now is when we typically see Retailers bulk up for the holidays, but so far, plans have been slow to come, reflecting caution. With lower consumer confidence and tariff pressures ahead, we predict the hiring season will be muted,” said Challenger. (See Table 7)

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Media & News

Media companies, which include streaming services, studios, and news, have announced 14,060 job cuts so far in 2025. That is up 9% from the 12,914 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. Through September, News organizations have announced 1,738 cuts, down 49% from 3,402 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 293,753 planned layoffs so far this year. This includes direct reductions to the Federal workforce and its contractors. An additional 20,976 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 208,227 cuts year to date. This reflects employers’ continued response to economic uncertainty, inflation, tariffs, and shifting demand across sectors.

Closings of stores, units, or plants have led to 144,652 layoffs so far this year, up from 97,590 during the same period last year. Restructuring efforts have resulted in 100,450 job cuts, while Bankruptcies accounted for another 37,590 layoffs, up from 10,700 through September 2024.

Technological Updates, including automation and possibly AI implementation, have led to 20,219 job cuts in 2025. Another 17,375 were explicitly attributed to Artificial Intelligence, including 7,000 announced in September.

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 continues to experience the largest year-over-year increase in job cuts, rising 193% from 166,060 in 2024 to 487,049 in 2025. This surge is driven by reductions at Federal agencies counted in Washington, D.C., where cuts jumped 759%, from 34,788 last year to 298,901 this year. New Jersey posted one of the sharpest state-level increases, climbing 449% from 11,524 to 63,217, while New York rose 24% from 65,070 to 80,428. By contrast, several states saw declines: Massachusetts fell 31%, Vermont slipped 5%, and Connecticut declined 82%.

The Midwest has seen essentially flat job cuts compared to last year, totaling 102,838 in 2025 versus 102,168 in 2024. Ohio reported the largest increase, climbing 76% from 22,651 to 39,847, while Nebraska spiked more than 500% from 753 to 5,032. Meanwhile, Wisconsin dropped 64%, Indiana fell 49%, and Michigan declined 34%.

In the West, job cuts dipped slightly, totaling 261,097 in 2025 compared to 266,716 in 2024. California drove the largest share, rising 13% from 127,997 to 144,528. Arizona also posted a

Source: Challenger, Gray & Christmas

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notable increase of 78%, while Washington nearly doubled, up 95% from 19,310 to 37,550. However, several states saw steep declines: Texas fell 34%, Nevada dropped 75%, and Oregon declined 61%.

The South reported the steepest percentage growth, rising 29% from 74,298 in 2024 to 95,442 in 2025. Georgia jumped 80% from 17,422 to 31,339, while Florida saw a 73% increase from 11,897 to 20,550. Alabama also more than doubled, rising 118% from 3,250 to 7,089. By contrast, several states saw modest declines: North Carolina (–11%), South Carolina (–28%), Tennessee (–33%), and Arkansas (–63%).

HIRING PLANS IN 2025

So far this year, employers plan to add 204,939 jobs, down 58% from the 483,590 announced hiring plans through September 2024. Most of this drop is due to a low number of seasonal hiring announcements. Last month, Challenger tracked 100,800 seasonal hiring plans, down from 401,850 announced by the beginning of October 2024. September marks the lowest year-to-date hiring plans since 2009, when 169,385 new hires were recorded.

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Table 1: EXECUTIVE SUMMARY

TOP FIVE INDUSTRIES

Year To Date

	2025	2024
Government	299,755	37,739
Technology	107,878	116,856
Retail	86,233	28,440
Services	61,590	37,465
Financial	46,386	36,217

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	54,064	72,821
October		55,597
November		57,727
December		38,792
TOTAL	946,426	761,358

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	298,901	34,788
California	144,528	127,997
New York	80,428	65,070
New Jersey	63,217	11,524
Texas	43,599	66,179

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-Sep	25-Aug	25-Sep	YTD 2024	YTD 2025
Aerospace/Defense		657	25	11,061	2,786
Apparel		80	100	7,725	1,945
Automotive	4,697	1,151	2,750	30,984	20,784
Chemical	60		320	1,330	2,544
Construction	814	272	1,273	10,533	5,398
Consumer Products	3,885	2,940	1,983	29,294	37,624
Education	589	2,150	1,252	25,985	17,518
Electronics	714	132	140	3,156	6,591
Energy	1,290	588	5,807	8,315	14,811
Entertainment/Leisure	9,368	1,298	2,985	31,054	17,751
Financial	691	18,092	1,400	36,217	46,386
FinTech	50			4,971	1,813
Food	2,082	818	4,074	22,948	16,835
Government	123	2,979	4,482	37,739	299,755
Health Care/Products	10,458	4,038	3,480	41,794	39,917
Industrial Goods	1,966	762	806	19,794	8,499
Insurance	3,360	193	245	5,364	3,868
Legal				102	403
Media	792	3,933	331	12,914	14,060
Mining	728	19		1,373	2,320
Non-Profit	817	4,325	672	4,849	22,823
Pharmaceutical	3,073	19,112	1,077	12,327	23,510
Real Estate		72		4,692	1,533
Retail	3,951	3,169	2,577	28,440	86,233
Services	2,996	1,862	6,290	37,465	61,590
Technology	11,430	12,988	5,639	116,856	107,878
Telecommunications	5,150	352	1,233	10,280	20,862
Transportation	1,480	1,028	3,948	25,263	15,329
Utility		356	191	8,879	2,520
Warehousing	2,257	2,613	984	17,538	42,540
TOTAL	72,821	85,979	54,064	609,242	946,426

Source: Challenger, Gray & Christmas

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Table 3: JOB CUTS BY REGION, STATE

EAST	Sep-25	YTD 2025	YTD 2024
Connecticut	68	1,642	9,125
Delaware		209	700
Dist. of Columbia	4,205	298,901	34,788
Maine		4,811	473
Maryland	399	8,874	7,013
Massachusetts	820	11,427	16,574
New Hampshire		154	237
New Jersey	1,457	63,217	11,524
New York	1,988	80,428	65,070
Pennsylvania	810	15,898	11,349
Rhode Island	210	1,149	8,850
Vermont		339	357
TOTAL	9,957	487,049	166,060

MIDWEST	Sep-25	YTD 2025	YTD 2024
Illinois	1,161	17,801	18,866
Indiana		1,852	3,659
Iowa	434	6,835	7,245
Kansas		2,772	3,963
Michigan	2,277	14,129	21,318
Minnesota	446	6,557	8,261
Missouri	118	4,702	6,269
Nebraska	163	5,032	753
Ohio	356	39,847	22,651
Wisconsin	797	3,311	9,183
TOTAL	5,752	102,838	102,168

WEST	Sep-25	YTD 2025	YTD 2024
Alaska		1,712	70
Arizona	998	15,452	8,673
California	9,287	144,528	127,997
Colorado	1,662	6,335	13,467
Hawaii	321	1,063	2,975
Idaho		330	715
Montana		349	1,035
Nevada	149	2,485	9,845
New Mexico	85	288	893
North Dakota	36	96	5
Oklahoma		1,561	921
Oregon	602	3,969	10,140
South Dakota		388	711
Texas	6,745	43,599	66,179
Utah	307	1,364	1,878
Washington	8,936	37,550	19,310
Wyoming		28	1,902
TOTAL	29,128	261,097	266,716

SOUTH	Sep-25	YTD 2025	YTD 2024
Alabama	265	7,089	3,250
Arkansas	100	620	1,674
Florida	2,148	20,550	11,897
Georgia	975	31,339	17,422
Kentucky	136	3,573	2,717
Louisiana		1,239	1,284
Mississippi		1,056	727
North Carolina	1,022	7,471	8,411
South Carolina	114	2,966	4,135
Tennessee	1,027	9,950	14,737
Virginia	3,440	8,600	7,064
West Virginia		989	980
TOTAL	9,227	95,442	74,298

Source: Challenger, Gray & Christmas

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Table 4: JOB CUTS BY REASON

	Sep-25	YTD 2025
DOGE Actions	1,474	293,753
Market/Economic Conditions	8,930	208,227
Closing	13,622	144,652
Restructuring	3,579	100,450
Bankruptcy	1,846	37,590
Cost-Cutting	4,400	26,848
No Reason Provided	1,186	21,311
DOGE Downstream Impact	3,630	20,976
Technological Update (possibly AI)		20,219
Artificial Intelligence	7,000	17,375
Acquisition/Merger	2,816	14,071
Contract Loss	1,731	12,520
Demand Downturn	440	6,746
Tariffs		5,847
Financial Loss		5,835
EV Tax Credit Expiration	2,393	2,393
Relocation (Domestic)	478	1,928
Labor Dispute		1,189
Consolidation		1,130
Voluntary Severance/Buyouts	27	1,027
Natural Disaster		870
COVID Recovery		705
Plant Upgrades	512	512
Government Regulations		140
Outsourcing Operations to Another US Company		76
COVID-19		36
TOTAL	54,064	946,426

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	202,118		946,426
AVG	207,756	181,307	176,025	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
January	6,089	5,376	32,764	77,630	72,063	23,229	74,040	41,890	136,501
February	34,580	10,317	28,830	215,127	146,403	88,202	15,279	139,925	25,765
March	13,198	21,102	9,044	105,224	97,767	824,610	96,368	14,525	127,006
April	16,191	9,802	23,310	88,622	76,345	285,639	258,302	13,842	61,537
May	9,683	4,236	7,885	126,083	49,118	38,981	8,663	9,889	77,447
June	3,191	19,087	13,629	102,897	110,093	75,454	11,946	13,504	40,095
July	3,200	3,676	12,774	25,506	18,281	246,507	22,316	9,823	88,142
August	1,494	6,101	7,744	41,985	94,004	160,411	24,937	17,274	14,530
September	117,313	403,893	590,353	380,014	939,790	929,860	459,689	595,997	422,726
October		266,743	35,202	237,380	52,042	255,198	190,835	130,338	37,387
November		11,621	15,566	30,203	6,527	185,504	19,063	15,422	61,300
December		7,999	3,022	51,693	89,984	77,267	26,313	15,999	8,218
TOTAL	204,939	769,953	780,123	1,482,364	1,752,417	3,190,862	1,207,751	1,018,428	1,100,654
YTD		483,590	726,333	1,163,088	1,603,864	2,672,893	971,540	856,669	993,749
Monthly Average	22,771	64,163	65,010	123,530	146,035	265,905	100,646	84,869	91,721

Source: Challenger, Gray & Christmas

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Table 7: ANNOUNCED SEASONAL HIRING PLANS

Company	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Spirit Halloween									50,000	50,000
Bath & Body Works								32,500	32,700	32,000
Michaels		15,000	15,000	15,000	16,000	20,000	15,000			10,000
GEODIS							5,000	3,000		4,600
Target	77,500	100,000	120,000	133,000	130,000	100,000	100,000	100,000	100,000	4,200*
Amazon	120,000	120,000	100,000	200,000	100,000	150,000	150,000	250,000	250,000	
UPS	95,000	95,000	100,000	95,000	100,000	100,000	100,000	100,000	125,000	
Macy's	83,000	87,000	80,000	80,000	25,000	76,000	41,000	38,000	31,500	
Burlington Stores		12,000							24,500	
Aldis						20,000			13,000	
JCPenney	40,000	40,000	39,000	37,000	1,700			10,000	10,000	
1-800-FLOWERS.COM Inc.		8,000	8,000	8,000	10,000	10,000	8,000	8,000	8000	
Dick's Sporting Goods					9,000	10,000	9,000	8,600	8,000	
Radial	20,000	23,000	20,000	12,581	25,000	7,700	1,700	10,500	7,000	
JW Marriott San Antonio						1,000			150	
USPS						40,000	28,000	10,000		
Kohl's	69,000		90,000	90,000	90,000	90,000	90,000	2,700		
DHL Supply Chain					7,000					
Walmart					20,000	150,000	40,000			
See's Candies							5,000			
Bosco's						1,000	2,000			
Kroger		14,000	10,000		20,000	20,000	1,500			
Williams-Sonoma		2,000			2,500		1,000			
Legoland					150		400			
Opryland	300	400								
FedEx	50,000	50,000	55,000	55,000	70,000	90,000				
Dollar Tree				25,000	25,000	35,000				
Party City	35,000			25,000	20,000	17,000				
Shipt					100,000					
Lowe's					20,000					
Cherry Hill Programs					11,000					
Gap			65,000	30,000	10,000					
Hy-Vee					10,000					
Bass Pro Shop				7,000	7,000					
L Brands	4,000		4,000		4,000					
Kings Dominion					4,000					
Office Depot					3,000					
Sheetz					3,000					
Omaha Steaks					3,000					

Source: Challenger, Gray & Christmas

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Company	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fresh Market					1,500					
Giant Eagle					1,300					
Meijer					200					
Nordstrom	11,400	13,650				28,600				
Toys"R"Us		12,500								
The Bon-Ton Stores	13,500	10,000								
McDonald's		3,179								
Fanatics		2,000								
Plow & Hearth		400								
Versant Supply Chain	2,000									
XPO Logistics		6,000	8,000							
Hickory Farms (Food)										
Alter'd State				1,200						
Under Armour						1,000				
TOTAL	620,700	614,129	714,000	813,781	849,350	967,300	597,600	573,300	659,850	100,800

Source: Challenger, Gray & Christmas

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Table 8: YEAR-TO-DATE HIRING PLANS

INDUSTRY	25-Sep	YTD 2025	YTD 2024
Aerospace/Defense	400	5,186	7,121
Apparel		218	310
Automotive	4,035	10,256	4,302
Chemical		70	602
Construction	412	1,344	4,104
Consumer Products	300	3,365	4,565
Education		40	1,542
Electronics		610	809
Energy	1,025	2,095	12,327
Entertainment/Leisure		28,234	1,400
Financial		75	65
FinTech		2,382	85
Food		427	4,085
Government	5,656	12,712	1,652
Health Care/Products		4,197	3,255
Industrial Goods	2,835	7,672	7,473
Insurance		12,800	50
Legal		0	0
Media		0	175
Mining		900	221
Non-Profit		0	60
Pharmaceutical		400	2,224
Real Estate		0	1,700
Retail	96,450	96,700	277,960
Services	100	398	986
Technology	1,500	7,070	14,013
Telecommunications		1,100	1,374
Transportation		305	127,956
Utility		1,493	1,345
Warehousing	4,600	4,890	1,829
TOTAL	117,313	204,939	483,590

Source: Challenger, Gray & Christmas