



CHALLENGER REPORT

December 2025

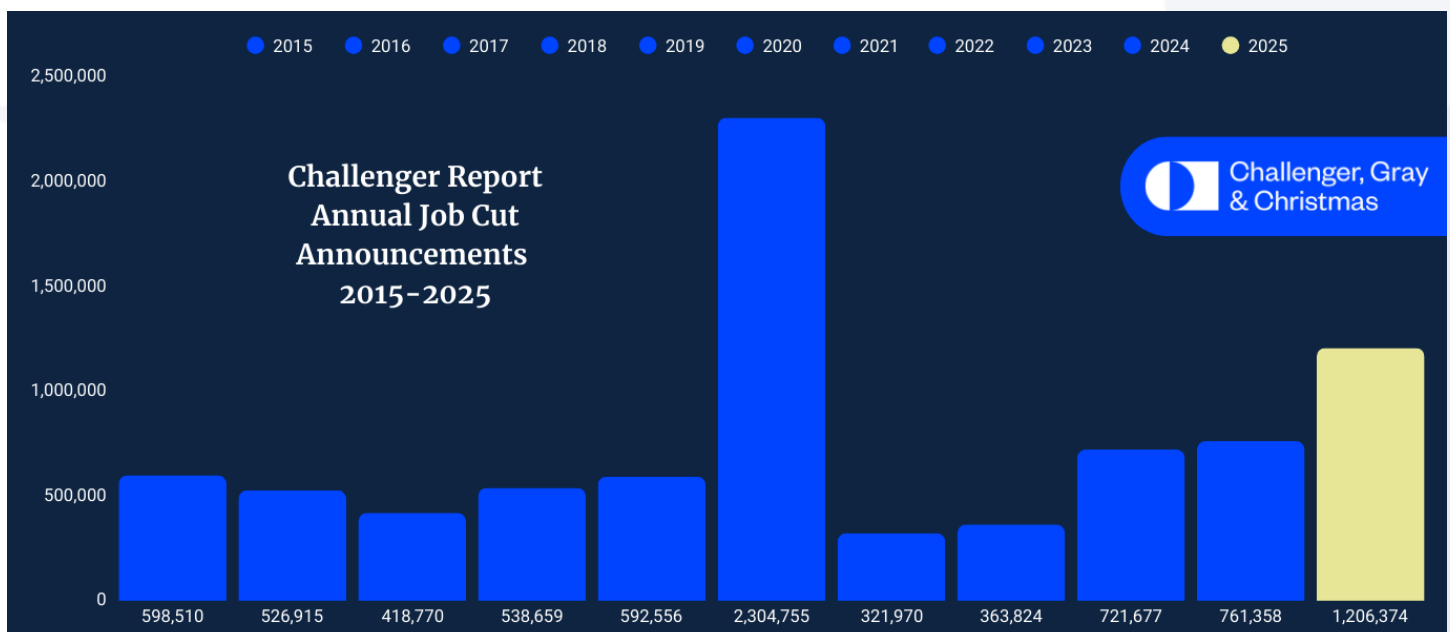
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JOB CUTS FALL TO LOWEST LEVEL IN 17 MONTHS; HIGHEST DECEMBER HIRING SINCE 2022 YTD JOB CUTS 7th HIGHEST SINCE 1989

CHICAGO, January 8, 2026 – U.S.-based employers announced 35,553 job cuts in December, down 50% from the 71,321 job cuts announced in November. It is down 8% from the 38,792 job cuts announced in the same month last year, according to a report released Thursday from global outplacement and executive coaching firm Challenger, Gray & Christmas.

December's total is the lowest monthly total since 25,885 cuts were announced in July 2024. It is the lowest December total since 2023, when 34,817 cuts were announced. It is the fourth time this year job cuts were lower than the corresponding month one year earlier.

"The year closed with the fewest announced layoff plans all year. While December is typically slow, this coupled with higher hiring plans, is a positive sign after a year of high job cutting plans," said Andy Challenger, workplace expert and chief revenue officer for Challenger, Gray & Christmas.



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

In 2025, employers announced 1,206,374 job cuts, an increase of 58% from the 761,358 announced in 2024.* Annual job cuts are at the highest level since 2020 when 2,304,755 cuts were announced. It is the seventh highest annual total since 1989

2020	2,304,755
2001	1,956,876
2002	1,466,823
2009	1,288,030
2003	1,236,426
2008	1,223,993
2025	1,206,374

In the fourth quarter, employers announced plans to cut 259,948, the highest fourth-quarter total since 2008 when 460,903 cuts were recorded. It is up 29% from the 202,118 cuts recorded in the third quarter of 2025 and up 71% from the 152,116 cuts recorded in the same quarter one year prior. It is the highest quarterly total since the first quarter of 2025 when 497,052 cuts were announced.

WHICH INDUSTRIES CUT THE MOST IN 2025?

Government

The Government led all industries in job cut announcements with 308,167, primarily in the Federal Government. This is up 703% from the 38,375 job cuts in the Government sector in 2024. Job cuts in this sector tapered off significantly since the first quarter. In Q1, 279,445 Government job cuts were announced. In the succeeding 9 months, 28,722 job cuts in this sector were announced.

Technology

Technology led in private-sector job cuts with 154,445 in 2025, including 909 in December, an increase of 15% from 133,988 job cuts in this sector in 2024.

“Technology has been pivoting to both developing and implementing artificial intelligence much more quickly than any other industry. This coupled with over-hiring over the last decade created a wave of job loss in the industry,” said Challenger.

Warehousing

Companies in Warehousing announced 95,317 job cuts in 2025 as that industry grapples with supply chain, shifting consumer behavior, and automation. Job cuts in this sector are up 317% from the 22,874 announced in 2024.

****See correction for November’s Challenger Report below***

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Retail

Similarly, Retail companies contended with shifting consumers, higher prices, tariff uncertainty and consumer spending. In 2025, this industry announced 92,989 job cuts, up 123% from the 41,686 cuts announced in 2024.

Services

The Services sector, which includes companies that provide support to other businesses such as cleaning, staffing, and outsourcing firms, announced 74,796 job cuts in 2025, up 68% from 44,433 announced in 2024.

“Generally during times of uncertainty or economic constraints, companies cut vendors and outside services before looking at their own workforces. Given the environment in 2025, it made sense that Service companies lost contracts and workers,” said Challenger.

Media & News Cuts

The Media industry has announced 17,163 cuts in 2025, with none announced in December. This is up 15% from the 15,039 cuts announced in 2024.

News, which Challenger tracks as a subset of Media and includes broadcast, digital, and print, has announced 2,254 job cuts in 2025. News cuts are down 54% from the 4,902 cuts announced during 2024.

WHY ARE COMPANIES CUTTING IN 2025?

In December, Store, unit, or department **Closing** led all reasons for cuts, with 12,949 and 191,480 for the year. **Market and Economic Conditions** followed with 8,120 cuts announced during the month, bringing the 2025 total to 253,206. **Restructuring** accounted for 5,356 job cuts in December, bringing its 2025 total to 133,611.

Artificial Intelligence (AI) was cited for 142 job cuts in December. So far this year, AI has been responsible for 54,836 announced layoff plans. Since 2023, when this reason was first tracked, AI has been cited in 71,825 job cut announcements.

Tariffs were cited for 7,908 job cuts in 2025, though no tariff-related cuts were announced in December.

DOGE Actions was the leading reason for job cut announcements in 2025, responsible for 293,753 planned layoffs. This includes direct reductions to the federal workforce and its contractors. An additional 20,976 cuts have been attributed to **DOGE Downstream Impact**, reflecting the loss of federal funding to private and nonprofit entities.

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HIRING PLANS IN 2025

In December, employers announced 10,496 hiring plans, the highest total for the month since 2022 when 51,693 December hiring plans were announced. It is up 16% from the 9,074 hiring plans announced in November. It is up 31% from the 7,999 hiring plans announced in December 2024.

Last year, U.S. employers announced 507,647 planned hires, down 34% from the 769,953 announced in 2024. It is the lowest year-to-date total since 2010, when 402,608 new hires were planned that year.

Included in Challenger's hiring figure are 372,520 seasonal hiring plans in the fourth quarter, the lowest number of announced seasonal hires since Challenger began tracking them in 2012. The firm did not find any new seasonal hiring plans in November or December.

CORRECTION

Challenger's report for November included a year-to-date comparison that cited 2024's full year total rather than the 2024 year-to-date total. Through November 2025, employers cut 1,170,821 jobs, a 62% increase from the 722,566 job cuts announced through November 2024. The previous report said 2025's year-to-date job cuts were up 54% from the 761,358 announced through November 2024. Find the correct copy here: <https://www.challengergray.com/blog/challenger-report-71321-job-cuts-on-restructurings-closings-economy/>

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Table 1: EXECUTIVE SUMMARY

TOP FIVE INDUSTRIES

Year To Date

	2025	2024
Government	308,167	38,375
Technology	154,445	133,988
Warehousing	95,317	22,874
Retail	92,989	41,686
Services	74,796	44,433

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	153,074	55,597
November	71,321	57,727
December	35,553	38,792
TOTAL	1,206,374	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	303,778	35,113
California	175,761	157,012
New York	109,030	74,307
Georgia	80,893	18,590
Washington	78,943	39,185

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

Source: Challenger, Gray & Christmas

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Table 2: JOB CUTS BY INDUSTRY

	24-Dec	25-Nov	25-Dec	YTD 2024	YTD 2025
Aerospace/Defense		291	656	29,643	4,225
Apparel	75	386	385	8,477	4,522
Automotive	2,399	2,892	3,160	48,219	32,201
Chemical	3	80	487	1,731	3,367
Construction	181	1,186	431	11,760	8,649
Consumer Products	1,743	2,304	1,922	42,931	45,259
Education	1,743	2,154	1,055	28,968	23,222
Electronics	145	489	1,929	4,917	9,530
Energy		405	182	11,825	15,748
Entertainment/Leisure	1,556	1,386	1,282	35,475	24,800
Financial	723	592	1,260	41,478	50,820
FinTech	1,626	2,381	114	7,251	4,358
Food	10,068	6,708	3,617	37,128	37,782
Government	214	453	76	38,375	308,167
Health Care/Products	4,339	4,301	1,768	51,588	50,325
Industrial Goods	902	1,903	2,264	22,876	20,823
Insurance	119	649	118	6,577	6,091
Legal		94		202	497
Media	490	483		15,039	17,163
Mining		133		2,757	2,659
Non-Profit		1,045	33	5,640	28,729
Pharmaceutical	493	1,119	559	14,010	26,367
Real Estate	20	245	67	4,712	2,107
Retail	3,283	3,290	1,035	41,686	92,989
Services	2,392	5,509	5,707	44,433	74,796
Technology	3,287	12,377	909	133,988	154,445
Telecommunications	253	15,139	176	10,584	38,211
Transportation	958	1,233	3,078	27,216	19,855
Utility			478	8,998	3,350
Warehousing	1,780	2,094	2,805	22,874	95,317
TOTAL	38,792	71,321	35,553	761,358	1,206,374

Source: Challenger, Gray & Christmas

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Table 3: JOB CUTS BY REGION, STATE

EAST	Dec-25	YTD 2025	YTD 2024
Connecticut	5	3,665	12,555
Delaware		209	2,000
Dist. of Columbia		303,778	35,113
Maine	176	7,487	548
Maryland	713	10,995	8,628
Massachusetts	730	16,083	19,832
New Hampshire		171	237
New Jersey	270	66,923	12,920
New York	7,573	109,030	74,307
Pennsylvania	1,056	20,478	18,941
Rhode Island		1,321	12,364
Vermont		399	543
TOTAL	10,523	540,539	197,988

MIDWEST	Dec-25	YTD 2025	YTD 2024
Illinois	811	23,547	23,476
Indiana	1,222	3,634	4,337
Iowa	338	7,791	8,467
Kansas		3,095	5,880
Michigan	1,994	29,435	28,732
Minnesota	75	9,901	17,436
Missouri	663	6,287	7,980
Nebraska	139	8,588	753
Ohio	620	42,707	30,869
Wisconsin	417	5,042	11,968
TOTAL	6,279	140,027	139,898

WEST	Dec-25	YTD 2025	YTD 2024
Alaska		1,712	70
Arizona	1,861	20,756	9,308
California	2,739	175,761	157,012
Colorado	214	7,416	14,924
Hawaii	239	1,302	3,261
Idaho	10	541	715
Montana		564	1,035
Nevada	79	2,805	12,224
New Mexico		288	968
North Dakota		96	104
Oklahoma		2,061	1,121
Oregon	646	5,550	11,061
South Dakota		478	1,762
Texas	4,907	55,681	71,467
Utah	65	1,548	6,250
Washington	374	78,943	39,185
Wyoming	123	151	1,902
TOTAL	11,257	355,653	332,369

SOUTH	Dec-25	YTD 2025	YTD 2024
Alabama	128	9,367	4,061
Arkansas		620	1,854
Florida	1,224	26,650	14,928
Georgia	1,548	80,893	18,590
Kentucky	1,781	7,151	4,540
Louisiana		2,054	1,303
Mississippi		2,006	1,028
North Carolina	1,130	12,865	12,567
South Carolina	546	4,659	5,621
Tennessee	449	12,769	17,644
Virginia	688	10,132	7,933
West Virginia		989	1,034
TOTAL	7,494	170,155	91,103

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Table 4: JOB CUTS BY REASON

	Dec-25	2025
DOGE Actions		293,753
Market/Economic Conditions	8,120	253,206
Closing	12,949	191,480
Restructuring	5,356	133,611
Cost-Cutting	975	81,392
Artificial Intelligence	142	54,836
Bankruptcy	70	38,883
Acquisition/Merger	4,427	25,622
No Reason Provided		21,918
DOGE Downstream Impact		20,976
Technological Update (possibly AI)		20,219
Contract Loss	2,167	16,797
Demand Downturn	164	9,802
Federal Cuts/Shutdown		9,058
Tariffs		7,908
EV Tax Credit Expiration	109	7,648
Financial Loss		7,524
Relocation (Domestic)	834	4,847
Consolidation	44	1,590
Labor Dispute		1,389
Voluntary Severance/Buyouts		1,295
Natural Disaster		935
COVID Recovery		705
Plant Upgrades		512
Outsourcing Operations to Another US Company	196	272
Government Regulations		140
COVID-19		36
Relocation (International)		20
TOTAL	35,553	1,206,374

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	259,948	1,206,374
AVG	207,756	181,307	176,025	187,106	

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	117,313	403,893	590,353	380,014	939,790	929,860	459,689	595,997	422,726	487,075
October	283,138	266,743	35,202	237,380	52,042	255,198	190,835	130,338	37,387	135,532
November	9,074	11,621	15,566	30,203	6,527	185,504	19,063	15,422	61,300	108,994
December	10,496	7,999	3,022	51,693	89,984	77,267	26,313	15,999	8,218	35,198
TOTAL	507,647	769,953	780,123	1,482,364	1,752,417	3,190,862	1,207,751	1,018,428	1,100,654	868,702
Monthly Average	42,304	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-Dec	2025	2024
Aerospace/Defense	2,798	8,378	7,644
Apparel		218	560
Automotive	1,528	14,698	4,987
Chemical	25	95	868
Construction	85	2,570	4,537
Consumer Products	701	5,103	5,853
Education		650	1,629
Electronics	392	1,597	5,009
Energy	680	3,895	12,719
Entertainment/Leisure	50	29,324	2,515
Financial	200	2,325	392
FinTech		4,607	1,085
Food	615	1,232	5,159
Government	58	13,736	2,402
Health Care/Products	549	5,372	3,781
Industrial Goods	941	10,544	12,669
Insurance	167	13,268	695
Legal		0	0
Media		0	175
Mining		900	221
Non-Profit	76	576	60
Pharmaceutical		5,766	3,529
Real Estate		0	1,700
Retail	168	112,873	536,600
Services	248	989	2,490
Technology	515	258,599	16,207
Telecommunications		1,100	1,574
Transportation		353	128,147
Utility	200	2,956	3,791
Warehousing	500	5,923	2,955
TOTAL	10,496	507,647	769,953

Source: Challenger, Gray & Christmas