



CHALLENGER REPORT

January 2026

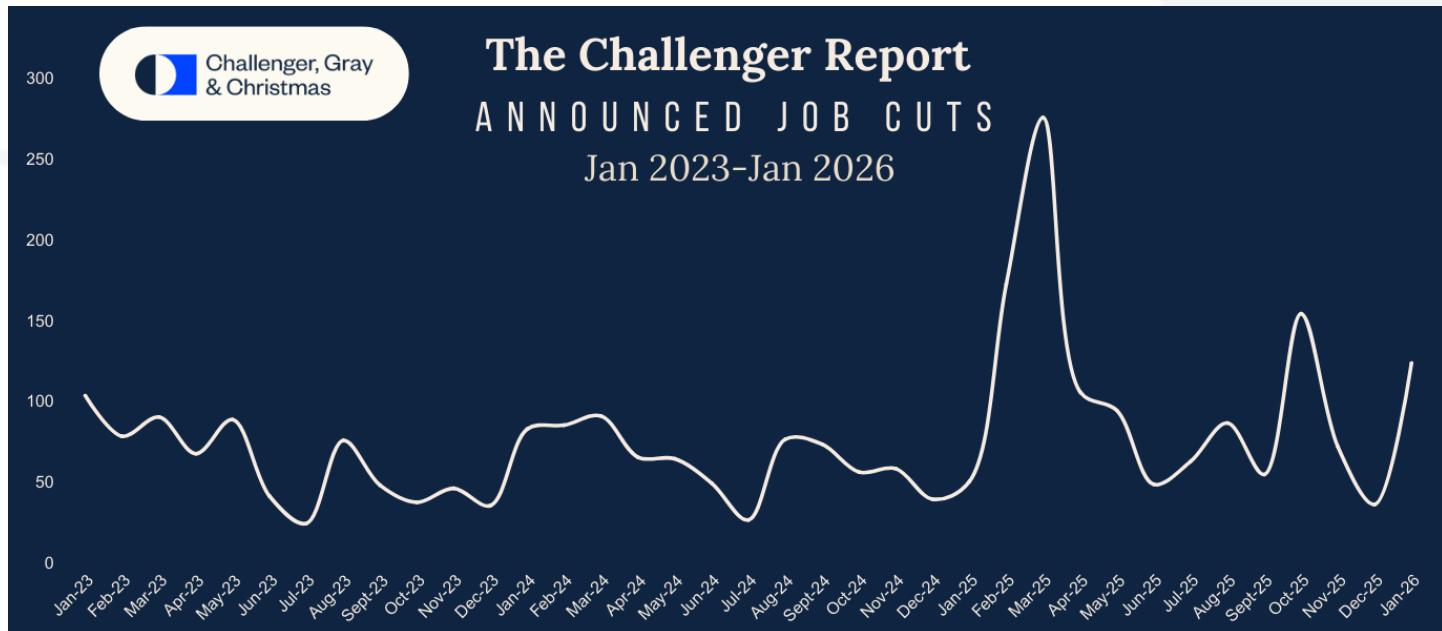
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JOB CUTS SURGE IN JANUARY; HIGHEST JANUARY TOTAL SINCE 2009. LOWEST JANUARY HIRING ON RECORD

CHICAGO, February 5, 2026 – U.S.-based employers announced 108,435 job cuts in January, an increase of 118% from the 49,795 cuts announced in the same month last year. It is up 205% from the 35,553 job cuts announced in December, according to a report released Thursday from global outplacement and executive coaching firm Challenger, Gray & Christmas.

January's total is the highest for the month since 2009, when 241,749 job cuts were announced. It is the highest monthly total since October 2025, when 153,074 cuts were recorded.

"Generally, we see a high number of job cuts in the first quarter, but this is a high total for January. It means most of these plans were set at the end of 2025, signaling employers are less-than-optimistic about the outlook for 2026," said Andy Challenger, workplace expert and chief revenue officer for Challenger, Gray & Christmas.



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

WHICH INDUSTRIES CUT THE MOST IN JANUARY?

Transportation

Transportation announced the highest number of job cuts in January with 31,243, primarily due to an announcement from UPS. The company announced it would cut 30,000 jobs after severing ties with Amazon.

Technology

Technology announced 22,291 job cuts in January. The bulk of these came from Amazon, which announced 16,000 job cuts as it restructures its layers of management.

“CEO Andy Jassy, like many CEOs recently, has said AI will cost jobs in the coming years, but this cut appears to be due more to over hiring and reducing layers than to the new technology,” said Challenger.

Healthcare/Products

Healthcare companies and health products manufacturers, including Hospitals, announced 17,107 job cuts in January, the most for the industry since April 2020, when 19,453 job cuts were recorded.

“Healthcare providers and hospital systems are grappling with inflation and high labor costs. Lower reimbursements from Medicaid and Medicare are also hitting hospital systems. These pressures are leading to job cuts, as well as other cutting measures, such as some pay and benefits.

“It’s very difficult for leaders of these companies to tighten budgets while not sacrificing patient care,” said Challenger.

Chemical

Chemical manufacturers announced 4,701 job cuts in January, primarily from one announcement by Dow Inc., which cited a shift to implementing artificial intelligence and automation.

This is the highest monthly total for this sector since February 2016, when 6,640 job cuts were recorded. That month, the cuts were primarily due to a merger of Dow Chemical and DuPont.

Media & News Cuts

The Media industry has announced 510 cuts in January, down 18% from the 624 cuts announced in January 2024.

News, which Challenger tracks as a subset of Media and includes broadcast, digital, and print, has announced 65 job cuts in January, a 66% decrease from the 192 News cuts announced in the same month in 2025. It is the lowest January total since 2022, when no News cuts were recorded.

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WHY ARE COMPANIES CUTTING IN JANUARY?

In January, **Contract Loss** led all reasons for job cuts, with 30,784 announced during the month. **Market and Economic Conditions** followed with 28,392 cuts. **Restructuring** was cited for 20,044 job cuts, while store, unit, or department **Closings** accounted for 12,738 planned layoffs.

Artificial Intelligence (AI) was cited for 7,624 job cuts in January, 7% of total cuts for the month. Companies referenced AI for 54,836 announced layoff plans in 2025. Since 2023, when this reason was first tracked, AI has been cited in 79,449 job cut announcements, 3% of all layoff plans announced in that period.

“It’s difficult to say how big an impact AI is having on layoffs specifically. We know leaders are talking about AI, many companies want to implement it in operations, and the market appears to be rewarding companies that mention it,” said Challenger.

Tariffs were cited for 294 job cuts in January, after causing 7,908 cuts in 2025.

HIRING PLANS IN JANUARY

Last month, employers announced 5,306 hiring plans, the lowest total for the month since Challenger began tracking hiring plans in 2009. Prior to last month’s total, 2023 saw the lowest January total for hiring with 5,376. It is down 13% from the 6,089 hiring plans announced in the same month last year. It is down 49% from the 10,496 hiring plans announced in December 2025.

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Table 1: EXECUTIVE SUMMARY

TOP FIVE INDUSTRIES

Year To Date

	2026	2025
Transportation	31,243	1,412
Technology	22,291	7,488
Health Care/Products	17,107	2,876
Chemical	4,701	1,724
Financial	3,635	4,529

MONTH BY MONTH TOTALS

	2026	2025
January	108,435	49,795
February		172,017
March		275,240
April		105,441
May		93,816
June		47,999
July		62,075
August		85,979
September		54,064
October		153,074
November		71,321
December		35,553
TOTAL	108,435	1,206,374

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 2026	YTD 2025
Georgia	31,415	267
Michigan	19,714	2,923
Washington	19,526	2,667
California	8,286	11,862
New York	4,895	1,258

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

	25-Jan	25-Dec	26-Jan
Aerospace/Defense	82	656	2,751
Apparel	633	385	2,055
Automotive	4,549	3,160	2,635
Chemical	1,724	487	4,701
Construction	427	431	577
Consumer Products	2,322	1,922	2,486
Education	148	1,055	792
Electronics	107	1,929	1,365
Energy	555	182	466
Entertainment/Leisure	997	1,282	1,136
Financial	4,529	1,260	3,635
FinTech	837	114	60
Food	2,743	3,617	1,354
Government	288	76	1,097
Health Care/Products	2,876	1,768	17,107
Industrial Goods	1,089	2,264	1,576
Insurance	1,328	118	712
Legal			
Media	624		510
Mining			320
Non-Profit	54	33	948
Pharmaceutical	329	559	377
Real Estate	118	67	61
Retail	6,419	1,035	3,193
Services	4,930	5,707	2,523
Technology	7,488	909	22,291
Telecommunications	267	176	78
Transportation	1,412	3,078	31,243
Utility	211	478	47
Warehousing	2,709	2,805	2,339
TOTAL	49,795	35,553	108,435

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Table 3: JOB CUTS BY REGION, STATE

EAST	Jan-26	Jan-25	2025
Connecticut	1,222	121	3,665
Delaware	0		209
Dist. of Columbia	1,000	100	303,778
Maine	190		7,487
Maryland	138	977	10,995
Massachusetts	1,556	2,279	16,083
New Hampshire	0		171
New Jersey	1,666		66,923
New York	4,895	1,258	109,030
Pennsylvania	1,532	2,104	20,478
Rhode Island	38		1,321
Vermont	19	50	399
TOTAL	12,256	6,889	540,539

MIDWEST	Jan-26	Jan-25	2025
Illinois	1,129	1,044	23,547
Indiana	263	131	3,634
Iowa	447	659	7,791
Kansas	72	184	3,095
Michigan	19,714	2,923	29,435
Minnesota	282	369	9,901
Missouri	630	765	6,287
Nebraska	294	4,150	8,588
Ohio	2,093	2,951	42,707
Wisconsin	566	732	5,042
TOTAL	25,490	13,908	140,027

WEST	Jan-26	Jan-25	2025
Alaska			1,712
Arizona	331	811	20,756
California	8,286	11,862	175,761
Colorado	1,433	1,031	7,416
Hawaii	339	126	1,302
Idaho	141	23	541
Montana		53	564
Nevada	4		2,805
New Mexico			288
North Dakota	140		96
Oklahoma	3	304	2,061
Oregon	1,971	56	5,550
South Dakota			478
Texas	954	2,966	55,681
Utah	68		1,548
Washington	19,526	2,667	78,943
Wyoming			151
TOTAL	33,196	19,899	355,653
SOUTH	Jan-26	Jan-25	2025
Alabama	79	56	9,367
Arkansas	0	325	620
Florida	1,008	1,732	26,650
Georgia	31,415	267	80,893
Kentucky	135	1,278	7,151
Louisiana	85		2,054
Mississippi	0	121	2,006
North Carolina	1,003	1,500	12,865
South Carolina	844	120	4,659
Tennessee	1,287	3,453	12,769
Virginia	1,437	247	10,132
West Virginia	200		989
TOTAL	37,493	9,099	170,155

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Table 4: JOB CUTS BY REASON

	Jan-26	2025
Contract Loss	30,784	16,797
Market/Economic Conditions	28,392	253,206
Restructuring	20,044	133,611
Closing	12,738	191,480
Artificial Intelligence	7,624	54,836
Cost-Cutting	3,832	81,392
Demand Downturn	2,172	9,802
EV Tax Credit Expiration	1,100	7,648
DOGE Downstream Impact	826	20,976
Acquisition/Merger	499	25,622
Tariffs	294	7,908
Relocation (Domestic)	55	4,847
Financial Loss	54	7,524
Consolidation	21	1,590
Bankruptcy	0	38,883
COVID Recovery	0	705
COVID-19	0	36
DOGE Actions	0	293,753
Federal Cuts/Shutdown	0	9,058
Government Regulations	0	140
Labor Dispute	0	1,389
Natural Disaster	0	935
No Reason Provided	0	21,918
Outsourcing Operations to Another US Company	0	272
Plant Upgrades	0	512
Relocation (International)	0	20
Technological Update (possibly AI)	0	20,219
Voluntary Severance/Buyouts	0	1,295
TOTAL	108,435	1,206,374

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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

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
January	5,306	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		283,138	266,743	35,202	237,380	52,042	255,198	190,835	130,338	37,387
November		9,074	11,621	15,566	30,203	6,527	185,504	19,063	15,422	61,300
December		10,496	7,999	3,022	51,693	89,984	77,267	26,313	15,999	8,218
TOTAL	5,306	507,647	769,953	780,123	1,482,364	1,752,417	3,190,862	1,207,751	1,018,428	1,100,654
Monthly Average		42,304	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 HIRING PLANS

INDUSTRY	26-Jan	25-Jan	2025
Aerospace/Defense	120	696	8,378
Apparel			218
Automotive	18	1,800	14,698
Chemical			95
Construction	154		2,570
Consumer Products	415		5,103
Education	10		650
Electronics		175	1,597
Energy	430		3,895
Entertainment/Leisure	100		29,324
Financial		75	2,325
FinTech			4,607
Food	100		1,232
Government	400		13,736
Health Care/Products	120	150	5,372
Industrial Goods	779	268	10,544
Insurance	2,500		13,268
Legal			0
Media			0
Mining			900
Non-Profit			576
Pharmaceutical			5,766
Real Estate			0
Retail			112,873
Services		45	989
Technology		2,780	258,599
Telecommunications		100	1,100
Transportation			353
Utility	160		2,956
Warehousing			5,923
TOTAL	5,306	6,089	507,647