

May 2026

CHALLENGER REPORT

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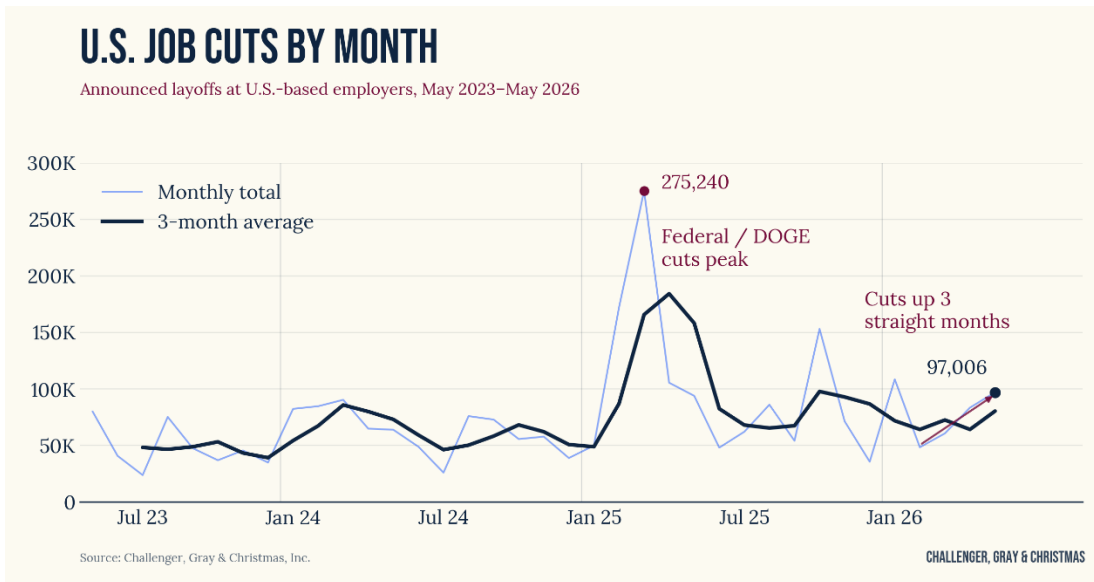
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AI DRIVES MAY CUTS TO 97,006, HIGHEST MAY TOTAL SINCE 2020; YTD TECH CUTS HIGHEST SINCE 2023; AI LEADS REASONS FOR THIRD MONTH IN A ROW

CHICAGO, June 4, 2026 – U.S.-based employers announced 97,006 job cuts in May, up 16% from the 83,387 job cuts recorded in April, and up 3% from the 93,816 announced in the same month last year, according to a report released Thursday from global outplacement and executive coaching firm Challenger, Gray & Christmas.

May's total is the highest for the month since 2020, when 397,016 job cuts were recorded in May at the height of the pandemic. It also marks the third straight month that cuts have risen, climbing from 48,307 in February to 97,006 in May.

So far this year, employers have announced 397,755 cuts, down 43% from the 696,309 announced through the first five months of 2025, when reductions to the federal workforce drove totals to historic highs. Stripping out that distortion, 2026 is running roughly even with 2024, when 385,859 cuts were announced through May.



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“On top of the headline AI story, we're seeing a sharp rise in cuts tied to acquisitions and mergers and a jump in bankruptcy-related losses, which tells me companies are restructuring aggressively as they reposition for an AI-driven economy,” said Andy Challenger, labor and workplace expert and chief revenue officer of Challenger, Gray & Christmas.

WHICH INDUSTRIES CUT THE MOST IN MAY?

Technology

Technology announced 38,242 job cuts in May, the highest monthly total for the sector since August 2024, when 39,563 cuts were recorded. For the year, Technology has announced 123,653 cuts, up 66% from the 74,716 announced through the same period in 2025. The sector remains the leading job cutter of 2026 by a wide margin.

“The labor market is being reshaped by technology in real time. AI is now the leading reason companies give for cutting jobs and the primary industry citing it is Technology. Technology, already the year's biggest job cutter, saw its steepest month of cuts since early 2023, even as it remains the sector with the most hiring plans this year,” said Challenger.

AI isn't yet the jobpocalypse some predicted. Like spreadsheets and email before it, the technology will ultimately make workers more productive, but our data shows companies are already acting on it, citing AI for more cuts than any other reason. The open question isn't whether AI changes the workforce, but how fast,” he added.

Transportation

Transportation announced 6,909 cuts in May for a total of 40,388 so far in 2026, up 449% from the 7,356 cuts announced through May 2025, making it the second-leading sector for cuts this year.

Services

The Services sector cut 6,268 jobs in May for a total of 17,065 this year. That is a 61% decrease from the 44,273 job cuts announced through the same period in 2025.

Health Care/Products

Health Care/Products manufacturers, including Hospitals, have announced 30,414 cuts so far this year, up 17% from the 26,008 cuts announced in the same period in 2025.

OTHER INDUSTRIES CUTTING JOBS

Pharmaceutical

Pharmaceutical companies announced 5,045 cuts in May for a total of 12,485 through the first five months of 2026, up 753% from the 1,463 cuts announced through May 2025.

FinTech

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FinTech companies announced 5,731 job cuts in May, the bulk of which cited AI in their announcements.

Government

Entities in federal, state, and local Government announced plans to cut 4,499 jobs in May for a total of 15,918 this year, down 94% from the 284,827 cuts announced through May 2025, when DOGE-related reductions dominated.

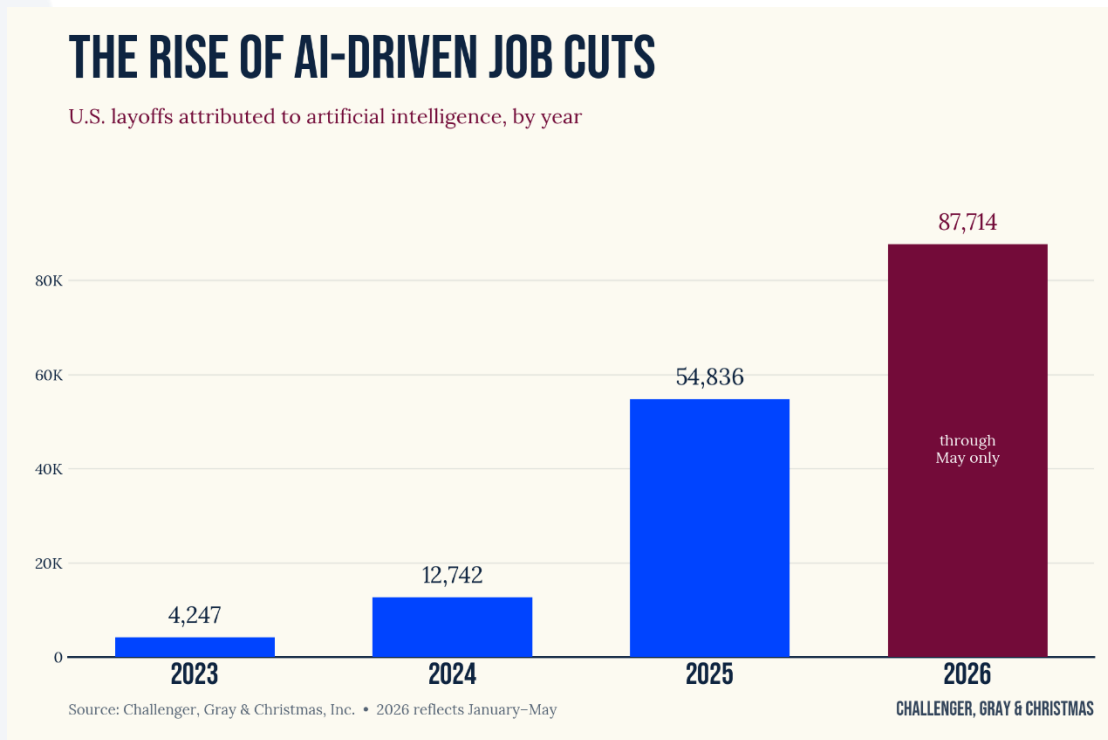
Media & News

The Media industry announced 436 cuts in May, bringing the total for the year to 3,390. This is down 17% from the 4,107 cuts announced in the first five months of last year.

News, which Challenger tracks as a subset of Media and includes broadcast, digital, and print, has announced 970 cuts so far in 2026, down 6% from the 1,035 cuts announced through the same period in 2025 (see Table 5).

WHY ARE COMPANIES CUTTING?

In May, Artificial Intelligence (AI) led all reasons for job cuts for the third month in a row, with 38,579 announced cuts. It is the highest monthly total ever recorded for the reason since Challenger began tracking it in 2023, and it accounted for 40% of all cuts announced in May — up from just 7% in January, 25% in March, and 26% in April. For the year, AI has been cited in 87,714 cuts, or 22% of all 2026 layoffs, already far surpassing the 54,836 attributed to the reason in all of 2025.



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Bankruptcy was attributed to 5,637 cuts in May, the highest monthly total for the reason since February 2025, when 35,172 cuts were attributed to Bankruptcy. Closings accounted for 14,546 cuts in May, and Restructuring for 9,942.

So far in 2026, Market and Economic Conditions have been cited for 69,645 cuts and Closings were attributed to 66,733. Cuts attributed to Acquisitions and Mergers have reached 11,989 year-to-date, more than six times the 1,889 attributed to the reason through May 2025.

HIRING PLANS IN 2026

Through May 2026, U.S. employers have announced 80,472 planned hires, narrowly topping the 79,741 announced at this point in 2025. Hiring announcements remain historically low by pre-pandemic standards.

Technology led May hiring with 11,250 announced positions, followed by Electronics with 3,158 and Insurance with 1,435. The Energy sector, buoyed by high oil prices, announced 800 new jobs in May, its strongest month since energy companies announced 885 planned hires in October 2025.

Year-to-date, Automotive leads all industries with 12,258 hiring plans, more than double the 4,874 announced through May 2025. Entertainment/Leisure is second with 8,796, though that figure is down sharply from a year ago. Aerospace/Defense (7,676) and Government (7,368) round out the top four.

**CHALLENGER, GRAY & CHRISTMAS
JOB CUT ANNOUNCEMENT REPORT
Table 1: EXECUTIVE SUMMARY**

TOP FIVE INDUSTRIES		
Year To Date		
	2026	2025
Technology	123,653	74,716
Transportation	40,388	7,356
Health Care/Products	30,414	26,008
Services	17,065	44,273
Government	15,918	284,827

MONTH BY MONTH TOTALS		
	2026	2025
January	108,435	49,795
February	48,307	172,017
March	60,620	275,240
April	83,387	105,441
May	97,006	93,816
June		47,999
July		62,075
August		85,979
September		54,064
October		153,074
November		71,321
December		35,553
TOTAL	397,755	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
California	76,958	93,586
Texas	39,080	28,050
Georgia	36,011	26,354
Washington	33,888	15,496
Michigan	28,872	9,626

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

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JOB CUT ANNOUNCEMENT REPORT
Table 2: JOB CUTS BY INDUSTRY**

Industry	25-May	26-Apr	26-May	YTD 2025	YTD 2026
Aerospace/Defense	325	207	1,037	1,386	4,677
Apparel	233	1,400		1,409	4,707
Automotive	1,964	2,712	3,807	11,099	14,070
Chemical	333	101	100	2,196	5,075
Construction	505	369	569	1,860	2,353
Consumer Products	3,233	3,329	3,229	21,923	14,482
Education	2,870	3,793	168	10,113	15,428
Electronics	196	319	223	5,943	3,879
Energy	2,275	311	135	5,599	1,454
Entertainment/Leisure	2,683	1,403	2,156	11,167	7,913
Financial	3,795	1,336	3,616	21,634	14,349
FinTech			5,731	1,143	6,403
Food	729	2,759	1,042	7,255	9,120
Government	2,600	9,149	4,499	284,827	15,918
Health Care/Products	6,514	3,642	3,252	26,008	30,414
Industrial Goods	1,004	879	1,371	5,567	9,170
Insurance	276	25	3,219	2,622	6,610
Legal	292			292	0
Media	502	1,462	436	4,107	3,390
Mining	140	92	62	1,533	1,419
Non-Profit	8,565	2,670	2,003	14,018	6,419
Pharmaceutical	225	1,062	5,045	1,463	12,485
Real Estate	5	53	64	1,328	299
Retail	11,483	1,171	1,616	75,802	11,681
Services	22,492	4,110	6,268	44,273	17,065
Technology	10,598	33,361	38,242	74,716	123,653
Telecommunications	4,129	412	253	14,264	2,007
Transportation	1,677	1,238	6,909	7,356	40,388
Utility	266	279	98	1,442	559
Warehousing	3,907	5,743	1,856	33,964	12,368
TOTAL	93,816	83,387	97,006	696,309	397,755

Source: Challenger, Gray & Christmas

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JOB CUT ANNOUNCEMENT REPORT
Table 3: JOB CUTS BY REGION, STATE**

EAST	May-26	YTD 2026	YTD 2025
Connecticut	382	4,146	1,215
Delaware	67	117	209
Dist. of Columbia	751	11,229	285,723
Maine		200	4,597
Maryland	974	2,987	6,491
Massachusetts	6,288	12,154	7,069
New Hampshire		90	35
New Jersey	2,354	11,958	22,239
New York	2,381	18,589	65,027
Pennsylvania	1,365	9,596	11,270
Rhode Island	72	162	544
Vermont	171	436	104
TOTAL	14,805	71,664	404,523

MIDWEST	May-26	YTD 2026	YTD 2025
Illinois	1,745	10,540	7,654
Indiana	307	2,107	931
Iowa	61	2,059	4,190
Kansas	151	418	2,700
Michigan	5,041	28,872	9,626
Minnesota	542	1,536	4,533
Missouri	483	1,829	2,946
Nebraska	451	767	4,374
Ohio	1,799	7,684	27,671
Wisconsin	622	3,859	1,791
TOTAL	11,202	59,671	66,416

WEST	May-26	YTD 2026	YTD 2025
Alaska		500	1,602
Arizona	973	2,053	10,220
California	35,101	76,958	93,586
Colorado	1,571	6,179	3,067
Hawaii	10	1,001	431
Idaho		949	258
Montana	62	132	244
Nevada	344	3,435	1,390
New Mexico	102	135	203
North Dakota	40	180	0
Oklahoma		92	904
Oregon	1,050	6,601	1,119
South Dakota	53	53	373
Texas	2,015	39,080	28,050
Utah	110	477	281
Washington	2,214	33,888	15,496
Wyoming		9	28
TOTAL	43,645	171,722	157,252

SOUTH	May-26	YTD 2026	YTD 2025
Alabama	110	1,647	6,457
Arkansas	1,150	1,192	340
Florida	6,888	18,424	14,712
Georgia	1,252	36,011	26,354
Kentucky	1,277	2,540	2,455
Louisiana		85	145
Mississippi		844	660
North Carolina	1,807	6,674	4,160
South Carolina	317	5,138	1,849
Tennessee	12,993	16,301	6,476
Virginia	1,560	4,880	4,345
West Virginia		962	165
TOTAL	27,354	94,698	68,118

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JOB CUT ANNOUNCEMENT REPORT
Table 4: JOB CUTS BY REASON**

Reason	May-26	YTD 2026
Artificial Intelligence	38,579	87,714
Market/Economic Conditions	16,587	69,645
Closing	14,546	66,733
Restructuring	9,942	52,249
Contract Loss	2,575	37,059
Cost-Cutting	3,765	32,659
Acquisition/Merger	2,622	11,989
Voluntary Severance/Buyouts	163	9,819
Bankruptcy	5,637	8,888
Demand Downturn	165	8,385
Financial Loss	249	2,307
EV Tax Credit Expiration		2,058
No Reason Provided	205	1,607
Relocation (Domestic)	1,000	1,449
Technological Update (automation)		1,353
Federal Cuts/Shutdown	711	1,143
Consolidation	260	853
DOGE Downstream Impact		826
Relocation (International)		341
Tariffs		331
Government Regulations		148
Avian Flu		87
Legal Trouble		76
Natural Disaster		36
TOTAL	97,006	397,755

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Table 5: ANNOUNCED NEWS CUTS

	2026	2025	2024	2023	2022	2021
January	65	192	528	360	0	242
February	324	132	1,226	546	200	90
March	250	249	373	532	491	542
April	200	0	57	517	224	1
May	131	462	55	17	2	88
June		104	158	119	0	46
July		279	172	238	54	0
August		129	533	31	80	18
September		191	300	63	135	0
October		337	118	271	0	10
November		179	1,017	363	260	124
December		0	365	30	362	350
Total	970	2,254	4,902	3,087	1,808	1,511
YTD		1,035	2,239	1,972	917	963

Source: Challenger, Gray & Christmas

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JOB CUT ANNOUNCEMENT REPORT**

Table 6: 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
2026	217,362				397,755
AVG	208,009	181,307	176,025	187,106	

Source: Challenger, Gray & Christmas

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JOB CUT ANNOUNCEMENT REPORT**

Table 7: ANNOUNCED HIRING PLANS

By Month

	2026	2025	2024	2023	2022	2021	2020	2019
January	5,306	6,089	5,376	32,764	77,630	72,063	23,229	74,040
February	12,755	34,580	10,317	28,830	215,127	146,403	88,202	15,279
March	32,826	13,198	21,102	9,044	105,224	97,767	824,610	96,368
April	10,049	16,191	9,802	23,310	88,622	76,345	285,639	258,302
May	19,536	9,683	4,236	7,885	126,083	49,118	38,981	8,663
June		3,191	19,087	13,629	102,897	110,093	75,454	11,946
July		3,200	3,676	12,774	25,506	18,281	246,507	22,316
August		1,494	6,101	7,744	41,985	94,004	160,411	24,937
September		117,313	403,893	590,353	380,014	939,790	929,860	459,689
October		283,138	266,743	35,202	237,380	52,042	255,198	190,835
November		9,074	11,621	15,566	30,203	6,527	185,504	19,063
December		10,496	7,999	3,022	51,693	89,984	77,267	26,313
TOTAL	80,472	507,647	769,953	780,123	1,482,364	1,752,417	3,190,862	1,207,751
YTD	80,472	79,741	50,833	101,833	612,686	441,696	1,260,661	452,652
Monthly Average		42,304	64,163	65,010	123,530	146,035	265,905	100,646

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

Table 8: ANNOUNCED HIRING PLANS

Industry	26-May	YTD 2026	YTD 2025
Aerospace/Defense	310	7,676	2,776
Apparel		300	198
Automotive		12,258	5,736
Chemical		213	40
Construction		860	165
Consumer Products	44	5,744	2,515
Education		292	0
Electronics	3,158	3,538	610
Energy	800	2,200	1,070
Entertainment/Leisure	535	8,796	28,000
Financial		930	75
FinTech		0	2,130
Food	360	2,115	192
Government	100	7,368	7,056
Health Care/Products	25	871	3,990
Industrial Goods	905	4,876	2,892
Insurance	1,435	4,010	12,000
Legal		0	0
Media		0	0
Mining		0	900
Non-Profit		32	0
Pharmaceutical		75	400
Real Estate		0	0
Retail	100	1,257	0
Services		707	298
Technology	11,250	13,480	5,510
Telecommunications		0	1,100
Transportation		980	305
Utility	214	1,594	1,493
Warehousing	300	300	290
TOTAL	19,536	80,472	79,741

Source: Challenger, Gray & Christmas