

July 2026 CHALLENGER REPORT

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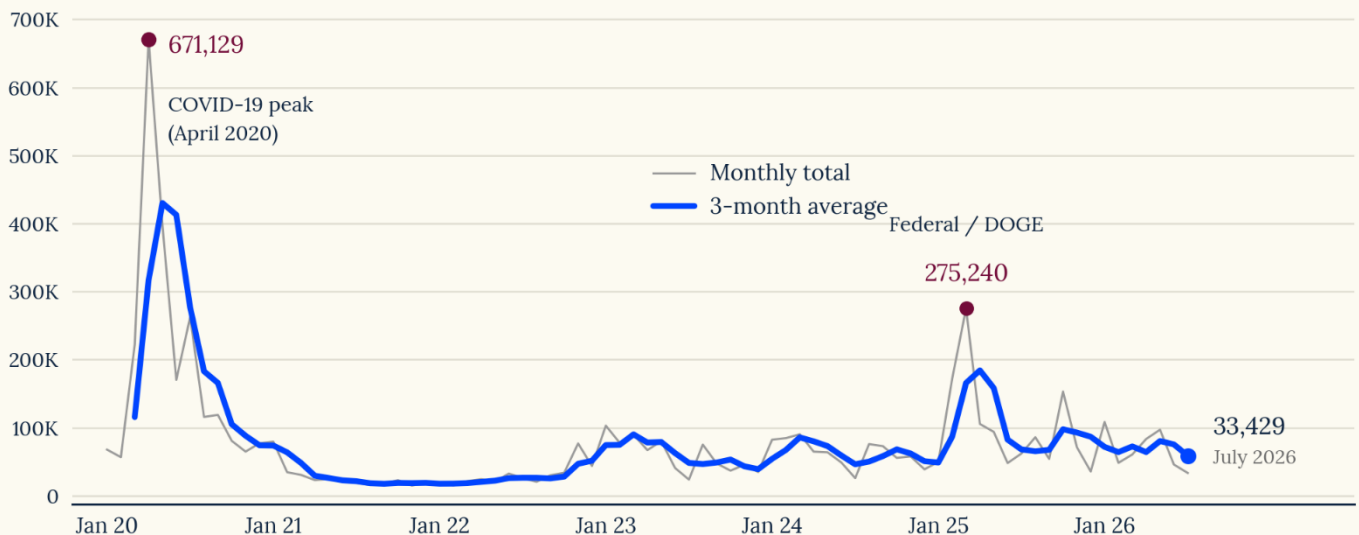
JULY LAYOFFS PLUNGE TO 33,429, HIRING PLANS TICK UP; AI LEADS REASONS FOR FIFTH CONSECUTIVE MONTH

CHICAGO, August 6, 2026 – U.S.-based employers announced 33,429 job cuts in July, down 27% from the 45,849 cuts announced in June. It is down 46% from the 62,075 layoff plans announced in the same month last year, and marks the lowest monthly total in two years, according to a report released Thursday from global outplacement and executive coaching firm Challenger, Gray & Christmas.

July's total is the lowest monthly total since July 2024, when 25,885 cuts were announced. Through July, employers have announced 477,033 job cuts, down 41% from the 806,383 cuts announced in the first seven months of 2025. It is the fifth time this year cuts are lower than the corresponding month one year earlier.

U.S. JOB CUTS BY MONTH

Announced layoffs at U.S.-based employers, January 2020–July 2026



Source: Challenger, Gray & Christmas, Inc.

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“The pace of layoffs fell dramatically this summer. Layoff plans continue to be announced primarily in Tech, and artificial intelligence is still the story, as investments in the technology reshape organizations.

“Hiring has also increased over last year by 25%, so while AI is shifting the labor market, it is not dismantling it,” said Andy Challenger, workplace expert and chief revenue officer for Challenger, Gray & Christmas.

WHICH INDUSTRIES CUT THE MOST IN JULY?

Technology

Technology again led all sectors, announcing 9,867 job cuts in July for a total of 149,023 in 2026. That is an increase of 67% from the 89,251 cuts announced in this sector through July 2025. Technology now accounts for 31% of all job cuts announced this year.

“Tech remains the center of gravity for this year's cuts, and AI is still the reason companies give,” said Challenger.

Financial

Financial firms announced 3,157 cuts in July, the second-most of any industry, bringing the year-to-date total to 18,626. That is down 31% from the 26,894 cuts announced in this sector through July 2025.

Government

Government announced 2,962 cuts in July for a year-to-date total of 20,752, down 93% from the 292,294 cuts announced through July 2025, when federal workforce reductions drove the year's totals.

Services

Services followed with 2,581 cuts in July, bringing the year-to-date total to 23,942. That is down 55% from the 53,438 cuts announced in this sector through July 2025.

Health Care/Products

Health Care companies and health products manufacturers, including hospitals, announced 1,251 cuts in July for a year-to-date total of 34,426, up 6% from the 32,399 cuts announced through July 2025.

Transportation

Transportation has announced the second-most cuts among all industries this year with 41,748, up 303% from the 10,353 announced during the same period in 2025, as the sector continues to absorb elevated costs and shifting trade conditions.

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Media & News Cuts

The Media industry has announced 4,428 cuts so far in 2026, down 55% from the 9,796 cuts announced during the same period last year.

News, which Challenger tracks as a subset of Media and includes broadcast, digital, and print, has announced 1,311 cuts year-to-date, down 8% from the 1,418 News cuts announced through July 2025. July's 273 was essentially flat from the same month last year, when 279 News cuts were recorded.

WHICH INDUSTRIES ARE CUTTING THE MOST IN 2026?

Technology leads all industries with 149,023 cuts announced through July, followed by Transportation with 41,748, Health Care/Products with 34,426, Services with 23,942, and Government with 20,752.

Eighteen of the 30 industries Challenger tracks have announced fewer cuts than they did at this point last year. The decline is steepest in Government, down 93%. Retail has announced 12,946 cuts, down 84% from 80,487. Warehousing is down 58% to 16,328.

The increases are concentrated in Technology, up 67%, Transportation, up 303%, and Pharmaceutical, up 312% to 13,666.

WHY ARE COMPANIES CUTTING?

In July, Artificial Intelligence (AI) led all reasons for job cuts, with 10,970 announced during the month, or 33%. It is the fifth consecutive month AI has been the leading reason. So far this year, AI has been cited in 112,713 job cut announcements, approximately 24% of all cuts.

Since 2023, when AI was first tracked as a distinct reason, it has been cited in 184,538 job cut announcements.

The ambiguous nature of what constitutes AI-attributed cuts was highlighted in July.

On the straightforward side, Visa announced a 7% reduction and attributed it to an efficiency push in which AI would reshape work. Challenger categorized those cuts as AI.

Challenger also tracked a Bronx hospital system, Montefiore, which eliminated 12 utilization review nursing positions after adopting software from Datavant. The New York State Nurses Association filed a class-action grievance and issued a press release in which it stated the hospital was replacing human workers with AI software. This would require the hospital to meet with union leaders under its new contract. However, the characterization is something hospital leaders refer to as "misleading" in a Gothamist article.

Datavant provides AI- and natural language processing-integrated software and highlights its AI tools on its website. However, since there was no clarity from the hospital system on the product being used, Challenger is tracking these cuts as "Technological Update (possibly AI)." Challenger uses this categorization when a company states new technology was the main reason for layoffs and AI is alluded to but not directly tied to the cuts. Challenger tracked 20,219 cuts for this reason in 2025.

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“Naming AI in a layoff announcement can win over investors while pushing current and prospective employees away. That's why the messaging has swung from hedging to aggressively citing it,” said Challenger.

“As regulations start to take shape, companies will be even more careful in their announcements, which would make tracking the impact of AI on jobs more opaque,” he added.

There is only one Health Care cut attributed to AI in Challenger's data: 39 cuts at a California telehealth provider in October 2025.

“AI-related cutting has been limited outside of the Tech sector. Health Care is a place we do not expect many jobs to be displaced by AI, but one that has the potential to benefit from it and where AI is being used more and more often. If this software indeed runs on AI, this is an example of how AI is shifting and reshaping workplaces and also resulted in job loss,” said Challenger.

Market and Economic Conditions followed for the month with 7,960 cuts for a total of 90,075. Closings accounted for 6,060 in July and 84,630 for the year. Restructuring was cited for 2,815 cuts (57,476 through July 2026) and Loss of Contract for 2,003 (40,758 through July 2026).

HIRING PLANS IN 2026

ANNOUNCED HIRING PLANS

U.S.-based employers, January–July 2026

July hiring plans totaled 16,095 — up 47% from June and the strongest July since 2022.



Employers announced plans to hire 16,095 workers in July, up 47% from the 10,933 plans announced in June and well above the 3,200 announced in July 2025. It is the highest July total since 2022, when employers announced 25,506 hiring plans.

So far this year, companies have announced plans to hire 107,500 workers, up 25% from the 86,132 plans announced through July 2025. It is the strongest January-to-July total since 2023.

Source: Challenger, Gray & Christmas

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Aerospace/Defense led all industries in July with 4,625 announced hires, followed by Technology with 2,470 and Automotive with 2,068. For the year, Technology leads with 17,231, followed by Automotive with 14,704 and Aerospace/Defense with 12,516.

"Employers are hiring more than they were at this point last year, which bucks the trend we've seen since 2020. The demand is showing up in aerospace, energy, and manufacturing, work that happens on a floor rather than a screen," said Challenger.

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Table 1: EXECUTIVE SUMMARY

TOP FIVE INDUSTRIES		
<i>Year To Date</i>		
	YTD 2026	YTD 2025
Technology	149,023	89,251
Transportation	41,748	10,353
Health Care/Products	34,426	32,399
Services	23,942	53,438
Government	20,752	292,294

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	45,849	47,999
July	33,429	62,075
August		85,979
September		54,064
October		153,074
November		71,321
December		35,553
TOTAL	477,033	1,206,374

Some reductions are announced as a range or over multiple years; Challenger records the announced figure.

LAYOFF LOCATION		
	YTD 2026	YTD 2025
California	93,722	114,676
Texas	42,030	34,204
Washington	40,450	26,524
Georgia	37,758	28,068
Michigan	30,266	11,327

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

Industry	Jul-25	Jun-26	Jul-26	YTD 2025	YTD 2026
Aerospace/Defense	481	1,140		2,104	5,817
Apparel	44	195	355	1,765	5,257
Automotive	4,975	1,268	1,543	16,883	16,881
Chemical	28	1	42	2,224	5,118
Construction	1,777	43	157	3,853	2,553
Consumer Products	1,278	2,438	1,597	32,701	18,517
Education	2,458	58	13	14,116	15,499
Electronics	125	221	1,027	6,319	5,127
Energy	1,523	444	359	8,416	2,257
Entertainment/Leisure	864	1,668	701	13,468	10,282
Financial	1,096	1,120	3,157	26,894	18,626
FinTech	581	719		1,813	7,122
Food	1,850	3,955	1,310	11,943	14,385
Government	3,666	1,872	2,962	292,294	20,752
Health Care/Products	2,323	2,761	1,251	32,399	34,426
Industrial Goods	1,302	1,862	583	6,931	11,615
Insurance	474	209	89	3,430	6,908
Legal				403	
Media	5,044	98	940	9,796	4,428
Mining		71		2,301	1,490
Non-Profit	896	983	543	17,826	7,945
Pharmaceutical	1,359	247	934	3,321	13,666
Real Estate	97	22		1,461	321
Retail	622	1,055	210	80,487	12,946
Services	4,702	4,296	2,581	53,438	23,942
Technology	13,037	15,503	9,867	89,251	149,023
Telecommunications	4,383	262	1,064	19,277	3,333
Transportation	1,934	582	778	10,353	41,748
Utility	455	29	133	1,973	721
Warehousing	4,701	2,727	1,233	38,943	16,328
TOTAL	62,075	45,849	33,429	806,383	477,033

Source: Challenger, Gray & Christmas

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Table 3: JOB CUTS BY REGION, STATE

EAST	Jul-26	YTD 2026	YTD 2025
Connecticut		4,260	1,440
Delaware		117	209
Dist. of Columbia		11,259	292,586
Maine		300	4,711
Maryland	450	3,688	7,483
Massachusetts	752	13,892	9,044
New Hampshire		90	118
New Jersey	2,125	26,771	26,695
New York	2,188	22,620	76,038
Pennsylvania	147	12,259	14,950
Rhode Island		162	939
Vermont		739	172
TOTAL	5,662	96,157	434,385

MIDWEST	Jul-26	YTD 2026	YTD 2025
Illinois	2,579	15,985	14,168
Indiana	207	3,834	1,069
Iowa	130	2,989	5,990
Kansas		418	2,700
Michigan	855	30,266	11,327
Minnesota	84	1,905	5,323
Missouri	808	2,834	3,702
Nebraska	218	1,435	4,869
Ohio		8,547	37,938
Wisconsin	225	4,084	2,358
TOTAL	5,106	72,297	89,444

WEST	Jul-26	YTD 2026	YTD 2025
Alaska	169	779	1,712
Arizona	174	3,203	12,514
California	10,561	93,722	114,676
Colorado	292	6,770	3,547
Hawaii	176	1,223	683
Idaho	53	1,002	330
Montana		132	244
Nevada	66	3,561	1,891
New Mexico	11	296	203
North Dakota		180	
Oklahoma	184	276	1,561
Oregon	383	7,559	3,202
South Dakota		53	373
Texas	938	42,030	34,204
Utah	303	780	994
Washington	5,315	40,450	26,524
Wyoming		9	28
TOTAL	18,625	202,025	202,686

SOUTH	Jul-26	YTD 2026	YTD 2025
Alabama	71	3,315	6,530
Arkansas	280	1,542	520
Florida	168	19,790	16,905
Georgia	497	37,758	28,068
Kentucky	352	2,984	2,944
Louisiana	500	585	1,159
Mississippi		1,337	1,056
North Carolina	767	8,238	6,019
South Carolina	328	5,482	2,608
Tennessee	758	18,290	8,138
Virginia	315	6,199	4,932
West Virginia		1,034	989
TOTAL	4,036	106,554	79,868

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Table 4: JOB CUTS BY REASON

Reason	Jul-26	YTD 2026
Artificial Intelligence	10,970	112,713
Market/Economic Conditions	7,960	90,075
Closing	6,060	84,630
Restructuring	2,815	57,476
Contract Loss	2,003	40,758
Cost-Cutting	484	34,702
Acquisition/Merger	401	13,068
Voluntary Severance/Buyouts		9,819
Bankruptcy	58	9,287
Demand Downturn	107	8,595
Financial Loss	430	3,020
Relocation (Domestic)	1,108	2,557
EV Tax Credit Expiration		2,058
No Reason Provided		1,837
Federal Cuts/Shutdown		1,354
Technological Update (automation)		1,353
DOGE Downstream Impact	325	1,151
Consolidation	151	1,004
Relocation (International)	345	686
Tariffs		331
Natural Disaster	200	236
Government Regulations		148
Avian Flu		87
Legal Trouble		76
Technological Update (possibly AI)	12	12
TOTAL	33,429	477,033

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Table 5: QUARTER-BY-QUARTER

Year	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	226,242			443,604
AVG (1989–2025)	207,756	181,307	176,025	187,106	752,194

Source: Challenger, Gray & Christmas

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Table 6: ANNOUNCED HIRING PLANS BY MONTH

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	12,755	34,580	10,317	28,830	215,127	146,403	88,202	15,279	139,925	25,765
March	32,826	13,198	21,102	9,044	105,224	97,767	824,610	96,368	14,525	127,006
April	10,049	16,191	9,802	23,310	88,622	76,345	285,639	258,302	13,842	61,537
May	19,536	9,683	4,236	7,885	126,083	49,118	38,981	8,663	9,889	77,447
June	10,933	3,191	19,087	13,629	102,897	110,093	75,454	11,946	13,504	40,095
July	16,095	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	107,500	507,647	769,953	780,123	1,482,364	1,752,417	3,190,862	1,207,751	1,018,428	1,100,654
YTD (Jan–Jul)	107,500	86,132	73,596	128,236	741,089	570,070	1,582,622	486,914	243,398	556,493
Monthly Average	15,357	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 BY INDUSTRY

Industry	Jul-26	YTD 2026	YTD 2025
Aerospace/Defense	4,625	12,516	4,286
Apparel	200	1,550	198
Automotive	2,068	14,704	6,161
Chemical	42	255	40
Construction	268	1,128	907
Consumer Products	447	6,405	3,030
Education		292	
Electronics	287	4,700	610
Energy	1,965	4,165	1,070
Entertainment/Leisure		12,096	28,190
Financial		930	75
FinTech			2,382
Food	285	2,420	427
Government		9,368	7,056
Health Care/Products	300	1,171	4,197
Industrial Goods	705	6,881	4,407
Insurance		4,010	12,800
Legal			
Media			
Mining			900
Non-Profit		32	
Pharmaceutical	55	130	400
Real Estate			
Retail	150	1,407	
Services	1,793	2,500	298
Technology	2,470	17,231	5,510
Telecommunications			1,100
Transportation		980	305
Utility	275	2,169	1,493
Warehousing	160	460	290
TOTAL	16,095	107,500	86,132

Source: Challenger, Gray & Christmas