



Challenger, Gray & Christmas, Inc.  
The original outplacement company



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## FOR IMMEDIATE RELEASE

### 95 CEO Changes in December **LOWEST ANNUAL TOTAL SINCE 2004; 11 OUT AMID SEXUAL MISCONDUCT ALLEGATIONS**

**CHICAGO, January 10, 2018** – The number of Chief Executive Officer changes at U.S.-based companies rose slightly from the 94 CEO exits announced in November, as a total of 95 CEOs left their posts in December. This brings the year-end total to 1,160 exits, the lowest annual total since 2004, when 663 CEO changes were announced, according to a report released Wednesday by global outplacement consultancy and executive coaching firm Challenger, Gray & Christmas, Inc.

Last year's departures were down 7 percent from the 1,248 announced in 2016. December's total was 4 percent lower than December 2016, when 99 CEO exits were announced.

"The uncertainty surrounding the tax and health care bills, coupled with a tight labor market, kept companies from making any major leadership changes in 2017," said John Challenger, CEO of Challenger, Gray & Christmas, Inc.

"In fact, most of the leaders who did leave their roles last year stayed with the company in some capacity, typically as a board member or other C-level executive," he added.

Thirty percent of the CEOs who left their posts stepped down into other roles. That is compared to 21.4 percent of all CEO changes in 2016, and 19.7 percent in 2015.

"Those companies that did choose to change their CEOs clearly wanted to keep some of their institutional knowledge in the C-suites and board rooms," said Challenger.

CEO departures in 2017 were significant for another reason: sexual misconduct. Last year, a total of 11 CEOs left amid sexual misconduct allegations, 266 percent more than left for that reason in 2016. In fact, a total of three CEOs left for that reason in each of the last three years.

“The #MeToo movement, so inspiring to women and men who have endured abuse, particularly at work, also inspired companies. Not only are many companies reevaluating their sexual harassment policies and procedures, but many are operating under a zero-tolerance policy, especially regarding the heads of their organizations,” said Challenger.

In an analysis of news reports of allegations made since October, Challenger found that 71 percent of alleged abuse occurred in the workplace. Twenty-six percent was reported to the company.

“Companies are more poised than ever to create a safe environment for workers. Cases of sexual misconduct, discussions of which were previously kept in house, if not ignored, are now being openly discussed and exposed. This kind of accountability begins with the person in the top spot,” said Challenger.

The Government/Non-Profit sector led all industries in announced departures last year with 191, 18 of which were announced in December. This is 6.4 percent lower than the 204 CEOs who left this sector in 2016.

Financial companies announced 119 exits in 2017, 23.7 percent lower than the 156 recorded the prior year. Companies in the Services industry saw 110 exits for the year, 162 percent more than the 42 exits in 2016.

Hospitals saw 107 top leaders exit, 31 percent lower than the 154 announced in 2016. Companies in the Health Care/Products space saw 105 CEO changes in 2017, 21 percent more than the 87 announced in 2016.

California had the highest number of CEO changes, with a 12-month total of 139, ten in December. Texas followed with 105 departures last year. New York announced 68 CEO changes in 2017, while Florida announced 61.

Most CEOs (351) stepped down from their posts into other Board or C-suite positions, and 320 retired. Another 172 officially resigned from their posts, while 78 found new positions at other companies.

Seventeen CEOs left amid scandal, including the 11 who departed due to sexual misconduct allegations. This reason was cited 83.3 percent more than in 2016, when six CEOs left amid scandal.

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## CHALLENGER CEO REPORT

### CEO DEPARTURES

#### By Month

	2017	2016	2015	2014	2013	2012	2011
January	128	131	110	131	113	123	96
February	72	87	94	112	110	104	92
March	101	101	95	123	86	94	99
April	91	108	97	94	94	90	103
May	80	100	90	98	104	99	103
June	95	97	102	103	94	99	113
July	102	92	128	105	128	83	104
August	96	109	107	119	113	104	104
September	101	119	104	124	107	95	108
October	105	99	94	122	104	108	91
November	94	106	86	103	94	112	82
December	95	99	114	107	99	103	83
TOTAL	1,160	1,248	1,221	1,341	1,246	1,214	1,178

## CHALLENGER CEO REPORT

### CEO DEPARTURES

By Industry

	16-Dec	17-Nov	17-Dec	Jan-Dec 2016	Jan-Dec 2017
Aerospace/Defense	1			14	8
Apparel	1			9	0
Automotive	2			18	5
Chemical	1			9	5
Commodities				3	12
Computer	12	7	8	132	97
Construction	1			13	7
Consumer Products	2	3	3	35	30
Electronics		3	3	12	14
Energy	3	3	2	35	35
Entertainment/Leisure	7	3	7	73	60
Financial	12	19	12	156	119
Food	2	1	1	23	31
Government/Non-Profit	9	15	18	204	191
Health Care/Products	5	10	11	87	105
Hospitals	15	10	5	154	107
Industrial Goods	1	1		29	34
Insurance	1	4	1	16	26
Legal	1			4	2
Media	6	1		33	17
Pharmaceutical	6	1	7	37	47
Real Estate	2		4	27	14
Retail	3	3	1	37	41
Services	3	6	6	42	110
Telecommunications			3	9	12
Transportation	2	4	3	19	25
Utility	1			18	6
<b>TOTAL</b>	<b>99</b>	<b>94</b>	<b>95</b>	<b>1,248</b>	<b>1,160</b>

## CHALLENGER CEO REPORT

### CEO DEPARTURES

#### By State

EAST	December	Year To Date
New York	4	68
Pennsylvania	6	58
Massachusetts	5	53
New Jersey	3	19
Maryland	2	15
Dist. of Columbia	1	14
Connecticut	1	14
Maine		6
Vermont		3
New Hampshire		3
Delaware		2
Rhode Island		2
Puerto Rico		1
	22	258

MIDWEST	December	Year To Date
Illinois	6	60
Ohio	5	42
Minnesota	2	37
Missouri	1	26
Michigan	1	25
Wisconsin	3	22
Iowa	3	15
Indiana		14
Nebraska		7
Kansas	2	4
TOTAL	23	252

## CHALLENGER CEO REPORT

### CEO DEPARTURES

#### By State

	December	Year To Date
California	10	139
Texas	7	105
Colorado	3	44
Arizona	1	25
Washington	1	21
Oregon		16
Nevada	1	7
Utah	1	7
Idaho		6
New Mexico		5
Hawaii		5
South Dakota	1	4
North Dakota		3
Oklahoma		2
Wyoming	1	2
Alaska		1
Montana		1
<b>TOTAL</b>	<b>26</b>	<b>393</b>

SOUTH	December	Year To Date
Florida	4	61
Virginia	6	41
Tennessee	4	34
Georgia	2	32
N. Carolina	1	30
Alabama	1	17
S. Carolina	1	10
Louisiana	2	10
Kentucky	3	9
Arkansas		5
West Virginia		5
Mississippi		3
<b>TOTAL</b>	<b>24</b>	<b>257</b>

## CEO DEPARTURES

By Reason

	17-Dec	YTD
Stepped Down	23	351
Retirement	32	320
Resigned	12	172
New Position in Another Company	5	78
Interim Period Ended	5	70
No Reason Given	8	52
Pursuing Other Opportunities		24
Deceased	2	18
Scandal	3	17
Replaced		8
Acquisition/Merger	1	10
Contract Expired		7
Health		2
New Position Within the Company		7
Terminated	4	23
Buyout		1

## CEO DEPARTURES

Average Age, Tenure

	Age		Tenure	
	2017	2016	2017	2016
January	60.4	63.4	11.5	9.9
February	59.5	61	12.5	7.9
March	65	60.5	12.1	9.9
April	67.8	65.2	14.8	10.8
May	66	65	11.7	12.6
June	63.3	59.6	12.9	9.5
July	64.5	55.1	10	8.1
August	63	60.8	13.5	10.5
September	58.8	60.8	13	11.3
October	66.5	59.7	14.5	11.5
November	60	62	16.4	8.3
December	67	62.1	16.3	10.5