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## FOR IMMEDIATE RELEASE

Are Companies Playing Wait-And-See With President Trump?

## **CEO CHANGES DROP IN DECEMBER; UP SLIGHTLY OVER 2015**

**CHICAGO, January 11, 2017** – Exxon Mobile, Starbucks, and Land's End were some of the major companies announcing leadership changes in December, but overall turnover among the nation's chief executives fell during the month. Meanwhile, CEO changes for the year were virtually unchanged from 2015, according to the year-end report on announced CEO departures released Wednesday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

A total of 99 CEO departures were announced in December, 6.6 percent fewer than the 106 changes reported in November. December departures were 13 percent lower than the 114 CEO departures announced the same month a year ago.

The final quarter of the year saw 304 CEO departures, down 11 percent from the 332 CEO changes recorded during the same period in 2014.

### **Quarterly Totals**

Quarter	2016	2015	2014	2013	2012	2011	2010	AVERAGE
Q1	319	299	366	309	321	287	340	<b>317</b>
Q2	305	289	295	292	288	319	333	<b>298</b>
Q3	320	339	348	348	282	316	294	<b>326</b>
Q4	304	294	332	297	323	256	267	<b>296</b>
<b>TOTAL</b>	<b>1,248</b>	<b>1,221</b>	<b>1,341</b>	<b>1,246</b>	<b>1,214</b>	<b>1,178</b>	<b>1,234</b>	

In all, 1,248 CEO changes were announced in 2016, which was just 2.0 percent more than the 1,221 tracked in 2015.

“A strong economy does not guarantee low turnover among top executives, but it certainly helps. Steady growth and stability help create a less-risky environment for corporate leadership,” said John A. Challenger, chief executive officer of global outplacement and executive coaching firm Challenger, Gray & Christmas, Inc.

“However, with the inauguration less than two weeks away, companies may also be in a holding pattern until the new administration’s transition is complete. President-elect Trump has proposed many policy ideas that could greatly impact trade, taxes, hiring, and compensation,” he added.

Government/non-profit entities, which include universities, foundations, and chambers of commerce, led all industries with 204 CEO changes in 2016, 9 of which occurred in December. This is compared to 188 exits from these organizations last year.

Financial firms announced the second most CEO departures in 2016 with 156, only slightly more than the 154 CEOs who left hospitals last year. Computer companies place fourth for CEO departures with 132, 23 percent more than the 107 announced departures in this sector in 2015. Healthcare companies, excluding hospitals and hospital systems, announced 87 CEO changes, while companies in the entertainment and leisure sector announced 73.

California announced the most CEO departures this year with 121, compared to 129 in 2015. Texas companies recorded 112. New York recorded 80 CEO changes in 2016, 29 percent more than the 62 announced in that state in 2015.

The most oft-cited reason for leaving the top post was retirement, as 333 companies offered this as cause of departure. Another 282 resigned, while 267 stepped down into another role, typically as board chair or other C-level executive. Forty-five CEOs were ousted from their posts, while 6 others left amid scandal.

Meanwhile, two CEOs left in December due to their involvement in the new administration: Rex Tillerson of Exxon Mobile who is President-elect Trump’s nominee for Secretary of State, and David Sacks of HR-software firm Zenefits who is said to be aiding the Trump transition team.

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## CHALLENGER CEO REPORT

### CEO DEPARTURES

By Month

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
January	131	110	131	113	123	96	89
February	87	94	112	110	104	92	132
March	101	95	123	86	94	99	119
April	108	97	94	94	90	103	101
May	100	90	98	104	99	103	125
June	97	102	103	94	99	113	107
July	92	128	105	128	83	104	88
August	109	107	119	113	104	104	95
September	119	104	124	107	95	108	111
October	99	94	122	104	108	91	81
November	106	86	103	94	112	82	79
December	99	114	107	99	103	83	107
TOTAL	1,248	1,221	1,341	1,246	1,214	1,178	1,234

## CHALLENGER CEO REPORT

### CEO DEPARTURES

#### By Industry

	15-Dec	16-Nov	16-Dec	Jan-Dec 2015	Jan-Dec 2016
Aerospace/Defense	1	2	1	9	14
Apparel		1	1	12	9
Automotive	3		2	25	18
Chemical	1	2	1	13	9
Commodities				1	3
Computer	8	15	12	107	132
Construction		3	1	10	13
Consumer Products	1		2	34	35
Electronics	1	1		13	12
Energy	5	3	3	41	35
Entertainment/Leisure	2	4	7	65	73
Financial	18	13	12	137	156
Food	3	5	2	34	23
Government/Non-Profit	27	17	9	188	204
Health Care/Products	9	5	5	93	87
Hospitals	11	13	15	137	154
Industrial Goods	1	3	1	38	29
Insurance	3	2	1	24	16
Legal			1	5	4
Media	2	1	6	25	33
Pharmaceutical	3		6	42	37
Real Estate	2	5	2	27	27
Retail	2	3	3	34	37
Services	5	3	3	44	42
Telecommunications				13	9
Transportation	3	2	2	36	19
Utility	3	3	1	14	18
<b>TOTAL</b>	<b>114</b>	<b>106</b>	<b>99</b>	<b>1,221</b>	<b>1,248</b>

## CHALLENGER CEO REPORT

### CEO DEPARTURES

#### By State

EAST	DECEMBER	2016	2015
New York	6	80	62
Pennsylvania	8	61	60
Massachusetts	7	44	66
Dist. of Columbia	1	25	23
Maryland	3	24	23
New Jersey	3	14	24
Connecticut	2	13	22
Vermont		9	5
Maine		7	7
New Hampshire		6	2
Delaware		5	3
Rhode Island		4	4
<b>TOTAL</b>	<b>30</b>	<b>292</b>	<b>301</b>

MIDWEST	DECEMBER	2016	2015
Illinois	6	61	42
Ohio	3	54	44
Minnesota	1	38	33
Missouri	3	33	40
Michigan	4	33	21
Wisconsin	1	20	33
Indiana	1	20	15
Iowa		15	14
Kansas	1	13	18
Nebraska		7	15
<b>TOTAL</b>	<b>20</b>	<b>294</b>	<b>275</b>

## CHALLENGER CEO REPORT

### CEO DEPARTURES

By State

WEST	DECEMBER	2016	2015
California	13	121	129
Texas	7	112	92
Colorado	3	43	36
Washington	3	28	22
Arizona	1	27	22
Oregon	3	21	15
Oklahoma	1	9	11
New Mexico		8	7
Idaho	1	7	7
Nevada		6	11
Wyoming		5	0
Utah		5	9
South Dakota		3	4
Alaska		2	5
Hawaii	1	2	4
North Dakota		1	4
Montana		0	2
<b>TOTAL</b>	<b>33</b>	<b>400</b>	<b>380</b>

SOUTH	DECEMBER	2016	2015
Florida	4	78	70
Tennessee	3	43	40
N. Carolina	2	36	43
Georgia	2	29	30
Virginia	2	28	31
S. Carolina		16	12
Kentucky		12	9
Louisiana	3	8	9
Alabama		7	12
Mississippi		2	1
Arkansas		2	3
West Virginia		1	5
<b>TOTAL</b>	<b>16</b>	<b>262</b>	<b>265</b>

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## CEO DEPARTURES

By Reason

	Dec-16	YTD
Retirement	21	333
Resigned	29	282
Step Down	21	267
New position in another company	11	135
Interim Period Ended	7	90
Ousted	2	45
Acquisition/Merger	1	18
Another position within company	1	18
Died	3	10
Pursuing other opportunities		9
Financial Losses		7
Health		6
Scandal		6
Bankruptcy		5
Contract Expired	2	5
Restructuring		3
Personal Reasons	1	3
Replaced		2
New Focus		2
Leave of Absence		1
Legal Trouble		1

## CEO DEPARTURES

Average Age, Tenure

	Age		Tenure	
	2016	2015	2016	2015
January	63.4	64	9.9	14.8
February	61.0	63.9	7.9	10
March	60.5	61.7	9.9	11.4
April	65.2	57.5	10.8	9.1
May	65.0	61.1	12.6	8.2
June	59.6	62.4	9.5	8.6
July	55.1	63.8	8.1	8.3
August	60.8	61.7	10.5	9.7
September	60.8	61.2	11.3	8.4
October	59.7	62.5	11.5	10.1
November	62.0	62.6	8.3	7.5
December	62.1	65.0	10.5	10.5