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## **MONTHLY JOB CUTS SURGE 218% TO 75,114 IN JANUARY** Heavy Layoffs in Energy and Retail Drive Increase

**CHICAGO, February 4, 2016** – Heavy downsizing in the retail and energy sectors pushed monthly job cut announcements to their highest level since last summer, according to the latest report on monthly job cuts released Thursday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

In all, US-based employers reported 75,114 planned job cuts to kick off 2016. That is a 218 percent increase from a 15-year low of 23,622 in December. January was 42 percent higher than the same month a year ago, when employers announced 50,041 job cuts.

Last month represents the highest monthly tally since July 2015, when cuts reached 105,696. It was the largest January total since 241,749 job cuts were announced during the first month of 2009.

Despite relatively strong holiday sales to close out 2015, retailers led all other industries in January job cuts, announcing plans to cut 22,246 jobs from their payrolls. That was the highest retail total since January 2009, when retailers announced 53,968 planned layoffs.

Retail cuts were dominated by Walmart, which announced plans to close 269 stores worldwide, which is expected to impact 16,000 workers. Macys is also planning to close stores in 2016, a move that will affect 4,820 employees.

In addition to increased retail job cuts, January also saw the return of heavy job cuts in the energy sector. Overall, these firms announced plans to reduce headcounts by 20,246, up from 1,682 in December.

The January total for the energy sector was higher than month since the decline in oil prices began in late 2014. The previous high was January 2015, when 20,193 jobs in the sector were eliminated.

“The pace of downsizing in the energy sector ebbed in the second half of 2015, but the latest activity, which included more cuts from Halliburton and Schlumberger, is evidence the industry is far from concluding its cost-cutting initiatives. With oil prices expected to stay low for the foreseeable future, the potential for continued layoffs remains elevated,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

Since oil prices began their decline, Halliburton has announced 22,000 job cuts through multiple job-cut announcements. Schlumberger has also reported multiple layoff events since late 2014, with total job cuts exceeding 30,000. Baker Hughes has also announced multiple layoffs, totaling 16,000.

“Retail job cuts came on the heels of a relatively strong holiday sales, which increased by nearly 8.0 percent. However, a growing portion of the sales gains are occurring online. At Macy’s, for example, November and December sales at its brick-and-mortar stores fell by about 5.0 percent, while orders through its online entities were up 25 percent from a year earlier, according to reports,” said Challenger.

“This shift is making it necessary for retailers like Macy’s and Walmart to rethink their strategy; moving away from traditional stores and investing more into Internet sales. Unfortunately, this shift is resulting in widespread job cuts across the industry, even in times of good health,” said Challenger.

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

**TOP FIVE INDUSTRIES**

**Year To Date**

	<b>2016</b>	<b>2015</b>
<b>Retail</b>	22,246	6,699
<b>Energy</b>	20,103	20,193
<b>Computer</b>	11,003	3,732
<b>Telecommunications</b>	3,371	607
<b>Pharmaceutical</b>	3,046	172

**MONTH BY MONTH TOTALS**

	<b>2016</b>	<b>2015</b>
<b>January</b>	75,114	53,041
<b>February</b>		50,579
<b>March</b>		36,594
<b>April</b>		61,582
<b>May</b>		41,034
<b>June</b>		44,842
<b>July</b>		105,696
<b>August</b>		41,186
<b>September</b>		58,877
<b>October</b>		50,504
<b>November</b>		30,953
<b>December</b>		23,622
<b>TOTAL</b>	<b>75,114</b>	<b>598,510</b>

Some reductions are identified by employers as workers who will take early retirement offers or other special considerations to leave the company.

**LAYOFF LOCATION**

**Year To Date**

<b>Texas</b>	<b>27,297</b>
<b>Arkansas</b>	<b>16,100</b>
<b>Ohio</b>	<b>6,075</b>
<b>Virginia</b>	<b>3,840</b>
<b>New Jersey</b>	<b>3,020</b>

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

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

## **JOB CUTS BY INDUSTRY**

	15-Jan	15-Dec	16-Jan
Aerospace/Defense	1,000	430	731
Apparel		400	
Automotive	120	1,966	1,238
Chemical	293	1,700	150
Commodities	453		
Computer	3,732	675	11,003
Construction	222	54	94
Consumer Products	144	717	874
Education	301	589	670
Electronics	919	50	515
Energy	20,193	1,682	20,103
Entertainment/Leisure	1,911	1,617	32
Financial	5,375	5,177	998
Food	2,115	2,761	1,726
Government	200		149
Health Care/Products	1,018	793	494
Industrial Goods	4,859	2,780	3,009
Insurance		363	75
Legal		75	45
Media	558	108	836
Non-Profit	62	24	821
Pharmaceutical	172	312	3,046
Real Estate	37	121	
Retail	6,699	249	22,246
Services	49	512	155
Telecommunications	607	241	3,371
Transportation	2,002	226	2,712
Utility			21
<b>TOTAL</b>	<b>53,041</b>	<b>23,622</b>	<b>75,114</b>

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**JOB CUTS BY REGION, STATE**

<b>EAST</b>	<b>JANUARY</b>
New Jersey	3,020
New York	1,985
Pennsylvania	696
Connecticut	175
Maryland	86
Maine	21
Massachusetts	7
Dist. of Columbia	
Rhode Island	
Delaware	
New Hampshire	
Vermont	
<b>TOTAL</b>	<b>5,990</b>

<b>MIDWEST</b>	<b>JANUARY</b>
Ohio	6,075
Illinois	1,454
Missouri	1,215
Kansas	829
Wisconsin	788
Indiana	632
Minnesota	333
Michigan	200
Iowa	
Nebraska	
<b>TOTAL</b>	<b>11,526</b>

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**JOB CUTS BY REGION, STATE**

<b>WEST</b>	<b>JANUARY</b>
Texas	27,297
California	1,636
Colorado	628
Nevada	616
Washington	572
New Mexico	400
Oklahoma	369
Alaska	330
North Dakota	225
Oregon	70
Montana	66
Utah	53
Hawaii	27
Arizona	12
Idaho	
Wyoming	
South Dakota	
<b>TOTAL</b>	<b>32,301</b>

<b>SOUTH</b>	<b>JANUARY</b>
Arkansas	16,100
Virginia	3,840
N. Carolina	1,636
Tennessee	1,324
Alabama	679
West Virginia	624
Florida	554
S. Carolina	255
Mississippi	193
Kentucky	80
Louisiana	12
Georgia	
<b>TOTAL</b>	<b>25,297</b>

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**JOB CUTS BY REASON**

	<b>JANUARY</b>
Restructuring	25,961
Closing	22,077
Oil Prices	17,178
Cost-Cutting	1,960
Demand Downturn	1540
Merger/Acquisition	1,420
Coal Downturn	1205
Aluminum Prices	1152
Government Regulation	616
Loss of Contract	447
Steel Downturn	373
Relocation	343
Outsourcing	300
Labor Dispute	190
Fire	100
Economic Conditions	70
Legal Trouble	70
Funding Loss	60
Competition	40
Bankruptcy	7
Flint, MI Water Crisis	5
<b>TOTAL</b>	<b>75,114</b>

## CHALLENGER, GRAY & CHRISTMAS, INC. JOB-CUT ANNOUNCEMENT REPORT

### QUARTER BY QUARTER

	Q1	Q2	Q3	Q4	TOTAL
<b>1989</b>	9,850	10,100	24,085	67,250	<b>111,285</b>
<b>1990</b>	107,052	87,686	49,104	72,205	<b>316,047</b>
<b>1991</b>	110,056	76,622	147,507	221,107	<b>555,292</b>
<b>1992*</b>	110,815	85,486	151,849	151,850	<b>500,000</b>
<b>1993</b>	170,615	84,263	194,486	165,822	<b>615,186</b>
<b>1994</b>	192,572	107,421	117,706	98,370	<b>516,069</b>
<b>1995</b>	97,716	114,583	89,718	137,865	<b>439,882</b>
<b>1996</b>	168,695	101,818	91,784	114,850	<b>477,147</b>
<b>1997</b>	134,257	51,309	95,930	152,854	<b>434,350</b>
<b>1998</b>	139,140	131,303	161,013	246,339	<b>677,795</b>
<b>1999</b>	210,521	173,027	173,181	118,403	<b>675,132</b>
<b>2000</b>	141,853	81,568	168,875	221,664	<b>613,960</b>
<b>2001</b>	406,806	370,556	594,326	585,188	<b>1,956,876</b>
<b>2002</b>	478,905	292,393	269,090	426,435	<b>1,466,823</b>
<b>2003</b>	355,795	274,737	241,548	364,346	<b>1,236,426</b>
<b>2004</b>	262,840	209,895	251,585	315,415	<b>1,039,735</b>
<b>2005</b>	287,134	251,140	245,378	288,402	<b>1,072,054</b>
<b>2006</b>	255,878	180,580	202,771	200,593	<b>839,822</b>
<b>2007</b>	195,986	197,513	194,095	180,670	<b>768,264</b>
<b>2008</b>	200,656	275,292	287,142	460,903	<b>1,223,993</b>
<b>2009</b>	562,510	318,165	240,233	151,122	<b>1,272,030</b>
<b>2010</b>	181,183	116,494	113,595	118,701	<b>529,973</b>
<b>2011</b>	130,749	115,057	233,258	127,018	<b>606,082</b>
<b>2012</b>	143,094	139,997	102,910	137,361	<b>523,362</b>
<b>2013</b>	145,041	113,891	128,452	121,667	<b>509,051</b>
<b>2014</b>	121,341	124,693	117,374	119,763	<b>483,171</b>
<b>2015</b>	140,214	147,458	205,759	105,079	<b>598,510</b>
<b>AVG</b>	202,269	156,780	181,213	204,620	

\*Estimate based on half-year total. Challenger began tracking job-cut data in 1993. Before that, it was tabulated by an independent newsletter no longer published.



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**ANNOUNCED HIRING PLANS  
By Month**

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>January</b>	<b>8,362</b>	8,774	6,312	60,585	7,568	29,492
<b>February</b>		14,574	11,054	92,372	10,720	72,581
<b>March</b>		6,412	6,860	8,115	12,390	10,869
<b>April</b>		13,898	11,145	9,322	11,794	59,648
<b>May</b>		12,598	10,141	9,618	7,722	10,248
<b>June</b>		11,176	15,530	8,774	12,314	15,498
<b>July</b>		11,637	16,544	9,728	10,350	10,706
<b>August</b>		11,778	9,657	7,662	12,079	15,201
<b>September</b>		492,306	567,705	445,617	425,683	76,551
<b>October</b>		86,107	147,935	87,874	75,065	159,177
<b>November</b>		10,026	11,291	14,177	28,526	63,527
<b>December</b>		11,465	7,332	11,362	16,266	14,074
<b>TOTAL</b>		<b>690,751</b>	<b>821,506</b>	<b>765,206</b>	<b>630,477</b>	<b>459,971</b>

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**ANNOUNCED HIRING PLANS**

INDUSTRY	JANUARY
Aerospace/Defense	900
Apparel	
Automotive	500
Chemical	
Commodities	
Computer	1,574
Construction	100
Consumer Products	60
Education	
Electronics	30
Energy	458
Entertainment/Leisure	
Financial	
Food	675
Government	230
Health Care/Products	879
Industrial Goods	951
Insurance	150
Legal	
Media	
Non-Profit	
Pharmaceutical	65
Real Estate	150
Retail	400
Services	600
Telecommunications	400
Transportation	240
Utility	
<b>TOTAL</b>	<b>8,362</b>