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Job Cuts Drop Amid Holidays

EMPLOYERS CUT 23,622 IN DECEMBER; FEWEST SINCE 2000

- **Fewest monthly job cuts in more than 15 years**
- **Lowest December total on record**
- **Q4 total lowest quarterly total since Q3 2012**

CHICAGO, January 7, 2016 – A strong economy, coupled with what appears to be a growing reluctance to announce layoffs during the holidays, contributed to December experiencing the lowest number of monthly job cuts in more than 15 years, according to the report released today by global outplacement consultancy Challenger, Gray & Christmas, Inc.

U.S.-based employers announced planned workforce reductions totaling 23,622 in December. That was 24 percent lower than the 30,593 job cuts announced in November and 28 percent below last year's 32,640 December job cuts.

December was not only the lowest job-cut month of 2015, it was the lowest job-cut month since June 2000, when employers announced 17,241 planned layoffs. Last month also represents the lowest December job-cut total on record, since Challenger began its monthly tracking in 1993.

The December decline was significant enough to prevent 2015 job cuts from reaching a six-year high. In all, employers announced 598,510 job cuts during the year, 24 percent more than the 483,171 planned layoffs in 2014.

While 2015 total still saw the heaviest downsizing activity since 2011 (606,082), the year definitely ended with job cuts on the decline. Employers announced 105,072 job cuts in the fourth quarter, down 49 percent from 205,759 in the previous quarter. The fourth quarter total was 12 percent lower than the 119,763 job cuts announced during the same quarter in 2014.

The 105,072 job cuts announced in the final three months of 2015 represents the lowest quarterly total since the third quarter of 2012, when employers cut 102,910 workers from their payrolls.

“It used to be that companies would not hesitate to announce job cuts around the holidays. In fact, the heaviest job-cut period of the year was often in the closing months. However, that appears to have changed in the wake of the Great Recession,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

According to Challenger data, the average December job cut total from 2009 through 2015 was 34,046. That is 37 percent lower than an overall monthly average of 53,835 recorded during that period.

Meanwhile, from 2000 through 2008, employers announced an average of 107,056 job cuts in December, which was 13 percent higher than the 94,611 monthly job cuts averaged over that entire period.

“Companies are more cognizant than ever of their public image, particularly in the era of social media. It’s not that job cuts are entirely off limits, but the numbers suggest that employers may be more reluctant to announce large-scale layoffs around the holidays. It could also be that, as more companies measure and revise goals and objectives quarter-to-quarter, the importance of making strategic moves at the end of the year has diminished,” said Challenger.

“Whatever the reason, the apparent improvement in job security around the end of the year is good news for the nation’s workers. In 2015, the December decline may provide little solace for those workers impacted by heavy downsizing through the first half of year.”

Workers in the energy sector, as well as those in sectors peripherally related to the exploration and extraction of oil, were significantly impacted by falling oil prices. Of the 287,672 job cuts announced in the first six months of 2015, 69,582 or nearly one-quarter, were blamed on oil prices.

The pace of oil-related job cuts eased in the second half of the year, but they still represented 11 percent of the 310,838 job cuts announced from July through December.

Due in large part to the drop in oil prices, the energy sector saw the heaviest job cutting in 2015, ending the year with 94,409 announced layoffs. That is nearly seven times more than the 14,262 job cuts announced in this industry in 2014.

Large-scale cut backs in the military contributed to a 211 percent increase in government-sector job cuts. The majority of the 70,029 job cuts reported by government agencies in 2015 occurred in July, when the United States Army announced plans to cut 57,000 troops and civilian personnel from its ranks.

“In addition to the energy and government sectors, the retail, computer and industrial goods sectors also saw increased job cuts in 2015. However, despite the increased cuts in these areas, the overall outlook for the economy remains positive,” said Challenger.

“This does not necessarily mean fewer job cuts, though,” he warned. “We are at a point in this economic expansion where we could see a lot volatility as companies make strategic moves to make the most of growth opportunities. That could mean more mergers, more leadership changes and more movement of resources from weak business lines to those with more promise. All of these actions could potentially result in workforce adjustments in 2016 and beyond.

“The good news for those impacted by downsizing is that all of this churn should also result in good employment opportunities. Those with the right skills and experience should land quickly, particularly if they employ an aggressive job search strategy,” said Challenger.

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

TOP FIVE INDUSTRIES

Year To Date

	2015	2014
Energy	94,409	14,262
Government	70,029	22,513
Retail	65,858	43,783
Computer	62,191	59,528
Industrial Goods	57,625	28,273

MONTH BY MONTH TOTALS

	2015	2014
January	53,041	45,107
February	50,579	41,835
March	36,594	34,399
April	61,582	40,298
May	41,034	52,961
June	44,842	31,434
July	105,696	46,887
August	41,186	40,010
September	58,877	30,477
October	50,504	51,183
November	30,953	35,940
December	23,622	32,640
TOTAL	598,510	483,171

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

Texas	107,711
California	76,388
Dist. of Columbia	58,325
New York	35,151
Illinois	33,796

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

	14-Dec	15-Nov	15-Dec	Jan-Dec 2014	Jan-Dec 2015
Aerospace/Defense	747	550	430	22,799	11,940
Apparel			400	1,575	1,534
Automotive	3,189	1,463	1,966	11,032	16,435
Chemical	1,113	843	1,700	4,427	21,401
Commodities				1,401	503
Computer	1,321	1,886	675	59,528	62,191
Construction	103	160	54	954	1,258
Consumer Products	81	758	717	14,277	13,168
Education	669	763	589	16,279	19,274
Electronics	761	398	50	19,408	12,416
Energy	2,783	2,675	1,682	14,262	94,409
Entertainment/Leisure	1,649	574	1,617	32,235	13,965
Financial	490	784	5,177	27,443	28,409
Food	4,920	2,283	2,761	25,327	24,913
Government	384	924		22,513	70,029
Health Care/Products	2,897	1,570	793	38,359	25,021
Industrial Goods	2,389	7,398	2,780	28,273	57,625
Insurance		228	363	2,259	4,464
Legal	13	48	75	570	1,480
Media	841	910	108	9,387	5,179
Non-Profit		37	24	4,091	2,030
Pharmaceutical	1,438	95	312	17,636	10,755
Real Estate			121	599	528
Retail	2,195	626	249	43,783	65,858
Services	1,319	1,220	512	14,875	8,835
Telecommunications	990	50	241	21,821	4,708
Transportation	1,571	4,370	226	25,163	18,953
Utility	777	340		2,895	1,229
TOTAL	32,640	30,953	23,622	483,171	598,510

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JOB-CUT ANNOUNCEMENT REPORT

JOB CUTS BY REGION, STATE

EAST	DECEMBER	Y-T-D
Dist. of Columbia		58,325
New York	4,907	35,151
New Jersey	100	25,527
Pennsylvania	1,275	22,788
Delaware	1,700	11,394
Massachusetts	788	10,938
Maryland	289	4,490
Connecticut		4,370
Vermont	10	1,119
Maine		1,099
New Hampshire	4	445
Rhode Island		434
TOTAL	9,073	176,080

MIDWEST	DECEMBER	Y-T-D
Illinois	1,480	33,796
Minnesota		29,943
Ohio	1,855	16,558
Wisconsin	365	15,448
Michigan	245	9,333
Missouri	307	7,761
Indiana	140	6,641
Iowa	18	5,346
Nebraska		2,817
Kansas	2	1,910
TOTAL	4,412	129,553

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JOB-CUT ANNOUNCEMENT REPORT**

JOB CUTS BY REGION, STATE

WEST	DECEMBER	Y-T-D
Texas	1,909	107,711
California	4,522	76,388
Washington	154	11,633
Colorado		5,514
Oklahoma		5,161
Arizona	100	4,247
Oregon		2,663
Utah		2,170
South Dakota		1,532
Nevada		762
Hawaii		755
Alaska		685
Montana		576
New Mexico		492
Idaho	30	484
Wyoming		450
North Dakota	7	177
TOTAL	6,722	221,400

SOUTH	DECEMBER	Y-T-D
Florida	515	16,947
Virginia	552	12,855
N. Carolina	847	10,740
Alabama		5,359
Louisiana	360	4,871
West Virginia		4,746
Georgia	50	4,075
Tennessee	491	3,913
Arkansas		3,367
Kentucky	600	2,904
S. Carolina		1,332
Mississippi		368
TOTAL	3,415	71,477

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JOB CUTS BY REASON

	DECEMBER	YTD
Restructuring	6,492	191,174
Oil Prices	1,776	104,514
Cost-Cutting	2,683	101,731
Closing	5,716	94,908
Demand Downturn	2,131	27,134
Merger/Acquisition	2,005	26,754
Bankruptcy		16,653
Loss of Contract	1,750	12,173
Outsourcing		4,772
Economic Conditions	122	4,335
Relocation	318	3,106
Financial Losses		2,428
Legal Trouble	200	2,010
Government Regulation	429	1,999
Competition		1,991
Listeria		1,490
Voluntary Severance		490
Bird Flu		382
Copper Prices		211
Technological Update		150
Salmonella		65
Fire		24
Flood		16
TOTAL	23,622	598,510

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

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	562,510	318,165	240,233	151,122	1,272,030
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
AVG	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.

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

**ANNOUNCED HIRING PLANS
By Month**

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

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

ANNOUNCED HIRING PLANS

INDUSTRY	DECEMBER	YEAR-TO-DATE
Aerospace/Defense		2,720
Apparel		575
Automotive	394	22,848
Chemical		418
Commodities		0
Computer	1,624	9,337
Construction		2,386
Consumer Products	760	4,920
Education		62
Electronics		1,471
Energy		907
Entertainment/Leisure		3,180
Financial	950	10,736
Food	203	3,688
Government	70	370
Health Care/Products	1,348	9,159
Industrial Goods	787	6,553
Insurance	120	575
Legal		2
Media		650
Non-Profit		950
Pharmaceutical	160	2,761
Real Estate	30	30
Retail	500	423,867
Services	99	4,142
Telecommunications	150	15,632
Transportation	4,270	162,812
Utility		0
TOTAL	11,465	690,751