

CHALLENGER REPORT

December 2022

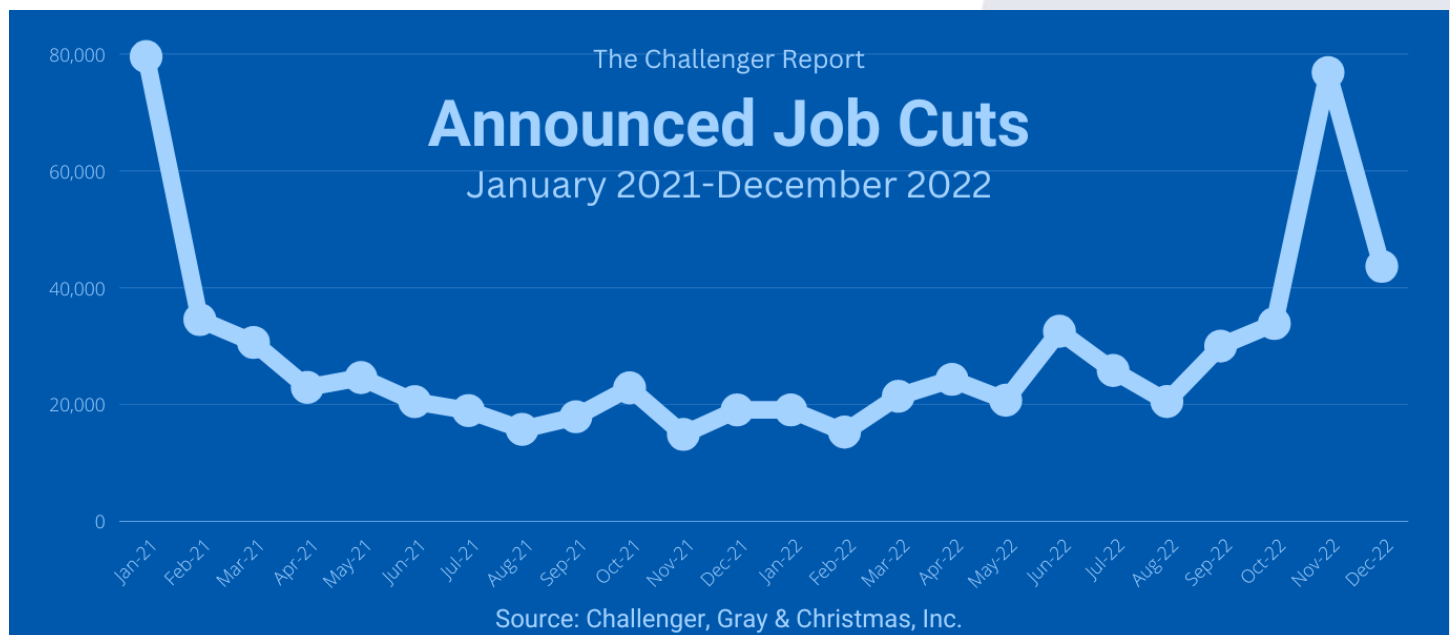
Job Cuts Fall 43% in December, Up 129% from Same Month Last Year, Q4 Cuts Highest Since Q4 2020

CHICAGO, January 5, 2023 – U.S.-based employers announced 43,651 cuts in December, falling 43% from the 76,835 announced in November. It is up 129% from the 19,052 cuts announced in the same month in 2021, according to a report released Thursday from global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

December's total is the second-highest number of monthly job cuts announced in 2022 and marks the eighth time last year when cuts were higher than the corresponding month a year earlier.

In the fourth quarter, employers announced 154,329 job cuts, the highest quarterly total since the final quarter of 2020, when 222,493 job cut announcements occurred. It is 172% higher than the 56,749 cuts announced in the last quarter of 2021 and 102% higher than the 76,284 cuts announced in the previous quarter.

In 2022, employers announced plans to cut 363,824 jobs, up 13% from the 321,970 cuts announced in 2021. It is the second-lowest recorded total since Challenger began tracking monthly job cut announcements in 1993, with 2021 being the lowest.



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“The overall economy is still creating jobs, though employers appear to be actively planning for a downturn. Hiring has slowed as companies take a cautious approach entering 2023,” said Andrew Challenger, Senior Vice President of Challenger, Gray & Christmas, Inc.

Currently, the bulk of cuts remain in the Technology sector. In December, 16,193 cuts occurred at companies in this industry for a total of 97,171 for the year, the leading job-cutting industry in 2022. It is up 649% from the 12,975 that occurred in Technology in 2021.



With the downturn in cryptocurrencies, Fintech firms announced 1,670% more cuts in 2022 than the prior year: 10,476 cuts in 2022 compared to 529 in 2021.

The Automotive industry announced the second-most job cuts in 2022 with 30,912, up 195% from the 10,469 cuts announced in the sector in 2021.

Health Care/Products manufacturers and providers announced 30,626 cuts in 2022, down 4% from the 31,997 announced in 2021.

Of the thirty industries Challenger tracks, eleven have announced more cuts in 2022 than in the same period last year.

“Clearly, interest rate hikes and inflation impacting the housing market are causing companies in Financial, Real Estate, and Construction to lay off workers,” Challenger said.

Financial firms announced 24,437 cuts last year, up 127% from the 10,784 cuts in 2021. Real Estate cuts were up 192% in 2022 to 8,074 from 2,762 in 2021. Construction cuts were up 84% to 7,187 from 3,900 one year prior.

Meanwhile, the Media sector, which has announced high-profile job cuts as the industry consolidates and major mergers occur, announced 3,774 in 2022, down 5% from the 3,961 that occurred in 2021. Despite the drop, job cuts in News, a sector Challenger tracks as a subset of Media and includes digital, broadcast, and print news, announced 1,808 cuts, up 20% from the 1,511 News job cuts announced the year prior.

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**From 1989-1992, an outside newsletter tracked job cut announcements.*

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Table 1: EXECUTIVE SUMMARY

TOP FIVE INDUSTRIES

Year To Date

	2022	2021
Technology	97,171	12,975
Automotive	30,912	10,469
Health Care/Products	30,626	31,997
Financial	24,437	10,784
Services	22,405	28,650

MONTH BY MONTH TOTALS

	2022	2021
January	19,064	79,552
February	15,245	34,531
March	21,387	30,603
April	24,286	22,913
May	20,712	24,586
June	32,517	20,476
July	25,810	18,942
August	20,485	15,723
September	29,989	17,895
October	33,843	22,822
November	76,835	14,875
December	43,651	19,052
TOTAL	363,824	321,970

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

	YTD 2022	YTD 2021
California	120,625	50,239
New York	39,813	16,113
Michigan	19,693	4,102
Washington	19,491	40,596
Pennsylvania	14,980	11,493

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

	21-Dec	22-Nov	22-Dec	YTD 2021	YTD 2022	Percent Change
Aerospace/Defense	84	268	687	34,627	2,573	↓ 92.6%
Apparel	238	61	102	1,188	647	↓ 45.5%
Automotive	192	1,694	243	10,469	30,912	↑ 195.3%
Chemical	272		23	881	23	↓ 97.4%
Construction	418	2,612	592	3,900	7,187	↑ 84.3%
Consumer Products	890	4,176	2,101	6,013	15,806	↑ 162.9%
Education	575	98	939	11,059	6,872	↓ 37.9%
Electronics	79			2,356	836	↓ 64.5%
Energy		30	198	21,537	2,220	↓ 89.7%
Entertainment/Leisure	1,141	1,057	422	16,420	18,283	↑ 11.3%
Financial	2,216	1,216	6,866	10,784	24,437	↑ 126.6%
FinTech		892	2,351	592	10,476	↑ 1669.6%
Food	430	500	1,447	10,531	10,939	↑ 3.9%
Government	14	115	439	7,042	6,174	↓ 12.3%
Health Care/Products	4,550	2,985	1,595	31,997	30,626	↓ 4.3%
Industrial Goods	771	964	350	15,974	6,876	↓ 57.0%
Insurance	274	1,022	2,461	5,965	4,769	↓ 20.1%
Legal	147		150	213	150	↓ 29.6%
Media	350	345	402	3,961	3,774	↓ 4.7%
Mining				384	161	↓ 58.1%
Non-Profit	278	83	288	1,890	2,895	↑ 53.2%
Pharmaceutical	1,342	1,246	1,590	8,116	7,387	↓ 9.0%
Real Estate		713	155	2,762	8,074	↑ 192.3%
Retail	239	373	490	17,792	21,054	↑ 18.3%
Services	1,654	1,057	1,192	28,650	22,405	↓ 21.8%
Technology	214	52,771	16,193	12,975	97,171	↑ 648.9%
Telecommunications	62		1,023	25,543	1,791	↓ 93.0%
Transportation	400	2,127	179	10,940	6,239	↓ 43.0%
Utility			800	1,009	1,863	↑ 84.6%
Warehousing	2,222	430	373	16,400	11,204	↓ 31.7%
TOTAL	19,052	76,835	43,651	321,970	363,824	↑ 13.0%

Source: Challenger, Gray & Christmas, Inc. ©

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Table 3: JOB CUTS BY REGION, STATE

EAST	Dec-22	YTD 2022	YTD 2021
Connecticut	0	4,924	3,130
Delaware	0	0	250
Dist. of Columbia	0	170	264
Maine	0	1,217	777
Maryland	526	7,860	2,895
Massachusetts	252	7,579	8,742
New Hampshire	0	238	429
New Jersey	616	3,330	5,635
New York	10,530	39,813	16,113
Pennsylvania	400	14,980	11,493
Rhode Island	0	78	564
Vermont	47	47	500
TOTAL	12,371	80,236	50,792

MIDWEST	Dec-22	YTD 2022	YTD 2021
Illinois	484	6,312	16,302
Indiana	634	4,770	3,166
Iowa	222	4,549	4,431
Kansas	534	1,095	654
Michigan	139	19,693	4,102
Minnesota	219	10,172	8,383
Missouri	925	1,194	13,439
Nebraska	0	1,013	215
Ohio	0	9,769	4,188
Wisconsin	52	8,091	3,799
TOTAL	3,209	66,658	58,679

WEST	Dec-22	YTD 2022	YTD 2021
Alaska	0	182	541
Arizona	1,396	6,572	3,944
California	17,192	120,625	50,239
Colorado	148	2,837	3,543
Hawaii	0	0	1,903
Idaho	0	0	1,143
Montana	0	0	0
Nevada	45	2,012	303
New Mexico	0	494	931
North Dakota	0	187	333
Oklahoma	75	1,077	2,367
Oregon	9	2,120	6,779
South Dakota	0	60	420
Texas	1,487	14,034	42,949
Utah	5,366	6,818	725
Washington	297	19,491	40,596
Wyoming	0	0	185
TOTAL	26,015	176,509	156,901

SOUTH	Dec-22	YTD 2022	YTD 2021
Alabama	99	938	1,775
Arkansas	0	331	22
Florida	745	11,494	14,961
Georgia	667	7,223	11,476
Kentucky	0	2,189	1,406
Louisiana	0	862	2,037
Mississippi	68	339	1,642
North Carolina	202	7,081	4,446
South Carolina	0	3,130	3,093
Tennessee	201	3,461	8,639
Virginia	74	3,122	4,364
West Virginia	0	251	1,737
TOTAL	2,056	40,421	55,598

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Table 4: JOB CUTS BY REASON

	Dec-22	YTD
Cost-Cutting	5,085	82,219
No Reason Provided	5,952	65,295
Market/Economic Conditions	7,755	59,174
Closing	3,650	58,705
Demand Downturn	16,429	32,243
Restructuring	3,287	18,306
Acquisition/Merger		10,715
Vaccine Refusal		10,465
Financial Loss	383	7,129
Housing Downturn	1,044	5,737
Contract Loss		2,975
COVID-19		2,939
Plant Fire		2,353
Voluntary Severance/Buyouts		2,080
COVID-19 Recovery	12	886
Bankruptcy		857
Relocation (Domestic)		495
Outsourcing Operations to Another US Company		280
Natural Disaster		250
Hurricane Ian		238
Reorganization		225
Avian Flu Outbreak		95
Too Rapid Expansion	54	54
Legal Trouble		50
Safety Concerns		43
Tobacco Tariffs		15
Consolidation		1
TOTAL	43,651	363,824

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Table 5: 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	1,120,908
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
AVG	195,478	179,292	176,174	189,169	

Source: Challenger, Gray & Christmas, Inc. ©

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Table 6: ANNOUNCED HIRING PLANS BY MONTH

	2022	2021	2020	2019	2018	2017	2016
January	77,630	72,063	23,229	74,040	41,890	136,501	8,362
February	215,127	146,403	88,202	15,279	139,925	25,765	7,539
March	105,224	97,767	824,610	96,368	14,525	127,006	10,997
April	88,622	76,345	285,639	258,302	13,842	61,537	11,557
May	126,083	49,118	38,981	8,663	9,889	77,447	24,732
June	102,897	110,093	75,454	11,946	13,504	40,095	13,564
July	25,506	18,281	246,507	22,316	9,823	88,142	16,051
August	41,985	94,004	160,411	24,937	17,274	14,530	9,101
September	380,014	939,790	929,860	459,689	595,997	422,726	487,075
October	237,380	52,042	255,198	190,835	130,338	37387	135,532
November	30,203	6,527	185,504	19,063	15,422	61,300	108,994
December	51,693	89,984	77,267	26,313	15,999	8,218	35,198
TOTAL	1,482,364	1,752,417	3,190,862	1,207,751	1,018,428	1,100,654	868,702

Source: Challenger, Gray & Christmas, Inc. ©

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Table 7: ANNOUNCED HIRING PLANS

INDUSTRY	22-Dec	YTD 2022	YTD 2021
Aerospace/Defense	972	15,011	17,227
Apparel	325	2,298	116
Automotive	5,800	39,254	23,939
Chemical	275	2,194	546
Construction	4,082	12,719	17,336
Consumer Products	1,072	20,584	17,666
Education	465	8,884	4,532
Electronics	170	5,183	3,904
Energy	7,254	14,958	4,109
Entertainment/Leisure	906	116,770	62,752
Financial	750	22,311	22,918
FinTech		5,098	4,280
Food	1,835	32,984	6,755
Government	2,836	125,178	122,194
Health Care/Products	11,006	38,304	36,908
Industrial Goods	4,381	24,481	20,703
Insurance	500	1,688	2,070
Legal		20	30
Media		2,360	1,227
Mining		1,025	850
Non-Profit	153	13,983	825
Pharmaceutical	400	7,812	2,172
Real Estate		5,536	3,136
Retail	1,165	728,308	882,601
Services	873	25,191	120,956
Technology	1,811	55,086	90,687
Telecommunications	100	7,501	3,434
Transportation	3,030	126,262	250,798
Utility	44	574	14,818
Warehousing	1,488	20,807	12,928
TOTAL	51,693	1,482,364	1,752,417

Source: Challenger, Gray & Christmas, Inc. ©