

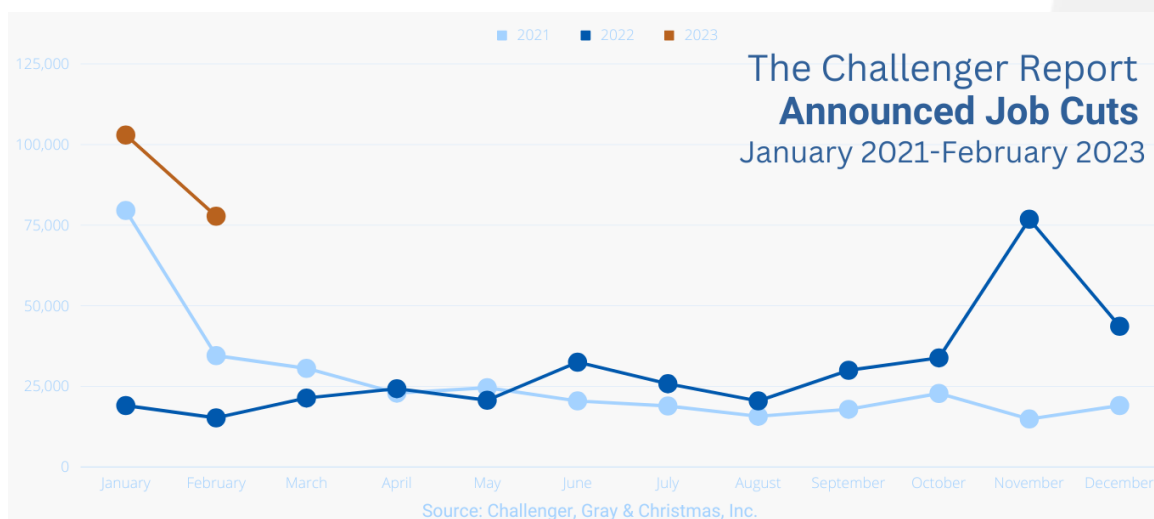
February 2023

CHALLENGER REPORT

JOB CUTS HIT 77,770 IN FEBRUARY; HIGHEST YTD SINCE 2009

CHICAGO, March 9, 2023 – In the shortest month of the year, U.S.-based employers announced 77,770 job cuts in February, down a 24% from the 102,943 cuts announced in January. It is 410% higher than the 15,245 cuts announced in the same month last year, according to a report released Thursday from global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

February's total is the highest for the month since 2009, when 186,350 cuts were recorded. So far this year, employers announced plans to cut 180,713 jobs, up 427% from the 34,309 cuts announced in the first two months of 2022. It is the highest January-February total since 2009 when a total of 428,099 job cuts were announced in January and February.



“Certainly, employers are paying attention to rate increase plans from the Fed. Many have been planning for a downturn for months, cutting costs elsewhere. If things continue to cool, layoffs are typically the last piece in company cost-cutting strategies,” said Andrew Challenger, Senior Vice President of Challenger, Gray & Christmas, Inc.

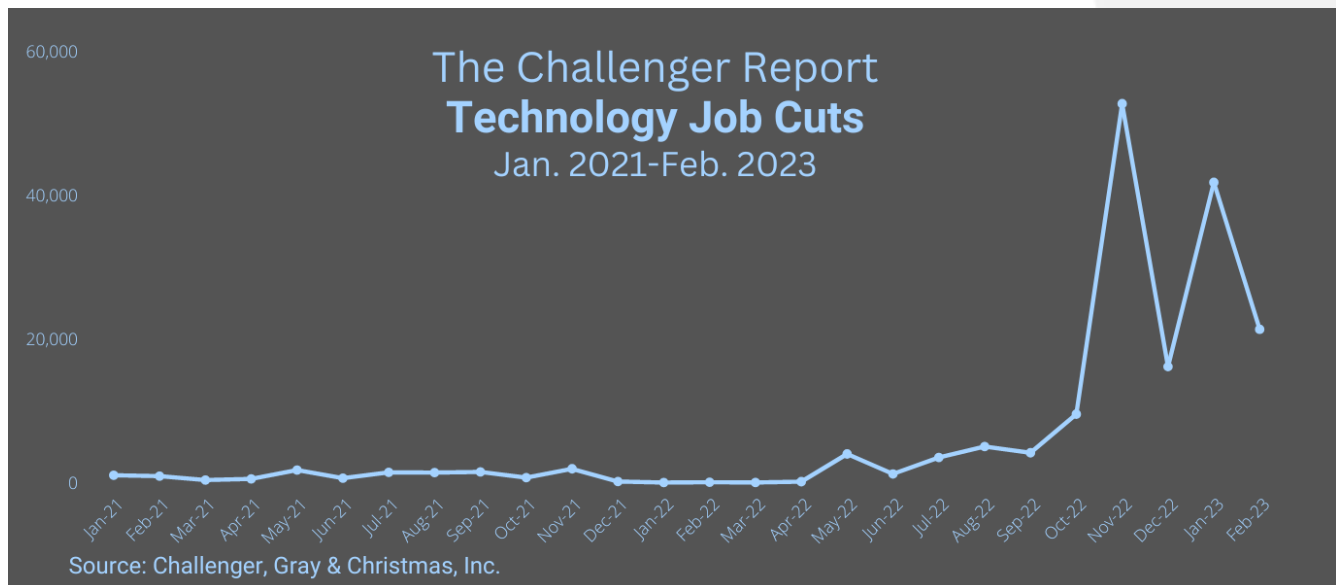
“Right now, the overwhelming bulk of cuts are occurring in Technology. Retail and Financial are also cutting right now, as consumer spending matches economic conditions. In February, job cuts occurred in all 30 industries Challenger tracks,” he added.

In fact, Challenger has not recorded announcements in every industry the firm tracks since January 2013, when cuts occurred in all 29 industries. The firm did not track FinTech until 2019.

WHICH SECTORS ARE CUTTING JOBS?

Tech

Technology companies cut the most jobs last month with 21,387, 28% of all cuts announced in February. The industry has cut a total of 63,216, up 33,705% from the 187 cuts announced in the same period last year. This sector has announced 35% of all job cuts in 2023.



Health Care

The Health Care/Products space, which includes hospitals and health care products manufacturers, announced the second-most cuts in February with 9,749, for a total of 16,482 this year. That is an 85% increase from the 8,928 cuts announced during the same time last year.

“While many hospitals are still struggling to retain and attract staff, others are cutting costs as economic conditions continue to soften. Meanwhile, manufacturers of health care products are dealing with the increasing costs of doing business, and cutting back staff,” said Challenger.

Retail, Financial, Fintech

Meanwhile, Retailers have announced 17,456 cuts so far in 2023, up 2,194% from the 761 job cuts announced in the sector during the same period in 2022. Financial firms have cut 17,235, 1,401% higher than the 1,148 cuts announced in January and February last year.

In the first two months of the year, Fintech has announced 4,675 cuts, 45% of the 10,476 the industry cut in all of 2022.

Media & News

The Media industry has announced plans to cut 9,738 jobs so far in 2023, up 158% from the 3,774 cuts announced in the sector in all of last year. Of those, 906 occurred in digital, print, and broadcast News, which Challenger tracks as a subset of Media, 546 of which occurred in February. This is up 353% from the 200 News cuts which occurred through February 2022.

HIRING PLANS FALL

Companies announced plans to hire 28,830 workers in February, down 12% from the 32,764 hires announced in January. It is down 87% from the 215,127 hiring plans announced by companies in February 2022. So far this year, companies announced plans to hire 61,594 workers, the lowest January-February total since 2016, when employers planned to hire just 15,901 workers in the first two months of the year.

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Table 1: EXECUTIVE SUMMARY

TOP FIVE INDUSTRIES

Year To Date

	2023	2022
Technology	63,216	187
Retail	17,456	761
Financial	17,235	1,148
Health Care/Products	16,482	8,928
Services	9,901	2,573

MONTH BY MONTH TOTALS

	2023	2022
January	102,943	19,064
February	77,770	15,245
March		21,387
April		24,286
May		20,712
June		32,517
July		25,810
August		20,485
September		29,989
October		33,843
November		76,835
December		43,651
TOTAL	180,713	363,824

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 2023	YTD 2022
California	64,310	4,558
Washington	21,459	1,908
New York	19,439	3,541
Texas	13,190	690
Illinois	6,016	1,416

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

	22-Feb	23-Jan	23-Feb	YTD 2022	YTD 2023
Aerospace/Defense	467	800	2,195	467	2,995
Apparel	150	97	167	461	264
Automotive	240	4,463	2,094	240	6,557
Chemical		71	545	0	616
Construction	304	1,138	425	304	1,563
Consumer Products	290	4,308	1,967	1,722	6,275
Education	422	22	585	1,096	607
Electronics	6	152	482	182	634
Energy		140	247	52	387
Entertainment/Leisure	1,032	2,705	808	2,723	3,513
Financial	452	10,603	6,632	1,148	17,235
FinTech		1,316	3,359	0	4,675
Food	717	1,490	668	1,313	2,158
Government	3,010	143	300	3,683	443
Health Care/Products	3,875	6,733	9,749	8,928	16,482
Industrial Goods	352	295	126	734	421
Insurance		213	794	870	1,007
Legal		192	39	0	231
Media	200	754	8,984	200	9,738
Mining			166	0	166
Non-Profit	769	190	180	769	370
Pharmaceutical	233	1,449	1,551	407	3,000
Real Estate	495	2,191	257	737	2,448
Retail	370	13,000	4,456	761	17,456
Services	787	4,497	5,404	2,573	9,901
Technology	115	41,829	21,387	187	63,216
Telecommunications	53	1,186	2,343	190	3,529
Transportation	471	1,331	728	572	2,059
Utility	26	220	152	530	372
Warehousing	409	1,415	980	3,460	2,395
TOTAL	15,245	102,943	77,770	34,309	180,713

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Table 3: JOB CUTS BY REGION, STATE

EAST	Feb-23	YTD 2023	YTD 2022
Connecticut	57	57	589
Delaware		110	0
Dist. of Columbia	100	1,414	0
Maine		0	1,000
Maryland	366	1,468	3,455
Massachusetts	2,240	5,461	603
New Hampshire		0	0
New Jersey	3,138	3,488	0
New York	6,352	19,439	3,541
Pennsylvania	1,139	3,194	1,990
Rhode Island		1,645	0
Vermont		32	0
TOTAL	13,392	36,308	11,178

MIDWEST	Feb-23	YTD 2023	YTD 2022
Illinois	5,205	6,016	1,416
Indiana	118	330	114
Iowa	91	153	736
Kansas	85	187	290
Michigan	487	5,929	429
Minnesota	412	3,612	700
Missouri		1,088	243
Nebraska		500	0
Ohio	1,072	2,497	1,149
Wisconsin	185	660	859
TOTAL	7,655	20,972	5,936

WEST	Feb-23	YTD 2023	YTD 2022
Alaska		0	0
Arizona	815	1,197	152
California	29,090	64,310	4,558
Colorado	385	1,412	314
Hawaii		0	0
Idaho	472	527	0
Montana	70	70	0
Nevada	1,060	2,384	0
New Mexico	294	294	0
North Dakota		0	0
Oklahoma	19	319	15
Oregon	678	2,091	535
South Dakota		0	53
Texas	9,792	13,190	690
Utah	1,778	1,844	783
Washington	2,604	21,459	1,908
Wyoming		12	0
TOTAL	47,057	109,109	9,008

SOUTH	Feb-23	YTD 2023	YTD 2022
Alabama		224	144
Arkansas		0	0
Florida	3,401	3,836	2,019
Georgia	303	823	612
Kentucky	44	747	1,293
Louisiana	63	152	68
Mississippi		2,020	0
North Carolina	5,118	5,303	2,131
South Carolina		0	442
Tennessee	512	598	1,065
Virginia	225	621	338
West Virginia		0	75
TOTAL	9,666	14,324	8,187

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Table 4: JOB CUTS BY REASON

	Feb-23	YTD
Market/Economic Conditions	31,931	118,457
Cost-Cutting	13,404	15,396
No Reason Provided	5,909	11,686
Financial Loss	9,800	9,800
Closing	3,396	9,140
Demand Downturn	7,770	7,770
Restructuring	2,607	4,638
Outsourcing Operations Outside the US	2,000	2,000
Contract Loss	250	984
Acquisition/Merger	703	774
Supply Shortage		50
Voluntary Severance/Buyouts		18
TOTAL	77,770	180,713

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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	

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Table 6: ANNOUNCED HIRING PLANS

By Month

	2023	2022	2021	2020	2019	2018	2017	2016	2015
January	32,764	77,630	72,063	23,229	74,040	41,890	136,501	8,362	8,774
February	28,830	215,127	146,403	88,202	15,279	139,925	25,765	7,539	14,574
March		105,224	97,767	824,610	96,368	14,525	127,006	10,997	6,412
April		88,622	76,345	285,639	258,302	13,842	61,537	11,557	13,898
May		126,083	49,118	38,981	8,663	9,889	77,447	24,732	12,598
June		102,897	110,093	75,454	11,946	13,504	40,095	13,564	11,176
July		25,506	18,281	246,507	22,316	9,823	88,142	16,051	11,637
August		41,985	94,004	160,411	24,937	17,274	14,530	9,101	11,778
September		380,014	939,790	929,860	459,689	595,997	422,726	487,075	492,306
October		237,380	52,042	255,198	190,835	130,338	37387	135,532	86,107
November		30,203	6,527	185,504	19,063	15,422	61,300	108,994	10,026
December		51,693	89,984	77,267	26,313	15,999	8,218	35,198	11,465
TOTAL	61,594	1,482,364	1,752,417	3,190,862	1,207,751	1,018,428	1,100,654	868,702	690,751

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Table 7: ANNOUNCED HIRING PLANS

INDUSTRY	23-Feb	YTD 2023	YTD 2022
Aerospace/Defense		685	6,904
Apparel		0	867
Automotive	5,174	5,809	20,464
Chemical		65	36
Construction	559	2,229	2,035
Consumer Products	898	1,285	5,014
Education	318	318	2,170
Electronics		0	4,400
Energy	350	3,234	174
Entertainment/Leisure	1,438	17,297	26,623
Financial	4,100	4,350	3,142
FinTech		0	520
Food	308	1,783	3,914
Government	2,898	2,923	26,379
Health Care/Products	618	1,070	14,113
Industrial Goods	1,062	2,221	4,955
Insurance		0	710
Legal		0	20
Media		0	516
Mining		0	20
Non-Profit		1,900	2,157
Pharmaceutical		200	1,533
Real Estate	122	1,361	1,810
Retail	535	1,150	120,019
Services	1,378	1,878	5,514
Technology	8,410	9,020	22,041
Telecommunications		1,250	32
Transportation	450	450	10,947
Utility		0	250
Warehousing	212	1,116	5,478
TOTAL	28,830	61,594	292,757

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