



Challenger, Gray & Christmas, Inc.
The original outplacement company



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JOB CUTS TICK UP IN SEPTEMBER TO 118,804; MOST LOSSES IN ENTERTAINMENT/LEISURE SECTOR; YEAR-TO-DATE TOTAL AT RECORD HIGH OF 2,082,262

CHICAGO, October 1, 2020 – Job cuts announced by U.S.-based employers jumped to 118,804 in September, up 2.6% from August’s total of 115,762, according to a monthly report released Thursday by global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

September’s total is 186% higher than the 41,557 job cuts announced in September 2019.

Last month’s job cuts bring the yearly total so far to 2,082,262, up 348% from the 464,869 cuts at this time last year. The current year-to-date total already surpasses the record highest annual total – 1,956,876 cuts announced in 2001 – by 125,386 cuts. Challenger began tracking job cut announcements in January 1993.

“We are setting new records for job cuts even though things have improved since the earliest days of the pandemic,” said Andrew Challenger, Senior Vice President of Challenger, Gray & Christmas, Inc.

“These are uncertain times for everyone, as many states are experiencing an uptick in the number of COVID-19 cases. It is clear we still have a long way to go before many industries can return to normal.”

Year to date, the reason cited for the most announced cuts is COVID-19, which has caused 1,091,923 cuts in 2020. In September, market conditions caused 45,213 of the announced

cuts, followed by 33,713 job cuts due to demand downturn, and 11,562 cuts due to restructuring. COVID-19 is the reason for 8,529 cuts last month.

The third quarter of 2020 saw 497,215 job cuts, down 59.8% from the 1,238,364 cuts announced in the second quarter. It is 271% higher than the 133,882 cuts announced in the third quarter of last year. After the second quarter of this year, it is the highest quarterly total since Q1 2019, when 562,510 job cuts were announced.

The majority of cuts continue to come from Entertainment/Leisure companies, including bars, restaurants, hotels, and amusement parks, which announced 32,099 cuts in September, an 86% increase over the industry's 17,271 cuts announced in August, and a 2,691% increase over the 1,150 Entertainment/Leisure cuts tracked in September 2019. So far this year, these companies have announced 831,150 cuts, a 7,553% increase over the 10,861 cuts announced in the sector through September 2019.

Aerospace/Defense announced the second-highest number of job cuts in September, with 18,971, bringing the year-to-date total to 74,867. That is 1,158% higher than the 5,953 cuts announced in that sector through the third quarter of last year.

The Transportation sector followed with 16,628 cuts for the month, bringing the sector total through September to 148,199, 517% higher than the 24,034 announced through the same period in 2019.

"We are beginning to see cuts spread to sectors outside Entertainment and Retail. Especially if another relief package fails to pass, employers are going to enter the fourth quarter hesitant to invest or spend," said Challenger.

Retailers have announced the second-highest number of job cuts this year, with 176,976, 171% higher than the 65,358 cuts announced through the same period last year.

But the Retail Industry also led in announced hiring plans in September, with 326,887 jobs, bringing the year-to-date total for the sector to 936,403 hires. Retailers so far have announced 378,200 seasonal hires.

"Traditional retailers have faced unprecedented challenges because of COVID-19. With high unemployment and a dwindling government stimulus, it is difficult to predict what the demands of the holiday season will be," said Challenger.

"However, while retail sales in the second quarter were lower than a year earlier, online shopping has surged during the pandemic. Retailers with solid online infrastructures are bracing for high demand," he added.

The Entertainment/Leisure industry announced 279,543 hiring plans in September. McDonald's announced 260,000 new jobs, as it plans to reopen more restaurants and increase capacity.

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

Table 1: EXECUTIVE SUMMARY

TOP FIVE INDUSTRIES

Year To Date

	2020	2019
Entertainment/Leisure	831,150	10,861
Retail	176,976	65,358
Transportation	148,199	24,034
Services	141,779	19,769
Automotive	85,969	41,060

MONTH-BY-MONTH TOTALS

	2020	2019
January	67,735	52,988
February	56,660	76,835
March	222,288	60,587
April	671,129	40,023
May	397,016	58,577
June	170,219	41,977
July	262,649	38,845
August	115,762	53,480
September	118,804	41,557
October		50,275
November		44,569
December		32,843
TOTAL	2,082,262	592,556

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

California	372,288
New York	230,539
Florida	206,703
Texas	154,064
Ohio	91,196

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

	19-Sep	20-Aug	20-Sep	YTD 2019	YTD 2020
Aerospace/Defense	1,350	765	18,971	5,953	74,867
Apparel	300	556	764	1,606	27,293
Automotive	4,912	1,664	452	41,060	85,969
Chemical	57			963	284
Construction	270	22	61	3,325	9,123
Consumer Products	625	5,527	2,073	13,772	33,581
Education	180	2,787	4,104	14,628	35,025
Electronics	94	5,579	42	1,795	9,440
Energy	2,972	1,395	821	22,767	35,949
Entertainment/Leisure	1,150	17,271	32,099	10,861	831,150
Financial	1,691	45	1,587	19,417	10,687
FinTech			54	1,501	2,226
Food	1,255	568	7,547	20,036	29,428
Government	482	14,249	1,286	12,367	62,684
Health Care/Products	2,857	574	2,991	31,796	55,462
Industrial Goods	5,067	2,789	1,237	60,943	76,414
Insurance			296	2,880	3,266
Legal			40	0	1,024
Media	380	4,429	983	8,478	27,242
Mining	687	102	383	4,512	10,563
Non-Profit	626	2,866	436	2,753	50,527
Pharmaceutical	760	43	356	8,388	1,595
Real Estate	156	199	5,982	2,046	20,494
Retail	8,132	5,291	8,573	65,358	176,976
Services	3,285	11,504	8,534	19,769	141,779
Technology	1,621	7,419	1,488	40,257	66,307
Telecommunications	177	250	202	14,731	29,908
Transportation	1,441	26,545	16,628	24,034	148,199
Utility			22	1,163	1,673
Warehousing	1,030	3,323	792	7,710	23,127
TOTAL	41,557	115,762	118,804	464,869	2,082,262

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Table 3: JOB CUTS BY REGION, STATE

EAST	Sep-20	YTD 2020	YTD 2019
Connecticut	175	9,398	1,916
Delaware		4,678	525
Dist. of Columbia	91	20,292	1,906
Maine		2,423	2,065
Maryland	1,804	37,132	3,625
Massachusetts	18,689	60,730	34,777
New Hampshire	6	262	25
New Jersey	5,352	44,810	9,371
New York	15,288	230,539	50,483
Pennsylvania	1,061	73,414	20,226
Rhode Island	467	3,586	61
Vermont		822	238
TOTAL	42,933	488,086	125,218

MIDWEST	Sep-20	YTD 2020	YTD 2019
Illinois	3,173	52,425	27,334
Indiana	694	26,776	5,104
Iowa	491	6,365	3,282
Kansas	3,374	17,823	1,209
Michigan	41	45,017	27,510
Minnesota	169	70,065	6,895
Missouri	451	33,447	2,418
Nebraska	99	2,262	3,108
Ohio	839	91,196	12,906
Wisconsin	356	27,298	6,897
TOTAL	9,687	372,674	96,663

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Table 3 (cont'd): JOB CUTS BY REGION, STATE

WEST	Sep-20	YTD 2020	YTD 2019
Alaska	703	2,547	3,777
Arizona	662	20,595	3,987
California	16,627	372,288	71,604
Colorado	4,022	41,082	7,295
Hawaii	2,488	5,720	523
Idaho		1,838	1,827
Montana		370	318
Nevada	294	65,731	2,469
New Mexico		4,402	1,960
North Dakota		583	150
Oklahoma	210	8,189	1,051
Oregon	957	25,931	2,645
South Dakota		524	802
Texas	3,222	154,064	27,949
Utah	50	1,240	363
Washington	1,978	85,708	8,642
Wyoming	353	1,648	1,961
TOTAL	31,566	792,460	137,323

SOUTH	Sep-20	YTD 2020	YTD 2019
Alabama	309	5,408	1,826
Arkansas		2,081	1,292
Florida	23,171	206,703	14,929
Georgia	5,650	40,763	10,991
Kentucky	1,544	28,668	6,816
Louisiana	1,591	16,563	5,278
Mississippi		3,629	2,513
North Carolina	1,518	37,821	12,526
South Carolina	67	12,846	10,129
Tennessee	391	51,067	15,617
Virginia		15,766	21,463
West Virginia	377	7,727	2,285
TOTAL	34,618	429,042	105,665

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Table 4: JOB CUTS BY REASON

	Sep-20	YTD
COVID-19	8,529	1,091,923
Market Conditions	45,213	395,548
Demand Downturn	33,713	187,087
Closing	5,371	90,765
Cost-Cutting	5,573	74,742
No Reason Provided		65,815
Restructuring	11,562	63,955
Voluntary Severance/Buyouts	5,728	31,724
Oil Price Downturn		22,805
Bankruptcy	466	13,461
Contract Loss	197	10,539
Financial Losses		8,056
Acquisition/Merger		6,848
Refocus		4,799
737 MAX Halt in Production		3,233
Consolidation	2,387	3,013
Relocation (Domestic)		2,213
Technological Update		1,327
Police Protests	65	1,312
Outsourcing Operations to Another U.S. Company		755
Steel Downturn		578
Government Regulation		489
Coal Downturn		429
Fires		260
Relocation (International)		260
Legal Trouble		218
Tariffs		108
TOTAL	118,804	2,082,262

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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		2,082,262
AVG	201,433	185,951	183,158	193,633	

**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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Table 6: ANNOUNCED HIRING PLANS
By Month

	2020	2019	2018	2017	2016	2015
January	23,229	74,040	41,890	136,501	8,362	8,774
February	88,202	15,279	139,925	25,765	7,539	14,574
March	824,610	96,368	14,525	127,006	10,997	6,412
April	285,639	258,302	13,842	61,537	11,557	13,898
May	38,981	8,663	9,889	77,447	24,732	12,598
June	75,454	11,946	13,504	40,095	13,564	11,176
July	246,507	22,316	9,823	88,142	16,051	11,637
August	160,411	24,937	17,274	14,530	9,101	11,778
September	929,860	459,689	595,997	422,726	487,075	492,306
October		190,835	130,338	37,387	135,532	86,107
November		19,063	15,422	61,300	108,994	10,026
December		26,313	15,999	8,218	35,198	11,465
TOTAL	2,672,893	1,207,751	1,018,428	1,100,654	868,702	690,751

NOTES:

In January 2020, Dollar General announced it would add 8,000 jobs.

In February, The Home Depot announced 80,000 hires.

In March, COVID-19 caused companies to announce 821,810 hiring plans.

In April, COVID-19 caused companies to announce 280,200 hiring plans.

In May, COVID-19 caused companies to announce 32,000 hiring plans.

In September, 378,200 new jobs were announced due to the holidays (See Table 8).

In September, McDonald's announced it would add 260,000 jobs as it reopens restaurants.

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Table 7: ANNOUNCED HIRING PLANS

INDUSTRY	SEPTEMBER	YEAR-TO-DATE
Aerospace/Defense	2,250	14,016
Apparel	2,000	4,000
Automotive	1,153	13,544
Chemical	120	310
Construction	35	32,873
Consumer Products	1,746	5,982
Education	2,285	25,438
Electronics	500	1,966
Energy	595	4,737
Entertainment/Leisure	279,543	431,007
Financial	9,410	17,707
FinTech	100	190
Food	817	14,735
Government	81,496	116,612
Health Care/Products	4,414	78,932
Industrial Goods	974	6,119
Insurance	1,700	4,051
Legal		24
Media	10	1,586
Mining		0
Non-Profit	1,286	2,858
Pharmaceutical	1,160	2,504
Real Estate	2,571	14,824
Retail	326,887	936,403
Services	13,145	52,239
Technology	19,987	38,332
Telecommunications	1,175	5,405
Transportation	170,000	737,300
Utility	31	984
Warehousing	4,470	108,215
TOTAL	929,860	2,672,893

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Table 8: ANNOUNCED HOLIDAY HIRING PLANS

Company	2012	2013	2014	2015	2016	2017	2018	2019	2020
Amazon	50,000	70,000	80,000	100,000	120,000	120,000	100,000	200,000	*
Target	88,000	70,000	70,000	70,000	77,500	100,000	120,000	133,000	130,000
UPS	55,000	55,000	95,000	95,000	95,000	95,000	100,000	95,000	100,000
Macy's	80,000	83,000	86,000	85,000	83,000	87,000	80,000	80,000	25,000
FedEx (Transportation)	20,000	20,000	50,000	55,000	50,000	50,000	55,000	55,000	70,000
JCPenney	40,000	35,000	35,000	30,000	40,000	40,000	39,000	37,000	1,700
Michaels						15,000	15,000	15,000	16,000
Kroger						14,000	10,000		
Kroger (GA & SC Stores)								1,000	
Nordstrom				11,800	11,400	13,650			
Toys"R"Us	45,000	45,000	45,000	40,000		12,500			
Burlington Stores						12,000			
The Bon-Ton Stores					13,500	10,000			
1-800-FLOWERS.CO M Inc.						8,000	8,000	8,000	10,000
McDonald's						3,179			
Williams-Sonoma						2,000			
Fanatics						2,000			
Plow & Hearth						400			
Opryland					300	400			
Kohl's	52,700	53,000	76,970	79,160	69,000		90,000	90,000	
Walmart	50,000	55,000	60,000	60,000					20,000
GameStop	17,000	17,000	25,000	28,000					*
Sports Authority				3,500					
Best Buy	14,000								
Meijer	12,000	9,000	10,000						
Radial					20,000	23,000	20,000	12,581	
Party City					35,000			25,000	
Gap			63,000				65,000	30,000	
Versant Supply Chain					2,000				
L Brands					4,000		4,000		4,000
XPO Logistics						6,000	8,000		
Hickory Farms (Food)	5,225	6,000							
Altar'd State								1,200	

The Fresh Market									1,500
Bass Pro Shops								7,000	
Total	528,925	518,000	695,970	657,460	620,700	614,129	714,000	789,781	378,200

*In its fourth hiring spree this year, Amazon announced in September, around the time holiday hiring plans are usually announced, 100,000 new jobs. The jobs are part- and full-time permanent positions to fill 100 new buildings for the company's fulfillment centers, delivery stations, sortation centers, and air hubs. This followed an announcement earlier in September of 33,000 corporate and technology jobs. In the early months of the pandemic, Amazon announced 175,000 temporary hires to fill a flood of activity in online shopping by consumers following stay-at-home orders; the company later kept on 125,000 of those pandemic hires. As of June 30, Amazon had 876,800 employees, excluding contractors and temporary workers. Additional hiring for seasonal workers is yet to be determined.

Meanwhile, Walmart announced 150,000 new hires during the surge of online and grocery shopping during the early days of the COVID-19 shutdown. These are reflected in our hiring announcements for the year.

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