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### **JOB CUTS FALL TO FIVE-MONTH LOW OF 30,157** Slowdown Could Continue Through Summer

**CHICAGO, June 2, 2016** – The number of job cuts announced by U.S.-based employers fell sharply in May, with a total of 30,157 planned workforce reductions recorded during the month, according to the latest report released Thursday from global outplacement consultancy Challenger, Gray & Christmas, Inc.

The May total was 53 percent lower than the 64,141 job cuts announced in April. It represents the lowest monthly total since last December, when 23,622 job cuts were recorded.

Last month saw 27 percent fewer cuts than the same month a year ago, when employers reported plans to shed 41,034 workers from their payrolls.

To date, employers have announced 275,218\* job cuts in 2016, 13 percent more than the 242,830 job cuts announced during the first five months of 2015.

Once again, monthly job cuts were led by the energy sector, though the May total was significantly lower than previous months. Firms in the sector announced another 7,572 layoffs in May, 60 percent fewer than the 18,759 cuts in April.

Energy firms have now announced 75,232 job cuts in 2016, 25 percent more than the 60,210 cuts announced in the sector from January through April a year ago.

“May could be the start of a summer slowdown in the pace of job cutting as companies take a pause following the period of heavy downsizing that started the year. In general, oil prices have improved somewhat since the beginning of the year, though they are still less than half of what they were at oil’s recent peak. However, the recent gains may be enough to at least temporarily slow job cuts in the sector,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

“Outside of the energy sector, summer can be a time when major business decisions are set aside as companies take stock of strategies initiated in the first quarter. This is also a time when the general pace of business can slow as many employees, including key decision makers, take vacations and enjoy the fruits of their labor,” said Challenger.

Most industries saw job cuts decline in May. Among the most significant declines was in the computer industry, where job cuts plunged 83 percent from 17,015 in April to 2,836 in May.

Job cuts in the financial sector fell 68 percent to 901 announced job cuts in May, after reaching a four-month high of 2,847 in April. Meanwhile, retailers announced 75 percent fewer cuts in May, as layoffs went from 5,145 in April to 1,287, last month.

“Of course, not every summer brings a slowdown in job cuts. Last July saw announced layoffs soar to a four-year high of 105,696. However, last year’s spike was due primarily to massive troop and civilian cuts in the military. Being an election year, it is unlikely that we will see any major workforce changes at the federal level of the government,” said Challenger.

“In other areas of the economy, the latest news is mixed as we head into the summer. Construction spending and auto sales dipped, but manufacturing activity is up. Consumers are less confident in the most recent reading, yet travel plans and spending are expected to increase significantly this summer. The mixed signals provide even more reasoning for companies to take a wait-and-see approach to their summer business strategy,” he said.

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***\*The year-to-date total of 275,218 reflects a downward adjustment of 5,000 related to a correction of previously reported data for the energy sector. The correction is also reflected in the latest industry totals.***

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

**TOP FIVE INDUSTRIES  
Year To Date**

	<b>2016</b>	<b>2015</b>
<b>Energy</b>	75,232	60,210
<b>Retail</b>	38,264	27,283
<b>Computer</b>	36,853	11,101
<b>Industrial Goods</b>	18,406	25,181
<b>Health Care/Products</b>	9,642	12,783

**MONTH BY MONTH TOTALS**

	<b>2016</b>	<b>2015</b>
<b>January</b>	75,114	53,041
<b>February</b>	61,599	50,579
<b>March</b>	44,207	36,594
<b>April</b>	64,141	61,582
<b>May</b>	30,157	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>275,218</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>71,787</b>
<b>California</b>	<b>37,558</b>
<b>Arkansas</b>	<b>17,284</b>
<b>Illinois</b>	<b>11,515</b>
<b>New York</b>	<b>10,155</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-May	16-Apr	16-May	Jan-May 2015	Jan-May 2016
Aerospace/Defense	162	5,337		5,286	7,741
Apparel	30		159	959	352
Automotive	1,445	1,706	677	6,126	7,129
Chemical	1,784	453	97	6,426	7,500
Commodities		385		453	1,084
Computer	1,733	17,015	2,836	11,101	36,853
Construction	18	75	720	240	889
Consumer Products	359	831	297	7,354	4,973
Education	2,615	1,108	3,359	10,834	7,146
Electronics	350		518	3,446	2,484
Energy	2,654	18,759	7,572	60,210	75,232
Entertainment/Leisure	249	1,501	847	8,115	9,319
Financial	5,539	2,847	901	14,853	6,750
Food	3,754	502	1,276	8,401	7,489
Government	5,502	2,082	742	9,561	4,369
Health Care/Products	2,812	359	1,348	12,738	9,642
Industrial Goods	3,134	3,917	3,650	25,181	18,406
Insurance	9		204	1,172	1,772
Legal	700			770	56
Media	902	411	475	2,404	2,498
Non-Profit	129	110	203	286	1,347
Pharmaceutical	2,542	434	1,283	4,922	5,166
Real Estate				407	122
Retail	1,187	5,145	1,287	27,283	38,264
Services	604	191	673	3,144	4,303
Telecommunications	949	513	381	2,462	6,404
Transportation	1,872	460	652	7,807	7,907
Utility				889	21
<b>TOTAL</b>	<b>41,034</b>	<b>64,141</b>	<b>30,157</b>	<b>242,830</b>	<b>275,218</b>

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

**JOB CUTS BY REGION, STATE**

<b>EAST</b>	<b>MAY</b>	<b>Y-T-D</b>
New York	1,061	10,155
Pennsylvania	1,884	6,529
Connecticut	300	5,950
New Jersey	604	4,973
Massachusetts	322	2,587
Maine	596	1,242
Maryland	214	639
Dist. of Columbia	230	547
Vermont	140	523
Delaware		183
Rhode Island	18	136
New Hampshire	22	68
<b>TOTAL</b>	<b>5,391</b>	<b>33,532</b>

<b>MIDWEST</b>	<b>MAY</b>	<b>Y-T-D</b>
Illinois	442	11,515
Ohio	203	8,363
Iowa	31	7,084
Minnesota	183	6,841
Wisconsin	998	6,231
Missouri	1,400	4,225
Indiana	837	4,201
Michigan	240	3,555
Kansas	100	1,403
Nebraska		10
<b>TOTAL</b>	<b>4,434</b>	<b>53,428</b>

**CHALLENGER, GRAY & CHRISTMAS, INC.  
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**JOB CUTS BY REGION, STATE**

<b>WEST</b>	<b>MAY</b>	<b>Y-T-D</b>
Texas	5,601	71,787
California	3,398	37,558
Colorado	963	6,479
Washington	2,630	4,321
Oklahoma	414	3,680
Oregon	182	2,616
New Mexico		770
Nevada	5	721
Hawaii		700
Alaska		584
Utah	300	553
Montana		369
Wyoming	160	336
North Dakota		268
Arizona		252
Idaho	65	89
South Dakota		73
<b>TOTAL</b>	<b>13,718</b>	<b>131,156</b>

<b>SOUTH</b>	<b>MAY</b>	<b>Y-T-D</b>
Arkansas	289	17,284
N. Carolina	1,478	7,788
Virginia	209	7,028
Florida	960	5,874
Mississippi	35	4,857
Georgia	910	3,063
Kentucky	634	2,833
Tennessee	959	2,724
Alabama	643	1,832
Louisiana	411	1,660
West Virginia	76	1,087
S. Carolina	10	1,072
<b>TOTAL</b>	<b>6,614</b>	<b>57,102</b>

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**JOB CUTS BY REASON**

	<b>MAY</b>	<b>YTD</b>
Restructuring	7,704	78,753
Oil Prices	6,330	70,668
Closing	5994	52,092
Cost-Cutting	6,890	21,683
Bankruptcy	307	11,229
Merger/Acquisition	381	10,826
Demand Downturn		9,453
Outsourcing	606	5,436
Loss of Contract	658	2,392
Coal Downturn	279	2,343
Voluntary Severance		1,900
Steel Downturn	413	1,886
Relocation	321	1,205
Aluminum Prices		1,152
Competition	60	975
Government Regulation	108	900
Budget Cuts		657
Labor Dispute		435
Economic Conditions		245
Legal Trouble	45	230
No Reason Provided		209
Financial Losses		125
Grain Downturn		121
Fire		100
Weather		72
Listeria	61	61
Funding Loss		60
Flint, MI Water Crisis		5
Technological Update		5
<b>TOTAL</b>	<b>30,157</b>	<b>275,218</b>

**CHALLENGER, GRAY & CHRISTMAS, INC.  
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**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>2016</b>	184,920				<b>184,920</b>
<b>AVG</b>	201,650	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.  
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**ANNOUNCED HIRING PLANS  
By Month**

	2016	2015	2014	2013	2012	2011
January	8,362	8,774	6,312	60,585	7,568	29,492
February	7,539	14,574	11,054	92,372	10,720	72,581
March	10,997	6,412	6,860	8,115	12,390	10,869
April	11,557	13,898	11,145	9,322	11,794	59,648
May	<b>24,732</b>	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
<b>TOTAL</b>	<b>63,187</b>	<b>690,751</b>	<b>821,506</b>	<b>765,206</b>	<b>630,477</b>	<b>459,971</b>

**CHALLENGER, GRAY & CHRISTMAS, INC.  
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**ANNOUNCED HIRING PLANS**

<b>INDUSTRY</b>	<b>APRIL</b>	<b>MAY</b>	<b>YEAR-TO-DATE</b>
Aerospace/Defense	260		2,130
Apparel			0
Automotive	3,600	1,900	6,445
Chemical		203	390
Commodities			0
Computer		2,579	5,473
Construction	106		256
Consumer Products	100		1,110
Education		50	50
Electronics	782		1,052
Energy	700	400	1,558
Entertainment/Leisure	100		400
Financial	200	100	800
Food		640	1,870
Government	300	150	680
Health Care/Products	1,060	770	3,379
Industrial Goods	1,068	967	3,838
Insurance		106	696
Legal			0
Media		100	300
Non-Profit			0
Pharmaceutical	150		2,664
Real Estate			150
Retail	2,207	14,100	23,307
Services			1,088
Telecommunications	100	2,067	2,907
Transportation	749	600	2,569
Utility	75		75
<b>TOTAL</b>	<b>11,557</b>	<b>24,732</b>	<b>63,187</b>