

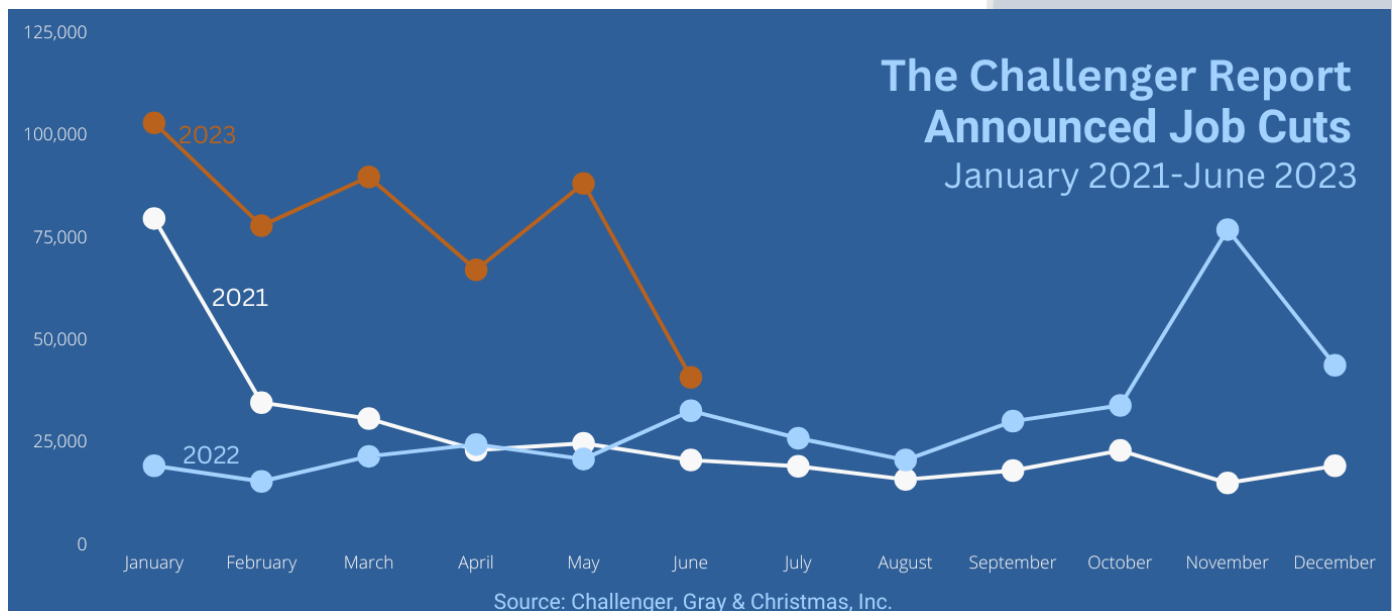
CHALLENGER REPORT

June 2023

Job Cuts Drop 49% in June, Lowest Total Since October 2022; Is the Tech Purge Over?

CHICAGO, July 6, 2023 – U.S.-based employers announced 40,709 cuts in June, down 49% from the 80,089 cuts announced in May. It is up 25% from the 32,517 announced in the same month one year prior, according to a report released Thursday from global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

Despite the drop, June's total marks the sixth time this year when cuts were higher than the corresponding month a year earlier.



Employers have announced 458,209 cuts so far this year, a 244% increase from the 133,211 cuts announced through June 2022. It is the highest first-half total since 2020, when 1,585,047 cuts were recorded. With the exception of 2020, it is the highest January to June total since 2009, when 896,675 job cuts were announced.

“The drop in cuts is not unusual for the summer months. In fact, June is historically the slowest month on average for announcements. It is also possible that the deep job losses predicted due to inflation and interest rates will not come to pass, particularly as the Fed holds rates,” said Andrew Challenger, labor expert and Senior Vice President of Challenger, Gray & Christmas, Inc.

Companies announced 187,793 cuts in the second quarter, up 142% from the 77,715 cuts announced in the second quarter of 2022. It is down 31% from the 270,416 cuts announced in the previous quarter.

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

Industries Cutting The Most Jobs

Technology is leading in job cut announcements this year with 141,516, up 2,353% from the 5,769 cuts announced in the same period last year. It is now the second-highest total for the sector ever, with only 2001 leading. That year, 168,395 cuts were announced in Technology.



Retail companies announced the second-most job cuts this year with 48,212, a 718% increase from the 5,896 cuts announced in the sector during the same time last year.

Financial firms announced the third-most cuts so far in 2023 with 39,768, up 268% from the 10,800 cuts announced in the sector in the first half of 2022. Health Care/Products companies and manufacturers, including hospitals, announced 38,279, up 97% from the 19,390 cuts in the first half of last year.

Services firms announced 31,820 cuts in the first half of the year, 163% higher than the 12,081 cuts announced in that sector during the same time in 2022.

"The cuts at Services firms may be reflecting the cost-cutting many companies are undergoing to prepare for an economic slowdown," said Challenger.

Media Cuts

The Media industry shed 18,836 cuts this year. Of those, 2,091 were in digital, broadcast, and print News.

Why Are Companies Cutting?

The top reason for job cuts so far this year is Market/Economic Conditions with 216,693. Another 55,088 were attributed to Cost-Cutting, while 54,864 were due to store, unit, or department Closings. Voluntary Severance was attributed to 9,917. A cyberattack a few years ago was cited for the closing of a hospital last month. Meanwhile in June, a Media company laid off writers as the owner pivoted to a project in Artificial Intelligence.

Hiring Plans

US-employers announced plans to add 115,462 positions so far in 2023, the lowest first-half total since 2016, when 76,751 new hires were recorded. The most announcements occurred in Entertainment/Leisure with 20,012, down 82% from the 111,475 announced during the same time in 2022. Technology follows with 14,423 down 61% from the 37,093 announced hires in the same period last year.

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Source: Challenger, Gray & Christmas, Inc. ©

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

Table 1: EXECUTIVE SUMMARY

TOP FIVE INDUSTRIES

Year To Date

	2023	2022
Technology	141,516	5,769
Retail	48,212	5,896
Financial	39,768	10,800
Health Care/Products	38,279	19,390
Services	31,820	12,081

MONTH BY MONTH TOTALS

	2023	2022
January	102,943	19,064
February	77,770	15,245
March	89,703	21,387
April	66,995	24,286
May	80,089	20,712
June	40,709	32,517
July		25,810
August		20,485
September		29,989
October		33,843
November		76,835
December		43,651
TOTAL	458,209	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	157,620	28,692
New York	63,682	15,952
Texas	28,207	5,345
Washington	27,524	6,173
Michigan	26,624	4,504

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-Jun	23-May	23-Jun	YTD 2022	YTD 2023
Aerospace/Defense		100	926	924	4,991
Apparel		584	275	461	1,371
Automotive	10,198	8,308	595	15,578	18,612
Chemical				0	675
Construction	74	59	168	1,224	2,753
Consumer Products	988	2,428	1,243	5,171	22,787
Education	235	959	1,714	4,902	5,108
Electronics	369		76	724	1,066
Energy		402		730	1,333
Entertainment/Leisure	3,704	3,905	296	10,957	11,065
Financial	2,012	3,581	2,831	10,800	39,768
FinTech	1,355	378	592	3,414	10,501
Food	334	711	1,307	5,435	8,521
Government			543	4,933	1,143
Health Care/Products	1,089	3,951	5,194	19,390	38,279
Industrial Goods	953	211	1,495	3,719	3,344
Insurance	41	426		911	2,844
Legal		398	187	0	877
Media	1,001	6,108	1,400	2,279	18,836
Mining		448	86	161	700
Non-Profit	53	893	173	1,346	2,276
Pharmaceutical	560	333	388	1,692	5,084
Real Estate	3,445	745	153	5,920	4,955
Retail	1,561	9,053	3,044	5,896	48,212
Services	2,784	6,676	4,941	12,081	31,820
Technology	1,266	22,887	4,685	5,769	141,516
Telecommunications		1,403	6,545	240	12,288
Transportation	329	1,935	421	2,106	6,380
Utility	6			864	509
Warehousing	160	3,207	1,431	5,584	10,595
TOTAL	32,517	80,089	40,709	133,211	458,209

Source: Challenger, Gray & Christmas, Inc. ©

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Table 3: JOB CUTS BY REGION, STATE

EAST	Jun-23	YTD 2023	YTD 2022
Connecticut	658	3,777	1,797
Delaware		430	0
Dist. of Columbia	60	1,724	60
Maine	272	491	1,217
Maryland	505	4,312	4,714
Massachusetts	834	8,835	2,966
New Hampshire	75	423	68
New Jersey	1,118	11,336	1,765
New York	11,262	63,682	15,952
Pennsylvania	762	8,291	9,310
Rhode Island	1,000	2,795	0
Vermont		40	0
TOTAL	16,546	106,136	37,849

MIDWEST	Jun-23	YTD 2023	YTD 2022
Illinois	3,235	14,808	3,298
Indiana	662	2,811	2,823
Iowa	130	798	2,051
Kansas	201	967	561
Michigan	587	26,624	4,504
Minnesota	446	12,592	941
Missouri	2,025	7,660	269
Nebraska	61	880	171
Ohio	1,053	8,990	5,411
Wisconsin	896	3,715	5,206
TOTAL	9,296	79,845	25,235

WEST	Jun-23	YTD 2023	YTD 2022
Alaska		0	182
Arizona	270	3,211	2,962
California	6,275	157,620	28,692
Colorado	206	3,591	1,191
Hawaii		169	0
Idaho		609	0
Montana	27	397	0
Nevada	96	4,942	69
New Mexico		295	408
North Dakota		39	20
Oklahoma	30	428	815
Oregon	411	2,930	1,117
South Dakota		253	60
Texas	2,046	28,207	5,345
Utah	122	2,418	1,152
Washington	1,277	27,524	6,173
Wyoming		12	0
TOTAL	10,760	232,645	48,186

SOUTH	Jun-23	YTD 2023	YTD 2022
Alabama	86	904	818
Arkansas		10,108	0
Florida	935	6,939	6,229
Georgia	422	1,704	2,867
Kentucky		1,053	1,626
Louisiana	212	2,333	422
Mississippi	157	2,267	0
North Carolina	1,593	10,374	4,525
South Carolina	37	112	1,519
Tennessee	185	1,499	2,137
Virginia	480	2,060	1,613
West Virginia		230	185
TOTAL	4,107	39,583	21,941

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Table 4: JOB CUTS BY REASON

	Jun-23	YTD
Market/Economic Conditions	10,410	216,693
No Reason Provided	9,177	56,077
Cost-Cutting	4,442	55,088
Closing	7,401	54,914
Restructuring	2,097	22,257
Financial Loss	478	12,137
Demand Downturn	1,913	10,683
Voluntary Severance/Buyouts	1,804	9,917
Acquisition/Merger	1,566	5,871
Contract Loss		4,727
Artificial Intelligence	7	3,907
Outsourcing Operations Outside the US		2,000
Outsourcing Operations to Another US Company		1,000
Bankruptcy	38	942
Cyberattack	700	700
Relocation (Domestic)	167	562
COVID-19	239	414
Natural Disaster	260	260
Supply Shortage		50
Labor Dispute	10	10
	40,709	458,209

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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
2023	270,416	187,793			458,209
AVG	197,619	179,292	176,174	189,169	

Source: Challenger, Gray & Christmas, Inc. ©

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Table 6: ANNOUNCED HIRING PLANS BY MONTH

	2023	2022	2021	2020	2019	2018	2017	2016
January	32,764	77,630	72,063	23,229	74,040	41,890	136,501	8,362
February	28,830	215,127	146,403	88,202	15,279	139,925	25,765	7,539
March	9,044	105,224	97,767	824,610	96,368	14,525	127,006	10,997
April	23,310	88,622	76,345	285,639	258,302	13,842	61,537	11,557
May	7,885	126,083	49,118	38,981	8,663	9,889	77,447	24,732
June	13,629	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	115,462	1,482,364	1,752,417	3,190,862	1,207,751	1,018,428	1,100,654	868,702
Monthly Average	20,367	122,537	88,339	252,132	90,530	44,014	85,651	12,637
YTD		715,583	551,789	1,336,115	464,598	233,575	468,351	76,751

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Table 7: ANNOUNCED HIRING PLANS

INDUSTRY	23-Jun	YTD 2023	YTD 2022
Aerospace/Defense	845	3,845	10,828
Apparel	0	0	1,973
Automotive	200	9,216	29,879
Chemical	260	825	186
Construction	1,742	5,394	4,226
Consumer Products	235	3,124	11,246
Education	30	601	7,707
Electronics	0	516	4,450
Energy	330	9,389	4,159
Entertainment/Leisure	83	20,012	111,475
Financial	900	5,900	19,460
FinTech	50	50	3,847
Food	511	2,929	22,741
Government	210	3,453	89,247
Health Care/Products	900	3,792	22,591
Industrial Goods	2,792	6,155	11,816
Insurance	0	29	966
Legal	0	0	20
Media	0	0	2,270
Mining	0	0	1,025
Non-Profit	250	2,957	12,859
Pharmaceutical	0	3,141	4,847
Real Estate	0	3,361	4,172
Retail	0	2,203	246,311
Services	409	5,134	13,612
Technology	2,500	14,423	37,093
Telecommunications	270	1,656	6,176
Transportation	14	4,692	18,553
Utility	245	486	280
Warehousing	853	2,179	11,568
TOTAL	13,629	115,462	715,583

Source: Challenger, Gray & Christmas, Inc. ©