



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

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July Sees Third Consecutive Increase in Job Cuts **PLANNED LAYOFFS UP 6% TO 41,676;** **STILL WELL BELOW 2009 PACE**

CHICAGO, August 4, 2010 – Employers announced plans to shed 41,676 workers in July, a six-percent increase from the 39,358 layoffs in June. While July marks the third consecutive monthly gain in announced job cuts, downsizing activity remains at its lowest level since before the 2001 recession, according to global outplacement consultancy Challenger, Gray & Christmas, Inc., which released its latest report on planned job cuts Wednesday.

Job cuts have increased every month since falling to a four-year low of 38,326 last April. The increases have been small, however, averaging less than 3.0 percent each month. The total increase between April and last month's 41,676 measures just 8.7 percent.

Job cuts remain well off the pace of 2009. The July total is 57 percent lower than the 97,373 job cuts announced the same month a year ago. Overall, the 339,353 job cuts announced so far this year is 64 percent fewer than the 944,048 planned layoffs recorded in the first seven months of 2009.

“It is true that job cuts have increased in each of the past three months. However, the increases are so slight and the monthly totals so low when compared to recent years, that the trend in no way suggests a reversal of the significant slowdown in job-cut activity witnessed over the past year,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

“This is not to say that job cuts won’t experience more substantial increases in the months to come. In fact, seasonal trends indicate that monthly job cuts tend to get heavier late in the third quarter through the end of the year, as employers make last-minute adjustments to their payrolls to meet annual earnings goals,” he added.

One area that continues to struggle is the government and non-profit sector. For the fourth time this year, it was the biggest job-cutting sector of the month, announcing plans to eliminate 7,193 workers in July. That was 36 percent higher than the 5,306 government/non-profit job cuts in June, but 52 percent lower than the 15,138 averaged per month this year.

So far this year, the government and non-profit sector has announced 105,969 job cuts, nearly triple the next largest job-cutting sector: the pharmaceutical industry, which has announced 37,010 job cuts, 30 percent fewer than at this point last year.

“Government sector job cuts have slowed, but the situation for these employers has not improved much, particularly for state and local governments that continue to suffer from massive budget shortfalls. This sector has the biggest potential for additional job-cut spikes between now and the end of the year. Unless the states and municipalities can figure out a way to replace the money being lost from lower income, payroll and property tax revenue, then more job cuts will probably be necessary,” warned Challenger.

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

TOP FIVE INDUSTRIES Year To Date

	2010	2009
Government/Non-Profit	105,969	109,433
Pharmaceutical	37,010	52,683
Retail	26,993	88,352
Transportation	19,098	61,578
Computer	17,596	53,145

MONTH BY MONTH TOTALS

	2010	2009
January	71,482	241,749
February	42,090	186,350
March	67,611	150,411
April	38,326	132,590
May	38,810	111,182
June	39,358	74,393
July	41,676	97,373
August		76,456
September		66,404
October		55,679
November		50,349
December		45,094
TOTAL	339,353	1,288,030

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	55,122
New York	52,481
Dist. of Columbia	35,040
Illinois	24,602
New Jersey	19,795

Listings are identified by the location of the layoff or corporate headquarters as stated in announcement.

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JOB CUTS BY INDUSTRY

	JULY	TOTAL
Government/Non-Profit	7,193	105,969
Financial	5,498	15,399
Transportation	5,331	19,098
Health Care/Products	2,694	16,684
Food	2,429	8,042
Industrial Goods	2,362	10,726
Aerospace/Defense	2,281	8,402
Pharmaceutical	2,023	37,010
Consumer Products	1,424	5,560
Services	1,411	8,936
Telecommunications	1,199	17,204
Electronics	1,144	3,550
Construction	1,132	2,923
Automotive	1,074	10,555
Insurance	957	2,017
Retail	812	26,993
Energy	696	3,376
Entertainment/Leisure	680	8,996
Computer	632	17,596
Chemical	314	866
Real Estate	156	906
Media	125	4,603
Utility	57	3,089
Apparel	52	698
Commodities		155
TOTAL	41,676	339,353

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**JOB CUTS BY REGION, STATE
JULY**

East	8,113
New York	2,619
Pennsylvania	2,274
Connecticut	2,040
New Jersey	823
Maryland	234
Rhode Island	103
Dist. of Columbia	20

Midwest	7,465
Illinois	2,360
Missouri	2,133
Ohio	1,183
Indiana	889
Wisconsin	290
Kansas	235
Michigan	200
Minnesota	126
Nebraska	49

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**JOB CUTS BY REGION, STATE
JULY**

West /Southwest	13,971
California	6,853
Texas	2,605
Utah	2,500
Arizona	1,656
Colorado	153
Oregon	94
Nevada	40
Hawaii	40
Washington	30

South	12,127
Georgia	3,429
Florida	3,411
Mississippi	1,704
Alabama	1,278
Virginia	1,103
Kentucky	360
N. Carolina	311
Tennessee	271
Louisiana	260

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JOB CUT REASONS

	JULY
Restructuring	14,713
Cost-Cutting	7,186
Demand Downturn	5,345
Closing	4,366
Economic Conditions	3,867
Order/Contract Cancellation/Reduction	2,846
Bankruptcy	2,500
Merger/Acquisition	524
Outsourcing	185
Voluntary Severance	74
Reorganization/Consolidation	70
TOTAL	41,676

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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	578,510	318,165	240,233	151,122	1,288,030
2010	181,183	116,494			297,677
AVG	218,038	165,498	190,067	229,527	

*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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**ANNOUNCED HIRING PLANS
JULY**

Industry	Jobs
Computer	2,880
Automotive	1,640
Transportation	962
Industrial Goods	892
Retail	680
Electronics	280
Health Care/Products	247
Media	150
Energy	125
Services	100
Pharmaceuticals	100
Government/Non-profit	75
Entertainment/Leisure	20
TOTAL	8,151