



DATA SHOWS LAYOFF INCREASE



For those of you who are not in the know Challenger, Gray & Christmas, Inc. is a rather large outplacement firm. They are also the generators of a stunning amount of data about the current state of employment in the world. Sometimes they are lucky enough to get to report good news and sometimes they have to put out bad news. Today the news is bad. According to numbers release by the company the number of layoffs being perpetrated by corporate America is going up, meaning that more people are out of a job. How bad was the news? Well in the month of May private companies announced plans to cut back on a total of 61,887 workers, which admittedly is a large number for a single month. As a matter of fact it is the largest number reported since last September, when 115,730 worker were let loose from the payrolls of various companies. While most of us can agree that this number is much better than last Septembers any increase in layoffs is not a welcome sign in the current economy. The 61,887 number is actually a 53 percent increase when you compare it to the 40,559 planned layoffs announced in April of the same year. It is an even higher percentile increase, roughly 67 percent higher, than May of the year before this one. So where did the layoffs come from? While many sectors were cutting jobs one are stood out. That area was computers. A large part of that sectors dismal performance can be attributed to the news coming out of HP last month. The company announced that they would be cutting back on roughly 27,000 workers in the near future in order to set the company back on the path to solid profits. John A. Challenger, the chief executive officer of Challenger, Gray & Christmas had the following to say about the job losses in that sector in the press release, "We may see more job cuts from the computer sector in the months ahead. While consumers and businesses are spending more on technology, the spending appears to favor a handful of companies. Those that are struggling to keep up with the rapidly changing trends and consumer tastes are shuffling workers to new projects or laying them off, altogether." The company also pointed a limited figure at the food service industry in the release, "ob cuts in the food industry are up 75 percent this year to 9,938 and a large layoff announcement may be on the horizon. Hostess Brands, the maker of Twinkies, Ding Dongs and Wonder Bread, has struggled to adapt to American's healthier eating habits. Earlier this year it filed for Chapter 11 bankruptcy protection and in May sent notices to all 18,500 workers that their jobs may be displaced by plant closings, the sale of the company, the liquidation of the company or other restructuring measures. At this point, no official layoff actions have been initiated or announced and, therefore, not included among in Challenger's figures." So the numbers there may actually get worse as time goes on. The press release mentioned in this article is available as a downloadable PDF from the companies [general media relations site](#). The release is titled "May12 Job Cut Report Planned layoffs surge in May to 61,887". There was no direct link to this release.

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