

# RETAIL JOBS REPORT

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JUNE 2022





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# EXECUTIVE SUMMARY

## HEADLINE STATISTICS

- There were 2.949 million jobs in retail in Q1 2022, a loss of 83,000 jobs (or a decline of 2.7%) compared to a year ago and a loss of 135,000 compared to three years ago (4.4%).
- ONS data puts retail vacancies at 100,000 in the three months to May 2022, around 11% more than in the December-February 2020 period.
- Retail and wholesale job vacancies online ads (compiled by Adzuna) have been rising for more than a year. In May, there were 65% more job adverts in wholesale and retail compared to February 2020.
- In Q1 2022, the overall GB vacancy rate remained at 14.1%, 0.3 percentage points lower than in Q4 2021. Having steadily risen since 2018, the vacancy rate is showing signs of having peaked.
- There were 266 retail insolvencies in Great Britain in Q1 2022. In 2021, there were 1,639 insolvencies, a slight increase compared to the 918 figure of 2020.
- There were 4 retail CVAs in Great Britain during the first three months of the year. In 2021, the industry saw 13 CVAs, down since 2020 and 2019 when there were 28 and 29 CVAs respectively.
- Retail labour productivity fell in Q1 2022. Compared to Q4 2021, retail labour productivity decreased by 2.5% and is 1.3% above the same time last year. UK productivity also fell on the quarter, however in contrast overall productivity is now 1.5% higher than in Q4 2019.
- At the end of September 2021, 81,000 retail workers were still on furlough.

# THE UK'S LABOUR MARKET CHALLENGE

## FEATURED ANALYSIS

### Key points

- There were 100,000 vacancies in retail in the three months to May. The pandemic weighed on consumer-facing services activity, resulting in increased pressure on 'frontline' retail workers as well as higher job insecurity for those working in 'non-essential' businesses.
- Labour shortages have manifested in job roles such as HGV drivers, warehouse workers and hospitality.
- The retail industry responded by raising pay at double the national average in 2021, 5.5% compared to 2.7% for other sectors. The industry's work highlighting the acute staffing challenges liable to occur over the Christmas holidays lead to the government issuing 4,700 emergency food haulage driver visas between October 2021 and February 2022.
- Of the labour shortages plaguing retail, the HGV driver shortage has been the most pronounced, however the problem existed prior to the pandemic. The number of HGV drivers in the UK economy has been falling over the last five years. Between June 2017 and June 2021, the UK lost 53,000 drivers or 16%. Of those 42,000 were UK nationals and 12,000 were EU nationals. Of the latter category, 11,000 were 'lost' between July 2020 and July 2021.
- Q1 2022 data show redundancies in the Wholesale and Retail sector have been trending downwards since Q3 2021. The volume of redundancies had been substantially mitigated by the government furlough program and other support schemes that allowed businesses affected by closure orders to continue being active throughout the pandemic.
- Employment fell and unemployment rose at the start of the pandemic, but by the end of Q1 2022, as the economy emerged from pandemic restrictions, unemployment fell to a rate even lower than prior to their onset.
- The pandemic has ostensibly led to higher levels of economic inactivity. Unlike the employment or unemployment rate, the inactivity rate has shown signs of deteriorating further. Data over the last 12 months seems to suggest that economic inactivity has been driven by increasing levels of long-term illness (with Long Covid ascribed as a contributor to this rise) among those not working and older workers in the labour force taking earlier retirement.
- Many EU workers left the UK in 2020, and many if not most of them have not returned due to persisting economic uncertainty and stricter conditions of entry.
- The combination of an economy recovering from the effects of the pandemic, with 431,000 fewer economically active participants in the labour force, has meant that there is intense competition for labour, reflected in soaring vacancy rates.
- UK vacancies have been rising, reaching a new record in the three months to May (1.3 million), and show little sign of slowing, with vacancies well above pre-crisis levels in every sector.
- Rising input price pressures (not just labour but also raw materials) has been making its way into shop prices, with inflation remaining at decade-highs in May and prices forecast to continue to rise well into 2022.
- Retailers continues to invest in their workforce, however a more flexible, demand-led immigration system and broader usage opportunities for the Apprenticeship Levy would ensure the industry continues delivering on its mission of a higher skilled, more productive, and better paid workforce.

### LABOUR SHORTAGES AND THE STATE OF THE LABOUR MARKET

The tightest labour market in decades has emerged with the unemployment rate falling to 3.8% in the three months to May and job vacancies remaining at record highs. A shrinking pool of available labour (431,000 people are no longer economically active) has meant there are more vacancies than workers to fill them.

Indeed, vacancies reached a further record figure of 1.3 million in the three months to May, almost half a million more vacancies than before the pandemic. Vacancies are above pre-crisis levels in every sector, with accommodation and food as well as construction jobs leading the way in relative terms. In absolute terms, the retail sector accounts for one of the largest number of vacancies, at 100,000, around 10,000 higher than prior to the pandemic. The industry continues to confront recruitment challenges with a shortage in HGV drivers, warehouse workers as well as workers willing to work unsocial hours.

# THE UK'S LABOUR MARKET CHALLENGE

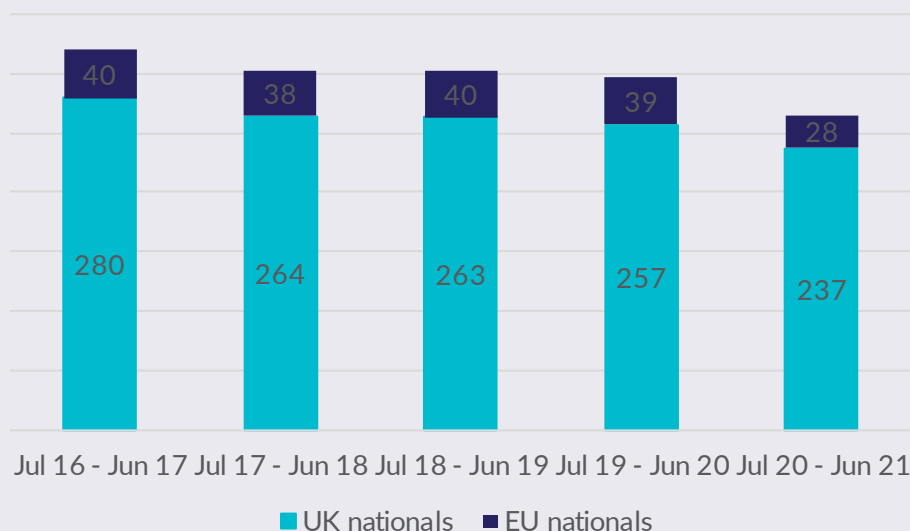
## FEATURED ANALYSIS

### RETAIL LABOUR MARKET INDICATORS

The retail labour force did not escape unscathed from the impacts of the pandemic. Structural transformation in the industry accelerated rapidly, as retailers were forced to move their operations online. The number working in retail has been declining for several years as shoppers have gradually shifted their spend to online channels. This has resulted in fewer shop floor workers being needed. Further, the sector has faced headwinds in the form of Brexit and a trend of dwindling numbers of HGV drivers.

The industry is now confronted with a chronic shortage of HGV drivers, warehouse workers as well as employees willing to work unsocial hours, a dearth of employees available in certain geographical locations as well as employees highly skilled in digital and analytical skills. Moreover, the pandemic turned many retail employees into 'frontline workers, exposing them to greater health risks as compared to those that were isolating, whilst Non-Food retail employees were faced with increased job insecurity due to what were deemed as 'non-essential' stores closing. A [2021 Mental Health study](#) found that three in five retail employees have experienced excessive stress at work over the last year. Due to excessive stress, 5% of retail employees have left their job over the past year and 26% are considering leaving their jobs.

**Figure 1 - HGV drivers by nationality, in '000, not seasonally adjusted**



Of the labour shortages plaguing retail, the HGV drivers shortage is likely the most acute, as the number of HGV drivers in the UK economy has been falling persistently over the last five years, and no short-term fixes seem to be available. Between June 2017 and June 2021, the UK lost 53,000 drivers, or 16% (Figure 1). Of those, 42,000 were UK nationals and 12,000 were EU nationals, with 11,000 of the EU drivers being 'lost' between July 2020 and July 2021. This suggests that many of the EU workers that left at the start of the pandemic will not return.

Besides the driver shortages, it is harder to quantify the precise level of shortages within retail. Vacancies figures suggest demand for labour is considerable, though the supply is not there to meet it. Those employed in the sector fell by 1.7%, just in 2021, a reduction of 51,000 jobs. Given the sharper fall, over the previous year, and smaller pool of labour from which to draw employees, recruitment has become increasingly difficult.

Nonetheless, ONS data show that in the three months to May, there were 100,000 vacancies (on a seasonally adjusted basis) in retail, 10,000 more than in the three months to February 2020 (Figure 2), about 3.3% of the retail workforce.

This is with the caveat that these are seasonally adjusted figures. Retail employment goes through a cycle of peaks and troughs over the year, with more employees needed over the Golden Quarter than during other periods. Indeed, Q1 2022 data suggest the number of jobs fell by 93,000. Whilst in keeping with less need for labour following the festive period, the contraction in the most recent quarter was unusually sharp. This hints at not just the shedding of seasonal labour but also redundancies or voluntary quits.

# THE UK'S LABOUR MARKET CHALLENGE

## FEATURED ANALYSIS

Figure 2: Retail vacancies, seasonally adjusted (SA)

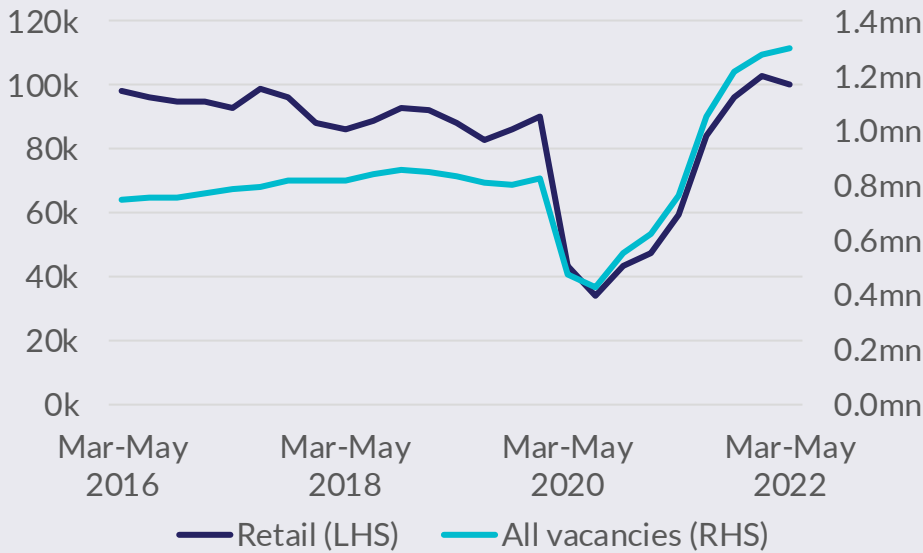
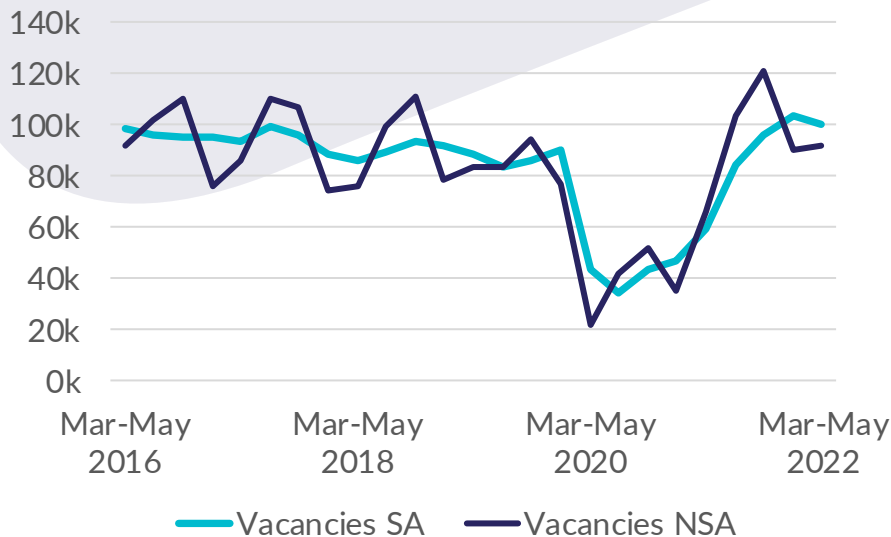


Figure 3 shows vacancies both on an adjusted and unadjusted basis. There were 108,000 vacancies (seasonally adjusted) in retail in the three months to March, 18,000 more than in the three months to February 2020.

Figure 3: Retail vacancies, seasonally adjusted (SA) and not seasonally adjusted (NSA)



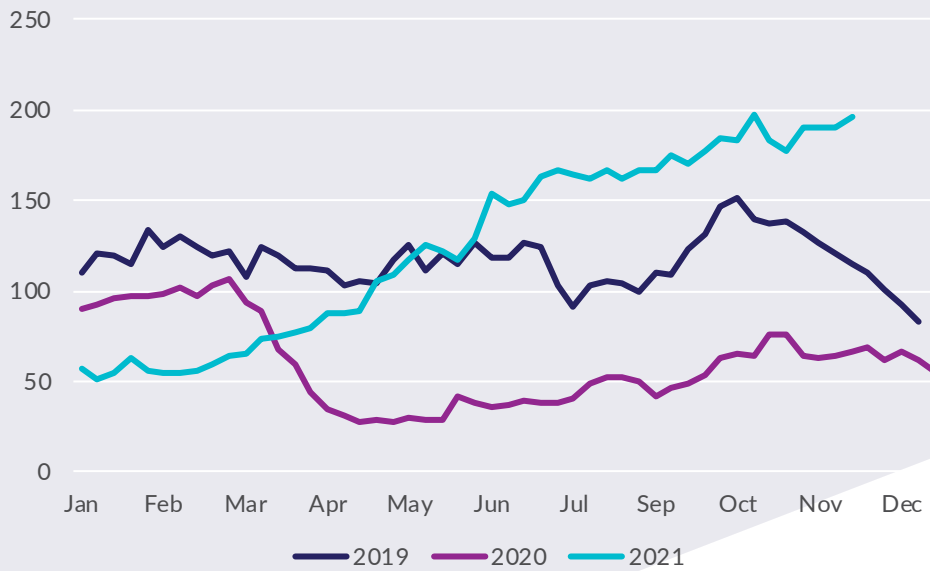
Looking at online job ads data from Adzuna (Figure 4), we can use this as a proxy for vacancies. While this data is not split for retail only, it does show that vacancies for the whole of Wholesale and retail industry remained elevated in May.

All of this put together means that it is difficult to come up with a definitive answer regarding the magnitude of labour shortages in retail, although it suggests that there are at the very minimum 100,000 vacancies, with a substantially higher figure very likely.

# THE UK'S LABOUR MARKET CHALLENGE

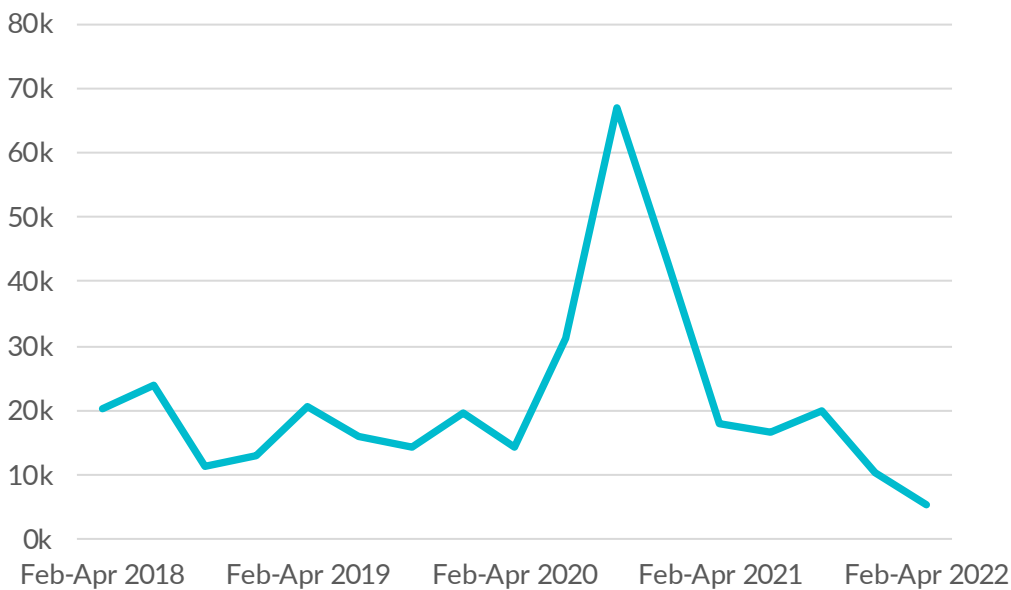
## FEATURED ANALYSIS

Figure 4: Wholesale and retail online job ads, February 2020 = 100



Redundancies in Wholesale and retail were rising during the pandemic but have recently fallen to their lowest since it first began (Figure 5): in the three months to May, there were 5,000 redundancies, 9,000 fewer than two years ago and 13,000 fewer than in Feb-Apr 2021. With a labour force that has shrunk considerably over the course of the pandemic, fewer redundancies in wholesale and retail have occurred against a backdrop of labour shortages.

Figure 5: Wholesale and retail redundancies, '000



# THE UK'S LABOUR MARKET CHALLENGE

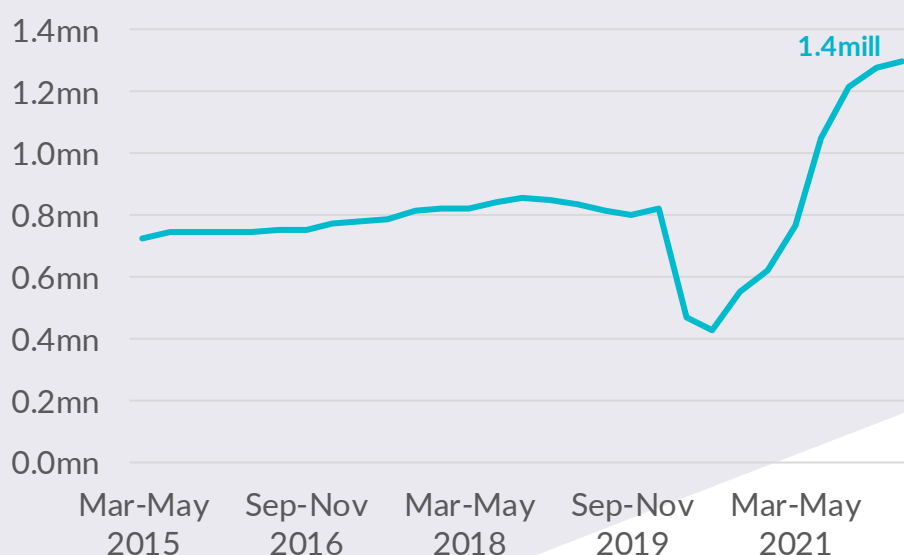
## FEATURED ANALYSIS

### UK LABOUR MARKET INDICATORS

Employment and unemployment have improved significantly in the three months to April, with employment rising to 75.6% and unemployment falling to 3.8%. However, the underlying monthly data that makes up this quarterly average suggest a slight increase in unemployment, with the single month estimate for unemployment in April rising to 4.2%. Analysis from the Institute for Employment Studies shows record numbers of people moving into work combined with record levels of job-to-job moves have been driving these changes, with flows into work and job-to-job moves well above pre-crisis levels.

However, vacancies continue to rise, reaching 1.3 million in the three months to May (Figure 6). Vacancies are above pre-crisis levels for every sector, with health, social care, hospitality, and “professional” jobs leading the way.

Figure 6: UK Vacancies



The big question is why can't labour supply keep up with demand. Part of the explanation comes from the rise in inactivity rate which remains stubbornly high. Over the last twelve months it seems that economic inactivity has been driven by increasing levels of ill health among those out of work and more people exiting entirely due to retirement (Figure 7).

As the current recruitment and participation crises are set to continue for some months to come, this does not suggest an easing of labour shortages in the near-term. On the one hand, treating long-term illnesses through public policies is either very unlikely or would take a considerable amount of time to show its impact. Further, it is also difficult to imagine a public policy incentive that would draw retired workers out of early retirement if they can afford not to do so, particularly given that retirees benefited financially from the pandemic – recording the largest growth in savings of any income group on aggregate. Brexit also continues to exacerbate this labour crisis, as the available pool of labour from the European Union has shrunk.

The retail sector continues to invest in their workforce, however a more flexible, demand-led immigration system and broader usage opportunities for the Apprenticeship Levy would ensure the sector continues delivering on its mission of a higher skilled, more productive and better paid workforce.



# THE UK'S LABOUR MARKET CHALLENGE

## FEATURED ANALYSIS

Figure 7: Change in the level of economic inactivity by reason, Feb-Apr 2022 compared with Dec-Feb 2020





# RETAIL EMPLOYMENT: KEY STATS



## EMPLOYMENT

### 2.95 million jobs in Q1 2022

There were 2.949 million jobs in retail in Q1 2022, a loss of 83,000 jobs (or a decline of 2.7%) compared to a year ago and loss of 135,000 compared to three years ago (4.4%).



## PAY

### £10.23 median hourly wage in 2021

At 5.5%, 2021 pay growth in retail was double the UK average of 2.7%.



## PRODUCTIVITY GROWTH

### 7.8% in Q1 2022 (YOY)

Retail labour productivity was 2.5% lower on Q4 2021 and 1.3% below the same time last year.



## JOB VACANCIES

### 100,000 between March-May 2022

Retail vacancies numbered 100,000, 11% higher than in the period immediately preceding the pandemic and highest in absolute terms since 2005.

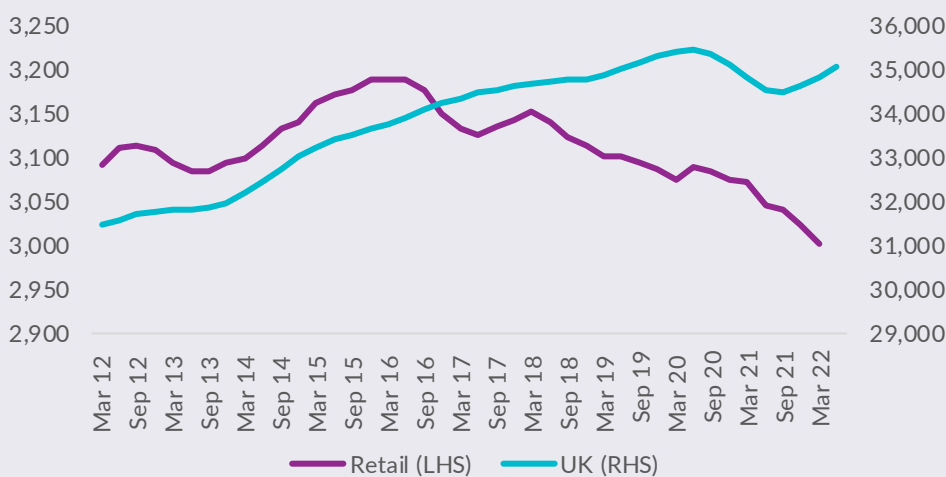
# RETAIL EMPLOYMENT

## THE NUMBER OF JOBS IN RETAIL

LATEST DATA: JUN-21  
NEXT UPDATE: SEP-22

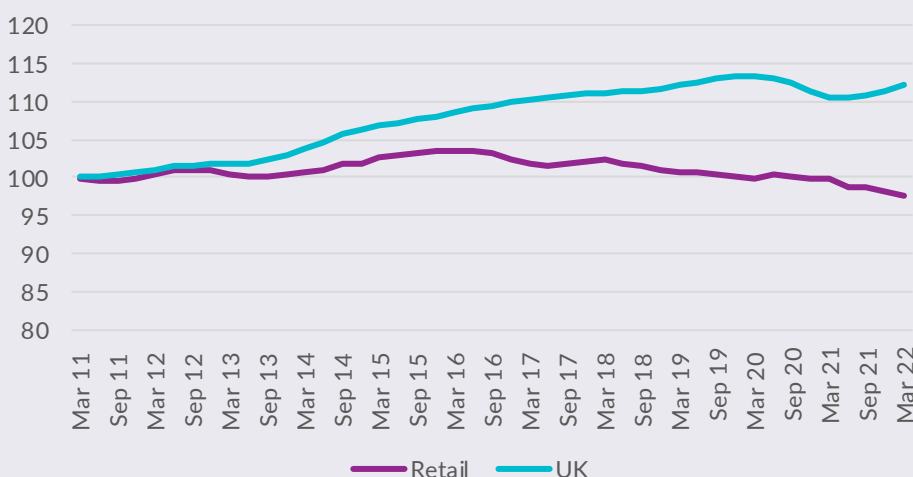
- There were 2.949 million jobs in retail in Q1 2022, a loss of 83,000 jobs (or decline of 2.7%) compared to a year ago and a loss of 135,000 compared to three years ago (4.4%). The UK economy added 831,000 jobs on the year, with there now being 208,000 more jobs than two years ago.
- Using the 4-quarter averages, there were 3.003 million jobs in retail in Q1 2022, a decline of 70,000 employees on the year and of 21,000 on the quarter.
- By the end of September 2021, before the closure of the Coronavirus Job Retention Scheme (CJRS), 81,400 retail workers were still furloughed.
- The fall in jobs against the backdrop of soaring vacancies suggests a skill mismatch in the retail labour market. In part due to an economy-wide labour shortage (431,000 fewer are economically active), the nature of the industry has changed. The shift to online, significantly accelerating over the course of the pandemic, has meant that fewer shops are needed as in-store visits have decreased in frequency. Indeed, there is some evidence to suggest a substitution of labour away from the physical store towards logistics and fulfilment.
- Since 2015, the retail industry lost jobs, lagging the national average in employment growth. The figure below indexes the number of jobs at 100 in December 2010, revealing a decoupling.

No of jobs (in '000, 4Q averages)



There were 2.949 million jobs in retail in Q1 2022, a reduction of 83,000 jobs compared to a year ago.

Jobs (Dec 2010 = 100)



The proportion of retail jobs out of all UK jobs has been steadily declining from 10.1% in Q1 2008 to 8.6% in Q1 2022.

Source: ONS, series: [Employee jobs by industry](#) and [Self-employment jobs by industry](#).

# RETAIL EMPLOYMENT OUTLOOK

## RETAIL JOBS FORECASTS

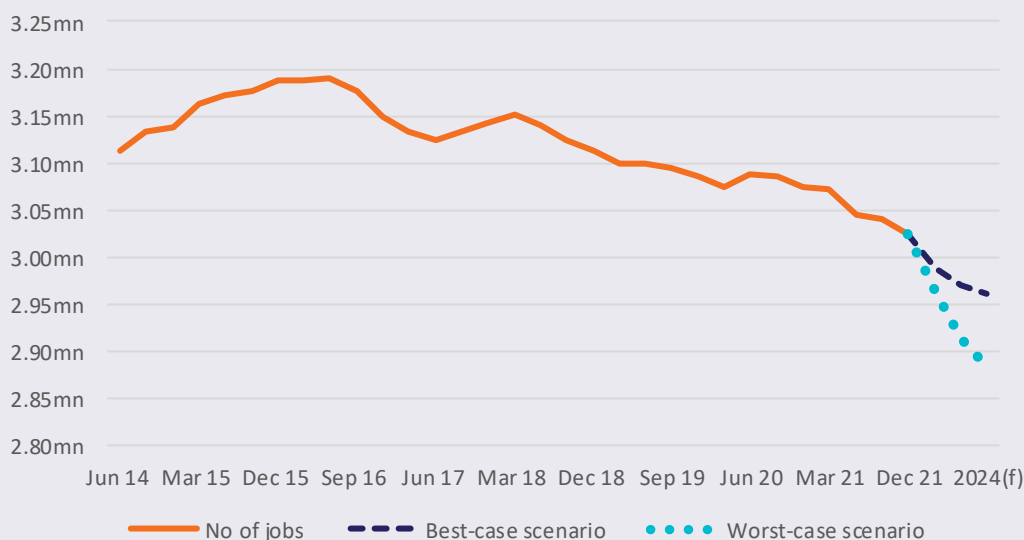
LATEST DATA: 14-JUN  
NEXT UPDATE: 13-SEP

- We estimate that retail (net) job losses will range between 63,000 and 140,000 over the next three years, with about 45% of the job losses occurring in 2021.
- In the best-case scenario, job losses are mainly a continuation of what has been a downwards trend since before the pandemic. Mitigating against these losses should be the releasing of pent-up demand and an improving outlook for wholesale and retail. With the government's super deduction on investment in place till 2025, we assume this will improve business investment, supporting the UK's economy against rising cost pressures.
- In the best-case scenario we assume the UK's economy to avoid an outright recession, with consumer spending and subsequent economic activity under considerably less stress. Retail sales growth is stable over 2022H2, and the economy recovers more quickly from the Covid pandemic over the forecast horizon.
- In the worst-case scenario, the UK's economy plunges into recession during 2022H2, leading to a fall in consumption. As consumers reduce discretionary spending, retail spend falls. We anticipate such a scenario to result in mass-redundancies and a spike in lay-offs. Redundancies often spike after an economy enters an official recession, hence the magnitude of the fall in jobs remains more similar in 2023.
- Moreover, during the pandemic, households in the bottom 40% of the income distribution saw a decline in savings and some were forced to borrow to make ends meet. This suggests that those households will likely rein in their discretionary spending, particularly with the looming Ofgem cap lift in October. Non-food retailers that lost the most sales during the pandemic, in particular those in the fashion and health and beauty categories, are expected to be impacted the most.
- The Bank of England had estimated (in their May report) a £1,200 shock to real post-tax income, over 2022/23, ahead of an anticipated rise in the Ofgem price cap in October. According to BRC analysis, what would have been a 2.2% fall in real incomes over this financial year (as forecast by the Office for Budget Responsibility in March) is provisionally expected to be closer to 1.3% (closer to the 08/09 income shock).
- It's certain that the acceleration of the digital transformation and the shift to working from home has precipitated an acceleration of the structural transformation of the industry. Over the next three years many businesses will change their operating model (which will require a smaller workforce), will downsize their store portfolio and some will go out of business.
- A case in point is by the recent buyout of the Arcadia brands. Boohoo acquired the brands' names and the digital assets associated with their online businesses, but not their store portfolio, nor their workforce.

### Number of retail jobs and forecasts

	2016	2017	2018	2019	2020	2021	2022(f)		2023(f)		2024(f)	
							Best-case scenario	Worst-case scenario	Best-case scenario	Worst-case scenario	Best-case scenario	Worst-case scenario
Total Retail jobs ('000)	3150	3142	3113	3086	3075	3023	2987	2963	2969	2912	2960	2883
Change in the jobs no ('000 and %), YOY	-39	-8	-29	-27	-12	-51	-36	-60	-18	-50	-9	-29
	-1.2%	-0.3%	-0.9%	-0.9%	-0.4%	-1.7%	-1.2%	-2.0%	-0.6%	-1.7%	-0.3%	-1.0%

### No of jobs and forecasts



**Retail will lose at least 63,000 jobs by the end of 2024. The bulk of those will be lost in 2022.**

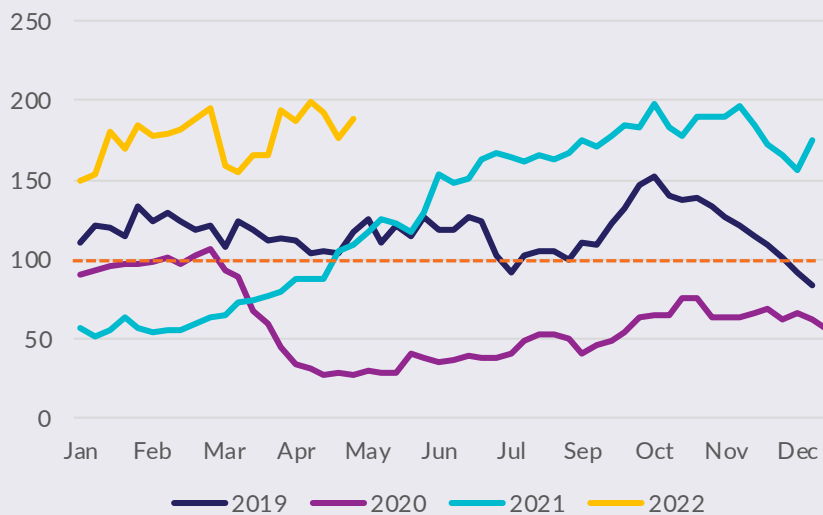
# RETAIL JOB VACANCIES

LATEST DATA: JUNE-22  
NEXT UPDATE: SEP-22

## RETAIL JOB VACANCIES REMAIN HIGH

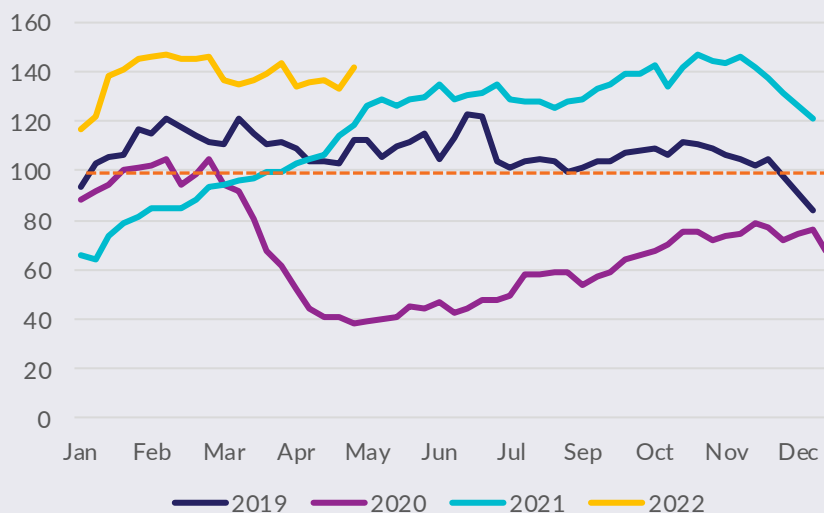
- Retail and wholesale job vacancies online ads (source: Adzuna) have been rising since the end of the third lockdown. In May, there were 65% more job adverts in wholesale and retail compared to the pre-pandemic February 2020 period.
- ONS data puts retail vacancies at 170,000 in the three months to March 2022.
- In the UK as a whole, job vacancies, based on the number of online adverts, have risen above and beyond their pre-pandemic levels. There were 65% more job adverts in May compared to February 2020.
- According to the ONS data, there were 1.288mill vacancies in the UK in December 2021.
- Vacancies continue to climb to new records, and despite the overall number of jobs rising above and beyond pre-pandemic levels, demand for labour remains hot. Close to half a million are no longer economically active (actively seeking work), with elevated levels of those reporting long-term sickness (potentially as a result of 'Long Covid') playing a significant role in rising inactivity rates.
- Brexit has additionally exacerbated the labour shortage, as the available pool of labour has shrunk with the end of free movement.

Wholesale and retail, Feb-20 = 100



In May, there were 65% more job adverts in wholesale and retail than in February 2020.

UK, Feb-20 = 100



In May, there were 39% more job adverts in the UK compared to February 2020.

# RETAIL VACANCY RATES

## THE FUTURE OF THE STORE

LATEST DATA: 29-APR

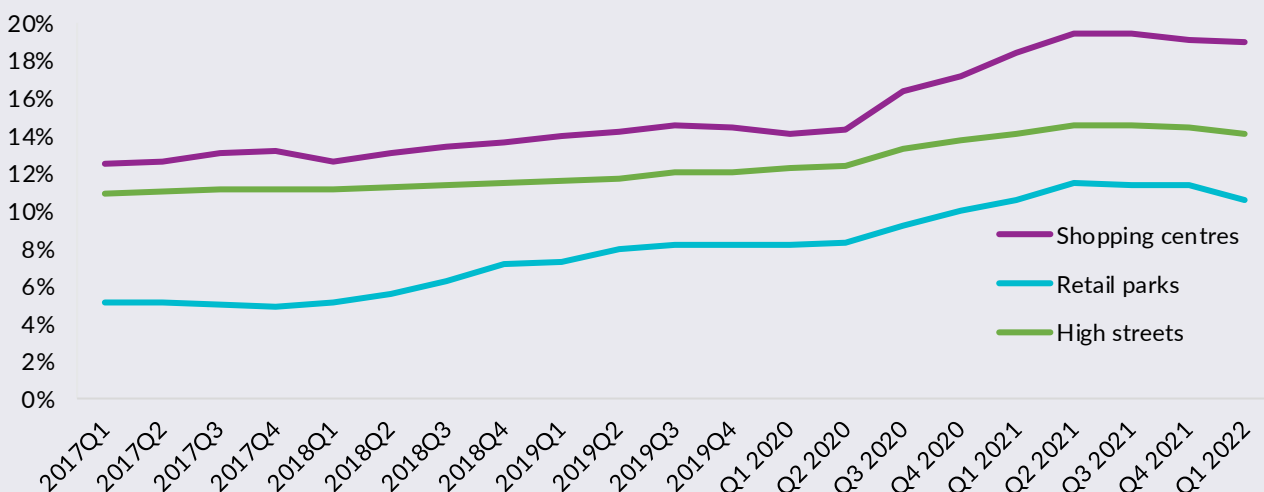
NEXT UPDATE: 29-JUL

- In Q1 2022, the overall GB vacancy rate remained at 14.1%, 0.3 percentage points lower than in Q4 2021. Having steadily risen since 2018, the vacancy rate is showing signs of having peaked.
- The 'Living with Covid' strategy adopted from January and subsequent full reopening of hospitality had a positive impact on the retail industry, helping to arrest the rise in vacancy rates seen in all shopping locations over the pandemic.
- The longer-term shift in consumer behaviour was also evident during this period, as Retail Parks saw the lowest vacancy rate once again (11.3%).
- This is testament to the pandemic-driven acceleration shift in consumer preferences, as shoppers are more comfortable visiting Retail Parks than ever before. This is in part a consequence of their abundance of space, large format stores and the lack of reliance on public transport to visit.
- Once again, Shopping Centres recorded the highest level of vacancies in Q1, with 19.0% unoccupied. However, as with the overall rate, vacancies did see a slight decrease on the quarter.
- High Streets vacancy rate decreased to 14.1% in Q1, 0.4 percentage points lower on the quarter.

### OVERALL GB VACANCY RATE (ALL LOCATIONS TYPES)



### VACANCY RATE BY LOCATION TYPE



# RETAIL DEMOGRAPHICS

## RETAIL OFFERS OPPORTUNITIES FOR THE YOUNG AND WOMEN WITH CARING RESPONSIBILITIES

Out of the 3 million retail jobs, many employment opportunities are offered in economically marginal areas and taken by people who need to be able to work flexible hours and near to home.

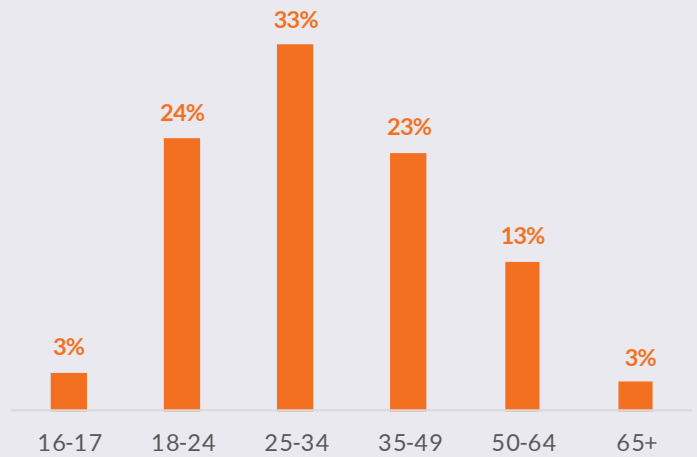
Retail has a relatively young workforce. 28% of the workforce in retail is aged 24 and under, compared to 11% of employees in the UK as a whole. 16% of employees in retail are over 55, as compared to 32% in the UK.

The youth of the workforce is reflected in the makeup of the retail workforce starters. In the year to March 2022, 59% of all starters were younger than 25, and only 17% of starters were over 40.



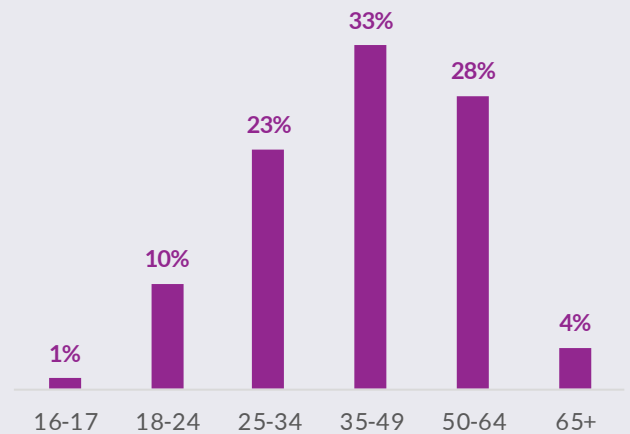
**28% of the retail workforce are below the age of 25. That compares with 11% of the UK labour force being under-25.**

Age distribution in retail



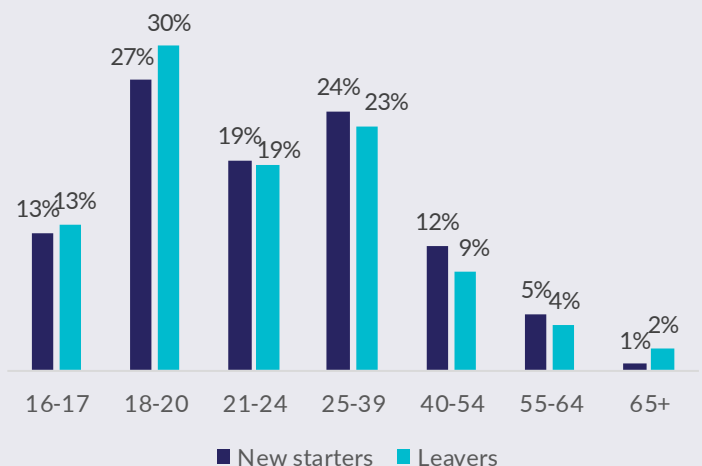
Source: BRC Workforce Survey, 2022.

Age distribution of the UK labour force



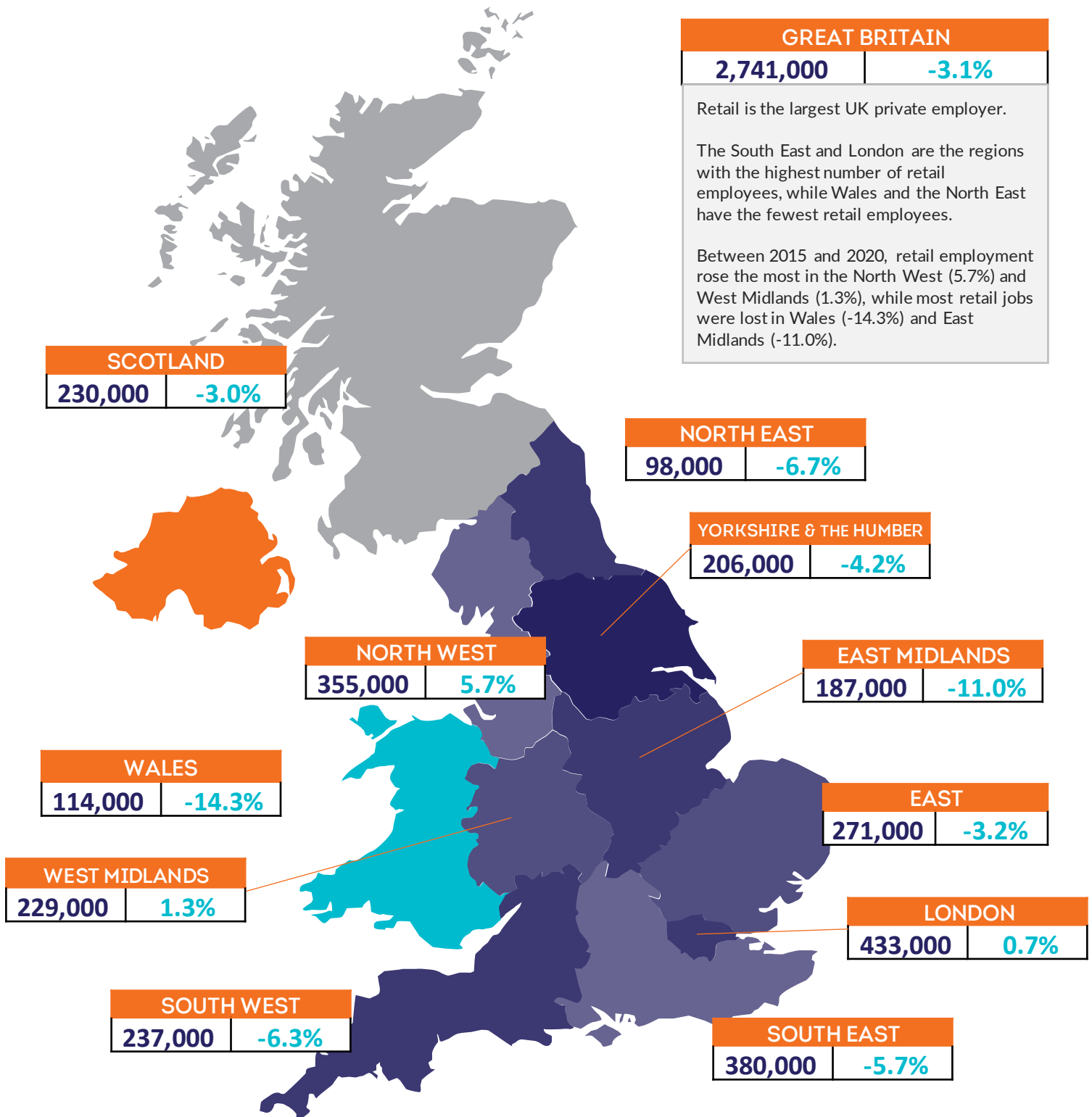
Source: ONS.

% of new starters and leavers by age in retail



Source: BRC Workforce Survey, 2022.

# REGIONAL RETAIL EMPLOYMENT



**GREAT BRITAIN**  
**2,741,000** | **-3.1%**

Retail is the largest UK private employer.

The South East and London are the regions with the highest number of retail employees, while Wales and the North East have the fewest retail employees.

Between 2015 and 2020, retail employment rose the most in the North West (5.7%) and West Midlands (1.3%), while most retail jobs were lost in Wales (-14.3%) and East Midlands (-11.0%).

## KEY

- Retail employment, 2020
- Retail employment growth between 2015 and 2020

Source: ONS, Nomis, Business Register and Employment Survey. These are employment figures, which differ from jobs figures as some people hold more retail jobs.



# PAY IN RETAIL

LATEST DATA: OCT-21  
NEXT UPDATE: OCT-22

For six out of the last seven years, pay growth in retail was significantly above average pay growth in the UK as a whole.

At 5.5%, pay growth in retail was double the UK average of 2.7% (as of April 2021).

In 2021, women's pay growth in retail grew faster than women's pay growth in the UK overall, and the same is true for men.

Retail full-time workers pay rose at double the rate of UK full-time workers: 8.0% compared to 3.4%.

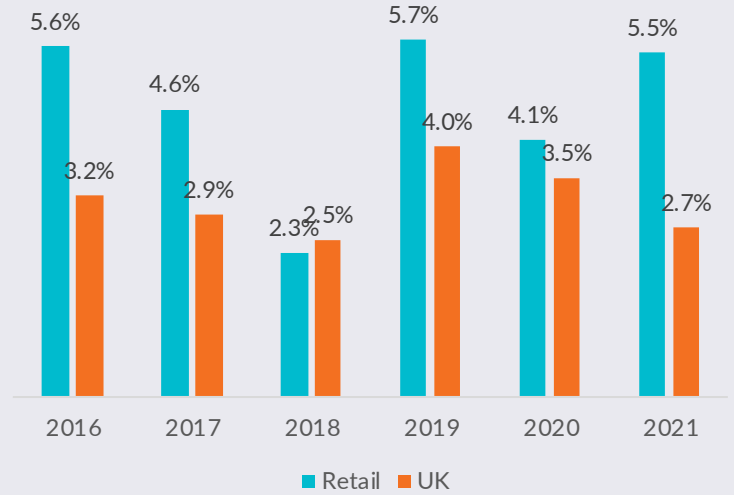
The gender pay gap widened in 2021 when women were paid on average 7.5% less than men were, up from 7.1% in 2020. However, that gap has narrowed from 9.5% in 2019 and 11% in 2016. In the UK as a whole, women were paid 15.4% lower than men, on average, in 2021.



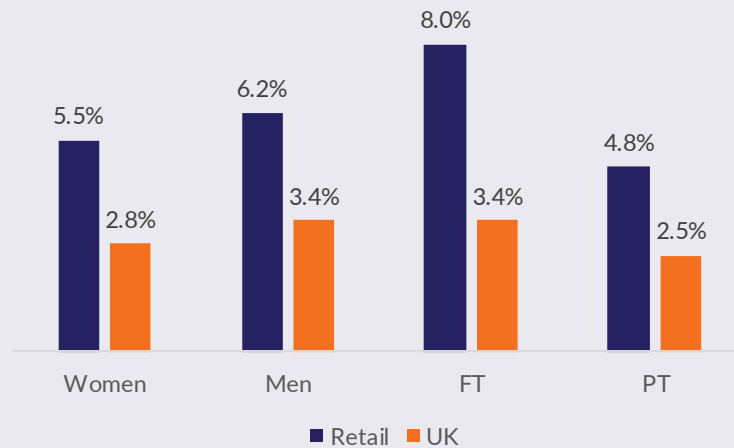
Pay in retail has been catching up to the UK average.

In April 2021, the average worker in retail was paid £10.23 hour, 73% of the UK all industry average of £14.05/hour. That compares to 66% in 2015.

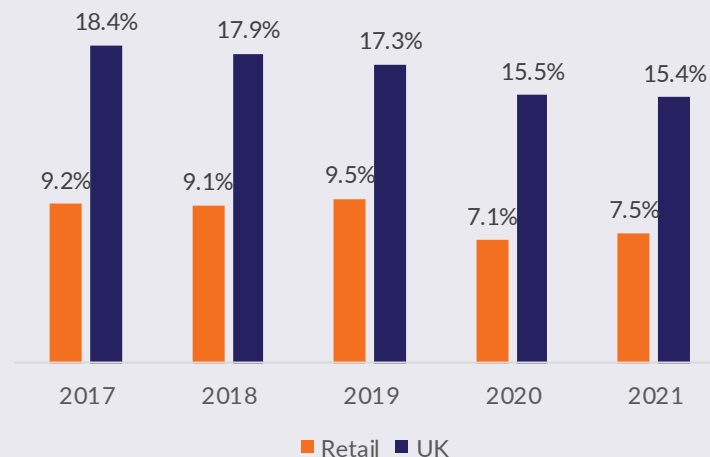
## Hourly wage pay growth



## 2021 pay growth



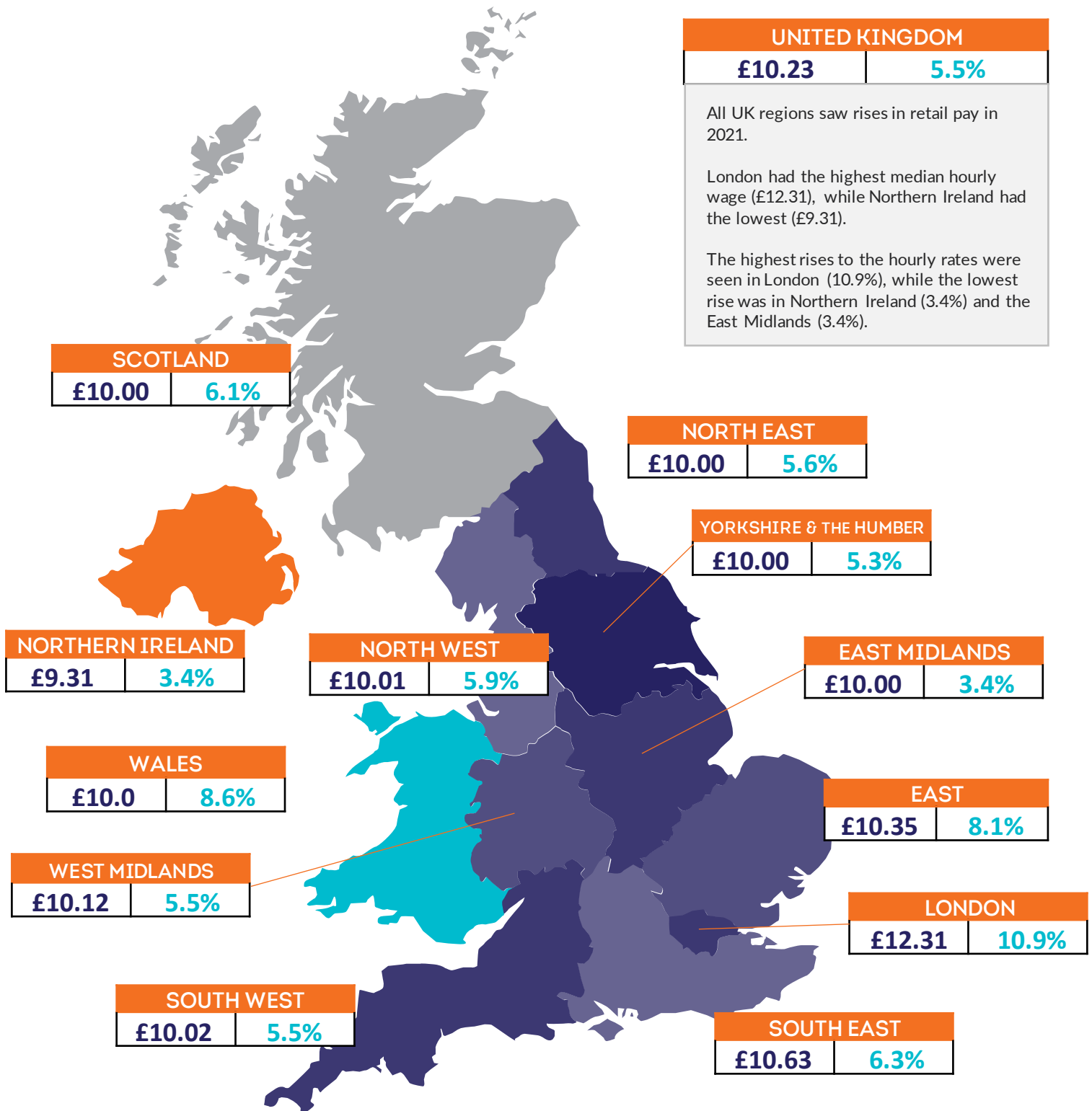
## Gender pay gap



Source: ONS, ASHE.

# REGIONAL RETAIL PAY

LATEST DATA: OCT-21  
NEXT UPDATE: OCT-22



**UNITED KINGDOM**

£10.23      5.5%

All UK regions saw rises in retail pay in 2021.

London had the highest median hourly wage (£12.31), while Northern Ireland had the lowest (£9.31).

The highest rises to the hourly rates were seen in London (10.9%), while the lowest rise was in Northern Ireland (3.4%) and the East Midlands (3.4%).

## KEY

- Retail pay, Hourly wage excluding overtime, 2021.
- Retail pay growth between 2020 and 2021.

Source: ONS, ASHE.

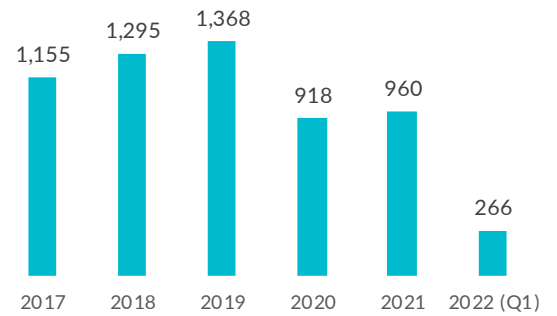
# THE CHANGING LANDSCAPE OF RETAIL

## RESTRUCTURING AND PROPERTY

*The behavioural shift to online has meant that the retail industry has adopted new technologies at much faster pace than other industries. It has also meant that the number of stores has been declining, while the number of retail online outlets has been rising.*

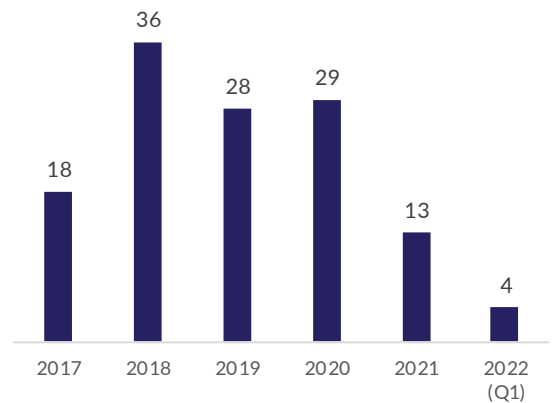
- The structural change brought about by the increase in online shopping has transformed the retail landscape, resulting in more disruption, fewer physical outlets and a considerably smaller workforce.
- There were 266 retail insolvencies in Great Britain in Q1 2022. In 2021, there were 1,639 insolvencies, a slight increase compared to the 918 figure of 2020.
- There were 4 retail CVAs in Great Britain during the first three months of the year. In 2021, the industry saw 13 CVAs, down since 2020 and 2019 when there were 28 and 29 CVAs respectively.

### Retail insolvencies



Source: [Monthly insolvencies statistics](#), gov.uk.  
Data is for GB only.

### Retail CVAs



Source: [Monthly insolvencies statistics](#), gov.uk.  
Data is for GB only.

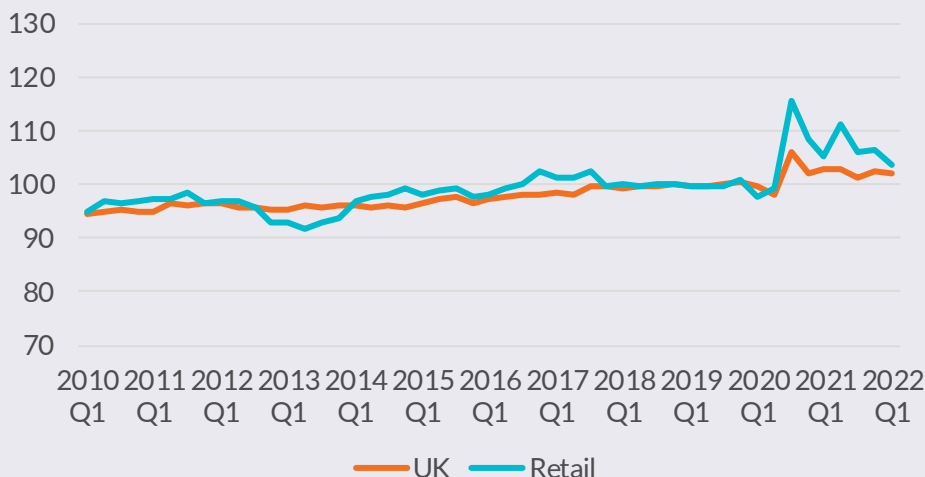
# THE CHANGING LANDSCAPE OF RETAIL

## NEW BOOST TO RETAIL PRODUCTIVITY IN Q2

- Retail labour productivity fell in Q1 2022. Compared to Q4 2021, retail labour productivity decreased by 2.5% and is 1.3% above the same time last year. UK productivity also fell on the quarter, however in contrast overall productivity is now 1.5% higher than in Q4 2019.
- It's noteworthy that retail productivity made significant strides during the pandemic: at the end of 2020, labour productivity in the industry was 10.1% higher than at the end of 2019. That compares to a gain of 0.8% only in the UK as a whole.
- This large gain is the result of the acceleration in the shift to online brought on by the pandemic. Labour productivity is calculated as the ratio of output to hours worked. In 2020, retail output fell by 0.8%, but hours worked fell by 10.5%. This means significantly fewer hours were needed to produce just a slightly lower output, evidence of the transformation of the industry.
- The shift to online has been gradually taking place since 2012. Online operations are less labour-intensive, but more capital-intensive. As a result, productivity, measured as output per hours, has also been rising.
- It's likely that some other factors contributed to the improvement in retail productivity. If larger, more productive stores were more likely to be kept open, then retailers might have been able to capitalise on the economies of scale from these stores.
- As the transformation of the industry is playing out in earnest, retail labour productivity gains will continue.

Labour productivity growth (output per hour, 2019 = 100)		
	Retail	UK
YOY (Q1 2022 on Q4 2021)	-1.3%	-0.8%
YOY using 4Q averages	-0.2%	0.0%
QOQ (Q1 2022 on Q4 2021)	-2.5%	-0.7%
Q1 2022 on 2019	6.8%	2.2%

Retail and UK productivity, 2019 = 100



Source: ONS, [Labour productivity by industry division](#).

Note: Some figures might be significantly different than our past reporting. This is due to a change in the ONS data, whereby the base year was changed to 2019, from the previous reporting using 2018 as a base year.

# DATA IS RETAIL'S MOST IMPORTANT ASSET

*The UK government's Industrial Strategy reveals that within the next two decades 90% of all workplace roles will require digital proficiency in some capacity. Right now, 23% of adults lack at least some basic data skills.*

## BUILD A SCALABLE DATA CAPABILITY WITH BRC LEARNING

Data in retail can be complex and overwhelming. That's why we have worked with leading industry experts to create a tailored suite of courses and equip leaders and their teams with basic and advanced data skillsets. From apprenticeships and data essentials for everyone, through to People Analytics for HR leaders and data scientists training. We cater for all company sizes and budgets.

### EXPLORE OUR PROGRAMMES



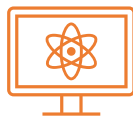
#### Tailored Data Essentials Training

Learn to analyse, visualise and present actionable data-driven insights



#### People Analytics for HR Leaders

Learn to use People Analytics data effectively to drive commercial results



#### Levy-funded Data Apprenticeships

**Level 3**  
Data Essentials

**Level 4**  
Data Analyst

**Level 7**  
Data Science & Machine Learning

DELIVERED WITH OUR PARTNERS



CAMBRIDGE SPARK



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[WWW.BRC.ORG.UK/LEARNING](http://WWW.BRC.ORG.UK/LEARNING)



# RETAIL JOBS REPORT

## ABOUT THIS REPORT

### The BRC

The BRC's purpose is to make a positive difference to the retail industry and the customers it serves, today and in the future.

Retail is an exciting, dynamic and diverse industry which is going through a period of profound change. Technology is transforming how people shop; costs are increasing; and growth in consumer spending is slow.

The BRC is committed to ensuring the industry thrives through this period of transformation. We tell the story of retail, work with our members to drive positive change and use our expertise and influence to create an economic and policy environment that enables retail businesses to thrive and consumers to benefit. Our membership comprises over 5,000 businesses delivering £180bn of retail sales and employing over one and half million employees.

Retail employment is a challenge to accurately track due to the complexity of measurement and scarcity of any such analysis. We intend to bring together a collection of government and other sources on a quarterly basis to inform our narrative of the sector. If you are aware of any data sources which may be useful to tell retail's story, please do get in touch.

Sources used include:

- ONS
- Gov.uk
- BRC Workforce Survey

## ENQUIRIES

**KRIS HAMER**  
DIRECTOR OF INSIGHT

E: [kris.hamer@brc.org.uk](mailto:kris.hamer@brc.org.uk)  
T: 020 7854 8962

**HARVIR DHILLON**  
ECONOMIST

E: [harvir.dhillon@brc.org.uk](mailto:harvir.dhillon@brc.org.uk)  
T: 020 7854 8920

