



Sorry, we're closed

Daniel Tomlinson

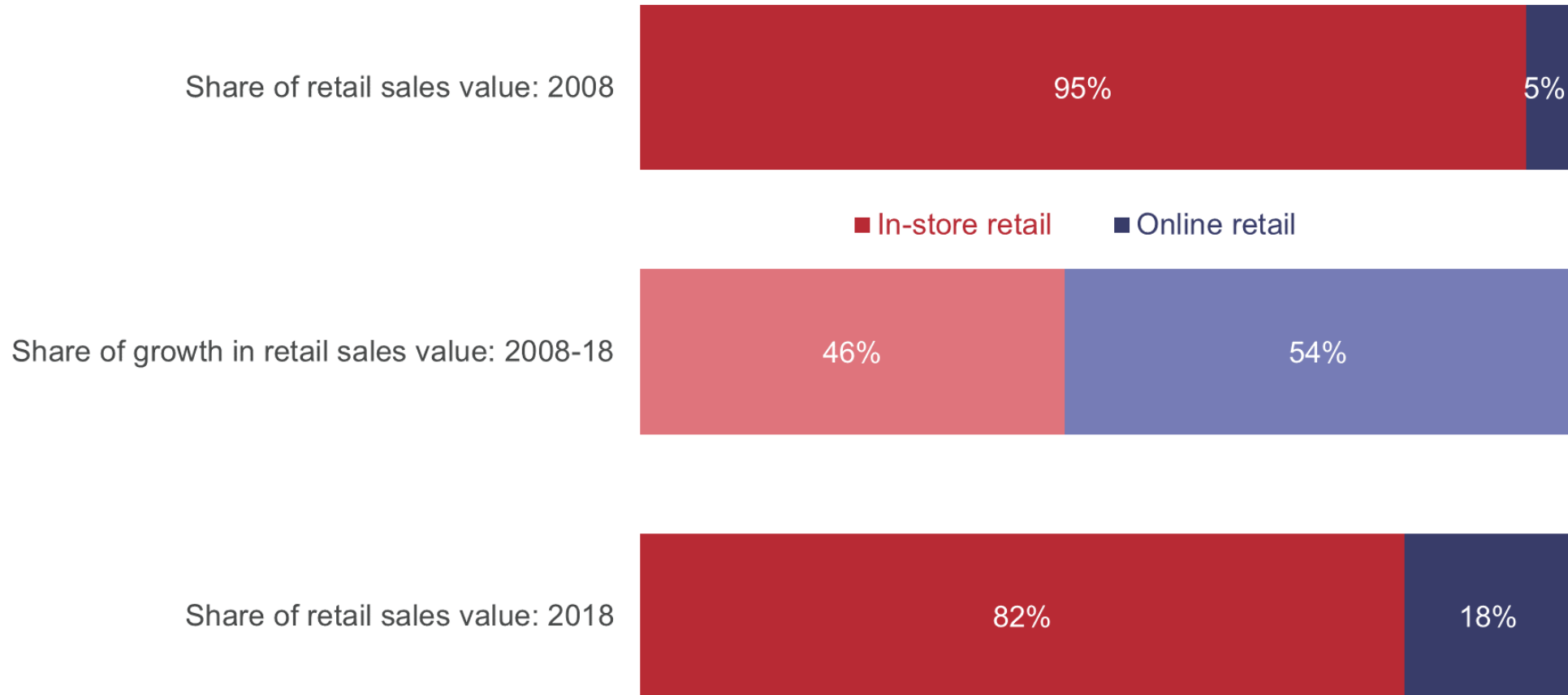
*@dan_tomlinson_
September 2019*

When it comes to retail, shop closures dominate the headlines



And there's *lots* of change happening in the sector...

Internet sales as a percentage of total retail sales, levels and growth: UK, 2008-18

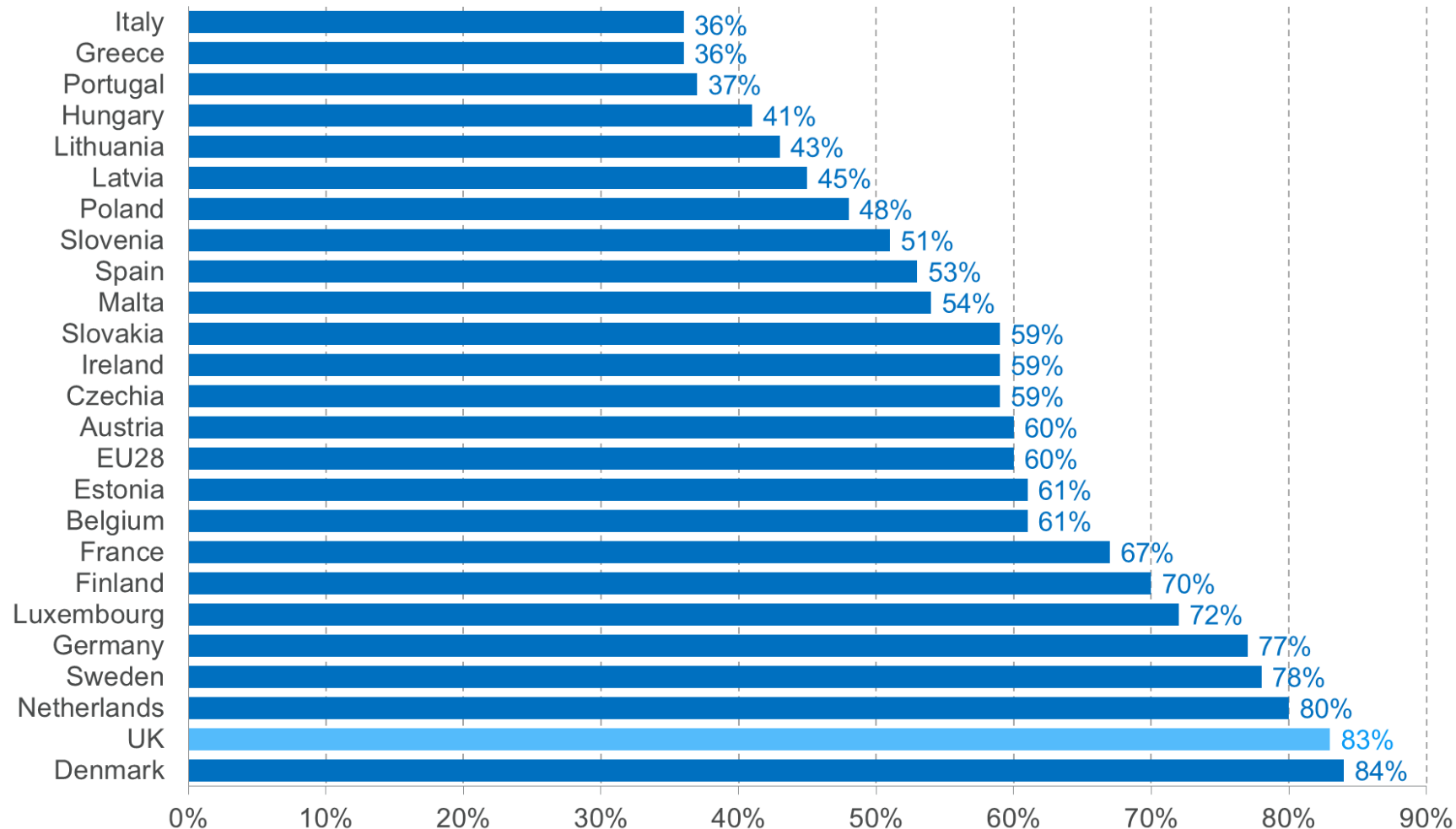


Notes: Not seasonally adjusted.

Source: RF analysis of ONS, Retail Sales Index, Internet Reference Tables

We're a nation of online shoppers

Proportion of adults who had made at least one online purchase in the past 12 months: 2018



...but economic change is ultimately about:

RF

People & Places

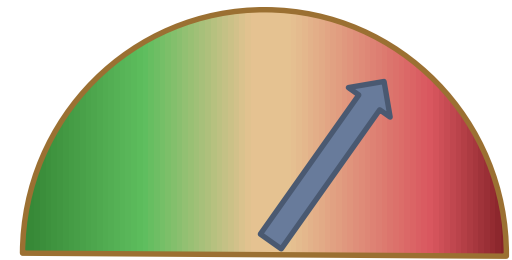
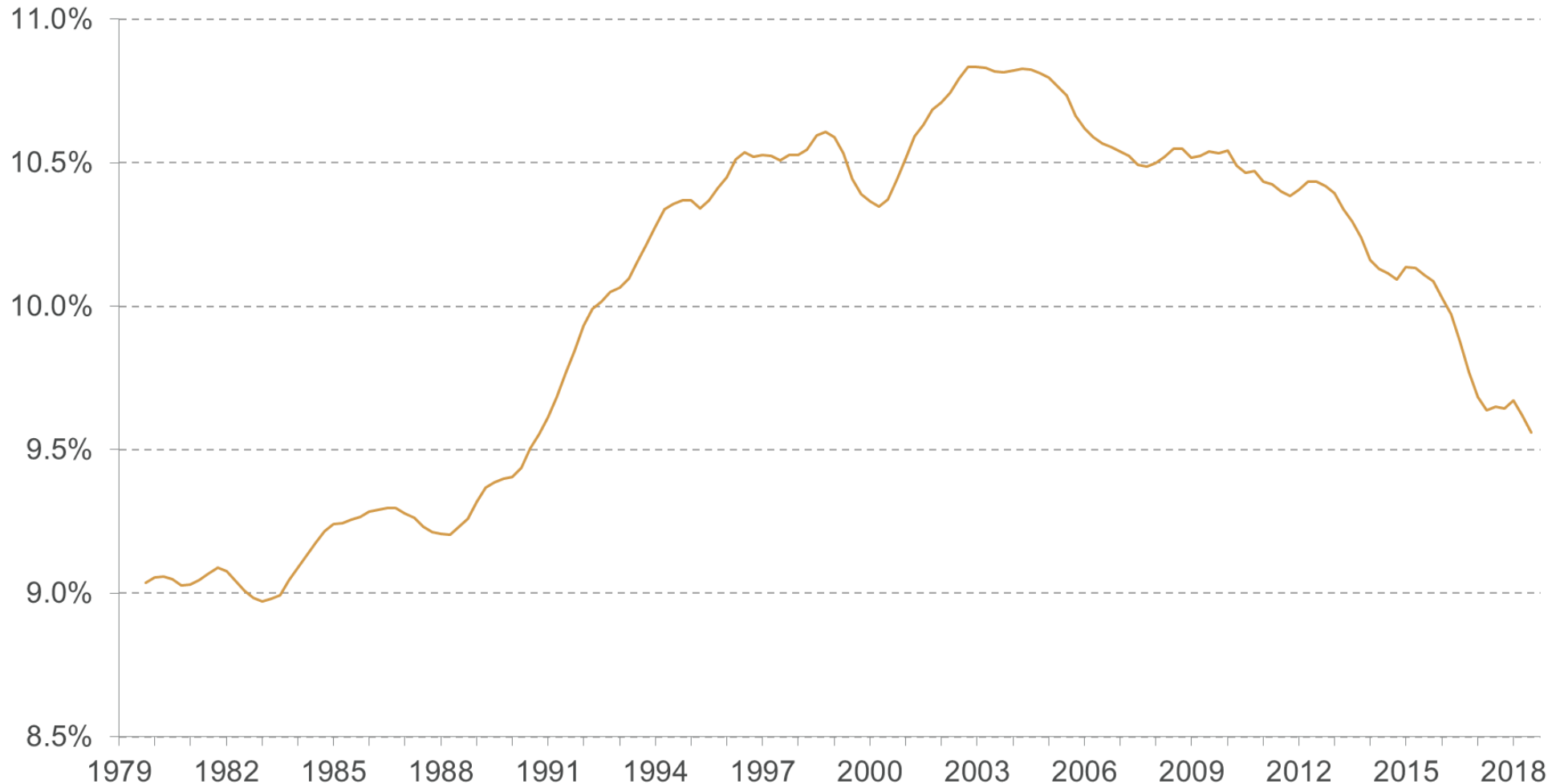


Retail's people

Retail's relative decline is 15 years in the making across the UK...

RF

Retail as a share of employee jobs: UK

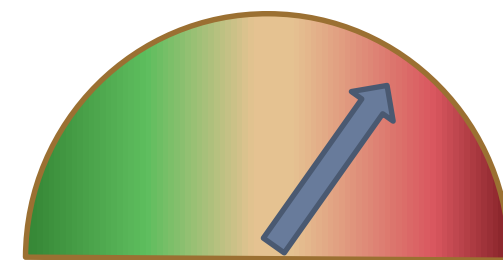
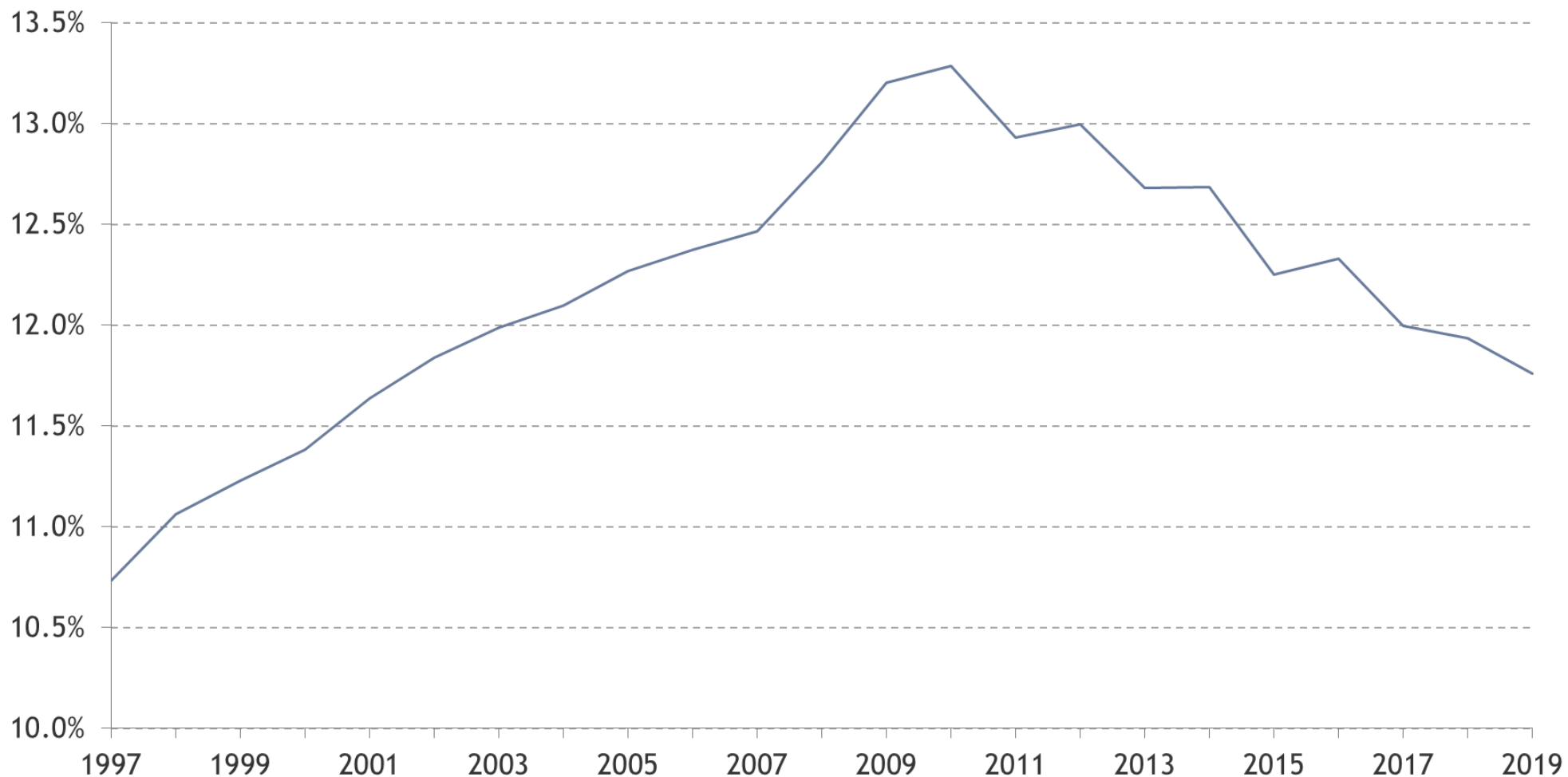


Worry-o-meter

Notes: Four-quarter rolling average.
Source: RF analysis of ONS, *Workforce Jobs*

But more of a post-crisis phenomenon in Northern Ireland...

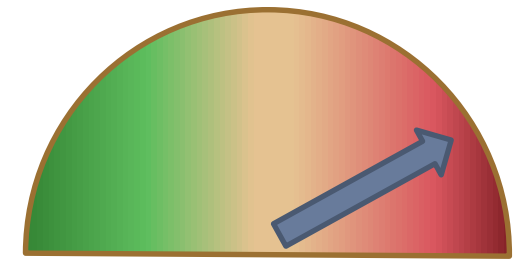
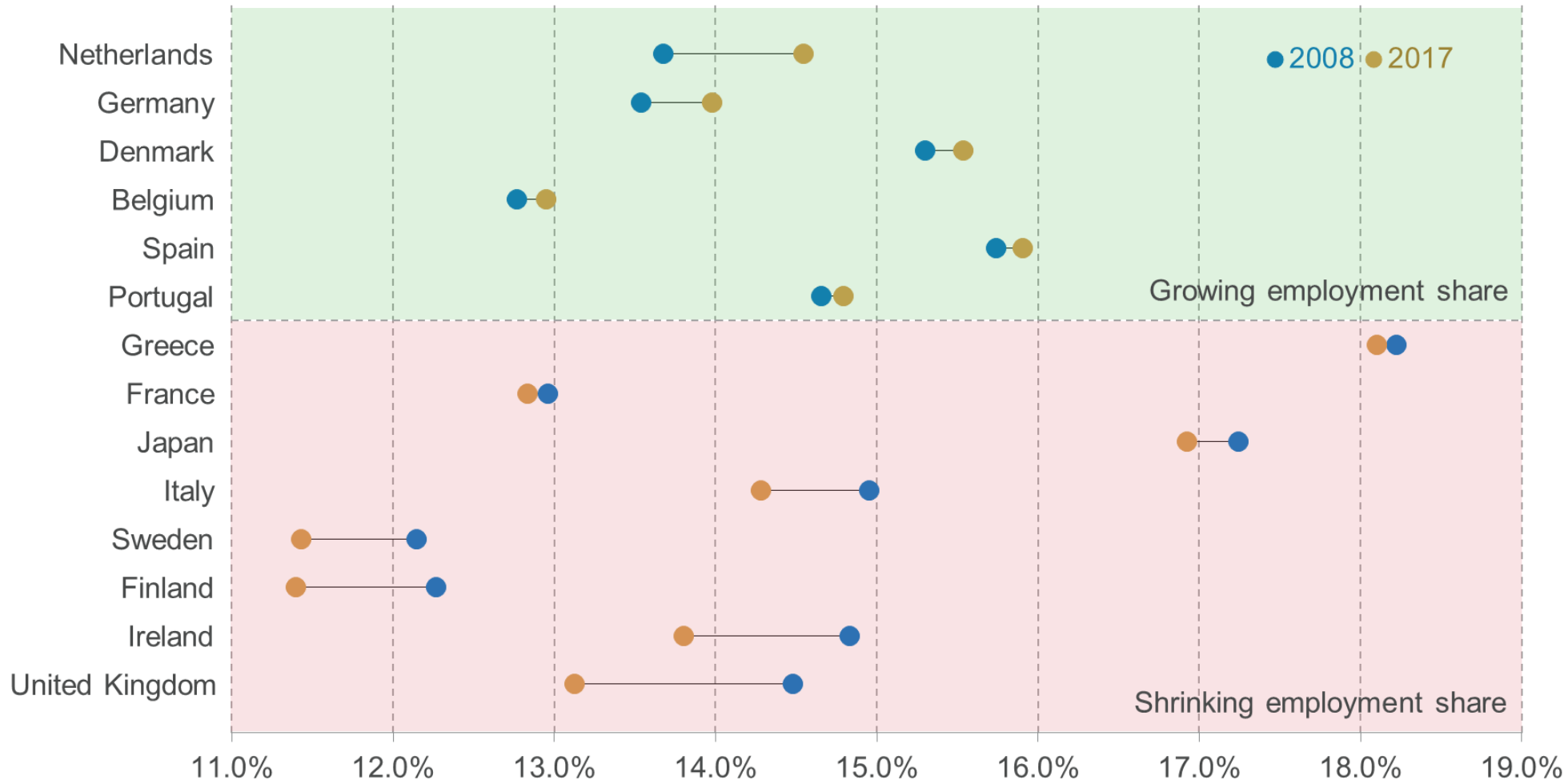
Retail as a share of employee jobs: Northern Ireland



Worry-o-meter

Even so, the UK-wide fall in retail's share is big cross-nationally

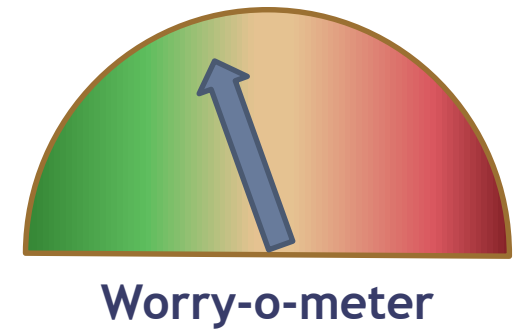
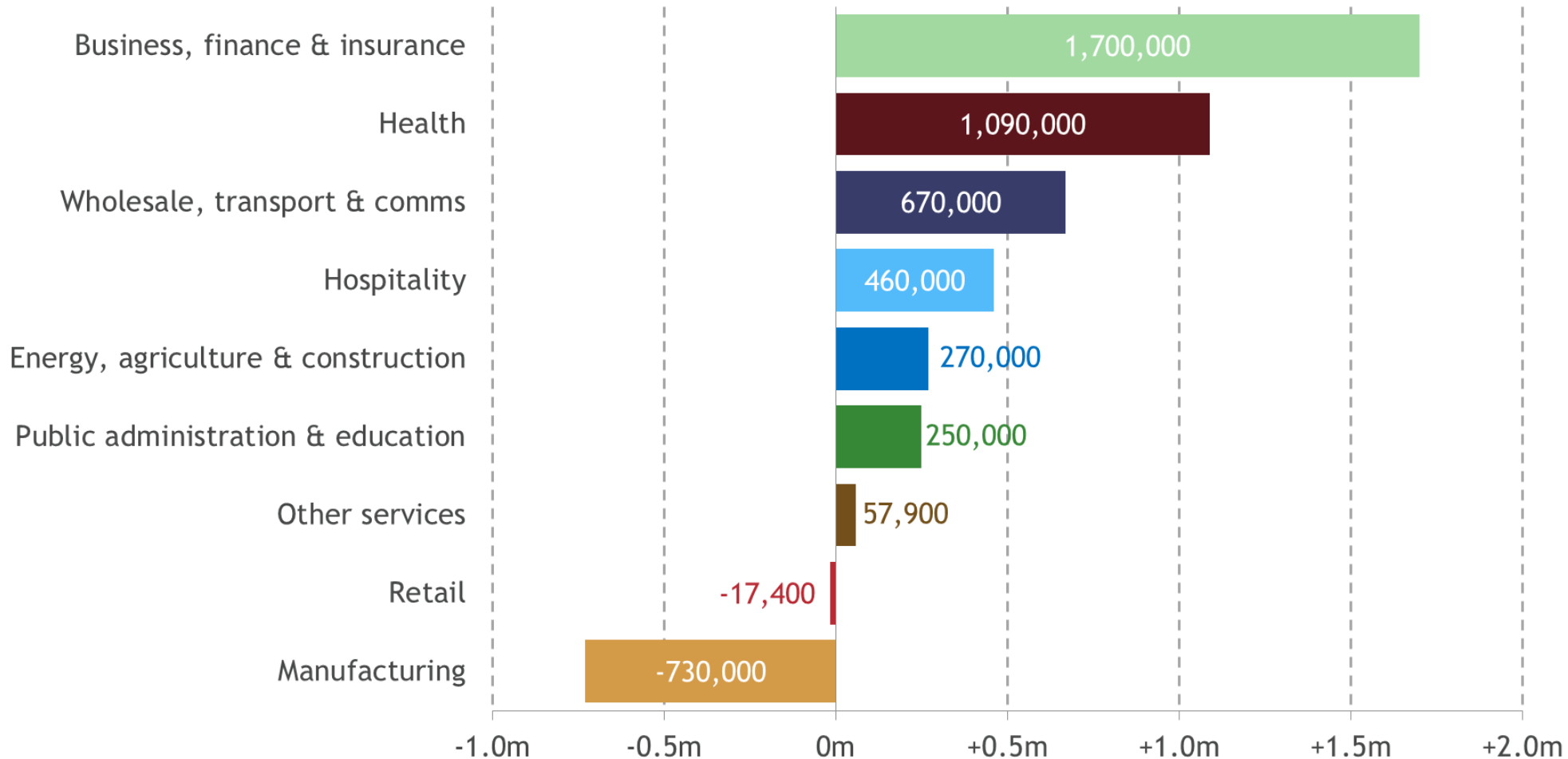
Employment share of the wholesale & retail sector, by country



Worry-o-meter

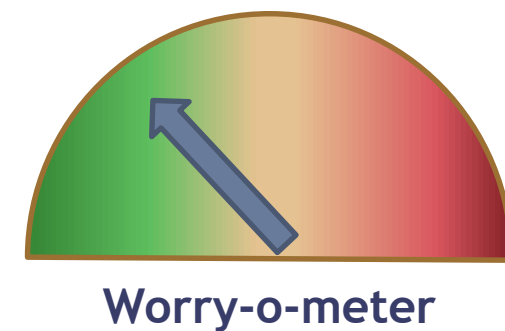
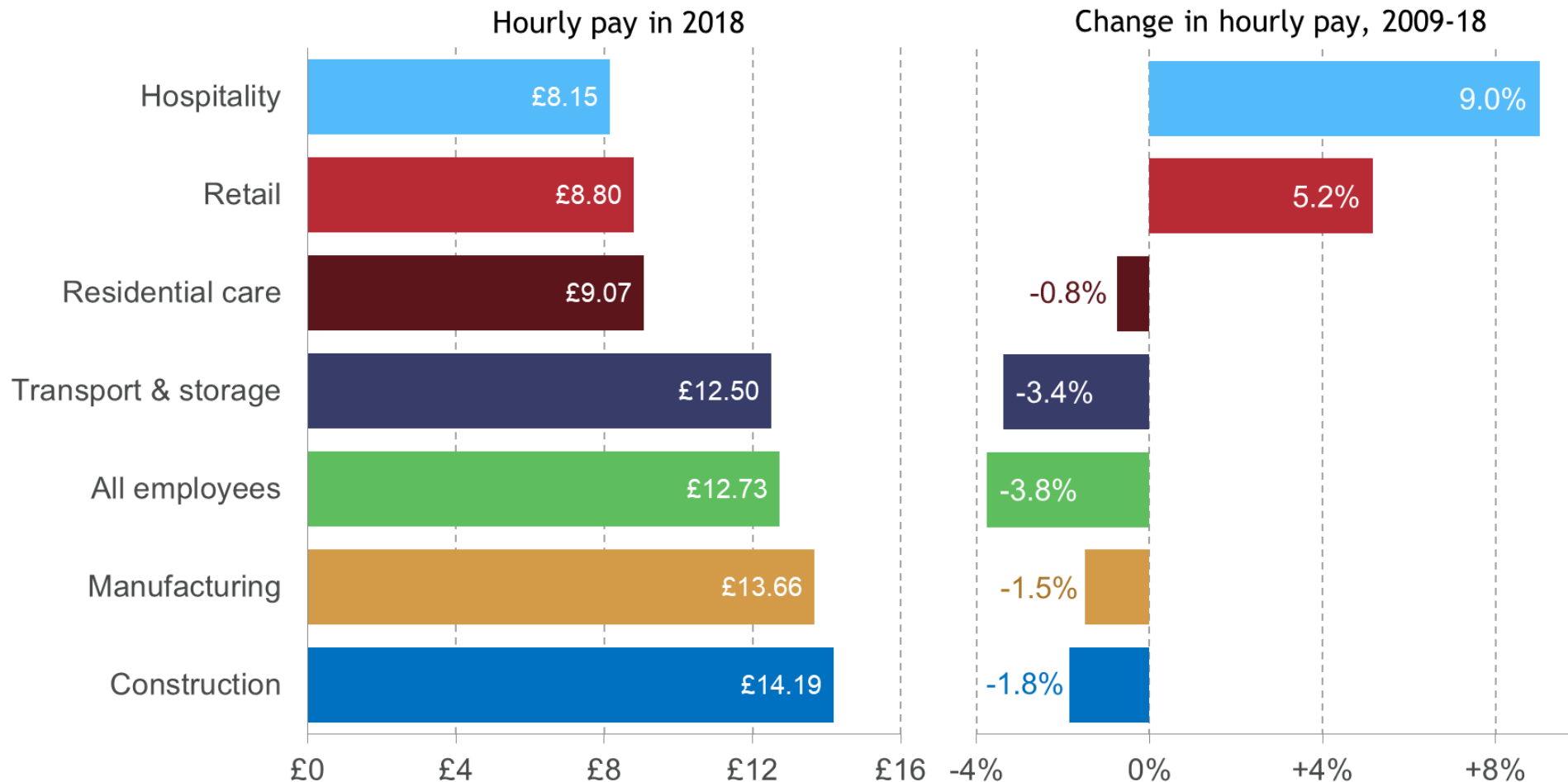
...but the absolute fall is small amidst a jobs surge...

Change in employee jobs, by sector: UK, 2003-19



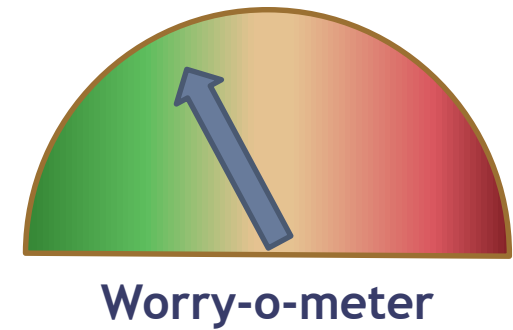
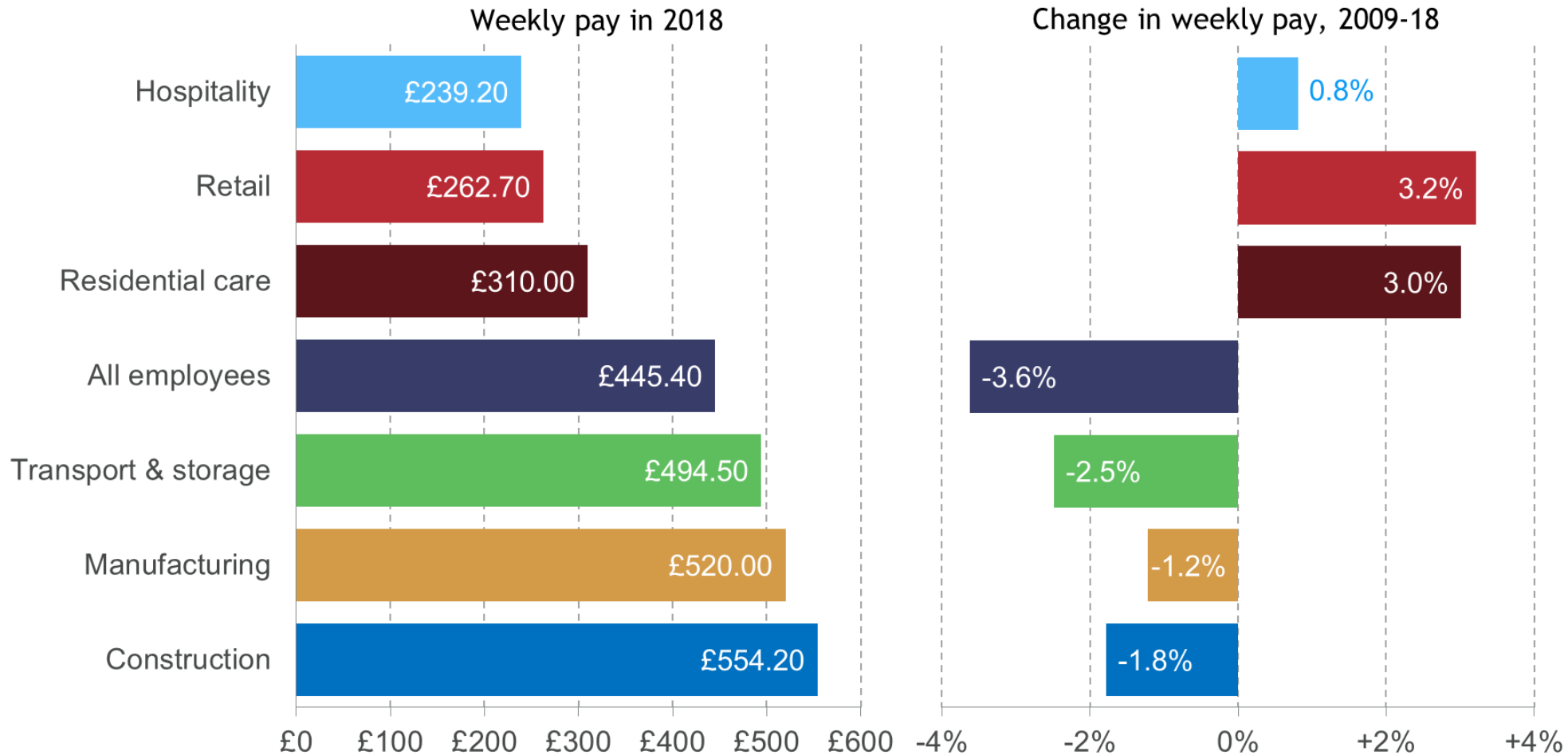
...and retail workers have done better than most pay wise...

Real median hourly pay (excluding overtime, CPIH-adjusted to 2018 prices), by selected sectors: UK



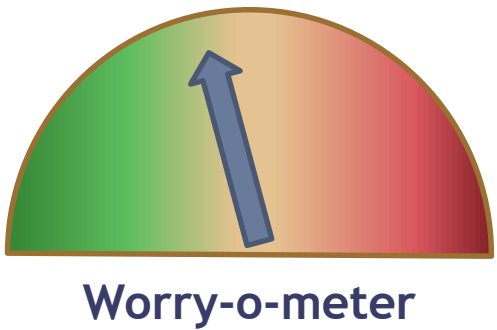
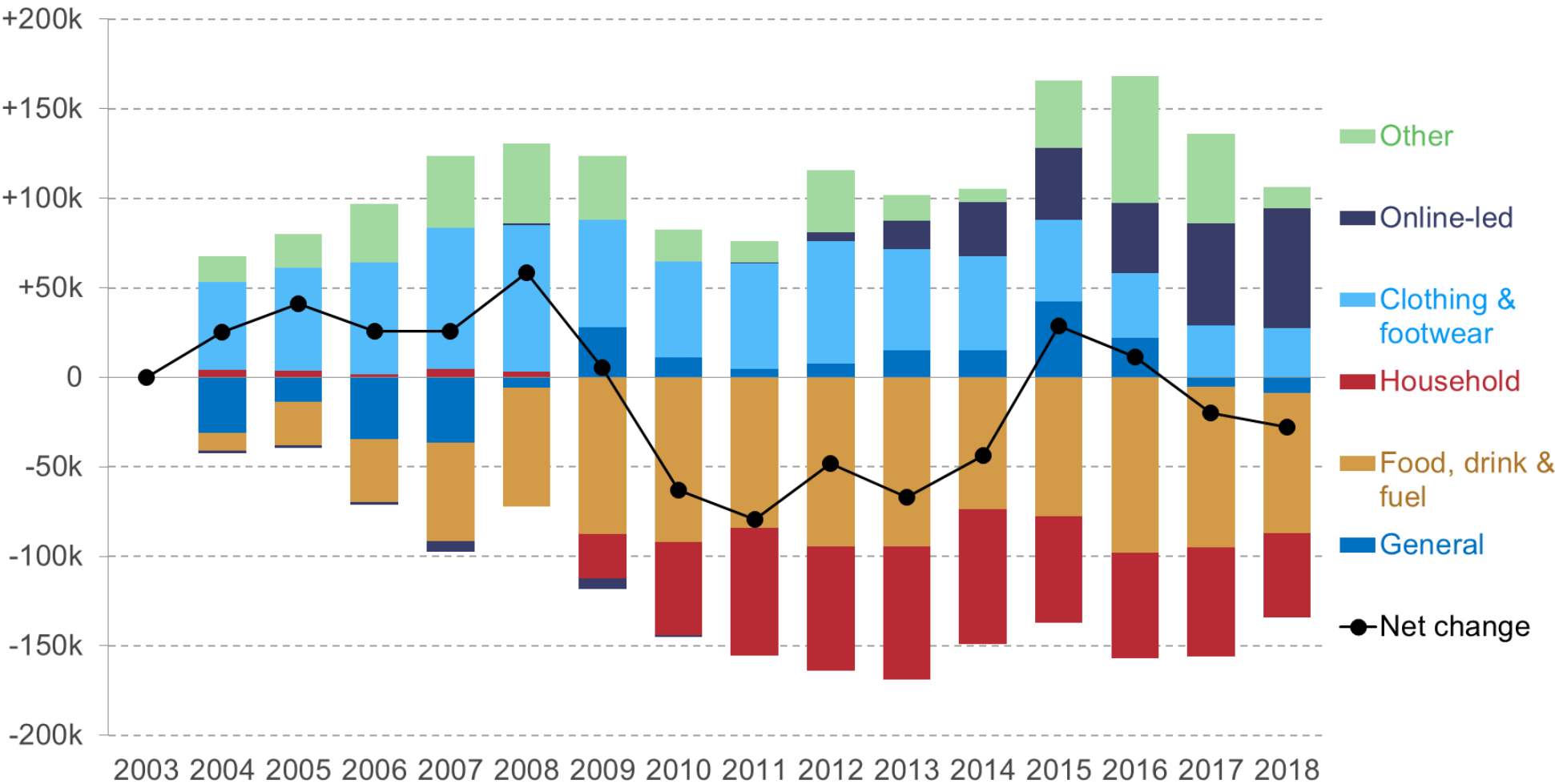
...even if the picture is less rosy in weekly terms

Real median weekly pay (excluding overtime, CPIH-adjusted to 2018 prices), by selected sectors: UK



Should we totally relax? No

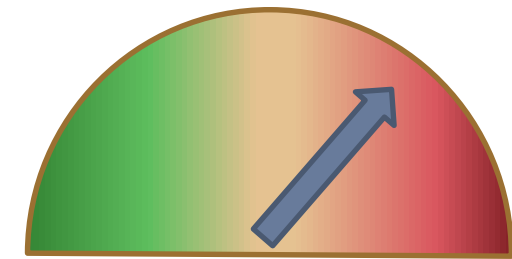
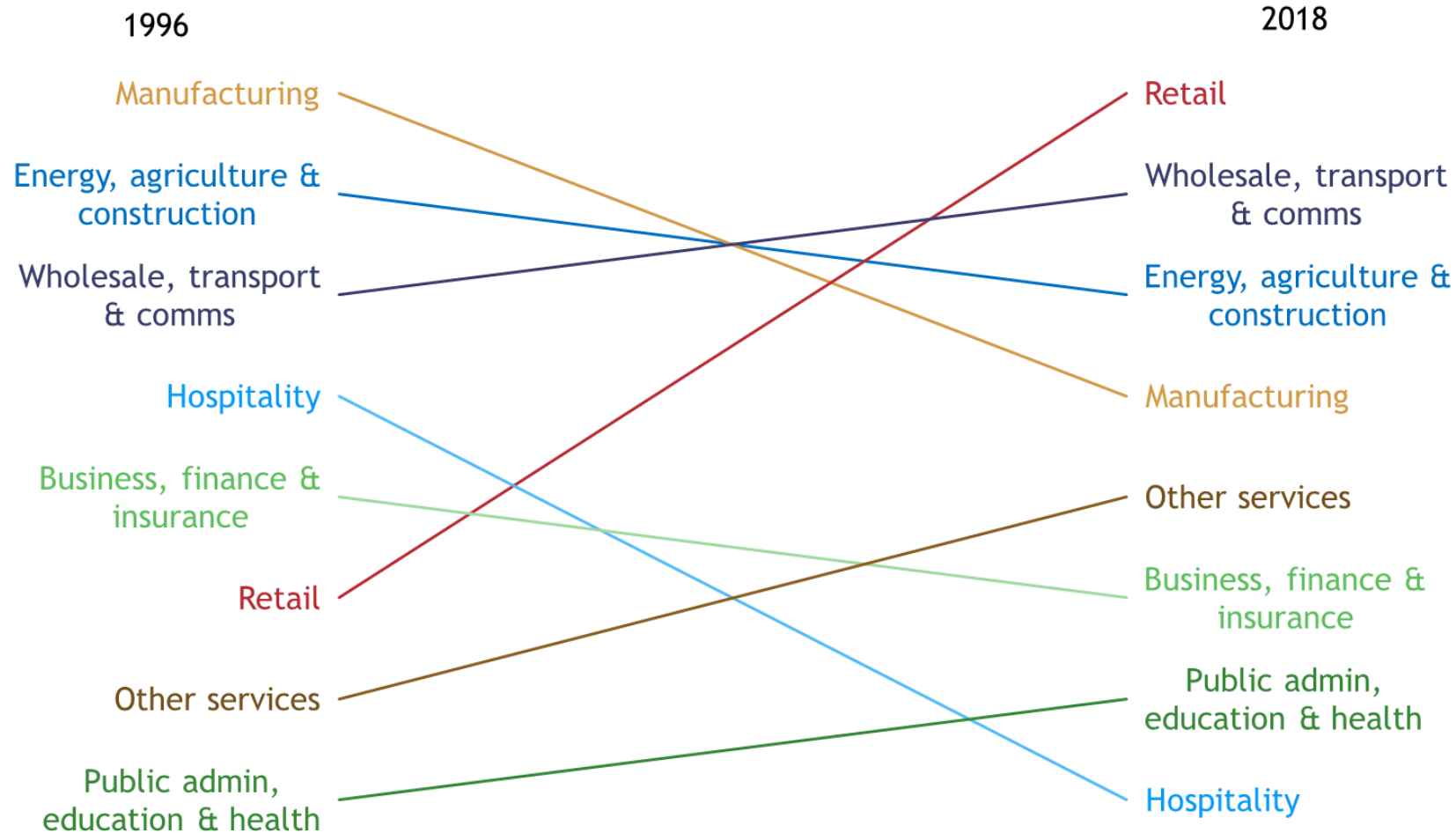
Cumulative change in employee jobs in retail sub-sectors since 2003: GB



Notes: Years run from Q4 to Q3, e.g. 2018 is 2017 Q4 to 2018 Q3.
Source: RF analysis of ONS, Workforce Jobs

Retail workers have the highest risk of redundancy...

Rank of sectors by quarterly redundancy outflow rates for 16-59/64 year olds: UK



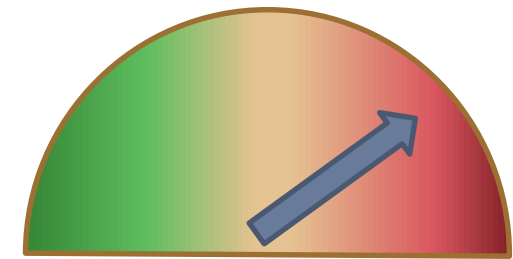
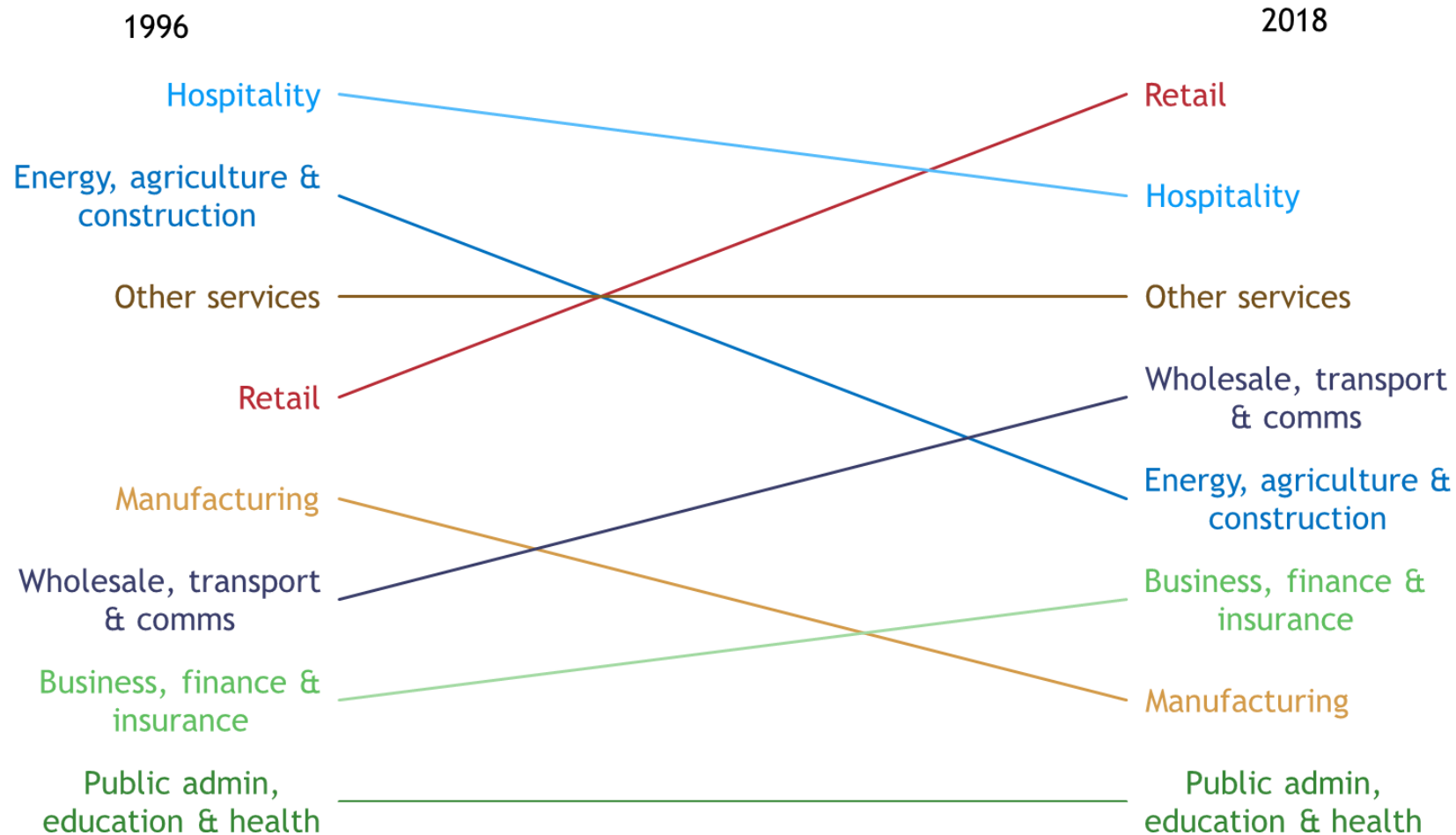
Worry-o-meter

Notes: Four-quarter rolling average. A minority of outflows are missing information on the reason for separation, so this measure is likely to understate the redundancy rate somewhat.

Source: RF analysis of ONS, Labour Force Survey two-quarter longitudinal datasets

...and unemployment

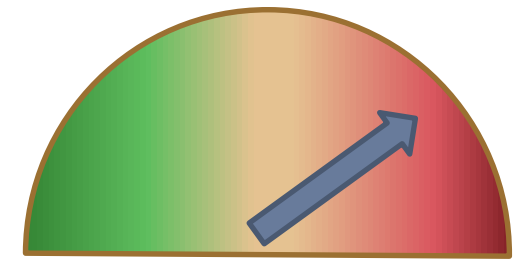
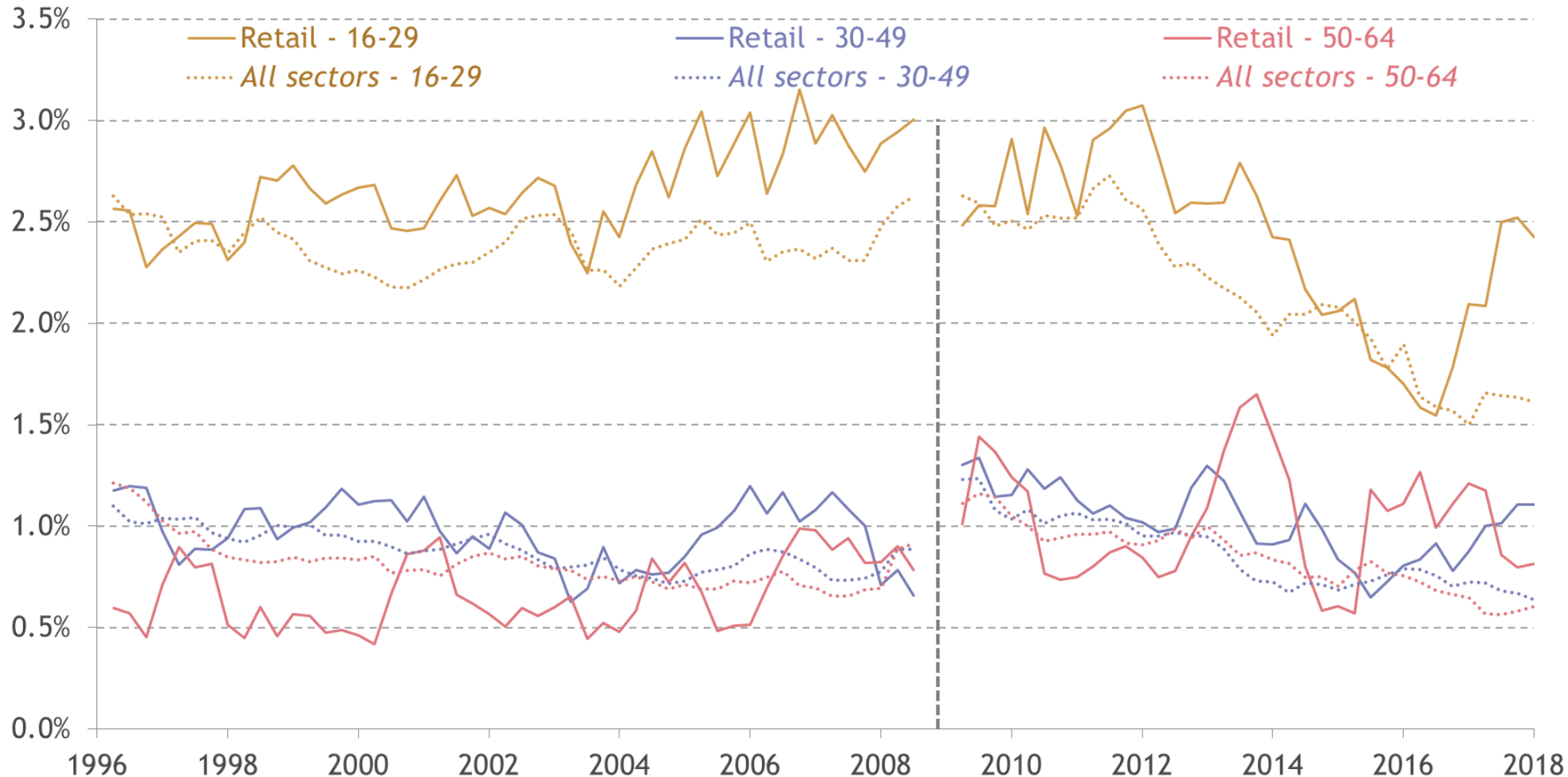
Rank of sectors by quarterly unemployment outflow rates for 16-59/64 year olds: UK



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This sour turn has affected younger workers the most

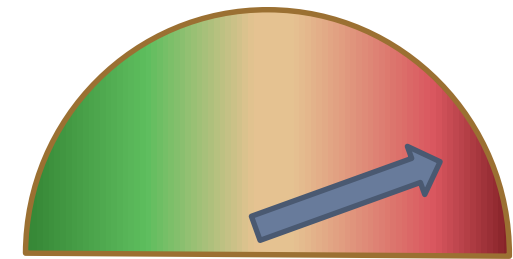
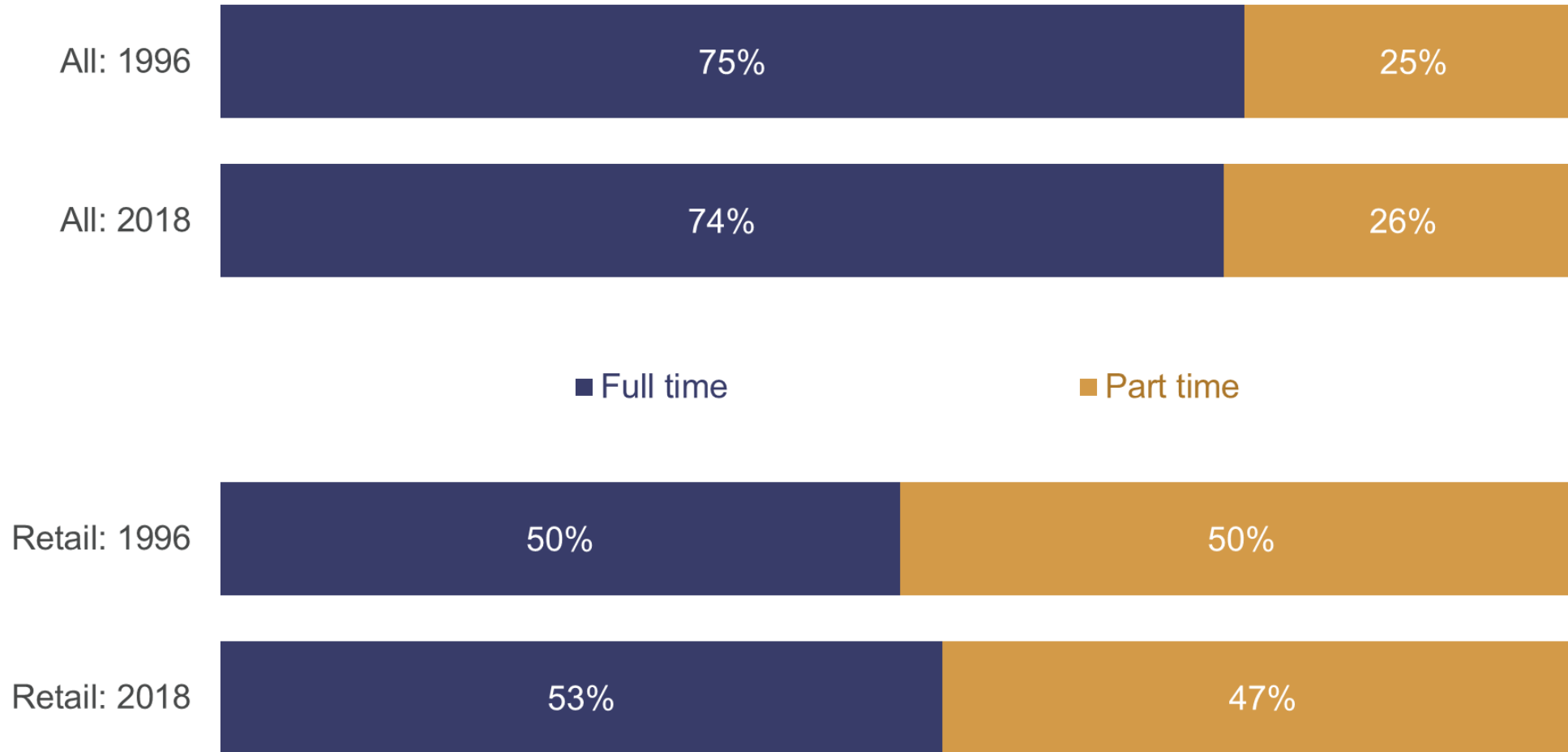
Share of unemployed who have been so for six months or more by industry of previous job, 16-64 year olds: UK



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Retail has become more full-time

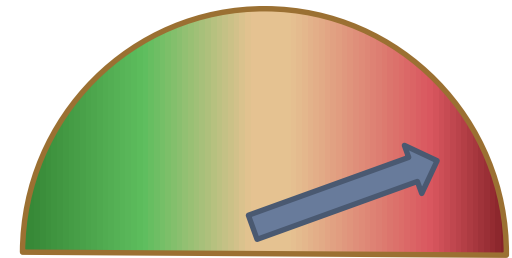
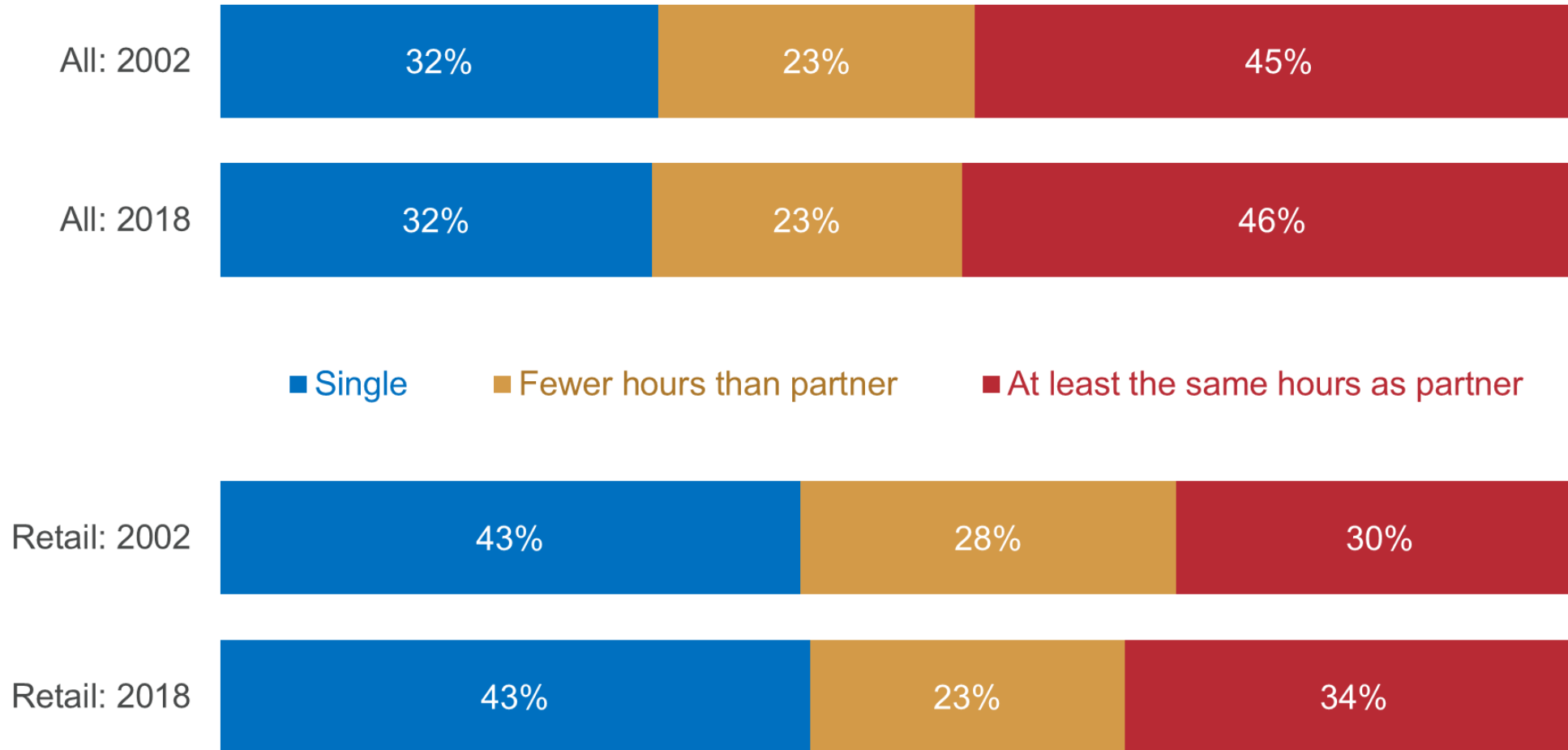
Share of employment by full-time/part-time status, all industries and retail: UK



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And family budgets are more reliant on it than in the past

Share of employment by relationship status and hours, all industries and retail: UK

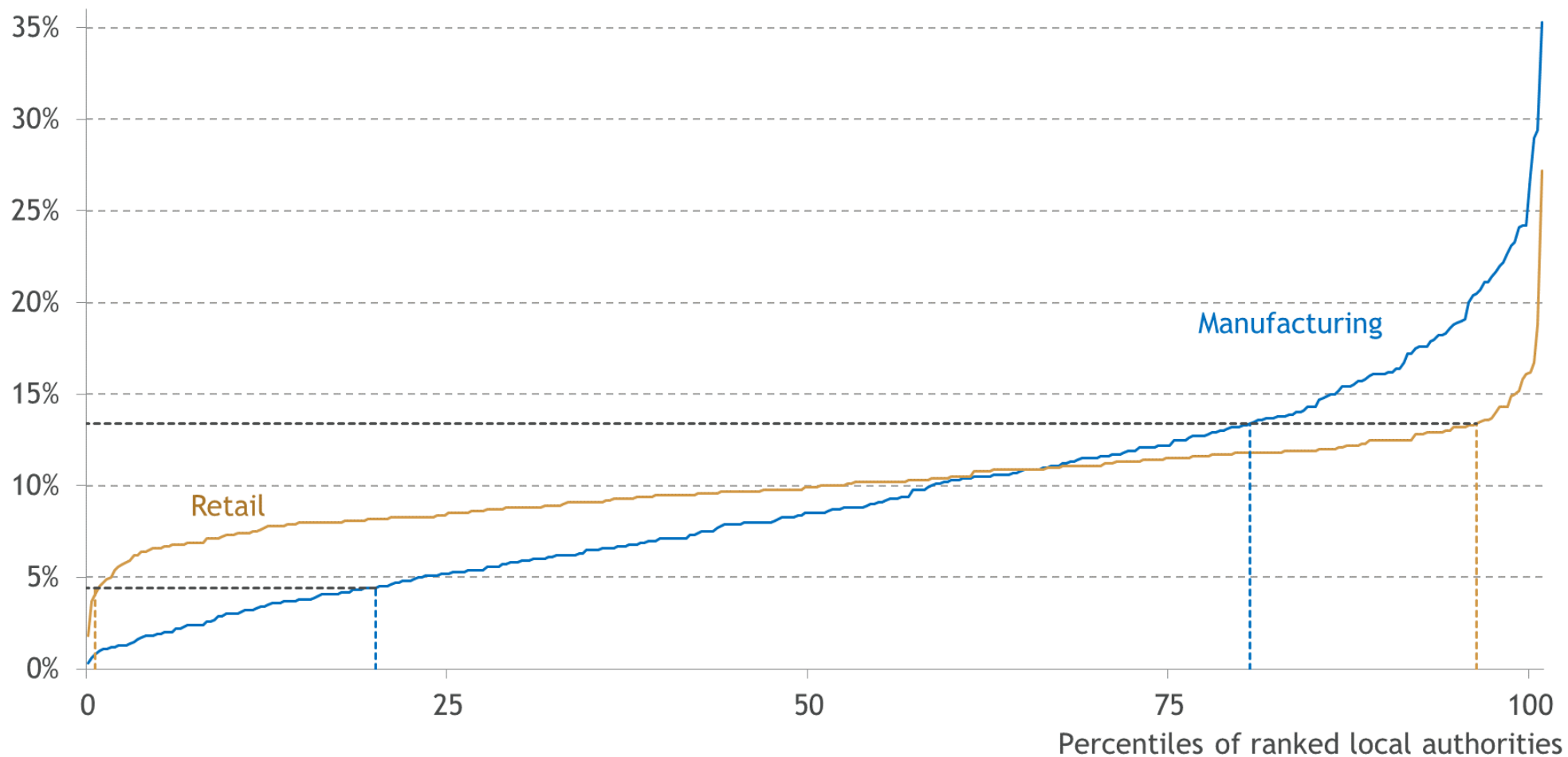


Worry-o-meter

Retail's places

Retail is not manufacturing...

Employment shares of manufacturing and retail at the local authority level, 2017: GB



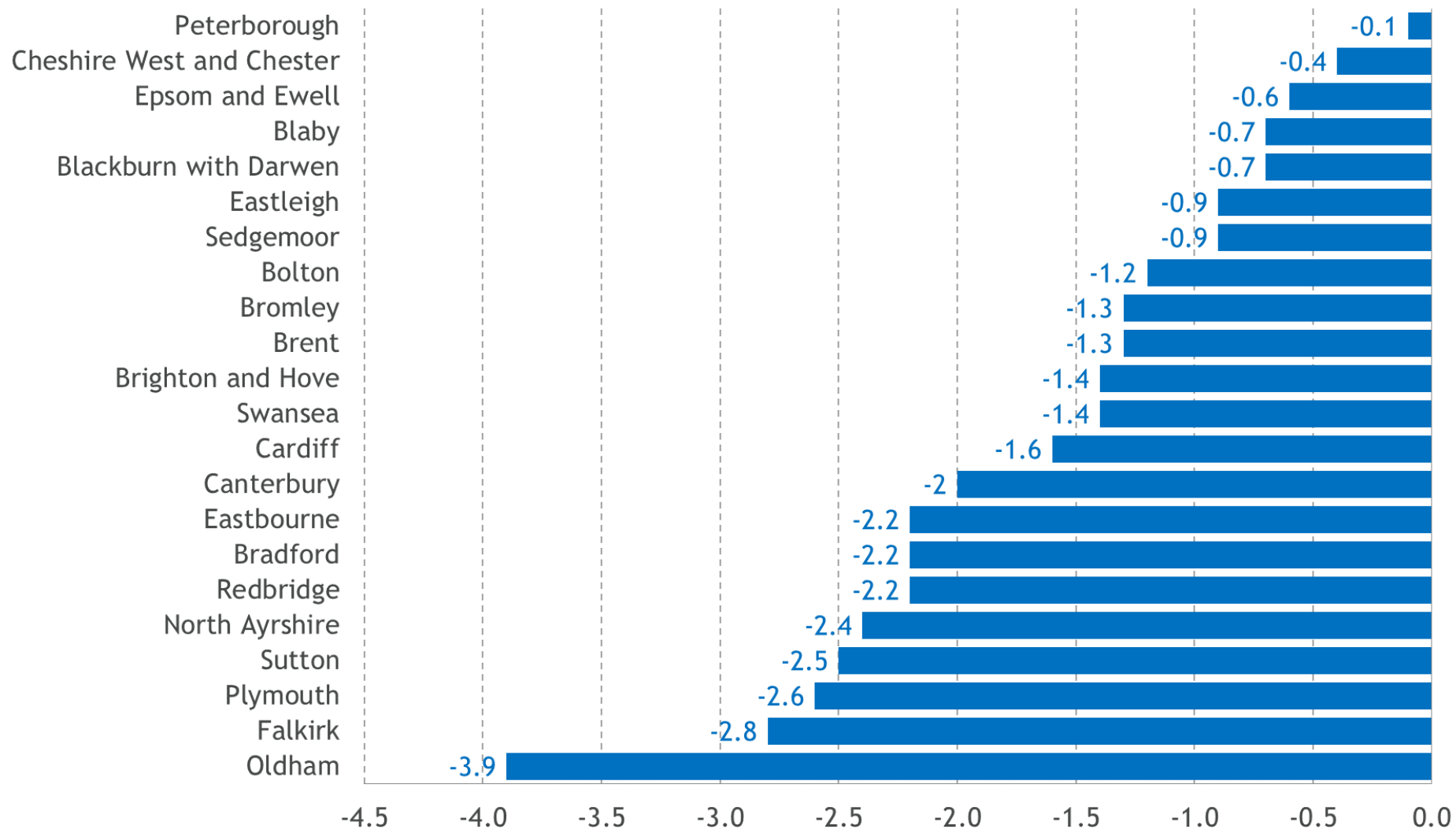
...so where should policy makers focus?

Prioritise by:

1. Health of the local labour market
2. Prospects for job matching for retail workers

A starter for ten for policy makers

Percentage point change in retail's share of local employment, by local authority, 2009-2017



Avoid the headlines, focus on what really matters

People:

- Long term relative decline.
- Big picture generally benign...
- ...but the micro isn't. Redundancy and unemployment up
- Young most affected

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Places:

- This is not the 1980s
- Geographical concentration is less the issue
- Strength of local labour markets is

Remember - this is about more than retail jobs

How does your local high street feel?

“Depressing”, “Sad”, “Disappointing”, “Restrictive”

“I can remember a vibrant town, with loads of people happy and smiling. Now people just go straight through...it’s depressing.”



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