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FOR IMMEDIATE RELEASE

State of Seasonal Retail 2016

MACY'S CUTS 10,000, LIMITED CUTS 4,000; RETAIL HOLIDAY HIRING LOWEST SINCE 2010

CHICAGO, January 10, 2017 – On the news that Macy's is shuttering 68 stores and cutting 10,000 workers and Limited is closing all 250 locations impacting 4,000 workers, a new report released Tuesday further indicates the industry's inexorable shift to online.

Retail clocked the fewest holiday job gains since 2010, as the accelerating shift toward online shopping continued to take a toll on job opportunities in traditional brick-and-mortar stores.

Employment in the sector grew by 672,700 workers during the three-month holiday hiring period of 2016, according to an analysis of government employment data by global outplacement consultancy Challenger, Gray & Christmas, Inc. That was down 9.0 percent from the 738,800 jobs added in 2015.

This marked the third consecutive decline in holiday employment gains. The 2016 - holiday hiring total was the lowest since 647,600 jobs were added to retail payrolls during the closing months of 2010, when the economy was in the first year of recovery following the Great Recession.

"The retail landscape is going through a sea change. The shift toward online shopping has been ramping up for years. It is obvious in the sales numbers and in the falling level of in-store traffic during the holidays. In this environment, retailers simply don't need as many extra workers during the holidays," said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

Indeed, US-based retailers have announced 125,182 job cuts in the last two years alone, according to Challenger tracking, many from major brands closing brick-and-mortar locations and eliminating in-store staff.

According to statistics from the National Retail Federation online shoppers outnumbered in-store shoppers by about 10 million during the crucial Thanksgiving/Black Friday holiday weekend.

Further evidence of the shift toward online shopping could be seen in the Federation's holiday sales projections. While it forecast year-over-year sales gains of 3.6 percent for the overall sector, the projected growth rate for online sales only was more than twice that pace, at 7 to 10 percent.

As more shoppers move online, the availability of seasonal employment, while reduced, will never fade entirely. However, the change is forcing job seekers to look in new places, according to Challenger.

Over the last three years, fourth-quarter employment gains in transportation and warehousing averaged 218,000, according to data from the Bureau of Labor Statistics. That is up from an average of 137,000 from 2011 through 2013.

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JOBS ADDED IN RETAIL TRADE October, November, December, 2010-2015

| | Oct | Nov | Dec | TOTAL | % Change |
|----------------|----------------|----------------|----------------|----------------|--------------|
| 2010 | 149,800 | 339,200 | 158,600 | 647,600 | 30.6% |
| 2011 | 134,200 | 390,600 | 154,500 | 679,300 | 4.9% |
| 2012 | 138,700 | 485,400 | 99,600 | 723,700 | 6.5% |
| 2013 | 159,600 | 443,100 | 184,100 | 786,800 | 8.7% |
| 2014 | 182,800 | 412,200 | 154,100 | 749,100 | -4.8% |
| 2015 | 194,800 | 409,500 | 134,500 | 738,800 | -1.4% |
| 2016 | 148,900 | 415,700 | 108,100 | 672,700 | -8.9% |
| AVERAGE | 158,400 | 413,671 | 141,929 | 714,000 | |

Source: Challenger, Gray & Christmas, Inc., with non-seasonally adjusted data provided by the Bureau of Labor Statistics

Announced Retail Job Cuts

United States

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| JAN. | 22,246 | 6,699 | 11,394 | 6,676 | 12,426 | 5,755 | 16,737 | 53,968 |
| FEB. | 1,096 | 9,163 | 3,848 | 2,279 | 2,090 | 8,360 | 1,534 | 18,759 |
| MARCH | 8,490 | 6,640 | 2,989 | 16,445 | 2,175 | 1,653 | 2,097 | 3,821 |
| APRIL | 5,145 | 3,594 | 6,993 | 5,897 | 2,365 | 2,900 | 899 | 2,927 |
| MAY | 1,287 | 1,187 | 472 | 1,386 | 1,927 | 2,944 | 608 | 2,657 |
| JUNE | 3,831 | 17,947 | 1,167 | 217 | 2,807 | 1,415 | 4,306 | 3,566 |
| JULY | 1,523 | 2,532 | 2,183 | 1,794 | 4,135 | 11,245 | 812 | 2,654 |
| AUGUST | 1,025 | 9,601 | 1,063 | 873 | 862 | 5,901 | 3,812 | 890 |
| SEPT. | 7,296 | 2,467 | 1,965 | 927 | 1,519 | 1,616 | 441 | 6,180 |
| OCT. | 1,180 | 5,153 | 6,874 | 538 | 1,013 | 4,264 | 1,923 | 1,643 |
| NOV. | 4,850 | 626 | 2,640 | 9,998 | 1,527 | 2,285 | 645 | 913 |
| DEC. | 1,355 | 249 | 2,195 | 2,269 | 22 | 2,608 | 4,937 | 829 |
| TOTAL | 59,324 | 65,858 | 43,783 | 49,299 | 32,868 | 50,946 | 38,751 | 98,807 |

Source: Challenger, Gray & Christmas, Inc. ©