



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

CONTACTS

James K. Pedderson, Director of Public Relations
Office: 312-422-5078
Mobile: 847-567-1463
jamespedderson@challengergray.com

Colleen Madden, Media Relations Manager
Office: 312-422-5074
colleenmadden@challengergray.com

FOR RELEASE UPON RECEIPT

Annual Holiday Hiring Forecast

RETAIL HIRING THIS HOLIDAY SEASON MAY STRUGGLE TO REPEAT LAST YEAR'S 12-YEAR HIGH

CHICAGO, September 23, 2013 –While retail holiday hiring hit a 12-year high in 2012, shaky consumer confidence and increased efficiencies among retailers may prevent seasonal employment gains from reaching such lofty heights this year, according to an outlook released Monday by global outplacement consultancy Challenger, Gray & Christmas, Inc.

In its annual holiday hiring forecast, Challenger estimated that seasonal job gains will not see a significant decline from last year's robust numbers, but they are likely to at best match the level of hiring that occurred in October, November, and December 2012. With many retailers already starting holiday-themed ads and breaking out Christmas decorations in stores, those hoping to get in on the seasonal hiring push should act early.

In 2012, retail employment increased by a non-seasonally-adjusted 751,800 between October 1 and December 31. That was the heaviest holiday hiring binge since 2000, when retailers added 788,200 to their payrolls during the final three months of the year. The 2012 holiday hiring total was up 11 percent from the previous year, when 679,300 extra seasonal workers were hired.

Last year marked the fourth consecutive increase in holiday hiring since 2008, at the height of the Great Recession. Retailers added just 324,900 workers that year, the fewest since 1982, when retail employment grew by only 259,500 during the holiday season.

“There are several factors that could keep holiday hiring from reaching last year’s level. While, the economy and job market are improving, it has now been four years since the recession officially ended and millions of Americans are still unemployed or underemployed. As a result, consumers remain uneasy, which is evidenced by wide monthly mood swings in confidence surveys,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

The early prognosis on September sentiment from Thomson Reuters/University of Michigan found that sentiment slipped to its lowest level since April. The drop comes just over one month after hitting a six-year high. Such mood swings are not instilling a lot of optimism among those charged with reading the retail sales tea leaves.

The latest forecast from retail research firm ShopperTrak predicts that sales at U.S. stores will climb rise only 2.4 percent in November and December compared with increases of 3 percent in 2012, 4 percent in 2011 and 3.8 percent in 2010. Meanwhile, store visits are expected to fall 1.4 percent during those months.

“Price conscious consumers are doing more and more of their holiday shopping online, where they often find the best deals and can typically enjoy free delivery and no sales tax. The ongoing shift to Internet shopping could see some seasonal hiring in this area, but the numbers will never match the employment gains seen in traditional brick-and-mortar establishments, primarily because there simply are not has many. For every Amazon, there are dozens of national retail chains with the potential to hire thousands,” said Challenger.

Last year, Amazon announced plans to hire 50,000 seasonal workers to meet increased holiday activity. While that figure is indeed impressive, it is virtually the only online retailer that has that level of hiring capacity. Meanwhile, just a handful of traditional brick-and-mortar retailers added more than 400,000 holiday workers in 2012. Based on news reports from last September and October, Target added 88,000; Macy’s, 80,000; Kohl’s 52,700; Walmart, 50,000; and Toys R Us, 45,000, just to highlight a few.

“Whether it is related to increase online shopping or the shakiness in consumer confidence, the expectation that there will be fewer people in the stores could prompt some retailers to reduce the number of extra people they will need on the sales floor. However, low expectations are not the only factor that could contribute to flat hiring. The fact is that retailers are getting smarter about staffing. The era of Big Data has armed everyone with the information they need to more accurately predict the ebbs and flows in sales activity and adjust hiring accordingly,” said Challenger.

According to reports, Target plans to add 70,000 holiday workers this year, which is down from the 88,000 added a year ago. However, the decline, according to the company, has nothing to do with sales expectations. Fewer temporary workers will be needed due to increased efficiencies and a desire among its permanent, full-time staff to reap the rewards of extra holiday hours. In a statement to the Associated Press, Target’s executive vice president of human resources, Jodee Kozlak, noted, “We’re getting smarter in terms of anticipating how many resources we need when guests are really going to be shopping the hardest.”

In addition to increased efficiency, stronger hiring in the early part of the year may forego the need to add extra workers for the holidays. Retail employment grew by about 482,000 between March and August. That is up 42 percent from the 340,000 workers added to retail payrolls during the same period in 2012. The last three months (June – August) have been particularly robust in terms of hiring, with retailers adding 218,600 new workers, compared to 67,000 during the same stretch a year ago.

“Just as the holiday ads and decorations appear earlier and earlier each year, we may be seeing earlier holiday hiring. With enough flexible, part-time workers, retailers can handle the wide fluctuations that occur in the last half of the year, starting with back-to-school sales, followed by Halloween, and culminating with Christmas,” Challenger suggested.

Even if hiring does not meet last year’s level, Challenger expects that holiday hiring could still be in the 700,000 range. And retailers are not the only employers adding seasonal workers. Last year, FedEx added 20,000 workers and UPS brought in an extra 55,000 to help with holiday deliveries.

“It is never too early for holiday job seekers to begin their searches now. The bulk of the seasonal hiring decisions will be made in October. However, do not give up if your first attempts at finding a job are unsuccessful. There is constant churn in the retail industry. It has some of the highest turnover rates of any industry,” said Challenger.

“Additionally, do not limit yourself to ‘on-the-floor’ sales positions. The big box stores, in particular, also need extra workers in their shipping facilities and overnight stocking positions. Opportunities also exist outside of retail, in areas like catering and with shipping companies, restaurants, movie theaters, caterers, etc.,” said Challenger.

“When job seeking in retail or any other sector, it is important to remember some key interview guidelines: dress appropriately, be on time, show enthusiasm and follow up. According to one hiring manager, the biggest mistake job applicants make when seeking a holiday position is “demanding a specific schedule from prospective employers.”

Temporary workers must be prepared to be flexible, whether it is hours or type of work. Either can vary as the holiday season progresses.

“Holiday job seekers should start their search by contacting friends already working in establishments that could need holiday workers. You should also target establishments of which you are a frequent customer. If there are certain retail outlets where you would prefer to work, start going there when business is slow and try to make a connection with a manager or assistant manager. The key is separating oneself from the pile of applicants the store will see between now and Halloween,” Challenger concluded.

###

**JOBS ADDED IN RETAIL TRADE
October, November, December, 1999-2012**

	Oct	Nov	Dec	TOTAL	Job Growth Compared to Previous Year
1999	172,200	369,100	308,200	849,500	8.0%
2000	143,600	393,800	250,800	788,200	-7.2%
2001	95,700	352,100	137,500	585,300	-25.7%
2002	125,800	350,500	193,200	669,500	14.4%
2003	145,000	305,100	189,800	639,900	-4.4%
2004	158,000	371,800	180,700	710,500	11.0%
2005	122,300	392,700	196,600	711,600	0.2%
2006	150,600	427,300	169,000	746,900	5.0%
2007	87,900	465,400	167,600	720,900	-3.5%
2008	38,600	213,600	72,700	324,900	-54.9%
2009	45,100	317,100	133,600	495,800	52.6%
2010	149,800	339,200	158,600	647,600	30.6%
2011	134,200	390,600	154,500	679,300	1.9%
2012	149,400	494,400	108,000	751,800	13.9%
AVERAGE	122,729	370,193	172,914	665,836	

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

EARLY HOLIDAY HIRING ANNOUNCEMENTS

Target	70,000
Kohl's	52,000
eBay (Louisville, KY)	2,000
Eddie Bauer (Columbus, OH)	1,200