



Purchasing Power

# 2024 Retail Financial Wellness eBook

While overall optimism and job satisfaction remains high and workers are aware of their market value, retail employees also expressed concerns about labor shortages, their salaries, technology advances, and the value that increased benefits options could provide to keep them rooted in the industry as a long-term career.

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## Introduction: The Retail Landscape

The retail industry employs the largest workforce in the United States, with approximately 55 million full-time and part-time jobs in 2022, or about 26% of total U.S.-based employees.<sup>1</sup> Given its sheer size, the decisions and actions of retail employees have tremendous significance, affecting not just the companies they work for but the broader U.S. economy as well.

In 2024, after years of turmoil and turnover particularly among frontline retail workers, fewer retail employees are quitting their jobs than during the “Great Resignation” following the recent pandemic. According to the [U.S. Bureau of Labor Statistics](#)<sup>2</sup>, 363,000 retail trade sector employees left their jobs in January 2024, down significantly from 616,000 who left their jobs in January 2023. At the same time, the pace of hiring is slowing, with 618,000 retail employees hired in January 2024 vs. 829,000 hired in January 2023.

That positive trend speaks to several factors, including a resurgence in demand from consumers frequenting brick-and-mortar retail stores.<sup>3</sup> Still, retailers are struggling with significant issues in the workplace, including: increased inflation and interest rates, the need to continuously keep the pace with ever-evolving technology, and the rise in violence in in-store crime and theft.





## **Retaining employees, especially those with retail experience, is proving crucial to employers.**

According to [McKinsey & Co.](#),<sup>4</sup> many of the most experienced corporate leaders in retail started on the frontline. This puts a premium on recognizing and harnessing the talents of frontline workers and putting more focus on providing them with clearly defined career ladders that start in the store to groom them into potential corporate roles.

Providing workers with adequate compensation is an ongoing challenge, and wages now look to be on the rise. Minimum wages have jumped across the country, with the highest wage of \$16.28 per hour being paid in Washington, D.C., as well as in California and in parts of New York (\$16.00). Retailers are also doing more with their compensation plans to retain workers.

One major retailer<sup>5</sup> is doubling bonus payments for its salaried employees in 2024, citing improved profits after a rocky couple of years. Eligible employees will receive 100% of their annual bonus amounts after receiving only 50% in 2023.

Purchasing Power, a voluntary benefit company, which offers an employee purchasing program and financial wellness resources, recently conducted a Retail Financial Wellness Survey to gain its own insights into employee satisfaction within the sector. Respondents have worked in the retail industry for a minimum of at least two years.



**Read ahead to get the survey results and the full picture of what's driving retail employees in today's market.**

# Key Findings from the Purchasing Power 2024 Retail Financial Wellness Survey.

The survey found that, despite recent enormous challenges, retail employees are highly optimistic, recognize their market value, and remain fully committed to the sector. In order to attract, retain and nurture workers in this competitive climate, retailers need to find ways to stand out as a desirable employer and place of work. One approach is to build out a full total rewards package that recognizes employees' financial struggles, helping to ease stress and enable more balanced and fulfilling lifestyles.

**Retail employees feel good about not only their jobs but also their employers.**

**87%** **The majority of retail employees enjoy their job and working in their current role.** They would also recommend their employer to a friend or family member. This indicates that overall, retail employers are fostering a positive working environment in which employees feel proud to be associated with the company and its brand.

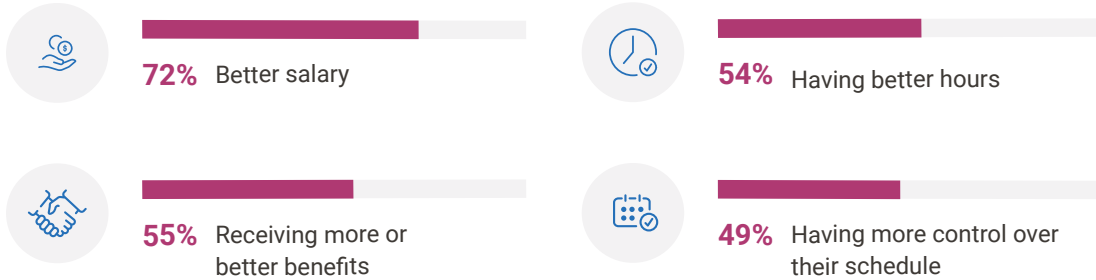
**Retail employees feel highly valued and are committed to a role in retail as a long-term career.**

**1/3** However, nearly a third are **keeping their options open** to other industries, which indicates a key area of focus for retail employers.





To help mitigate potential turnover, employers can focus on more programs to incentivize continued tenure. When it comes to real **incentives** for them to stay in the industry, employees cited:



**Discounts on products or services from their employer also ranked high (36%),** so this is an area in which employers should consider options that could prove to be inexpensive and yet yields a meaningful and positive long-term impact.



# Technology is recognized as a useful tool, but continued improvement and training remains necessary.

The use of technology has become an integral facet of the retail industry, and 82% of employees recognize that their company is investing in improving and/or expanding the technology used to complete their job. These technologies include inventory management software, self-checkout, and buying online/instore pick up.

Recognizing investment in technology is one thing but seeing it in practice as a way to actually help and improve employees' work is critical.

## What respondents say about technology in the work place

**52%**

Experience first hand the benefit of technology in the work place as it makes them more efficient

**47%**

State that technology allows them to provide better customer support

**47%**

Say technology helps them focus on productive tasks

**37%**

Believe they are happier overall and more appreciative of their role in the workplace

**Employers need to address lingering doubts about the role and benefits of technology, with many survey respondents saying:**


**20%**

It causes unnecessary disruptions

**17%**

They are concerned for the future of their job





## Feeling safe and secure in their work environment remains a top priority.

According to the National Retail Federation's 2023 Retail Security Survey,<sup>6</sup> 53% of respondents have taken measures to intensify their training initiatives related to employee workplace violence. In an environment where violence stands as one of the most substantial threats, this commitment to readiness underscores the industry's commitment to workforce safety.

Retailers have become increasingly concerned with rising levels of theft, and loss prevention teams across the globe are actively pursuing cutting-edge solutions designed to detect, deter, prevent, and minimize losses. In the last year, 54% of retailers have increased their investment in technology and software solutions, while an additional 48% have dedicated more funds to enhance their equipment arsenal for loss prevention and security to combat criminal activities.

As noted in our introduction regarding trends in the retail industry, crime and acts of violence have been on the rise in recent years, and most respondents (82%) strongly agreed that their employer has a program or policy in place to address, prevent, or mitigate potential acts of violence in the workplace.

Also, most respondents (87%) said they feel safe at work. This will be an area in which employers place a great deal of emphasis in the years ahead as serious threats remain across the industry and shrinkage and theft will continue to pose challenges.

To combat these trends, retailers are investing in technologies such as surveillance cameras, RFID tags, and biometric authentication systems, as well as implementing comprehensive training programs for employees to recognize and respond to security threats effectively.

As the industry continues to evolve, it is likely to see further advancements in security technologies and practices, as well as increased collaboration between retailers, law enforcement, and other stakeholders to combat crime and ensure the safety of retail workers and customers alike.




**82%**

Agree their employer has a program or policy to address, prevent, or mitigate acts of violence

**87%**

Feel safe at work





# Labor shortages have proven to be stubborn, and employees continue to feel its effects.

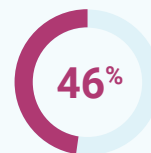
A career in retail can be notoriously difficult and a strain on employees. Across the spectrum from frontline workers to back-office management, having a healthy work/life balance is a constant struggle. The majority (81%) of employees feel that they are living a well-balanced life, but this can change quickly given the pace of the retail industry, its unpredictability, and the impact macro-economic factors can have on this sector.

Perhaps no industry was more impacted by the COVID pandemic than retail. The lingering effects of a reduced labor force are still being felt, with nearly half of respondents (46%) saying that their company has been impacted by a labor shortage in the last 12 months.

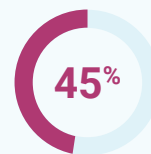
Continued labor shortages are affecting employees in a variety of ways. Many employees (45%) said they are working additional hours with overtime pay, while 41% said they were working additional hours at regular pay.

Many are being asked to take on responsibilities for several jobs at the same time (40%), and about the same number (39%) are being asked to do more in less time, which influences productivity and quality. Another potential worry: A number of workers (12%) said the labor shortage is causing an increased risk for workplace injuries and accidents.

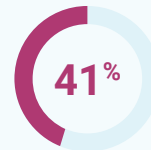
## Respondants have said this about labor shortages:



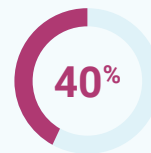
Their company has been impacted by labor shortages



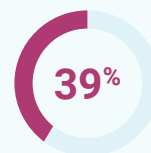
They are working additional hours with overtime pay



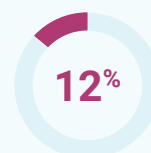
They were working additional hours at regular pay.




They are being asked to handle multiple jobs at once



They are asked to do more in less time which impacts productivity and quality



It is causing an increased risk for workplace injuries and accidents





**All of this speaks to the need for employers to be as diligent as possible** in managing workers' careers and time on the job to maintain a balance between work life and personal life.

Unionization is another trend that is becoming a more top-of-mind issue among retail workers. In recent years, unionization efforts have picked up speed among top retailers including Starbucks and REI, with other potential unions being created at Apple, Amazon, and others.

**77%**

The majority of respondents (77%) in our survey are not members of a union, so this is an area that is sure to become increasingly important in the years ahead.





## Opportunities exist to attract, retain, and nurture employees through robust benefit programs.

Employers today are more challenged than ever before when it comes to retaining employees. The lingering impact of the COVID-19 pandemic is being felt across all industries. This challenge requires effective tools and programs that can best satisfy the needs of today's workers.

Employees are putting a premium on the value of their benefits, with the majority (89%) saying that benefits are just as important as salary. When it comes to specific benefits that would most move their career needle, nearly 39% said that having an employee purchase program would increase their likelihood to stay with their current employer.

This can be a key area of focus and opportunity to help make employees' lives easier and less stressful. Purchase programs allow workers to acquire household necessities, including major appliances, electronics, furniture and automobile tires, as well as aspirational products and services through a flexible and convenient payment plan.

**89%**

Say that benefits are just as important as salary.

**39%**

Say that having an employee purchase program would increase their likelihood to stay with their current employer

**37%**

Say their employer offers discounts on products and services

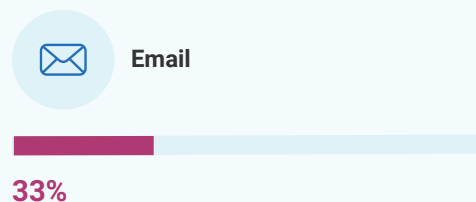
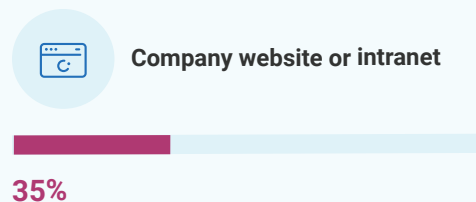
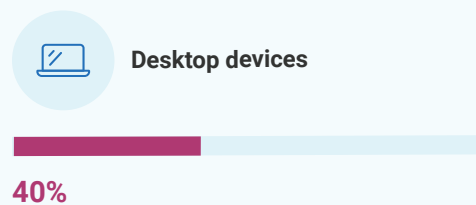
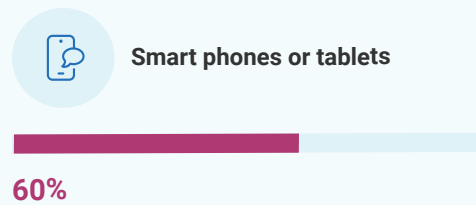
# Communicating benefits to employees remains a challenge.

Retailers often face the ongoing challenge of effectively communicating benefits to their workforce, particularly for employees who are not desk-bound but rather working on the front lines with customers and in-store. The mobile nature, dispersed nature, and potential abundance of benefits that may be out there can complicate communication efforts.

According to the Purchasing Power survey, traditional channels including email (33%) and the company website/intranet (35%) remain popular for relaying benefits information to on-the-go retail employees. However, as with all communications functions these channels could still benefit from improvement.

Interestingly, the survey revealed that while roughly 60% of employees own more mobile digital devices including smartphones or tablets, around 40% are engaged on desktop devices. Given this finding, retailers should keep in mind these ways that information is consumed and explore innovative ways to share benefits materials and updates through both mobile and desktop channels tailored specifically for their workforce.

## What device do you use to look up employee benefits?







**Retail employees put a premium on their financial wellbeing, and employers are doing a lot, but could do even more.**

The majority of employees (73%) feel that their employer cares about benefits that address their financial wellness and immediate needs, and a healthy 74% feel that their employer takes an active role in helping with their financial wellness to improve their ability to cover monthly expenses.



**Employees cite several key factors for feeling this way, noting that their employer currently offers:**

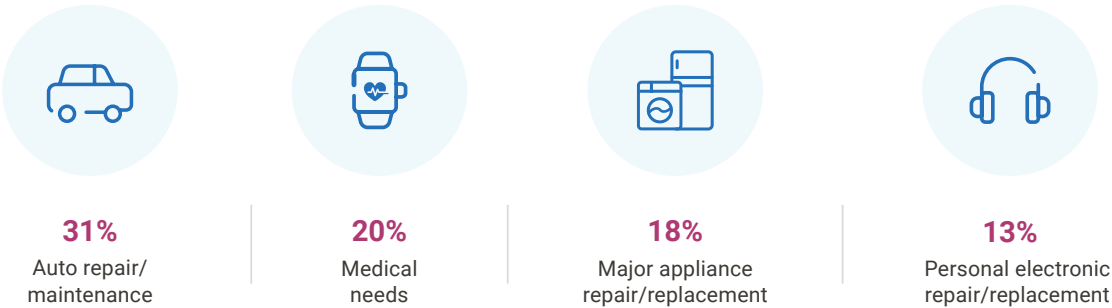
- 43%** Resources to help improve credit scores
- 42%** Access to yearly tax assistant tools
- 35%** Access to local financial assistance resources
- 16%** Access to child and senior care assistance

**Of the benefits not currently offered by their employer, employees said they would be most interested in:**

- 31%** Financial counseling
- 30%** Employee purchase program
- 29%** Medical deductible financing

**Employees feel that they are prepared** to handle their planned monthly expenses and cash flow. However, unplanned expenses are always a concern and could present challenges.

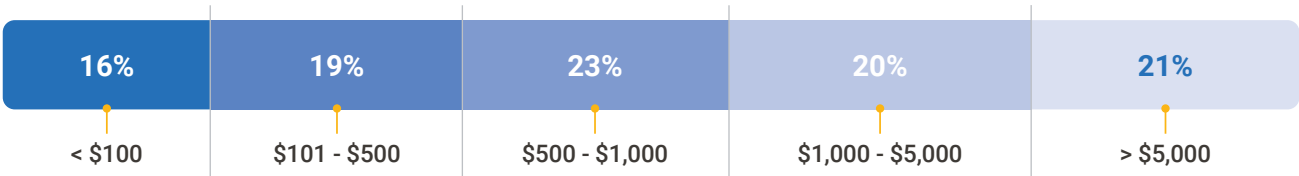
**What are your most common unplanned expenses?**



Handling large unexpected expenses requires planned savings, and employees' current level of savings is struggling to meet any challenges ahead.

Given this state of savings, employers have a unique opportunity to make a real difference in the lives of their workers by offering more resources to address the important role that financial planning can play in building long-term futures.

**How much do you currently have in a savings account?**



# Key Takeaways

- ✓ Overall optimism among retail employees remains high.
- ✓ Workers enjoy their jobs and are aware of their market value.
- ✓ Despite recent improvement, concerns persist regarding ongoing labor shortages
- ✓ Benefits are viewed as equally important as compensation.







Case Study

# International Retailer & Distributor

Our international specialty retailer and distributor client is well-known globally in the industry, with a strong presence in the beauty supply market.



## Client background

This retailer operates over 2,000 U.S. stores for both consumers and industry professionals, and has established itself as a trusted destination for beauty enthusiasts.

Our client employs a workforce of over 25,000 global associates, more than 50% of whom are racially, ethnically, and gender diverse, a direct result of its corporate mission to promote and celebrate diversity, inclusion, and belonging. These achievements have been recognized and rewarded nationally, making the company a top choice employer among retail professionals.

## A financial wellness lifeline just in time

Our forward-thinking client supports its workforce by understanding that benefits are as important to its employees as salary. The company has recognized and embraced this vital role by supporting its wide and varied labor force that faces many of the financial well-being challenges common to most U.S. workers.

In November 2019, the retail client turned to Purchasing Power to bolster its voluntary benefits platform with a financial wellness program. This offered more practical and immediate solutions for its full-time associates. Little did anyone suspect how critical a financial lifeline Purchasing Power would be just four months after launching the program.

### About Our Retail Client



**1964**

Year Established



**\$3.9B**

Annual Revenue



**2K+**

National Stores



**15K+**

U.S. Employees

## Reaching retail employees when they needed it most

As the global pandemic took hold in March 2020, our client experienced firsthand the profound effects that swept through the retail industry. In the wake of unprecedented marketplace realities, the company swiftly pivoted and successfully: responded to triple-digit increases in eCommerce demand; expanded its digital footprint; accelerated the rollout of in-demand delivery services models; and reduced its operating costs. Still, a majority of brick-and-mortar stores were forced to close, which resulted in many being furloughed from their full-time positions. This tough, new reality brought about even further financial challenges.

Enter Purchasing Power. Purchasing Power was positioned to serve our client's associates by providing access to 45,000 products and services. That first year, over 1,600 associates created their accounts with Purchasing Power, enabling 66% of buyers to acquire household necessities including: electronics, computers, furniture, home appliances, and automobile tires.

Associates were able to bridge their urgent financial hardships through participation in Purchasing Power's voluntary benefit program. Our program offered the convenience of automatic payments via payroll deduction over time, without the fees, penalties, and ballooning interest associated with other payment options.

After five years, with a repeat buyer rate of 82%, the company's associates appreciate the continuing financial flexibility Purchasing Power provides to help both their everyday and unexpected financial needs.

Purchasing Power continues to complete our clients' robust benefits platform, delivering an across-the-board approach to well-being and total rewards choice employer among retail professionals.

## What sets us apart

### Disciplined. Responsible. Transparent.

- ✓ Transparent cost of ownership with clear and defined payments
- ✓ Helps employees preserve needed cash with access to more than 45,000 items
- ✓ Easy, anytime implementation, deployment, and management
- ✓ Serves millions nationwide: a partner to Fortune 500 employers
- ✓ No credit check required and no hidden fees



## Conclusion

The survey findings point to the continued need for retail employers to attract, retain, and nurture workers who see the profession as a long-term career with opportunities to succeed in their financial and life goals through a positive work environment. The workplace, as with the world itself, is constantly evolving and changing. With this in mind, today's retail employers must continually improve the quality of the workplace, a focus which has the added benefit of grooming potential future managers from within the company.



**As part of their strategy, retailers should:**

**1**

Continue adopting technologies that enhance both the employee and customer experience.

**2**

Help employees focus on an improved work/life balance through scheduling that provides the most flexible work hours possible.

**3**

Minimize the impact of labor shortages by counterbalancing longer working hours with an increased array of competitive benefits.

**4**

Given their views regarding the importance of benefits, retail employees are looking for more options from their employers, and benefits could be the deciding factor in reducing turnover, keeping employees firmly rooted in the industry.

**5**

Elevate the range of benefit offerings to provide help with employees' long-term financial wellness and well-being, in addition to voluntary benefits including employee purchase programs.



## About Purchasing Power, LLC

Purchasing Power, LLC, is an Atlanta-based voluntary benefit company providing financial wellness solutions to employers, including the leading employee purchase program for consumer products and services through payroll deduction. Helping employees achieve financial flexibility, Purchasing Power is available to millions of people through large companies including Fortune 500's, associations and government agencies. Purchasing Power is a Flexpoint Ford, LLC company.

For more information, visit [corp.PurchasingPower.com](https://corp.PurchasingPower.com).

## Survey Methodology

Data cited is the result of the 2024 Retail Survey by Purchasing Power. Conducted during March 2024, the survey explored the financial wellness of over 500 U.S. retail professionals earning \$75K or less annually on topics including compensation, workplace benefits, monthly expenses, and more. Respondents cover all age groups (18 and older), regions, and genders. The margin of error for this survey is +/- 4.5%.

<sup>1</sup> The Economic Contribution of the Retail Industry, National Retail Federation, July 2024

<sup>2</sup> Job Openings and Labor Turnover, U.S. Bureau of Labor Statistics, January 2024

<sup>3</sup> Shopping in Stores is Back and Thriving. Here's Why. CNN, June 2022

<sup>4</sup> "How to do a retail reset: Priorities for retail leaders," McKinsey & Company, October 2023

<sup>5</sup> "Target Is Doubling Its Employee Bonuses This Year, Bloomberg," March 2024

<sup>6</sup> 2023 Retail Security Survey, National Retail Federation, September 2023