# Retail jobs at risk as tax changes threaten part-time positions



The British Retail Consortium (BRC) has issued a warning that up to 160,000 part-time retail jobs are at risk of being eliminated over the next three years due to tax changes introduced in the recent Budget. The retail sector, which remains the largest private sector employer in the UK, accounts for more than a third of jobs in 20 per cent of parliamentary constituencies, making this development a significant concern for the economy.

Starting from April, retailers will be subjected to increased tax obligations, as the employer national insurance contribution threshold will decrease from £9,100 to £5,000. This change, coupled with rising national minimum wage rates and higher employer national insurance costs, is expected to increase labour expenses by £5 billion within the current year alone.

Helen Dickinson, chief executive of the BRC, expressed particular concern for younger workers in the sector, stating, "the government may be kicking away the ladder for the next generation." There are currently over 1.5 million part-time retail jobs, which represent slightly more than half of all retail employment. Part-time positions frequently cater to students, parents managing childcare responsibilities, and seasonal workers who bolster staffing during peak trading periods. The BRC's report indicates that one in ten of these roles could be vulnerable to elimination as a direct consequence of the tax adjustments and proposed changes under the Employment Rights Bill.

The organisation further indicated that the cumulative effects of these budget announcements could exacerbate existing challenges in the sector, leading to increased closures of retail establishments on high streets across the country. The BRC’s 2025 Manifesto for Retail report pointed out that 57 per cent of retail employees are women, and that 18 per cent are 24 years of age or younger.

In light of these developments, Dickinson commented, "Retail is a key source of employment right across the economy. Retail has long offered the first rung of the career ladder to hundreds of thousands of young people, playing a vital role in communities up and down the country." She further articulated that the industry is facing "a mountain of costs from the Budget", leading to an inevitable rise in retail prices and job losses unless the government can devise strategies to alleviate the £7 billion in costs facing the sector, while also ensuring a constructive approach to proposed employment regulations.

Recent analysis from the BRC indicates that for the three months ending in December, total retail sales growth in the UK was only 0.4 per cent year-on-year, as consumer behaviour shifted towards prioritising food and drink spending over other items during the festive period. However, when inflation is taken into account, retail sales volume showed a decline over the year.

In broader context, the BRC noted that around half of retailers are now planning to reduce their workforce, with more than two-thirds of them indicating an intention to raise prices to offset rising costs. Notable job cuts have already been announced: Sainsbury's plans to cut 3,000 jobs by closing its cafés and certain counters, while Tesco intends to eliminate around 400 roles as part of a strategy to streamline operations. Similar decisions have been made by Morrisons and other supermarkets, indicating a troubling trend in the retail landscape.

In the travel retail sector, WHSmith has put approximately 100 staff members at risk of redundancy due to ongoing discussions about selling its high street stores. New Look has also announced its retreat from the Republic of Ireland with plans to close all of its 26 stores, citing ongoing financial struggles and challenging market conditions. Additionally, the fashion retailer Quiz made headlines for shutting all 23 of its shops, affecting about 200 jobs.

Overall, the impending tax changes, combined with the rising costs of doing business in the retail sector, herald a period of significant uncertainty and potential job losses for part-time workers across the UK.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://brc.org.uk/priorities/budget-campaign/> - This URL supports the claim that the British Retail Consortium is concerned about the impact of the recent Budget on the retail sector, including job losses and increased costs for retailers.
* <https://www.retailgazette.co.uk/blog/2025/02/part-time-retail-jobs-at-risk/> - This article corroborates the warning that up to 160,000 part-time retail jobs are at risk due to changes in national insurance contributions and other rising costs.
* <https://www.globalbankingandfinance.com/BRITAIN-RETAIL-JOBS-062f9ef8-7c3c-4251-83dc-a90e9df897be> - This source also reports on the potential loss of up to 160,000 part-time retail jobs due to employer tax increases, aligning with the BRC's concerns.
* <https://www.thetimes.co.uk/article/economy-likely-to-shrink-as-budget-gloom-spreads-6x9k6l8w5> - This article discusses the broader economic implications of the Budget, including a potential contraction in the economy, which could exacerbate challenges in the retail sector.
* <https://www.theguardian.com/business/2024/09/24/nics-rise-will-force-businesses-to-close-warn-hospitality-bosses> - This source highlights concerns from the hospitality sector about the impact of tax rises, similar to those affecting the retail sector, on business sustainability.