

PRESS RELEASE

May 11, 2021

Shoplifting and Dishonest Employee Average Case Values Increased in 2020, According to Jack L. Hayes International's 33rd Annual Retail Theft Survey!

WESLEY CHAPEL, FL - Jack L. Hayes International, Inc. released today the results of their 33rd Annual Retail Theft Survey which reports on over 184,000 shoplifters and dishonest employee apprehensions in 2020 by just 22 large retailers, who recovered over \$81 million from these thieves.

"While temporary store closures due to the Covid-19 Pandemic resulted in fewer thieves being caught stealing in 2020, the average shoplifting case value increased 13.0% and the average dishonest employee case value increased 3.8% over 2019," said Mark R. Doyle, President of Jack L. Hayes International, Inc. Mr. Doyle added, "As expected, the Covid-19 Pandemic clearly affected apprehensions and recovery dollars in 2020, with shoplifting apprehensions and recovery dollars down 43.8% and 36.5% respectively; and dishonest employee apprehensions and recovery dollars down 20.3% and 17.2% respectively. However, those participant retailers designated as 'essential', saw overall apprehensions rise 7.9% and dollar recoveries increase 9.1% during 2020."

Highlights from this highly anticipated annual theft survey include:

- **Participants:** 22 large retail companies with 18,594 stores and over \$500 billion in retail sales in 2020.
- **Apprehensions:** Participants apprehended 184,621 shoplifters and dishonest employees in 2020, down 41.3% from 2019. *Note: "Essential" retailers' apprehensions increased 7.9%*
- **Recovery Dollars:** Participants recovered over \$81 million from apprehended shoplifters and dishonest employees in 2020, down 30.0%. *Note: "Essential" retailers' recovery dollars increased 9.1%*
- **Shoplifters:** 158,158 shoplifters were apprehended in 2020, down 43.8%; and over \$49 million was recovered from these shoplifters, down 36.5%. *Note: "Essential" retailers' shoplifting stats were up 8.6% (apprehensions) and 15.3% (recovery dollars).*
- **Dishonest Employees:** 26,463 employees were apprehended in 2020, down 20.3%; and \$32 million was recovered from these employees in 2020, down 17.2%. *Note: "Essential" retailers' dishonest employee stats were up 2.7% (apprehensions) and 0.1% (recovery dollars).*
- **Case Averages:**
 - . Total Thefts: \$ 440.48, up 19.2% in 2020
 - . Shoplifters: \$ 310.11, up 13.0% in 2020
 - . Employees: \$1,219.61, up 3.8% in 2020

Jack L. Hayes International, Inc. is a leading loss prevention and inventory shrinkage control consulting firm, and for over 40 years has provided a wide spectrum of Asset Protection, Inventory Shrinkage Control, Loss Prevention, Safety, and Security related services to every facet of industry including retail, manufacturing and industrial organizations.

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33rd ANNUAL RETAIL THEFT SURVEY

Jack L. Hayes International, Inc.

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***COVID-19 PANDEMIC CLEARLY AFFECTED 2020
APPREHENSIONS AND RECOVERY DOLLARS!***

While temporary store closures due to the Covid-19 Pandemic resulted in fewer thieves being caught stealing in 2020, the average shoplifting and dishonest employee case values increased.

Highlights from this year's survey include:

- ✓ **Participants:** 22 large retail companies with 18,594 stores and over \$500 billion in retail sales in 2020.
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Note: "Essential" retailers' apprehensions increased 7.9% in 2020.
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- ✓ **Case Averages:**
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 - . Employees: \$1,219.61, up 3.8% in 2020

SURVEY PARTICIPANTS

- 22 Large Retail Companies (Dept, MM/Big-Box, Specialty Apparel, Supermarkets)
- 18,594 Stores (representing an excellent cross-section of the United States)
- \$507,977,933,327 in Annual Retail Sales (2020)

TOTAL RETAIL THEFT APPREHENSIONS

	<u>2019</u>	<u>2020</u>	<u>#/\$</u>	Difference <u>Pct.</u>
Apprehensions	314,494	184,621	-129,873	- 41.3%
Recoveries	\$116,179,408	\$81,321,617	-\$34,857,791	- 30.0%
Avg. Case Value	\$369.42	\$440.48	\$71.06	19.2%

Retail Theft Apprehensions Breakdown

SHOPLIFTING

	<u>2019</u>	<u>2020</u>	<u>#/\$</u>	Difference <u>Pct.</u>
Apprehensions	281,300	158,158	- 123,142	- 43.8%
Recoveries	\$77,189,446	\$49,047,059	-\$28,142,387	- 36.5%
Avg. Case Value	\$274.40	\$310.11	\$35.71	13.0%
Recoveries (No Apprehension Made)	\$152,870,815	\$87,396,416	-\$65,474,399	- 42.8%

DISHONEST EMPLOYEES

	<u>2019</u>	<u>2020</u>	<u>#/\$</u>	Difference <u>Pct.</u>
Apprehensions	33,194	26,463	- 6,731	- 20.3%
Recoveries	\$38,989,962	\$32,274,558	-\$6,715,404	- 17.2%
Avg. Case Value	\$1,174.61	\$1,219.61	\$45.00	3.8%

(Note: 2020 results impacted by store closures during Covid-19 pandemic.)

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Jack L. Hayes International, Inc.

HIGHLIGHTS FROM JACK L. HAYES INTERNATIONAL'S 33rd ANNUAL RETAIL THEFT SURVEY

TOTAL RETAIL THEFT

- Survey participants apprehended a total of 184,621 dishonest individuals (shoplifters and employees) in 2020, a decrease of 41.3% from the prior year. Dollars recovered from those apprehended thieves decreased 30.0% to \$81.3 million in 2020. (*"Essential" Retailers' stats up 7.9% and 9.1%.*)
- For every \$1.00 recovered by our surveyed companies, \$33.15 was lost to retail theft. Therefore, **only 2.9%** of total retail theft losses resulted in a recovery.

SHOPLIFTING

- **Apprehensions:** Survey participants apprehended 158,158 shoplifters in 2020, a decrease of 43.8% from the prior year. (*"Essential" Retailers reported apprehensions up 8.6%*)
- **Recoveries:** Dollars recovered from shoplifting apprehensions totaled over \$49.0 million in 2020, down 36.5% from 2019. (*"Essential" Retailers reported recovery dollars up 15.3%*)
- **Recoveries (no apprehension):** Dollars recovered from shoplifters where no apprehension was made (over \$87 million) decreased 42.8% in 2020.
- **Case Value:** The average shoplifting case value in 2020 was \$310.11, an increase of 13.0% from 2019 (\$274.40).

EMPLOYEE THEFT

- **Apprehensions:** Survey participants apprehended 26,463 dishonest employees in 2020, down 20.3% from 2019. (*"Essential" Retailers reported apprehensions up 2.7%*)
- **Recoveries:** Dollars recovered from dishonest employee apprehensions totaled over \$32 million in 2020, down 17.2% from 2019. (*"Essential" Retailers reported recovery dollars up 0.1%*)
- **Case Value:** The average dishonest employee case value in 2020 was \$1,219.61, an increase of 3.8% from 2019's average case value (\$1,174.61).

(Note: 2020 results impacted by store closures during Covid-19 pandemic.)

Jack L. Hayes International, Inc.

JACK L. HAYES INTERNATIONAL, INC. is recognized as the foremost loss prevention/inventory shrinkage control consulting firm in the world. For over 40 years Hayes International has been conducting Shrinkage Control Analyses and Assessments; Developing and implementing LP/Shrinkage Control Programs; Conducting 3rd party audits; and providing hybrid or full outsourced LP services to hundreds of the finest retail, manufacturing, and industrial organizations throughout the world.

Consulting Services

- ✓ ***Shrinkage Control Analyses & Assessments:*** These studies examine the client's vulnerability to the primary shrinkage causing factors (internal theft, external theft, and operational issues), and the ways, methods and programs currently used to deal with these problems. Analysis includes a detailed review of stores, facilities, and home office functions.
- ✓ ***Distribution Center Loss Prevention/Security Review:*** This analysis focuses on the distribution facility, and its daily operational procedures from a LP/security viewpoint.
- ✓ ***Program Design, Implementation & Field Audits:*** We design and implement custom Store and DC/Warehouse Loss Prevention/Shrinkage Control and Safety programs and related audits.
- ✓ ***Outsourced Loss Prevention Services:*** We provide full outsourced loss prevention solutions, or a hybrid of loss prevention services that complement the client's current loss prevention program/efforts.
- ✓ ***Third-Party Store & DC/Warehouse Audits:*** We regularly perform Store and DC/Warehouse audits for a variety of clients. These visits/audits provide a realistic picture of normal daily operations; measure compliance to the company's LP/Safety Programs; and greatly assist in keeping their programs on-track.
- ✓ ***Loss Prevention Organizational Review:*** During this review, we evaluate and make recommendations regarding the highly technical/complex issues of LP as they relate to structure, staffing, productivity, equipment investments, etc.

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33rd Annual Retail Theft Survey

For additional information, statistics, and our thoughts-behind-the-numbers, visit our website at: <http://hayesinternational.com/news/annual-retail-theft-survey/> where you can view a downloadable/printable PDF version of the survey.

The Hayes Report on Loss Prevention Newsletter

For a free sample of The Hayes Report on Loss Prevention newsletter, which we have been publishing on a quarterly basis for over 36 years, visit our website at <http://hayesinternational.com/products/the-hayes-report-on-loss-prevention-newsletter/> and click-on the newsletter pic. If you wish to sign-up for this FREE quarterly newsletter then simply enter your email address at the top of the same screen in the "Subscribe to our newsletter" box.

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33rd ANNUAL RETAIL THEFT SURVEY – 2021

Jack L. Hayes International, Inc.

Shrink Trend:

09 of the 22 retailers (41.0%) had an increase in company shrink.
12 of the 22 retailers (54.5%) had a decrease in company shrink.
01 of the 22 retailers (04.5%) had no change in company shrink.

Shoplifting Apprehensions:

04 of 22 retailers (18.2%) had an increase in shoplifter apprehensions.
14 of 22 retailers (63.6%) had a decrease in shoplifter apprehensions.
04 of 22 retailers (18.20%) had no change in shoplifter apprehensions.

Shoplifting Recoveries:

04 of 22 retailers (18.2%) had an increase in shoplifter recovery dollars.
14 of 22 retailers (63.6%) had a decrease in shoplifter recovery dollars.
04 of 22 retailers (18.2%) had no change in shoplifter recovery dollars.

Shoplifting Recoveries Without an Apprehension:

08 of 15 retailers reporting (53.3%) had an increase in shoplifting recovery dollars without an apprehension.
07 of 15 retailers reporting (46.7%) had a decrease in shoplifting recovery dollars without an apprehension.
00 of 15 retailers reporting (00.0%) had no change in shoplifting recovery dollars without an apprehension.

Dishonest Employee Apprehensions:

03 of 22 retailers (13.6%) had an increase in employee theft apprehensions.
19 of 22 retailers (86.4%) had a decrease in employee theft apprehensions.
00 of 22 retailers (00.0%) had no change in employee theft apprehensions.

Dishonest Employee Recoveries:

04 of 22 retailers (18.2%) had an increase in employee theft recovery dollars.
18 of 22 retailers (81.8%) had a decrease in employee theft recovery dollars.
00 of 22 retailers (00.0%) had no change in employee theft recovery dollars.

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33rd ANNUAL RETAIL THEFT SURVEY – 2021

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Based upon our survey results, for every \$1.00 recovered, \$33.15 is lost to retail theft. Therefore, **only 2.9 percent** of total retail theft losses result in a recovery.

Support/Calculation for the Above Statement:

- Annual retail sales of the participating companies were \$507,977,933,327.
- According to the 2020 National Retail Security Survey, the average shrinkage is 1.62% of sales (at retail).
- Shrinkage allowance for paper/systems/operational errors was assigned a **conservative** 30% dollar figure.

Annual Sales (Survey Participants 2020)	\$507,977,933,327
Shrinkage (retail sales x 1.62%)	\$ 8,229,242,520
Allowance for "Paper-Related" Shrinkage (shrinkage x 30%)	-\$ <u>2,468,772,756</u>
Shrinkage/Losses Due to Theft	\$ 5,760,469,764
Recovery Dollars (Survey Participants 2020)	-\$ <u>168,718,033</u> (2.9%)
Unaccounted-For Theft Losses	\$ 5,591,751,731 (97.1%)

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HAYES INTERNATIONAL'S 33rd ANNUAL RETAIL THEFT SURVEY

Thoughts Behind The Numbers

SHOPLIFTING: *We asked our survey participants why their Shoplifting apprehensions and recovery dollars increased or decreased in 2020; they contributed the following:*

Increased:

- ORC (Organized Retail Crime) continues to be a primary factor
- Less stores to choose/steal from
- Saw significant increase in "theft for need"
- Legislation increasing felony thresholds embolden thieves
- More 'hit n run'/fleeing shoplifters

Decreased:

- Store closures resulted in less shoppers
- Transition to deterrence/recovery during pandemic
- Closing of fitting rooms for extended periods of time
- Focused on better customer service
- Less LP/AP staff due to restructuring or transition

EMPLOYEE THEFT: *We asked our survey participants why their Dishonest Employee apprehensions and recovery dollars increased or decreased in 2020; they contributed the following:*

Increased:

- More focus/attention towards associate theft
- Improved technology/analytic tools resulted in more DE cases
- Fewer associates in store created more opportunities for dishonest employees
- Increase in loyalty card fraud
- Increase in discount abuse cases

Decreased:

- Store closures and furloughed associates
- Less focus on apprehensions and more focus on pandemic issues
- Better prevention with additional technology at POS
- Reduced travel by LP/AP staff
- Decrease in LP/AP staff due to restructuring or transition

End.