

Economic Impact of Minimising Branded School Uniform Items on Retailers

School uniform retailers are expressing serious concerns about the potential economic consequences of a cap on school-specific uniform and PE kit being implemented.

While this measure is designed to reduce costs for families, it could inadvertently:

1. Risk potential Business Closures
2. Divert Sales from SMEs to Supermarkets
3. Impact Employment
4. Reduce Quality and Increase Prices
5. Harm Communities and Consumers

72%
are dependent on school uniform sales

31%
say their business risks closing

88%
say they will have to consider staff lay offs

69%
will need to scale back discounts and support

Business Dependence on School Uniform Sales

Any potential reduction in school-specific items poses a **significant threat to the profitability of retailers** who have traditionally relied on these sales to sustain their businesses.

Potential Business Closures

A cap on school uniform items, and the subsequent impact on profit margins, could push many retailers towards closure. Retailers are family-owned businesses that have often been an important part of local communities for generations.

Diverting Sales from SMEs to Supermarkets

Supermarkets only stock school uniforms during the back-to-school season. They also focus on mass-producing the most common sizes to maximise profits, leaving families with children who don't fit 'typical' sizes struggling to find appropriate uniforms.

Impact on Employment

A squeeze on profit margins would cause significant risk to employment within these companies. The survey indicates that **88% of businesses would likely need to reduce staff** if a cap were introduced.

Cheaper production = Higher costs for families

A cap could have unintended consequences for school uniform costs. **59% of our surveyed members warned that they might need to reduce the quality of their products to maintain profitability** under new regulations. This could result in uniforms that are less durable, leading to more frequent replacements and, ultimately, **higher costs for families in the long run.**

Additionally, **53% of businesses indicated that they might need to raise prices on other items** to offset the reduced margins on school uniforms.

Community and Consumer Impact

Many retailers offer support such as discounts and free uniform for the most vulnerable in their communities. However, **69% of retailers indicated that these programmes might be scaled back** or eliminated if profit margins were further squeezed.

Furthermore, lower quality uniforms would impact the ability of retailer "swap shops" to operate, leaving uniforms with fewer wear-cycles and reducing the crisis support available to struggling parents.