

Abstract: The rapid growth of e-commerce is widely blamed for job losses in brick-and-mortar retailers. Using the geographic variation in online spending, constructed from over 30 billion credit card transactions of Korea, we examine the causal effect of e-commerce on local retail employment. We find that the rise in the share of online spending from 2010 to 2015 decreases county-level retail employment by about 3 percent. We also find that the employment shifts from offline retail to other local businesses, such as restaurants and personal services. However, the shift in employment is confined in metropolitan areas, while it falls far short of offsetting employment losses in non-metropolitan areas. Our finding implies a prospect of Retail Job Apocalypse in certain local labor markets (i.e., non-metropolitan areas), if not everywhere.