DIRECT SELLING ASSOCIATION

U.S. Direct Selling in 2013

2014 Growth & Outlook Report

August 2014

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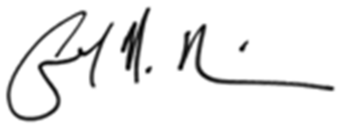
From DSA's President

Welcome to the 2014 Growth & Outlook Report! This is one of DSA's most important pieces of research as it provides us with essential, timely data used to benefit the industry in many ways. I appreciate the time invested by your company's participation in DSA research, so I would like to sincerely thank the 94 firms that participated in this year's Survey. I cannot stress enough the value of your participation, not only to your company, but also for the industry as a whole. Benjamin Franklin said, "An investment in knowledge pays the best interest." I trust you will find this to be the case with this year's Growth & Outlook Report.

DSA plans to utilize the data generated from this report in the following ways: Our GR team uses this data to secure vital political influence from regulators and legislators, our Communications Department communicates to a broad audience on the positive impact direct selling has in the U.S. (including the refutation of industry detractors) and DSEF works with the academic community to educate consumers.

Special thanks are due to DSA's dedicated Industry Research Committee who provided extensive guidance, expertise and support from questionnaire development to diligently reviewing drafts and helping us arrive at this final report.

Sincerely,



Joseph N. Mariano
President
Direct Selling Association

U.S. Direct Selling in 2013 is the year's most comprehensive view of the direct selling industry.

Only participating companies receive a full copy of this report

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Background and Objectives

U.S. Direct Selling in 2013 is the annual *Growth & Outlook* study conducted by the United States Direct Selling Association (USDSA). This is the official, comprehensive study of the industry that measures the size and activity of the direct selling sales method during the most recently completed calendar year. The study was conducted in early 2014 for calendar year 2013. The final report is based on the annual *Growth & Outlook Survey* of direct selling companies, as well as many secondary research resources. More information about the Direct Selling Association can be found at www.dsa.org.

- *U.S. Direct Selling in 2013* provides an estimate of the **aggregated size and growth of *all* direct selling in the United States,** including member companies of the USDSA and non-member companies whose data is researched apart from the annual survey.
- *U.S. Direct Selling in 2013* provides the Association and its member companies with the current information needed to describe direct selling to various audiences including legislators, regulators, media representatives, investment companies, educators, consumers and others.
- USDSA reports these results to the World Federation of Direct Selling Associations (WFDSA), which collects and publishes similar statistics from more than 60 national DSAs globally. These statistics can be found at www.wfdsa.org.

"We participate in the G&O for the results we receive. How is the industry doing, what is positive/negative in each aspect of direct sales, recruiting, sales, retention, etc."

-**Jeff Morris**, The Pampered Chef

"This survey not only benefits us as a company, but also our entire industry; so the more companies that participate, the more accurate (and usable) the results.

While the number of service-based companies is certainly growing, we continue to be the minority in the direct selling space. It's our responsibility to ensure that this segment of the direct selling industry is represented. For ACN, participation is important."

*-**Dave Merriman**, ACN, Inc.*

"What you contribute, you get back. It's a win-win for all companies."

-**Ira Rotenberg**, Isagenix International

***For more information about this report or a copy of the detailed cross-tabulations please contact DSA's research department at 202-452-8866.**

3 Executive Summary

Sales

U.S. retail sales through the direct selling channel reached **USD 32.67 billion in 2013, an increase of 3.3% over 2012, and the highest in recorded history.** This is the fourth year of an increase in sales since the 2009 recession. Global direct sales experienced an increase of 8.1%, from USD 165.1 billion in 2012 to $178.5 billion in 2013. The US represents 18% of the global market, the most of any country, followed by China at 15%.

The smallest direct selling companies (those with annual retail sales of USD 3 million or less) experienced the strongest growth with a nearly 23% increase in annual retail sales over 2012. It's important to keep in mind that these smaller firms are growing from a much smaller base than the more established firms, so a higher growth rate is to be expected. Mid-sized firms, those with USD 3 – 29.9 million in sales, increased almost 7%, but those with USD 30 – 125 million in sales declined by nearly 8%. The largest companies (revenue above USD 125 million) increased by more than 3%.

The smaller, newer firms are clearly influencing the growth in the industry. **Nearly 70% of newer firms (founded in 2000 or after) experienced some growth in 2013**, while 48% of those with more tenure grew.

Companies predominantly selling through person-to-person or door-to-door methods experienced higher sales growth in 2013 than companies that predominantly sell through home parties, groups or classes. The same was true in 2012. A trend is emerging in the industry: after times of crisis such as 9/11 and the 2008 financial collapse, sales through the party plan model tend to increase. By comparison, in the absence of national crises the person-to-person method continued to be the leading strategy in 2013.

The share of sales for wellness and other services categories has steadily increased since 2009, while personal care and home & family care/home durables have experienced a gradual decline in share of sales over the past three years.

The salesforce continues to be **predominantly female, however the number of males in the field has increased** steadily for the past five years**.**

Context

In comparison to external measures, the **direct selling annual growth rate of 3.3% is similar to the GDP growth rate of 3.4%.**

Comparing direct selling to other industries:

- U.S. Retail sales for 2013 increased to $5.087 trillion, up 4.2 percent from 2012. Internet sales were at $450 billion, up 10.3 percent from 2012. Internet sales increased more than twice as fast as overall sales. [1]

"Online sales are attractive to direct sellers because they allow representatives opportunities to broaden their sales reach. They also help with customer time constraints that can affect both party-plan and person-to-person organizations. Online offerings allow direct sellers to stay on trend in the marketplace."

-**Jeff Morris**, The Pampered Chef

3 Executive Summary (continued)

Context (continued)

- The nutritional supplements industry, which includes vitamins, minerals and supplements, is one of the fastest growing industries in the world. The segment produced $32 billion in revenue in 2012 and is projected to double by 2021, according to the Nutritional Businesses Journal. While a decade ago, the nutritional supplement demand was largely limited to “muscle-heads and weekend warriors,” now it’s seeing more mainstream appeal within the overall population.[2]
- According to a 2014 International Franchise Association report, “franchises will create nearly 200,000 new jobs, outpacing the job growth rate of the rest of the private sector. The top growth sectors for franchise jobs will be business services (3.8%), commercial and residential services (3.1%), and quick service restaurants (2.4%). In addition, the number of franchise businesses will grow by 1.7%, faster than in 2013, but in-line with overall business formation growth.” [3]

Total retail sales fell more sharply in 2009 than the rest of the economy, but retail sales have grown more rapidly than other components of the economy during 2010 to 2012. However, preliminary retail sales growth of 4.2% in 2013[4] is down from 5.1% growth in 2012. Direct sales’ percent of retail sales is on par with the previous two years at 0.72%.

Sales People

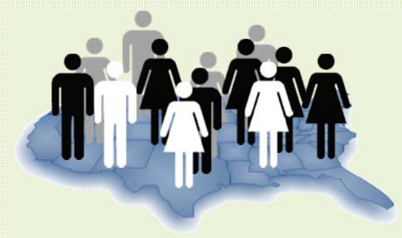
The direct selling industry has 16.8 million independent sales representatives, a more than 5% increase from 15.9 million in 2012. The percentage of households estimated to have a direct sales person as a member is the same as in 2012 at 13.8% of U.S. households. The majority of these direct sellers work part-time at their direct selling business.

The recruitment rate (number recruited during the year as a percentage of sellers during the year) increased 2.7% (or by 1 percentage point) in 2013 to 37.5%. The dropout rate is 35.7%, similar to 2012.

Outlook

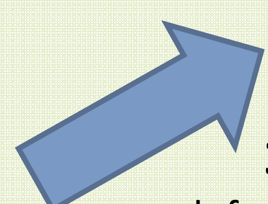
The industry continues to grow after several flat or declining years during the recession and early economic recovery. Sales have continued to expand from the USD 30.8 billion in 2007, reaching USD 31.63 billion in 2012 and USD 32.67 billion in 2013. This data suggests a sustained recovery from the recession of the past half decade. The growth rate of 3.3% was in line with the **DSA expectation of 3% - 5% annual growth for the next five years**, with a prediction to reach approximately USD 41 billion in sales in 2019.

Direct Selling
Industry:



16.8 million
independent representatives

13.8% of
households



3.3%
growth for ***2013***

3-5% growth
expected annually

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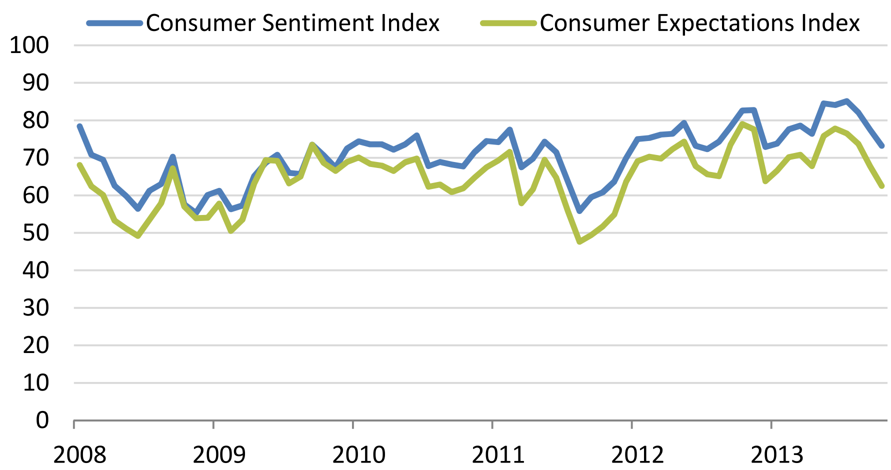
Outlook

Many factors influence the outlook for the direct selling industry, from macro economics to industry-specific trends.

Considering the macro economic outlook, the Congressional Budget Office (CBO) expects **growth at a solid pace**. The outlook forecasts "real GDP (output adjusted to remove the effects of inflation) is expected to increase by roughly 3 percent between the fourth quarter of 2013 and the fourth quarter of 2014—the largest rise in nearly a decade. Similar annual growth rates are projected through 2017."[5]

Another informative indicator is the index of consumer expectations published by University of Michigan. Despite continued economic recovery, this research indicates that consumers remain cautious with modestly improving sentiments and expectations: "The correspondence between the Sentiment Index and GDP growth remains close, with consumers expecting a somewhat slower pace of growth during the year ahead" [6] when measured in the fall of 2013.

Consumer Indices: January 2008 - October 2013



Source: University of Michigan Survey Research Center: Index of Consumer Expectations

"Direct selling allows individuals to prioritize their lives around what matters most to them. People today are looking to work the hours they want to work, feel proud about the products and the company they represent and to have the opportunity to give back at the same time. Direct selling provides all those things and therefore will continue to be sought out by younger generations and those that want that personal freedom in their lives."

-**Meg Sheetz**, Take Shape For Life, Inc.- Medifast

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Outlook (continued)

Recent indicators from companies within the industry also are positive:

- Sales for 14 of the top 20 U.S. direct selling member companies grew in 2013.
- Newer companies continue to grow at a strong pace and are contributing to overall industry growth.
- The service and wellness categories continue to grow and gain market share.
- Another continuing trend is the growth in the direct sales energy sector. The de-regulation of energy in several U.S. states has provided an opportunity for direct selling.

Overall **the direct selling business model appears likely to continue its growth trajectory of the last three years**.

DSA **projects a 3% to 5% annualized growth rate for direct selling over the next five years**, similar to the growth rate of the past two years.

"Many of the companies named to DSA's 20 Largest Direct Selling Companies list rank among the top businesses in the United States in categories such as health and wellness, clothing and accessories, personal care and energy."

- Direct Selling Association (DSA) Press Release: 20 Largest Direct Selling Association Member Companies for 2014.

The 20 Largest Companies:

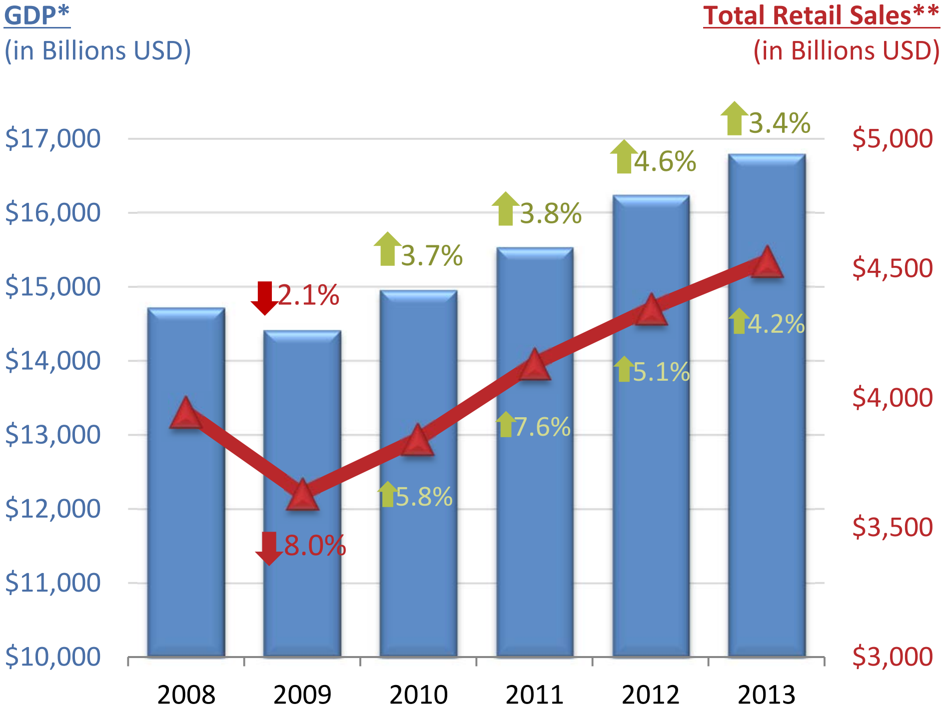
- Fourteen of the 20 largest companies experienced growth in sales in 2013
- Retail sales for this group grew 5.3% in 2013
- The top 20 companies account for $13.39 billion in retail sales which is 41.0% of the 2013 total retail sales of $32.67
- Nineteen of the top 20 companies participated in the Growth & Outlook 2014 survey
- The top 20 companies, in alphabetical order, are:
  - AdvoCare International, LP
  - Ambit Energy
  - Amway
  - Arbonne International, LLC
  - Avon Products, Inc.
  - CUTCO/Vector Marketing Corp.
  - Herbalife
  - Isagenix
  - LifeVantage Corporation
  - Mary Kay Inc.
  - Melaleuca, Inc.
  - Nu Skin Enterprises
  - The Pampered Chef
  - Scentsy, Inc.
  - Stampin' Up!
  - Stream Energy
  - Take Shape For Life, Inc. - Medifast
  - Team Beachbody
  - Thirty-One Gifts
  - USANA Health Sciences, Inc.

Economic Context

The U.S. economy continued its slow climb out of the recession during 2013. Most indicators of economic activity maintained the positive trend and reflect a healthy economy. The unemployment rate continued to decline even though it is still high by historical standards. Housing sales and prices began to rebound in many parts of the country, accelerating as the year progressed and contributing to higher consumer optimism. Business leaders, while still wary, showed increased signs of optimism as the year progressed.

Consumer debt remained at a level similar to 2012, but consumer spending also increased throughout the year. As a result retail sales were up 4%, not as strong a gain as the increases of the past several years, but still healthy for the sector.

GDP and Total Retail Sales



**Source: U. S. Department of Commerce, Bureau of Economic Analysis National Economic Accounts http://www.bea.gov/national/index.htm#gdp; GDP is in billions of current dollars*

***Total Retail Sales excluding food service sales*
Source: www.census.gov/retail

Economic Context (continued)

The annual average unemployment rate rose significantly from 2008 to 2010 and began to experience a slight decline in 2011. That decline continued in 2012 and 2013.

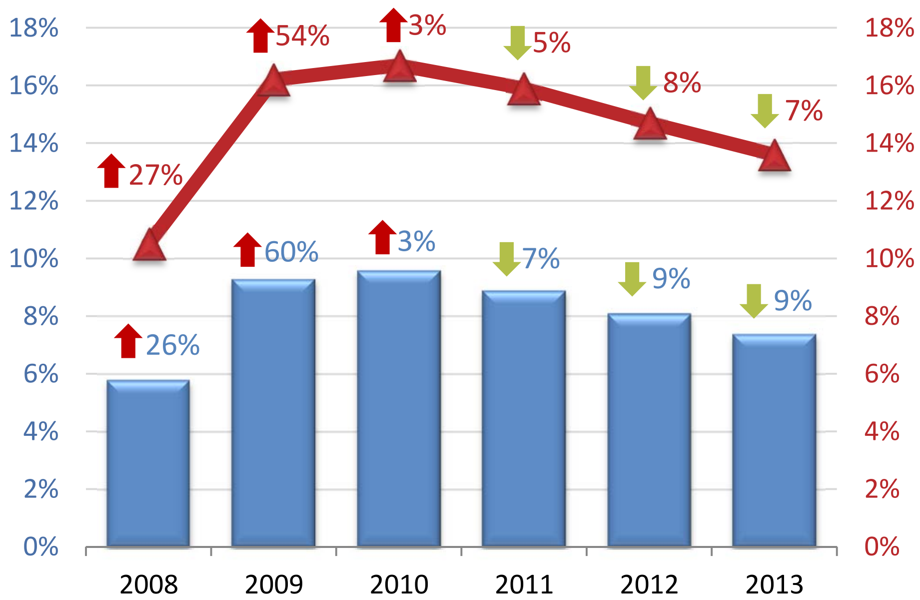
The unemployment rate might actually be higher than the numbers reflect due to the change in federal extended unemployment benefits and because metrics do not capture the high number of discouraged workers who drop out of the workforce when they cannot find employment.

Some economists point out that two events may occur when unemployment benefits are curtailed: some people opt for a job that is not their ideal choice (such as part-time vs. full-time), and others simply drop out of the work force. In either situation they are not counted as unemployed, so the unemployment rate may decline slightly as a result. Thus, the underemployment rate is sometimes considered a better measure than the employment rate. The underemployment rate has been falling at a slower rate than unemployment since 2011.

Direct selling offers flexible work opportunities for those that are unemployed or underemployed.

Actual Unemployment Rate
(U-3: Official unemployment rate, which is the proportion of the civilian labor force that is unemployed but actively seeking employment)

"Underemployment" Rate
(U-6: most comprehensive measure of unemployment and includes discouraged, marginally attached and part-time workers)



Source: U. S. Department of Labor, Bureau of Labor Statistics, http://www.bls.gov/cps/prev_yrs.htm/

Note that neither the actual nor the underemployment rate fully capture the true unemployment rate in the U.S. because neither metric captures the significant number of discouraged workers who have dropped out of the workforce.

"There's a strong argument that given the Great Recession's damage to the economy, and because millions of Americans … have simply given up their job search, the U-6 rate [or underemployment rate] is a more accurate reflection of national employment. Like the "official" rate, the U-6 essentially doubled between 2007 and 2009; unlike the official rate, it's not coming down as fast.

But most news organizations don't cover the U-6 rate, and many economists don't focus on it. Donald Marron of the Brookings Institution was among the few economists who regularly monitored it through the recession and the recovery… (and said) that the U-6 offered a broader look at where the nation stood.)"

-**Dan Diamond,**
Contributor, Forbes

Source: 7/5/2013 "Why the 'Real' Unemployment Rate is Higher Than You Think." http://www.forbes.com/sites/dandiamond/2013/07/05/why-the-real-unemployment-rate-is-higher-than-you-think/

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Estimated Total Direct Retail Sales

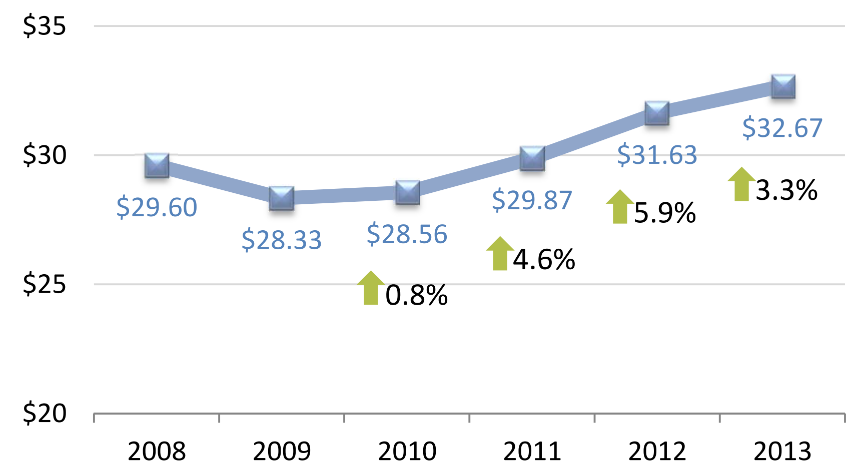
2013 Estimated Total Direct Retail Sales

The 2013 estimated retail sales of **USD 32.67 billion for the direct selling industry were up 3.3% in the United States**, from USD 31.63 billion in 2012.

The U.S. market increase of 3.3% in 2013 continued an upward trend that began after 2009 and brought the industry to a record high.

Direct sales grew 0.8% in 2010, 4.6% in 2011 and 5.9% in 2012.

Estimated Direct Retail Sales* - (in Billions USD)



**Direct retail sales are defined as the dollar amount paid by the ultimate consumers of the products or services. These are estimated direct retail sales based on survey data and extrapolated data from secondary sources.*

The majority of companies in the industry grew in 2013. Nearly **six out of 10 companies (58%) experienced growth in 2013** while approximately four out of 10 (42%) experienced either no growth or a decline in direct retail sales.

Change in Direct Retail Sales Growth

58% Experienced growth (>0%)

42% Experienced no growth or a decline

Source: 2013 Growth & Outlook Survey data. Base = 94

"Direct selling in the United States is an important part of the economy for millions of Americans who benefit in a variety of ways, ranging from buying their favorite products at a discount to earning supplemental or full-time income. Strong growth in this sector indicates consumers are seeking unique, quality products and services, and also value the personal interaction and service that are cornerstones of the direct selling model."

*-**Joe Mariano**, DSA*

"Being able to offer a unique business opportunity without a huge investment of capital is empowering. Technology today provides so many opportunities for individuals to have their own business on their own time, and for those who are motivated it can provide unparalleled income."

-**Bob Roche**, Aloette Cosmetics

"People can enter the industry through a variety of companies and the support for start-up operations has never been better."

-**John Whelpley**, Cutco/Vector Marketing Corporation

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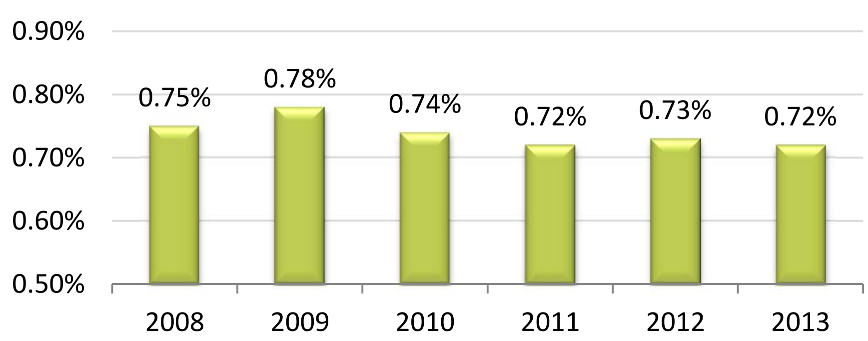
Estimated Total Direct Retail Sales (continued)

The ratio of direct retail sales to retail sales has remained fairly consistent over the past six years. Estimated direct retail sales account for less than 1% of total retail sales, suggesting that there is significant opportunity for growth.

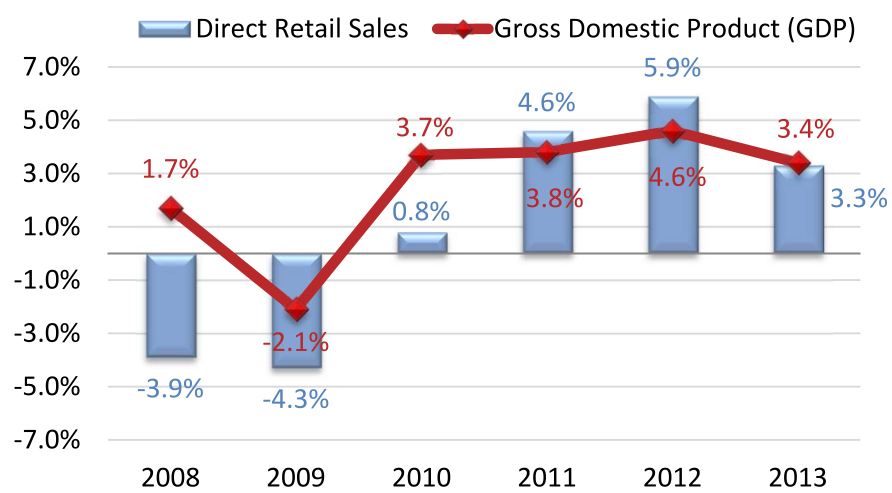
Estimated Direct Retail Sales as a Percentage of Retail Sales



Note: These are estimated direct retail sales based on survey data and extrapolated data from secondary sources.

Following two years of estimated direct retail sales growth exceeding the U.S. economic growth, as measured by GDP, 2013 estimated direct retail sales growth slowed to nearly matching the U.S. GDP growth.

Estimated Direct Retail Sales



Note: These are estimated direct retail sales based on survey data and extrapolated data from secondary sources.

Look for retail sales to accelerate this year, gaining about 5% from December 2013 to December 2014 , following a more moderate gain of just over 4% in 2013. A stronger economy, benefiting from declining unemployment plus wage gains, will help.

Source: Kiplinger's Economic Outlooks by Gillian B. White. Kiplinger.com, April 15, 2014

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Industry Dynamics

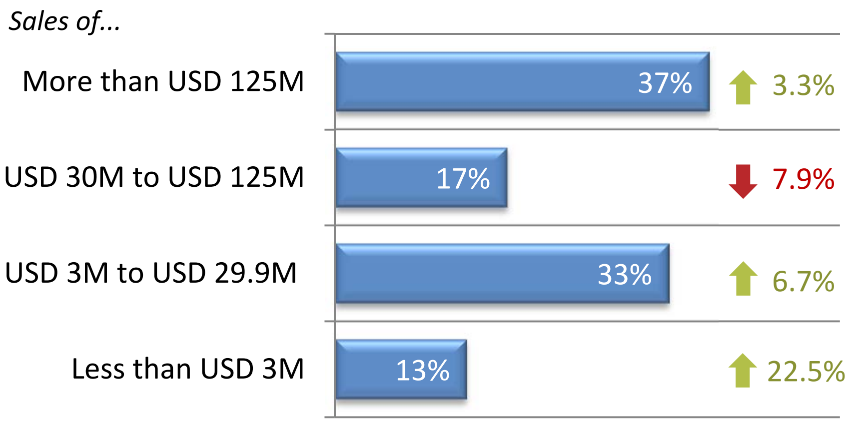
Growth by Category

Direct selling companies are fairly evenly distributed along a continuum based on sales volume.

Not all categories of the direct selling industry are growing at the same rate. Areas of strongest growth include:

- The **smallest direct selling companies** (those with estimated retail sales of USD 3 million or less) had growth of more than 22% in annual retail sales over 2012. Note that these firms are growing on a smaller base than more established firms.
- Companies predominantly selling through **person-to-person or door-to-door** methods experienced stronger growth in 2013.
- **Newer firms** – Nearly 76% of firms founded in the year 2000 or after experienced sales growth in 2013, versus 46% of those founded before the year 2000.
- The **Services** category and the **Wellness** category continued to show growth as a share of total direct retail sales while Home & Family Care/Home Durables and Personal Care product sectors continued their decline in 2013 as a share of total direct retail sales.

Growth Rates by Size of Company



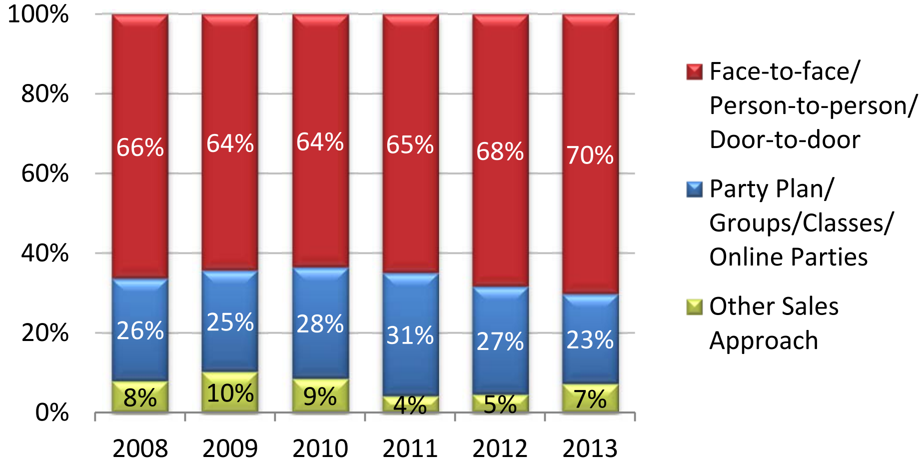
Percentages in the above chart indicate the percent of responding firms in each size category. Percentages outside of the chart (in red and green) indicate the overall percent change in average annual retail sales for that size category.

Source: 2013 Growth & Outlook Survey data. Base = 94

Industry Dynamics (continued)

Estimated Direct Retail Sales by Method

Person-to-person selling continues to account for two-thirds of sales, however, the industry is in flux in terms of how to approach and view online sales when they occur in support of other methods.



Source: Estimated based on survey data and extrapolated data from secondary sources.

Note: 2011-2013 percentages are not strictly comparable with 2008 - 2010 because of slight changes in question wording and categories. "Other Sales Approach" category includes sales at personal and company websites and via social media, sales at events and fairs, reorders, etc.

Growth by Company Tenure

Companies that started direct selling in the U.S. in 2000 or after had stronger sales growth in 2013 than companies that started direct selling in the U.S. before 2000. This stronger growth rate for newer firms is likely due to the fact that they are growing on a substantially smaller base than more established firms. The direct selling climate is favorable for newer companies because of lower barriers to entry, higher productivity per employee (due to the independent salesforce sales), making it easier to approach economies of scale and providing the ability to scale up quickly.

Estimated Direct Retail Sales by Company Tenure

	Before 2000	2000 or After
Percent of firms with sales growth in 2013	47.9%	69.8%
Percent change in average annual direct retail sales	0.9%	8.4%

Source: 2013 Growth & Outlook Survey data. Base = 94

From the Sales Strategy Survey of DSA member companies:

- *More companies are using multiple strategies and 10% of companies have online sales of 50% or greater.*
- *Nearly three quarters (73%) of direct selling companies expect online sales to increase or stay the same in the next five years.*

Source: Direct Selling Association Sales Strategy Survey, December 2013, www.dsa.org

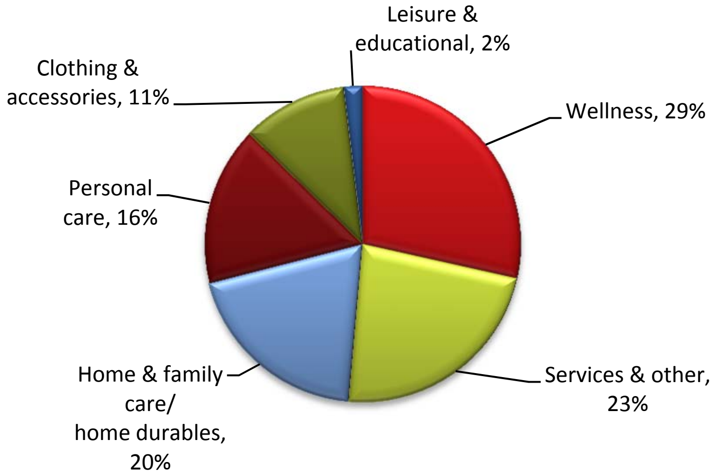
Industry Dynamics (continued)

Revenue by Product Category

The two product categories that continue to gain share as a percentage of retail sales in the direct selling industry are Wellness and Services.

Home & Family Care/Home Durables and Personal Care have experienced a decline since 2008. Clothing & Accessories and Leisure & Educational remain relatively unchanged.

Share of 2013 Direct Selling Industry Retail Sales



Source: Estimated based on survey data and extrapolated from secondary sources.

Category Descriptions:

- **Wellness Products:** Weight management products/programs (weight management supplements, meal replacement bars & drinks), nutritional supplements (vitamins, minerals, dietary supplements, herbals & specialty), sports/energy & body-building (body-building supplements, energy bars, sports & protein drinks), health foods & beverages, children's supplements, exercise equipment, health/nutrition/fitness, instructional materials
- **Services:** Financial services, telecom/long-distance services, Internet services, (e.g., ISP, website design, email services), energy (gas, electric, etc.), legal services, group buying clubs/services, travel services
- **Home & Family Care:** Home care/cleaning products, auto care products, animal & pet care products, gourmet foods & beverages
- **Home Durables:** Cookware, cutlery, crystal/china, house/kitchenware, tableware, candles, gifts, decorative, accessories, holiday decorations, collectibles, art/framing, gardening, furniture/furnishings, home appliances, air filters/air filtration systems, water treatment systems/filters, vacuum cleaners, bedding & linens
- **Personal Care:** Cosmetics, skincare, fragrances, hair care, nail care, toiletries/daily care/oral care
- **Clothing & Accessories:** Clothing, lingerie, sleepwear, jewelry, fashion accessories
- **Leisure/Educational Products:** Books, encyclopedias, educational publications, CDs/cassettes/videos/DVDs, computer software, crafts, toys and games, scrapbooking/photo albums/photography, sporting goods

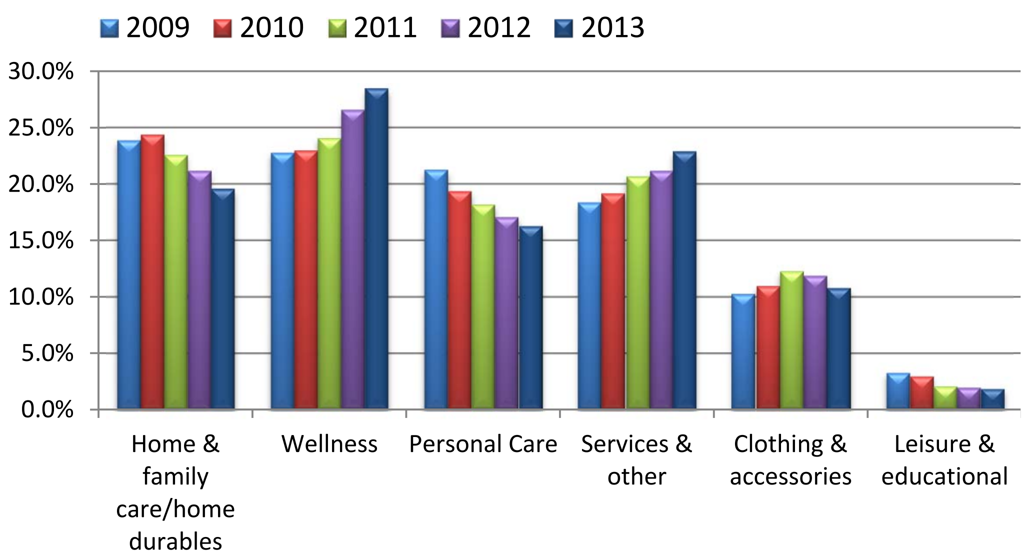
Industry Dynamics (continued)

Wellness and Service Sector Growth

Various factors may contribute to the growth in direct selling's wellness category including: uncertainty about health care and rising costs of health care coverage and medical expenses. Many consumers are incentivized by their medical insurance plans to maintain a healthy lifestyle. Further, as the population ages, enters retirement and lives longer, the payoff for good health is a multiple of a longer life expectancy.

The growth in the services sector may be fueled by the deregulation of utilities and new and improving energy technology such as solar and wind power devices, VOIP and internet service options.

Share of Direct Selling Industry Retail Sales 2009-2013



Source: Estimated based on survey data and extrapolated from secondary sources.

***Service Category Growth**: "Services, the biggest chunk of the U.S. economy, picked up in April as gains in orders and sales signaled even faster growth ahead.*

Retailers, restaurants and construction companies were among the 14 industries reporting growth last month as the world's biggest economy rebounds from a weak first quarter. Increased hiring sets the stage for stronger consumer spending that will benefit companies such as United Parcel Service Inc. (UPS)."

Source: Bloomberg.com - Orders Propel U.S. Service Industries as Sales Improve, By Shobhana Chandra, May 5, 2014

Transformations in health care are "resulting in far more consumer-centric products and services," stated Consumer Electronics Association (CEA) President and CEO Gary Shapiro. *"Design innovations, advancing technology and the widespread adoption of mobile devices mean consumer-centric care is now possible in ways we never imagined. Continued innovation promises to increase personalization, reduce costs and provide novel new solutions to our health care challenges."*

Source: CEA forecasts personal health-and-wellness product market will reach $8 billion in sales by 2018, Drug Store News, 1/3/2014, By Michael Johnsen, http://www.drugstorenews.com/article/cea-forecasts-personal-health-and-wellness-product-market-will-reach-8-billion-sales-2018[9]

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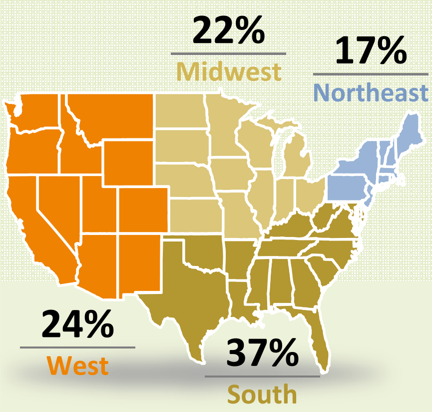
Industry Dynamics (continued)

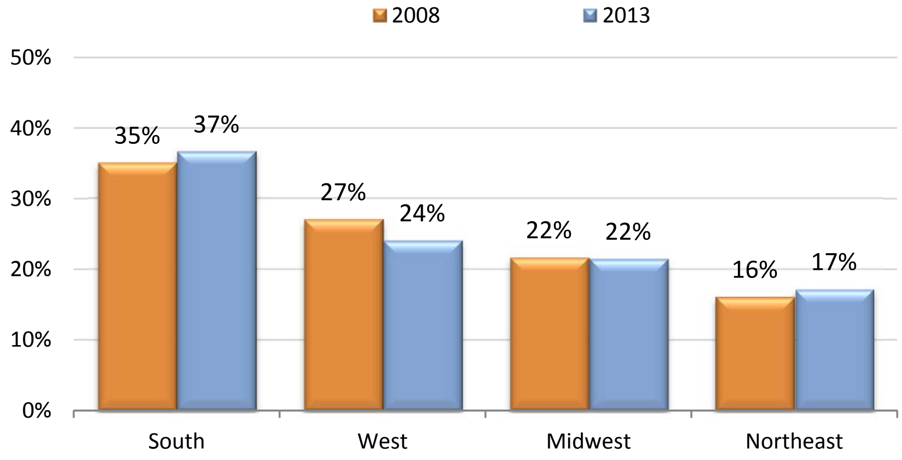
Revenue by Region

The share of sales by geography did not experience any real change between 2008 and 2013.

The South is the most populated region; it comprises 37.2% of the total U.S. population according to the U. S. Census Bureau, Census 2010 (www.census.gov). This is in alignment with the direct selling industry share of sales.



Share of Direct Selling Industry Sales by Region



Note: The chart excludes information on the sales share for the U.S. commonwealth and territories of Guam, Puerto Rico and the U.S. Virgin Islands, which was not collected for 2008 - 2010. The share for 2011 and 2012 was 0.6% and 0.5% in 2013.

Source: Estimated based on survey data and extrapolated from secondary sources.

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Industry Dynamics (continued)

Employment

The number of people employed by direct selling companies decreased 0.6% in 2013; however, the annual retail sales per employee rose in 2013 to USD 615,254, an increase of 3.9%. The number of direct sellers per employee is 203, an increase of 3.5% since 2012.

0.6%	3.9%	3.5%
Percentage change in the number of employees of direct selling companies	**USD 615,254** Annual retail sales per employee	**203** Number of direct sellers per employee*

** Year-end number of direct sellers divided by the year-end number of employees.*

Source: Estimated based on survey data and extrapolated from secondary sources.

Leveraging the independent salesforce is a unique opportunity for direct selling companies. Conversely, traditional businesses can require higher start-up costs in employees, real estate, equipment and materials. Lower barriers to entry and scalability can make direct selling seem start-up friendly.

It is helpful for member companies to compare the ratio of their direct salesforce (independent contractors and not employees of the company they represent) and employee workforce to other similar-sized organizations. Retail sales per employee rise substantially as company size increases.

Larger firms can take advantage of economies of scale when it comes to support services, translating to much higher average sales per employee.

	Very Small (Under USD 3M)	**Small** (USD 3 to USD 29.9M)	**Mid-Size** (USD 30 to USD 125M)	**Large** (Over USD 125M)
2012 average number of employees per firm	7	43	231	864
2013 average number of employees per firm	8	42	208	870
2012 retail sales per employee*	USD 154k	USD 232k	USD 391k	USD 612k
2013 retail sales per employee*	USD 149k	USD 260k	USD 409k	USD 627k

**Annual retail sales of consumer products and services divided by the year-end number of employees.*

Source: 2013 Growth & Outlook Survey data. Base=81.

Definition:

A ***direct seller*** is defined as an independent contractor eligible to order product/services during the year.

Direct sellers may be called distributors, representatives, consultants or various other titles. They may participate in various ways, including selling the products themselves or through their sales organizations, providing training and leadership to their sales organizations, referring customers to the company and purchasing products and services for personal use.

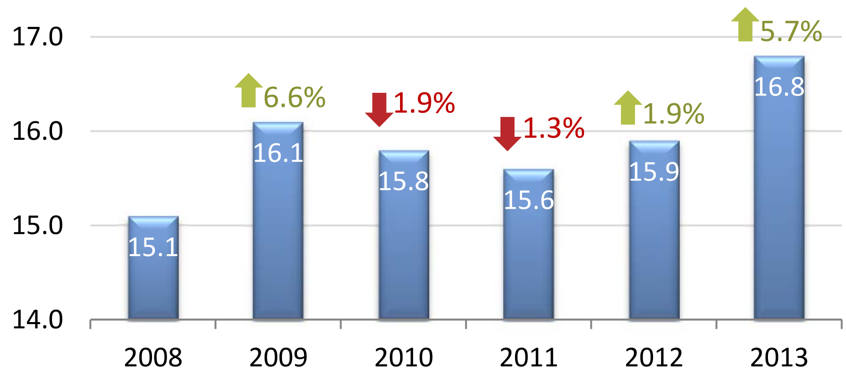
8 Salesforce

The size of the direct selling salesforce increased 5.7% to 16.8 million in 2013, a record high.

The industry experienced a surge of new direct selling independent representatives at the height of the recession. The slight reduction in salesforce size in 2010 and 2011 could be explained by normal attrition and the fact that some people join the industry for the short term. The size of the industry's salesforce is once again on the rise.

U.S. Direct Salesforce 2008 - 2013

Millions of People



Note: These are estimated data based on survey data and extrapolated data from secondary sources.

From DSA's 2014 National Salesforce Study: *Flexibility and reward for effort are among the chief motivators for the salesforce.*

- ***Flexibility:*** *More than half (54%) say the flexibility to balance work and home life is a reason they became a direct seller and two thirds (65%) say flexibility is a reason they continue as a direct seller.*
- ***Supplemental Income is Key:*** *Nearly half (48%) say they became a direct seller for the long-term supplemental income and six in ten (62%) cite long-term supplemental income as a reason for continuing as a direct seller.*
- ***Hard Work Counts:*** *Four in ten say they became a direct seller because "the harder I work, the more income I make." (Six in ten cite it as a reason for continuing).*
- ***Direct Selling as a Career:*** *A striking figure is the number of people who consider direct selling a career, especially after they experience the industry. One-quarter (23%) say 'direct selling is a career for me' is a reason they joined the industry and 41% say it is a reason for staying in the industry.*
- ***Recognition for Accomplishment is Critical:*** *Nearly half (46%) say recognition is a reason they continue to be a direct seller.*

Source: Direct Selling Association 2014 National Salesforce Study, April, 2014. www.dsa.org

Salesforce (continued)

Salesforce Compared to Estimated Direct Retail Sales

The annual percentage change in the number of direct sellers and the annual percentage change in estimated direct retail sales reflect trends in the overall economy. During the difficult economic times in 2008 and 2009 people turned to direct selling for opportunities. 2010 and 2011 saw a decrease in the number of direct sellers, but a return to growth in direct sales overall as the economy began improving. In 2013, sales growth continued but not at the rate of 2012, while the growth in sellers showed a strong increase over 2012 – this may signal a slight downturn in salesforce productivity.

Annual Percent Change

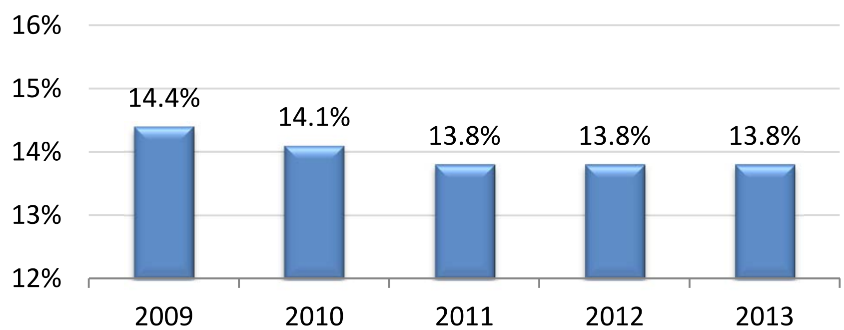
	2008	2009	2010	2011	2012	2013
Direct Sales (USD)	-3.9%	-4.3%	0.8%	4.6%	5.9%	3.3%
Number of Sellers	0.7%	6.6%	-1.9%	-1.3%	1.9%	5.7%

Note: These are estimated direct retail sales based on survey data and extrapolated data from secondary sources.

Salesforce as a Percentage of U.S. Households

The estimated percentage of U.S. households that have a direct seller as a member was 13.8% in 2013, where it has been since 2012. (It is possible that a household has multiple direct sellers, such as a couple that runs a direct selling business together, or that a direct seller may represent more than one company.) The five-year high of this estimated household penetration rate was 14.4% in 2009 when the economy hit its lowest point.

Sellers as a Percent of Households



Note: These are estimated data based on survey data and extrapolated data from secondary sources.

"I believe there are two major developments that will have tremendous impact on the direct selling industry in the next five years. The fickle nature of the economy will drive people to search for business opportunities where their effort can equal their financial outcome. Secondly, there are more graduates coming out of college than there are jobs available for them to take. In the future, direct selling will be a viable option for younger generations to get the freedom they seek, reap the financial rewards and still give back to their communities."

-**Meg Sheetz,** Take Shape For Life, Inc. -Medifast

"Direct selling always has been and always will be about the people. Our distributors are the face of our industry, and the carriers of our individual brands. Prior to being exposed to direct selling, most people have never been shown how to succeed in business and they've certainly never had an opportunity to take back control of their own lives. Providing a vehicle that empowers individuals – many for the first time ever – is what sets us apart as an industry."

*-**Dave Merriman**, ACN, Inc.*

8

Salesforce (continued)

Salesforce Recruitment and Attrition

Approximately one-third of the 2013 salesforce were new recruits (37.5%), and the dropout rate was 35.7%. Both the recruitment rate and the dropout rate are consistent with 2012 rates

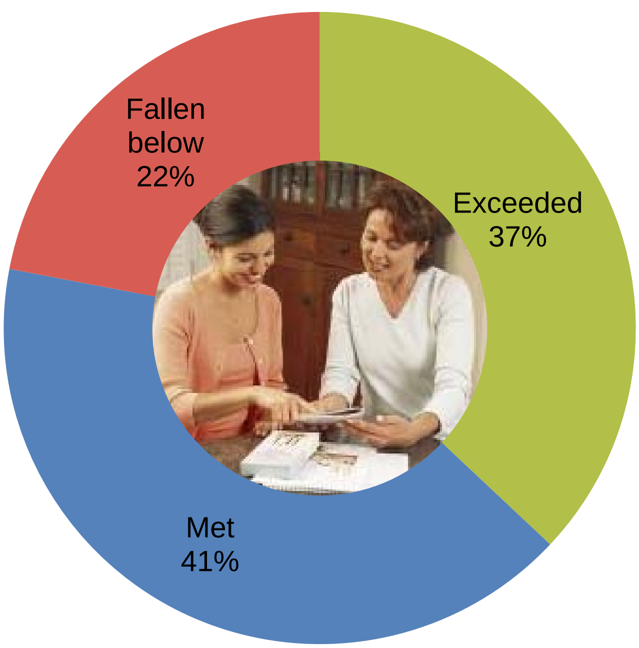
37.5%
Recruitment Rate in 2013
(Number recruited during the year as a percentage of sellers during the year)

35.7%
Dropout Rate in 2013
(Number dropped during the year as a percentage of sellers during the year)

Source: Estimated based on survey data and extrapolated from secondary sources.

Expectations for Direct Selling

The 2014 National Salesforce Study found that 78% of direct sellers report that their experience has either met or exceeded their expectations.



Source: 2014 National Salesforce Study

Among respondents who participated in the Direct Selling Association 2014 National Salesforce Study, six in ten independent sales representatives have represented their company for two or more years. Nearly two in 10 (18%) have represented their company for more than 10 years.

Source: Direct Selling Association 2014 National Salesforce Study, April, 2014. www.dsa.org

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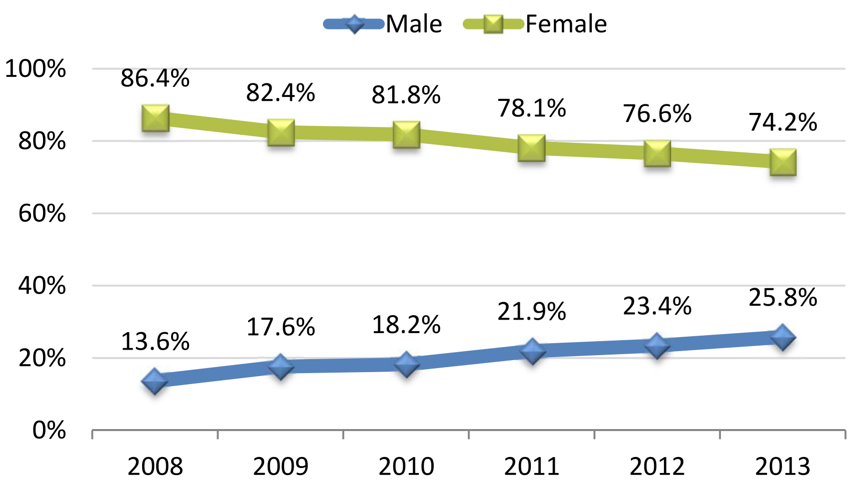
Salesforce (continued)

Salesforce by Gender

The salesforce continues to be predominantly female, but the number of males in the field has increased steadily for the past five years.

Gender Makeup of Direct Sellers

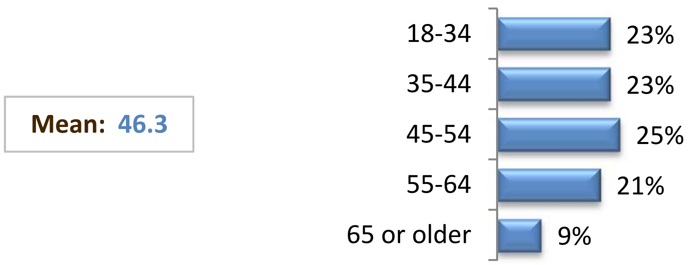


Source: 2013 Growth & Outlook Survey data. Base = 94

Salesforce by Age

The salesforce is diverse across age groups including Millennials.

Age



Source: 2014 National Salesforce Study

Females are much more likely to become and stay on as a direct seller for the product discount; males are more likely to think of direct selling as long-term supplemental income and a career.

Females spend more time hosting parties than males and have higher retail sales per party. They are also more likely to say they work at their business continuously.

Source: Direct Selling Association 2014 National Salesforce Study, April, 2014. www.dsa.org

- *Most independent sales representatives are female; about three quarters are married.*
- *About half of direct selling representatives have children under 18 at home.*

Source: Direct Selling Association 2014 National Salesforce Study, April, 2014. www.dsa.org

Methodology

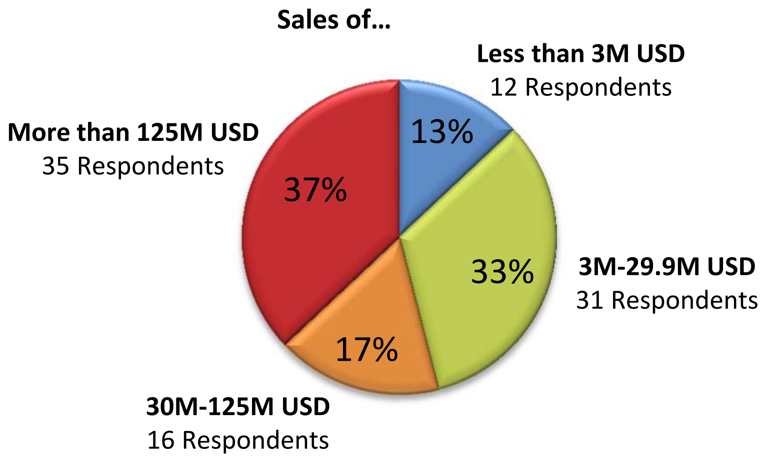
The annual *Growth & Outlook Survey* is the primary resource for creating a comprehensive review of the status of 2013 direct selling in the U.S. The questionnaire for this year's survey was distributed via email by the USDSA to direct selling companies on January 23, 2014, with a due date of March 7, 2014. Every effort is made to encompass the entire direct sales industry including non-members and the many small and start-up companies. USDSA staff followed up extensively to encourage participation. Nathan Associates Inc., an independent third-party research firm, compiled survey results and strictly protects participant confidentiality. Artemis Strategy Group assisted with the creation of the final report.

Company Participation 2013

Out of 166 member companies and 67 companies in the pending process, 94 firms participated in the survey this year, including 46 (92%) of the 50 largest members.

The following statistics refer to respondents of the *2013 Growth & Outlook Survey*, not the full direct selling market.

Estimated Direct Retail Sales of Responding Companies



Methodology (continued)

Other Data Sources

While the annual *Growth & Outlook Survey* provides an extensive amount of data about companies that participate, additional resources are needed to estimate the size and activity of ***all*** direct selling in the U.S. Therefore, the following data sources were used:

- Company responses to USDSA's *DataTracker*, a quarterly performance survey of USDSA members
- USDSA's database of member and non-member companies
- Previous Growth & Outlook analysis
- Public company filings with the U.S. Securities and Exchange Commission
- Information made public by companies through press releases and their websites
- Media articles
- Company information from private vendors, such as Dun & Bradstreet

Information sources outside the industry were used to provide benchmarks with which to compare U.S. direct selling. The WFDSA contributed additional statistics on direct selling to provide global industry context. U.S. statistics on gross domestic product, overall retail sales and number of households were compiled from U.S. Government sources.

How Direct Selling Companies Use the Survey Findings

Companies use the survey findings to **benchmark** their performance against their peer groups of companies and against direct selling companies in general.

Direct selling companies use the survey findings to describe the direct selling model and tell the direct selling story

- to media representatives,
- to investment and financing companies and other funding sources,
- to legislators and regulators,
- to potential customers of the direct selling income opportunity,
- to potential customers of products and services,
- and to company employees, especially those new to direct selling.

"We feel we have a responsibility to contribute to the overall outlook of the DSA. In addition, we rely on the results of the survey to measure our own performance. We are constantly communicating our results and working internally on strategy to improve where necessary."

-**Bob Roche**, Aloette Cosmetics

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Appendix

Definitions

Direct Retail Sales – the dollar amount paid by the ultimate consumers of the products and services.

Direct Seller – an independent contractor eligible to order products/services during the year; direct sellers may be called distributors, representatives, consultants or various other titles, and may participate in various ways, including selling the products themselves or through their sales organizations, providing training and leadership to their sales organizations, referring customers to the company and purchasing products and services for personal use. *Compensation* is ultimately based on sales and may be earned based on personal sales and/or the sales of others in their sales organizations.

Direct Selling – a business model that offers entrepreneurial opportunities to individuals as independent contractors to market and/or sell products and services, typically outside of a fixed retail establishment, through one-to-one selling, in-home product demonstrations or online.

Employee – a person who is hired to provide services for a company on a regular basis in exchange for compensation and who does not do the same work as part of an independent business.

Party Plan Sales Strategy – the sale of a product or service in a group or class setting and away from a fixed location, often in the home of a host or hostess

Person-to-Person Sales Strategy – a one-to-one sales interaction generally involving a salesperson and one customer, away from a fixed retail location, often in the home of the customer or in a mutually agreeable location.

Definition:

Estimated retail sales are direct selling company revenues plus an estimated retail margin. Example: $100 in net sales / .75 = $133 in estimated retail sales. Conversely $133 x .75 = $100.

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Appendix (continued)

[Link to Growth & Outlook Questionnaire]

Endnotes

1 Pisani, Bob. "Stocks rebound from Monday's Losses," *CNBC,* http://www.nbcnews.com/video/cnbc/54066587#55133978 (accessed January 14, 2014).

2 Lariviere, David. "Nutritional Supplements Flexing Muscles as Growth Industry," *Forbes*, http://www.forbes.com/sites/davidlariviere/2013/04/18/nutritional-supplements-flexing-their-muscles-as-growth-industry/ (accessed January 14, 2014).

3 Hackbarth, Sean. "For Faster Growth, Franchise Industry Calls for Comprehensive Tax Reform," *U. S. Chamber of Commerce*,https://www.uschamber.com/blog/faster-growth-franchise-industry-calls-comprehensive-tax-reform (accessed January 14, 2014).

4 The National Retail Federation, "NRF Forecasts 4.1% Increase in Retail Sales for 2014," (Release Date: February 06, 2014) http://www.nrf.com/modules.php?name=News&id=557 (accessed January 14, 2014).

5 The Congressional Budget Office, "The Budget and Economic Outlook: 2014 to 2024," (February 4, 2014) http://www.cbo.gov/publication/45010 (accessed January 15, 2014).

6 Curtin, Richard. "Consumer Behavior Adapts to Fundamental Changes in Expectations" (November 21, 2013) *University of Michigan's Survey Research Center: Index of Consumer Expectations, http://www.sca.isr.umich.edu/fetchdoc.php?docid=48864* (accessed January 15, 2014).

	Industry Wide Estimates	All Reporting Firms	Sales Method: Person to Person	Sales Method: Party Plan/ Groups	Annual Retail Sales: Under $3 Million	Annual Retail Sales: $3-29.9 Million	Annual Retail Sales: $30-125 Million	Annual Retail Sales: Over $125 Million	1st Year of Direct Selling in U.S.: Before 2000	1st Year of Direct Selling in U.S.: 2000 or After
		Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
Total Number of Firms	1,400	94	55	39	12	31	16	35	48	46
U.S. Sales Volume & Growth[1]										
Average Retail Sales per Firm ($thousands)										
2012	$22,593	$216,453	$298,743	$90,733	$905	$9,611	$89,407	$513,410	$321,081	$99,659
2013	$23,336	$221,957	$311,366	$85,358	$1,109	$10,252	$82,319	$530,351	$324,058	$107,983
Percent change	3.3	2.5	4.2	-5.9	22.5	6.7	-7.9	3.3	0.9	8.4
Other 2013 Retail-Sales Growth Rate Data ***Percent Change from Prior Year***										
Simple average[2]	n/a*	28.4	15.1	48.6	153.1	23.0	-1.5	11.0	-0.3	60.4
Median[3] (second quartile)	n/a*	3.0	3.9	2.2	28.6	1.9	-3.6	5.7	-0.4	17.6
Middle 50% range:[4]										
Low (first quartile)	n/a*	-5.9	-3.9	-11.1	-1.8	-7.8	-10.7	-1.0	-7.4	-4.2
High (third quartile)	n/a*	20.3	13.5	28.6	85.6	29.8	4.0	12.8	6.3	62.4
Percent of Firms Whose Growth Rate Was:										
More the 0%	n/a*	58.2	60.0	55.6	70.0	53.3	37.5	68.6	47.9	69.8
Equal or less than 0%	n/a*	41.8	40.0	44.4	30.0	46.7	62.5	31.4	52.1	30.2
Number of Firms		***91***	***55***	***36***	***10***	***30***	***16***	***35***	***48***	***43***

*An industry-wide estimate was not calculated for this item.
Note: Totals may not sum due to rounding.
[1]Company "estimated retail sales" is defined as the total aggregated amount paid by the ultimate consumers of the products and services. Only firms with sales in both 2012 and 2013 are included.
[2]For all reporting firms and for each subgroup of reporting firms, the simple average is derived by calculating a retail sales growth rate (i.e., the percentage change in a firm's retail sales from 2012 to 2013) for each of the reporting firms and averaging them. Each firm counts equally by calculating the average in this manner.
[3]For all reporting firms or for a given subgroup of reporting firms, one-half of the reporting firms had growth rates less than the median value, and one-half had growth rates greater than the median value.
[4]For all reporting firms or for a given subgroup of reporting firms, one-half of the reporting firms had growth rates between the low and high values of the middle 50% range.

	Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey: All Reporting Firms	Sales Method: Person to Person	Sales Method: Party Plan/ Groups	Annual Retail Sales: Under $3 Million	Annual Retail Sales: $3-29.9 Million	Annual Retail Sales: $30-125 Million	Annual Retail Sales: Over $125 Million	1st Year of Direct Selling in U.S.: Before 2000	1st Year of Direct Selling in U.S.: 2000 or After
Sales by Sales Method										
Percent of 2013 Retail Sales										
Person-to-person/face-to-face/door-to-door	70.2	70.6	83.6	6.1	17.9	38.5	60.7	72.0	73.4	62.1
Party plan/groups/classes, including online parties	22.5	22.1	8.4	89.7	76.1	55.4	32.5	20.6	18.3	33.3
Other[1]	7.3	7.3	8.0	4.2	5.9	6.1	6.7	7.4	8.3	4.6
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of Firms		***92***	***53***	***39***	***12***	***31***	***16***	***33***	***46***	***46***

Note: Totals may not sum due to rounding.
[1]Includes sales at personal and company websites and via social media, sales at events and fairs, reorders, etc.

Tabulations of Data from Firms Participating in the Growth & Outlook Survey

	Industry Wide Estimates	All Reporting Firms	Sales Method: Person to Person	Sales Method: Party Plan/ Groups	Annual Retail Sales: Under $3 Million	Annual Retail Sales: $3-29.9 Million	Annual Retail Sales: $30-125 Million	Annual Retail Sales: Over $125 Million	1st Year of Direct Selling in U.S.: Before 2000	1st Year of Direct Selling in U.S.: 2000 or After
Sales by Product Line										
Percent of 2013 Retail Sales										
Clothing & Accessories	**10.8**	**8.10**	**4.27**	**29.35**	**31.28**	**25.97**	**14.60**	**7.33**	**7.18**	**11.19**
Clothing, lingerie, sleepwear, shoes	n/a*	1.41	1.64	0.14	0.71	1.13	0.00	1.52	1.81	0.09
Jewelry, fashion accessories	n/a*	6.69	2.63	29.21	30.57	24.85	14.60	5.81	5.37	11.10
Personal Care	**16.3**	**20.28**	**23.61**	**1.80**	**20.75**	**18.67**	**8.66**	**21.13**	**24.51**	**6.11**
Cosmetics	n/a*	5.84	6.84	0.28	5.39	2.95	1.39	6.20	7.51	0.23
Skin care	n/a*	10.41	12.13	0.88	11.91	9.77	3.26	10.93	11.89	5.43
Fragrances	n/a*	1.96	2.30	0.08	0.00	0.09	2.31	1.97	2.53	0.05
Hair care, nail care	n/a*	0.37	0.37	0.34	2.11	3.71	0.23	0.32	0.41	0.23
Toiletries/daily care/oral care	n/a*	1.70	1.97	0.22	1.34	2.15	1.46	1.71	2.16	0.16
Home & Family Care	[1]	**3.38**	**2.05**	**10.75**	**25.89**	**12.02**	**6.54**	**3.00**	**3.14**	**4.17**
Home care/cleaning products, auto care products	n/a*	2.48	1.91	5.66	21.40	1.22	0.18	2.65	2.12	3.70
Animal & pet care products	n/a*	0.05	0.05	0.04	0.00	1.19	0.00	0.03	0.04	0.06
Gourmet foods & beverages	n/a*	0.85	0.10	5.05	4.49	9.62	6.36	0.31	0.98	0.41
Home Durables	[1]	**12.58**	**5.46**	**52.09**	**6.76**	**7.82**	**19.29**	**12.19**	**11.81**	**15.18**
Cookware	n/a*	1.39	0.07	8.72	0.00	0.88	8.94	0.86	1.80	0.00
Cutlery	n/a*	1.11	1.05	1.49	0.00	0.16	0.09	1.20	1.45	0.00
Crystal/china	n/a*	0.01	0.00	0.03	0.00	0.05	0.00	0.01	0.01	0.00
House/kitchen wares	n/a*	4.59	0.24	28.76	0.00	0.23	1.70	4.87	2.61	11.23
Tableware	n/a*	0.37	0.08	2.02	0.00	0.05	1.25	0.32	0.48	0.02
Candles, gifts, decorative accessories, holiday decorations, collectibles, art/framing	n/a*	1.73	0.23	10.06	6.76	0.00	0.36	1.85	1.14	3.71
Gardening	n/a*	0.15	0.18	0.00	0.00	0.00	0.00	0.17	0.20	0.00
Furniture/furnishings & home appliances	n/a*	0.04	0.03	0.11	0.00	0.00	0.00	0.05	0.03	0.07
Air filters/air filtration systems	n/a*	0.18	0.21	0.04	0.00	2.76	1.31	0.06	0.20	0.12
Water treatment systems/filters & fire eqpt	n/a*	0.30	0.20	0.86	0.00	2.04	0.14	0.29	0.38	0.03
Vacuum cleaners	n/a*	2.62	3.09	0.00	0.00	0.00	5.51	2.46	3.40	0.00
Bedding & linens	n/a*	0.08	0.09	0.00	0.00	1.64	0.00	0.06	0.10	0.00

*An industry-wide estimate was not calculated for this item.
Note: Totals may not sum due to rounding.
[1]Home and family care products / home durables account for 19.6% of sales.

Tabulations of Data from Firms Participating in the Growth & Outlook Survey

	Industry Wide Estimates	All Reporting Firms	Sales Method: Person to Person	Sales Method: Party Plan/ Groups	Annual Retail Sales: Under $3 Million	Annual Retail Sales: $3-29.9 Million	Annual Retail Sales: $30-125 Million	Annual Retail Sales: Over $125 Million	1st Year of Direct Selling in U.S.: Before 2000	1st Year of Direct Selling in U.S.: 2000 or After
Sales by Product Line (Continued)										
Percent of 2013 Retail Sales										
Wellness	**28.5**	**29.48**	**34.69**	**0.57**	**12.07**	**23.78**	**32.40**	**29.38**	**27.67**	**35.56**
Weight mgmt products/programs (wgt mgt supplements, meal replacement bars & drinks)	n/a*	13.42	15.83	0.03	0.00	1.95	1.73	14.45	11.21	20.81
Nutritional supplements (vitamins, minerals, dietary supplements, herbals & specialty)	n/a*	13.15	15.46	0.33	5.58	17.57	29.22	11.94	14.04	10.16
Sports/energy & body-building (body-bldg supplements, energy bars, sports & protein drinks)	n/a*	1.81	2.13	0.03	0.00	0.66	1.27	1.87	2.06	0.96
Health foods & beverages	n/a*	0.46	0.54	0.01	6.49	0.30	0.00	0.49	0.00	2.00
Children's supplements	n/a*	0.22	0.25	0.04	0.00	0.42	0.18	0.22	0.27	0.05
Exercise equipment	n/a*	0.07	0.06	0.13	0.00	1.30	0.00	0.05	0.03	0.21
Health/nutrition/fitness instructional/ materials/other	n/a*	0.36	0.43	0.00	0.00	1.58	0.00	0.37	0.06	1.38
Leisure/Educational	**1.9**	**1.12**	**0.54**	**4.37**	**3.25**	**0.05**	**11.71**	**0.39**	**1.31**	**0.49**
Books, encyclopedias, educational publications	n/a*	0.20	0.24	0.00	0.00	0.01	2.39	0.05	0.24	0.09
CDs/cassettes/videos/DVDs	n/a*	0.03	0.04	0.00	0.00	0.04	0.36	0.01	0.03	0.04
Computer software	n/a*	0.03	0.03	0.00	0.00	0.00	0.00	0.03	0.03	0.00
Toys/games	n/a*	0.19	0.13	0.53	3.25	0.00	0.00	0.21	0.14	0.35
Crafts/scrap booking/photo albums/ photography/stationary/cards	n/a*	0.59	0.00	3.84	0.00	0.00	8.96	0.00	0.76	0.01
Sporting goods	n/a*	0.08	0.10	0.00	0.00	0.00	0.00	0.09	0.11	0.00
Services/Other	**22.9**	**25.05**	**29.38**	**1.08**	**0.00**	**11.68**	**6.81**	**26.59**	**24.38**	**27.30**
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Number of Firms		*92*	*53*	*39*	*12*	*29*	*16*	*35*	*48*	*44*

*An industry-wide estimate was not calculated for this item.
Note: Totals may not sum due to rounding.

	Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
			Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
		All Reporting Firms	Person to Person	Party Plan/ Groups	Under $3 Million	$3-29.9 Million	$30-125 Million	Over $125 Million	Before 2000	2000 or After
Sales by State										
Percent of 2013 Retail Sales										
Alabama	n/a*	1.12	1.08	1.27	0.91	1.85	0.49	1.15	1.20	0.92
Alaska	n/a*	0.24	0.22	0.34	6.54	0.52	0.15	0.24	0.23	0.28
Arizona	n/a*	1.61	1.69	1.33	0.88	1.60	2.35	1.56	1.71	1.41
Arkansas	n/a*	0.65	0.60	0.82	0.01	0.59	0.45	0.67	0.73	0.45
California	n/a*	11.42	12.08	8.89	8.06	12.76	15.30	11.09	13.44	6.76
Colorado	n/a*	1.91	1.95	1.78	0.68	2.44	2.04	1.89	2.18	1.30
Connecticut	n/a*	1.22	1.30	0.91	1.63	0.49	1.51	1.21	0.97	1.80
Delaware	n/a*	0.38	0.39	0.34	0.57	0.19	0.33	0.39	0.43	0.25
Florida	n/a*	4.99	5.38	3.50	3.24	3.31	5.52	4.98	5.52	3.77
Georgia	n/a*	2.76	2.86	2.37	0.89	3.79	2.00	2.80	2.67	2.95
Hawaii	n/a*	0.45	0.45	0.43	0.28	1.79	0.42	0.43	0.44	0.46
Idaho	n/a*	0.58	0.56	0.63	0.27	0.74	0.47	0.58	0.59	0.53
Illinois	n/a*	4.40	4.34	4.63	3.03	3.37	4.96	4.38	4.37	4.47
Indiana	n/a*	1.95	1.73	2.81	0.61	1.41	2.00	1.96	2.02	1.80
Iowa	n/a*	1.21	1.00	1.99	0.69	1.28	1.60	1.18	1.17	1.29
Kansas	n/a*	1.10	1.01	1.45	0.46	0.89	1.18	1.10	1.16	0.99
Kentucky	n/a*	1.00	0.85	1.60	0.38	1.07	0.76	1.02	1.05	0.89
Louisiana	n/a*	1.00	1.02	0.96	0.36	1.87	0.31	1.04	1.08	0.82
Maine	n/a*	0.44	0.42	0.50	0.70	0.23	0.93	0.40	0.34	0.65
Maryland	n/a*	2.08	2.09	2.05	1.64	1.37	1.86	2.11	2.04	2.18
Massachusetts	n/a*	1.35	1.35	1.33	2.98	0.84	2.01	1.30	1.40	1.21
Michigan	n/a*	2.65	2.34	3.86	3.16	2.49	2.38	2.68	2.76	2.40
Minnesota	n/a*	1.79	1.58	2.58	2.02	2.58	1.80	1.77	1.78	1.80
Mississippi	n/a*	0.76	0.77	0.68	0.10	1.40	0.44	0.77	0.80	0.65
Missouri	n/a*	1.69	1.51	2.35	4.71	1.48	1.40	1.71	1.71	1.62
Montana	n/a*	0.45	0.48	0.36	2.30	0.52	0.51	0.45	0.44	0.49
Nebraska	n/a*	0.83	0.73	1.20	0.39	0.55	0.89	0.83	0.87	0.74
Nevada	n/a*	0.84	0.91	0.54	4.21	0.68	1.64	0.77	0.96	0.56
New Hampshire	n/a*	0.43	0.42	0.48	0.37	0.31	0.78	0.41	0.39	0.54
New Jersey	n/a*	3.26	3.56	2.12	1.63	2.14	3.72	3.25	2.92	4.05
New Mexico	n/a*	0.59	0.62	0.50	0.09	0.45	0.61	0.59	0.69	0.37
New York	n/a*	6.16	6.57	4.55	3.71	2.90	6.58	6.19	7.19	3.77
North Carolina	n/a*	2.71	2.55	3.31	1.13	3.09	2.24	2.74	2.91	2.23
North Dakota	n/a*	0.32	0.26	0.54	0.08	0.51	0.42	0.31	0.33	0.29
Ohio	n/a*	3.33	2.88	5.09	0.72	2.91	2.57	3.40	3.41	3.15
Oklahoma	n/a*	1.12	1.04	1.42	0.04	0.69	1.11	1.13	1.20	0.95
Oregon	n/a*	1.61	1.77	0.98	1.53	1.56	1.71	1.60	1.76	1.25
Pennsylvania	n/a*	4.85	4.50	6.19	3.14	7.71	3.68	4.89	3.77	7.34
Rhode Island	n/a*	0.19	0.20	0.17	0.71	0.34	0.17	0.19	0.20	0.18
South Carolina	n/a*	1.10	1.04	1.30	0.37	1.71	0.68	1.12	1.16	0.95

*An industry-wide estimate was not calculated for this item.
Note: Totals may not sum due to rounding.

		Tabulations of Data from Firms Participating in the Growth & Outlook Survey	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
	Industry Wide Estimates	**All Reporting Firms**	Person to Person	Party Plan/ Groups	Under $3 Million	$3-29.9 Million	$30-125 Million	Over $125 Million	Before 2000	2000 or After
Sales by State (Continued)										
Percent of 2013 Retail Sales										
South Dakota	n/a*	0.40	0.36	0.55	0.16	0.42	0.52	0.39	0.44	0.31
Tennessee	n/a*	1.57	1.43	2.08	0.06	3.47	0.82	1.59	1.67	1.32
Texas	n/a*	12.55	13.77	7.85	1.12	5.27	8.71	13.00	8.55	21.78
Utah	n/a*	1.03	1.13	0.63	0.21	0.75	1.45	1.00	1.12	0.82
Vermont	n/a*	0.11	0.09	0.19	0.70	0.21	0.17	0.11	0.12	0.09
Virginia	n/a*	2.45	2.17	3.53	7.27	3.37	1.98	2.47	2.51	2.31
Washington	n/a*	2.18	2.18	2.20	18.99	2.95	2.67	2.12	2.34	1.80
West Virginia	n/a*	0.56	0.41	1.12	1.09	1.18	0.23	0.57	0.52	0.66
Wisconsin	n/a*	1.98	1.64	3.29	1.45	5.42	2.52	1.87	2.12	1.64
Wyoming	n/a*	0.22	0.21	0.26	3.63	0.18	0.19	0.22	0.24	0.17
District of Columbia	n/a*	0.08	0.10	0.02	0.02	0.07	0.14	0.08	0.11	0.03
Puerto Rico	n/a*	0.04	0.04	0.02	0.00	0.05	0.02	0.04	0.04	0.02
Guam	n/a*	0.29	0.33	0.10	0.07	0.25	0.63	0.26	0.18	0.54
U.S. Virgin Islands	n/a*	0.02	0.03	0.00	0.00	0.01	0.01	0.02	0.02	0.02
		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Number of Firms		***72***	***41***	***31***	***8***	***23***	***13***	***28***	***39***	***33***
Sales by Census Division[1]										
Percent of 2013 Retail Sales										
Northeast	**17.2**	**18.0**	**18.4**	**16.4**	**15.6**	**15.2**	**19.6**	**17.9**	**17.3**	**19.6**
New England	3.8	3.7	3.8	3.6	7.1	2.4	5.6	3.6	3.4	4.5
Middle Atlantic	13.4	14.3	14.6	12.9	8.5	12.7	14.0	14.3	13.9	15.2
Midwest	**21.5**	**21.6**	**19.4**	**30.4**	**17.5**	**23.3**	**22.2**	**21.6**	**22.1**	**20.5**
East North Central	14.3	14.3	12.9	19.7	9.0	15.6	14.4	14.3	14.7	13.5
West North Central	7.2	7.3	6.5	10.7	8.5	7.7	7.8	7.3	7.5	7.0
South	**36.7**	**36.9**	**37.6**	**34.2**	**19.2**	**34.3**	**28.1**	**37.6**	**34.2**	**43.1**
South Atlantic	17.1	17.1	17.0	17.5	16.2	18.1	15.0	17.3	17.9	15.3
East South Central	4.9	4.4	4.1	5.6	1.4	7.8	2.5	4.5	4.7	3.8
West South Central	14.7	15.3	16.4	11.1	1.5	8.4	10.6	15.8	11.6	24.0
West	**24.1**	**23.1**	**24.2**	**18.9**	**47.7**	**26.9**	**29.5**	**22.5**	**26.1**	**16.2**
Mountain	7.3	7.2	7.5	6.0	12.3	7.4	9.3	7.1	7.9	5.6
Pacific	16.8	15.9	16.7	12.8	35.4	19.6	20.2	15.5	18.2	10.6
Commonwealths & Territories	**0.5**	**0.3**	**0.4**	**0.1**	**0.1**	**0.3**	**0.7**	**0.3**	**0.2**	**0.6**
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of Firms		***72***	***41***	***31***	***8***	***23***	***13***	***28***	***39***	***33***

*An industry-wide estimate was not calculated for this item.
Note: Totals may not sum due to rounding.
[1]Census Division Definitions: New England-CT, MA, ME, NH, RI, VT; Middle Atlantic-NJ, NY, PA; East North Central-IL, IN, MI, OH, WI; West North Central-IA, KS, MN, MO, ND, NE, SD; South Atlantic-DC, DE, FL, GA, MD, NC, SC, VA, WV; East South Central-AL, KY, MS, TN; West South Central-AR, LA, OK, TX; Mountain-AZ, CO, ID, MT, NM, NV, UT, WY; Pacific-AK, CA, HI, OR, WA; commonwealth & territories-GU, PR, VI.

	Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
			Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
		All Reporting Firms	Person to Person	Party Plan/ Groups	Under $3 Million	$3-29.9 Million	$30-125 Million	Over $125 Million	Before 2000	2000 or After
Sales Force Overview										
Total Number of Members of Company Independent Sales Forces in 2013	**16,800,000**									
Average Number of Independent Contractors per Firm										
1. Independent contractors eligible to submit orders as of 1/1/2013	7,500	102,904	158,190	23,228	498	25,773	151,763	169,395	144,141	54,071
2. **Plus**: independent contractors recruited in 2013	4,500	45,625	71,260	8,681	489	3,281	19,218	103,301	60,303	28,244
3. **Equals**: number of independent contractors during 2013	12,000	148,529	229,450	31,909	987	29,054	170,981	272,696	204,444	82,315
4. **Less**: independent contractors dropped in 2013	4,286	42,213	63,613	11,373	109	2,155	16,165	97,097	58,629	22,773
5. **Equals**: independent contractors eligible to submit orders as of 12/31/2013	7,714	106,316	165,837	20,536	878	26,899	154,816	175,599	145,815	59,542
Dropout Rate [(Row4/Row3)x100]	35.7%	28.4%	27.7%	35.6%	11.0%	7.4%	9.5%	35.6%	28.7%	27.7%
Turnover Rate [(Row4x100)/((Row1+Row5)/2)]	56.3%	40.4%	39.3%	52.0%	15.8%	8.2%	10.5%	56.3%	40.4%	40.1%
Retention Factor [(Row5-Row2)x100/Row1]	42.9%	59.0%	59.8%	51.0%	78.1%	91.6%	89.3%	42.7%	59.3%	57.9%
Number of Firms		***83***	***49***	***34***	***9***	***26***	***15***	***33***	***45***	***38***

Note: Totals may not sum due to rounding.

Tabulations of Data from Firms Participating in the Growth & Outlook Survey

	Industry Wide Estimates	All Reporting Firms	Sales Method: Person to Person	Sales Method: Party Plan/ Groups	Annual Retail Sales: Under $3 Million	Annual Retail Sales: $3-29.9 Million	Annual Retail Sales: $30-125 Million	Annual Retail Sales: Over $125 Million	1st Year of Direct Selling in U.S.: Before 2000	1st Year of Direct Selling in U.S.: 2000 or After
Sales Force Size & Growth										
Average Number of Independent Contractors per Firm Eligible to Submit Orders at the End of the Year										
2011	7,214	96,678	149,609	20,396	308	23,832	148,519	156,791	140,006	45,369
2012	7,500	102,904	158,190	23,228	498	25,773	151,763	169,395	144,141	54,071
2013	7,714	106,316	165,837	20,536	878	26,899	154,816	175,599	145,815	59,542
Percent change from prior year:										
2012	4.0%	6.4%	5.7%	13.9%	61.7%	8.1%	2.2%	8.0%	3.0%	19.2%
2013	2.9%	3.3%	4.8%	-11.6%	76.3%	4.4%	2.0%	3.7%	1.2%	10.1%
Average Number of Independent Contractors per Firm Eligible to Submit Orders during the Year										
2012	11,357	139,504	215,492	29,993	589	28,027	166,177	253,097	198,455	69,694
2013	12,000	148,529	229,450	31,909	987	29,054	170,981	272,696	204,444	82,315
Percent change from prior year:										
2013	5.7%	6.5%	6.5%	6.4%	67.6%	3.7%	2.9%	7.7%	3.0%	18.1%
Number of Firms for Sales Force Size & Growth Data		***83***	***49***	***34***	***9***	***26***	***15***	***33***	***45***	***38***

Note: Totals may not sum due to rounding.

Tabulations of Data from Firms Participating in the Growth & Outlook Survey

	Industry Wide Estimates	All Reporting Firms	Sales Method: Person to Person	Sales Method: Party Plan/ Groups	Annual Retail Sales: Under $3 Million	Annual Retail Sales: $3-29.9 Million	Annual Retail Sales: $30-125 Million	Annual Retail Sales: Over $125 Million	1st Year of Direct Selling in U.S.: Before 2000	1st Year of Direct Selling in U.S.: 2000 or After
Sales Force Recruitment										
Average Number of Independent Contractors per Firm Recruited during the Year										
2012	4,143	42,826	65,883	9,597	281	4,195	17,658	96,306	58,449	24,325
2013	4,500	45,625	71,260	8,681	489	3,281	19,218	103,301	60,303	28,244
Percent change	8.6%	6.5%	8.2%	-9.5%	74.0%	-21.8%	8.8%	7.3%	3.2%	16.1%
Recruitment Rate[1]										
2012	36.5%	30.7%	30.6%	32.0%	47.7%	15.0%	10.6%	38.1%	29.5%	34.9%
2013	37.5%	30.7%	31.1%	27.2%	49.5%	11.3%	11.2%	37.9%	29.5%	34.3%
Sales Force Attrition										
Average Number of Independent Contractors per Firm Dropped during the Year										
2012	3,857	36,600	57,302	6,765	91	2,254	14,414	83,702	54,314	15,623
2013	4,286	42,213	63,613	11,373	109	2,155	16,165	97,097	58,629	22,773
Percent change	11.1%	15.3%	11.0%	68.1%	19.8%	-4.4%	12.1%	16.0%	7.9%	45.8%
Dropout Rate[2]										
2012	34.0%	26.2%	26.6%	22.6%	15.4%	8.0%	8.7%	33.1%	27.4%	22.4%
2013	35.7%	28.4%	27.7%	35.6%	11.0%	7.4%	9.5%	35.6%	28.7%	27.7%
Sales Force Productivity										
Average Annual Retail Sales per Independent Contractor Eligible to Order During the Year										
2012	$1,989	$1,621	$1,472	$3,162	$1,632	$375	$558	$2,047	$1,624	$1,612
2013	$1,945	$1,559	$1,441	$2,785	$1,161	$385	$495	$1,962	$1,587	$1,479
Percent change	-2.2%	-3.8%	-2.1%	-11.9%	-28.9%	2.6%	-11.3%	-4.2%	-2.3%	-8.3%
Number of Firms for Recruitment / Attrition / Productivity Data		***83***	***49***	***34***	***9***	***26***	***15***	***33***	***45***	***38***

Note: Totals may not sum due to rounding.
[1]Recruitment rate is defined as the number of independent contractors recruited during the year as a percent of the number of independent contractors during the year.
[2]Dropout rate is defined as the number of independent contractors dropped during the year as a percent of the number of independent contractors during the year.

Tabulations of Data from Firms Participating in the Growth & Outlook Survey

	Industry Wide Estimates	All Reporting Firms	Sales Method: Person to Person	Sales Method: Party Plan/ Groups	Annual Retail Sales: Under $3 Million	Annual Retail Sales: $3-29.9 Million	Annual Retail Sales: $30-125 Million	Annual Retail Sales: Over $125 Million	1st Year of Direct Selling in U.S.: Before 2000	1st Year of Direct Selling in U.S.: 2000 or After
Sales Force by Hours Worked										
Percent of Independent Contractors										
Part-time (Less than 30 hours per week)	n/a*	94.6	94.6	95.3	95.5	97.5	98.5	92.4	93.9	96.2
Full-time	n/a*	5.4	5.4	4.7	4.5	2.5	1.5	7.6	6.1	3.8
		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of Firms		*78*	*44*	*34*	*10*	*24*	*15*	*29*	*39*	*39*
Sales Force by Gender										
Percent of Independent Contractors										
Women	74.2	73.9	72.0	90.3	79.3	54.6	67.4	78.1	80.4	59.3
Men	25.8	26.1	28.0	9.7	20.7	45.4	32.6	21.9	19.6	40.7
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of Firms		*81*	*45*	*36*	*12*	*26*	*13*	*30*	*41*	*40*
Sales Force by Hispanic Ethnicity										
Percent of Independent Contractors										
Percent of Hispanic or Latin origin	n/a*	20.4	19.9	23.0	6.5	18.8	37.6	18.6	24.3	9.3
Number of Firms		*66*	*32*	*34*	*10*	*24*	*11*	*21*	*32*	*34*
Sales Force by Race										
Percent of Independent Contractors										
American Indian or Alaska Native	n/a*	0.5	0.4	1.2	2.0	0.6	0.4	0.5	0.6	0.2
Asian	n/a*	4.5	4.4	5.0	2.8	3.3	1.7	5.0	5.1	2.0
Black or African-American	n/a*	11.8	10.8	17.4	21.4	12.2	5.6	12.0	9.8	19.8
White or Caucasian	n/a*	78.7	80.6	67.8	72.3	83.0	64.5	78.3	80.3	72.1
Native Hawaiian or Pacific Islander	n/a*	1.2	0.1	7.7	0.7	0.7	23.7	0.1	1.4	0.1
Other / not identified	n/a*	3.3	3.7	0.9	0.8	0.2	4.1	4.2	2.7	5.8
		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of Firms		*44*	*21*	*23*	*7*	*18*	*6*	*13*	*23*	*21*

*An industry-wide estimate was not calculated for this item.
Note: Totals may not sum due to rounding.

	Industry Wide Estimates	All Reporting Firms	Sales Method: Person to Person	Sales Method: Party Plan/ Groups	Annual Retail Sales: Under $3 Million	Annual Retail Sales: $3-29.9 Million	Annual Retail Sales: $30-125 Million	Annual Retail Sales: Over $125 Million	1st Year of Direct Selling in U.S.: Before 2000	1st Year of Direct Selling in U.S.: 2000 or After
		Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
Sales Force by State										
Percent of Year-end 2013 Independent Contractors										
Alabama	n/a*	1.12	1.11	1.24	1.35	2.17	0.81	1.07	1.15	1.00
Alaska	n/a*	0.29	0.28	0.34	1.19	0.17	0.48	0.24	0.29	0.30
Arizona	n/a*	1.70	1.71	1.59	1.21	1.37	2.35	1.53	1.69	1.72
Arkansas	n/a*	1.38	1.43	0.94	0.13	5.57	1.03	0.85	1.59	0.43
California	n/a*	12.36	11.80	17.59	7.25	13.40	14.27	11.55	13.39	7.67
Colorado	n/a*	2.80	2.90	1.92	0.86	3.73	3.98	2.25	3.08	1.54
Connecticut	n/a*	0.77	0.77	0.70	6.85	0.25	0.70	0.86	0.71	1.01
Delaware	n/a*	0.26	0.26	0.27	0.26	0.08	0.19	0.31	0.21	0.47
Florida	n/a*	6.17	6.40	4.03	15.16	6.07	6.22	6.15	6.44	4.89
Georgia	n/a*	3.21	3.20	3.35	1.16	6.32	1.92	3.17	2.96	4.38
Hawaii	n/a*	0.72	0.70	0.85	0.25	0.62	0.83	0.69	0.58	1.36
Idaho	n/a*	0.60	0.58	0.72	0.77	0.26	0.83	0.57	0.58	0.66
Illinois	n/a*	4.23	4.29	3.66	9.52	2.27	3.40	4.81	4.15	4.56
Indiana	n/a*	1.91	1.88	2.15	0.76	1.59	1.35	2.15	2.05	1.28
Iowa	n/a*	1.54	1.55	1.45	0.17	2.58	2.05	1.21	1.64	1.11
Kansas	n/a*	1.10	1.08	1.28	0.54	1.48	1.12	1.03	1.11	1.06
Kentucky	n/a*	0.79	0.75	1.21	0.10	0.83	0.47	0.90	0.82	0.67
Louisiana	n/a*	1.27	1.31	0.89	0.11	3.73	1.21	0.91	1.39	0.75
Maine	n/a*	0.34	0.33	0.42	0.15	0.09	0.24	0.41	0.27	0.68
Maryland	n/a*	1.62	1.60	1.79	0.46	0.57	1.24	1.91	1.52	2.06
Massachusetts	n/a*	1.28	1.32	0.97	0.75	0.37	1.26	1.44	1.19	1.73
Michigan	n/a*	3.19	3.19	3.14	3.79	2.10	3.94	3.10	3.46	1.96
Minnesota	n/a*	1.99	1.99	2.03	2.74	1.84	1.73	2.11	2.07	1.65
Mississippi	n/a*	0.72	0.70	0.84	0.46	2.16	0.38	0.60	0.78	0.43
Missouri	n/a*	2.06	2.05	2.18	2.96	5.18	2.08	1.56	2.23	1.26
Montana	n/a*	0.47	0.47	0.42	0.41	0.19	0.65	0.45	0.44	0.59
Nebraska	n/a*	0.87	0.86	0.96	0.17	1.35	1.07	0.73	0.94	0.55
Nevada	n/a*	0.96	0.97	0.87	2.27	0.46	1.44	0.87	0.94	1.03
New Hampshire	n/a*	0.33	0.33	0.34	0.10	0.11	0.39	0.35	0.33	0.33
New Jersey	n/a*	2.60	2.69	1.82	6.11	1.10	2.18	2.98	2.30	3.98
New Mexico	n/a*	0.60	0.61	0.53	0.17	0.18	0.71	0.63	0.65	0.40
New York	n/a*	5.02	5.22	3.18	13.93	2.12	3.53	5.98	5.26	3.95
North Carolina	n/a*	2.38	2.32	2.92	0.83	2.72	1.57	2.61	2.49	1.87
North Dakota	n/a*	0.30	0.29	0.43	0.24	0.15	0.27	0.34	0.32	0.25
Ohio	n/a*	2.76	2.59	4.35	0.55	1.60	2.08	3.19	2.85	2.38
Oklahoma	n/a*	1.56	1.58	1.36	0.48	2.59	2.37	1.12	1.65	1.15
Oregon	n/a*	1.83	1.86	1.54	1.01	1.47	3.18	1.43	1.98	1.15
Pennsylvania	n/a*	3.44	3.38	3.91	2.04	1.33	1.80	4.33	2.85	6.14
Rhode Island	n/a*	0.20	0.21	0.15	0.04	0.08	0.13	0.25	0.21	0.16
South Carolina	n/a*	1.10	1.07	1.39	0.28	1.84	0.87	1.07	1.16	0.84

*An industry-wide estimate was not calculated for this item.

Note: Totals may not sum due to rounding.

Tabulations of Data from Firms Participating in the Growth & Outlook Survey

	Industry Wide Estimates	All Reporting Firms	Sales Method: Person to Person	Sales Method: Party Plan/ Groups	Annual Retail Sales: Under $3 Million	Annual Retail Sales: $3-29.9 Million	Annual Retail Sales: $30-125 Million	Annual Retail Sales: Over $125 Million	1st Year of Direct Selling in U.S.: Before 2000	1st Year of Direct Selling in U.S.: 2000 or After
Sales Force by State (Cont.)										
Percent of Year-end 2013 Independent Contractors										
South Dakota	n/a*	0.40	0.41	0.35	0.30	0.66	0.46	0.34	0.44	0.23
Tennessee	n/a*	1.66	1.56	2.66	0.49	3.71	1.11	1.53	1.77	1.16
Texas	n/a*	10.77	11.12	7.59	2.50	6.56	11.02	11.36	8.68	20.39
Utah	n/a*	0.92	0.93	0.79	0.82	0.36	1.02	0.97	0.87	1.15
Vermont	n/a*	0.12	0.12	0.10	0.04	0.04	0.15	0.13	0.13	0.10
Virginia	n/a*	2.10	2.03	2.77	1.02	1.20	1.51	2.44	2.20	1.65
Washington	n/a*	2.94	3.01	2.24	5.93	1.63	5.83	2.14	3.12	2.11
West Virginia	n/a*	0.31	0.26	0.72	0.21	0.10	0.20	0.38	0.29	0.41
Wisconsin	n/a*	2.04	1.98	2.61	0.92	2.86	1.39	2.14	2.18	1.39
Wyoming	n/a*	0.30	0.31	0.27	0.04	0.67	0.38	0.22	0.33	0.18
District of Columbia	n/a*	0.15	0.16	0.04	0.06	0.05	0.15	0.16	0.11	0.29
Puerto Rico	n/a*	0.03	0.03	0.02	0.00	0.00	0.02	0.04	0.03	0.05
Guam	n/a*	0.37	0.40	0.09	0.09	0.07	0.42	0.40	0.14	1.43
U.S. Virgin Islands	n/a*	0.04	0.04	0.03	0.00	0.03	0.09	0.03	0.04	0.05
		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Number of Firms		*65*	*36*	*29*	*7*	*22*	*11*	*25*	*34*	*31*
Sales Force by Census Division[1]										
Percent of Year-end 2013 Independent Contractors										
Northeast	**n/a***	**14.1**	**14.4**	**11.6**	**30.0**	**5.5**	**10.4**	**16.7**	**13.2**	**18.1**
New England	n/a*	3.0	3.1	2.7	7.9	0.9	2.9	3.4	2.8	4.0
Middle Atlantic	n/a*	11.1	11.3	8.9	22.1	4.5	7.5	13.3	10.4	14.1
Midwest	**n/a***	**22.4**	**22.2**	**24.6**	**22.7**	**23.7**	**20.9**	**22.7**	**23.4**	**17.7**
East North Central	n/a*	14.1	13.9	15.9	15.5	10.4	12.2	15.4	14.7	11.6
West North Central	n/a*	8.3	8.2	8.7	7.1	13.2	8.8	7.3	8.7	6.1
South	**n/a***	**36.6**	**36.9**	**34.0**	**25.1**	**46.3**	**32.3**	**36.6**	**35.2**	**42.9**
South Atlantic	n/a*	17.3	17.3	17.3	19.4	18.9	13.9	18.2	17.4	16.9
East South Central	n/a*	4.3	4.1	5.9	2.4	8.9	2.8	4.1	4.5	3.3
West South Central	n/a*	15.0	15.4	10.8	3.2	18.4	15.6	14.2	13.3	22.7
West	**n/a***	**26.5**	**26.1**	**29.7**	**22.2**	**24.5**	**35.9**	**23.5**	**27.9**	**19.9**
Mountain	n/a*	8.3	8.5	7.1	6.6	7.2	11.4	7.5	8.6	7.3
Pacific	n/a*	18.1	17.7	22.6	15.6	17.3	24.6	16.1	19.3	12.6
Commonwealths & Territories	**n/a***	**0.4**	**0.5**	**0.1**	**0.1**	**0.1**	**0.5**	**0.5**	**0.2**	**1.5**
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of Firms		*65*	*36*	*29*	*7*	*22*	*11*	*25*	*34*	*31*

*An industry-wide estimate was not calculated for this item.
Note: Totals may not sum due to rounding.
[1]Census Division Definitions: New England-CT, MA, ME, NH, RI, VT; Middle Atlantic-NJ, NY, PA; East North Central-IL, IN, MI, OH, WI; West North Central-IA, KS, MN, MO, ND, NE, SD; South Atlantic-DC, DE, FL, GA, MD, NC, SC, VA, WV; East South Central-AL, KY, MS, TN; West South Central-AR, LA, OK, TX; Mountain-AZ, CO, ID, MT, NM, NV, UT, WY; Pacific-AK, CA, HI, OR, WA; commonwealth & territories-DC, PR, GU, VI.

	Industry Wide Estimates	All Reporting Firms	Sales Method: Person to Person	Sales Method: Party Plan/ Groups	Annual Retail Sales: Under $3 Million	Annual Retail Sales: $3-29.9 Million	Annual Retail Sales: $30-125 Million	Annual Retail Sales: Over $125 Million	1st Year of Direct Selling in U.S.: Before 2000	1st Year of Direct Selling in U.S.: 2000 or After
		Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
Size & Growth of Employee Workforce										
Average Number of Employees per Firm										
12/31/2012	38.16	397	525	190	7	43	231	864	569	182
12/31/2013	37.93	395	524	186	8	42	208	870	568	179
Percent change	-0.6%	-0.6%	-0.3%	-1.9%	26.1%	-4.3%	-10.2%	0.7%	-0.3%	-1.7%
Number of Firms		***81***	***50***	***31***	***7***	***28***	***14***	***32***	***45***	***36***
Retail Sales per Employee[1]										
2012	$592,045	$574,687	$590,674	$502,898	$153,836	$232,065	$390,902	$611,620	$562,707	$621,805
2013	$615,254	$592,935	$617,341	$481,529	$148,896	$259,668	$408,880	$626,664	$569,562	$686,176
Percent change	3.9%	3.2%	4.5%	-4.2%	-3.2%	11.9%	4.6%	2.5%	1.2%	10.4%
Number of Firms		***80***	***50***	***30***	***7***	***27***	***14***	***32***	***45***	***35***
Sales Force Members per Employee[2]										
2012	197	267	295	133	62	557	769	201	256	309
2013	203	276	310	118	106	610	873	207	259	345
Percent change	3.5%	3.7%	5.0%	-11.5%	72.5%	9.6%	13.5%	2.9%	1.4%	11.6%
Number of Firms		***78***	***48***	***30***	***6***	***27***	***13***	***32***	***44***	***34***

Note: Percentage changes may not calculate from figures due to rounding.
[1]Annual retail sales of consumer products and services divided by the year-end number of employees.
[2]Year-end number of independent sales force members divided by the year-end number of employees.

Tabulations of Data from Firms Participating in the Growth & Outlook Survey

	Industry Wide Estimates	All Reporting Firms	Sales Method: Person to Person	Sales Method: Party Plan/ Groups	Annual Retail Sales: Under $3 Million	Annual Retail Sales: $3-29.9 Million	Annual Retail Sales: $30-125 Million	Annual Retail Sales: Over $125 Million	1st Year of Direct Selling in U.S.: Before 2000	1st Year of Direct Selling in U.S.: 2000 or After
Compensation Structure										
Percent of Firms										
Multilevel	95.2	96.8	94.5	100.0	100.0	100.0	87.5	97.1	93.8	100.0
Single level	4.8	3.2	5.5	0.0	0.0	0.0	12.5	2.9	6.3	0.0
Other/hybrid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of Firms		***94***	***55***	***39***	***12***	***31***	***16***	***35***	***48***	***46***
Percent of Retail Sales Dollars										
Multilevel	97.0	98.6	98.3	100.0	100.0	100.0	90.4	99.2	98.2	100.0
Single level	3.0	1.4	1.7	0.0	0.0	0.0	9.6	0.8	1.8	0.0
Other/hybrid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of Firms		***94***	***55***	***39***	***12***	***31***	***16***	***35***	***48***	***46***
Percent of Sales Force Members										
Multilevel	98.6	99.9	99.9	100.0	100.0	100.0	99.7	100.0	99.9	100.0
Single level	1.4	0.1	0.1	0.0	0.0	0.0	0.3	0.0	0.1	0.0
Other/hybrid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of Firms		***84***	***49***	***35***	***9***	***27***	***15***	***33***	***45***	***39***

Note: Total may not sum due to rounding.

Tabulations of Data from Firms Participating in the Growth & Outlook Survey

	Industry Wide Estimates	All Reporting Firms	Sales Method: Person to Person	Sales Method: Party Plan/ Groups	Annual Retail Sales: Under $3 Million	Annual Retail Sales: $3-29.9 Million	Annual Retail Sales: $30-125 Million	Annual Retail Sales: Over $125 Million	1st Year of Direct Selling in U.S.: Before 2000	1st Year of Direct Selling in U.S.: 2000 or After
Predominant Sales Method										
Percent of Firms										
Person-to-person/face-to-face/door-to-door	n/a*	58.5	100.0	0.0	16.7	45.2	68.8	80.0	68.8	47.8
Party plan/groups/classes, incl. online parties	n/a*	41.5	0.0	100.0	83.3	54.8	31.3	20.0	31.3	52.2
Other	n/a*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of Firms		*94*	*55*	*39*	*12*	*31*	*16*	*35*	*48*	*46*
Percent of Retail Sales Dollars										
Person-to-person/face-to-face/door-to-door	n/a*	84.7	100.0	0.0	12.6	43.1	64.6	86.9	89.8	67.7
Party plan/groups/classes, incl. online parties	n/a*	15.3	0.0	100.0	87.4	56.9	35.4	13.1	10.2	32.3
Other	n/a*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of Firms		*94*	*55*	*39*	*12*	*31*	*16*	*35*	*48*	*46*
Percent of Sales Force Members										
Person-to-person/face-to-face/door-to-door	n/a*	91.2	100.0	0.0	31.4	64.8	93.9	92.7	93.9	83.1
Party plan/groups/classes, incl. online parties	n/a*	8.8	0.0	100.0	68.6	35.2	6.1	7.3	6.1	16.9
Other	n/a*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of Firms		*84*	*49*	*35*	*9*	*27*	*15*	*33*	*45*	*39*

*An industry-wide estimate was not calculated for this item.
Note: Tabulation may not sum due to rounding.