



The changing face of retail trade

Michael Rieley | December 2014

About 15 million people worked in retail trade in the United States in May 2013, according to the [Bureau of Labor Statistics](#) (BLS). These workers—salespersons, stock clerks, customer service representatives, and others—provide a crucial link between consumers and the products they buy.

This article explores the retail trade industry and the trends that have influenced it. The first section gives a brief overview of the industry and its major occupations. The second section examines recent and future employment trends in retail trade. Sources for more information appear at the end of the article.

Retail details

The retail trade industry is a vast network of businesses that needs workers in hundreds of different occupations. Here's a closer look at the employment, wage, and outlook data for both retail trade and its largest occupations.

Industry overview

The retail trade industry includes establishments that sell products, such as motor vehicles and clothing, and after-sale services related to these products, such as cleaning or repair. Retailers sell their products and services directly to customers, which may include individuals and businesses. Retail trade deals in smaller quantities than the bulk sales of wholesale trade.

There are two types of retailers: store and nonstore. Store retailers run fixed, “brick-and-mortar” locations designed to attract walk-in customers. In these stores, retailers usually display products that they also advertise on television, radio, and other formats, such as the Internet.

Nonstore retailers also sell to customers, but, as the name implies, they do not run a fixed, physical location. These retailers usually sell their products through informational commercials, or “infomercials”; door-to-door sales; and other places, such as portable stalls and kiosks.



Employment. According to [BLS Occupational Employment Statistics](#) (OES) data, there were about 15.2 million workers in retail trade in May 2013. That total represents about 11 percent of nonfarm employment that year.

The largest employers within retail trade are other general merchandise stores (which includes warehouse clubs and supercenters, dollar stores, and variety stores) and food and beverage stores, each with about 3 million workers. The next largest employers are motor vehicle and parts dealers, which had 1.8 million workers; and clothing and clothing accessories stores, with 1.4 million workers.

Wages. In May 2013, the median annual wage in the retail trade industry was \$22,980, compared with a median of \$35,080 for workers in all industries. The median wage is the point at which half the workers in the industry earned more, and half earned less.

Employers often pay workers in the retail trade industry by the hour, but some workers also earn a commission: a percentage of the sales they make. As a result, retail workers’ wages often vary with economic conditions.

Outlook. Between 2012 and 2022, BLS projects employment in retail trade to grow about 7 percent, adding more than 1 million workers. Despite this growth, BLS also projects a slight decline in the retail industry’s share of total nonfarm employment.

Occupation highlights

Four occupations—[retail salespersons](#), [cashiers](#), [stock clerks and order fillers](#), and [supervisors of retail sales workers](#)—accounted for nearly two-thirds of employment in the retail trade industry.

Although wages in retail trade are low overall, median wages for most of the occupations with the largest employment were higher than those for the industry as a whole in May 2013. (See table.) The highest paying occupations in the table, [pharmacists](#) and [general and operations managers](#), both require postsecondary education; [pharmacists](#) typically need a doctoral or professional degree.

In contrast, the lowest paying occupations shown—[hand packers and packagers](#) and [cashiers](#)—typically include short-term on-the-job training but have no formal educational requirements. Below are descriptions of the 10 largest occupations in the retail trade industry.

Employment and wages of the largest occupations in retail trade, May 2013

Occupation	Employment in retail trade	Wages in retail trade
See footnotes at end of table.		
Retail salespersons	4,196,800	\$21,010
Cashiers	2,755,130	18,980
Stock clerks and order fillers	1,239,270	20,870
First-line supervisors of retail sales workers	1,104,490	37,020
Hand laborers and freight, stock, and material movers	321,750	21,300
Customer service representatives	294,270	24,280
Automotive service technicians and mechanics	292,790	38,100
Pharmacy technicians	266,230	28,220
General and operations managers	219,260	75,280
Combined food preparation and serving workers, including fast food	205,350	19,610
General office clerks	188,990	25,130
Pharmacists	183,160	121,680
Hand packers and packagers	179,160	18,770
Light truck or delivery services drivers	171,470	23,110
Bookkeeping, accounting, and auditing clerks	166,430	31,290
First-line supervisors of office and administrative support workers	162,840	36,800
Parts salespersons	156,990	27,650
Food preparation workers	154,850	19,850
Shipping, receiving, and traffic clerks	150,880	25,240
Butchers and meat cutters	121,230	28,450
Source: U.S. Bureau of Labor Statistics		

Retail salespersons. [Retail salespersons](#) mainly sell products and interact with customers. Sometimes, they also stock shelves, prepare merchandise displays, and handle customer payments.

According to BLS, there were 4.5 million [retail salespersons](#) overall in May 2013, most of them in retail trade. Between 2012 and 2022, BLS projects this occupation to have average employment growth. Almost 2 million job openings overall are expected, due to growth and the need to replace workers who leave the occupation.

Cashiers. [Cashiers](#) handle customer payments, answer questions about store policies, and bag purchases.

There were 3.3 million [cashiers](#) overall in May 2013, most of them working in retail trade. Between 2012 and 2022, BLS projects employment in this occupation to have slower than average growth, with automation of cashier job duties expected to limit growth. Still, about 1.5 million job openings overall are projected to result from employment growth and the need to replace workers who leave the occupation.

Stock clerks and order fillers. [Stock clerks](#) take care of merchandise in the stock room, and track down moved items. They also make note of damaged products, verify inventory, and arrange storage. [Order fillers](#) retrieve customer orders, locate the goods, and prepare them for shipping. Additionally, they complete order receipts and keep records of outgoing orders.

There were 1.8 million [stock clerks and order fillers](#) overall in May 2013; most worked in retail trade. Between 2012 and 2022, BLS projects employment in this occupation to stay about the same as job duties become automated. About 546,000 job openings are expected overall, due to the need to replace workers who leave the occupation.



First-line supervisors of retail sales workers. These workers manage a team of retail salespersons, oversee sales, ensure customer satisfaction, and help staff with complicated transactions. [First-line supervisors of retail sales workers](#) may also have administrative tasks, such as budgeting and accounting.

There were 1.2 million [first-line supervisors of retail sales workers](#) overall in May 2013, with most employed in retail trade. Between 2012 and 2022, BLS projects this occupation to have slower than average employment

growth. About 419,800 job openings overall are expected to arise from that growth and from the need to replace workers who leave the occupation.

Hand laborers and freight, stock, and material movers. These workers transport goods to and from storage, production areas, loading docks, or delivery trucks. When unloading merchandise, they sort and keep track of packages to ensure delivery. Increasingly, sensors and tags have automated parts of the job, allowing workers to move quickly while still keeping track of products.

There were nearly 2.3 million [hand laborers and freight, stock, and material movers](#) employed overall in May 2013; about 14 percent of them worked in the retail trade industry. Between 2012 and 2022, BLS projects this occupation to have average employment growth. About 922,500 job openings overall are expected, due to growth and the need to replace workers who leave the occupation.

Customer service representatives. As the face, or voice, of their business, [customer service representatives](#) provide information about its products and services. They also process orders and handle customer complaints.

There were almost 2.4 million [customer service representatives](#) employed overall in May 2013, about 12 percent of whom worked in the retail trade industry. Between 2012 and 2022, BLS projects this occupation to have average employment growth. About 941,600 job openings overall are expected to arise from growth and from the need to replace workers who leave the occupation.

Automotive service technicians and mechanics. These workers inspect, maintain, and repair cars and light trucks.

There were nearly 605,000 [automotive service technicians and mechanics](#) employed overall in May 2013, nearly half of them in retail trade. Between 2012 and 2022, BLS projects this occupation to have average employment growth. About 237,600 job openings overall are expected, due to this growth and the need to replace workers who leave the occupation.

Pharmacy technicians. These workers help [pharmacists](#) dispense prescription medication to customers. Most work in retail pharmacies or hospitals under supervising [pharmacists](#), who review prescriptions before patients get them. In retail pharmacies, [pharmacy technicians](#) take customer payments, organize pharmacy inventory, and process insurance claims.

There were 362,690 [pharmacy technicians](#) overall in May 2013, most of whom worked in retail trade. Between 2012 and 2022, BLS projects this occupation to have faster than average employment growth. About 105,900 job openings overall are expected to arise from that growth and from the need to replace workers who leave the occupation.

General and operations managers. Responsibilities of [general and operations managers](#) vary but include overseeing workers. These managers draw up policies, direct daily operations, and plan the use of materials and human resources.

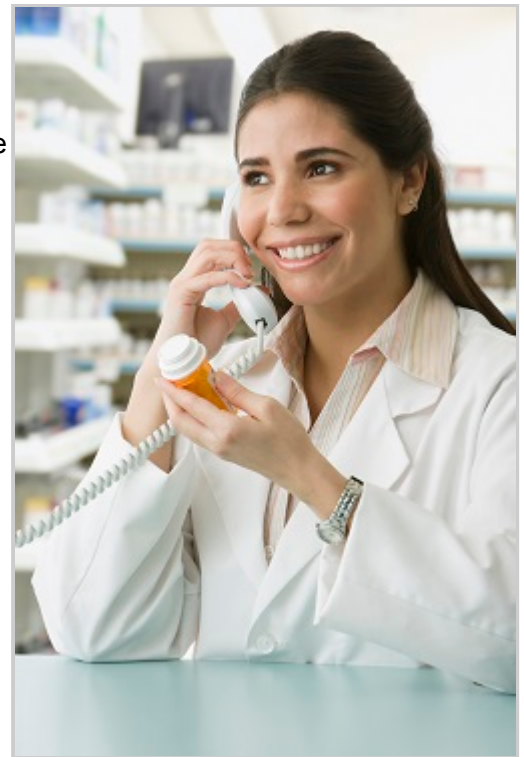
There were nearly 2 million [general and operations managers](#) overall in 2013, about 11 percent of whom worked in retail trade. Between 2012 and 2022, BLS projects this occupation to have average employment growth. About 613,100 job openings overall are expected to arise from that growth and from the need to replace workers who leave the occupation.

Combined food preparation and serving workers, including fast food. Employed mainly by fast food restaurants, these workers take food and drink orders, retrieve finished orders, and accept customer payment. They may also heat food and prepare items, such as sandwiches.

There were 3 million [food preparation and serving workers](#) overall in 2013, almost 7 percent of whom were employed in retail trade. Between 2012 and 2022, BLS projects this occupation to have average employment growth. About 1.6 million job openings overall are expected to arise from that growth and from the need to replace workers who leave the occupation.

Other occupations. Retail trade includes many occupations in addition to the 10 described above. As in almost every industry, occupations in this industry vary in duties, education and training requirements, and wages. For example, median annual wages in the retail trade industry in May 2013 ranged from \$18,210 for [models](#) to \$175,170 for [chief executives](#).

In addition, the rate of employment growth or decline in some occupations is projected to be greater in retail trade than in all industries. For example, BLS projects employment of [orthotists and prosthetists](#) to increase nearly 42 percent in retail trade, compared with 36 percent growth projected in all industries. Employment of [floral designers](#) is expected to decline 13 percent in retail trade, compared with a projected decline of 8 percent overall.



Industry trends

Economic and technological changes affect retail trade just as they do other industries. Some of these changes have led to industry reorganization over the last decade; others might help to shape the future of retail trade.

Recent changes

Over the last 10 years, changes in the economy have influenced the growth of retail trade. When the economy worsens, consumers look for ways to save money—such as by shopping for products at reduced prices. This results in more workers being needed at discount stores. When the economy expands, consumers spend more of their disposable income—including on furniture and home furnishings, resulting in more retail workers hired at such businesses.

As the chart shows, employment in retail trade dropped during the recent recession and has risen as the economy improved, but it still hasn't returned to where it was before the downturn.



But employment in retail trade doesn't always follow the economy. Employment related to electronic shopping and electronic auctions, for example, has increased every year since 2004, growing about 164 percent over the last decade. (This industry accounted for a very small part of retail trade employment, however, in 2013.) By comparison, overall employment growth for retail trade was just 0.1 percent.

The increasing popularity of online shopping has caused some retailers, such as electronics stores, to see declining employment over the past few years. This trend is expected to continue shaping the retail trade industry in the future.

Future developments

The retail trade industry is changing. Store mergers, more attention to customer service, and increased productivity are just a few of the ways that retailers are adapting as they forge into the future.

Other trends are expected to shape retail trade in the coming years. The industry may see a narrowing focus of “big box” stores, continued growth of online shopping, increasing use of technology and advances in automation, and other trends.

“Big box” retailers. Stores commonly known as “big box” retailers, such as warehouse clubs and supercenters, have grown steadily over the past decade. But the rise of online shopping could slow—or even reverse—this trend because these retailers can match many of the strengths of big box stores, such as wide selection and low prices.

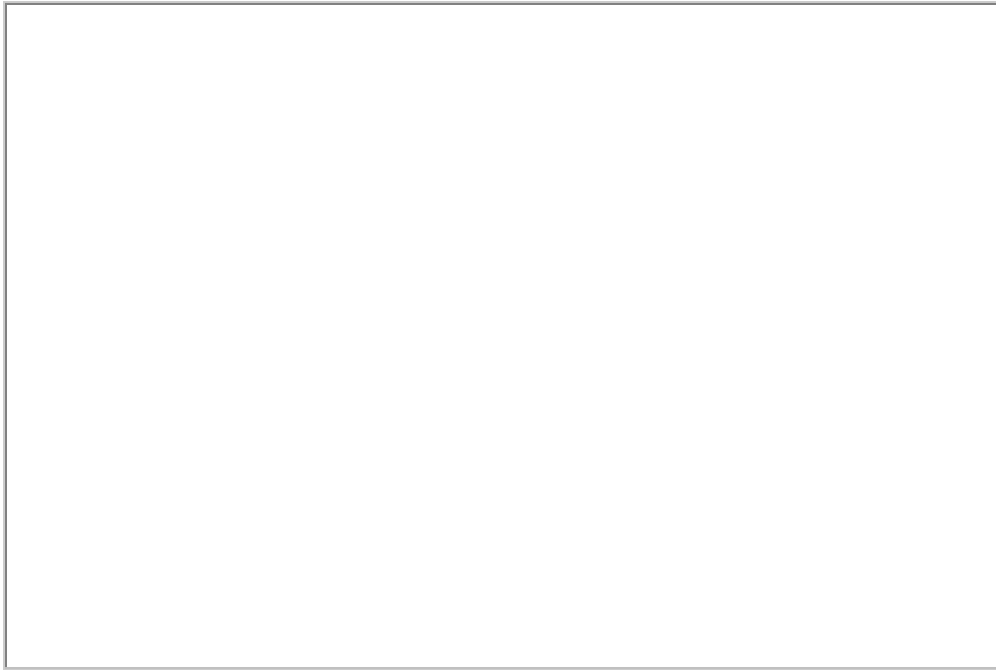
The competitive advantage for brick-and-mortar stores is strong customer service, which is harder to provide with a broad range of products. Big box retailers may have more success by planning stores that have a specific focus, which would allow for better trained, more knowledgeable staff.

Online shopping. Online sales are less labor intensive than those in physical stores, because fewer workers are needed to deal with customers in person—leading to slower employment growth in the future.

In addition, the speed and convenience of online shopping are expected to continue driving growth. So-called anticipatory shipping, for example, may help retailers know what kind of products to keep in stock.

Online shopping affects sales with some types of retailers more than with others. Book, music, and movie stores face intense competition from online sales. Sporting goods stores and clothing stores face better prospects, because customers may prefer trying these products before buying them.

Recent legislation proposed in Congress would impose a sales tax on e-commerce outlets and retailers, which currently pay no tax in many states. The potential impact of this legislation on consumer behavior is not yet clear, but it could reduce online shopping’s price advantage.



Technology. Some occupations in retail trade could be affected by continued use of technology and increasing automation. For example, the duties of a car salesperson have changed because of technology. Car shoppers can research online for a make and model that fits their needs and budget and go into a dealership already focused on the car they want to buy. Because of this, a car salesperson's role may be to help with the purchase by answering questions and completing paperwork.

Automation may affect food and beverage stores. Self-checkout stations at grocery stores may someday replace cashiers or retail salespersons, for example. However, employment of cashiers has remained stable so far, suggesting that customers still prefer interacting with human cashiers.

Other trends. Business improvements could also help physical stores to compete with online retailers. Dynamic pricing, for example, allows product cost to change with demand throughout the day. Social media helps stores see which items are popular, so they can feature them more prominently in their displays.

For more information

The retail trade industry employs workers in hundreds of occupations. For example, [merchandise displayers and window trimmers](#) plan and build commercial displays in the windows and interiors of retail stores. [Security guards](#) protect the people, products, money, and equipment in retail stores. And [building cleaning workers](#) keep retail stores in good condition by collecting trash, wiping surfaces, and sweeping floors.

For detailed information about those and other occupations, visit the [Occupational Outlook Handbook](#) (OOH). Each OOH profile includes information about job duties, wages, employment outlook, and more.

Find links to more BLS data for the retail trade industry on its [Industries at a Glance](#) page.

The [Occupational Information Network](#) (O*NET) also has information about retail trade. Browse by industry or visit the [retail trade page](#).

Visit the [National Retail Federation's Career Center](#) to find career resources for the retail trade industry. These resources include information about scholarships, certifications, and training.

Michael Rieley is an economist in the Office of Occupational Statistics and Employment Projections, BLS. He can be reached at (202) 691-5728 or rieley.michael@bls.gov.

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