



### EMPLOYMENT AND UNEMPLOYMENT



# Inside the decline of sales occupations

### By Michael Rieley

Sales workers connect consumers to products and services. Whether proactively contacting potential customers through phone calls or text messages, making in-person demonstrations, or by being available in retail stores to answer questions and facilitate transactions, these workers drive sales activity for businesses.

While the core duties of sales workers remain the same among the various sales occupations, the future employment landscape for these workers is expected to vary by setting and type of product sold over the next 10 years. Specifically, the continued trend of e-commerce displacing brick-and-mortar retail is expected to lead to job losses for sales workers employed in the retail sector.<sup>1</sup> Technological change is also expected to continue to reduce demand for the services provided by some occupations, leading to persisting employment declines for telemarketers, travel agents, and door-to-door sales workers. Meanwhile, others retain key roles in driving sales

activity in their respective industries and are expected to remain in high demand, growing faster than average over the next 10 years.

Overall, sales occupations are projected to decline between 2018 and 2028, but there is variation within this occupational group depending on the specific role. This **Beyond the Numbers** highlights a few detailed occupations in the sales occupational group, examining the diverse factors influencing their projected employment changes.

### **E-commerce and retail sales**

The majority of employment in the sales occupational group comes from just two occupations: retail salespersons and cashiers, whose combined 8.2 million jobs make up 52 percent of all sales jobs in 2018. (See <u>table 1</u>.) From 2018 to 2028, these occupations are both projected to decline; retail salespersons are projected to decline 2.3 percent and lose 101,900 jobs, while cashiers are projected to decline 3.8 percent and lose 138,700 jobs. These declines are attributable to the continued rise of online sales; when customers purchase goods online, demand for in-store sales workers declines.

Occupation	SOC	Employment		Change, 2018– 28	
		2018	2028	Number	Percen
Total, all occupations	00-0000	161,037.7	169,435.9	8,398.1	5.2
Sales and related occupations	41-0000	15,728.6	15,648.8	-79.8	-0.5
Cashiers	41-2011	3,648.5	3,509.8	-138.7	-3.8
Retail salespersons	41-2031	4,510.9	4,409.1	-101.9	-2.3
Insurance sales agents	41-3021	475.9	524.2	48.3	10.2
Travel agents	41-3041	78.8	74.4	-4.5	-5.7
Sales representatives, wholesale and manufacturing, technical and scientific products	41-4011	325.9	338.0	12.1	3.7
Sales representatives, wholesale and manufacturing, except technical and scientific products	41-4012	1,406.4	1,429.8	23.3	1.7
Real estate brokers	41-9021	96.2	103.0	6.8	7.1
Real estate sales agents	41-9022	369.2	394.8	25.6	6.9
Sales engineers	41-9031	66.7	70.4	3.7	5.6
Telemarketers	41-9041	167.7	139.8	-27.8	-16.6
Door-to-door sales workers, news and street vendors, and related workers	41-9091	69.9	64.9	-5.0	-7.2

### Table 1. Sales occupations, 2018–28 (Numbers in thousands)

Source: U.S. Bureau of Labor Statistics, Employment Projections Program.

The prior decade saw e-commerce's share of total retail sales nearly triple, from 3.6 percent in 2008 to 9.9 percent in 2018.<sup>2</sup> As e-commerce's share of retail sales accelerated, from an average annual increase of 0.49 percent from 2008–15 to 0.85 percent from 2016–18, the number of newly opened brick-and-mortar stores stagnated, with near-zero (0.13 percent) growth in the number of retail establishments, and employment declined in the retail trade industry by 0.3 percent over this period.<sup>3</sup> Meanwhile, employment in the transportation and warehousing industry grew 8.5 percent from 2016 to 2018, as this segment benefitted from e-commerce growth due to its role in the storage and delivery of packages.

Certain segments of retail are being particularly affected by competition from e-commerce, including clothing stores and bookstores. Online sales made up 34 percent of all U.S. apparel sales in 2018, and from 2013 to 2018, the number of retail clothing store establishments declined 3.3 percent, and employment in these clothing stores declined 3.5 percent. In 2016, 43 percent of all print books sold in the United States were purchased online.<sup>4</sup> This contributed to a 15.2-percent decline in the number of book store and news dealer establishments, and a 15.9-percent decline in employment in these book stores and news dealers, from 2013 to 2018. As these trends are expected to continue, employment for retail salespersons is projected to decline by 146,100 in clothing stores—the largest employment decline for these workers in any industry—and to decline by 20,200 in book stores and news dealers, from 2018 to 2028. For cashiers in clothing stores and cashiers in book stores, these projected employment declines are 19,900 and 4,500, respectively.

## Technology-driven demand change

Demand for other sales jobs is expected to decline because of technological change; this includes telemarketers, door-to-door sales workers, and travel agents. Technology affects telemarketing jobs in a few different ways. Webbased and social media advertising are attractive options for marketers. These ads reach more people, and companies can target a consumer's specific interests by offering products that are based on past web browsing and social media activity. This has lowered the relative value of telemarketing.<sup>5</sup> Caller ID technology is now standard, so individuals can effectively screen essentially all of their calls. Many consumers have also signed up for the National Do Not Call Registry, resulting in far fewer successful telemarketing calls.<sup>6</sup> This is why there has been a severe drop in demand for telemarketers. From 2018–28, the occupation is projected to lose 27,800 jobs, which is a 16.6-percent decline (the largest percentage decline of any sales occupation). The availability of these alternative marketing channels also reduces the relative cost-effectiveness of in-person door-to-door marketing, causing a projected employment decline of 7.2 percent for door-to-door sales workers. Similarly, travel agents are projected to decline 5.7 percent as web-based travel booking continues to displace these workers. (See <u>table 1</u>.)

## High demand for complex sales roles

Not all sales occupations are expected to decline. Two examples of occupations that are projected to grow faster than average are insurance sales agents and real estate brokers and sales agents. These occupations are expected to remain in high demand because of the complex nature of the products they sell.

The insurance industry relies on its sales agents to generate new business by contacting potential new customers for life, health, auto, and other insurance policies. Although online purchases of insurance policies are an option, insurance sales agents remain in high demand because they play a key role in the process; they explain policy details to potential customers and help them choose among policy options.<sup>7</sup> These sales agents are projected to grow 10.2 percent, almost double the average for all occupations, adding 48,300 jobs from 2018–28.

Similarly, real estate agents and sales brokers are expected to remain in high demand. Housing and real estate involve high-dollar sales transactions that usually require an intermediary between buyer and seller. Real estate agents assist potential buyers by showing them properties, answering questions about properties, negotiating sale prices, drawing up purchase contracts, arranging for home inspections, and navigating mortgage terms. The importance and complexity of these high-dollar transactions means that an intermediary sales agent will remain an

integral part of real estate purchases and leases.<sup>8</sup> Real estate agents and sales brokers are projected to grow 7 percent and add 32,400 jobs from 2018–28.

Still other sales occupations are projected to grow about as fast as the average for all occupations, reflecting some sustained demand and insulation from automation trends. These include sales engineers and wholesale sales representatives.<sup>9</sup>

### Conclusion

Overall, sales occupations join production occupations and office and administrative support occupations as the only occupational groups (out of 22) projected to experience employment declines from 2018–28. While some sales jobs will remain in high demand for their ability to provide customer services that cannot be automated and to drive sales for high-value items, many others will experience employment declines due to technological replacement, primarily the continued displacement of retail sales by e-commerce.

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### NOTES

<sup>1</sup>E-commerce refers to the sale of goods and services over the Internet.

<sup>2</sup>U.S. Census Bureau, E-Commerce Retail Sales as a Percent of Total Sales [ECOMPCTSA], retrieved from FRED, Federal Reserve Bank of St. Louis; <u>https://fred.stlouisfed.org/series/ECOMPCTSA</u>, March 4, 2020.

<sup>3</sup> Unless otherwise noted, data referenced is from BLS. Establishment data is from the Quarterly Census of Employment and Wages, industry employment data is from Current Employment Statistics, and projections data is from the Employment Projections Program.

<sup>4</sup> Maria Sciullo "Read all about it: print might be on rise but book sale figures incomplete," *Pittsburgh Post-Gazette*, February 5, 2017, <u>https://www.post-gazette.com/ae/books/2017/02/05/Read-all-about-it-print-might-be-on-rise-but-book-sale-figures-incomplete/stories/</u> 201702050052

<sup>5</sup> Stuart Leung, "Hang Up and Drive Sales: 5 Alternatives to B2B Telemarketing," SalesForce blog, October 02, 2014, <u>https://</u> www.salesforce.com/blog/2014/10/telemarketing-alternatives-for-b2b.html. <sup>6</sup> Kim Komando, "How to stop robocalls, block numbers on your iPhone, Android and even landline," *USA Today*, February 07, 2019, <u>https://www.usatoday.com/story/tech/columnist/komando/2019/02/07/no-more-robocalls-how-block-unwanted-calls-iphone-android/</u> <u>2778059002/</u>.

<sup>Z</sup> Andrea Wells, "Future of Agent Distribution," Insurance Journal, January 7, 2019, <u>https://www.insurancejournal.com/magazines/</u> <u>mag-features/2019/01/07/513808.htm</u>.

<sup>8</sup> Aly J. Yale, "Are Real Estate Agents Still Relevant In The Age Of Tech?," Forbes, August 1, 2018, <u>https://www.forbes.com/sites/</u> alyyale/2018/08/01/are-real-estate-agents-still-relevant-in-the-age-of-tech/#639f8dbc65ec.

<sup>9</sup> Jared Lindzon, "How sales became a STEM job," Fast Company, August 2018, <u>https://www.fastcompany.com/90215537/how-sales-became-a-stem-job</u>.

#### SUGGESTED CITATION

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