

The employment expansion in retail trade, 1973–85

*Strong employment gains in the industry
can be attributed mostly to exceptional growth
in eating and drinking places and food stores;
part-time positions accounted for
much of the overall growth*

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One of the largest and fastest growing industries in the United States, in terms of employment, is retail trade. Nearly 17.4 million persons were employed in this field in 1985, or more than 1 of every 6 nonagricultural wage and salary workers. From 1973 to 1985, retail trade employment expanded by 5 million, accounting for a fourth of the total nonagricultural employment increase over the period. Only services and manufacturing employed a larger number of workers, and only services; finance, insurance, and real estate; and mining exhibited a higher rate of employment growth over the 12-year period. Although growth in retail trade employment was pervasive, a closer inspection reveals that most of the increase can be attributed to very sharp expansion in two key industries within the retail trade division—eating and drinking places, and food stores.

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This article discusses employment trends in retail trade as well as in key industry groups since 1973. In addition, it explores the changing demographic, occupational, and earnings characteristics of retail trade workers, as well as the incidence of self-employment in the industry. Data for the years 1973 and 1985 were chosen for comparison, because they are indicative of periods characterized by relatively robust economic activity and, more importantly, because they each represent the third year of recovery following a recession.¹

Data for this study were derived from both the Current Employment Statistics survey and the Current Population Survey.² The Current Employment Statistics survey is a monthly sample of the payroll records from 250,000 business establishments nationwide and is widely regarded as the most detailed and statistically reliable source of information on industry employment, hours, and earnings. Data from this survey are used in the analysis of employment and earnings trends among wage and salary workers in retail

trade industries over time. However, because the payroll survey does not provide information on the demographic or occupational characteristics of workers, or on self-employed and unpaid family workers in the industry, data on these subjects were derived from the Current Population Survey, a monthly sample survey of 59,500 households nationwide.

What is retail trade?

The role of retail trade industries in a market-based economy is obvious: to serve as “middlemen” between those who supply goods and those who purchase the goods for final consumption. More formally, the retail trade division, as defined in the 1972 *Standard Industrial Classification Manual*, includes “. . . establishments engaged in selling merchandise for personal or household consumption, and rendering services incidental to the sale of the goods.” These firms are classified into eight major component industries, including general merchandise stores, food stores, automotive dealers and gasoline service stations, apparel and accessory stores, and eating and drinking places.³ Altogether, there were about 2 million retail establishments in 1982.⁴ Clearly, retail industries are the major conduits for the distribution of goods from producer to consumer. As such, they should be distinguished from their wholesale trade counterparts, which employ roughly one-third as many workers basically in the sale of goods to retailers or to industrial or commercial users.

Retail trade, by nature, is highly labor intensive, and by and large it is the retail worker who usually plays the preeminent role in the transaction between buyer and seller. Although there have been recent developments in the way retailers conduct business that are lessening the dependence upon workers for certain tasks, such as the extensive use of computerized gasoline pumps to serve customers, there are many services provided by the industry for which it has been exceedingly difficult to substitute capital for labor. Whether through providing information and assistance to the customer in the selection of the product, ringing up the sale, or in delivering the product, the retail worker is an intrinsic and seemingly irreplaceable “factor of production” in the industry. Therefore, just as consumer demand for all kinds of merchandise has increased over time, retail employment has expanded to handle the larger number of transactions between producer and consumer.

Overall growth

Employment in retail trade expanded by 5.0 million between 1973 and 1985, an increase of about 41 percent. By comparison, employment in all nonagricultural industries increased by about 27 percent. Relatively stronger employment growth in retail trade over the period reflects not only increases during business expansions that were either proportionately equal to or greater than those for all industries, but also more resilience to employment declines during each of the three recessions that occurred during the 12-year

period under study. The following tabulation shows seasonally adjusted percent changes in employment during selected business cycle expansions and contractions. (As of March 1986, the economy was in the 40th month of business recovery since the recession trough in November 1982.)

<i>Business cycles</i>	<i>All nonagricultural industries</i>	<i>Retail trade</i>
Expansions:		
March 1975–January 1980	18.8	20.6
July 1980–July 1981	2.0	1.9
November 1982–March 1986	12.2	17.5
Contractions:		
November 1973–March 1975	-1.8	0
January 1980–July 1980	-1.2	-1.0
July 1981–November 1982	-3.0	-0.4

It may seem somewhat surprising that employment in retail trade was not only far less affected by cyclical downturns than that in all nonagricultural industries, but also that it barely declined at all in the two longer recessions of the 1973–85 period. Logically, when consumer demand wanes, employment in retail trade would be expected to decline as fewer workers are needed to handle the smaller volume of sales. Indeed, although overall employment in the retail division remained relatively unchanged during the three contractions, a closer look reveals that there were substantial differences in the response to cyclical and other developments by individual retail industries.

Employment growth by industry

For the purposes of this analysis, the eight major industry groups within the retail trade division can be broken down into three groups: 1) “slow” growth industries—those which grew only slightly during expansions and experienced deep employment declines as a result of recessions, resulting in little growth over the 1973–85 period, 2) “medium” growth industries—those which exhibited marked employment growth over the period, growing during recoveries and suffering only moderate declines during recessions, and 3) “strong” growth industries—those which grew very sharply during expansions and continued to grow during contractions, thereby establishing a pattern of extraordinary employment growth over the entire period. (See table 1.)

Slow growth industries. The general merchandise stores and automotive dealers and gasoline service stations industry groups exhibited the slowest rate of growth among the retail industries over the period, each expanding by less than 7 percent over the entire 12 years. The general merchandise stores industry, the third largest retail employer in 1985, is basically comprised of department stores and similar establishments which sell a wide variety of products. The industry had been the second largest in 1973 when it employed some 2.2 million workers. However, relatively weak employment growth since that time, in part reflecting sharp and

protracted employment declines as a result of business cycle contractions, substantially eroded its share of retail employment. By 1985, the industry employed 2.3 million workers. Automotive dealers and service stations, at 1.9 million in 1985, were only 115,000 above the 1973 level. Like general merchandise stores, this industry was severely affected by cyclical downturns (which is not surprising, given the industry's close attachment to the very cyclically sensitive automobile manufacturing industry). In addition, the gasoline crises of 1973 and 1979 had a deleterious impact on automotive dealers and gasoline service stations. Resultant losses limited overall employment growth over the 1973-85 period.

Medium growth industries. The building materials and garden supplies, apparel and accessories, furniture and home furnishings, and miscellaneous retail industries registered substantially greater employment growth than the first group of industries over the period. Among these four industries, growth was proportionately the smallest for the building materials and garden supplies industry. Comprised of all stores which sell primarily lumber, hardware, and other building supplies, this industry grew by 28 percent, employing a total of 685,000 persons by 1985. Slightly stronger employment growth occurred within apparel and accessories, as clothing stores and related establishments employed about 1 million persons in 1985, or 31 percent more than in 1973. The furniture and home furnishings industry exhibited fairly sharp growth, expanding by 38 percent to an employment level of 735,000 in 1985. Like the "slow" growth group, though to a lesser degree, all three of these industries suffered significant employment losses as a result of the recessions which occurred over the 1973-85 period. The last member of this "medium" growth group, miscellaneous retail, added 640,000 workers over the period, reaching a level of 2.2 million workers. This represents an expansion of 41 percent. Miscellaneous retail includes all retail

establishments that cannot be classified in the seven other industries, such as drugstores, bookstores, and mail order houses.

Strong growth industries. Food stores and eating and drinking places comprised the "strong" growth group. The food stores industry, which includes all businesses which primarily sell food for home preparation, grew rapidly over the period and by 1985 was the second largest industry within retail trade. This industry is comprised of groceries, bakeries, various produce markets, and similar establishments. There were 2.8 million workers employed in the food stores industry in 1985, up roughly 925,000 from the 1973 level, representing an increase of 50 percent.

The eating and drinking places industry, which remained the largest industry in the division throughout the period, registered the highest employment growth rate since 1973 among the eight retail industries (87 percent). Composed of restaurants of all types, including cafeterias, fast food restaurants, and sit-down eating places, as well as a full range of establishments engaged in the retail sale of beverages for on-site consumption, the industry employed 5.7 million persons in 1985, up 2.7 million since 1973. Thus, this industry alone accounted for half of total employment growth in retail trade over the period.

Eating and drinking places and food stores industries together employed 8.5 million persons in 1985 (about half of all retail workers), and accounted for 71 percent of employment growth in retail trade since 1973. (See chart 1.) Not only did these industries grow at a much faster pace than the rest of retail trade during expansions, but employment increases in these industries during recessions were sufficient to largely offset declines that occurred in the rest of the retail industries.⁵ The following tabulation shows the changes in employment in the eating and drinking places and food stores industries and all other retail industries during selected business cycle expansions and contractions

Table 1. Number of employees in the retail trade industry by major division, 1973-85 annual averages

[In thousands]

Year	Total nonagricultural employees	Total retail trade	Building materials and garden supplies	General merchandise stores	Food stores	Automotive dealers and service stations	Apparel and accessory stores	Furniture and home furnishings stores	Eating and drinking places	Miscellaneous retail trade
1973	76,790	12,329	535	2,229	1,856	1,778	795	533	3,054	1,551
1974	78,265	12,554	542	2,210	1,948	1,666	811	538	3,231	1,609
1975	76,945	12,645	521	2,113	2,007	1,677	806	517	3,380	1,625
1976	79,382	13,209	546	2,155	2,039	1,744	842	540	3,656	1,687
1977	82,471	13,808	576	2,204	2,106	1,801	870	583	3,949	1,740
1978	86,697	14,573	608	2,308	2,199	1,861	909	595	4,277	1,816
1979	89,823	14,989	629	2,287	2,297	1,812	949	615	4,513	1,886
1980	90,406	15,035	617	2,245	2,384	1,689	957	606	4,626	1,912
1981	91,156	15,189	607	2,230	2,448	1,653	968	595	4,750	1,938
1982	89,566	15,179	588	2,184	2,478	1,632	943	584	4,831	1,940
1983	90,200	15,613	615	2,165	2,556	1,674	963	608	5,042	1,989
1984	94,496	16,545	659	2,267	2,637	1,799	1,008	678	5,388	2,108
1985	97,614	17,360	685	2,320	2,779	1,892	1,042	736	5,715	2,191

NOTE: Data were obtained from the Current Employment Statistics (establishment) survey.

(employment in thousands, seasonally adjusted):

<i>Business cycles</i>	<i>Eating and drinking places and food stores</i>	<i>All other retail industries</i>
Expansions:		
March 1975–January 1980	1,649	954
July 1980–July 1981	210	88
November 1982–March 1986	1,399	1,260
Contractions:		
November 1973–March 1975	289	-255
January 1980–July 1980	51	-216
July 1981–November 1982	158	-235

Job growth factors

There are many factors which can be associated with employment growth in retail trade since 1973. Obviously, increasing consumer demand is largely responsible, and to some extent, this simply reflects population growth and the increase in aggregate income over the period. Perhaps more importantly, there are many demographic and socioeconomic developments which have directly and indirectly magnified demand for goods and services in general, including the increased incidence of working women, and thus of two-income families; an increased number of persons who live alone; and a general trend towards increased demand for leisure time. One end product of these changes is the gradual emergence of a more affluent society, in which time has become a scarcer resource.⁶ This, in turn, has led to increased customer demand for convenience. Consumers have less time for shopping, and they want to be able to shop

whenever time becomes available. As a result, many retail stores have not only increased in size and number, but have expanded their hours of operation as well. Both factors have resulted in the addition of more workers in retail trade, particularly part-timers. Probably the greatest impact of these developments has been in the eating and drinking and food store establishments.

It is generally more expensive to eat meals prepared in restaurants than it is to eat at home, and this disparity has widened over time. Consequently, all other things being equal, one would expect to see a cutback in the amount of dollars spent on food away from home. In fact, there has been a change in eating habits. Data from BLS Consumer Expenditure Surveys indicate that between 1972–73 and 1982–83, not only has the proportion of the overall consumer’s budget spent on food declined, but that of this total food budget, the proportion spent on food away from home has increased significantly.⁷ This preference of eating out to cooking at home can certainly be associated with the increasing desire to conserve time, as it typically takes more time to prepare a meal at home than it does to eat out. As noted previously, there are many groups that have had more constraints placed upon their available time, and many of them find it more convenient to eat out, augmenting demand for the industry.⁸

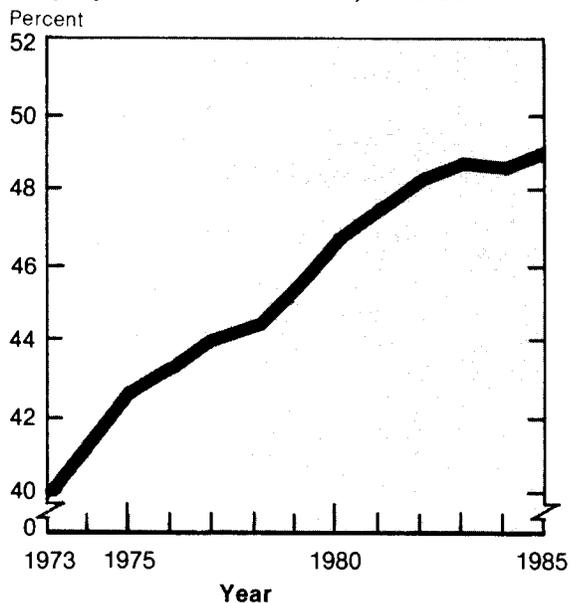
But if this is the case, then why has demand in the food stores industry increased as well? In addition to the marked population growth over the period, one possible reason for the increase over time is the growing diversification of products offered by grocery stores. To meet the customer’s growing demand for convenience, grocery stores have increasingly offered many services and products that once were the province of other industries.⁹ These include the installation of delis and salad bars, service centers for check cashing, and other services such as film processing.¹⁰ Ultimately, demand for the industry has increased as people are able to obtain a wider selection of goods with just one stop at a store, thereby saving time.

Technical innovations and productivity

Employment growth in retail trade over the 1973–85 period would probably have been even more dramatic had it not been for the adoption of many labor-saving and management-related innovations which have helped to increase productivity in the sector. For example, the use of computer technology to manage inventories and handle customer billing and accounting has limited the labor resources that were once needed to handle these tasks.¹¹ In addition, the overall trend towards consumer self-selection of merchandise has limited labor requirements in many industries, such as the proliferation of self-service pumps at gas stations and convenience stores and the self-selection of products in apparel and department stores.

In part reflecting these innovations, productivity in the retail trade division increased at an average annual rate of

Chart 1. Employment in eating and drinking places and food stores as a percentage of employment in retail trade, 1973-85



1.0 percent from 1973–84, slightly higher than the 0.8 percent recorded for the total business sector.¹² However, there were divergent movements in productivity over the period for many of the detailed retail industries. In fact, among the retail industries for which data are available, there were average annual productivity declines for only two industries, eating and drinking places and food stores. As increased output can be satisfied by either increased productivity or increased input, these two industries were increasingly reliant upon labor to meet the higher output requirements.

Characteristics of retail workers

An understanding of certain characteristics of the retail trade work force helps explain employment patterns and trends in this industry division. Historically, the retail trade work force has differed in many respects from the overall work force. For example, the industry has typically employed a disproportionately large share of part-time workers, women and young persons, sales and service workers, workers who have below average earnings, as well as self-employed and unpaid family workers. While this profile has changed little between 1973 and 1985, there have been important changes in the proportionate representation of these groups.¹³

Part-time workers. Employment growth in retail trade may be somewhat misleading if one does not note the fact that much of the growth reflected large increases in the size of the part-time component. More than 1 of every 3 retail trade workers was employed on a part-time basis in 1985—

twice the proportion of total nonagricultural employment. Although the services industry employed a larger number of part-time workers, no other industry had such a large proportion of its work force putting in fewer than 35 hours per week. Part-time employment was even more prevalent in 1985 than it had been 12 years earlier. In fact, about 40 percent of the employment growth in retail trade since 1973 has been among part-time workers; the relative contribution of part-timers to total employment growth for all nonagricultural industries was about one-fourth.¹⁴ (See table 2.) This finding is supported by data from the establishment survey, which show that average weekly hours in the industry have fallen by about 11 percent since 1973, twice the proportional decline in all private nonagricultural industries.

There are several reasons part-time employment is so prevalent in retail trade. From the standpoint of the employer, hiring part-time workers is an efficient way to handle changes in the extended hours of operation necessitated by ever-fluctuating consumer demand for retail goods. Consumer demand for many products varies seasonally, monthly, and even daily. As mentioned earlier, the emergence of a “time-scarce” American consumer has exacerbated the variability of peak and non-peak periods of demand. The result is that most retailers must stay open evenings, Saturdays, and, in many cases, even Sundays, to capture as much of this demand as possible. However, because these oscillations in demand are somewhat predictable, the retailer can use part-time labor to meet the demand at any given time.¹⁵

Just as many retailers have a need for part-time workers, so do many workers have a need for part-time jobs. Part-time schedules are often fairly flexible, allowing the worker time for other activities. This being the case, it is not surprising that women and young workers make up a large portion of the part-time workers in the industry. For example, in 1985, two-thirds of the part-time work force in retail trade were women. For many women, part-time work affords the option of supplementing family income while still allowing time for maintaining a home and child rearing; for youth, part-time work is scheduled around school attendance.

Demographic characteristics of workers. When compared with other industries, retail trade has always had a disproportionately high concentration of women and young workers. Women accounted for just under two-thirds of the employment growth in the industry between 1973 and 1985, boosting their proportion of the retail trade work force to just over one-half. This increase reflects changes occurring in the work force, as women also made up two-thirds of employment growth in all nonagricultural industries over the same period; as a result, the proportion of women in the work force increased from 39 to 45 percent.

The situation is somewhat different for young workers. Despite the general aging of the overall work force, young

Table 2. Percent distribution of employed wage and salary workers in the retail trade industry by selected characteristics, 1973 and 1985 annual averages

Characteristics	1973		1985	
	Total	Retail trade	Total	Retail trade
Total, 16 years and over	100.0	100.0	100.0	100.0
16 to 19 years	8.7	21.6	6.1	18.5
20 to 24 years	15.0	16.7	13.8	21.4
25 years and over	76.3	61.7	80.0	60.1
Men, 16 years and over	61.1	52.0	54.9	47.6
16 to 19 years	4.8	11.6	3.1	8.8
20 to 24 years	8.3	9.3	7.1	10.2
25 years and over	47.9	31.1	44.6	28.5
Women, 16 years and over	38.9	48.0	45.1	52.4
16 to 19 years	3.9	10.0	3.0	9.7
20 to 24 years	6.7	7.4	6.7	11.2
25 years and over	28.4	30.6	35.4	31.6
Full-time workers ¹	86.1	68.0	83.8	65.3
Men, 16 years and over	56.4	41.1	49.9	36.2
Women, 16 years and over	29.7	26.9	33.9	29.1
Part-time workers ¹	13.9	32.0	16.2	34.7
Men, 16 years and over	4.7	10.9	5.0	11.4
Women, 16 years and over	9.3	21.1	11.2	23.3

¹ Employed persons with a job but not at work and persons at work part time are distributed according to whether they usually work full or part time.

NOTE: Data were obtained from the Current Population (household) Survey and exclude agricultural and private household workers.

workers (16 to 24 years of age) commanded an even larger share of retail trade employment in 1985 than in 1973. This was entirely due to very large increases in the number of retail workers 20 to 24 years of age. In fact, about 73 percent of the increase in total industry employment for workers ages 20 to 24 occurred in retail trade. Teenagers accounted for about 1 of every 5 retail workers in 1985, and more than half of all employed teens worked in retail trade. On the whole, about 40 percent of all workers in retail trade were less than 25 years of age in 1985, twice the percentage for the overall work force; the figures in 1973 were 38 and 24 percent, respectively. (See table 2.) There is little variation in the extent to which whites and minorities hold jobs in retail trade. About 17 percent of both white and Hispanic workers were employed in the industry in 1985, compared with about 14 percent of black workers.¹⁶

There are several likely reasons for the relatively high prevalence of young and female workers in retail trade. Young workers typically have fewer job skills and less training than their older counterparts. In addition, as mentioned earlier, both young and female workers have a relatively high proclivity to work part time. Based on the fact that skill requirements in the industry are generally low, and that part-time work arrangements are often easily accommodated, many young and female workers find positions in the industry very suitable.

Occupation. Sales and service jobs were the most prevalent occupations in retail trade in 1985.¹⁷ About 42 percent of all workers in the industry held sales positions, and about 23 percent were employed in service jobs. Most of those in the latter category worked in eating and drinking places. Combined, these two occupational groups accounted for almost two-thirds of the employed total in retail trade; this compares with about 25 percent of those in all industries. Within retail trade, the most prevalent occupations in the sales and service areas were salesworkers, sales supervisors,

Table 3. Occupational distribution of employment in the retail trade industry, 1985 annual averages

Occupation	1985	
	Total employed	Retail trade
Total employed	100.0	100.0
Managerial and professional specialty	24.1	9.5
Executive, administrative, and managerial	11.4	7.6
Professional specialty	12.7	1.9
Technical, sales, and administrative support	31.0	50.0
Technicians and related support	3.0	.3
Sales occupations	11.8	41.6
Administrative support, including clerical	16.2	8.1
Service occupations	13.5	23.3
Private household9	—
Protective service	1.6	.3
Service, except private household and protective	10.9	23.0
Precision production, craft, and repair	12.4	6.4
Operators, fabricators, and laborers	15.7	10.7
Machine operators, assemblers, and inspectors	7.3	.8
Transportation and material moving occupations	4.2	2.3
Handlers, equipment cleaners, helpers, and laborers	4.1	7.6
Farming, forestry, and fishing	3.2	.1

NOTE: Data were obtained from the Current Population (household) Survey.

cashiers, and food preparation and service workers. (See table 3.)

Earnings. Pay in the retail trade industry has historically been below average, and the disparity has widened. Weekly earnings in the industry (derived from the Current Employment Statistics survey), at \$175 in 1985, were 58 percent of the figure for all private nonagricultural wage and salary workers; this ratio was down from 66 percent in 1973. Within retail trade, weekly earnings ranged from a high of \$273 in automotive dealerships and service stations to \$112 in eating and drinking places in 1985. (See table 4.)

A study of earnings in the industry is complicated, however, by the many varied pay arrangements. Commissions and tips supplement, to varying degrees, earnings within

Table 4. Average weekly earnings of private nonagricultural production or nonsupervisory workers in the retail trade industry, 1973-85 annual averages

Year	Total private nonagricultural employees	Total retail trade	Building materials and garden supplies	General merchandise stores	Food stores	Automotive dealers and service stations	Apparel and accessory stores	Furniture and home furnishings stores	Eating and drinking places	Miscellaneous retail trade
1973	\$145.39	\$96.32	\$128.82	\$86.94	\$111.20	\$133.17	\$80.74	\$131.38	\$65.18	\$101.51
1974	154.76	102.68	136.64	92.68	121.55	143.05	86.88	137.23	69.92	106.57
1975	163.53	108.86	142.88	99.19	131.38	149.76	91.81	144.84	74.21	113.22
1976	175.45	114.60	152.86	104.01	144.21	158.56	98.45	151.92	76.67	118.86
1977	189.00	121.66	163.78	110.93	155.03	170.62	102.81	156.73	81.75	123.55
1978	203.70	130.20	175.68	118.67	167.36	184.88	110.11	169.31	87.26	132.93
1979	219.91	138.62	186.38	129.21	179.74	200.72	117.09	182.34	90.74	143.81
1980	235.10	147.38	195.94	139.76	194.69	212.25	122.12	192.44	96.31	152.29
1981	255.20	158.03	209.76	150.38	212.35	228.23	132.99	205.52	103.10	160.97
1982	267.26	163.85	215.04	157.39	221.65	235.99	136.77	212.72	107.16	167.94
1983	280.70	171.05	221.17	165.50	229.81	249.44	141.06	227.41	112.30	174.89
1984	292.86	174.33	232.32	163.56	233.78	263.81	143.08	235.63	112.04	180.38
1985	299.09	174.64	239.58	169.60	221.97	272.69	143.33	239.57	111.71	182.03

NOTE: Data were obtained from the Current Employment Statistics (establishment) survey.

several component industries. Earnings received on a commission basis, which are included in the Current Employment Statistics survey, occur in industries with a heavy proportion of salesworkers, and vary according to product sold. Big ticket items, such as automobiles, major appliances, and jewelry offer the best chance for commission-type arrangements. Presumably, tips, which are excluded from the survey, are the most common type of compensation over and above regular pay in eating and drinking places. As a result, the payroll data somewhat understate the average earnings of workers in this industry.

Many jobs in retail trade offer no such supplement to regular wages, and therefore it is useful to look at the earnings of workers paid at an hourly rate. Data from the Current Population Survey indicate that the median hourly earnings for retail trade workers paid at an hourly rate in 1985 were \$4.15. About two-thirds of those workers paid at hourly rates made less than \$5 an hour. About one-fourth earned the prevailing minimum wage of \$3.35 or less—a much larger proportion than in any other industry. In fact, half of all minimum wage and subminimum wage workers were employed in retail trade.¹⁸

There are several characteristics of the retail trade work force which can be associated with the generally low earnings in the industry division. These include, among others, an occupational structure heavily biased toward sales and service positions, employment disproportionately composed of young workers, and industry operations that are tailored for part-time positions. Because these groups and job characteristics are associated with lower pay in general, it follows that earnings in retail trade would be affected negatively. Indeed, the increasing proportionate sizes of these

groups in retail trade over time may be related to the widening earnings gap between the industry and the all-industry average.

Self-employed and unpaid family workers. While wage and salary employment in retail trade grew markedly between 1973 and 1985, the number of self-employed workers in the industry changed very little. As a result, their proportion of total employment declined from 10 to 8 percent over the period. The number of unpaid family workers in the retail industry actually fell over the period, and by 1985, they represented less than 1 percent of the employed total in the sector. Both of these developments suggest a decline in the role of self-owned retail businesses in the industry.

THE RELATIVELY STRONG employment growth in the retail trade division over the 1973–85 period can mostly be attributed to extraordinary growth in eating and drinking places and food stores. Although a few other retail industries exhibited substantial employment growth over the period, several factors, including the increased importance of spare time and convenience to consumers, augmented demand for eating and drinking places and food stores to a much larger extent than that for retail trade in general. BLS projections indicate that employment growth in eating and drinking places and in food stores will continue strongly through 1995, albeit at a slightly slower pace than in the past. This, combined with projected declines in the rate of employment growth among other retail industries, seems to suggest that in contrast to past performance, overall retail trade employment growth over the 1984–95 period will be only slightly stronger than that for all industries.¹⁹ □

—FOOTNOTES—

¹The business cycle expansion and contraction periods are determined by the National Bureau of Economic Research, a private, nonprofit research organization located in Cambridge, MA.

²Because the two sources differ in definition, coverage, methods of collection, and estimating procedures, estimates of employment are not identical. For a detailed comparison of the two surveys, see the "Explanatory Notes" section of the BLS monthly publication, *Employment and Earnings*.

³The following industry groups comprise the major "two-digit" retail industries in the sector:

- SIC 52—Building materials, hardware, garden supply, and mobile home dealers
- SIC 53—General merchandise stores
- SIC 54—Food stores
- SIC 55—Automotive dealers and gasoline service stations
- SIC 56—Apparel and accessory stores
- SIC 57—Furniture, home furnishings, and equipment stores
- SIC 58—Eating and drinking places
- SIC 59—Miscellaneous retail

These groups are further broken down into more detailed three- and four-digit industries. See the U.S. Office of Management and Budget's *Standard Industrial Classification Manual, 1972*, for further information and a more detailed explanation of the codes.

⁴See *1982 Census of Retail Trade* (Bureau of the Census, Nov. 1984), p. 2.

⁵One characteristic common to both of these industries that substantially insulates them from cyclical downturns, and thus the associated employment losses, is that food and related products represent a "need" rather than a "want." Consequently, potential employment declines in these industries are mitigated. However, the fact that employment in these industries actually grew significantly during the three recessions reflects considerable consumer demand for their products.

⁶Jagdish N. Sheth, "Emerging Trends for the Retailing Industry," *Journal of Retailing*, Fall 1983, p. 6.

⁷For further information, see Raymond Gieseman and John Rogers, "Consumer expenditures: results from the Diary and Interview surveys," *Monthly Labor Review*, June 1986, pp. 14–18.

⁸William Dunn, "The Meat and Potatoes of Eating Out," *American Demographics*, January 1985, p. 35.

⁹See Sheth, p. 7.

¹⁰See *Progressive Grocer Magazine*, selected "Annual Reports of the Grocery Industry."

¹¹See Michael A. Gallo and Robert B. Nenno, *Computers and Society* (Boston, Prindle, Weber and Schmidt, 1985), pp. 182–86.

¹²Data were obtained from both published and unpublished matrices from the BLS Office of Productivity and Technology. The productivity figures represent output per hour of all persons. Average annual productivity rates of change over the 1973–84 period for the total business sector,

retail trade, and available detailed retail industries are:

Total business sector8
Retail trade	1.0
SIC 54—Food stores	-.7
SIC 5511—Franchised new car dealers8
SIC 5541—Gasoline service stations	3.1
SIC 56—Apparel and accessory stores	3.7
SIC 58—Eating and drinking places	-.7
SIC 5912—Drugstores	1.3

¹³For information on the characteristics of workers in the retail trade industry over the 1968–78 period, see Barbara Cottman Job, "Employment and pay trends in the retail trade industry," *Monthly Labor Review*, March 1980, pp. 40–43.

¹⁴These data are based on a new definition of part-time employment recently developed by BLS. For a discussion of the new definition, see Thomas Nardone, "Part-time workers: who are they?" *Monthly Labor Review*, February 1986, pp. 13–19.

¹⁵For information on the demand for part-time labor in retailing, see Roy Thurik and Nico Van Der Wijst, "Part-Time Labor in Retailing," *Journal of Retailing*, Fall 1984, pp. 62–68.

¹⁶Persons of Hispanic origin are included in both the black and white population groups.

¹⁷Beginning with data for 1983, occupational data are classified according to the system used in the 1980 census, which was redesigned to reflect the occupational structure of the changing economy. This system is radically different from the 1970 census-based system which was adopted in 1972 and used through 1982. Therefore, data for 1985 are not comparable with pre-1983 estimates, and for this reason, occupational data for 1985 only are discussed in the text. Occupational data used in this report are representative of all workers in the retail trade industry, including the self-employed, private household workers, and unpaid family workers. Although these components are relatively small, it should be noted that these figures differ from the data used in the discussion of part-time, women, and young workers, which represent only nonagricultural wage and salary workers excluding private household workers.

¹⁸It should be noted, once again, that many of these hourly paid workers receive wages that are supplemented in varying degrees by tips and commissions. Furthermore, the existence of a substantial group of retail workers earning below the minimum wage does not necessarily indicate violations of the Fair Labor Standards Act but in fact may reflect exemptions to the Act, many of which pertain to the retail trade industry. For further information, and a more complete list of full and partial exemptions, see *Report of the Minimum Wage Study Commission*, vol. I, pp. 107–38.

¹⁹See Valerie A. Personick, "A second look at industry output and employment trends to 1995," *Monthly Labor Review*, November 1985, pp. 26–41.