

# Retail Industry Workforce Analysis: HB 2019 Progress Report

Increasing educational and training opportunities  
for careers in retail.

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## Table of Contents

EXECUTIVE SUMMARY .....	3
Introduction.....	5
Background .....	6
Action Taken in 2022.....	8
Initial Research Findings and Key Considerations .....	9
1. The Retail Industry.....	9
2. National Retail Industry Trends.....	11
3. The Retail Industry in Washington.....	15
4. Core Skills and Competencies for the Retail Industry.....	16
5. Career Pathways in Retail .....	19
6. Barriers to Entering and Advancing in Retail Occupations.....	26
The Next Steps .....	31
Areas for Further Exploration in 2023 .....	31
References.....	33

## EXECUTIVE SUMMARY

The retail sector plays an outsized role in Washington’s economy. It is the state’s third-largest employer, a major driver of the state’s GDP, and accounts for more than 40 percent of the state's tax revenue. Retail work also often serves as a primary entry point into the workforce—an avenue for many to land their first job and gain crucial experience in the workplace. This is particularly true for younger workers.

Sometimes overlooked in terms of more splashy occupations such as IT or other industries known for their 21<sup>st</sup> century skillsets, retail employers still seek out workers with the skills and competencies that are not easily replicable by machines such as customer service, collaboration, communication, flexibility, leadership, and social skills. Workers with retail experience acquire transferrable and stackable job skills desired in all industries and careers.

Despite its importance, the retail sector has not been immune to the worker shortages that have been exacerbated in recent years with COVID-19 and its resulting workforce disruptions. While Washington has developed strong career and technical education programs and has invested in career connected learning for young people to explore, learn, and earn money and college-level credit, current career and technical education clusters and programs do not adequately identify and promote working in retail as a career. Although some career clusters and pathways may include courses that are relevant to a career in retail, there are no pathways specific to retail nor are students always encouraged to participate for the purpose of a career in retail.

To address these shortcomings, the 2022 Legislature passed [HB 2019](#) to help identify and facilitate growth in career pathways in the retail industry. The legislation tasks the Workforce Board, in consultation with the State Board for Community and Technical Colleges (SBCTC) and statewide retail employer organizations, to:

- Identify core skills needed for employment in the retail industry.
- Identify existing courses, educational pathways, and apprenticeships for students and entry-level job seekers to gain the core skills identified.
- Map educational pathways and apprenticeships that retail workers may use to pursue promotions and job advancement opportunities.
- Identify where there are gaps in educational courses, trainings, and apprenticeships for retail workers.
- Identify in-demand, higher wage, non-industry specific professions within the retail industry that experience and education in retail may lead to.

HB 2019 states that the Workforce Board will use this information to engage stakeholders, including, but not limited to, SBCTC, the Office of Superintendent of Public Instruction, the Department of Corrections, the Employment Security Department, the Career Connected Learning Cross-Agency Work Group, and statewide retail employer organizations to make recommendations to the Legislature on the following:

- Strategies to develop additional courses, pathways, and apprenticeships to make retail certifications and credentials available for job seekers and current retail employees.
- Strategies to build a network for students and job seekers who complete retail certification courses to connect with potential employers.
- Options for engaging and partnering with retail employers to provide courses to incumbent frontline workers for the purpose of upskilling and promotions, including in-demand, higher paid, non-industry specific positions within the retail industry.
- Options for increasing training and job opportunities in the retail industry for underserved communities and previously incarcerated individuals.

This report is a preliminary progress report on the Workforce Board's activities in implementing HB 2019. The report provides a plan for 2023 activities as well as an initial landscape analysis of the retail sector. This research will support the development of a future roadmap for the state to support a skilled talent pipeline for the retail industry and pathways to opportunities in the retail sector for Washington workers. The final report is due in December of 2023 and will include stakeholder recommendations on ways to increase educational and training opportunities for careers in retail.

## Introduction

*“Nearly two-thirds of all Americans start their working lives in retail jobs. These experiences shape foundational skills and knowledge that can help workers advance both within the sector and in other unrelated careers. Because of the breadth and depth of retail careers, many with relatively low entry requirements, the sector can offer many people ‘a pathway to a middle-class life’ (Dorfmann 2014). Creating pathways and opportunities for frontline retail workers to advance is important.”*

### [Moving Up: Talent Strategies for Retail Businesses to Help Frontline Workers Advance](#)

Molly Scott, Shayne Spaulding, Christian Collins, Semhar Gebrekristos. 2021.  
Urban Institute, Washington DC

In 2022, the Washington State Legislature passed House Bill 2019, also known as the Careers in Retail Law, to increase educational training opportunities for retail workers, especially in light of the changing nature of the industry. Upon signing the law, Governor Jay Inslee declared September “Careers in Retail Month.” His proclamation recognized the critical role the retail industry plays in the state’s economy and the need to celebrate and support the industry and its workers.

This is particularly relevant in the current economic, social, and technological environment as increased adoption of automation and artificial intelligence has brought dramatic changes to the way retail companies and customers do business. Self-checkout lanes have multiplied, online shopping has proliferated, and technology has become increasingly common across nearly all aspects of retail operations. These shifts have likewise transformed how retail employees interact with customers, as well as altering the skills needed to succeed and thrive in the industry.

These trends have been compounded over the past two years as COVID-19 and resulting social distancing measures impacted retail businesses and workers disproportionately hard, especially so for smaller businesses that had less capability to adopt contactless transactions or shift to digital sales. The retail sector experienced some the highest levels of unemployment during the pandemic, putting a disproportionate number of younger workers out of a job. As the state transitions towards economic and employment recovery, economic and workforce development systems will need to adjust to this new environment.

This report provides the Governor, Legislature, and stakeholders an initial look at the status of the industry, the core competencies necessary for careers in retail, career pathways currently available to retail workers, relevant credentials, and barriers to entry and advancement from both the worker and employer’s perspectives.

## Background

The importance of the retail sector in Washington is difficult to understate as one of the largest employers and revenue generators in the state. Just under 380,000 people worked in the retail sector in 2020, ranking it the third-largest employer in the state behind healthcare and social assistance (426,000) and the government (548,000), according to [labor market data](#) from the Employment Security Department (ESD). These workers were collectively paid more than \$27 million in 2020.

The sector is likewise a major contributor to state coffers, with retail sales and use making up 45 percent of all [state tax revenue](#) in 2021, totaling more than \$13.3 billion, according to the [Department of Revenue](#).

Recognizing the industry's impact, funding was provided by the 2022 Washington State Legislature through HB 2019 for the Workforce Board to implement a project to support the building of a talent pipeline for the retail industry and navigable pathways to livable wage retail careers for Washington workers.

The Workforce Board is uniquely placed to carry out this research, with its mandate to provide planning, coordination, evaluation, monitoring, and policy analysis for the state workforce training system as a whole, and to advise the Governor and the Legislature concerning the training system. The Workforce Board also takes a "balanced scorecard approach" to ensure that employers, workers, and communities are represented in the Board's analysis for this project, and each benefit from the Board's recommendations.

This analysis will:

- Identify core skills and competencies needed for employment in the retail industry.
- Map retail occupations and career pathways, showing geographic and industry subsector breakdowns, numbers employed, and current and projected job openings.
- Describe each occupational level by skills and competencies required.
- Work with employers to establish a single or near-single taxonomy of retail occupational titles, skills, and competencies where possible.
- Identify in-demand, non-industry specific professions both within and outside the retail industry that experience in the retail industry may lead to and map the possible routes to those opportunities.
- Identify existing credit and non-credit courses, educational pathways, and registered apprenticeships for students and entry-level job seekers to gain the core skills identified.
- Map educational pathways and apprenticeships that retail workers may use to pursue promotions and job advancement opportunities.

- Break down education and training opportunities by the skills and competencies that can be learned.
- Map credentials of all types related to this sector and how credentials relate to each other, describing each credential by the skills or competencies represented and how such skills and competencies are assessed and/or validated.
- Identify where there are gaps in educational courses, trainings, and apprenticeships for the career opportunities available in the retail industry.
- Taking all the above information into account, the Workforce Board will engage with stakeholders to develop a set of recommendations to strengthen the retail sector and its workforce development system.

These stakeholders include, but are not limited to:

- State Board for Community and Technical Colleges (SBCTC)
- Office of Superintendent of Public Instruction (OSPI)
- Department of Corrections (DOC)
- Employment Security Department (ESD)
- Career Connected Learning Cross-Agency Work Group
- Labor and Industries (L&I)
- Statewide retail employer organizations
- Labor organizations
- Retail workers

The recommendations must incorporate the following criteria:

1. Strategies to develop additional courses, pathways, and apprenticeships to make retail certifications and credentials available and easily navigable for job seekers and current retail employees.
2. In-school and out-of-school youth education and training, including CTE and pre-apprenticeship programs for initial employment in the retail industry, describing existing and potential/recommended linkages and hand-offs to career pathway opportunities.
3. Building a program or portal, including a digital, interoperable Learner-Employer Record platform for students and job seekers who complete retail certification courses to connect with potential employers.
4. Options for engaging and partnering with retail employers to provide courses to incumbent frontline workers for the purpose of upskilling and promotions, including in-demand, higher paid, non-industry specific positions within the retail industry.
5. Options for increasing training and job opportunities in the retail industry for underserved communities and previously incarcerated individuals.

It is the intent of this project to develop a recommended roadmap for the state to support a skilled talent pipeline for the retail industry and pathways to opportunities in the retail industry for Washington workers. A final report and recommendations will outline information that will help individuals consider and succeed in career pathways in the retail industry, help educators develop curricula and programs that support career pathway success, and help Washington's retail industry hire the talent they need to thrive. This report and recommendations will be delivered to the Governor and Legislature December 1, 2023.

### **Action Taken in 2022**

From the passage of the enabling legislation in February 2022 to November 2022, the Workforce Board has made significant progress on the project in key areas. This work includes collecting data and research on Washington's retail industry and workforce, holding discussions with partner agencies and stakeholders, and engaging contractors to assist in advancing the project.

Specific actions taken include:

- Discussed and received input from counterparts at the Office of Superintendent of Public Instruction (OSPI) and State Board for Community and Technical Colleges (SBCTC) on the retail workforce analysis project.
- Discussed and received input from representatives of the Washington Retail Association (WR).
- Engaged a contractor to conduct research into Washington State's retail sector, including its size, demographics, occupations, desired skillsets, relevant credentials, and educational pathways.
- Initiated a competitive procurement process to award an Agency Contract for the Workforce Board to purchase stakeholder facilitation, research, report writing services, and recommendation development from a contractor. The anticipated award of the contract is December 13, 2022.



## Initial Research Findings and Key Considerations

### 1. The Retail Industry

According to the [U.S. Bureau of Labor Statistics](#), the retail industry consists of businesses selling merchandise, generally produced by others. The Bureau divides the industry into two types of retailers:

- Store retailers: Brick-and-mortar stores designed to sell products to individuals, households and/or businesses, mostly on a walk-in basis. Some store retailers also offer after sale services like installation and repairs.
- Non-store retailers: These retailers sell merchandise via "infomercials," direct-response advertising, paper and electronic catalogs, door-to-door solicitation, in-home demonstration, portable stalls (street vendors, except food), and vending machines, rather than brick and mortar walk-in stores.

For statistical and research purposes, the industry is described by North American Industry Code System (NAICS) codes 44-45. NAICS 44-45 includes sellers of automotive and other motor vehicles and parts, furniture and home furnishings, electronics and appliances, building materials and garden supplies, food and beverages, health and personal care products, gasoline, clothing and accessories, sporting goods, hobby supplies, books, music, and general merchandise, such as florists, stationers, and used merchandise retailers.

According to the [National Retail Federation](#) (NRF), 98 percent of retailers are small businesses with fewer than 50 employees. However, about three-quarters of retail employees work for large companies of more than 1,000 employees.

Retail occupations are classified using standard occupational classification (SOC) codes. The following table is based on [National Industry-Specific Occupational Employment and Wage Estimates](#) published by the U.S. Bureau of Labor Statistics. It lists all the occupational categories within the retail sector and ranks them based on the number of workers employed in each occupational code within the industry across the United States.

**Figure 1: Occupational Categories in the Retail Sector, Sorted by Employment (high to low)**

SOC	Occupation Title	Employment
41	<a href="#">Sales and Related Occupations</a> , especially retail sales workers, including cashiers, and their frontline supervisors	7,851,620
53	<a href="#">Transportation and Material Moving Occupations</a> , especially stockers, order fillers and other laborers and material movers	2,606,990
43	<a href="#">Office and Administrative Support Occupations</a> , especially customer service representatives; financial clerks; shipping, receiving and inventory clerks; and other administrative staff	1,358,520

<b>SOC</b>	<b>Occupation Title</b>	<b>Employment</b>
49	<a href="#">Installation, Maintenance, and Repair Occupations</a> , especially automotive service technicians, tire repairers and changers, and other repair occupations	713,210
35	<a href="#">Food Preparation and Serving Related Occupations</a> , especially cooks and food preparation workers, and food and beverage serving workers including fast food workers	549,270
29	<a href="#">Healthcare Practitioners and Technical Occupations</a> , especially pharmacists and pharmacy technicians	546,370
11	<a href="#">Management Occupations</a> , especially general and operations managers, and including managers for advertising, public relations, purchasing, computer and information systems, facilities, human resources, and financial managers.	532,460
51	<a href="#">Production Occupations</a> , especially food processors, including butchers and bakers; textile, apparel and furniture makers; wood workers; jewelers; and other production occupations	365,880
13	<a href="#">Business and Financial Operations Occupations</a> , especially business operations specialists, such as human resources specialists, buying and purchasing agents, marketing and research specialists, credit and loan officers, and accountants and auditors	204,530
27	<a href="#">Arts, Design, Entertainment, Sports, and Media Occupations</a> , especially art and design workers like floral, graphic and interior designers, and media and communication workers	149,260
37	<a href="#">Building and Grounds Cleaning and Maintenance Occupations</a> , especially janitors and building cleaning workers and grounds maintenance workers	112,980
39	<a href="#">Personal Care and Service Occupations</a> , especially animal caretakers, barbers, hairstylist and cosmetologists	85,240
15	<a href="#">Computer and Mathematical Occupations</a> , especially computer occupations, such as computer support specialists, software and web developers, programmers, and testers	57,600
33	<a href="#">Protective Service Occupations</a> , especially security guards	56,580
31	<a href="#">Healthcare Support Occupations</a> , especially pharmacy aids	38,990
47	<a href="#">Construction and Extraction Occupations</a> , especially carpet, floor, and tile installers and finishers	38,210
45	<a href="#">Farming, Fishing, and Forestry Occupations</a> , especially farmworkers and laborers, and crop, nursery, and greenhouse workers	26,990
25	<a href="#">Educational Instruction and Library Occupations</a> , especially self-enrichment teachers	7,020
17	<a href="#">Engineering Occupations</a> including various architects and engineering occupations	4,480
23	<a href="#">Legal Occupations</a>	2,590
19	<a href="#">Life, Physical, and Social Science Occupations</a> including food scientists and health and safety experts	1,300
21	<a href="#">Community and Social Service Occupations</a> such as counsellors and social workers	1,220

**Source:** Bureau of Labor Statistics, [May 2021 National Industry-Specific Occupational Employment and Wage Estimates](#), Sectors 44 and 45 - Retail Trade

According to the Bureau of Labor Statistics, the vast majority of workers in the retail industry are classified as working in Sales and Related Occupations (SOC 41). Occupations within this category include salespersons and sales representatives, cashiers, first-line supervisors, real estate agents, telemarketers, street vendors, travel agents, insurance sales agents, financial services sales agents, and more. Retail sales workers are the single largest occupation in the industry, accounting for 6,406,520 workers and about 42% of the retail workforce. The next largest occupation is first-line supervisors of sales workers, 1,067,810 workers for a ratio of about one frontline supervisor for about every 6 retail sales workers. These frontline supervisors play a critical role in the management and support of entry-level workers, including the many frontline employees who work part-time.

A 2021 Urban Institute report, [Moving Up: Talent Strategies for Retail Businesses to Help Frontline Workers Advance](#), shows that frontline retail workers are diverse. “They come from all age groups, with a median age of 40, and they roughly mirror the American working population in terms of race and ethnicity: 62 percent are non-Hispanic white, 17 percent are Hispanic, 13 percent are Black, and 5 percent are Asian. Men slightly outnumber women, about three to two.” According to another Urban Institute research report, [Frontline Workers in the Retail Sector: A Profile of Characteristics for Advancement](#), focused on retail workers over the age of 18. It found that while 22 percent of frontline retail workers are ages 19 to 24, and about the same percent are ages 55 to 75, and majority are mid-career workers ages 25 to 54. Almost two-thirds of frontline retail workers work in the sector for more than a year and 63% of frontline retail workers work full time. (Loprest, Mikelson 2019)

Clearly, the retail industry is large and diverse, generating significant sales tax revenues for local and state governments and providing income for millions of Americans. The industry also offers entry into a variety of internal career pathways with significant opportunities for advancement, as well as jumping off points for external career pathways into other industries.

## **2. National Retail Industry Trends**

The retail industry faces most of the same challenges faced by the rest of the economy and labor market: stiff competition for talent, difficulties retaining staff, higher costs of doing business due to inflation and upward pressure on wages, broken supply chains, and increasing complexity as new technologies disrupt former business models. While many retailers have bounced back from early pandemic closures, “many people in frontline retail jobs—given the risks and hardships they have faced and perceptions of limited opportunity in retail—have opted to look to other sectors for opportunities or have dropped out of the labor force altogether (Scott, Spaulding, Collins, Gebrekristos 2021).” The Deloitte [2022 Retail Industry Outlook](#) notes that: “For nearly two years, predictions about the future of retail have seemed dire, and retail headlines for 2022 don’t look much better: empty store shelves, over one million retail jobs

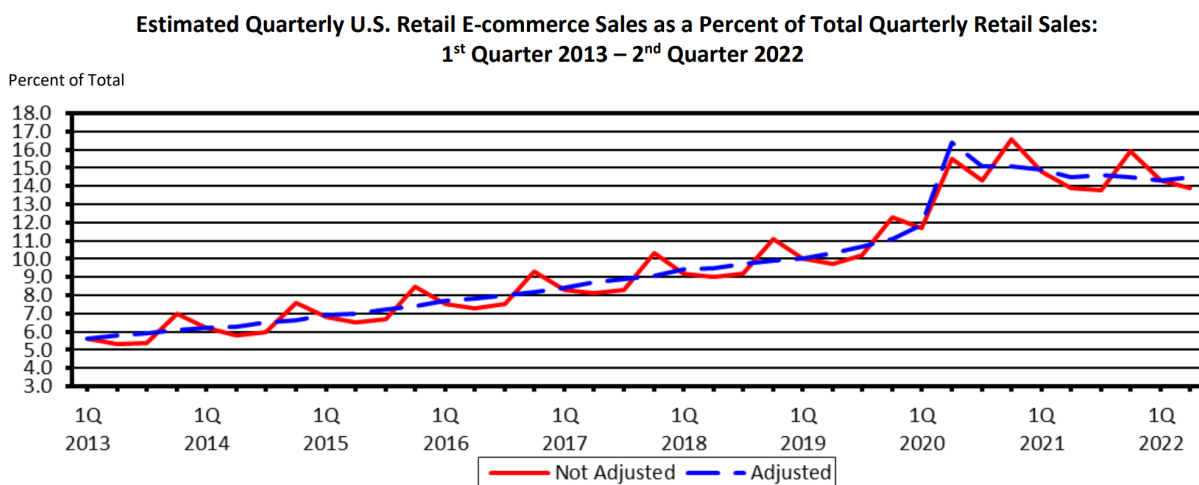
unfilled,<sup>1</sup> and surging inflation. But these headwinds have also yielded some positive results—retailers have been forced to reexamine their legacy systems and strategies that have shaped the industry for years. The pandemic accelerated significant trends that had been changing the industry for years.”

There are also several trends that are specific to the retail industry. Because retail is so heavily dependent on the skills and talents of its workforce, these trends also have implication for how the future retail workforce will be recruited, trained, retained, paid, and promoted over time.

**Increasing Online and Hybrid Shopping**

The COVID-19 pandemic spurred the growth of online retailing, blurring the lines between store and non-store retailers. An August 19, 2022, [U.S. Census Bureau report](#) found that while e-commerce revenue has dropped from its peak at the height of pandemic closures, sales for the first and second quarters of 2022 accounted for 13.9 and 14.5 percent of total sales respectively, a significant increase compared to the slow but steady growth of the previous decade, as illustrated in figure 2 below.

**Figure 2: Increasing E-commerce Trends**



**Source:** [U.S. Census Bureau News](#), August 19, 2022

The NRF and the [IBM Institute for Business Value](#) published a report in January 2022 indicating that the demand for online shopping is here to stay, but is more nuanced than a simple battle between online and in-store shopping. The report, titled [Consumers Want it All: Hybrid](#)

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<sup>1</sup> Abha Bhattarai, "[Macy's offers corporate workers a 'valuable opportunity': In-store shifts](#)," Washington Post, November 17, 2021.

[Shopping, Sustainability, and Purpose-Driven Brands](#), is based on international research and found that “Shopping can no longer be divided into online or offline experiences. Many consumers now prefer an ‘all-of-the above’ approach, visiting stores, shopping online, and using mobile apps interchangeably.” While 28 percent of consumers use online as their primary mode for shopping, “hybrid shopping,” a mix of digital and in-person experiences, was identified as the primary shopping mode for 27 percent of all consumers and 36 percent of Gen Z. Examples of hybrid shopping include, but are not limited to: online ordering with instore or curbside pickup, using self-checkout or in-store kiosks, exploring products in person then going online to find the best price, or doing research online before going to a store to make a purchase. In-store shopping was identified as part of the shopping experience about 72 percent of the time and is the preferred shopping mode for 45 percent of all consumers, especially Baby Boomers, and especially for groceries, personal care, and apparel and footwear. These findings have implications for how the retail industry staffs its in-person and online stores as well as the skills employees need to support customer preferences (Haller, Wallace, Cheung, and Gupta 2022).

As the [Deloitte 2022 Retail Trend Outlook](#) notes: “A key takeaway from the pandemic has been that consumers have reset their level of reliance on technology and digital platforms.”

### ***Greater Integration Between Retail and Transportation and Warehousing***

Pandemic lockdowns and social distancing guidelines caused retailers to offer more delivery services, sign up with delivery platforms such as Uber Eats, DoorDash, etc., and expand relationships with third-party logistics companies such as UPS, FedEx, etc. The demand for delivery has continued despite the reopening of brick and mortar stores and “consumers are using restaurant and grocery delivery more often than they did in February 2021.” (Haller, Wallace, Cheung, and Gupta 2022) As a result many retailers have expanded transportation and warehousing functions (NAICS 48-49) and hired more transportation and warehousing employees (SOC 53). This is especially true for online marketplaces, like Washington-based Amazon, which have fully integrated information, warehousing, and delivery into their operations, locating distribution centers closer to customers and hiring thousands of warehousing, logistics, and transportation workers.

### ***Safety and Security Challenges***

Another retail industry trend is an increased focus on safety and security. The NRF 2022 Retail Survey report, titled [The State of National Retail Security and Organized Retail Crime](#), notes that “most of the retailers surveyed report in-store, ecommerce, and omnichannel fraud are all on the rise. The majority of respondents also reported that guest-on-associate violence, external theft, ORC [organized retail crime], and cybercrimes have become higher priorities for their organizations. Challenges with labor shortages, employee retention, and hiring—as well as

issues related to masking and maintaining COVID precautions—have contributed to the risks of violence and hostility. The current climate of active assailants and gun violence add to retailers' concerns about being able to keep employees and customers safe.” The report notes that while most retailers are investing in technological solutions to crime prevention, “the vast majority of [survey] respondents use: (1) codes of conduct; (2) anonymous telephone ‘hotline’ programs; (3) active shooter training programs; (4) bulletin board notices/posters; (5) internet/computer-based training videos; and (6) face-to-face training during new hire orientation” as well as anonymous online/email notification programs, to address increased crime. These approaches place much of the burden for reducing retail crime on frontline sales employees, changing the nature of their work. In fact, in 2020, the NRF Foundation worked with the U.S. Department of Labor to add two new competencies to the federal [Retail Trade Competency Model](#): maintaining a healthy and safe environment and safeguarding one’s person.

### ***Growing Preference for Sustainability, Health, and Wellness***

An additional trend impacting the retail sector is increasing customer focus on sustainability, health, and wellness. “Roughly 4 in 5 consumers say sustainability and health and wellness benefits are important to them when choosing a brand. While Millennials are leading the charge, every age group indicates that sustainability, environmental, and/or personal wellness attributes are significant considerations in selecting brands.” (Karl Haller, Mary Wallace, Cheung, and Gupta, NRF Report: Consumers Want It All. 2022) This trend is also impacting retail industry workforce recruitment efforts, as “sustainability-focused companies have a talent advantage. Nearly 7 in 10 (68%) employees are more likely to apply for jobs with environmentally responsible organizations, with 48 percent willing to accept a lower salary” according to a May 2021 IBM Institute for Business Value study titled [Sustainability at a Turning Point: Consumers are Pushing Companies to Pivot](#).

### ***Increasing Unionization***

Unionization is another trend worth watching in the retail industry. Some sectors of the retail industry, like grocery stores, have a history of high rates of unionization. Others have recently seen a significant uptick in unionization activity, including widely publicized unionization efforts by Starbucks, Amazon and REI employees. A March 2022 [Forbes article](#) notes that “Only 5 percent of retail employees are union members or whose jobs are covered by a union or employee association contract, compared with 7 percent for all private-sector employers. But if current trends in retail continue, those numbers are sure to rise.”

In addition to new efforts to unionize, existing unions in the retail sector have had success pushing for wage and benefits increases. In May 2022, [United Food and Commercial Workers Local 3000](#) (formerly UFCW Local 21) workers union ratified a contract that increased funding for

healthcare and pension plans for union members, and increased wages, including increases of \$4 to \$9 an hour for the most veteran workers during the term of the agreement. These efforts support wage growth within the industry and pathways toward advancement and set the bar for many non-unionized retailers to raise wages and benefits to stay competitive.

### **3. The Retail Industry in Washington**

According to the [2021 Labor Market and Economic Report](#) released by the Employment Security Department in February 2022: “Retail sales collectively made up the fifth-largest contribution to Washington’s GDP [gross domestic product], contributing nearly \$58.6 billion. Despite relatively low average GDP growth in retail trade, on an annual basis in general (1.1 percent not adjusted for inflation), the contribution made by retail trade jumped by 12.6 percent over the year.”

According to a [Washington Department of Revenue press release](#), total taxable retail sales in the state jumped by 17.9 percent in 2021 and retail trade increased by 16.1 percent, with sales of new and used automobiles and furniture and home furnishings seeing the largest percentage gains.

As reported in the [2021 Labor Market and Economic Report](#), employment in retail trade accounted for 11.7 percent of Washington’s total employment and a slightly smaller percent, 10.8 percent, of the state’s total wages. Although a large number of retail workers are entry-level workers, Washington’s high minimum wage means these workers make more than their counterparts in most states. The average wage for retail employees in Washington in 2020 was \$71,398, about \$5,000 below the state average wage of \$76,801. According to the U.S. Bureau of Labor Statistics [Occupational Employment and Wages report](#), only four states paid a higher median wage for retail workers than Washington: Colorado, Massachusetts, New Jersey, and New York. However, it is important to note that these average wages for the retail industry can be significantly higher than what frontline retail workers earn, as those measurements include everyone from entry-level sales to CEOs. National O\*NET data from 2021 shows retail salespersons earning about \$32,000 annually in typical frontline positions.

In comparison, average wages for agriculture, forestry, fishing and hunting (\$36,170); construction (\$69,813); transportation and warehousing (\$65,808); real estate, rental and leasing (\$63,288); administrative and waste management services (\$57,081); educational services (\$44,594); healthcare and social assistance (\$56,771); arts, entertainment and recreation (\$38,875); accommodation and food services (\$24,726); and other services except public administration (\$46,667).

Retail sector wages vary considerably across the state. Based on July 2022 Dun and Bradstreet data, retail median salaries in rural eastern Washington counties were among the lowest in the state, about \$20,000 less than the highest wages in the western part of the state. However, salaries for retail workers in rural counties on the west side of the state were also significantly



below those for more urban areas. In fact, San Juan County had the lowest median salaries in the state, according to the Dun and Bradstreet data. King County retail workers had the highest median salaries, followed by Franklin, Grant, Clark, Douglas, and Snohomish Counties. Interestingly, Franklin, Grant, and Douglas counties are outliers for retail wages in rural counties.

An [internet search](#) revealed that, based on revenue, four of the ten largest publicly traded companies in the state in 2021 are Washington-based retailers Amazon (#1), Costco (#2), Starbucks (#4), and Nordstroms (#6). Amazon, Costco, and Starbucks are also among the companies employing the most workers in the state.

The outlook for Washington's retail industry is generally positive. A July 2022 Dun & Bradstreet financial stress index (which predicts the likelihood that a business will experience financial stress in the next 12 months) identified 18,439 retail businesses employing more than 169,617 individuals in the low financial stress category. 19,365 Washington companies, employing 235,786 retail workers, were identified in the medium financial stress category, while only 494 companies employing 3,691 were identified in the high financial stress category. Two-thirds of companies were identified as "stable." Fewer than 2,000 were identified to have decreased demand, and fewer than 500 experienced decreased scale and 1,340 experienced "early signs of decay."

#### **4. Core Skills and Competencies for the Retail Industry**

Many companies inside and outside the retail sector look for retail experience on job seeker resumes, perhaps because so many of the core skills and competencies necessary to work in retail are transferable to and desirable for other occupations.

In Washington, retail skill clusters are in high demand. The most recent Employment Security Department list of the [top 25 in demand skill clusters](#) in the state (figure 3) indicates that the #1 skill in demand is Customer and Client Support: Basic Customer Support, #4 is Sales: General Sales, #15 Personal Care and Services: Food and Beverage Services, #16 is Supply Chain and Logistics: Materials Moving, and #19 is Industry Knowledge: Retail Industry Knowledge. Quite a few more of the top skill clusters are also necessary for advancement in the retail industry, including but not limited to people, project and financial management skills, information technology skills, administrative skills, and business skills.



**Figure 3: Washington’s Top 25 Skill Clusters from Online Ads**

**Top 25 skill clusters from online ads**

Washington state, June 2022 through September 2022

Source: Employment Security Department/DATA; The Conference Board® Burning Glass® Help Wanted OnLine™

Rank	Skill clusters	Number
1	Customer and Client Support: Basic Customer Service	97,967
2	Administration: Scheduling	63,758
3	Information Technology: Microsoft Office and Productivity Tools	62,038
4	Sales: General Sales	46,577
5	Health Care: Infectious Diseases	46,283
6	Administration: General Administrative and Clerical Tasks	41,486
7	Business: Project Management	35,126
8	Finance: Budget Management	32,946
9	Business: People Management	32,618
10	Health Care: Emergency and Intensive Care	30,887
11	Health Care: Basic Patient Care	29,958
12	Administration: Administrative Support	27,217
13	Business: Business Process and Analysis	25,848
14	Information Technology: Software Development Principles	25,004
15	Personal Care and Services: Food and Beverage Service	24,079
16	Supply Chain and Logistics: Material Handling	23,508
17	Education and Training: Teaching	20,870
18	Health Care: Medical Support	20,121
19	Industry Knowledge: Retail Industry Knowledge	20,024
20	Health Care: Physical Abilities	19,732
21	Information Technology: System Design and Implementation	19,474
22	Human Resources: Occupational Health and Safety	19,300
23	Human Resources: Employee Training	18,070
24	Business: Business Strategy	17,736
25	Business: Quality Assurance and Control	17,590

**Source:** Employment Security Department [Employer Occupational Demand Reports](#)

Because the retail industry is so large and diverse, this section of the report is focused on the largest occupational categories: SOC 41 - sales and retail workers, including frontline supervisors, and SOC 53 – transportation and material moving occupations, especially stockers and order fillers. These two occupational groups also provide the most common entry points into the industry.

[Indeed](#), one of the largest global online job sites, identifies the [18 skills](#) retailers look for on resumes, many of which are not only transferable but desirable for other industries:

- |                                |                          |
|--------------------------------|--------------------------|
| 1. Customer Service            | 10. Organization         |
| 2. Interpersonal Communication | 11. Teamwork             |
| 3. Attention to Detail         | 12. Brand Identity       |
| 4. Business Acumen             | 13. Conflict Resolution  |
| 5. Technology                  | 14. Product Knowledge    |
| 6. Mathematics                 | 15. Persuasion           |
| 7. Sales                       | 16. Language Proficiency |
| 8. Adaptability                | 17. Cultural Awareness   |
| 9. Leadership                  | 18. Multitasking         |

[Competency Models](#) developed by the U.S. Department of Labor Employment and Training Administration (DOLETA) in collaboration with the industry reflect many of the core skills for retail identified by Indeed. Competency models are designed to create a common understanding of the skill sets and competencies necessary to prepare a globally competitive U.S. workforce, based on employer input. As an example, Figure 4 compares the primary competencies identified in the DOLETA competency models for [retail trade](#) (SOC 41) and [transportation, distribution, and logistics](#) (SOC 53) occupations. Competencies necessary for both occupational groups are highlighted.

**Figure 4: Core Competencies for Retail and Transportation, Distribution and Logistics.**

RETAIL	TRANSPORTATION, DISTRIBUTION, LOGISTICS
<b>Personal Effectiveness Competencies</b>	
1.1 Interpersonal Skills	1.1 Interpersonal Skills
1.2 Integrity	1.2 Integrity
1.3 Adaptability and Flexibility	1.3 Professionalism
1.4 Motivation	1.4 Initiative
1.5 Willingness to Learn	1.5 Dependability and Reliability
1.6 Dependability and Reliability	1.6 Adaptability and Flexibility
	1.7 Lifelong Learning
<b>Academic Competencies</b>	
2.1 Reading for Information	2.1 Communication – Visual and Verbal
2.2 Business Writing	2.2 Reading
2.3 Mathematics	2.3 Locating Information
2.4 Basic Computer Skills	2.4 Writing
2.5 Communication: Listening and Speaking	2.5 STEM
2.6 Locating Information	2.6 Critical and Analytical Thinking
	2.7 Information Technology Fundamentals

<b>Workplace Competencies</b>	
3.1 Business Fundamentals	3.1 Teamwork
3.2 Teamwork	3.2 Customer Focus
3.3 Professionalism	3.3 Planning and Organizing
3.4 Marketing and Customer Focus	3.4 Problem Solving and Decision Making
3.5 Planning and Organizing	3.5 Working with Tools and Technology
3.6 Problem Solving and Decision Making	3.6 Scheduling and Coordination
3.7 Applied Technology	3.7 Checking, Examining and Recording
3.8 Health and Safety	3.8 Business Fundamentals
<b>Industry-Wide Technology Competencies</b>	
4.1 Sales	4.1 Industry Fundamentals
4.2 Customer Service	4.2 Design and Development
4.3 Merchandising and Retailing	4.3 Operations and Management
4.4 Operations	4.4 Maintenance and Repairs
4.5 Human Resources	4.5 Technology Applications
	4.6 Regulations
	4.7 Safety and Security

Source: [U.S. Department of Labor Employment and Training Administration](#)

**5. Career Pathways in Retail**

While the vast majority of working adults in the United States, about 63 percent, started their careers in retail, most Americans do not envision retail as the path to their future careers. “Creating pathways and opportunities for frontline retail workers to advance is important but, some frontline retail workers may not view the sector as a place to build a career. Their reasons range from lack of knowledge about career pathways and opportunities for advancement to negative worker perceptions of retail work.” (Loprest, Mikelson 2019) As the U.S. labor market remains extremely tight, many retailers are working to improve their ability to attract talent and increase worker retention by creating and clarifying opportunities for advancement within the industry. These efforts include but are not limited to formalizing entry-level onboarding and training and clarifying and promoting career pathways to educate workers about them, as well as offering on-site English language classes, career coaches and formal mentoring programs, educational and financial assistance for off-the-job training, policies and practices to support gender and racial equity, and innovative scheduling systems allowing frontline workers greater scheduling autonomy and the ability to work in different departments or even stores within a retail employer.

While the terms “frontline worker” and “frontline supervisor” are used by the federal standard occupational classification (SOC) system, the retail industry does not formally define “frontline jobs.” This report uses the definition developed by the Urban Institute, “retail jobs that generally require minimal or no prior work experience,” and includes traditional frontline retail roles like cashiers and salesclerks as well as roles related to the growth of ecommerce and home delivery,

such as stock clerks, warehouse packers, and delivery drivers. Using this definition, the Urban Institute found that four occupations account for 79 percent of frontline retail workers: retail salespersons (about 25 percent), drivers and sales workers (24 percent), cashiers (20 percent), and stock clerks and order fillers (11 percent). (Loprest, Mikelson 2019)

***Opportunities for advancement in the retail industry differ based on where employees start their careers.***

Defining career advancement in retail as “a change or expansion of job responsibilities associated with greater earnings and opportunity, and possibly a change in job title,” Loprest and Mikelson identified several pathways to upward mobility for frontline staff, including:

- Lateral moves to larger, higher volume stores or other parts of the company to increase hours, pay, and/or opportunities to grow skills.
- Specialization within a niche, like wine or cheese at a grocery store, driving increases in revenue.
- Moving into management, especially in larger brick and mortar stores.
- Using existing skills, degrees, and talents to change careers within the industry for better paying jobs, for example moving into marketing, finance, or information technology.
- External career changes, moving into different industries, which is the most common path to advancement retail workers take.

According to Loprest and Mikelson, whose research focused on retail workers over the age of 18, the median age of frontline retail workers is 40. Only about 22 percent of frontline retail workers are aged 19 to 24 and about the same percentage are aged 55 to 75. The majority are mid-career workers aged 25 to 54. Unfortunately, additional research is needed to understand more about those who are under the age of 19 and working in retail.

While turnover in some retail jobs is high, frontline workers have a median tenure in the industry of just over two years and one-third have worked in the industry longer than five years. Sixty-three percent of frontline retail workers work full time and 75 percent work for large employers with 1,000 or more employees. For many workers who stay with retail long term, wage increases and/or increased hours may be their path to advancement, rather than occupational changes.

One of the most common career paths for frontline retail associates is into supervision and management. Frontline supervisors are the second largest occupation in retail, after frontline sales associates, and are frequently selected from among frontline workers. Generally, postsecondary educational or certification are not required for these supervisory jobs. Frontline supervisors support relatively small teams and can move up to manage departments or stores over time. In some retail settings, frontline supervisors participate in store leadership teams, providing them visibility and the opportunity to learn from more seasoned managers. It is

harder for frontline transportation, warehousing, and delivery workers to move into supervisor jobs because there are fewer frontline supervisor positions available in these parts of the industry and because the core competencies for frontline transportation, warehousing, and delivery jobs do not translate as easily into supervisory roles as those for retail associates. (Loprest, Mikelson 2019)

Loprest and Mikelson compared the 25 most important skills for frontline supervisors to those for frontline retail workers. Not surprisingly, they found that frontline retail jobs require lower skills than retail supervisor jobs. The most significant skill gaps were in education and training—supervisors are expected to have knowledge of training and instruction for individuals and groups. Additional skills gaps related to personnel and human resources, administration and management, sales and marketing, management of personnel resources, and customer and personal service. Providing on-the-job training, online instruction, mentoring, and/or certificate programs to fill these skill gaps could help more frontline workers move into supervisory jobs, increasing employee retention and building visible career pathways.

Loprest and Mikelson also noted that more than one-quarter of frontline retail workers have a college certificate or degree, creating the opportunity for retailers to identify, engage and prepare these workers for career opportunities in the industry that require postsecondary credentials. Nearly half of frontline workers aged 19-25 are enrolled in education, with two-thirds pursuing a four-year degree. Making them aware of advancement opportunities and/or helping to pay for their education could retain these workers in the industry and set them on pathways to advancement.

In addition, about 20 percent of women ages 25 to 54 who are full time frontline workers have a bachelor's degree or more. Yet, they earn 71 percent of what their male counterparts earn. This is largely due to the occupations in which they work, for example, as cashiers rather than drivers, retail workers or frontline supervisors. Loprest and Mikelson suggests that "Creating opportunities for women to advance into supervisory roles or to move into traditionally male retail jobs could boost their earnings and reduce unequal gender distributions in managerial staff."

To address the challenge of limited awareness about career pathways and advancement opportunities in the industry, a number of larger retailers are documenting and sharing pathways information with current and future employees. By making internal career paths visible, these retailers hope to attract and retain frontline workers looking for careers, not just those looking for short term, part-time employment. While most larger retailers offer information on their websites about their company, jobs and their culture, several retailers have also started to use their websites to publicize career advancement opportunities. Best Buy's online career pathway guide is one example. The company's [website](#) includes information on

career pathways within and across various departments along with links to job openings. To support its commitment to career pathways, the company has also made it easier for workers to schedule their work time in different departments so that they can follow their interests, learn new skills, and/or become specialized. Nordstrom's [website](#), while not as explicit about career pathways, highlights not only the company and its jobs, but the opportunities for a career, focusing on ecommerce, technology, and corporate occupations. These are only two examples of how retailers are trying to change the narrative that retail is only about short-term, "starter" jobs, without career opportunities.

### ***Education and Training***

According to the [Bureau of Labor Statistics](#), there are no formal education requirements to enter most retail sales jobs, the largest occupation within the sector. In most cases, new hires receive a few days to a few months of informal on-the-job training. This makes retail an attractive option to those without educational degrees and certifications, including part-time employees enrolled in educational programs to earn degrees or certificates. The lack of formal education requirements also lowers barriers to entry for diverse populations, including those who cannot afford formal education, those not interested in attending higher education, or those with a degree in another field who are having difficulty finding work in their field.

There are also relatively few community and technical college programs in Washington focused on sales and retail, perhaps because of the lack of demand for educational credentials. An initial, high-level review of Washington [Board for Community and Technical Colleges Professional and Technical Program data](#) identified a relatively small number of active sales/retail programs, several of which focus specifically on the wine industry. These programs are mostly short-term, running from 15 to 94 hours. A handful of active programs focus on warehousing, transportation, and distribution. More programs are available for retail management and marketing. The vast majority of programs related to retail result in certificates rather than degrees, although there are exceptions, such as Shoreline Community College's Retail Management Certificate that counts for 30 credits toward a Retail Management AAS degree. However, because of the breadth of the retail industry, certificate and degree programs are required for a number of retail occupations in computer science, administrative and support services, management, business and finance, pharmacy, food preparation, etc. It is beyond the scope of this report to outline all of these requirements and to determine whether there are adequate offerings to meet the needs of the retail industry.

More than 55 percent of frontline retail workers are primary earners in their households, contributing more than half of their household's annual income. Loprest and Mikelson state: "This indicates that many frontline retail workers' families are relying on their income, so these workers may be willing to undertake additional training necessary to advance if it can be

combined with work. Because these workers rely on their jobs for a high percentage of their household income, they may be less likely to quit than those less reliant on this income and are therefore a good target for investment.”

Loprest and Mikelson also note that education has a significant impact on the advancement of frontline workers. “For those who remain in retail five years after starting a frontline retail job, education is strongly connected to the likelihood of advancement. Among those who achieve higher levels of education (measured at the fifth year after starting in retail), the share that advances is larger.” Clearly developing strategies to support the education of workers, especially long-term workers, has benefit.

Many retailers are also seeing education and training as imperative for helping their workforce navigate increasingly complex workplace demands. A number of companies are building their own in-house trainings on customer service, use of technology, safety and other topics. Others are using programs developed by retail associations, colleges and universities, or others. Still others are working together through labor management partnerships to create training and registered apprenticeship programs.

For example, members of the [Washington Food Industry Association](#) have been working with the [Western Association of Food Chains](#) (WAFC), a non-profit organization that identifies and facilitates food industry related educational programming, to offer industry recognized credentials and educational opportunities. Offerings include a Retail Management Certificate that is available through community colleges, two University of Southern California (USC) certificate programs for food industry employees with leadership potential - a four-month Food Industry Management program and a four-day Food Industry Executive Program - and a USC Master of Science in Food Industry Leadership. WAFC’s education fund provides scholarships and a 5% discount to offset the costs of Western Governor’s University bachelor’s degree programs in Business Management, Marketing, Healthcare Management, Human Resource Management, and IT Management; Master of Business Administration (MBA); M.S. Management & Leadership; and M.S. Accounting.

The [Washington Retail Association](#) (WR) is also focusing on expanding educational and training opportunities for its members. WR is promoting the National Retail Federation Foundation’s [RISE Up](#) certification program that offers four separate industry recognized credentials. WR is working to develop a non-profit foundation to fund and expand worker training and industry research and is working with its members to address retail crime issues. Solutions to this issue generally involve employee education and training.

The recently formed [WeTrain](#) Washington Training Fund, is a joint labor management initiative among [United Food and Commercial Workers Local 3000](#) (formerly UFCW Local 21) and

employer partners. UFCW 3000 represents more than 53,000 workers in grocery stores like Safeway, Fred Meyer, QFC, Albertsons, PCC Natural Markets, and Towne and Country; retail stores like Macy's, Fred Meyer, and Bartell Drugs; and healthcare. WeTrain programs include the following.

- A Frontline Manager Leadership Development program to help frontline supervisors build the communication, leadership, and soft skills needed to help employees succeed and feel valued in the challenging retail environment. In addition to providing skills that support mobility into management, the program is focused on improving the workplace environment for customer-facing workers and, therefore, customers.
- A Meat Cutters apprenticeship to help more workers access higher wage, full time opportunities in grocery meat departments, and a Meat Cutter pre-apprenticeship as a stepping stone to Meat Cutter apprenticeships. One-third of the graduates of the first pre-apprenticeship cohort were women, showing the potential of programs like these to increase diversity within some traditionally male-dominated occupations.
- A first-ever Fish Mongers apprenticeship program at Towne and Country grocery stores.

WeTrain is also developing more robust onboarding programs for entry-level employees and working with [Asian Counselling and Resource Center \(ACRS\)](#) and [Partner in Employment](#) to pilot a cohort program for immigrants and others with limited English proficiency to gain workplace competencies, English language skills, and hands on experience in the industry, making them more employable.

### ***Relevant industry-recognized credentials***

Washington's retail industry has not adopted a universal industry-recognized credential or set of credentials for entry-level retail workers, although there are options available, and specific occupations within subsectors of the industry require certificates and/or degrees.

As noted previously, the [Washington Retail Association](#) (WR) is promoting the National Retail Federation Foundation's [RISE Up](#) certificate program to provide a base level of competency for frontline retail employees. RISE Up was created in collaboration with 20 national retailers, including Nordstrom, Nordstrom Rack, Kroger, Home Depot, Lowes, Target, LL Bean, and others. RISE Up offers industry recognized credentials via a "turn key" training program. Online asynchronous content, including simulations, activities, and knowledge checks, can be offered as a standalone, individual program, or in a hybrid online and in-person format, allowing for customization. RISE UP offers four courses:

- ***Retail Industry Fundamentals*** provides entry-level workers with basic work readiness, customer service, math, and interviewing skills, as well as an understanding of the industry, its impact on the economy, and the jobs and career pathways available.



- **Customer Service and Sales Certified Specialist** builds more intermediate skills, related to engaging customers, assessing their needs and closing sales, with a focus on team building and problem solving.
- **Business of Retail Certified Specialist** focuses on merchandising, marketing, store operations, loss prevention and workplace safety, with an emphasis on math skills related to pricing and calculating profits and discounts.
- **Warehouse, Inventory and Logistic Specialist**, developed in collaboration with the Association for Supply Chain Management Foundation, creates an understanding of supply chains, the flow of goods, key performance metrics, and safety measures.

Courses can be purchased in modules, starting at \$65/student or \$99/student when bundled with assessments. Graduates receive a printable certificate of completion, a digital badge, and a credential to list on their resume.

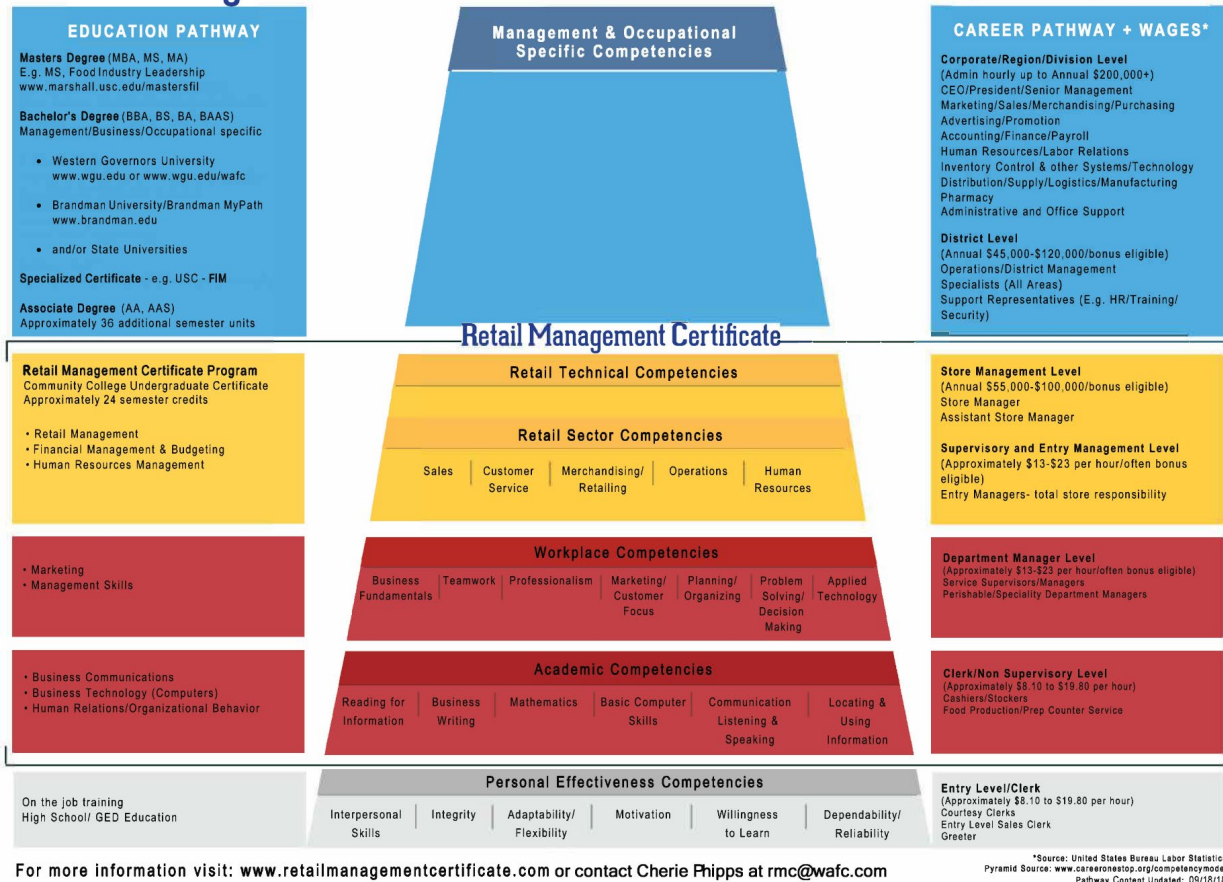
RISE Up is currently offered in thousands of high schools and at sites similar to WorkSource Washington Centers throughout the U.S. Through a nationwide partnership with Boys and Girls Clubs, RISE Up is preparing a diverse pipeline of potential future retail employees. The curriculum is aligned with the [Retail Trade Competency Model](#) and the NRF Foundation has worked with the Department of Labor to ensure that the competency model stays up to date and relevant, most recently adding competencies related to workplace safety.

Other established workforce development programs include:

- [ProTrain](#), a nationally accredited virtual school, offers a 100-hour National Retail Certification that prepares students to take the examination for National Retail Federation Certification.
- [ProStart](#) is a well-established program operated by the National Restaurant Association's teaching culinary arts and restaurant management program for high school students. The program reaches approximately 145,000 students in nearly 1,800 schools in all 50 states, Washington, DC, and the Territory of Guam.
- The Western Association of Food Chains (WAFC) offers a [Retail Management Certificate](#) that is an accredited community college program providing the core skills and knowledge for management roles in the retail industry. The program has been aligned with the [Retail Trade Competency Model](#) (see figure 5 below) to illustrate the career pathway it supports. According to the program's website, the certificate is or has been available at Whatcom, Shoreline, and Edmonds Community Colleges; Highline, Lower Columbia, and Yakima Valley Colleges; and Clover Park Technical College. It is also available online through Umpqua Community College, Central New Mexico Community College, and Dallas College. A number of Washington retailers use the program, through a partnership between the Washington Food Industry Association and WAFC.

**Figure 5: Retail Management Certificate Competency Model Crosswalk**

## Retail Management Certificate Aligned with Retail Competency Model



Source: [Retail Management Certification](http://Retail Management Certification)

There are specific certification requirements for some entry-level occupations in the industry, such as food handlers certificates, forklift training certification, etc. Gaining a clearer picture of what is required for occupation in the retail industry and how certifications can support the development of career pathways and the transitions among pathways could help the industry in its efforts to ensure an adequately skilled workforce and clarify pathways for advancement.

### 6. Barriers to Entering and Advancing in Retail Occupations

Barriers to entering frontline retail occupations are fairly low. The industry is known for its commitment to diversity and to hiring individuals with disabilities. However, research for this report identified potential challenges not only to entry, but also to advancement.

#### Barriers to Entry

For individuals who have been justice involved, the requirement for background checks that many retailers have in place as a condition of employment can be a barrier to entering the

industry. With increasing concerns about retail crime and customer and employee safety, companies are using background checks as one tool to avoid potential issues and liability. Background checks typically screen out any potential employee with a criminal record. Background checks may also use other criteria deemed to indicate whether an employee may be reliable, such as credit and driving records. Some companies only use background checks for specific occupations, others use them for most or all positions. Some retailers are reconsidering their policies regarding mandatory background checks for workers, in light of the tight labor market. WorkSource Washington, community-based organization, and others have tools and strategies to help individuals who may have challenges with background checks due to arrests or convictions, but background checks remain a challenge for some potential retail workers.

Many retail companies are also using drug tests to screen workers in some occupations as a condition of hire. In a state like Washington, where some recreational drug use is legal, drug testing can be a barrier for otherwise qualified workers, although drug testing may be necessary for the safety of a workers in a variety of occupations, such as warehousing.

Because retail is so heavily dependent on communication skills, especially English language skills, it may be difficult for those with limited English proficiency to find entry-level jobs in the industry. While there is no formal standard for the level of English language skills required to work in retail settings, those with heavy accents or challenges comprehending customers will likely be screened out during the hiring process. However, employing individuals who are bilingual is a benefit for the industry, and for increasingly diverse customer bases. Therefore, many in the industry are looking to implement strategies that boost English language proficiency for non-native English speakers, such as functional context literacy, on-site English language classes, etc.

Finally, although the industry tends to be supportive of people with disabilities, this population remains one with low levels of employment. As an October 25, 2022 [New York Times article](#) notes, the pandemic led to increases in employment for people with disabilities, especially in industries and occupations, including in retail, that could provide the flexibility to work from home and other accommodations. A number of large companies within the retail industry, including Amazon, Starbucks, Lowes, and Kroger, have been honored by [DisabilityIn](#), a nonprofit resource for business disability inclusion worldwide, for achieving a score of 100% for their disability inclusion efforts.

The challenges discussed in this section are only some of the barriers to entry for retail workers. Barriers to entry impact the ability of industry to attract and retain a truly diverse and representative workforce.

## ***Barriers to Advancement in Retail***

A recent Wall Street Journal article titled [Want to Get Ahead? Pick the Right Company](#) focused on the findings of a new study that identified the best places to find job stability and advance in careers. The article stated “One industry that did well in this specific assessment of “best workplaces to advance within” was retail, which absorbs millions of inexperienced and new workers with entry-level associate and cashier jobs. Gap, [Nordstrom](#) Inc. and [Macy’s](#) Inc. are among the retailers that scored highly. [Verizon Communications](#) Inc. and AT&T, both telecommunications firms with large retail operations, also did well.”

While retail has low barriers to entry and many opportunities for advancement, even for those who don’t hold advanced degrees, taking advantage of these opportunities is challenging for many retail workers. Scott, Spaulding, Collins, and Gebrekristos found that among frontline retail workers, “Those with higher education, who are receiving training on or off the job, who don’t have children, and who are male are more likely to advance.” This clearly indicates the need to find strategies that also support frontline retail workers who don’t fit these categories if the industry wants to retain and grow talent. There are a variety of strategies that can help those who are potentially left behind advance.

As noted elsewhere in this report helping more mid-career women enter “non-traditionally” female retail occupations as well as management pathways could help close the wage gap between them and their male counterparts. Recognizing that about 1 in 10 frontline workers have a child under age 5, and of those who stay in retail, only 69 percent experienced greater than 3 percent annual wage growth, compared to 80 percent of their childless counterparts, Loprest and Mikelson suggest that workers with children could benefit from childcare supports or “scheduling considerations” to pursue training away from work hours and better balance work-life challenges.

Another barrier to frontline worker advancement is the gap between the skills they possess, and the skills required to become frontline supervisors, which are greatest for the following skills: customer and personal service, education, and training—knowledge of training and instruction for individuals and groups—administration and management, sales and marketing, management of personnel resources, and personnel and human resources. (Loprest and Mikelson) If retailers want to increase the number of frontline staff they promote into supervisory roles and improve frontline staff and customer experiences, they will need to equip more frontline workers with these skills via on-the-job, online, or class-based training. Coaching or mentoring could provide another vehicle to support these workers in developing their skills and advancing in their careers.

Unfortunately, many of the programs that support the education and training of retail workers are “passive,” relying on the motivation of individuals to access scholarships or tuition reimbursements. While frontline supervisors are often the most knowledgeable about the skills, interests, and aptitudes of frontline employees, they receive very little training in the skills necessary to promote advancement opportunities to their team members. Equipping supervisors and managers with the knowledge and skills to grow their own skills and to help their teams access training opportunities is critical and requires more than just providing information to workers and supervisors. As one retailer noted in an interview, companies have to create a culture that embraces, supports, and celebrates education and training. It’s not enough to have educational benefits available, especially when many frontline retail workers may have selected retail because of low educational requirements. Workers who might not have had positive educational experiences are unlikely to be interested in going back to school.

Celebrating the achievement of those who complete training, providing the time and resources to support training, creating a culture that values learning, and providing more training in-house or via virtual or in-person cohorts across multiple store locations can also increase the number of workers participating. Simply making education available, is not enough.

In their 2021 report, Scott, Spaulding, Collins, and Gebrekristos also identified challenges to designing and implementing effective advancement strategies for frontline retail workers. These included:

- Misalignment between business and talent strategies, such as investing heavily in new technology without investing in the training needed to ensure successful implementation.
- Limited understanding of how metrics related to engagement, retention, promotion, and product knowledge relate to operational metrics like sales goals, making “investments in frontline workers feel riskier, particularly when turnover is high.”
- Insufficient internal job mapping to clarify career paths for frontline workers and the skills and competencies for different jobs that overlap or complement each other to facilitate career growth.
- Insufficient knowledge about frontline employees to understand the skills, preferences, and challenges they bring to the workplace, making it difficult to help these workers identify advancement opportunities “that could be mutually beneficial and designing appropriate training and development approaches or other advancement strategies.”

Rigid payroll systems and policies that can limit how frontline workers are compensated and where they can work are also identified as barriers to career advancement. “For example, narrowly defined job titles and rigid policies and systems may make it impossible for staff to

take on different roles and responsibilities or to work at different store locations where they can gain training or experience needed to advance. Workers may also be unmotivated to engage in training or development if they perceive their potential new pay to be too modest for their efforts.” (Loprest and Mikelson) In an NRF webinar, a corporate leader from Best Buy noted that their scheduling system had been an impediment for retail associates to work in other departments to expand their skills or explore niches like the Geek Squad. Solving these technological and policy challenges led to more flexibility and opportunities for associates.

It should also be noted that many of the opportunities and strategies identified in this report focus on the 75 percent of retail workers who work for an employer with 1,000 or more employees. Additional solutions need to be considered for the 11 percent of retail employees working for employers with 100 or fewer employees, or, put a different way, the 98 percent of the industry made up of small employers. These smaller retailers are critical to the economies of smaller communities but are generally unable to offer the advancement opportunities described in this report. Developing small town strategies that involve Main Street Associations, Chamber of Commerce, and/or Economic Development Agencies may be necessary to help smaller retailers retain and grow talent.

## The Next Steps

### ***Consensus Gathering and Policy Formulation***

A series of stakeholder meetings throughout 2023 will focus on topics for which the stakeholders will discuss priorities, research, and resources for further exploration, and strategies for developing recommendations.

Following research and stakeholder engagement, the results may be combined with additional evidence-based solutions and best-practices from other states and organizations to help develop potential policy solutions.

### **Areas for Further Exploration in 2023**

In 2023 the Workforce Board will explore in depth the policy areas identified in this report. The primary means of information gathering during this phase will be through the identification and analysis of data and research, and stakeholder engagement.

### ***Questions to Explore***

1. What are the jobs and occupations specific to the retail industry and how are they changing?
2. What are the barriers preventing workers from gaining employment in the retail industry, and advancing within it?
3. What are the ramifications for hiring and promoting workers with less-flexible schedules such as parents with childcare responsibilities, student workers, or those working more than one job?
4. How can more entry points to career pathways be created or altered to better accommodate younger workers, justice-involved persons, and other underserved communities?
5. What other support systems are necessary to help workers or potential workers attain skills for employment and retention in the retail sector?
6. How is the adoption of technology and increased online and hybrid shopping changing the skills needed for workers in the industry and how can workforce development systems adapt to provide them?
7. How can the core skills and competencies necessary for the retail sector be quantified into credentials?
8. What are the existing courses, educational pathways, and registered apprenticeships for students and entry-level job seekers to gain the core skills identified?

9. Where are the gaps in educational courses, trainings, and apprenticeships for retail workers?
10. Given the limited number of apprenticeships operating in the retail industry, where is there room for further development?
11. Who are potential business and workforce development partners that could collaborate to provide training and education to incumbent frontline workers for the purpose of upskilling and promotions, including for in-demand, higher paid, positions within the retail industry?
12. What are the potential career opportunities for retail workers outside the retail sector given their specific skillsets?
13. How many retail workers work multiple jobs to make ends meet, and what are possible solutions to this?



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