



Employment trends in retail trade, 2010–19

By Osman Alhassan

Americans purchase consumer goods as part of their daily lives. These goods—and the way in which they are purchased—have changed over time. Customer behavior changes have affected employment in the retail trade industry.

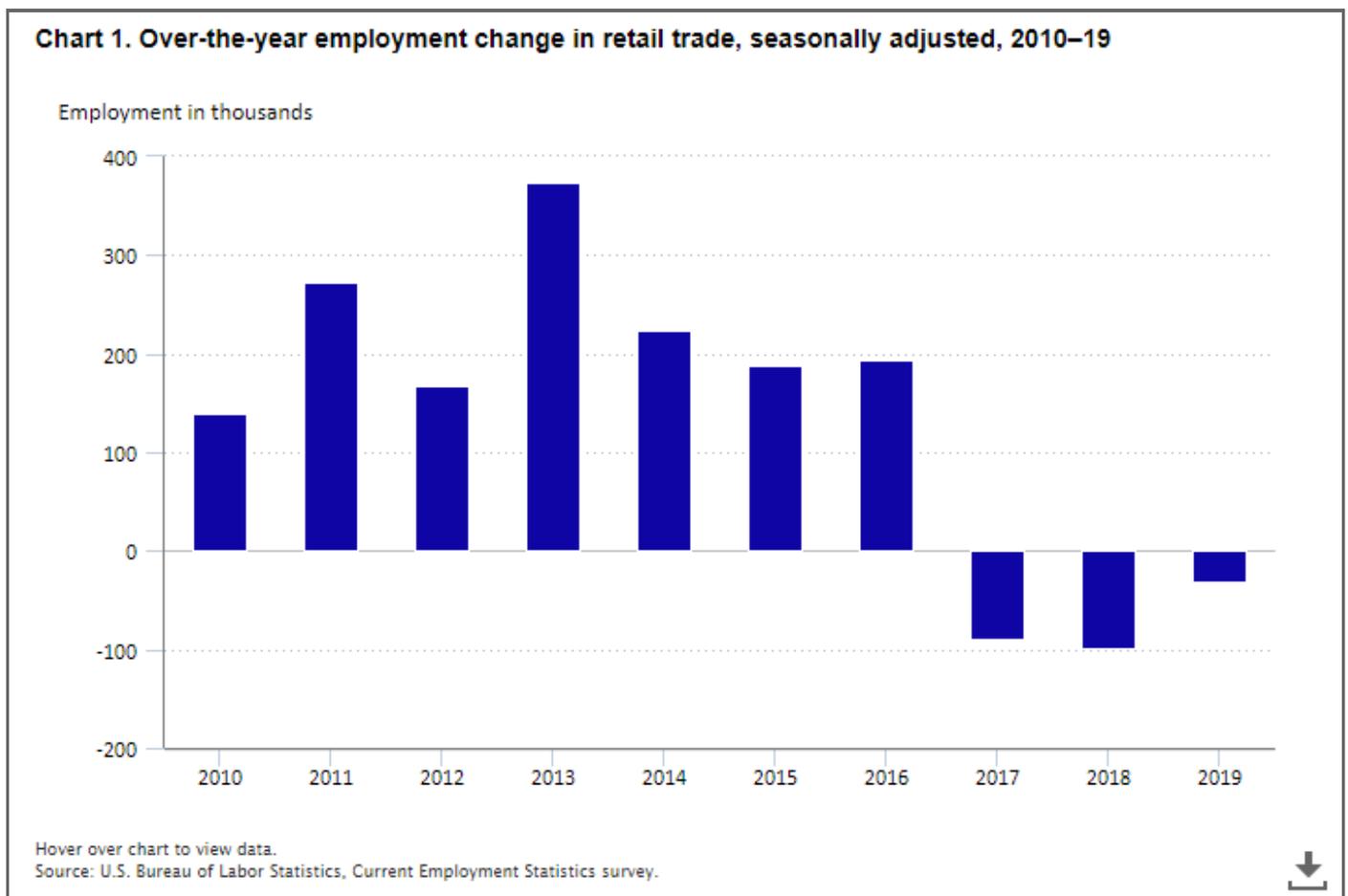
The retail trade industry “comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise,” according to the 2017 North American Industry Classification System.¹ Retail establishments are further classified into 12 major subsectors: motor vehicle and parts dealers; furniture and home furnishing stores; electronics and appliance stores; building materials and garden supply stores; food and beverage stores; health and personal care stores; gasoline stations;

clothing and clothing accessories stores; sporting goods, hobby, book, and music stores; general merchandise stores; miscellaneous store retailers; and nonstore retailers.

This **Beyond the Numbers** article analyzes employment trends in retail trade since 2010, using data from the [Current Employment Statistics](#) (CES) survey. It also examines the growth in retail sales with emphasis on e-commerce sales, both from the [U.S. Census Bureau](#), and in relation to employment in retail trade.

Employment trends in retail trade

From December 2009 to December 2019 employment in retail trade rose by 9 percent, or 1.3 million. In contrast, total private employment grew by 21 percent over the same period. Although retail trade showed a net growth over the decade, retail employment peaked in January 2017 and began declining through 2019—losing 248,000 jobs. (See chart 1.) Over the 10-year period, job growth in retail trade was not pervasive. Some industries experienced job gains, while others encountered employment declines.



To aid in this analysis, we grouped the 12-industry components in retail trade into four categories based on employment growth rates relative to total private employment:

- Strong-growth industries are those which exhibited more than a 21-percent growth rate over the period.
- Medium-growth industries are those which grew by 10 percent or more, but less than 21 percent over the period.
- Slow-growth industries are those that grew by less than 10 percent.

- Contracting industries are those in which employment declined.

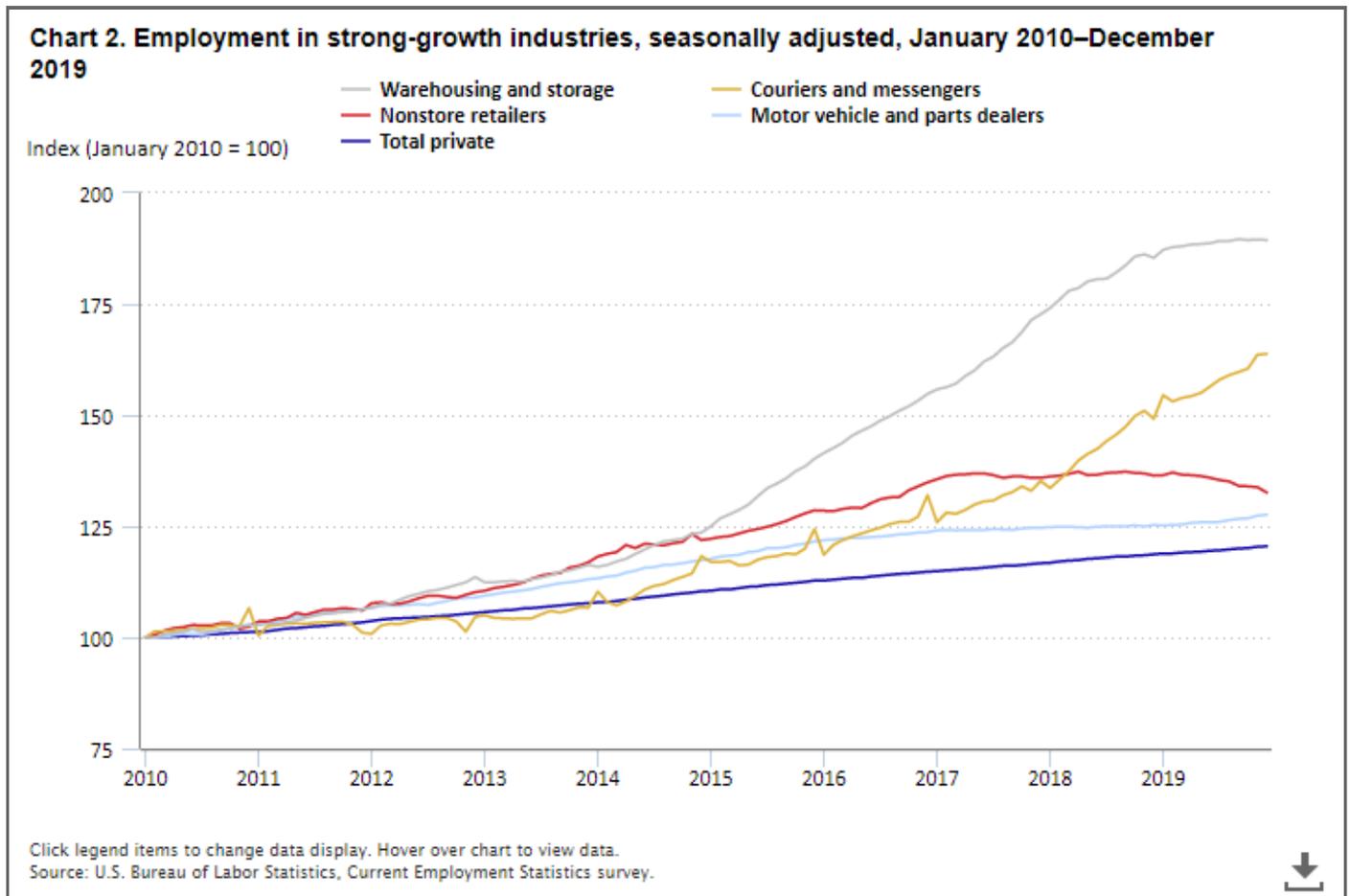
Strong-growth industries

Motor vehicle and parts dealers and nonstore retailers composed the strong employment growth group.

Employment in motor vehicle and parts dealers is partially driven by vehicle sales. Between January 2010 and August 2015, total vehicle sales rose from an annualized rate of 10.9 million to 18.4 million, then fluctuated between 17 million and 18 million through December 2019.² As total vehicle sales rose, employment in motor vehicle and parts dealers grew steadily, reflecting a 27-percent increase over the period. (See chart 2.) Since December 2009, motor vehicle and parts dealers have accounted for 440,000 jobs—the largest job gain among the retail industries. (See table 1.)

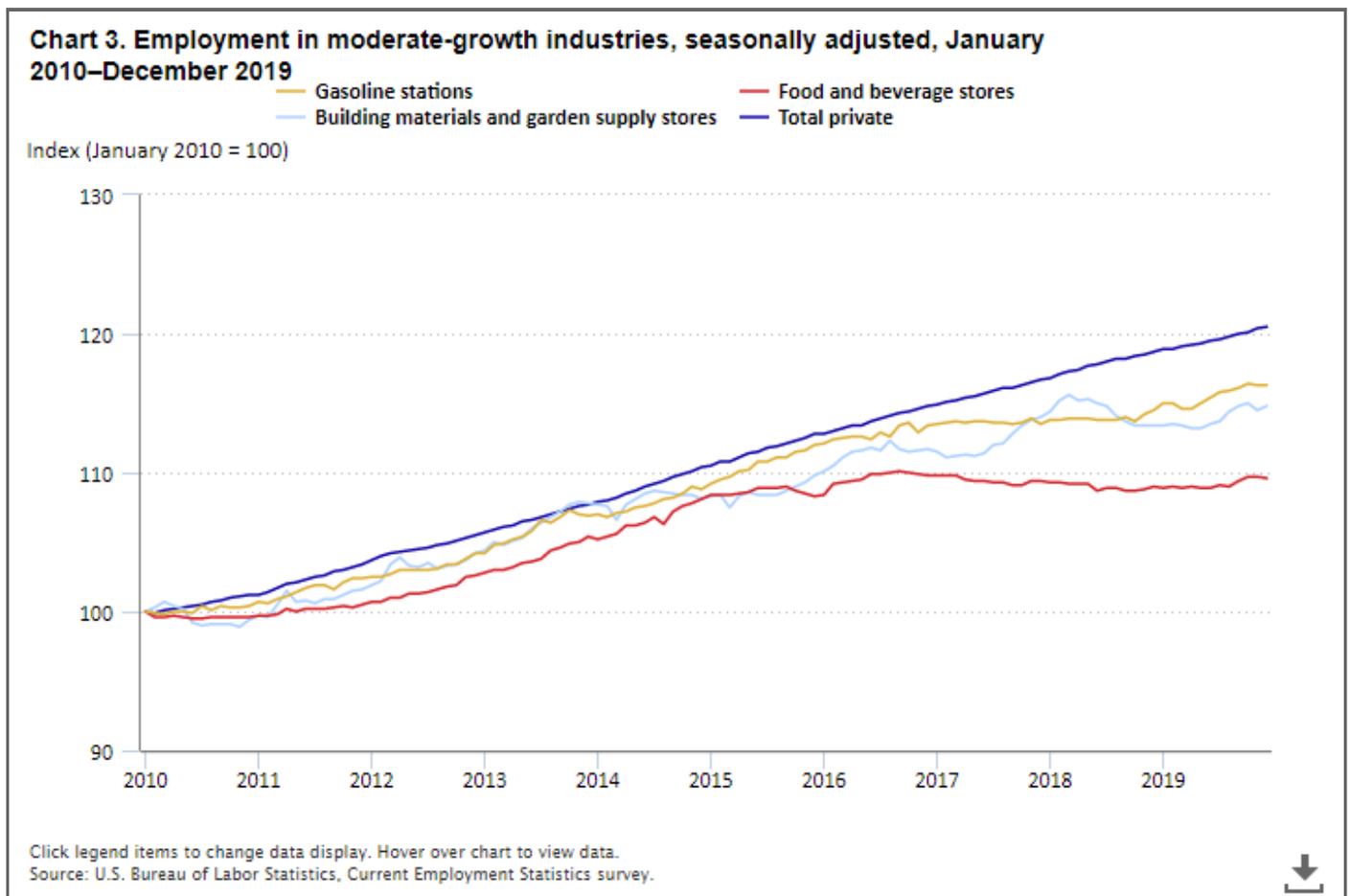
Employment in nonstore retailers rose by 29 percent over the period. (See chart 2.) In December 2009, nonstore retailers, accounted for the smallest number of jobs among all retail industries, with 427,000 jobs. Since then, the industry continuously added jobs until 2017, and then, employment flattened out through 2019. Establishments in this industry include electronic shopping and mail-order houses, vending machine operators, direct selling establishments, fuel dealers, and other direct selling establishments.

Sales in nonstore retailers support jobs in the transportation and warehousing sector, which transport goods to the customer or store goods prior to sale. Within the transportation sector, couriers and messengers and warehousing and storage experienced rapid employment growth over the period, by 72 percent and 90 percent respectively. The correlation broke down in 2017, as employment flattened in nonstore retailers, job growth continued in couriers and messengers and in warehousing and storage. (See chart 2.)



Medium-growth industries

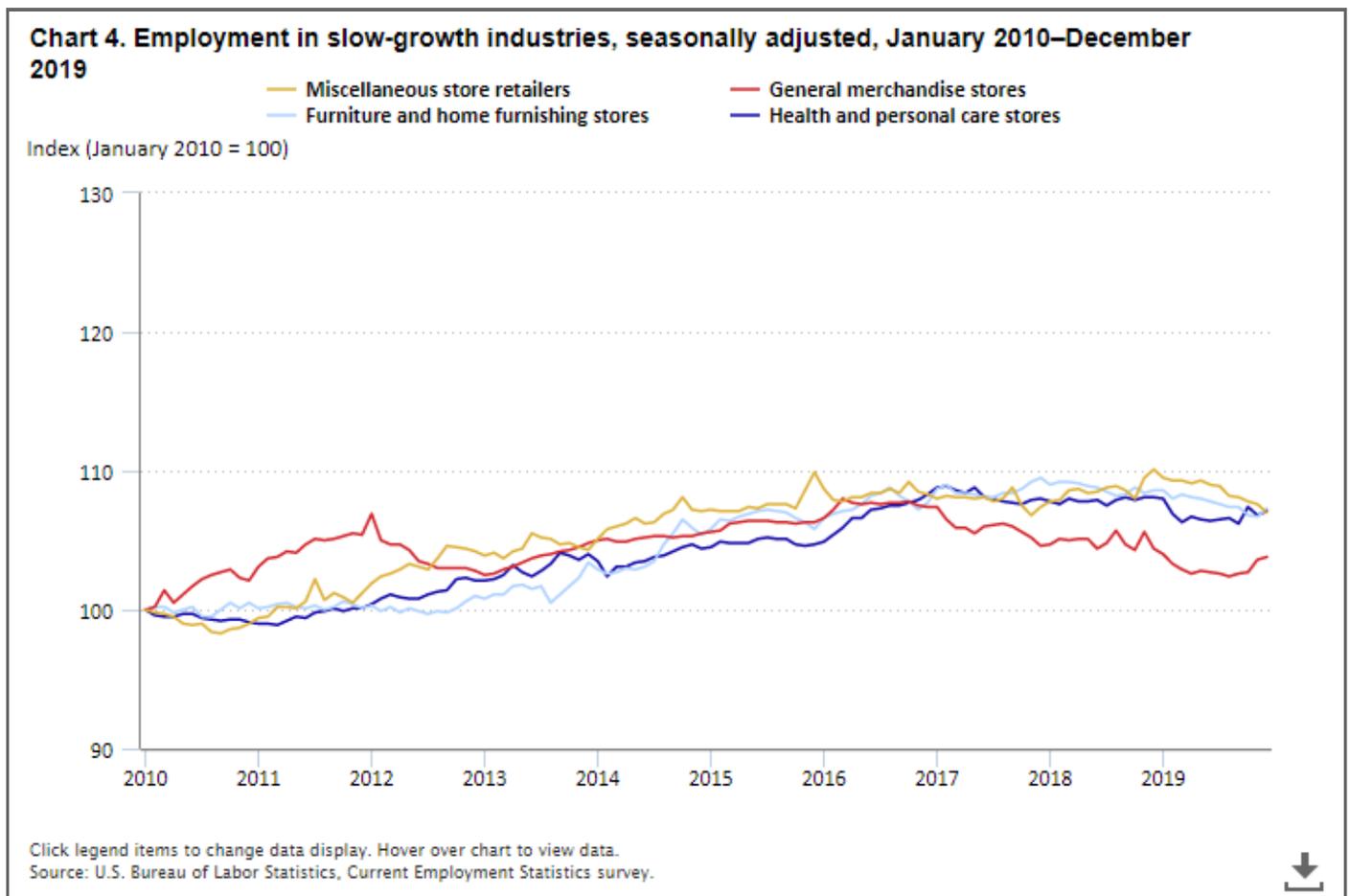
From 2010 and 2019, building material and garden supply stores; food and beverage stores; and gasoline stations experienced moderate employment gains. Employment growth was relatively stronger in gasoline stations (16 percent), and in building materials and garden supply stores (15 percent). (See chart 3.)



Employment in food and beverage stores showed the weakest job growth among the medium-growth retail industries, however, it represented the greatest share of industry employment in retail trade at the end of 2019. Food and beverage stores steadily added jobs through 2016, and then employment plateaued through 2019. Since December 2009, the industry added 286,000 jobs. (See table 1.)

Slow-growth industries

General merchandise stores, which sell a wide array of products; furniture and home furnishing stores; health and personal care stores; and miscellaneous store retailers (such as florists, office supply, and pet stores) exhibited sluggish employment growth between 2010 and 2019. Employment growth ranged from 5 percent in general merchandise stores to 7 percent in the other slow-growth retail industries. (See chart 4.) In December 2009, employment in general merchandise stores, at 2.9 million, represented one-fifth of retail trade employment. General merchandise added 138,000 jobs over the 2010–19 period. Employment in other slow-growth industries rose until 2016, and then leveled off through 2019.



Contracting industries

Electronics and appliance stores; clothing and clothing accessories stores; and sporting goods, hobby, book, and music stores made up the group of retail industries that lost jobs between 2010 and 2019. Employment in clothing and clothing accessories stores shrank by 3 percent over the period, while employment in each of the other contracting industries declined by 6 percent. (See chart 5.)

Electronics and appliance stores experienced cyclical employment trends over the 10-year span, however the industry had employment declines over the last 4 years, resulting in a net loss of 29,000 jobs from December 2009 to December 2019. Employment in sporting goods, hobby, book, and music stores also showed cyclical changes, but lost 37,000 jobs through 2019, with more job losses occurring between 2018 and 2019. (See table 1.)

Table 1. Employment in selected industries, seasonally adjusted, December 2010 and 2019, in thousands

Industry	December 2009	December 2019	Change	Percent change
Total private	107,306	129,319	22,013	21
Retail trade	14,335	15,672	1,337	9
Motor vehicle and parts dealers	1,617	2,057	440	27
Furniture and home furnishings stores	439	470	32	7
Electronics and appliance stores	508	480	-29	-6
Building material and garden supply stores	1,138	1,306	168	15

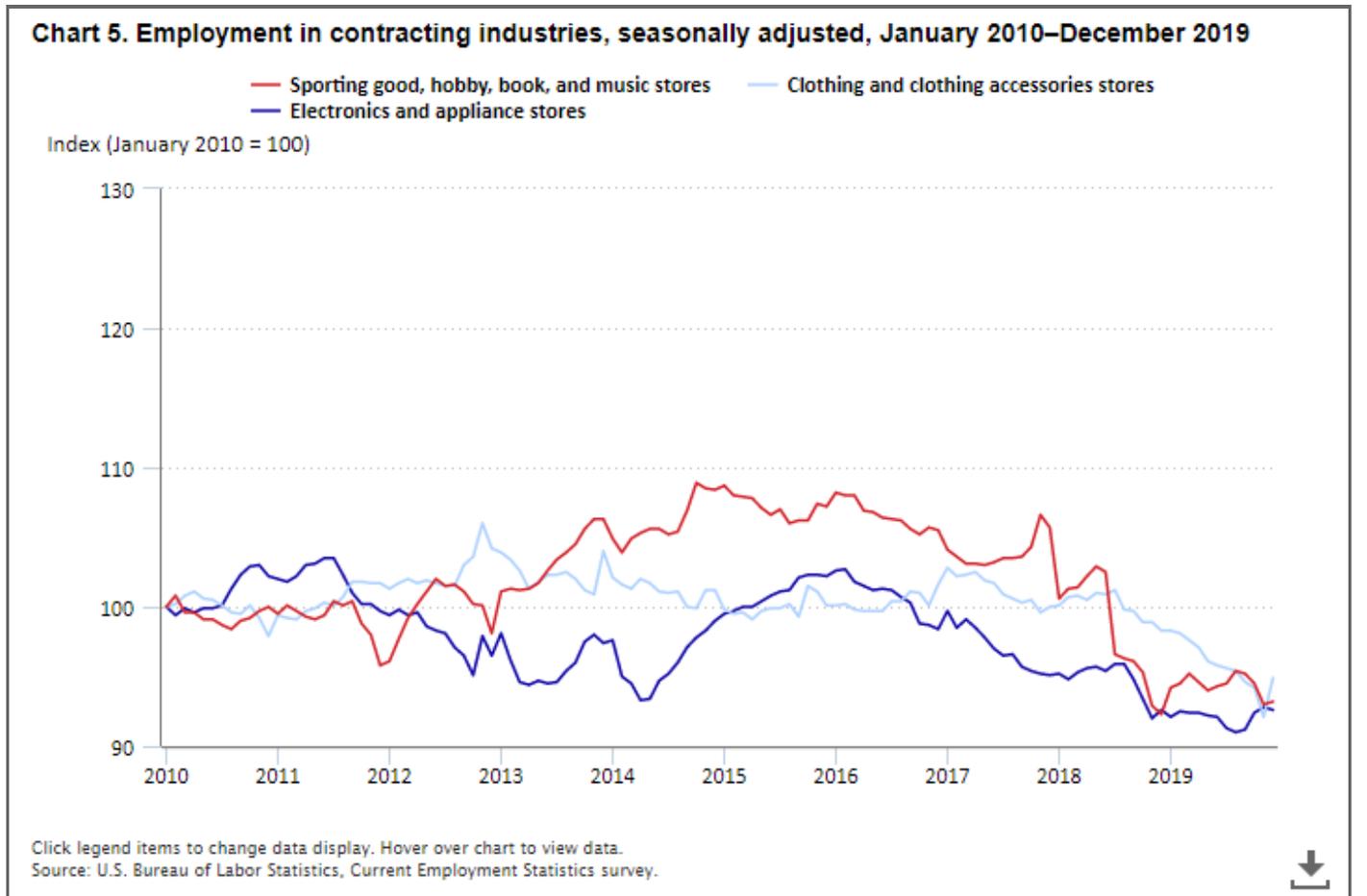
See footnotes at end of table.

Table 1. Employment in selected industries, seasonally adjusted, December 2010 and 2019, in thousands

Industry	December 2009	December 2019	Change	Percent change
Food and beverage stores	2,802	3,088	286	10
Health and personal care stores	983	1,056	73	7
Gasoline stations	819	952	133	16
Clothing and clothing accessories stores	1,333	1,287	-46	-3
Sporting goods, hobby, book, and music stores	580	543	-37	-6
General merchandise stores	2,923	3,061	138	5
Miscellaneous store retailers	767	822	54	7
Nonstore retailers	427	552	125	29
Selected transportation and warehousing industries				
Couriers and messengers	493	846	353	72
Warehousing and storage	629	1,192	563	90

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics survey.

Clothing and clothing accessories stores had a net job loss of 46,000 jobs between 2010 and 2019; and was less cyclical, compared with the other contracting industries. Clothing and clothing accessories stores showed little net change from 2010–16. Beginning in 2017, employment in this industry fell through 2019.



From 2017 to 2019, more than 23,000 U.S. retail store closures were announced.³ In 2019, announced store closures peaked at 9,832, representing an increase of 68 percent from 2018. (See table 2.) In fact, the majority of these announcements were made by retailers in the negative- and slow-growth industries.

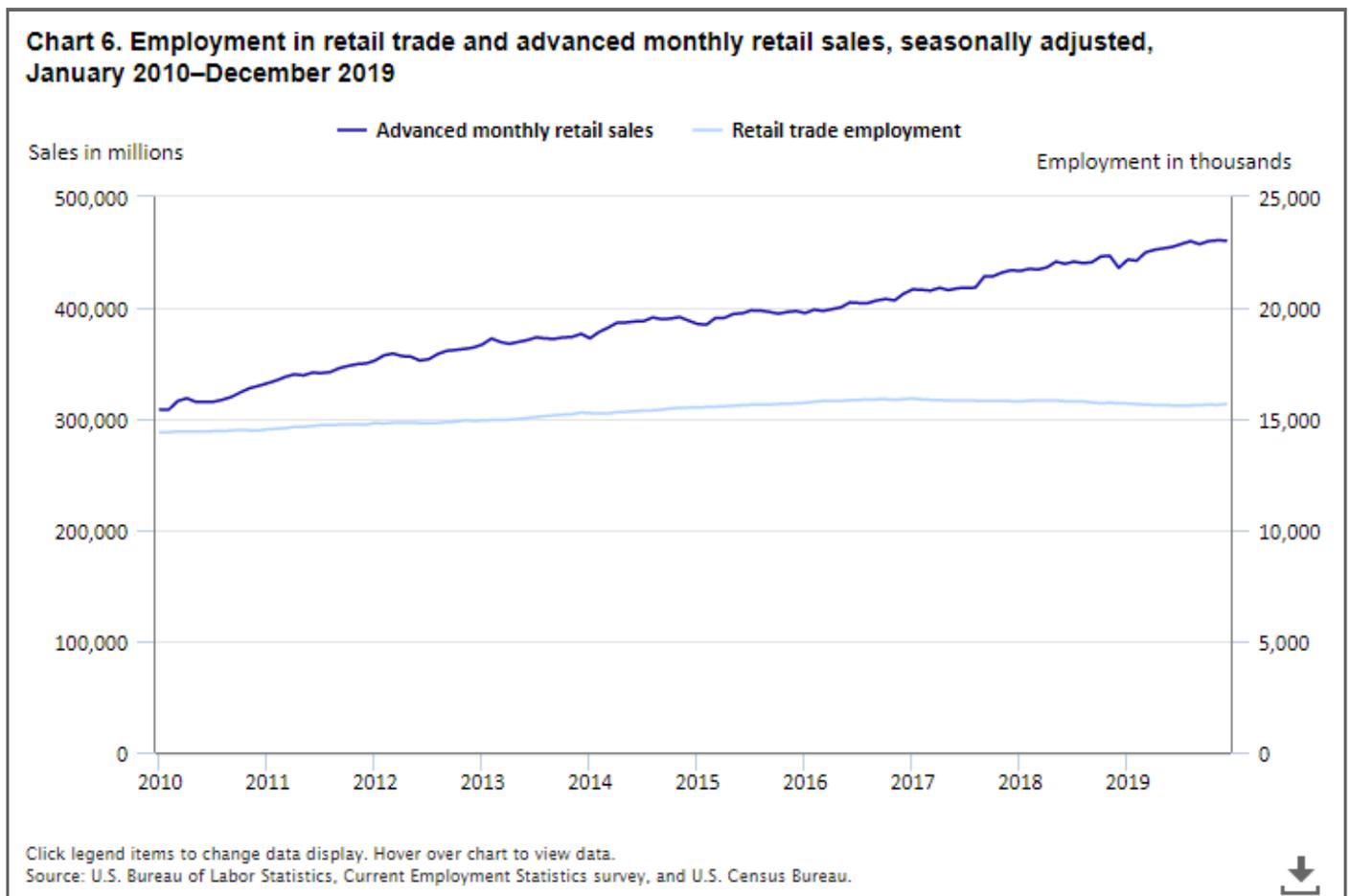
Table 2. Announced U.S. retail store closures, 2017–19

Year	Closures announced
2017	8,000
2018	5,844
2019	9,832

Source: Coresight Research.

Parallels of retail trade and retail sales

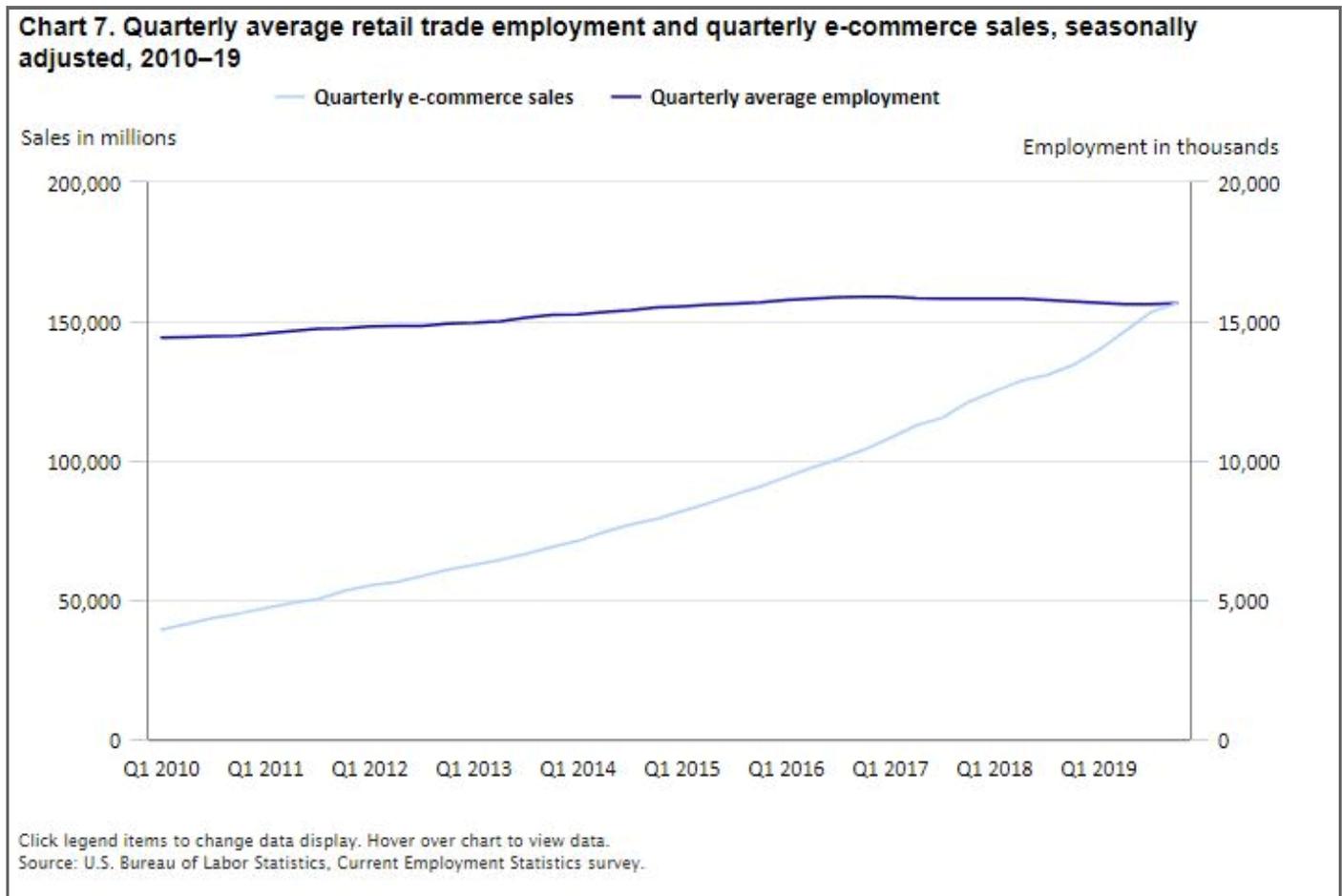
The retail trade industry is consumption driven and, in principle, when consumer demand or retail sales increase, employers are likely to hire more workforce to accommodate increased demand. From 2010 to 2019, retail sales and employment in retail trade rose by 49 percent and 9 percent, respectively. The correlation between the two variables was strong.⁴ That is, as retail sales increased, employment increased, and when retail sales decreased, employment decreased as well. The correlation broke down in 2017 when retail sales continued to trend up, while employment started to trend down. (See chart 6.) Trends in e-commerce provide some insight on this divergence. E-commerce sales increased substantially as a share of total retail sales, from 4.2 percent in the first quarter of 2010 to 11.3 percent in the fourth quarter of 2019.⁵



Interplay of e-commerce sales and employment in retail trade

The shopping habits of U.S. consumers have changed over time, as the share of e-commerce sales have permeated most retail trade industries. The relentless growth of e-commerce sales affects individual retail trade industries differently, and, therefore, affects employment trends by industry differently.

Quarterly e-commerce sales and retail trade employment rose from the first quarter of 2010 through the first quarter of 2017—when employment peaked. Thereafter, employment trended down through 2019, while e-commerce sales continued to gain shares of total retail sales. (See chart 7.) The diversion of the two series coincided with a period in which thousands of brick-and-mortar retailers closed some or almost all of their locations.



In 2018, e-commerce sales (part of the strong-growth industry group) were particularly notable as they represented 65 percent of total nonstore retail sales. This is an unsurprising result, as electronic shopping and mail-order houses accounted for 68 percent of jobs in the nonstore retail industry in 2019. Also, e-commerce sales accounted for 3 percent of 2018 sales of motor vehicle and parts dealers, due in part to e-sales occurring within automotive manufacturers, dealerships, and other digital car sellers.⁶ E-commerce sales made up 2 percent to 4 percent of all sales in the contracting industries. (See table 3.)

Table 3. Annual estimated retail trade sales in select industries, seasonally adjusted, in millions of dollars, 2018

Industry	2018		E-commerce as percent of total
	Total	E-commerce	
Total retail trade	5,269,468	519,635	9.9
Motor vehicle and parts dealers	1,191,321	35,348	3.0
Furniture and home furnishings stores	116,895	1,533	1.3
Electronics and appliance stores	100,205	2,056	2.1
Building material and garden supply stores	381,313	2,795	0.7
Food and beverage stores	745,736	4,837	0.6
Health and personal care stores	347,454	744	0.2
Clothing and clothing accessories stores	268,163	10,981	4.1
Sporting goods, hobby, book, and music stores	81,179	2,617	3.2

See footnotes at end of table.

Table 3. Annual estimated retail trade sales in select industries, seasonally adjusted, in millions of dollars, 2018

Industry	2018		E-commerce as percent of total
	Total	E-commerce	
Nonstore retailers	696,849	453,584	65.1

Source: U.S. Census Bureau.

Summary

Differences in employment growth by the retail industry over the 2010–19 period reflect a changing retail paradigm. As retail sales shift from traditional storefronts to e-commerce, employment grew in the strong-growth and medium-growth industries—motor vehicle and parts dealers; nonstore retailers; building material and garden supply stores; food and beverage stores; and gasoline stations. However, sluggish growth and protracted employment declines occurred in the slow-growth and contracting industries, respectively.

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NOTES

¹ For more information on the North American Classification System, see <https://www.bls.gov/bls/naics.htm>.

² For more information on total vehicle sales, see <https://fred.stlouisfed.org/series/TOTALSA>.

³ Hayley Peterson, “More than 9,300 stores are closing in 2019 as the retail apocalypse drags on—here’s the full list,” *Business Insider*, December 23, 2019, <https://www.businessinsider.com/stores-closing-in-2019-list-2019-3>.

⁴ Pearson correlation coefficient (0.89) is used to measure the association between employment and retail sales.

⁵ For more information on monthly retail trade data, see <https://www.census.gov/retail/index.html>.

⁶ Mark Brohan, “How ecommerce will change automotive retail,” *Digital Commerce 360*, November 19, 2019, <https://www.digitalcommerce360.com/2019/11/19/how-ecommerce-will-change-automotive-retail/>.

**SUGGESTED
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