

I ndustry Snapshots

- The Gross Domestic Product for retail trade in 2002 was \$947.9 billion in current dollars, a 9.0% share of the national total. (U.S. Department of Commerce, Bureau of Economic Analysis)
- The retail trade industry is predicted to add 2.1 million new jobs between 2002 and 2012, an increase of 14%. (U.S. Bureau of Labor Statistics)
- The retail industry offers substantial employment opportunities because part-time and temporary work is plentiful in a wide variety of formats ranging from small, independent retailers to national and multinational retail chains. Solid store experience can lead to an array of retail management and store support career ladders. A college degree can afford direct entry into management training programs and regional/corporate level career paths. (U.S. Bureau of Labor Statistics and National Retail Federation Foundation)

High Growth INDUSTRY PROFILE

W orkforce Issues

Pipeline: Career Ladders and Lattices

The retail trade industry is a dynamic field with diverse career ladders, a wide range of employee benefits, and on-the-job training that is increasingly driven by high-end technology that requires advanced skills. Employers recruit job candidates from community colleges and universities and train incumbent workers to upgrade their skills for career advancement.

Pipeline: Recruitment and Retention

Retail trade employers struggle to attract and retain the best and brightest employees because of the misperception that jobs are low-wage and lack growth potential. In reality, today's retail trade careers are more than just cashier and sales associate positions; they encompass information technology, marketing, communications, loss prevention, finance, and merchandise sourcing.

Pipeline: Diversity

In an increasingly diverse society, multilingual employees are desirable. Retailers are customer service-driven and need workers to speak the languages of their customer base. Limited English Proficiency (LEP) is a problem as workers may speak the language of customers, but lack basic English language and literacy skills to perform all job functions.

Competency Models

Though the retail industry has started work on initial training models and skills certifications, they are not yet used

consistently across the industry to build skills competency requirements for positions at all levels and to encourage career growth. Retailers are struggling to attract qualified individuals, train them, and have them advance their careers.

S kill Sets

(Sources: National Retail Federation Foundation and U.S. Bureau of Labor Statistics, 2004-05 Career Guide to Industries)

- Education leading to a high school diploma or equivalent is important for employment entry in retail.
- College graduates will fill most new management positions. Employers increasingly seek graduates from junior and community colleges, technical colleges, and universities.
- While structured training at smaller stores is generally brief, on-the-job training is continuous for committed employees who demonstrate initiative and often takes a mentoring form. At larger companies, initial training tends to be very structured, often lasting several days, and may be instructor-led and computer/video-based. Supplemental training in the form of on-the-job, instructor-led, computer/video-based, self-paced, and coaching is offered at various stages of employee tenure, supporting career advancement.

E TA in Action

The U.S. Department of Labor (DOL) has sought to understand and address the critical workforce needs of the retail industry. DOL held forums with employers and the National Retail Federation Foundation to learn about their hiring and training needs and potential solutions to those challenges.

U.S. Secretary of Labor Elaine L. Chao has announced an investment totaling more than \$5 million to implement industry-identified strategies to confront the workforce challenges identified by small, medium, and large retailers. These innovative approaches address the following workforce needs of business while also effectively helping

workers find good jobs with good wages and promising career pathways in the retail industry:

- expanding the pipeline of youth;
- helping alternative labor pools gain industry-defined skills and competencies;
- developing alternative training strategies;
- developing tools and curricula for enhancing skill sets;
- enhancing the capacity of educational institutions;
- developing industry-defined career ladders and lattices;
- developing strategies to retain and retrain incumbent workers; and
- assisting transitioning individuals from declining industries to high growth industries.

I nvestments

Total Industry Investment is \$5,065,000
Total Leveraged Resources are \$13,458,070

National Retail Federation Foundation (national)
Retail Learning Leadership Initiative and Retail Demonstration
Grant amount: \$5,025,000; Leveraged amount: \$6,200,000

With \$2,815,000, National Retail Federation Foundation (NRFF) will expand the number and scope of its Retail Skills Centers, which provide mall tenants and employees, surrounding employers, and job seekers with retail and customer service training. Located in shopping centers, these Retail Skills Centers help employers recruit, retain, and advance workers through a range of training options, from language and employability skills classes to customized seminars. NRFF will co-locate retail skills centers with One-Stop Career Centers where possible, and will create and disseminate replicable training models and tools that will extend services to many more retail employers and employees.

With \$2,250,000, the Retail Learning Leadership Initiative will have the NRF Foundation work with retail employers to create a comprehensive cross-industry career ladder from sales associate through senior management. With retail employers led by Toys “R” Us and Saks Incorporated; the NRF Foundation will develop and distribute a core competency and training curricula model for each level in the career ladder throughout the industry and the public workforce system.

Toys “R” Us and Saks Incorporated will provide their internally developed competency models and curriculum to the National Retail Federation Foundation and the Department of Labor’s Employment and Training Administration. The curricula will initially be tested among select retail industry companies and One Stop Career Centers. These materials will then be refined with input from other retailers, including Home Depot and CVS/pharmacy, to create an industry wide model that can be distributed nationally.

R esources

For additional background information about the industry and details on the grants, information about employment and training opportunities, and workforce development tools for employers, educators, and workforce professionals please refer to the following: www.doleta.gov/BRG, www.careervoyages.gov, www.careeronestop.org, and www.workforce3one.org.