RETAIL, INCLUDING eCOMMERCE

MIDDLE-SKILL JOBS IN THE LOS ANGELES BASIN

Establishments in the retail industry are engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. There are two main types of retailers: store and nonstore retailers, and the latter includes eCommerce.

The retail trade industry is undergoing significant transformation due to the growth of electronic commerce and evolving consumer preferences. As shoppers become more interested in personalized engagement, new offerings, and an original consumer experience, tech-enabled brands are capturing more of the marketplace by using data to tailor services for their customers. In fact, digitally native companies that forego traditional brick-and-mortar locations in favor of unique online engagement strategies are growing faster than broader U.S. e-commerce market. Meanwhile, physical retailers are losing their hold over the industry.

These developments are changing the composition of the workforce. Within large retail-chain stores, the addition of automated services such as self-checkout machines and experiments with robotic helpers are replacing jobs quickly. Innovations, like these, foreshadow further losses for workers in this industry. In addition, over the past few years, the online transition has led to major retailers closing thousands of store locations, further reducing employment opportunities. In the first five months of 2019 alone there were 50,000 lost industry jobs. However, the increase in e-commerce is driving demand for warehouse space and transportation services – and workers to support these activities. As retailers become more digitally focused, relying heavily on contracted storage and shipping, the loss of traditional store jobs could be partially offset by employment gains in these sectors.

Although retail trade witnessed encouraging sales numbers in 2018, which was reinforced by a strong labor market and disposable income growth, 2019 has been a year of declining figures. This demonstrates the challenges of succeeding in the changing industry, where brand image and personal connection have become paramount for consumers. Businesses must promote themselves on multiple distribution channels including social media, websites, and physical locations. Companies are testing new forms of brick-and-mortar store models that promise a more engaging consumer experience, while also embracing electronic commerce to keep up with their competition. Those that can effectively attract customers across a variety of platforms and establish strong brand loyalty are likely to thrive. As a result, workers who are adept at connecting with consumers and capitalizing on the utility of data will soon be in high demand.

CENTER FOR A COMPETITIVE WORKFORCE

THE INDUSTRY IN THE L.A. BASIN

2017 JOBS:
575,000

2017 AVERAGE ANNUAL WAGES
Retail Industry:
Retail: **$35,616**
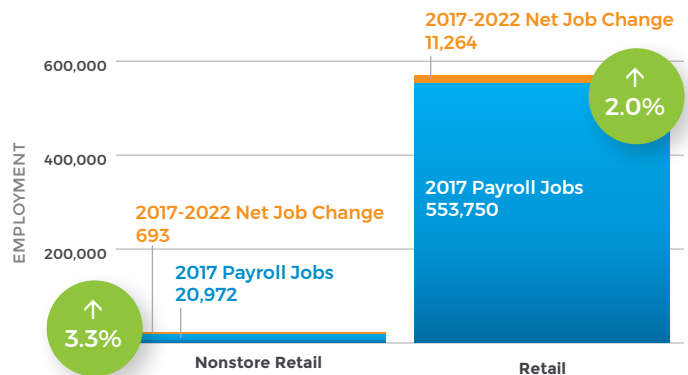Nonstore Retail: **$65,194**

L.A. Basin Average: **$62,450**
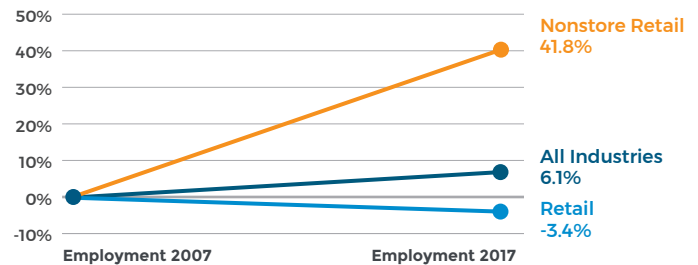
TOTAL OPENINGS 2017-2022
Middle-Skill Jobs in Retail Industry: **45,290**
Target Occupations, ALL Industries: **31,560**

RETAIL INDUSTRY OUTLOOK

2017-2022 Net Job Change
11,264

↑ 2.0%

2017 Payroll Jobs
553,750

2017-2022 Net Job Change
693

↑ 3.3%

2017 Payroll Jobs
20,972

Nonstore Retail   Retail

EMPLOYMENT

CHANGE IN EMPLOYMENT FROM 2007-2017

Nonstore Retail 41.8%
All Industries 6.1%
Retail -3.4%

Employment 2007   Employment 2017

CHANGE IN REAL WAGES FROM 2007-2017

Nonstore Retail 20.4%
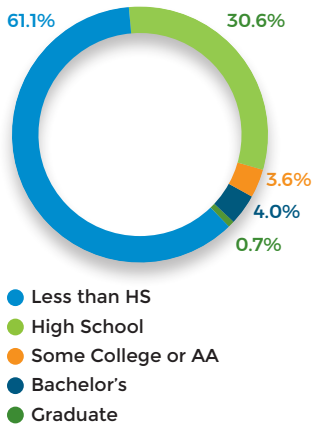All Industries 4.6%
Retail -3.7%
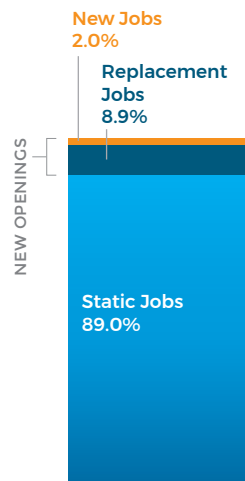
Wages 2007   Wages 2017

The retail industry in the L.A. Basin is expected to have nearly 65,000 employment openings between 2017 and 2022 as employment grows to over 586,000. Because retail employs individuals across the skills spectrum, these jobs will be available to a wide demographic of potential workers.

Of the 586,000 total jobs, only about 21,000 are in non-store retail — the vast majority still lie in traditional retail arrangements. However, the indexed growth charts demonstrate that from 2007 to 2017, non-store retailers have grown in employment by 40 percent in Los Angeles County and Orange County, while traditional retail employment has declined by about 5 percent. Similarly, real wages in non-store retail grew by 20 percent over this ten-year span, while they decreased by 4 percent in traditional retail. Clearly traditional retail has been trending downward in the region, a warning for employees targeting this industry. While there are significantly fewer job opportunities in non-store retail, its future outlook is more positive.
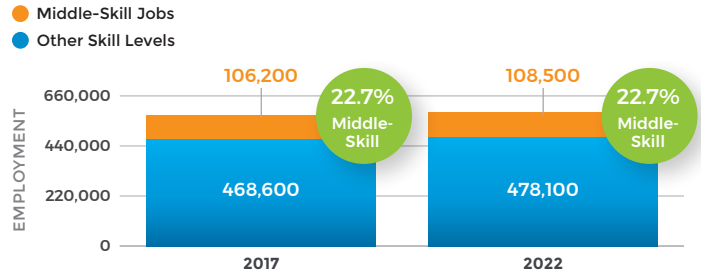
MIDDLE-SKILL JOB SHARE IN INDUSTRY 2017 AND 2022

- ● Middle-Skill Jobs
- ● Other Skill Levels

EMPLOYMENT

660,000
440,000
220,000
0

2017 — 106,200 | 22.7% Middle-Skill | 468,600
2022 — 108,500 | 22.7% Middle-Skill | 478,100

MONTHLY EARNINGS BY EDUCATION 2017*

- ● All Industries
- ● Nonstore Retail
- ● Retail

	All Industries	Nonstore Retail	Retail
Bachelor's and Higher	$8,083	$8,093	$1,443
Some College or Associate	$5,048	$5,391	$3,378
High School	$4,140	$4,614	$2,811
Less than HS	$3,347	$3,717	$2,557
All Education Levels	$5,099	$5,441	$2,375

MINIMUM ENTRY-LEVEL EDUCATION REQUIREMENTS FOR RETAIL IN 2017

61.1%
30.6%
3.6%
4.0%
0.7%

- ● Less than HS
- ● High School
- ● Some College or AA
- ● Bachelor's
- ● Graduate

586,680 JOBS IN 2022 (64,260 NEW OPENINGS)

New Jobs 2.0%
Replacement Jobs 8.9%

NEW OPENINGS

Static Jobs 89.0%

SKILL CLASSIFICATIONS OF TOTAL OPENINGS 2017-2022

Above Middle-Skill 2%
Middle-Skill 17%
Below Middle-Skill 81%
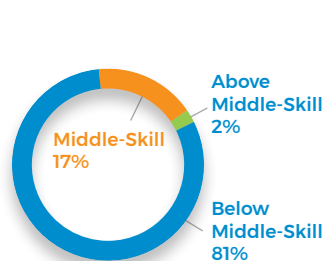
ALL WORKERS* HIRED IN RETAIL 2017

Bachelor's and Higher 21.2%
Less than HS 23.8%
Some College or Associate 29.8%
High School 25.2%
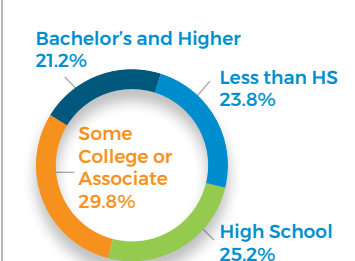
Workers aged 25 years and over Source: US Census Bureau

Target Middle-Skill Occupations in the Retail Industry

Middle-skill occupations predicted to have significant job prospects over the next five years and that stand to benefit from investment into postsecondary non-degree and career education programs include the following:

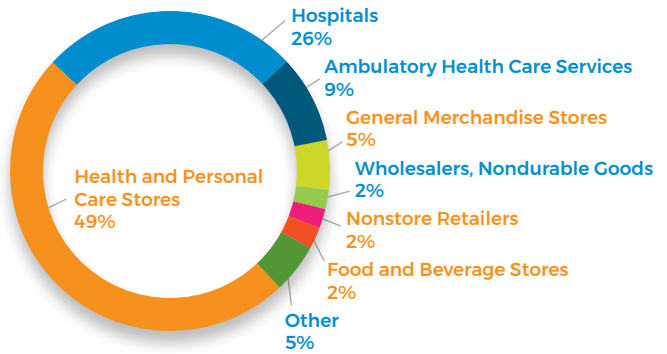| SOC	Target Middle-Skill Occupation	RETAIL INDUSTRY		TOTAL ALL INDUSTRIES		
		2017 Jobs	5-Year Total Openings	2017 Jobs	5- Year Total Openings	Median Hourly Wage
29-2052	Pharmacy Technicians	6,046	1,877	13,680	4,246	$18.42
39-5012	Hairdressers, Hairstylists, and Cosmetologists	596	537	10,000	9,008	$12.02
49-2011	Computer, Automated Teller, and Office Machine Repairers	1,002	368	3,610	1,324	$20.92
15-1134	Web Developers	588	238	7,920	3,212	$32.51
15-1151	Computer User Support Specialists	685	204	46,220	13,770	$26.58

Pharmacy Technicians
(SOC 29-2052)

Pharmacy technicians prepare medications under the direction of a pharmacist. They may measure, mix, count out, label, and record amounts and dosages of medications according to prescription orders.

COMMUNITY COLLEGE PROGRAMS IN THE L.A. BASIN

Awards	2015	2016	2017
Pharmacy Technology	119	82	117

INDUSTRY DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017

- Hospitals 26%
- Ambulatory Health Care Services 9%
- General Merchandise Stores 5%
- Wholesalers, Nondurable Goods 2%
- Nonstore Retailers 2%
- Food and Beverage Stores 2%
- Other 5%
- Health and Personal Care Stores 49%

AGE DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017

3.1%	52.3%	21.7%	12.9%

- Under 24 years
- 25-39 years
- 40-54 years
- 55 years and over

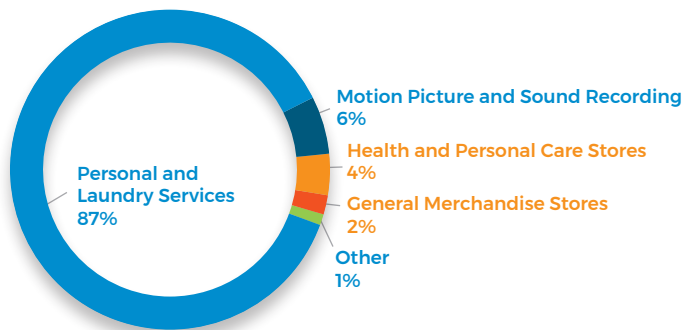# Hairdressers, Hairstylists, and Cosmetologists
(SOC 39-5012)

Hairdressers, hairstylists, and cosmetologists provide beauty services, such as shampooing, cutting, coloring, and styling hair, as well as massaging and treating the scalp. They may apply makeup, dress wigs, perform hair removal, and provide nail and skin care services.

COMMUNITY COLLEGE PROGRAMS IN THE L.A. BASIN

Awards	2015	2016	2017
Cosmetology and Barbering	734	767	772

INDUSTRY DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017

- Motion Picture and Sound Recording 6%
- Health and Personal Care Stores 4%
- General Merchandise Stores 2%
- Other 1%
- Personal and Laundry Services 87%

AGE DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017

8.0%	35.0%	32.9%	24.1%

- Under 24 years
- 25-39 years
- 40-54 years
- 55 years and over

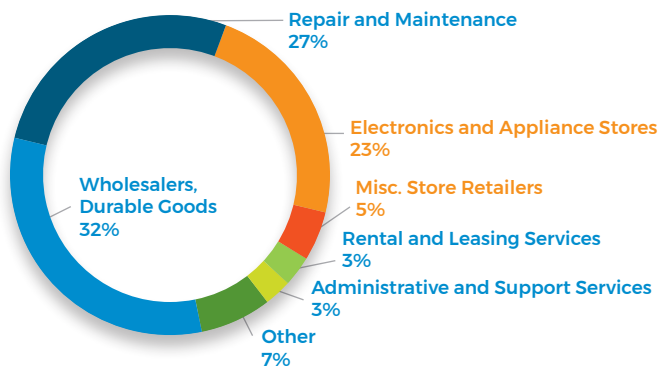# Computer, Automated Teller, and Office Machine Repairers
(SOC 49-2011)

Computer, automated teller and office machine repairers repair, maintain, or install computers, word processing systems, automated teller machines, and electronic office machines, such as duplicating and fax machines.

COMMUNITY COLLEGE PROGRAMS IN THE L.A. BASIN

Awards	2015	2016	2017
Computer Electronics	52	59	111

INDUSTRY DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017

- Repair and Maintenance 27%
- Electronics and Appliance Stores 23%
- Misc. Store Retailers 5%
- Rental and Leasing Services 3%
- Administrative and Support Services 3%
- Other 7%
- Wholesalers, Durable Goods 32%

AGE DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017

9.1%	38.6%	35.9%	16.4%

- Under 24 years
- 25-39 years
- 40-54 years
- 55 years and over
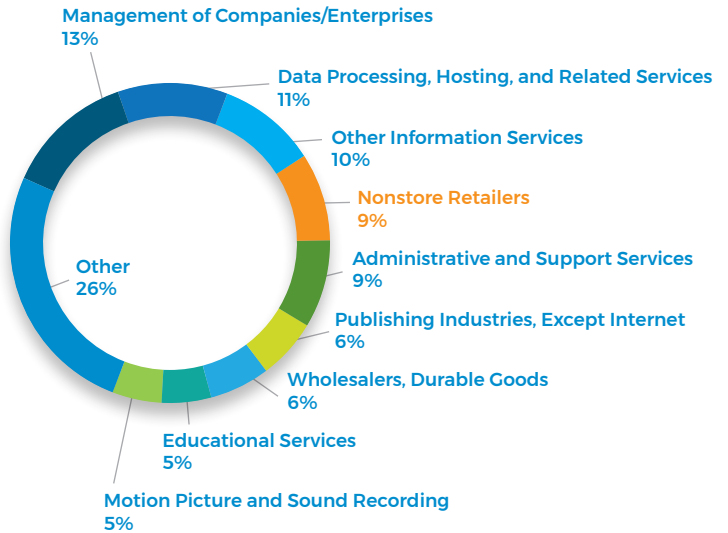
Web Developers
(SOC 15-1134)

Web developers design, create, and modify websites. Analyze user needs to implement website content, graphics, performance, and capacity. They may integrate websites with other computer applications, and may convert written, graphic, audio, and video components to compatible Web formats by using software designed to facilitate the creation of Web and multimedia content.

COMMUNITY COLLEGE PROGRAMS IN THE L.A. BASIN

Awards	2015	2016	2017
Website Design & Development	37	29	25
Software Applications	69	78	54
Computer Software Development	17	20	14
Computer Programming	182	252	239
World Wide Web Administration	15	26	42
E-Commerce (Technology Emphasis)	2	0	0
Total	**322**	**405**	**374**

INDUSTRY DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017

Management of Companies/Enterprises 13%
Data Processing, Hosting, and Related Services 11%
Other Information Services 10%
Nonstore Retailers 9%
Administrative and Support Services 9%
Publishing Industries, Except Internet 6%
Wholesalers, Durable Goods 6%
Educational Services 5%
Motion Picture and Sound Recording 5%
Other 26%

AGE DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017

10.6%	55.8%	26.3%	7.3%

● Under 24 years ● 25-39 years ● 40-54 years ● 55 years and over

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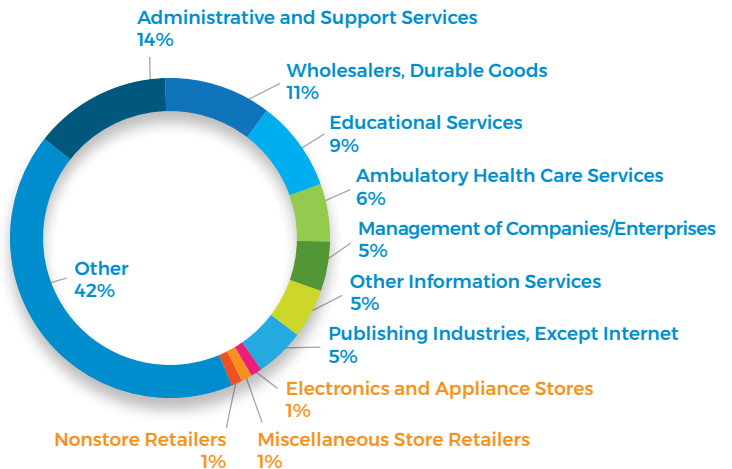
Computer User Support Specialists
(SOC 15-1151)

Computer user support specialists provide technical assistance to computer users. Answer questions or resolve computer problems for clients in person, or via telephone or electronically. May provide assistance concerning the use of computer hardware and software, including printing, installation, word processing, electronic mail, and operating systems.
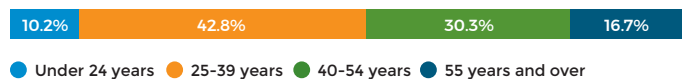
COMMUNITY COLLEGE PROGRAMS IN THE L.A. BASIN

Awards	2015	2016	2017
Computer Information Systems	103	123	133
Software Applications	69	78	54
Computer Infrastructure & Support	122	91	96
Computer Networking	176	232	231
Computer Support	36	20	25
Total	**506**	**544**	**539**

INDUSTRY DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017

Administrative and Support Services 14%
Wholesalers, Durable Goods 11%
Educational Services 9%
Ambulatory Health Care Services 6%
Management of Companies/Enterprises 5%
Other Information Services 5%
Publishing Industries, Except Internet 5%
Electronics and Appliance Stores 1%
Miscellaneous Store Retailers 1%
Nonstore Retailers 1%
Other 42%

AGE DISTRIBUTION OF WORKERS IN L.A. BASIN IN 2017

10.2%	42.8%	30.3%	16.7%

● Under 24 years ● 25-39 years ● 40-54 years ● 55 years and over

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For more information about middle-skill jobs in the L.A. Basin, visit **www.CompetitiveWorkforce.LA**

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