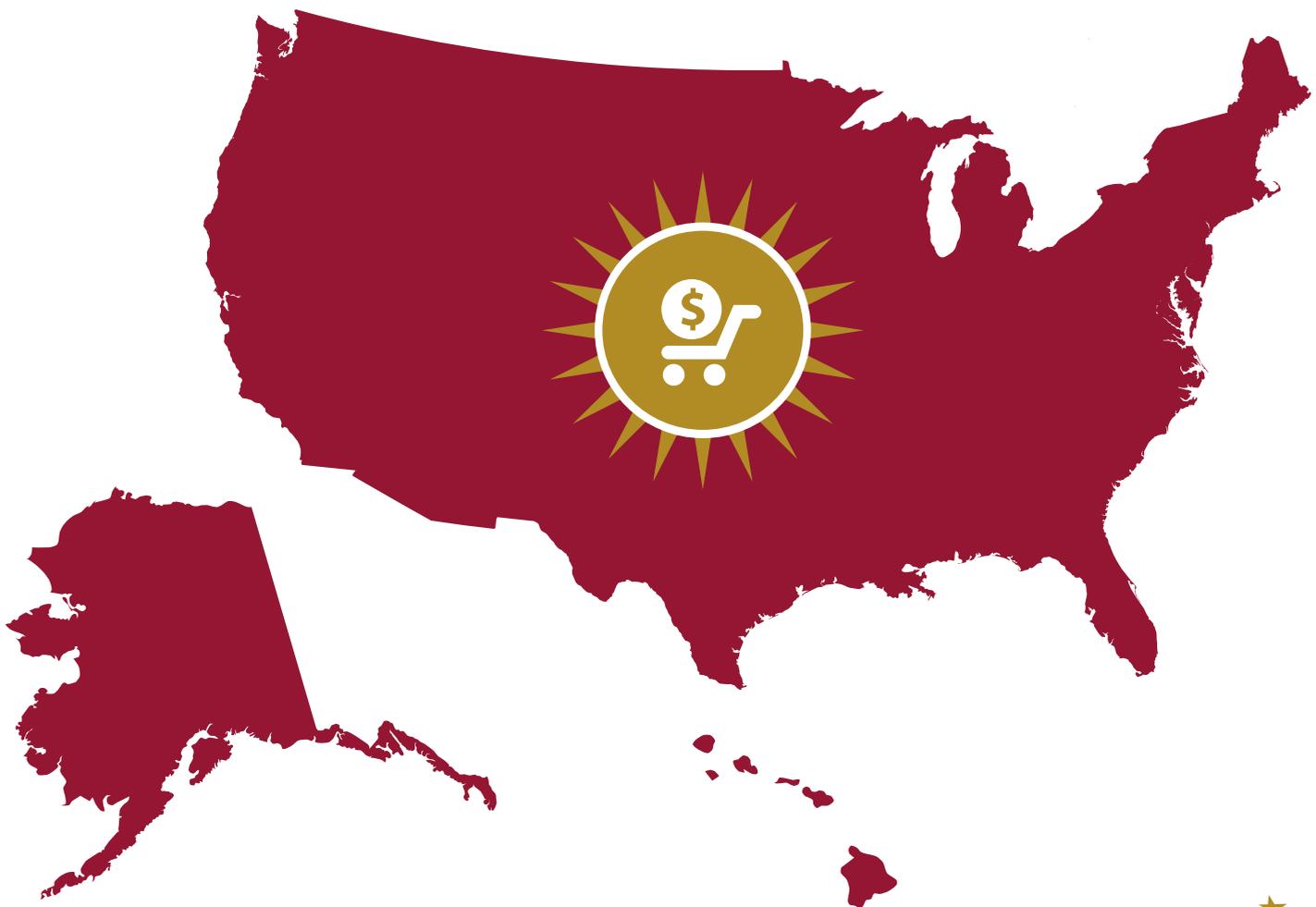


An Issue Brief from Opportunity Nation

# RETAIL'S OPPORTUNITY

Exploring the Industry's Impact  
on People and Places





# INTRODUCTION

The retail industry is the largest private-sector employer in the United States **employing more than 15 million Americans** and supporting one out of every four domestic jobs directly or indirectly. Nearly one quarter of people who work in retail today are young adults under the age of 25—affirming the sector’s traditional role as a great place to enter the workplace, acquire new skills, and build a foundation for a successful career in any industry. The retail industry remains one of the fastest growing job sectors despite dramatic changes in our economy, and it is projected to need an additional one million cashiers and salespeople by the year 2020.

The industry is not without challenges. From low wages and inadequate benefits to unpredictable work hours, and unclear career pathways for employee growth and promotion—the retail industry faces great challenge but also has great potential.

Retail’s impact is vast. Given its far-reaching impact and the number of workers who earn their livelihoods in retail, Opportunity Nation wanted to explore how the retail sector can help expand economic opportunity in communities through employment, training, and creating career pathways for individuals seeking their first job, or a long-term career in the field. In addition, we wanted to understand the specific types of marketable knowledge and skills these workers develop so that they can more easily climb the retail ladder or find jobs in other industries. Above all, we wanted to understand the retail sector’s impact on opportunity as measured through the lens of our framing tool, the **Opportunity Index**.

Opportunity Nation is dedicated to closing our nation’s widening opportunity gap and restoring the American Dream for the next generation. For the past six years, we have measured opportunity in America through the Opportunity Index, an online data tool we created with our research partner Measure of America. Unlike other tools that focus on one aspect of economic or community health such as the Gross Domestic Product (GDP) or poverty level, the Opportunity Index measures multiple, and often interrelated, conditions present in different communities. Each year, the Index reviews 16 economic, educational and civic factors, scores all 50 states and the District of Columbia on a scale of 0-100, and grades more than 2,600 counties with an A through F, giving policymakers and cross-sector leaders a useful tool to identify concrete solutions and areas for improvement.

Since 2011, the Opportunity Index has served as a data-informed way to explore what works to expand or constrict economic, educational, and civic opportunities across the nation. During that time, the annual results have documented both progress as well as setbacks. Of special concern to us: the fortunes of *disconnected young Americans*—a group we refer to as “Opportunity Youth,” young adults ages 16 to 24 who are neither working nor in school. While the percentage of Opportunity Youth has decreased slightly since our first Opportunity Index, an estimated 5.5 million young people are



“My retail foundations were a cornerstone to setting me on my current career path. I never imagined I’d be where I am today.”

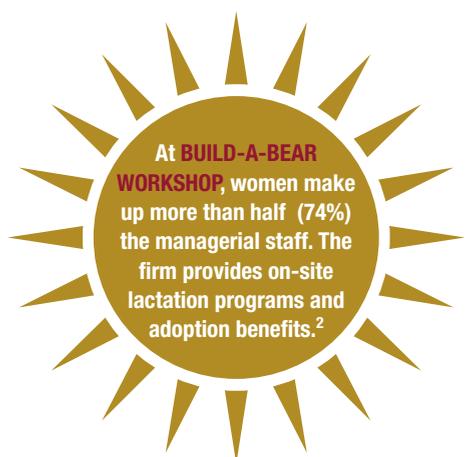
Jordan Leventhal,  
Paramedic, former retail employee



still disconnected, with several million more at risk. We know from the data provided by the Opportunity Index that the number of disconnected youth in a state has the strongest correlation to the state's Opportunity Score. In other words, when our youth do well our communities do well. We all benefit when young adults are educated, employed, engaged, and have hope for the future.

## The Opportunity Index

**Where you live shouldn't determine how far you can go in life. The Opportunity Index is the nation's first—and only—tool to holistically measure opportunity, comparable across states and counties. Connecting multiple economic, educational, and civic factors, the Index is a powerful way for communities to track and advance opportunity.**



**“The two things that made a difference early in my career were executive training programs and mentorship.”**

Chris Strom, Director of Retail Initiatives, former retail employee

The Opportunity Index also demonstrates that no sector alone can solve the challenge of opportunity. Public, private, and nonprofit leaders must all play a part. In an encouraging development, many forward-thinking employers, particularly those in the retail sector, have made new investments in education, pay, and career pathways for their young employees, often in partnership with nonprofit service providers in communities across the country. Companies that support Opportunity Youth and other nontraditional workers see real returns on their investments—from significantly better retention to more engaged, productive, and loyal employees. In this ‘win-win’ equation, businesses gain a pipeline of diverse talent, while young employees gain invaluable work experience, skills, and self-confidence.<sup>1</sup>

This report is an effort to explore the impact of the retail industry on economic opportunity. In the following pages, you will find new data and quantitative analysis which we undertook with two close research partners, in addition to qualitative observations from a series of conversations with researchers, workforce development professionals, and select retailers working to expand career opportunities for young adults.

Our hope is that these findings will contribute to a deeper understanding of retail's impact on communities, people, and the country, and its great potential to expand opportunity for millions of young Americans just starting out in the working world, as well as others seeking a better life for themselves and their families.

# The Opportunity Index

## Indicators

### Economy

Jobs	Unemployment rate
Wages	Median household income
Poverty	Poverty (% of population below poverty line)
Inequality	80/20 Ratio
Access to Banking	Banking Institutions
Affordable Housing	Households spending less than 30% of household income on housing
Internet Access	High-speed Internet

### Education

Preschool Enrollment	Preschool (% ages 3 and 4 in school)
High School Graduation	On-time high school graduation (% of freshman who graduate in four years)
Postsecondary Completion	Associate Degree or Higher (% of adults 25 and older)

### Community

Group Membership	Percentage of adults ages 18 and over involved in social, civic, sports and religious groups
Volunteerism	Percentage of adults ages 18 and older who did volunteer work any time in the previous year
Youth Economic and Academic Inclusion	Young people not in school and not working (% ages 16-24)
Community Safety	Violent crime (per 100,000 population)
Access to Health Care	Medical doctors (per 100,000 population)
Access to Healthy Food	Grocery stores and produce (per 10,000 population)

## Measurement



All the indicators are weighted equally. Each of the three dimensions makes up one-third of the final Index value.



Scores are calculated for all 50 states and Washington, D.C. and 2,600+ counties.

## Sources

- American Community Survey
- County Business Patterns and Population Estimates Program
- National Center for Education Statistics
- U.S. Bureau of Labor
- U.S. Census Bureau
- U.S. Department of Education
- U.S. Department of Justice
- U.S. Department of Health and Human Services



For full list of sources, visit [www.opportunityindex.org](http://www.opportunityindex.org)

## OVERVIEW

The centerpiece of our report is an analysis of correlations between the retail industry and the Opportunity Index, and a complementary analysis of the skills and experience that typically help workers advance within the industry. Opportunity Nation partnered with two respected research organizations, **Measure of America** and **Economic Modeling, LLC** (Emsi) to analyze these pieces.

Measure of America, a project of the Social Science Research Council, provides easy-to-use yet methodologically sound tools for understanding well-being, opportunity, and inequality in America and for stimulating fact-based conversations about issues we all care about: health, education, and living standards. Opportunity Nation began its partnership with Measure of America more than six years ago with our joint Opportunity Index. Our collaboration on the retail research builds logically on that foundation.

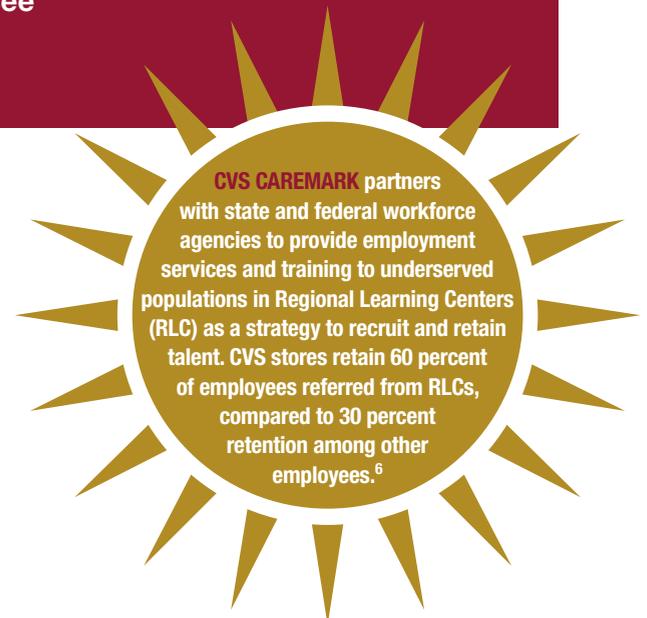
Emsi, a professional services firm specializing in advanced economic modeling, economic research, and labor market data analysis, works with leaders in education, business, and community development. A primary area of focus for Emsi is the economic contribution of higher education and workforce development. Emsi is a subsidiary of CareerBuilder, LLC.



### What Do We Mean by “Retail”?



According to the U.S. Bureau of Labor Statistics (BLS), the retail sector comprises a wide range of categories, including traditional stores selling clothing, food and beverage, health products, furniture, electronics and appliances, autos, and general merchandise. It also includes wholesalers of durable and nondurable goods, as well as non-store retailers and gas stations. For more, see BLS’s *Industries at a Glance*.<sup>3</sup>



# Areas of Focus

## The Retail Sector and the Opportunity Index

The first line of research (with Measure of America) explored which factors—beyond wages—can most effectively influence economic opportunity and long-term economic security for retail workers and their broader communities. Over the years, research has shown there are significant gaps in opportunity within the retail workforce. While the industry does have a strong record of promoting its employees from within, not all groups are equal when it comes to the career ladder. One study<sup>4</sup> found that the odds for advancement are tilted against women and minorities, who are generally underrepresented among retail managers and supervisors. In some retail sectors, there is also a trend toward recruiting and promoting college graduates for managerial roles, further constraining the prospects for employees lacking higher education. In an effort to understand the obstacles to opportunity and advancement (particularly in the areas of gender, race, and ethnicity, and a bias towards post-secondary education) and potential solutions, we explored the retail landscape through the lens of the Opportunity Index and an analysis of national survey data. This research focused on three main questions:

- **What is the relationship between a state's Opportunity Score and stable retail employment rates?**  
In this case, “stable employment” is defined as the number of jobs that are held on both the first and last day of a quarter with the same employer.
- **What is the relationship between opportunity in a state and job turnover rates?**  
In this case, “turnover” is the rate at which stable jobs begin and end.
- **With a more narrow focus on individuals in the retail workforce, what are the demographic, social, and economic differences between entry level workers and retail management?**



## The Retail Sector and Skills

In complementary research (with Emsi), we examined the connections between retail employment and opportunity. This research aimed to understand where retail workers come from and where they go in their careers. Our inquiry drew on a database of 49 million résumés from CareerBuilder.com—Emsi's parent company, and the largest online career site in the United States. From that database, we analyzed a subset of résumés from more than 5,800 job-seekers with relevant experience in the retail sector to determine career progressions for eight of the most common job categories within the retail sector. This allowed us to develop a framework for the specific types of knowledge, skills, and abilities that correlate most closely with career progression in the retail field.

### The Retail Sector and Skills



Our career-progression research focused on eight common positions within the retail sector:

- Cashiers**
- Stock clerks and order fillers**
- Team leaders**
- Loss prevention specialists**
- Customer service representatives**
- Sales associates**
- Store managers**
- Visual merchandisers**

## KEY FINDINGS

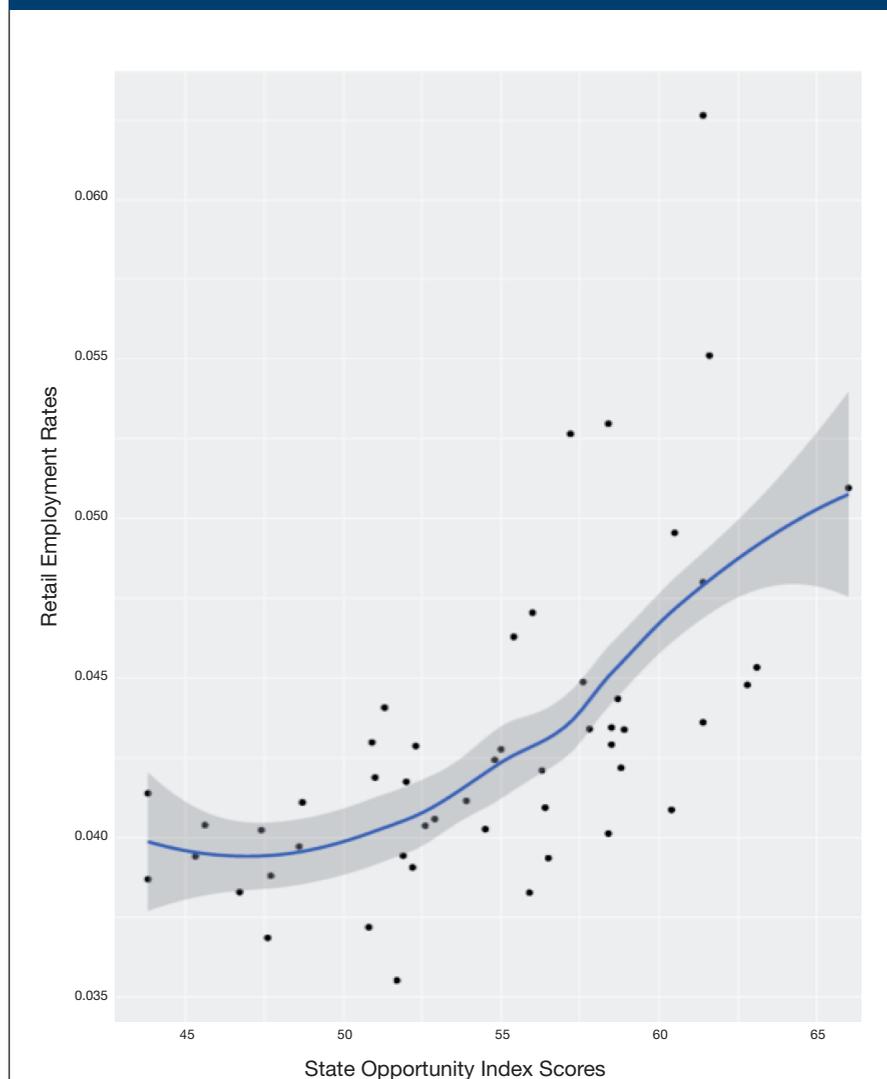
Our research found that as retail employment rates increased, Opportunity Index Scores also tended to increase. Therefore, states with higher Opportunity Index Scores also tended to have higher retail employment rates.

Our research found a positive correlation between retail employment rates and key measures of the Opportunity Index: lower crime, lower poverty, less income inequality, and higher on-time high school graduation rates.

Our research uncovered valuable findings about the relationship between the Opportunity Index and the presence of job opportunities in the retail sector. Most importantly, it finds there is a positive, moderate relationship between a state's Opportunity Score and retail employment rates: that is, as overall Opportunity Scores rise, retail employment rates typically increase across the state. (See **Figure 1.**) For this work, we compared each state's Opportunity Score—both its composite score as well as the 16 individual indicators of economic, educational, and civic health that add up to the total score—with the average of quarterly retail employment rates in 2013 derived from U.S. Department of Commerce data.

Even more compelling is the relationship between the retail landscape and those 16 indicators that make up the Opportunity Index. When we looked at individual variables, our research revealed an often positive correlation

**FIGURE 1.** Retail Employment Rates vs. State's Opportunity Index Scores



**Figure 1.** Plots the relationship between the state-wide four quarter average of retail employment rates for 2013 (y-axis) versus the Opportunity Index with 2013 data (x-axis).

The  $r$  value in this Pearson's correlation is 0.613, and can be interpreted as a moderate relationship. Scatters in Figure 1 represents all states with the exception of the District of Columbia which is an extreme outlier due to population size, a government-focused economy, and low rates of retail employment.

between stable retail employment rates in a state and certain indicators in the Opportunity Index, most significantly, lower crime rates, lower poverty rates, lower income inequality, and higher on-time high school graduation rates. Not surprisingly, these indicators are associated with communities that are likely to be perceived as stable, thereby offering a safer environment for businesses to thrive. (See **Table 1.**)

In contrast, our research found that there is often a negative correlation between “replace and hire” rates (an alternative measure of turnover) and the Opportunity Index. (See **Figure 2.**) That is, as the pace of replacing and hiring retail employees goes up in a state, the state’s overall Opportunity Index score tends to go down. Where retail replace and hire rates were high, this correlated with lack of Internet access, lower percentages of individuals with Associate degrees or higher, and low housing costs.<sup>5</sup> These indicators cut across all three dimensions of the Opportunity Index, impacting the economy, education, and community measures.

## DEFINING THE TERMS

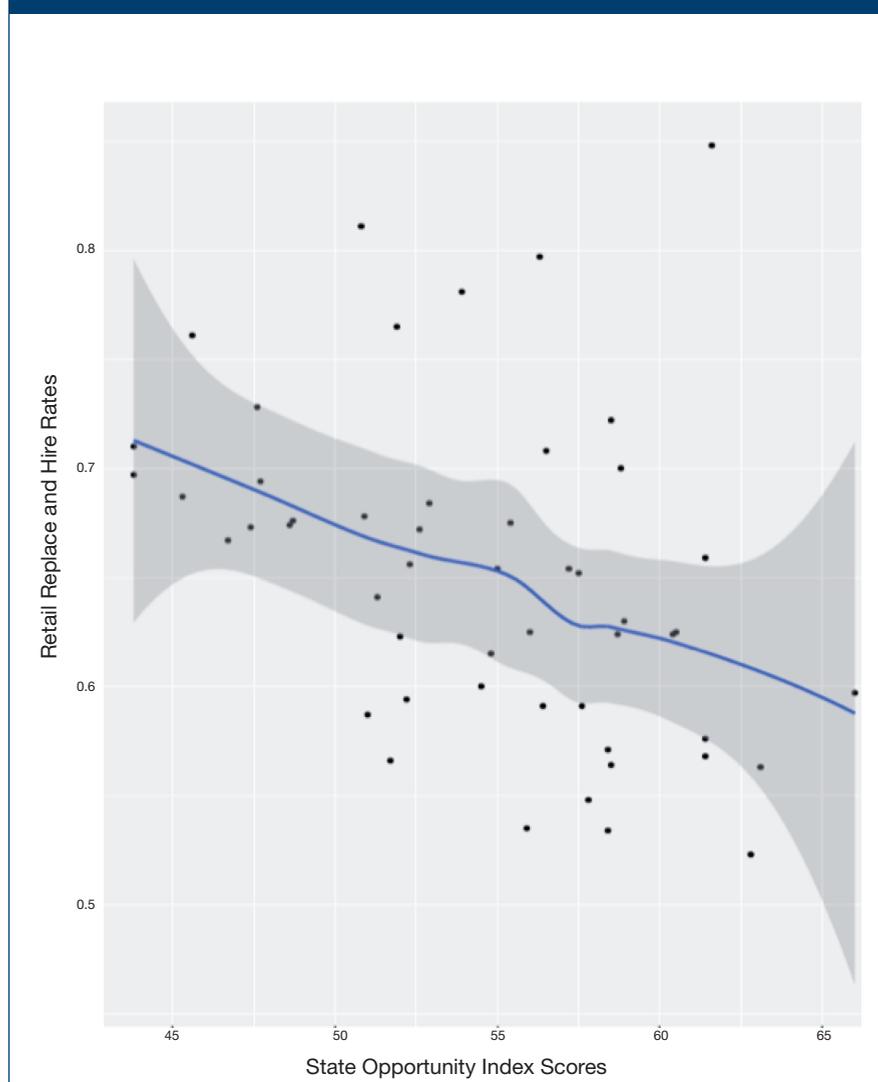
*For purposes of this research:*

**RETAIL EMPLOYMENT** is the population rate of those employed in a retail job.

**RETAIL TURNOVER** is the rate at which stable jobs begin and end in each quarter.

**RETAIL REPLACE AND HIRE**, another way to measure turnover, is the rate at which retail employees were hired as a percent of total employment in each quarter.

**FIGURE 2.** Retail Replace and Hire Rates vs. the Opportunity Index



As the rate of replace and hire goes up at the state level, the state’s Opportunity Index Score tends to decrease.

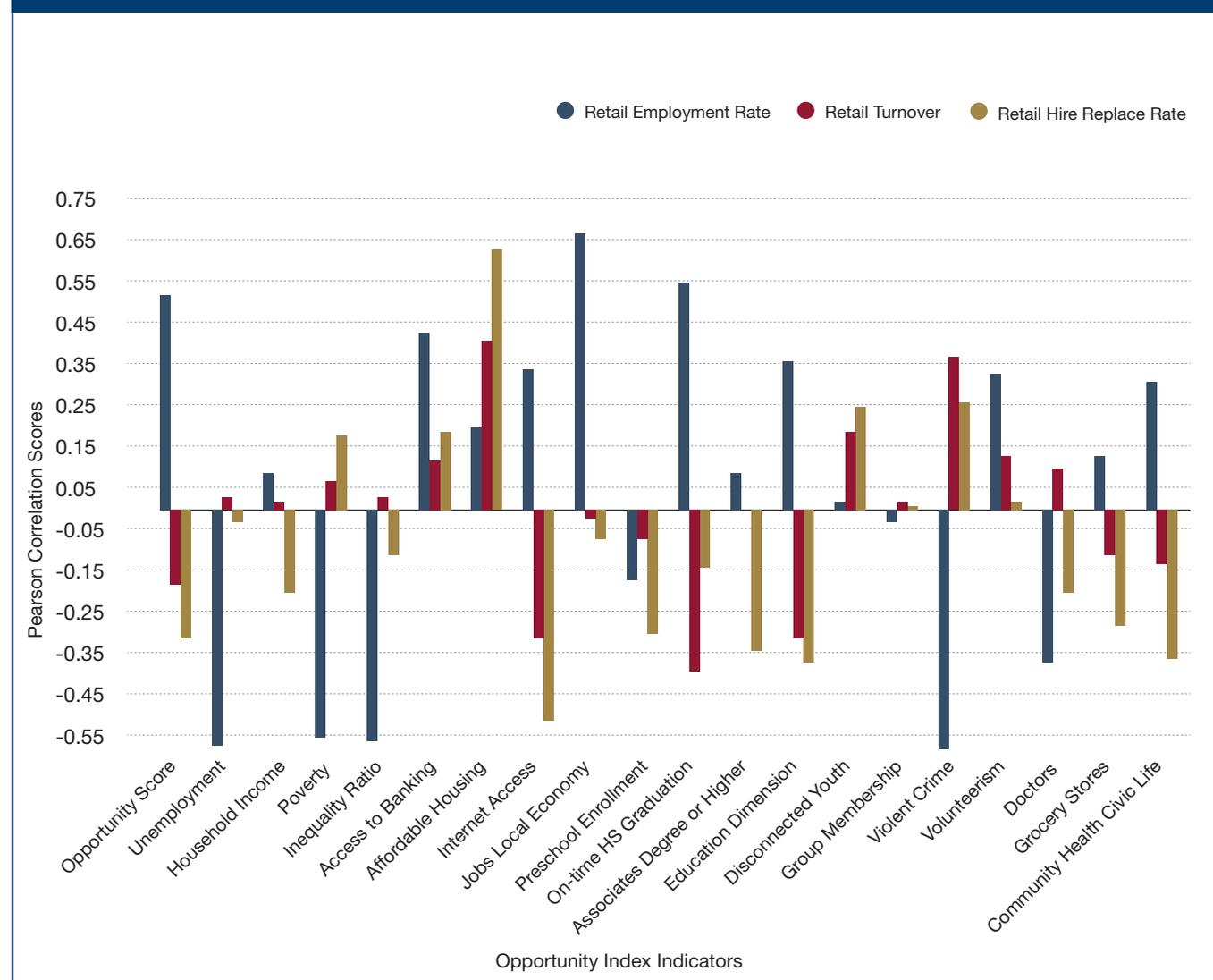
**Figure 2.** Plots the relationship between the state-wide four quarter average of retail employment replace and hire rates for 2013 (y-axis) versus the Opportunity Index with 2013 data (x-axis).

The  $r$  value in this Pearson’s correlation is  $-0.394$ . This can be interpreted as a moderate negative association. Scatters represent all 50 states with exception of the District of Columbia which is an extreme outlier due to population size, a government-focused economy, and low rates of retail employment.

## Strengths and Limitations

There are several limitations to this analysis. First, we are looking at state-level units of geography for one year of data (2013). This is a snapshot of a complicated and dynamic relationship. Second, the correlations between the Opportunity Index as a whole and rates of retail employment, turnover, and replace and hire are not completely independent measures from one another because the Opportunity Index contains data on unemployment rates. Correlations between the Opportunity Index components and the retail data are more statistically independent. Third, this analysis can only show us correlations, and correlation is not causation. However, by showing these associations, we do see that stable retail employment is associated with positive Opportunity Index components and rates of turnover and replacement, and hires are associated with negative Opportunity Index components. This provides a foundation for more in-depth analysis on the retail sector using national survey data. Finally, the Bureau of Labor Statistics added the replace and hire rate in 2013 to supplement their turnover rate; both estimates aim to quantify the rate of retail cycling through workers and neither measure alone tells the full story.

**TABLE 1: Retail Success and the Opportunity Index: An Interesting Relationship**



The values in the spreadsheet are the r scores for the Pearson correlations.

What might explain these correlations? The research cannot conclusively prove that one set of factors is causing the other—that is, that stable jobs result in stable communities, or vice versa—but there are several plausible explanations. Perhaps unstable retail jobs are associated with other challenges across a state—challenges like limited educational opportunities, higher crime, and deeper poverty. It is also possible that retail jobs are unstable when the jobs are of poor quality, and when employers have less incentive to improve working conditions and wages because they are operating in environments with many job seekers. While the possible relationships are most intriguing, research using national survey data is needed to suggest a more definitive cause and effect.



To address our final question, we took a closer look at the differences between first-line retail workers and their supervisors and managers. A better understanding of the disparities between these two groups can provide valuable insights for retail industry leaders to help guide their efforts to support and expand career pathways for lower-skilled members of their workforce. It can also inform public policies that aim to close the opportunity gaps for retail workers. In this context, supervisors are defined as a “first-line supervisor of retail sales worker” while first-line workers are defined as a “cashier” or “retail salesperson.” The analysis included an estimated 13 million retail workers and relied on national data from the U.S. Census Bureau.

**SUPERVISORS VS. ENTRY LEVEL RETAIL WORKERS**

## RACE AND GENDER MATTER

White men are overwhelmingly more likely to hold managerial positions.

<p style="color: #800000; font-weight: bold; margin: 0;">SUPERVISORS</p> <p style="color: #800000; font-weight: normal; margin: 0;">ARE MORE LIKELY TO BE</p> <p style="color: #800000; font-weight: bold; margin: 0;">MALE</p> <p style="color: #800000; font-weight: bold; margin: 0;">WHITE</p> <p style="color: #800000; font-weight: bold; margin: 0;">HAVE A BACHELORS DEGREE</p> <p style="color: #800000; font-weight: normal; margin: 0;">MORE LIKELY TO HAVE</p> <p style="color: #800000; font-weight: bold; margin: 0;">PRIVATE HEALTH INSURANCE</p> <p style="color: #800000; font-weight: bold; margin: 0;">FULL TIME EMPLOYEES</p>	<p style="color: #800000; font-weight: bold; margin: 0;">ENTRY LEVEL RETAIL WORKERS</p> <p style="color: #800000; font-weight: normal; margin: 0;">ARE MORE LIKELY TO BE</p> <p style="color: #800000; font-weight: bold; margin: 0;">WOMEN</p> <p style="color: #800000; font-weight: bold; margin: 0;">MINORITY</p> <p style="color: #800000; font-weight: bold; margin: 0;">21% LESS LIKELY TO HAVE PRIVATE HEALTH INSURANCE</p> <p style="color: #800000; font-weight: normal; margin: 0;">LESS LIKELY TO BE</p> <p style="color: #800000; font-weight: bold; margin: 0;">FULL-TIME EMPLOYEES</p>
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Retail offers abundant entry-level job opportunities for individuals with little training or formal education. When combined with focused on-the-job training, those entry-level positions can—and regularly do—lead to jobs with higher pay.



The research found significant demographic and socioeconomic differences between the two groups. Supervisors are more likely than their lower-level colleagues to be male, to be white, to hold a bachelor's degree, to have private health insurance, and to work full-time hours. Predictably, supervisors are also older, and earn more money, while first-line retail workers are much more likely to live in poverty.

If the above research helps explain the high-level associations between opportunity and the retail sector overall, our additional labor-market analysis provides a more detailed picture of the entry-level retail workforce—who it comprises, and how those individuals can most successfully use retail as a stepping stone to middle-skill jobs that offer solid wages and career growth.

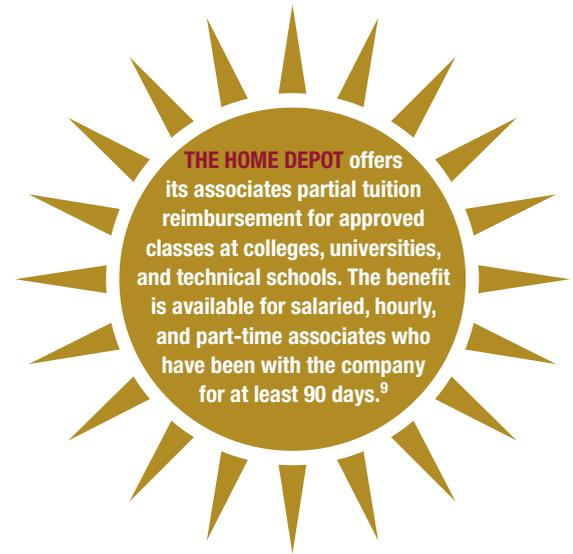
Drawing from CareerBuilder.com's database, we analyzed a subset of job applicants to determine career progressions for eight common positions within the retail sector: cashiers, stock clerks, and order fillers; team leaders; loss prevention specialists; customer service representatives; sales associates; store managers; and visual merchandisers. For each of these job categories, a detailed profile was developed to track trends in wage increases, demographic characteristics, and the retail positions most likely to precede—and succeed—each of the eight types of jobs. The research also identified the specific types of *knowledge, skills, and abilities* (KSA's) that correlate most closely with career progression in each of these positions. Key findings are summarized in the Appendix (see **Tables 2** and **3**).

In addition to the profiles for each of the eight retail occupations, we also conducted a résumé analysis, which revealed important conclusions about career prospects across the retail sector. Most significantly, retail offers abundant entry-level job opportunities for individuals with little training or formal education. And when combined with focused on-the-job training, those entry-level positions can—and regularly do—lead to jobs with higher pay. For example, cashiers can leverage the interpersonal skills they acquire to become customer service representatives or administrative assistants. Similarly, customer service representatives, retail sales associates, and stock clerks who parlay their skills into more senior positions often see a substantial increase in earnings.

The résumé research led to these key conclusions:

- **Wages across retail occupations vary widely based on experience and skills.** While starting pay is often low, many retail workers earn more than the median wage as they gain experience. Indeed, competitive-wage jobs can be found within many of the occupations that are perceived to be low-wage and low-skill. For instance, the top 25 percent of customer service representatives in our research earned more than \$19.36 an hour, while the top quarter of retail team leaders made more than \$21.97. For more experienced store managers, median hourly pay topped \$47—a solid middle-class job.

- **Although men hold a majority of managerial roles, overall most retail jobs are still dominated by women, and a quarter of workers employed in retail are under age 25.**
- **It is quite common for retail workers to attend school while working.** Forty percent of those analyzed held retail jobs while completing their education or added education after their first retail position.
- **While millions of Americans work in retail, few stay in the same position over multiple job changes.** Twenty-five percent of retail workers switched to another position when moving from their first job to their next one. For example, 26 percent of cashiers and 27 percent of salespersons moved to office and administrative support jobs directly from their first job in retail.
- **Retail workers who move up the ranks into management and supervisory positions do so in a variety of ways.** Our research showed that one quarter of store managers came directly from lower-level sales jobs and related positions, but half came from other management-level posts and moved laterally to their new spot in a different company.
- **Retail workers at all levels tend to move laterally within the industry but also beyond it — coming and going between a wide variety of positions ranging from retail to office jobs to manufacturing.**



## GRADS OF LIFE: A Key Resource for Employers

Even at a time of record youth unemployment in America, employers often struggle to find skilled entry-level talent through conventional hiring practices. **GRADS OF LIFE** — a national campaign to change public perceptions about opportunity youth — helps employers fulfill their talent needs and build employment pathways for young adults ages 16-24 who have not yet obtained a college credential. Its website features tools that can help employers develop sources of talent by creating customized employment pathways, such as training, mentoring, internships, and hiring initiatives.

Are you an employer who would like to expand your talent pool, or just interested in learning more? You'll find lots of free, easily accessible resources and a catalogue of success stories at <http://gradsoflife.org/>.



African Americans are 31% less likely and Latinos are 25% less likely than their white peers to be supervisors.

Women are 19% less likely than men to be supervisors, regardless of race.

The greatest predictor of management status is maintaining full-time employment, which is an impediment for entry-level retail workers, many of whom are working part-time.

## Cities to Watch: Chicago and Phoenix

For a better understanding of how retail and opportunity intersect on the ground, we also conducted labor-market snapshots of **Chicago** and **Phoenix**, two key metropolitan areas where promising work is underway with the private sector and community-based leadership to expand economic mobility within the retail sector. Of special note is the *100,000 Opportunities Initiative*, a coalition of leading U.S.-based companies committed to training and hiring 100,000 Americans between the ages of 16 and 24 who are out of school and not working by 2018. The effort launched in Chicago in 2015 and it was soon joined by Phoenix, one of four cities where the initiative is focusing its energy and commitment over the next three years. Already, civic, community and elected leaders in these cities are working hard to give young adults the type of meaningful job and educational opportunities they deserve.

Opportunity Nation sees this as an opportunity to explore further and do more listening about industry challenges, as well as programs, and initiatives working to close the skills gap and increase opportunity for individuals and young adults in the retail industry.

## CALL TO ACTION

Throughout this report, we have explored how the retail industry impacts communities on a range of indicators. While there are opportunities for impact, the industry is not without challenges. For many employees, wages are low and benefits inadequate to support a family. Often unpredictable and erratic hours can interfere with other responsibilities. And despite the very real prospects for solid career advancement in the field, widespread perceptions of 'dead-end' jobs persist.

The research detailed in this report explores some of the ways the retail industry can take on these challenges and expand economic opportunity for both young adults and communities more broadly. This research, further informed by our conversations with experts in the field, suggests a number of strategies that could help advance career pathways in the retail sector. Some suggestions rely on public policy changes and investment of public dollars while others are directed to the business community, and can be implemented in a way that delivers a positive return for employers as measured in such things as reduced turnover, more productive and engaged workers, and a well-earned reputation as a good corporate citizen. Together, we can advance the goal of building good retail careers and greater economic mobility for millions of Americans.

## Public policies

- The most effective programs bring together employers, community-based organizations, and others with expertise in education and training. We support government investments to develop and expand on these proven partnerships in the retail sector. Possible sources of funding include the Workforce Innovation and Opportunity Act (WIOA), or revenues from the federal H-1B foreign worker program.
- Targeted government policies can also provide an incentive for employers to hire and train young adults for jobs in retail. One such policy is the Work Opportunity Tax Credit, which we suggest be revised to ensure it encourages businesses not only to hire new workers but also to invest in ongoing training and advancement strategies.
- Public policies that benefit all families, such as paid parental leave, paid time off for elder care, and paid sick leave, can be particularly helpful for low-wage retail workers trying to balance caregiving and work, the majority of whom are women. A good example of this is California's Paid Family Leave Policy which provides eligible workers with partial wage replacement when taking time off work to care for a child, parent, parent-in-law, grandparent, grandchild, sibling or spouse.
- Public policies that support paid mentorships, internships, and apprenticeships are another tool that can help young adults succeed in their first retail job and acquire the skills needed to advance in the field.

## Employer strategies

- Employers can take concrete steps to strengthen career pathways for their workforce with a focus on advancement for Opportunity Youth, women, and workers of color. They can identify the skills and knowledge needed for job advancement so employees understand how to move up the ladder, and they can rewrite job descriptions to reflect the competencies for success.
- Retailers can also help “sell” real-world career pathways to jobseekers considering a retail profession. They can do more to demonstrate the many examples of individuals moving from entry-level to management roles and market the wage increases that workers can expect to see when progressing to increasingly senior positions.
- For retail to be a viable, long-term career pathway, employers can support workers by helping retail workers meet obligations outside work. Paying competitive wages, providing advanced notice of working hours, offering paid family and sick leave to full and part-time workers, and supporting skill-building training and education can help workers climb the retail career ladder, enjoy economic security, and care for their families.

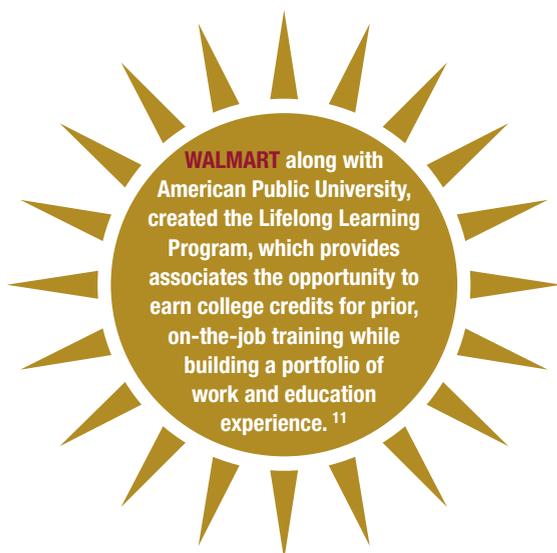
Those with a bachelor's degree are 20% more likely to supervise their more junior peers in retail jobs.

Benefits such as health insurance can offer financial security for health and peace of mind.



“Retail helps you learn to do a variety of things and teaches you discipline. I’m a better employee today because I learned to manage my time and multitask.”

Lisette Engel, Nonprofit Manager, former retail employee



- Just as public policies should reward cross-sector partnerships, employers should seek out innovative partnerships and resources in the communities where they do business. They should partner with local service providers, community colleges, and other experts to provide on-the-job training, mentoring, and a wide range of support that young workers may need to successfully navigate the working world.
- Our research reinforced what is well documented across the retail sector: The ranks of management are disproportionately male and white. Companies can help address big disparities in opportunity for women and communities of color by investing in better family-friendly workplace policies (such as parental leave, child care, and more flexible scheduling), and by supporting mentorships, internships, and management training programs that broaden access for female and minority employees.
- Employers interested in expanding opportunity in the retail industry need not start from scratch. As detailed throughout this report, many best practices already exist. Companies can learn from their peers and implement those successful practices across the retail sector.

## CONCLUSION

Opportunity Nation believes that economic opportunity is the defining domestic issue of our time. As the largest private-sector employer in our nation today, the retail industry sits in an unrivaled position of influence to expand economic opportunity for millions of American workers.

With our research partners Measure of America and Emsi, we undertook an exploration of the relationship between retail and opportunity. We learned, first, that there is positive correlation between a state’s retail employment rates and its overall score on the Opportunity Index—and, conversely, a negative correlation between retail replace and hire rates and broader opportunity statewide. From our résumé analysis, we also learned about the enormous diversity of the retail workforce, about typical pathways from entry-level retail jobs to well-paid management and supervisory positions in the field, and about the skills individuals need to get there. And anecdotally, we learned about diverse employers who are leading the way in hiring, training, and promoting young adults along solid career paths in retailing. We applaud the companies that invest in skills, education, and career advancement strategies, and hold them up as models for others to follow.

We urge more employers to follow the lead of their industry peers who have chosen to increase wages, provide more comprehensive benefits packages, and advanced notice or consistent schedules, allowing their workers to enjoy greater economic security, fulfill their caregiving responsibilities, and invest in their families’ futures.

We understand that our findings only begin to explore this complicated subject and acknowledge that follow-up research is needed to draw definitive conclusions. In addition, there are promising new initiatives underway to promote broader economic opportunity for frontline retail employees from such diverse stakeholders as UpSkill America,<sup>13</sup> The Hope Street Group Retail Community of Practice, and the National Retail Federation's Foundation,<sup>14</sup> among others, and we look forward to exploring how those efforts might inform our own research findings.

As the field expands, our hope is that the work detailed here can contribute to a deeper understanding about retail's impact on opportunity for millions of young Americans just starting out in the working world, as well as for others seeking a better economic future for themselves and their families.



## ACKNOWLEDGMENTS

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The Opportunity Nation team additionally extends a great thank you to Chris Strom, Lisette Engel and Jordan Leventhal, former retail employees, whose willingness to share their personal experiences within the retail industry was pivotal to the completion of this report.

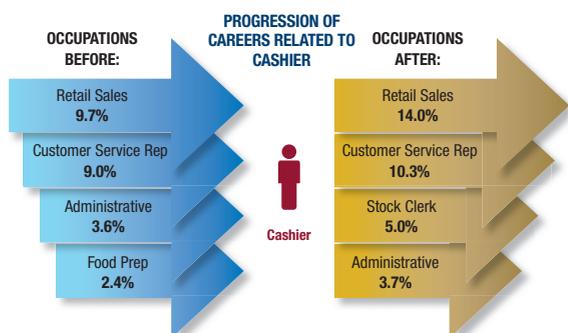
Finally, the Opportunity Nation team would like to thank all those whose work and dedication contributed to the completion of this report. Authors Dorian Friedman and Selena Gonzales Jones, Director of Impact and Community Engagement, Opportunity Nation; editors Matt Mabe, Senior Director of Impact, Got Your 6; and Opportunity Nation staff editors Monique Rizer, Stacy Heit, Melanie Anderson, René Gornall, and Erica Gordon; and Andrea Goodman, Be The Change, Inc., Chief of Staff and Chief Communications Officer.



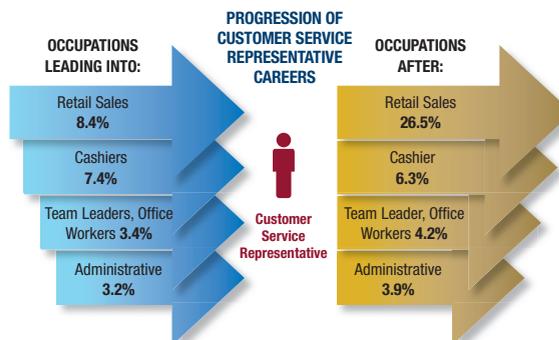
# APPENDIX

**TABLE 2: Summary of Findings on Eight Occupations**

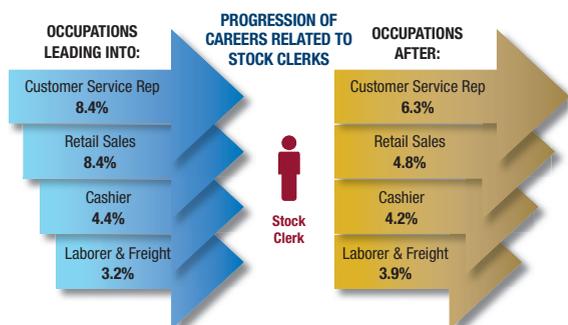
Below are the aggregated increases in the top competencies, according to the O\*NET knowledge, skills and abilities database, to go from one occupation to the top identified occupations based on the above progression of careers. The assumption is these individuals need to gain these key competencies to move forward in their career.



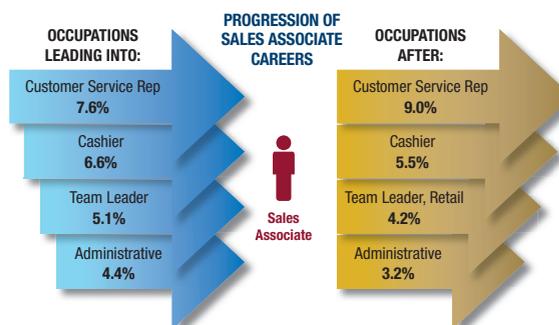
Percentage is based on the number of records in data set compared to sample population of 776



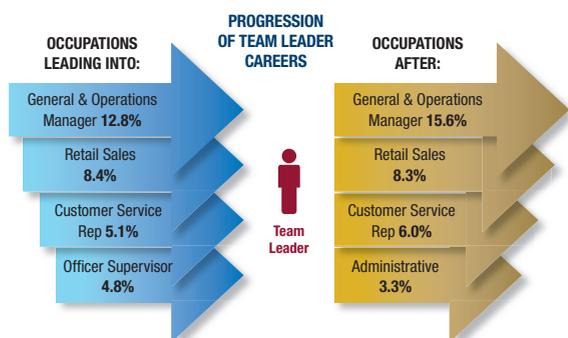
Percentage is based on number of records in data set compared to sample population of 1,466



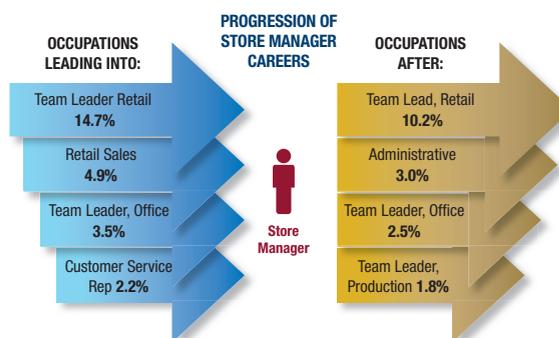
Percentage is based on number of records in data set compared to sample population of 1,455



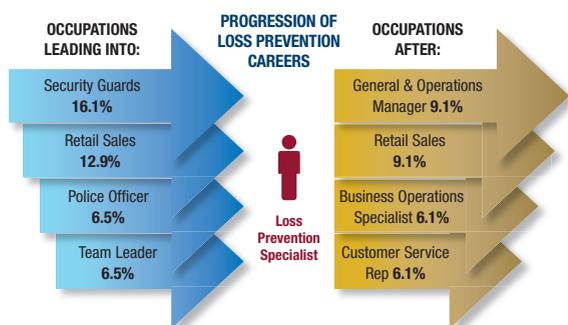
Percentage is based on number of records in data set compared to sample population of 1,205



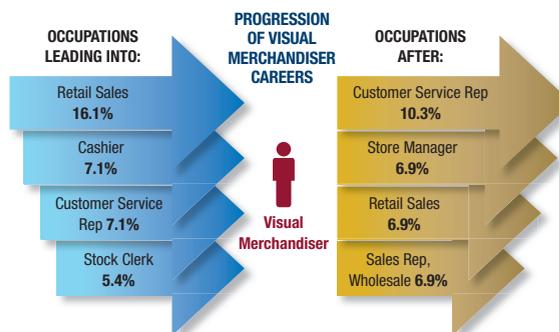
Percentage is based on the number of records in data set compared to sample population of 663



Percentage is based on number of records in data set compared to sample population of 776



Percentage is based on the number of records in data set compared to sample population of 31



Percentage is based on number of records in data set compared to sample population of 56

**TABLE 3: Summary of Knowledge, Skills, and Abilities Increase Findings on Eight Occupations**

<b>Cashier</b>		
Knowledge Increase	Skills Increase	Ability Increase
Clerical <b>165%</b>	Speaking <b>46%</b>	Written Expression <b>40%</b>
Administrative <b>105%</b>	Service Orientation <b>33%</b>	Manual Dexterity <b>22%</b>
Computers & Electronics <b>53%</b>	Reading Comprehension <b>21%</b>	Speech Recognition <b>8%</b>
English Language <b>28%</b>	Active Listening <b>19%</b>	Speech Clarity <b>17%</b>

<b>Customer Service Rep</b>		
Knowledge Increase	Skills Increase	Ability Increase
Administration & Management <b>76%</b>	Monitoring <b>33%</b>	Written Expression <b>18%</b>
Sales & Marketing <b>70%</b>	Social Perceptiveness <b>27%</b>	Speech Recognition <b>15%</b>
Clerical <b>39%</b>	Writing <b>27%</b>	Speech Clarity <b>11%</b>
Mathematics <b>13%</b>	Persuasion <b>26%</b>	Written Comprehension <b>10%</b>

<b>Stock Clerk</b>		
Knowledge Increase	Skills Increase	Ability Increase
Computers & Electronics <b>280%</b>	Service Orientation <b>44%</b>	Speech Clarity <b>17%</b>
Clerical <b>217%</b>	Speaking <b>26%</b>	Oral Comprehension <b>27%</b>
Customer and Personal Service <b>83%</b>	Active Listening <b>23%</b>	Written Comprehension <b>21%</b>
Mathematics <b>71%</b>	Reading Comprehension <b>14%</b>	Oral Expression <b>8%</b>

<b>Sales Associate</b>		
Knowledge Increase	Skills Increase	Ability Increase
Clerical <b>76%</b>	Writing <b>28%</b>	Written Expression <b>20%</b>
Administrative & Management <b>24%</b>	Monitoring <b>27%</b>	Near Vision <b>20%</b>
English Language <b>17%</b>	Speaking <b>17%</b>	Written Comprehension <b>12%</b>
Mathematics <b>6%</b>	Reading Comprehension <b>15%</b>	Oral Expression <b>5%</b>

<b>Team Leader</b>		
Knowledge Increase	Skills Increase	Ability Increase
Production & Processing <b>88%</b>	Active Listening <b>17%</b>	Written Comprehension <b>19%</b>
Computers & Electronics <b>79%</b>	Speaking <b>6%</b>	Speech Clarity <b>17%</b>
Clerical <b>33%</b>	Reading Comprehension <b>6%</b>	Written Expression <b>6%</b>
Mathematics <b>11%</b>	Critical Thinking <b>4%</b>	Problem Sensitivity <b>4%</b>

<b>Store Manager</b>		
Knowledge Increase	Skills Increase	Ability Increase
Clerical <b>36%</b>	Quality Control Analysis <b>34%</b>	Selective Attention <b>17%</b>
Education and Training <b>11%</b>	Instructing <b>24%</b>	Near Vision <b>13%</b>
Computers & Technology <b>7%</b>	Persuasion <b>8%</b>	Inductive Reasoning <b>13%</b>
Customer & Personal Service <b>7%</b>	Active Listening <b>4%</b>	Speech Clarity <b>9%</b>

<b>Loss Prevention Specialist</b>		
Knowledge Increase	Skills Increase	Ability Increase
Sales & Marketing <b>65%</b>	Service Orientation <b>33%</b>	Written Expression <b>21%</b>
Personnel & Human Resources <b>34%</b>	Active Listening <b>18%</b>	Written Comprehension <b>14%</b>
Customer and Personal Service <b>17%</b>	Persuasion <b>18%</b>	Oral Comprehension <b>12%</b>
Administration & Management <b>15%</b>	Monitoring <b>12%</b>	Oral Expression <b>10%</b>

<b>Visual Merchandiser</b>		
Knowledge Increase	Skills Increase	Ability Increase
Psychology <b>65%</b>	Negotiation <b>49%</b>	Memorization <b>94%</b>
Clerical <b>56%</b>	Service Orientation <b>27%</b>	Mathematical Reasoning <b>58%</b>
Customer and Personal Service <b>29%</b>	Persuasion <b>26%</b>	Written Expression <b>16%</b>
English Language <b>21%</b>	Active Listening <b>18%</b>	Written Comprehension <b>10%</b>

# ABOUT THIS REPORT



***This report was made possible thanks to the generous support of the Walmart Foundation.***

By using our strengths to help others, Walmart and the Walmart Foundation create opportunities for people to live better every day. We have stores in 28 countries, employing more than 2.3 million associates and doing business with thousands of suppliers who, in turn, employ millions of people. We are helping people live better by accelerating upward job mobility and economic development for the retail workforce; addressing hunger and making healthier, more sustainably-grown food a reality; and building strong communities where we operate and inspire our associates to give back. Whether it is helping to lead the fight against hunger in the United States with \$2 billion in cash and in-kind donations or supporting Women's Economic Empowerment through a series of grants totaling \$10 million to the Women in Factories training program in Bangladesh, China, India and Central America, Walmart and the Walmart Foundation are not only working to tackle key social issues, we are also collaborating with others to inspire solutions for long-lasting systemic change. To learn more about Walmart's giving, visit [foundation.walmart.com](http://foundation.walmart.com).



Opportunity Nation is a bipartisan, national campaign comprised of more than 330 cross-sector organizations working together to expand economic mobility and close the opportunity gap in America. Our mission is to restore the promise of the American Dream by ensuring that all Americans—regardless of where they were born—have the opportunity to thrive. Opportunity Nation:

- **Measures access to opportunity** via our Opportunity Index, which measures economic, educational, and civic factors that foster economic mobility at both the county and state levels;
- **Advances bipartisan legislation** by promoting common-sense, bipartisan approaches to increase access to education, tackle the skills gap and expand opportunity for young adults;
- **Convenes cross-sector groups** through our Coalition, National Opportunity Summits, the Opportunity Index briefings and other events across the country that lead to innovative collaborations and partnerships.

We believe that expanding economic mobility is the defining issue of our time. Closing the opportunity gap will take innovative, bipartisan, cross-sector solutions grounded in data and collaboration. For more information, visit [www.opportunitynation.org](http://www.opportunitynation.org).



The Social Science Research Council (SSRC) is an independent, not-for-profit research organization founded in 1923. Based in Brooklyn, New York, it mobilizes researchers, policy makers, professionals, activists, and other experts from the private and public sectors to develop innovative approaches to issues of critical social importance.

Measure of America is a nonpartisan program whose mission is to stimulate fact-based public debate about and political attention to issues of well-being and access to opportunity in the United States. The hallmark of this work is the American Human Development Index, a composite measure that reflects what most people believe are the basic ingredients of a fulfilling life of choice and dignity: a long and healthy life, access to knowledge, and a decent standard of living. Recent MOA projects include DATA2GO.NYC and a series of reports on disconnected youth that anchor the national dialogue on the issue. Measure of America breathes life into numbers, working with partners to create reports, online apps, and advocacy campaigns that tell the story of well-being and opportunity in America's communities.



Economic Modeling Specialists International (Emsi) is based in Moscow, Idaho, and was founded in 1995 by Drs. Kjell Christophersen and Hank Robison as a company designed to study the economic contribution of higher education and workforce development. Over the years, Emsi has evolved into a professional services firm, specializing in advanced economic modeling, economic research, and labor market data analysis. With a team of close to 125 employees, Emsi provides custom analyses, reports, training, web-based tools, and unparalleled labor market data to more than 500 organizations in the US, Canada, and the UK. In August 2012 Emsi was purchased by CareerBuilder, LLC.

Emsi's client base is comprised of workforce boards, community colleges and universities, economic development organizations, state labor market information agencies, and private companies. Emsi has become an industry leader in labor market data and analytics across workforce development, economic development, and education with more than 4,000 users of its web-based data tools: Analyst, which provides access to regional labor market information, demographics, and economic development data; and Career Coach, a customizable application that helps connect jobseekers to careers and training programs.

## Endnotes

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- 1 [forbes.com/sites/gradsoflife/2016/03/16/a-double-bottom-line-investment-for-companies-giving-young-people-their-firstjobs/#7d4258b85972](https://forbes.com/sites/gradsoflife/2016/03/16/a-double-bottom-line-investment-for-companies-giving-young-people-their-firstjobs/#7d4258b85972)
- 2 [reviews.greatplacetowork.com/build-a-bear-workshop](https://reviews.greatplacetowork.com/build-a-bear-workshop)
- 3 [bls.gov/iag/tgs/iag44-45.htm#about](https://bls.gov/iag/tgs/iag44-45.htm#about)
- 4 Carré, Françoise and Tilly, Chris, "America's Biggest Low-wage Industry: Continuity and Change in Retail Jobs" (2008). Center for Social Policy Publications. Paper 22. [scholarworks.umb.edu/csp\\_pubs/22](https://scholarworks.umb.edu/csp_pubs/22).
- 5 Low housing costs is defined by individuals and/or families who spend less than 30% of their household income on housing.
- 6 [gradsoflife.org/success-stories/cvs-caremark](https://gradsoflife.org/success-stories/cvs-caremark)
- 7 [gapincsustainability.com/way-ahead](https://gapincsustainability.com/way-ahead)
- 8 [gradsoflife.org/success-stories/h-e-b-grocery-company](https://gradsoflife.org/success-stories/h-e-b-grocery-company)
- 9 [secure.livethehealthyorangelife.com/tuition\\_reimbursement](https://secure.livethehealthyorangelife.com/tuition_reimbursement)
- 10 [starbucks.com/careers/college-plan](https://starbucks.com/careers/college-plan)
- 11 [gradsoflife.org/success-stories/walmart](https://gradsoflife.org/success-stories/walmart)
- 12 [containerstore.com/careers/index.html](https://containerstore.com/careers/index.html)
- 13 [upskillamerica.org](https://upskillamerica.org)
- 14 [nrf.com/who-we-are/nrf-foundation](https://nrf.com/who-we-are/nrf-foundation)
- 15 <http://mylowesbenefits.com/full-time/medical/>
- 16 <http://fortune.com/best-workplaces-for-african-americans/>

“ Sometimes you don’t know the questions to ask to promote yourself... so leaders need to be trained on how to think strategically to help advance the careers of their employees.”

Chris Strom, Director of Retail Initiatives, former retail employee

“ People don’t give retail enough credit. If you can be organized and be on your feet all day, deal with multiple personalities and still smile, that’s not something everyone can succeed at.”

Lisette Engel, Nonprofit Manager, former retail employee



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