Profiles of the Retail Workforce and the Retail Action Project

“I think workers can play a role in creating the jobs that they need. But they need tools and they need support and that’s what the Retail Action Project aims to give them.”
-Carrie Gleason, Executive Director of the Retail Action Project

Quick Facts

- The retail trade industry employs nearly 10 percent of the U.S. workforce.
- Cashiers and retail salespersons, two of the fastest growing occupations, are also two of the lowest paid jobs in the United States.
- The Retail Action Project (RAP) organizes retail workers, conducts research on the industry, pursues a public policy agenda and provides education and training services to workers to improve job quality and standards in the retail industry.

Introduction

In 2011, almost 15 million people in the United States worked in the retail trade industry, making up about 10 percent of the workforce.1 Many jobs in the retail industry are characterized by low-wages, part-time hours and few benefits.

In 2012, The Aspen Institute’s Workforce Strategies Initiative hosted a roundtable discussion titled Taking Inventory of Retail Jobs: A Discussion on Work in the Retail Industry as part of a discussion series titled Reinventing Low-Wage Work: Ideas That Can Work for Employees, Employers and the Economy, which brought together academics, workforce development leaders, employers, advocates and philanthropic leaders to explore the challenges of low-wage work as well as strategies for improving low-wage employment.

In this brief, we provide an overview of work in the retail industry and profile the Retail Action Project (RAP), an organization striving to improve job quality in the industry. Our goal is to offer information to those involved in workforce development about the challenges of work in the retail industry and highlight the strategies RAP uses to promote job quality improvements.

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An Overview of the Retail Trade Workforce in the United States

Nearly 15 million people were employed in retail trade in 2011.² Cashiers and retail salespeople were the most common occupations in the nation’s workforce in 2011, employing 3.3 million and 4.3 million people, respectively. This group represented nearly six percent of total U.S. employment.³ Wal-Mart, the sector’s largest employer, employs nearly 10 percent of retail workers, or approximately one percent of the nation’s workforce.⁴

Workforce Demographics and Education Levels

The retail industry’s demographic makeup is similar to that of the U.S. workforce as a whole, with retail employing a slightly younger population. The median age of retail workers in 2011 was 38, compared to 42 for all workers. Twenty-three percent of retail workers were between ages 16 and 24. Thirty-nine percent were between 25 and 44. Thirty-three percent were between 45 and 64. Five percent were over 65.⁵ Women and men are almost equally represented in the retail sector. Yet, women are slightly more represented in retail than in the workforce as a whole. In 2011, almost 11 percent of workers in retail were African-American, five percent were Asian and 15 percent were Hispanic/Latino.⁶ However, both women and minorities are underrepresented in higher-paying retail management positions, with women also overrepresented in lower paying front-line jobs.⁷

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²Ibid.
⁴Ibid.
⁵Ibid.
⁶Ibid.
management positions may require a college degree. The number of retail workers with a college education is increasing and those with a bachelor’s degree have incomes far exceeding those with high school diplomas or less. Of retail workers over age 25 in 2010, 12 percent had less than a high school education, 38 percent were high school graduates without college experience, 20 percent had attended at least some college and 30 percent had an associate’s degree or higher.

Retail Sector Wages, Hours Worked and Scheduling

In 2011, the national median hourly wage in the retail sector was $10.88, compared to $16.57 for all workers. The two largest occupations in retail, cashiers and salespeople, had lower median wages of $9.05 and $10.10, respectively. Assuming a worker is employed full-time, these wages equate to annual earnings of $20,230 for cashiers and $25,130 for retail salespeople.

Many retail workers are employed part-time. In 2010, nearly a third of retail salespersons and almost half of cashiers worked part-time. Data shows that many of these workers are involuntarily part-time, which infers that they would like to be working full-time but are not offered full-time hours. Research also shows that part-time workers have less training and fewer opportunities for promotion than full-time employees. Variable schedules and hours often characterize retail jobs. Workers often work nights, weekends, and holidays. A study by the Retail Action Project and the City University of New York (CUNY) Murphy Institute in New York City’s retail industry that only 17 percent of workers had a predictable schedule. Only 30 percent reported knowing their work schedule at least one week in advance.

Retail Worker Benefits

Little information exists about the number of retail workers who receive benefits in the retail. However, it is reasonable to assume that those working full-time tend to have better benefits than those working part-time. The Retail Action Project/Murphy Institute study found that only 29 percent of New York City retail workers had health insurance through their employer.

In most of the country, unions do not play a strong role in addressing wages, benefits or working conditions in the retail sector since a very small proportion of retail workers are represented by

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16 (Luce and Fujita, 2012).
unions. Only 4.9 percent of retail employees were union members in 2011 compared to 11.8 percent of all U.S. workers.\(^\text{17}\)

**Workforce Projections**

The retail industry is expected to experience significant growth in the next decade. Based on the U.S. Department of Labor’s Bureau of Labor Statistics 2010-2020 projections, employment in the retail industry will grow by about 12 percent and add 1.8 million jobs.\(^\text{18}\) Retail salespersons are one of the fastest growing occupations, second only to registered nurses. The number of cashiers and retail salespeople is projected to increase by over one million by 2020.\(^\text{19}\) Roughly 250,000 new cashiers will be needed in the retail sector, growing from an estimated 3.4 million in 2011 to 3.6 million in 2020. More than 700,000 new retail salespersons will also be needed, growing from 4.3 million workers in 2011 to five million in 2020 at a growth rate of 17 percent. Given high industry turnover and the need to replace workers leaving the industry each year the retail trade sector is expected to provide many jobs for many American workers in the years to come.

Lower than average wages, meager benefits and unstable scheduling practices indicate that job quality issues are prevalent in the retail industry. Continuous growth in this industry demonstrates that these jobs are here to stay and addressing these job quality issues will be important for employers and employees.

The next section highlights the work of the Retail Action Project, a non-profit organization in New York City that advocates for better jobs in the retail industry.

**Profile of the Retail Action Project (RAP)**

RAP is an advocacy organization working for better standards and opportunities in the retail industry, particularly for low-wage workers. Its membership network has over 2,000 workers, primarily people of color, immigrants and women. Many are young and/or lesbian, gay, bisexual or transgender. RAP members organize to combat wage theft, discrimination and improve the quality of retail jobs.

RAP develops the leadership ability of retail workers to advance long-term industry change through organization, public policy, industry research and media outreach. Through workforce development programs, retail workers are offered paths towards career security and advancement. RAP became a nonprofit worker center in 2010, emerging from a community-labor partnership between the Good Old Lower East Side (GOLES), a neighborhood housing and preservation organization in New York City, and the Retail, Wholesale and Department Store Union, which is part of the United Food and Commercial Workers union (RWDSU, UFCW).

**Employer Engagement**

Similar to most workforce development organizations, RAP sees employer engagement as critical in helping low-income individuals gain better employment and training opportunities.

\(^{17}\) (Current Population Survey, 2012)
RAP’s employer engagement, however, is tailored to the employment practices specific to each employer.

RAP engages with high-road employers, which it defines as investors in workers and providers of living wages, advancement opportunities, benefits and stable scheduling along with guaranteed hours. High-road employers participate in RAP’s network of retail hiring managers, known as CREW (Connecting Retailers with an Exceptional Workforce). Hiring managers in the CREW network receive access to trained job candidates and to manager workshops offering instruction on labor and employment law, preferred practices in scheduling, and employer supervision.

According to RAP, low-road employers experience high employee turnover, provide poor wages or violate wage and hour laws, use discriminatory hiring practices, have poor health and safety records, and do not offer career advancement opportunities. Low-road employers also offer few pathways for workers to access better jobs, according to RAP.

In describing RAP’s engagement with retail managers, RAP Director Carrie Gleason says, “Managers make a lot of scheduling decisions and we can talk to them about how consideration of workers requests and work-life balances of their workforce is actually going to make their life easier because they’re not going to see as much turnover. And that will ultimately help them with their labor costs, because they’re going to see improved sales numbers.”

High-road employers receive ongoing support and consultation from RAP to increase worker retention and address conflicts between employers and workers. Middle-road employers, defined by RAP as those that have or are initiating some high-road practices, may also participate in the CREW hiring network and manager training workshops.

Additionally, RAP assists workers employed by low-road retailers. RAP helps these workers organize and, if necessary, pursue legal action or exert pressure on employers to change by publicizing low-road practices.

Worker Organizing and Legal Action
RAP works towards job quality improvements in the industry by facilitating the organization and empowerment of retail workers. “We aim to give workers the tools and support they need to create the changes they see are needed at their jobs,” notes Gleason. To provide workers with these tools, RAP offers training in leadership development, as well as advocacy and organizing strategies. To help workers build and lead effective organizing campaigns, RAP also provides training in communication and media, such as audio, photography and video.

As part of its organizing efforts, RAP has helped retail workers in multiple locations organize workplace campaigns to improve working conditions at their places of employment. One of RAP’s earliest and most high-profile efforts to address wage theft involved organizing a coalition in 2006 to address wage violations by a New York City retailer, Yellow Rat Bastard.

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21 Ibid.
(YRB), which was accused of paying workers less than the legal minimum wage and failing to pay over-time. With RAP’s assistance, YRB workers won a settlement and recovered $1.2 million in stolen wages from the retailer. RAP views this victory for YRB workers as a catalyzing moment in its history because it established key legal resources and organizational capacities.

RAP’s organizing efforts also have led to national-level campaigns. One of RAP’s most recent campaigns centers on unstable industry scheduling practices throughout the nation. In describing this challenge, Gleason notes, “Full-time work has become a promotion at many retailers. So the fight for the 40 hour work week has returned. Retail workers are now trying to increase their hourly sales just to get enough hours, instead of a commission or a bonus. When we think about change in the retail industry, the fact that involuntary part-time work has doubled since 2006 is a telling indication of the industry’s landscape.”

To address this issue, RAP launched the Just Hours campaign, a collaborative initiative to restore stable, predictable and livable work hours to retail sector jobs. The coalition consists of RWDSU, the National Employment Law Project and A Better Balance, a work and family legal center based in New York, among others. The Just Hours campaign has three components: grassroots community-worker action within retail stores, legal action against discrimination and other violations, and a policy platform to advance city and state legislation. Just Hours aims to inform employers of the costs that unstable scheduling has on workers’ lives and, consequently, their work productivity, which is framed for the employer as the profitability of the workers’ employment.

As part of this campaign, RAP developed “The Scheduling Handbook,” which helps workers track their hours and document labor violations to prevent illegal practices. RAP promotes this campaign and other informative resources on workers’ rights through various mediums including its website and social media platforms.

*Research and Policy Efforts*

RAP conducts research to support its advocacy efforts. The organization partnered with Professor Stephanie Luce of the CUNY Murphy Institute to survey New York City low-wage, front-line retail workers. In January 2012, RAP released a joint report based on that survey entitled, “Discounted Jobs: How Retail Sells Workers Short,” outlining the challenges that low-wage retail workers face and the impact of these challenges on the industry. The report also offered recommendations for employers and other industry stakeholders. Senator Tom Harkin (D-IA) cited the report in a congressional hearing, during which he argued for paid-sick time legislation to help middle class workers.

One of RAP’s principal policy reform efforts is advocating for the Predictable Scheduling Act, which would require employers to give workers advance notification of schedules, reduce last minute scheduling changes and allow workers to participate in scheduling decisions. RAP

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22 Ibid.
advocates for state policy reforms based on its members needs that promote stable, predictable and full-time scheduling, and wage and benefit parity for part-time workers.

To strengthen its policy efforts, RAP works with other advocacy initiatives including the New York Paid Sick Days and New Yorkers for Responsible Lending. In partnership with the New York Living Wage Campaign, RAP helped pass the Fair Wages for New Yorkers Act in 2012, which mandates $10 an hour with benefits or $11.50 an hour without benefits for any job in New York City that is funded by tax dollars.

Worker Education and Training
Education and leadership skills development are the basis of RAP training programs. Members also are offered individual career counseling services as well as weekly training workshops led by retail professionals and certified by local community colleges. The free workshops offer career development training in customer service, sales, merchandising and other relevant retail skills. The workshops also educate workers on their rights and connect them to other valuable resources, such as legal services.

RAP identifies networking as important to improving industry conditions. “In retail most of RAP’s members get their jobs and advance because they’ve met somebody else in the industry,” says RAP member and Career Development Coordinator, Eno Awotoye. RAP notes that many workers think professional networking is only for white collar or salaried workers. To alter this perception, the organization counsels workers on networking skills by offering workshops as well as networking opportunities through CREW.

Final Thoughts on Improving Work in the Retail Industry
The retail industry will continue to significantly influence the U.S. economy as the industry expands and creates new jobs in the years ahead. While some retail jobs provide good wages, benefits and advancement opportunities, many do not. By laying out the challenges of working in the retail industry and sharing the Retail Action Project’s strategies to improve job quality, we hope this brief provides workforce development leaders with useful ideas for improving retail work in their communities.