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LotisBlue

The Value of a Retail Career

2023 RESEARCH STUDY



About this Report

From the East Coast to the West Coast, cities to suburbs, Americans are engaging with the retail industry on a nearly daily basis. The retail industry powers the economy as the nation's largest private-sector employer, contributing \$3.9 trillion to annual GDP and supporting one in four U.S. jobs – 52 million working Americans. Retail is a growing industry where talent of all types and from all parts of the U.S. can start, build and accelerate a rewarding career. Still, misconceptions and assumptions remain about the opportunities and value associated with building a career in retail.

This research study shows:

- The availability and value of a retail career relative to other industries
- The speed of career progression and earning potential through a career in retail
- The most common, valuable, and growing-in-demand skills one can gain through a career in retail
- The potential career paths available to retail talent

Our research provides a comprehensive view of the United States retail labor market between July 2022 and July 2023 by integrating economic data, job-posting data and data from real retail employees from dozens of government and private-sector sources. Our analytics leverage over 10 million data points* to provide a robust view of the retail workforce and careers.

*See Appendix for detailed information on data sources.



The Value of a Retail Career

This research surfaces three key value drivers of retail careers:

1

Retail is an industry where front-line talent has meaningful earnings potential and promotion opportunities

2

Retail jobs offer opportunities to build a broad set of valuable, in-demand and transferable skills

3

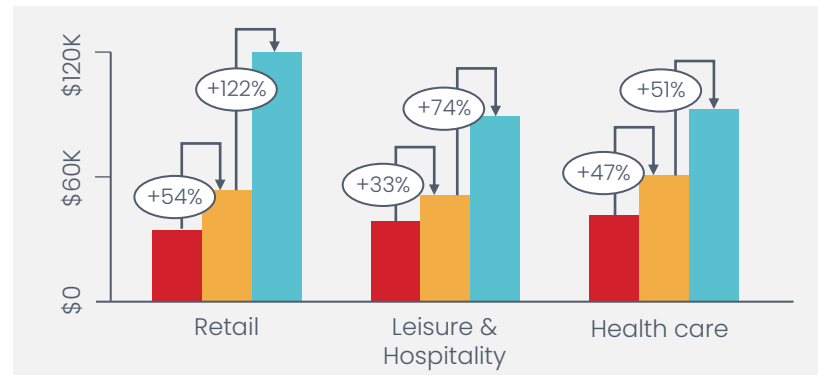
Retail enables people to customize their careers and choose between thousands of unique career paths

Retail is an industry where front-line talent has meaningful earnings potential and promotion opportunities

It pays to **start** a career in retail ...

- Though starting salaries within retail are on par with comparator industries (e.g., leisure & hospitality, health care), individual compensation grows faster within the retail industry. Earnings increase 54%, on average, with only 2-5 years of experience in the industry.
- Those who stay in retail for more than 5 years can expect a staggering 122% increase in compensation over roles requiring 2-5 years of experience.

Growth Potential of Median Earnings Across Industries



Experience Required: ■ <2 years ■ 2-5 years ■ 5-8 years

It pays to **build** a career in retail ...

- Retail careers also enable faster role advancement and greater career growth compared with other industries, with lateral moves or upward role advancements occurring every **14.5 months**.
- Retail talent can earn a six-figure income in less time than within comparator industries. On average, it takes **10.3 years** to earn a six-figure job in retail.
- Retail talent often secures, on average, a **15.2%** increase in compensation with each transition, whether that be a promotion, lateral move or skill-aligned role advancement.
- Roles in retail that require 8-10 years of experience garner a salary that is **282% higher** than that of entry-level roles, which is over 100% higher than compensation growth associated with roles requiring the same experience in comparator industries*.
- When following the career trajectory of retail employees from 2019 to 2022, of those who remained in retail roles, **39.4%** were promoted at least once during that time.

14.5 Months

Average time to next career move in retail

15.2%

Average pay increase for each transition within retail

39.4%

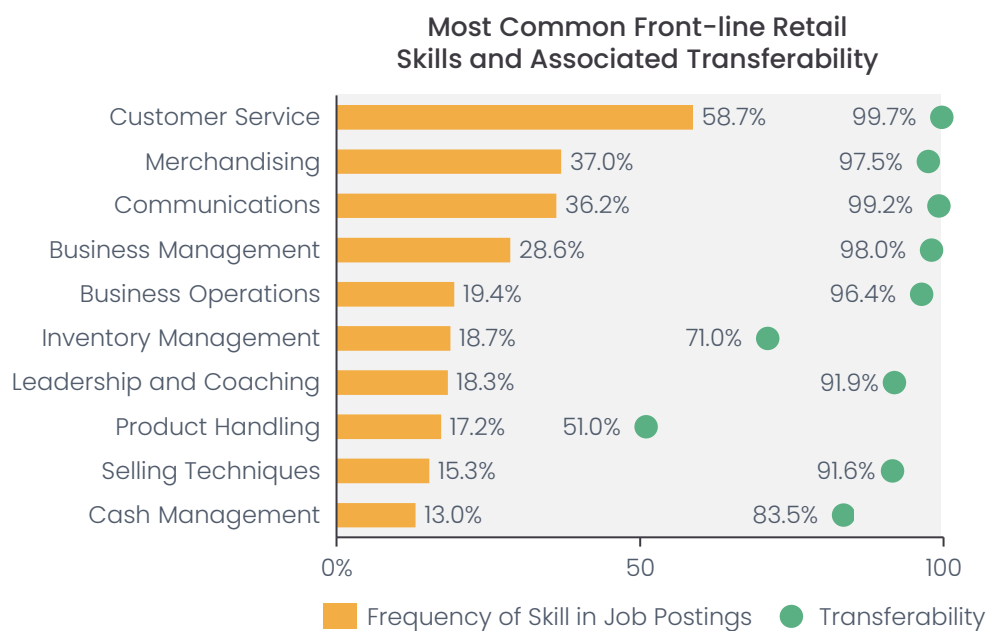
Percent of retail employees promoted from 2019 to 2022

*Growth in median salary from entry-level roles to roles requiring 8-10 years of experience is 178% in leisure & hospitality and 108% in health care

Retail jobs offer opportunities to build a broad set of valuable, in-demand and transferable skills

The sheer variety of retail positions provides opportunities to gain upwards of **700 different skills** through learning more about management and operations, gaining interpersonal skills and working in fast-paced, agile environments.

Our study analyzes over 3.5 million front-line retail job postings to determine the skills necessary for success in retail by finding which skills are most transferable to other roles and industries, which skills are growing and enhance future job prospects and which skills demand the highest compensation premium.



Data based on job postings for only front-line retail jobs

58.7%

of all retail jobs require customer service skills, and those skills are

99.7%

transferable across roles and industries

Regardless of which type of role someone takes within the industry, they are almost guaranteed to pick up skills in **customer service, merchandising and communications**, which are highly transferable to other roles in retail and jobs outside of retail.

Front-line retail roles are evolving and so are the skills that retailers are looking for. Over the next two years, demand for skills associated with marketing and print production, mobile technology and material handling are expected to grow by over 50% more than current demand.

This allows opportunities for retail associates to gain an even wider array of valuable skills that will enhance their employability and earnings potential.

The following skills are expected to grow in demand* over the next two years:

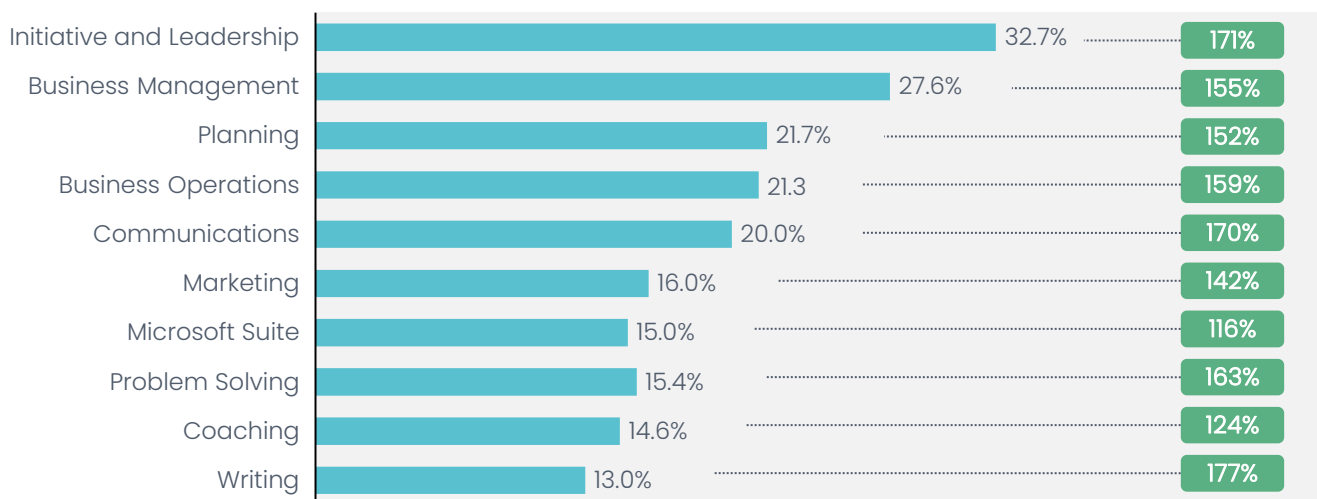
- Technology and Mobile Devices
- Material Handling
- Asset Protection
- Marketing and Print Production
- Teamwork
- Health and Safety
- Restaurant Operations
- Leadership
- Inventory Management

*Only includes skills that appeared in at least 5% of job postings. Data based on job postings for front-line retail jobs.

Skills that one learns in front-line, entry-level retail jobs enhance future promotability and earning potential for more senior-level retail roles.

- For example, roles requiring less than 2 years of experience often offer opportunities to build skills in initiative and leadership, which is a highly requested skill for roles requiring 5-8 years of experience.
- These skills also garner a salary premium. Individuals who advance to a role requiring initiative and leadership skills and 5-8 years of experience can expect to receive a salary **171% higher than entry-level roles** that require those skills.
- Other skills that enhance employability include business management, planning, business operations and communications, many of which are also highly transferable.

Most Important Skills to Career Advancement in Retail



← Demand Growth → ← Salary Growth →

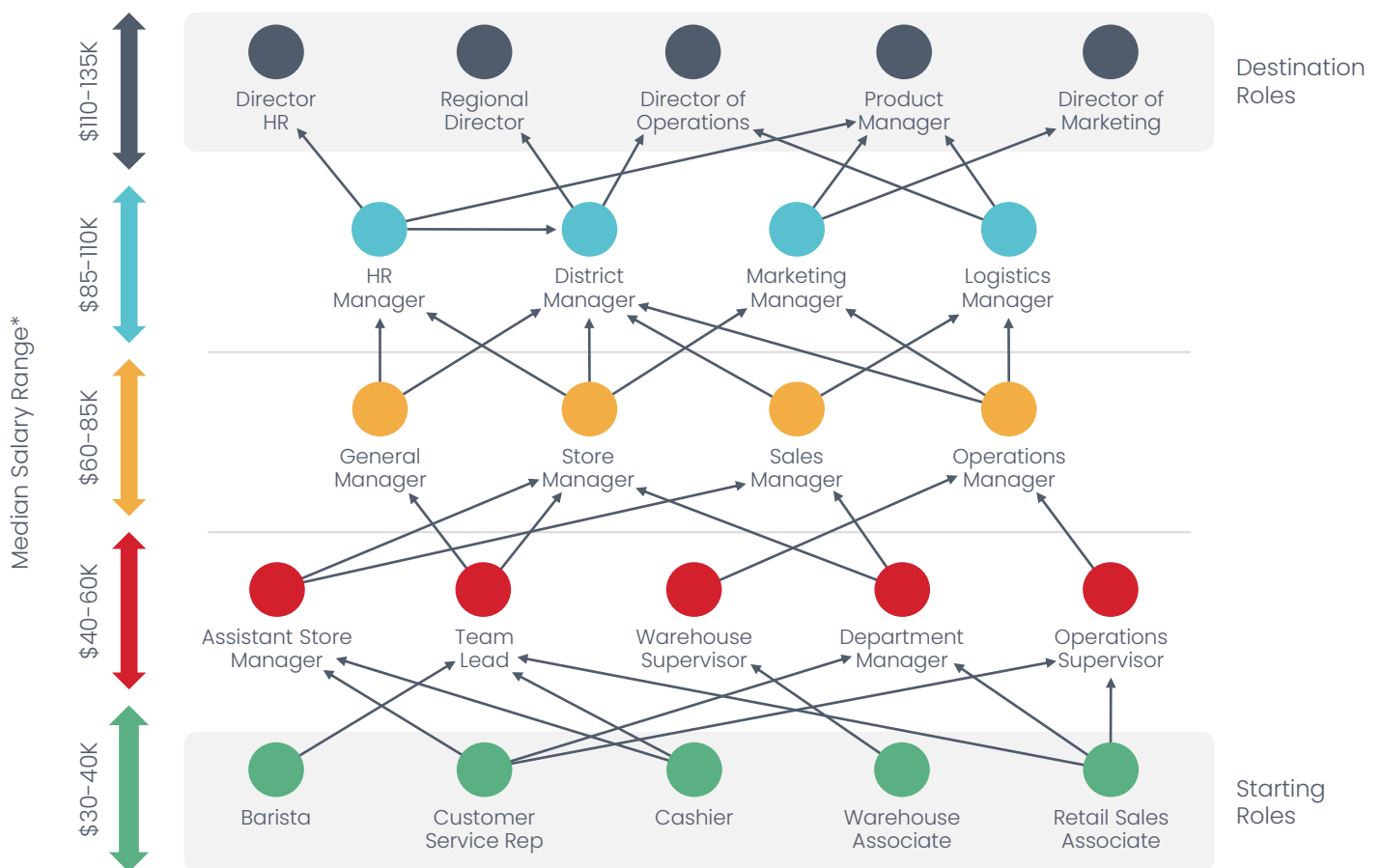
Data based on job postings for only front-line retail jobs

Retail enables people to customize their careers and choose between thousands of unique career paths

Our research explores 5.7 million social profiles from actual U.S.-based retail employees. Retail careers offer robust career paths where individuals can customize a career to match personal values, interests and goals.

No matter where one starts, individuals can gain skills that enable nearly endless opportunities to pursue varying career interests in store-based, distribution and corporate roles. For example, if an individual starts in a retail sales associate position but wants to explore their career options, there are over 120 possible roles as a next step, such as operations manager, pharmacy technician or team lead.

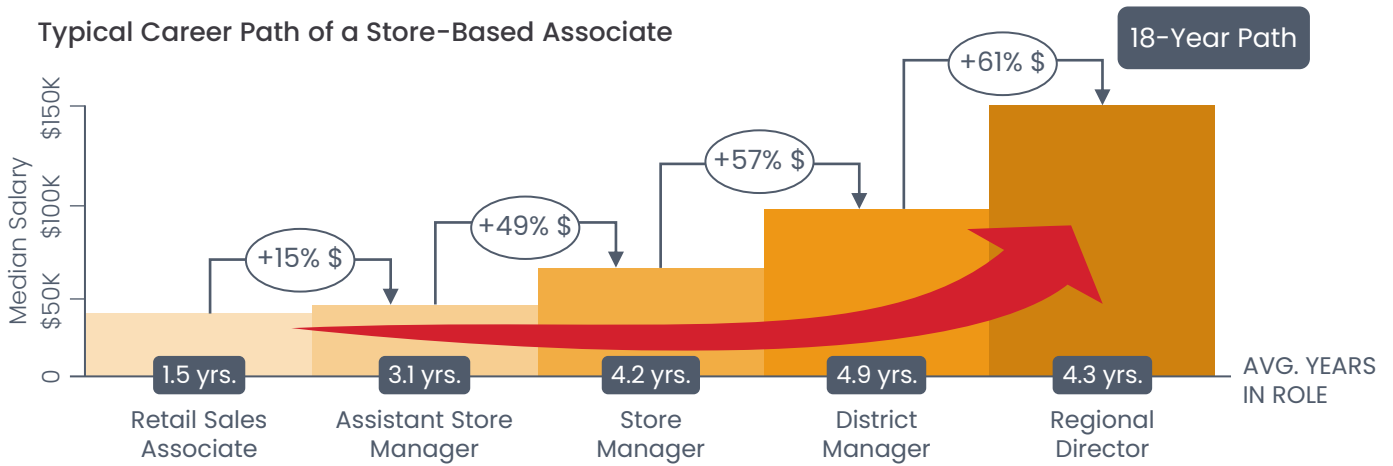
Sample Career Paths for Entry-Level Retail Roles from Actual Career Moves



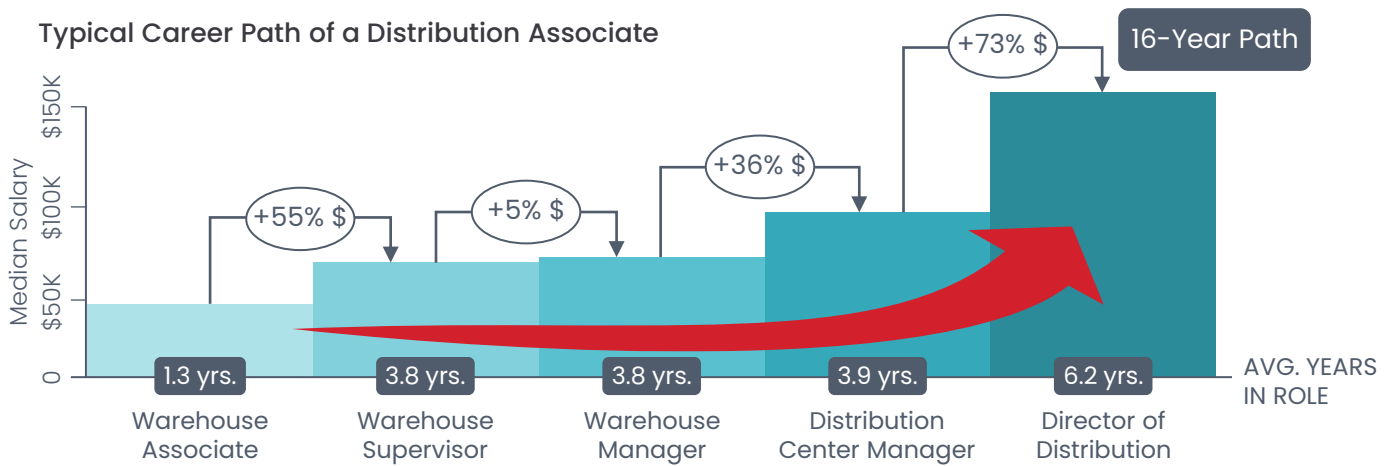
*Salary ranges pulled from median salaries of U.S. retail associates in jobs shown
 Career paths were constructed based on social profile data from retail associates.

These career paths represent examples of common paths for store-based, distribution and food service roles in the retail industry. Though there are many advancement options, these career paths illustrate some of the most common job transitions within job families and the average salary progression over time.

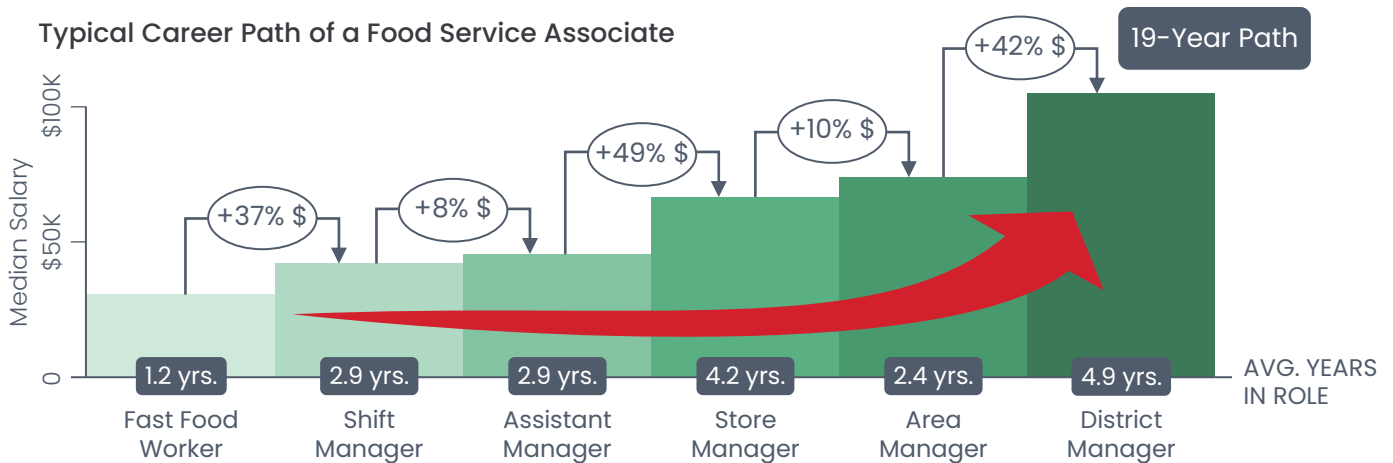
Typical Career Path of a Store-Based Associate



Typical Career Path of a Distribution Associate



Typical Career Path of a Food Service Associate



Key Takeaways for Retailers

- 1. Highlight Value:** Communicate the value that retail contributes to the individual, company and our communities by offering meaningful experiences, whether it's a short-term opportunity or a long-term career choice.
- 2. Emphasize Skill Development:** Emphasize the skills that employees can acquire in the retail sector, making it clear that these skills are valuable and transferable to a multitude of different roles.
- 3. Promote Career Opportunities:** Highlight the diverse career opportunities available within the retail industry to both start a career and as a path for long-term career growth.
- 4. Facilitate Career Customization:** Encourage employees to explore different roles and career paths within the company, supporting their aspirations and talents. Create a culture that values diverse backgrounds and continuous development.
- 5. Foster Advancement:** Design career programs that include opportunities for regular promotions and make the connection between skill development, advancement and compensation.

Key Takeaways for Talent

- 1. Seize Growth in the Job Market:** Capitalize on the growth of the retail industry to acquire valuable and transferable skills. This, in turn, can lead to a salary premium, making it a financially rewarding choice for you.
- 2. Explore Diverse Career Opportunities:** Take charge of your career by customizing it in the retail industry. You can proactively explore different roles and transitions that align with your aspirations and talents. The industry's flexibility allows you to shape your own path across store-based, distribution and corporate careers.
- 3. Accelerate Career Progression:** Embrace the fast track for career growth in retail. Take advantage of frequent promotions and increases in compensation as you gain experience and skills. This proactive approach enables you to advance more quickly and achieve more significant career milestones compared with other industries.
- 4. Unlock Resume Value:** Regardless of whether you view retail as a short-term opportunity or a long-term career, actively leverage the high degree of value it offers to your professional journey. The skills you acquire can be actively applied to various industries, making it a versatile foundation for your career.
- 5. Build Your Network:** The diversity of career paths and team-based environment presents you with ample opportunities to build your professional network and explore opportunities with retailers that align with your interests and passions.

About this Report

This report was constructed in partnership between the National Retail Federation and Lotis Blue Consulting, with custom data for this report gathered by Lightcast.

About National Retail Federation Foundation

The NRF Foundation provides the skills and resources needed for a life-changing career. As NRF's nonprofit 501(c)(3), we connect people to an industry that's a great place to start and a great place to grow. Together, we help people build better lives and stronger communities.

About Lotis Blue Consulting

Lotis Blue Consulting drives growth and transformation through a unique blend of services centered on enhancing people and optimizing organizational structures. With a foundation in behavioral science and advanced analytics, we delve deep, offering personal attention and analytical rigor to uncover, define, and implement the smartest path forward. Our mission is to transform your most ambitious visions into clear and sustainable realities.

About Lightcast

Lightcast provides trusted global labor market data, analytics, and strategic insights that empowers communities, corporations, and learning providers to make informed decisions to navigate the increasingly complex world of work. Headquartered in Boston, Massachusetts, and Moscow, Idaho, Lightcast is active in more than 30 countries and has offices in the United Kingdom, Italy, Canada, New Zealand, and India. The company is backed by KKR's Global Impact Fund, whose mission is to invest behind scalable, commercial solutions to solve critical global challenges.

About this Report

Data Elements

Job-Posting Data: Lightcast job-posting data is gathered by scraping over 65,000 websites worldwide, including company career sites, national and local job boards, and job posting aggregators. Lightcast applies a unique two-step approach to deduplication that results in up to 80% of all jobs we collect being deduplicated.

Skills Data: Skills data are extracted using the text of job postings. Lightcast takes the text of the posting and looks for sequences of words that indicate skills. Specialized Skills are skills that are primarily required within a subset of occupations or equip one to perform a specific task (e.g., “NumPy” or “Hotel Management”). Also known as technical skills or hard skills. Common Skills are skills that are prevalent across many different occupations and industries, including both personal attributes and learned skills (e.g., “Communication” or “Microsoft Excel”), also known as soft skills, human skills and competencies.

Career Pathways Data: This tool outlines a representation of the job ecosystem, mapping out how jobs are related to one another and identifying potential career paths and opportunities for advancement.

Social Profiles: When someone shares their career history online, that offers insight into education, skills and career trajectory. By collecting aggregated, anonymous data from millions of profiles, Lightcast tools can measure the supply of talent in a region and also provide insight into how skills and jobs develop into career pathways, enabling success and opportunity for workers. The dataset used contains profiles for over 100 million anonymized individuals and contains information on job titles, companies, skills and education. As with job postings, machine learning algorithms are used to deduplicate profiles and enrich the raw data contained in each profile — job titles and company names are standardized, skills are extracted and education information is standardized.

About this Report

Key Definitions

Retail Industry: 2-digit NAICS codes 44 (Retail Trade) excluding 4-digit NAICS codes 4411 (Automobile Dealers) and 4412 (Other Motor Vehicle Dealers). The 6-digit NAICS code 722513 (Limited-Service Restaurants) is also included.

Retail Role Type:

- Corporate: All white-collar jobs which are primarily located in a corporate headquarters. Jobs include human resources, finance, IT, marketing and legal roles.
- Front-line: All store-based and distribution roles (e.g., warehouse associates, retail associates, store managers, truck drivers)

Comparator Industry Definitions

Throughout this report, the retail industry is compared with the leisure and hospitality industry and the health care industry. These were chosen as comparator industries based on their similarly low barriers to entry, their distribution of average advertised salary, their compatible skills sets and inter-related roles between front-line workers, and similar opportunities for career advancement. Definitions of these industries are outlined below:

Leisure and Hospitality: NAICS code 71 Arts, Entertainment, and Recreation + NAICS code 72 Accommodation and Food Services (excluding Limited Service Restaurants)

Health care: NAICS 62 Health Care and Social Assistance

Measure Definitions

- Skill Demand: The percent of postings in a given market that request it
- Projected 2-year Growth: Machine-modeled predictions of the growth in recall for skills over the next two years (refers to 2023-2024)
- Demand Growth: Change in demand of skill between job postings requiring 0-2 compared with 5-8 years of experience
- Transferability Percentile: A measure of how transferable skills are across industries. For a single skill, calculated as the variance of (employment weighted) recall rates across 2-digit NAICS industries. Skills with lower recall variance across industries are more transferable.
- Average Estimated Salary: The average salary advertised in job postings for a given occupation and industry
- Skill Salary: In a given industry and job market, the average annual advertised salary of a job requesting a certain skill
- Salary Growth: For a given skill, the salary increase between jobs requiring 5-8 years of experience and entry-level jobs