

## Idaho Stores Grow Despite 'Retail Apocalypse'



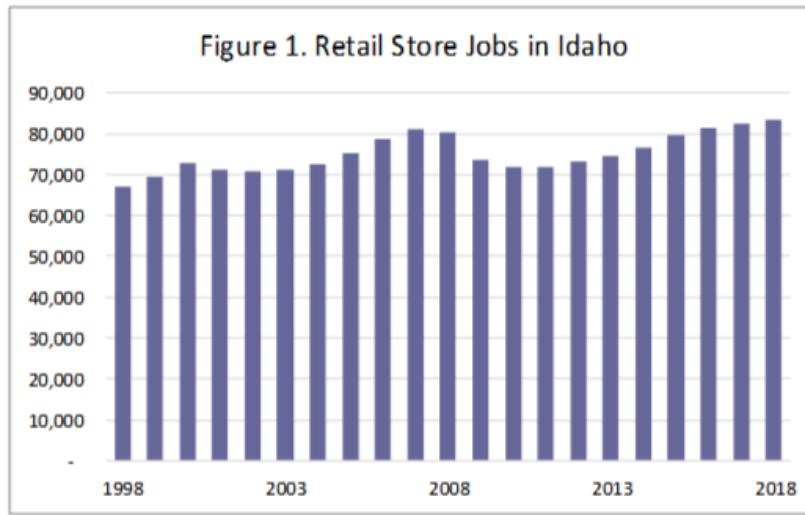
Despite a national spate of store closures and employment declines, Idaho retail employment grew 2.5 percent between 2016 and 2018.

With many retail chains closing hundreds of stores across the U.S., headlines about a "retail apocalypse" have appeared on news sites. Last year, according to Coresight Research, 5,524 stores across the United States closed. In the first eight months of this year, 8,051 closed. This year closures could

exceed the record set in 2017, when 8,139 stores were shuttered. Challenger, Gray & Christmas counts 53,248 announced retail job cuts for the first half of this year, compared with 98,563 for all of last year.

Between 2016 and 2018, employment in U.S. retail stores fell 0.2 percent, while employment at Idaho's retail stores grew 2.5 percent, from 81,265 to 83,330. Between June 2018 and June 2019, retail store jobs in the U.S. fell 0.5 percent, while they rose 1.8 percent in Idaho, adding 1,600 jobs.

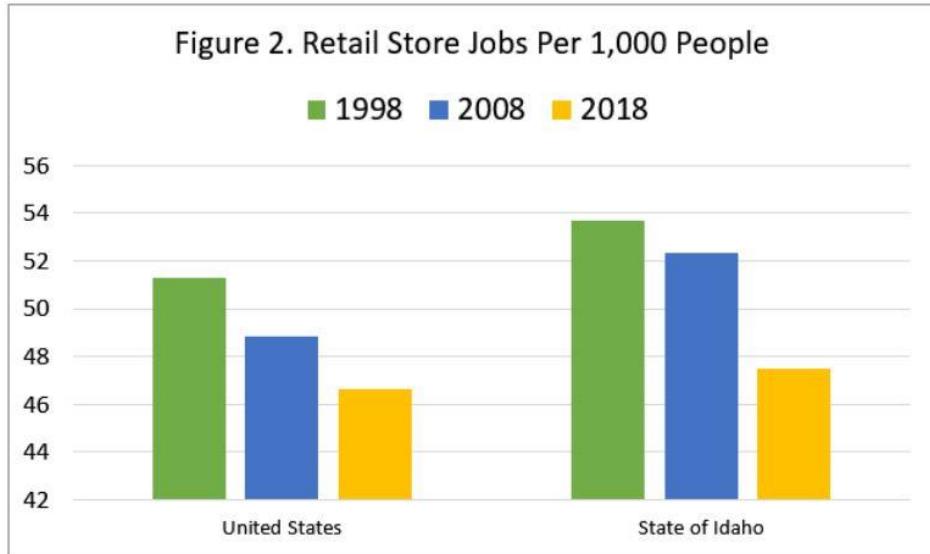
Retail store jobs fell sharply during and immediately after the severe recession of 2008-2009, but now exceed their 2007 peak, as Figure 1 illustrates. Over the past five years, only one retail subsector in Idaho has declined – electronics and appliance stores - where jobs fell 13 percent, from 2,684 to 2,347.



*Source: Idaho Department of Labor*

Driven by fast population growth, Idaho's retail store employment increased 24 percent, from 67,217 in 1998 to 83,330 in 2018, while U.S. retail store employment increased 8 percent.

The number of retail store jobs per 1,000 people in Idaho is 47.5, in the same ballpark as the 46.6 in the U.S. The number of retail jobs per 1,000 people has declined somewhat over the past 20 years as Figure 2 indicates. Increased automation has reduced bookkeeping and cashier jobs, and improved logistics has reduced stocking jobs contributing to the overall decrease in the number of retail workers needed to serve the same number of customers.



*Source: U.S. Bureau of Labor Statistics; Idaho Department of Labor*

In 2018, retail's contribution to Idaho's gross domestic product was \$6 billion, about 8 percent of total GDP. Between 1998 and 2018, retail's contribution, when adjusted for inflation and expressed in 2018 dollars, grew 37 percent, from \$4.4 billion to \$6 billion.

Nearly two-thirds of retail establishments in Idaho employ fewer than 10 people. Together, these smaller stores employ 16 percent of all retail store workers.

| Idaho Retail Stores by Number of Employees |                |                |               |                  |
|--|----------------|----------------|---------------|------------------|
|  | Stores<br>2018 | Stores<br>2018 | Jobs<br>2018  | Avg. Pay<br>2018 |
| <b>Total</b>                               | <b>5,516</b>   | <b>100.0%</b>  | <b>100.0%</b> | <b>30,097</b>    |
| Under 5                                    | 2,222          | 40.3%          | 5.2%          | 27,597           |
| 5-9  | 1,353          | 24.5%          | 10.8%         | 27,369           |
| 10-19                                      | 1,034          | 18.7%          | 16.6%         | 27,752           |
| 20-49                                      | 583            | 10.6%          | 20.4%         | 28,528           |
| 50-99                                      | 181            | 3.3%           | 15.2%         | 32,142           |
| 100-249                                    | 114            | 2.1%           | 19.9%         | 32,869           |
| 250 or more                                | 29             | 0.5%           | 12.0%         | 30,910           |

With Idaho's unemployment rate so low, it's difficult for stores to recruit workers. Adding to the challenge is the aging of the workforce, which means more retail workers are approaching retirement age. In 2018, 21 percent of Idaho's retail store workers were 55 years or older, compared with 10 percent in 1998.

In addition, fewer teens are working. The number of teens 14 to 18 years of age working in Idaho's retail sector dropped from 5,472 in 1998 to 4,926 by 2008, sinking further to 4,133 in 2018.

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