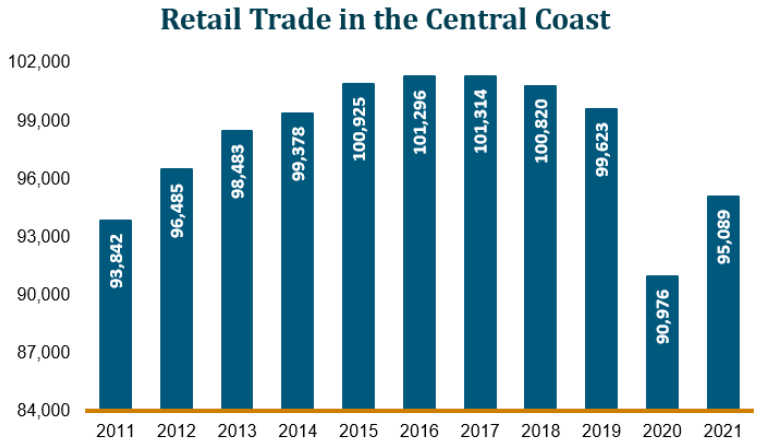
RETAIL TRENDS ON THE CENTRAL COAST



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As consumers, we buy a variety of goods on a regular basis. Whether it is a quick trip to the grocery store or something more involved, like buying a car, to a certain extent, what we purchase influences the types of goods that are sold. This can in turn have an impact on the types of stores in the area and the products sold in them. This leads to a question: have different retail subsectors grown or declined in the Central Coast, thus hinting at potential consumer taste changes? I will answer this in two parts. In this article, I'll cover overall retail employment, and in the next article, I will analyze retail subsectors and individual Central Coast counties.

From 2011 to 2021, employment in retail trade increased by 1,247 or 1.3 percent. This does not sound like a lot, especially given the total private industry growth rate of 11.9 percent over the same period. Looking more closely, since 2011, retail employment takes the form of a bell curve, growing each year from 2011 to 2017, peaking in 2017, and declining after that. Between 2011 and 2017, employment increased by 7,472 or 8.0 percent. A much faster rate than over the entire period. What may be behind the retail peak and decline?



Based on available data, there are two main drivers for the decline since 2017: specific retail subsector declines and the COVID-19 pandemic. Between 2017 and 2019, retail declined by 1,691 or 1.7 percent. Most of the decline is explained by a contraction in clothing, general, and sporting goods stores. These declines were offset somewhat by the employment growth in food, beverage, and miscellaneous stores. However, individual counties sometimes had unique subsectors that contributed to the decline. In Santa Cruz and Santa Barbara counties, we observed significant declines in building materials and garden supply stores, while in Ventura County there was a significant decline in motor vehicle and parts dealers.

The COVID-19 pandemic and related public safety regulations greatly accelerated this decline. In just one year, between 2019 and 2020, employment in retail on the Central Coast went down by 8,647 or 8.7 percent. Even with the 4,113 added jobs to retail since 2020, the industry is still below both the peak 2017 (101,314 jobs or -6.1 percent) and pre-pandemic 2019 (99,623 jobs or -4.6 percent).

In the next article, I will take a look at individual Central Coast counties' retail growth rates and will cover trends in 12 retail subsectors in those counties.

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