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OUT OF WORK? CHECK WITH A STORE IN YOUR AREA

Retailers are scrambling to find holiday-season workers in a tight labor market

By Eric Morath
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BALTIMORE – A former heroin addict. A 25-year-old bouncing between temp jobs. A mother trying to re-enter the labor force.

Workers like these, struggling in the labor market since the recession, are finding new support from retailers who need to fill a record number of openings heading into the holiday-shopping season.

There were 650,000 open retail jobs in August, the Labor Department's latest count. That is just below the highest level on record back to 2000. Despite national chains such as J.C. Penney and Sears announcing store closures, the number of retail stores has grown in the past five years, while [Amazon.com](#) Inc. and other e-commerce firms hire many of the same workers.

Add in openings at restaurants and distribution centers, and demand for less-skilled workers is high and labor supply is low. The U.S. [unemployment rate in October](#) of 4.1 percent was the lowest in nearly 17 years.

In response, retailers are considering workers they may have passed on before and expanding training programs to create qualified candidates. Some are raising wages.

The demand provides an opening for workers like David Townes, who said a previous heroin addiction derailed his work as a collections agent and a court clerk. He received training designed by the National Retail Federation Foundation, the nonprofit arm of a Washington trade group that represents the industry, from Goodwill Industries, an organization that offers social services and runs thrift stores.

The 59-year-old attended a job fair in Baltimore this fall for those who had newly completed the retail-fundamentals training. He arrived in a pressed gray suit, paisley tie and matching pocket square. Days later, Macy's Inc. hired him as a sales associate for a Towson, Md., store.

"I'm very excited and happy," he said. "I'm thanking God to be in a position to work this soon following the training program." He said the certificate he earned gave him an edge because it showed he had suitable skills, such as how to deal with an irate customer.

Macy's, one of six national retailers recruiting at the fair, plans to hire 80,000 workers for holiday-season jobs. The company considers those workers as a talent pool for year-round positions. In a tight labor market, Macy's is focusing recruiting efforts along bus routes and other transit options that would help workers to reach stores, said Anne Voller, group vice president for talent acquisitions.

"There are parts of the country where more jobs are posted than there are people to fill those jobs," she said. "We have to go as fast as possible to talk to everyone that does apply."

Still store operators say some applicants lack the ability to do math and basic English-language skills.

This year the NRF Foundation started a program to prepare the unemployed for entry-level retail jobs.

In a "thriving economy, fewer people are searching for jobs and fewer people need to take on second jobs," said Ellen Davis, senior vice president for research and strategic initiatives at the federation.

The federation expects about 5,000 people will earn the fundamentals credential over 12 months.

The program also aims to extend stints in the industry, a critical element of countering the labor shortfall. Some firms judge a successful hire as one who stays more than seven days, Ms. Davis said. Turnover in the industry is about 20 percent higher than for the private sector overall, according to the Labor Department.

Training previously unemployed Americans also is a way for retailers to avoid competing with higher-wage industries. Retail wages are growing more slowly than for the overall labor force. The average hourly wage for a retail worker was \$18.25 in October, up 1.8 percent from a year earlier, according to the Labor Department. The average private-sector worker earned \$26.53 an hour, up 2.4 percent.

The tight labor market is putting some upward pressure on retail wages. In September, **Target Corp.** said it is raising starting wages to \$11 an hour starting this year, and to \$15 an hour within three years. The company, which is now hiring 100,000 holiday season workers, also retooled training programs for its stores' apparel, beauty and electronics departments.

Target hired Amelia Witherspoon – who like Mr. Townes had earned a certificate – before she even left the Baltimore job fair this fall. That was a big difference from a year earlier, when another large retailer told the 34-year-old she didn't have enough recent work experience. She had left the workforce for several years to care for young children.

"I'm so glad to be able to help support my family," she said.

Wal-Mart Stores Inc., the nation's largest retailer, has also ramped up internal training of hourly workers.

The company began offering additional instruction to new hires in 2015, and rewarded those workers with a \$1 an hour raise upon completion. More than 375,000 Walmart employees have been or will be trained through that program this year.

In addition, the retailer is looking to hourly staff to move up into roles for everything from store managers to app developers. It started a leadership academy to prepare staff for more advanced jobs.

"There is a need for greater skill in retail jobs than ever before," said Kathleen McLaughlin, president of the Walmart Foundation, which supports industry training efforts in and outside the company.

Charles Shaw, 25, is among those getting snapped up. He had been unemployed for more than a year, and before that bounced between seasonal jobs at the Baltimore Orioles stadium and an Amazon fulfillment center. He said the NRF Foundation's program prepared him for the job fair, where BJ's Wholesale Club Inc. offered him a year-round position.

"Having that stability makes me happier than you can realize," Mr. Shaw said. "At previous jobs, I never knew when I was going to be let go."