

THE WALL STREET JOURNAL.

YOUR COVID-19 SHOPPING HABITS ARE CHANGING WHAT JOBS ARE AVAILABLE

The pandemic is accelerating a shift in the labor market to warehouse and delivery jobs supporting ecommerce.

By Josh Mitchell
December 4, 2020

Your shopping habits during the pandemic are reshaping America's labor market.

The nation added jobs for the seventh straight month in November, the Labor Department said Friday. Most came in the transportation and warehousing industries – the ones that package, ship and deliver goods to consumers. Households' shift toward buying sneakers, groceries and even cars online is driving a hiring binge in logistics industries.

Warehousing and transportation accounted for 145,000 of the 245,000 jobs created in November – and a big share of job growth since the labor market began recovering this spring after a sharp contraction due to the coronavirus pandemic. Online retailer Amazon.com Inc. has announced plans to hire hundreds of thousands of workers this year, including warehouse and seasonal employees.

The shift is creating a divide in the workplace. US employment is still 6.5 percent smaller than it was in February, the month before the pandemic caused businesses across the US to close. But employment in warehousing and related industries has boomed. Warehousing and storage jobs have grown by 97,000, or 8 percent, since February. Courier and messenger jobs – workers who deliver goods – have expanded by 182,000, or 22 percent.

Much of the growth is tied to consumer spending. Even before the pandemic, US households were increasingly buying retail items online, including clothing, gifts and groceries. The pandemic has accelerated that trend. Now, increasingly consumers are even buying cars online, instead of going to the showroom.

"We just expect that to continue long after the pandemic is over," said Joe Checkler of XPO Logistics Inc., a Connecticut-based company that manages warehouse operations for major retailers. "While the pandemic might have accelerated it, there's no turning back now."

The company is seeking to fill 15,000 new jobs in North America, mostly in the US, during the peak holiday shopping season. That is more than double the number of workers it hired during last year's peak season. The company has raised wages this year to fill those jobs, Mr. Checkler said.

He gave one example of how the company's work could lead to long-lasting changes in retail. A major shoe company recently hired XPO to manage its warehouses so that when customers return sneakers, the products can be resold more quickly. That process used to take months, he said; XPO has cut it down to days.

In November alone, courier and messenger jobs rose by 82,000 compared with the prior month. Last year, the industry added just 16,000 in the same month. Warehouse jobs grew by 37,000 last month; the prior November, they grew by just 1,000.

The consumer trends could last beyond the pandemic. About three out of four people have tried a new shopping method due to the coronavirus, according to a recent survey by consulting firm McKinsey & Co. More than half of all consumers intend to continue using curbside pickup and grocery-delivery services after the pandemic is over, it showed. Nearly 70 percent of consumers surveyed intend to continue buying online for store pickup.

Alexander Oettl, associate professor of strategy and innovation at Georgia Institute of Technology, said a silver lining of the pandemic is that the shift toward e-commerce has forced companies to become more efficient, which could translate into stronger productivity growth in coming years.

“While much of the infrastructure that has enabled the e-commerce economy has existed, you need people to adopt and change behavior,” which has occurred during the pandemic, Mr. Oettl said. “That has been one of the last dams that have been holding back a really large acceleration of the shift to e-commerce.”

Meanwhile, the shift has hurt other industries, particularly those that serve customers in person. Jobs at clothing and accessory stores were down by 322,000, or 25 percent, last month compared with February. Jobs at sporting-goods stores were down by 105,000, or 19 percent.