

Adapting to Changes in the Retail Landscape

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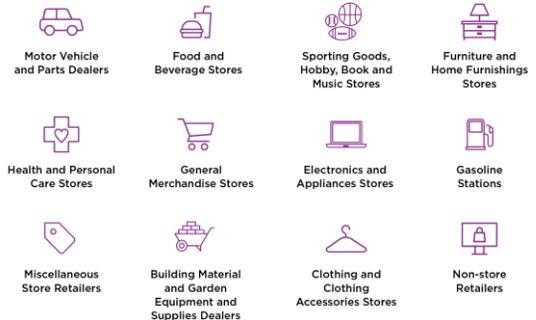
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Overview

Analyzing the post-pandemic retail economy nationwide, the report found that **changes in central business districts have been profound**, due in part to the rates of in-office work in certain geographies, and that **recoveries have been uneven**.

Retail Sectors Examined



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What Changed?

- During the pandemic, cities, towns and villages focused on emergency relief and moving to remote work arrangements.
- Rates of in-office work are the highest they have been since the start of the pandemic but are still lower than pre-pandemic; hybrid work arrangements have become more common.

★ *Having taken on new roles during the pandemic, now local leaders should rethink the best ways to support their communities.*

In January 2023, among full-time employees:



Today's Retail Landscape



 Retail space vacancy rates **returned** to 2019 levels

 Number of physical retail establishments have **exceeded** 2019 levels



 Some cities experiencing **net loss** of physical business/growth in vacant retail space

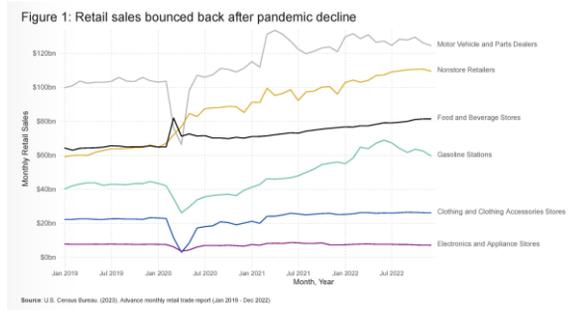
 Prevalence of hybrid work contributes to decline in office occupancy rates

★ *Economic development will center around improving the quality of life – encouraging well-balanced, livable neighborhoods.*

Uneven Growth

The growth in the retail market post-pandemic has not been equitably distributed between subsectors — and growth is slower in BIPOC and low-income communities.

★ *Neighborhood-based organizations and partnerships with hyper-local organizations will be essential partners for cities to achieve consensus-building and reach businesses that are BIPOC-owned or in underserved areas.*



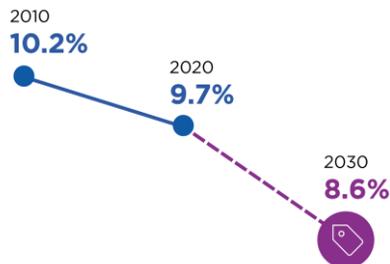
Workforce

Total retail sector employment has rebounded from the impacts of the pandemic, but the recovery of retail employment has lagged the recovery of retail sales. Additionally, shifts toward e-commerce and automation will affect the types and numbers of retail jobs available.

The retail labor force has shrunk, and that trend is expected to continue between 2020 and 2030

Retail trade **actual** percentage of total employment

Retail trade **expected** percentage of total employment

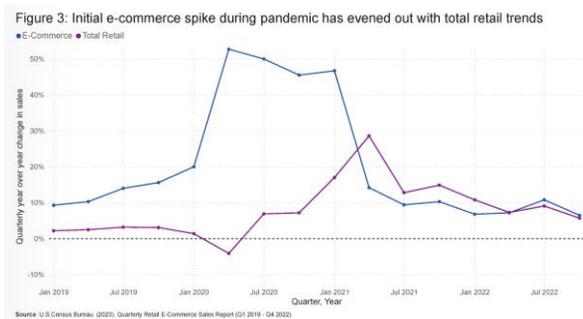


★ *Cities must consider how to prepare their workforces for these changes and ensure workers are protected and provided with fair wages and benefits.*

Effects of E-Commerce

The rise of e-commerce drives much of the ongoing change in the retail market.

- ★ *Cities will need to provide digital support to local businesses to help them adapt to this new reality and the consequential changes to the workforce.*



A “Phygital” Approach

With online sales rising, customers are now more likely to utilize multiple means of purchasing in a single transaction: a “**phygital**” approach – where customers may buy online and pick up or return in store.

- ★ *Cities can strengthen retail by connecting small business owners and entrepreneurs with resources that help them capitalize on the digital retail environment as well as enabling pop-ups and markets to develop in-person retail opportunities.*



QUESTIONS? GET IN TOUCH.

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