

Adapting to Changes in the Retail Landscape

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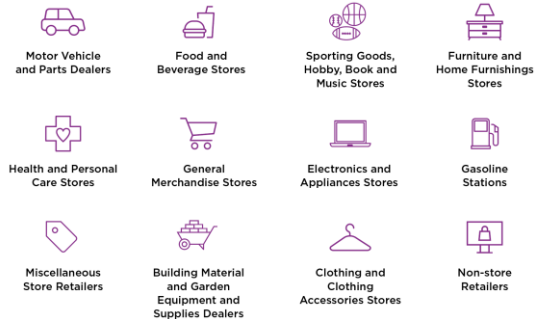
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Overview

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:



of paid full days
worked from home



are full-time
onsite



of full-time employees
are fully remote



are in a hybrid
arrangement

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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.

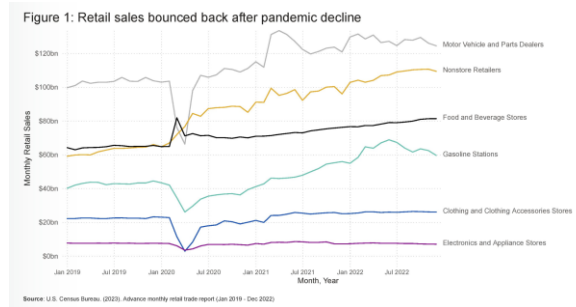
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Uneven Growth

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 partners for cities to achieve consensus-building and reach businesses that are BIPOC-owned or in underserved areas.*



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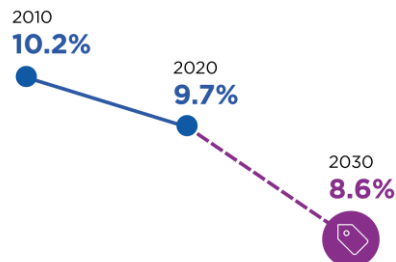
Workforce

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.*

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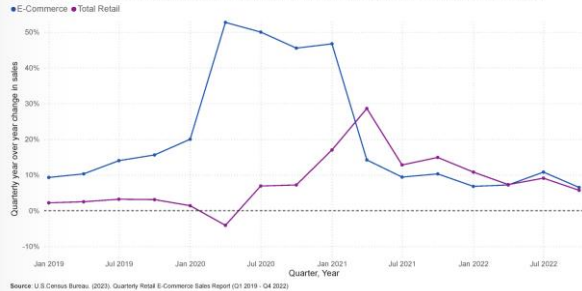
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Effects of E-Commerce

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.*

Figure 3: Initial e-commerce spike during pandemic has evened out with total retail trends



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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.*



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QUESTIONS? GET IN TOUCH.

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