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Population Growth and New Marketing Concepts Fuel Job Growth for the Retail Food Industry

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Almost 181,000 retail food establishments—ranging from grocery stores, produce markets, and bakeries to candy stores—provided more than 3.5 million jobs in 1990, or about 2.5 percent of total U.S. employment. That's up 62 percent since 1975.

These retail sales jobs include wage and salary employees who work in large chain stores as well as the self-employed that operate mom-and-pop style shops. These workers complete the linkage between farmers, processors, and consumers.

Grocery Stores by Far the Sector's Major Employer

Grocery stores (including conventional and large-scale supermarkets) provided over 89 percent of all retail food employment (3.1 mil-

lion jobs) in 1990. Concentration of jobs in supermarkets is the result of the food retailing industry's long-term shift in competitive focus from smaller specialty stores to

larger establishments that emphasize greater product choice, lower prices, and one-stop shopping.

Remaining retail food jobs were distributed among meat and fish



Employment in retail food stores rose by over 1.3 million jobs during 1975-90. Grocery stores provided over 89 percent of these jobs in 1990.

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Table 1

Retail Food Jobs Are Concentrated in Grocery Stores and Metro Areas

Type of retail store	United States		Metro		Nonmetro	
	Stores	Jobs	Stores	Jobs	Stores	Jobs
	Number					
Total	180,919	3,519,349	131,158	2,675,707	49,761	843,642
Grocery	132,515	3,138,481	90,845	2,348,001	41,670	790,480
Meat and fish	9,279	60,822	7,338	48,853	1,941	11,969
Fruit and vegetable	2,942	21,725	2,420	18,660	522	3,065
Candy and nut	5,406	31,919	4,617	27,465	789	4,454
Dairy	3,423	20,396	2,845	16,935	578	3,461
Retail bakery	19,897	197,280	16,856	172,924	3,041	24,356
Miscellaneous	7,457	48,726	6,237	42,870	1,220	5,856

markets; fruit and vegetable markets; candy, nut, and confectionery stores; dairy products stores; retail bakeries; and other specialized stores selling such foods as coffee, spices, and vitamins (table 1).

Most Jobs Located in Consumer Markets

Over three-quarters of retail food jobs in 1990 were in metro counties, which serve large consumer markets. Regions with the largest metro populations—led by the Northeast, Pacific, and Corn Belt—contained over half the Nation's retail food jobs.

The Northern Plains, with the smallest metro population among regions, provided slightly more than 2 percent of these jobs.

Large or Growing Populations Help Spawn New Jobs

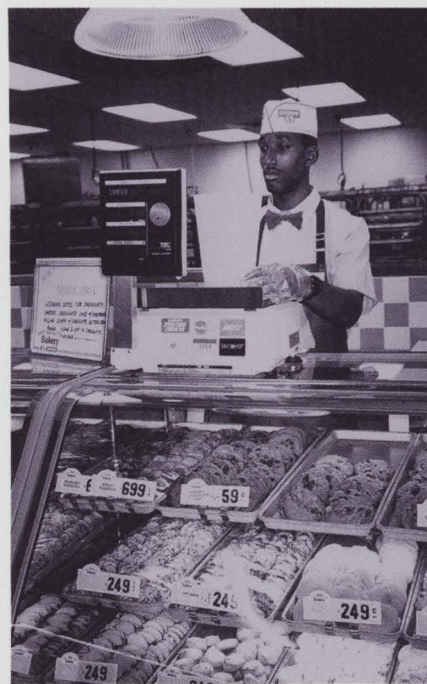
Employment in retail food stores rose by over 1.3 million jobs (62 percent) during 1975-90, the latest period for which county-level industry data are available. Although retail food jobs' share of total U.S. employment increased by only 0.2 percent during this period, the number of retail food jobs per 1,000 people rose more dramatically—increasing from about 10

jobs in 1975 to 14 in 1990. The rise in retail food jobs-to-population ratio is one indicator of the increased demand for retail food services that supply more accessible, ready-to-eat products. Supermarkets ex-

panded their service departments, adding in-store bakeries, delis, and salad bars—all of which require extra labor.

Job growth varied across the Nation, but was concentrated in areas with large or growing populations. Metro counties contained almost 82 percent of the U.S. population growth and around 76 percent of the retail food industry's new jobs during 1975-90. Limited population growth in nonmetro counties generally restricted gains in food jobs in rural areas. But some nonmetro counties that specialize in recreation activities or attract retirees to their pastoral surroundings may have had significant growth in retail food jobs. For example, food jobs leaped five- to sixfold in Washington and Summit Counties, Utah—nonmetro areas that offer skiing and sites for vacation and retirement homes. Jobs in some nonmetro areas of Alaska grew at faster rates, as oil workers (many with their families) moved into the State.

Employment in the retail food industry increased 88 percent in the Mountain States during 1975-90—the fastest growth among regions—as people moved into the area. The Mountain States gained population the quickest, expanding 39 percent, contrasted to population growth of 16 percent for the



Much of the additional labor went to expand store service departments, such as bakeries, delis, and salad bars.

Table 2

Retail Food Jobs More Than Doubled in Some States During 1975-90

State rank		New Jobs	State rank	Growth	
		Number		Percent	
1	California	151,870	1	Nevada	161.4
2	Florida	116,343	2	Alaska	141.3
3	Texas	106,530	3	Florida	120.9
4	Pennsylvania	67,303	4	Vermont	115.1
5	New York	56,530	5	New Hampshire	112.2
6	Georgia	47,278	6	Arizona	112.1
7	Virginia	46,981	7	Washington	104.9
8	North Carolina	46,430	8	Utah	104.3
9	Ohio	43,254	9	Virginia	100.7
10	New Jersey	39,591	10	Georgia	100.3
11	Illinois	39,329	11	North Carolina	89.8
12	Washington	34,957	12	Maine	86.0
13	Tennessee	32,804	13	California	78.8
14	Michigan	31,316	14	Hawaii	77.9
15	Massachusetts	28,788	15	Tennessee	77.7
16	Arizona	27,630	16	South Carolina	77.0
17	Maryland	25,742	17	Texas	76.0
18	Indiana	23,912	18	Colorado	74.6
19	Wisconsin	23,599	19	Delaware	71.9
20	Missouri	22,580	20	Wyoming	68.6
21	South Carolina	22,407	21	New Mexico	66.2
22	Kentucky	21,899	22	Kentucky	65.5
23	Louisiana	21,549	23	Oregon	65.2
24	Alabama	18,928	24	Maryland	64.1
25	Colorado	18,838	25	Mississippi	61.5
26	Minnesota	18,833	26	Arkansas	58.3
27	Iowa	17,112	27	North Dakota	58.1
28	Connecticut	16,976	28	Idaho	57.0
29	Oregon	16,386	29	Alabama	56.9
30	Mississippi	13,639	30	Pennsylvania	55.9
31	Oklahoma	13,038	31	South Dakota	55.3
32	New Hampshire	12,281	32	Louisiana	55.1
33	Utah	11,991	33	Iowa	53.9
34	Arkansas	11,610	34	New Jersey	51.7
35	Maine	10,688	35	Missouri	49.5
36	Nevada	9,810	36	Rhode Island	49.0
37	Kansas	8,960	37	Wisconsin	48.8
38	West Virginia	8,401	38	West Virginia	48.4
39	New Mexico	6,993	39	Connecticut	46.7
40	Hawaii	6,772	40	Minnesota	46.3
41	Nebraska	6,420	41	Oklahoma	45.9
42	Vermont	5,919	42	Indiana	43.6
43	Rhode Island	5,069	43	Montana	42.1
44	Idaho	4,917	44	Massachusetts	39.8
45	Alaska	4,840	45	Ohio	38.3
46	Delaware	4,427	46	Kansas	37.3
47	South Dakota	3,991	47	Illinois	36.4
48	North Dakota	3,442	48	Nebraska	35.5
49	Montana	3,182	49	Michigan	34.7
50	Wyoming	2,470	50	New York	30.9

Nation. Population in Nevada rose over 97 percent, as expansion in the gaming industry attracted new residents. Retirees desiring a warm climate helped fuel a 61-percent population gain in Arizona.

Although the Mountain States rapidly gained residents, based on a ratio of new food jobs to population growth, these States added only 23 retail food jobs per additional 1,000 population. In contrast, about 140 jobs were added per 1,000 new people in the populous Corn Belt and Northeast. This high ratio suggests the entry of new chains and introduction by existing food retailers of new stores and fresh concepts in marketing—warehouse, no-frill, or discount club stores—in established markets to compete for consumer dollars.

Some States more than doubled their retail food jobs during 1975-90 (table 2). Nevada's food retailing employment exploded by 161 percent (9,810 jobs). Almost 6,000 of these jobs were concentrated in Las Vegas, Clark County. Food industry jobs increased 141 percent (4,841 jobs) in Alaska, almost entirely in grocery stores. Employment increased 121 percent (116,342 jobs) in Florida, followed by a 115-percent rise (5,919 jobs) in Vermont. Florida gained 4.1 million new residents during 1975-90, stimulating the rapid rise in retail food jobs there. ■