

Retail Sales: Selling to make a living Neil A. Diegelman

Part I Interview with retail salesperson Conducted March 16, 2010

James Silver is a 28-year old white male working at Sears. His work week consists of between 35 and 40 hours, and he has been employed with Sears for over five years. James has a Bachelors Degree in Business Administration from the University at Buffalo.

What do you do as an employee at Sears?

“I work in the appliance department. I sell appliances, parts that go along with the appliances, and PAP’s (Protection Agreement Plans).”

What are the work conditions like at Sears?

“Your typical retail sales job. There is nothing wrong with the place; it’s clean and not dangerous, unless I have to lift a dryer on top of a washing machine. But even then, it is not so bad.”

What do you like about working at Sears?

“I like that I have a real low level of responsibility at work. I don’t have to worry about other employees, or getting certain tasks completed. All I have to do is sell appliances. I like that I can come into work late, like an hour if I wanted to. Plus, Sears has been around in the USA for years, so I feel like I can’t lose my job because the company will not go out of business.”

What don’t you like about working at Sears?

“Not much. It is really an okay job. Well I guess I don’t like that I am at the end of the line as far as promotions go. The next step up is department manager, but they already have one. I work in appliances, and that was a promotion of sorts. I use to work in electronics, but in appliances,



that is where the money is. The managers know that, so they put their top sellers in that department.”

How are you compensated, and are there any fringe benefits?

“I don’t work hourly, it is strictly commission based. So that’s why I can come in an hour late, it is no money out of Sears pocket, it is actually coming out of mine in lost sales.”

There are no fringe benefits, but there is a health insurance plan that the employees can buy into.

Does Sears follow all relevant laws, such as mandatory breaks and OSHA regulations?

“They have to. Sears is huge, if they didn’t follow the letter of the law people would know and they would get in trouble. Nobody wants that kind of trouble. I get breaks and I have to take them.”

What is your housing and transportation situation?

“Right now I live on the Westside of Buffalo with three roommates.” They pay rent, and other bills. “I use to have a car, but I took it off the road. It doesn’t work. I use my bike and take the bus. Or catch a ride with someone, I have people in the neighborhood who have cars and work at Sears.”

What is the neighborhood like where you live?

“Poor. I hear violence every night. Like what sounds like gunshots, yelling, screaming, and domestic violence type stuff. The police are always in the neighborhood. Part of the problem with my car is that I have four flat tires, one night someone came down the street and slashed just about everyone’s tires on their car.”

Do you have easy access to a grocery store?

“Not really. But when one of my roommates is heading to the store I tag along and do my shopping when I can. There is the corner store, but it is bad news. They have more beer selection then milk selection, or even bread.”

Do you have a second job?

“Kind of. I do pharmaceutical drug testing downtown. You go and stay in this building for some time, like a couple of days or a couple of weeks, and take the medicine that they give you. Then they take your blood and urine. But it pays anywhere from \$800 to like \$4,000. I catch one of those once every two months or so. I could not make \$4,000 in two weeks at Sears.”



So what do you spend most of your money on? Do you have a savings?

“I spend it on normal stuff: rent, food, bus pass, things like that. I do have a savings, it isn’t much, but if there was a rainy day I could survive for a while.”

What about health insurance?

“I have never even been to the emergency room, or a hospital for that matter. I will get health insurance when I need it.”

James currently does not have health insurance, but was insistent that he was very healthy and it would be a waste of his money to pay for something that he was not going to use.

In Buffalo, a living wage is currently defined as \$11.87 for workers who don’t receive health insurance from the employer. Do you make a living wage?

“I would say that I make more then \$11.87. I make my money on commission, and I work about 35 or 40 hours a week. I would say I make much more then that. Well even more so recently, because of the government cash-for-clunkers appliance program. People were coming in and buying up appliances.”

Do you consider yourself a low-wage worker?

“No, I don’t think so. Well, I wish that I could make more money, but who doesn’t?”

What would you do with more money?

“I would get my car fixed and new tires on it. I would travel more, see the country. I might get health insurance, but it would have to be really good insurance, enough so that it would be worth my money. I would like to buy a house someday and be a property owner.”

Where do you see yourself in five years?

“Not working at Sears! I like it there because of the low responsibility and flexible shift. But I cannot do this for the rest of my life. I would like to find a job where I can apply my four-year degree. I want a house, and a working car.”



Part II Facts about retail salespersons

How is “salesperson” defined?

The New York State Department of Labor defines retail salesperson as someone who sells merchandise, such as furniture, motor vehicles, appliances, or apparel in a retail establishment. Salespeople do not include cashiersⁱ

What are the work conditions like?

Most retail sale employees work in a clean, well-lit store. However, the job requires employees to stand for long periods of time, and some workers need supervisor approval to leave the sales floor.ⁱⁱ The 9 to 5, Monday thru Friday job is not the rule in retail sales, rather, it is the exception.ⁱⁱⁱ About thirty-four percent of retail sales employees were part-time in 2008.^{iv}

What are the educational requirements, and is there job training required?

Most employers prefer at least a high school diploma.^v If there is room for advancement into management positions, most employers require a college degree.^{vi} Most training is on-the-job training, which lasts just a few days.^{vii} The New York State Department of Labor states that retail salesperson positions have short-term on-the-job training.^{viii} This means, skills needed to be fully qualified can be acquired during a short demonstration of job duties or during one month (or less) on-the-job experience or instruction.^{ix}

How many people are employed by retail sales in the United States?

Retail salespersons held about 4.5 million jobs in 2008.^x The largest employers were in clothing and clothing accessory stores, department stores, building material and supplies dealers, motor vehicle and parts dealer, and general merchandise stores.^{xi}



How is a retail salesperson compensated?

Compensation varies by the type of establishment and the type of merchandise that is sold.^{xii} Retail salespersons receive an hourly wage, commission, or both.^{xiii} When compensation is based on commission, the sales people receive a percentage of the sales they make.^{xiv} This can be tough when there is an economic downturn, or if they lack the ability to sell the product.^{xv}

What are the wages for retail sales?

The national median hourly wage, including commission, was \$9.86 in May 2008.^{xvi} The middle fifty percent earned between \$8.26 and \$13.35 per hour. The lowest ten percent earned less than \$7.37, while the highest ten percent earned more than \$19.14 per hour.^{xvii}

In Western New York, the median wage for retail salespersons is \$18,940; the mean is \$23,540.^{xviii} Entry-level retail salesperson positions pay around \$16,040, and experienced retail salesperson positions pay around \$27,300.^{xix}



In New York State, the median wage for retail salespersons is \$21,310; the mean is \$26,310.^{xx} Entry-level retail salesperson positions pay around \$16,690, and experienced retail salesperson positions pay around \$31,130.^{xxi}

Benefits in small establishments are far and few between, but in large establishments they are usually offered.^{xxii} Additionally, salespersons usually can purchase the merchandise at a discount.^{xxiii}

Are retail sales positions expected to grow?

Employment in retail salesperson positions nationally is expected to grow by eight percent between 2008 and 2018.^{xxiv} During the same time period, an additional 374,700 new retail sales positions are expected to be created.^{xxv} Growth will be the fastest in general merchandise stores, which often sell merchandise at low prices.^{xxvi} However, employment is expected to decline in department stores and in automobile dealers because these areas will see a reduction in store locations.^{xxvii}

In Western New York, the employment prospects for retail salesperson are “favorable,” which is just below the highest rung of “very favorable.”^{xxviii}

In Erie County, 28.1% of the work force was involved in sales in 2000.^{xxix} In the City of Buffalo, 26.9% of the work force was involved in sales in 2000.^{xxx} Retail salesperson jobs are not easily exportable to other countries because of the unique interaction between the salesperson and the customer. It is a job that requires employees to physically be present in the store to help aid customers in purchasing items. Internet sales have not decreased the overall need for retail salespersons. It is common business practice for a store to use an online store to complement their in-store sales.^{xxxi}

In 2006, in Western New York there were 20,690 retail salespersons jobs.^{xxxii} The long-term projection to 2016 in Western New York will be 20,810 total retail salesperson jobs, adding only 10 jobs, but replacing 640

workers.^{xxxiii} The short-term projection to 2010 is 19,820 retail salesperson positions, with no new positions opening, but replacing 710 workers.^{xxxiv}

State-wide, in 2006 there were 280,650 retail salesperson jobs.^{xxxv} The long-term projection to 2016 is that there will be 308,820 total retail salesperson jobs.^{xxxvi} With an estimated 2,820 retail salesperson jobs being created, and 8,640 retail salesperson positions being filled with replacement workers.^{xxxvii}



ⁱ New York State Department of Labor
ⁱⁱ <http://www.bls.gov/oco/ocos121.htm>
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^{iv} <http://www.bls.gov/oco/ocos121.htm>
^v <http://www.bls.gov/oco/ocos121.htm>
^{vi} <http://www.bls.gov/oco/ocos121.htm>
^{vii} <http://www.bls.gov/oco/ocos121.htm>
^{viii} New York State Department of Labor
^{ix} New York State Department of Labor
^x <http://www.bls.gov/oco/ocos121.htm>
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^{xxvi} <http://www.bls.gov/oco/ocos121.htm>
^{xxvii} <http://www.bls.gov/oco/ocos121.htm>
^{xxviii} New York State Department of Labor
^{xxix} <http://rkn.buffalo.edu/index.cfm>
^{xxx} <http://rkn.buffalo.edu/index.cfm>
^{xxx1} <http://www.bls.gov/oco/ocos121.htm>

^{xxxii} New York State Department of Labor
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^{xxxvii} New York State Department of Labor

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