



How Retailers are Adapting to Today's Labor Market

The United States labor market has undergone many changes in recent years, the most significant of which is the shift from a manufacturing-based economy to a service-based one. This change has enormously impacted the types of jobs available and the skills that workers need to succeed.

It has also resulted in [the service sector's sustainability and growth](#). There is a growing demand for workers in healthcare and technology, less so in manufacturing and other traditional industries.

Let's explore the current labor market in the United States and the major changes that have impacted workers and businesses.

The Pandemic's Effect on Labor

The COVID-19 pandemic has impacted the US labor market in many ways. In the early months of the pandemic, there was a sharp decrease in employment as businesses across the country closed their doors.

Since then, there has been gradual recovery as businesses have reopened and more people have returned to work.

But the pandemic resulted in a change in the types of jobs that are available. There has been an increase in demand for positions that involve providing care or assistance to others, such as home health aides and childcare workers.

At the same time, there has been a decrease in positions that involve close contact with customers, such as servers and bartenders. Many workers have left to explore new career paths with higher pay and better benefits than what the restaurant industry offers.

Retail Stores Are Reducing Hours

Since the pandemic, many retail stores have [reduced work hours](#) or closed altogether. Operating hours have been limited due to the labor shortage. Employees are rejecting the offer of the same exhausting shifts pre-pandemic and are not settling for such working conditions.

In the past two years, more people also explored other opportunities, which has seen more people leaving their jobs. Called [the Great Resignation](#), it forced many companies to explore different ways to manage their stores or businesses with limited staff.

Restaurants Are Closing Dining Areas

Many restaurants have closed their dining areas because of the difficulty in finding wait staff to service them. The extended lockdowns and social distancing requirements made it difficult for many restaurants to offer in-dining experiences, resulting in layoffs and closures. And former employees no longer want to return to the positions they left behind.

This trend has been troubling for the restaurant industry, which is still slowly recovering from the pandemic. Finding staff is a tremendous struggle, and business owners have explored other ways to provide good customer experiences.

Minimum Wage Is Increasing

The current federal minimum wage is \$7.25 per hour. However, many states have set higher rates, with some having multiple minimum wage rates (for example, one rate for workers in the retail sector and another for those in hospitality).

In 2019, the U.S. House of Representatives passed a bill to gradually increase the federal minimum wage to \$15 per hour by 2025.

Since the pandemic, there has been a push by many workers in the retail and service industry to [raise the minimum wage](#) more quickly.

Business Owners Now See Automation as a Labor Solution

Many retailers and business owners are now [exploring technology and automated solutions](#) to manage scarce labor resources and high inflation. Automation opens new possibilities, so staff can focus on improving customer experience and service, instead of dealing with repetitive tasks.

Self-service kiosks and self-checkout systems are examples of a retailer's automation strategy, and the trend of implementing such solutions is likely to continue for the foreseeable future. Business owners and retailers are also implementing solutions that [automate cash handling processes](#) within their store. Smart safes and cash recyclers negate the need for employees to manually count cash and deal with the challenges that go along with it. This frees them up to focus on more complex tasks to improve operations and enable a better shopping experience for their clients.

These are the best solutions in today's labor market, which continues to trend toward automation, machine learning, and digitization.