COVID-19 has had an impact on businesses and consumer behavior overall, but retail has been identified as the second hardest-hit sector in the region amid the pandemic. This SANDAG InfoBits report takes a deeper dive to examine data from various sources over time to better understand how job loss in retail has affected the entire region.

**How has the pandemic affected retail in the San Diego region?**
Retail has been the second hardest-hit employment sector since the statewide stay home order began.

Before the pandemic, jobs in this sector broke down as follows:
- 33% essential goods and services
- 22% other non-essential goods and services
- 20% wholesale trade
- 10% personal care goods and services
- 7% automobile and automobile-related goods
- 5% household and home improvement-related goods
- 3% recreation and entertainment goods (Figure 1).

**FIGURE 1**

**Employment in Retail Pre-COVID-19**

- **Essential** 33%
- **Wholesale** 20%
- **Auto & Auto-Related** 7%
- **Personal Care** 10%
- **Other Non-Essential** 22%
- **Household & Home Improvement** 5%
- **Recreation & Entertainment** 3%

**NOTE:** All categories except wholesale refer to retail goods and services. All categories include goods and the categories of personal care, essential, and other non-essential also include services. Percentage for “Retail Trade and Other Services” was slightly adjusted to account for variation resulting from NAICS data differences at the sub-industry level.

**SOURCE:** SANDAG estimates have been generated using August 2019 and August 2020 Employment Development Department Industry Employment Release date September 18, 2020; and Applied Geographic Solutions, Inc., Thousand Oaks, California, Weekly Release September 14, 2020. Note: Does not include uniformed service military employment.

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**Did you know?**

1 in 3 (33%) retail jobs in the San Diego region pre-pandemic related to essential goods and services.

The number of small retail businesses open in the San Diego region is down 35.6%, a higher percentage than the national average.

For every 100 jobs lost in the Retail Sector, an estimated 41 are lost in other sectors as part of a ripple effect.

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1 The Retail Sector as defined by SANDAG here includes Wholesale Trade (NAICS 42), Retail Trade (NAISC 44-45), and Other Services (NAISC 81).
How has the San Diego region’s retail industry been affected versus the national average?

Data from Track the Recovery show that retail in the San Diego region has been more negatively impacted than the national average. In the Figure 2, consumer spending\(^2\), small business revenue, and the number of small businesses open were all considered in this analysis. As of November 1, 2020,

- consumer spending for retail was down 1.6%, while the U.S. average was up 8.3%
- consumer spending for groceries in the San Diego region was up more than the U.S. average (19.3% versus 11.3%)
- small business revenue for retail and transportation (combined) was down more in the San Diego region than the U.S. (-20.0% versus -13.0%)
- the number of retail and transportation (combined) small businesses open was down more in the San Diego region than the U.S. (-35.6% versus -20.2%)

What else do we know about how the Retail Sector has been affected in the San Diego region?

SANDAG considered two additional data sources surrounding consumer behavior: foot traffic around retail businesses and economic data examining how the loss of jobs in retail can cause a ripple effect in job loss to other sectors. In Figure 3, foot traffic data taken from a private vendor was analyzed to compare month over month at six different types of retail locations\(^3\). Because the baseline volume of foot traffic was significantly greater around different venue types, the data were analyzed from a February 2020

baseline of 100. As this figure shows, the patterns of foot traffic across the six different retail businesses were very similar, dropping to lows in April, increasing in May and June, and then staying fairly consistent the past three months through September. The fact that essential goods and

\(^2\) Data from tracktherecovery.org was compiled November 17, 2020. For consumer spending, data are presented separately for the categories of grocery and retail (includes online) through November 1, 2020. For the other two measures, the category selected was retail and transportation, and data are through October 31, 2020. Data based on credit card/debit card spending is the proxy used for consumer spending.

\(^3\) These six retail categories are represented in Figure 2. Wholesale trade was excluded because foot traffic is a less useful measure for this type of business.
The San Diego region’s Retail Sector has been hit harder than the national average. Nearly eight months into the pandemic, consumer spending and foot traffic remain down, and the impact of unemployment in retail has created a ripple effect on other sectors, including Finance, Professional, and Information Services. As the global health crisis continues with no end in sight, a road to recovery is unclear.

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SANDAG serves as the region’s clearinghouse for information and data. InfoBits publish timely, relevant information informing the public while providing context on complex issues facing the region.

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