Target employees are quitting less than the national average

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Americans are quitting their jobs at a record pace — except for the ones who work at Target.

“Turnover is down significantly relative to 2019. So we feel really good about where our store is at. And as turnover decreases, you get so many benefits, we get team members that know their job. We get team members that know their guests that are in their stores because they are in their weekly. They can engage with them” noted John Mulligan, Target’s Chief Operating Officer during the company’s recent earnings call.

The general merchandise retailer is seeing a drop in employee turnover across all team members and about 30% of holiday hires are sticking around, according to people familiar with the trends.

Target’s workers numbers conflict with the national statistics. The rate of quitting or ‘quits’ tracked by the U.S. Labor Department via its Jobs Openings and Labor Turnover Survey [JOLTS] report hit a record 2.7% in April. Total separations, which include quits, layoffs and discharges, rose by 324,000 to 5.8 million. This as the number of job openings reached 9.28 million, also a record.

Why are Target workers staying put? Along with paying a $15 minimum wage, the retailer has upped its flexibility with scheduling shifts and allowed some associates to train in other roles. Additionally, like other retailers, COVID-19 protections have been enacted to protect workers throughout the pandemic.

Burt Flickinger, Managing Director, Strategic Resource told FOX Business that as Target and rival Walmart open more stores, advancement opportunities are plentiful especially as smaller retailers face growing bankruptcies.

“There are a lot of positions in leadership as the need for roles like store managers” increases as these retailers grow, he said, also noting that in rural communities these established big box stores are stable places to work.

Workers in the restaurant and hospitality industries are also staying at home in favor of the generous unemployment benefits tied to the pandemic set to expire over the coming months.

Cato Institute Economics chair Ryan Bourne reflects on the nation's historic quit rate amid the coronavirus pandemic.

While the next read on the pace of quitting via the JOLTS report will come on July 7 for the month of May, Friday's June jobs report will be closely watched.

Employers are expected to have added 690,000 positions, up from May's 559,000. The unemployment rate is expected to tick down to 5.7% from 5.8%, according to Refinitiv estimates.

In May, employment in retail was little-changed and remains 411,000 below February's 2020 level.