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New Jersey's Transportation, Logistics & Distribution Industry Cluster

New Jersey Department of Labor & Workforce Development
Office of Research and Information
Bureau of Labor Market Information
Winter 2014-2015

Overview

- ▶ Defining the Transportation, Logistics and Industry Cluster
- ▶ Industry Trends
- ▶ Detailed Industry Analysis
- ▶ Occupational Analysis
- ▶ Outlook

The Transportation, Logistics & Distribution cluster consists of two major components

Transportation

- Air Transportation
- Rail Transportation
- Water Transportation
- Truck Transportation
- Transit and Ground Passenger Transportation
- Pipeline Transportation
- Scenic & Sightseeing Transportation
- Support Activities for Transportation
- Couriers & Messengers

Distribution/Logistics

- Durable Goods Merchant Wholesalers
- Nondurable Goods Merchant Wholesalers
- Agents, Brokers & Wholesale Electronic Markets
- Electronic Shopping and Mail-Order Houses
- Warehousing & Storage

The transportation, logistics and distribution industry cluster consists of industries within the **wholesale trade, transportation and warehousing** sectors. For the sake of analysis, these industries can be further grouped by those related to **transportation** and those related to **distribution and logistics**.

Transportation and distribution are important to the state's economy

In 2013, transportation, logistics & distribution employed 364,756 workers in New Jersey. The cluster employed 11.3 percent of the state's private sector workers. Nationally, TLD accounts for just 8.8 percent of private sector employment.

The annual average private sector wage for TLD in 2013 was \$69,293. Total wages for the TLD cluster accounted for 13.2 percent of private sector wages statewide.

TLD contributed more than \$54.4 billion to the state's Real Gross Domestic Product (GDP) in 2013, the sixth highest dollar amount nationwide. New Jersey accounted for more than 4.0 percent of the nation's GDP generated from TLD.

INFRASTRUCTURE: SEA

According to 2012 figures (latest available) from the U.S. Army Corps of Engineers, Waterborne Commerce Statistics Center, New Jersey's shipping activity accounts for 6.7 percent of the nation's tonnage of total cargo volume.

► Port of New York and New Jersey

- Managed by the Port Authority of New York and New Jersey, the Port includes the following facilities: Port Newark, the Elizabeth-Port Authority Marine Terminal, the Howland Hook Marine Terminal, the Brooklyn-Port Authority Marine Terminal, the Red Hook Container Terminal and the Port Jersey Port Authority Marine Terminal.
- Supports 296,000 jobs and \$18.3 billion in personal income in the New York-New Jersey region according to an economic impact study conducted for the New York Shipping Association
- Ranked third in the U.S. behind South Louisiana, LA and Houston, TX for total tonnage of trade (U.S. Army Corps of Engineers, Waterborne Commerce Statistics Center)
- Processed 14 percent or \$172.3 billion of U.S. global cargo trade revenue in 2013 (US Department of Commerce, Bureau of Census)
- The World Shipping Council ranks the Port of New York and New Jersey 25th worldwide for container volume in 2012 (latest data available)

INFRASTRUCTURE: SEA

► Ports of Camden and Gloucester

► Cocoa is a major commodity for the Port. “The South Jersey Port Corporation terminals have for years been the epicenter of cocoa bean imports into the eastern United States, feeding the nation’s and many of the world’s largest chocolate processors and confectioners, all within 90 miles of the port.” Source: South Jersey Port Corporation

INFRASTRUCTURE: LAND

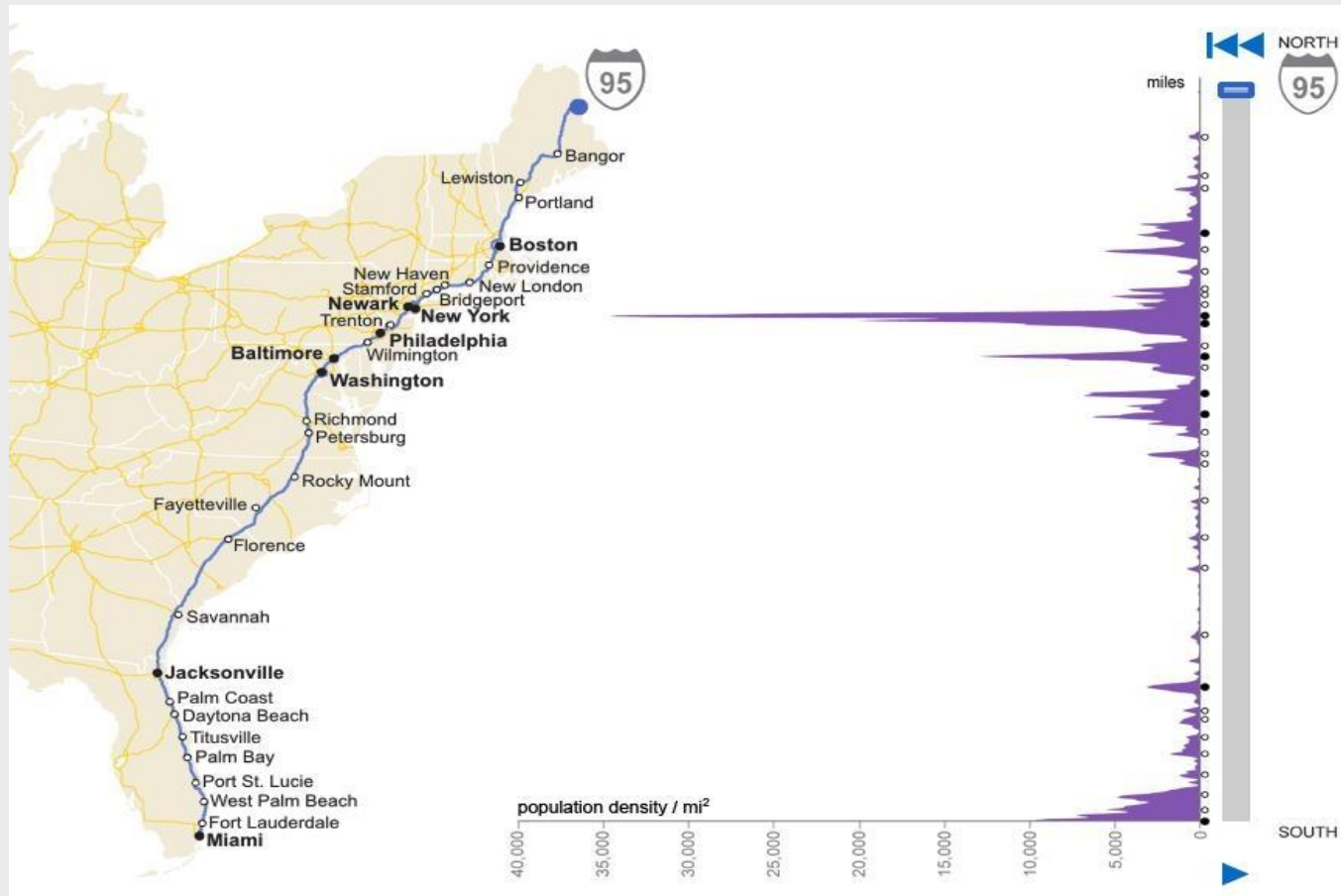
New Jersey has an excellent land transportation network, including 39,000 miles of public roadways which carry 500,000 truckloads of freight each day. In addition, the state offers access to the nationwide freight rail network. The state's passenger rail network carries over 830,000 passengers each weekday.

Located between New York City and Philadelphia, New Jersey is within a day's drive of 40 percent of the US population.

Industry experts state that roughly 80 percent of all trucking is estimated to be routes of 400 miles or less. A 400-mile radius of the Newark and Elizabeth waterfront area includes most of the northeastern U.S. and also the major Canadian metropolitan areas of Montreal, Ottawa and Toronto.

I-95 Population Density Profile, 2010

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This population density tool from the U.S. Census Bureau shows the population within a 5-mile radius of Route I-95. New Jersey lies in the middle of the most densely populated portion.

INFRASTRUCTURE: AIR

Newark Liberty International Airport, managed by the Port Authority of New York and New Jersey, served 35.0 million total passengers in 2013 and contributes about \$22.9 billion in economic activity in the New Jersey-New York metropolitan region.

According to Airports Council International North America, Newark Liberty ranks as the 14th busiest airport in the U.S. and 4th busiest US airport by international passenger traffic.

Newark Liberty is also a major cargo hub. In 2013, the airport handled 662,422 tons of air cargo and 54,677 tons of air mail.

Newark Liberty serves as a hub to United Airlines, a major employer in the industry.

The first commercial airline terminal in the U.S. was established at the airport in 1935.

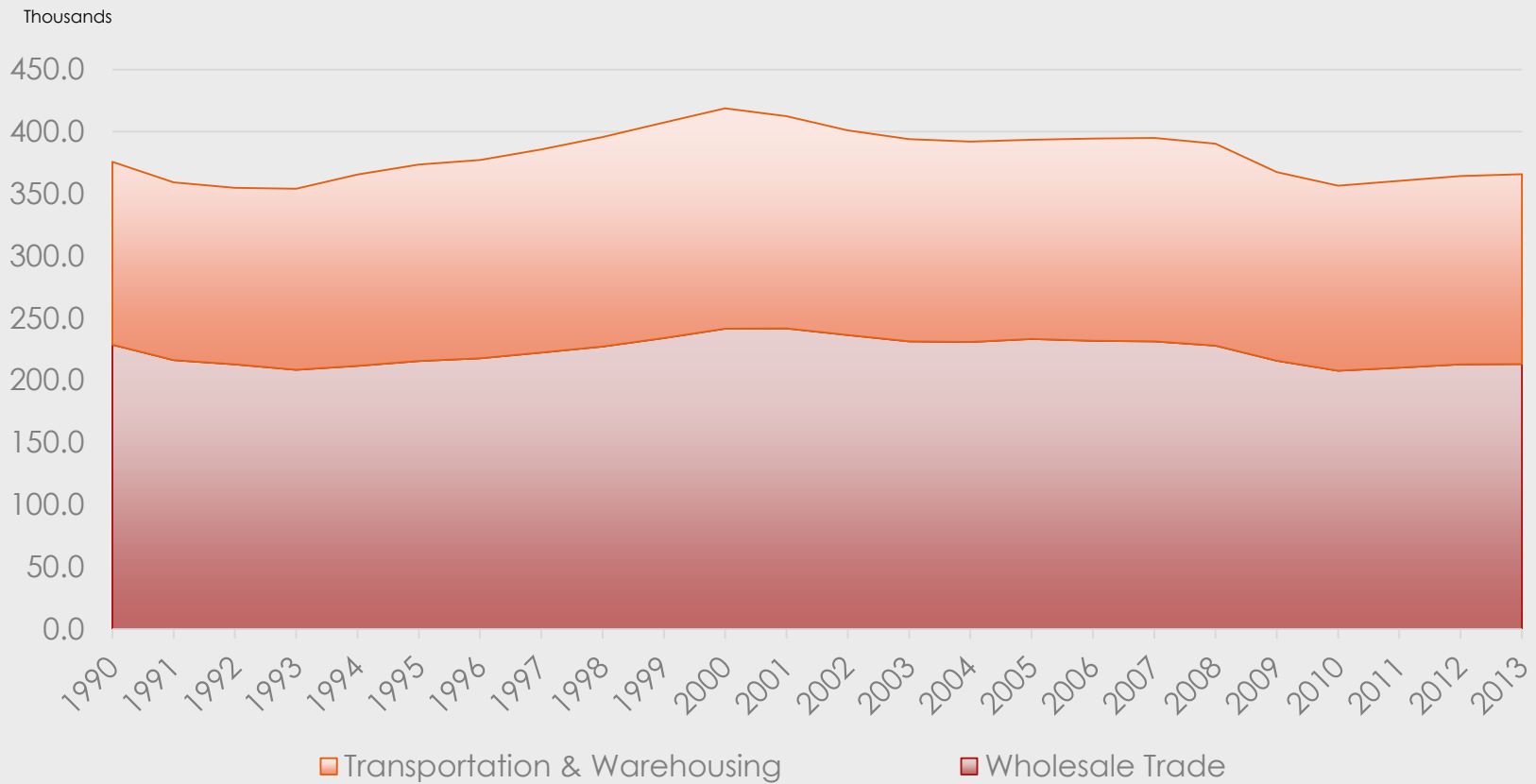
INFRASTRUCTURE: AIR

- ▶ Passenger volume at **Atlantic City International Airport** (January to September) was approximately 933,000 and nearly 1.2 million since September 2013. In the Summer of 2013, the Port Authority of New York-New Jersey began managing airport operations for the South Jersey Transportation Authority. This agreement was made in order to help the facility expand to its full potential. Source: Atlantic City International Airport
- ▶ As home to the Federal Aviation Administration William J. Hughes Technical Center, the Atlantic City International Airport is a vital part of the nation's air transit system. The Technical Center, which is a premier aviation research, development, test and evaluation center, is at the forefront of development for NextGen, the Federal Aviation Administration's new National Airspace System.
- ▶ **Trenton-Mercer Airport** has roughly 100,000 takeoffs and landings yearly and is an important asset to Central Jersey's business community. Service at the airport is expanding as commercial carrier Frontier Airlines moved their operations hub from Philadelphia International Airport to Trenton-Mercer in the Fall of 2012. Source: Trenton-Mercer Airport

Long-Term Industry Employment Trend

Transportation & Warehousing vs. Wholesale Trade

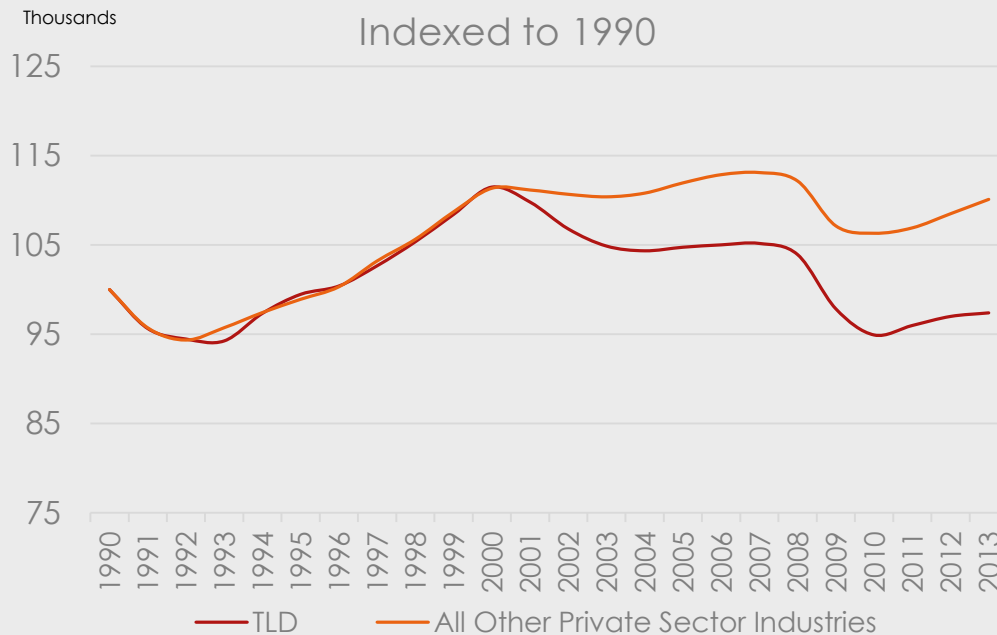
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Source: NJ Department of Labor & Workforce Development, Current Employment Statistics, Annual Averages

Transportation, Logistics and Distribution vs. All Other Private Sector Industries

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After a decade of employment increases during the 1990s, New Jersey's TLD industry peaked in 2000. After several years of stabilization, the industry suffered heavy losses during the recent national recession.

All other private sector payrolls peaked in 2007.

TLD jobholding faced three years of decline due to the recession, with the most severe declines occurring in 2008.

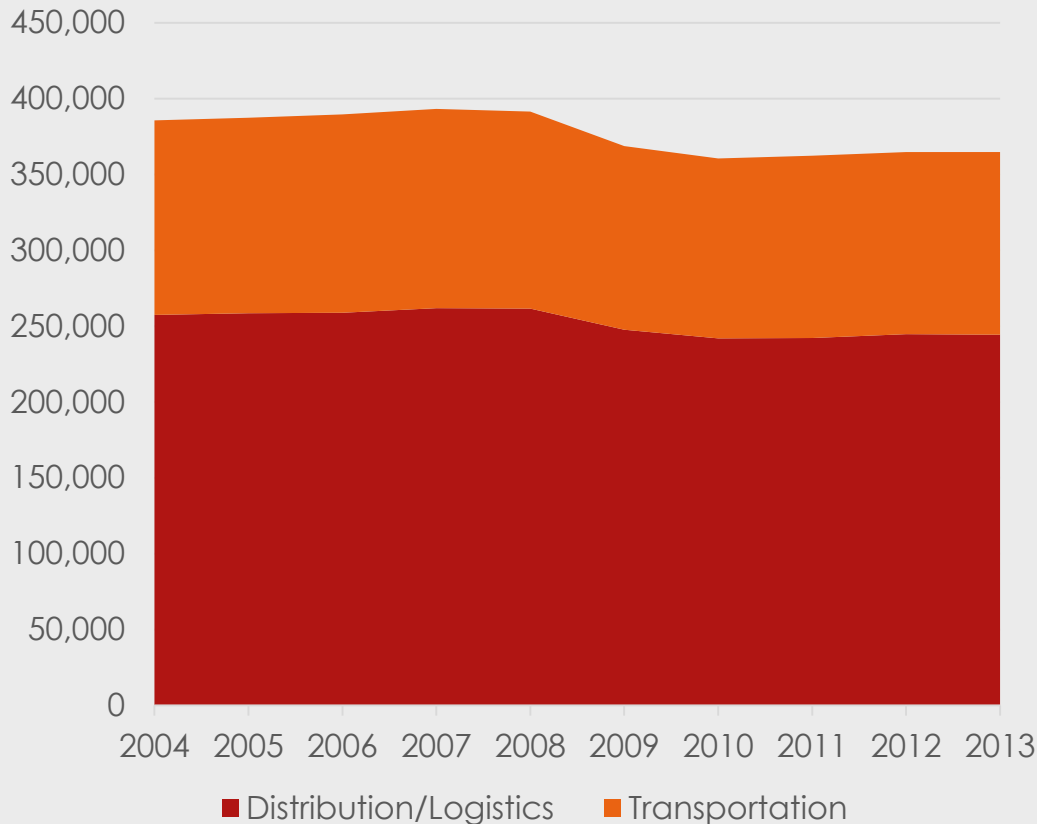
DETAILED INDUSTRY ANALYSIS

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2004 – 2013 Employment Trend by Two Major Components

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Private sector jobholding in TLD was a at high of 393,187 in 2007.

Jobholding trended down for three years to a low of 360,518 in 2010.

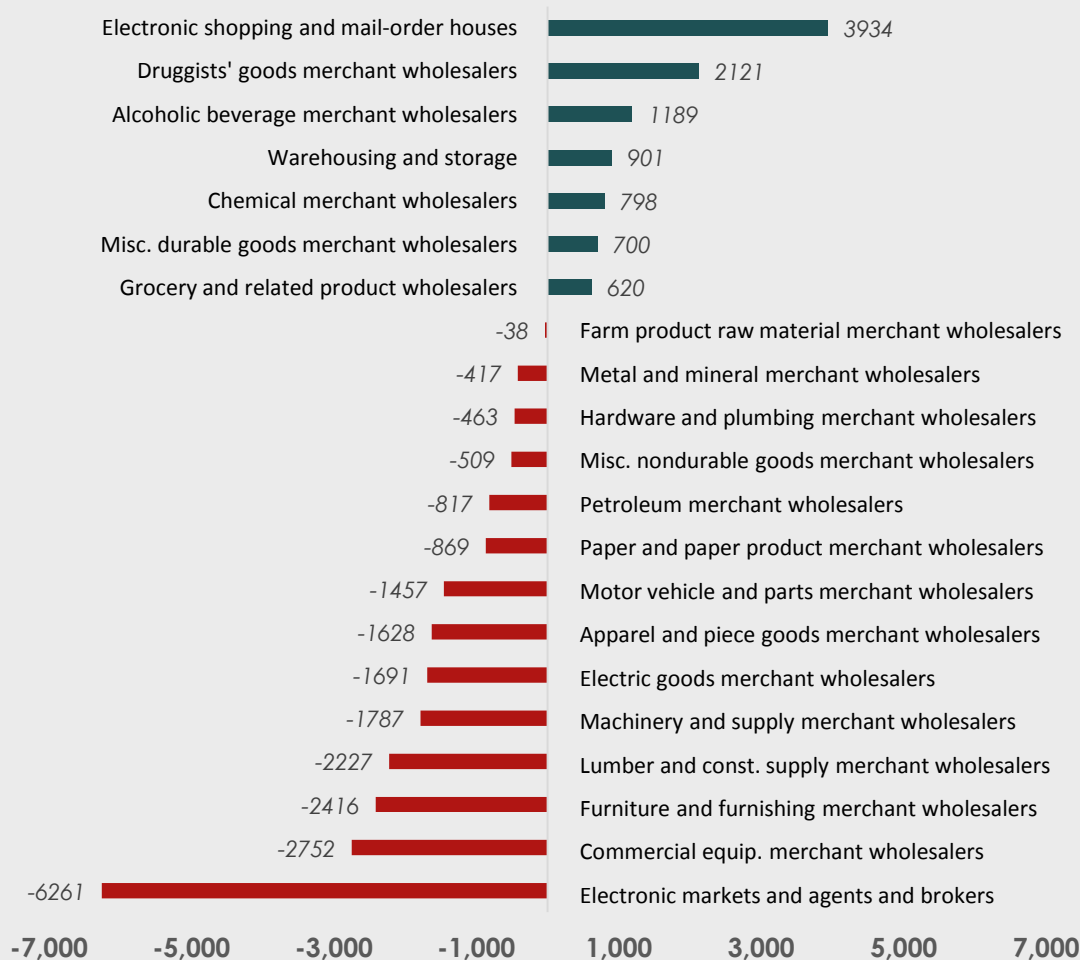
The cluster has improved slightly in each of the following years, adding a total of 4,238 jobs through 2013.

From 2004 to 2013, the Electronic Shopping and Mail-Order Houses industry (Distribution/Logistics Component) showed the most significant gains (nearly 4,000 workers).

Distribution Segment

Employment Gains and Losses from 2004 to 2013

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The TLD industry sector as a whole lost almost 21,000 workers over the period 2004 to 2013. The Distribution/Logistics segment of TLD declined by 5.1 percent (or 13,069 jobholders).

Electronic shopping and mail-order houses gained the most workers in number and in percentage (129.5%) but from a relatively low employment base.

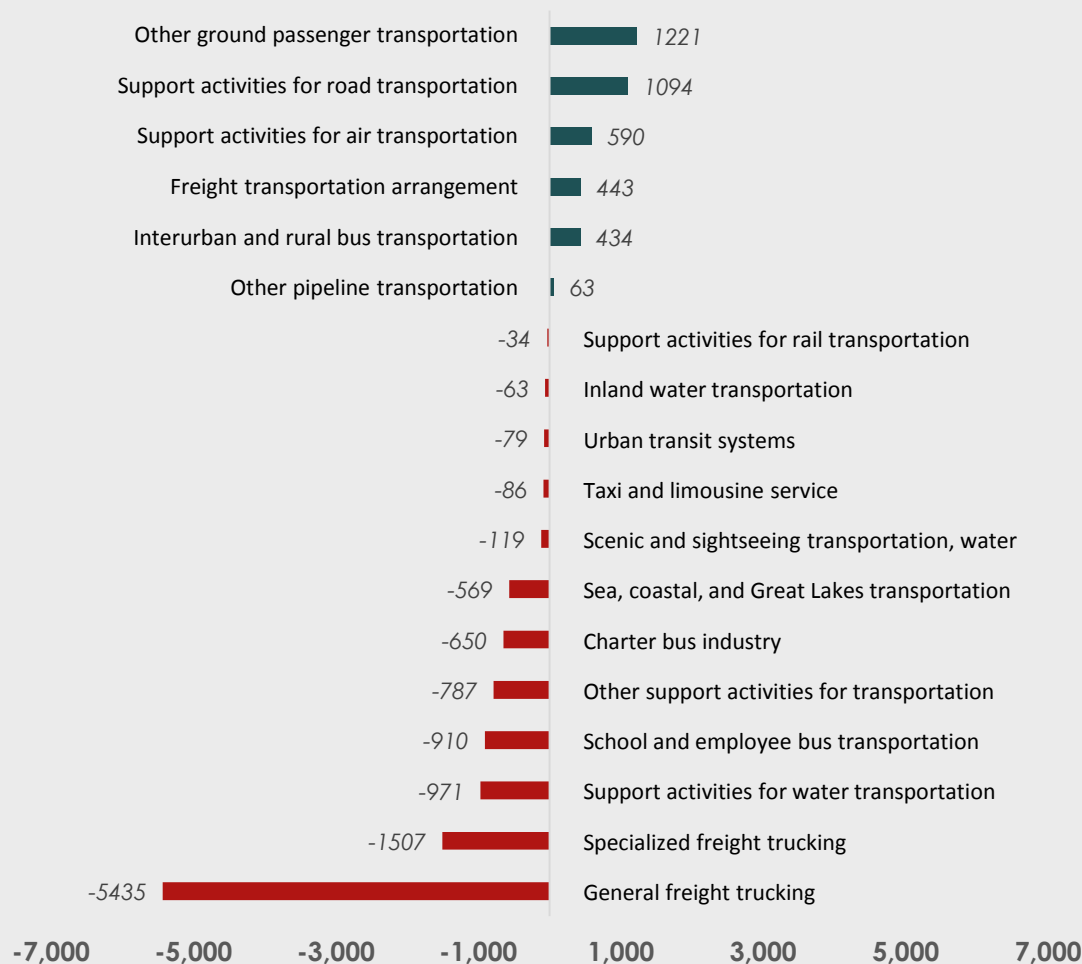
Electronic markets and agents and brokers lost the most workers while lumber and construction supply merchant wholesalers dropped the largest percentage (-30%).

Source: NJ Department of Labor & Workforce Development, Quarterly Census of Employment & Wages, 2013 Annual Averages

Transportation Segment

Employment Gains and Losses from 2004 to 2013

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The Transportation segment of TLD declined by 6.1 percent (or 7,805 jobholders).

Other ground passenger transportation gained the most workers in number and in percentage (66%) but from a relatively low employment base.

General freight trucking lost the most workers while other support activities for transportation dropped the largest percentage (-86.7%), though from a low employment base.

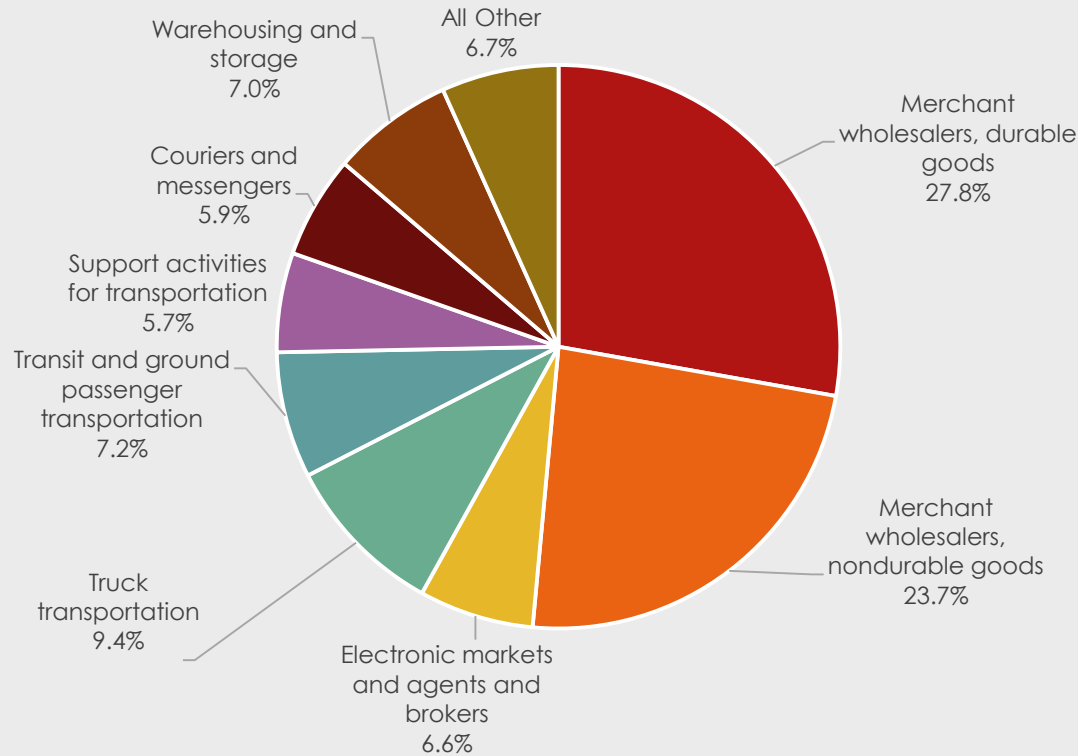
(It is important to note that data for industries with few units or for industries where one employer makes up a significant portion of industry employment have been suppressed.)

Source: NJ Department of Labor & Workforce Development, Quarterly Census of Employment & Wages, 2013 Annual Averages

Note: Excludes data for suppressed industries

In 2013, TLD's three top-ranking industry subsectors account for 61.3 percent of total jobs

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Wholesalers of Durable Goods and Wholesalers of Nondurable Goods are TLD's largest industries. Combined, they account for 51.5 percent of TLD employment.

The third largest industry is truck transportation which accounts for 9.4 percent of New Jersey's TLD employment.

The "All Other" category now includes the "Electronic shopping and mail-order houses" industry which was recently added to the TLD sector.

Industry Groupings

Distribution vs. Transportation

TLD Industry Cluster 2013 Largest Industries (Distribution Segment)		
NAICS	Industry	Employment
4244	Grocery and Related Product Wholesalers	29,529
4234	Commercial equip. merchant wholesalers	28,153
4931	Warehousing and storage	25,573
4251	Electronic markets and agents and brokers	24,029
4238	Machinery and supply merchant wholesalers	15,264
4242	Druggists' goods merchant wholesalers	13,981

The vast majority (67%) of jobs in the TLD cluster are in the **distribution** segment.

The six top-ranking industries in the **distribution** segment account for 37.4 percent of TLD private sector employment.

TLD Industry Cluster 2013 Largest Industries (Transportation Segment)		
NAICS	Industry	Employment
4841	General freight trucking	25,940
4854	School and employee bus transportation	13,379
4885	Freight transportation arrangement	8,552
4842	Specialized freight trucking	8,320
4853	Taxi and limousine service	5,071
4883	Support activities for water transportation	4,514

General freight trucking accounts for 21.5 percent of the jobs in the **transportation** segment.

Employment Concentration by County

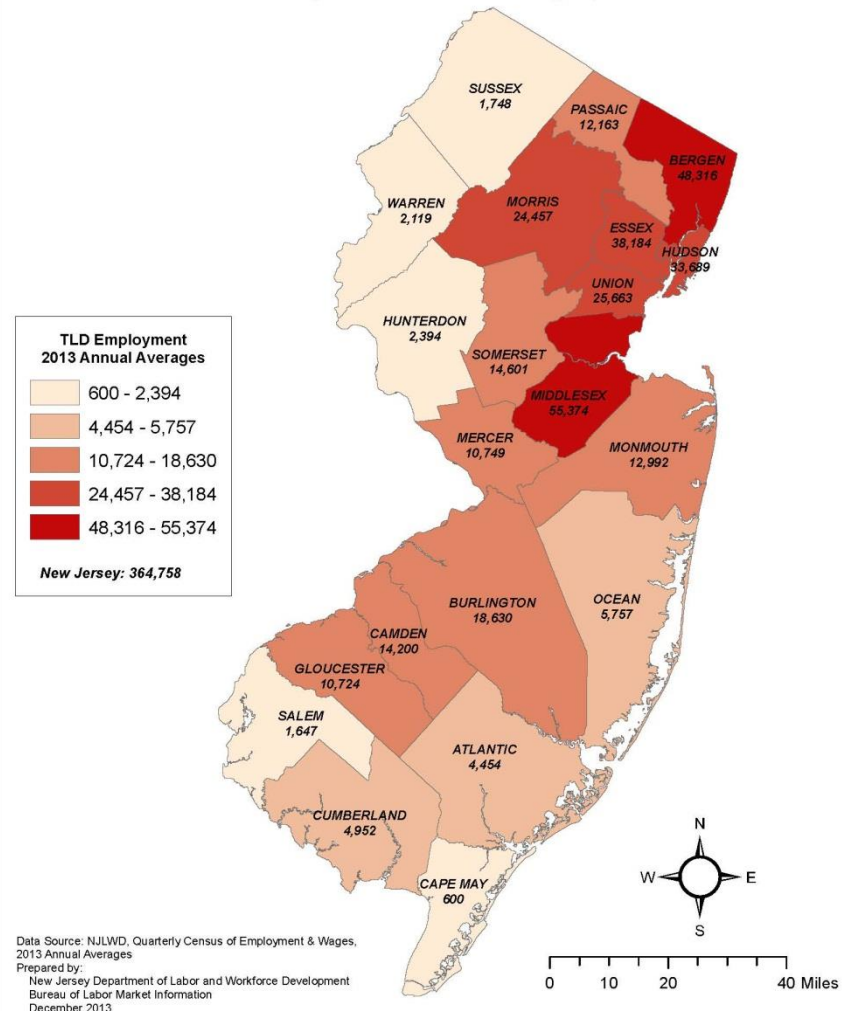
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Middlesex, Bergen, Essex, Hudson, Union and Morris counties account for 61.9 percent of New Jersey's TLD jobs. These counties are situated near the ports of Newark and Elizabeth and are located along the New Jersey Turnpike.

Other areas in the state that have substantial concentrations of TLD businesses include Burlington, Camden and Gloucester counties which are located along the New Jersey Turnpike and I-295 and are near the Port of Camden and the City of Philadelphia. Combined, they comprise 11.9 percent of the state's TLD employment.

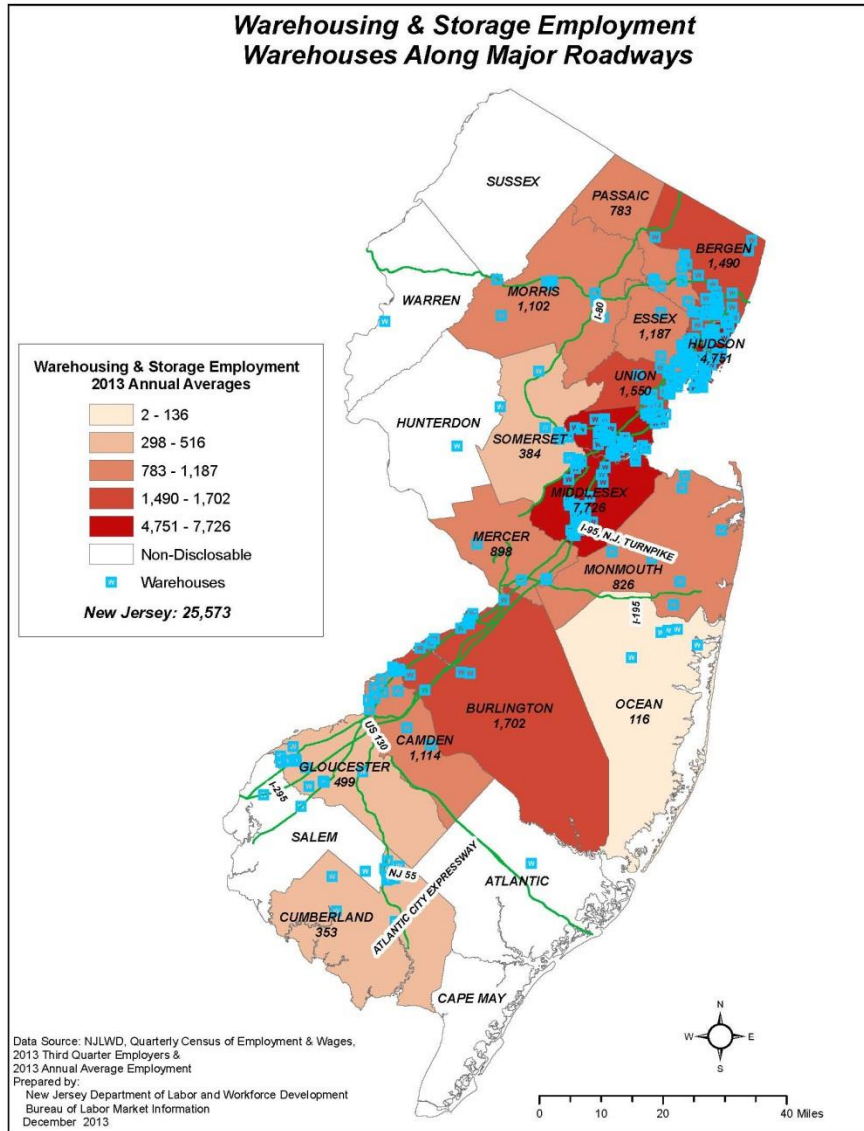
Mercer County is becoming more prominent as a center of TLD employment. Jobholding rose by 18.2 percent since 2007. Developments such as the new Amazon warehouse which opened in Robbinsville in 2014 are contributing to this trend.

**Transportation, Logistics, Distribution Employment
New Jersey Counties
(2013 Annual Averages)**



Warehouse & Storage Employment by County

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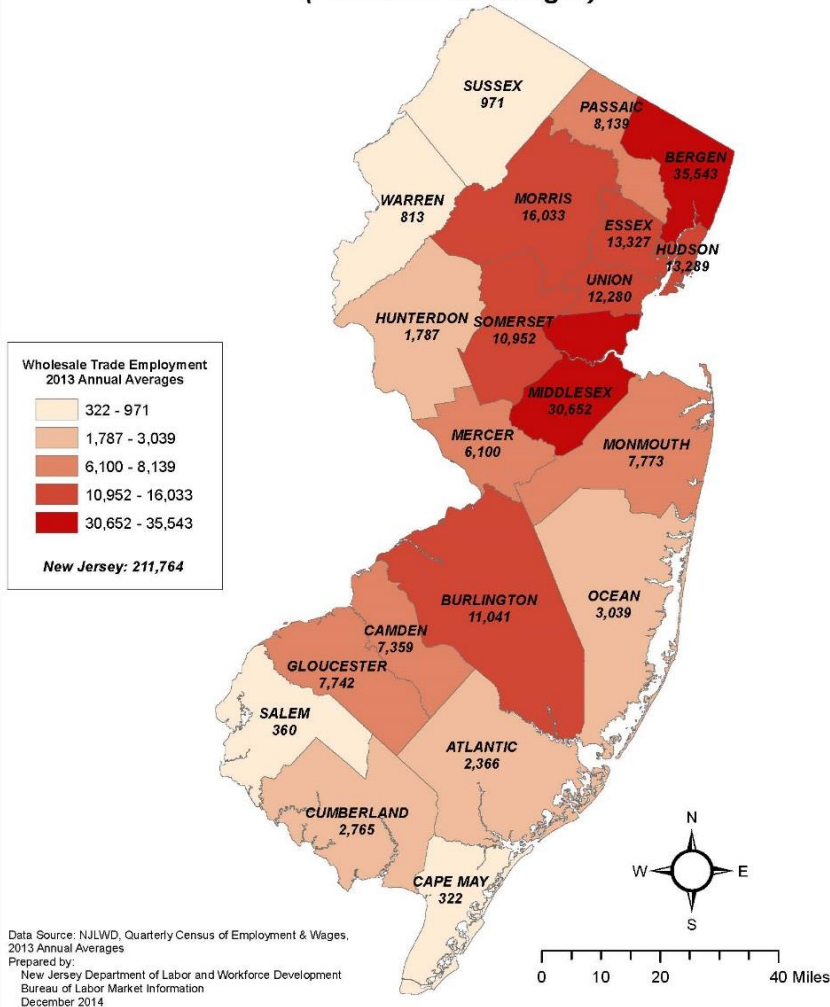


Plotting **warehouse and storage** employers along major roadways illustrates the significance of the state's highway system to the TLD industry cluster.

Wholesale Trade Employment by County

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Wholesale Trade Employment New Jersey Counties (2013 Annual Averages)



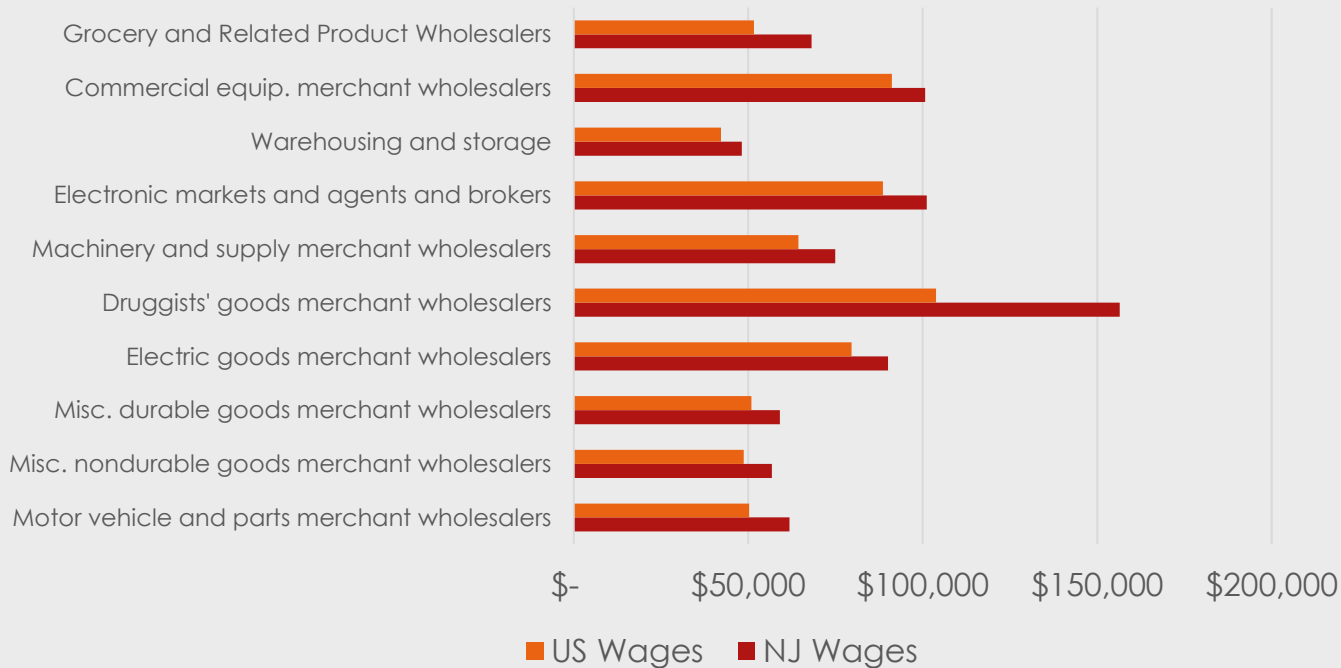
New Jersey's top-ranking counties for wholesale trade employment are Bergen, Middlesex and Morris due in part to the state's high concentration of pharmaceutical firms. Combined, these three counties account for 38.8 percent of employment in wholesale trade and 41.2 percent of jobholding within the druggist goods merchant wholesalers and chemical merchant wholesalers industries.

Combined, private sector jobholding within the druggist goods merchant wholesalers and chemical merchant wholesalers industries account for 10.1 percent of employment within wholesale trade.

The state's top industries by employment within wholesale trade are grocery and related products wholesalers (29,529 jobs or 13.9%) and commercial equipment merchant wholesalers (28,153 jobs or 13.3%).

Annual Average Wages for Top 10 Industries (by employment) in Distribution/Logistics

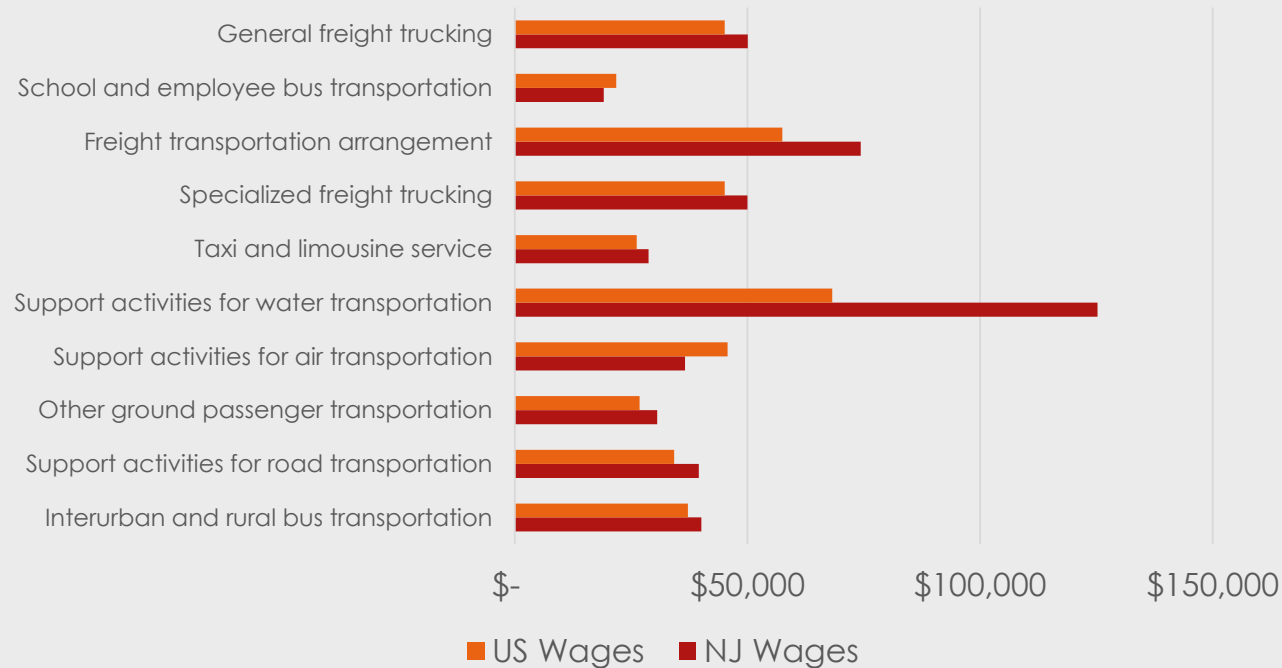
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New Jersey's 2013 average annual wage for the Distribution/Logistics component of the TLD industry was \$77,994, ranging from a high of \$156,459 in "Druggists' goods merchant wholesalers" to a low of \$48,128 in "Warehousing and storage." The ten industries shown above account for 185,606 jobs (just over 50% of total TLD employment).

Annual Average Wages for Top 10 Industries (by employment) in Transportation

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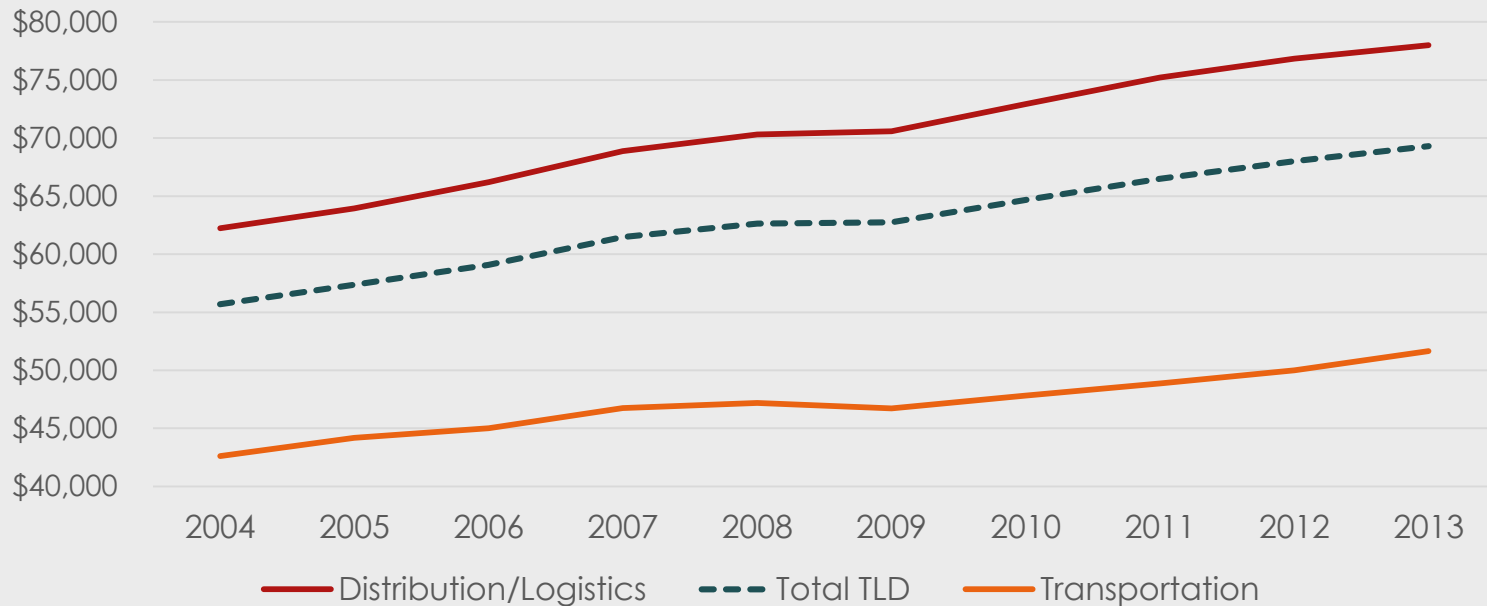


New Jersey's 2013 average annual wage for the Transportation component of the TLD industry was \$51,645, ranging from a high of \$125,281 in "Support activities for water transportation" to a low of \$19,130 in "School and employee bus transportation." The ten industries shown above account for 77,518 jobs (21.3% of total TLD employment).

Source: New Jersey Department of Labor and Workforce Development, Quarterly Census of Employment and Wages, 2013 Annual Average
Note: Excludes suppressed industries

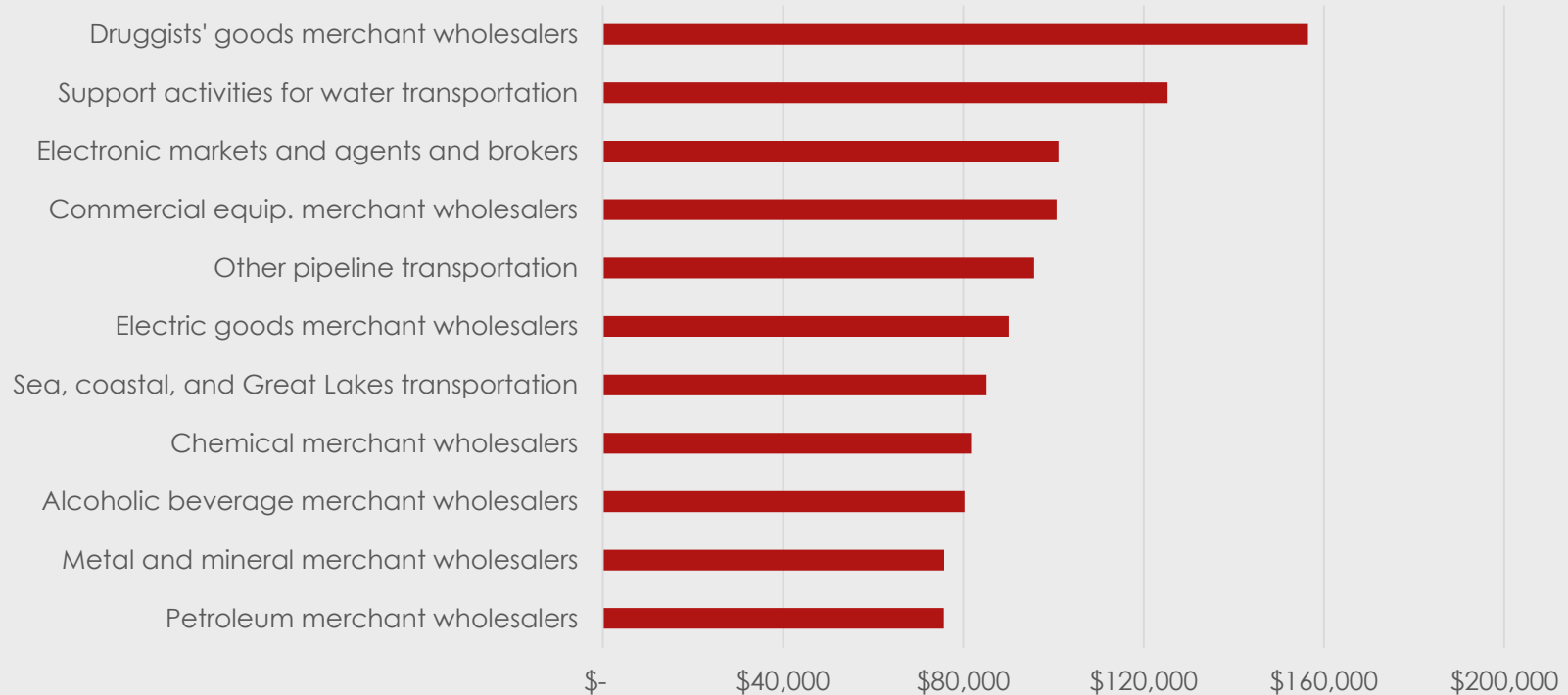
Wages 2004-2013 Distribution/Logistics vs. Transportation

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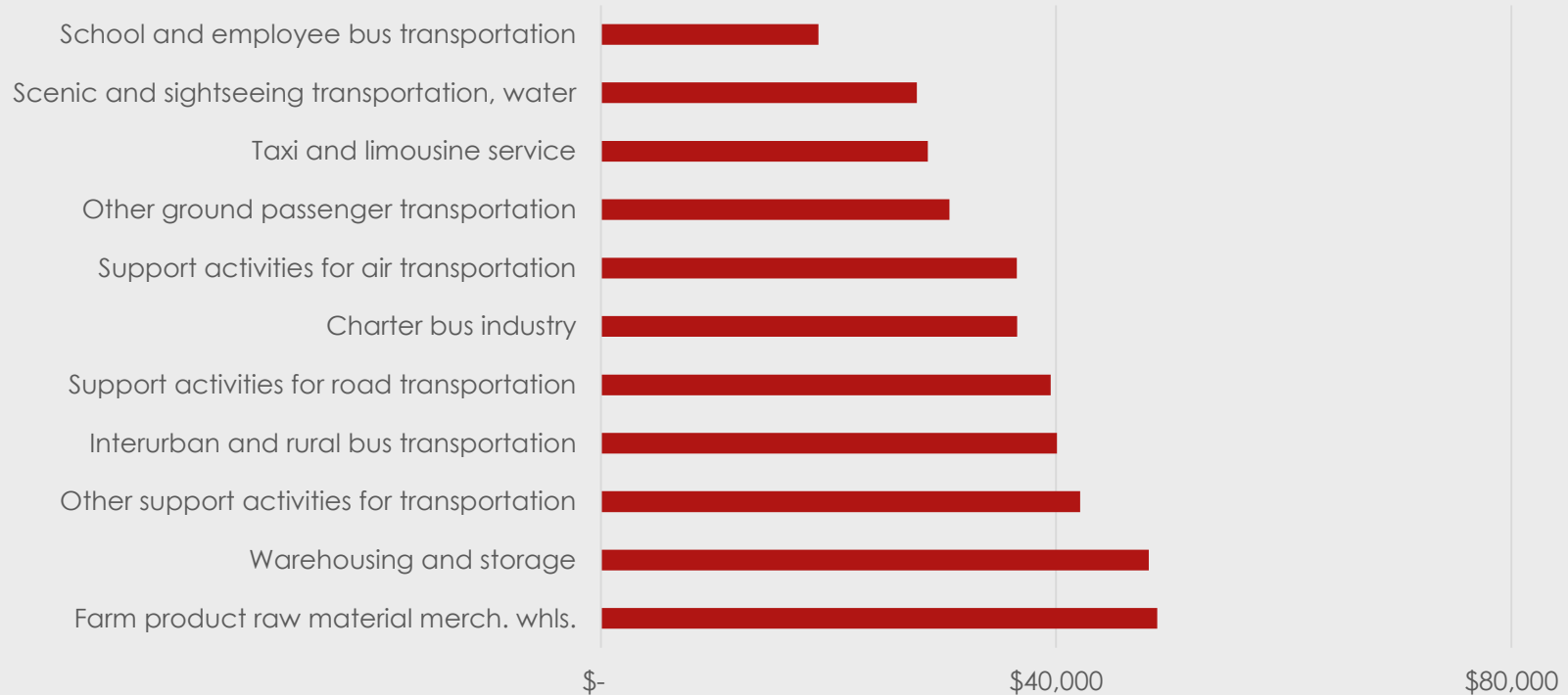
Average annual wages for workers in the distribution/logistics component remained approximately 50 percent higher than those for transportation segment workers over the period 2004 – 2013. Overall, total TLD wages increased an average of 2.5 percent year to year during the same period.

TLD industry subsectors which are among those that paid the highest annual average wages in 2013



Analysis of average annual wage data by detailed industry reveals that 39.6 percent of TLD industries had an average annual wage above \$70,000 in 2013. Those industries account for 39.0 percent of total TLD employment.

TLD industry subsectors which are among those that paid the lowest annual average wages in 2013



Analysis of average annual wage data by detailed industry reveals that 31.3 percent of TLD industries had an average annual wage below \$50,000 in 2013. Those industries account for 24.3 percent of total TLD employment.

Source: New Jersey Department of Labor and Workforce Development, Quarterly Census of Employment and Wages, 2013 Annual Average
Note: Excludes suppressed industries

OCCUPATIONAL ANALYSIS



Employment by Major Occupational Group

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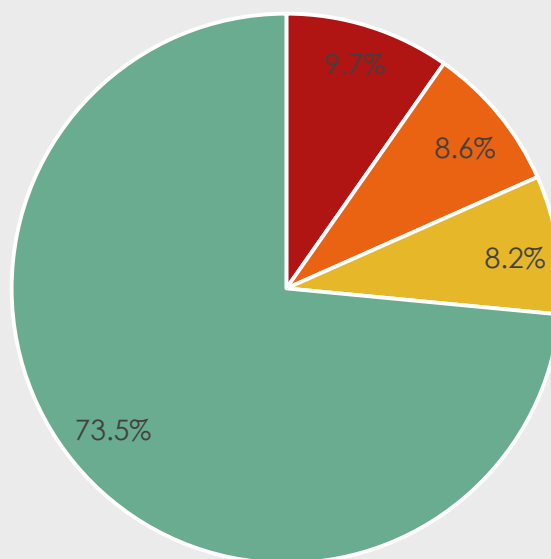
Occupational Group	Employment	Percent of Cluster
53 Transportation and Material Moving Occupations	115,140	34.8%
43 Office and Administrative Support Occupations	77,880	23.5%
41 Sales and Related Occupations	48,800	14.7%
11 Management Occupations	24,280	7.3%
13 Business and Financial Operations Occupations	18,280	5.5%
49 Installation, Maintenance, and Repair Occupations	13,440	4.1%
51 Production Occupations	12,030	3.6%
15 Computer and Mathematical Occupations	8,170	2.5%

The transportation and material moving occupational group accounts for the greatest proportion of jobs in the TLD industry cluster.

The three largest occupations in the TLD cluster account for 26.5 percent of TLD jobs

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TLD Employment by Occupation



- Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products
- Laborers and Freight, Stock, and Material Movers, Hand
- Heavy and Tractor-Trailer Truck Drivers
- Balance of TLD Jobs

Source: NJ Department of Labor and Workforce Development, Occupational Employment Statistics Wage Survey, May 2013

TLD Top Occupations Ranked by Employment

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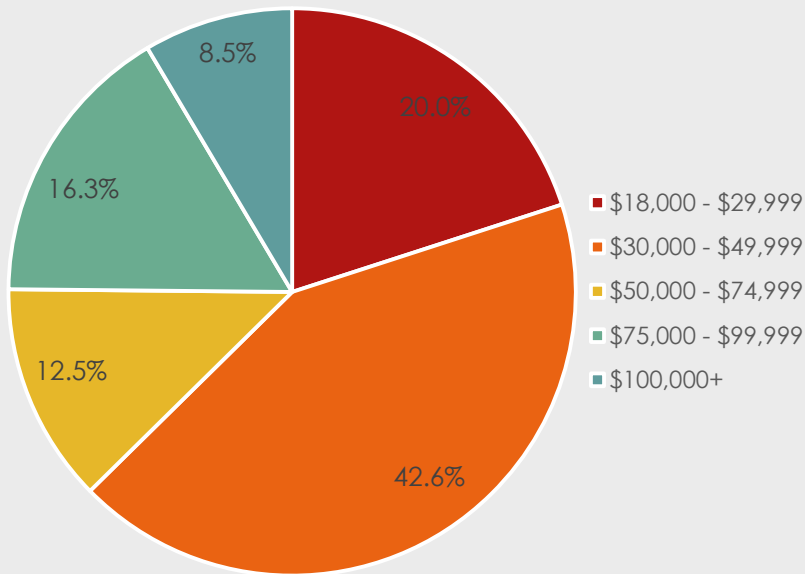
Occupation	Employment	Salary	Percent of TLD Jobholding
41-4012 Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	31,710	\$77,410	9.7%
53-7062 Laborers and Freight, Stock, and Material Movers, Hand	28,140	\$26,240	8.6%
53-3032 Heavy and Tractor-Trailer Truck Drivers	26,590	\$45,470	8.2%
53-3022 Bus Drivers, School or Special Client	12,840	\$33,185	3.9%
53-3033 Light Truck or Delivery Services Drivers	11,990	\$35,490	3.7%
43-4051 Customer Service Representatives	11,840	\$37,270	3.6%
43-9061 Office Clerks, General	10,980	\$32,695	3.4%
43-5071 Shipping, Receiving, and Traffic Clerks	9,420	\$33,475	2.9%
11-1021 General and Operations Managers	8,840	\$160,140	2.7%
43-5081 Stock Clerks and Order Fillers	7,840	\$25,565	2.4%
53-7064 Packers and Packagers, Hand	7,380	\$21,770	2.3%
43-3031 Bookkeeping, Accounting, and Auditing Clerks	7,300	\$42,095	2.2%
53-7051 Industrial Truck and Tractor Operators	6,900	\$33,495	2.1%
41-4011 Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	5,230	\$96,715	1.6%
43-1011 First-Line Supervisors of Office and Administrative Support Workers	5,190	\$58,245	1.6%
13-1199 Business Operations Specialists, All Other	4,730	\$71,470	1.5%
11-2022 Sales Managers	4,090	\$143,960	1.3%
53-3041 Taxi Drivers and Chauffeurs	4,090	\$25,605	1.3%
43-6014 Secretaries and Administrative Assistants, Except Legal, Medical,	3,800	\$39,540	1.2%
43-5032 Dispatchers, Except Police, Fire, and Ambulance	3,560	\$42,625	1.1%
53-1021 First-Line Supervisors of Helpers, Laborers, and Material Movers,	3,130	\$52,620	1.0%
53-1031 First-Line Supervisors of Transportation and Material-Moving Mach	3,130	\$55,485	1.0%
53-3031 Driver/Sales Workers	3,120	\$31,382	1.0%
43-4151 Order Clerks	2,960	\$35,865	0.9%
15-1151 Computer User Support Specialists	2,780	\$54,270	0.9%

Source: NJ Department of Labor and Workforce Development, Occupational Employment Statistics Wage Survey, May 2013

The vast majority of New Jersey's TLD workers earn a salary of \$30,000-\$49,999

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TLD Occupational Employment by Salary Range



Analysis of occupational employment by salary range shows that 62.6 percent of workers have an average salary of less than \$50,000.

While 25.3 percent of the occupations present in the cluster have an average salary of \$50,000 - \$74,999, only 12.5 percent of workers are employed in those occupations.

Significant TLD Occupations Ranked by Highest and Lowest Salary

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Occupations with the Highest Annual Salary

Occupation	Employment	Salary	Percent of TLD Jobholding
11-1011 Chief Executives	170	\$197,738	0.1%
11-9121 Natural Sciences Managers	330	\$174,133	0.1%
11-1021 General and Operations Managers	8,840	\$160,139	2.7%
11-2021 Marketing Managers	1,490	\$156,672	0.5%
11-3031 Financial Managers	1,850	\$149,430	0.6%
11-3021 Computer and Information Systems Managers	910	\$147,562	0.3%
11-2022 Sales Managers	4,090	\$143,960	1.3%
11-9041 Architectural and Engineering Managers	220	\$142,713	0.1%
11-3121 Human Resources Managers	300	\$138,211	0.1%
23-1011 Lawyers	270	\$133,330	0.1%

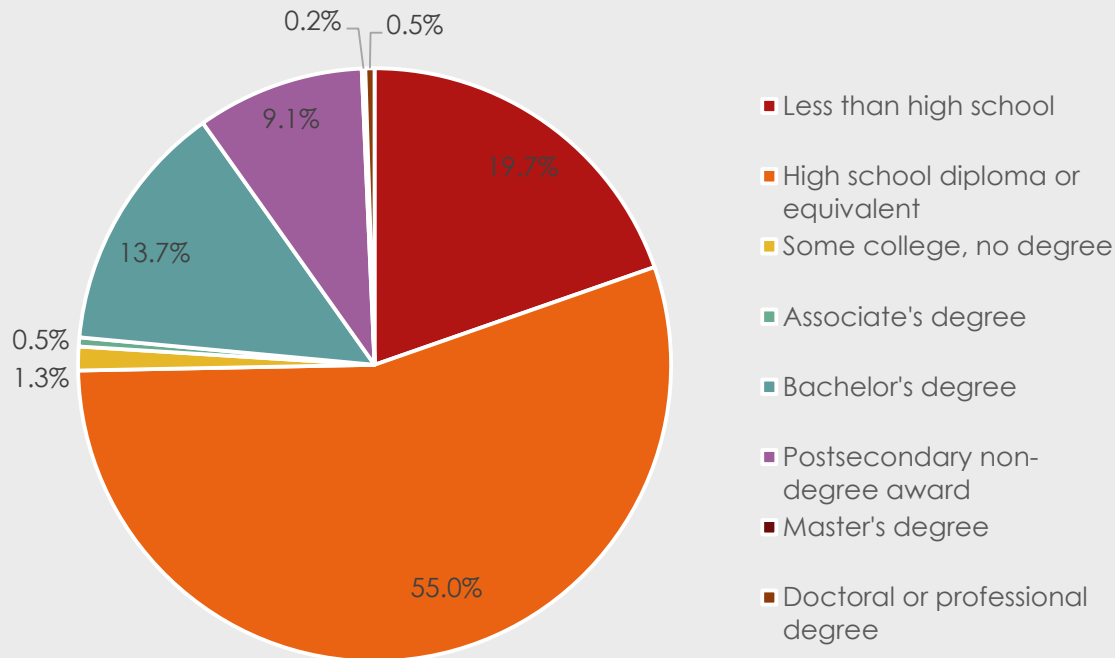
Occupations with the Lowest Annual Salary

Occupation	Employment	Salary	Percent of TLD Jobholding
45-2041 Graders and Sorters, Agricultural Products	360	\$19,839	0.1%
41-2011 Cashiers	280	\$20,603	0.1%
53-7064 Packers and Packagers, Hand	7,380	\$21,768	2.3%
51-3099 Food Processing Workers, All Other	230	\$22,559	0.1%
53-6061 Transportation Attendants, Except Flight Attendants	1,080	\$22,588	0.3%
51-9198 Helpers--Production Workers	1,540	\$23,119	0.5%
53-7061 Cleaners of Vehicles and Equipment	1,400	\$23,400	0.4%
45-2092 Farmworkers and Laborers, Crop, Nursery, and Greenhouse	620	\$24,338	0.2%
51-3022 Meat, Poultry, and Fish Cutters and Trimmers	220	\$24,757	0.1%
43-5081 Stock Clerks and Order Fillers	7,840	\$25,564	2.4%

Source: NJ Department of Labor and Workforce Development, Occupational Employment Statistics Wage Survey, May 2013

Occupational Employment by Educational Requirement

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While a majority of the occupations within the TLD industry cluster require no further education beyond high school (74.7%), many occupations such as truck drivers and forklift operators have licensing requirements.

Some jobs, especially those in secure areas such as shipping terminals or at airports, may also require additional screening or background checks.

WHO ARE THE WORKERS?

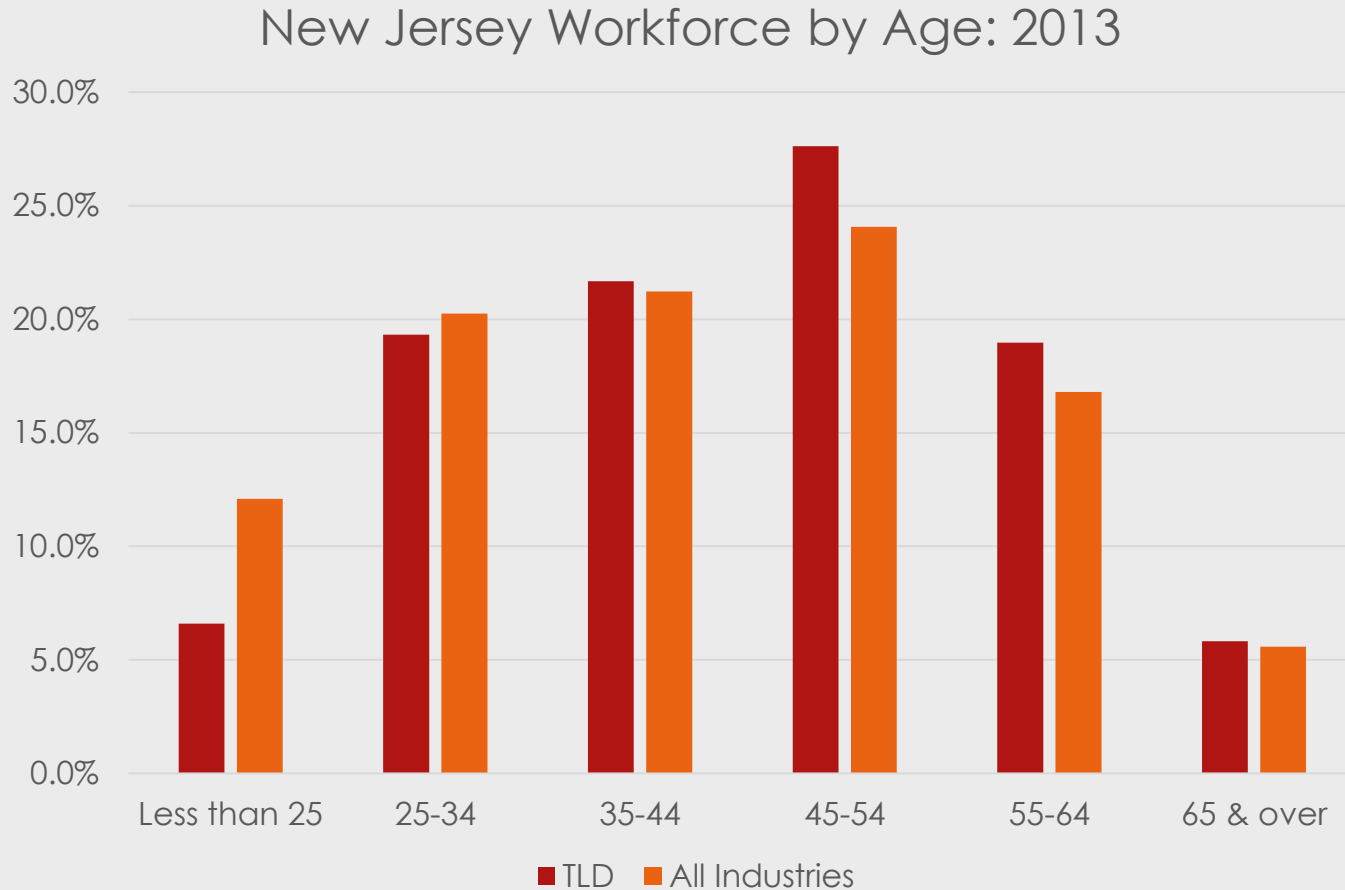


Characteristics of New Jersey's TLD resident workforce

- ▶ The American Community Survey (ACS), a product of the U.S. Census Bureau, gives insight to the characteristics of New Jersey residents who are employed in the TLD cluster.
- ▶ As the ACS is resident-based, it illustrates the characteristics of people who live in New Jersey and the industries that those residents work in rather than the characteristics of the workers who are employed in the Garden State.

The TLD cluster's New Jersey resident workforce is older than for the state as a whole

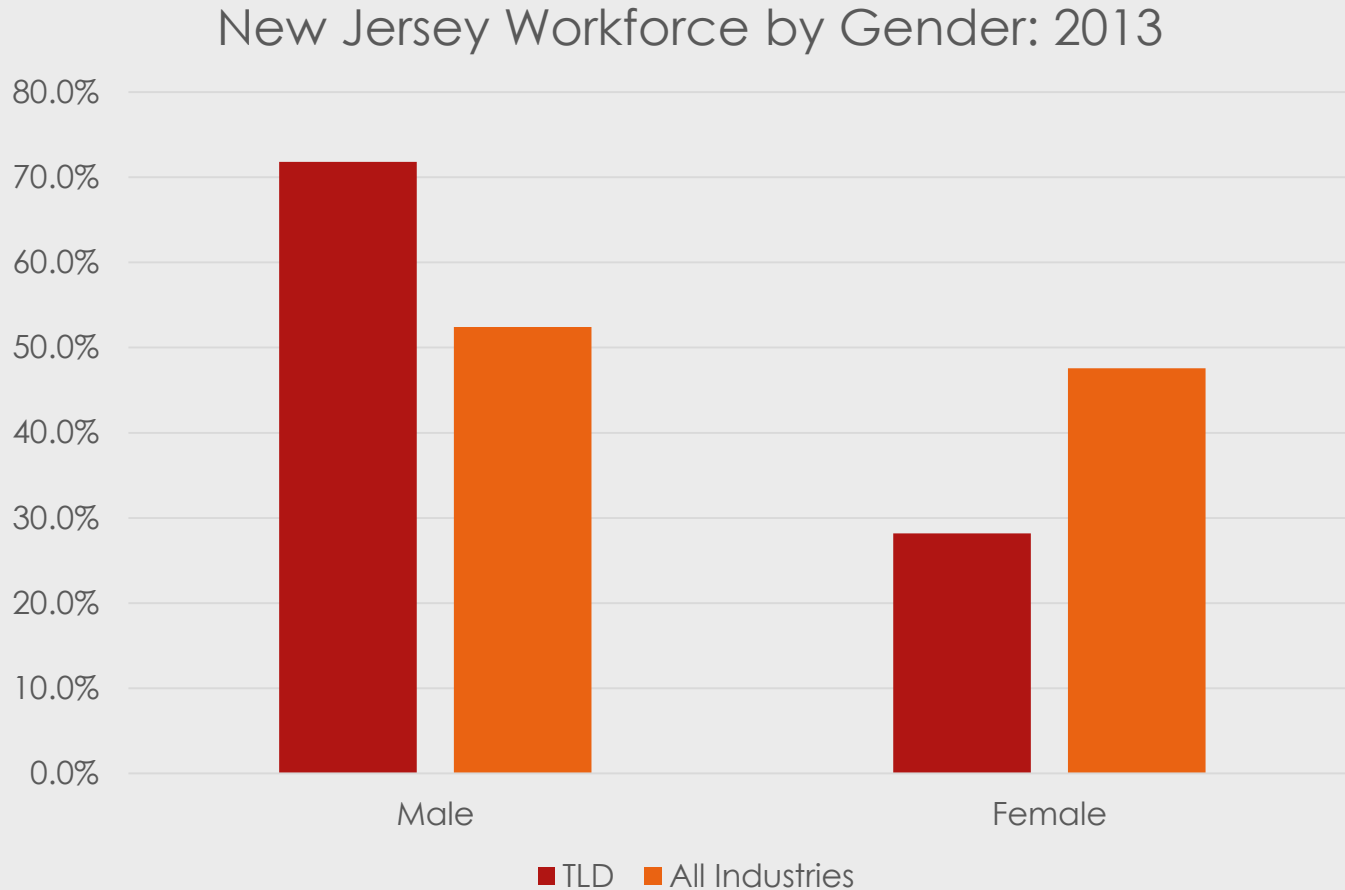
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Source: US Bureau of the Census, American Community Survey, 2013

TLD's New Jersey resident workforce is predominately male

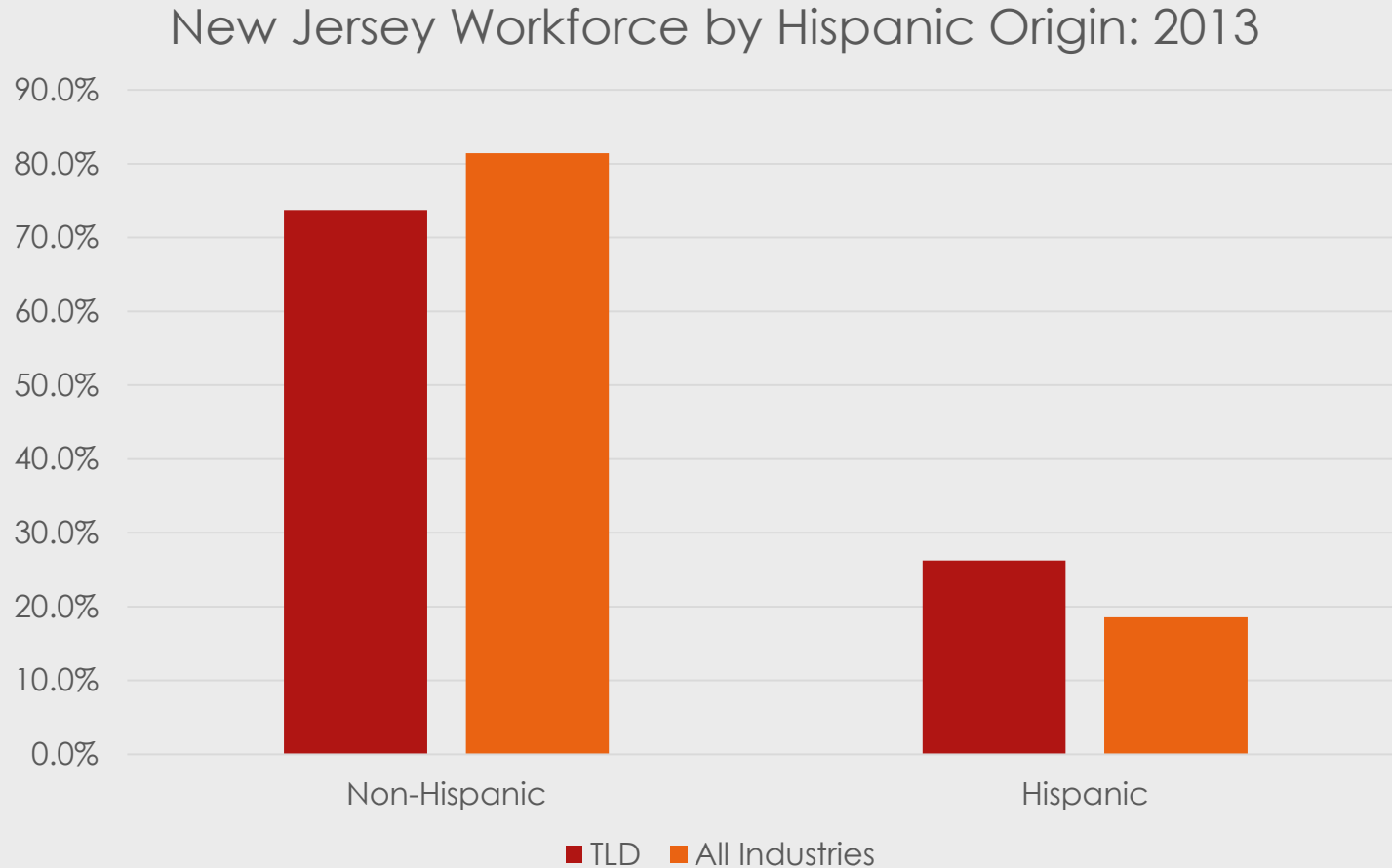
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Source: US Bureau of the Census, American Community Survey, 2013

TLD has a larger share of Hispanic resident workforce

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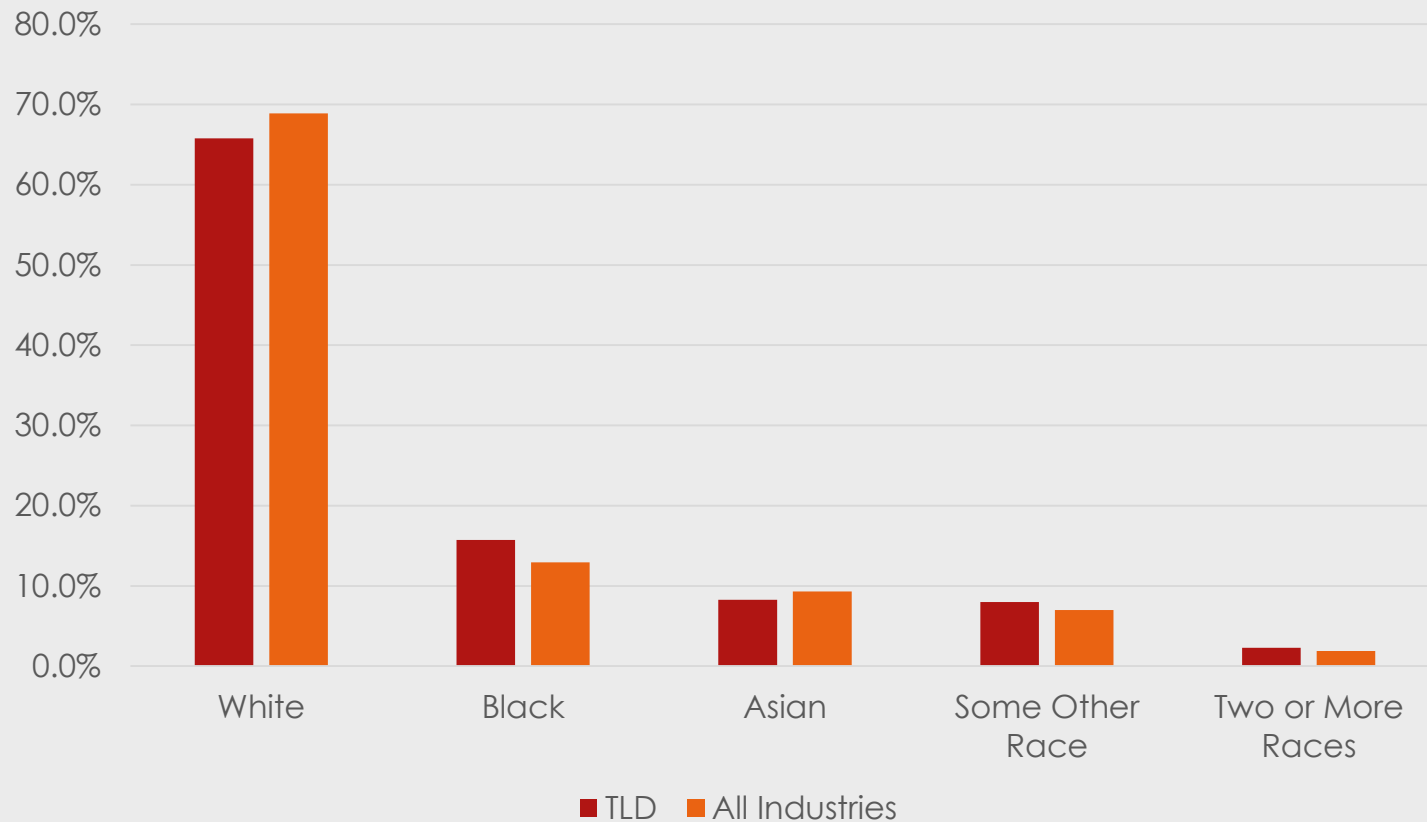


Source: US Bureau of the Census, American Community Survey, 2013

TLD also has a larger share of minority resident workforce

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New Jersey Workforce by Race: 2013

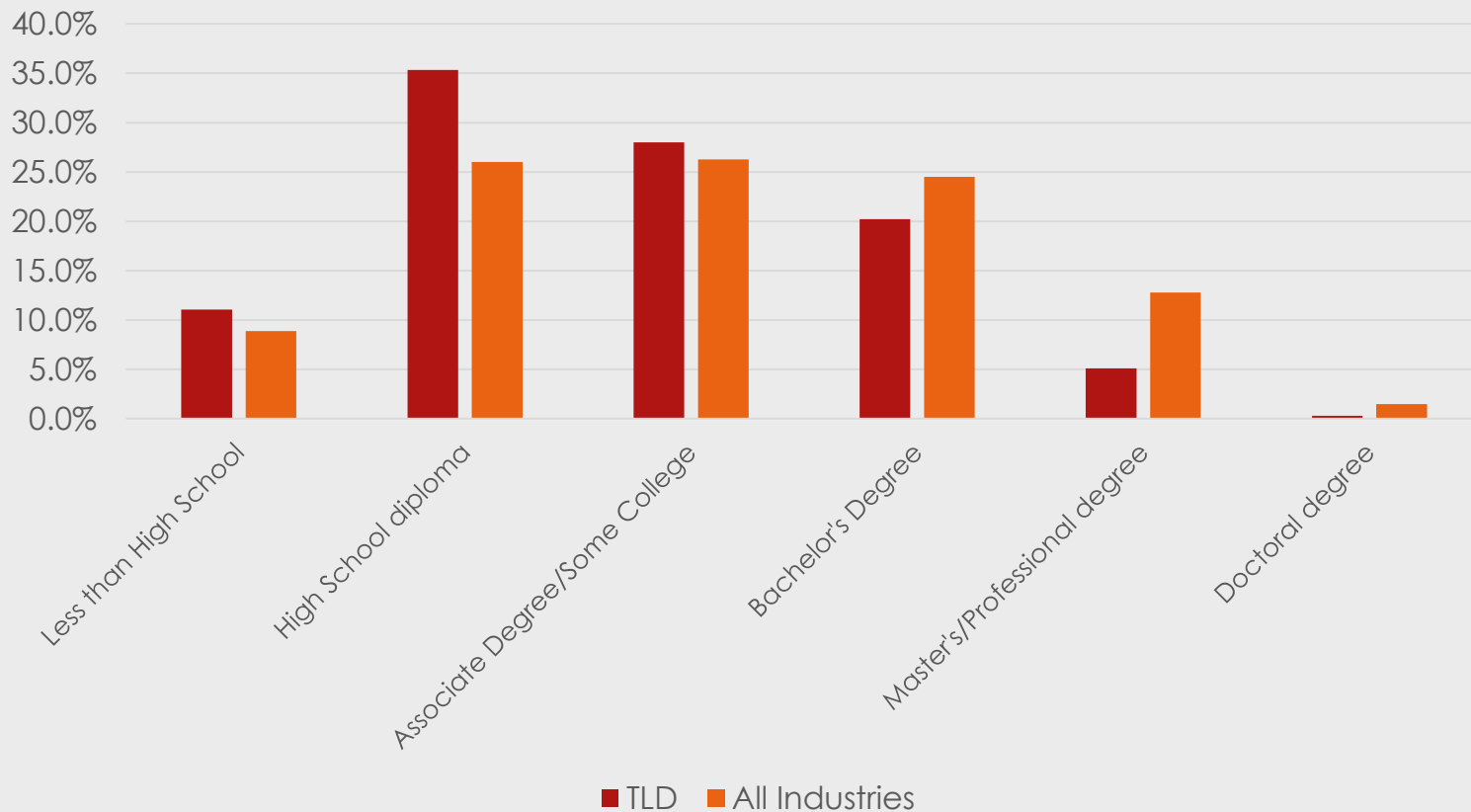


Source: US Bureau of the Census, American Community Survey, 2013

A larger percentage of New Jersey resident TLD workers have less than a bachelors degree

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New Jersey Workforce by Educational Level: 2013



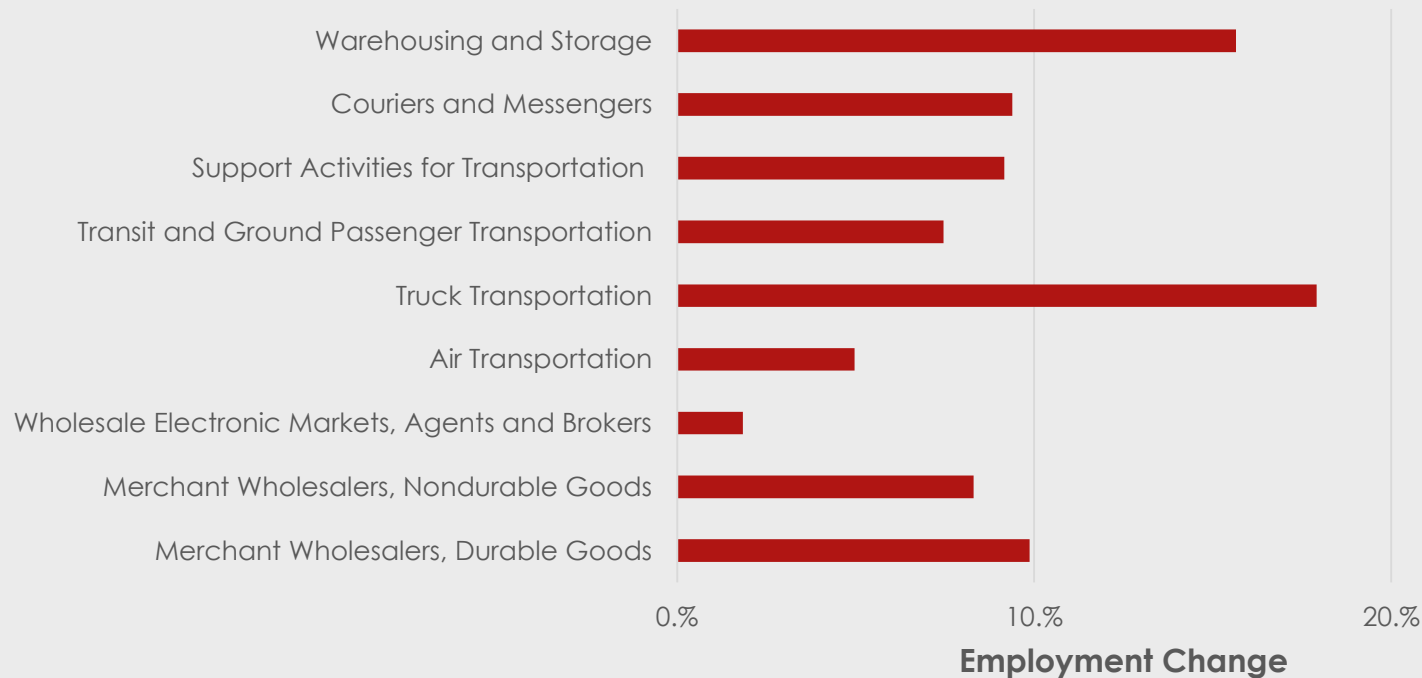
Source: US Bureau of the Census, American Community Survey, 2013

WHERE THE JOBS ARE



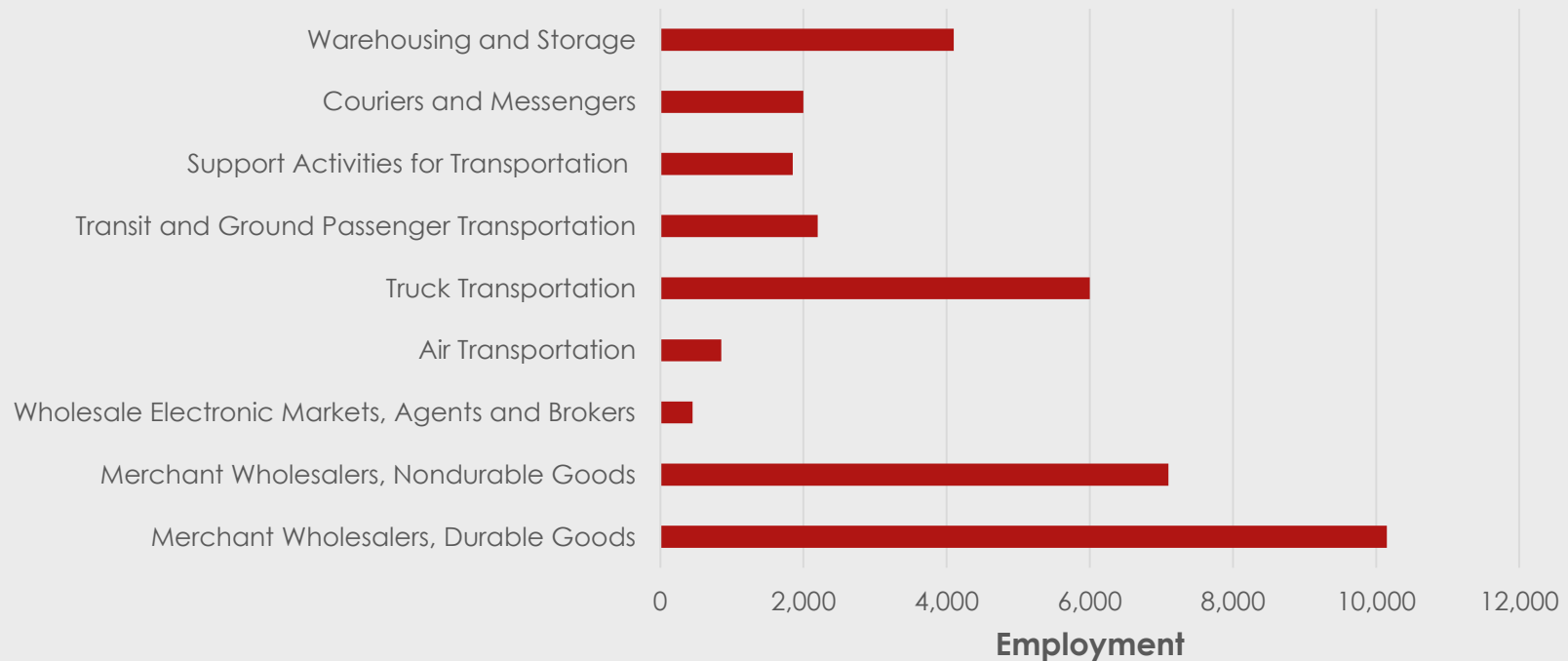
With a projected growth rate of 17.9 percent, **truck transportation** is expected to be the TLD cluster's fastest-growing industry by 2022.

Transportation, Logistics & Distribution Industry Cluster Projected Employment Change by Industry 2012-2022



The industry in the TLD cluster expected to add the most jobs from 2012 to 2022 is **merchant wholesalers, durable goods (+10,150)**

Transportation, Logistics & Distribution Industry Cluster Projected Employment Change by Industry 2012-2022



TLD Occupations with the Largest Projected Employment Change

Occupation	Projected Change 2012-2022
Truck Drivers, Heavy and Tractor-Trailer	4,688
Laborers & Freight, Stock & Material Movers, Hand	4,383
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	2,860
Bus Drivers, School	1,253
Customer Service Representatives	1,066
Truck Drivers, Light or Delivery Services	1,026
Packers and Packagers, Hand	949
Shipping, Receiving, and Traffic Clerks	928
General and Operations Managers	886
Driver/Sales Workers	715
Bookkeeping, Accounting, and Auditing Clerks	692
First-Line Supervisors/Managers of Helpers, Laborers	623
Office Clerks, General	588
Market Research Analysts and Marketing Specialists	483
Business Operations Specialists, All Other	455
Sales Representatives, Services, All Other	438
Sales Managers	415
Sales Managers	415
Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	353
First-Line Supervisors/Managers, Non-Retail Sales Workers	353
Taxi Drivers and Chauffeurs	215
Industrial Truck and Tractor Operators	90
Stock Clerks and Order Fillers	15

Source: NJ Department of Labor and Workforce Development, Industry and Occupational Projections, July 2014

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