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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 2012-2013

Transportation, Logistics & Distribution Cluster



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

- Durable Goods Merchant Wholesalers
- Nondurable Goods Merchant Wholesalers
- Agents, Brokers & Wholesale Electronic Markets
- Warehousing & Storage

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



Transportation and distribution are important to the state's economy

In 2011, transportation, logistics & distribution employed 355,349 workers in New Jersey. The cluster employed 11.3 percent of the state's private sector workers. Nationally, TLD accounts for just 8.9 percent of private sector employment.

The annual average private sector wage for TLD in 2011 was \$66,797. Total wages for the TLD cluster accounted for 13.2 percent of private sector wages statewide.

TLD contributed 45.8 billion current dollars to the state's gross domestic product (GDP) in 2011, the sixth highest dollar amount nationwide. New Jersey accounted for 4.2 percent of the nation's GDP generated from TLD. California, Texas, New York, Florida and Illinois are the only states where TLD accounts for a higher proportion of total GDP.

INFRASTRUCTURE: SEA

According to 2010 figures (latest available) from the U.S. Army Corps of Engineers, Waterborne Commerce Statistics Center, New Jersey's shipping activity accounts for 6.6 percent of the nation's tonnage of total cargo volume.

□ Port of New York and New Jersey

- Supports 279,000 jobs and \$11.6 billion in personal income in the New York-New Jersey region according to an economic impact study conducted for the New York Shipping Association
- The port ranked third (out of 149) 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)
- The World Shipping Council ranks the port of New York and New Jersey 25th worldwide for container volume

□ Port of Camden-Gloucester

- The Port of Camden-Gloucester, NJ ranked 41st for tonnage of foreign imports in 2010 (U.S. Army Corps of Engineers, Waterborne Commerce Statistics Center)

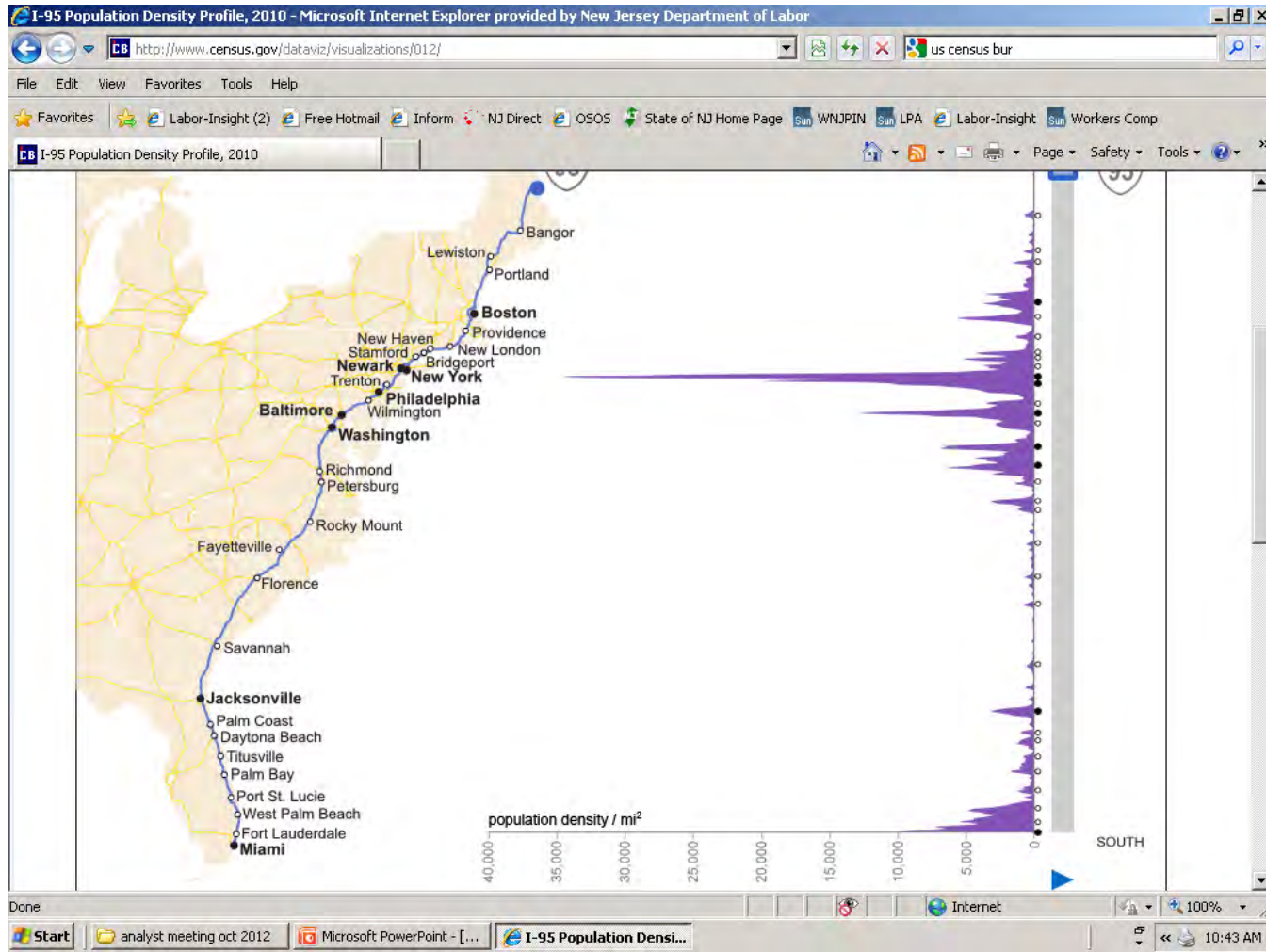
INFRASTRUCTURE: LAND

New Jersey has an excellent land transportation network, including 36,000 miles of highways 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, putting it within reach of 40 million people who purchase \$2 trillion in merchandise each year. Industry experts state that roughly 80 percent of all trucking is estimated to be 400 miles or less. So, choosing the Newark and Elizabeth waterfront area as the center, according to Google maps a 400 mile radius would include most of the northeastern U.S. and also includes the major metropolitan areas of Montreal, Ottawa and Toronto in Canada.

I-95 Population Density Profile, 2010

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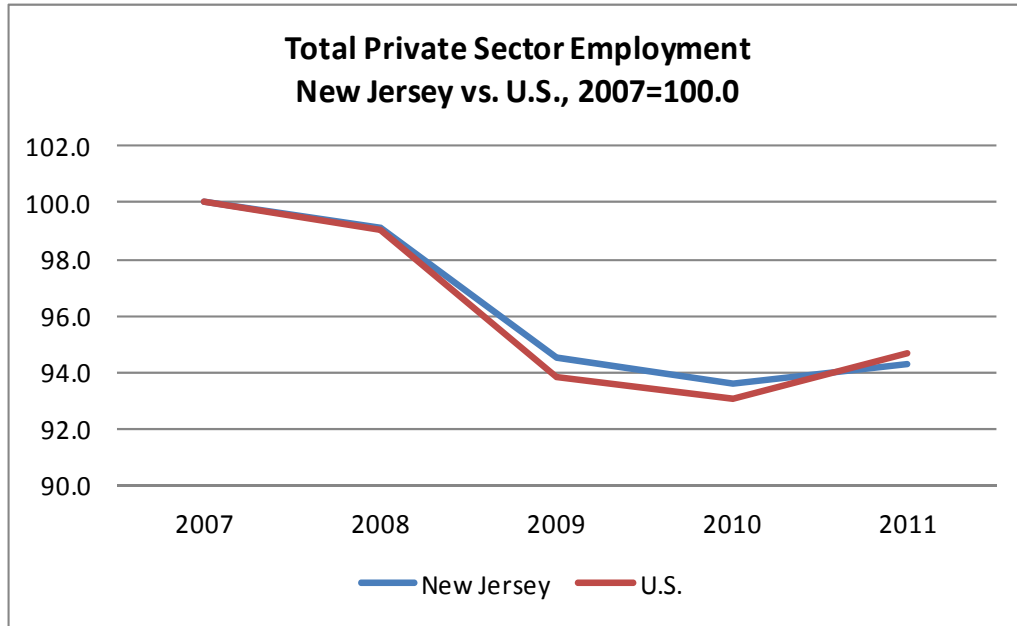
Source: U.S. Census Bureau <http://www.census.gov/dataviz/visualizations/012/>

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

INFRASTRUCTURE: AIR

- Newark Liberty International Airport served 33.3 million total passengers in 2011. The number of international passengers reached an all-time high of 11.6 million in 2011.
- Passenger volume at Atlantic City International Airport reached 1.4 million in 2011. 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.

Long-Term Industry Trends



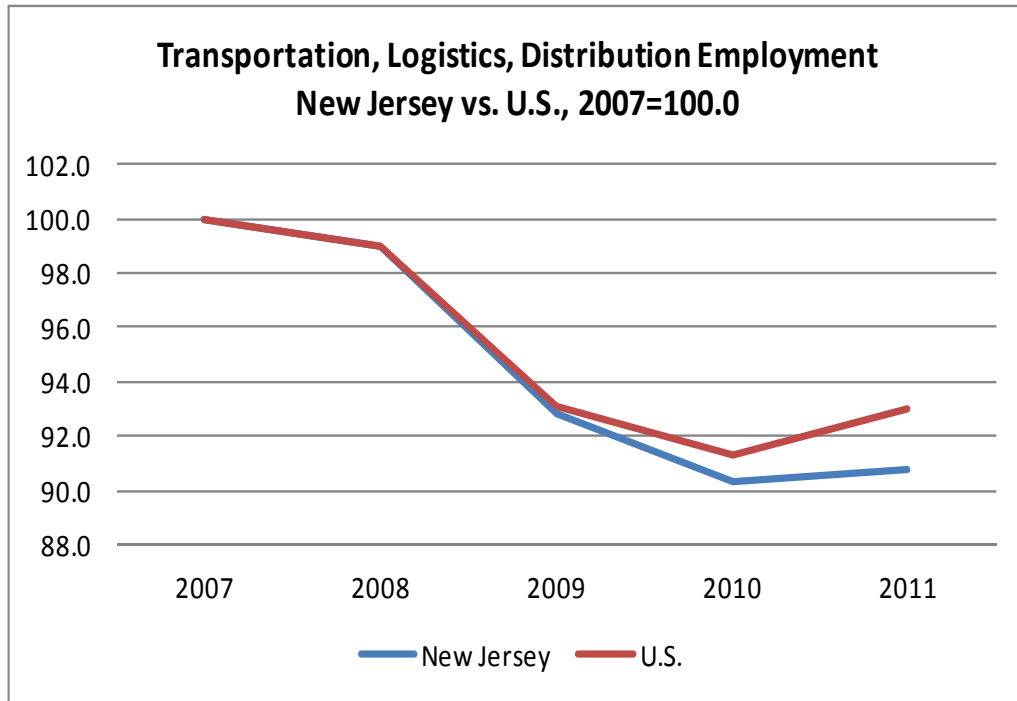
Source: N.J. Department of Labor, Division of Labor Market and Demographic Research and U.S. Department of Labor, Bureau of Labor Statistics, Current Employment Statistics Program

- Private sector payrolls peaked in 2007 in the U.S. and New Jersey. December of this year also marks the start of the most recent national recession which officially ended in June 2009.

- Jobholding faced three years of decline due to the recession, with the most severe declines occurring in 2008. New Jersey's payrolls fared better than the U.S. during the 2007-2010 period (-6.4% vs. -6.9%, respectively).

- New Jersey and the U.S each added private sector jobs in 2011. However, with an increase of just 0.8 percent, the state's job growth lagged that of the nation (+1.7%).

Long-Term Industry Trends



Source: N.J. Department of Labor, Division of Labor Market and Demographic Research and U.S. Department of Labor, Bureau of Labor Statistics, Current Employment Statistics Program

- TLD payrolls followed the same general trend as the private sector over the 2007-2011 period.

- New Jersey's jobholding in TLD declined by 9.7 percent from 2007 to 2010 while nationally employment was down by 8.7 percent. The Garden State suffered a much steeper decline than the U.S. in the transportation and warehousing component (-9.2% vs. -7.7%, respectively).

- The state's employment loss in TLD represents 17.4 percent of the private sector jobs lost in the state over the three-year span. Nationally, TLD accounts for 11.4 percent of jobs lost.

- Employment in TLD rose at a higher rate in the U.S. than in the state during 2011 (+1.8% vs. +0.4%, respectively).

Where did the jobs go?

- National Recession: high unemployment and job uncertainty caused decreased consumer spending which leads to less demand for goods
- Retail/Restaurant Closings: a number of big box retailers and restaurants closed/restructured leading to decreased demand for goods
- Pharmaceutical Mergers: any reduction in staffing at locations whose primary business function is wholesale trade can negatively impact the TLD cluster

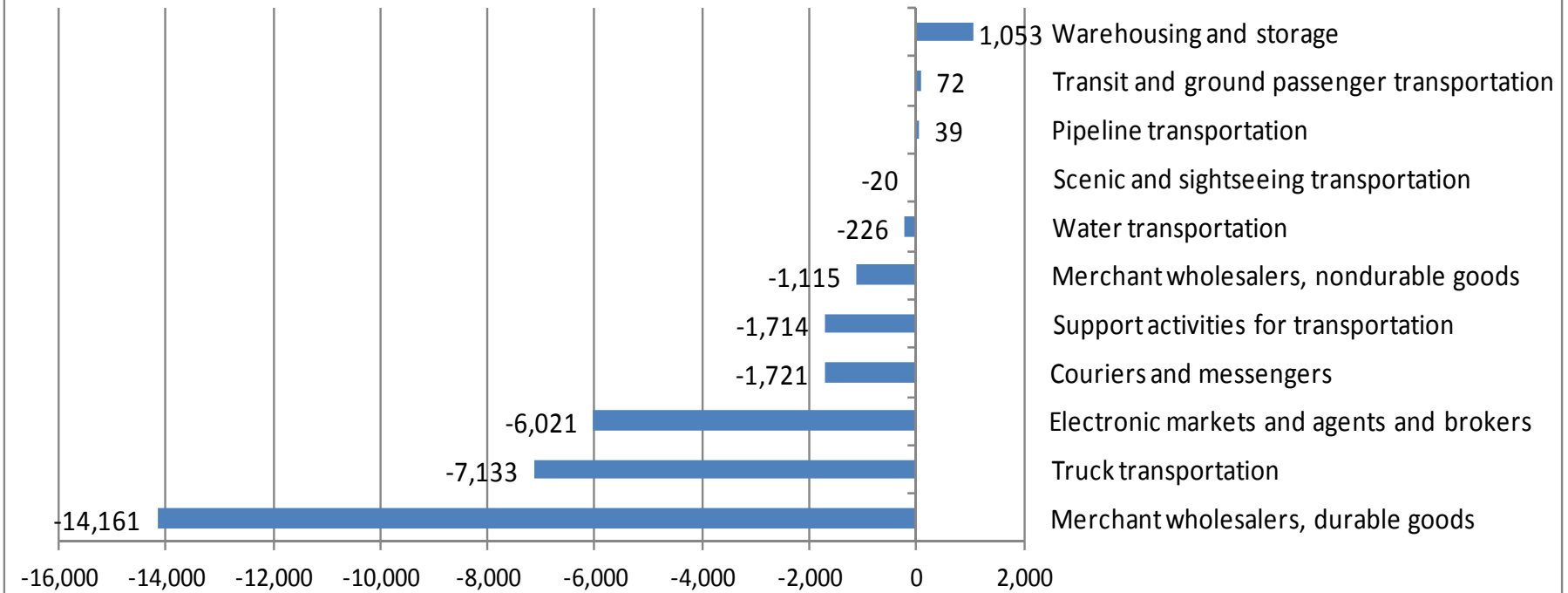


DETAILED INDUSTRY ANALYSIS



Despite overall employment loss of 30,842 or 8.0 percent for the cluster from 2006 to 2011, the warehousing and storage component industry had a notable employment gain.

Change in TLD Employment New Jersey, 2006 - 2011



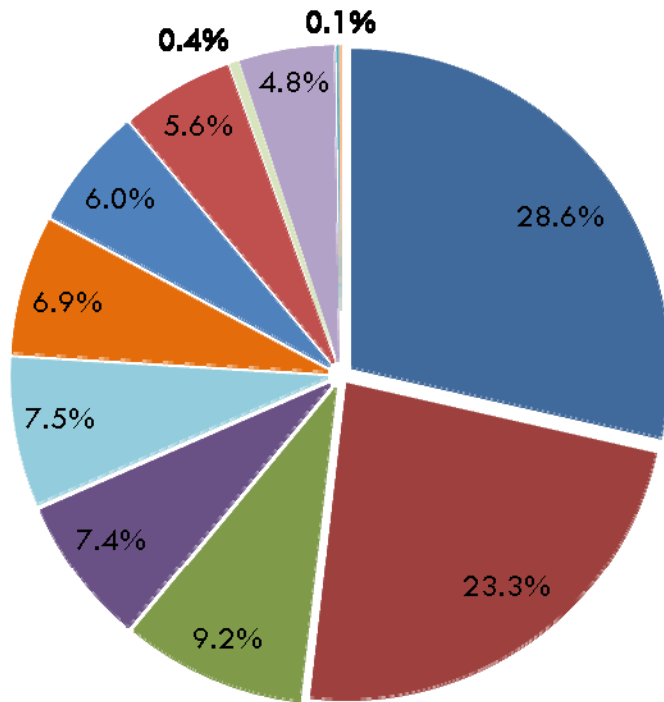
Source: NJ Department of Labor & Workforce Development, Quarterly Census of Employment & Wages, Annual Averages

Note: Excludes data for suppressed industries



In 2011, TLD's three top-ranking industry groups account for 61.0 percent of total jobs

Total 2011 employment = 355,349



Wholesalers of Durable Goods and Wholesalers of Nondurable Goods are TLD's largest industries. Combined, they account for 51.9 percent of TLD employment.

The third largest industry is truck transportation which accounts for 9.2 percent of New Jersey's TLD employment.

- | | |
|---|---|
| ■ Merchant wholesalers, durable goods | ■ Merchant wholesalers, nondurable goods |
| ■ Truck transportation | ■ Warehousing and storage |
| ■ Transit and ground passenger transportation | ■ Electronic markets and agents and brokers |
| ■ Couriers and messengers | ■ Support activities for transportation |
| ■ Water transportation | ■ All Other TLD |
| ■ Scenic and sightseeing transportation | ■ Pipeline transportation |

The largest industries within the TLD cluster are primarily found in the distribution segment.

Transportation, Logistics and Distribution Industry Cluster Largest Industries within the Distribution Segment, 2011		
NAICS	Industry	Employment
4234	Commercial equip. merchant wholesalers	28,066
4244	Grocery and Related Product Wholesalers	28,030
4931	Warehousing and storage	26,433
4251	Electronic markets and agents and brokers	24,606
4238	Machinery and supply merchant wholesalers	14,922

The vast majority (66.2%) of jobs in the TLD cluster are in the **distribution** segment.

The top-ranking industries in the **distribution** segment account for 34.4 percent of TLD private sector employment.

Transportation, Logistics and Distribution Industry Cluster Largest Industries within the Transportation Segment, 2011		
NAICS	Industry	Employment
4841	General freight trucking	24,588
4854	School and employee bus transportation	14,045
4885	Freight transportation arrangement	8,543
4842	Specialized freight trucking	8,092
4853	Taxi and limousine service	5,007



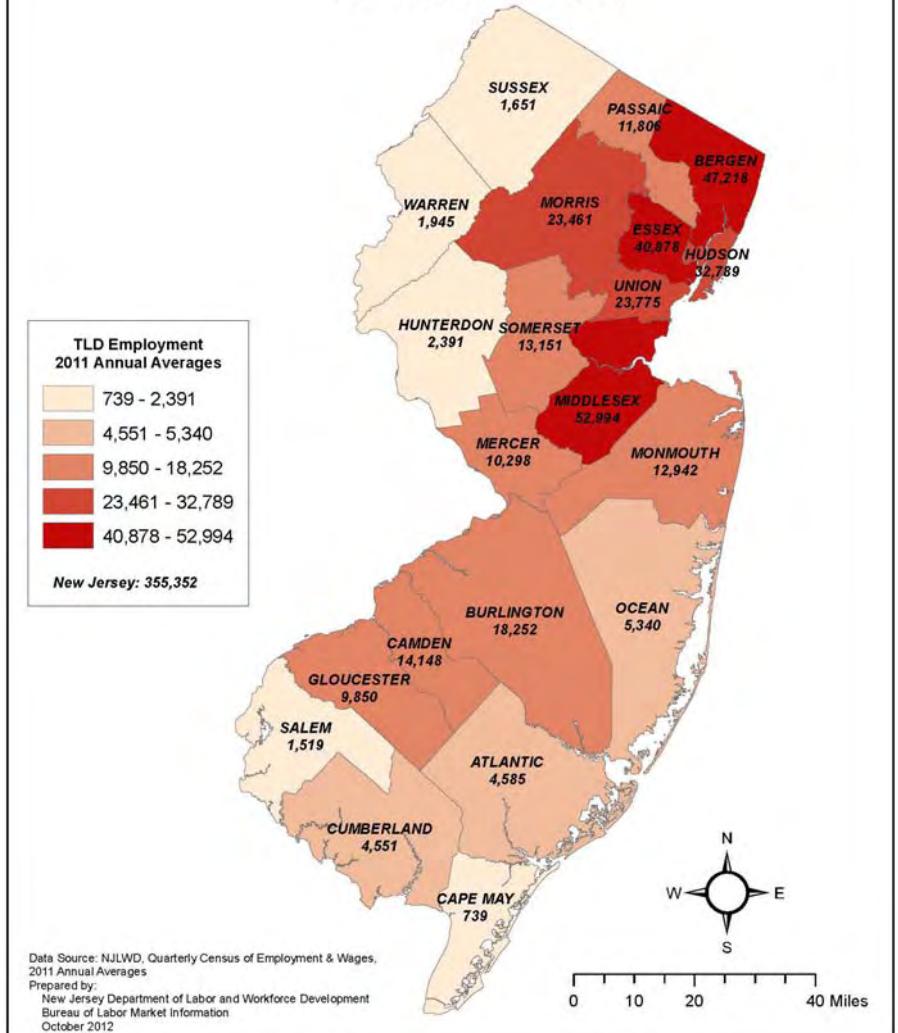
Most of the state's TLD employment is located near the ports of Newark, Elizabeth and Camden as well as the New Jersey Turnpike

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Middlesex, Bergen, Essex, Hudson, Morris and Union counties account for 62.2 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. New York City is located nearby.

Other areas in the state that have substantial concentrations of TLD businesses include the western halves of Burlington, Camden and Gloucester counties and along the Atlantic coastline of Monmouth and Ocean counties. Burlington, Camden and Gloucester counties are located along the New Jersey Turnpike and I-295 and are near the Port of Camden and the City of Philadelphia.

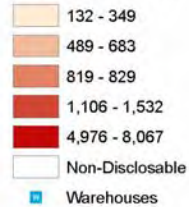
**Transportation, Logistics, Distribution Employment
New Jersey Counties
(2011 Annual Averages)**



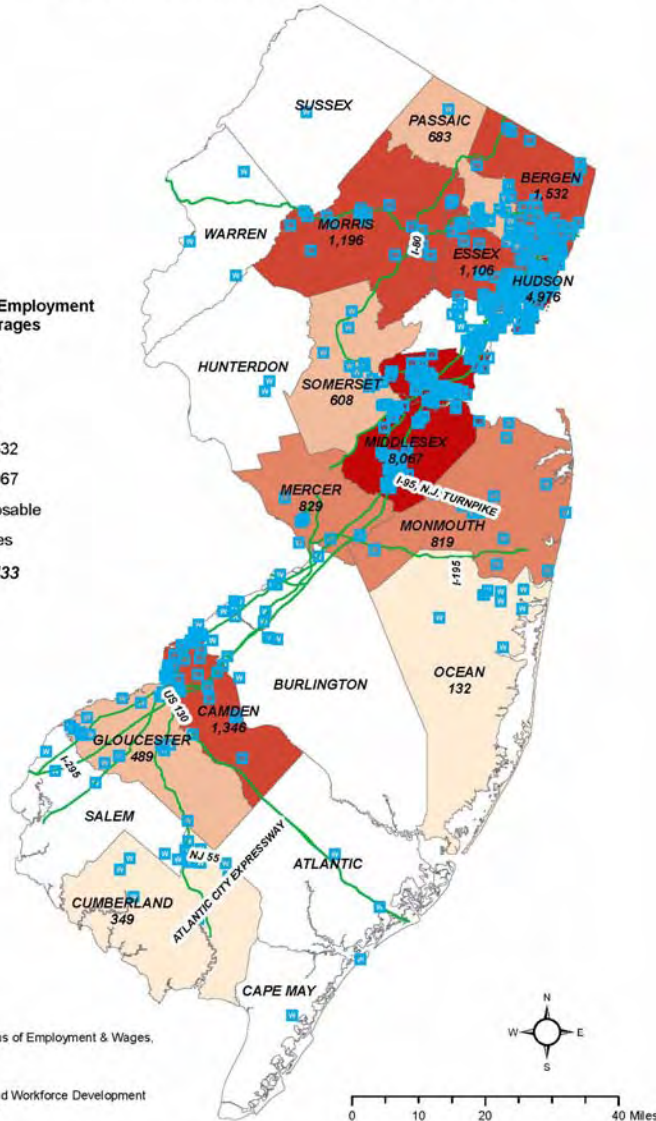
Warehousing & Storage Employment Warehouses Along Major Roadways

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Warehousing & Storage Employment 2011 Annual Averages



New Jersey: 26,433

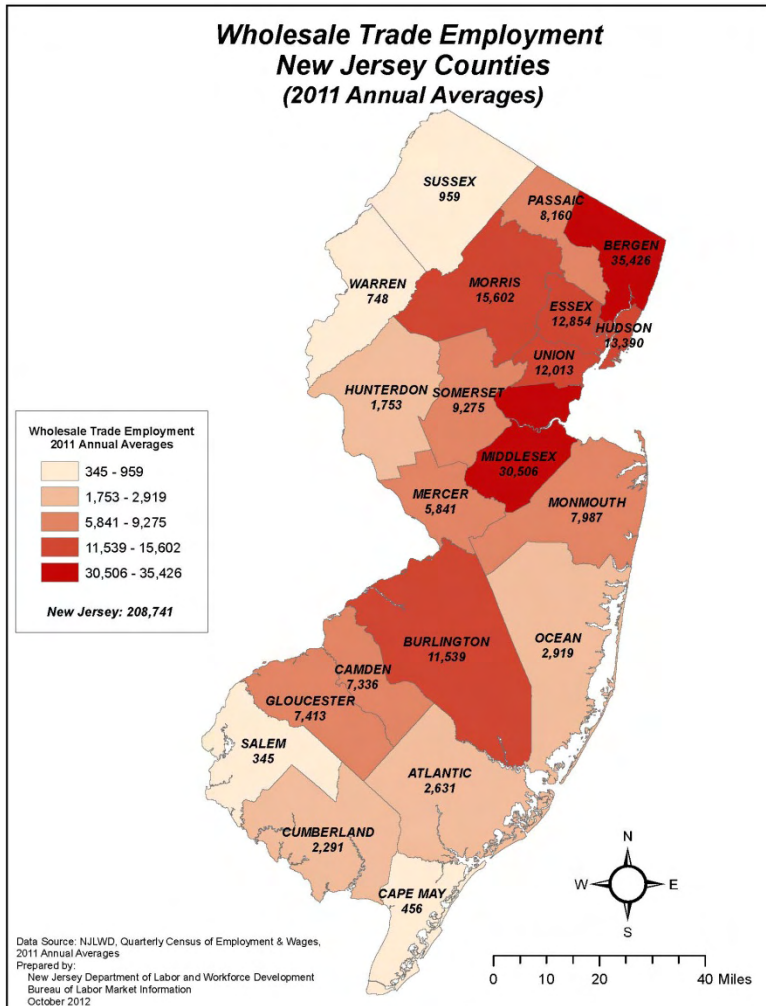


Plotting **warehouse and storage** employers along major roadways illustrates the significance of the state's highway system to the TLD industry cluster.

Data Source: NJLWD, Quarterly Census of Employment & Wages,
2011 Second Quarter Employers &
2011 Annual Average Employment
Prepared by:
New Jersey Department of Labor and Workforce Development
Bureau of Labor Market Information
October 2012

New Jersey's concentration of pharmaceutical firms help Bergen, Middlesex and Morris counties lead the state in employment in wholesale trade.

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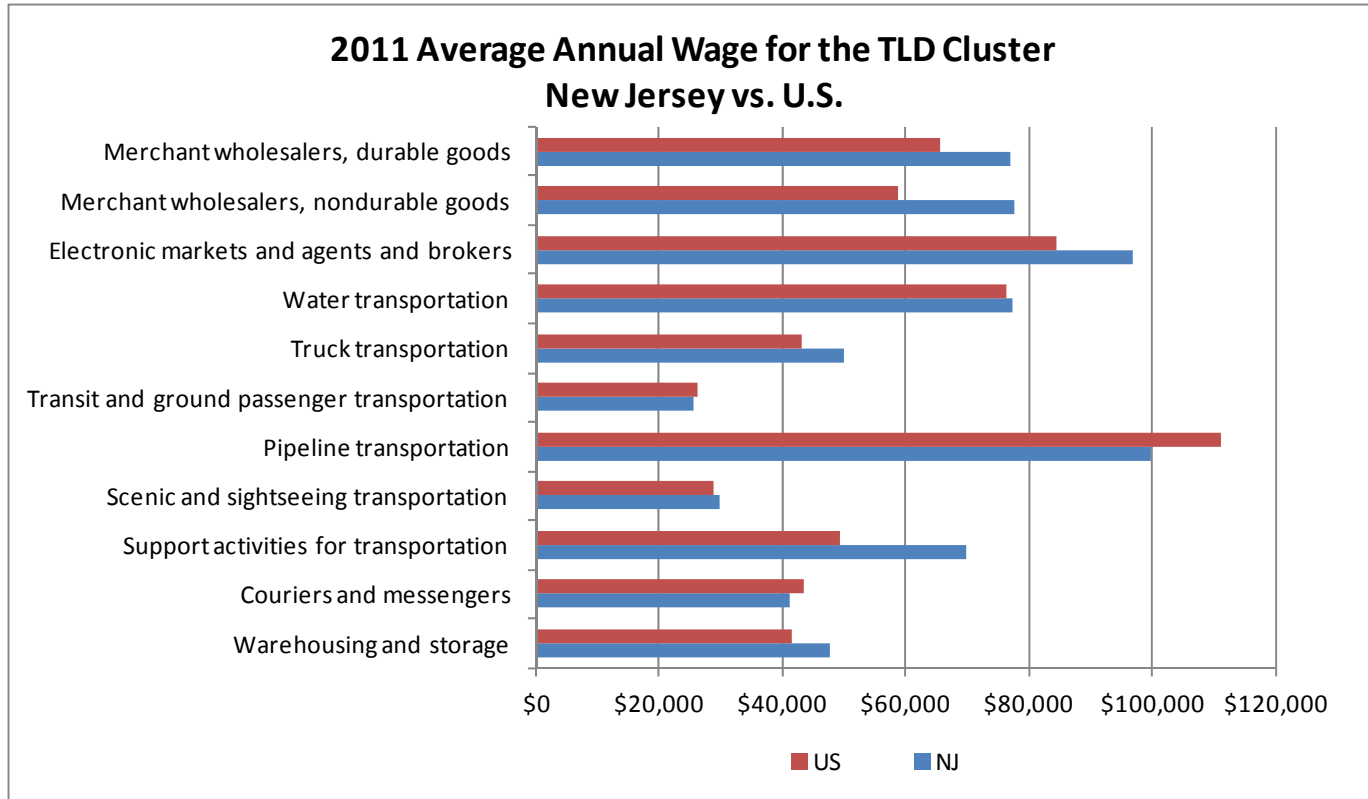


New Jersey's top-ranking counties for wholesale trade employment are Bergen, Middlesex and Morris due in part to the state's high concentration of pharmaceutical firms. Combined, these three counties account for 39.1 percent of employment in wholesale trade and 43.1 percent of jobholding within the druggist 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 9.7 percent of employment within wholesale trade.

The state's top industries by employment within wholesale trade are commercial equipment merchant wholesalers (28,066 jobs or 13.4%) and grocery and related products wholesalers (28,030 jobs or 13.4%).

In 2011, New Jersey's annual average wage was higher than the U.S. average in all but three industry groups within the TLD cluster

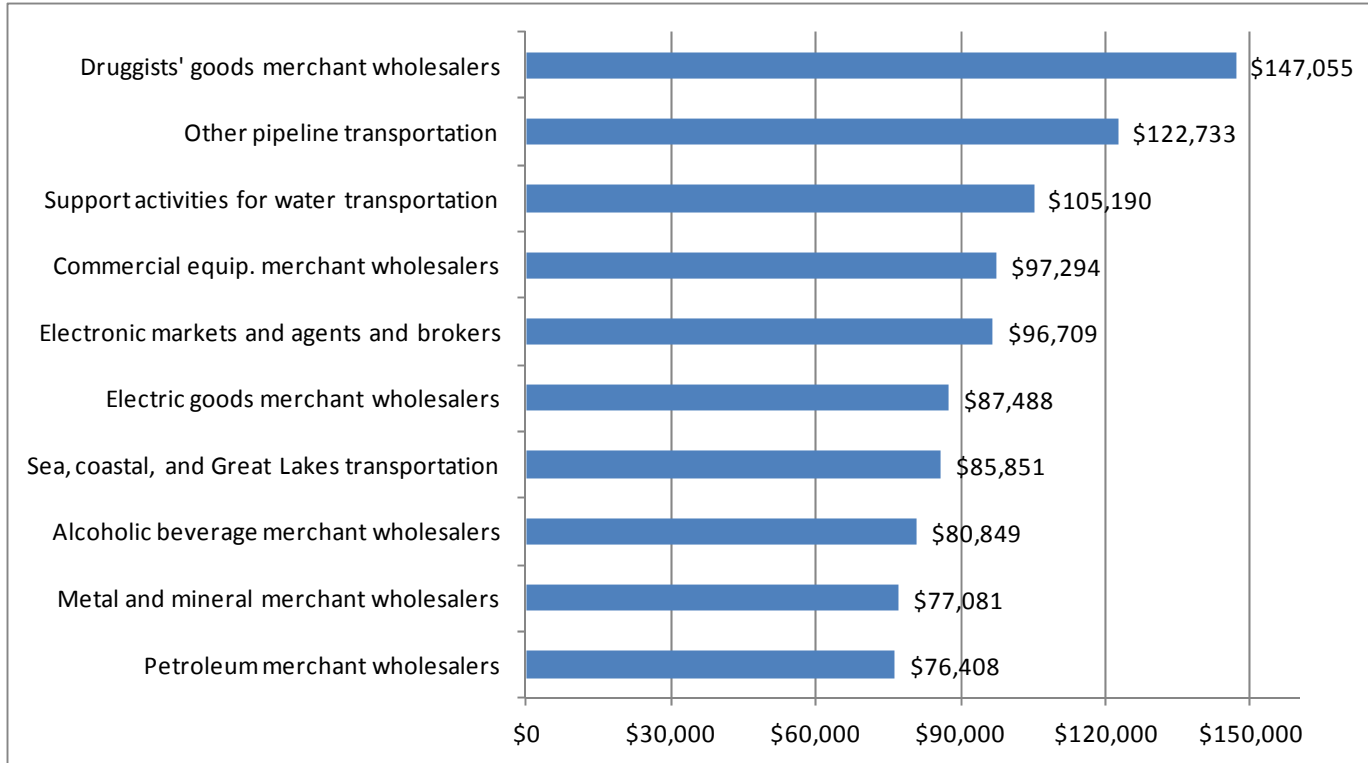


Source: New Jersey Department of Labor and Workforce Development, Quarterly Census of Employment and Wages , 2011 Annual Average
Note: Excludes suppressed industries

New Jersey's average annual wage for the TLD cluster ranged from a high of \$99,949 in pipeline transportation to a low of \$25,656 in transit and ground passenger transportation.

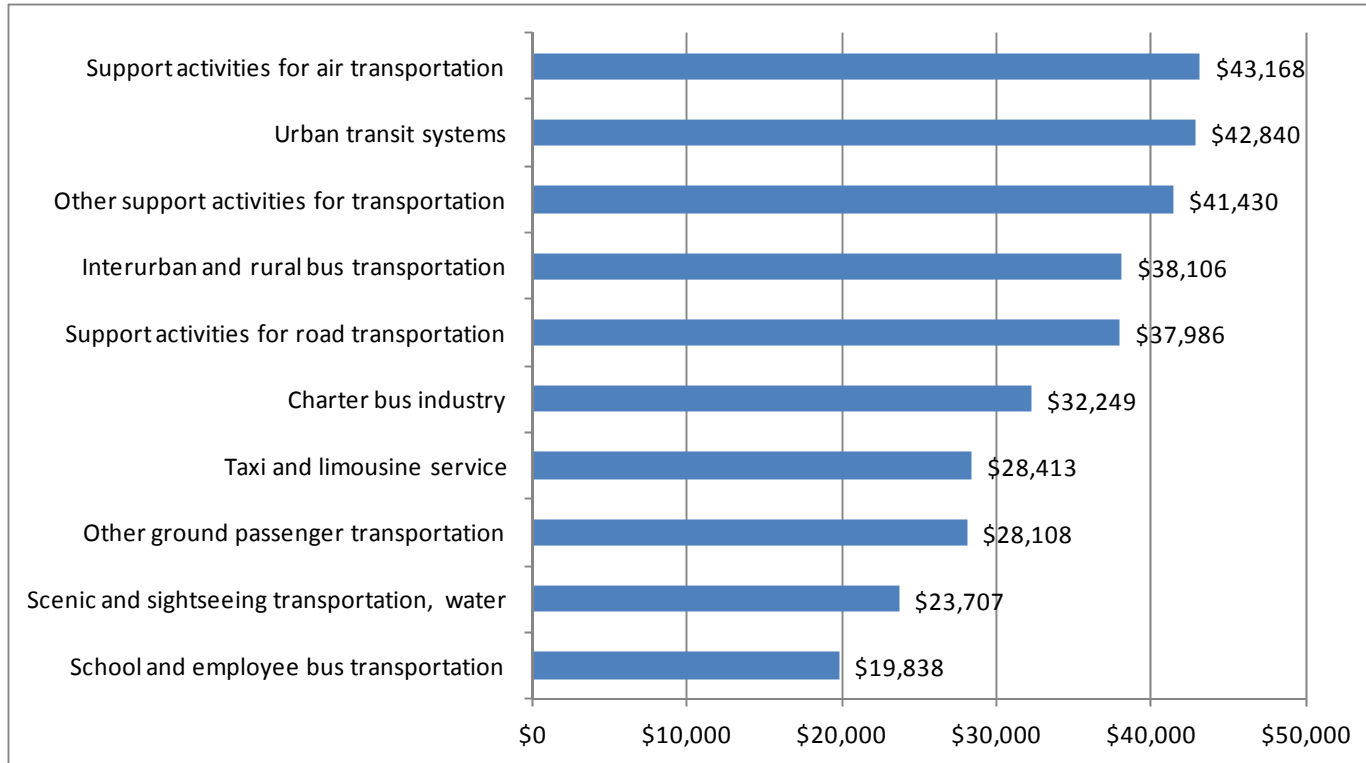


TLD industries which are among those that paid the highest annual average wages in 2011



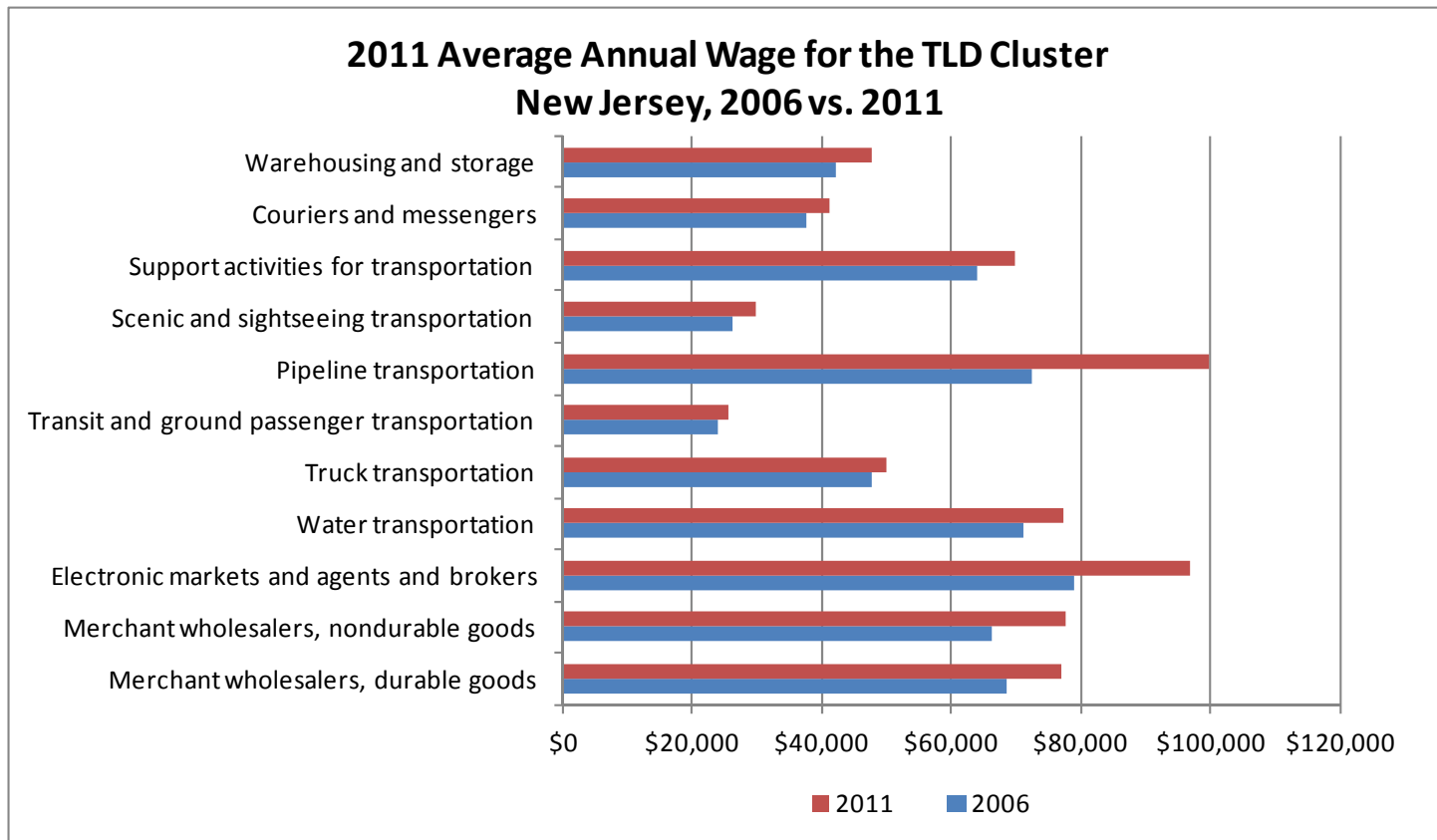
Source: New Jersey Department of Labor and Workforce Development, Quarterly Census of Employment and Wages, 2011 Annual Average

TLD industries which are among those that paid the lowest average wage in 2011



Source: New Jersey Department of Labor and Workforce Development, Quarterly Census of Employment and Wages, 2011 Annual Average

The annual average wage rose the most in pipeline transportation (+\$27,382 or +37.7%) and electronic markets and agents and brokers (+\$17,802 or +22.6%) and agents and brokers (+\$17,802 or +22.6%)



Source: New Jersey Department of Labor and Workforce Development, Quarterly Census of Employment and Wages, Annual Averages



OCCUPATIONAL ANALYSIS

Employment by Occupational Group

Transportation, Logistics and Distribution Industry Cluster Employment by Occupational Group		
Occupational Group	Employment	Percent of Cluster Employment
53 Transportation and Material Moving Occupations	142557	39.6%
43 Office and Administrative Support Occupations	84598	23.5%
41 Sales and Related Occupations	50612	14.1%
11 Management Occupations	19873	5.5%
49 Installation, Maintenance and Repair Occupations	15602	4.3%
13 Business and Financial Operations Occupations	13425	3.7%
51 Production Occupations	11286	3.1%
15 Computer and Mathematical Occupations	9184	2.6%

Source: NJ Department of Labor and Workforce Development, Occupational Employment Statistics Wage Survey, May 2011

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

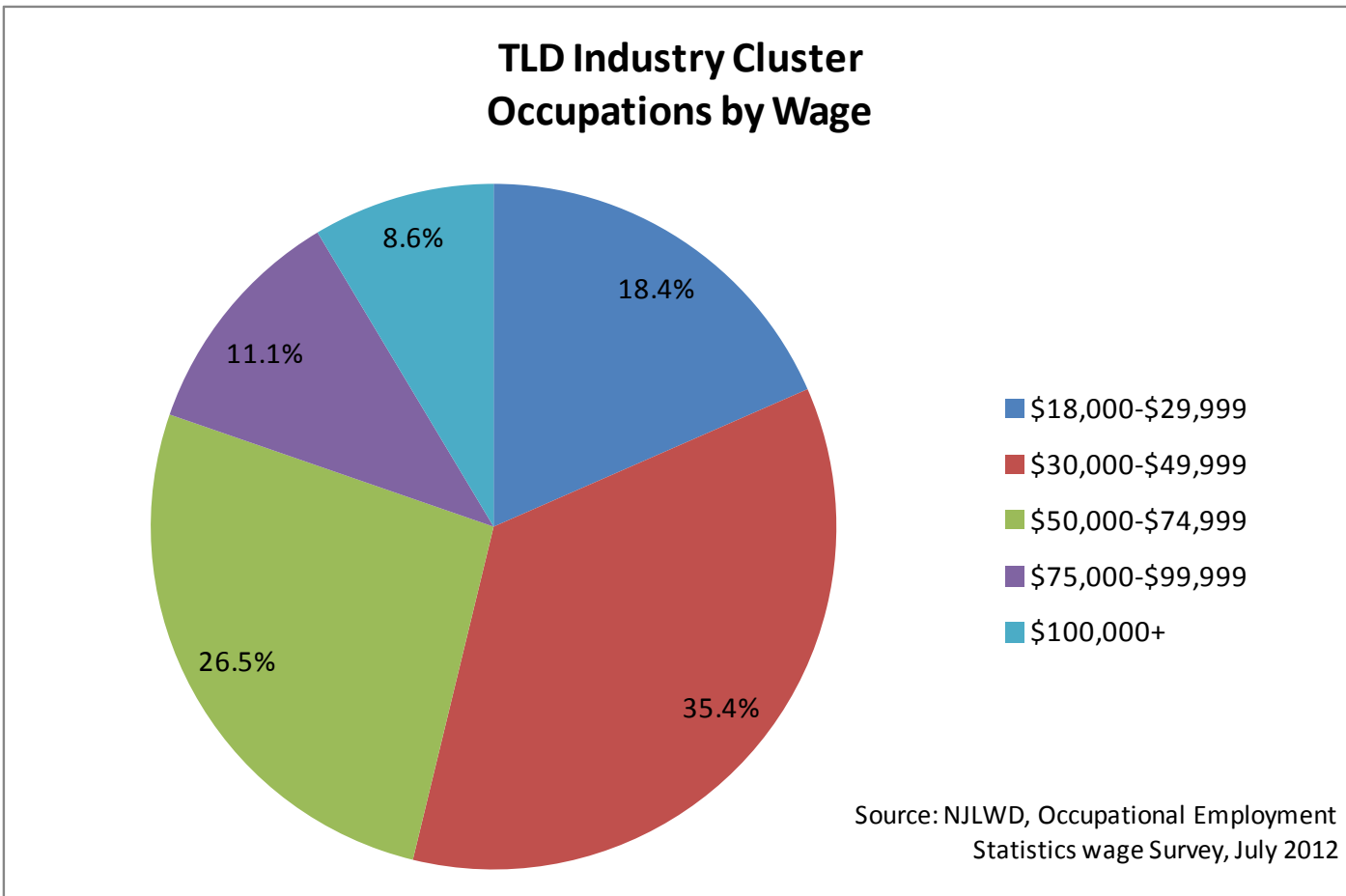
Top-Ranking Occupations

Transportation, Logistics & Distribution Industry Cluster			
Top-Ranking Occupations			
Occupation	Employment	Percent of Cluster Employment	Mean Average Wage
53-7062 Laborers and Freight, Stock, & Material Movers, Hand	36950	10.3%	\$26,630
53-3032 Truck Drivers, Heavy and Tractor-Trailer	28039	7.8%	\$44,130
41-4012 Sales Reps, Wholesale & Manufacturing, Excl. Technical and Scientific Products	27906	7.7%	\$75,310
53-3033 Truck Drivers, Light or Delivery Services	11335	3.1%	\$36,810
53-3022 Bus Drivers, School	11072	3.1%	\$31,470
43-5081 Stock Clerks and Order Fillers	9250	2.6%	\$24,830
43-5071 Shipping, Receiving, and Traffic Clerks	9204	2.6%	\$32,500
43-9061 Office Clerks, General	9081	2.5%	\$31,320
43-4051 Customer Service Representatives	8865	2.5%	\$36,290
53-7051 Industrial Truck and Tractor Operators	8321	2.3%	\$32,510

Source: NJ Department of Labor and Workforce Development, Occupational Employment Statistics Wage Survey, May 2011

The three top-ranking occupations within the TLD industry cluster account for nearly one in every four jobs.

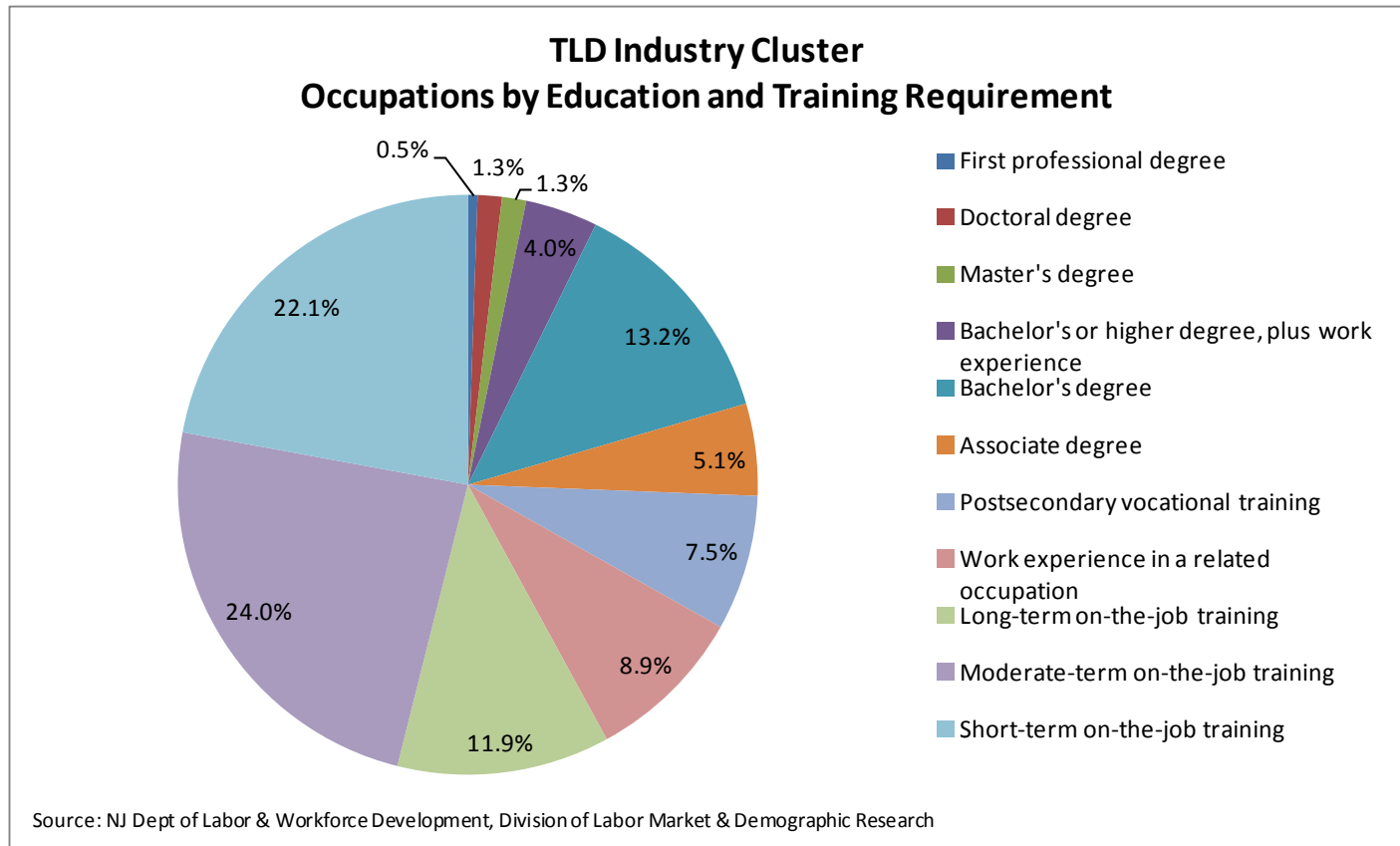
Of the 396 occupations within the TLD industry cluster for which wage data is reported, the majority average \$30,000-\$49,999 annually



Note: Wage data represents statewide average for all industry sectors combined.



Of the 371 occupations within the TLD cluster for which education and training requirements data is available, nearly half (46.1%) require only short- or moderate-term on-the-job training.

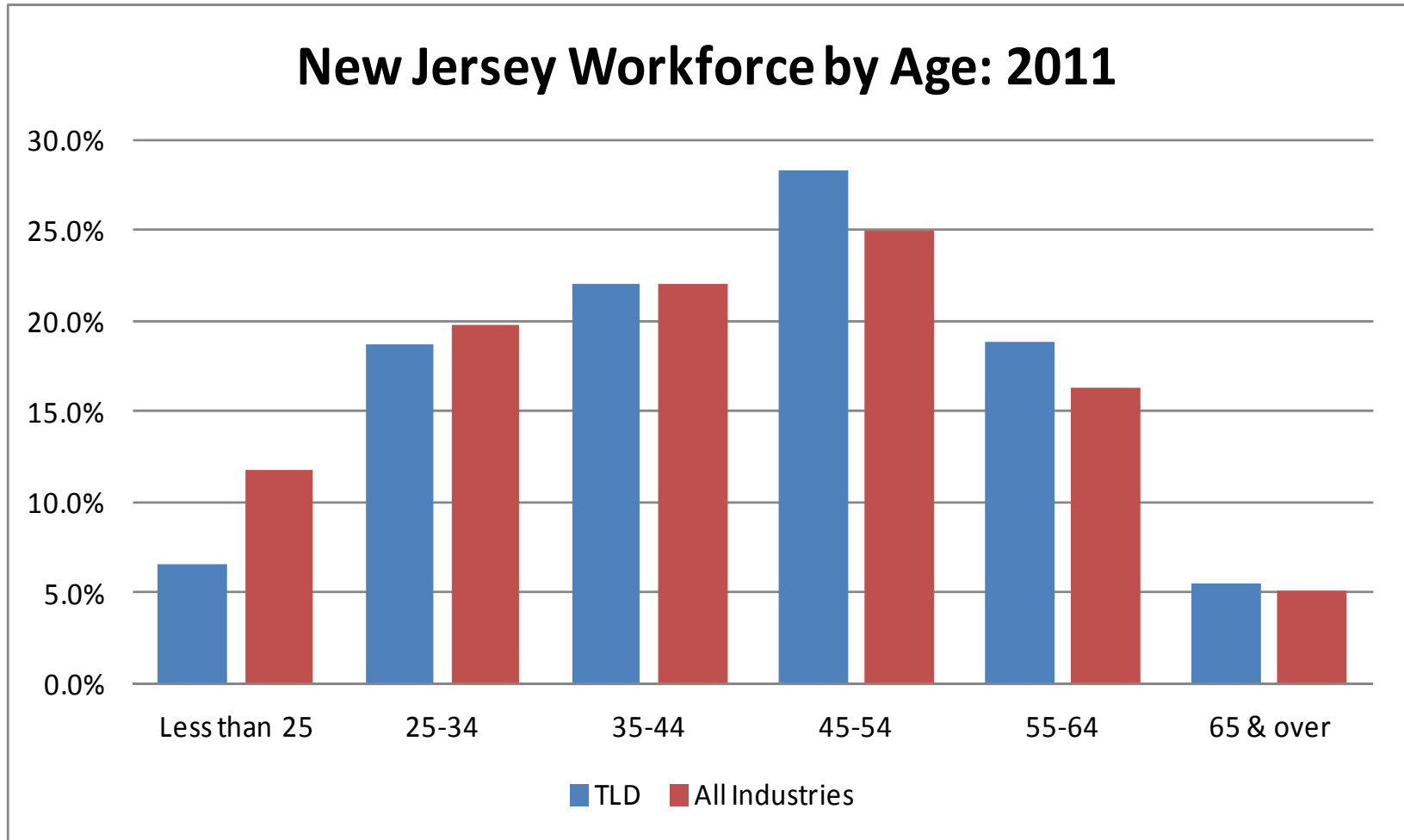


Although the majority of occupations within the TLD cluster have lower educational and training requirements, many do have licensing requirements.



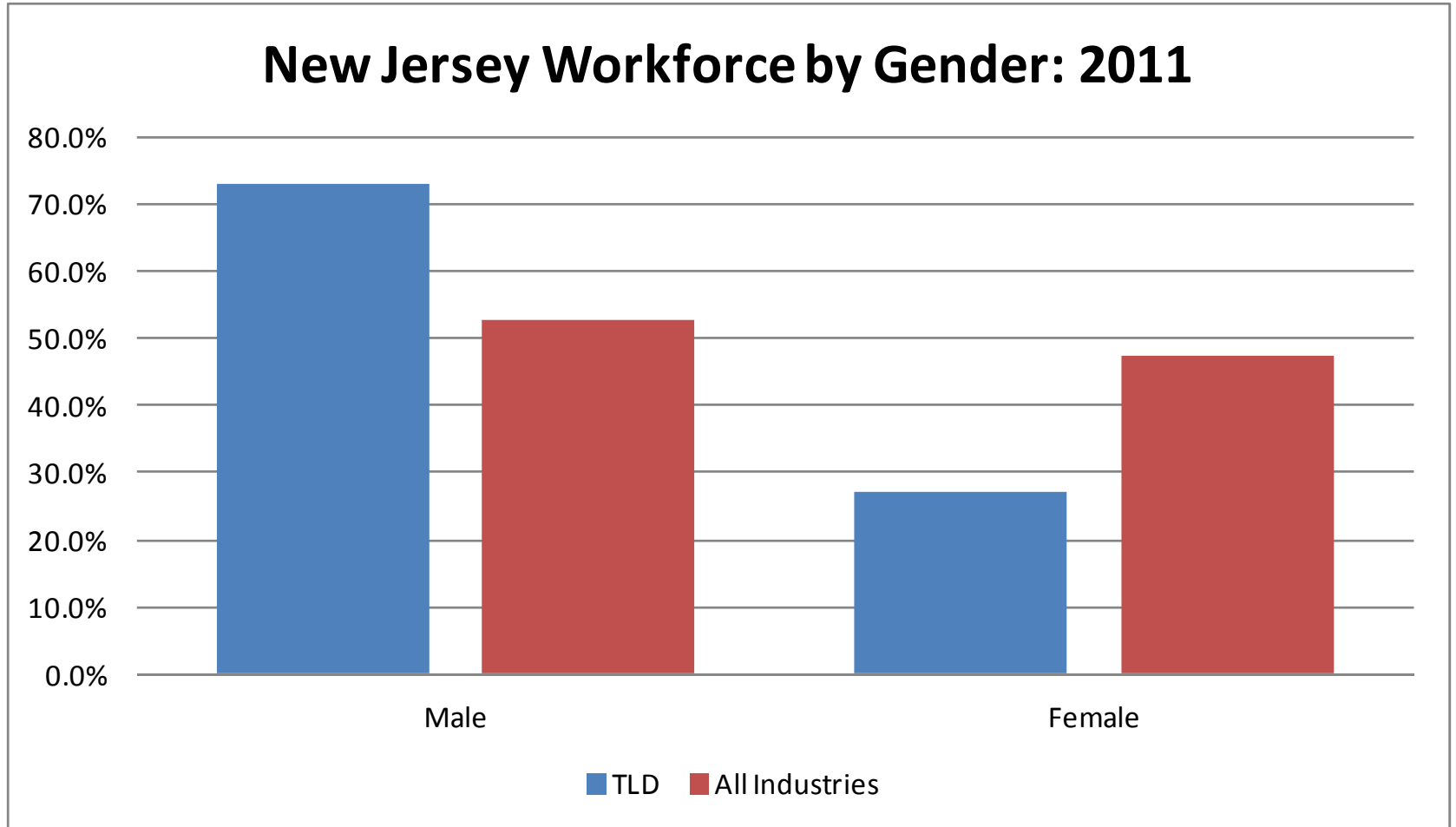
WHO ARE THE WORKERS?

The workforce (New Jersey residents) of the TLD cluster is older than the than for the state as a whole



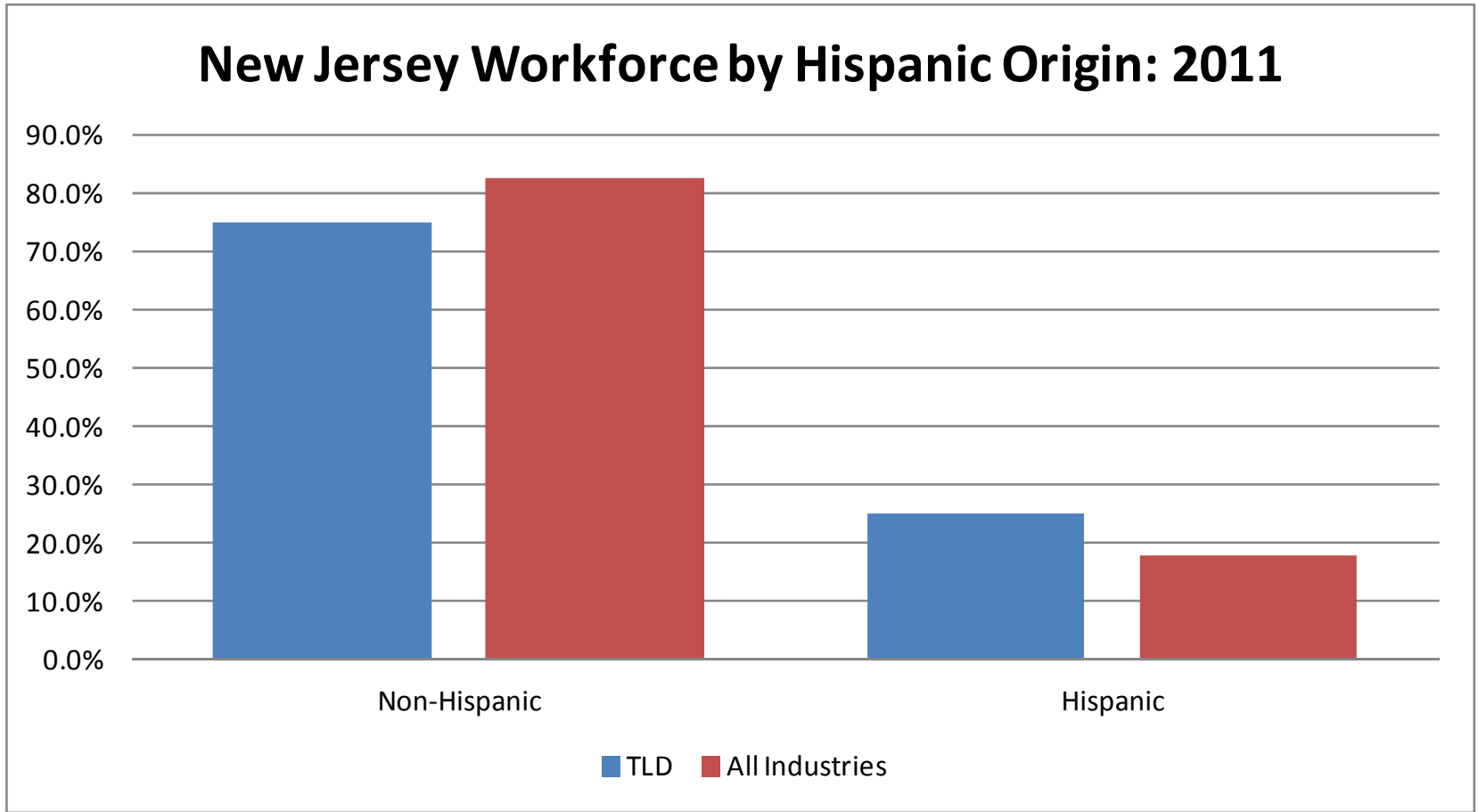


TLD's New Jersey resident workforce is predominately male



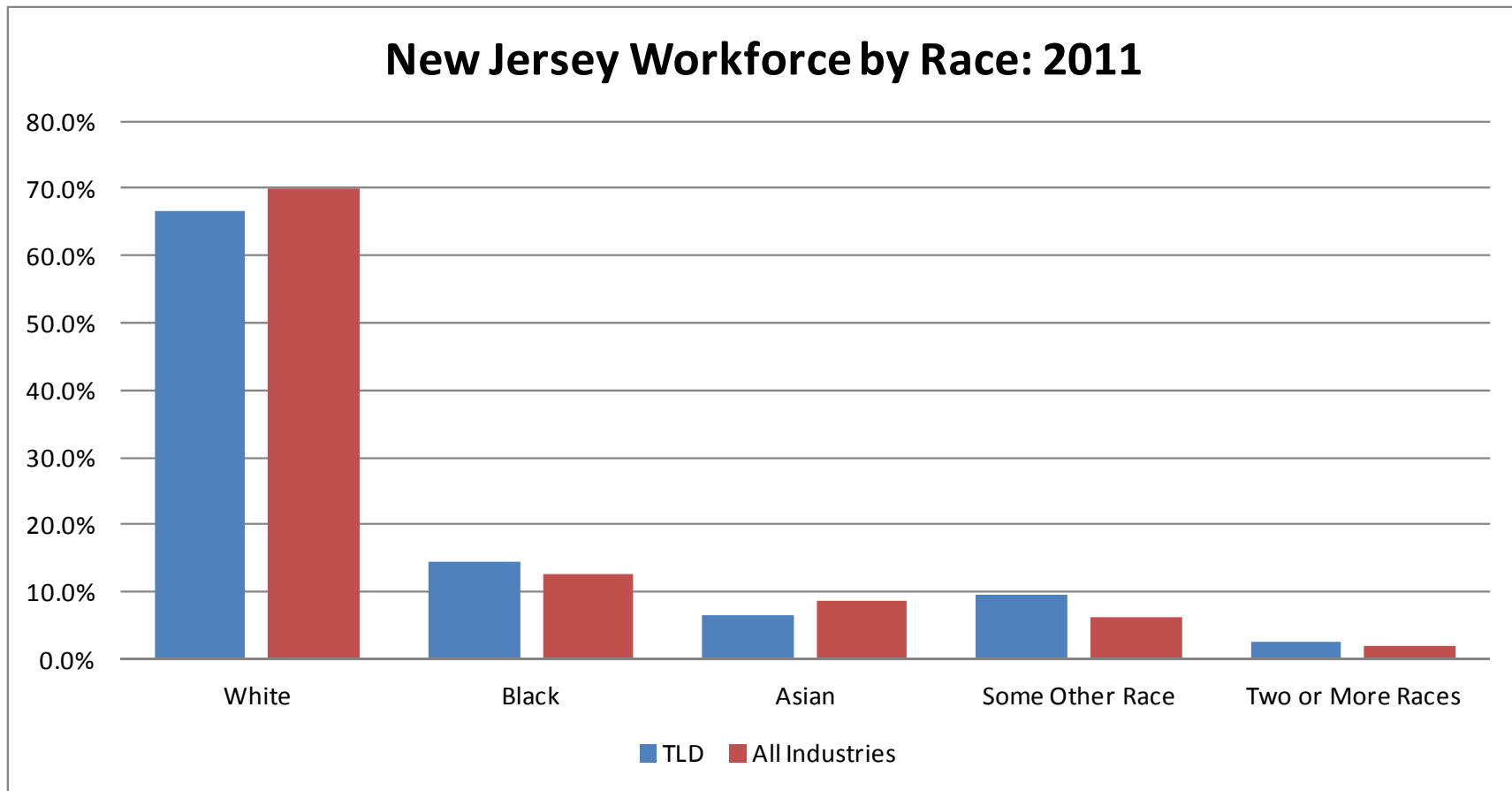
Source: US Bureau of the Census, American Community Survey, 2011

TLD has a larger share of Hispanic workers (New Jersey residents)



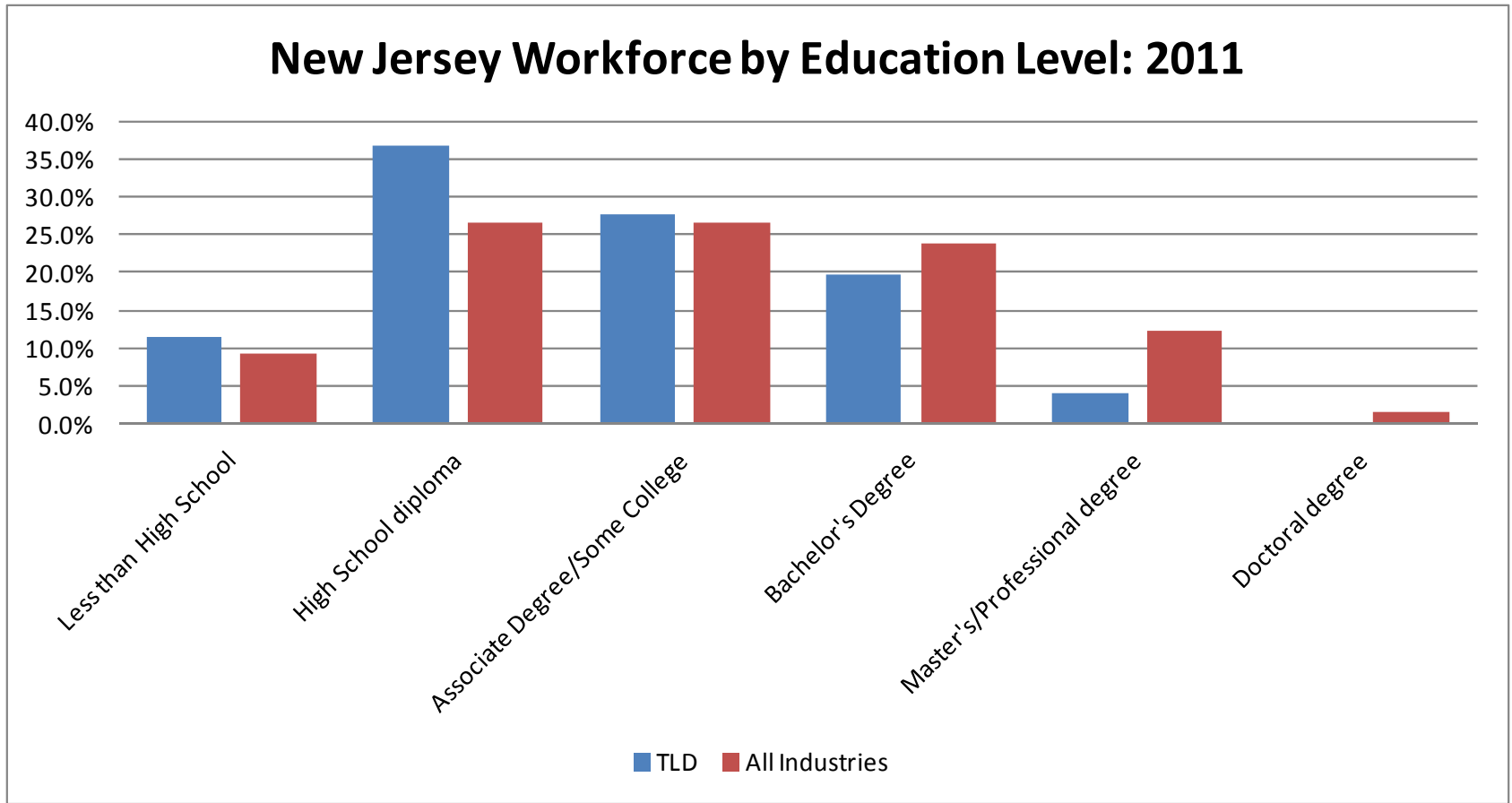
Source: US Bureau of the Census, American Community Survey, 2011

TLD also has a larger share of minority workers (New Jersey residents)



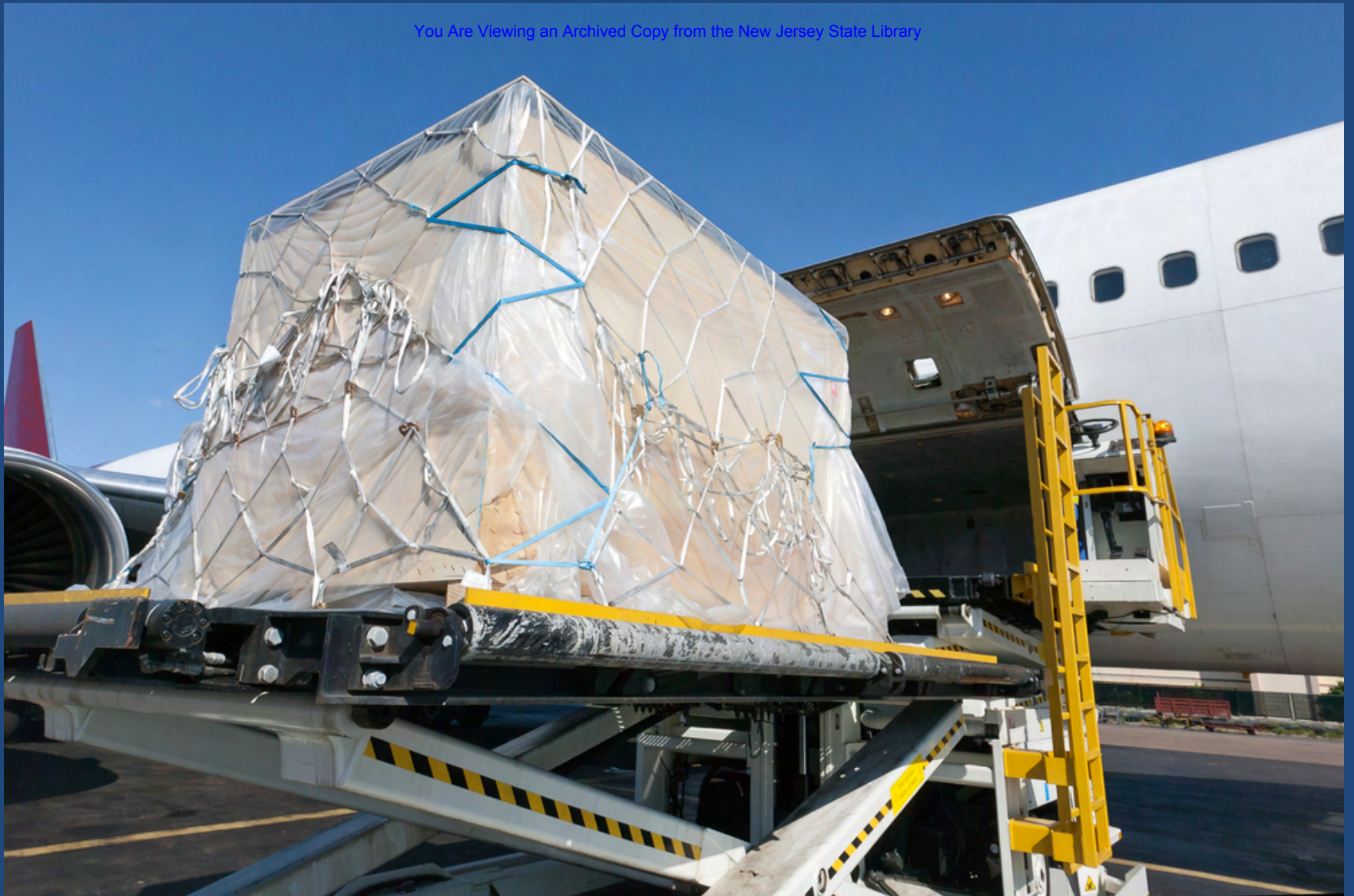
Source: US Bureau of the Census, American Community Survey, 2011

A larger percentage of New Jersey resident TLD workers possess no further education beyond high school.



Source: US Bureau of the Census, American Community Survey, 2011

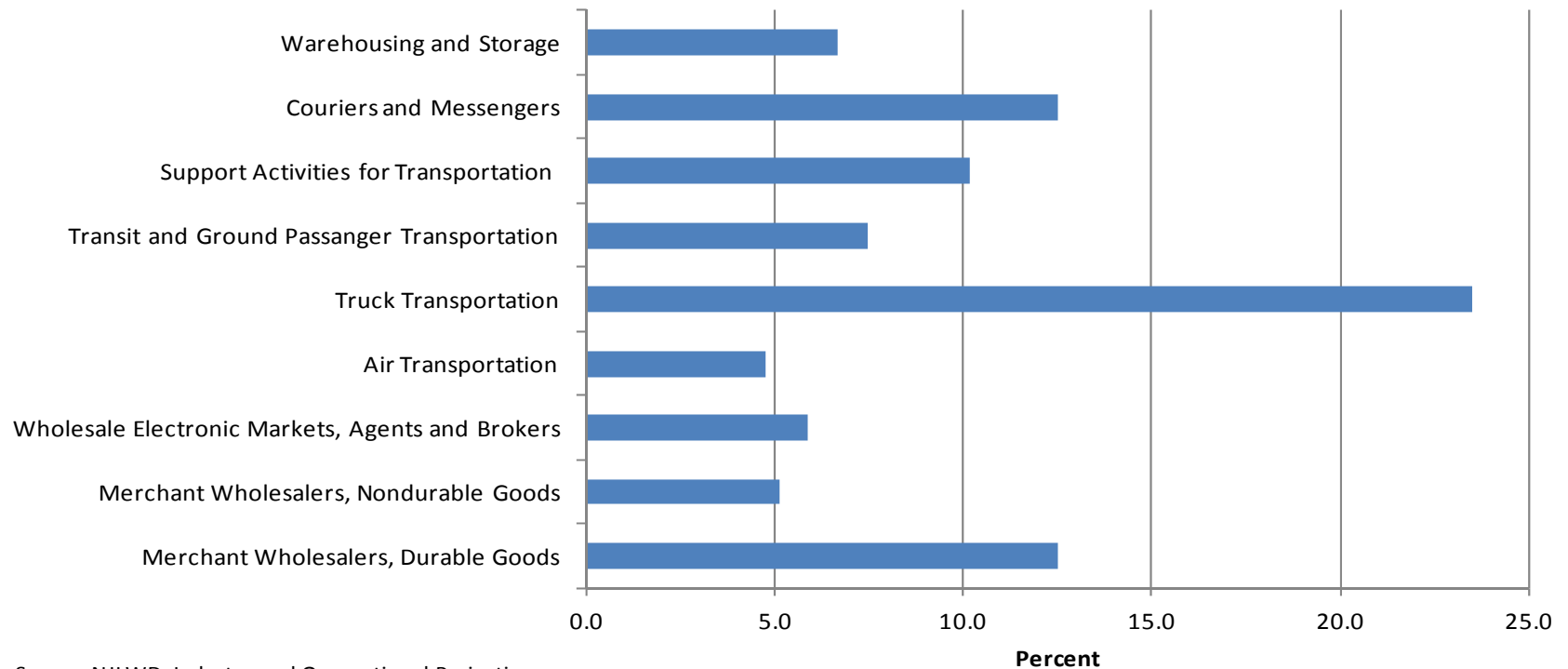
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WHERE THE JOBS ARE

With a projected growth rate of 23.5 percent, **truck transportation** is expected to be the TLD cluster's fastest-growing industry by 2020.

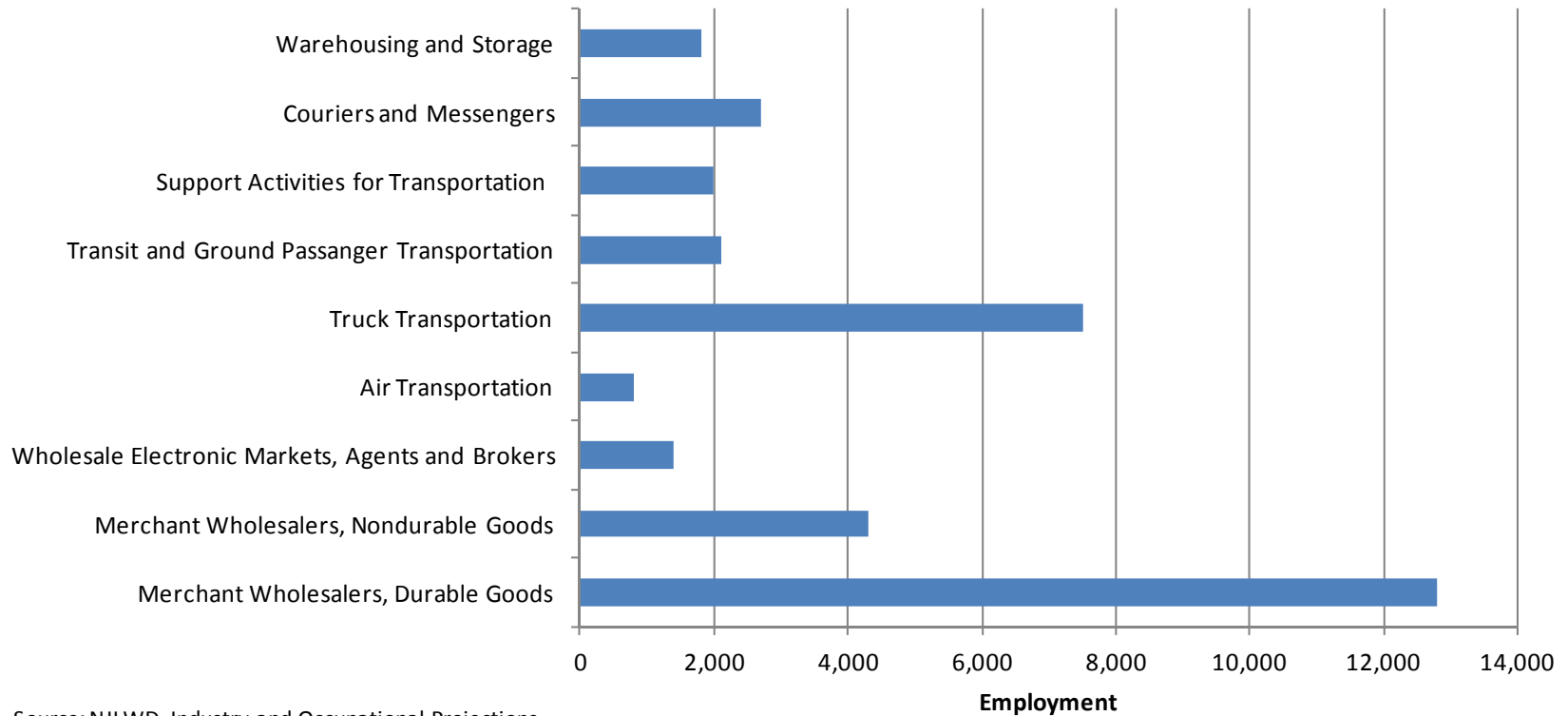
Transportation, Logistics & Distribution Industry Cluster Projected Employment Change by Industry, 2010-2020



Source: NJLWD, Industry and Occupational Projections
September 2012

The industry in the TLD cluster expected to add the most jobs from 2010 to 2020 is merchant wholesalers, durable goods (+12,800)

Transportation, Logistics & Distribution Industry Cluster Projected Employment Change by Industry, 2010-2020



Source: NJLWD, Industry and Occupational Projections
September 2012

FOR MORE INFORMATION ON NEW JERSEY'S
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