

THE GOODS MOVEMENT INDUSTRY
IS ONE OF THE MOST IMPORTANT
EMPLOYERS IN SOUTHERN
CALIFORNIA.

economic impacts of goods movement

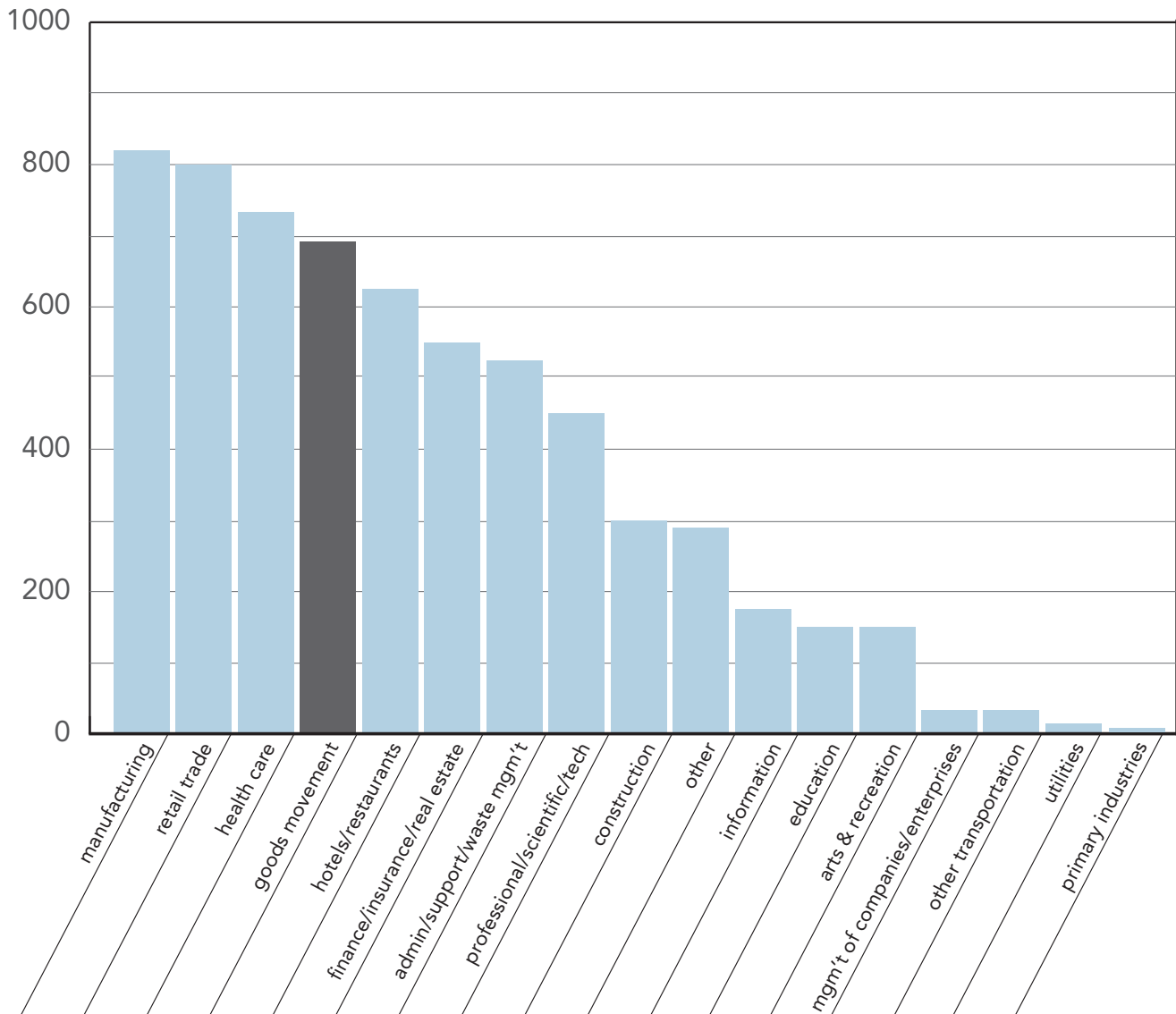
GOODS MOVEMENT IS AN IMPORTANT part of the Southern California economy. The industry includes wholesale trade, warehousing, and freight transportation. The industry provides merchandise to the region's shoppers and businesses, and jobs to the region's workers. The industry also provides a number of entry-level jobs with above-average pay. The region's unique location and transportation infrastructure attract a massive amount of goods movement operations to the area. Goods movement generates an estimated \$170 billion of economic benefit annually to Southern California.⁵

BENEFITS OF GOODS MOVEMENT TO THE REGIONAL ECONOMY

The goods movement industry is one of the most important employers in Southern California. Goods movement provides more than 10% of the jobs in the six-county Southern California region.⁶ The goods movement sector is the fourth largest employer in the region, after the manufacturing (1st), retail (2nd), and health care (3rd) industries (see Figure 2-1 next page). Goods movement is also a strong source of job growth for the region. The number of jobs in the goods movement industry grew by 18% in the region during 1998-2006. The number of total jobs in the region grew by 14% during this period. Goods movement has grown independently of Southern California population growth patterns.⁷ The current national economic downturn may hamper the growth of the



FIGURE 2-1 EMPLOYMENT BY INDUSTRY, SIX-COUNTY SOUTHERN CALIFORNIA REGION (2006)



Source: County Business Patterns 2006. Excludes government and self-employed. Excludes some data points for reasons of confidentiality.

goods movement industry. However, the industry is expected to maintain long-term growth in Southern California.

Workers in the goods movement industry who live in Southern California spend their earnings within the region. Goods movement operations buy goods and services from other regional businesses. These purchases stimulate the economy and indirectly support other employment in the region. Through this cycle of reinvestment, each job in the goods movement industry supports two new jobs in the regional economy.⁸

Southern California’s economy sees \$1,375 billion in economic activity annually. When the indirect impact of the goods movement industry is considered, the industry is responsible for \$170 billion in economic activity,⁹ or more than 12% of all economic activity in the region.¹⁰

Development and expansion of goods movement facilities can bring economic benefits to local governments and communities, too. Building of new goods movement facilities creates construction jobs. Warehouses and other commercial developments bring property taxes to local government coffers – both secured property taxes (for the land and buildings) and unsecured property taxes (for equipment on site). Because these facilities often create little new demand for city services, they can result in a net fiscal benefit to for local governments. These revenues can then be applied to services and infrastructure that support the entire community such as public safety, libraries, parks and recreation, and many other important aspects that make communities healthy and desirable places to live.

JOBS IN GOODS MOVEMENT

Goods movement operations employ nearly 700,000 people in the six-county region. Approximately 66% of these jobs are in wholesale trade businesses, 9% are in truck transportation and another 9% are in transportation services. (See Figure 2.1 on the following page.)

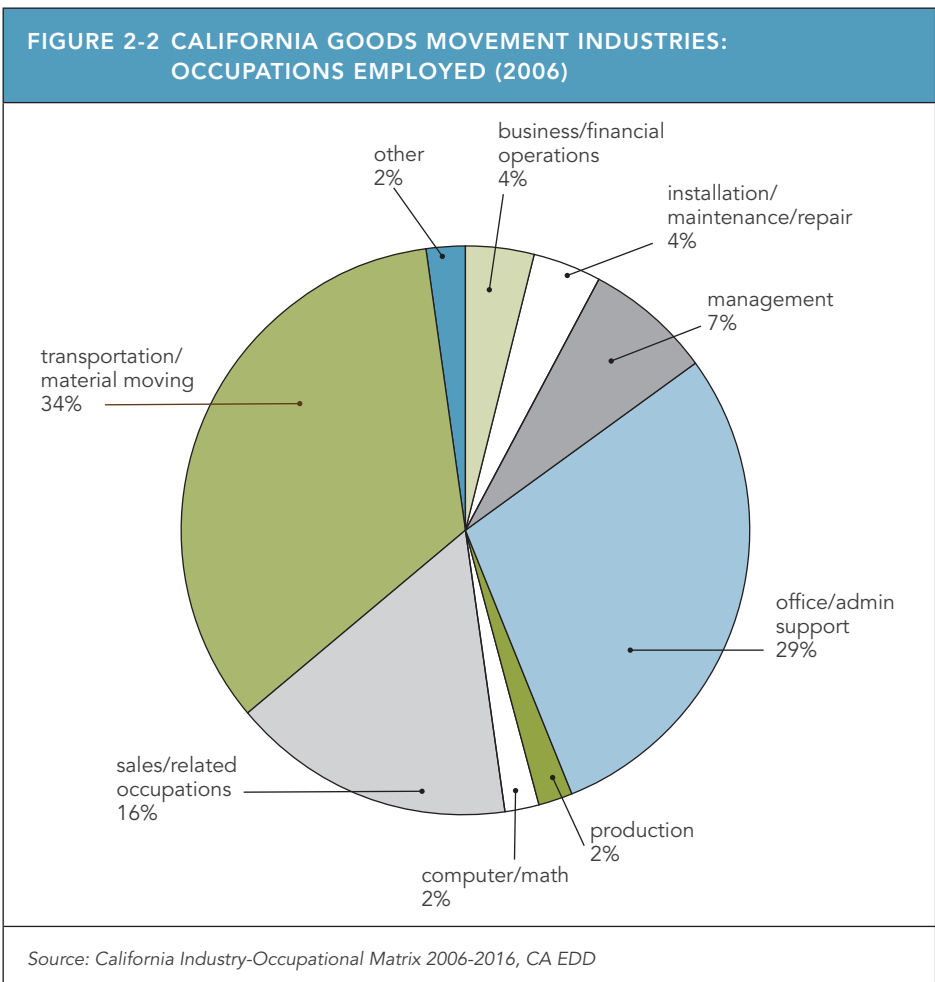
Jobs in goods movement range from entry-level to white-collar managerial positions. Goods movement operations depend heavily on two types of jobs: 1) Transportation and Material Moving occupations, and 2) Office and Administrative Support occupations. The goods movement industry also employs salespeople, business and financial experts, maintenance and repair technicians, managers, and computer technicians (See Figure 2-2 on the following page).

EACH JOB IN THE GOODS
MOVEMENT INDUSTRY
SUPPORTS TWO MORE JOBS IN
THE REGIONAL ECONOMY.

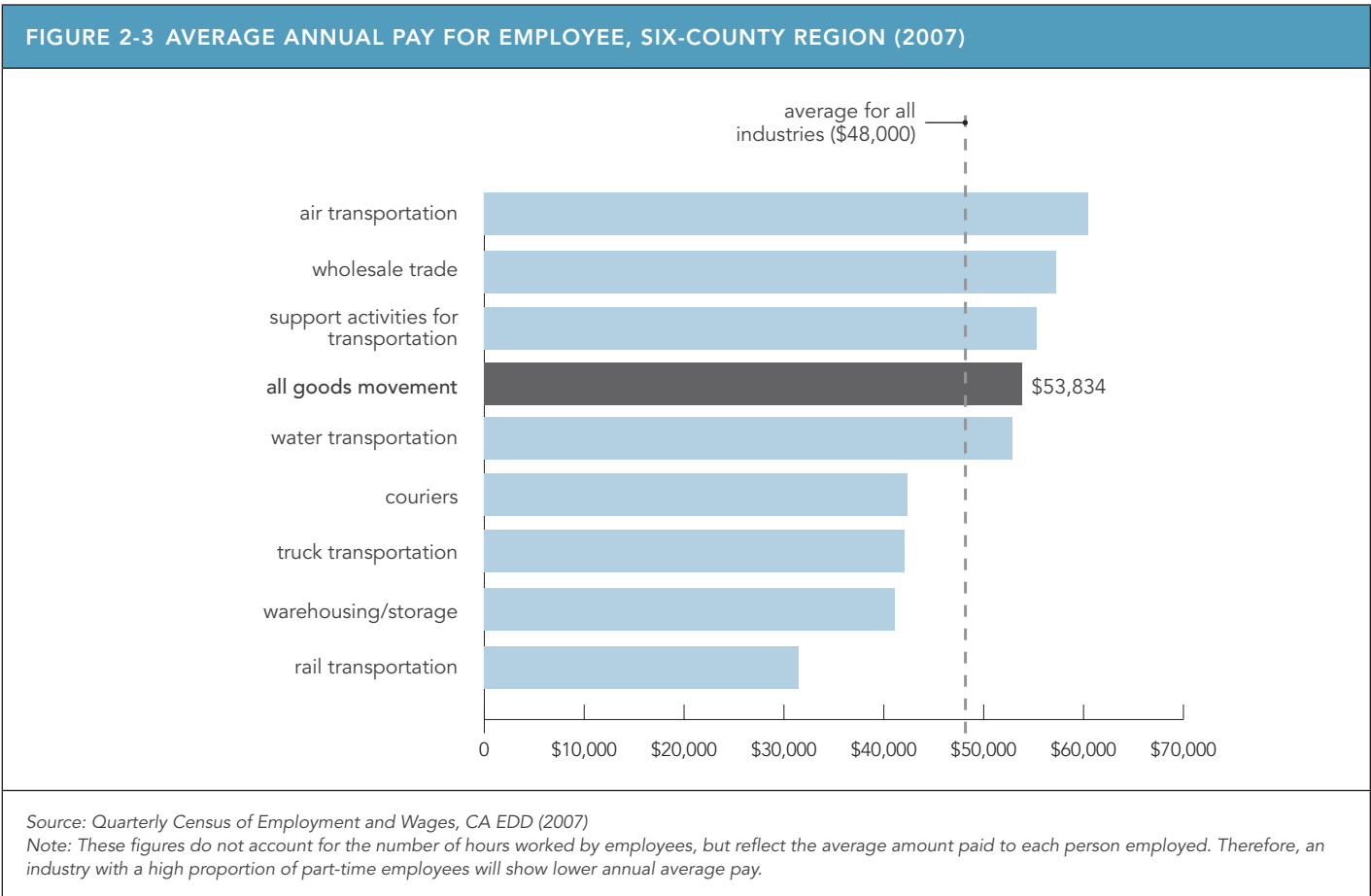


TABLE 2-1 EMPLOYMENT IN GOODS MOVEMENT IN THE SIX-COUNTY REGION (2006)	
Business Type	Employees
Wholesale trade	464,000
Truck transportation	62,000
Support services for transportation	62,000
General warehousing and storage	42,000
Non-local couriers	36,000
Air transportation	23,000
Water transportation	3,000
Rail transportation	<3,000*
Total	692,000

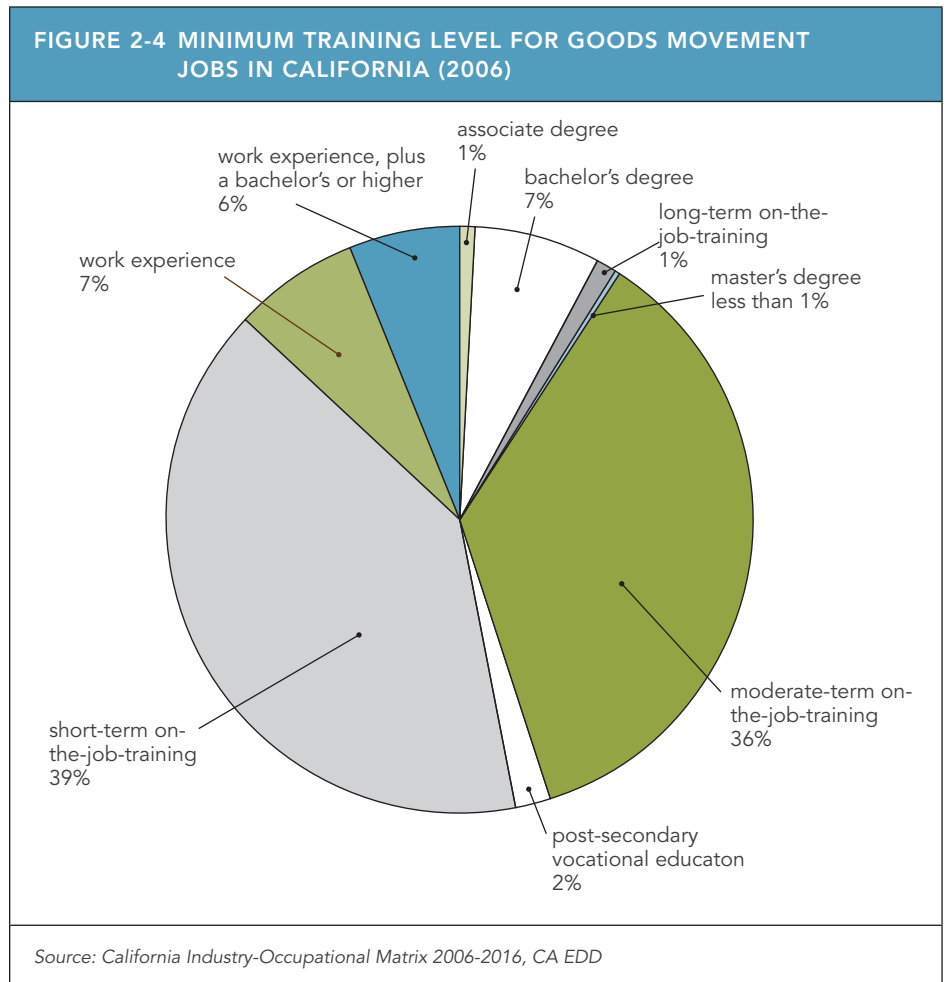
Source: County Business Patterns 2006
 * There is conflicting data on the size of the rail transportation industry in the six-county region. Employment in the rail industry is estimated to be equal to or less than employment in water transportation.



Many goods movement jobs pay better than the average job. In Southern California, employees in goods movement make an average of \$54,000 annually, \$6,000 higher than the average annual pay. Note that this average salary includes airline pilots, who are high-skilled employees who earn a higher wage than most other goods movement jobs. But some other types of goods movement jobs also pay more than the average. Wholesalers, the primary employer in the industry, pay their employees an average of \$10,000 more per year than the regional average (see Figure 2-3).



Many of the jobs available within the industry are entry-level jobs, suitable for workers with little to no higher education or training. In California, 75% of jobs in the goods movement industry require workers to have only short-term or moderate-term on-the-job training (see Figure 2-4 below). Unskilled workers can gain entry into the labor force with starting pay above minimum wage and benefits packages. Goods movement jobs allow workers to develop new skills and increase their income as they gain experience.¹¹



DISTRIBUTION OF ECONOMIC IMPACTS

The economic benefits of goods movement are not necessarily distributed equally across the cities and residents of Southern California. Goods movement jobs tend to be clustered near the SPB ports, and near key highway and rail interchange points, including San Bernardino and Riverside counties. Like many other industries, those holding jobs at goods movement facilities often do not live in the communities where they work. Thus, some communities may bear the brunt of goods movement environmental impacts without experiencing the economic benefits of well-paying jobs. By working in partnership with companies providing goods movement services, communities can help to ensure that local residents are made aware of and considered for new jobs in these businesses.



CASE STUDY MIRA LOMA

The Mira Loma community in Riverside County hosts a major railyard and warehouse facilities, which are significant parts of the region's goods movement system. Yet, Community Feedback Group members describe challenges by local residents in securing permanent, stable positions at these facilities, finding that temporary, lower-paying positions are more commonly available for unskilled workers.