



January 2020

KENTUCKY

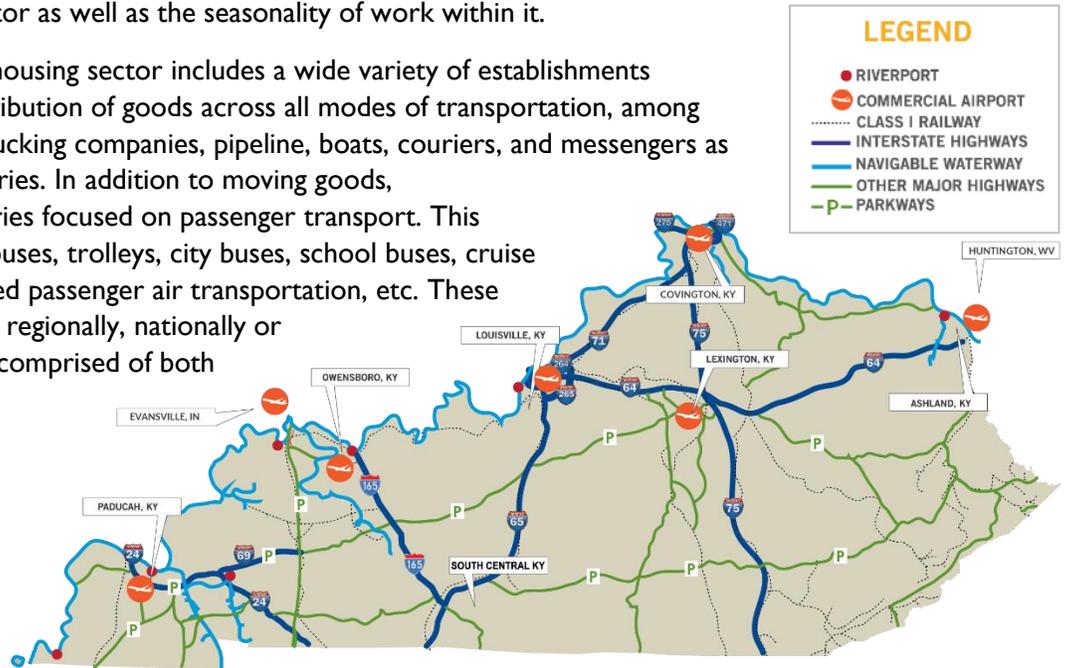
LABOR FORCE UPDATE

Moving People, Packages and Presents Through Kentucky

During the holiday season, we rely on the Transportation and Warehousing industry sector to transport goods to stores, packages and letters through the mail, and us to our destinations. This month's *Labor Force Update* takes a closer look at this industry sector as well as the seasonality of work within it.

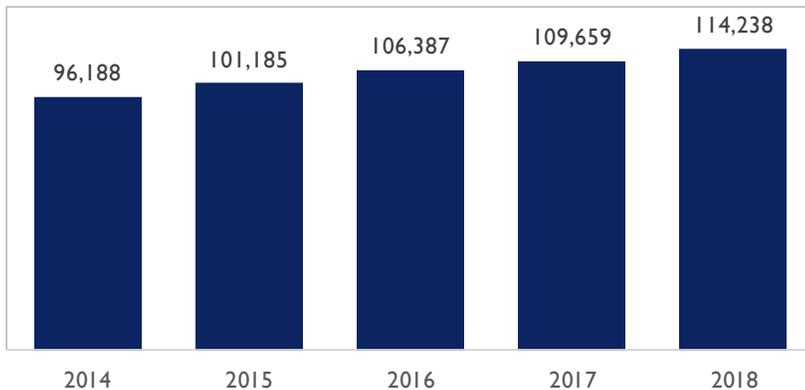
The Transportation and Warehousing sector includes a wide variety of establishments related to the storage and distribution of goods across all modes of transportation, among them are airports, railroads, trucking companies, pipeline, boats, couriers, and messengers as well as other supporting industries. In addition to moving goods, the sector also contains industries focused on passenger transport. This includes taxi services, charter buses, trolleys, city buses, school buses, cruise lines, helicopter tours, scheduled passenger air transportation, etc. These companies may operate locally, regionally, nationally or internationally. The industry is comprised of both public and private employers.

There are more than 114,000 people employed in Kentucky's Transportation and Warehousing sector according to the U.S. Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW) program. This represents 1 in every 16 jobs in Kentucky, or 6 percent of total employment.



Source: Kentucky Cabinet for Economic Development

Average Annual Employment in Kentucky's Transportation and Warehousing Sector



Source: BLS, QCEW

Since 2014, employment in the Transportation and Warehousing sector has grown faster than the state overall.

The sector has been steadily growing, adding more than 18,000 jobs over the past five years. Between 2014 and 2018, this sector grew 18.8 percent, more than four times faster than state industry overall (4.3 percent).

Note: Rail Transportation workers covered by the Railroad Unemployment Insurance Act rather than Unemployment Insurance (UI) are not included in the QCEW.



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The types of establishments within the sector are diverse. The adjacent chart shows average annual employment by subsector for 2018. The majority of employment is concentrated in three subsectors:

- Couriers and Messengers
- Warehousing and Storage
- Truck Transportation

Combined, these three subsectors employed nearly 85,000 people during 2018. The majority of the employment growth in this sector since 2014 has occurred in two of these subsectors: Warehousing and Storage (8,752 jobs) and Couriers and Messengers (5,550 jobs).

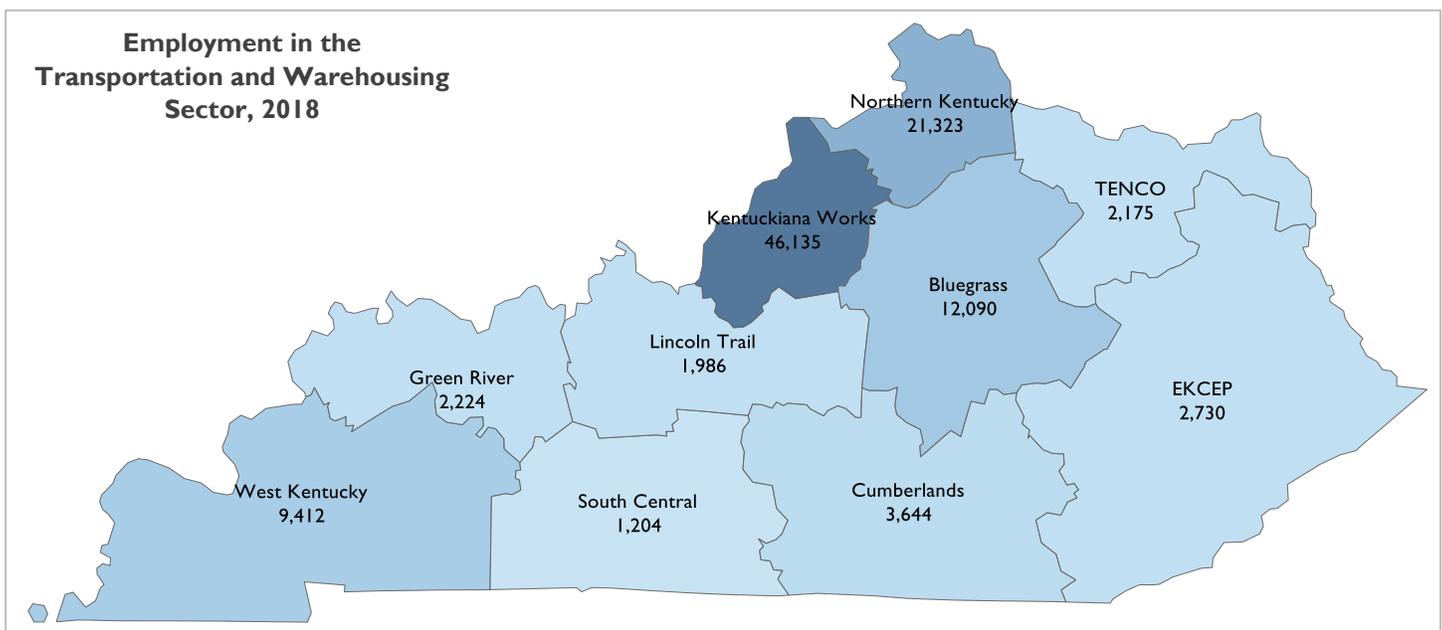
Employment in the sector can be found across the state as shown in the Local Workforce Area (LWA) map below.

There is a concentration of private employment in the LWAs that include the three commercial airports: Bluegrass, Kentuckiana Works and Northern Kentucky. Each of these LWAs also has a significant distribution component which includes employment in the Warehousing and Storage subsector. For example, in Bullitt County, part of the Kentuckiana Works LWA, 91.5 percent of the employment in the sector is within the Warehousing and Storage subsector.

Transportation and Warehousing Employment by Subsector, 2018

Subsector	Employment	Share
Air Transportation	2,453	2.1%
Rail Transportation	ND	ND
Water Transportation	2,979	2.6%
Truck Transportation	23,385	20.5%
Transit and Ground Passenger Transportation	3,965	3.5%
Pipeline Transportation	853	0.7%
Scenic and Sightseeing Transportation	ND	ND
Support Activities for Transportation	10,416	9.1%
Postal Service	7,983	7.0%
Couriers and Messengers	30,652	26.8%
Warehousing and Storage	30,437	26.6%
Non-Disclosed	1,115	1.0%
Total	114,238	100.0%

Source: BLS, QCEW

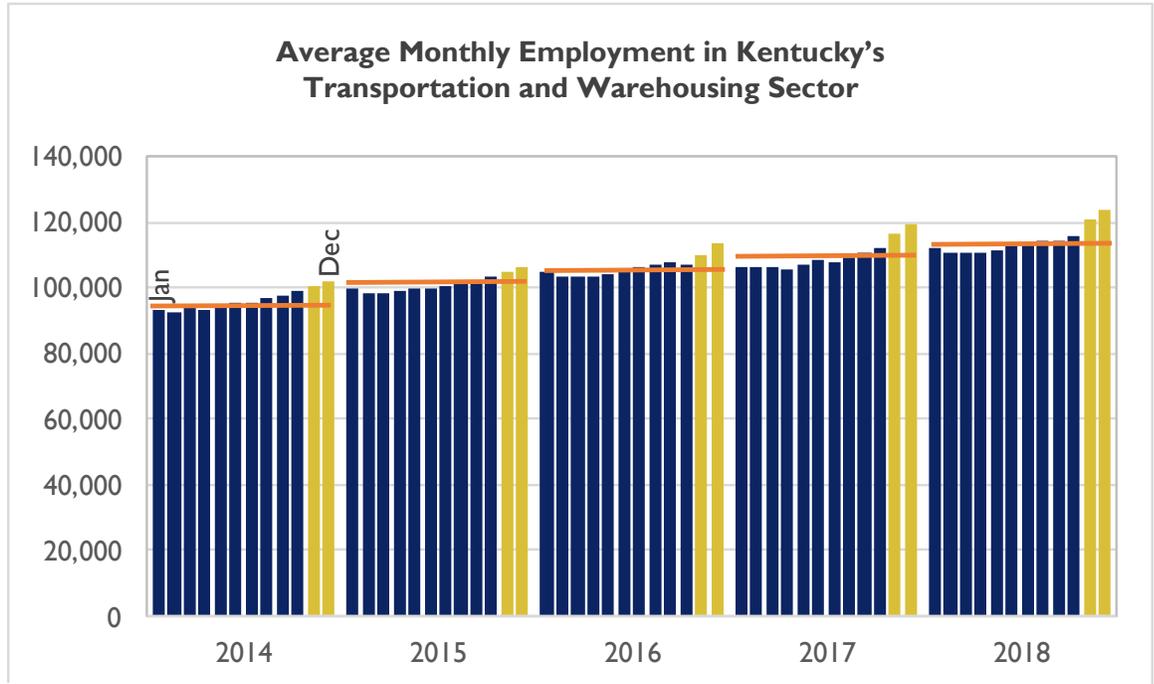


Source: BLS, QCEW



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The following chart shows average monthly employment in the sector since 2014. Employment peaks in the months of November and December (shown in gold), similar to U.S. trends. The average annual employment is indicated with the orange line. In December, employment in this sector is five to nine percent higher than other months. For example, in December 2018,



Source: BLS, QCEW

there were 123,807 jobs in this sector, which is 9,569 jobs higher than the annual average of 114,238 jobs. To meet increased demand during the holiday season, establishments in this sector may stay open longer, add Sunday delivery, increase their fleet size (both trucks and planes) or hire more workers. While many of these jobs may be seasonal, some can be an entry point for permanent employment.

To understand the full range of transportation jobs in the economy, employment data should also be examined at the occupational level since many workers in transportation-related jobs are not included within the transportation industry. At the same time, many employees of transportation companies, such as accountants, administrative assistants and computer programmers, work in occupations that are not considered transportation-related. The BLS groups transportation occupations within the Transportation and Materials Moving group. In 2018, there were an estimated 180,490 people working throughout Kentucky in this group according to data from the Occupational Employment Statistics (OES). In addition to the Transportation and Warehousing industry sectors, these occupations can be found in other sectors including Manufacturing, Utilities, Wholesale Trade, and Retail Trade.



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The average annual wage for Transportation and Material Moving occupations was \$38,367, which was below the mean for all occupations of \$44,185. The occupations with the largest estimated employment in the Transportation and Material Moving (TMM) occupational group are shown in the following table as well as their annual wage. Combined, these 10 occupations make up 88.3 percent of employment in this group. Laborers and Freight, Stock, and Material Movers make up 33 percent of people employed in TMM occupations – 59,760 workers. These workers move freight, stock, or other materials by hand and have an average annual wage of \$30,818. The next largest occupation is Heavy and Tractor-Trailer Truck Drivers with 24,850 workers in Kentucky. Workers in this occupation drive a tractor-trailer or truck with a capacity of at least 26,000 gross vehicle weight which requires a commercial drivers’ license. The average annual wage for this occupation, \$47,233, exceeds the state average for all occupations.

Largest Transportation and Material Moving Occupations in Kentucky, 2018

SOC Code	Standard Occupational Classification (SOC) Title	Estimated Employment	Annual Wage by Experience		
			Entry	Mean	Experienced
Total All Occupations		1,889,870	\$18,969	\$44,185	\$77,869
Total Transportation and Material Moving Occupations		180,490	\$20,895	\$38,367	\$59,563
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	59,760	\$21,216	\$30,818	\$43,697
53-3032	Heavy and Tractor-Trailer Truck Drivers	24,850	\$28,776	\$47,233	\$68,574
53-3033	Light Truck or Delivery Services Drivers	15,680	\$19,370	\$37,320	\$64,188
53-7064	Packers and Packagers, Hand	15,010	\$18,572	\$26,826	\$37,133
53-7051	Industrial Truck and Tractor Operators	14,040	\$25,333	\$35,236	\$48,986
53-3022	Bus Drivers, School or Special Client	10,080	\$25,271	\$35,899	\$48,903
53-1048	First-Line Supervisors of Transportation and Material Moving Workers, Except Aircraft Cargo Handling Supervisors	7,520	\$32,892	\$53,849	\$81,391
53-3031	Driver/Sales Workers	5,200	\$17,369	\$27,666	\$48,332
53-7061	Cleaners of Vehicles and Equipment	4,530	\$17,805	\$25,074	\$33,618
53-7063	Machine Feeders and Offbearers	2,690	\$22,129	\$31,938	\$48,581

Source: KYSTATS, OES

As shown in the following table, of the 10 largest occupations in this group, only one requires more than a high school diploma for entry. Heavy and Tractor-Trailer Truck Drivers typically require a postsecondary non-degree award for entry into the occupation. Similarly, of these 10 occupations, only the supervisor position requires any work experience in a related occupation for entry, which is less than five years. Short-term on-the-job training is all that is needed in the non-supervisory occupations to attain competency.



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Select Characteristics of 10 Largest Transportation Occupations

Occupation	Typical Education Needed for Entry	Typical On-the-Job Training to Attain Competency
Laborers and Freight, Stock, and Material Movers, Hand	Less than high school	Short-term on-the-job training
Heavy and Tractor-Trailer Truck Drivers	Postsecondary non-degree award	Short-term on-the-job training
Light Truck or Delivery Services Drivers	HS diploma or equivalent	Short-term on-the-job training
Packers and Packagers, Hand	Less than high school	Short-term on-the-job training
Industrial Truck and Tractor Operators	Less than high school	Short-term on-the-job training
Bus Drivers, School or Special Client	HS diploma or equivalent	Short-term on-the-job training
First-Line Supervisors of Transportation and Material Moving Workers, Except Aircraft Cargo Handling Supervisors	HS diploma or equivalent	None
Driver/Sales Workers	HS diploma or equivalent	Short-term on-the-job training
Cleaners of Vehicles and Equipment	Less than high school	Short-term on-the-job training
Machine Feeders and Offbearers	Less than high school	Short-term on-the-job training

Source: BLS, Employment Projections

In 2018, 1 in every 16 jobs in Kentucky, or 6 percent of total employment was in the Transportation and Warehousing sector. During the holiday season, employment in this sector increases as we rely on these workers to stock the shelves at stores and restaurants and also to deliver things we have purchased, letters to Santa, and us to our holiday festivities.

Kentucky Labor Force Update

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