



Distribution and Logistics Industry Labor Market Analysis Northwest Mississippi

Younger Associates (YA) has evaluated the Northwest Mississippi labor market from the viewpoint of a logistics operation seeking to locate in the market. The Northwest Mississippi labor market is comprised of five Mississippi counties: Tunica, DeSoto, Marshall, Benton and Tate.

In addition, Northwest Mississippi draws a significant portion of the workforce from Memphis, Shelby County, TN. This assessment provides the potential labor yield for the five counties in Mississippi as a stand-alone market, and for the six counties including Shelby County which is the functional labor market area.

During 2015, YA completed a comprehensive workforce survey and analysis for the labor market. The survey of the workforce was conducted in sufficient depth to yield a 95% confidence factor and a $\pm 4\%$ margin of error.

In this labor yield evaluation, we draw from the in-depth primary data that was collected in the survey analysis and combine it with the most current data from the Mississippi Department of Employment Security and the U.S. Bureau of Labor Statistics. Data was also used from licensed, proprietary sources such as Claritas and EMSI.

Younger Associates specializes in research for economic development. The firm has pioneered many innovative economic development studies and has developed a workforce survey process that provides highly reliable data that includes all sectors of the workforce. YA is nationally recognized for the quality of the firm's work in analyzing labor market dynamics. The firm's workforce data has been utilized in successful location decisions for businesses across the U.S.

Logistics Industry Workforce Availability

As the first step in determining workforce availability, the occupations most in demand nationally by the logistics industry were identified. A list of the top 50 in-demand occupations for the logistics industry sector was compiled from national data reported by the Bureau of Labor Statistics, May 2015 Occupational Employment Statistics.

The annual employment demand, wage data, location quotients and other occupational characteristics were compiled for each occupation. Applying data developed from the workforce survey, a labor yield table was developed to project the number of qualified applicants a logistics operation could expect to hire from the Northwest Mississippi labor market (NW MS).

Key Findings

- This analysis finds that a new logistics employer, providing locally competitive wages and benefits, locating in Tunica, DeSoto, Marshall, or Benton counties could expect to find 1,559 qualified applicants residing in the five-county Mississippi portion of the labor market. The number of qualified applicants totals 7,149 when the portion of applicants residing in Shelby County, TN and willing to commute is included.

These numbers of qualified applicants do not include support occupations (i.e. office clerks, sales representatives) that are among the top 50 occupations but are non-specific distribution and logistics. The number of qualified applicants for these occupations is high and greatly expands the total number of qualified applicants. The purpose of selecting only direct operations occupations is to not overstate the availability of qualified workers for key positions.

- The NW MS average wage (\$19.13) for the top 50 logistics occupations is 15.3% lower than the national average wage (\$22.05) for these workers.
- There are twenty colleges, universities and other post-secondary training providers in the six-county labor market that offer training programs that directly support logistics occupations.
- In 2014, these higher education training providers produced 1,807 graduates or certifications from programs related to the top 50 occupations in the logistics industry. The annual new talent pipeline is strong.
- The largest cohort of qualified applicants come from those workers who are currently underemployed and have previous experience in a distribution and warehousing environment. This is due to the situation that the regional economy has not returned to the peak employment levels of 2007. Many workers have accepted lower skill level employment or are working in temporary employment positions.
- There is a high degree of specialization among the workforce in distribution and logistics, as evidenced by the high location quotients for key occupations in the industry sector.

Northwest Mississippi Labor Market

Estimated Labor Supply for a Logistics Company

The six county labor market area includes Benton, DeSoto, Marshall Tate and Tunica Counties in Mississippi and Shelby County, Tennessee

Excluding Administrative Occupations, except Customer Service Workers.

6-County Labor Market Area

1	Potential underemployment yield	19,783
2	Not employed, but interested in employment	3,456
3	New labor force entrants	1,201
4	Total potential applicants	24,440
5	Qualified Applicants for skill mix	10,998
6	Commute Propensity	65.0%
7	Qualified Applicants Willing to Commute	7,149
8	1 in 3 selectivity ratio	2,383
9	1 in 5 selectivity ratio	1,430

Explanatory Notes

- 1 Individuals currently working, but possess skills for higher employment levels in the specified occupations. From the labor study, 23.2% of those currently employed report they are underemployed with higher skill levels than the job they currently hold requires.
- 2 Based upon those not currently working, but interested in finding employment (unemployed, separating military, workers returning to the workforce after an absence, but not in the official unemployment count) with an assumed rate of experience in the specified occupations at the ratio of those currently employed.
- 3 Growth component to account for new entrants into the labor force. Includes recent postsecondary completions and new residents that are likely to apply for positions within the specified industry.
- 4 Total eligible population.
- 5 Number of applicants shown in line 4 passing initial screening and offered an interview. The actual percentage will vary according to the skills required by the operation. It is assumed 45% would be qualified for the mix of jobs available.
- 6 Based upon the current commute patterns.
- 7 Number of applicants that are qualified for employment and either live in the Shoals region or would be willing to commute to area for employment.
- 8 The number of employees an employer could hire assuming a selectivity ratio of one hire per three applicants.
- 9 The number of employees an employer could hire assuming a selectivity ratio of one hire per five applicants.

Source: Calculations by Younger Associates based upon data from BLS, IPEDS, 2015 Labor Study.

Northwest Mississippi Labor Market

Estimated Labor Supply for a Logistics Company

*The five-county labor market area includes Benton, DeSoto, Marshall
Tate and Tunica Counties in Mississippi.*

Excluding Administrative Occupations, except Customer Service Workers.

5-County Labor Market Area

1	Potential underemployment yield	2,629
2	Not employed, but interested in employment	460
3	New labor force entrants	194
4	Total potential applicants	3,282
5	Qualified Applicants for skill mix	1,641
6	Commute Propensity	95.0%
7	Qualified Applicants Willing to Commute	1,559
8	1 in 3 selectivity ratio	520
9	1 in 5 selectivity ratio	312

Explanatory Notes

- 1 Individuals currently working, but possess skills for higher employment levels in the specified occupations. From the labor study, 23.2% of those currently employed report they are underemployed with higher skill levels than the job they currently hold requires.
- 2 Based upon those not currently working, but interested in finding employment (unemployed, separating military, workers returning to the workforce after an absence, but not in the official unemployment count) with an assumed rate of experience in the specified occupations at the ratio of those currently employed.
- 3 Growth component to account for new entrants into the labor force. Includes recent postsecondary completions and new residents that are likely to apply for positions within the specified industry.
- 4 Total eligible population.
- 5 Number of applicants shown in line 4 passing initial screening and offered an interview. The actual percentage will vary according to the skills required by the operation. It is assumed 50% would be qualified for the mix of jobs available.
- 6 Based upon the current commute patterns.
- 7 Number of applicants that are qualified for employment and either live in the Shoals region or would be willing to commute to area for employment.
- 8 The number of employees an employer could hire assuming a selectivity ratio of one hire per three applicants.
- 9 The number of employees an employer could hire assuming a selectivity ratio of one hire per five applicants.

Source: Calculations by Younger Associates based upon data from BLS, IPEDS, 2015 Labor Study.