

# Case Study: Workforce Attractions of Licking County, Ohio, for Logistics-Related Occupations, Industries, and Businesses

## Executive Summary

- (A) The logistics-related industries are dominated by businesses that employ significant numbers of **industrial truck and tractor operators (commonly known as fork-lift operators, Standard Occupational Code, SOC #53-7051)**. As shown in the table of the occupational/industry employment distribution, **this occupation is concentrated in the following industries: (a) warehousing and storage (NAICS code #4931), (b) building material and supplies dealers (NAICS #4441), (c) employment services, including temp agencies (NAICS #5613), (d) grocery and related product merchant wholesalers (NAICS #4244), and (e) general freight trucking (NAICS #4841) - industries which are projected to include 38% of the total occupational employment of industrial truck and tractor operators by 2018.** Hence, for the remainder of this case study, logistics-related occupations and industries will include the aforementioned occupation of SOC code #53-7051, and the four industries of NAICS codes #4931, #4441, #4244, and #4841. (The NAICS code #5613, employment services including temp agencies, was excluded from the list of industries of employment concentration for industrial truck and tractor operators in the subsequent analysis; because NAICS industry #5613 places fork-lift operators in other industries for their actual work location.)
- (B) **The national staffing patterns for the logistics-related industries of NAICS #4931 (warehousing and storage), NAICS #4441 (building materials and supplies dealers), NAICS #4244 (grocery and related product merchant wholesalers) and NAICS #4841 (general freight trucking) highlight the occupations of (1) industrial truck and tractor operators, and (2) laborers and freight, stock, and material movers, hand, as critical labor inputs to the production functions of these industries. The occupations of fork-lift operator (i.e., industrial truck and tractor operators) and laborers and hand movers represent from 8% to more than a third of the total employment in these four logistics-related industries.**
- (C) **Within central Ohio (that is, the Columbus MSA, including Licking County), the occupational wage rates appear competitive for the logistics occupations of industrial truck and tractor operators, and laborers and freight, stock, and material movers, hand.** The recent 2010 median annual wages paid fork-lift operators (i.e., SOC 53-7051, industrial truck and tractor operators) in central Ohio (which includes Licking County) were less than the 2010 U.S. and Ohio median annual wages for the same occupation. The 2010 median wage data for SOC 53-7062 (laborers and freight, stock, and material movers, hand) also

indicated that central Ohio wages were competitive and almost the same as the comparative Ohio and U.S. median wages for this same occupation. The most recent May, 2011, occupational wage data from the U.S. Bureau of Labor Statistics (BLS) for the same occupations noted above tell a similar story, based on the mean annual wages, of competitive wage rates in Central Ohio and Licking County for the industrial truck and tractor operators (SOC 53-7051) and the laborers and freight, stock, and material movers, hand (SOC 53-7062).

- (D) **The labor shed map and supplemental tables** document substantial stocks of potential, logistics-related workers in the industries of trade, transportation and warehousing, and utilities in Licking County, Ohio. **Almost two-thirds (i.e., 65%) of the “trade, transportation and warehousing, and utilities” workers in Licking County, Ohio, in 2010 by place of residence, received less than \$3,334.00 per month in earnings, making these workers potential sources of experienced labor supply for higher wage, logistics-related employers.**
- (E) **The October, 2012, labor availability report** from the Licking County One-Stop Center of the Ohio Department of Job and Family Services (ODJFS) showed sizable numbers of fork-lift operator applicants (i.e., industrial truck and tractor operators, SOC 53-7051) and applicants for positions as laborers and freight, stock, and material movers, hand (SOC 53-7062), registered with the ODJFS and seeking employment in Licking County, Ohio. Further, the ODJFS Licking County One-Stop office offered **on-the-job training (OJT) contracts** to employers to pay for the cost of training new employees.
- (F) **The Career-Technical Education Centers (C-TEC) of Licking County** produced over 1500 graduates from its **Pre-Employment Training (PET) Program during the last 18 years**, which provided employers with pre-screened and pre-trained and evaluated entry-level workers.
- (G) In addition to the pre-employment training resources in Licking County through C-TEC for the logistics industry, **the Columbus State Community College (CSCC)** also provides specialized training for central Ohio (including Licking County) directed at the logistics industry, **called LogisticsART (Attracting and Retaining Talent).**
- (H) The central Ohio location of the Ohio State University provides Licking County logistics firms with a reliable supply of higher education graduates in the logistics-related occupations of logisticians, operational research analysts, and industrial engineers. **Hence, the Licking County and central Ohio training is especially strong in support of logistics-related industries and firms, with the C-TEC and CSCC logistics pre-employment training (PET), and the OSU higher education logistics training, as part of the educational infrastructure of Licking County and the Columbus MSA (including Licking County).**
- (I) Since both of the logistics-related occupations of industrial truck and tractor operators, and the laborers and hand freight, stock, and material movers generally require only short-term, on-the-job training, the labor force statistics for Licking County provide useful indicators of potential labor supply, especially for semi-skilled and unskilled positions. In September, 2012, out of a Licking County labor force estimated at 84,500, with an estimated 79,700 employed workers, **an estimated 4,800 persons were unemployed and actively seeking work.**

- (J) The logistics functions play essential roles in many businesses and industries. Three industries, for which logistics are critical, include the warehousing and storage industry (NAICS code 4931), the general and specialized freight trucking industries (NAICS codes 4841 and 4842, respectively), and the building material and supplies dealers industry (NAICS code 4441). **The best indicator of the supply chain strength and support for logistics-related businesses in Licking County is the large number of profitable warehousing and storage companies, freight trucking firms, and building material and supplies dealers presently located in Licking County.** As shown below in the county employer directory of logistics-related companies in these industries, **Licking County presently is the home to more than 90 logistics-related businesses in the industries of NAICS codes 4931, 4841, 4842, and 4441.**
- (K) **The victory of the Licking County Etna Corporate Park, in the direct competition for the Ascena plant expansion against the Greencastle, Indiana, industrial park, is a recent example of the attraction of Licking County for distribution centers and other logistics-related businesses.**
- (L) In addition to the recent Ascena decision to expand in Licking County, **the Menlo Worldwide Logistics Company also recently announced plans to expand in Licking County at the Etna Corporate Park. As described by the Columbus *Dispatch* Newspaper, “Menlo Worldwide Logistics plans to add 60 employees to its base staff of 25, and it will invest \$3.5 million to expand its current location in the Prologis facility. The new positions should add \$2 million in annual payroll. Menlo specializes in supply-chain services, including sourcing of raw materials, product manufacturing and the distribution of finished goods.”**