

LOGISTICS MARKET SNAPSHOT

DECEMBER 2021

TAKEAWAYS IMPACTING COMPETITION FOR LABOR THROUGH END OF YEAR 2021 AND INTO 2022

- Unemployment rate continues to fall across the nation and in GA.
- Participation rate increased to 61.8%, up from 61.6%; Primary working age rate was up marginally to 81.8%; up from 81.7%
- Motivating people to get back to the workforce is still a main focus while simultaneously reevaluating the “attractiveness” of your open positions. Wages continue to play major role, but culture, environment and hiring process are equally important to candidates looking for work. Employers need to pay close attention to COVID variants and how they will impact the workforce. Also, worth noting, vaccine mandates for large employers is back on the table, with OSHA set to enforce after the first of the year barring any further court action.
- Shortages and supply chain disruptions stateside and abroad, along with labor, remain top concerns here at the close of the holiday season with congestion at the ports and major delays set to continue into the new year.
- Shipping costs (seeing some loosening) along with labor costs are adding up and contributing in a major way to the inflation of consumer goods pricing; New COVID variants will likely play a short-term role in disruption and cost increases.
- Parcel deliveries were at all-time highs this holiday season with delivery time concerns largely being handled by the big 3 (UPS, FedEx and USPS); continue to be prepared for costs to rise steadily and delivery times to be in question. We still believe we will see a decrease in “free shipping” options from e-commerce sellers.
- The index was increased to 73.4 up from 72.6. Anything above 50 signals an expanding industry so the recent index scores confirm what our eyes see daily, and that is the growth of the logistics industry.
- Industrial real estate absorption is at an all-time high confirming the growth of the logistics industry and increased demand for space; the market absorbed 140.7 million square feet in Q3 2021—the most space ever absorbed in a single quarter of any year.
- Constraints on industry growth are still largely due to capacity and supply chain disruptions, labor challenges and rising costs.
- Still, the expansion of logistics is here to stay and is largely driven by rapid consumer demand growth. We will continue to see this trend well into the new year.

National
Unemployment Rate

4.2%

Down .4% month
over month

Average Earnings
Across the US

\$22.34

Up from \$22.16

Georgia
Unemployment Rate

2.8%

Down from 3.1%

Nationwide
Warehousing
Industry Workforce

1.508M

Up from 1.499M

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Source:

Georgia Center of Innovation for Logistics

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