

LOGISTICS MARKET SNAPSHOT

APRIL 2022

TAKEAWAYS IMPACTING COMPETITION FOR LABOR IN 2022

- Unemployment rate continues to fall across the nation and in GA.
- Participation rate increased slightly to 62.4%; Primary working age rate was up to 82.5%; up from 82.2%.
- Like March, focusing on motivating people to get back to the workforce while simultaneously reevaluating the “attractiveness” of your open positions remains of high importance; Wages will continue to play a major role for the foreseeable future, but shift schedule, culture, environment and hiring process are equally important to candidates looking for work. Lingering impacts on our workforce from COVID can still be felt throughout the supply chain, along with international lockdowns that continue to cause shortages and disruption. Labor shortages nationally and abroad are still playing a major role in supply chain disruptions.
- Shortages and supply chain disruptions stateside and abroad, along with labor, remain top concerns in Q2 and through the remainder of the year. Congestion at the ports along with labor union disputes and major delays are set to continue due in large part to labor constraints, impacts from COVID lockdowns abroad, and the Ukrainian conflict.
- Shipping costs with labor costs continue to contribute in a major way to the inflation of consumer goods pricing; fuel costs, warehouse space, and truck capacity are dominating factors in rising prices as well.
- Automation and robotics are being seen as an efficient (often necessary) way to get goods to consumers in e-commerce fulfillment and other warehousing/logistics operations. Cost prohibitive for most even 2-3 years ago, the cost and unreliability of labor is driving more to invest in technology to help offset the challenges faced in fulfillment. This trend (reducing demand for labor) will continue to gain steam throughout 2022. Companies should be investing in reskilling their current labor force!
- The index was up to 76.2 (The previous month's 75.2), the highest in history. Anything above 50 signals an expanding industry so the recent index scores confirm what everyone is seeing and feeling daily, and that is the wild growth of the logistics industry. This marks 14 months of above 70 LMI – classifying as significant expansion.
- The first three months of 2022 have been marked by high levels of inventory, and insufficient capacity to deal with it. This was driven particularly by downstream retailers, who saw inventories up by 4.5% in December, handily outgaining manufacturers and wholesalers.
- Warehousing capacity hit a record in March, transportation prices remain high, and transportation capacity is still contracting this month. A contraction in the transportation market does not necessarily mean a freight recession is imminent – although that is a possibility.

National
Unemployment Rate

3.6%

Down .2% Month
Over Month

Average Earnings
Across the US

\$22.85

Down From
\$23.08/Hour

Georgia
Unemployment Rate

3.2%

Nationwide
Warehousing
Industry Workforce

1.76M

Source:

Georgia Center of
Innovation for Logistics

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