



# LABOR FORCE ASSESSMENT

Philipsburg, NJ

January 25, 2022

# LABOR FORCE SUMMARY

This labor force assessment identified and analyzed the labor shed (that is, the geographic area from which a company could reasonably hire workers from) for 1000-2000 Rand Blvd, Philipsburg, NJ. The four key criteria analyzed included Labor Supply, Labor Demand, Labor Costs, and Organized Labor.

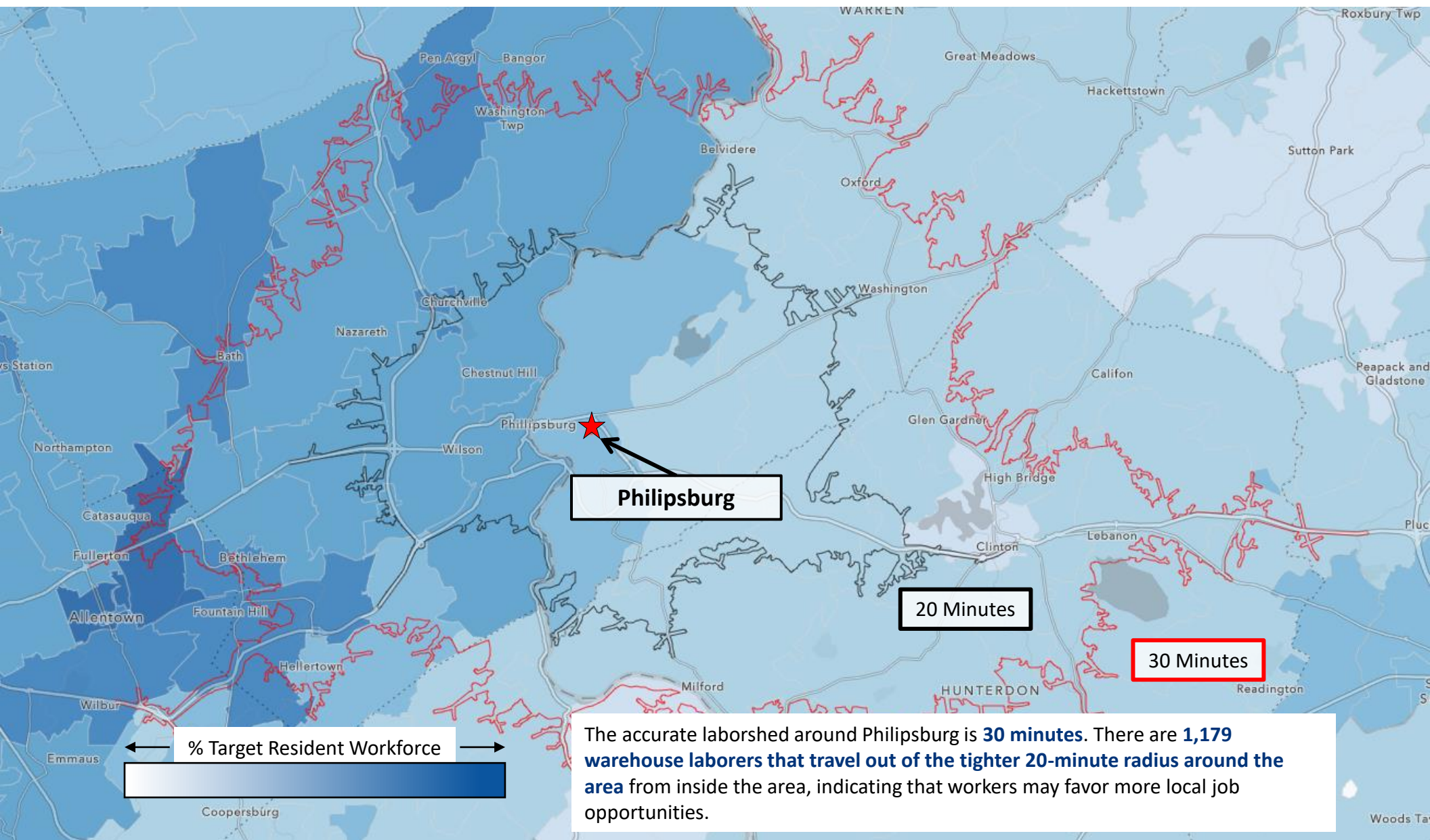
**Based on the results, Site Selection Group believes the distribution labor force accessible to Philipsburg to be favorable overall, and no major deficiencies were uncovered.**

|                    | POSITIVE ATTRIBUTES                                                                                                                                                                                    | NEGATIVE ATTRIBUTES                                                                                                                                                          | KEY TAKEAWAYS                                                                                                                                                                    |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| LABOR<br>SUPPLY    | <ul style="list-style-type: none"> <li>✓ Access to a labor force of approximately 180,000.</li> <li>✓ Occupational supply of warehouse workers is favorable with strong growth projections.</li> </ul> | <ul style="list-style-type: none"> <li>– Demographics are less aligned for warehousing, slightly less favorable in labor shed than broader metro.</li> </ul>                 | <ul style="list-style-type: none"> <li>○ Current data shows available distribution workforce.</li> </ul>                                                                         |
| LABOR<br>DEMAND    | <ul style="list-style-type: none"> <li>✓ Job posting data indicate lower demand in this labor shed.</li> </ul>                                                                                         | <ul style="list-style-type: none"> <li>– However, industry growth is higher in the labor shed than the greater metro.</li> </ul>                                             | <ul style="list-style-type: none"> <li>○ While labor demand data is mixed, there appears to be low to moderate demand overall.</li> </ul>                                        |
| LABOR<br>COST      | <ul style="list-style-type: none"> <li>✓ Wage escalation is relatively low compared to the national average.</li> </ul>                                                                                | <ul style="list-style-type: none"> <li>– Warehousing and forklift wages are elevated.</li> <li>– Cost of living in this labor shed is above the national average.</li> </ul> | <ul style="list-style-type: none"> <li>○ While wage rates and cost of living are elevated in this region, the rate of wage escalation is relatively low.</li> </ul>              |
| ORGANIZED<br>LABOR | <ul style="list-style-type: none"> <li>✓ Recent organizational activity is low for this region based on the overall count of filings.</li> </ul>                                                       | <ul style="list-style-type: none"> <li>– While there have been few recent filings in this labor shed, there is still a moderate unionization rate in this area.</li> </ul>   | <ul style="list-style-type: none"> <li>○ Despite the moderate unionization rate, the count of filings is relatively low in the labor shed compared to the metro area.</li> </ul> |



# COMMUTE & LABORSHED ANALYSIS

The map below shows warehouse and distribution occupation concentration by home ZIP code. Darker blue ZIP codes represent a higher percentage of the resident labor force working in the distribution occupation cluster.



# KEY LABOR FORCE CHARACTERISTICS

Philipsburg, NJ

**POPULATION** 337,243

30 - Minute Drive Time

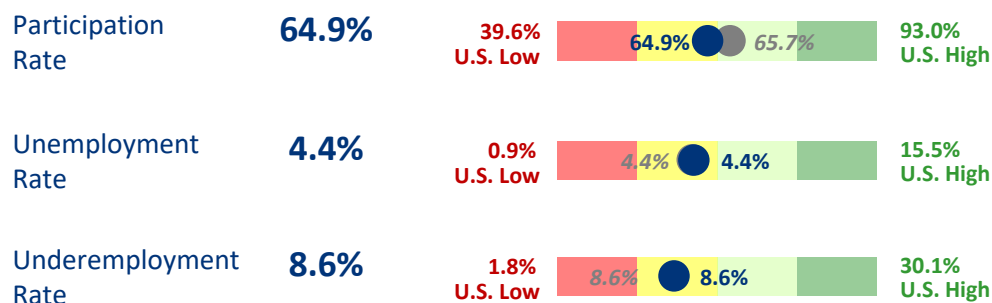
**LABOR FORCE** 180,125

30 - Minute Drive Time

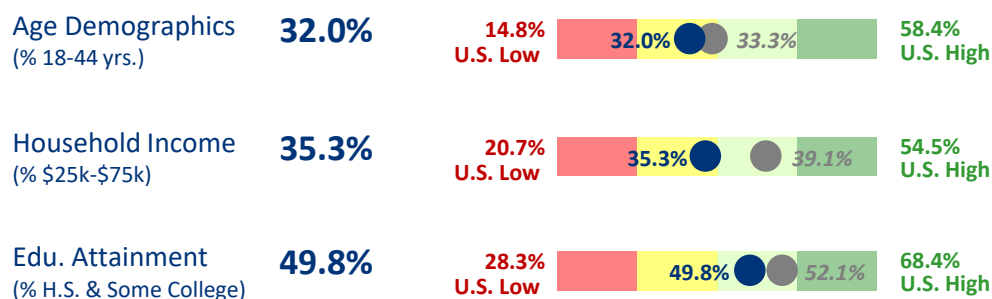
## Key Labor Supply Takeaways

- Access to labor force of approximately 180,000 with a slightly lower participation rate in immediate area than the broad metro area. Unemployment was impacted by COVID-19, but is currently relatively low.
- Target demographics are slightly less aligned for warehousing in the labor shed compared to metro area.
- Concentration of warehouse workers is above the national average with strong growth projections. Supplemental labor force (retail and food service workers who can be trained) is less favorable.

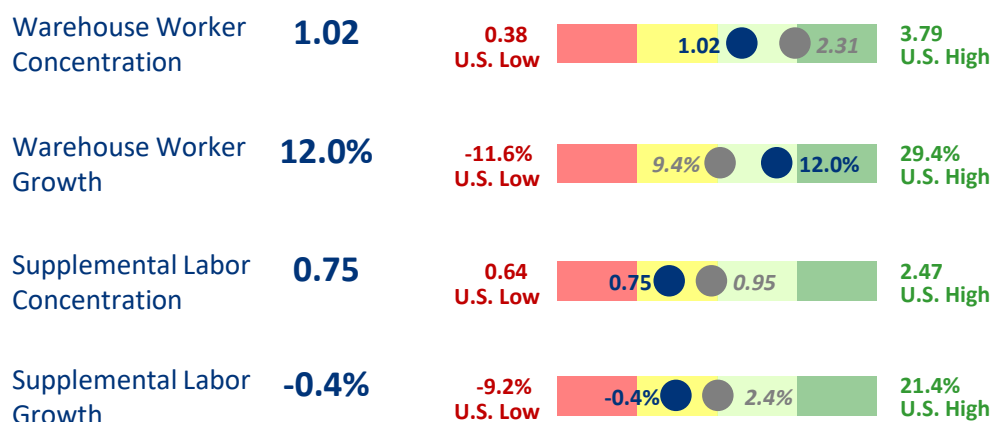
## LABOR SCALABILITY



## TARGET DEMOGRAPHICS



## OCCUPATION STATISTICS



● 30 - Minute Drive Time around Philipsburg, NJ

● Greater Allentown-Bethlehem-Easton, PA-NJ Metro Area

# KEY LABOR FORCE CHARACTERISTICS

Philipsburg, NJ

## Key Demand, Costs, and Union Takeaways

- While industry growth in this labor shed is higher than in the metro, posting intensity shows favorably from a labor demand standpoint.
- Despite moderate unionization rate, the total count of filings is much lower in the labor shed than the metro.
- Median wages for warehouse workers is slightly less favorable in the labor shed than metro, and wage escalation is higher. Forklift wages are elevated in this labor shed.
- Cost of living is higher in this region, in general.

## LABOR DEMAND

Job Postings / Total Occupations **26.0%** 115.6% U.S. High 34.7% 26.0% 4.0% U.S. Low

Warehousing Industry Growth **16.3%** 33.3% U.S. High 16.3% 12.4% -17.3% U.S. Low

## ORGANIZED LABOR

Most Recent Unionization Rate **8.0%** 40.3% U.S. High 8.0% 8.0% 0.0% U.S. Low

Total Count of Filings **30** 2,154 U.S. High 60 30 0 U.S. Low

## LABOR COST

Warehouse Worker Median Wage **\$16.19/hr** \$20.61 U.S. High \$16.19 \$15.98 \$10.04 U.S. Low

Warehouse Worker Annual Wage Escalation **2.0%** 23.6% U.S. High 2.0% 1.5% -5.4% U.S. Low

Warehouse Median Wage / Minimum Wage **125%** 312% U.S. High 125% 123% 106% U.S. Low

Forklift Driver Median Wage **\$18.53/hr** \$35.56 U.S. High \$18.53 \$17.06 \$9.52 U.S. Low

Cost of Living **109.8** 165.0 U.S. High 109.8 105.6 79.0 U.S. Low

● 30 - Minute Drive Time around Philipsburg, NJ

● Greater Allentown-Bethlehem-Easton, PA-NJ Metro Area

# LABOR FORCE VALUE PROPOSITION

Philipsburg, NJ



## LABOR SUPPLY

Potential to leverage ~1,179 warehouse workers who commute out of the area.

- ✓ Occupational supply of warehousing workers is favorable compared to the national average with strong growth projections.



## LABOR DEMAND

Posting intensity is low in this labor shed.

- ✓ The industry growth rate and posting intensity does not indicate higher risk from competitive pressures in this labor shed.



## LABOR COSTS

Wage escalation rates are relatively low compared to the national average.

- ✓ Employers can expect to pay warehouse workers wages of \$16.19 an hour on average.



## ORGANIZED LABOR

The count of filings is lower in the labor shed than the metro.

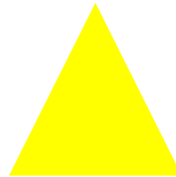
- ✓ While there is some union activity in this area, the overall count of recent filings is relatively low in this labor shed.

# EXECUTIVE SUMMARY OF LABOR FORCE CONDITIONS

Philipsburg, NJ



**There is a favorable supply of warehousing workers in this labor shed, coupled with strong growth projections for the near future.**



**While wages and cost of living are generally elevated in this region, labor demand is low to moderate.**



**None – no major red flags.**

# GLOSSARY & DATA SOURCES

| LABOR SUPPLY                                   | DEFINITION                                                                                                                                  | SOURCE                                   |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| <b>LABOR SCALABILITY</b>                       |                                                                                                                                             |                                          |
| Participation Rate                             | Number of workers in labor force divided by population                                                                                      | Experian 2021                            |
| Unemployment Rate                              | Both “official” unemployment rate and estimated rate for laborshed                                                                          | Experian 2021 & BLS LAUS (December 2021) |
| Underemployment Rate                           | Percentage of workers employed but seeking better work opportunities                                                                        | Experian 2021 & BLS CPS                  |
| <b>TARGET DEMOGRAPHICS</b>                     |                                                                                                                                             |                                          |
| Age Demographics (% 18-44)                     | % of population in target age categories for warehouse work                                                                                 | Experian 2021                            |
| Household Income (% \$25k-\$75k)               | % of population in target income categories for warehouse work                                                                              | Experian 2021                            |
| Educational Attainment (% H.S. & Some College) | % of population in target educational levels for warehouse work                                                                             | Experian 2021                            |
| <b>OCCUPATION STATISTICS</b>                   |                                                                                                                                             |                                          |
| Warehouse Worker Occupation Concentration      | Concentration of key direct warehouse labor where 1.00 equals the national average. Includes picker-packers, forklift, etc.                 | EMSI 4Q 2021                             |
| Warehouse Worker Occupational Growth           | Projected five-year percentage growth for that occupational cluster                                                                         | EMSI 4Q 2021                             |
| Supplemental Occupation Concentration          | Concentration of other occupations applicable to warehouse work where 1.00 equals the national average. Includes retail, food service, etc. | EMSI 4Q 2021                             |
| Supplemental Occupation Growth                 | Projected five-year percentage growth for that occupational cluster                                                                         | EMSI 4Q 2021                             |

| OTHER FACTORS                        | USE                                                                                               | SOURCE                                |
|--------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------|
| <b>LABOR DEMAND</b>                  |                                                                                                   |                                       |
| Job Postings / Occupations           | Total Annual online job postings for Warehouse Worker cluster divided by current cluster presence | EMSI/CareerBuilder as of January 2022 |
| Warehousing Industry Growth          | Projected five-year employment growth in warehousing and related                                  | EMSI 4Q 2021                          |
| <b>ORGANIZED LABOR</b>               |                                                                                                   |                                       |
| Most Recent Unionization Rate        | Overall private union membership rate                                                             | BLS CPS via UnionStats                |
| Total Count of Filings               | Total number of organization attempts since January 1, 2014                                       | National Labor Relations Board        |
| <b>LABOR COSTS</b>                   |                                                                                                   |                                       |
| Warehouse Worker Wage                | Median wage for Warehouse Worker cluster                                                          | ERI & EMSI 4Q 2021                    |
| Warehouse Worker Wage Growth         | Growth in wages for Warehouse Worker cluster                                                      | EMSI 4Q 2021                          |
| Warehouse Worker Wage / Minimum Wage | Dividing above by minimum wage to understand competitive positioning                              | ERI, EMSI, and multiple sources       |
| Forklift Driver Wage                 | Median wage specifically for forklift drivers                                                     | ERI & EMSI 4Q 2021                    |
| Cost of Living                       | Cost of living in region                                                                          | EMSI 4Q 2021                          |





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