



Division of Research  
and Statistics

# The Transportation and Warehousing Sector in the Hudson Valley

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A Division of the New York State Department of Labor

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## Introduction

The transportation and warehousing sector (NAICS Industries 48-49) plays an important role in maintaining New York State's global competitiveness. Through its warehouse, road, rail and air cargo networks, the state's transportation and warehousing system facilitates the movement of billions of dollars of New York products to regional, national and international customers each year.

Within New York State, the Hudson Valley occupies a key location as it sits at the nexus of the upstate and downstate regions. In recent years, transportation and warehousing companies have been attracted to the region due to its proximity to six major airports (within a 100-mile radius) and six major highways. These various modes of transportation have facilitated businesses and transformed the region into a burgeoning transportation hub.

## Trends in Transportation and Warehousing Jobs in the Hudson Valley

According to the U.S. Census Bureau, the transportation and warehousing sector includes: "industries providing transportation of passengers and cargo; warehousing and storage for goods; scenic and sightseeing transportation; and support activities related to modes of transportation."

The Hudson Valley region's transportation and warehousing sector is comprised of 1,376 firms. These firms employed more than 25,000 workers and paid out almost \$1.2 billion in total wages in 2016, according to data from the Quarterly Census of Employment and Wages (QCEW). In 2016, the average pay for Hudson Valley workers in this industry sector was \$46,450 per year, which was the third highest of any region in the state. Only transportation and warehousing firms in New York City (\$56,200) and Long Island (\$48,540) paid their workers a higher average wage last year.

The sector accounted for 3.3% of the region's private sector employment in 2016. However, the sector's share of private sector jobs varies significantly across the seven counties within the Hudson Valley region – at the high end are Sullivan County (5.5%) and Orange County (5.1%), while Putnam County (1.7%) is at the low end.

The Hudson Valley’s transportation and warehousing sector has been in expansion mode in recent years. From 2010 to 2016, the job count in the region’s transportation and warehousing sector grew by 3,240, or 14.8%, to 25,170.

Within New York State, only the Southern Tier (+18.5%) and New York City (+15.5%) labor market regions recorded more rapid growth in transportation and warehousing jobs over this six-year period, per data from the QCEW. See the table below for additional details.

### **Transportation and Warehousing Sector Employment, by Region, New York State, 2010-2016**

Region	Employment		Employment Change, 2010-2016	
	2010	2016	Net	%
<b>New York State</b>	<b>215,200</b>	<b>243,260</b>	<b>+28,060</b>	<b>+13.0%</b>
Capital Region	11,030	12,280	+1,250	+11.3%
Central New York	9,630	10,330	+700	+7.3%
Finger Lakes	9,150	9,630	+480	+5.2%
<b>Hudson Valley</b>	<b>21,930</b>	<b>25,170</b>	<b>+3,240</b>	<b>+14.8%</b>
Long Island	30,590	34,830	+4,240	+13.9%
Mohawk Valley	7,660	7,700	+40	+0.5%
New York City	100,410	115,980	+15,570	+15.5%
North Country	3,640	3,250	-390	-10.7%
Southern Tier	4,170	4,940	+770	+18.5%
Western New York	14,810	16,130	+1,320	+8.9%

Source: Quarterly Census of Employment and Wages

## **Industry Analysis**

The balance of this report focuses on three specific industries within the broader transportation and warehousing sector in the Hudson Valley:

1. Truck transportation (NAICS 484)
2. Couriers and messengers (NAICS 492)
3. Warehousing and storage (NAICS 493)

After examining recent growth trends and local news developments for companies in these three industries, this report then analyzes the occupational outlook for some of the principal job titles within the three industries listed above.

**Employment in Selected Transportation and  
Warehousing Sector Industries,  
Hudson Valley, 2010-2016**

Sector/Industry	Employment		Employment Change	
	2010	2016	Net	%
<b>Transportation and Warehousing Sector (NAICS 48-49)</b>	<b>21,930</b>	<b>25,170</b>	<b>+3,240</b>	<b>+14.8%</b>
<b>Total, three selected Transportation and Warehousing industries (NAICS 484, 492 &amp; 493)</b>	<b>8,010</b>	<b>10,850</b>	<b>+2,840</b>	<b>+35.5%</b>
Truck Transportation (NAICS 484)	3,420	3,990	+570	+16.7%
Couriers and Messengers (NAICS 492)	2,520	3,300	+780	+31.0%
Warehousing and Storage (NAICS 493)	2,070	3,560	+1,490	+72.0%

Source: Quarterly Census of Employment and Wages

Between 2010 and 2016, the combined job count in these three industries in the Hudson Valley grew by 2,840, or 35.5%, to 10,850. Altogether, job growth in these three industries alone was responsible for about 88% of net employment gains in the broader transportation and warehousing sector in the Hudson Valley in 2010-2016. See the table above for additional detailed information on job growth by industry.

**Warehousing and Storage (NAICS 493)**

Of the three industries examined here, warehousing and storage (NAICS 493) added jobs at the fastest clip – up 72.0%, or 1,490 jobs, between 2010 and 2016. The average annual pay in the warehousing and storage industry was \$43,270.

Firms in this group are primarily engaged in operating warehousing and storage facilities for general merchandise, refrigerated goods and other warehouse products. They provide facilities to temporarily store goods, but they do not sell the goods that they handle. These firms may also provide logistics services related to the distribution of goods. Several national “big-box” retailers (e.g., Home Depot, Lowe’s and The Gap) have established distribution centers in the region in recent years, especially in Orange County.

As online retail sales continue to grow, transportation and warehousing operators have continued to increase their presence in the region. For example, Amy’s Kitchen, a Santa Rosa, California-based organic and natural food distribution company, was recently granted a permit to build a \$95 million, 369,000-square-foot food manufacturing and distribution plant in the Town of Goshen (Orange County). Once in operation, the plant is expected to employ about 680.

### **Couriers and Messengers (NAICS 492)**

Of the three transportation and warehousing sector industries reviewed here, couriers and messengers (NAICS 492) recorded the second fastest job growth rate (+31.0%) over the 2010-2016 study period. Average annual pay for the industry in the Hudson Valley was \$43,520 in 2016.

Firms in this category provide intercity and/or local delivery of parcels and documents without operating under a universal service obligation. The collection, pickup and delivery operations are usually done with limited labor costs and minimal equipment.

Employment growth in this industry is due, in large part, to ever-increasing consumer spending on online purchases and business transactions. The growth of e-commerce has played a key role in the expansion of business by industry giants, such as FedEx. In 2016, the company announced plans to build two distribution centers in Westchester County -- a 160,000-square-foot facility in Elmsford and a 122,000-square-foot facility in Yonkers.

### **Truck Transportation (NAICS 484)**

Truck transportation (NAICS 484) is the third transportation and warehousing sector industry reviewed here. From 2010 to 2016, this industry's job count grew by 16.7% in the Hudson Valley.

The truck transportation business reflects in many ways the overall health of the nation's economy. These businesses facilitate transactions between producers and consumers as they transport raw materials and finished goods between them. Firms in this group provide over-the-road transportation of cargo using motor vehicles, such as trucks and tractor trailers.

The growth in the truck transportation business has fueled demand for key several occupations, including heavy and tractor-trailer truck drivers. In Orange County, for example, demand for truck drivers has become so strong that firms are often forced to compete for talent by offering more financial incentives, including flexible work schedules, higher signing bonuses, benefits and better salaries. Poaching drivers from existing businesses has become a common practice. Many of the new businesses are sometimes required to rely on agencies to provide drivers from outside the region.

In addition to industry growth, retirements have also contributed to the current shortage of drivers. According to the American Trucking Association, the median age for truck drivers is 49 years old.

## Industry and Occupational Outlook

The New York State Department of Labor prepares both long-term industry and occupational projections for each labor market region in New York as well as for the state as a whole. The latest projections, which cover the 2014-2024 planning period, indicate the job count in the Hudson Valley's overall transportation and warehousing industry sector is expected to grow by 14.4%.

Within the three transportation and warehousing industries examined here (i.e., truck transportation, couriers and messengers, and warehousing and storage), five of the most common occupations include:

- Couriers and messengers (SOC 43-5021)
- Heavy and tractor-trailer truck drivers (SOC 53-3032)
- Light truck or delivery services drivers (SOC 53-3033)
- Industrial truck and tractor operators (SOC 53-7051)
- Laborers and freight, stock and material movers, hand (SOC 53-7062)

As a group, these five occupations are expected to see their combined job count in the Hudson Valley grow by 3,420, or 13.7%, to 28,300 between 2014 and 2024. Employers are projected to need to fill 900 openings per year over the planning period, with 62% of annual openings stemming from the need to replace workers and the remaining 38% coming from growth in the occupation.

All five of these job titles currently have "very favorable" prospects in the Hudson Valley, according to the New York State Department of Labor. They are all expected to experience double-digit job growth in 2014-2024. At 16.2%, couriers and messengers (SOC 43-5021) are projected to experience the most rapid job growth, with heavy and tractor-trailer truck drivers (SOC 53-3032) a close runner-up, at 15.5%.

Moreover, each of these occupations is expected to grow faster in the Hudson Valley than in the nation as whole between 2014 and 2024. In some cases, like industrial truck and tractor operators (11.4 percentage points), the difference in projected growth rates between the Hudson Valley and the U.S. is more than 10 percentage points.

Of these five occupations, heavy and tractor-trailer truck drivers receive the highest average wage -- \$55,790 -- in the Hudson Valley. The other four occupations discussed here have an average annual salary between \$30,000 and \$40,000. The most common education attained by workers in these five occupations is a high school diploma or equivalent. Typically, short-term, on-the-job training is required to attain competency in these occupations. Some job titles, like

heavy and tractor-trailer truck drivers, require additional specialized credentials (i.e., commercial driving license (CDL)).

Workforce data from Economic Modeling Specialists Intl. (EMSI) indicate employment in these five job titles is still dominated by male workers, with men accounting for about 80% of workers. The largest concentration of employees is in the 45-54 age group, which suggests many workers will be retiring over the next decade, amplifying job prospects for potential replacement workers.

## **Conclusion**

The transportation and warehousing sector plays a key role in the regional, state and national economies. As these economies continue to expand, so too will the economic prospects for the transportation and warehousing sector.

With several national big-box retailers operating distribution centers in the Hudson Valley region and more scheduled to open in the coming years, the outlook for the sector is bright. Furthermore, with an increasing number of workers retiring every year, the industry will present more opportunities for job seekers.

## **For Further Information**

Questions regarding this report should be directed to Kevin Jack, Statewide Labor Market Analyst. He can be reached via email at [Kevin.Jack@labor.ny.gov](mailto:Kevin.Jack@labor.ny.gov) or by phone at (518) 457-3800.

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