

LOGISTICS MARKET SNAPSHOT

FEBRUARY 2022

TAKEAWAYS IMPACTING COMPETITION FOR LABOR IN 2022

- Unemployment rate continues to fall across the nation and in GA.
- The Participation Rate increased to 62.2%, up from 61.9%; Primary working age rate was up marginally to 82%; up from 81.9%
- Like January, can't stress enough the focus on motivating people to get back to the workforce while simultaneously reevaluating the "attractiveness" of your open positions; Wages continue to play a major role, but culture, environment and hiring processes are equally important to candidates looking for work.
- Looks like Omicron is in the rearview mirror but lingering impacts on our workforce can still be felt throughout the supply chain. Labor shortages are still playing a major role in supply chain disruptions.
- Shortages and supply chain disruptions stateside and abroad, along with labor, remain top concerns as we head into the final month of the quarter. Congestion at the ports and major delays are set to continue due in large part to labor constraints, lasting impacts from Omicron, and now the Ukrainian conflict.
- Shipping costs (higher prices now being baked into long-term contracts) along with labor costs continue to contribute in a major way to the inflation of consumer goods pricing; Omicron variant played a short-term role in disruption and cost increases, but now fuel costs and capacity are dominating factors.
- Automation and robotics seem to be grabbing more attention as an efficient way to get goods to consumers in ecommerce fulfillment. 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 will continue to gain steam.
- The index was back up to 71.9 (Previous month 70.1). 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. This marks a full year of above 70 LMI – classifying as significant expansion.
- Excess inventory in the system is eating up more capacity and causing costs to increase further. Essentially, low capacity and high costs led to higher levels of inventory, and now higher inventory is leading to even less capacity and higher costs. The result of this is that the high levels of inventory of durable goods in the supply chain is eating up capacity, and preventing high-turn inventories from moving as quickly as they need to which explains why some firms (i.e. apparel) are weighed down with inventory, and others such as grocery stores are facing shortages.

National
Unemployment Rate

4%

Up .1% Month Over
Month

Average Earnings
Across the US

\$21.49

Up From \$21.35/
Hour

Georgia
Unemployment Rate

2.6%

Flat

Nationwide
Warehousing
Industry Workforce

1.7M

Up From 1.5M

Source:
Georgia Center of
Innovation for Logistics

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