The Transportation and Warehousing Industry in New Mexico

The transportation and warehousing industry is largely comprised of establishments whose primary business is transporting passengers and cargo or storing goods. Additional activities within this industry include scenic and sightseeing transportation, as well as support activities related to modes of transportation. The modes of transportation are air, rail, road, and pipeline. Subsectors are divided accordingly. Total industry employment in 2012 averaged about 22,370 workers.

Transportation and warehousing is further divided into 11 subsectors based on specific business activities or modes of transportation. These subsectors are: air transportation; rail transportation; water transportation; truck transportation; transit and ground passenger transport; pipeline transportation; scenic and sightseeing transportation; support activities for transportation; postal service; couriers and messengers; and warehousing and storage. Note that the data for the subsectors rail transportation, water transportation, and scenic and sightseeing transportation is necessarily suppressed. There are 57 detailed subsectors within the 11 subsectors.

Truck transportation is, by far, the largest of these subsectors, as seen in Exhibit 1. With an average employment of 7,459, it alone comprises 33.3 percent of total employment in the transportation and warehousing industry. The second and third largest subsectors are transit and ground passenger transport, and postal service, with 15.9 percent and 14.5 percent of total employment, respectively. The smallest non-suppressed subsector is pipeline transportation, with average employment of only 221, or approximately 1 percent of total industry employment.

As of 2012, transportation and warehousing accounted for 2.9 percent of employment in New Mexico, the lowest percentage of all neighboring states, as shown in Exhibit 2. The state in which transportation and warehousing took up the second smallest share of all employment was Colorado, at 3.1 percent. The states with the highest concentration of employment in transportation and warehousing were Texas and Utah, with 4.2 percent and 4.5 percent, respectively.

Employment Trends

Transportation and warehousing employment peaked in December 2007, with 25,955 jobs across New Mexico. All-industry employment would not peak until the following year, June 2008, at 886,898. After the initial onset of the economic recession, beginning in December 2007, employment in transportation and warehousing and across all industries, combined, fell sharply. However, it was not until December 2010, after the recession had officially ended, that transportation and warehousing reached its lowest employment, at 21,760. The employment trough represented a loss of 1,227 jobs, or 16.2 percent, since peak employment
in December 2007. All-industry employment fell by 47,913 jobs to its trough of 788,985 in June 2011, or 5.7 percent. Therefore, although all-industry employment shed a greater quantity of jobs, transportation and warehousing employment declined at a faster rate. (Note that non-seasonally adjusted data is presented, therefore employment gains and losses are calculated between the same months of different years in order to remove the impacts of seasonality.)

Since it hit its trough employment level, total industry employment has made marginal gains, and so has transportation and warehousing. As of December 2013, employment transportation and warehousing had climbed back to an employment level of 22,987. However, the industry still has not regained the employment lost since its peak employment in December 2007; in December 2012, employment was still 11.4 percent less than peak employment in. All-industry employment declined by 5.7 percent between June 2008 and June 2011. Employment had grown by 0.8 percent from its trough level as of June 2013. The more significant recovery growth in transportation and warehousing would indicate that, although this industry’s employment dropped at a faster rate than total employment during the recession, it is also recovering at a faster rate than total employment.

Exhibit 4 displays job growth and losses by subsector between 2007 and 2012. Between 2007 and 2009, all subsectors posted job losses. The largest numerical losses were suffered by truck transportation, which shed 963 jobs, or a loss of 12.5 percent of total employment. However, it was air transportation that lost the greatest share of jobs, 276, or 17.2 percent. While it appears that pipeline transportation lost the largest share of employment over the period, the decline in employment represented non-economic reporting changes in the Quarterly Census of Employment and Wages (QCEW) program, as opposed to actual employment losses. During this period, the subsector that lost the fewest jobs was warehousing and storage, which saw only 40 losses, or 3.0 percent; the subsector that lost the smallest percentage of its workers was couriers and messengers, which shrank by 65 jobs, or 2.9 percent. Between 2009 and 2012, the situation had grown more positive. Although five subsectors continued to experience declining employment, three saw positive growth. Warehousing and storage claimed the fastest growth of all subsectors, adding 249 jobs, or 19.2 percent. Of the other positive subsectors, truck transportation grew by 727 jobs, by far the largest numerical gain, or 10.8 percent, and transit and ground passenger transportation grew by 217 jobs, or 6.5 percent. Of the subsectors that continued to post losses, the postal service experienced both the greatest numerical losses and the fastest rate of loss; it dropped 500 jobs, or 13.3 percent of its total employment. In terms of fastest employment losses, the postal service was followed by air transportation, which lost 10.7 percent, or 143 jobs, and pipeline transportation, which lost 7.5 percent, or 18 jobs.

**Occupations Profile**

Heavy and tractor-trailer truck drivers was, by far, the most common occupation in transportation and warehousing, with 20.1 percent of all jobs in the industry falling within this occupation, as of 2010. Individuals with jobs in this occupational group
drive trucks with a gross vehicle weight of 26,000 pounds or over, and carry a specialized commercial driver’s license (CDL) that licenses them to operate such equipment. Four of the top five occupations in transportation and warehousing, as seen in Exhibit 5, are directly involved in transportation or storage of passengers and cargo, or in maintenance of vehicles.

Projected occupational growth over the next decade reaffirms the health and prospects of the top two industry occupations, the first of which being heavy and tractor-trailer truck drivers and the second laborers and freight, stock, and material-movers (hand). Both of these occupations claim the highest employment growth, with 920 and 440 projected new jobs, respectively, as well as the fastest growth rates, at 26.3 percent and 25.4 percent, respectively. Bus and truck mechanics and diesel engine specialists, the sixth most common industry occupation, is projected to have a rapid growth rate of 20.3 percent, and greater-than-average growth of 110 jobs. Aircraft mechanics and service technicians, the eighth most common occupation, has relatively small employment, therefore its projected growth of 70 represent a high growth rate of 19.5 percent. First-line supervisors/managers of transportation and material-moving machine and vehicle operators, the tenth and last occupation listed, has the third-fastest growth rate of 20.9 percent, which represents an increase of 50 jobs. These growth rates are faster than the projected rate of 17.5 percent for growth across the entire industry.

Who Works in Transportation and Warehousing?

In the third quarter of 2012 (the latest data available), all-industry employment was very slightly weighted toward men; 50.8 percent of the overall statewide workforce was male, as opposed to 49.2 female. However, this balance was not reflected in transportation and warehousing. In that same quarter, as displayed in Exhibit 6, only 24.9 percent of the transportation and warehousing workforce was female, and a large majority of 75.1 percent was male.

As an industry, the transportation and warehousing workforce trends older than the total overall workforce. Exhibit 7 indicates that the workforce across all industries claims higher percentages of workers in the age groups of 14 to 24 and 25 to 34. The difference is particularly striking on the younger end of the scale; workers aged 14 to 24 make up 15.4 percent of the total workforce, whereas that same age group only accounts for 8.7 percent of workers in transportation and warehousing. Meanwhile, older workers take up a larger share of the total workforce in transportation and warehousing than they do across all industries. Workers 35 and older are all more highly represented in transportation and warehousing than in all industries combined. The highest disparity between transportation and warehousing workers and those across all industries is
found in the age group 45 to 54. Workers in this group comprised 26.3 percent of transportation and warehousing employment, or nearly one third. In contrast, workers in this range comprise 21.9 percent of all-industry employment.

Subsector Spotlight: Air Transportation

The air transportation subsector encompasses establishments that transport passengers and cargo via aircraft, primarily airplanes and helicopters. As of the second quarter of 2013, the QCEW program numbered 47 different establishments that worked in some area of air transportation, and furthermore identified the total subsector employment aggregated by these establishments as 1,098 jobs. Employment has been projected to decline, between 2010 and 2020, by 12.4 percent. As of 2010 (the most recent data available), the most common occupation in the air transportation subsector was customer service representatives. The next most common occupation, reservation and transportation ticket agents and travel clerks, were less than half as numerous as customer service representatives. The next top three occupations in this industry were cargo and freight agents; first-line supervisors/managers of office and administrative support workers; and commercial pilots. The statewide average hourly wage for the air transportation subsector in the second quarter of 2013 was $20.25, which is an average annual wage of $42,120. This is higher than New Mexico’s all-industry average wage of $40,612. No percentages or employment figures have been disclosed, as the data for many occupations has been suppressed.

Employment in the air transportation subsector is projected to shrink in the coming years, with a loss of 12.4 percent projected between 2010 and 2020. Recent developments in the subsector support the overall decline in the industry, as the air transportation subsector may soon be facing significant changes and challenges in New Mexico. In October 2014, the Wright Amendment is set to expire. Currently, the amendment restricts direct flights departing from Dallas Love Field in Texas to other cities in Texas and neighboring states, including Albuquerque. Thus, many flights from the highly populated state of Texas, which ultimately terminate in tourist destinations like California or Las Vegas, must first stop for a layover in airports like Albuquerque, bringing economic stimulation and jobs. Southwest is the major purveyor of air travel services at the Albuquerque Sunport; its business accounts for 60 percent of the air and passenger traffic that passes through New Mexico’s largest airport. According to the Albuquerque Journal, 38 of the Sunport’s daily 78 flights are Southwest planes, and the airline claiming the next most frequent flights only averages 13 flights a day. These flights may decrease significantly once the Wright Amendment expires.

The possible decrease in Southwest business at the Albuquerque Sunport in that situation follows several years of continuing declines in local air traffic. Albuquerque city officials have stated that they’re developing strategies to attract new air business and to offset the potential economic impacts.

The Industry Spotlight is a monthly publication from the New Mexico Department of Workforce Solutions, Economic Research & Analysis Bureau. This month’s contributor is Jessa Rianelli, Statistician.

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