

# Appcast Transportation and Warehousing Snapshot

Worst Month For Warehousing Since April of 2020



## Economy-wide breakdown:

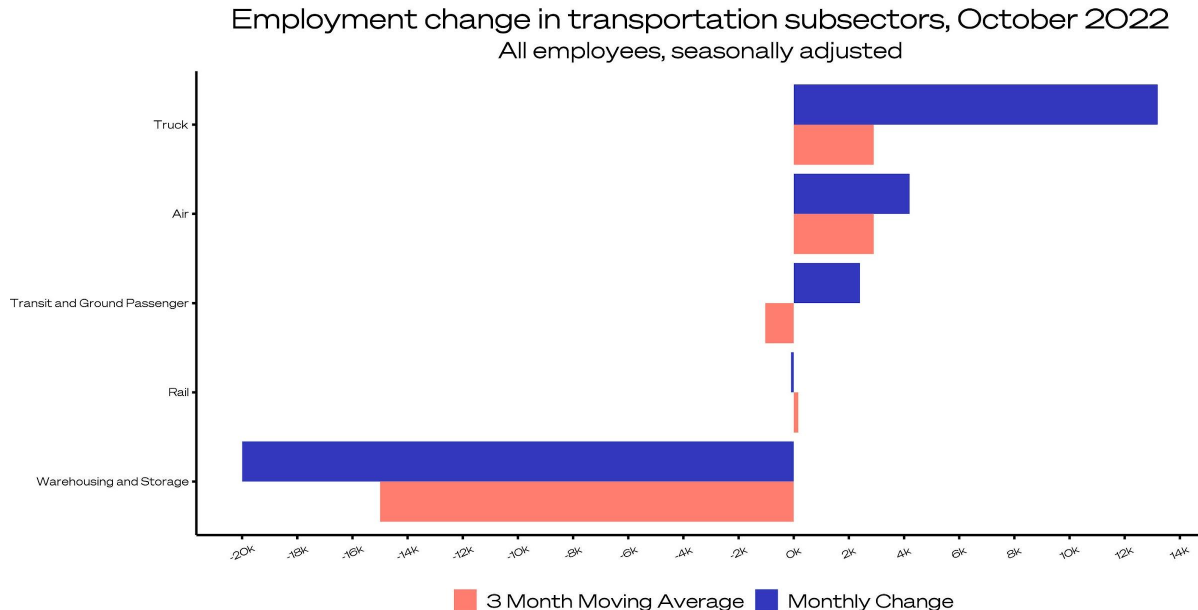
- The U.S. labor market continued to be a bright spot in an otherwise challenging economy last month. In October, the economy added 261,000 net new jobs. The unemployment rate increased slightly to 3.7% from a historically low 3.5%.
- Encouragingly, wage growth moderated once again last month – the Federal Reserve’s fears of a wage-price spiral are steadily abating. Average hourly earnings (3-month annualized rate) grew at just 4.3%.
- It was not all clear skies, however. Labor force participation disappointed yet again, with the prime-age participation rate declining to 82.5%. The labor force participation rate has yet to return to February 2020 levels.
- Shifting employment growth trends reflect shifts in consumer demand and the receding influence of the pandemic. Goods-producing sectors that ruled the recent recession recovery, like warehousing, are slowing. Now, as pandemic fears ease, healthcare is leading monthly gains.
- [Read our economy-wide breakdown of the October numbers.](#)



## Employment Trends in Transportation and Warehousing

Warehousing and storage was hard-hit in October, losing 20,000 jobs. This was the worst month of job losses since April of 2020, which was due to a forced shut-down of the economy. Looking back even further, there were no job losses this significant during the Great Recession nor the 2001 recession. After two years of robust gains, the warehousing sector is struggling. Overall, transportation and warehousing added 8,200 jobs.

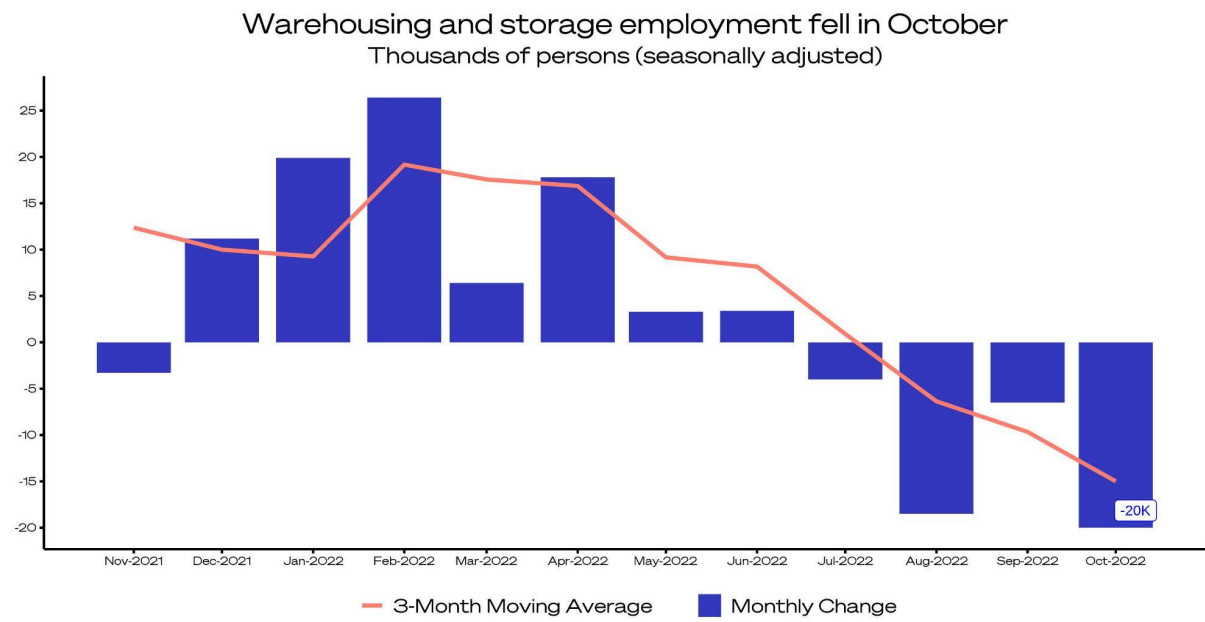
What could be the cause of this? As we noted in the economy-wide breakdown and our Jobs Day blog report, consumers are simply spending less on physical goods. [Daily TSA visits](#) are above their 2019 level, along with [Open Table reservations](#). This shift towards travel and leisure combined with inflationary pressures is crumbling labor demand in warehousing.



Source: Bureau of Labor Statistics; Created on Nov 07 2022

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# Employment Trends in Transportation and Warehousing

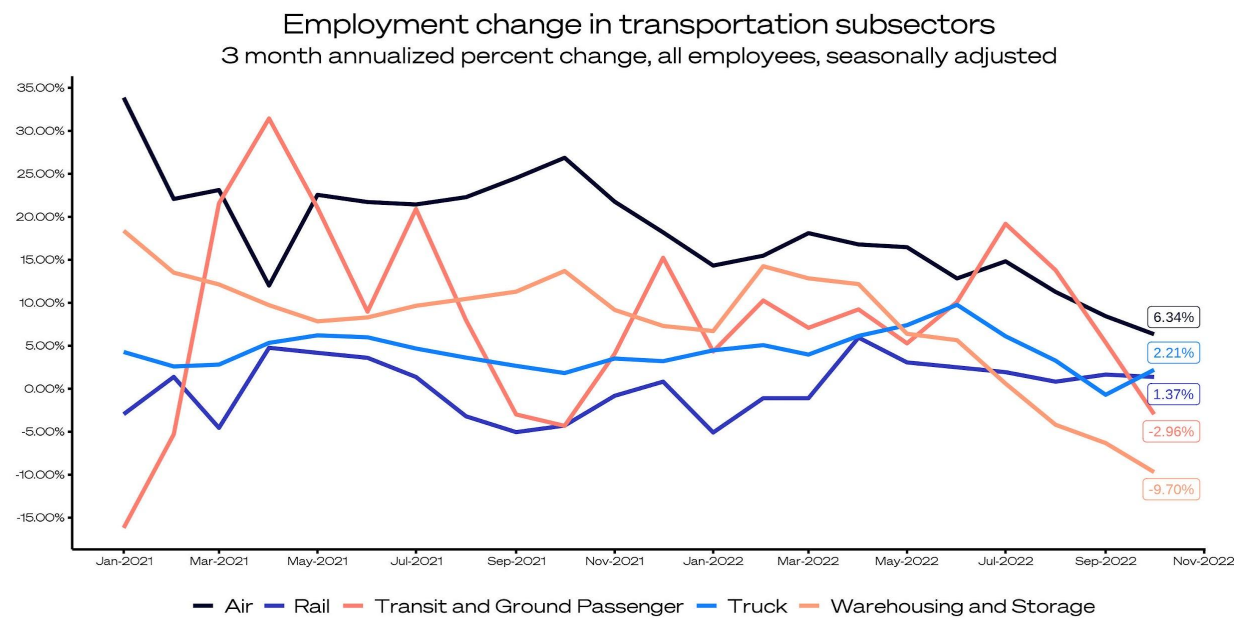


Source: Bureau of Labor Statistics; Created on Nov 04 2022



# Employment Trends in Transportation and Warehousing

Warehousing and storage job gains are rapidly cooling after significant growth in 2021 – falling to a negative rate of -9.70% in October. Transit growth is also negative at -2.95%. Across the board, growth is slowing for all major subsectors.

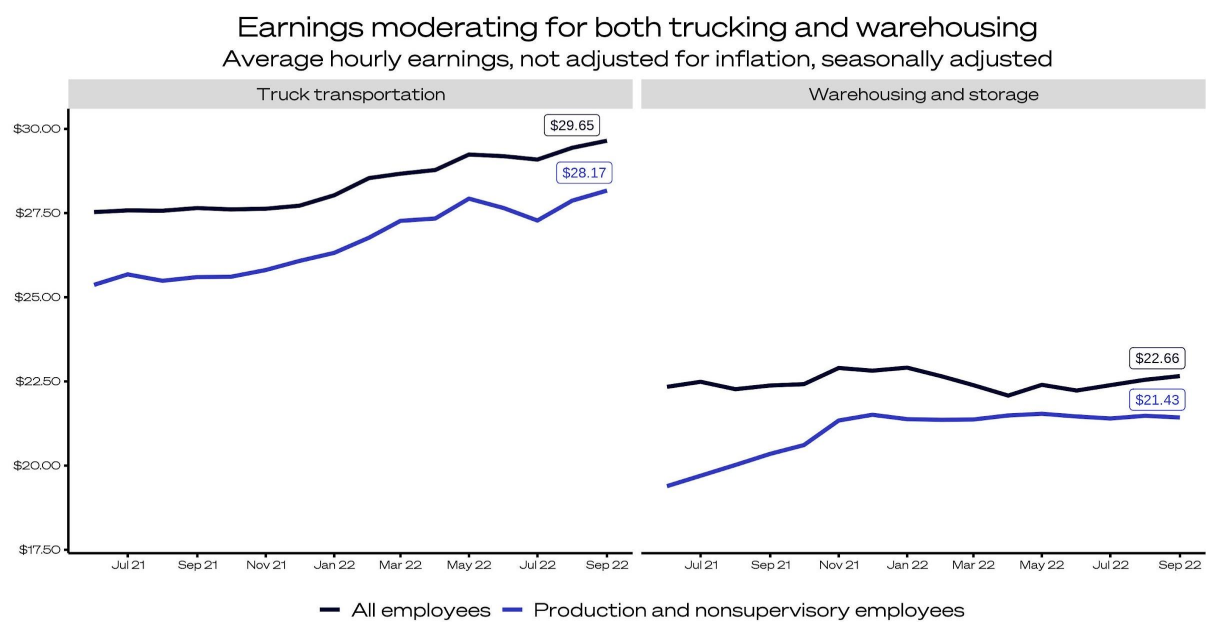


Source: Bureau of Labor Statistics; Created on Nov 07 2022



# Wage Trends in Transportation and Warehousing

Truck transportation has had strong wage growth for the past 6 months and average hourly earnings reached a high of \$29.65 for all employees in October. However, for non-manager warehousing and storage employees, hourly earnings fell slightly to \$21.43 an hour. Given the slowdown in hiring, it's not surprising that wage growth would slow accordingly.

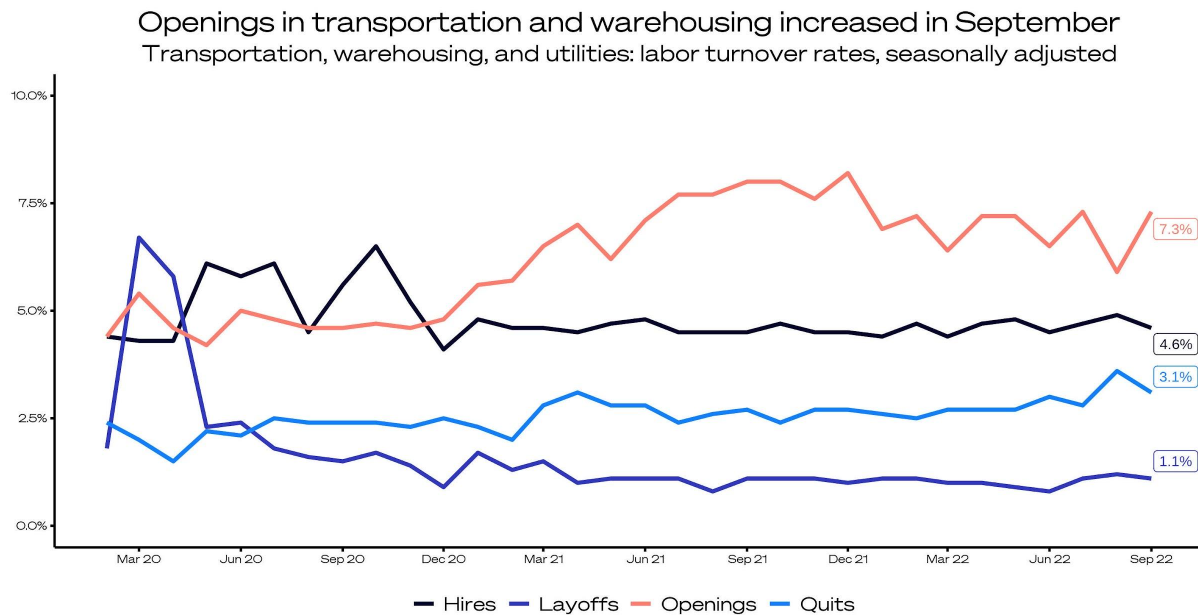


Source: Bureau of Labor Statistics; Created on Nov 07 2022



## Openings and Turnover Trends in Transportation and Warehousing

Despite a major decrease in warehousing jobs this month, job openings actually increased for transportation and warehousing. This industry contains many other large subsectors like truck and air transportation, possibly explaining the compositional effect. Hiring and quits both ticked down to 4.6% and 3.1% respectively, while layoffs were flat at 1.1%.



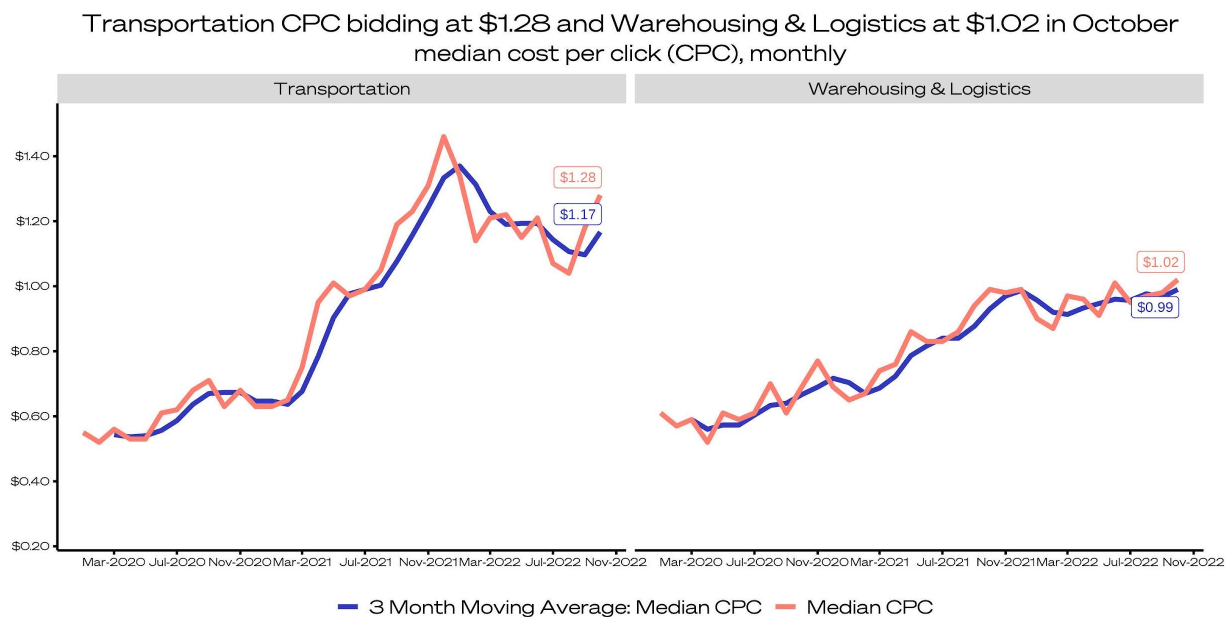
Source: Bureau of Labor Statistics; Created on Nov 07 2022



## Recruitment Marketing Trends in Transportation and Warehousing

Both transportation and warehousing recruiting costs are slowly unwinding after a two-year buildup. Apply rates are increasing and CPAs are falling.

The median cost-per-click (CPC) in transportation ticked up to \$1.28 and has averaged \$1.17 over the last three months. In warehousing, the typical CPC was stable at \$1.02. Apply rates have increased significantly for transportation, reaching 3.99% last month – an all-time high. Warehousing application rates are steady at 4.85%. Transportation cost-per-application (CPA) is falling significantly, down to \$32.49. Warehousing CPA is fairly flat at \$21.49.

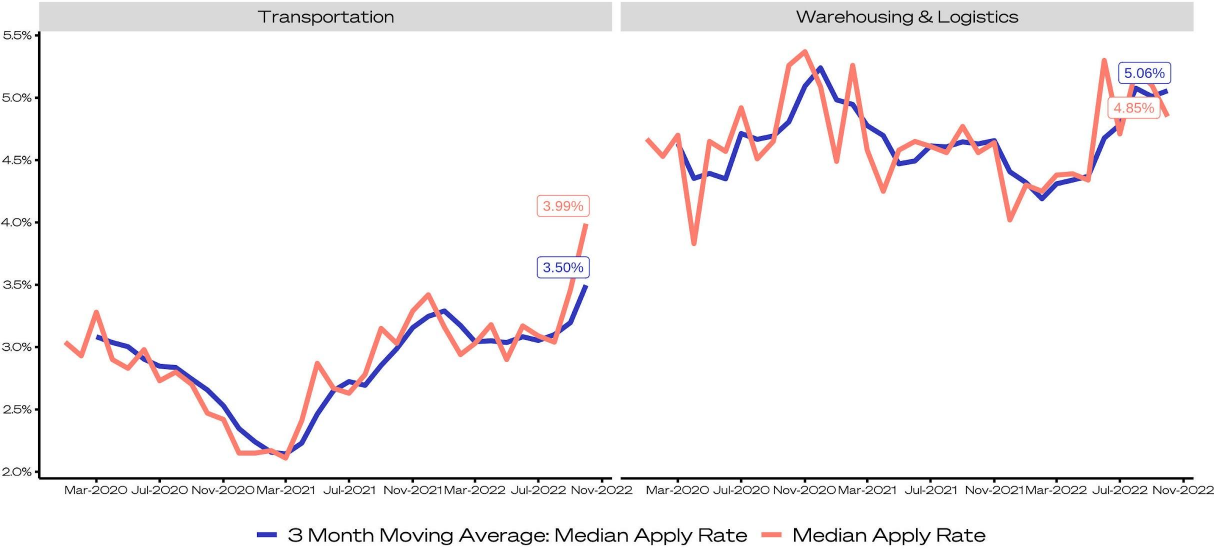


Source: Appcast; Created on Nov 07 2022

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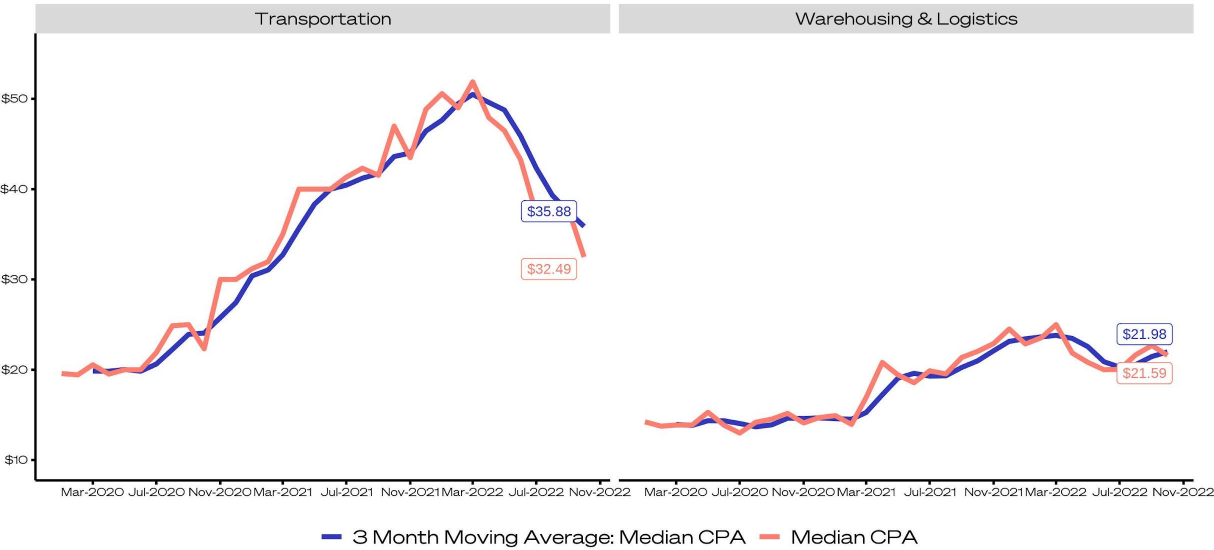
Transportation apply rates at 3.99% and Warehousing & Logistics at 4.85% in October median apply rate, monthly



Source: Appcast; Created on Nov 07 2022



Transportation CPA bidding at \$32.49 and Warehousing & Logistics at \$21.59 in October median cost per apply (CPA), monthly



Source: Appcast; Created on Nov 07 2022

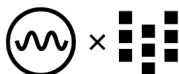


## What does this mean for Transportation and Warehousing?

In 2020 and 2021, transportation and warehousing was a bright spot of the economy during a period of job losses and higher unemployment. As the effects of the pandemic receded, so too did the economic impact. Consumers have changed their preferences, which has resulted in a significant cooldown within warehousing. However, the other major subsectors have not been as hard-hit, with trucking and air transportation continuing to add jobs. Recruitment costs are coming off their highs of late 2021 and early 2022, indicating a rebalancing of labor demand and labor supply.

# Thank you

Why Recruitonomics?



Recruitonomics is a hub for data-driven research, powered by Appcast, that aims to make sense of our evolving world of work. Combining labor economics and recruitment best practices, Recruitonomics seeks to bring clarity to the chaos of a changing economic landscape.

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