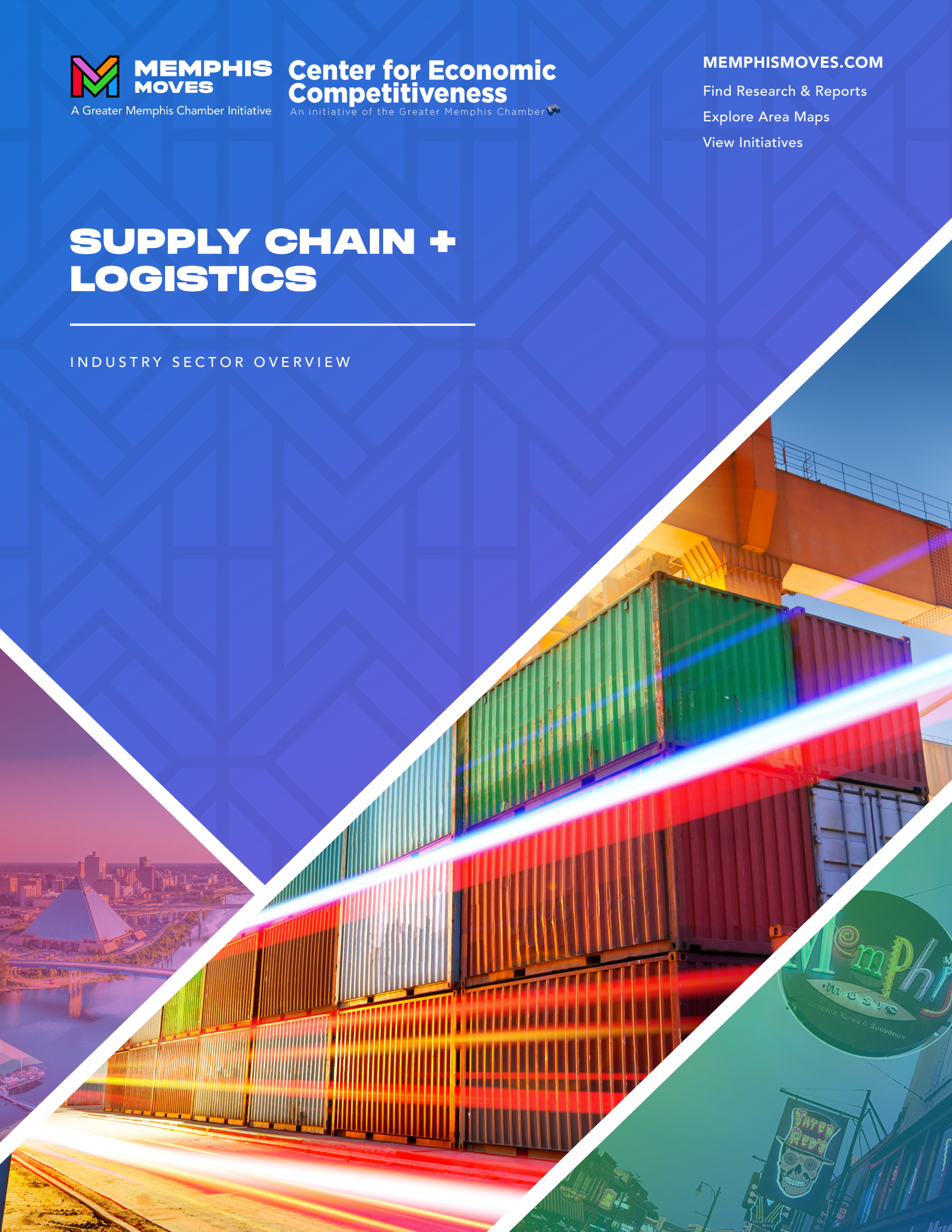
MEMPHIS MOVES
A Greater Memphis Chamber Initiative

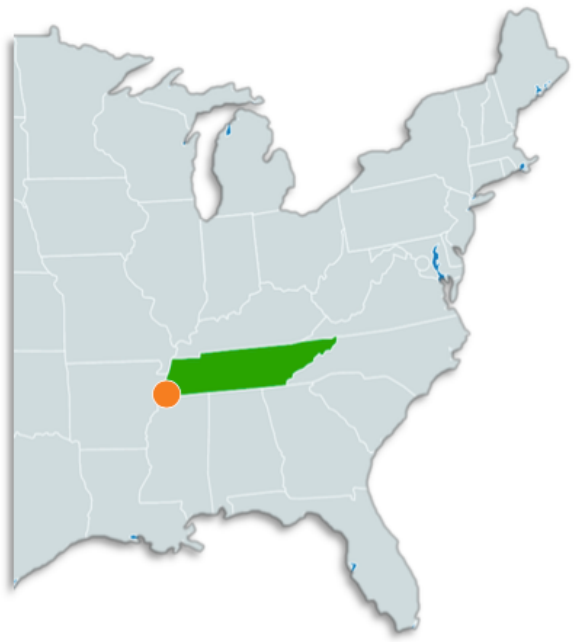
Center for Economic Competitiveness
An initiative of the Greater Memphis Chamber

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SUPPLY CHAIN + LOGISTICS

INDUSTRY SECTOR OVERVIEW





NO ONE MOVES LIKE MEMPHIS

As the largest metropolitan area within 150 miles of downtown, Memphis is a major economic engine for the state of Tennessee and the economic hub of a three-state region that includes Tennessee, Arkansas, and Mississippi.

More than 1.34 million people live in the Memphis MSA and nearly 5 million people live in the three-state region known as the Mid-south.

MARKET ORIENTATION

The Memphis regional market is centrally located in the United States and offers superior operational value and flexibility with a specialization in the ability to take products to market and move raw materials. With an integrated transportation system of road infrastructure, rail mainlines, river ports, and the busiest cargo airport in the world, over 27,000 companies have operations in Memphis, including over 400 trucking companies.

With nearly 12 million square feet of industrial space under construction, the Memphis MSA offers competitively priced lease rates at $3.81 square foot. In addition to cost factors, Memphis offers a deep bench of qualified talent, with nearly 100,000 people employed in transportation related occupations. With internationally recognized brands leveraging the Memphis value proposition for distribution and logistics functions, the Memphis market serves as America's Distribution Hub – ensuring reliable and cost-effective solutions to grow bottom line revenues and improve supply chain management systems.

FAST. EFFICIENT. ACCESSIBLE.

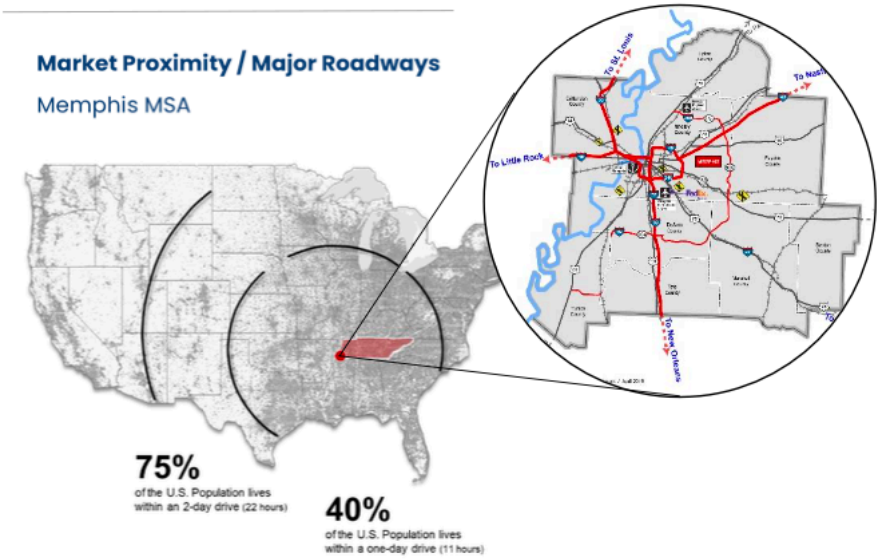
ROAD



Geographically positioned as a gateway between cities in the eastern and western United States, Memphis serves as a major connection for many transcontinental truck shipments. Complementing its strategic positioning, nearly 900 miles of interstate and U.S. designated highways strengthen the movement of inbound and outbound goods.

Leveraging its sophisticated roadway infrastructure, inbound and outbound commodities distributed by truck via roadway infrastructure amounted to more than $70 billion in 2017 in the Tennessee part of the Memphis MSA alone, as defined by the Freight Analysis Framework (FAF) tabulation tool. Electronics, motorized vehicles, precision instruments, and machinery make up the list of top durable commodities transported in the FAF zone.

Major roadways within the Memphis MSA include the I-55 which travels north-south providing connection to New Orleans to the south, St. Louis to the north, and continues to Chicago, US 78/I-22 which connects the region to the city of Birmingham to the south and I-40, connecting the east side of Tennessee including the cities of Knoxville, Nashville, and Jackson to the Greater Memphis region. In addition, I-40 connects the Greater Memphis region on the west to Little Rock, Oklahoma City, and continues to Mexico and the southern portion of California. I-240 loops around the City of Memphis connecting I-40 to I-55.



RAIL



Memphis is a city that was built around the railroads. Memphis can reach 45 states and Canada and Mexico by rail within 2 days and is one of only four cities in the U.S. to be served by 5 Class-I railroads. Single system shipment is available 24/7 at nine intermodal yards throughout the Memphis metro. Home to five wide-span cranes, the intermodal yards have a lift capacity of more than 2 million TEUs annually.

Class-I Railroads Highlights:

- **BNSF Railway (BNSF)** expanded its Tennessee Yard to 1,000,000 container lifts per year from 250,000. The Expansion includes parking for more than 6,000 trucks, an automated inventory tracking system, five loading cranes, and more.
- **Union Pacific (UP)** operates its most eastern location in Memphis, connecting our city to the western United States and moving cotton, lumber, processed foods, and more.
- **Canadian National Railroad (CN)** completed a $100 million expansion to its Harrison Yard with a new capacity of 3,100 freight cars with 45 tracks which allows it to handle 35 or more freight trains per day.
- **CSX Corporation (CSX)** shares and intermodal yard with CN and operates intermodal and automobile distribution terminals in Memphis.
- **Norfolk Southern (NS)** operates three intermodal tracks and provides stacking capabilities, on load and off load services and access 7 days per week.

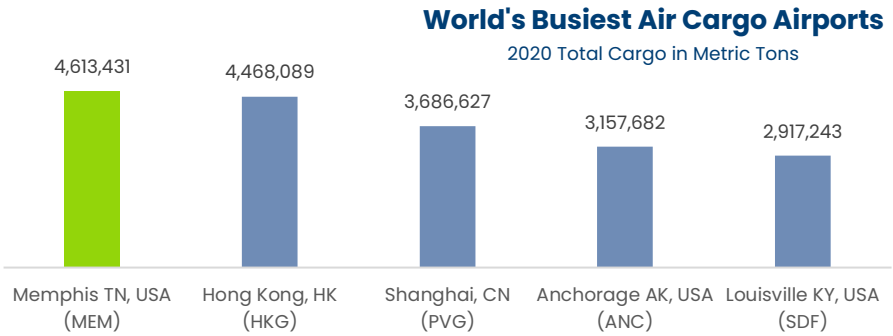


RUNWAY

#1 BUSIEST CARGO AIRPORT IN THE WORLD

In today's global marketplace, business success is dependent upon access to new markets, to customers and partners, and to the latest information and technology. To be competitive, you need to be well-positioned.

Home to the world headquarters and world hub of FedEx and major UPS, DHL, and U.S. Postal operations, Memphis is uniquely positioned to provide hassle-free access and the most cost-effective distribution and logistics services in the nation. This is especially ideal for companies that rely on fast-cycle logistics to support their business model.



The FedEx World Hub in Memphis is the centerpiece distribution and delivery operations across the globe. Positioning an operations in close proximity to a FedEx global hub offers businesses exceptional access to the powerful FedEx network – and to new international commerce opportunities. It is also one of the only places in the world where packages dropped off as late as midnight can still be delivered around the world as soon as the next day.

RIVER

#5 LARGEST INLAND PORT IN THE US

The Mississippi River serves as another alternative for shipping goods in barge loads or container on-barge operations. As a key regional asset, the Port of Memphis is a significant economic force supporting jobs and commerce across the Mid-South region.

Strategically located between the Port of New Orleans and St. Louis, the Port of Memphis is the second largest port on the shallow draft portion of the Mississippi River and the 5th largest inland port in the United States, based on tonnage. The Port of Memphis offers 68 water fronted facilities, large crane capacity, and ice-free harbors year-round.

INDUSTRY PRESENCE: Transportation and Logistics

Home to the Fortune 500 companies FedEx, Autozone, and International Paper, Memphis is well positioned as an attractive location for quality and skillful talent. Comparatively, the region holds an extremely competitive workforce regarding training, quality, and availability of workers. Shown in the following pages, the critical mass and growth of both industry and occupations have been highlighted to provide deeper insight into regional presence related to the region's distribution operations ecosystem.

Industry Description	2015 Jobs	2020 Jobs	2015-2020 % Change	2020 Location Quotient
General Warehousing and Storage	9,826	18,493	88%	3.42
General Freight Trucking, Long-Distance, LTL	4,340	4,109	-5%	3.84
Other Warehousing and Storage	1,296	1,412	9%	6.64
General Freight Trucking, Local	949	1,390	46%	1.23
Commercial and Industrial Machinery Repair	783	871	11%	0.98
Regional Total	**17,194**	**26,275**	**53%**	

Source: Economic Modeling Specialists International (Emsi)

Location Quotient: Location quotients (LQ) are a useful way of quantifying how concentrated a particular industry, cluster, or occupation is in a region as compared to a larger geographic area. In more exact terms, LQs are a ratio that compares a smaller regional group to a larger reference region according to the same characteristic or asset. An LQ of 1 is equally concentrated within both areas. An LQ of 1.5 indicates that the smaller geographic region is 50% more concentrated regionally, and an LQ of 2 indicates the geographic region is twice as concentrated regionally.

MAJOR EMPLOYERS: Transportation and Logistics

Company	City	Emp.	Industry Description
FedEx	Memphis	30,000	Supply Chain Management and Logistics
Technicolor	Memphis	3,500	Distribution Operations
Nike, Inc.	Memphis	3,200	Distribution Operations
XPO Logistics Supply Chain	Memphis	2,500	Distribution Operations
International Paper Company	Memphis	2,400	Corporate Supply Chain and Distribution
United Parcel Service, Inc.	Memphis	2,100	Distribution Operations
Deutsche Post DHL	Southaven	2,000	Distribution Operations
Amazon	Memphis	1,500	Distribution Operations
Milwaukee Electric Tool Corp.	Olive Branch	1,000	Distribution Operations

OCCUPATIONAL PRESENCE: Transportation and Logistics

Shown below, a mix of the most represented occupations within the warehousing and storage industry are highlighted. Within, more than 90,000 regional residents are employed in the occupations described and expanded more than 5% as a collective group from 2015-2020. Of these, 8 of the 12 occupations hold Location Quotients greater than 1.5. This coefficient indicates that the concentration of these occupations is at least 50% more concentrated within the Memphis MSA when compared to the Nation.

Occupation Description	2015 Jobs	2020 Jobs	2015-2020 % Change	2020 Location Quotient
Laborers and Freight, Stock, and Material Movers, Hand	35,205	36,196	3%	3.01
Heavy and Tractor-Trailer Truck Drivers	14,180	14,710	4%	1.90
Stock Clerks and Order Fillers	13,130	14,217	8%	1.51
Shipping, Receiving, and Inventory Clerks	6,428	6,918	8%	2.21
Industrial Truck and Tractor Operators	4,808	5,813	21%	2.11
Maintenance and Repair Workers, General	5,166	5,028	-3%	0.86
Packers and Packagers, Hand	5,416	4,396	-19%	1.69
Supervisors of Transportation and Material Moving Workers	4,044	5,337	32%	2.66
Inspectors, Testers, Sorters, Samplers, and Weighers	2,062	2,557	24%	1.08
Production, Planning, and Expediting Clerks	1,658	1,600	-3%	1.04
Transportation, Storage, and Distribution Managers	912	1,126	23%	2.08
Weighers, Measurers, Checkers, and Samplers	375	294	-22%	1.19
Regional Total	**93,384**	**98,191**	**5%**	

Source: Economic Modeling Specialists International (Emsi)

OCCUPATIONAL UNEMPLOYMENT

As firms assess regional markets for the viability of future growth, occupational unemployment is helpful to understand as a pool of potential candidates. Shown below, unemployment within the Installation, Maintenance and Repair and Transportation and Material Moving occupations are highlighted.

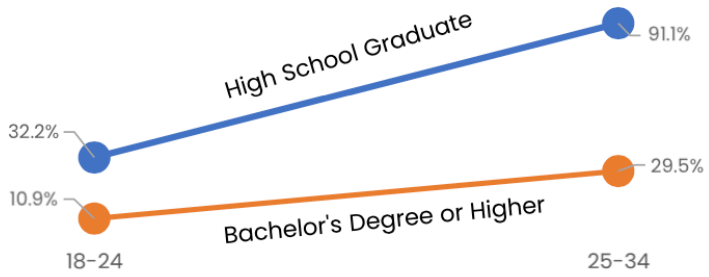


EDUCATION

Young professionals hold a significant footprint within the Memphis regional population. In fact, per the most recent metro area population estimates, there are over 312,000 residents between the ages of 18-34.

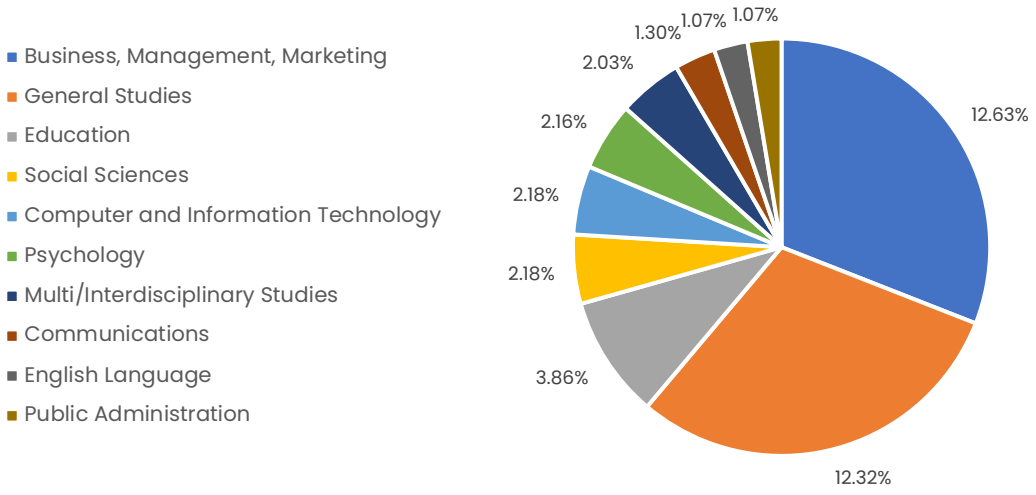
To gain an understanding of the college graduate labor market and the young and talented professional population within the Memphis MSA, one can look at two age range cohorts derived from the U.S. Census.

The Chart below highlights the population residing within the Memphis MSA who fall within the age ranges of 18-24 and 25-34. Additionally, respective college level educational attainment has been added for further insight.



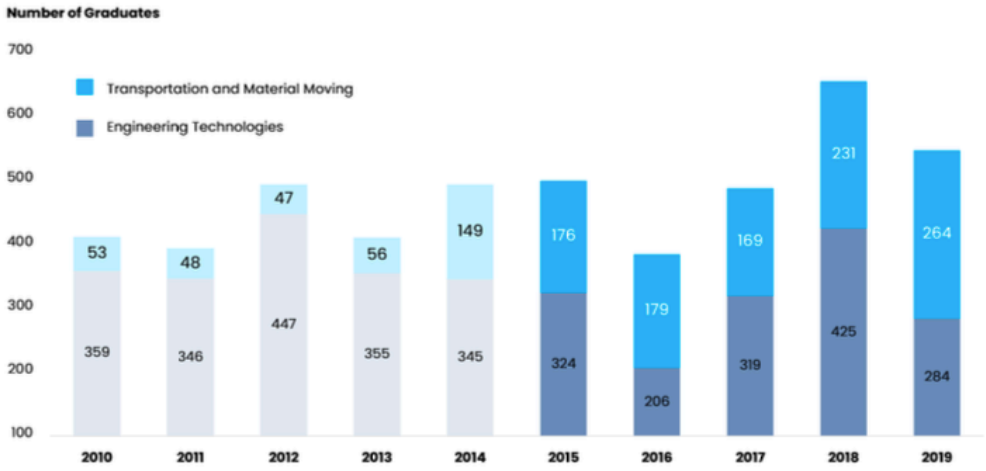
More specifically as it relates to graduates from regional higher educational institutions, the Memphis MSA graduated 14,153 students in 2019. Charted below, within the 2019 pool of regional graduates, over 5,700 (41%) graduated within ten major educational programs that map well to corporate managing offices' needs for occupational employment.

2019 Percent of Regional Graduates by Degree Program



TALENT SUSTAINABILITY

As it relates to talent graduating with skillsets that map to a distribution facility, the Greater Memphis area graduated over 500 students on average annually from 2015-2019. Additionally, 5-year growth represents an average annual growth rate of 1.9% in relevant degree programs. The degree programs highlighted include that of engineering technologies and transportation and material moving.



Education Highlight: Tennessee College of Applied Technology

Specialized Training for Business and Industry

TENNESSEE COLLEGE OF APPLIED TECHNOLOGY MEMPHIS

The State of Tennessee provides a special benefit to the business and industrial communities in the state by offering custom employee trainings through the Tennessee Colleges of Applied Technology (TCATs). Your local TCAT campus will work to develop new, job-specific training courses designed to help employees develop new skills and upgrade their existing skills.

Computer Information Technology This program is designed to provide students with first-hand knowledge of the software, hardware, and operations of personal computers used in business and industry today. The program consists of studies in the major operating systems, diagnostics, plus configuration of computers and their related peripheral devices.

Truck Driving The Truck Driving Program prepares students for employment as tractor-trailer drivers by providing the identified knowledge and performance skills necessary to pass the Commercial Driver's test.