The Lifeblood of State Commerce

The Economic Impact of S.C. Logistics on South Carolina

SC COUNCIL ON COMPETITIVENESS

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September 27, 2023
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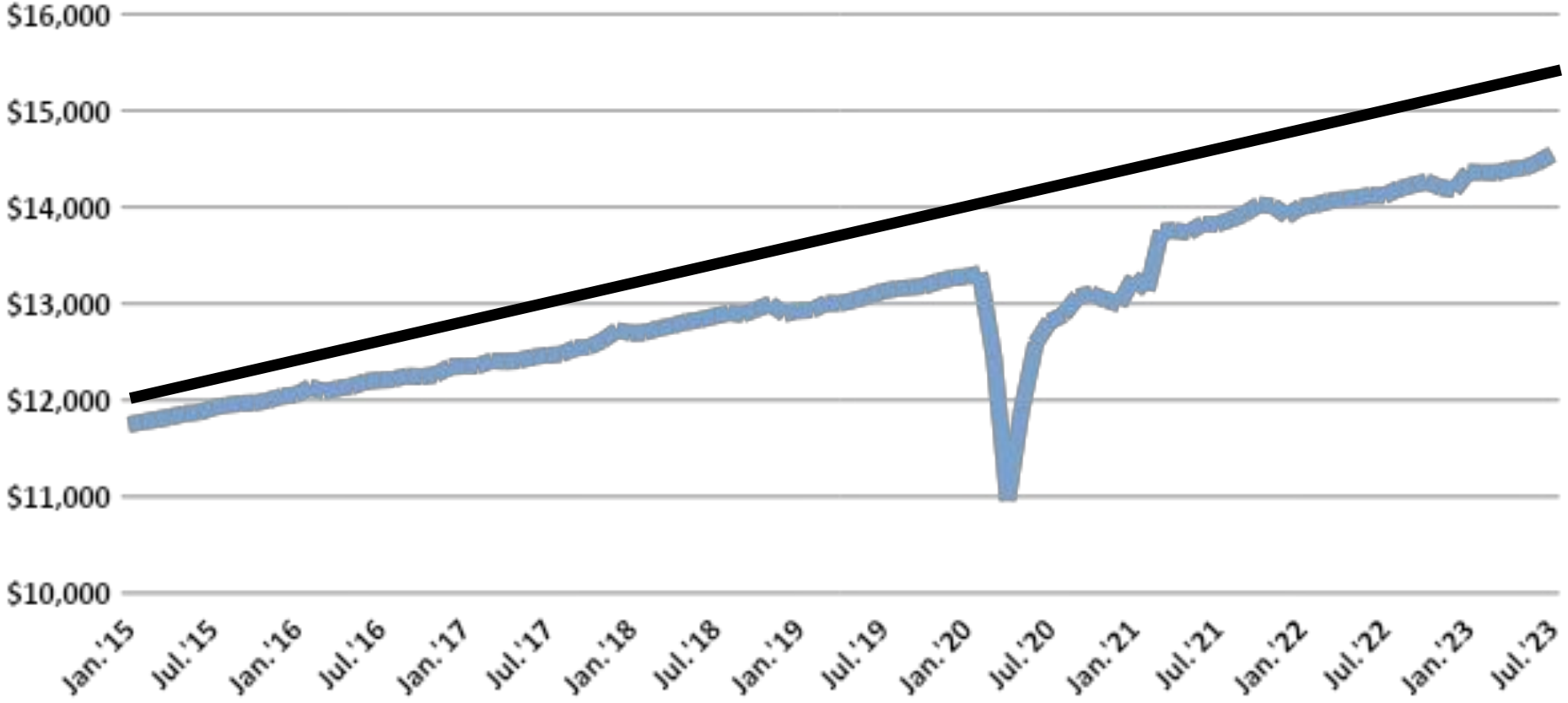
Short Run vs. Long Run

The Year of

Real Total U.S. Consumer Spending



Source: U.S. Bureau of Economic Analysis

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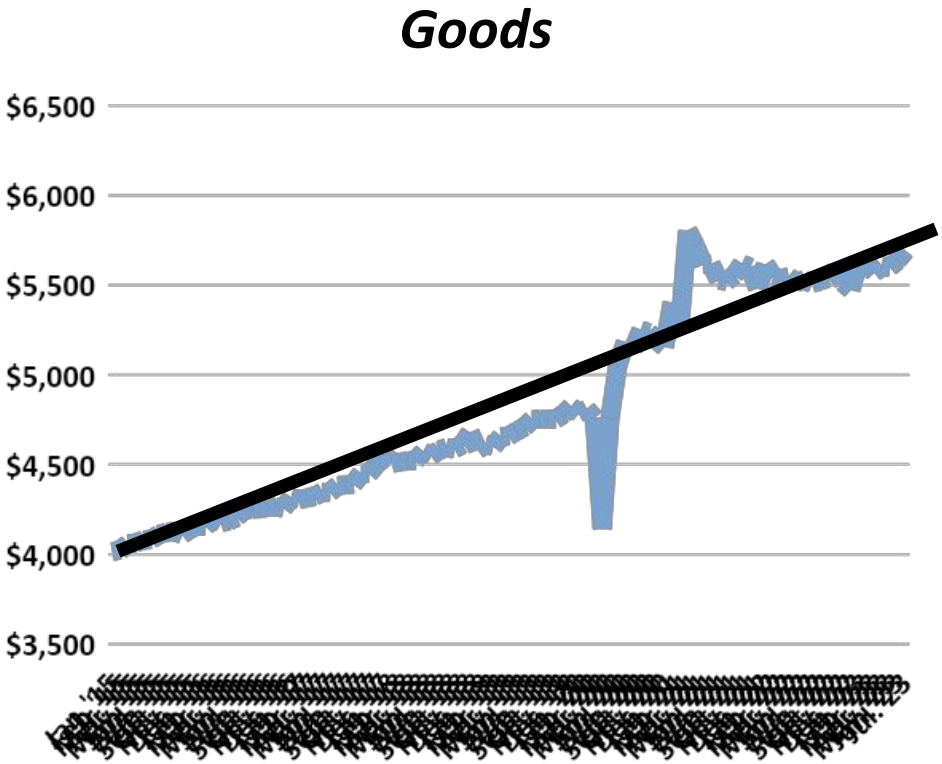
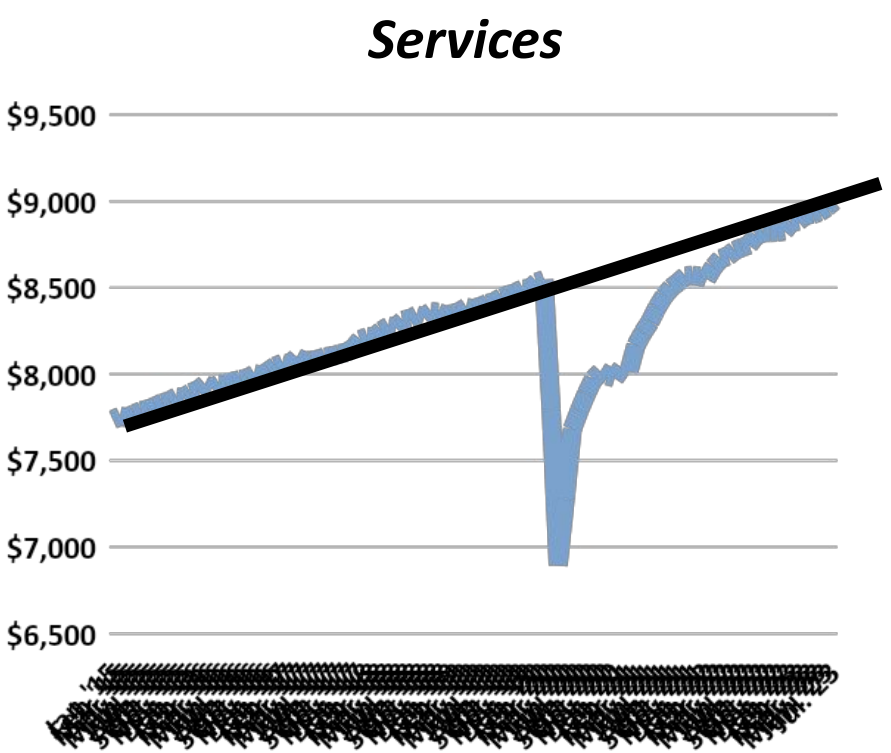
Real U.S. Consumer Spending





Source: U.S. Bureau of Economic Analysis

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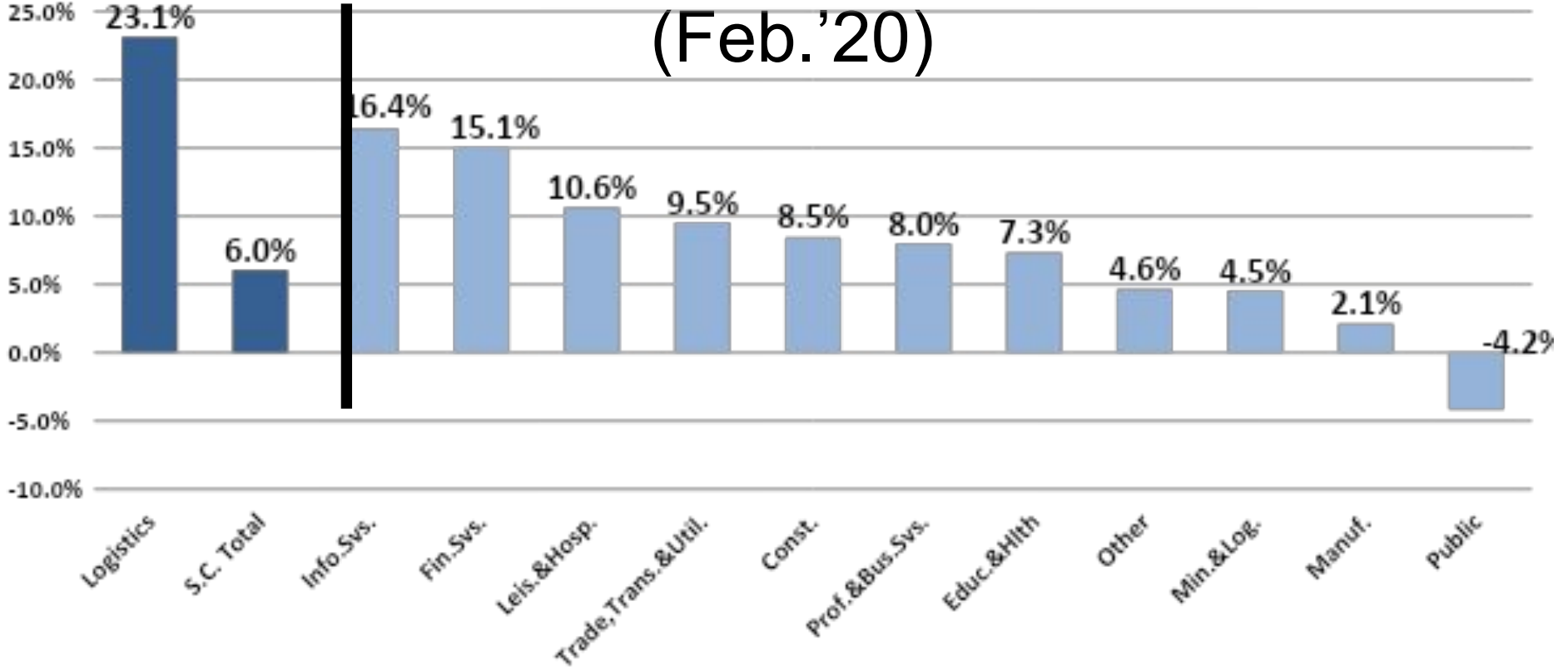
Employment as Pct. of Pre-Recession Peak (Feb.'20)



Source: U.S. Bureau of Labor Statistics

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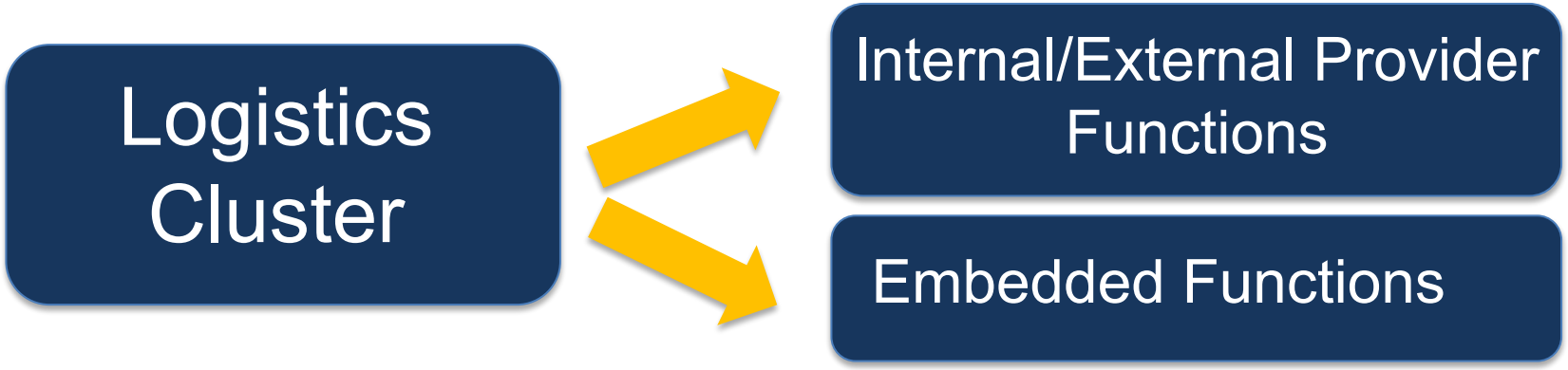


(1) Provider Functions: Logistics functions existing primarily to transport raw materials and/or final products from one firm to another or from a firm to a final consumer

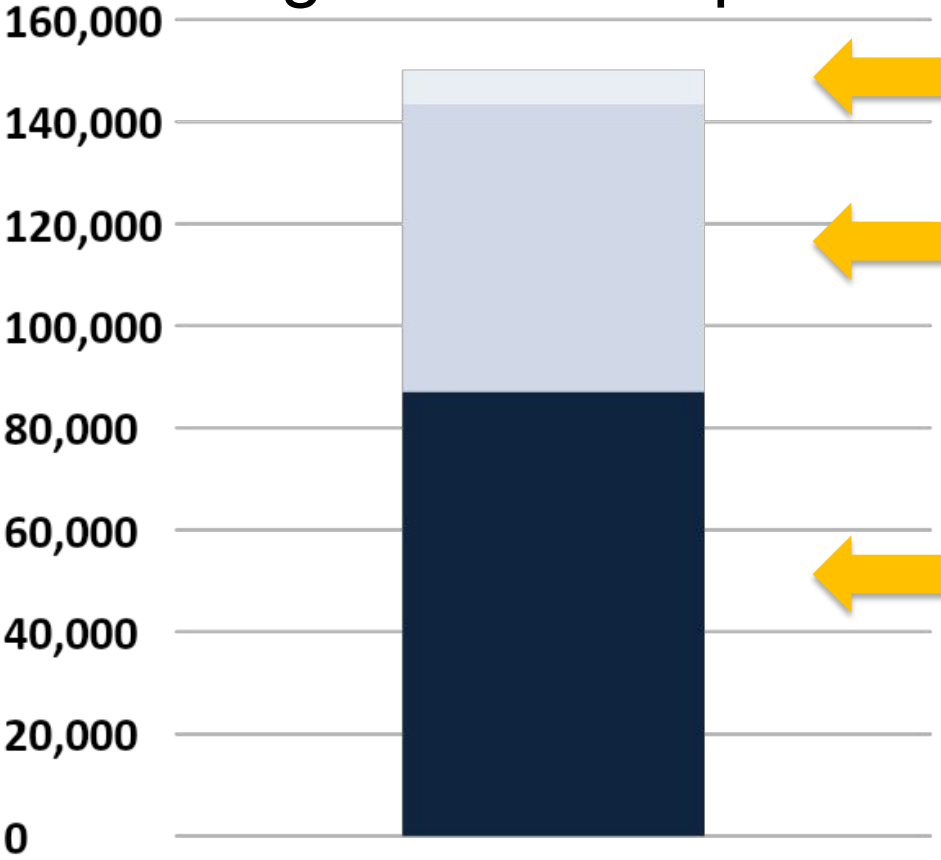
(2) Embedded Functions: Logistics functions existing within a firm in service of that firm's operations

Embedded Functions		Int./Ext. Provider Functions	
Occupation Description	Total Employment	Occupation Description	Total Employment
Logisticians	4,020	Laborers and Freight, Stock, and Material Movers	63,570
Transportation, Storage, and Distribution Mngrs.	2,700	Heavy and Tractor-Trailer Truck Drivers	31,370
N/A	N/A	Light Truck Drivers	14,410
N/A	N/A	Industrial Truck and Tractor Operators	11,850
N/A	N/A	Packers and Packagers	8,960

Total Direct Employment in S.C. Logistics: 150,160
Percentage of Embedded Function Occupations: 4.5%

Source: U.S. Bureau of Labor Statistics, Occupational Industry Matrix

Breaking Down Components of S.C. Logistics



Embedded
Total Employment: 6,720

External Providers
Total Employment: 56,347

Internal Providers
Total Employment: 87,093

Employment Growth Over Time

Category	2017	2020	2023	Growth Rate (2023/2020)
Embedded	4,007	4,160	6,720	+61.5%
Internal Provider	74,044	87,807	87,093	-0.8%
External Provider	35,814	47,683	56,347	+18.2%
Totals	**113,865**	**139,650**	**150,160**	**+7.5%**

A majority of logistics-related growth in South Carolina is due to the higher overall demand for transportation-based services.

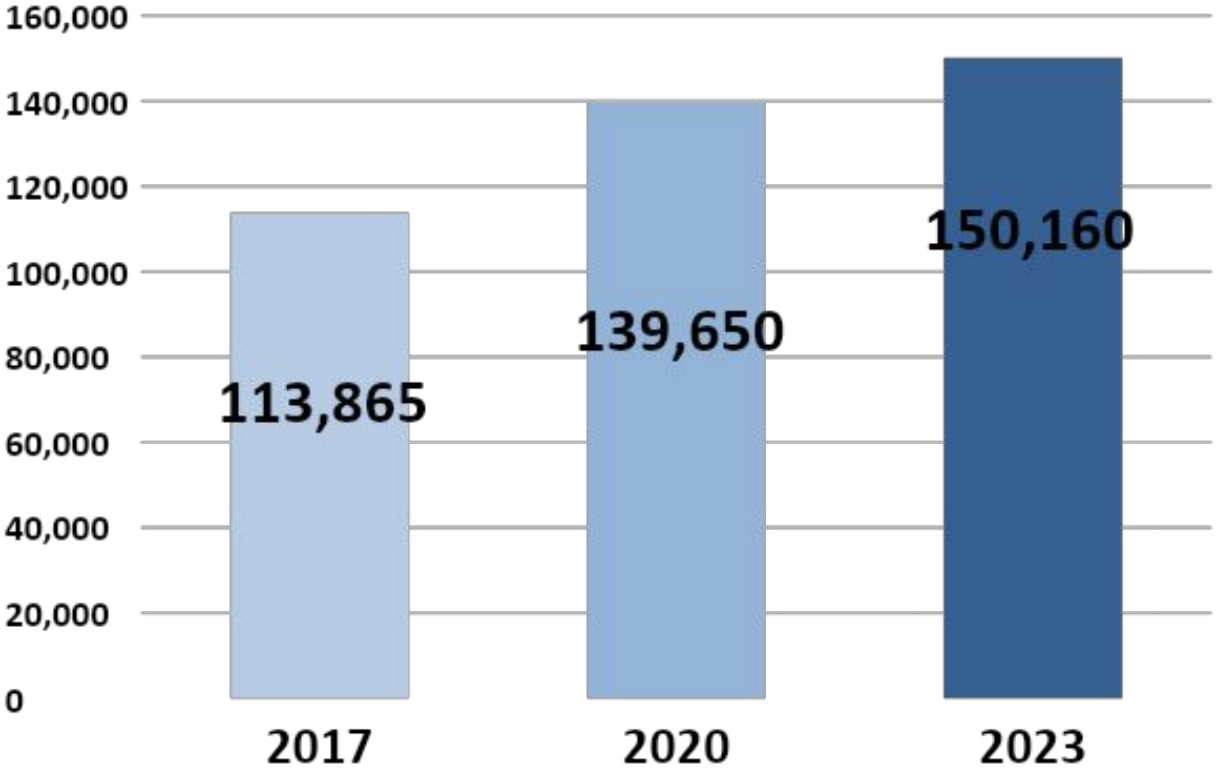
South Carolina Economic **Impact**

Total Employment: 150,160

Total Compensation: $8.9 billion

Total Economic Impact: $48.3 billion

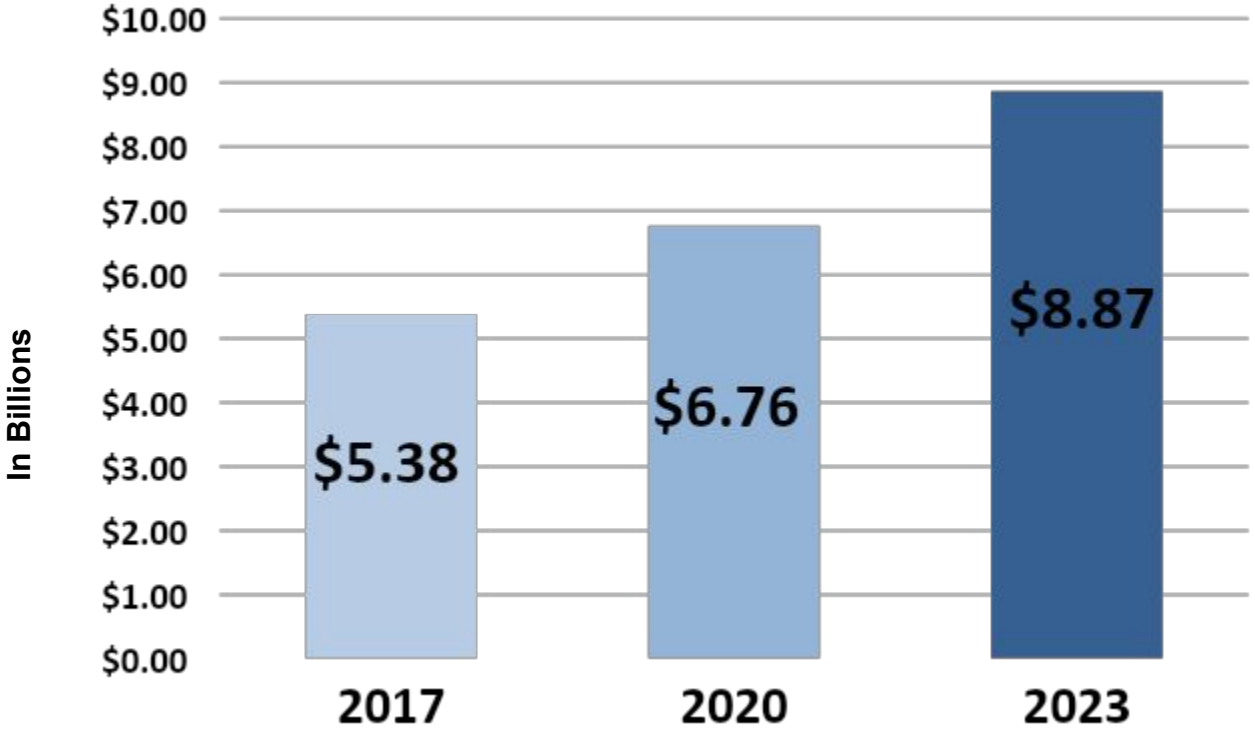
A Growing Impact: Employment



+31.9%

2017-2023 growth

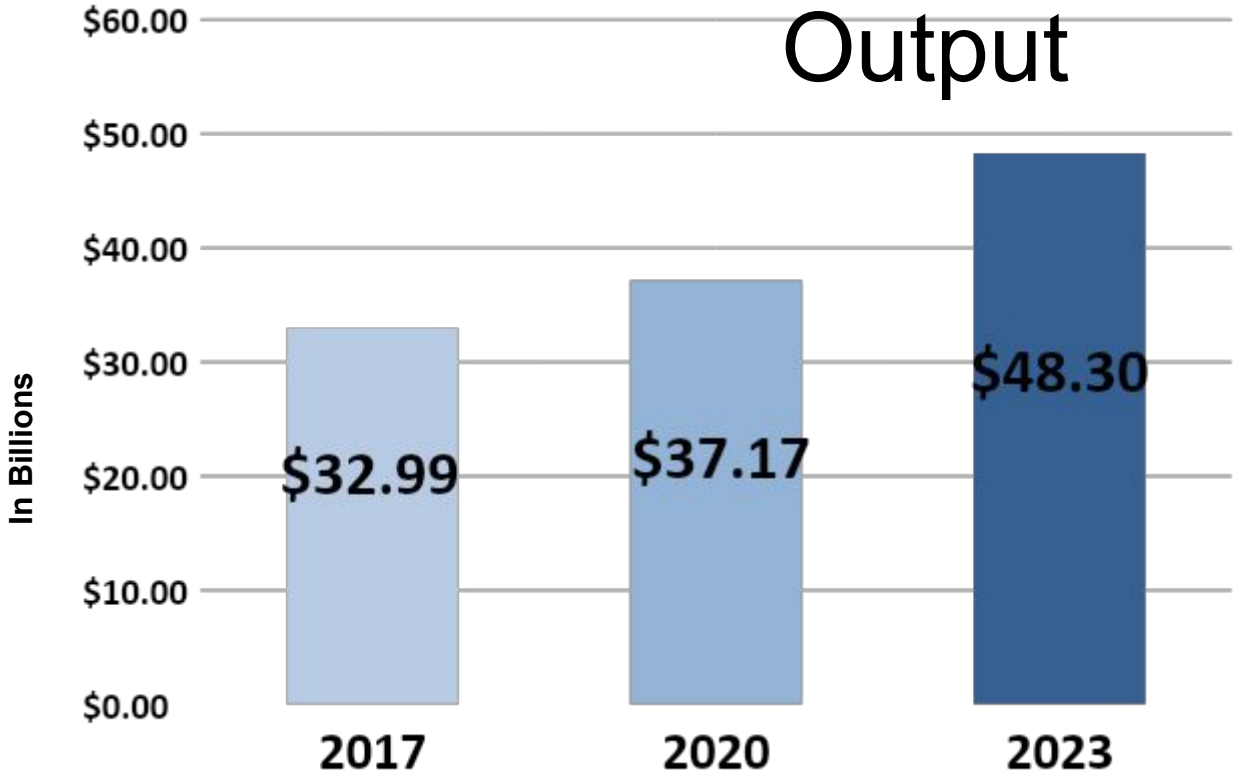
A Growing Impact: Total Compensation



+64.9%

2017-2023 growth

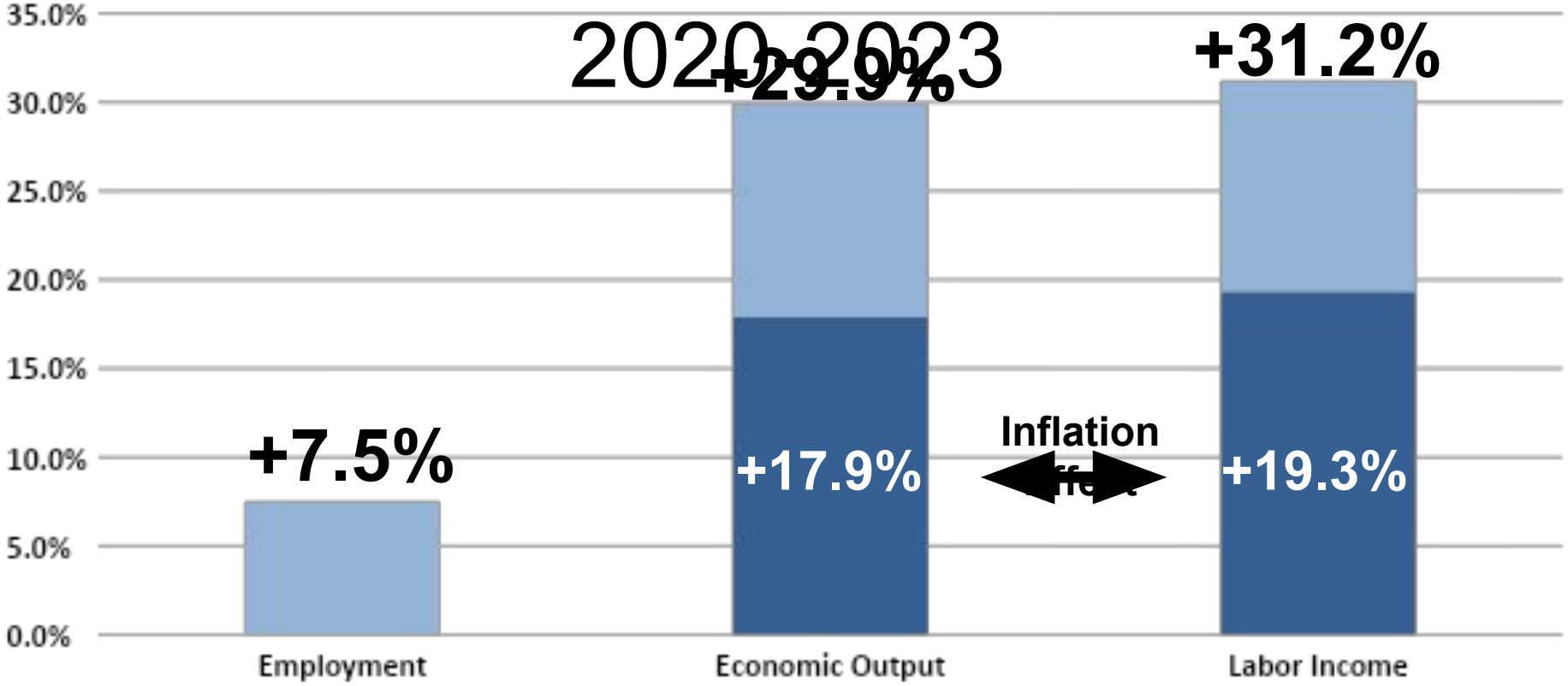
A Growing Impact: Total Economic Output



+46.4%

2017-2023 growth

S.C. Logistics Growth: 2020-2023



Source: U.S. Bureau of Labor Statistics, S.C. Council on Competitiveness

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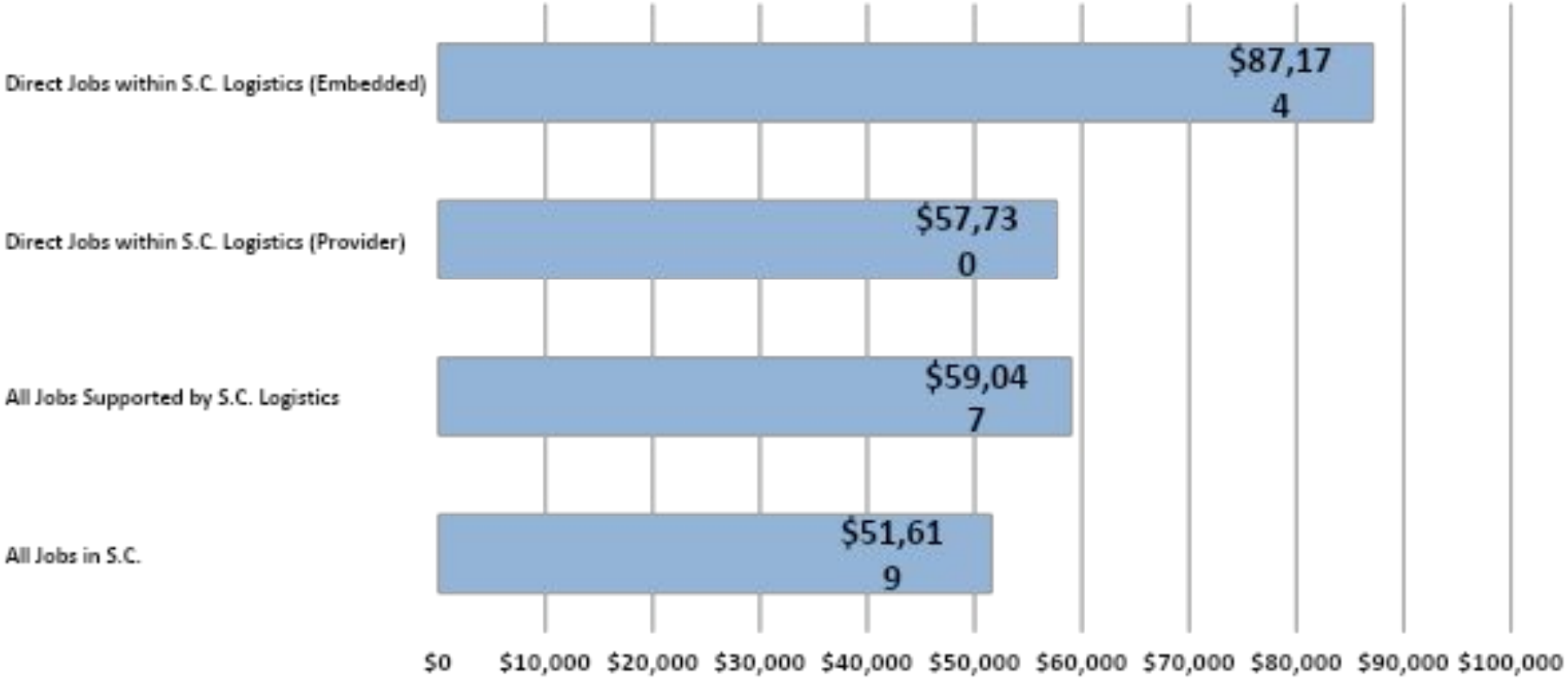
Average Annual Wage Comparisons



Source: U.S. Bureau of Labor Statistics; S.C. Council on Competitiveness

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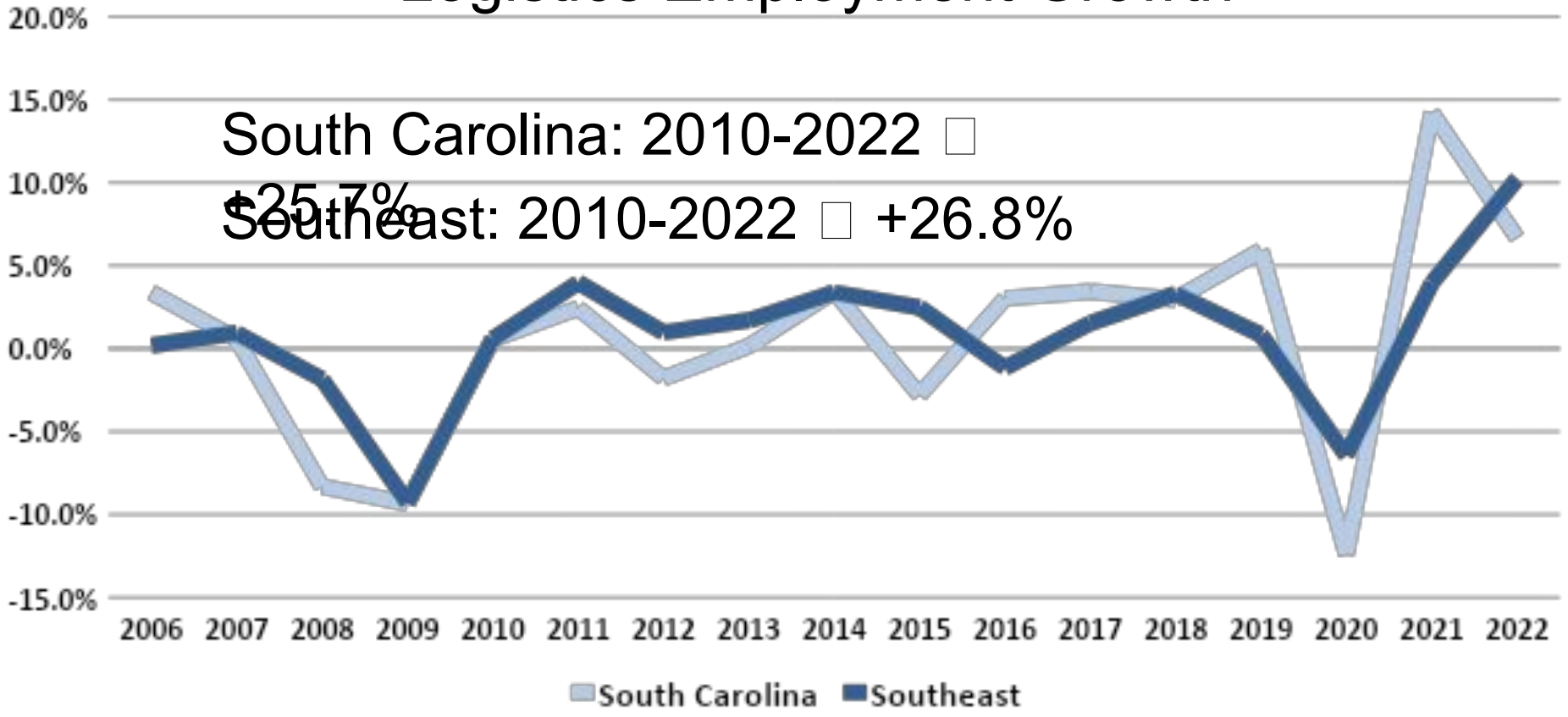
Broader Logistics Trends in the Southeastern U.S.

Logistics Employment Growth



Source: U.S. Bureau of Labor Statistics

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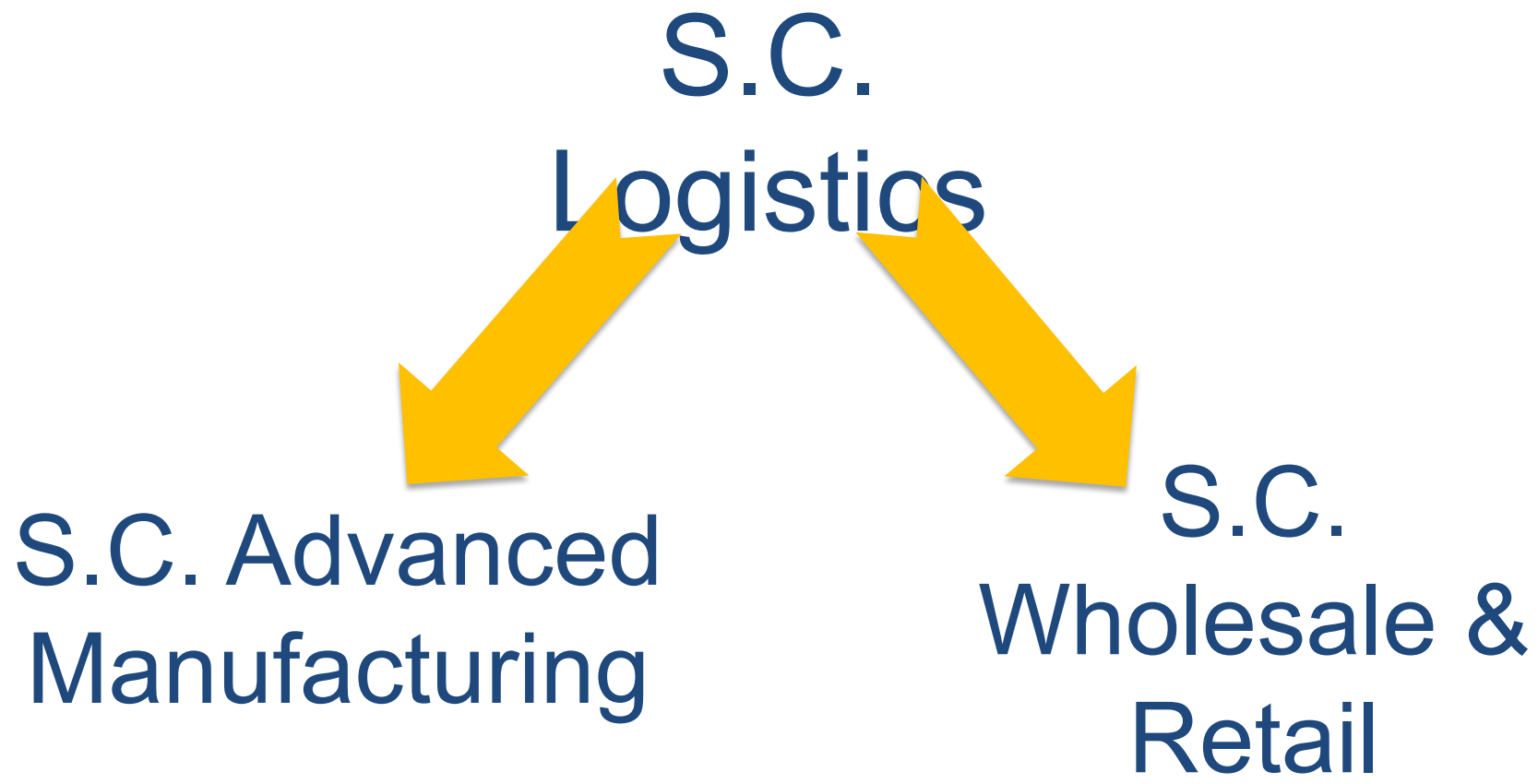
Logistics Cluster Growth Rate by Southeastern State

State	Growth Rate (2010-2022)	State	Growth Rate (2010-2022)
Florida	+51.1%	Virginia	+12.3%
North Carolina	+39.6%	Arkansas	+12.2%
Georgia	+32.0%	Alabama	+11.9%
South Carolina	+25.7%	Tennessee	+11.7%
Kentucky	+24.5%	Louisiana	+3.1%
Mississippi	+16.0%	West Virginia	-5.4%

Source: U.S. Bureau of Labor Statistics

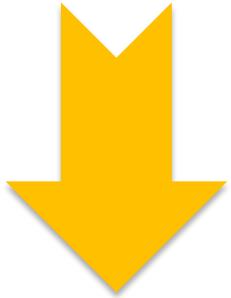
The Future of S.C. Logistics


S.C.
Logistics
S.C. Advanced Manufacturing
S.C. Wholesale & Retail

Percentage of Business Purchases (inputs) from External Provider Firms

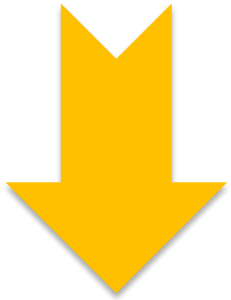
7.4%

Avg. Business within Adv. Manufacturing



12.3%

Avg. Business within Wholesale & Retail Trade



3.8%

Avg. S.C. Business

Source: S.C. Council on Competitiveness

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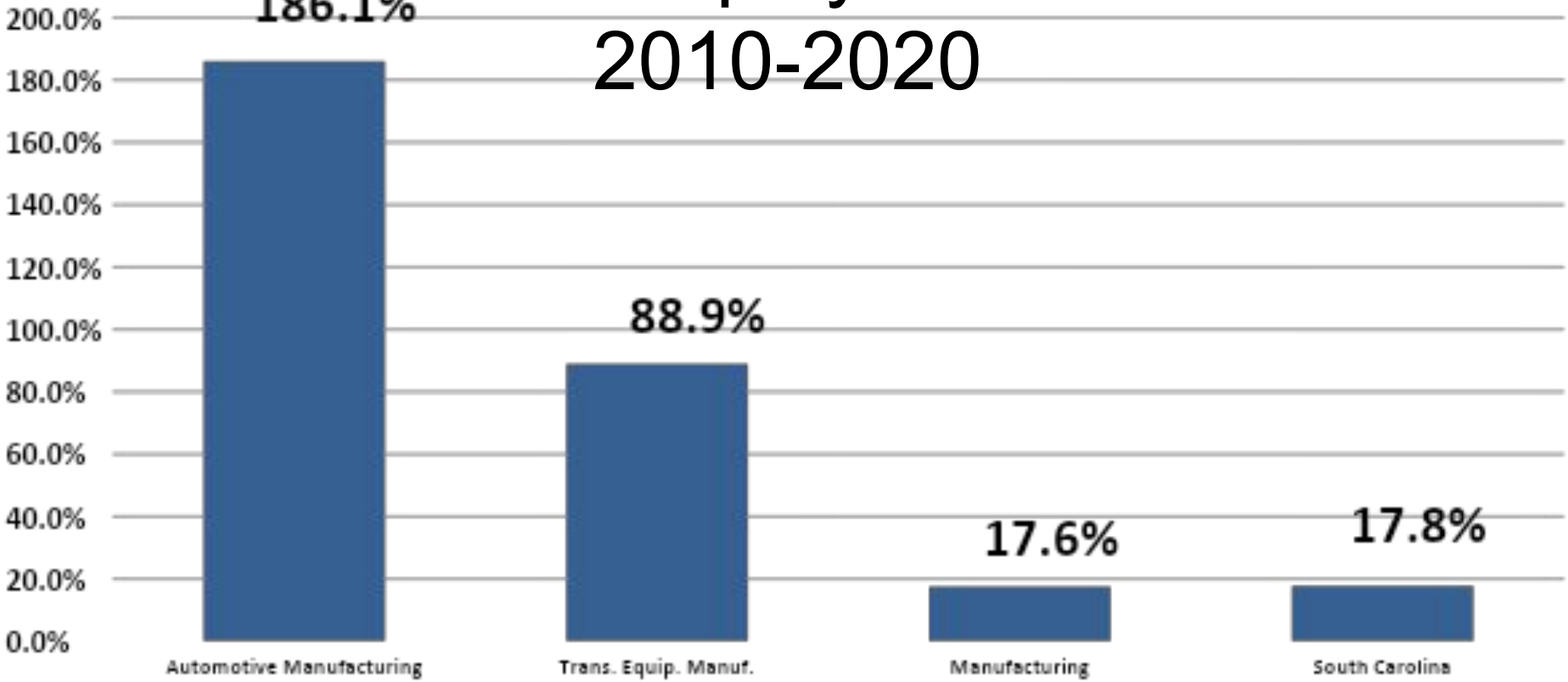
S.C. Total Employment Growth: 2010-2020



Source: U.S. Bureau of Labor Statistics

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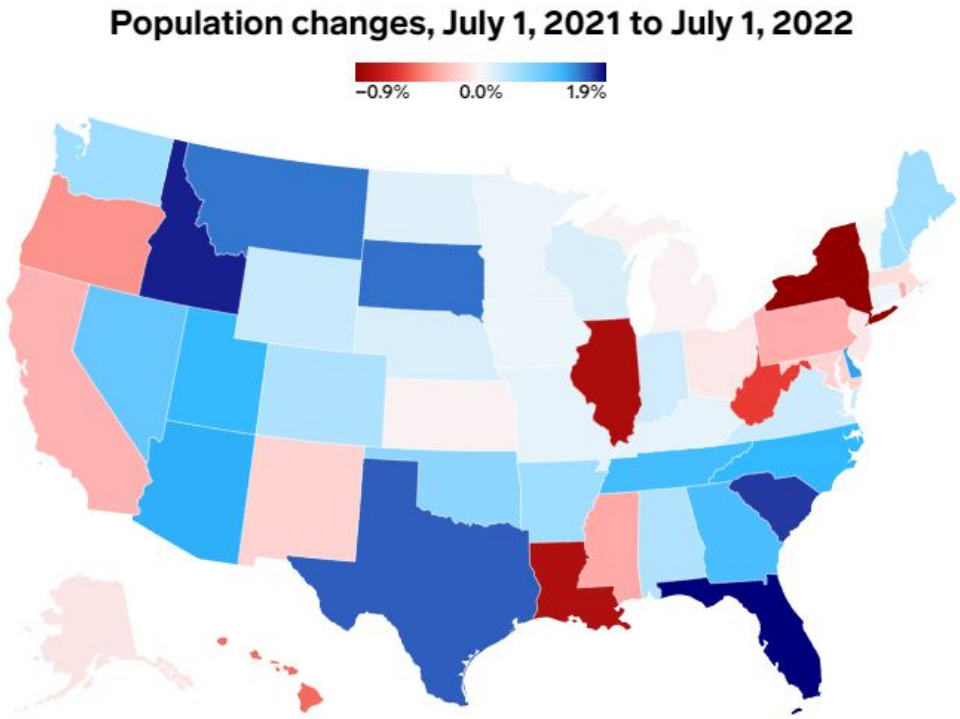
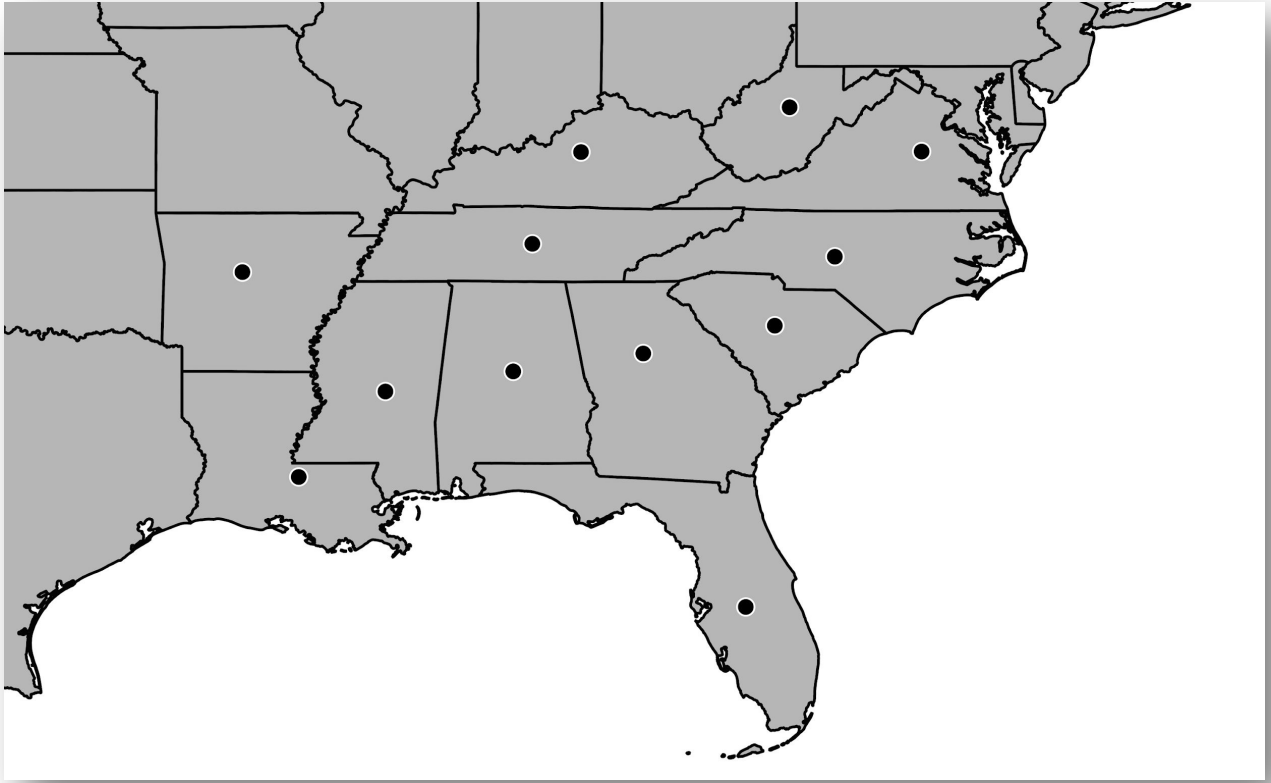
Population Trends



- The southeast grew by over 864,000 residents between July 1, 2021 and July 1, 2022, one of the fastest growing areas in the country.
- The southeast and the western region are areas that have experienced the strongest population growth over the previous decade.

Source: U.S. Census Bureau

Drive Times from Population Centroids



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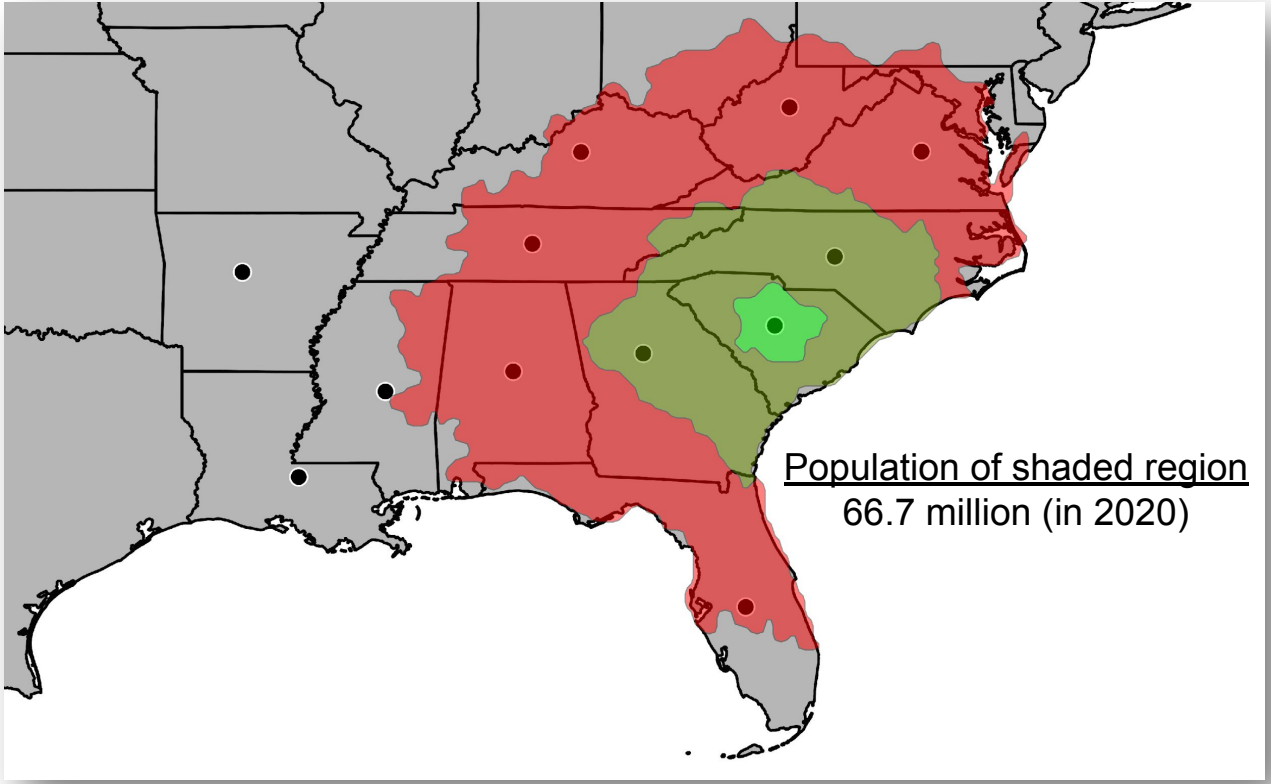

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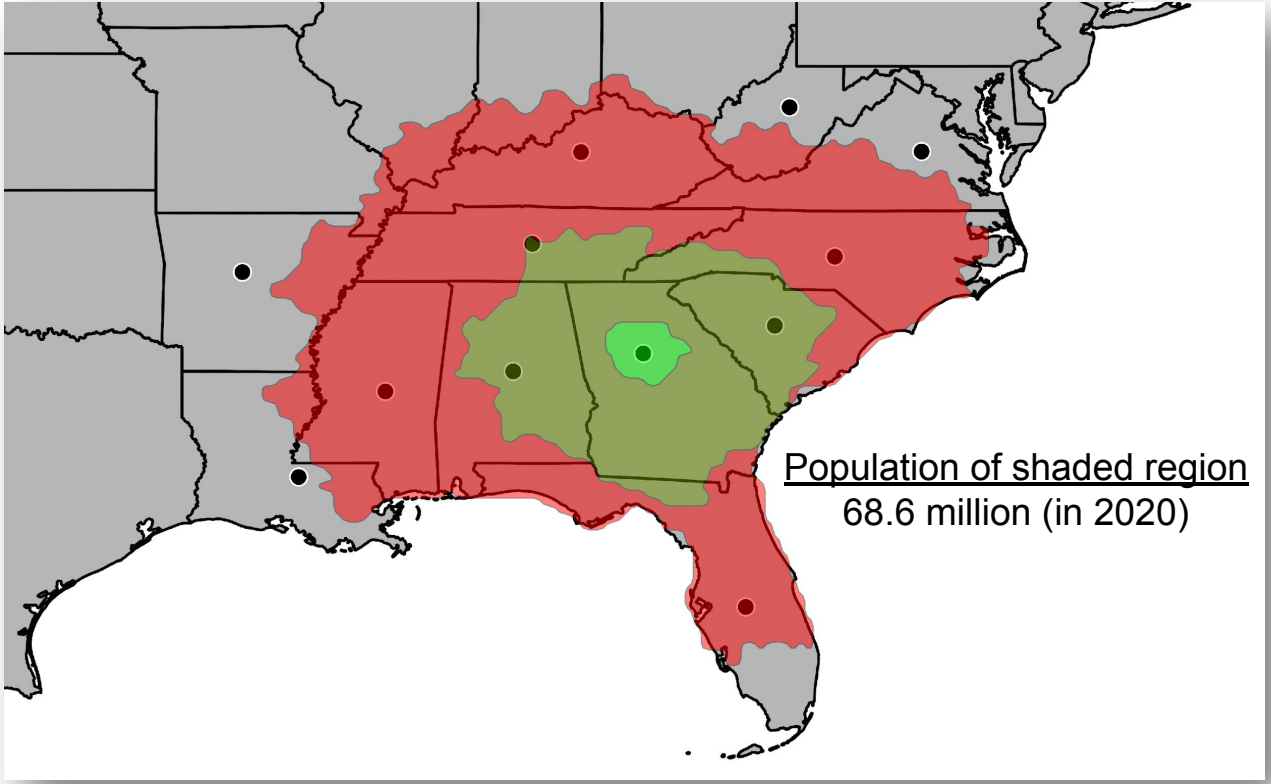

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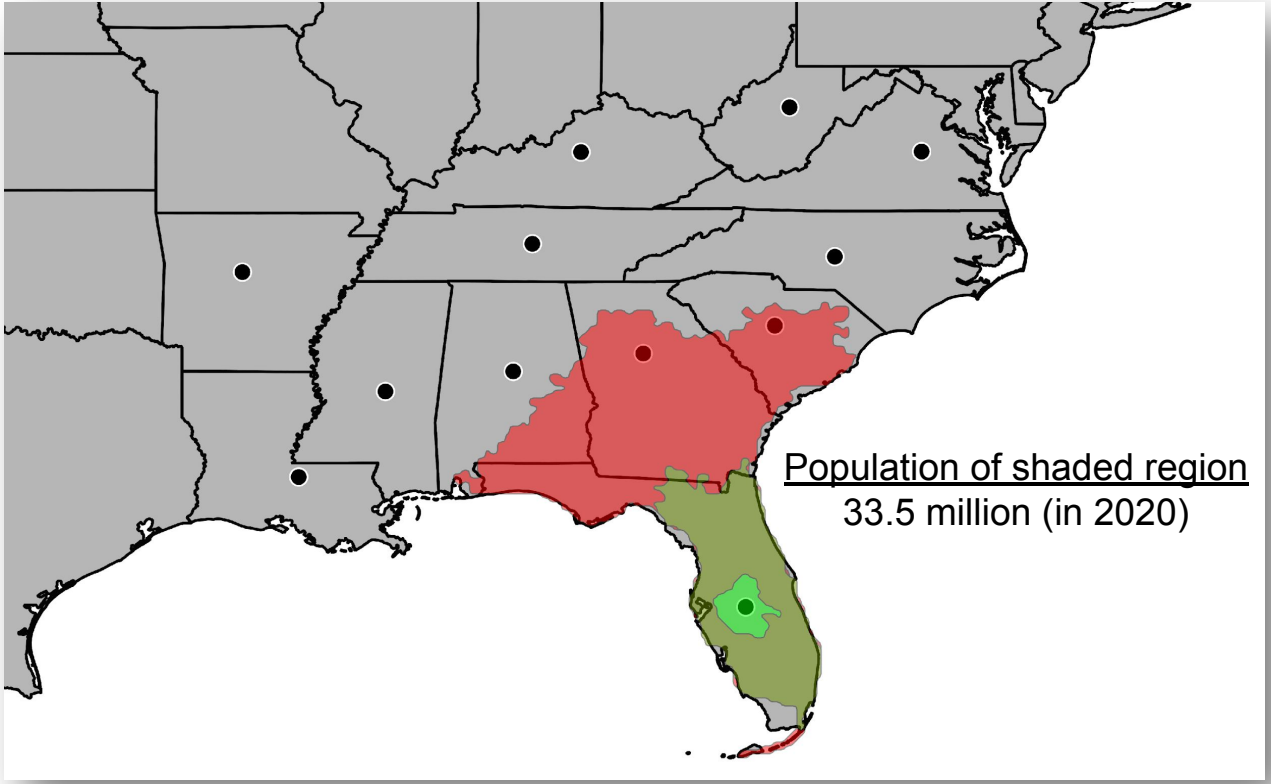
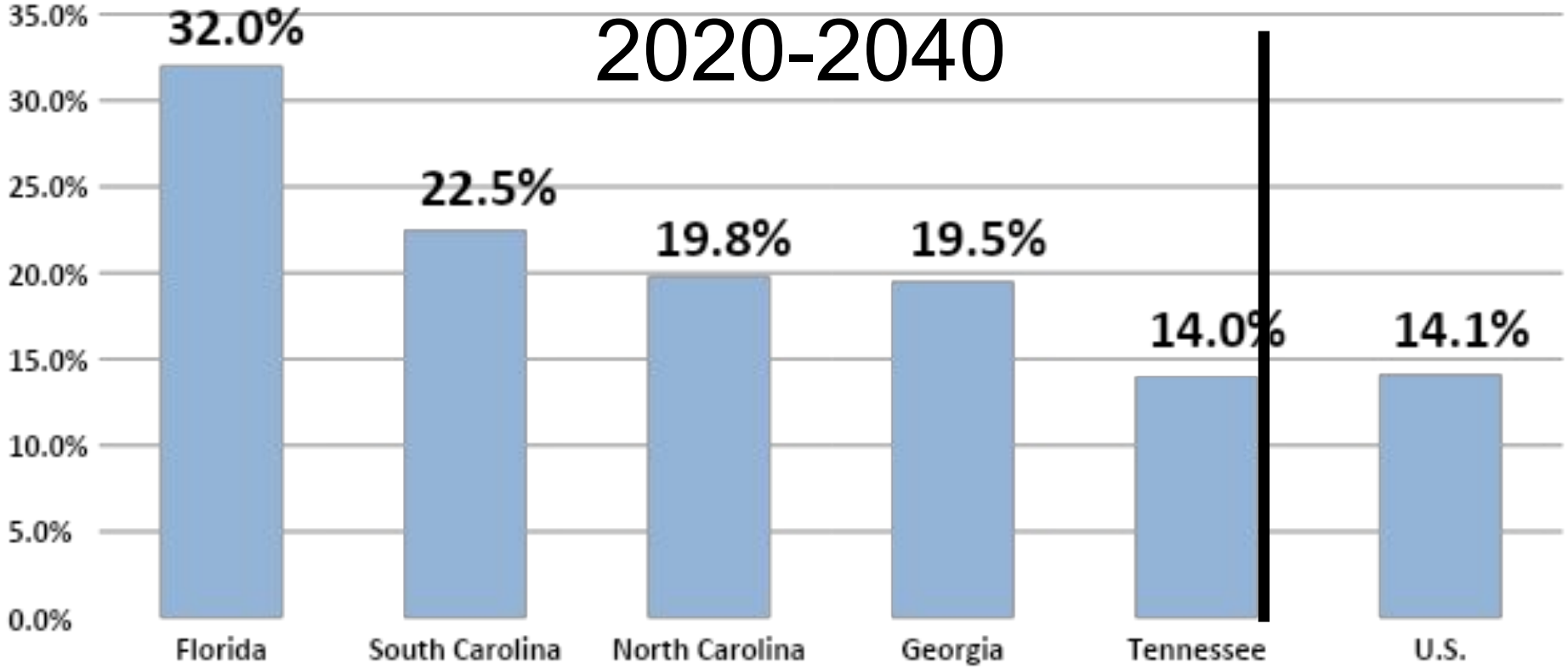


Source: U.S. Census Bureau

Projected Population Growth: 2020-2040



Source: U.S. Census Bureau

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The Bottom Line

- *The current economic impact of S.C. logistics totals $48.3 billion, including 150,160 jobs and $8.9 billion in total compensation. This represents an increase of nearly 30% since 2020, including a 7.5%increase in total employment.*
- *Advanced manufacturing and wholesale/retail – two of the industries likely to see the highest rates of growth in the coming decade – rely on S.C. logistics at two and three times that of the average S.C. business, respectively.*
- *The fastest growing segment of S.C. logistics is represented by the higher wage, higher skilled positions involving coordination, planning, and strategy.*
- *South Carolina has an opportunity to become the logistics hub of the Southeastern U.S. based on projected population trends.*

Thank You!