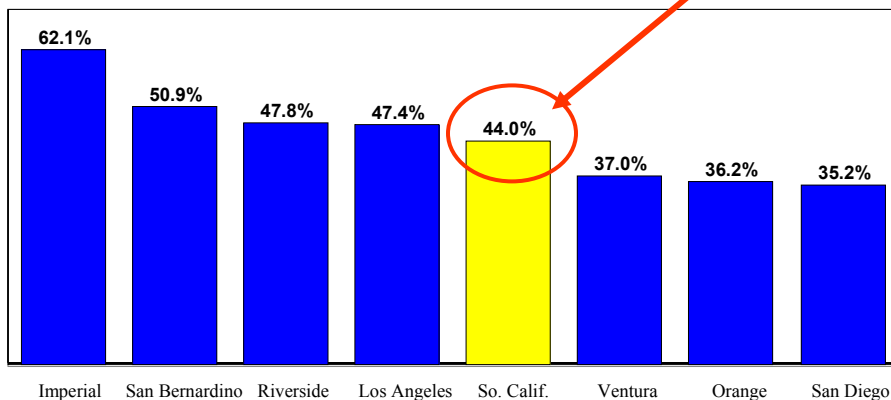


## Two of Southern California's Major Difficulties

- Environmental Issues Related To Transportation
- **Creating Family Sustaining Jobs**

## Adults Without A Single College Class

Stop School At High School or Less Education  
Persons 25 & Over, 2005



Source: 2005 American Community Survey, Census Bureau

## **“Rich Poor Living Poles Apart In L.A. as Middle Class Dwindles”**

Brookings Institute Study - LA Times July 23, 2006

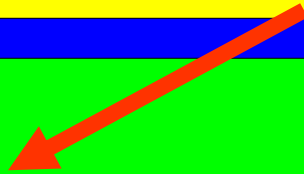
1. Need Career Ladders to Upward Economic Mobility for Those With Modest Educations
2. Counter Social Division of “Haves & Have-Nots” Based On Education
3. OR ... Growing Base of Families Unable to Afford Health Care, Housing & Transportation

## **Keys To Upward Economic Mobility Workers With No College Training**

1. Jobs Can't Easily Leave Southern California
2. Good Entry Level Pay
3. Defined Career Ladder To Middle Class
4. Move Up In Pay By On The Job Learning
5. Sector Heavily Using Technology

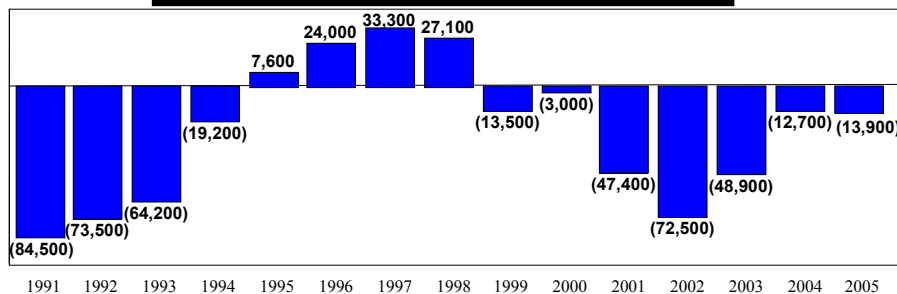
## Average Pay In Sectors With Few Training Barriers To Get A Job

Mining	(\$90,491)
Manufacturing	(\$48,397)
Logistics	(\$47,411)
Construction	(\$42,714)
Gaming	(\$29,785)
Retail Trade	(\$28,108)
Hotel/Motel	(\$24,108)
Agriculture	(\$23,474)



## Manufacturing, 1990-2005 Lost 361,300 of 1,279,600 Jobs = -28%

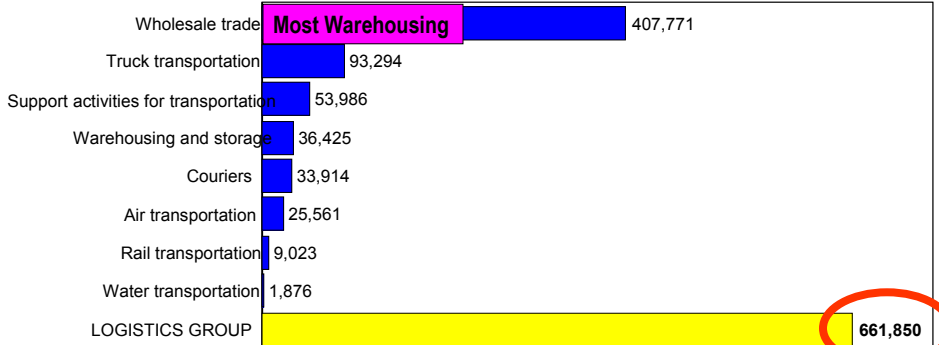
Exhibit 4.-Manufacturing Employment Change  
Southern California, 1990-2005



Source: CA Employment Development Department

# Logistics Sectors A Source Of Jobs

**Exhibit 11.-Employment By Logistics Sector  
Southern California (7-Counties), 2005**

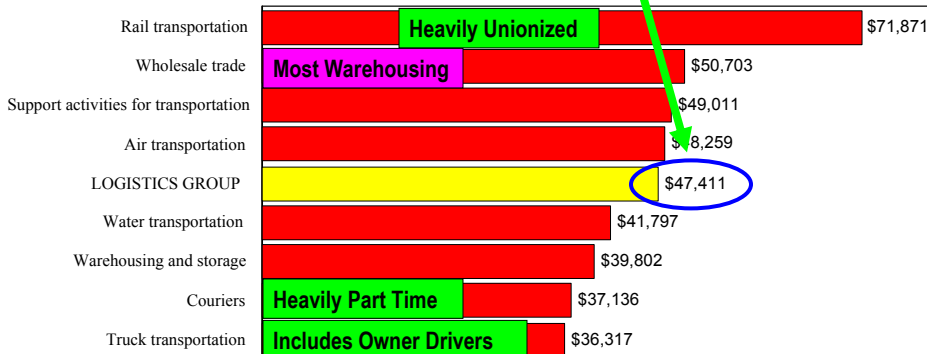


Sources: CA Employment Development Department, U.S. Railroad Retirement Board, U.S. Bureau of Economic Analysis  
U.S. Bureau of Economic Analysis, 2002 Economic Census, U.S. Census Bureau

# Logistics Sub-Sector Pay

**Median So. Calif. Income = \$49,432**

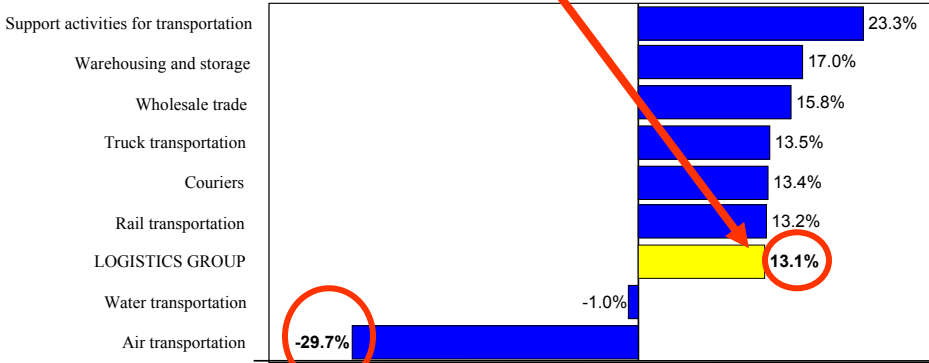
**Exhibit 12.-Mean Average Pay Per Worker By Logistics Sector  
Southern California (7-Counties), 2005**



Sources: CA Employment Development Department, U.S. Railroad Retirement Board, U.S. Bureau of Economic Analysis  
U.S. Bureau of Economic Analysis, 2002 Economic Census, U.S. Census Bureau

# Logistics Sub-Sector Payroll Growth

**Exhibit 14.-Percent Gain in Payroll by Logistics Sector Southern California (7-Counties), 2001-2005**



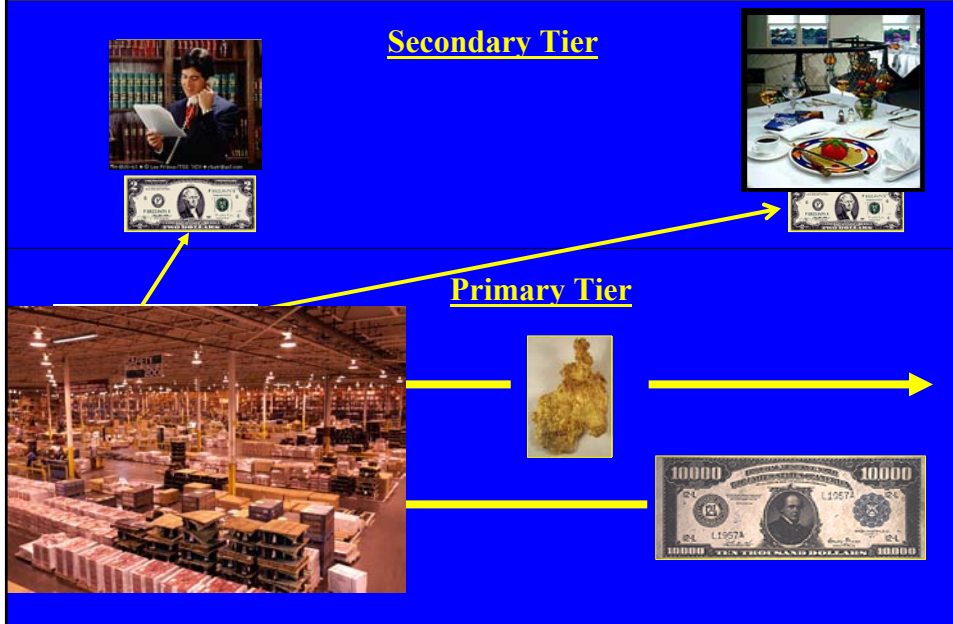
Sources: CA Employment Development Department, U.S. Railroad Retirement Board, U.S. Bureau of Economic Analysis, U.S. Bureau of Economic Analysis, 2002 Economic Census, U.S. Census Bureau



# Why Logistics Is Growing

1. Our Population Growth 2000-2030: +7.3 million
2. Our Retail Spending per person (1994-04): +24.5% after inflation
3. E-Commerce (2000-2006): 27.9% per year
4. Tight Inventory Control (1990-2005): 20.3% drop per \$1 of Sales
5. Port Container Volume (2000-2006): +8.8% per year
6. Port Breakbulk Tonnage (1995-2005): +2.5% per year
7. Air Cargo Tonnage Forecast (2005-2030): +4.6% per year
8. Local Manufacturing: Only driver in decline

## Gold Mine Theory of Local Economics



# Southern California Economic Impact, 2003

**With 2<sup>nd</sup>ary Impact: \$170 Billion or 12.4% of Economic Activity**  
**1,441,016 or 12.7% of Jobs**  
**\$15 billion or 23.5% of local Taxes & Fees**

## Logistics Impacts:

Every \$1 added: \$1.97 total new economic activity

Every 1 job added: 2.19 total jobs added in region

## Port: Implications

1. Cargo Trucked To Warehouses or Transloading Facilities Generates Most Economic Impact & Jobs
2. On-Dock Loaded Rail Cargo Generates Little Economic Impact or Jobs as Quickly Leaves Region  
*Exception:* If had Short Haul Rail Inland
3. Strategy For Increased Job Creation From Environmental Mitigation

## What Is Needed

1. Defined Environmental & Infrastructure Program
2. PPP Of New Dedicated Goods Movement Infrastructure
3. Design-Build of Infrastructure To Speed It Up
4. New Market Tax Credits To Get Private Investment in Infrastructure & Environmental Mitigation
5. Fee Based System To Build Infrastructure & Environmental Mitigation – Negotiated With Payers To Ensure It Is Built
6. Fees Must Add to Increased Speed & Reliability of System
7. Someone to Execute Strategy & Negotiations