



GOVERNOR'S OFFICE OF WORKFORCE INNOVATION

LOGISTICS & DISTRIBUTION INDUSTRY SECTOR COUNCIL MEETING REPORT

MARCH 2022

Nevada Governor's Office of Workforce Innovation
gowinn.nv.gov



SUMMARY

Governed by NRS 232.935, the State Industry Sector Councils are formal advisory committees representing a mix of employers, labor, education, and others, that provide feedback and guidance to state agencies and systems to strengthen alignment of current and future state resources. The councils assemble employers, organized labor, post-secondary education, or other relevant groups or individuals that identify as part of or supportive of the related industry sector. The initial active sectors include Logistics & Distribution, Information Technology, Manufacturing, and Health Care. After a period of inactivity, these four councils began meeting quarterly via Zoom in March and April 2022.

Information, including agendas and meeting links, slides, meeting videos, lists of voting members, and other general information will be kept updated here:
https://gowinn.nv.gov/SectorCouncil/Sector_Council/.

Comments and program feedback are compiled into the enclosed quarterly report.

Key takeaways from this meeting:

- Employers are struggling to fill entry-level warehousing and material handling roles, but also supervisor and management roles, and highly technical roles.
- Competitiveness for employees has driven wages up quickly and all are unsure where the “top” will be.
- This sector has gained more jobs since 2020 than any other in Nevada and has far exceeded the national average for growth of this sector.
- Nepris for Nevada is a valuable tool to strengthen the connection between Nevada’s industry and education.



EMPLOYER INTRODUCTIONS

IRIS AUTOMATION

Mark Genung, Reno

Onboard detect-and-avoid technology for beyond visual line of sight drone flight. 40 employees in Reno, 40 distributed across the U.S.

Hard-to-fill: Computer Vision Engineers, Senior Simulation Platform Engineers, Senior Deep Learning Engineers

Challenges: Most candidates come from Silicon Valley. It's difficult to attract them to work for a startup vs. a larger legacy company that may be able to offer higher pay and better benefits. Would love to be able to attract individuals already in the area; they are here because they already love the region.

SEPHORA.COM

Dale South, Las Vegas

In the process of rolling out a weekend first shift and will soon roll out a weekend second shift.

Hard-to-fill: Top-level leadership, managers, and supervisors

Challenges: Competition with similar companies in the area. Candidates receive other offers before Sephora has a chance to interview them. Competitive companies are having the same difficulty retaining talent as Sephora. If they are made aware of an offer, they will often make equal or better offers to retain existing talent.

NOVO LOGISTICS

Dong Min, Reno

Third-Party Logistics company that has been headquartered in Reno for over 20 years. They partner with companies in the home improvement, tech, retail, construction, hospitality, healthcare, food and beverage, and manufacturing industries to provide warehousing, on-plant and manufacturing solutions, value-add services, yard and shuttle management, and contingent labor solutions. Most operations are out of state, but they have been expanding their Nevada footprint over the past 2-3 years. They now stand at approximately 30 Reno-based employees and are looking to grow closer to 50.

Hard-to-fill: Front line general warehousing, material handling

Challenges: A lot of competition for general warehousing employees. Already concerned about the 2022 holiday season. The cost to retain labor has gone up significantly and they don't know where the "top" will be.

HENDERSON CHAMBER

Scott Muelrath, Henderson

1,700-member organization with regional engagement and acute interest in how the dots connect. Strong base in the spec industrial market, distribution, and logistics. Member companies include FedEx, Levi's, Amazon, Smith's, and Kroger.

Challenges: Employer members that are continuously hiring have shared that it is "intensely competitive." Many have increased wages up to 20% over the last 6 months for the entry level floor jobs (\$16-20/hr). There are also many challenges finding individuals in upper management and in the white-collar space.



DATA PRESENTATION & FEEDBACK

- 17,600 jobs added since Feb 2020.
- Overall, transportation, warehousing, and utilities exceeded estimates for employment growth.
- The Logistics Sector has gained 2.3% share of the state’s total jobs since 2010.

DETR – DAVID SCHMIDT

2021 employment data was recently revised and shows the Nevada economy collectively nearing pre-recession levels. Reno now boasts 1,600 more jobs than the pre-pandemic peak. At +17,600 jobs statewide, Trade, Transportation, and Warehousing has seen a greater gross increase of more jobs than any other sector since Feb 2020: +16,600 jobs in Las Vegas and +3,200 jobs in Reno. When looking at hires and quits, the hire rate is significantly outpacing the quits rate. This industry has a higher rate of quits than other industries; jobs with lower wages have higher turnover.

GOED – CHELSEA WALBURG

There are 110,010 jobs in this sector across Nevada which is 4% higher than the national average. There has been growth of 68.1% in this sector since 2011 which is 19.2% faster than the national average for this sector. Logistics and Operations is an emerging sector – it doesn’t have a particularly high location quotient but is rising rapidly.



- State unemployment rate is at 5.2% as of January 2022.
- Nevada is at the lowest weekly unemployment claims number since 1990.

EMPLOYER FEEDBACK

Mark Genung – this is reflective of his experience and observations in Northern Nevada. The roles addressed in the presentation don’t reflect the high-tech nature of Iris Automation’s need.

Dong Min – consistent with experience and observations. Interested to hear what solutions are out there. Front line is a huge challenge. Where are those people going to come from? What are the factors limiting growth? What is that competitive entry level wage? Are wages keeping up with the cost of housing? Can housing keep up?

Scott Muelrath – The dip in community college enrollment could be a result of the challenge with keeping students in the classroom through completion since employers will often hire students out of their programs. This is particularly problematic because institutions receive funding based on completions. How can higher education or employers incentivize students to complete?

Dale South – When it comes to front line workers, the quits rate is very accurate. Chasing our tails when it comes to attendance or competitive wages. When they are one of 10 companies in a small area, it’s hard to compete. It’s not as much of an issue getting people into the roles but the turnover is very high.



- The average wage is \$73,241 per year.
- 77% of this sector’s workforce is male
- 47.9% are white



Strengthening connections between Nevada Industry and Education

PARTNER PRESENTATION & FEEDBACK

The State of Nevada has invested heavily in strengthening the connection between Nevada's industry professionals and Nevada's educators.

[1-minute Video: Nepris in Action](#)

Funding is being leveraged to provide full access to every middle and high school educator across the state and nearly 8,000 educators have signed up to date.

Action for you:

1. Create a (free) Industry Professional account on nevada.nepris.com
2. Browse Volunteer Opportunities
3. Offer a live Industry Chat

Contact Amy Fleming (afleming@gov.nv.gov) for personalized training and to brainstorm how you can engage through the platform.

EMPLOYER FEEDBACK

George Heme, Las Vegas Chamber – Agree 100% on the Nepris program. The weakest link in our chain right now is the inability to actively engage the K12 and post-secondary with business and industry. Nepris plays a big role in this space. We also need to look at the internships and apprenticeships because our future workforce needs a better idea of what the growing industries are and what options they have.



PARTNER INTRODUCTIONS

EARL MCDOWELL – HOPE FOR PRISONERS

Second chance organization that supports individuals that are formerly incarcerated. They engage individuals in an 18-week training programs to prepare them for the workforce. **Would like to engage with more logistics companies.** Grand Opening of the new location – please attend!

AMY WILLIAMS – TMCC, BUSINESS & SOCIAL SCIENCES

Offer a certificate of achievement, an Associate's degree, and a Bachelor's degree in Logistics Operations Management. Currently have 60 individuals that have declared this major. **They depend on local employers to serve on their advisory board to guide the direction of their program.** They are working to grow their program and they see the same things the employers mentioned – their advisory board employers are desperate for employees, particularly entry level. They have heard from employers that they would like to promote from within, but individuals don't have the leadership skills to take on these roles. TMCC is working to expand offerings (credit and non-credit), including customized training.

GARY WATSON – TEAMSTERS LOCAL 533

Negotiate labor agreements and seek resolution between employer and employee groups. Represent a large number of workers across many industries including packaging, freight, rail, and air. They are witnessing similar issues to those stated earlier: the rise in the market is not sustaining the workforce which forces a lot of job shopping for higher wages.

TOM NICHOLAS – NEVADA STATE COLLEGE

Just beginning to expand into non-credit courses including the formation of management in industry programs to help train supervisors and managers. They are initially generalized but will offer more specialized content for logistics, manufacturing, healthcare, and education. Exploring how to enter the logistics and supply chain arena.

CRAIG STATUCKI – NEVADA DEPARTMENT OF EDUCATION

If you want to learn more about our K-12 CTE programs in these career clusters, you can reach out to me at cstatucki@doe.nv.gov.