

Distribution in Maricopa County, Arizona

“Today's leading real-world retailer, Wal-Mart, uses software to power its logistics and distribution capabilities, which it has used to crush its competition.”

– Marc Andreessen

“In 2011, the freight transported in America was 17.6 billion tons, with 64 percent by truck, and freight ton miles are expected to grow 72 percent from 2015 to 2040.”

– American Association of State Highway and Transportation Officials, 2015

“If the machinery for distribution in the present economic system of the world is incapable of properly distributing the productive wealth of nations, then that system is false and must be altered.”

– Gregor Strasser

“Adequate distribution of goods makes, unmakes - or remakes - all capital values.”

– Kenneth Goode

Tolleson Union High School District career and technical education: *focusing on the future, today*

Distribution Overview

What is the distribution industry? Simply put, it's the movement of goods. That movement may be from a source for raw materials to a manufacturer (think moving grain from a farmer's field to an elevator to a company that manufactures cattle feed [or iron ore from a mine to a smelter to a car manufacturer, or timber from a forest to a mill to a home builder/contractor – please pick an example]). Or that movement may be from a manufacturer to users, either directly to a customer, or indirectly through a wholesale or retail company (think moving appliances from the manufacturer to a wholesaler's or retailer's warehouse to an individual user).

The distribution industry hinges on four crucial tools: A reliable and versatile transportation system, a tracking system to keep tabs on the movement of the goods and deliver them where and when they're needed, packaging that ensures the goods arrive intact, and people to carry out the related activities.ⁱ

Without the distribution industry, raw materials don't get to manufacturers and goods don't get from the manufacturer to the wholesaler to the retailer to the customer. Every part of the manufacturing process that needs to move from one place to another is part of the distribution industry.

Distribution in the U.S.:

- Growthⁱⁱ
 - Steady growth for 8 of the last 9 years
 - \$818 billion industry in 2006
 - \$1.0 trillion industry in 2013
- Full-time and part-time employmentⁱⁱⁱ
 - 5,316,500 in 2003

- 5,998,600 in 2013
- Income^{iv}
 - Steady growth every year 2003 – 2014
 - \$209.8 billion in 2003
 - \$297.3 billion in 2014

Distribution in Arizona:

- Growth^v
 - Steady growth for 10 of the last 11 years
 - \$5.1 billion industry in 2003
 - \$8.2 billion industry in 2013
- Full-time and part-time employment^{vi}
 - 82,401 jobs in 2003
 - 97,662 jobs in 2013
- Income^{vii}
 - \$3.2 billion in 2003
 - \$4.7 billion in 2014

Distribution in Maricopa County:

- Growth (GDP)^{viii}
 - \$4.0 billion in 2003
 - \$6.3 billion in 2013
- Full-time and part-time employment^{ix}
 - 61,929 jobs in 2003
 - 71,880 jobs in 2013
- Income^x
 - \$2.6 million in 2003
 - \$3.5 million in 2013

Top 5 distribution occupations^{xi} with annual salary by experience (PayScale.com)		
Occupation	Experience	
	Less than 5 years	5 – 10 years
Shipping, Receiving, & Traffic Clerk	\$29,099	\$32,245
Stock Clerk & Order Filler	\$20,020	\$23,712
Heavy & Tractor-Trailer Truck Driver	\$39,713	\$44,798
Freight, Stock, & Material Mover	\$24,128	\$29,983
Packer & Packager	\$22,454	\$25,417

Distribution Employers in Maricopa County

Major Distribution Companies in Maricopa County Arizona ^{xii}	
ADC/Circle K	Jacobson Logistics Company
Amazon.com	March 1
AutoZone	Macy's, Inc.
Checker O'Reilly	PetSmart
CVS	States Logistics
Dick's Sporting Goods	Swift Distributing
Flying Foods	Target
Home Depot	Walmart

Five Top Distribution Employers

Of these five top distribution employers in Maricopa County, three serve as distribution hubs for specific retail companies, one serves several retailers for a particular industry, and one serves the parcel delivery industry.

The **Walmart Distribution Center** in Buckeye, Arizona opened in March 1993. It covers 1.5 million square feet; 252,000 square feet of the facility provides distribution for Sam's Club. The center employs approximately 675 associates and an additional 125 truck drivers.^{xiii} It is located in a free trade zone that can handle imported goods. Casa Grande, Arizona houses a Walmart grocery and perishable goods distribution center opened in September 2003 and covering 875,100 square feet.^{xiv}

The **Core-Mark Distribution Center** in Tolleson, Arizona serves the fresh and broad-line convenience retail industry. Products handled include fresh (perishable) foods, packaged foods, beverage service and snack foods, and alcohol.^{xv}

The **Dicks Sporting Goods Distribution Center** opened in Goodyear, Arizona early in 2013. It includes a 600,000 square foot facility on a 60-acre site. At capacity, it can employ approximately 300 people.^{xvi}

The **United Parcel Service (UPS) Distribution Center** opened in late 2004/early 2005 in Mesa, Arizona. It is a 59,000 square foot facility on 17.4 acres. At capacity, it employs approximately 300 people and includes space for 128 delivery trucks.^{xvii}

Amazon.com has four distribution centers in the Phoenix, Arizona area: three in Phoenix and one in Goodyear. The first opened in September 2007, and the latest opened in September 2011. Together, they comprise 4.6 million square feet. Each facility handles specific types of merchandise: big sortable, small sortable, and non-sortable.^{xviii}

Key Occupations in the Industry

Shipping, Receiving, & Traffic Clerk and Stock Clerk & Order Filler¹

What Material Recording Clerks Do

Material recording clerks keep track of information in order to keep businesses and supply chains on schedule. They ensure proper scheduling, recordkeeping, and inventory control.

Work Environment

Production, planning, and expediting clerks; shipping, receiving, and traffic clerks; and material inspectors usually work full time. About one third of stock clerks and order fillers worked part time in 2012.

How to Become a Material Recording Clerk

Most workers must have a high school diploma and are trained on the job in under 6 months.

Heavy & Tractor-Trailer Truck Driver²

What Heavy and Tractor-trailer Truck Drivers Do

Heavy and tractor-trailer truck drivers transport goods from one location to another. Most tractor-trailer drivers are long-haul drivers and operate trucks whose gross vehicle weight (GVW) capacity—that is, the combined weight of the vehicle, passengers, and cargo—exceeds 26,000 pounds. These drivers deliver goods over intercity routes, sometimes spanning several states.

Work Environment

Working as a long-haul truck driver is a major lifestyle choice because these drivers can be away from home for days or weeks at a time.

How to Become a Heavy or Tractor-trailer Truck Driver

Heavy and tractor-trailer truck drivers usually have a high school diploma and attend a professional truck-driving school. They must have a commercial driver's license (CDL).

Freight, Stock, & Material Mover and Packer & Packager³

What Hand Laborers and Material Movers Do

Hand laborers and material movers transport objects without using machines. Some workers move freight, stock, or other materials around in storage facilities; others clean vehicles; some pick up unwanted household goods; and still others pack materials for moving.

Work Environment

Most people in these occupations work full time. Because materials are shipped around the clock, some workers, especially those in warehousing, work overnight shifts.

How to Become a Hand Laborer or Material Mover

Generally, hand laborers and material movers need no work experience or minimum level of education. Employers require only that applicants be physically able to do the work.

Resources for More Information

Walmart Distribution Center: www.walmart.com

Core-Mark: www.core-mark.com

Dick's Sporting Goods: www.dickssportinggoods.com/home/index.jsp

United Parcel Service (UPS): www.ups.com

Amazon.com: www.amazon.com

U.S. Bureau of Labor Statistics *Occupational Outlook Handbook*: www.bls.gov/ooh

¹ U.S. Bureau of Labor Statistics *Occupational Outlook Handbook*: Material Recording Clerks (<http://www.bls.gov/ooh/office-and-administrative-support/material-recording-clerks.htm>)

² U.S. Bureau of Labor Statistics *Occupational Outlook Handbook*: Heavy and Tractor-trailer Truck Drivers (<http://www.bls.gov/ooh/transportation-and-material-moving/heavy-and-tractor-trailer-truck-drivers.htm>)

³ U.S. Bureau of Labor Statistics *Occupational Outlook Handbook*: Hand Laborers and Material Movers (<http://www.bls.gov/ooh/transportation-and-material-moving/hand-laborers-and-material-movers.htm>)

O*NET Online: www.onetonline.org
Career One Stop: www.careeronestop.org

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- ⁱ "Definition of 'Distribution'," *The Economic Times*, (<http://economictimes.indiatimes.com/definition/distribution>)
- ⁱⁱ U. S. Gross Domestic Product Gross Output by Industry, U. S. Department of Commerce Bureau of Economic Analysis (<http://www.bea.gov/iTable/iTableHtml.cfm?reqid=51&step=51&isuri=1&5114=a&5102=15>)
- ⁱⁱⁱ U.S. Full-Time and Part-Time Employment by NAICS Industry, U. S. Department of Commerce Bureau of Economic Analysis (<http://www.bea.gov/iTable/iTableHtml.cfm?reqid=70&step=30&isuri=1&7022=11&7023=7&7033=-1&7024=naics&7025=10&7026=00998,00999&7027=2013,2012,2011,2010,2009,2008,2007,2006,2005,2004,2003&7001=711&7028=-1&7031=10&7040=-1&7083=levels&7029=33&7090=70>)
- ^{iv} Compensation of Employees by NAICS Industry, U. S. Department of Commerce Bureau of Economic Analysis (<http://www.bea.gov/iTable/iTableHtml.cfm?reqid=70&step=30&isuri=1&7022=50&7023=0&7033=-1&7024=naics&7025=0&7026=00000&7027=2014,2013,2012,2011,2010,2009,2008,2007,2006,2005,2004,2003&7001=450&7028=-1&7031=0&7040=-1&7083=levels&7029=51&7090=70>)
- ^v Arizona Gross Domestic Product, U. S. Department of Commerce Bureau of Economic Analysis (<http://www.bea.gov/iTable/iTableHtml.cfm?reqid=70&step=10&isuri=1&7003=200&7035=-1&7004=naics&7005=-1&7006=04000&7036=-1&7001=1200&7002=1&7090=70&7007=2013,2012,2011,2010,2009,2008,2007,2006,2005,2004,2003&7093=levels>)
- ^{vi} Arizona Full-Time and Part-Time Employment by NAICS Industry, U. S. Department of Commerce Bureau of Economic Analysis (<http://www.bea.gov/iTable/iTableHtml.cfm?reqid=70&step=30&isuri=1&7022=11&7023=7&7033=-1&7024=naics&7025=10&7026=04998,04999&7027=2013,2012,2011,2010,2009,2008,2007,2006,2005,2004,2003&7001=711&7028=-1&7031=10&7040=-1&7083=levels&7029=33&7090=70>)
- ^{vii} Arizona Compensation of Employees by NAICS Industry, U. S. Department of Commerce Bureau of Economic Analysis (<http://www.bea.gov/iTable/iTableHtml.cfm?reqid=70&step=30&isuri=1&7022=50&7023=0&7033=-1&7024=naics&7025=0&7026=04000&7027=2014,2013,2012,2011,2010,2009,2008,2007,2006,2005,2004,2003&7001=450&7028=-1&7031=0&7040=-1&7083=levels&7029=51&7090=70>)
- ^{viii} Phoenix-Mesa-Scottsdale Metropolitan Statistical Area Gross Domestic Product, U. S. Department of Commerce Bureau of Economic Analysis (<http://www.bea.gov/iTable/iTableHtml.cfm?reqid=70&step=10&isuri=1&7003=200&7035=-1&7004=naics&7005=-1&7006=38060&7036=-1&7001=2200&7002=2&7090=70&7007=2013,2012,2011,2010,2009,2008,2007,2006,2005,2004,2003&7093=levels>)
- ^{ix} Maricopa County Full-Time and Part-Time Employment by NAICS Industry, U. S. Department of Commerce Bureau of Economic Analysis (<http://www.bea.gov/iTable/iTableHtml.cfm?reqid=70&step=30&isuri=1&7022=11&7023=7&7033=-1&7024=naics&7025=4&7026=04013&7027=2013,2012,2011,2010,2009,2008,2007,2006,2005,2004,2003&7001=711&7028=-1&7031=04000&7040=-1&7083=levels&7029=33&7090=70>)
- ^x Maricopa County Compensation of Employees by NACIS Industry, U. S. Department of Commerce Bureau of Economic Analysis (<http://www.bea.gov/iTable/iTableHtml.cfm?reqid=70&step=30&isuri=1&7022=54&7023=7&7024=naics&7033=-1&7025=4&7026=04013&7027=2013,2012,2011,2010,2009,2008,2007,2006,2005,2004,2003&7001=754&7028=-1&7031=04000&7040=-1&7083=levels&7029=55&7090=70>)
- ^{xi} Highest Ranking Occupations: Top 20 Occupations (5-Digit in Maricopa County, 2013-2014), Economic Modeling Specialists International (EMSI)
- ^{xii} Greater Phoenix Economic Council, Key Industries "Manufacturing and Logistics" brochure (http://issuu.com/greaterphoenix/docs/2012_manufacturing_nc_single?e=3673308/1599890)
- ^{xiii} Phone call to Phone: 623-386-3319, Human Resources
- ^{xiv} "The Walmart Distribution Center Network in the United States," MWPVL International, 2015 (<http://www.mwpvl.com/html/walmart.html>)

^{xv} <http://www.core-mark.com/>

^{xvi} "Company Announcements," Arizona Commerce Authority, December 2013
(<http://www.azcommerce.com/news-events/company-announcements>)

^{xvii} "UPS Distribution Center Set for Mesa," *Phoenix Business Journal*, April 18, 2003
(<http://www.bizjournals.com/phoenix/stories/2003/04/14/daily58.html>)

^{xviii} "Amazon Global Fulfillment Center Network," MWPVL International, April 2015
(http://www.mwpvl.com/html/amazon_com.html)