Transportation and Logistics in Texas

About the Transportation and Logistics Sector in Texas

The Transportation and Logistics sector is focused on the movement of people and goods via multimodal transportation as well as the distribution of products through physical and electronic retailers. Within this sector, the state has identified two target clusters: Distribution and E-Commerce, and Transportation and Aviation Services.

Texas' central location within the United States, robust transportation system, and efficient logistics infrastructure have made our state one of the most globally connected locations in the world. Texas leads the nation in exports and is home to the number one port in the country as of 2023 — Port Laredo. This unique combination of factors offers businesses direct access to global trade and the opportunity to easily reach customers worldwide.

Transportation and Logistics Target Clusters

Distribution and E-Commerce

Transportation and Aviation Services

Target Clusters Fast Facts

	Workforce	GDP	Exports
Magnitude	**2,774K** Total Employment (2021)	**$303B** GDP Contribution (2021)	**$40B** Foreign Exports (2021)
Share	**9%** Share of U.S. Cluster Total Employment (2021)	**10%** Share of U.S. Cluster GDP (2021)	**12%** Share of U.S. Cluster Foreign Exports (2021)
Growth	**23%** Total Employment Growth (2011 – 21)	**34%** GDP Growth (2011 – 21)	**-3%** Foreign Export Growth (2011 – 21)

Data Sources: IMPLAN, Regions Industry Data, Texas and United States, (2011-21); Guidehouse Analysis

Sector Opportunities

Strengths

Texas' multimodal Transportation and Logistics infrastructure is highly connected.
The state's robust network of roads and airports facilitates the efficient movement of goods and people locally, domestically, and globally.

Texas is strategically positioned for both domestic and international transportation.
The state's central location provides efficient domestic access and direct international access to Mexico and the rest of the world.

Texas' Transportation and Logistics businesses provide the foundation for growth across target sectors.
The state currently has strengths in wholesale trade and air transportation, which enable the movement of goods and people.

Opportunities

The state can continue to support the advancement of critical Transportation and Logistics infrastructure.
Texas can advance the connectivity and resilience of critical infrastructure by continuing to invest in airports, rail, and roadways.

The state is poised to excel as a global leader in transportation.
Texas' growing presence on the international stage will require growth, innovation, and industry leadership in transportation.

Transportation and Logistics must grow to support the state's long-term economic success.
Transportation and Logistics services and infrastructure will be critical in enabling the growth of the state's target sectors.

Quantitative and qualitative research was performed May 2023 through May 2024; data cited reflects the then-most current and/or granular information for the time periods noted.

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Target Sector Workforce Landscape

The two clusters supporting Texas' Transportation and Logistics sector employ a large and specialized workforce comprised of over 2 million wage and salary employees. As shown in the chart at right, around a third of these jobs are in sales and related occupations and another third are in transportation and material moving occupations.

Competency areas that enable communication, sales, and administration are in high demand for Texas' transportation and logistics target clusters. In recent years, telecommunications, communications, and media have increased in importance for the sector, along with systems evaluation and analysis. Top occupations and competencies for the target clusters are identified in the tables below.

Workforce Distribution by Occupation Type (2021)

Other Occupations 12%
Production Occupations 3%
Management Occupations 5%
Installation, Maintenance, and Repair Occupations 5%
Office and Administrative Support Occupations 13%
Sales and Related Occupations 33%
Transportation and Material Moving Occupations 29%

2,172K Wage and Salary Employment*
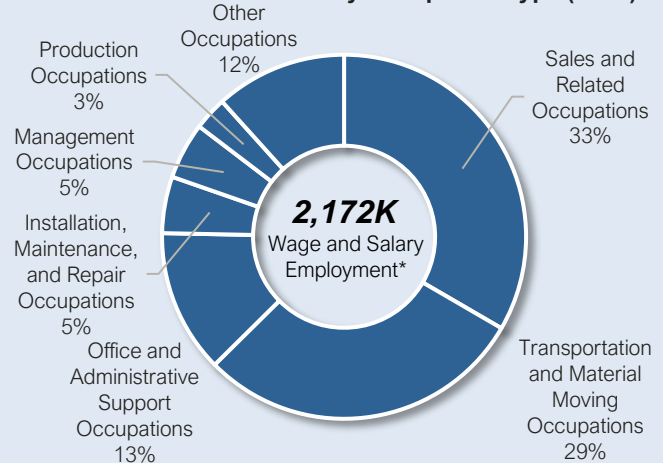
Key Detailed Occupations

Top Occupations by Emp. (2021)	Emp. (2021)
Retail Sales Workers	497,420
Material Moving Workers	372,590
Motor Vehicle Operators	192,610
Sales Representatives, Wholesale and Manufacturing	103,970
Information and Record Clerks	93,270

Top Occupations by Jobs Added (2018-21)	Jobs Added (2018-21)
Material Moving Workers	182,070
Top Executives	16,240
Business Operations Specialists	11,670
Supervisors of Transportation and Material Moving Workers	9,920
Health Technologists and Technicians	3,620

Key Competencies

Top In-Demand Competency Areas (2021)		
Rank	Knowledge Area	Skill Area
1	Customer & Personal Service	Active Listening
2	English Language	Speaking
3	Mathematics	Reading Comprehension
4	Sales and Marketing	Critical Thinking
5	Administration and Management	Monitoring

High Growth Competency Areas (2018-21)		
Rank	Knowledge Area	Skill Area
1	Transportation	Active Listening
2	Public Safety and Security	Systems Evaluation
3	Telecommunications	Troubleshooting
4	Communications and Media	Writing
5	Law and Government	Systems Analysis

Data Sources: IMPLAN, Data Library, Texas, (2018-21); Guidehouse Analysis

Workforce Themes

Specialized Workforce

Two-thirds of all target cluster employees are in sales or transportation and material moving occupations.

Customer Service

Transportation and Logistics businesses require a workforce that can effectively serve customers.

Growth in Optimization

Systems evaluation and analysis are growing in importance to the sector.

Note: Wage and Salary Employment is a headcount of salaried or wage-earning employees. This figure does not include Proprietor Employment, which represents proprietors, partners, and tax-exempt cooperative members.

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Distribution and E-Commerce

Texas' central location, robust transportation system, network of retail and warehousing companies, and availability of land make it the ideal location for businesses within the Distribution and E-Commerce cluster. As delivery speed expectations grow and omnichannel distribution strategies gain prominence, businesses managing complex logistics and heightening demands turn to Texas to improve efficiencies and accelerate order fulfillment cycles.

The Distribution and E-Commerce cluster is comprised of 23 industries, including a variety of wholesale and retail activities as well as warehousing, storage, and commercial and industrial equipment rental. Companies within the cluster provide distribution services to both businesses and individuals.

Texas' unique strengths and characteristics have fostered the growth of several Distribution and E-Commerce hubs across the state. With its proximity to Mexico, the Upper Rio Grande region is a center for binational distribution. General retail distribution has historically been the dominant industry within the region's Distribution and E-Commerce cluster. Notably, Amazon selected the region to develop its $250 million distribution center, and TJX invested $150 million to develop a distribution center at the El Paso International Airport. However, the region's cluster is becoming increasingly diversified, with growth opportunities in the distribution of pharmaceuticals, agricultural products, and medical devices.
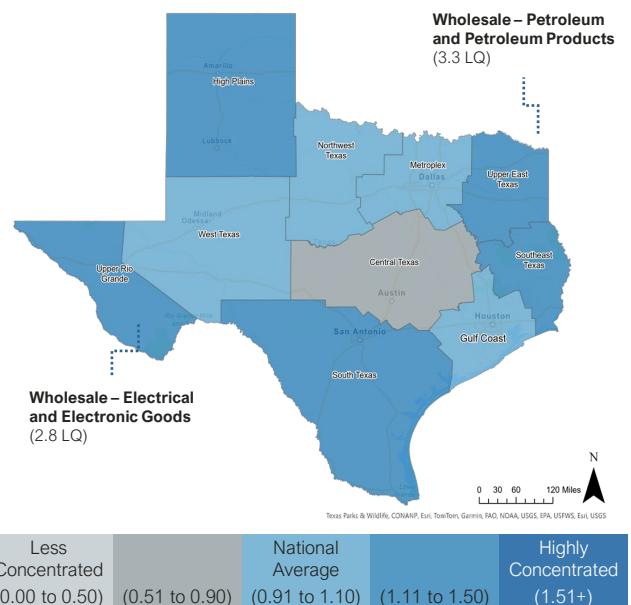
Businesses and universities across Texas are advancing innovative distribution technologies and techniques. Amazon has five distribution centers in Houston, including a five-story Richmond warehouse that uses robotics to manage its more than 40 million units of inventory. In Central Texas, Walmart established a 1.5 million-square-foot next-generation facility pioneering its latest fulfillment technologies. Additionally, the Texas A&M University's Center for Distribution Research and Education is home to the Global Supply Chain Laboratory (GSCL). GSCL works collaboratively with industry partners to create and disseminate cutting-edge solutions for wholesale and industrial distribution challenges and address distribution and supply chain challenges.

Between 2011 and 2021, the cluster experienced growth in total employment, GDP, and foreign exports. From 2022 to 2032, the cluster is anticipated to experience 41% GDP growth, with a GDP contribution of $402 billion in 2032.

Cluster Fast Facts

	Workforce	GDP	Exports
Magnitude	**2,219K** Total Employment (2021)	**$265B** GDP Contribution (2021)	**$30B** Foreign Exports (2021)
Share	**9%** Share of U.S. Cluster Total Emp. (2021)	**10%** Share of U.S. Cluster GDP (2021)	**12%** Share of U.S. Cluster Foreign Exports (2021)
Growth	**18%** Total Employment Growth (2011 – 21)	**37%** GDP Growth (2011 – 21)	**3%** Foreign Export Growth (2011 – 21)

Cluster Employment Concentration (2021)

Wholesale – Petroleum and Petroleum Products (3.3 LQ)

Wholesale – Electrical and Electronic Goods (2.8 LQ)

Texas Parks & Wildlife, CONANP, Esri, TomTom, Garmin, FAO, NOAA, USGS, EPA, USFWS, Esri, USGS

Less Concentrated (0.00 to 0.50)	(0.51 to 0.90)	National Average (0.91 to 1.10)	(1.11 to 1.50)	Highly Concentrated (1.51+)

Data Sources: IMPLAN, Regions Industry Data, Texas and United States, (2011-21); Guidehouse Analysis

Transportation and Logistics in Texas

✈ Transportation and Aviation Services

With over 300 airports and 314,000 miles of public roads, Texas has one the nation's largest networks of highways, interstates, and general aviation airports. The state's central location and ability to efficiently move goods and people locally, domestically, and internationally has established it as a leader in the Transportation and Aviation Services cluster.

The Transportation and Aviation Services cluster includes four industries: air transportation, truck transportation, transit and ground passenger transportation, and scenic and sightseeing transportation and support activities for transportation.

Many of Texas' regions are hubs for the Transportation and Aviation Services cluster. The state has over 66,000 trucking companies moving a variety of products, including agricultural products, petroleum, coal, computers, electronics, chemicals, machinery, and transportation equipment. Several regions' cluster leadership is supported by their proximity to major ports and waterways, access to other states, or location on the U.S.–Mexico border.

Texas is also uniquely positioned to excel in aviation services. With our six major international airports, Texas businesses and residents can access most parts of the contiguous United States within four hours, and direct international flights are available to nearly every part of the world. Texas is home to the headquarters for American Airlines and Southwest Airlines and is a major hub for United Airlines. Texas is also home to some of the most innovative companies in the aviation industry, including a mixture of startups and household names like Airbus.
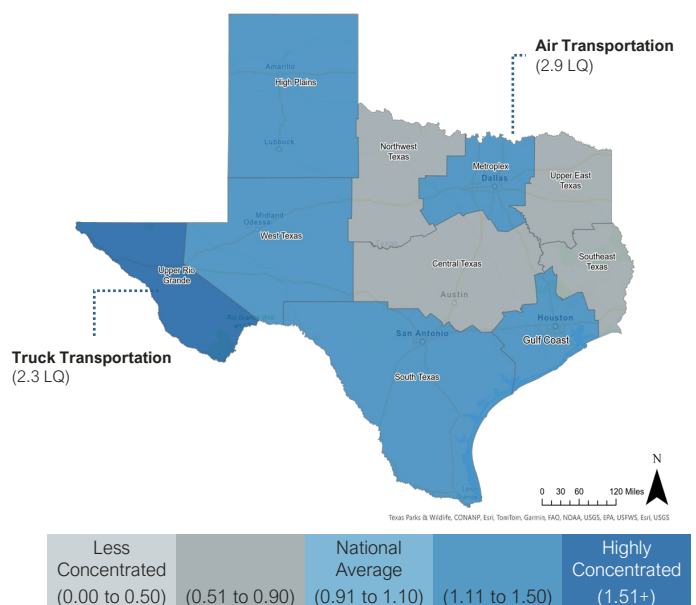
The Texas Department of Transportation (TxDOT) has partnered with The University of Texas to fund the Center for Transportation Research and with Texas A&M to fund the Texas A&M Transportation Institute. Both centers are nationally recognized as top destinations for transportation research and have pioneered new solutions related to connected transportation, infrastructure, and roadway performance. Additionally, TxDOT launched an "Innovative Transportation in Texas" program to identify, evaluate, and develop innovative solutions to meet our state's growing transportation needs.

From 2011 to 2021, the cluster's workforce grew by 48% and GDP grew by 9%. Looking ahead, the cluster is expected to experience 29% GDP growth the coming decade, with an estimated GDP contribution of $48 billion by 2032.

Cluster Fast Facts

	🧍 Workforce	🧾 GDP	🌐 Exports
Magnitude	**555K** Total Employment (2021)	**$38B** GDP Contribution (2021)	**$10B** Foreign Exports (2021)
Share	**10%** Share of U.S. Cluster Total Emp. (2021)	**10%** Share of U.S. Cluster GDP (2021)	**12%** Share of U.S. Cluster Foreign Exports (2021)
Growth	**48%** Total Employment Growth (2011 – 21)	**9%** GDP Growth (2011 – 21)	**-19%** Foreign Export Growth (2011 – 21)

Cluster Employment Concentration (2021)

Air Transportation (2.9 LQ)

Truck Transportation (2.3 LQ)

Texas Parks & Wildlife, CONANP, Esri, TomTom, Garmin, FAO, NOAA, USGS, EPA, USFWS, Esri, USGS

Less Concentrated (0.00 to 0.50)	(0.51 to 0.90)	National Average (0.91 to 1.10)	(1.11 to 1.50)	Highly Concentrated (1.51+)

Data Sources: IMPLAN, Regions Industry Data, Texas and United States, (2011-21); Guidehouse Analysis