

# U.S. Economic Impact Report

Measuring the FedEx Effect | September 2021



**FedEx**®



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# The FedEx Effect



Every day, in every ZIP code across the United States, FedEx is moving the economy forward.

Whether we're safely delivering lifesaving vaccines, routing industrial parts that support critical commerce, or helping entrepreneurs grow their online businesses — what we move matters.

As detailed in this report, our company's positive impact extends far beyond pallets and parcels. We are proud to play a significant role in the overall U.S. economy and in communities throughout the country.

In fact, the **FedEx Effect** can be felt in all 50 states.

Across the U.S., we employ more than 375,000 team members, and our team operates out of more than 4,200 facilities. As demonstrated in this report at the national level and by the 10 local markets highlighted, a FedEx presence brings along with it good-paying jobs and a measurable boost in the community's overall economic vitality.

Outside of the corporation, we continue to impact the U.S. economy. FedEx business operations with other companies that make up our supply chain create nearly \$8 billion in U.S. economic activity each year. As of April 2021, the FedEx supply chain consisted of 166,000 direct suppliers in the U.S. — approximately 70% of which are small businesses —

employing more than 6.1 million people. Our support for communities extends to our philanthropic efforts, where we've donated more than \$160 million from Fiscal Year 2019 (FY19) to Fiscal Year 2021 (FY21) and regularly devoted our networks and logistics expertise to U.S.-based organizations FedEx is uniquely equipped to help.

This report, focused solely on the U.S. economy, is a first step as we look to provide future global data on the more than 220 countries and territories where we operate.

Importantly, behind each of this report's statistics are very real benefits and expanded opportunities in the daily lives of our team members, American families, and communities from coast to coast. This is the FedEx Effect.

**Raj Subramaniam**  
President & COO

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# The FedEx U.S. Economic Impact Report

The COVID-19 pandemic has upended the global economy — disrupting supply chains and impacting businesses of all sizes and the communities they serve. The pandemic has also underscored the mission of FedEx Corporation to connect the world in good times — and, more recently, in periods of great need. Operating for nearly 50 years with the goal of moving critical shipments, FedEx is a driving force around the globe, connecting more than 99% of the world's goods and services.

FedEx logistics and transportation expertise amassed over decades and networks that reach every ZIP code in the United States positioned the company to support businesses, governments, and non-profits in delivering lifesaving personal protective equipment, vaccines, and pharmaceuticals throughout the COVID-19 pandemic. At the same time, with safety as the first focus, FedEx has navigated surging e-commerce volumes in the U.S. — a 39% increase between the first quarter of 2020 and the first quarter of 2021.

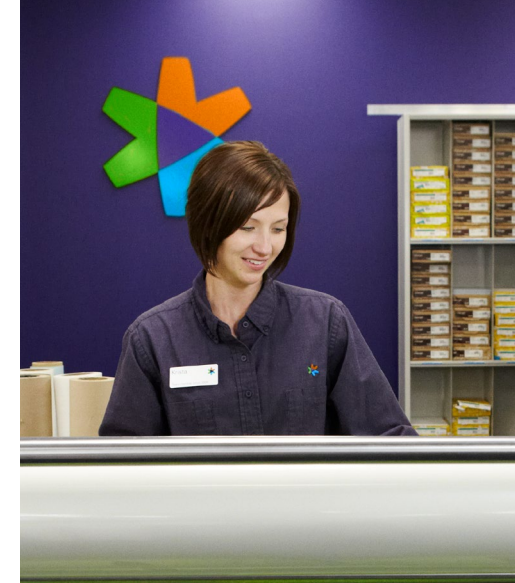
In May 2021, FedEx engaged Dun & Bradstreet (D&B) to analyze and create a report on the company's recent impact on the U.S. economy. The output from the D&B report, which discusses the impact FedEx has on U.S. national gross output and employment with a focus on the national transportation sector, combined with additional information provided by FedEx related to topics such as corporate contributions, health benefits and capital expenditures was used to create this U.S. Economic Impact Report. Read on to explore the role FedEx plays in the U.S. economy and in communities throughout the country. In addition to a national-level analysis, the report highlights the impact FedEx has on key hub markets. This subnational analysis offers insights into the company's impact on local economies where facility and workforce investments have demonstrated a positive ripple effect on the surrounding markets.

As outlined in the sections that follow, FedEx supports hundreds of thousands of jobs nationwide through the company's direct workforce as well as millions more through indirect economic impact across transportation and other sectors and the company's supply chain. Additionally, FedEx continues to add quality jobs and invest in existing and new facilities throughout its U.S. network, even during the severe economic downturn from the COVID-19 pandemic in 2020. These

economic contributions also create a measurable boost in county-level economic health, as featured at the end of this report for 10 key FedEx hub markets across eight states in every region of the U.S.

With coast to coast operations, services that enable us to reach every ZIP code in the U.S., and direct engagement of approximately 166,000 supply chain vendors, the economic footprint of FedEx isn't limited to any single market, city, or state: FedEx contributes positively to the U.S. economy at all levels and also expands beyond domestic borders. Dun & Bradstreet's Supply Chain Analysis reveals that more than 30% of the FedEx extended supply chain is spread across 15 countries, expanding impact to key global commercial hubs as well.

**Enabling global trade, FedEx handles export requirements for its international customers – small, medium, and large businesses. By offering shipping and logistics services, including customs brokerage, to more than 220 countries and territories, FedEx is impacting output and employment growth at origins, stopover, and destination locations around the world.**



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# National impact

In the following sections, Dun & Bradstreet Data and Analytics quantifies numerous economic contributions from FedEx, a large multinational corporation. Contributions like revenue, labor, and gross domestic product (GDP)—while more straightforward to compute—capture only a portion of the company’s full impact. FedEx resilience in the face of severe disruptions, like a pandemic, helps to sustain economic and social functionality across the country. Contracts and business transactions with local businesses, many of which are small and locally-owned, directly create jobs and revenue, and indirectly contribute to growth and stability within local communities. It is the sum of these activities that captures a more appropriate picture of the value provided by a company of such scale.

The economic footprint of FedEx is as vast as the U.S. delivery area the company serves. With team members and resources throughout the country, FedEx delivers to all U.S. ZIP codes and contributes to economic activity directly and indirectly within the communities.

## Employment

Record package volume and a historic peak in 2020 led FedEx to grow employment to more than 375,000 U.S.-based team members by April 2021 across all 50 states and territories from more than 342,000

**375,000+**  
U.S. team  
members

**4,200+**  
U.S. facilities

**684** aircraft

**163,000+**  
motorized  
vehicles in  
the U.S.

team members in December 2019, just before the pandemic began to impact the U.S. economy. Between February and November 2020, the company accounted for more than 8% of employment in the U.S. transportation sector and more than 6% of all U.S. transportation and warehousing sector jobs combined. FedEx also indirectly supported approximately 11,000 jobs within the transportation sector, and over 40,000 jobs through its industry linkages. While many sectors were forced to cut jobs during the early phases of the pandemic, FedEx continued to hire and increase wages, adding over 32,000 jobs in the U.S. between December 2019 and April 2021. And while FedEx employment in the U.S. grew 9.4% between February 2020 and April 2021, overall trade, transportation and utilities sector employment declined by approximately 870,000 jobs.

FedEx creates quality employment opportunities for its team members and has repeatedly been acknowledged as one of “America’s Best Large Employers” by Forbes. FedEx provides competitive healthcare, retirement savings options, education, and other benefits to support their quality of life and enable them to thrive in the workplace. These offerings not only benefit the individual team members and their families, but also contribute to stronger communities where our team members live and work.

Health and welfare costs at FedEx exceed \$2 billion annually for more than

219,000 enrolled U.S. employees and their dependents (402,000 enrolled members). FedEx covered approximately 70 percent of healthcare costs for plan members in 2021, all while adhering to the Patient Protection and Affordable Care Act.

FedEx is also committed to supporting team members who wish to pursue higher education in a variety of ways. Throughout the enterprise in FY20, FedEx provided more than \$15 million in tuition assistance to nearly 10,000 employees to further their education. In addition, Learning inspired by FedEx (LiFE)—a collaboration between multiple FedEx operating companies and The University of Memphis—provides many employees the opportunity to earn a tuition-free, fully online degree. FedEx pairs extensive learning and development programs for employees across levels and operating companies with opportunities for internal advancement and career growth.

Employment opportunities also come from modernization projects that integrate innovative technology and create new pathways for advanced skills training and higher-paying positions. The modernization of our facilities not only generates new growth opportunities for team members, but also reflects large-scale, multi-year investments in our facilities and the communities where they are located, the economic impact of which is covered in depth further in this report.

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## Community involvement

FedEx contributes to the communities where its team members live and work. From FY19-21, the company donated over \$160 million in direct charitable contributions to U.S.-based organizations including United Way and Direct Relief among others.

**FedEx focuses on simultaneously meeting social and business goals. Real change takes significant investment, authentic support for communities, and a commitment to continuous learning. The company's most significant investments are in areas where it can address material issues and apply its unique business capabilities.**

The company's three philanthropic focus areas are Delivering for Good, Global Entrepreneurship, and Sustainable Logistics. Through Delivering for Good, it lends its global network and logistics expertise to nonprofits with mission-critical needs and to communities impacted by crises and natural disasters. Through Global Entrepreneurship, FedEx helps strengthen small businesses owned by women and people of color by connecting them to resources, training, and capital. Through Sustainable Logistics it supports the acceleration of innovations

– like carbon capture and electric vehicles – to reduce the environmental impacts of the logistics industry.

Additionally, FedEx is working toward delivering a more sustainable future with a goal of carbon neutral operations by 2040, designating more than \$2 billion of initial investment in vehicle electrification, sustainable energy, and carbon sequestration.

## Facility investments

Throughout the U.S., facility investments correlate to direct economic growth in the markets they serve. FedEx operations are capital intensive and require significant forward planning. Despite the pandemic's strain on construction and other industries, in FY21 FedEx invested \$914 million in facilities and other related expenditures around the world.

Capital investments expand FedEx's ability to accommodate volume growth, signaling and creating growth opportunities for customers of FedEx in these markets. For instance, the FedEx Ground facility in Woodbridge, N.J., services one of the largest markets in the country. In 2016, FedEx Ground added a second hub in Metuchen, N.J., roughly 10 miles away to accommodate anticipated growth by redistributing volume between two sort facilities. The addition of the second hub expanded FedEx Ground employment opportunities in the region, and the construction of the new facility

poured capital into the local construction economy, facilitating jobs and economic growth in additional sectors of the local economy. In nearby Newark, N.J., FedEx Express has invested nearly \$33 million in capital improvements at its Newark Liberty International Airport facility over the past two years, contributing to the generation of jobs and enabling further economic growth in the region. For more examples of localized capital spend, refer to the subnational section.

FedEx globally spent nearly \$6 billion in FY21 towards aircraft and vehicles, facilities, and related sort equipment as well as IT and technology investments. FedEx plans to spend over \$7 billion in its FY22 in these same areas which will support high-skilled, high-paying job growth.

## Network

Throughout all 50 U.S. states, Puerto Rico, U.S. Virgin Islands, and Washington, D.C., FedEx owns and operates out of more than 4,200 facilities including hub and regional sort facilities, freight service centers, airport hangars, business offices, and FedEx Office stores. In 2020, 44 facilities were added across the operating companies in the U.S.

FedEx Express utilizes more than 680 aircraft and across the FedEx operating companies more than 160,000 motorized vehicles are in use, including a growing fleet of electric vehicles in pursuit of the company's goals to electrify its entire pickup and delivery fleet and achieve carbon-neutral operations by 2040. As a part of the FedEx Express aircraft modernization and sustainability program, the company has purchased 37 new more efficient Boeing 767 and 777 airplanes.

FedEx Ground contracts with approximately 5,500 locally owned small businesses throughout the country for transportation, pickup and delivery services. This successful model provides customers with outstanding service and has enabled thousands of entrepreneurs to start and grow independent businesses.

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# Measuring impact beyond direct operations

## National indirect impact

The scale of direct FedEx contributions to the U.S. economy also boosts jobs and economic activity beyond the company's immediate employment and investment activity. This subsequent activity is considered "indirect impact" of the FedEx presence and is visible in economic indicators at a national level and in communities throughout the U.S.

FedEx contributed to output worth nearly \$2.3 billion in 2017 through its relationships and dependencies on other businesses within the U.S. transportation and warehousing sector. This number grew at an approximate rate of 5% in 2018 and 2019. During the same period, FedEx supported an additional 9,000 jobs in the U.S. transportation and warehousing sector beyond the company's U.S. employment base. Despite negative shockwaves to the U.S. economy generated by the pandemic, FedEx revenue in 2020 accounted for 1.7% of total U.S. transportation sector revenue, and FedEx job growth increased at a faster pace than the national average throughout 2020.

The pandemic increased transportation and freight delivery demands from the

medical and healthcare industries as well as created a surge in e-commerce, which led to short-term potential growth opportunities for the sub-sectors. The revenue growth within FedEx can be largely attributed to the same factors.

## Local indirect impact

FedEx is a significant contributor to U.S. economic growth, both directly at the local and county level where it has significant operations and indirectly on the larger metropolitan areas and neighboring regions which realize positive economic benefits. For example, a large FedEx presence in any local economy has a substantial spillover impact on neighboring counties, but its magnitude may vary due to other economic factors and externalities like general infrastructure and population sizes.

FedEx generates higher spillover growth (i.e., indirect) impact on high-GDP areas and contributes less to the intermediate or low GDP areas. This is due to the fact that higher GDP areas have the infrastructure or capacity to absorb the impact of the spillovers.

All these findings imply that the presence of FedEx within a county forms a well-

connected and mutually-driven network together with the county's local economy, and FedEx business expansion constitutes and explains an important component of the local GDP growth.

## Total economic impact

FedEx has a direct impact of approximately \$70 billion on the national economy through its annual revenue and accompanying economic activity generated for the national gross output, including \$8 billion in economic activity created by operations with other companies that fall within the transportation sector. As a percentage, FedEx's quarterly contribution counted for 0.05% of the overall gross output for all industries during the year 2020. Focusing on the transportation sector, which encompasses public and private jobs ranging from transit operators to mechanics to line-haul truck drivers, the direct contribution of FedEx to the sector's gross output increased between February and November of 2020 from 1.48% to 1.67%. Of note, the transportation sector shrank during the pandemic compared to the pre-pandemic baseline of February 2020. The growth within FedEx in 2020 enabled the organization to contribute directly to the resilience of the sector during an economically challenging time.



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# Impacts ripple through the supply chain

The impact FedEx has on the national economy stretches beyond its own revenue, employment, taxes, and GDP through businesses that supply to FedEx or are contracted by FedEx. The totality of all these vendors are known as the FedEx supply chain. The company's April 2021 snapshot consisted of 166,000 direct vendors in the United States, employing more than 6.1 million people and generating an estimated combined \$115 billion in annual revenue. These companies are important to consider when analyzing the impact FedEx has on

the U.S. economy because the shipping and logistics company's reliance on vendors to supply goods and services in turn impacts FedEx's output as well as the vendors' revenue which in turn impacts their ability to hire, invest, and grow.

During the past three fiscal years, businesses in the FedEx supply chain operated throughout more than 14,000 U.S. ZIP codes with an average spend of \$3.8 million per ZIP code.

On average, the company spends about \$40 billion each year on its U.S.-based supply chain and is estimated to have supported over 300,000 supplier jobs pre-pandemic. At a more detailed level, the FedEx supply chain spend across the top ten states accounted for \$28 billion and 200,000 jobs.

In 2020, the global economy was consumed by the pandemic. By April 2020, the unemployment rate reached 14.4% as 14 million Americans were unemployed.<sup>1</sup> Amidst this economic downturn in FY20, FedEx increased its spending across its U.S. supply chain. This increased spending among U.S. supply chain partners boosted national employment by supporting more than 400,000 jobs. The result was nearly 60,000 more jobs supported than the company's pre-pandemic contribution during the previous fiscal year.

In addition to the breadth of the supply chain, the company also engages a diverse set of businesses through its supply chain. About 7% of the company's total diverse and small business supplier spend went to women-owned businesses and 12% to minority-owned businesses in FY20. Additionally, 17% of the vendor companies' CEOs or top officials are also female, according to Dun & Bradstreet's firmographic information.

## The extended supply chain

FedEx supply chain impact extends beyond its direct suppliers. In numerous instances, direct suppliers of FedEx rely on a network of smaller suppliers to provide individual components, materials, or services. This connected and extended supply chain network encompasses jobs and businesses that are impacted when FedEx makes purchases from its direct suppliers. With

166,000 direct suppliers in the U.S. alone, the net positive impact to the economy is pervasive.

As an example, FedEx has regularly purchased aircraft from Boeing. Those purchases support jobs and revenue at Boeing (a FedEx direct supplier), but also at General Electric (GE) which makes the engines for Boeing aircraft (a tier 2 supplier), and GE's suppliers that make the components for the engines (tier 3 suppliers).

In examining three of the largest direct suppliers to FedEx by spend, a large aerospace corporation, a facility and sorting equipment company, and a fuel supplier, the downstream economic impact of FedEx is extensive.



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<sup>1</sup> Pew Unemployment Data



# Positive impact on local economies

## Measuring impact in local hub markets

FedEx contributes significantly to growth in the U.S. economy, both directly in the local economies of counties where its operations are housed and indirectly in neighboring regions. FedEx investment in both facilities and shipping infrastructure are two robust contributors of economic growth at the county level.

FedEx has deep roots in communities across the U.S., and thus has a significant impact on local economies. With the

ability to ship to every ZIP code in the U.S., FedEx supports communities directly by delivering products for customers and providing integrated business solutions for individuals and businesses of all sizes. What enables the company to bring these services to market is a network of operational investments. To demonstrate the impact of FedEx investments at the local level, this subnational section of the report spotlights 10 markets where FedEx operations have demonstrated a significant impact on the local economy.

The presence of FedEx in these hub markets has helped mitigate the negative local economic effects of the pandemic, particularly in the transportation sector. Locations with a substantial FedEx presence, like those counties with a hub, are characterized by well-connected

supply networks that correlate with movements in the county's local economy. The expansive business reach of FedEx is an important component of the local GDP growth.<sup>2</sup> Furthermore, FedEx operating companies, primarily FedEx Express and FedEx Ground, support other major local industries in addition to transportation.

In the 10 hub markets analyzed, even where overall transportation industry employment at the county level decreased from 2019 to 2020 largely due to the economic challenges of the pandemic, FedEx employment growth rates tended to outpace overall county transportation economic growth. This includes both private and public transportation employment.

For example:

**Indianapolis** – From 2019 to 2020, the overall transportation sector employment decreased by 7.4% in this hub, whereas FedEx employment increased by 12.4%, offsetting some of the negative employment effects of the pandemic and likely creating positive spillover effects on other sectors within the county.

**Rialto/Ontario** – Based on both FedEx employment and shipment growth, this market was the highest growing among all 10 hub markets analyzed. Overall transportation employment growth in the area grew by 18.5% between 2019 and 2020, and FedEx employment specifically increased by nearly 50% in that same period.

**Portland** – Transportation sector employment in Multnomah County, Ore., grew 10.3% in 2020, yet FedEx employment in the county grew at an even higher rate of 10.9%.

**Miami** – Though one of the smaller FedEx hub markets analyzed — and a smaller transportation sector in the county overall as a percentage of total employment — Miami's economy benefited from the presence of a low-risk, high-growth organization like FedEx during the pandemic. From 2019 to 2020, the transportation sector overall in Miami-Dade County declined at a rate of 7.8%, whereas FedEx employment increased by 7.7% and its shipping volume grew by 30.9% over the same period.

**Dallas** – Transportation is a heavily growing sector in the Dallas area, and it continued to grow at a robust rate between 2019 and 2020 as other sectors declined. Over that timeframe, FedEx substantially supported this county-level growth – increasing its shipping volume by 33% and its employment by 26% – far exceeding the average county level growth rates.

<sup>2</sup> Difference are time-invariant across county economies and statistically significant

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## Supporting community development and opportunity

The presence of FedEx in communities supports an improved local economy and the development of other critical industries while offering employment opportunities in economically disadvantaged areas.

For example:

**Oakland** – Having a hub in Oakland, one of the busiest container ports in the U.S. West Coast, enables FedEx to support domestic and international trade for basic industries in and around the hub’s area. In 2020, employment in the transportation sector grew at 6.2% while all other industry groups declined. FedEx employment in the area grew by 20% and shipping volume grew by 39%.

**Newark** – Despite being the busiest transshipment hub on the U.S. East Coast, many neighborhoods in and around Newark have historically faced high unemployment and poverty rates. However, the presence of large transportation sector companies, including FedEx operating companies, generates consistent employment opportunities for the local workforce.



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# Spotlight on local markets

## Memphis

Located in Shelby County, Tenn., the city of Memphis sits towards the center of the country and is at the heart of FedEx. With a substantial team member footprint of approximately 33,000 employees across all operating companies, the company accounts for 56.5% of employment in the county's transportation sector, which accounts for 10% of all county employment. In 2020, shipping volumes increased by more than 30% in Memphis as e-commerce and critical healthcare shipments significantly increased, often transiting through Memphis FedEx facilities en route to final domestic and international destinations. Even amid the economic challenges and restrictions presented by the COVID-19 pandemic, FedEx continued to generate output and employment in the area.

With the presence of FedEx Corporation headquarters, FedEx Express World Hub & Headquarters, FedEx Freight headquarters, and FedEx Logistics Global Headquarters within the Memphis area, FedEx has boosted the local economy for decades and continues to provide significant investment in the community. The company continues to invest in Memphis, including a \$1.5 billion ongoing investment in the modernization of the

Memphis World Hub at Memphis-Shelby County International Airport as well as the new FedEx Logistics Global Headquarters, in which over \$50 million has been invested during renovation. Between 2016 and 2018, FedEx donated more than \$42 million to the greater Memphis community.

FedEx is also involved with programs that support Memphis-area small businesses and entrepreneurs. Through its partnership with the Initiative for Competitive Inner City, FedEx brought the organization's 40-hour tuition-free program called Inner City Capital Connects to Memphis in 2020 to help 200 Black entrepreneurs access much needed capital, enabling them to create good-paying jobs, and contribute to the economic vitality of the city. Additionally, FedEx works with Memphis-based 800 Initiative, a program that helps minority-owned businesses access capital, corporate engagement, and other resources.



Jason Gillum, the CEO of Millennium Search, took part in Memphis-based 800 Initiative, a FedEx-supported program that helps minority-owned businesses through connection to capital, corporate engagement, and other resources. In the two years after the program, Jason reported doubling his revenue. Additionally, the firm has nearly quadrupled its contract workforce and increased its focus on diversity and gender balance.

## Indianapolis

FedEx operating companies have 35 facilities in Indianapolis and the surrounding areas in Marion County, Ind. FedEx continued to grow in Marion County during the pandemic, with shipment volumes growing 31.2% in 2020 year over year. The company has a strong employment presence in the area, accounting for 22% of the total transportation sector employment in the county, a sector that employs more than 35,000 people. Even as overall transportation sector employment decreased in the county by 7.4% from 2019 to 2020 amid the pandemic, FedEx employment in the area increased by 12.4%.

Through substantial expenditures, like the \$1.5 billion ongoing expansion of the FedEx Express hub at Indianapolis International Airport, the company continues to invest heavily in Indianapolis and the surrounding area.

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## Oakland

Located in Alameda County, Calif., Oakland is a key location for multiple operating companies in the FedEx network, supporting shipments across California, the Western U.S., and the world. Not only is the Port of Oakland one of the busiest on the U.S. West Coast, but its strategic geographic location also helps FedEx connect local businesses — particularly basic industries — with key domestic and international markets.

The county transportation sector is growing and expected to continue growing through the current year and beyond. In 2020, employment within the transportation sector grew at a robust 6.2%, while all other industry groups, including the support services industry, declined amid the pandemic. Some of the growth in Oakland's transportation sector was driven by the accelerated growth seen in FedEx operations in the area – which accounted for 11% of the market's transportation employment. Surpassing the county-level transportation sector employment growth rate, FedEx employment grew 20.6% between 2019 and 2020, a period during which its shipping volumes grew 39.0%.



## Miami

Located in Miami-Dade County, Fla., Miami serves as the FedEx gateway to Latin America and the Caribbean, where the company's operations also benefit from proximity to one of the country's most active cargo ports.

While Miami's passenger transportation and related tourism and hospitality sectors suffered a major economic setback in 2020 amid the pandemic, FedEx contributed positively to the area's economy. From 2019 to 2020, transportation sector employment overall in Miami-Dade County shrank at a rate of 7.8%, whereas FedEx employment increased by 7.7% over the same period. The company's shipping volume grew 30.9% over the same period in the county, indicative of the importance of the continued flow of goods throughout the pandemic.

In recent years, FedEx Express has spent nearly \$3 million on capital facility investments at Miami-Dade International Airport. Anticipating continued growth in the local market, FedEx Express has plans for the expansion of its facility over the next several years, which will bring additional jobs and economic activity to the community.



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## Newark

The combination of an international airport, maritime port, railroad facilities, and a well-connected highway network make the city of Newark and Essex County, N.J., the busiest trans-shipment hub on the U.S. East Coast. This is also what makes the area a prime location for FedEx operations, which include a FedEx Express hub at Newark Liberty International Airport. Overall, Newark has a considerably large transportation sector, which accounts for 14% of the county's total GDP.

FedEx shipment volumes in Newark and Essex County grew at a robust rate of 39% in 2020, driving activity in the area and generating jobs. Even as employment across the board went down in Essex County from 2019 to 2020, the company still posted an increase in employment during this time.

FedEx Express has invested \$33 million in capital improvements at its Newark Liberty International Airport facility, creating more jobs for the community and enabling further economic growth in the market.

## Dallas

The Dallas/Fort Worth Metroplex in Texas is a key market for FedEx. The region is home to FedEx Office headquarters, as well as large airport and regional sort facilities for FedEx Express and FedEx Ground. The Dallas/Fort Worth area is a strong transportation hub with three major airports and is viewed as a major inland port supported by the convergence of major railway lines and a substantial network of interstate highways.

FedEx accounts for about 10% of the 100,000 employees in Dallas County's transportation sector jobs. Between 2019 and 2020, FedEx employment in the market grew 26.5%, significantly exceeding the county-level growth rates.

In 2018 and 2019, FedEx Ground spent more than \$8 million in capital investments in the market. This prepared FedEx for growth accelerated by the pandemic. Between 2019 and 2020, FedEx saw shipping volume grow 33.5%.



## Rialto/Ontario

FedEx has large facilities in Rialto and Ontario that serve much of the Southern California market. Among the markets analyzed in this report, San Bernardino County, Calif., saw the largest shipment volume growth between 2019 and 2020 — an increase of 52.9%.

The share of the transportation sector in overall county GDP is 13%. Overall transportation employment growth in the area doubled during 2020 compared to the pre-pandemic benchmark from 9.3% to 18.5%. FedEx employment accounts for 8.2% of transportation sector employment in the area and employment at the company rose 49.8%.

The corporation's investment in the county has also expanded. In November 2020, FedEx Express opened a new state-of-the-art ramp at Ontario International Airport. The facility has an automated sort of up to 12,000 packages per hour and employs over 490 team members. FedEx Ground is also investing in the region, with more than \$90 million in capital facility investment planned.

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## Pittsburgh

Pittsburgh, located in Allegheny County, PA, is home to the corporate headquarters of FedEx Ground, a leader in cost-effective ground package shipping, offering dependable service to businesses and residential customers throughout the U.S. and Canada. In the past five years, as volume has grown and in anticipation of future growth, FedEx Ground has invested nearly \$160 million in various capital facility investment projects. Because of this planning, FedEx Ground had the necessary facilities to accommodate much of the county's 41.3% growth in shipment volume between 2019 and 2020 that was brought on by a surge in e-commerce demand during the COVID-19 pandemic. More than 3,000 employees work at the headquarters building and in a number of package distribution centers in the region.

The FedEx commitment to supporting communities where its employees live and work is evident in a number of ways in Pittsburgh and the surrounding areas. Through monetary donations to and employee volunteer time at organizations including the Carnegie Science Center, United Way of Allegheny County, and the American Heart Association, FedEx works with organizations to improve the lives of residents in the area through their commitments ranging from emergency basic needs and support for children, seniors, and those with disabilities to workforce readiness and STEM education.

## Woodbridge

Located in Middlesex County, N.J., Woodbridge is home to one of FedEx Ground's largest hubs in the Northeast. The county's strategic location and easy access to a network of highways provide direct links to the business centers of New York City and Philadelphia. The county's link to railroad networks and the nearby international airport at Newark (discussed further above) provides vital nationwide and international connections.

The county's transportation sector accounts for 11% of county employment. Between 2019 and 2020, FedEx employment in the transportation sector grew 9.9%.

The company saw a 29.3% increase in shipment volumes between 2019 and 2020.

## Portland

The explosive population growth (13% since the 2010 Census) of Portland, Ore., and Multnomah County, Ore., coupled with its proximity to major highways and the Port of Portland, has likely contributed to the transportation sector's growth of 10.3% between 2019 and 2020. During that time, FedEx employment grew 10.9% and shipping volume grew 35.3%. In order to support the local services sector, which includes tourism jobs hit hard by the pandemic, the stable presence of an organization like FedEx can drive commercial activity through the growing volume of shipments transported to, from, and through the area. The presence of FedEx within the county provides a boost to activity, and investments contribute to spillover growth in the county.

As the market has grown over the past several years, FedEx Ground has invested approximately \$20 million in capital facility improvement projects.

To learn more about the FedEx Effect on states and localities throughout the country, visit [fedex.com/economicimpact](https://fedex.com/economicimpact).



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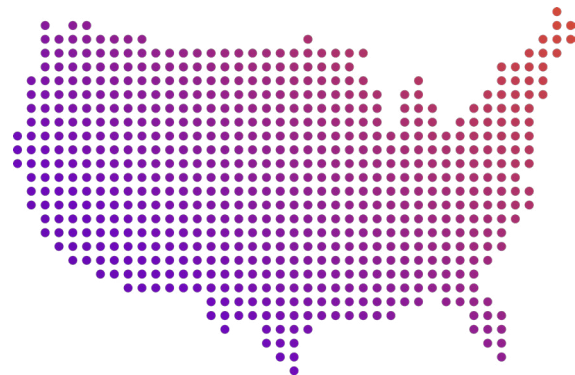
Extended impact beyond the concentrated hub markets



# Extended impact beyond the concentrated hub markets

Beyond the county-level direct contributions, the positive, indirect economic impact from FedEx operations and investments are pervasive. Across ten representative hub markets, the contributions to the economy occur both directly within the county and industry and indirectly through adjacent counties and related industries. Direct impact on employment and GDP occurs in the county where the hub resides and the transportation industry where FedEx is aligned. The presence of FedEx also tends to improve the financial health of the local economy aided by the robust financial health of FedEx itself.

FedEx growth rates in terms of employment and shipment volumes in most hub markets generally exceed those of overall employment and output in the local economy. While the presence of high growth factors within the hub markets drives economic growth in the region, the impacts do vary by size of the hub and other local macroeconomic characteristics like labor shortage in the area. The economic impacts also spill over into adjacent counties and related industries. These indirect effects tend to result in a larger transportation sector or with a larger basic industrial sector presence within the hub market or surrounding counties. In either case, contributions to both transportation and basic industry sectors ultimately support economic and workforce development in the local economies which in turn flows into the domestic and global economy.



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## Endnotes:

References to FedEx are synonymous with FedEx Corporation, encompassing all operating companies. Individual operating companies are identified as named.

All years are measured as calendar years (January to December) unless otherwise noted as a FedEx fiscal year (FY) (June to May).

In this analysis, “direct impact” refers to economic contributions with a direct association to FedEx, including contributions from FedEx employment, revenue, or community investment projects as examples. From the perspective of spatial impact “direct” or “local” refers to the impact the location of FedEx facilities and investments has within the county or hub market.

“Indirect impact” refers to activity influenced by the presence of FedEx, but at least one step removed from direct FedEx activity or investment. This includes the impact of FedEx operations through industry linkages as well as primary and extended supply chains by generating output, employment, and increasing stability of these businesses in the company’s ecosystem. From the perspective of spatial analysis, “indirect” or “spillover” effects refer to the impact FedEx’s presence in a location has on the neighboring counties of the hub market.

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