TRUCKING INDUSTRY DISRUPTORS

WHY ARE RATES SO HIGH?

Workforce Shortages and High Wages for Drivers

- The average age of truck drivers is 52, while the average age of all U.S. workers is 42. The industry is having a hard time attracting younger generations into the profession, creating a shortage.

- The shortage of drivers has led to a rise in wages in the last several years, with most carriers giving 3 - 4 pay increases during the 2018 fiscal year.

Elevated Insurance Costs

- Insurance claims have increased in frequency and severity over the last several years and until recently premiums paid to the insurance carriers have not kept pace.

- Now, insurance premiums have skyrocketed, with some carriers quoting premiums of $25,000 per truck.

Regulatory Pressures

- The Drug and Alcohol Clearinghouse became effective in January 2020 and requires carriers to report driver drug and alcohol violations to the U.S. Department of Transportation.

- This mandate, coupled with an increase in random drug testing to 50% of all drivers, is expected to pull an estimated 300K drivers off the road.

Sources: FLS Transport, Freight Waves
Current LTL and TL market indices remain elevated over 2016 levels.

Sources: Bureau of Labor Statistics; Cass Information Systems
Wages have steadily increased in a compressed timeframe.

Sources: Bureau of Labor Statistics