Driver Retention and Turnover

NDMCA 70th Annual Convention

Brenda Lantz
Associate Director
NDSU/UGPTI - Early 90s Work

- Job Satisfaction of Drivers
- Surveyed 12,000 drivers of 13 truckload carriers (almost 4,000 surveys returned)
- When asked if they plan to leave trucking within 5 years, 1/3 said yes
  - Of the 2/3 who said no, only half expected to be with the same company
NDSU/UGPTI - Early 90s Work (cont.)

• If the drivers planned to leave trucking, why?
  – Doesn’t pay enough
  – Away from home too much
  – No advancement possible

• Question to consider –
  – How has your company addressed any of the above? Any success stories to share?
Truckload Industry Loads

Index: 2000=100; Seasonally Adjusted

Source: ATA
LTL Industry Shipments

Index: 2000=100; Seasonally Adjusted

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>2.4%</td>
<td>3.1%</td>
<td>6.8%</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

Source: ATA
Annual Employee Driver Compensation

2013 Median Pay Including Incentives and Bonuses (Solo Drivers)

Source: ATA's Driver Compensation Study 2014
2014 Top Industry Issues

1. Hours-of-Service
2. Driver Shortage
3. CSA
4. Driver Retention
5. ELD Mandate
6. Truck Parking
7. Transportation Infrastructure/ Congestion/ Funding
8. Driver Health & Wellness
9. Economy
10. Driver Distraction
More Competition From Construction for Drivers
(Net job changes for every 1 million new housing starts)

Sources: Federal Reserve, BLS and ATA
At current trends, the shortage could balloon to 240,000 – We are in big trouble if it gets there.

The shortage is an OTR TL issue.

Source: ATA
Average Number of New Drivers Needed Per Year Over the Next 10 Years: 96,178

Source: ATA Benchmarking Guide for Driver Recruitment & Retention
Average Annual Pay for an Over-the-Road Tractor-Trailer Driver in the For-Hire Truckload Industry

Includes bonuses; All types of TL drivers included

Blue bars is actual pay. The orange line is if it kept up with inflation.

Sources: American Trucking Associations and BLS
Analysis of Truck Driver Age Demographics Across Two Decades

- Identified as a top RAC priority - 2013
- Released December 2014
- Analysis of U.S. Census Bureau data
- Examines demographic trends in driver workforce with implications for future
Driver Shortage

- ATA estimates ~100,000 new drivers needed per year for next ten years
  - 36% as a result of industry growth
  - 37% as a result of retirements
  - Remaining 27% due to drivers leaving the industry (voluntary/non-voluntary)
Truck Driver Age Demographics

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Truck Transportation</th>
<th>Construction</th>
<th>Professional /Business Services</th>
<th>All Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-24 years</td>
<td>4.9%</td>
<td>7.1%</td>
<td>7.5%</td>
<td>9.8%</td>
</tr>
<tr>
<td>25-34 years</td>
<td>15.6%</td>
<td>23.3%</td>
<td>24.3%</td>
<td>22.4%</td>
</tr>
<tr>
<td>35-44 years</td>
<td>24.0%</td>
<td>24.5%</td>
<td>23.5%</td>
<td>22.0%</td>
</tr>
<tr>
<td>45-54 years</td>
<td>29.3%</td>
<td>25.3%</td>
<td>22.9%</td>
<td>23.3%</td>
</tr>
<tr>
<td>55-64 years</td>
<td>20.1%</td>
<td>15.8%</td>
<td>15.8%</td>
<td>17.0%</td>
</tr>
<tr>
<td>65 years +</td>
<td>6.1%</td>
<td>4.0%</td>
<td>5.9%</td>
<td>5.5%</td>
</tr>
</tbody>
</table>
## Truck Driver Age Demographics

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2013</th>
<th>2003</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-24 years</td>
<td>4.9%</td>
<td>5.6%</td>
<td>9.2%</td>
</tr>
<tr>
<td>25-34 years</td>
<td>15.6%</td>
<td>21.7%</td>
<td>30.4%</td>
</tr>
<tr>
<td>35-44 years</td>
<td>24.0%</td>
<td>28.7%</td>
<td>29.5%</td>
</tr>
<tr>
<td>45-54 years</td>
<td>29.3%</td>
<td>26.1%</td>
<td>20.0%</td>
</tr>
<tr>
<td>55-64 years</td>
<td>20.1%</td>
<td>14.0%</td>
<td>9.1%</td>
</tr>
<tr>
<td>65 years +</td>
<td>6.1%</td>
<td>2.8%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>
Truck Driver Age Demographics

![Graph showing truck driver age demographics with two lines: one for high school or less education and one for some college or college/associate's degree. The graph displays an increasing trend over the years from 1992 to 2014.](image-url)
## Truck Driver Age Demographics

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Public Schools Offering Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>96.5%</td>
</tr>
<tr>
<td>Computer Technology</td>
<td>94.4%</td>
</tr>
<tr>
<td>Mechanics and Repair</td>
<td>81.9%</td>
</tr>
<tr>
<td>Precision Production</td>
<td>78.9%</td>
</tr>
<tr>
<td>Construction</td>
<td>73.5%</td>
</tr>
<tr>
<td>Childcare and Education</td>
<td>68.3%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>64.9%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>62.4%</td>
</tr>
<tr>
<td>Other Technology</td>
<td>58.3%</td>
</tr>
<tr>
<td>Marketing</td>
<td>57.9%</td>
</tr>
<tr>
<td>Food Service and Hospitality</td>
<td>57.4%</td>
</tr>
<tr>
<td>Communications and Technology</td>
<td>53.6%</td>
</tr>
<tr>
<td>Other Occupational Programs</td>
<td>48.2%</td>
</tr>
<tr>
<td>Personal and Other Services</td>
<td>48.0%</td>
</tr>
<tr>
<td><strong>Trade and Industry/ Transportation</strong></td>
<td><strong>28.8%</strong></td>
</tr>
<tr>
<td>Protective Services</td>
<td>25.8%</td>
</tr>
</tbody>
</table>
What to Do?

- Maintain current employee base
- Research best ways to engage 25-34 year olds (and younger)
- Identify ways to encourage/ foster vocational learning focused on trucking
- Bridge gap between high school and trucking career
  - Graduated CDL
Hours-of-Service

- Post-rules implementation data collection
- 2,370 driver surveys
- 446 carrier surveys
- Logbook analysis 40k+ drivers

Operational and Economic Impacts of the New Hours-of-Service

November 2013

Prepared by the American Transportation Research Institute
Driver Findings - Quality of Life

![Bar chart showing quality of life ratings]

- Very Positive: 2.2%
- Somewhat Positive: 3.0%
- Neutral: 12.3%
- Somewhat Negative: 33.5%
- Very Negative: 49.0%
Driver Findings - Fatigue Impacts

- Much less fatigued: 1.2%
- Somewhat less fatigued: 1.8%
- No change: 30.6%
- Somewhat more fatigued: 38.5%
- Much more fatigued: 27.8%
Driver Findings - Pay Impacts

- Pay has increased: 0.8%
- Pay is unchanged: 24.7%
- Pay has decreased:
  - Decreased 1 to 5%: 15.7%
  - Decreased 5 to 10%: 19.4%
  - Decreased 10 to 15%: 15.8%
  - Decreased 15% or more: 16.5%
- Uncertain: 7.1%
Detention Impacts on Safety and Productivity

- **Phase I: Driver and Motor Carrier Impacts Survey (completed)**
  - Driver data \((N = 674)\)
  - Motor carrier data \((N = 220)\)

- **Phase II: Motor Carrier Safety Data Collection and FPM Analysis (in-progress)**
  - Link between detention times and carrier safety performance
  - Impact of delays on truck travel times
Detention Impacts on Safety and Productivity

If you experienced delayed pick-ups in the past 12 months, estimate the percent of pick-ups that fall into each delay category.

![Bar chart showing the average percent of pick-ups by delay category for drivers and carriers.](chart.png)
Detention Impacts on Safety and Productivity

With which type of customer did you experience delayed pick-ups or deliveries?

<table>
<thead>
<tr>
<th>Category</th>
<th>Driver</th>
<th>Carrier</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Freight</td>
<td>45.4%</td>
<td>47.2%</td>
</tr>
<tr>
<td>Manufactured Goods</td>
<td>38.3%</td>
<td>38.5%</td>
</tr>
<tr>
<td>Consumer Goods</td>
<td>34.4%</td>
<td>33.5%</td>
</tr>
<tr>
<td>Grocery Store</td>
<td>33.6%</td>
<td>35.8%</td>
</tr>
<tr>
<td>Processed Foods</td>
<td>30.1%</td>
<td>33.9%</td>
</tr>
</tbody>
</table>
## Detention Impacts on Safety and Productivity

### Customer Actions that Caused Delays

<table>
<thead>
<tr>
<th>Customer Actions</th>
<th>Percent of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Driver</td>
</tr>
<tr>
<td>Product or load not ready</td>
<td>62.2%</td>
</tr>
<tr>
<td>Slow operations/already backed up</td>
<td>51.7%</td>
</tr>
<tr>
<td>Lack of available facilities, space, equipment, employees</td>
<td>45.4%</td>
</tr>
<tr>
<td>Schedule conflicts/not keeping appointments</td>
<td>29.4%</td>
</tr>
<tr>
<td>Employee attitudes, work ethic, skill</td>
<td>22.6%</td>
</tr>
</tbody>
</table>
Back to our Earlier Question

• If the drivers planned to leave trucking, why?
  – Doesn’t pay enough
  – Away from home too much
  – No advancement possible

• Question to consider –
  – How has your company addressed any of the above? Any success stories to share?

• Other Discussion?
Contact Info

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NDSU-UGPTI

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