

Trucking Industry Tool Kit for the Driver Shortage



The Advanced Center for
Transportation Technologies at Clark College

March 2006



Sponsored by:



Introduction

The Advanced Center for Transportation at Clark College is a partnership between the Southwest Washington Workforce Development Council, the Columbia River Economic Development Council and Washington WorkSource to serve the workforce development needs of the transportation industry in the region.

The center is funded through a grant from the Washington Workforce Training and Education Coordinating Board.

The ACTT operates out of the Department of Workforce Development at Clark College in Vancouver, Washington.

The ACTT wishes to express its gratitude to the American Trucking Association for permission to use the data from its publication “The U.S. Truck Driver Shortage: Analysis and Forecasts,” prepared by Global Insight.

For further information contact:

Alice Phillips, M.S.
Director of Workforce Development
(360) 992-2483
aphillips@clark.edu

Mike Maloney
ACTT Program Manager
(360) 992-2508
mmaloney@clark.edu

Clark College
Advanced Center for Transportation Technology
1800 E. McLoughlin Boulevard
Vancouver, WA 98663
www.clark.edu



Table of Contents

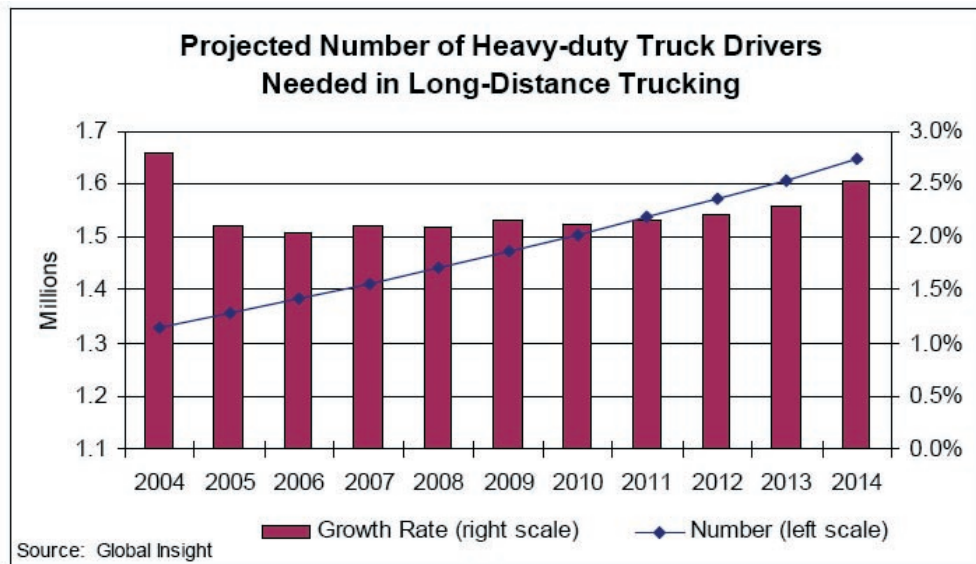
Introduction	1
Industry Demographics	3
Web Resources	15
Industry Contacts	18

The Problem

The truck transportation industry in the U.S. is experiencing a national shortage of truck drivers that has become a limiting factor in the operations of many companies. The industry faces a variety of issues in meeting the future demand for all drivers and the shortage is particularly severe for over the road long haul drivers. The cost to the economy of this driver shortage is estimated at between \$1.8 and \$3 billion annually. The Trucking Industry Tool Kit is developed to inform the industry of the facts about the shortage and assist trucking companies, training providers and the workforce development community in the recruitment, assessment, training and retention of drivers in the industry.

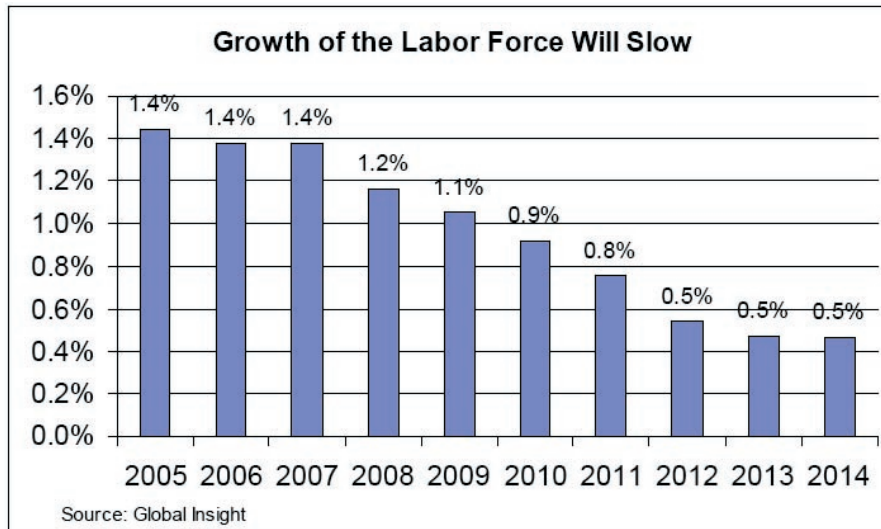
The demographics of the current driver pool is increasingly diverging away from the demographics of the total labor pool. This means that the make up of the driver pool will have to change to reflect the future make up of the labor pool. The total labor pool will be getting smaller over the coming years making competition for drivers and all employees increase.

The forecast for driver demand looks like this:

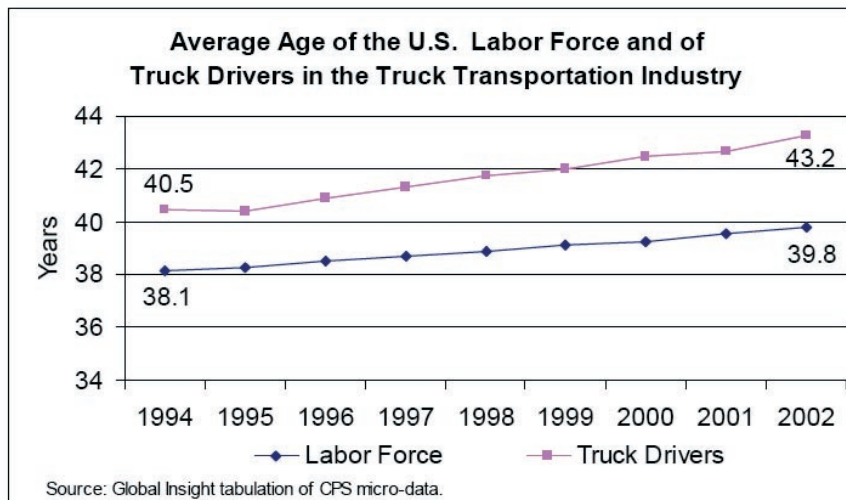


All Global Insight data May 2005.

Meanwhile, the forecast labor pool looks like this:

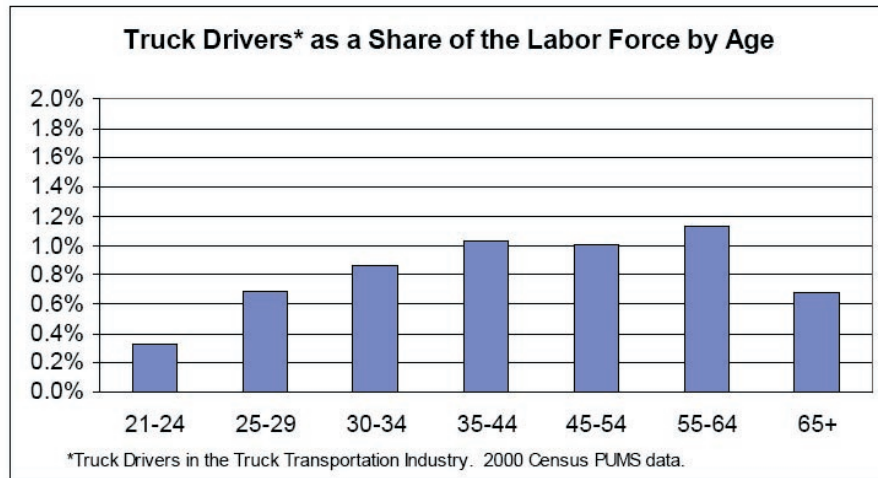


The growth rate for drivers the industry needs will increase by 2% to 3% annually while the labor force overall will increase by only 1.4% in 2005 and decline to 0.5% by 2014.



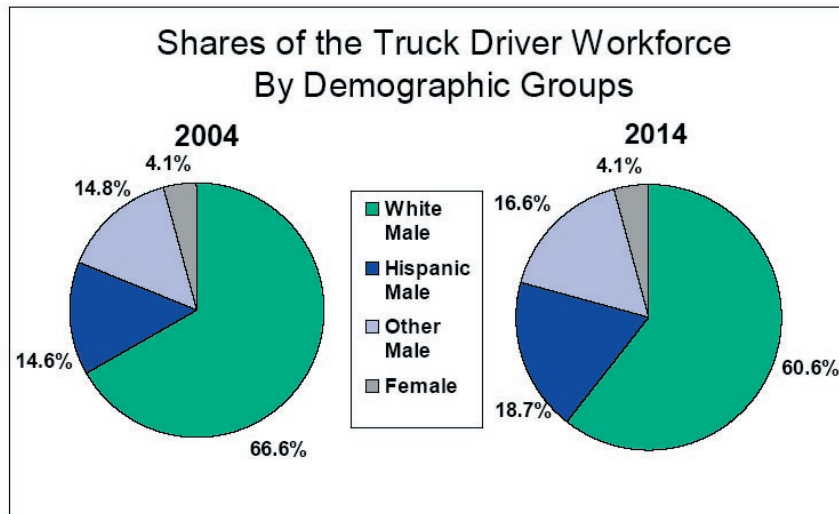
The average age of truck drivers has increased by 2.7 years from 40.5 to 43.2 while the average age of the work force has only increased by 1.7 years.

The age cohorts of the driver pool are larger as drivers get older. Currently, the largest segment of workers is between the ages of 55 and 64 but this number drops significantly after individuals reach the age of 65. This presents a significant workforce challenge as older drivers retire. The problem is further compounded because the industry is unable to employ a young workforce. In fact, most new drivers entering the industry are in the 30 to 34 age group.



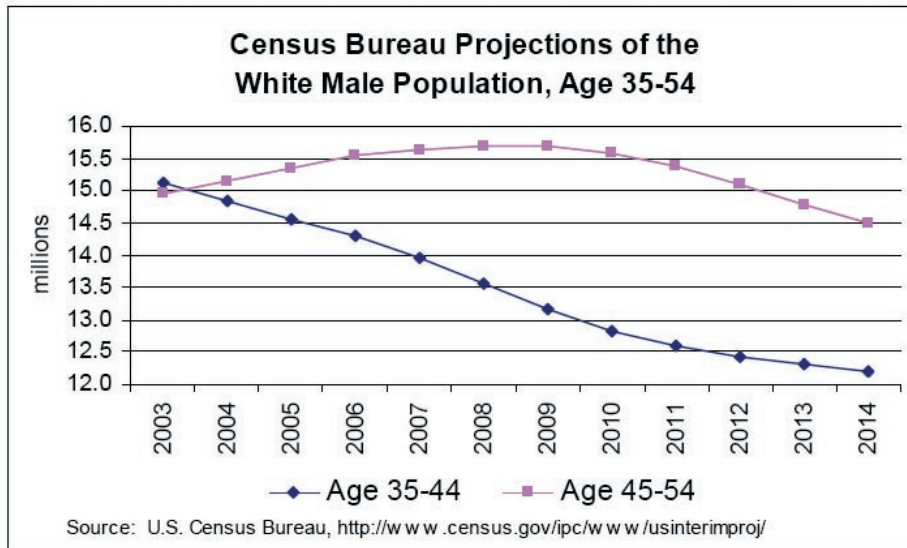
Source: American Trucking Association, 2004.

The demographic make up of the driver pool is anticipated to shift over the next 10 years. Although the majority of the workforce will still be comprised of white males, the number of Hispanic and African American drivers will increase.

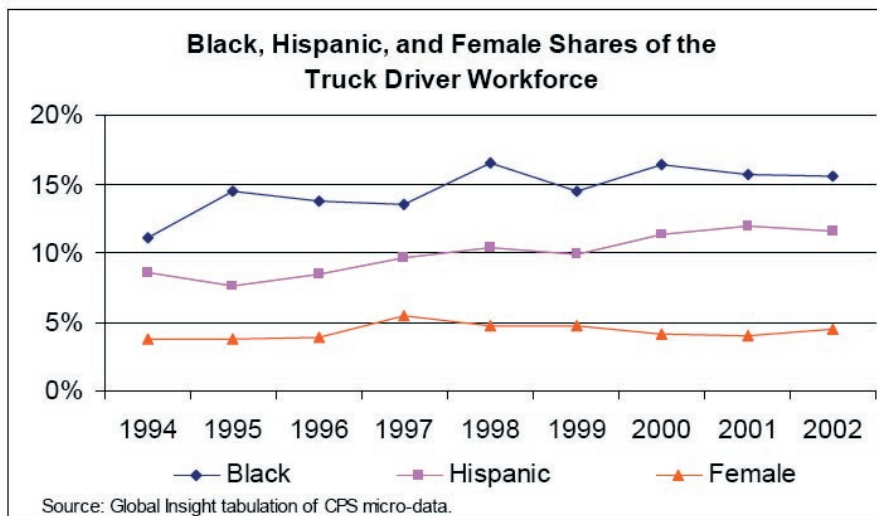


Source: American Trucking Association, 2004.

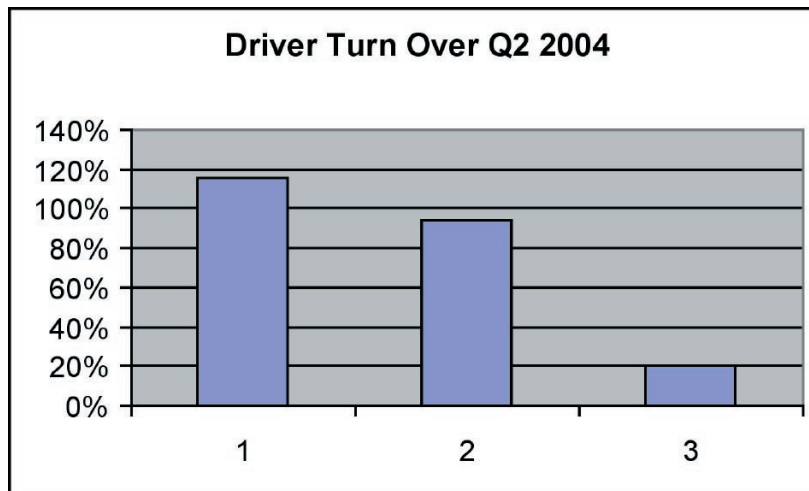
The number of white males who make up the majority of the current driver pool is declining as shown below.



The number of black and Hispanic drivers is staying the same while their portion of the work force is increasing. The number of female drivers is expected to remain steady at about 4.1%

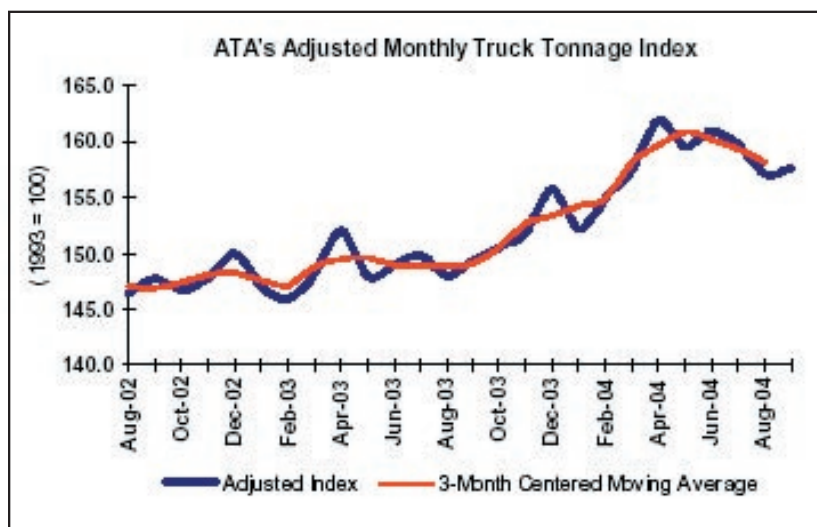


The driver shortage is further exacerbated by the high level of driver turn over in the industry, with the highest turnover in largest companies.



Source: American Trucking Association, 2004.

1. Carriers who earn over \$30 million in annual revenue experienced an average driver turnover rate of 116%.
2. Carriers with less than \$30 million in annual revenue witnessed a 94% driver turnover rate.
3. The Less-than-truckload carriers segment driver turnover averaged 20%.



Source: American Trucking Association, 2004.

Meanwhile, the demand for truck tonnage continues to rise.

All of the demographic data suggests:

- The driver shortage will get worse before it improves.
- The average age of drivers will continue to rise.
- The number of Hispanic and African American drivers will increase.
- Driver turn over will remain high.
- Driver pay will increase as competition for drivers grows.
- Government regulations, industry standards and insurance requirements will continue to raise the level of driver qualifications required adding to the shortage.
- Insurance requirements will remain a significant barrier to entry for inexperienced drivers.
- Driver retention will increase in importance.

The trucking industry, workforce development agencies, training and education organizations can each play a role in developing responses to the growing truck driver shortage.

The following tools that exist now, are under development or being considered, can provide a basis for improving the workforce response to the driver shortage. The trucking industry, workforce development agencies, training and educational organizations each have a role to play in responding to the driver shortage and making certain that the truck freight industry remains a vital and high performance segment of the nation's transportation system. Improving and increasing the truck driver workforce can save carriers and consumers billions of dollars annually.

Trucking Industry Recommendations and Strategies

- Industry wages will have to increase to the relative position of the early 1990's in order to attract more drivers.

Trucking industry wages have declined relative to other jobs in competitive labor markets such as construction since the early 1990's. In order for pay to be a factor that attracts and retains drivers in the industry, it will have to increase relative to other jobs that attract candidates from the same labor pool.

- Driver recruitment practices and candidate assessment must improve in order to select those most likely to be retained.

The rate of retention of drivers in the industry is low partly because many drivers are trained and enter the industry only to find they are not well suited to the lifestyle, especially in long haul positions. Pre-hire or pre-training assessment can help match the appropriate driver candidates based on their personal traits.

- New employee orientation must improve so drivers know what to expect from the company and feel included as part of the team.

Carriers need to improve driver orientation early in employment so drivers understand what company expectations are, where to get information about pay, benefits, dispatching and training. Driver orientation should be aimed at making sure drivers have a personal connection to the company and contacts in the office aimed at developing personal relationships and company loyalty.

- Career ladders within the industry need to be clearly established so drivers can see a future in the industry in roles other than long haul driver.

Drivers need to be able to see themselves in other roles in the industry so they develop a sense of possibility about what opportunities might arise outside of driving. Periodic rotation from driving to dispatch, driver training or safety specialist are possibilities for advancement or job rotation.

- Dispatch procedures can be made more driver-centered.

While customer service remains an essential priority, driver-centered dispatching can improve retention.

Trucking Industry Recommendations and Strategies, continued

- The industry needs to improve driver recognition, awards and incentives for retention.

Drivers report little sense of recognition from their employers for the role they play in the company's success. Driver recognition programs that reward safety, longevity and driver's contribution to productivity improvement ideas can be recognized at very low cost and contribute to company loyalty, driver satisfaction and retention.

- Long haul carriers should partner with local and LTL carriers to offer outplacement services to drivers who complete a minimum term of long haul service. The local carrier gets an experienced driver and the long haul carrier reduces driver turnover.

Long haul carriers could develop relationships with short haul companies where drivers are home more regularly. These partnerships would help the long haul carrier offer placement to a departing driver with a local short haul or LTL carrier after the driver has completed a minimum term of long haul service.

- Increase truck productivity through fuller utilization of equipment.

Improved dispatch that would allow for drivers to slip seat or drop and hook on a schedule that gets long haul drivers home more regularly and increases equipment utilization could lower equipment costs, increase the productivity of capital and improve driver retention.

- Improve training through industry accreditation of schools.

Standardization of training requirements across the industry would ensure that all training programs met minimum standards. Accreditation of schools would ensure that schools granted accreditation met those standards.

- Consider use of driver leasing companies as a source of drivers.

Some carriers may find that driver leasing is a better source of labor supply than employing drivers directly. Driver leasing companies are a growing industry and alternative source of labor that may suit some situations.

Trucking Industry Recommendations and Strategies, continued

- Training needs to include life style personal awareness elements so drivers have survival skills for the road, not just driving skills.

Many entry-level truck drivers are coming into the industry without a full understanding of the long haul lifestyle. Training programs should include information on the personal impacts of life on the road. Training should also include personal health and fitness, personal finance and budgeting, how to bank, budget and pay bills on the road, stress management, communication skills, email and internet access on the road, maintaining personal relationships with friends and relatives, using off duty free time on the road etc.

- Work with insurance carriers to improve ability to obtain coverage for less experienced drivers.

Carriers who have good loss records, effective overall corporate management, safety and risk management programs, excellent driver training, state of the art driver assessment and selection processes will be better positioned to obtain affordable coverage for at least a limited number of less experienced drivers. Those who bring the right proposal to underwriters can get coverage for some inexperienced or under 25 drivers.

Carriers who don't build systems of best management practices will find insurance coverage increasingly hard to afford or obtain.

Education and Training Organization Recommendations and Strategies

- Improve assessment of trainees to ensure better fit to the lifestyle.

Education and training organizations can improve information available to candidates considering driver training so they better understand the lifestyle implications of training to become a truck driver. Better assessment tools that predict driver success and retention should be developed and widely utilized.

Education and Training Organization Recommendations and Strategies, continued

- Include training on adaptation to lifestyle on the long haul including health and fitness, personal budgeting, meeting social, personal and spiritual needs.

Driver training is too narrowly focused on operating the equipment and does not include instruction in all of the lifestyle skills that a driver needs to succeed and be retained in the industry.

In addition to including expanded instruction to cover lifestyle issues during initial training, education and training providers should develop curricula for the industry for on going in-service training for current drivers. The education and training sectors can also use the same improved candidate assessment tools recommended for the industry in order to better screen applicants with best potential for success and retention.

- Offer specialized training for endorsements such as HAZMAT.

Education and training providers should develop and offer specialized training to the industry in areas such as HAZMAT endorsement, defensive driving, homeland security, safety and risk management programs. Many mid-sized and small carriers cannot develop specialized training in house and could benefit from these offerings.

- Improve outreach to non-traditional sources of potential drivers including displaced workers, bilingual minorities, economically depressed workers and working women.
- Offer training to the industry on improved employee orientation, team building and professional driver certification.

Education and training organizations can offer training to the industry on the development and use of improved candidate assessment and selection tools aimed at increasing driver retention in the industry.

Many small and medium-sized carriers would benefit from improved new employee orientations and from driver training on communications, team building and development of certification programs.

Workforce Development Council and WorkSource Offices Recommendations and Strategies

- Improve assessment of training candidates more likely to be retained in the industry.

Workforce Development Councils and state WorkSource offices can improve information available to candidates considering driver training so they understand the lifestyle implications of training to become a driver. Better assessment tools that predict driver success and retention should be developed and more widely used.

Improve coordination of industry data on the profile of successful and long-term drivers so that assessment tools can be refined and improved. This can help ensure that funds used for driver training will make a return on the investment.

- Target funds or tax relief to the industries for on the job training of inexperienced drivers to offset higher insurance costs for hiring and training those drivers.

Explore the potential of using Workforce Development Funds for on the job training of inexperienced drivers for their initial employment period in the industry.

- Provide assessment services for driver candidates and trainee candidates prior to funding training.

Sponsor the industry's use of candidate assessment tools such as SelectFit aimed at increasing driver success and retention in employment as a driver. SelectFit is now offered to the industry in Washington through the WorkSource Vancouver Town Plaza Office.

- Assist long haul carriers in making partnerships with local and LTL carriers for local driver assignments after a set term in long haul service.

Workforce Development Councils and State WorkSource agencies can help coordinate the effort to create partnerships among long haul carriers and local short haul or LTL carriers where a long haul employer can offer a certain local outplacement to a driver who completes a minimum term of service. For example, an over the road driver completing three years of long haul service is placed with a local carrier through a pre arranged partnership. The long haul carrier gets some greater certainty of tenure for that driver. The local employer gets a trained and experienced driver and the driver gets a local job and the ability to be home regularly after fulfilling the commitment.

Education and training organizations can improve outreach to non-traditional sources of driver candidates for whom driving might offer a financial advantage over other opportunities.

Conclusion

The truck driver shortage will continue into the foreseeable future. Addressing the needs of the industry will require improvements in practices among the trucking companies, education and training organizations and the workforce development community.

Each sector will need to develop multiple strategies in order to increase the number and quality of driver candidates entering the driver pool in the future. The industry will need to be more sensitive to lifestyle issues affecting long haul drivers.

The carriers who do the best job of improving overall corporate management, becoming the most desirable companies for drivers to work for will be the most successful in attracting and retaining the best drivers in the labor pool.

The current model and make up of the truck driver labor pool is costing the economy billions of dollars annually. As the demand for truck transportation continues to rise, the importance of improving the truck driver work force will be of growing importance to the nation.

Web Resources

Labor Market Information: State of Washington	WorkSource	800.215.1617	www.workforceexplorer.com
Loans: Long Term Expansion	Office of Trade and Economic Development	360.725.4038	http://cted.wa.gov/DesktopDefault.asp?tabid=349
Local Office Phone #'s			www.wa.gov/esd/uifasttax/contact.htm
Mass Layoff, Closures, Downsizing, Warn Notices	WorkSource	360.438.4117	www.wa.gov/esd/1stop/dislocated.htm
Master Business Application and Business License			www.dol.wa.gov/forms700028.htm
Minetta Transportation Institute San Jose State University		408.924.7560	http://www.transweb.sjsu.edu/
National Association of Fleet Administrators		732.494.8100	http://www.nafa.org/
Northwest Job Expo			www.nwcareerexpo.com
Solutions to Business needs	WorkSource	888.734.9675	www.workfirst.wa.gov/employer/resourceguide.html
Specialty Licenses: Business and Professions Divisions State of Oregon	Dept. Of Licensing	360.664.1400	www.wa.gov/dol.htm www.workinginoregon.com
Status of Driver's License (Validity of License) WA Only	Dept. Of Licensing	360.664.1400	https://fortress.wa.gov/dol/ddl/dsd/
Tax Rate			www.wa.gov/esd/taxrates.htm
Texas Transportation Institute- Texas A & M University		979-845-1713	http://tti.tamu.edu/
Transportation Research Board- The Commercial Truck and Bus Safety Synthesis Program		202.334.3089	http://www4.trb.org/trb/crp.nsf/reference/appendices/ctbssp
Transportation Research Board		202.334.2934	http://www.trb.org/
Truck Driver Testing			http://www.truckdriverexam.com/
U. S. Department of Transportation		202-366-4000	http://www.dot.gov
Unemployment Benefit Claim Issues & Appeals	WorkSource	877.504.5609	www.go2ui.com
Unemployment Tax Information:	Employment Security	360.735.5050	www.wa.gov/esd/taxfaq.htm
Upper Great Plains Transportation Institute- North Dakota State University		701.231.7767	http://www.ugpti.org/
Virginia Tech Transportation Institute		540.231.1500	http://www.vtti.vt.edu/
Wage Information: Washington State	WorkSource	800.215.1617	www.workforceexplorer.com
Wage Regulations	Dept. of Labor & Industry	360.956.5613	www.dol.gov/topic/wages
Work Place Posters Required	Dept of Labor & Industry		www.lni.wa.gov/IPUB/101-054-000.pdf
WorkForce Assistance: Clark County Corrections	Beth Sharpe	360.571.4538	BSharpe@doc1.wa.gov
WorkForce Assistance: Goodwill Industries	Gary VanAllen	360.695.1923	
WorkForce Assistance: WorkSource Town Plaza	Thyda Lim	360.735.4690	Tlim@esd.wa.gov

Associations and Regional Support Services for Trucking Companies and Employees

Washington Trucking Associations

930 South 336th Street, Suite B
Federal Way, WA 98003
(253) 838-1650 or toll free (800) 732-9019
Fax: (253) 838-1715
On the Web: <http://www.wtatrucking.com/>

Oregon Trucking Associations

4005 SE Naef Rd.
Portland, OR 97267
(503) 513-0005 or toll free (888) 293-0005
Fax: (503) 513-0008
Email: ortruck@ortrucking.org
On the Web: <http://www.ortrucking.org/>

Independent Truckers Unite!

Industrial Workers of the World
General Headquarters
PO Box 13476
Philadelphia, PA 19101
(215) 222-1905
Email: ghq@iww.org
On the Web: <http://www.iww.org/unions/iu530/truckers/>

American Trucking Associations

2200 Mill Road
Alexandria, VA 22314
Toll Free: (888) 333-1759
On the Web: <http://www.truckline.com/index>

America's Independent Trucker's Association, Inc.

AITA, Inc.
P.O. Box 1250
Clinton, MS 39056
Phone: 601-924-9606
For Emergency Roadside Assistance Only dial: (866) 767-7701
Fax: 601-924-9613
On the Web: <http://www.aitaonline.com/>

U.S. Department of Transportation

400 7th Street, S.W.
Washington D.C. 20590
Phone: 202-366-4000
On the Web: <http://www.dot.gov/>

Washington State Department of Transportation

Transportation Building
Washington State Department of Transportation
310 Maple Park Avenue SE
PO Box 47300
Olympia WA 98504-7300
Receptionist Phone: (360) 705-7000
Recruitment Hotline:(360) 705-7733
On the Web: <http://www.wsdot.wa.gov/>

Oregon State Department of Transportation

ODOT Citizens' Representative
355 Capitol St. N.E.
Salem, OR 97301-3871
Phone: (888) 275-6368
Fax: (503) 986-3432
On the Web: <http://www.oregon.gov/ODOT/>

Washington Utilities and Transportation Commission

PO Box 47250
Olympia, WA 98504-7250
360-664-1160
On the Web: <http://www.wutc.wa.gov/>

Washington State Department of Licensing

Department of Licensing
Business & Professions Division
PO Box 9034
Olympia, WA 98507-9034
(360) 664-1440 TTY: (360) 664-8885
On the Web: <http://www.dol.wa.gov/>

Washington Highway Road and Travel Conditions

All Washington Regions

1-800-695-ROAD or dial 511 if you are calling within Washington

On the Web: <http://usroadconditions.com/wa.shtml>

Oregon Highway Road and Travel Conditions

Within Oregon dial: 503-588-2941

Outside Oregon dial: 800-977-6368

Weather & Traffic Updates on the Web

Washington:

<http://www.weatherlook.net/wa.shtml>

<http://washington.trafficlook.com/>

Oregon:

<http://www.usroadconditions.com/or.shtml>

<http://www.weatherlook.net/or.shtml>

Idaho:

<http://www.usroadconditions.com/id.shtml>

<http://www.usroadconditions.com/id.shtml>

Mapping Websites:

<http://maps.yahoo.com/maps>

<http://www.mapquest.com>

<http://mappoint.msn.com>

