Long-haul truck drivers keep the American economy moving – they literally distributed over 9.4 billion tons of freight in 2012, with truck tonnage growing by 6.3% in 2013. Yet as tonnage grows, the number of drivers declines, with the American Trucking Association projecting a shortage of up to 240,000 drivers by 2022. While driver shortage has become a familiar challenge, the opportunity to invest in the next generation of drivers offers a fresh perspective for growth.

**WHY THE SHORTAGE?**

An aging workforce, the challenges of being on the road for long stretches and stricter hiring criteria are all commonly cited as factors in the driver shortage. In addition:

- Private fleets, which offer better pay, more home time and more regular hours than long-haul carriers, are expanding in size and number.
- Changes to hours of service (HOS) and the Compliance, Safety, Accountability (CSA) program limit the amount of time drivers can spend on the road, exacerbating the shortage.
- Competitive employment opportunities in other industries, such as energy and construction, cater to the same workforce segment in largely the same geographies.

**NEW APPROACHES TO DRIVER RECRUITMENT**

Trucking companies will need to hire a staggering 96,000 new drivers per year to keep up with industry growth and workforce attrition. To that end, companies are using new hiring strategies, casting a wider net and offering more attractive benefits and incentives. Tactics include:

- Looking beyond the “usual suspects” and reaching out to women (currently only 4% of the workforce), military veterans and internal employees.
- Offering training programs of their own or tuition reimbursement to drivers who pay for their own training – which can be costly.
- Luring drivers with better benefits, paid vacation days and cash signing bonuses.

**THE IMPORTANCE OF DRIVER RETENTION**

In 2012, the annualized turnover rate for many long-distance trucking firms exceeded 100 percent. Meanwhile, recruiting a single experienced driver can cost up to $10K. Carriers are trying to slow down the revolving door by making capital investments and changes in workplace culture, with the goal of keeping drivers happy:

**Drivers: An Aging Workforce**

- 17% are 34 or under
- 51% are 45+
- 32% are 35 – 44

Source: American Trucker, 9/13

Improving and Upgrading Fleets

- With old equipment that’s less reliable, drivers spend more time on repairs and maintenance, less time logging miles and earning money. High-performing, attractive and comfortable rigs are much more appealing.
Investing in Drivers’ Professional Growth

- Drivers may leave companies if they don’t feel valued and respected. Offering a path for career advancement, providing training opportunities and educating all employees on the value of drivers’ contributions are a few of the tactics companies are using to retain their workforce.15

Empowering Drivers with Health and Wellness Programs

- According to the CDC, the lifespan of the average trucker is 61 years – five years below the national average16, due in large part to the demands of their job: sitting for long periods of time, irregular sleep patterns and lack of healthy meal options on the road.17 Industry leaders are encouraging companies to offer wellness programs, including cash incentives for hitting health goals, to attract drivers and keep them healthy.18

THINKING BEYOND RECRUITING AND RETAINING

Keeping drivers engaged and satisfied with their jobs isn’t the only way to address the shortage. Many companies are pursuing alternative means for acquiring drivers, or pursuing ways to move freight with fewer of them.

- M&A volume and deal size are up in the industry. Experts are attributing fleet acquisition in part to driver shortage: When a company acquires a new fleet, they acquire their drivers, too.19
- New, computerized dispatch systems are being developed to facilitate and optimize “relay” driving – an approach that minimizes the time any given driver has to spend on the road and saves companies money by moving freight more efficiently.20
- Large shipping companies, including Swift and J.B. Hunt, are shortening trucking hauls and looking beyond the road towards multi-channel distribution, adding containers by the thousands and services including cash incentives for hitting health goals, to attract drivers and keep them healthy.18

Sea changes in demographics, economic opportunity and technology are transforming the operations of what has been a fairly traditional industry. Now, transportation companies must innovate, adapt and invest in every dimension of their operations to prevail and grow. In fact, while not really considered in the past, drivers are being seen as the most important dimension – the lifeblood of the industry. Companies that leverage capital to recruit and retain qualified drivers will be the ones that succeed in today’s rapidly changing transportation and logistics landscape.

CITIZENS COMMERCIAL BANKING ASSET FINANCE

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About Citizens Commercial Banking

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