

Driver Shortage Update 2021

Economics Department

American Trucking Associations, Inc.

Arlington, VA 22203

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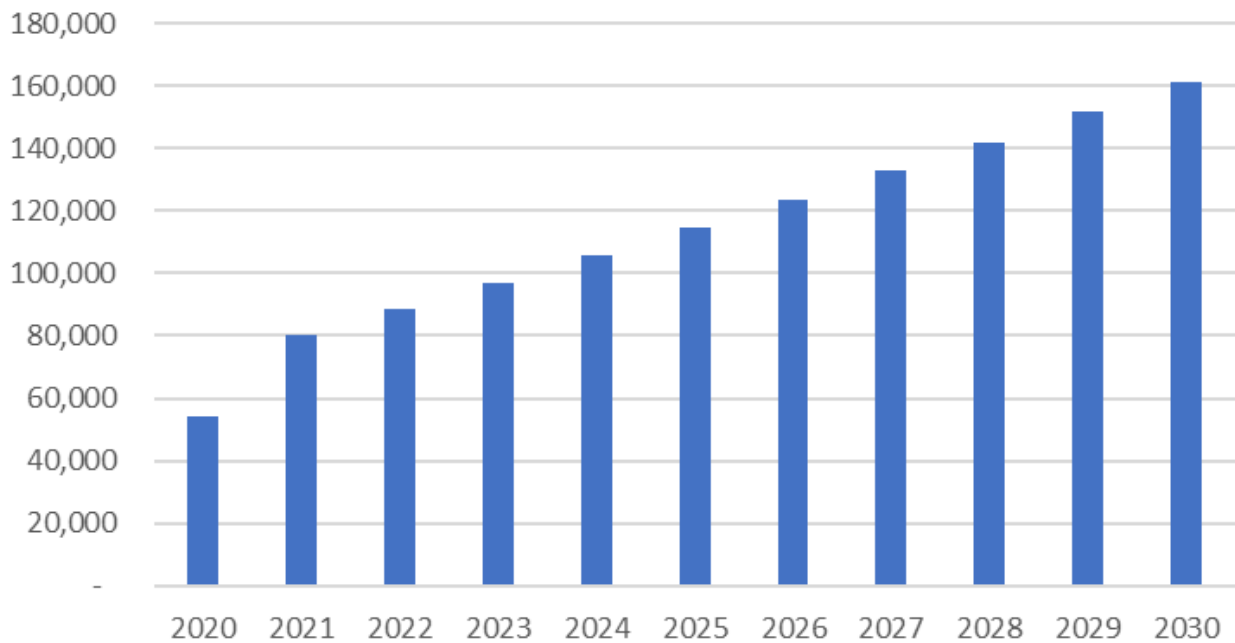
The American Trucking Associations estimates that in 2021 the truck driver shortage will hit a historic high of just over 80,000 drivers. This figure is the difference between the number of drivers currently in the market and the optimal number of drivers based on freight demand.

- While all sectors in the industry struggle with finding enough drivers, the driver shortage is most acute in the longer-haul (i.e., non-local) for-hire truckload market.
- There is no single cause of the driver shortage, but some of the primary factors include:
 - High average age of current drivers, which leads to a high number of retirements;
 - Women making up only 7% of all drivers, well below their representation in the total workforce;
 - Inability of some would-be and current drivers to pass a drug test, a problem exacerbated by an increasing number of states legalizing marijuana (a substance still banned federally);
 - The federally mandated minimum age of 21 to drive commercially across state lines poses a significant challenge to recruiting new drivers;
 - The pandemic caused some drivers to leave the industry, plus truck driver training schools trained far fewer drivers than normal in 2020;
 - Lifestyle issues, notably time away from home, especially in the longer-haul market;
 - Infrastructure and other issues, like a lack of truck parking spots, which causes drivers to stop driving earlier than they need to so they can get a spot for the night, and congestion which limits drivers' ability to safely and efficiently make deliveries;
 - Other barriers to entry like inability of potential candidates to meet carriers' hiring standards for driving record or criminal histories.

At current trends, the shortage could surpass 160,000 in 2030. This forecast is based on driver demographic trends, including gender and age, as well as expected freight growth. As part of this study, ATA estimates that over the next decade, the industry will have to recruit nearly 1,000,000 new drivers into the industry to replace retiring drivers, drivers that leave voluntarily (e.g., lifestyle) or involuntarily (e.g., driving records or failed drug test), as well as additional drivers needed for industry growth. These trends do not account for the impact of potential laws that may either alter the industry dynamics positively (e.g., lower the minimum age to drive across state lines) or negatively (e.g. regulatory mandates that push drivers to exit the industry or be less efficient).

Because there is no single cause of the driver shortage, that means there is no single solution. Recently, driver pay and earnings have gone up significantly, for a career that was already a well-paying path to the middle class for Americans without a college degree. Data from the Department of Labor shows that average annual earnings of production and non-supervisory employees, with the vast majority of those being driver occupations, in the long-haul for-hire truckload industry is increasing roughly five times the historical average. While this is good for drivers and those looking to enter this occupation, rising pay rates alone will not solve the driver shortage because some drivers will choose to work less at a higher pay rate, negating the impact of the increase. The solution to the driver shortage will most certainly require increased pay, regulatory changes and modifications to shippers', receivers' and carriers' business practices to improve conditions for drivers.

Truck Driver Shortage



Total New Drivers Needed from 2021 through 2030 by Reason

