

Market Watch



Study: Truck Driver Shortage Accelerating

The shortage of professional truck drivers in the Canadian for-hire trucking industry is escalating more rapidly than industry analysts previously thought, according to a new study prepared for the Canadian Trucking Alliance. The new study – *Understanding the Truck Driver Supply and Demand Gap* – was conducted by transportation consultants, CPCS. It's an update to CTA's [2011 landmark report](#) of the same name, which predicted a driver gap of up to 33,000 drivers by 2020. The new study's base case forecast calls for a shortage of 34,000 drivers by 2024 – reflecting an increase in demand of 25,000 and a decrease in supply of 9,000. The shortage could increase to 48,000 drivers based on plausible combinations of different trends that could affect industry demand, labour productivity and occupational attractiveness.



By province, demand for drivers is expected to grow the most in Ontario, followed by B.C. David Bradley, president and CEO of the CTA says the study “should be a wake-up call and reminder to everyone – carriers, shippers and governments – that while the current lackluster economic activity may be taking some of the edge off the driver shortage in the immediate-term, the underlying trend points to a long-term chronic shortage of truck drivers. “When you consider that almost everything that people consume on a daily basis, or that serve as inputs into the production process, is shipped by truck, the economic implications of a driver shortage are potentially immense,” he said. The industry is at the precipice of what the study calls a “demographic cliff.” It is estimated there were nearly 169,000 drivers employed in the for-hire sector of the industry in 2014. However, the average age of the drivers continues to increase and is doing so more rapidly than the Canadian labour force in general. The study estimates that the average truck driver age is expected to eclipse 49 years old by 2024 – up from 47.1 years in 2014 and 44.1 years in 2006. There are large numbers of drivers in their 50s and 60s – and about 17,000 drivers between 60 and 65 years of age. Both the driver population and the labour force in general have a glut of workers in the 45 to 54 year old age cohort, reflecting the impact of the boomer generation. In addition, there is a glut of workers in the 25 to 34 year-old age bracket in the labour force as a whole – the so-called echo generation (the children of the boomers). There is no comparable representation of the echo generation among the truck driver population. The study authors say the industry has been unsuccessful in attracting anywhere near a proportionate share of workers from the echo generation. “As the ratio of younger to older workers continues to increase for the labour force as a whole, it is clear that the trucking industry will have to reverse this trend, and fast.” For the full report [click here](#).

US Regulators Press Review of Shipper Delay Tactics

U.S. regulators are taking further steps toward a rulemaking on the detention of truck drivers by shippers and their customers. The Federal Motor Carrier Safety Administration is set to begin an audit focused on loading and unloading delays at shipper and consignee docks, reports the Journal of Commerce. The audit will also collect information on measuring the potential effects of loading and unloading delays on truck driver fatigue and crash risks. The data will be the basis for a future rulemaking. The FMCSA actually has been studying driver detention or loading and unloading times, for more than a decade, starting with a 2001 study that found a “strong positive relationship” between the percent of time spent loading and unloading and crash involvement. A 2011 [Government Accountability Office study](#) fueled greater concern over detention time. The GAO study found that medium-sized carriers with fewer than 500 power units experience detention more often than larger trucking companies. Detention time has been a [hot button issue](#) between carriers and their customers – especially as the industry transitions to mandatory electronic logging devices. Driver detention costs the trucking industry as much as \$4 billion a year in lost productivity, according to a 2009 DOT study. Truck drivers measure that lost productivity in hours spent waiting for trailers to be loaded or unloaded, lost miles they could have been hauling while waiting, and the money they're not earning while waiting at a customer's site.

Class 8 Supply Weighs Down Value

Prices of Class 8 trucks fell as dealers cut prices to move aging inventory, according to a report by the NADA Used Guide. Until recently, the retail-to-auction spread had been wider than any time since recovery from the Great Recession. Fundamental economic measures continue to point mildly upward, so the devaluation is due entirely to oversupply, the report said. But lower prices had a positive effect on sales. In the retail channel, three- to five-year-old trucks lost about 10% of their value from the fourth quarter of last year. Newer trucks fared worse than older ones. 2013 model-year trucks held onto 13.1% less money. Conversely, 2011 model year trucks actually brought 11.5% more money.

Diesel Prices

