

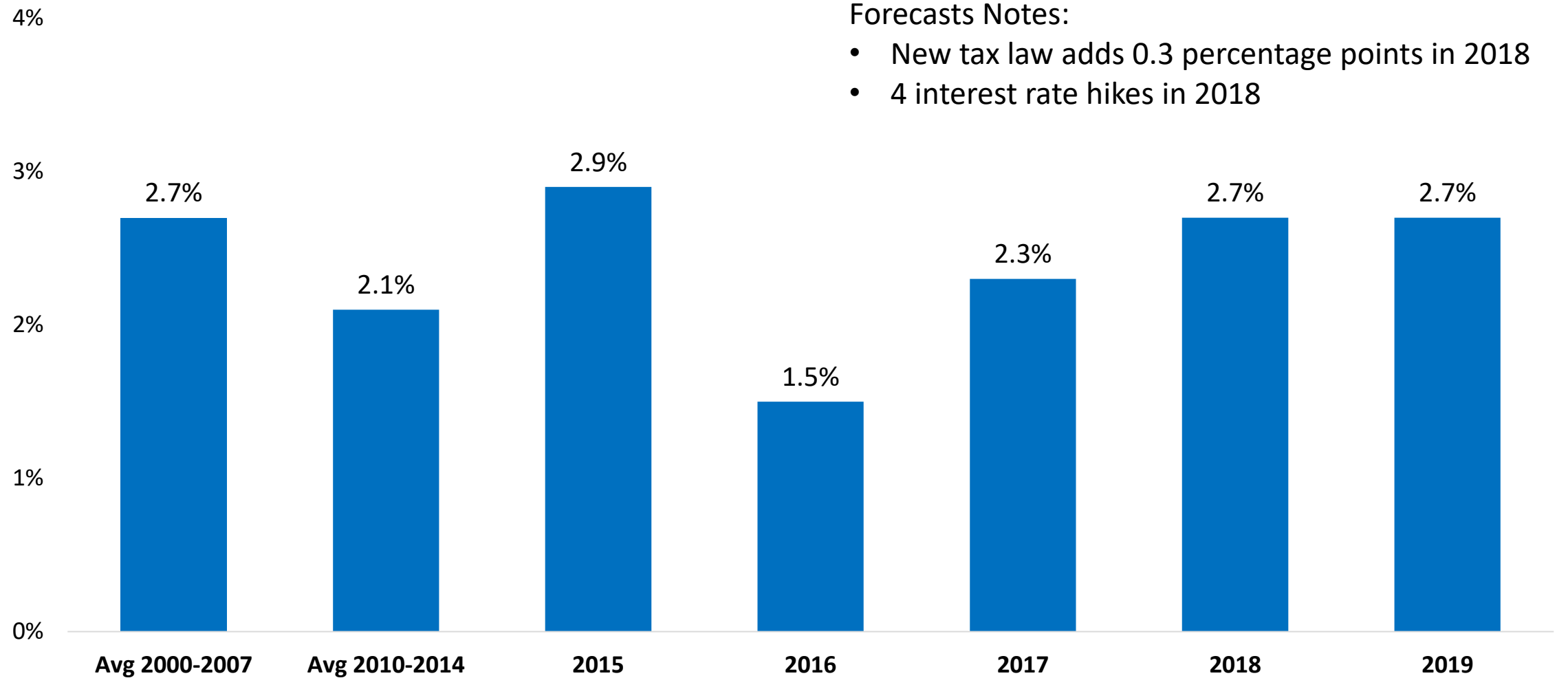
Trucking Industry & Driver Update

March 2018

Bob Costello

Chief Economist & Senior Vice President
American Trucking Associations

Real Gross Domestic Product Growth

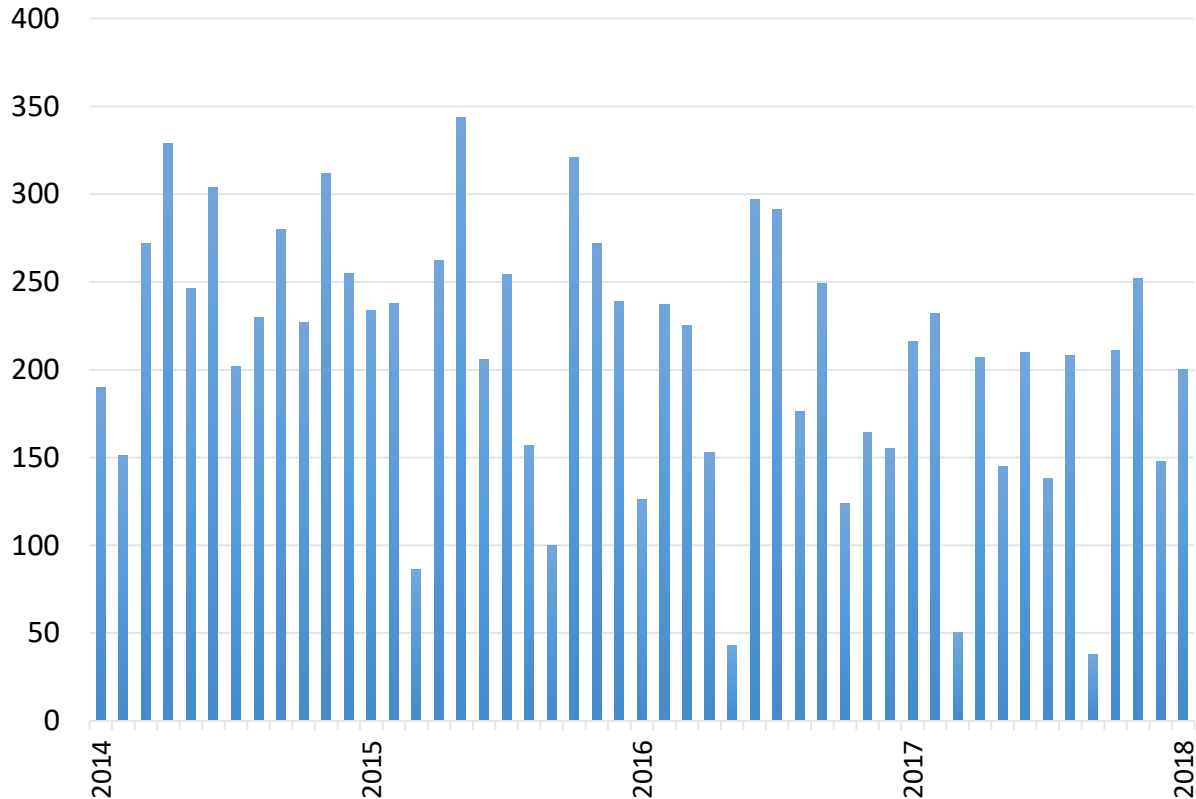


Drivers of Truck Freight

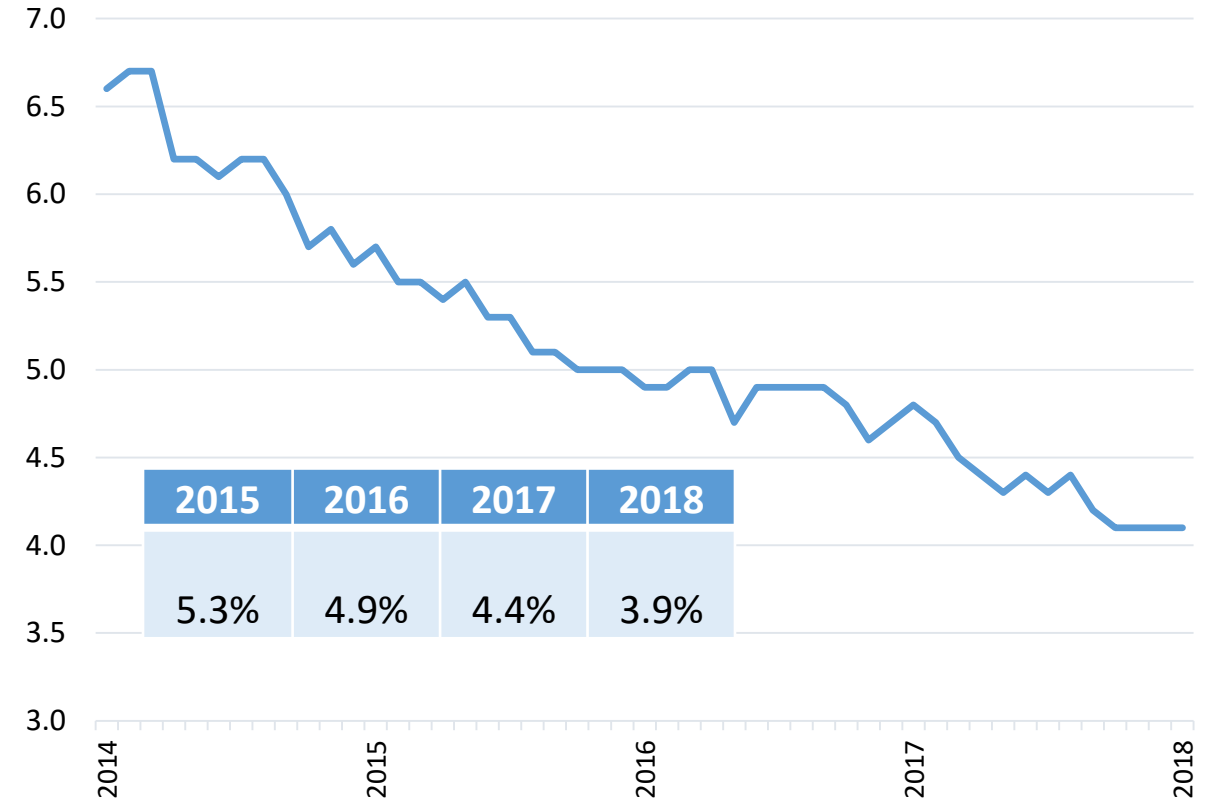
The 3.5 Buckets of Freight

Job Market

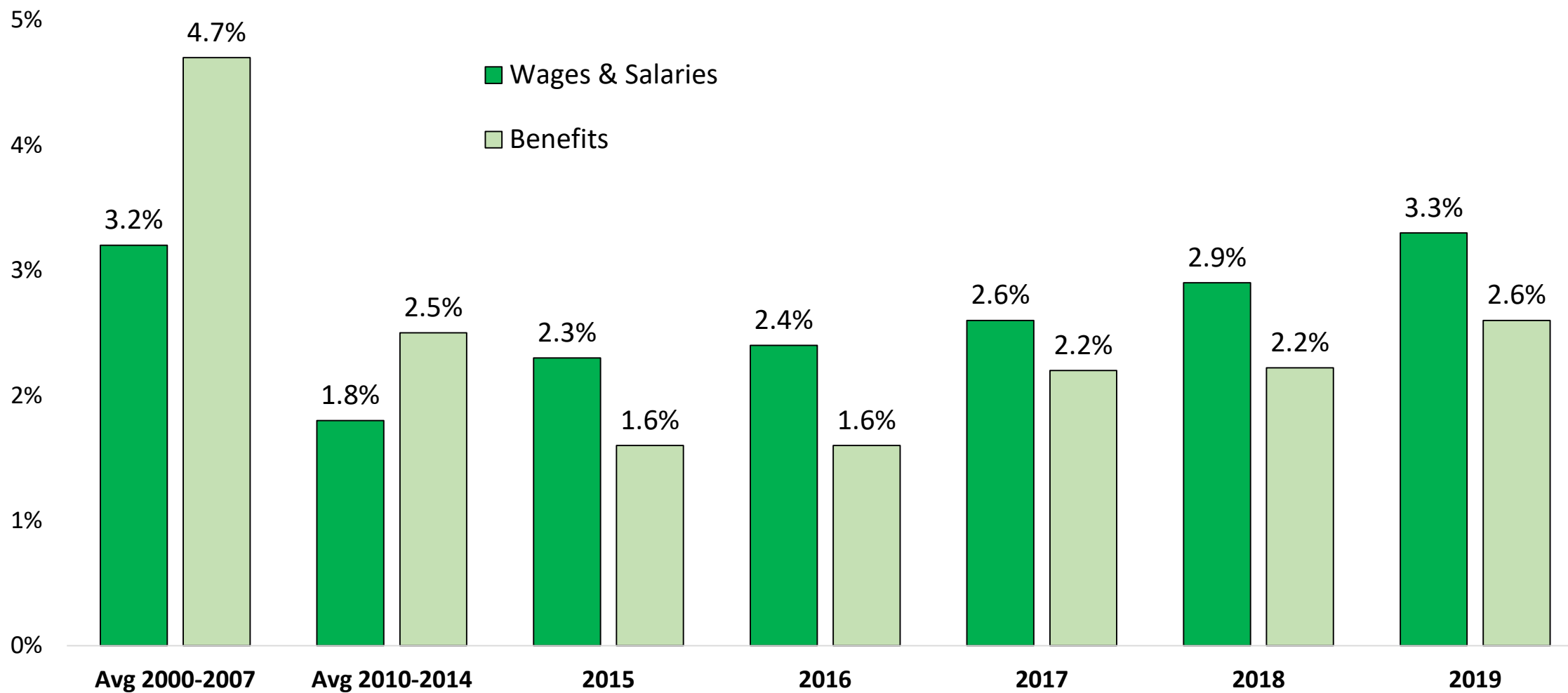
Monthly Job Changes (Thousands)



Unemployment Rate (Percent)

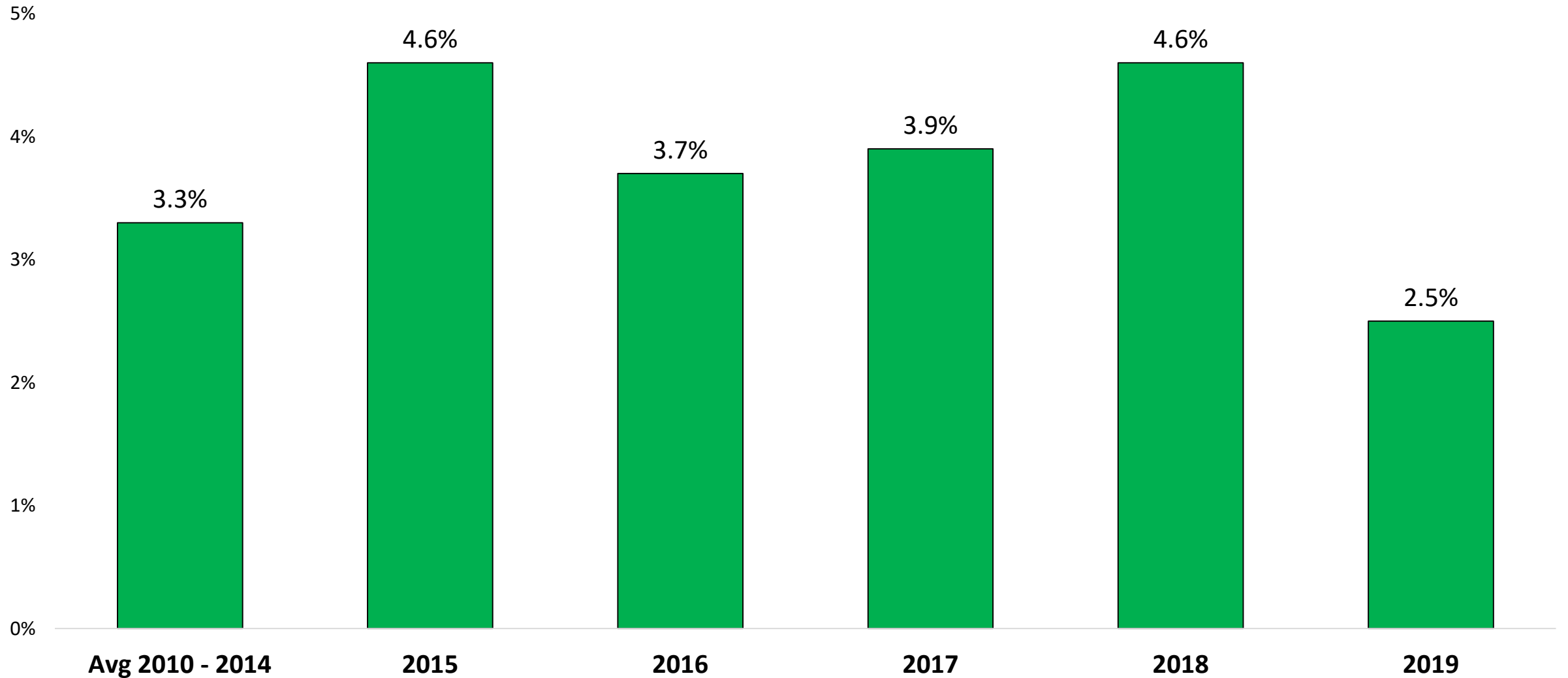


Employment Costs



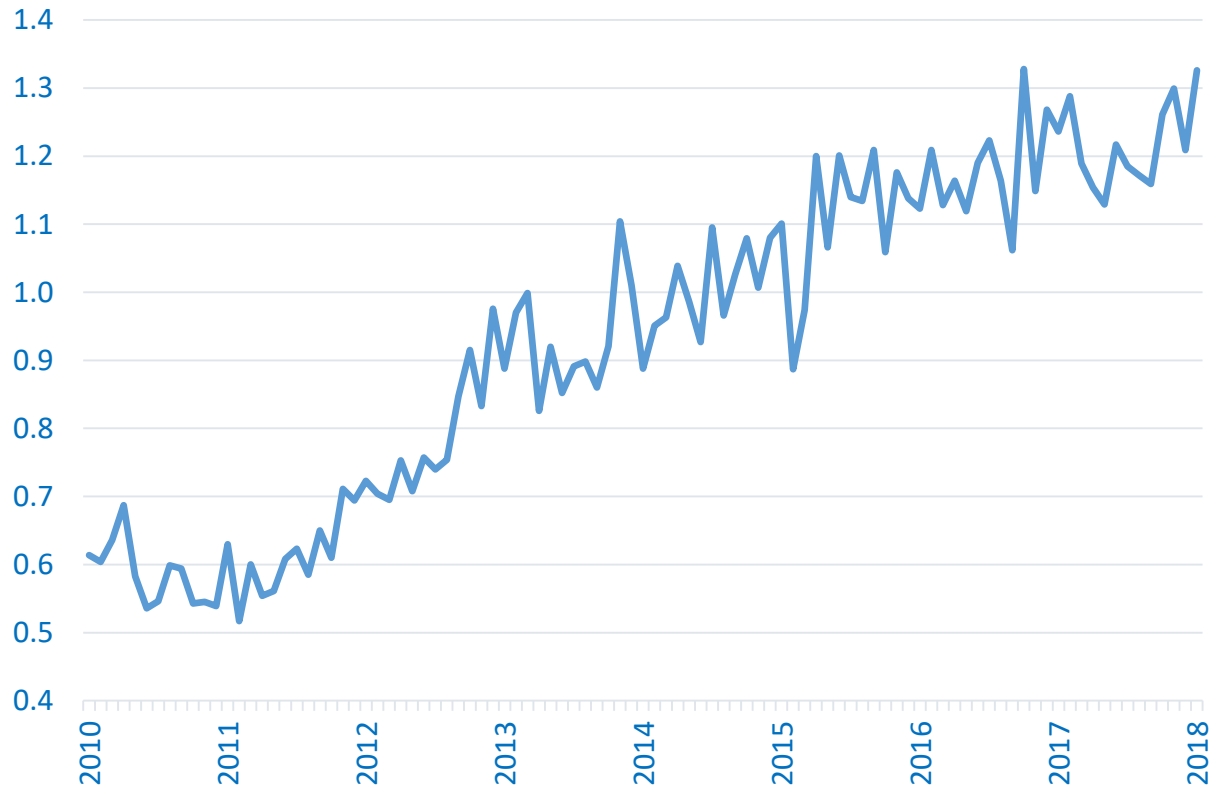
Real Personal Consumption Growth

(Goods Only)

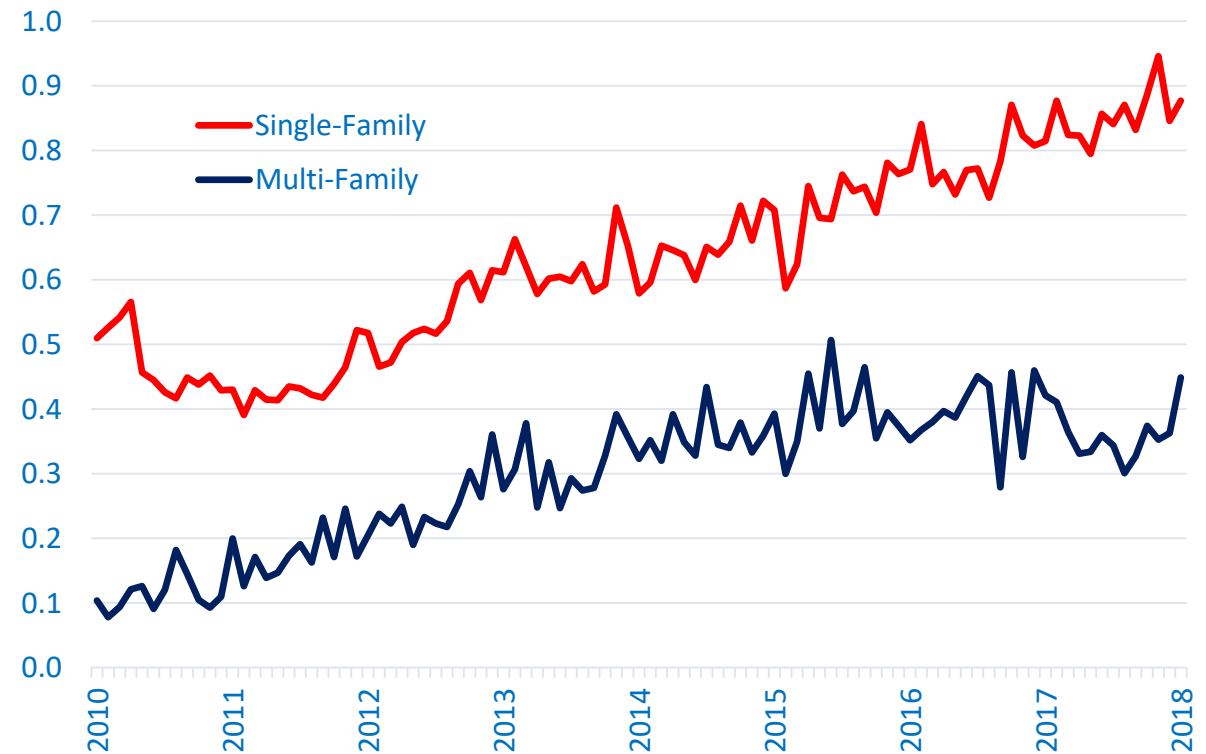


Single-Family Housing Starts Will Continue Their Upward Climb

Total Housing Starts
(Monthly; Annualized Rate; Millions)



Single-Family vs Multi-Family Units
(Monthly; Annualized Rate; Millions)

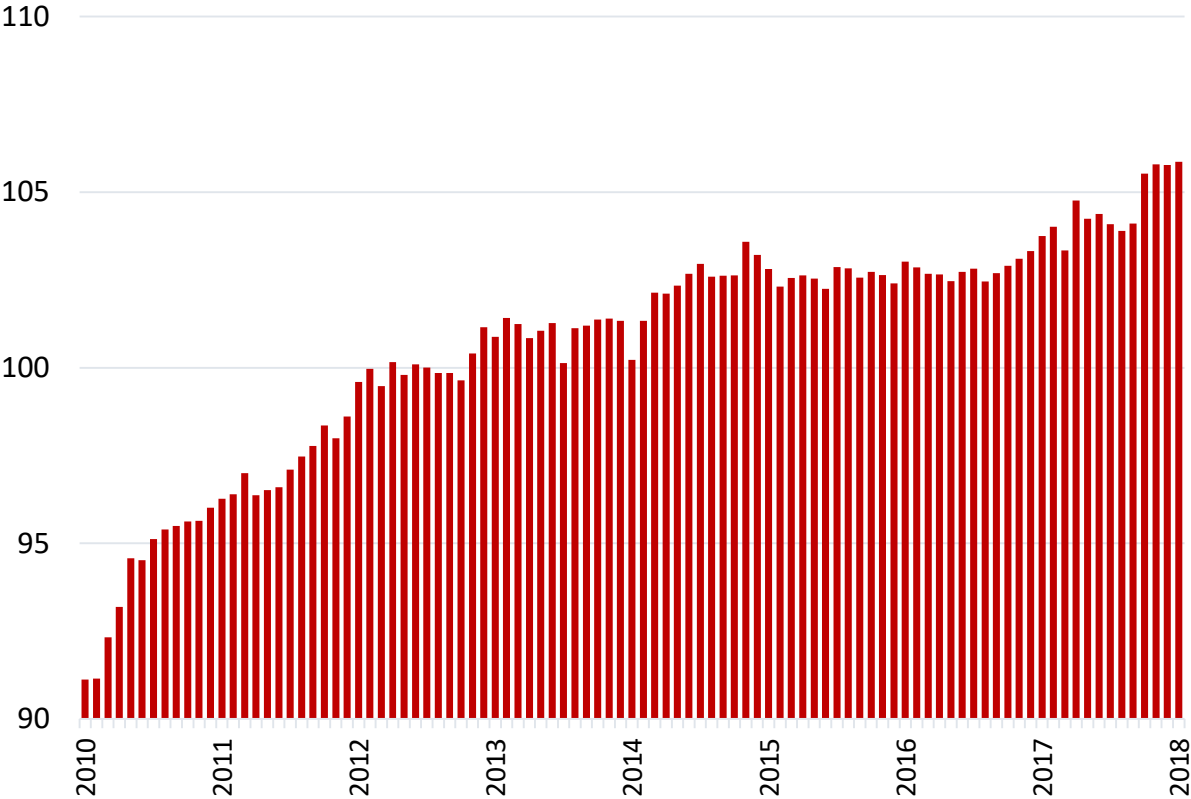


	2015	2016	2017	2018	2019
H.S.	1.11 M	1.18 M	1.21 M	1.29 M	1.40 M

Sources: Census & ATA

Factory Output is Improving

Factory Output
(Index)



	2015	2016	2017	2018	2019
Output	0.2%	0.2%	1.7%	3.3%	3.0%

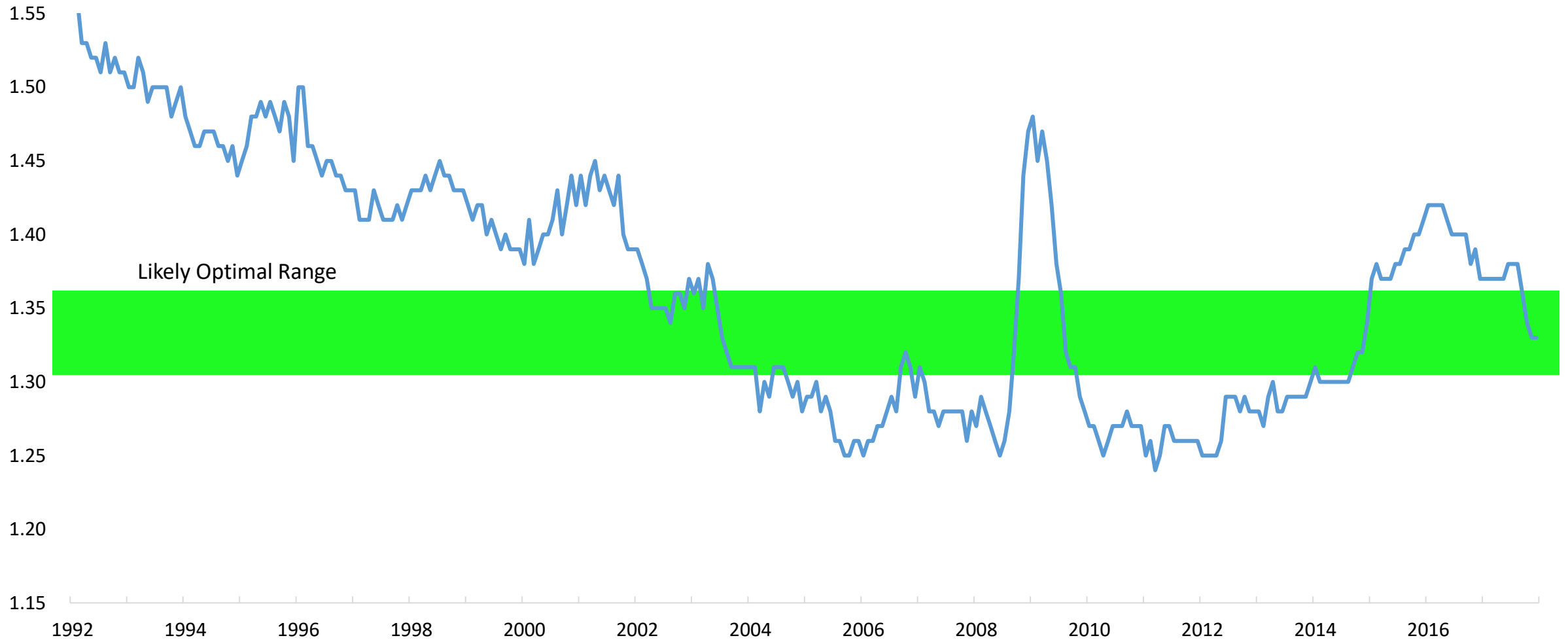
Factory Output
(Year-over-Year Percent)



Sources: Federal Reserve & ATA

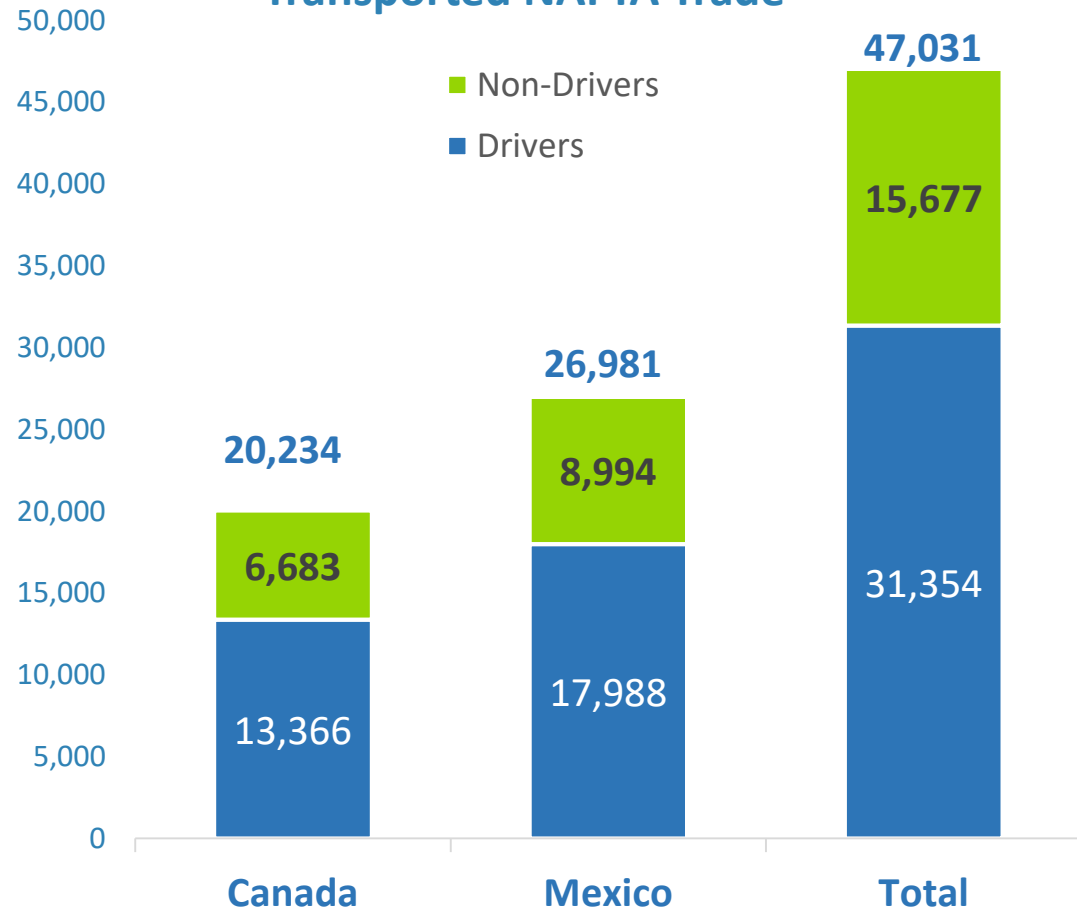
Total Business Inventory-to-Sales Ratio

(Data adjusted for seasonal, holiday, and trading-day differences, but not price changes)

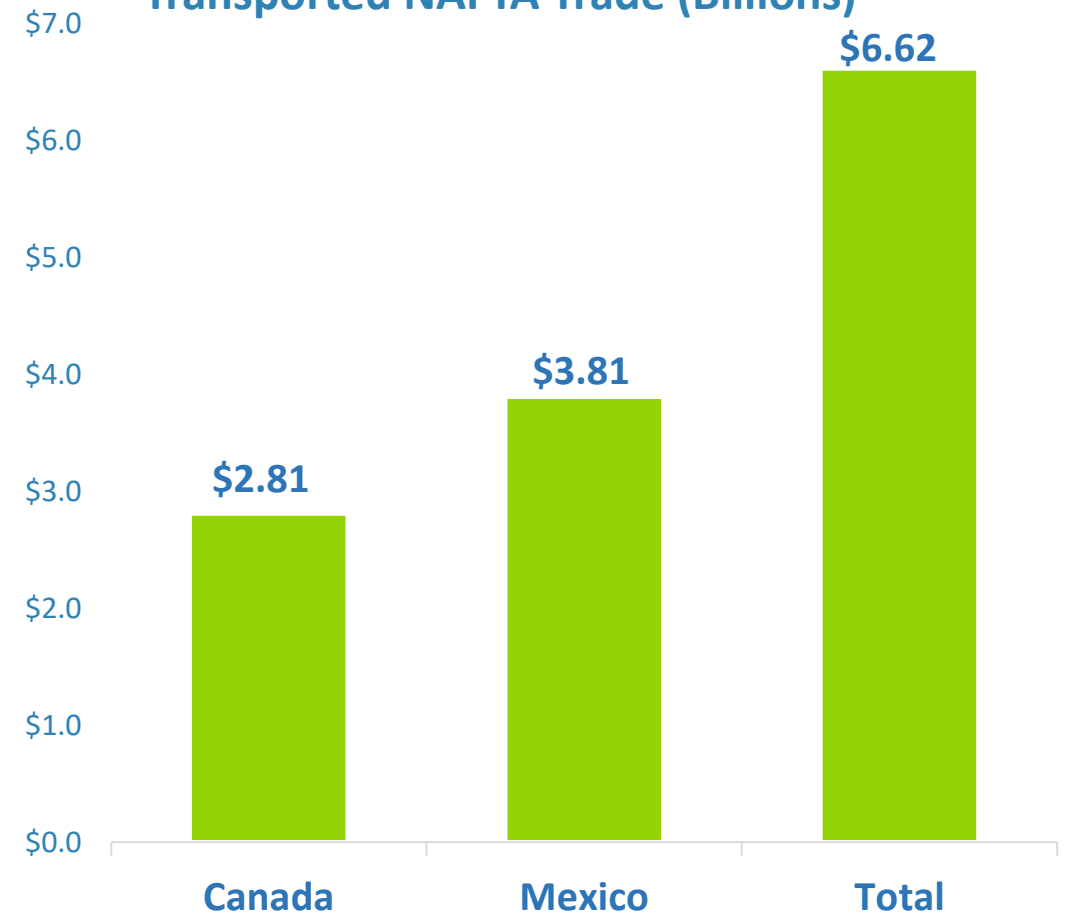


The Economic Risks to Trucking: Trade Wars

2017 U.S. Trucking Employment From Truck Transported NAFTA Trade

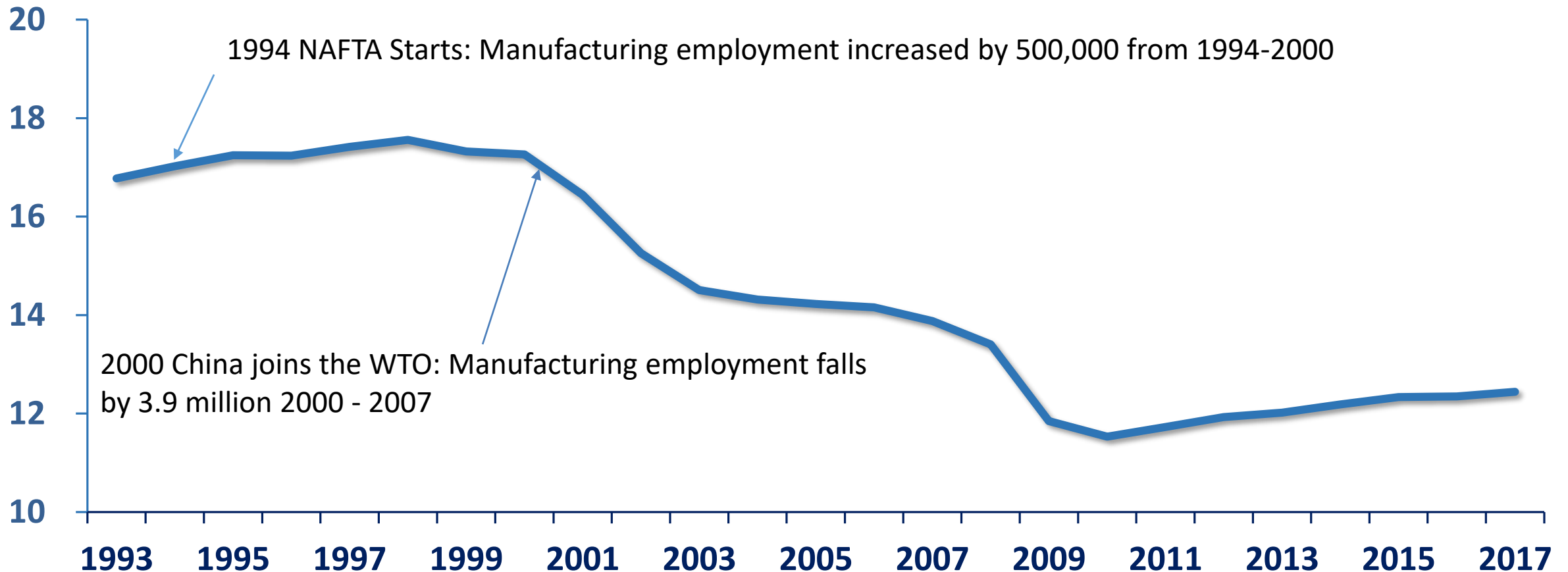


2017 U.S. Trucking Revenue From Truck Transported NAFTA Trade (Billions)



U.S. Manufacturing Employment

Millions of Employees



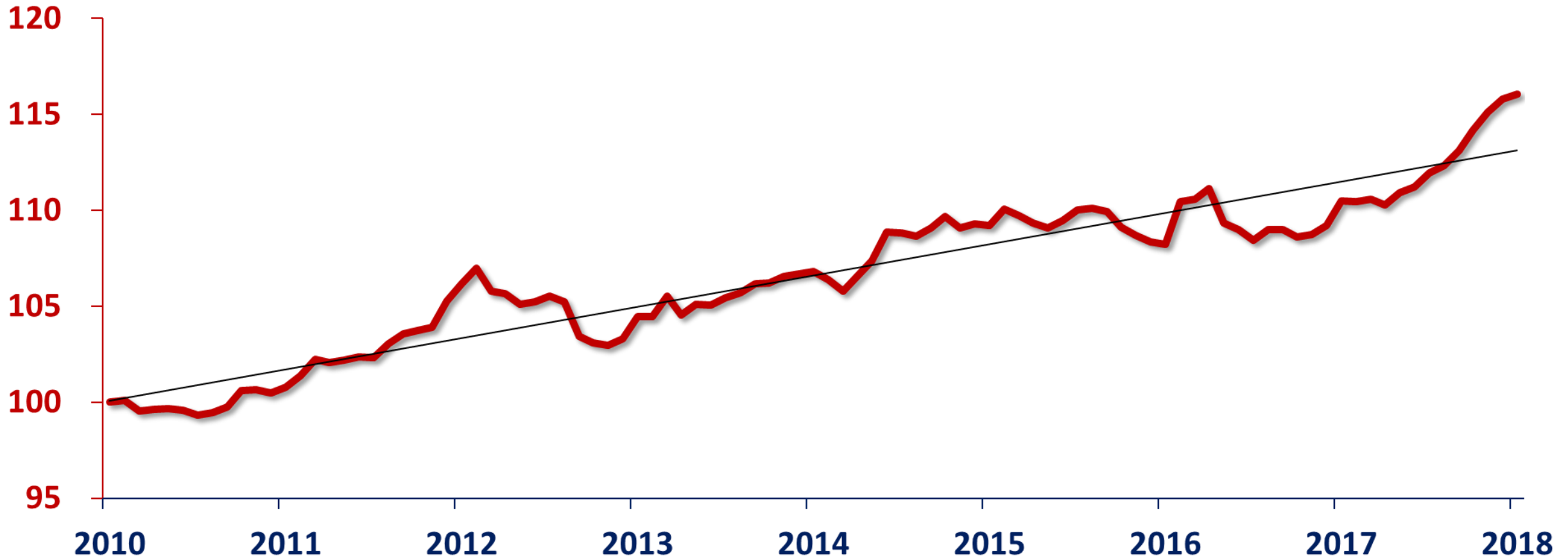
1994 NAFTA Starts: Manufacturing employment increased by 500,000 from 1994-2000

2000 China joins the WTO: Manufacturing employment falls by 3.9 million 2000 - 2007

Drivers of Truck Freight

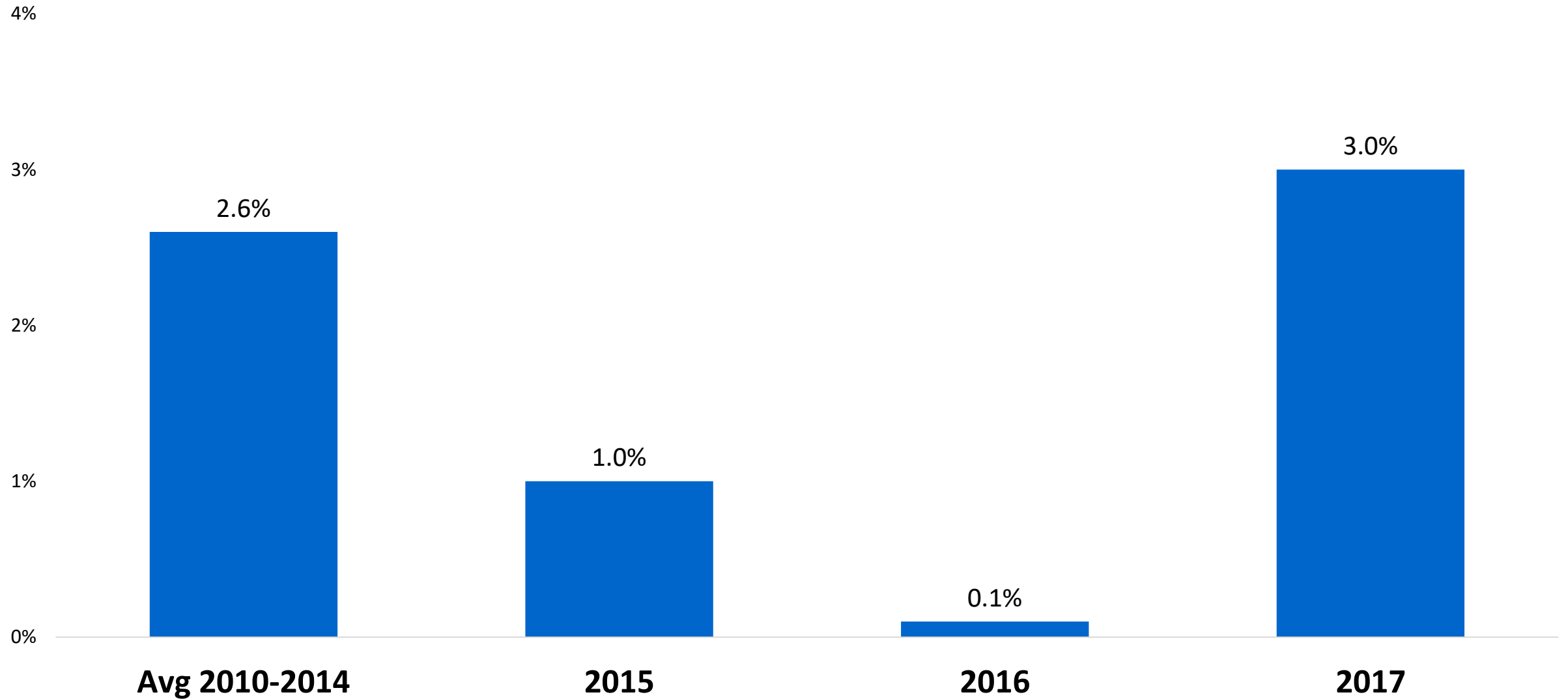
Total For-Hire TL Loads

Index: January 2010=100; 3-Month Moving Average



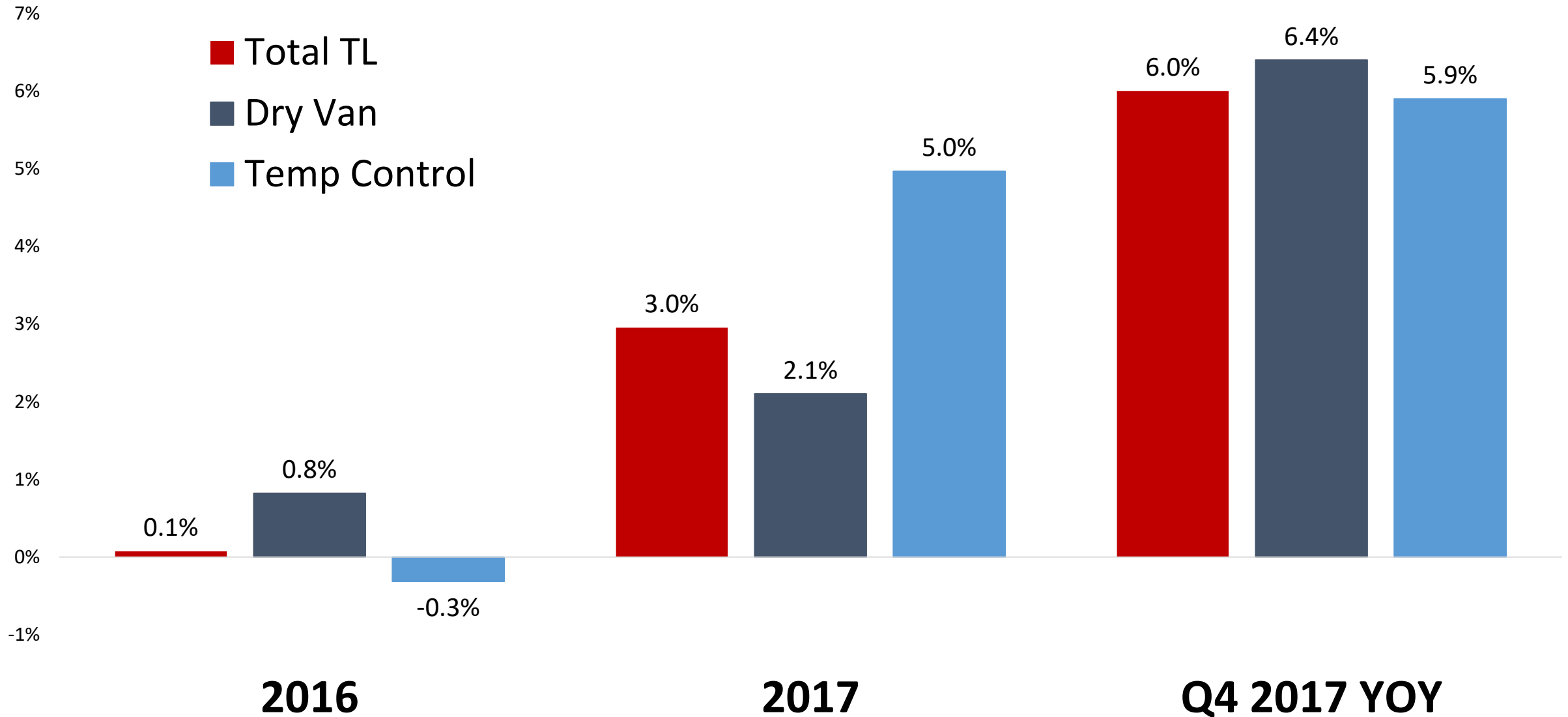
Includes Dry Van, Flatbed, Temp Controlled, and Tank Truck

Truckload Loads



Source: ATA

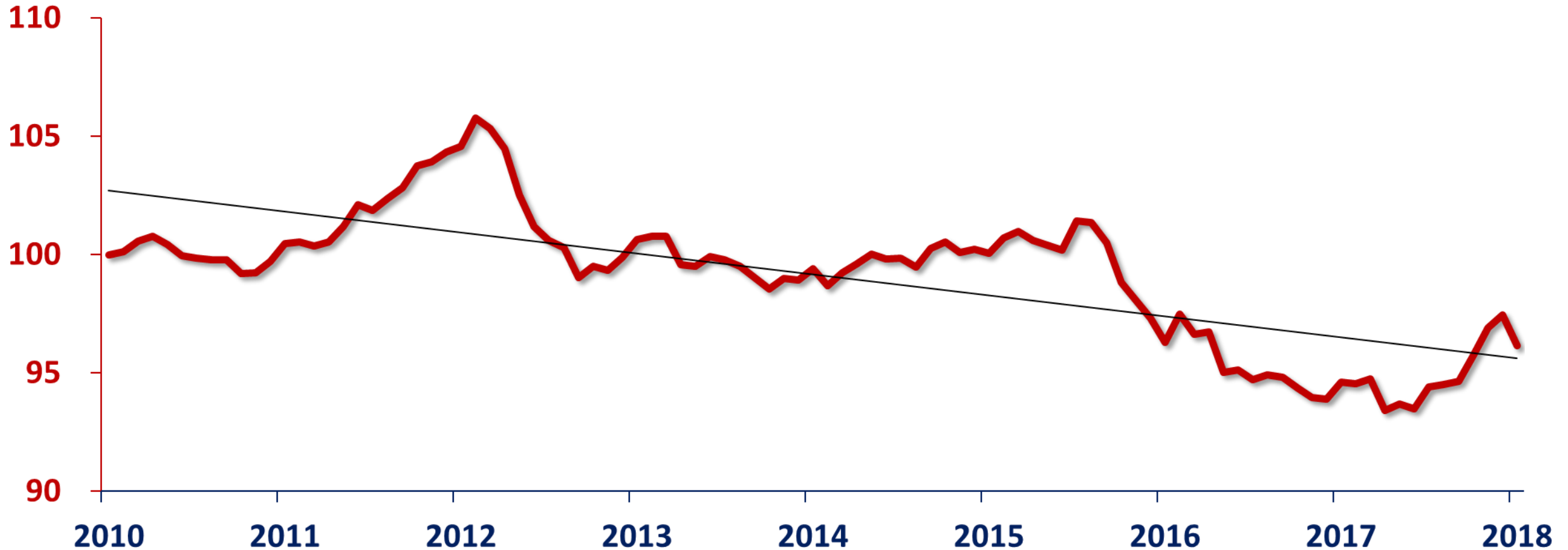
For-Hire Truckload Loads



Source: ATA

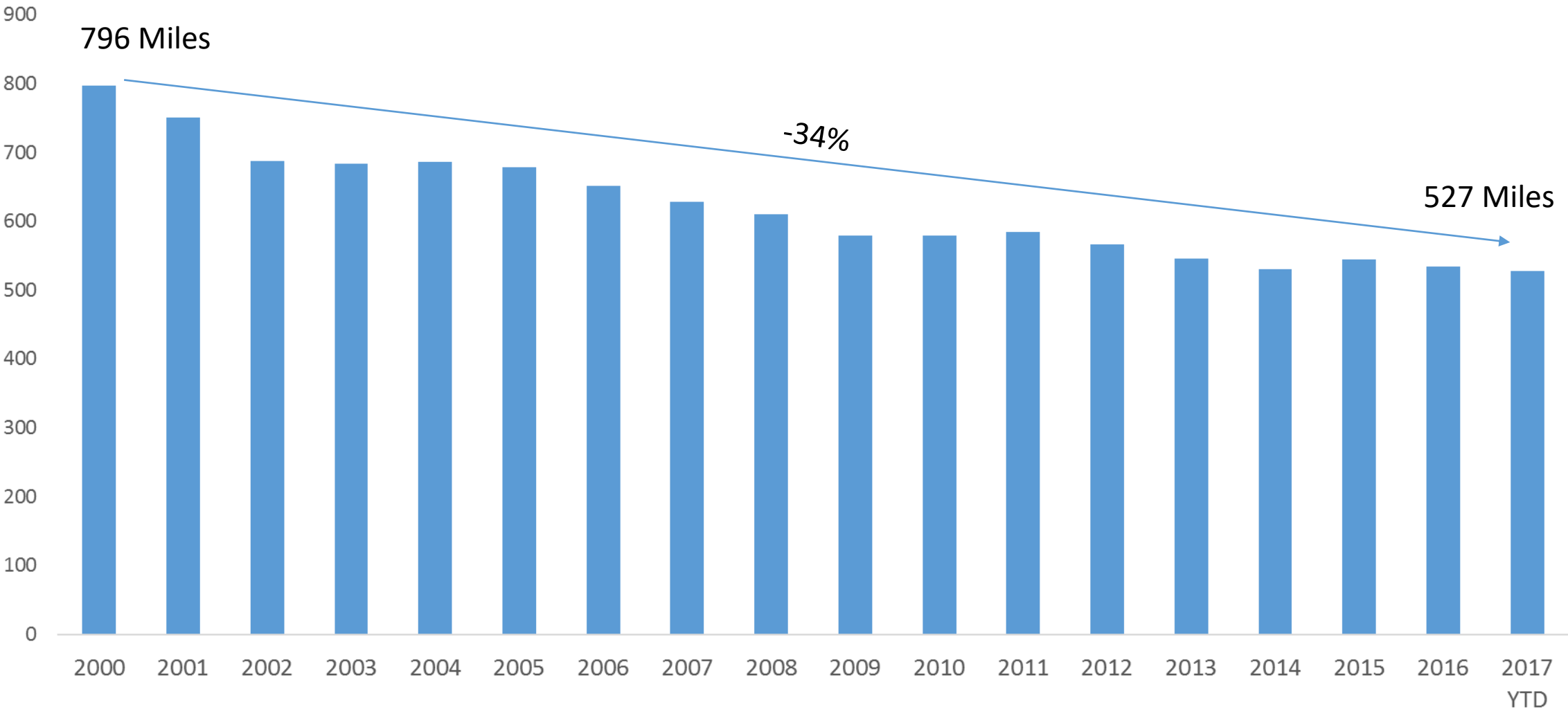
Total For-Hire TL Miles

Index: 2010=100; Seasonally Adjusted; 3-Month Moving Average



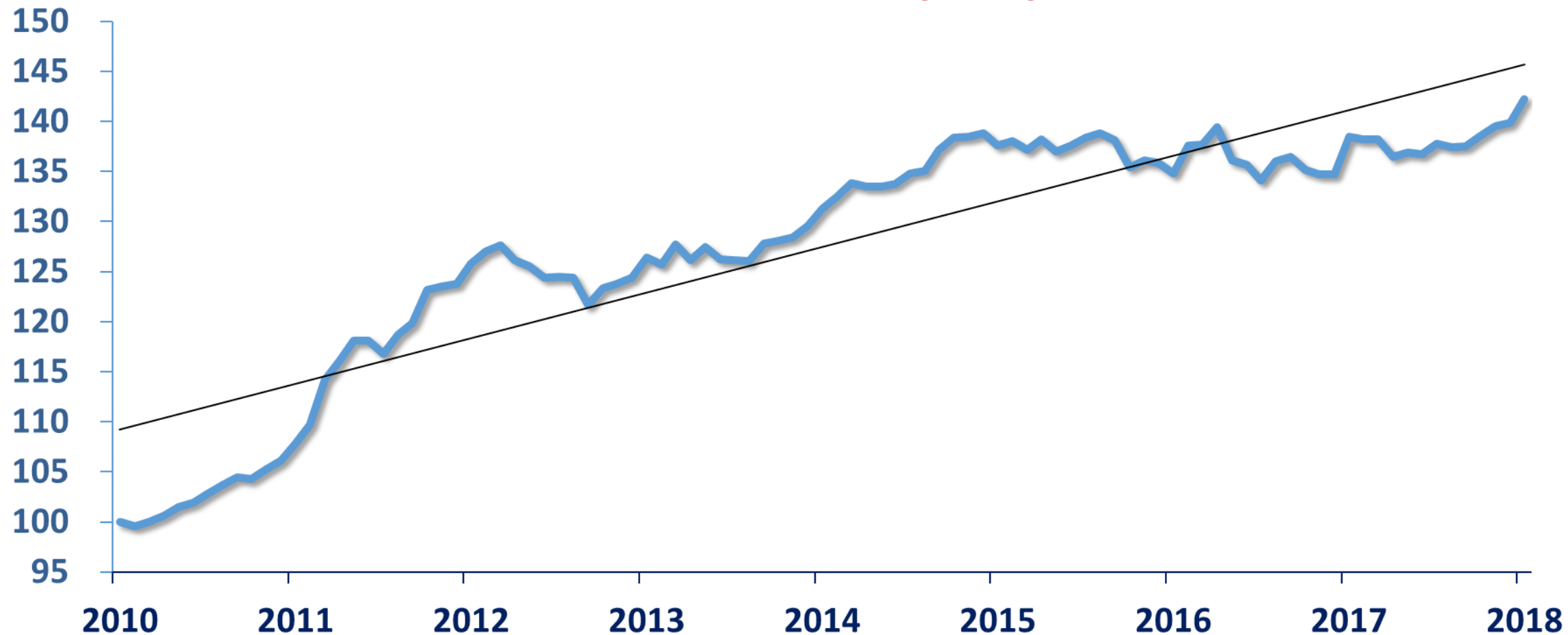
Includes Dry Van, Flatbed, Temp Controlled, and Tank Truck

Dry Van Truckload Average Length-Of-Haul is Down



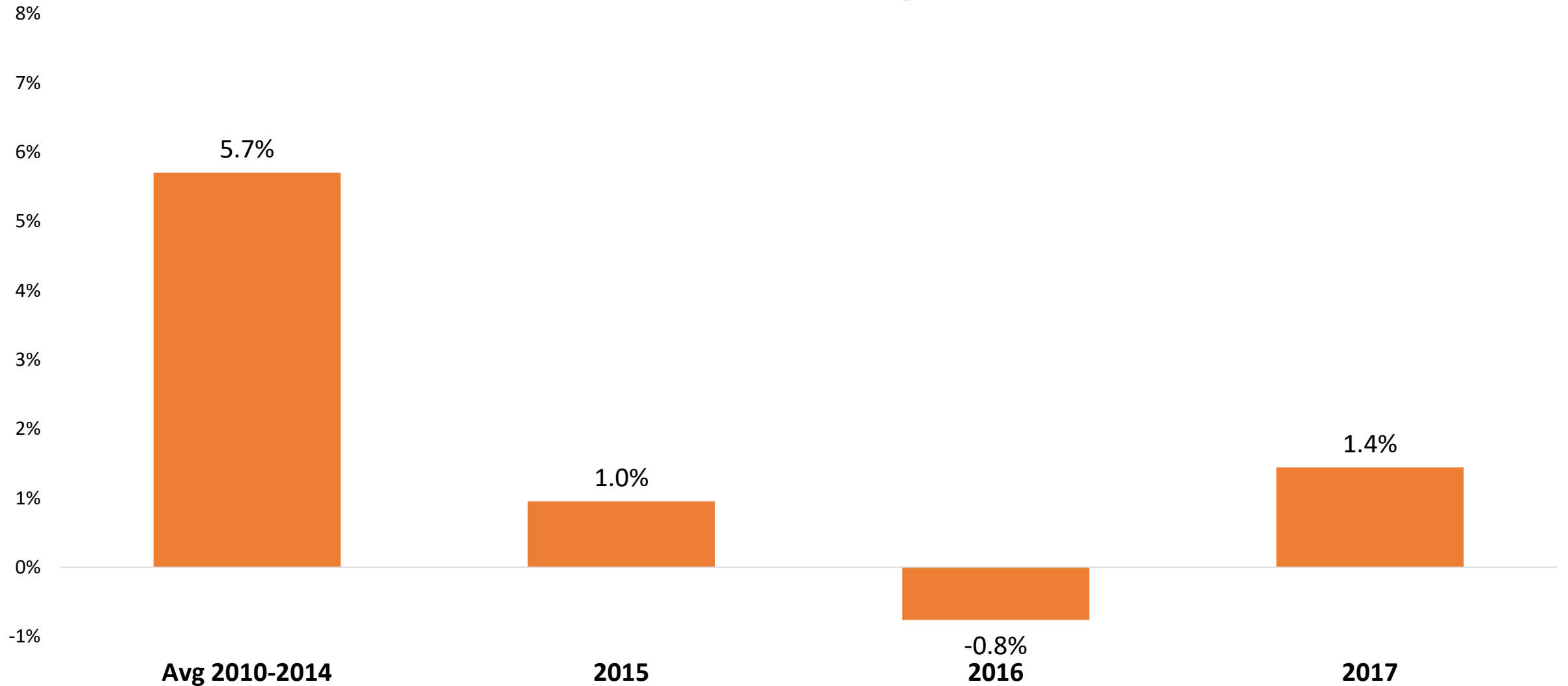
LTL Tonnage

Index: 2010=100; 3-Month Moving Average



Source: ATA's *Trucking Activity Report*

LTL Tonnage

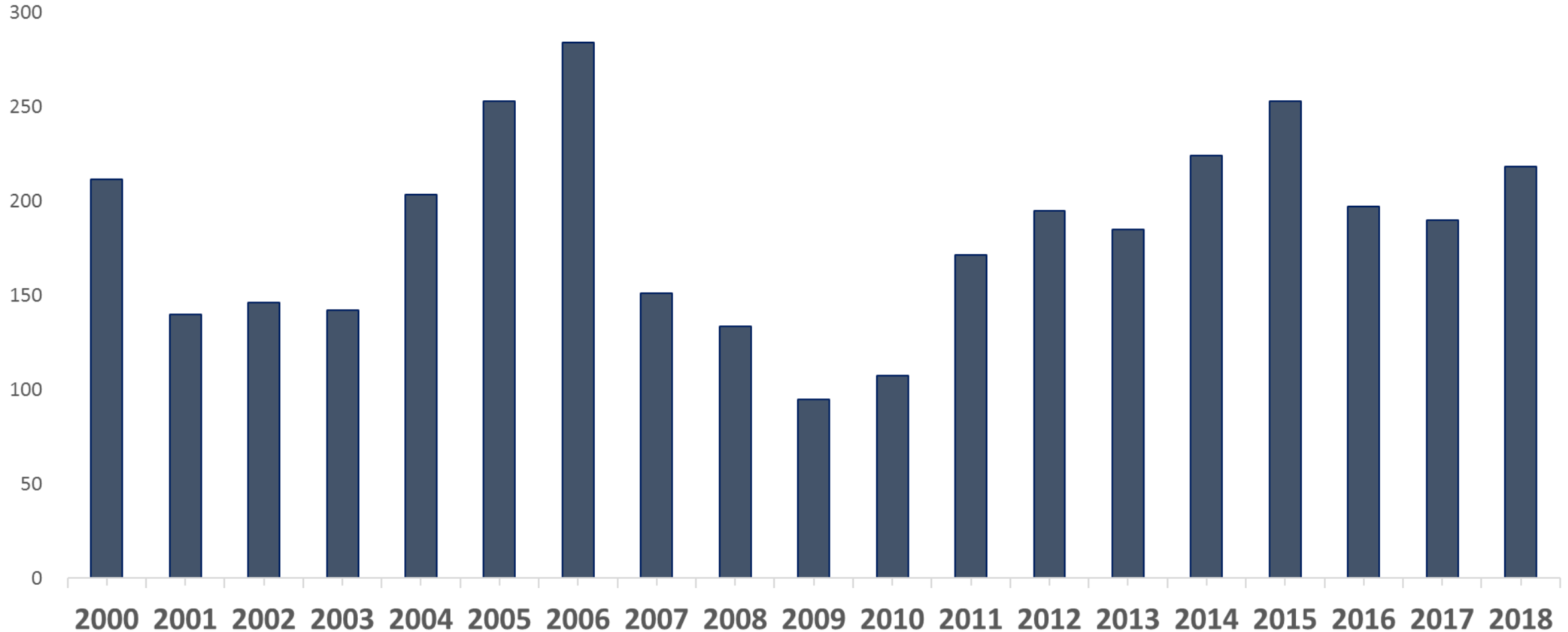


Source: ATA

Industry Capacity

US Retail Class 8 Truck Sales

Thousands

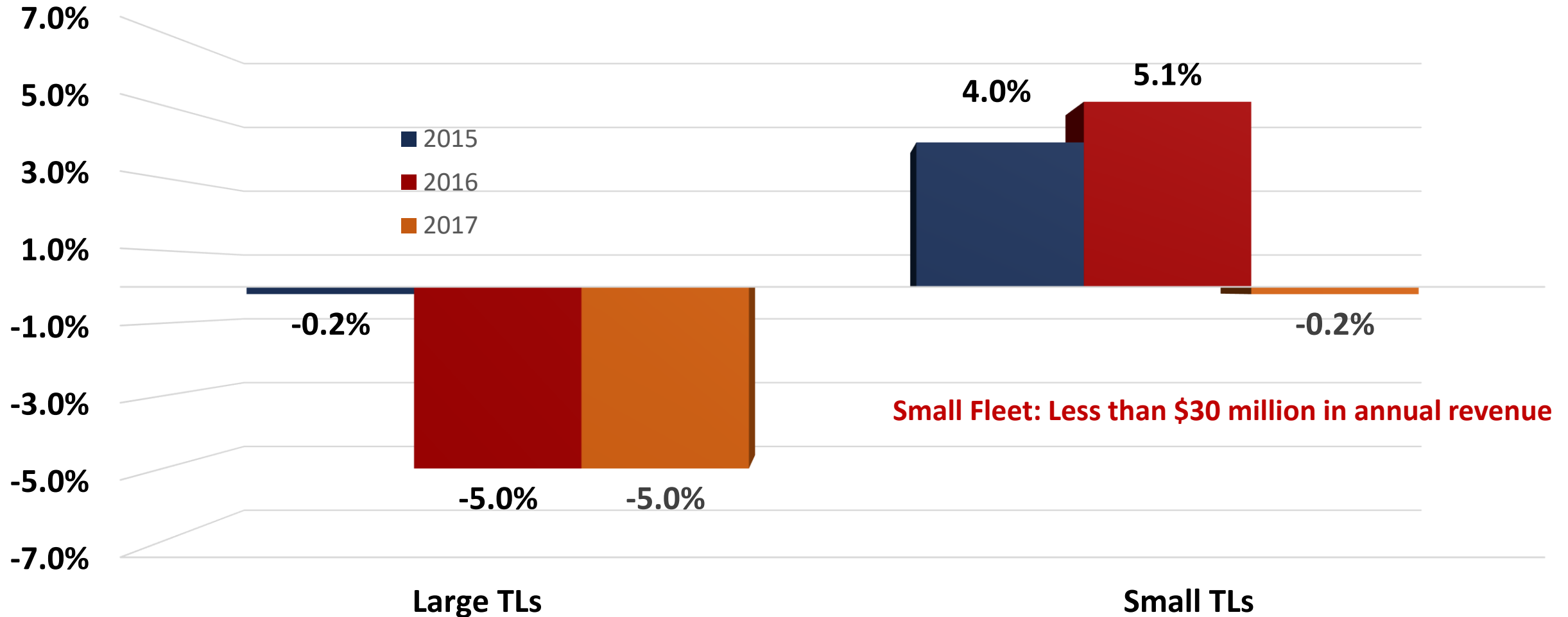


Includes Tractors & Straight Trucks

Source: ATA's American Trucking Trends 2016 & ACT Research

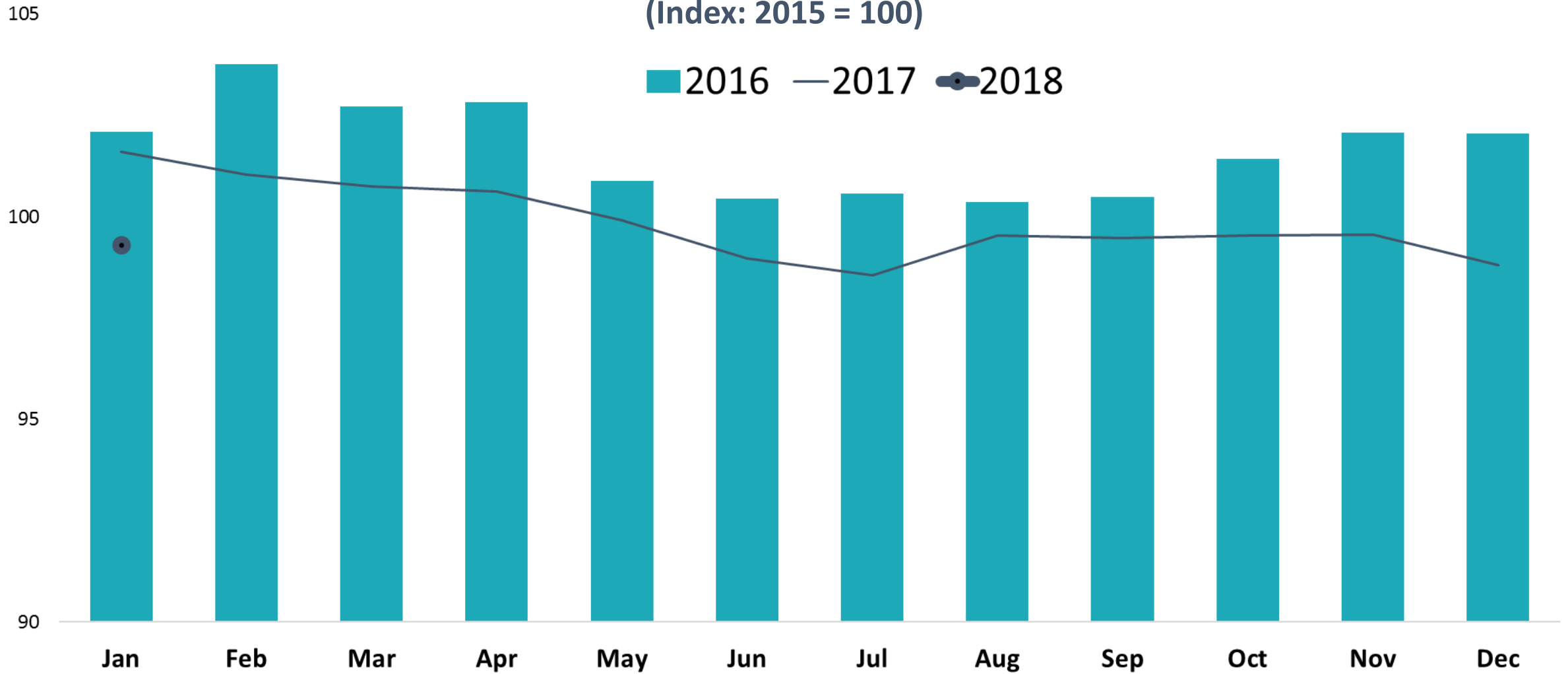
TL Tractor Changes: Large vs Small Fleets

Includes company tractors and independent contractor equipment



TL Truck Counts

(Index: 2015 = 100)



LTL Truck Counts

(Index: 2015 = 100)

105

■ 2016 — 2017 ● 2018

100

95

90

Jan

Feb

Mar

Apr

May

Jun

Jul

Aug

Sep

Oct

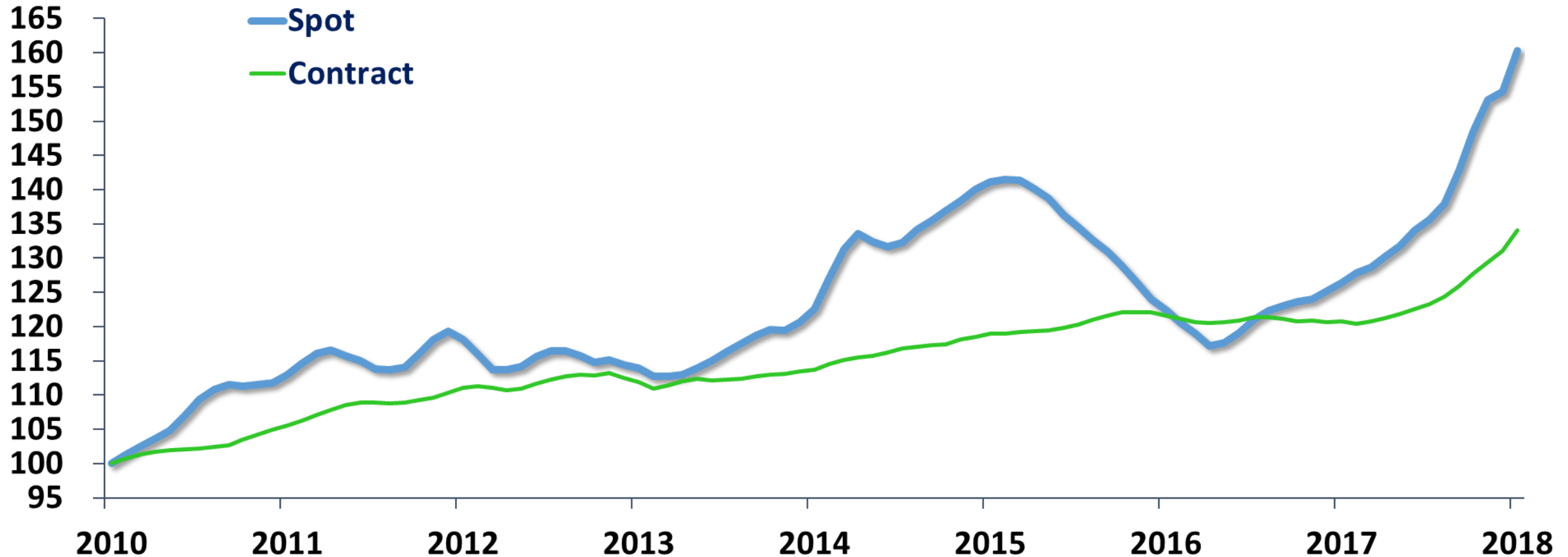
Nov

Dec

Source: ATA's *Trucking Activity Report*

Rates and Rate Proxies: Contract vs Spot

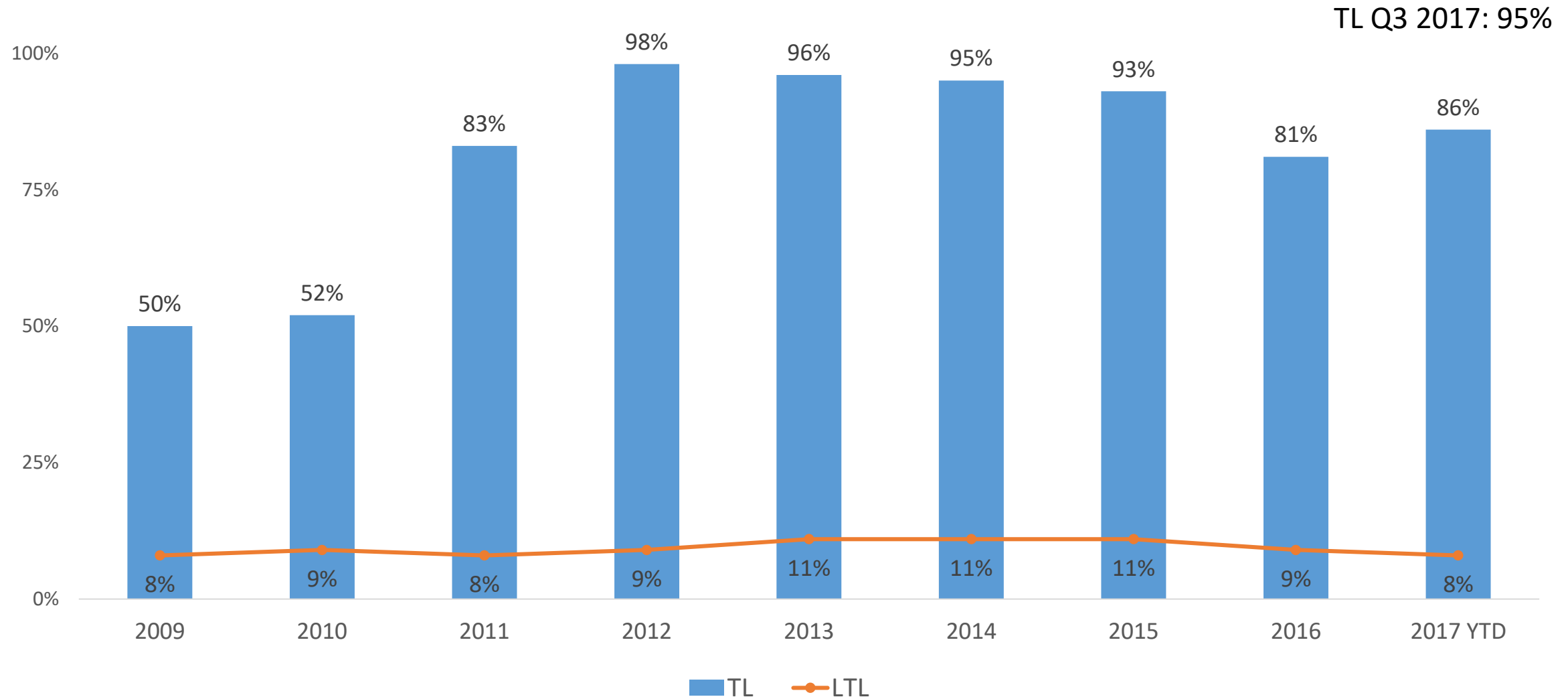
Index: January 2010=100; 3-Month Moving Average

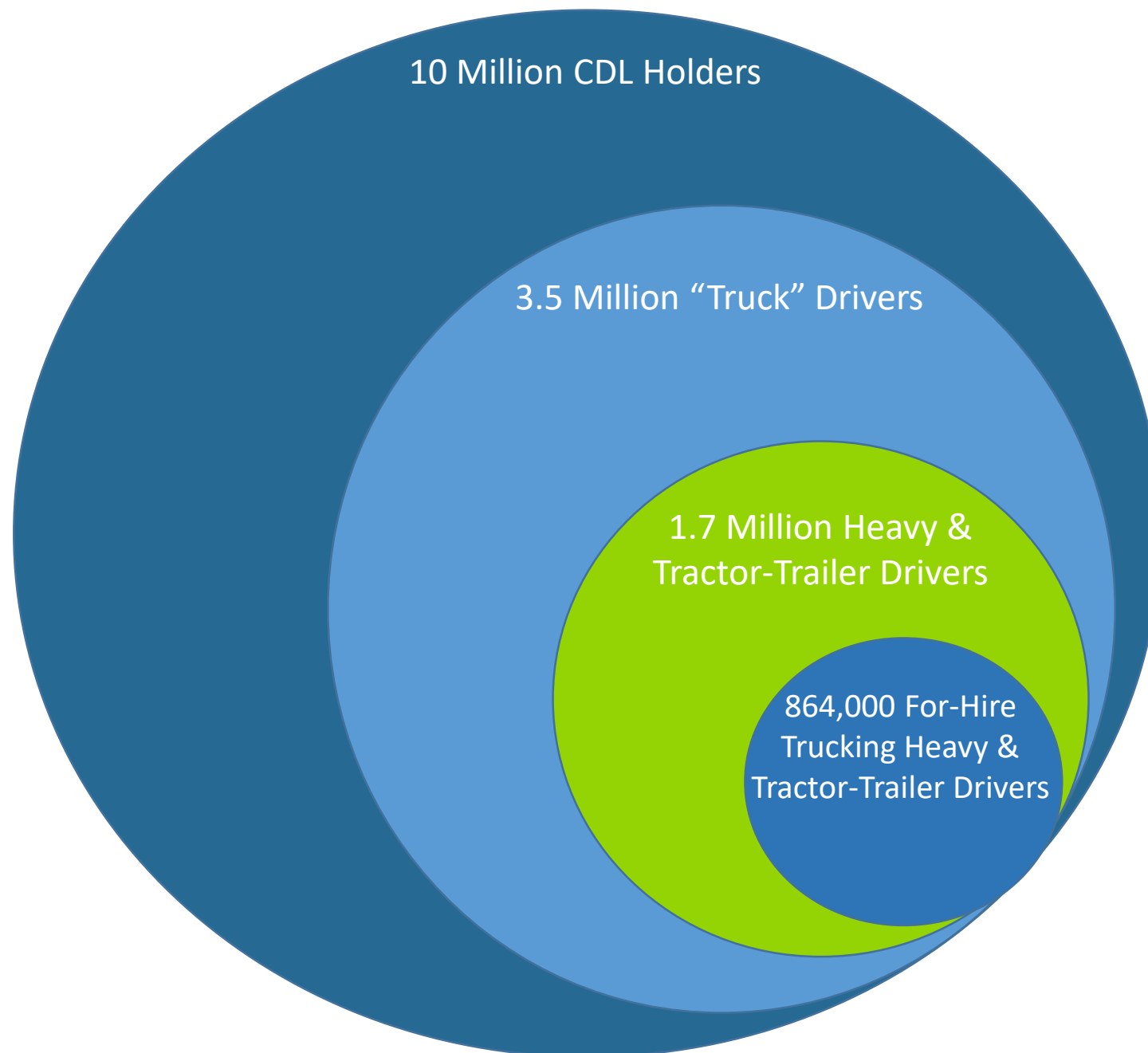


Includes Dry Van, Flatbed, Temp Controlled, and Tank Truck
Contract = For-Hire Truckload Average Revenue per Mile x FSC

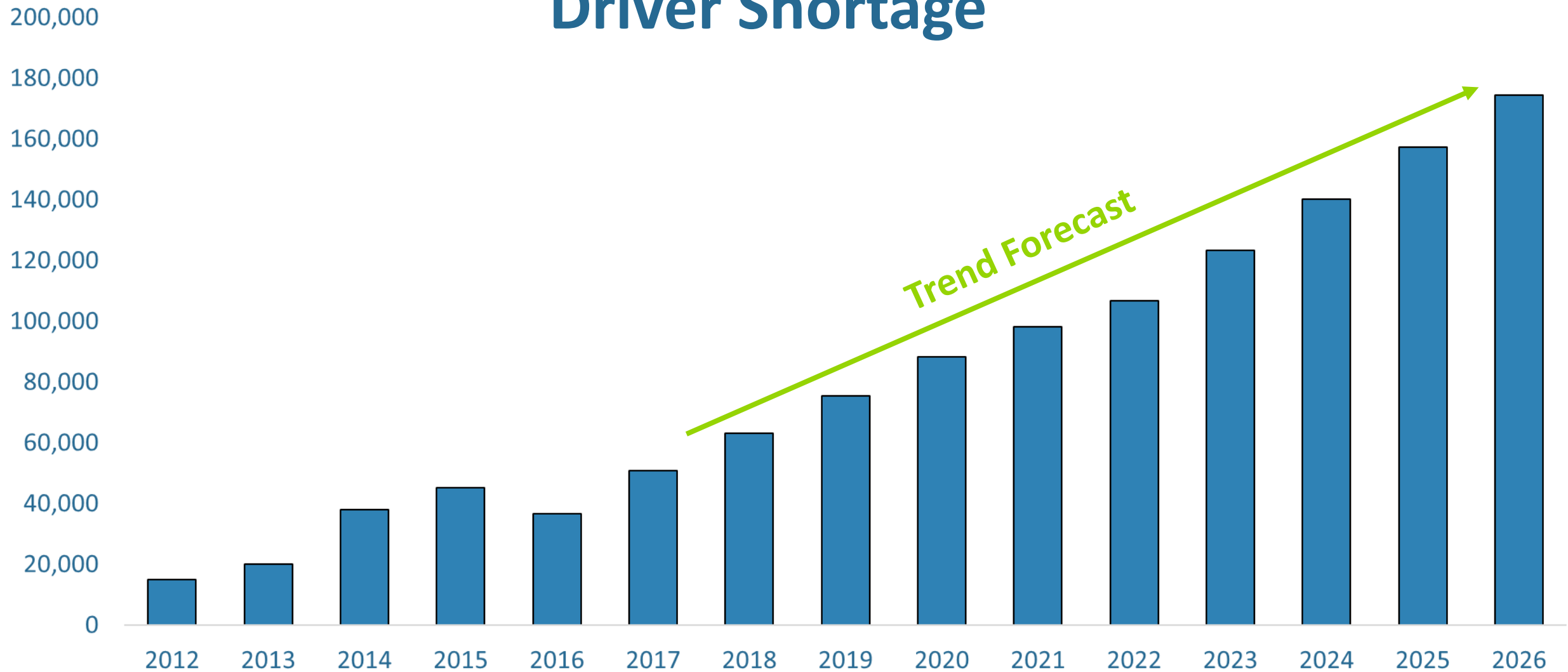
Driver Situation

Truck Driver Turnover Rates



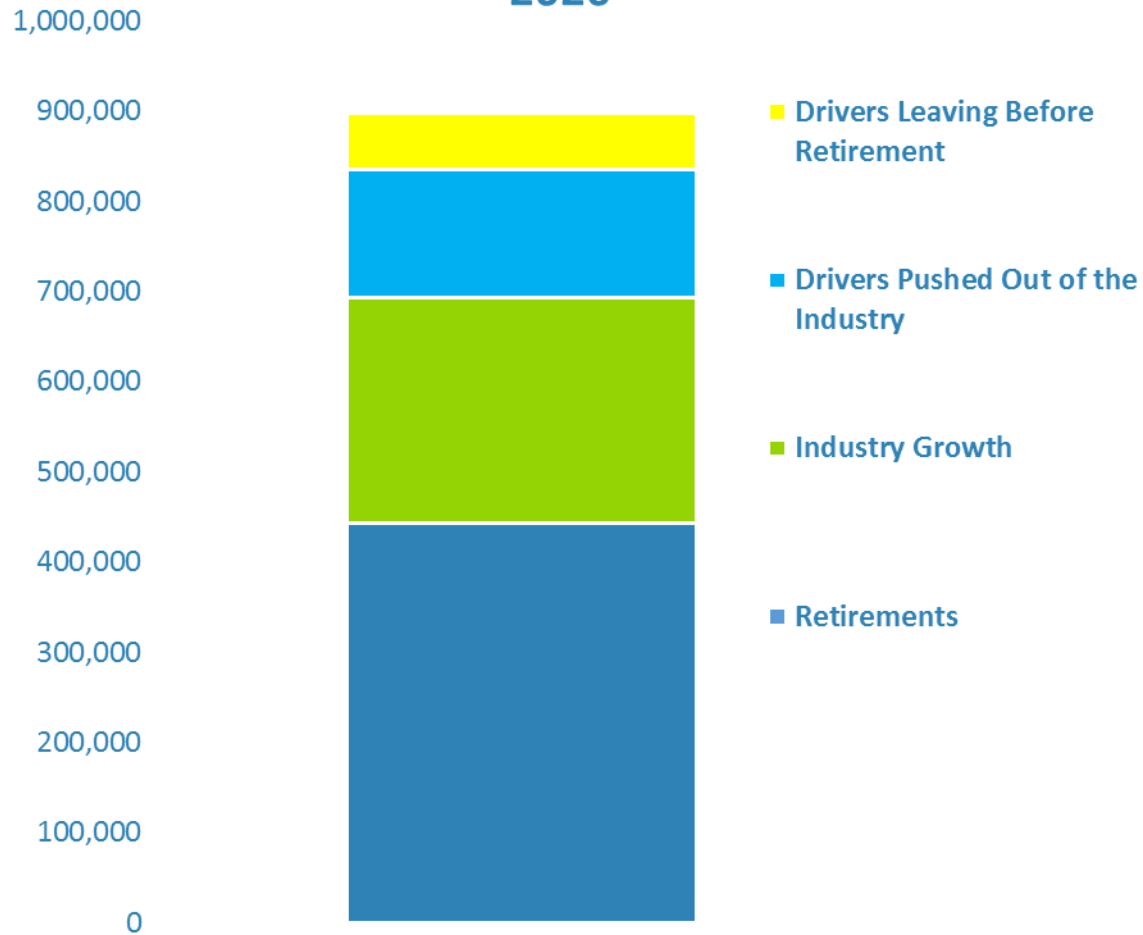


Driver Shortage

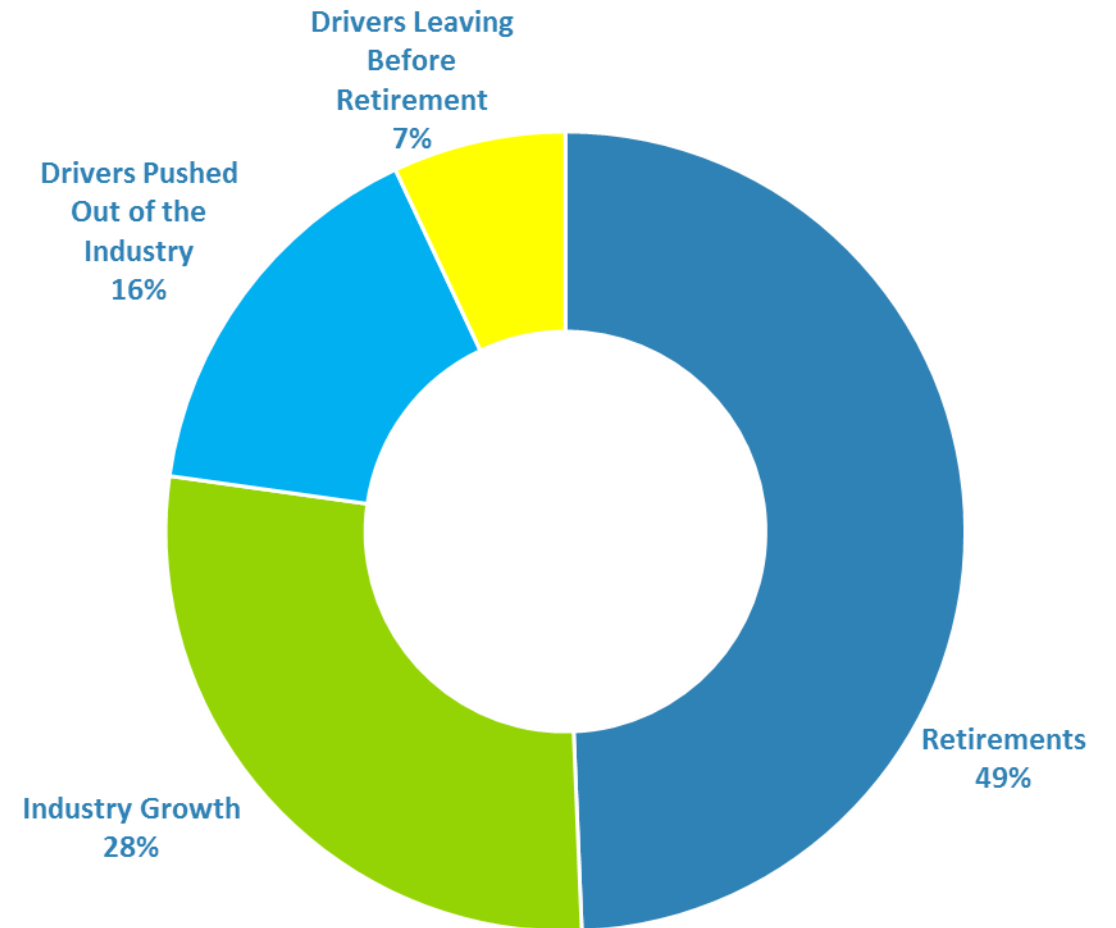


Source: ATA's *Truck Driver Shortage Analysis 2017*

Total Number of Drivers Needed Through 2026



Share of Drivers Needed Through 2026



Download ATA's Report for Free at:

<http://trck.ng/drivershortage>

TRUCK DRIVER SHORTAGE ANALYSIS — 2017 —



So When Will the Current
Tight Capacity Market End?

What Can Shippers Do?

Thanks

Twitter: @ATAEconBob