

Monthly Driver Recruiting Trends

December 2021

The following metrics are sourced from truck driver recruiting campaigns managed by Randall-Reilly. Recent trends are detailed below to review driver employment activity.

In the past 12 months, the network of unique driver recruiting landing pages maintained by Randall-Reilly has been visited by over 5.6 million users. Over 4.6 million unique users visited using a mobile device, nearly 900k visited using a computer, and over 120k visited using a tablet.

For Driver Recruiting campaigns managed by Randall-Reilly:



Drivers submitted more than **983k** unique leads to **844** different clients through Randall-Reilly advertising campaigns.



288k unique driver contacts submitted **509k** unique short forms to various fleets.



344k unique driver callers made **474k** unique call leads to fleets.

DECEMBER 2021 Latest Trends



Summary

Trucking conditions will continue to be quite favorable for carriers through Q1 2022, and projections for the rest of 2022 continue to be advantageous for carriers. The profitable environment for carriers continues to drive very high competition for drivers.

The average advertised salary on truck driver job postings continues to rise. In November, the average was just shy of \$77,000, which is nearly \$16,000 (+26%) higher than it was last November.

Through the first half of December,¹ the average cost per lead (CPL) has decreased by 15% from November, but this number will likely rise by quite a bit in the second half of the month. Historically, lead costs have been high around the Christmas and New Year's holidays. Expect December's final overall CPL to be around 10%-15% higher than it currently is.

Average hire costs (CPH) for November continued recent trends: they ticket upwards for company driver campaigns but decreased for owner-operators campaigns.

- **Average CPH for company driver campaigns in September increased by 2% MoM.**
- **Average CPH for owner-operator campaigns decreased by 9% MoM.**

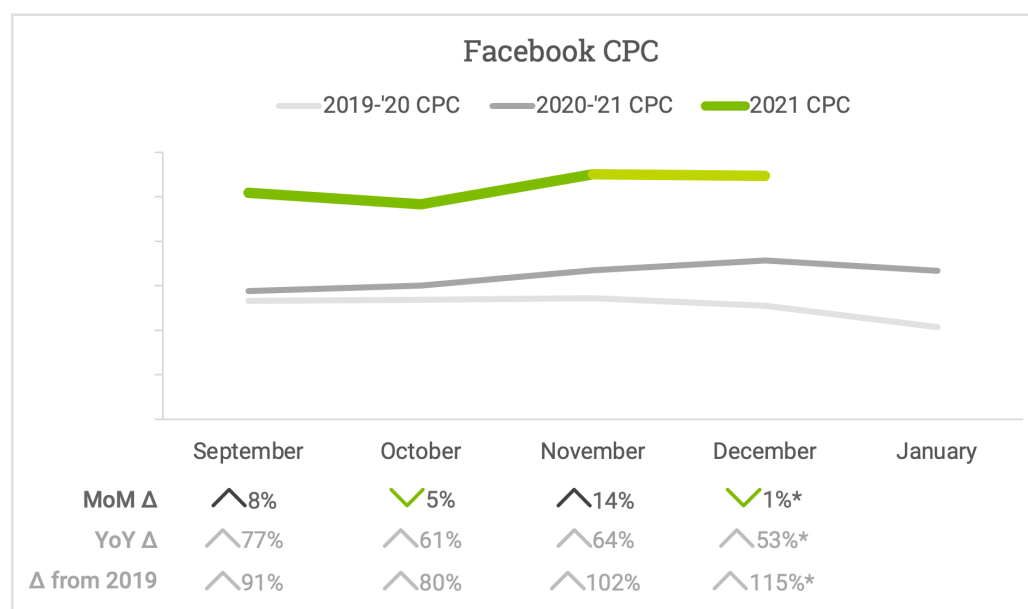
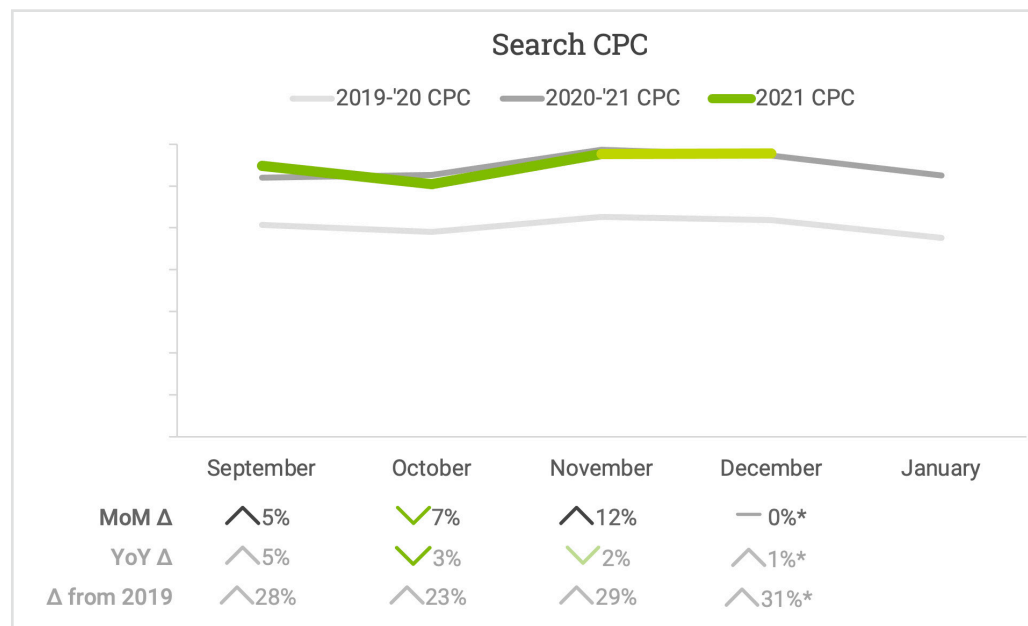
¹ December stats are taken from campaign performance from December 1 to 15.

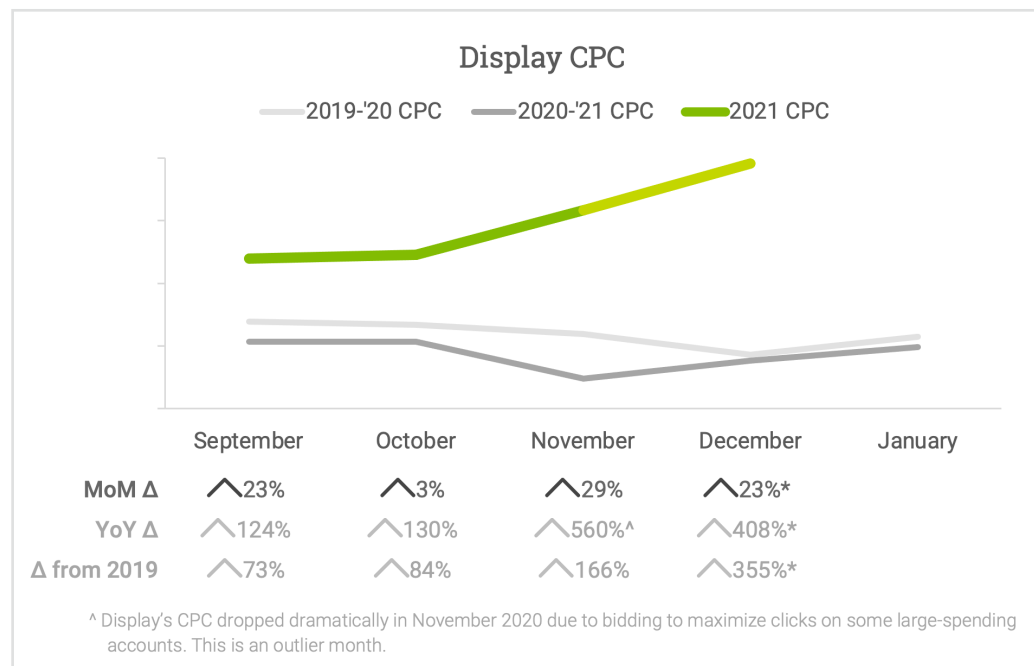
Click Cost Averages

Search click costs (CPC) continues to mirror 2020's monthly trends. Since September, 2021's monthly numbers have been within 5% of 2020's corresponding month.

Facebook's CPC continues to be elevated. Since click-through rates are holding steady, there is very likely increased competition for Facebook's ad space.

Display's CPC rose to its highest level on record in November, and it is on pace to rise by another 23% month-over-month (MoM) in December. Display's increased costs suggest there is an increase in competition for Google's Display ad placements during the peak holiday marketing season.

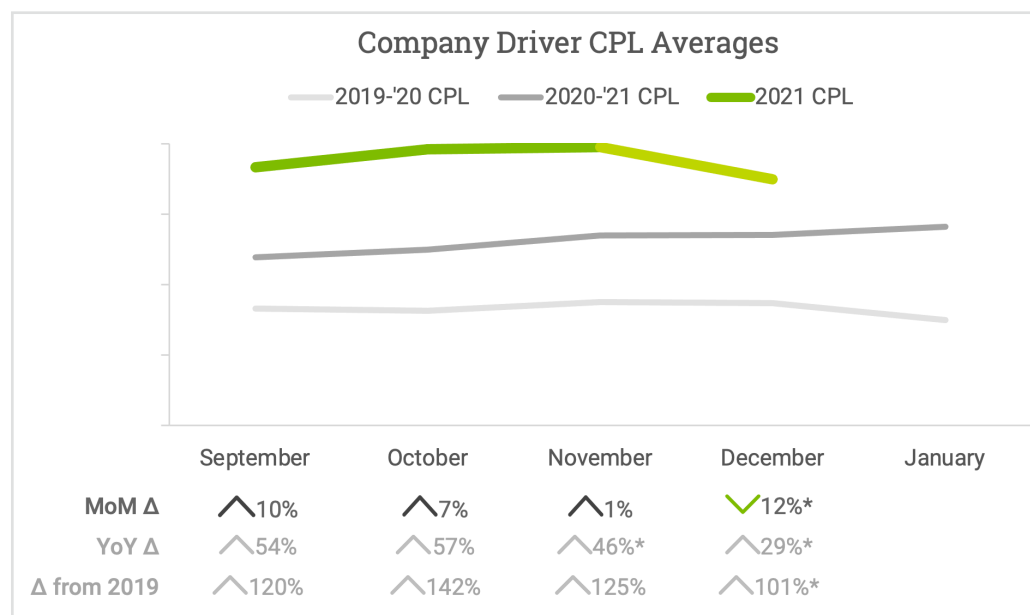
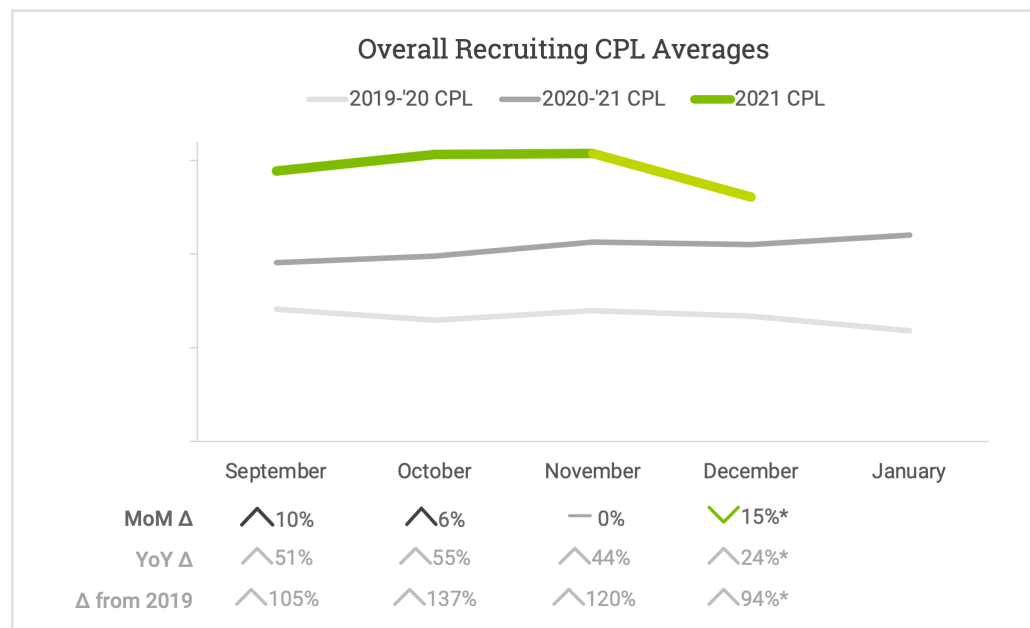


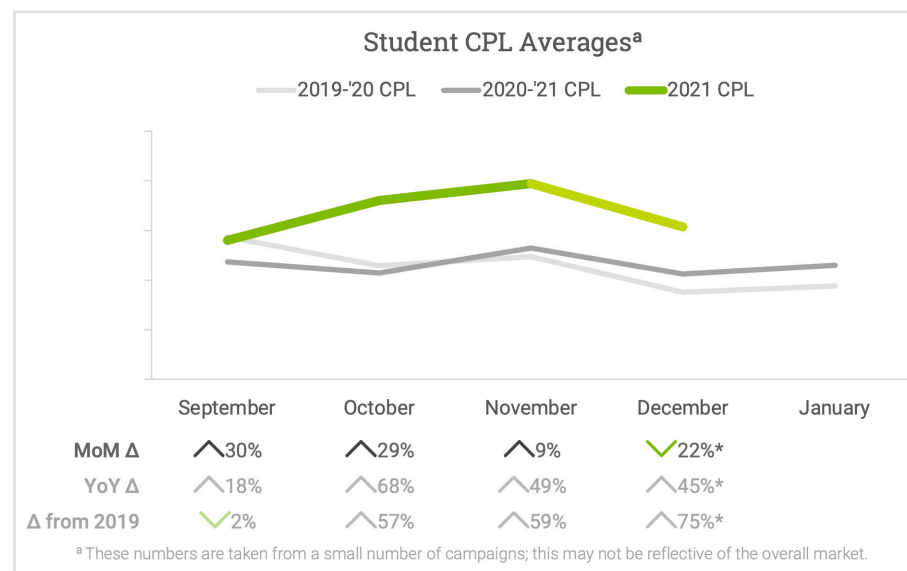
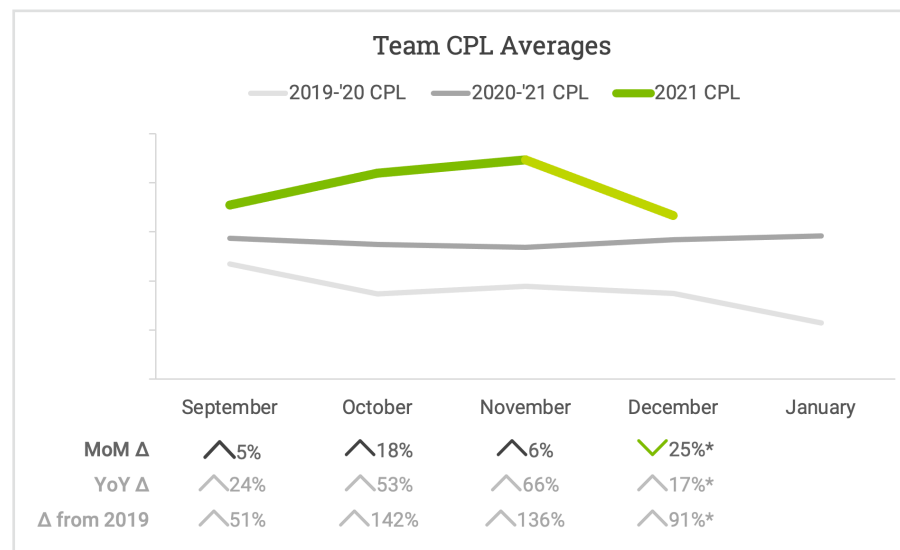
Click Cost Averages *continued*

Cost Per Lead Averages

As predicted in last month's report, November's cost per lead (CPL) average rose during the second half of the month because of decreased driver job search activity over the Thanksgiving holiday weekend.

Expect a similar trend in the second half of December. The Randall-Reilly digital marketing team has front-loaded some budgets to try to increase campaign efficiency. Because of both the digital team's efforts and driver behavior around the holidays, expect December's final CPL to rise by around 10%-15% from its current numbers.



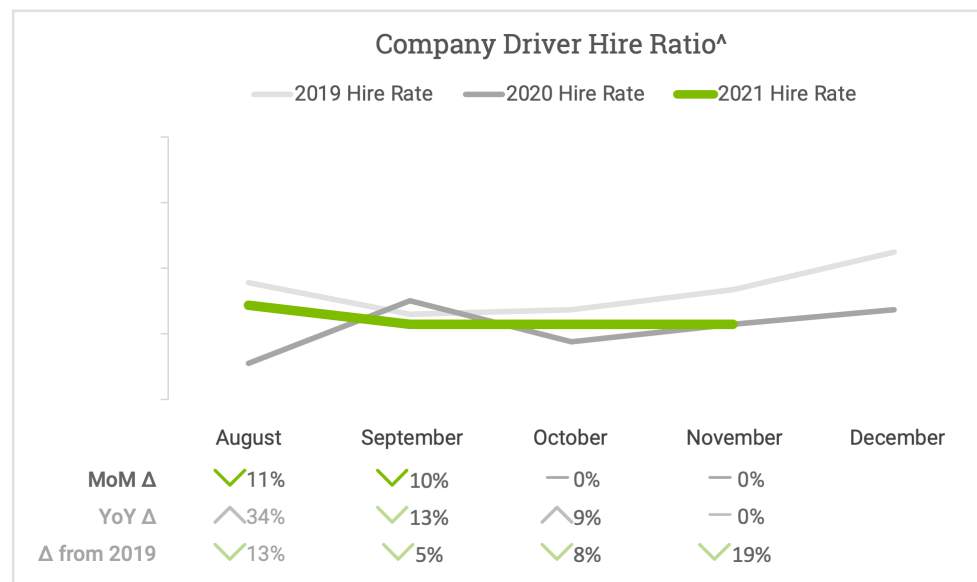
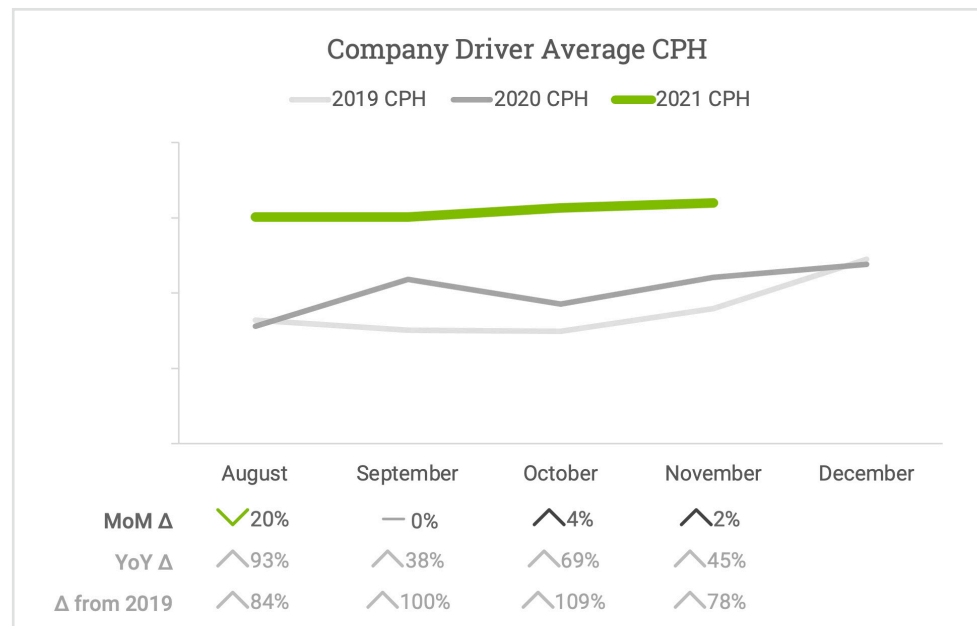
Cost Per Lead Averages *continued*

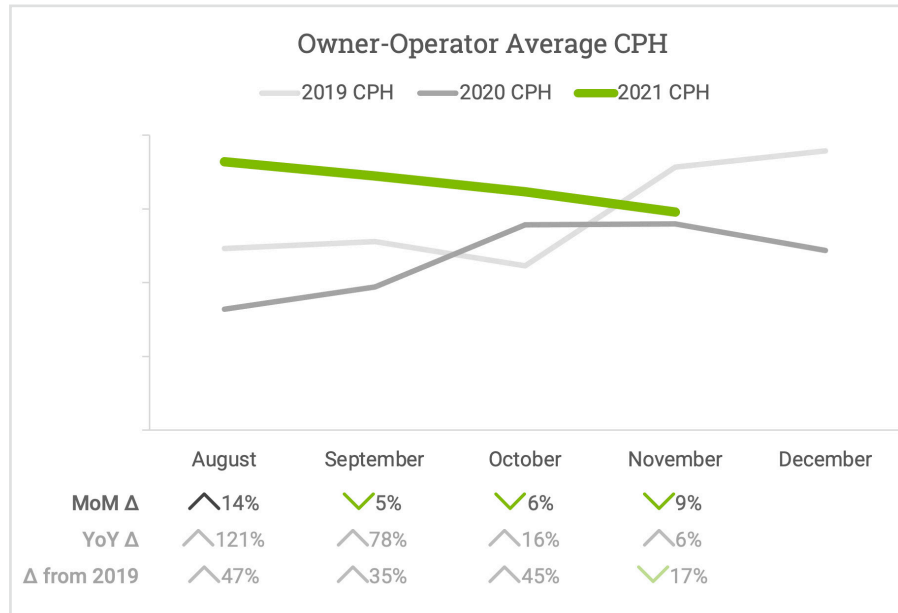
Hire Costs & Rates

Company driver average hire costs (CPH) have been inching upwards over the past few months. The lead-to-hire ratio (LTH) has remained unchanged for three straight months, so the increases are mainly due to changes in lead costs.

Conversely, owner-operator average hire costs have decreased by mid- to high-single digits each month since August, when average CPH was at its highest point of the year. In November, LTH increased, so the decrease in CPH was driven by lower lead costs. LTH was at its lowest point on record in October and remains low compared to historical trends.

The more favorable owner-operator hire costs and rates are likely the result of the surge in drivers becoming owner-operators [see Market Information section]. Many of these drivers are looking to partner with fleets.



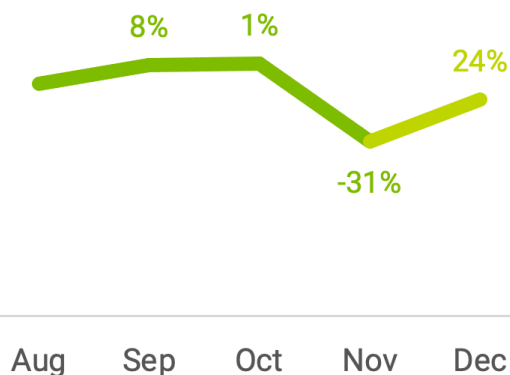
Hire Costs & Rates *continued*

Other Digital Trends

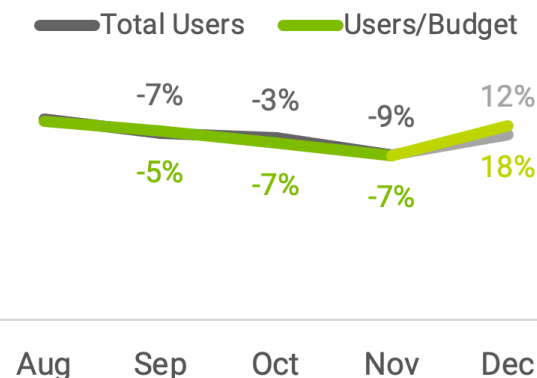
Visitor behavior on Randall-Reilly recruiting landing pages in December indicates that drivers may have more intent in their job searches. More people are visiting recruiting landing pages, they are spending more time on these pages, and they are converting at the highest rate since August 2020.

After seeing a large drop off in the number of multi-carrier applications in November, that number is on pace to rebound nicely in December.

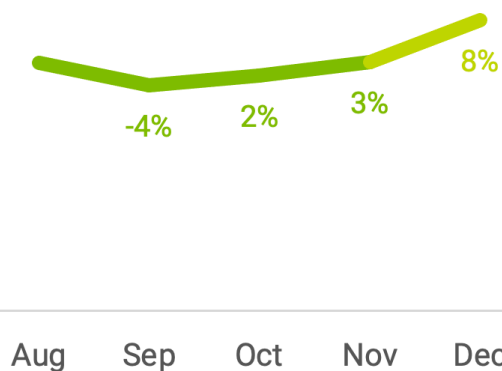
MCA Applicants



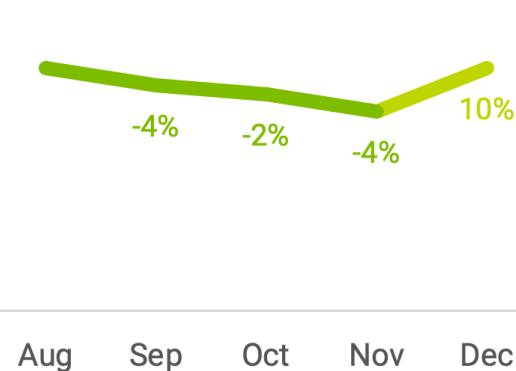
Landing Page Users



Conversion Rate



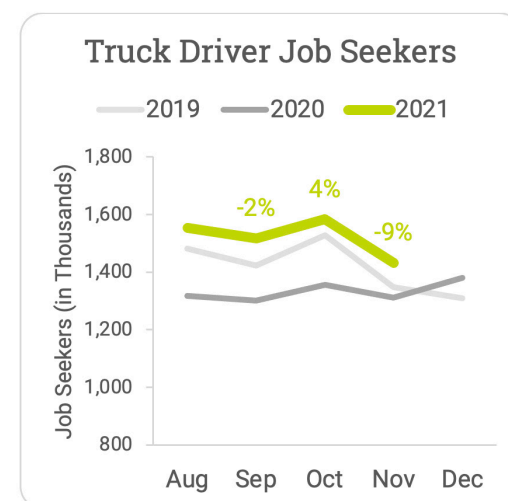
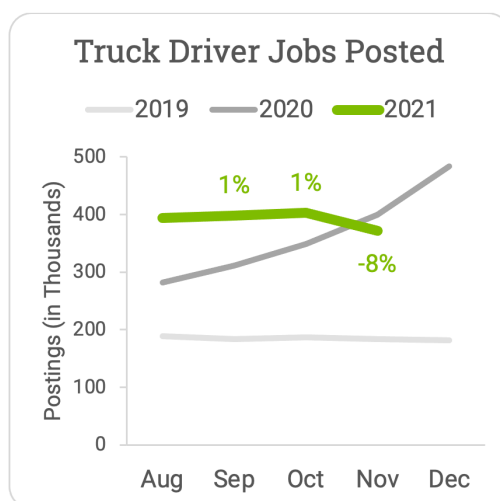
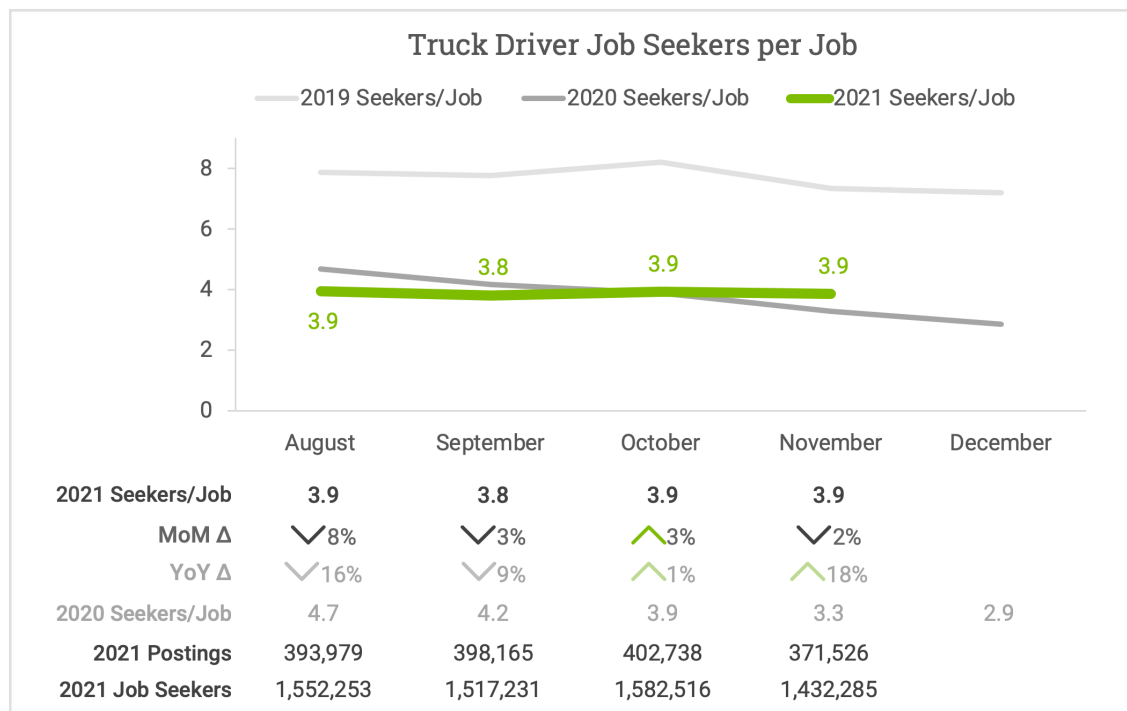
Avg. Session Duration



External Market Trends

In November, both job postings and searchers declined. The job seekers' trend line is closely matching 2019's trend line, but there are now approximately 5%-7% more people searching than there were two years ago. The number of job seekers per posted job has remained quite steady over the past four months.

Comparing November 2021 to November 2019, there were 6% more people searching for driving jobs (+84,000), but there were 102% more jobs available (+188,000) for these searchers.

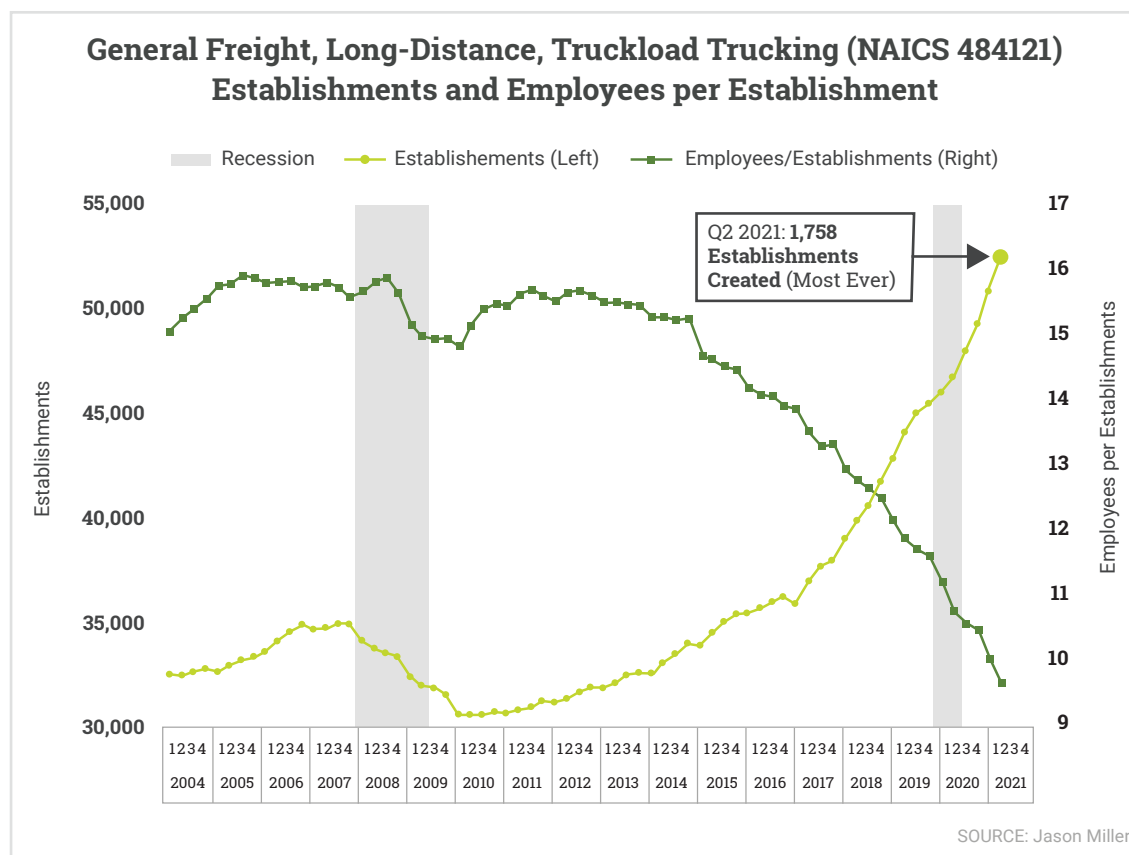


Market Information²

Trucking conditions will continue to be quite favorable for carriers through Q1 2022, and projections for the rest of 2022 continue to be advantageous for carriers. High diesel prices in October and November hindered trucking conditions, but diesel prices are forecast to flatten out and decrease slightly over 2022.

The near-term outlook for truckload freight rates continues to be good and is basically unchanged from last month: FTR forecasts total rates to be up 19% YoY in 2021, excluding fuel surcharges, and 2022 rates to be 2.2% higher than 2021 rates. Contract rates are now expected to be 5.2% higher in 2022, while spot rates are expected to be 2.5% lower in 2022.

Freight volumes continue to remain strong and are expected to grow further in 2022 and 2023. FTR forecasts 5% more truck loadings in 2021 than in 2020, they expect a 3.6% increase in 2022 compared to 2021, and they are projecting a 3.4% increase in 2023 from 2022.



Taking advantage of the favorable rates and plentiful loads will continue to be difficult in the coming months, especially for OTR carriers. When comparing October 2021 truck

transportation employment to October 2018, the sector has gained 4,300 jobs. But the subsector-level data shows major shifts in employment. Long distance (OTR) employers have

Market Information² *continued*

lost 17,700 employees in that time, while local, general freight employers have gained 28,000 employees (+10.6%).

The difficulty for carriers in finding drivers continues to be intensified by the staggering number of drivers beginning to operate under their own authority (becoming owner-operators). The total number of authorizations in 2021 has already far surpassed the previous high. The number of employees per establishment continues to drop, showing that most of these new authorizations are for owner-operators. These numbers suggest that there may not be much of a true shortage of truck drivers; rather, former company drivers are becoming owner-operators. Carriers should consider partnering with more owner-operators in 2022, if possible.

Finding trucks will continue to be difficult for the foreseeable future. Class 8 truck production fell another 14% in October MoM as build rates were further constrained by components and parts shortages. At the current build rate, the backlog-to-build ratio is 14.6 months.

As a result, active truck utilization remains tight, and FTR expects active utilization to remain above 96% through the end of 2022. However, stronger driver capacity gains in recent months and a continued weakening of freight growth have caused FTR's near-term forecast to be noticeably weaker than in past months. They still project utilization to be in the high-90s, but this is lower than the 100% or 99% utilization that was the reality for much of 2021.

³ Market information taken from:
FTR. "Trucking Update: December 2021." 30 Nov 2021, *FTR*.
Miller, Jason. LinkedIn postings (multiple). Dec 2021, *Michigan State University*.



Randall-Reilly is the leading B2B data company in trucking, construction and other industrial markets. Their proprietary data, with equipment-level intelligence, builds exclusive market insights and drives exceptional outcomes. More than 4,400 clients in sales, marketing, and recruiting utilize Randall-Reilly's data-driven platforms, services, and media to reach their audiences. Headquartered in Tuscaloosa, Alabama, the company also has offices in Charlotte, North Carolina, Anniston, Alabama and Draper, Utah.

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