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NEWS >>

WSJ: WHO'S TO BLAME FOR THE TRUCKER SHORTAGE?

Trucking Industry Relies on Inexperienced Drivers, Contractors Who Get Saddled with Debt, High Expenses

Help wanted: America needs truck drivers.

In 2015, American Trucking Associations estimated that for-hire trucking companies had nearly 50,000 fewer drivers than they needed. The shortage was less severe in 2016, but the trade group expects it to worsen in coming years.

As policy makers wring their hands over the shortage, an Ivy League sociologist who spent time as a long-haul driver says the deficit is largely the industry's own doing.

ATA blames the grueling demands of a job that puts workers on the road for long periods. But Steve Viscelli, a sociologist and fellow at the University of Pennsylvania's Robert A. Fox Leadership Program, says the shortage is the product of an industry labor model that relies heavily on inexperienced drivers and independent contractors.

Mr. Viscelli, who worked as a truck driver for several months while researching his 2016 book, "The Big Rig: Trucking and the Decline of the American Dream," says upward of 25 percent of long-haul truck drivers are independent contractors, also known as owner-operators. They are attracted by promises of being their own bosses, but the arrangement often saddles them with unsustainable debt and high expenses, he adds.

Drivers typically receive training from big trucking companies or schools affiliated with them. Those who become independent contractors sign lease-to-own deals to purchase their vehicles, often with those same companies. But the terms are onerous, and drivers owe so much that they may end up working 70 or 80 hours a week just to pay back what they owe and cover expenses such as fuel and insurance. Drivers are suing some companies that use this model, saying they should be classified as employees rather than contractors.

Even those working as employees have a hard time making ends meet, partly because they are only paid for the miles they drive, not time waiting to load and unload their rigs or sitting in traffic. Mr. Viscelli recounts a 16-hour day spent crawling through traffic in the New York area, only to get stuck at a New Jersey rail yard for the night. That day he drove 215 miles and earned \$56.

The result of these conditions? Drivers burn out quickly and quit.

The industry could fix its labor shortage, Mr. Viscelli says, by raising pay enough to compensate for the hardships of the job or improving the terms for independent contractors. In 2015, heavy and tractor-trailer truck drivers earned a median wage of \$40,260, according to the Bureau of Labor Statistics. Mr. Viscelli says that number masks the reality that most drivers work far more than 40 hours a week to get to that income.

Wages have been rising over the past few years and some firms offer signing bonuses, according to ATA chief economist Bob Costello. Such measures helped bring down industrywide turnover from nearly 100 percent in 2012 to



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just over 90 percent in 2014. More recently, driver turnover has declined to around 80 percent due to less freight being shipped.

Hanging over any discussion of the truck industry's future is the specter of automation. Driverless vehicles will lead to significant job loss, says Mr. Viscelli, "but it's further out in the future than most people think," partly because of the web of local, state and federal regulations that guide trucking.

This story originally appeared in The Wall Street Journal on Wednesday, March 8, 2017.