



## August 2020

### Key findings

- Carrier sentiment for business conditions continue to surge during the COVID shutdown recovery, up to 6.83 in August 2020 compared to 6.35 in July 2020. Month-to-month sentiment rose for respondents with up to 100 power units from 6.24 in July to 6.47 in August, while sentiment for respondents from fleets with more than 100 power units rose from 6.4 to 7.0. (Page 4)
- 56% of all respondents said month-over-month business conditions improved, and only 10% saying it was worse. Business conditions were also up on a year-over-year basis, with 55% of all respondents indicating an increase in business compared to August 2019. (Page 5)
- Respondents from both groups are more optimistic about the next six months, with 64% expecting business conditions to improve, compared to just 6% of respondents who expect conditions to deteriorate. (Page 6)
- 37% of all respondents plan to increase the size of their fleets in the next six months. 8% of respondents plan to decrease fleet size, while 55% expect to replace aging equipment while maintaining current fleet size or make no change in fleet size. (Page 7)
- The gap between driver availability (58%) and freight volume (13%) as a top concern among respondents continues to widen since the trough in April, indicating tighter capacity led by better business conditions and an inability for fleets to hire drivers to return to pre-COVID levels. (Pages 7 & 8)
- Respondents with more than 100 power units reported higher seated truck counts than respondents with up to 100 power units. 24% of all respondents expect to increase recruiting spend in the next six months, while 6% plan to cut recruiting spend. (Page 9)

### Quotes of the month

- **Up to 100 power units:** “Outbound volumes have dramatically increased, and pricing has done a 360 to our benefit, however these volumes cannot be sustainable. We are focused on truck allocation to clients who value our relationship and plan on maintaining pricing beyond this spike.”
- **More than 100 power units:** “The driver shortage is a real problem and continues to be an issue that we must find ways to correct, i.e. younger driver pilot program, image, and telling our story about the high paying jobs and career opportunities.”



# August 2020 CCJ MarketPulse Report

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3200 Rice Mine Road NE | Tuscaloosa, AL | 35406 | 800-633-5953

Prepared by: Jeff Crissey, Content Director, OEM/Aftermarket | Randall-Reilly | 205-248-1244 | [jcrissey@randallreilly.com](mailto:jcrissey@randallreilly.com)

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# Methodology

The August 2020 CCJ MarketPulse report is based on an ongoing survey sent to 200 senior executives of for-hire trucking companies who had agreed to participate monthly. The panel includes executives of carriers that operate at least 10 power units and does not change except to add new panel members that agree to join or to remove those who fail to participate for several consecutive months.

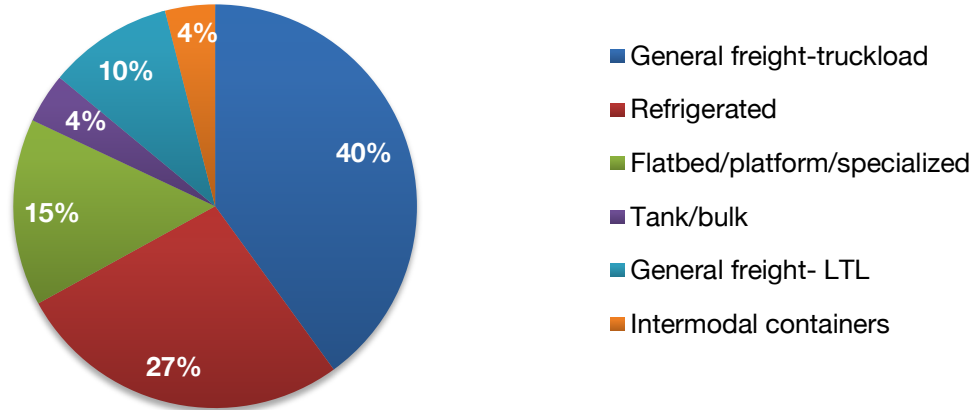
No attempt is made to weight the results to match the make-up of the trucking industry. The goal of MarketPulse is to provide a directional assessment of market conditions by polling a relatively stable panel of respondents each month. Variations in the respondent pool will, however, cause some fluctuations.

The survey was sent initially on September 24, 2020 with reminders sent out on September 28 and September 30, 2020. Out of the total pool, 67 carrier executives completed the questionnaire.

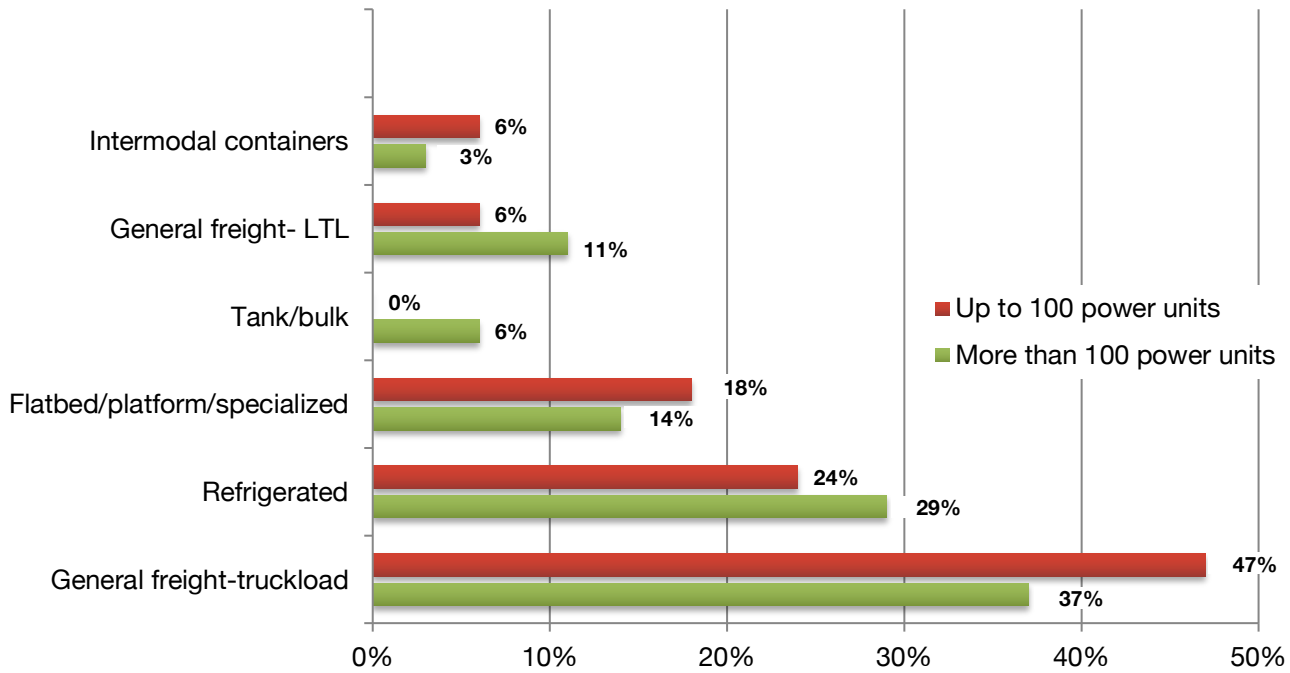
# Demographics

67 respondents

Which of the following represents the largest portion of your operation?

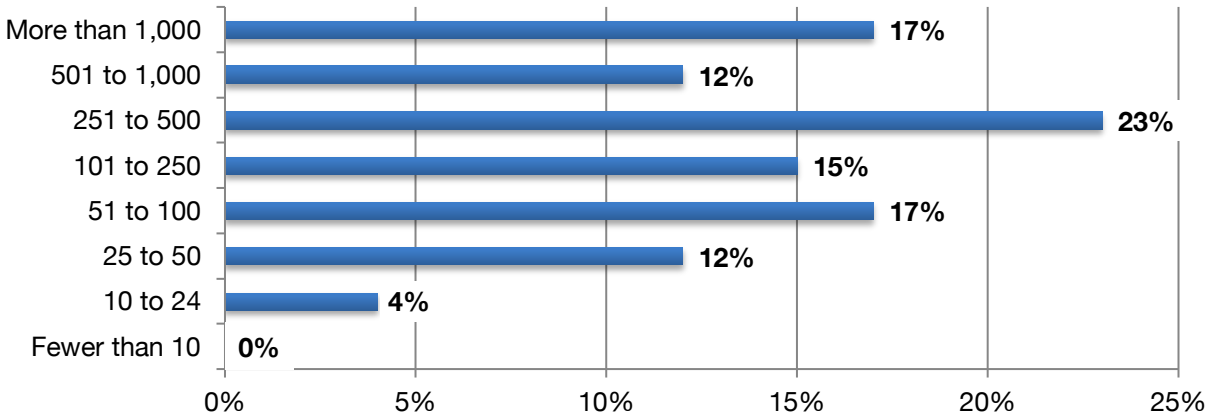


By fleet size:



## August 2020 CCJ MarketPulse Report

How many power units does your company operate (including owned, leased or independent contractors)?

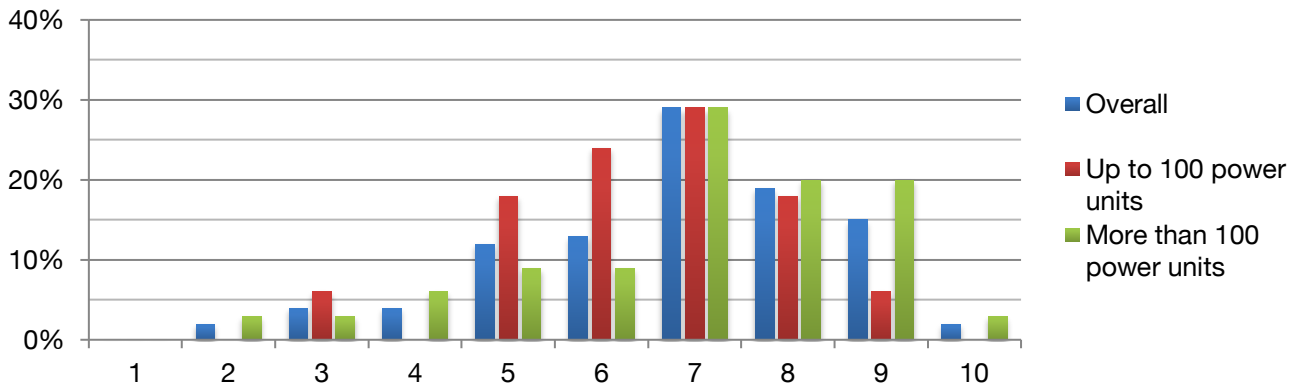


## Business conditions

On a scale of 1 to 10 (1 = worst month ever and 10 = best month ever), how would you rate overall business conditions during August 2020?

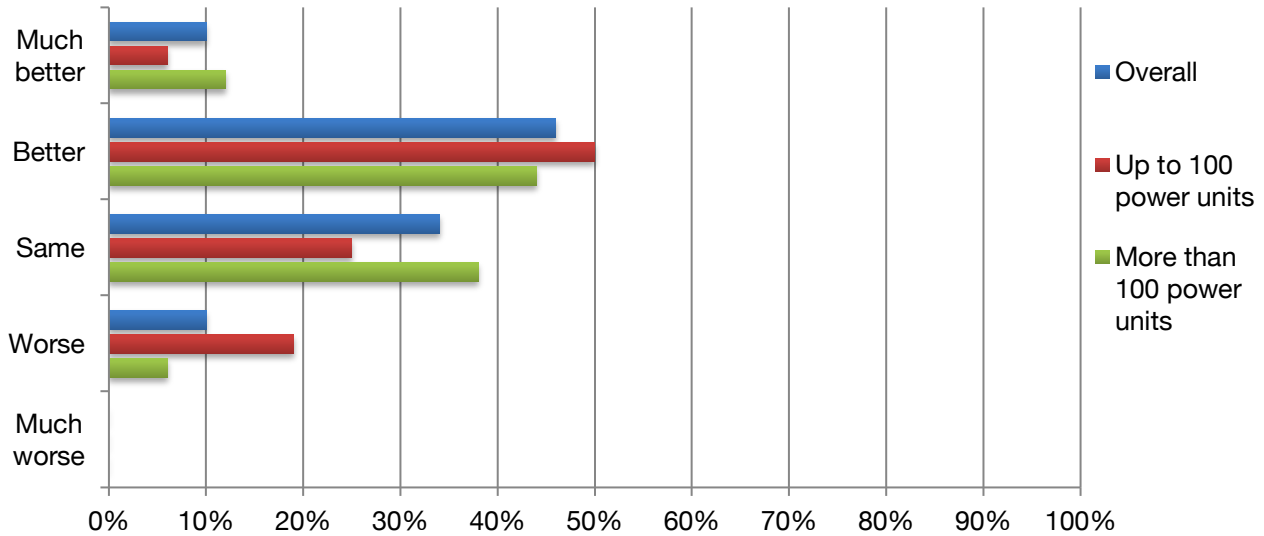
	<u>August 2020</u>	<u>July 2020</u>
<b>Average response:</b>	<b>6.83</b>	<b>6.35</b>
Up to 100 power units:	6.47	6.24
More than 100 units:	7.00	6.40

### Distribution of responses:

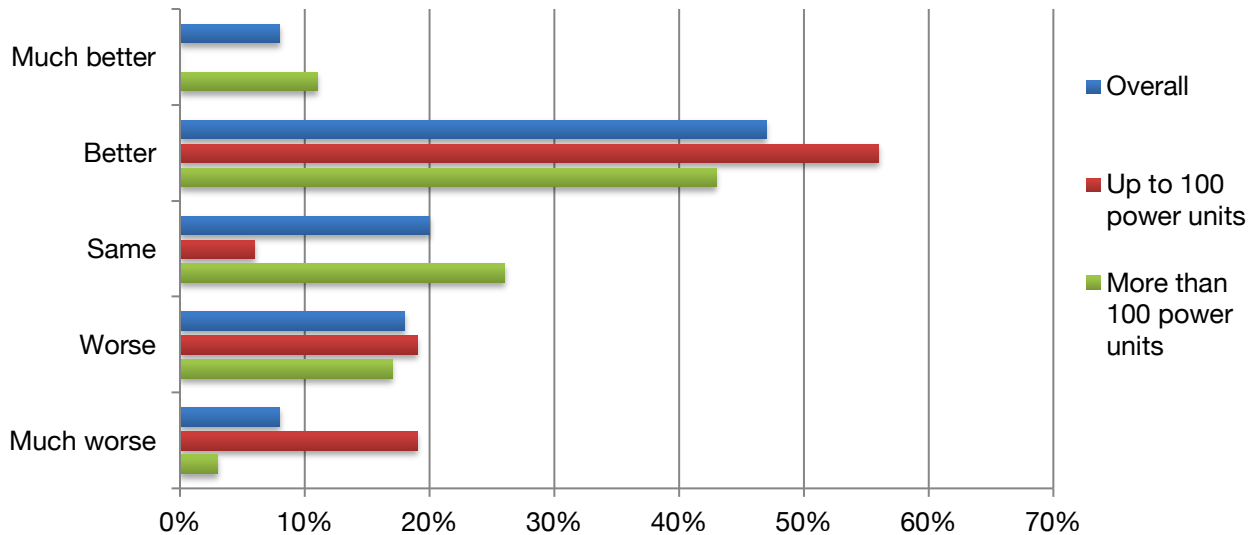


## August 2020 CCJ MarketPulse Report

How did your business do in August 2020 compared to July 2020?

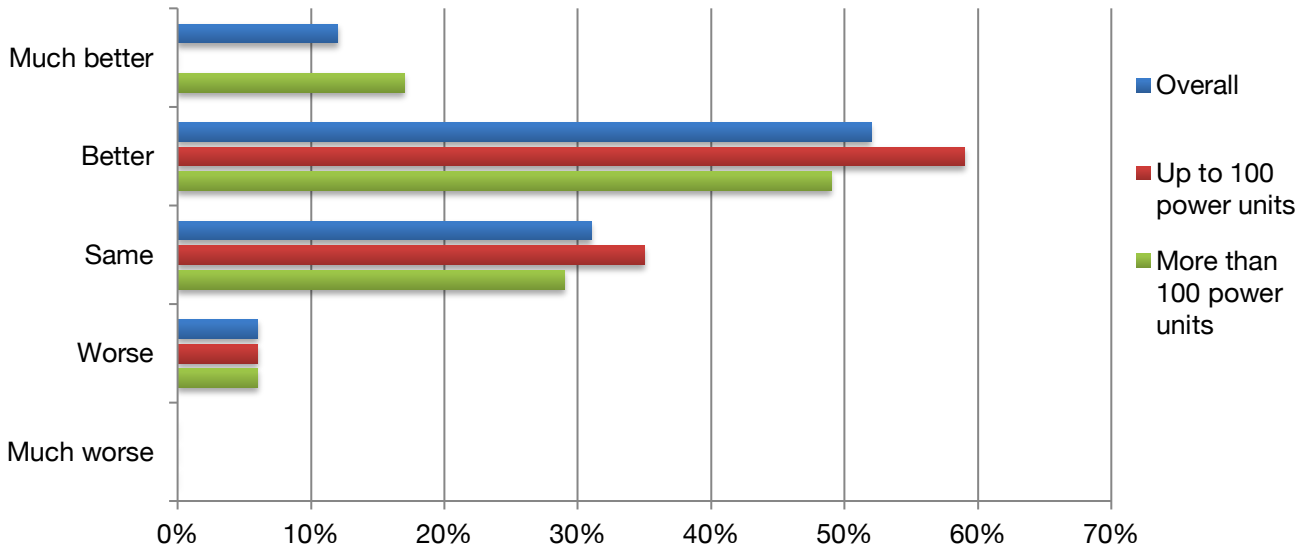


How did your business do in August 2020 compared to August 2019?

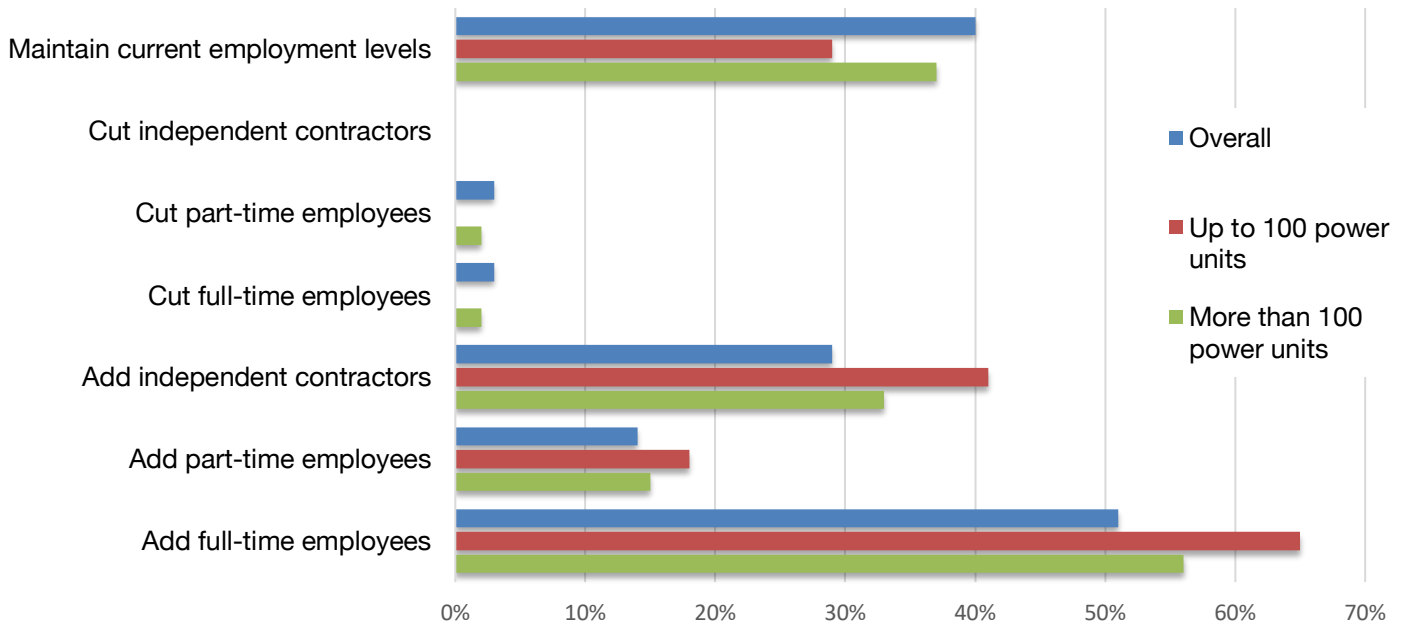


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Adjusting for seasonality, how do you see business in the next 6 months?

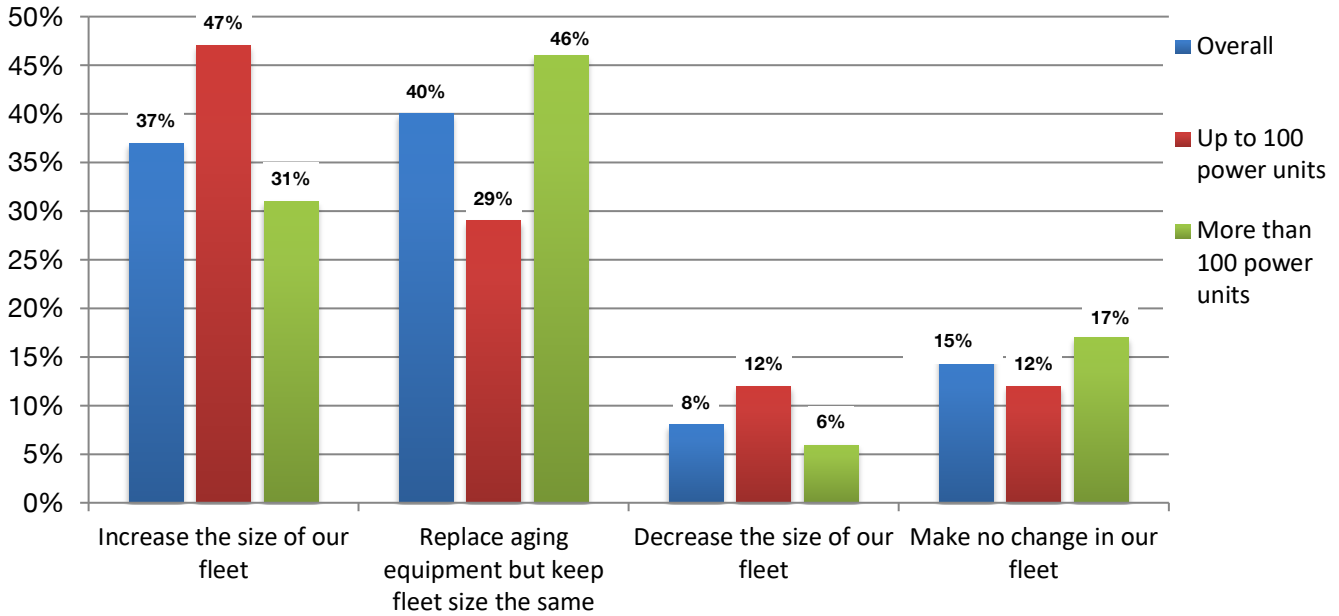


Not counting seasonal employees, in the next 6 months, do you plan to:

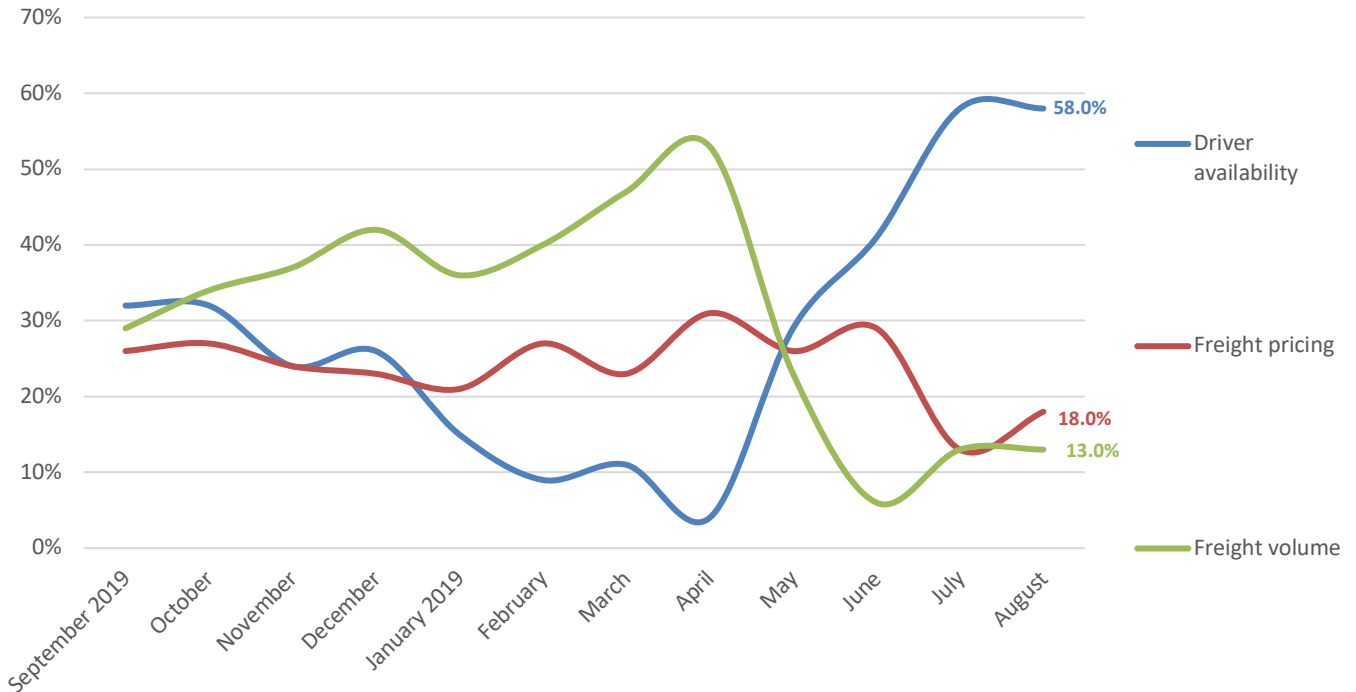


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In the next 6 months, we plan to:



Please rank your top five concerns right now (with 1 being the biggest concern).





## August 2020 CCJ MarketPulse Report

### Top concerns for carriers with up to 100 power units

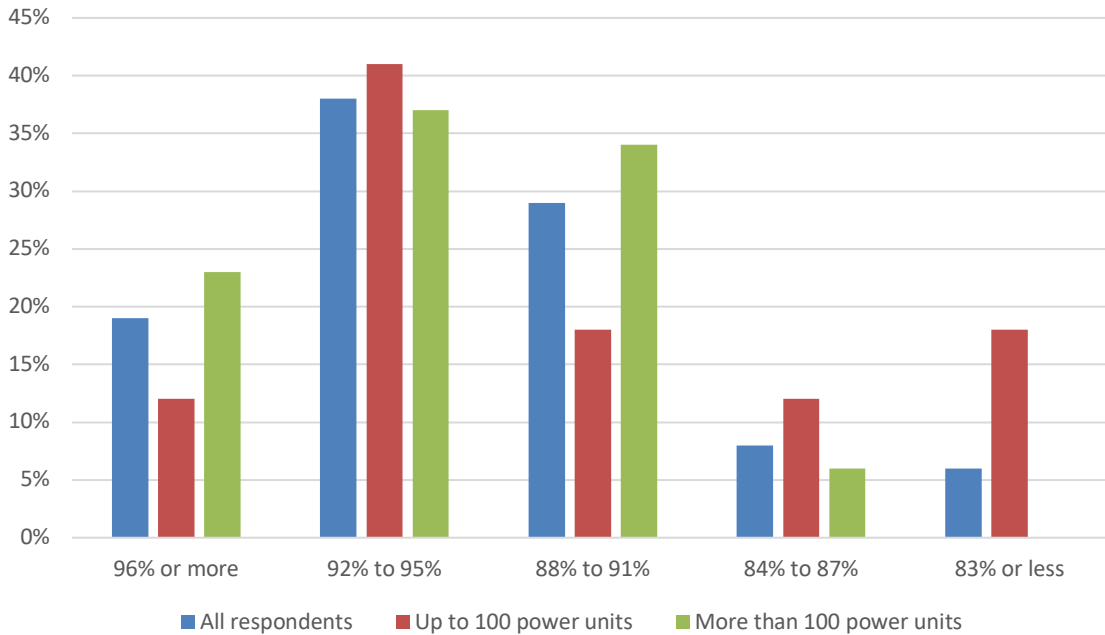
	1 (Biggest concern)	2	3	4	5
Freight volume	6%	22%	27%	13%	0%
Freight pricing	25%	11%	20%	20%	5%
Cash flow	0%	6%	0%	7%	10%
Fuel costs	0%	0%	0%	0%	5%
Driver availability	63%	6%	7%	7%	0%
Cost of labor	0%	28%	20%	7%	0%
Maintenance costs	0%	11%	7%	13%	10%
Cost of equipment	0%	0%	13%	0%	5%
Unionization	0%	0%	0%	0%	5%
Access to credit	0%	0%	0%	0%	5%
Cost of credit	0%	0%	0%	0%	5%
Regulation	0%	6%	0%	7%	15%
Taxes	0%	6%	0%	0%	5%
Political climate in Washington	6%	6%	7%	27%	30%
Other	0%	0%	0%	0%	0%

### Top concerns for carriers with more than 100 power units

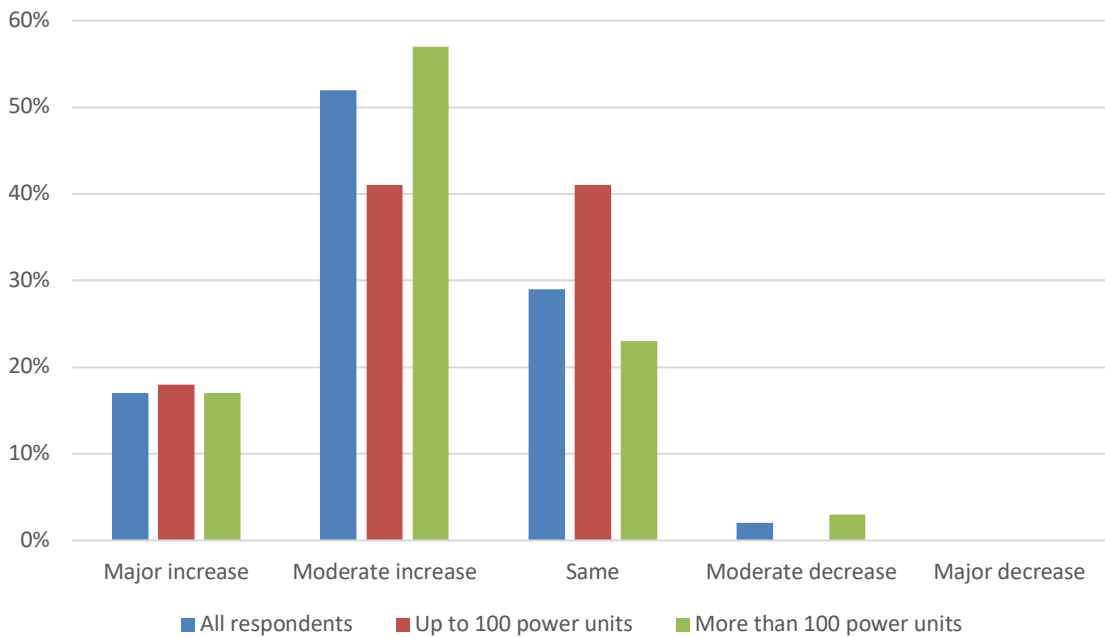
	1 (Biggest concern)	2	3	4	5
Freight volume	15%	9%	16%	16%	8%
Freight pricing	15%	31%	14%	8%	10%
Cash flow	0%	0%	3%	3%	3%
Fuel costs	0%	3%	3%	3%	3%
Driver availability	56%	11%	8%	8%	3%
Cost of labor	0%	29%	16%	5%	5%
Maintenance costs	0%	0%	14%	16%	8%
Cost of equipment	0%	3%	3%	16%	10%
Unionization	0%	0%	0%	0%	5%
Access to credit	0%	0%	5%	3%	0%
Cost of credit	0%	0%	3%	0%	3%
Regulation	3%	6%	5%	5%	8%
Taxes	3%	0%	0%	0%	8%
Political climate in Washington	5%	9%	8%	16%	23%
Other	3%	0%	3%	0%	8%

## August 2020 CCJ MarketPulse Report

### What was your percentage of seated trucks in August 2020?



### How do you expect your recruiting costs to change in the next six months?



### **General comments**

#### **Up to 100 power units**

- Capacity seems to be tighter sooner.
- Compensation = Drivers
- The industry thinning out. Good for companies who know how to manage a business. One rule you must be profitable to stay in.
- Freight volumes continue to get stronger every month and it seems like drivers are more willing to come to work. It makes me wonder if the cutoff of the \$600 federal weekly supplemental unemployment checks at the end of July might be the change prompting drivers to look for a job. There are many more loads offered to us than what we have the capacity to move so we're able to be more selective in what we accept. It's a nice feeling!
- If Trump is elected, we order trucks. If Biden is elected, we batten down the hatches for a long tough period.
- Things definitely seem to be improving.
- Outbound volumes have dramatically increased, and pricing has done a 360 to our benefit, however these volumes cannot be sustainable. We are focused on truck allocation to clients who value our relationship and plan on maintaining pricing beyond this spike.
- This is history! What matters is November and whether people vote for a vibrant economy with reasonable regulations.

#### **More than 100 power units**

- How do we get qualified people off of the unemployment lines and into a truck? There are all kinds of jobs available in trucking.
- The driver pool just keeps getting worse. It is harder and harder to find good drivers.
- Record empty truck percentage for us. Plan on selling more trucks than we purchase over the next 12 months.

(continued)



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## August 2020 CCJ MarketPulse Report

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(continued- General comments, more than 100 power units)

- The driver shortage is a real problem and continues to be an issue that we must find ways to correct, i.e. younger driver pilot program, image, and telling our story about the high paying jobs and career opportunities.
- LTL freight volumes have turned around and now are growing year over year.