



September 2020

Key findings

- Carrier sentiment for business conditions continues to track with the economic rebound, up to 7.1 in September 2020 compared to 6.83 in August 2020. Month-to-month sentiment rose for respondents with up to 100 power units from 6.47 in August to 6.7 in September, while sentiment for respondents from fleets with more than 100 power units rose from 7.0 to 7.2. (Page 4)
- 45% of all respondents said month-over-month business conditions improved (down from 56% last month), but only 2% said it was worse. Business conditions continue to improve on a year-over-year basis, with 73% of all respondents indicating an increase in business compared to September 2019. (Page 5)
- Respondents from both groups share an optimistic outlook for business conditions in the next six months, with 57% expecting business conditions to improve; 12% of respondents expect conditions to deteriorate, up from 6% last month. (Page 6)
- 35% of all respondents plan to increase the size of their fleets in the next six months. 2% of respondents plan to decrease fleet size, while 63% expect to replace aging equipment while maintaining current fleet size or make no change in fleet size. (Page 7)
- Driver availability (75%) has skyrocketed to dominate as the top concern for respondents of both groups. Freight pricing remained in the second spot at 10%, while freight volume fell to just 2% (13% last month) as a top concern. (Pages 7 & 8)
- Respondents from both groups reported higher seated truck counts compared to last month's survey, with 64% reporting 92% or better seated rate. 71% of all respondents expect to increase recruiting spend in the next six months, while just 2% plan to cut recruiting spend. (Page 9)

Quotes of the month

- **Up to 100 power units:** "We are getting our trucks filled now which I firmly believe is because drivers no longer have the latitude to sit on the couch and net more in unemployment benefits than they can make by working. Hopefully Speaker Pelosi doesn't get her way with her ridiculous stimulus package because folks will have no motivation to go to work."
- **More than 100 power units:** "Autos continue at solid levels. Opportunities for additional tonnage are hampered by a shortage of qualified professional drivers combined with drivers that want to only work certain hours and days of the week."



September 2020 CCJ MarketPulse Report

Table of Contents

Methodology 2

September 2020 CCJ MarketPulse 3

Breakdown by type of operation 3

Breakdown by fleet size 3

Business conditions rating 4

Business compared to last month 5

Business compared to same month last year 5

Business expectations 6

Plans for workforce 6

Plans for fleet 7

Major concerns 7

Truck utilization 9

Recruiting costs 9

General comments 10



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September 2020 CCJ MarketPulse Report

Methodology

The September 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.

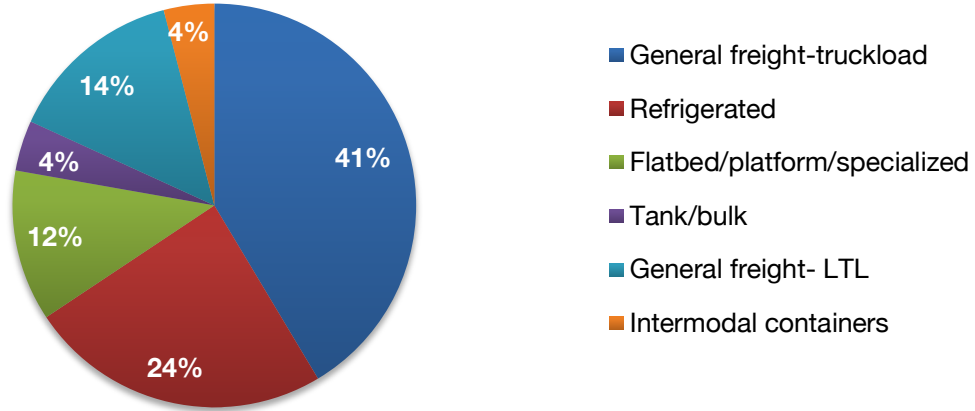
No attempt is made to weight the results to match the make-up of the trucking industry. The goal of MarketPulse is to provide a directional assessment of market conditions by polling a relatively stable panel of respondents each month. Variations in the respondent pool will, however, cause some fluctuations.

The survey was sent initially on October 14, 2020 with reminders sent out on October 16 and October 19, 2020. Out of the total pool, 67 carrier executives completed the questionnaire.

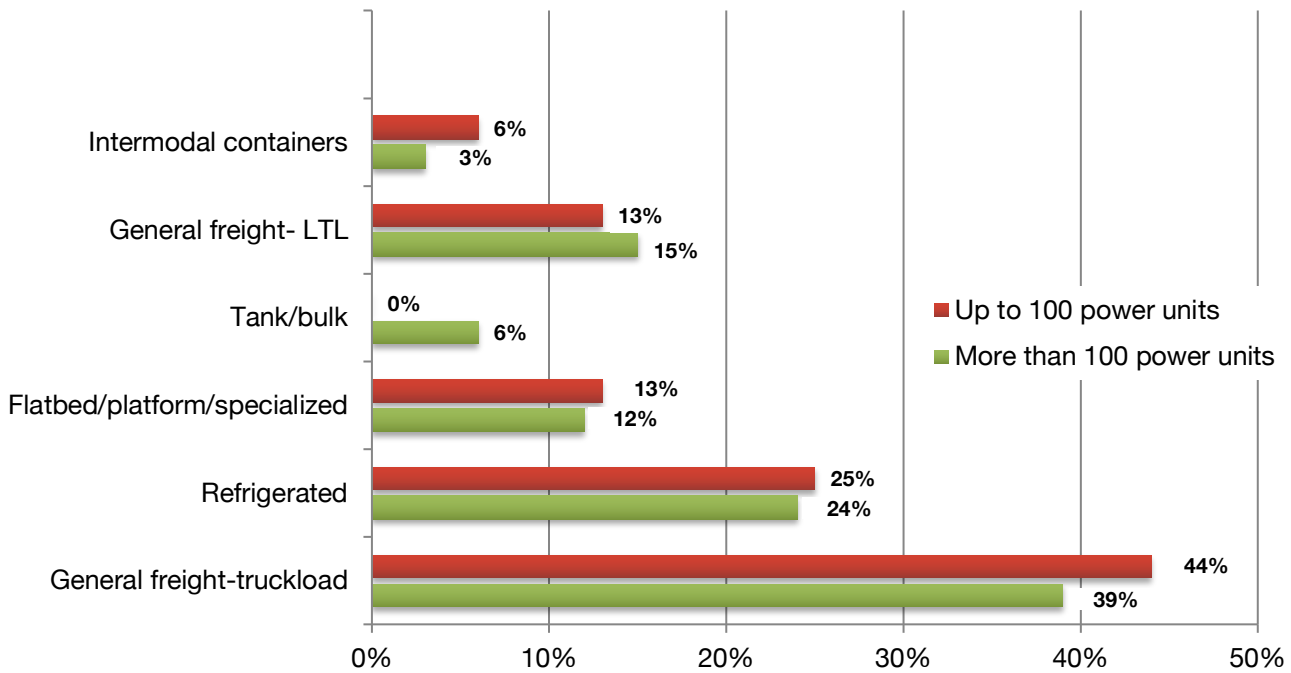
Demographics

67 respondents

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

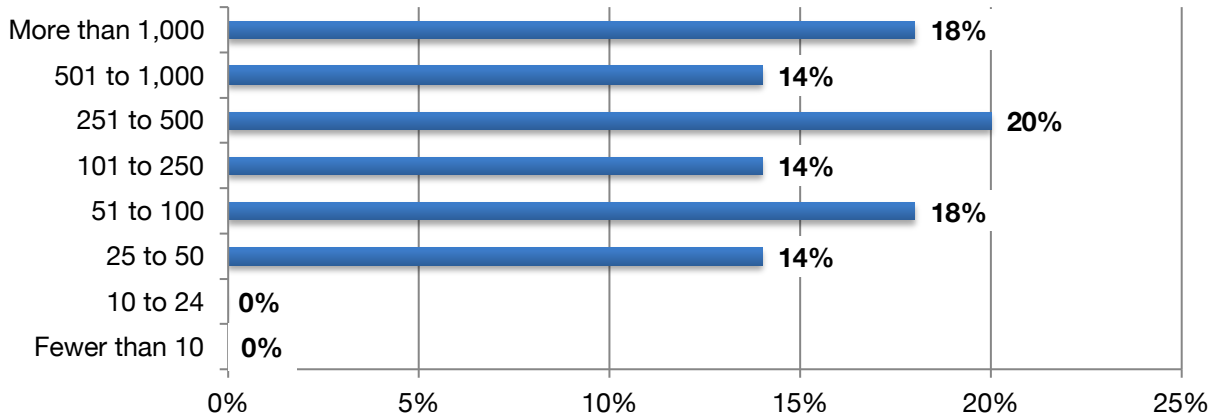


By fleet size:



September 2020 CCJ MarketPulse Report

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

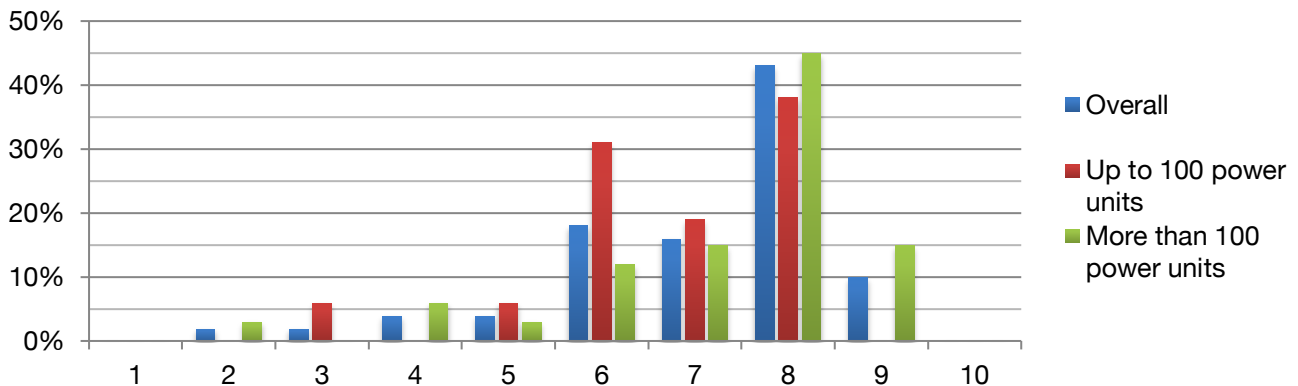


Business conditions

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

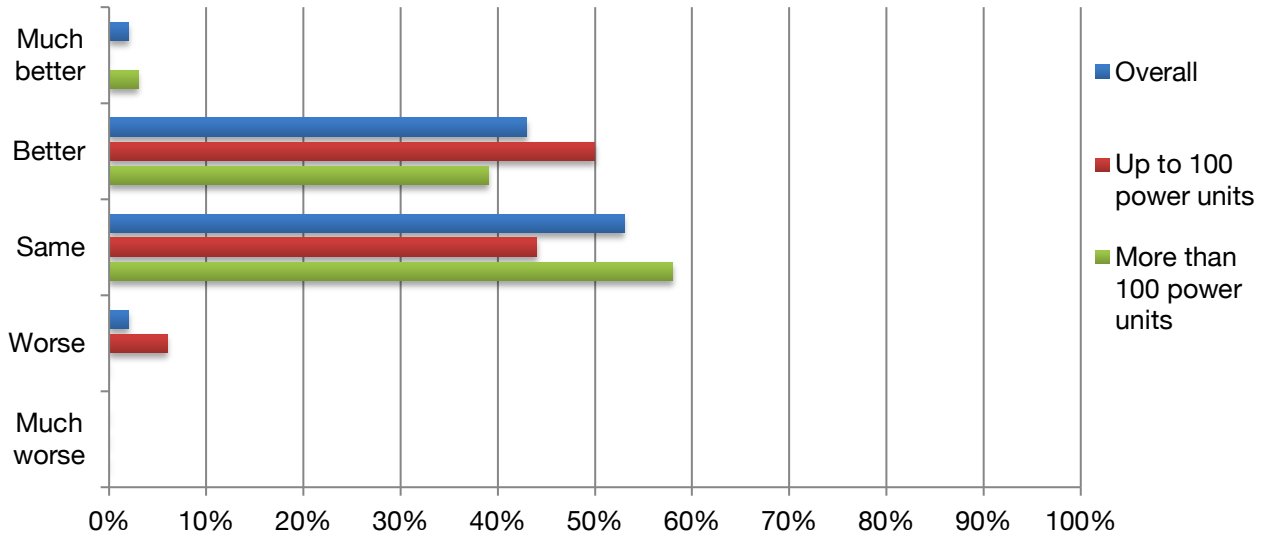
	<u>September 2020</u>	<u>August 2020</u>
Average response:	7.1	6.8
Up to 100 power units:	6.7	6.5
More than 100 units:	7.2	7.0

Distribution of responses:

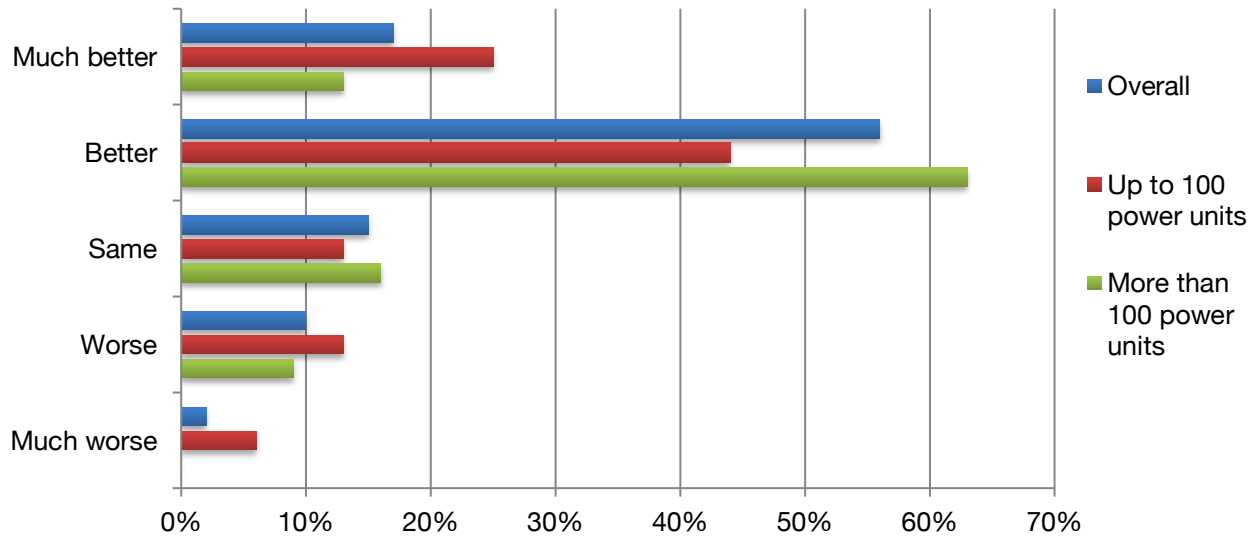


September 2020 CCJ MarketPulse Report

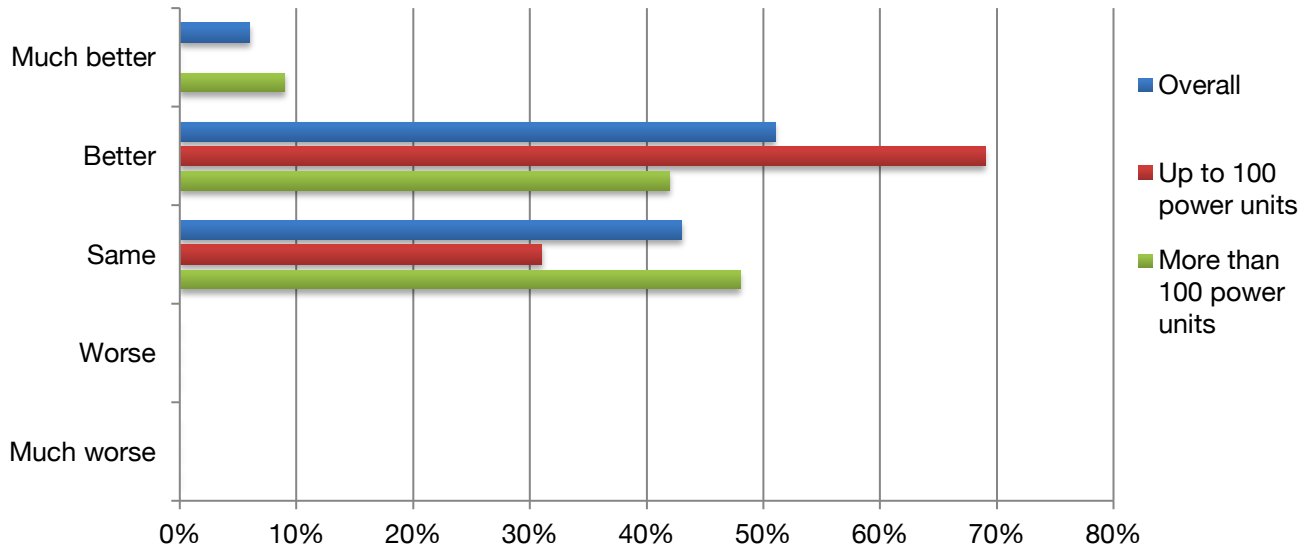
How did your business do in September 2020 compared to August 2020?



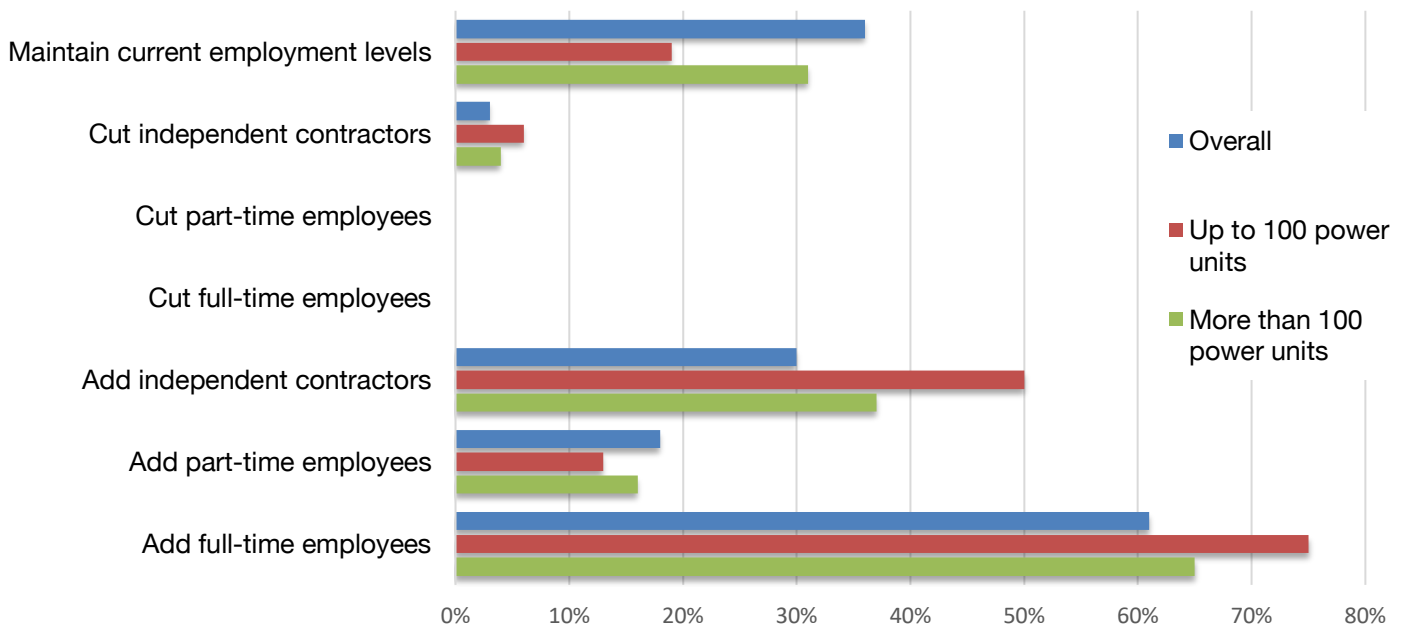
How did your business do in September 2020 compared to September 2019?



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

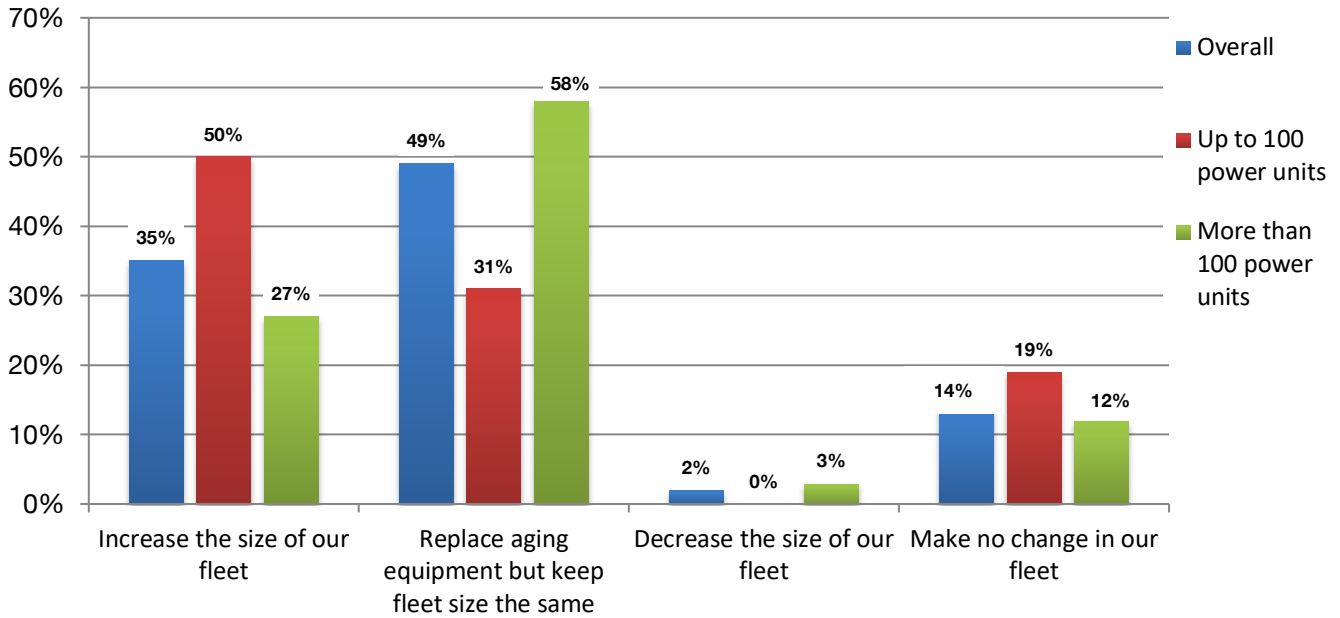


Not counting seasonal employees, in the next 6 months, do you plan to:

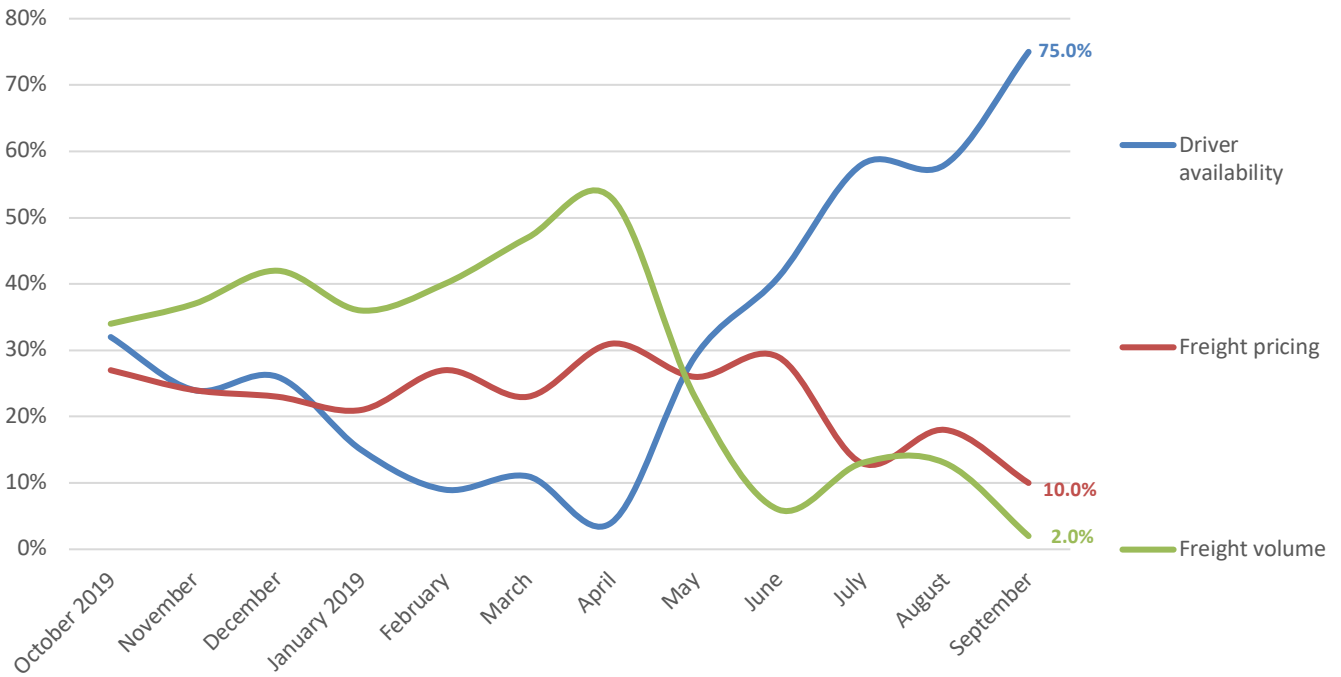


September 2020 CCJ MarketPulse Report

In the next 6 months, we plan to:



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





September 2020 CCJ MarketPulse Report

Top concerns for carriers with up to 100 power units

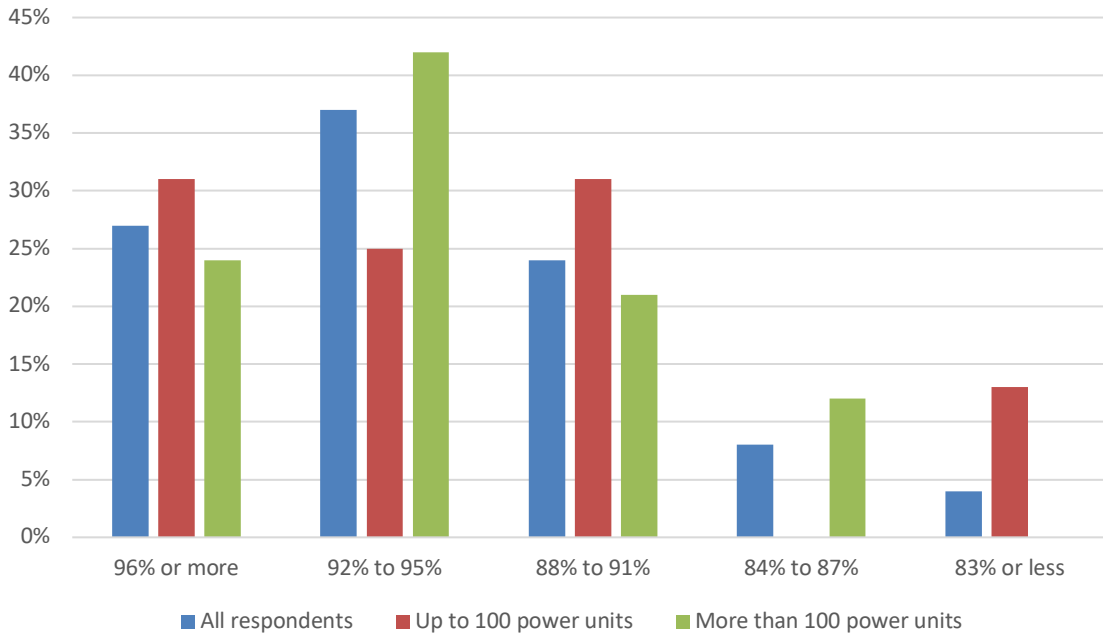
	1 (Biggest concern)	2	3	4	5
Freight volume	6%	11%	24%	13%	0%
Freight pricing	6%	26%	24%	13%	0%
Cash flow	0%	5%	0%	0%	6%
Fuel costs	0%	0%	0%	6%	6%
Driver availability	72%	5%	0%	6%	0%
Cost of labor	6%	21%	24%	0%	6%
Maintenance costs	0%	11%	12%	0%	17%
Cost of equipment	0%	11%	6%	19%	6%
Unionization	0%	0%	0%	0%	6%
Access to credit	0%	0%	0%	0%	6%
Cost of credit	0%	0%	0%	0%	6%
Regulation	0%	0%	6%	13%	17%
Taxes	0%	5%	0%	6%	0%
Political climate in Washington	11%	5%	0%	25%	28%
Other	0%	0%	6%	0%	0%

Top concerns for carriers with more than 100 power units

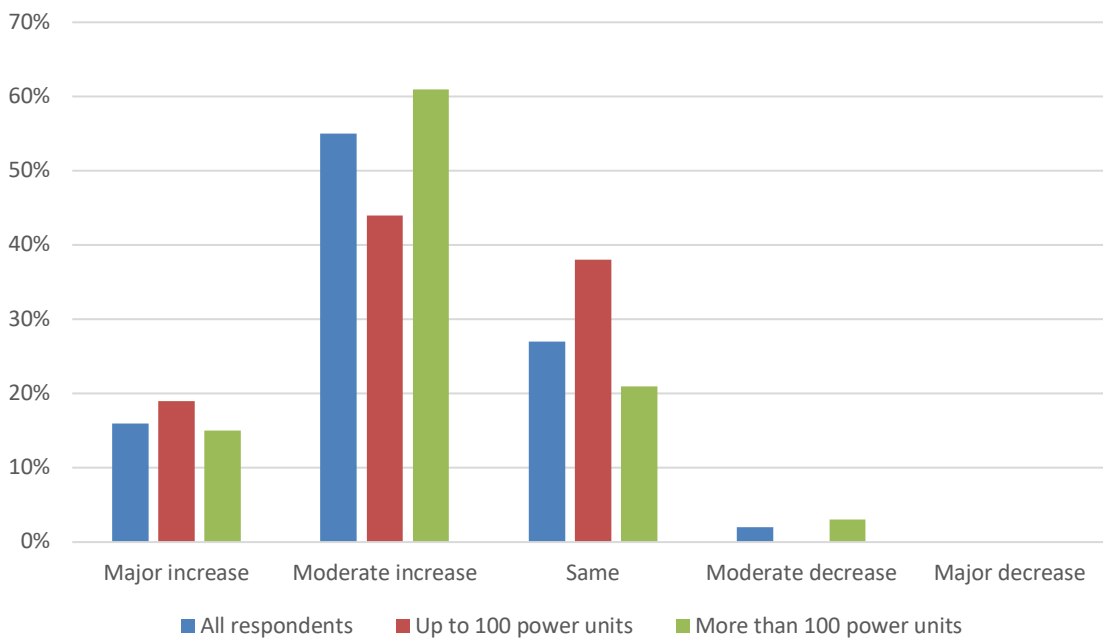
	1 (Biggest concern)	2	3	4	5
Freight volume	0%	28%	13%	10%	3%
Freight pricing	12%	19%	31%	16%	13%
Cash flow	3%	0%	0%	0%	0%
Fuel costs	0%	0%	0%	0%	0%
Driver availability	76%	6%	13%	0%	3%
Cost of labor	0%	34%	9%	3%	10%
Maintenance costs	0%	0%	9%	19%	3%
Cost of equipment	0%	0%	6%	6%	16%
Unionization	0%	0%	0%	0%	3%
Access to credit	0%	3%	3%	0%	0%
Cost of credit	0%	0%	0%	0%	0%
Regulation	0%	0%	0%	6%	19%
Taxes	0%	3%	0%	13%	10%
Political climate in Washington	9%	6%	13%	23%	19%
Other	0%	0%	3%	3%	0%

September 2020 CCJ MarketPulse Report

What was your percentage of seated trucks in September 2020?



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



General comments

Up to 100 power units

- Driver compensation is increasing as it should be. If the transportation industry desires to attract more workers, it is going to need to pay its workers better wages.
- All depends on who wins the election. Trump means a growing economy and GDP. Biden means a flat economy and stagnant GDP.
- We are getting our trucks filled now which I firmly believe is because drivers no longer have the latitude to sit on the couch and net more in unemployment benefits than they can make by working. Hopefully Speaker Pelosi doesn't get her way with her ridiculous stimulus package because folks will have no motivation to go to work.
- Unfortunately, November voting will tell us where we're headed more than current trends. Astute business owners will respond timely and accordingly. Trump 2020!
- Two conditions are most troubling currently, setting aside COVID-19. Driver availability has gotten much tougher and secondly, the expected life span of a tractor has shortened significantly over the past 10 years. No longer can you expect a million-mile truck to still be a viable vehicle, forcing shorter trade cycles and very little equity past 500,000 miles

More than 100 power units

- At some point the free money runs out and the consequences will not be pleasant.
- I am really hopeful that President Trump is re-elected. I am afraid if he is not it is going to make the next four years, very interesting.
- It's a tough slow recovery in Canada. Incorporated driver carriers that pay no source deductions continue to flourish. Now we have another stat holiday in the legislature, National Truth and Reconciliation day. Driver Inc. will avoid this one also. Time to level the playing field.
- Record empty truck percentage.
- The driver climate is the worst we've ever seen.

(continued)



September 2020 CCJ MarketPulse Report

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

- Autos continue at solid levels. Opportunities for additional tonnage are hampered by a shortage of qualified professional drivers combined with drivers that want to only work certain hours and days of the week.
- LTL conditions remain strong.