

### **The American Trucking Associations says turnover for long-haul drivers reached the lowest point in four years**

More American truck drivers stuck by their employers in the first quarter of this year, with annualized turnover rates reaching their lowest in four years, according to the American Trucking Associations.

The turnover rate was down to 84% for operators of truckload fleets with more than \$30 million in revenue in the first quarter and 83% among those with smaller fleets. Both measures were 12 percentage points less than the turnover rate in the previous quarter. Operators of less-than-truckload fleets, which have less turnover than long-haul companies, also saw turnover fall slightly for the quarter.

In recent years, driver turnover has remained upward of 90% in the long-haul, truckload sector, according to Bob Costello, chief economist at the trade group. The high turnover is a seemingly entrenched feature of long-haul trucking, where small changes in pay and working conditions can lead drivers to jump to different companies with few complications with relative ease.

Mr. Costello said he was “surprised” by the decrease. “I didn’t expect it to go up a lot, but I didn’t expect it to fall to its lowest level for large carriers in four years,” he said.

The retirements of older drivers and departure from the industry of younger drivers account for about one-third of the turnover, but most of it is churn—drivers leaving one company for another. With an industry-wide driver shortage, it’s fairly common for drivers to switch employers. “I call it the free agency of trucking,” Mr. Costello said.

Mr. Costello and other analysts attribute the trend to softer freight in the first quarter of 2015, which could have made drivers wary of leaving, or recent pay increases at some companies, which may have enticed them to stay.

Noel Perry, an economist at FTR, a transportation research firm, said the marketplace was

much hotter last year, and demand for truck drivers is high. Companies did a lot of recruiting, offering signing bonuses for drivers who agreed to stay on for a certain time period.

“Now it’s no longer a crisis stage,” Mr. Perry said. “There just isn’t as much of an expansion this year as last year.”

Turnover rates were near their highest in 2005 and 2006, hitting 130%, during a period of strong economic growth that allowed drivers to move easily from one company to another. The rate dipped to its lowest levels in 2009, at about 50%, when jobs simply weren’t available, according to the ATA.

Mr. Costello said it was particularly striking that this year’s trend showed up at both small and large companies. “That tells me that something probably happened that quarter,” he said, but he hesitated to attribute it to port congestion delays on the West Coast. If anything, port delays might have upward pressure on rates, he said.

“Before I really make any profound judgments on this, I want to see what happens in the second quarter,” he said.

[Source: Wallstreet Journal](#)