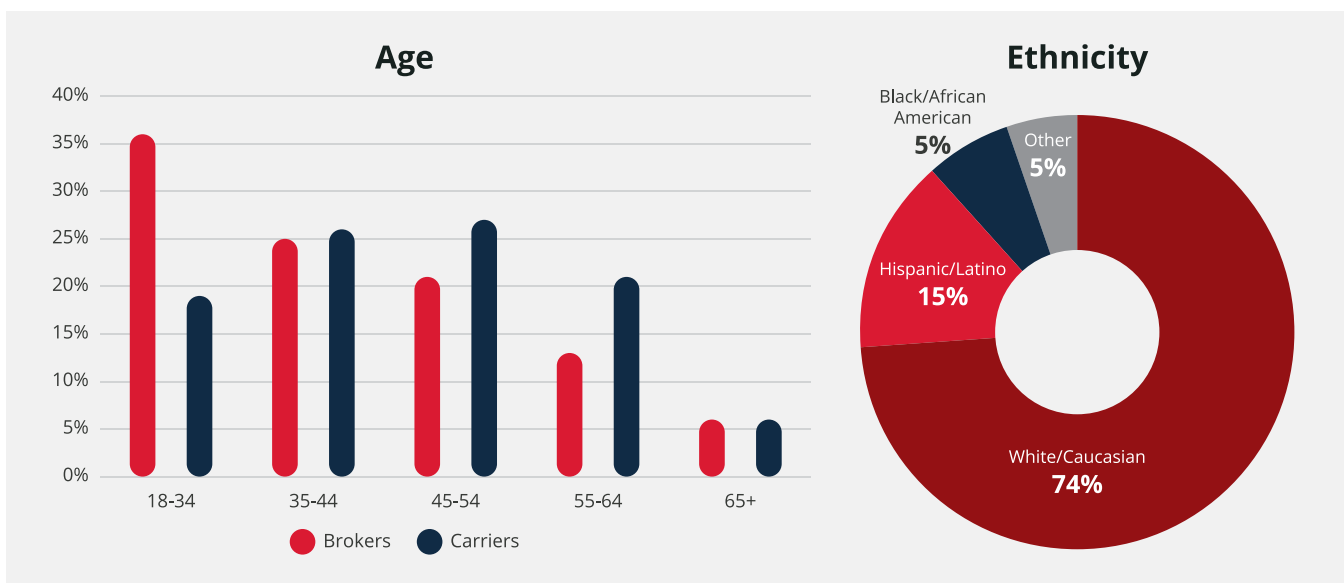


Understanding Carrier Demographics to Get Freight Covered Faster

In March 2018, Truckstop.com conducted a survey of customers to gather demographic information about carriers in transportation. Similar surveys were conducted in previous years leading to some industry trends and insights into both brokers and carriers. Learning about carriers and knowing more about some of their work habits will help brokers get loads covered faster, and that saves time and money for everyone involved in the transportation of freight.

Basic demographics

Brokers and carriers have similar age demographics in the 35-44 age bracket, but carriers have an older workforce from ages 45 to 64.



Both brokers and carriers report that 12% are veterans. Of those, 13% are independent owner-operators with their own authority, and 23% own their truck and lease to a carrier.

A clear distinction between brokers and carriers is in education, a gap which seemed to grow between 2016 and 2018. In 2016, 83% of brokers had some form of education after high school; in 2018, that number jumped to 88%. Carriers fell from 70% to 66%, widening the discrepancy from 13% to 22%. However, of the 66% of carriers, 29% are owner-operators with an Associate's Degree or higher.

Additionally, the number of brokers with a bachelor's degree is 35%—up 2% since 2016, while the number of carriers with a bachelor's degree is 14%—down 2% over the same time period. For comparison, about 34% of the U.S. population has earned a bachelor's degree.¹

Wage and pay

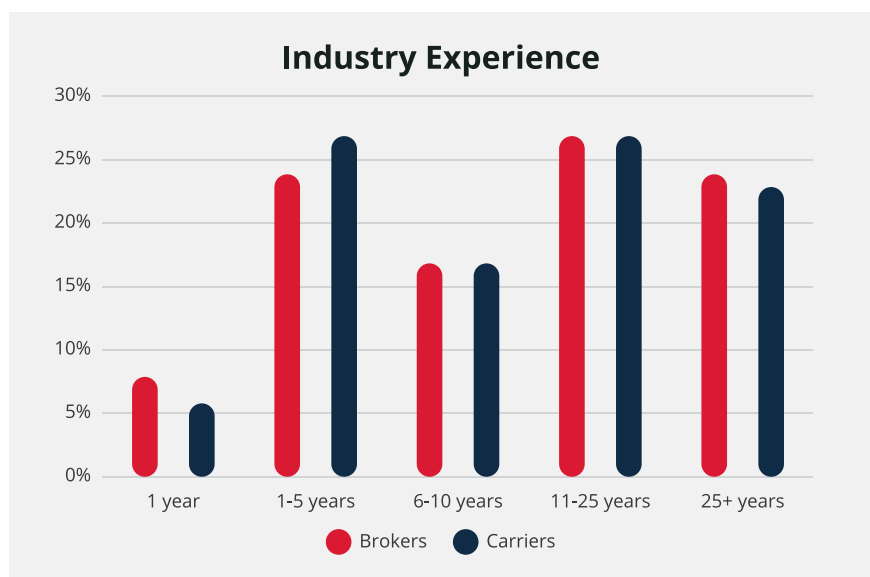
The Bureau of Labor Statistics reports the median pay for heavy and tractor-trailer truck drivers at \$42,480 a year, or \$20.42 an hour (May 2017).² In 2016, they reported there were 1,870,000 jobs for those drivers. Driver wages are on the rise, however not quickly enough to impact the 95% turnover rate large trucking fleets are experiencing.³

Truck driver shortage

The American Trucking Association (ATA) approximated a shortage of roughly 36,500 drivers⁴ in 2016; that shortage has continued to grow⁵, and the ATA speculates by 2026⁶ it could be as high as 175,000. Truck drivers are the backbone of transportation and nothing moves without them, so the driver shortage is a key concern to everyone in the freight industry, especially with the continued demand for next-day and same-day delivery.

Industry

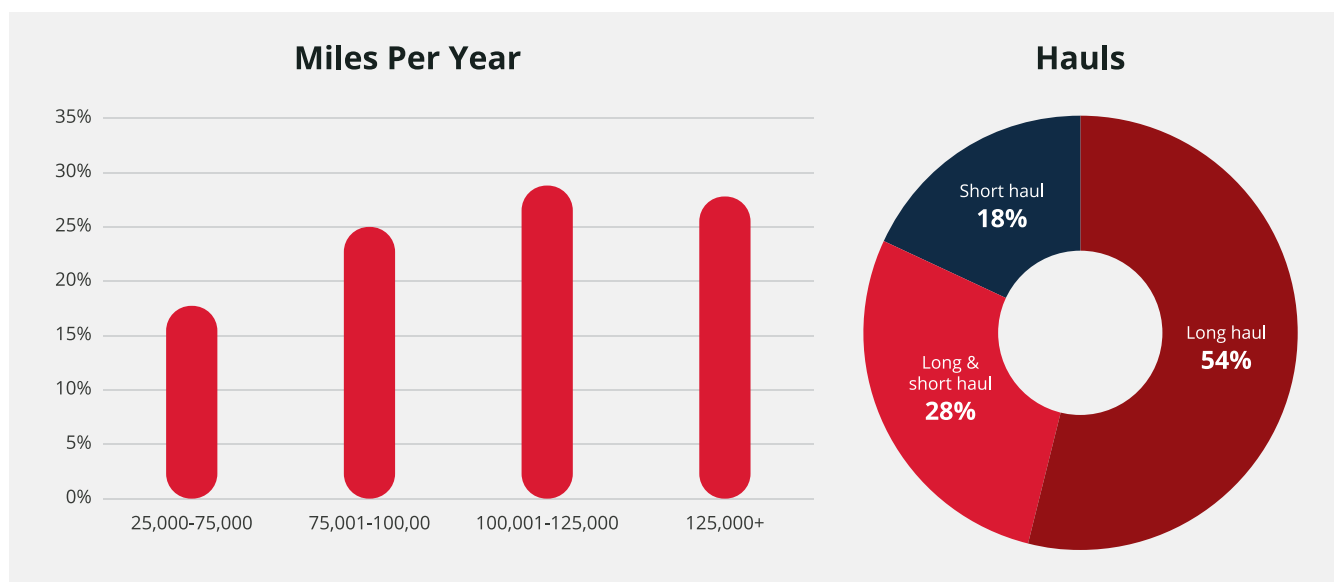
Three-quarters of carriers tow a flatbed/platform, refrigerated, or dry van. Brokers should plan for additional time and expense in moving freight requiring a lowbed or specialized carrier.



More than 50% of both brokers and carriers responded that they've been in transportation for 11 years or longer; 60% of carriers operating 11 years or longer have their own authority. Both carriers and brokers have witnessed the same ups and downs in the freight industry and have maintained transportation as a long-term career of choice.

Forty-five percent of carrier respondents stated they are owner-operators running their trucking business under their own authority which is down 4% from 2016; 23% of those owner-operators are female. Small fleet owners with less than 25 trucks represent 19%, and 12% own their truck and lease to a carrier.

Most carriers that use a load board are driving 500 miles or more per trip. The majority of carriers drive 100,000 miles or more each year. That's a lot of time spent over the road—so much time that 66% of carriers report spending 10 days or less at home each month. With that little time spent at home, carriers must be particular about rates and lanes.



Factoring

More than 40% of carriers are factoring *all* of their loads, while 45% of carriers don't factor any loads. Factoring is when accounts receivables are sold to a company who funds them at a faster rate to help businesses manage cash flow; companies get paid much quicker than the 30-90 days it typically takes for an invoice to be paid.

Credit scoring

Most carriers use some sort of credit scoring tools to determine broker credit. Credit scoring within the transportation realm means days-to-pay (how long it takes for a carrier to get paid), reputable references, and claims filed against a broker (for things like non-payment, double brokering, etc.).

The number of carriers using an internal process to determine broker credit is down 10% from last year, and carriers relying on tools like Truckstop.com's CreditStop is up 12% from 2016.

It is to a broker's advantage to keep their credit score up and make sure carriers are getting paid quickly.

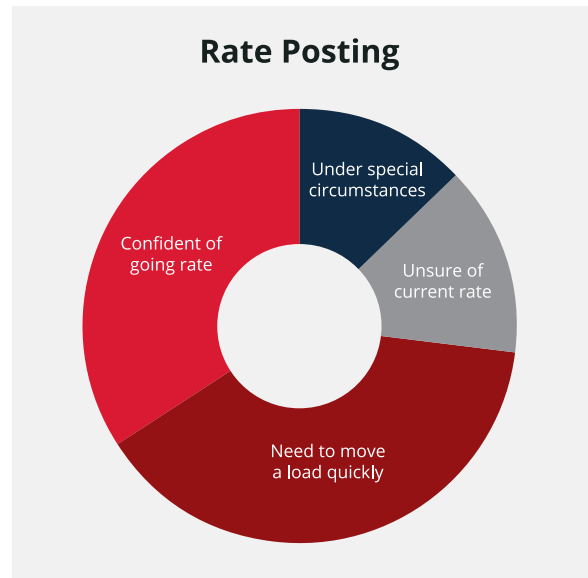
A low credit score means carriers are less likely to partner with you to move freight. Enrolling in quick pay programs like Truckstop.com's LoadPay (truckstop.com/product/loadpay) simplifies the payments process for everyone involved and means carriers receive payment right away.

CreditStop allows carriers to see a broker's days-to-pay, credit score, and risk level so they have some security in choosing brokers.

LoadPay streamlines workflow and can increase margins 2% with the PayMeNow option. It reduces fraud, hacking, and account takeover.

Rates

Sixty percent of carriers list “rate” as the reason why they choose to haul a particular load, yet only 33% of brokers report that they “Always” post a rate. Only 39% post a rate when they need to move a load quickly. It may not seem like the time or effort is worth it, **but brokers can establish a clear advantage over other brokers if they are diligent about posting rates.** The load becomes much more visible to carriers, especially since **most carriers sort by rate, and then filter by the number of deadhead miles.** Without a rate or if you are below value for the lane, carriers will not see you on the load board. By providing a rate, a carrier can better understand the true cost-per-mile when taking a load. Keep in mind that just because a rate has been posted doesn’t mean it’s a final number. Carriers are very willing to negotiate, but they do prefer to have a starting point.



The bottom line is that brokers should always post rates so less time is wasted on making phone calls, and more time can be spent on other business tasks. If you’re spending too much time researching rates and want to make sure you’re posting competitive rates, Truckstop.com’s Rate Analysis and Rate Mate tools (truckstop.com/product/custom-rates-tools) can get you trusted market data. Rate Mate combines rates from the last seven to come up with an average, so brokers know if they’re posting rates that will get noticed.

Rate Analysis is powerful, quick, and easy to use. Save time and money with multiple rate info sources at your fingertips. Send quotes directly.

Rate Mate is an industry-leading spot market rate engine that determines the average freight rates for specific lanes to help when negotiating trucks and loads.

Load details

Aside from posting rates, including as many details about a load as possible serves as a great vetting process for carriers –an advantage that brokers could really benefit from. Brokers will end up with more carriers who are better qualified to move their loads based on their cost-per-mile, special equipment requirements, and location. This saves time and improves broker efficiencies.

The accuracy of the load details is also important. For example, post the actual location of pick up and drop off which helps the carrier understand exactly what is needed and aids in the vetting process.

It's important to note that carriers are not interested in the newest loads on a load board, rather carriers are interested in getting the right load for them. This means brokers should stop reposting loads; the key is actually in the load details and making the best match for the carrier to suit their needs. The benefit is that providing detailed information about loads will create a market edge for brokers.

In conclusion

At the time the survey was conducted, Truckstop.com saw an increase of more than 30% in active carrier accounts. That means carriers are using load boards (truckstop.com/product/load-board) more than ever.

In the tight capacity market brokers are working in, a load board that's attracting that many new carriers can be a huge help in getting loads moved.

In addition, Truckstop.com continues to hear from carriers regarding covered loads occupying space on the load board and that brokers are not including enough information when posting current loads. This is a simple fix that can improve a brokers bottom line and increase efficiencies pretty quickly if implemented.

The bottom line is that if a broker is trying to get a load covered, there are a few things they can start doing immediately to get their freight covered faster:

- 1. Have a good credit score and pay carriers fast.** Use a quick pay program like LoadPay to simplify the payments process from beginning to end.
- 2. Always post rates.** If you're not posting rates, carriers are not going to see your load. Use a Rate Analysis tool, post rates, and gain visibility.
- 3. Provide as many details about the load as possible.** For example, if you know what's being moved or that the load requires special permits, include it in your posting.
- 4. Remember to remove covered loads from the load board and calls will yield better results.** This doesn't just save time for carriers, it saves time for brokers and makes everyone more efficient.

Truckstop.com's Load Board helps you find capacity and increase profits. Valuable insights, vetted carriers, and load tracking for happy shippers.

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