



Sample Report

TRUCKING UPDATE

With Expert Commentary from
Avery Vise

Powered By:

FTR | Freight•cast™

YOUR SECRET WEAPON FOR SMARTER TRUCKING DECISIONS

Make faster, smarter decisions with monthly forecasts and insights tailored to the trucking industry with FTR as your unbiased, third-party transportation advisor by subscribing to the Trucking Update service.

What to Expect

Each month, our Freight•cast™ forecasting methodology works for you, analyzing millions of data points across the transportation landscape to deliver a data-driven trucking, rail, intermodal, and economic forecast to support your decision-making and planning needs.

From rate outlooks and driver payroll analysis to commodity-specific freight forecasts, we provide trucking’s best companies with the tools they need to succeed in a variety of formats.



Reports



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Graphics Packages



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Databases

Each month, you’ll receive:

- **Exclusive Freight Forecasts** - Tailored predictions for demand, utilization, and market shifts.
- **Rate Outlooks by Equipment Type** - Fine-tune pricing by trailer and truck specifics.
- **Commodity-Level Insights** - Strategize more effectively with focused data.
- **Driver Payroll Analysis** - Plan with precision using economic trends and driver-specific data.

Using the Trucking Update

The Trucking Update provides critical forecasts empowering leaders to make data-driven decisions. By leveraging this actionable intelligence, companies can gain a competitive edge, optimize operations, and drive sustained improvements in organizational health and profitability.

INFORMED DECISION-MAKING

Good data drives great decisions.



- Data-driven strategies
- Mitigated risks
- Opportunity identification

COMPETITIVE ADVANTAGE

Great decisions lead to winning in a competitive marketing place.



- Better benchmarking
- Strategic positioning
- Proactive adaptation

ORGANIZATIONAL HEALTH

Winning leads to a healthy bottom line.



- Efficiency
- Improved ROI
- Healthier margins





Next State of Freight Webinar: Peak Season Expectations
 Thursday, October 10, 2024 @ 11am Eastern



Trucking October 2024

COMMENTARY (pg 16):
 Has active capacity really normalized?
 Downwardly revised employment data is not the final word on drivers.

Stronger market conditions still on track for early 2025.

FTR Trucking Conditions Index

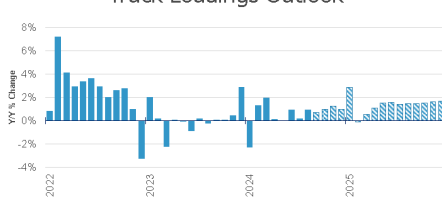


A return to consistent decreases in fuel prices was the biggest factor in improved market conditions for carriers in August, although all factors improved at least minimally.

The Trucking Conditions Index (TCI) improved to -1.39 from July's -5.59 reading.

See page 3 for more on trucking conditions...

Truck Loadings Outlook

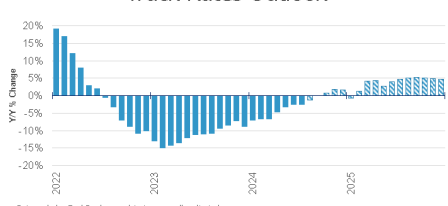


FTR's forecast for truck loadings improved slightly to +0.6% y/y this year and +1.4% in 2025.

All equipment types saw at least slight gains in the outlook except for bulk/dump. Flatbed loadings still look negative y/y for 2024 but are greatly improved.

See page 2 for more on the loadings outlook...

Truck Rates Outlook

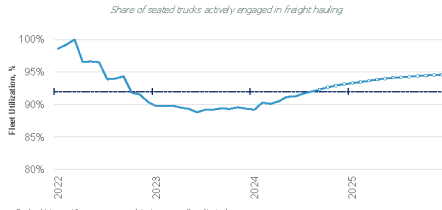


Recent truckload rate softness results in a weaker forecast for both 2024 and 2025. The latest forecast expects no spot rate recovery this year and a slightly more negative result for contract rates than previously forecast.

The LTL rate forecast is slightly stronger for both years.

See page 3 for more on freight rates...

Active Truck Utilization Outlook



With a modest increase in volume, the outlook for active truck utilization is slightly stronger at between a half point and a point higher than previously forecast.

Factors resulting in the slight increase are the improved loadings outlook and signs of lower driver capacity.

See page 4 for more on capacity and utilization...

WHAT'S INCLUDED

Exclusive FTR forecasts included:

- FTR Trucking Conditions Index
- Truck Loadings Outlook
- Truck Rates Outlook
- Active Truck Utilization Outlook



Freight Environment

Freight Indicators

- The economy looks stable but not much better.
- Spot volume weakness is due mostly to dry van.

Most indicators in August were either stable or improved, although gains in some cases were from weak July results. For example, industrial production and manufacturing output rebounded in August, but at best they recovered only to June levels. Retail sales were basically flat. The housing sector was mixed with a strong gain in new construction but weaker home sales.

Cooler inflation, slower job growth, and some concern over the economic outlook led the Federal Reserve to cut the federal funds rate by half a point – a larger reduction than the quarter-point cut that had been seen as likely.

Total spot volume has run in lockstep with 2023 levels, but it has faded y/y recently due mostly to dry van. Refrigerated loads also have weakened versus comparable 2023 weeks but not to the same degree.

Freight Outlook

- Construction was the largest factor in a stronger truck loadings forecast for 2024 and 2025, but gains in chemicals and food played a role as well.
- Data volatility and an annual revision of Gross Domestic Product data could yield more changes to historical estimates in the next revision.

FTR's 2024 forecast for **total truck loadings** is an increase of 0.6% y/y, up from 0.2% previously. The 2025 forecast is +1.4% y/y.

Stronger outlooks for consumer goods and food offset weaker automotive loadings to produce a **dry van loadings** forecast of +1.7% y/y for both 2024 and 2025.

The 2024 outlook for **refrigerated loadings** improved to +1.9% y/y from +1.5% previously due to gains in both food and non-food commodities. The 2025 forecast is +2.7%.

A substantially less negative outlook for building materials and improved industrial loadings were mostly responsible for a 2024 **flatbed loadings** forecast of -0.7% y/y, up from -2.2% previously. The 2025 forecast is +1.8%.

Stronger growth forecasts in agricultural and machinery volume were the principal factors behind a 2024 **specialized loadings** forecast of +0.6%, up from +0.2%. The 2025 forecast is unchanged y/y at +1.5%.

Stronger chemicals growth and improved fuels volume resulted in a 2024 **tank loadings** forecast of +1.8%, up from +1.4% previously. The 2025 forecast is +1.0%.

A larger decrease in bulk aggregate loadings resulted in a 2024 **bulk/dump loadings** forecast of -1.3%, down from -1.0% previously. The 2025 forecast is +0.5%.

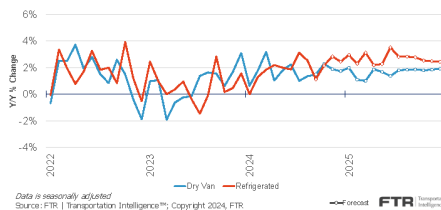
See pages 5-9 for more detailed analysis by segment...

Truck Loadings Summary

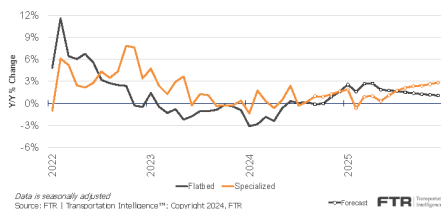
Segment	Annual Growth Rate				
	2022	2023	2024	2025	2026
Dry Van	1.4%	0.7%	1.7%	1.7%	2.4%
Refrigerated	1.7%	0.6%	1.9%	2.7%	2.3%
Flatbed	4.2%	-0.8%	-0.7%	1.8%	1.2%
Specialized	4.0%	1.4%	0.6%	1.5%	3.2%
Tank	2.8%	0.5%	1.8%	1.0%	0.9%
Bulk/Dump	2.2%	-1.1%	-1.3%	0.5%	1.5%
Total	2.5%	0.2%	0.6%	1.4%	2.0%

Source: FTR | Transportation Intelligence™, Copyright 2024, FTR

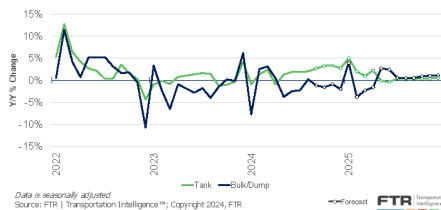
Freight Outlook: Dry & Refrigerated



Freight Outlook: Flatbed & Specialized



Freight Outlook: Tank vs Bulk/Dump



WHAT'S INCLUDED

Exclusive FTR forecasts included:

- Freight Indicators
- Freight Outlook
- Truck Loadings Summary
- Freight Outlook: Dry & Refrigerated
- Freight Outlook: Flatbed & Specialized
- Freight Outlook: Tank vs Bulk/Dump



Trucking
October 2024

Carrier Environment

Carrier Conditions

- The truckload rate outlook deteriorates further.
- Market conditions were less negative in August.
- Diesel prices see first increase in 11 weeks.

A deterioration in the current-year and 2025 outlooks for **truckload rates** continued in the latest month as any recovery in spot rates for 2024 appears to be evaporating. The total TL rate forecast for 2024 is -2.6% y/y, excluding fuel surcharges, down from -2.0% previously. The 2025 outlook is +3.8%, down from +4.2% in the prior forecast.

FTR's latest forecast has spot rates excluding fuel at flat y/y, down from +1.3% previously. The 2025 spot forecast barely changed at +6.5% y/y, although it is off a smaller base, of course. The contract forecast for this year is now -3.8%; the 2025 forecast has faded to +2.5%.

Unlike TL rates, the **LTL contract rate** forecast has firmed a bit. The latest 2024 outlook is +1.8% y/y, excluding fuel, up from +1.6% previously. The 2025 forecast is +3.3%, up from +2.7%.

The resumption of falling diesel prices factored most heavily in an improved **Trucking Conditions Index (TCI)** in August. The TCI was -1.39, up from -5.59 in July. The index's base of 0 represents neutral market conditions.

Fuel accounted for a swing of nearly 3 points. The rest of the improvement relative to July came from marginal incremental moves in the other TCI factors – stronger positives in freight demand and capacity utilization and smaller negatives for freight rates and cost of capital.

FTR projects readings near neutral through early 2025 with a couple of negative outliers. The forecast envisions consistently positive readings by 2025Q2.

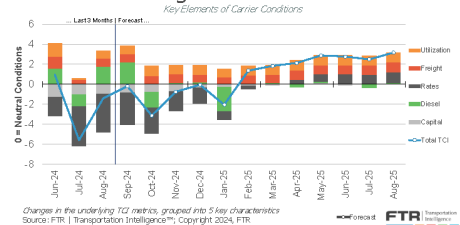
Diesel prices showed some signs of stabilization in September as the national average retail price ticked up during the week ended September 23 for the first time in 11 weeks after falling to the lowest price since October 2021. FTR's forecast is for diesel prices to remain below \$3.70 a gallon through 2024 and to run between \$3.80 and \$3.90 for most of 2025. Crude prices, meanwhile, have been fairly stable at between \$67 and \$72 a barrel.

Total Truckload Rates Overview

Y/Y % Change	Jul-24	Aug-24	Sep-24	2024	2025
		F	F	F	F
Total Truck (Spot + Contract)	-2.5%	-1.2%	0.0%	-2.6%	3.8%
Spot Truck Rates	0.3%	1.8%	4.9%	0.0%	6.5%
Contract Truck Rates	-3.7%	-2.7%	-1.9%	-3.8%	2.5%
Dry Van	-1.6%	-0.3%	1.4%	-1.8%	3.8%
Refrigerated	-1.2%	-1.8%	-1.4%	-2.5%	5.1%
Flatbed	-4.7%	-2.4%	-2.2%	-4.0%	3.4%
Specialized	-2.6%	-1.2%	0.1%	-2.7%	3.7%
LTL Rates	2.9%	0.5%	-2.3%	1.8%	3.3%

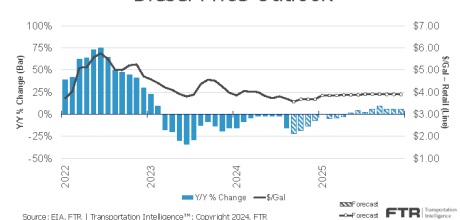
F = Forecast // Rates exclude Fuel Surcharges, data is seasonally adjusted
Source: FTR | Transportation Intelligence™, Copyright 2024, FTR

Trucking Conditions Index



Changes in the underlying TCI metrics, grouped into 5 key characteristics
Source: FTR | Transportation Intelligence™, Copyright 2024, FTR

Diesel Price Outlook



Source: EIA, FTR | Transportation Intelligence™, Copyright 2024, FTR

Publicly Traded Truckload Carriers

Revenue, income, costs, and rates

	Freight Revenue	Fuel Surcharge Revenue	Net Income	Total Costs	Wages	Fuel	Rent/O-Os	Other	Revenue per Loaded Mile (\$/Mi.)
Q2'24	\$2,939	\$385	\$53	\$3,216	\$1,188	\$398	\$722	\$908	\$2.619
Q/Q%	1.0%	-2.0%	200.4%	9.4%	14.8%	7.3%	5.9%	6.4%	-1.5%
Y/Y%	5.9%	8.4%	-61.5%	9.5%	13.7%	10.7%	5.2%	7.4%	-4.7%

Source: Company reports, FTR | Transportation Intelligence™, Copyright 2024, FTR // NOTE: Revenue per Mile excludes Fuel Surcharge

WHAT'S INCLUDED

Exclusive FTR forecasts included:

- Carrier Conditions
- Total Truckload Rates Overview
- Trucking Conditions Index
- Diesel Price Outlook
- Publicly Traded Truckload Carriers





Trucking
October 2024

Capacity Situation

Market Capacity & Utilization

- The active utilization outlook strengthens modestly.
- August sees a tiny increase in the carrier population.

FTR's revised forecast of **active truck utilization** is slightly stronger. The estimate of current utilization is nearly a point higher at 92%, and the outlook is more than half a point higher than previously forecast.

The principal driver of stronger utilization is FTR's slightly stronger forecast of truck loadings. Another factor is a preliminary revision of payroll employment data that implies fewer for-hire drivers than official data reflects.

FTR's forecast moderates that change for now due to the resilience of capacity among the smallest carriers, which we do not believe the BLS data accurately captures. (See page 16 for further analysis of active capacity.)

The population of active for-hire trucking firms saw a tiny increase in August, according to FTR's analysis of Federal Motor Carrier Safety Administration data. **Authority revocations net of reinstatements** totaled 4,836 – the fewest in a month since April 2022. With a stronger-than-usual 5,055 newly authorized carriers, the market saw a net gain of 219 carriers, which is only the third increase – and the largest – since September 2022.

See page 11 for more on the truck driver situation...

New Truck Environment

- Class 8 orders rise m/m in August.
- Class 8 build falls for a second straight month.
- U.S. retail truck sales decline in August.
- Trailer net orders rise m/m but are down y/y.

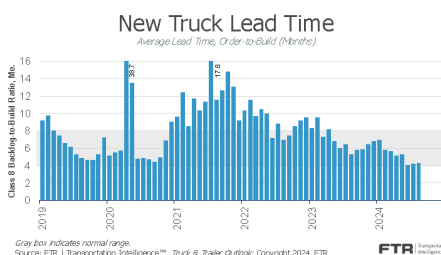
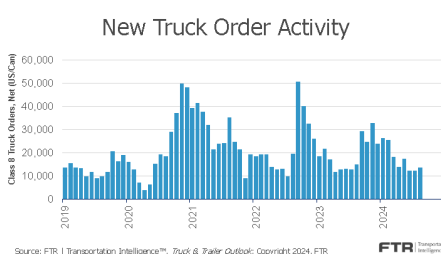
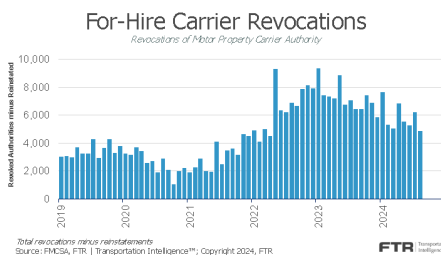
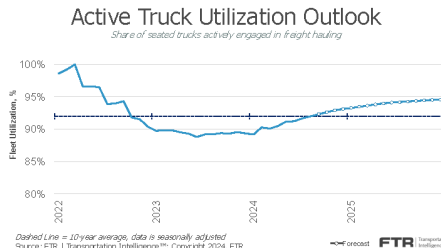
Estimated net **Class 8 truck orders** for the U.S. and Canada rose about 11% m/m to nearly 13,500 units in August. Orders were down nearly 10% y/y. Stronger orders are expected in the near term as manufacturers open their 2025 order boards.

North American **Class 8 production** fell about 9% to nearly 23,700 units in August. Build was down about 19% y/y – the largest negative y/y comparison in four years. Production cuts in August versus July are rare.

U.S. retail sales of Class 8 trucks declined 3.4% m/m to nearly 20,700 units and were down 11.5% y/y. Although down from July, sales otherwise were the highest in 2024.

U.S. trailer net orders continued to recover from their June trough. Orders rose nearly 17% m/m to almost 6,700 units but were down nearly 30% y/y.

For Class 8 trucks ordered in August, the **estimated average time from order to delivery** was 4.3 months – slightly higher than the July lead time.



WHAT'S INCLUDED

Exclusive FTR forecasts included:

- Market Capacity & Utilization
- New Truck Environment
- Active Truck Utilization Outlook
- For-Hire Carrier Revocations
- New Truck Order Activity
- New Truck Lead Time



Trucking
October 2024

TL Segment: Dry Van

Dry Van: Spot metrics continue to fade versus 2023

The forecast for dry van loadings is slightly stronger for 2024 at a 1.7% increase y/y, up from 1.4% previously. The 2025 outlook also is a 1.7% y/y gain. Stronger consumer goods and food offset weaker automotive growth.

Spot volume recently has been running at the lowest levels of the year except for weeks with holidays. Spot rates in the Truckstop system recently fell to the lowest level since June 2020 but ticked up in the latest week.

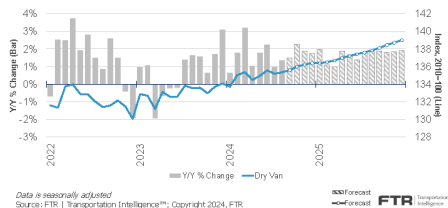
The total dry van truckload rate forecast has weakened to -1.8% y/y in 2024 and +3.8% in 2025, excluding fuel.

Dry Van Truck Rates Overview

YY % Change	Jul-24	Aug-24	Sep-24	2024	2025
		F	F	F	F
Total Truck (Spot + Contract)	-1.6%	-0.3%	1.4%	-1.8%	3.8%
Spot Truck Rates	1.4%	2.6%	6.4%	1.6%	6.5%
Contract Truck Rates	-2.9%	-1.7%	-0.6%	-3.3%	2.5%

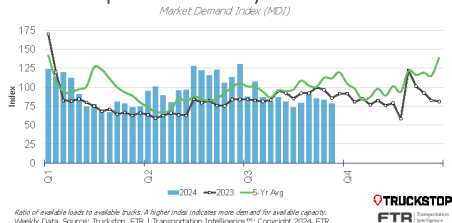
F = Forecast // Rates exclude Fuel Surcharges, data is seasonally adjusted
Source: FTR | Transportation Intelligence™; Copyright 2024, FTR

Freight Outlook: Dry Van



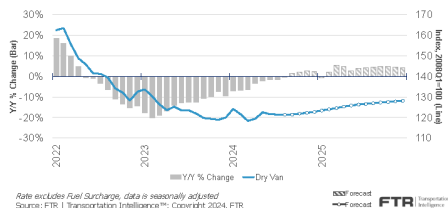
Data is seasonally adjusted
Source: FTR | Transportation Intelligence™; Copyright 2024, FTR

Spot Market: Dry Van MDI



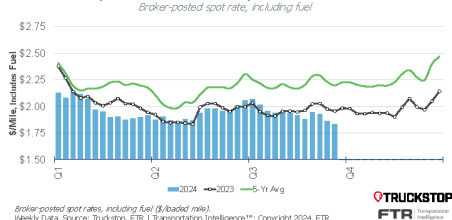
Ratio of available loads to available trucks. A higher index indicates more demand for available capacity.
Weekly Data. Source: Truckstop, FTR | Transportation Intelligence™; Copyright 2024, FTR

Rate Outlook: Dry Van



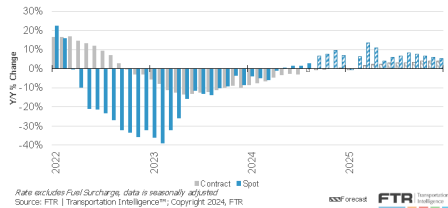
Rate includes Fuel Surcharges, data is seasonally adjusted
Source: FTR | Transportation Intelligence™; Copyright 2024, FTR

Spot Market: Dry Van Rates



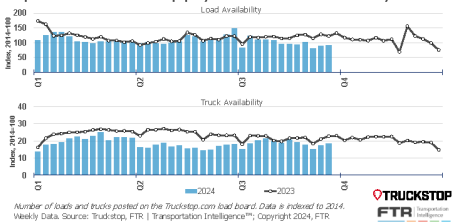
Broker-posted spot rates, including fuel (loaded rate).
Weekly Data. Source: Truckstop, FTR | Transportation Intelligence™; Copyright 2024, FTR

Dry Van Rates: Spot vs Contract



Rate includes Fuel Surcharges, data is seasonally adjusted
Source: FTR | Transportation Intelligence™; Copyright 2024, FTR
See glossary at end for definitions of truckload segments...

Spot Market: Supply vs Demand – Dry Van



Number of loads and trucks posted on the Truckstop.com load board. Data is indexed to 2014.
Weekly Data. Source: Truckstop, FTR | Transportation Intelligence™; Copyright 2024, FTR

WHAT'S INCLUDED

Exclusive FTR forecasts included:

- Freight Outlook: Dry Van
- Rate Outlook: Dry Van
- Dry Van Rates: Spot vs Contract
- Spot Market: Dry Van MDI
- Spot Market: Dry Van Rates
- Spot Market Supply vs Demand - Dry Van





Trucking
October 2024

TL Segment: Refrigerated Van

Refrigerated: Spot metrics are stable but weaker y/y

Refrigerated loadings are forecast at a 1.9% increase y/y in 2024, up from 1.5% previously. The outlook has improved throughout food and non-food categories. The 2025 forecast is barely changed at +2.7%.

Spot volume has appeared to stabilize but is still running well below comparable 2023 levels. Spot rates in the Truckstop system are holding up better than dry van but are still consistently below 2023 levels.

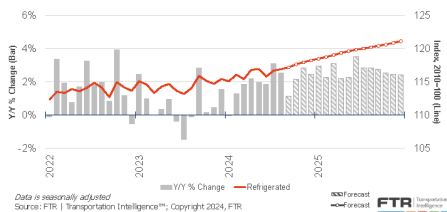
The total refrigerated truckload rate forecast is -2.5% y/y in 2024, excluding fuel, but up 5.1% in 2025.

Refrigerated Truck Rates Overview

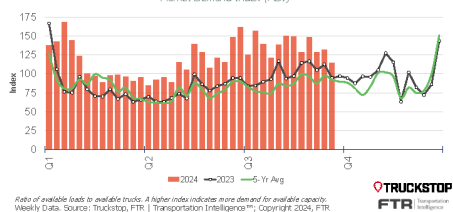
Y/Y % Change	Jul-24	Aug-24	Sep-24	2024	2025
		F	F	F	F
Total Truck (Spot + Contract)	-1.2%	-1.8%	-1.4%	-2.5%	5.1%
Spot Truck Rates	3.9%	0.6%	6.2%	2.3%	8.9%
Contract Truck Rates	-3.4%	-3.1%	-4.3%	-4.6%	3.4%

F = Forecast // Rates exclude Fuel Surcharges, data is seasonally adjusted
Source: FTR | Transportation Intelligence™; Copyright 2024, FTR

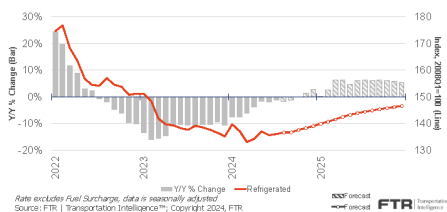
Freight Outlook: Refrigerated



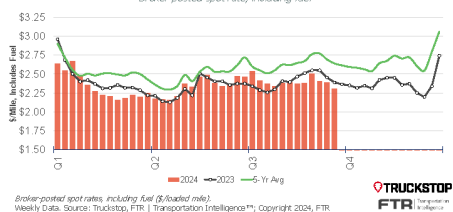
Spot Market: Refrigerated MDI



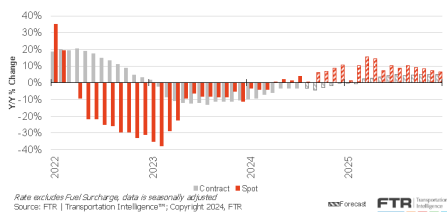
Rate Outlook: Refrigerated Van



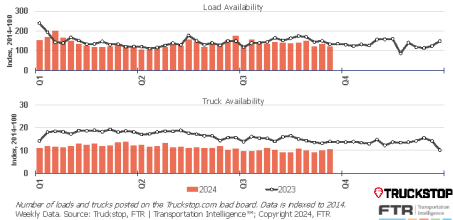
Spot Market: Refrigerated Rates



Refrigerated Rates: Spot vs Contract



Spot Market: Supply vs Demand – Ref. Van



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WHAT'S INCLUDED

Exclusive FTR forecasts included:

- Freight Outlook: Refrigerated
- Rate Outlook: Refrigerated
- Refrigerated Rates: Spot vs Contract
- Spot Market: Refrigerated MDI
- Spot Market: Refrigerated Rates
- Spot Market: Supply vs Demand - Ref. Van





Trucking
October 2024

TL Segment: Flatbed

Flatbed: Greatly improved – but still weak – volume outlook

An improved outlook for building materials and stronger industrial loadings yield a better outlook for flatbed loadings at -0.7% y/y, up from -2.2% previously. The 2025 forecast is stronger at +1.8% and from a higher base.

Spot volume continues to run ahead of comparable 2023 levels. Spot rates in the Truckstop system have faded relative to comparable 2023 levels but are stable and following seasonal patterns.

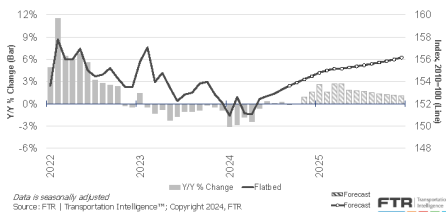
The total flatbed truckload rate forecast is -4.0% y/y in 2024 but +3.4% y/y in 2025, excluding fuel.

Flatbed Truck Rates Overview

Y/Y % Change	Jul-24	Aug-24	Sep-24	2024	2025
		F	F	F	F
Total Truck (Spot + Contract)	-4.7%	-2.4%	-2.2%	-4.0%	3.4%
Spot Truck Rates	-1.4%	1.9%	4.2%	-1.8%	5.9%
Contract Truck Rates	-6.3%	-4.6%	-4.7%	-5.0%	2.2%

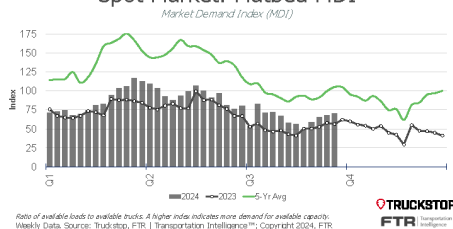
F = Forecast // Rates exclude Fuel Surcharges, data is seasonally adjusted
Source: FTR | Transportation Intelligence™, Copyright 2024, FTR

Freight Outlook: Flatbed



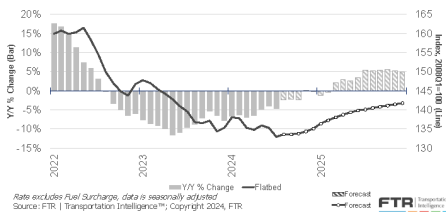
Data is seasonally adjusted. Source: FTR | Transportation Intelligence™, Copyright 2024, FTR

Spot Market: Flatbed MDI



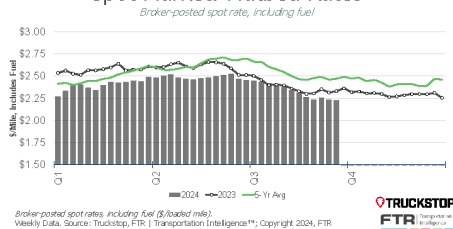
Rate of available loads to available trucks. A higher index indicates more demand for available capacity. Weekly Data. Source: Truckstop, FTR | Transportation Intelligence™, Copyright 2024, FTR

Rate Outlook: Flatbed



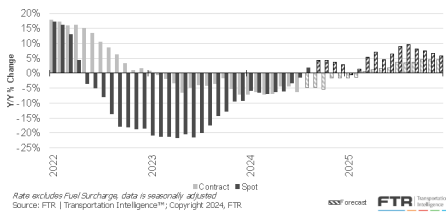
Rate excludes Fuel Surcharges, data is seasonally adjusted. Source: FTR | Transportation Intelligence™, Copyright 2024, FTR

Spot Market: Flatbed Rates



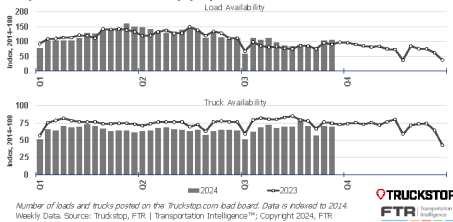
Broker-posted spot rates, including fuel (loaded mile). Weekly Data. Source: Truckstop, FTR | Transportation Intelligence™, Copyright 2024, FTR

Flatbed Rates: Spot vs Contract



Rate excludes Fuel Surcharges, data is seasonally adjusted. See glossary at end for definitions of truckload segments...

Spot Market: Supply vs Demand – Flatbed



Number of loads and trucks posted on the Truckstop.com load board. Data is indexed to 2014. Weekly Data. Source: Truckstop, FTR | Transportation Intelligence™, Copyright 2024, FTR

WHAT'S INCLUDED

Exclusive FTR forecasts included:

- Freight Outlook: Flatbed
- Rate Outlook: Flatbed
- Flatbed: Spot vs Contract
- Spot Market: Flatbed MDI
- Spot Market: Flatbed Rates
- Spot Market: Supply vs Demand - Flatbed





Trucking
October 2024

TL Segment: Specialized

Specialized: Continued stability in spot rates

The specialized loadings forecast strengthened slightly to a 0.6% increase in 2024, up from 0.2%, and is unchanged for 2025 at a 1.5% increase. Key factors were stronger growth in agricultural and machinery volume.

Spot volume continues to track closely with comparable 2023 and five-year average levels. Spot rates in the Truckstop system have been extraordinarily stable this year but have consistently lagged 2023 levels.

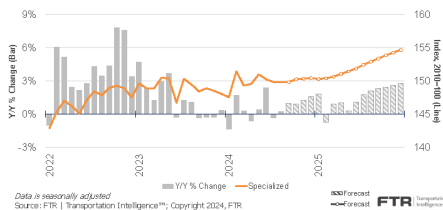
The total specialized truckload rate forecast is -2.7% y/y for 2024 but +3.7% y/y for 2025, excluding fuel.

Specialized Truck Rates Overview

YY % Change	Jul-24	Aug-24	Sep-24	2024	2025
		F	F	F	F
Total Truck (Spot + Contract)	-2.6%	-1.2%	0.1%	-2.7%	3.7%
Spot Truck Rates	-1.2%	1.4%	3.0%	-1.4%	6.1%
Contract Truck Rates	-3.3%	-2.4%	-1.2%	-3.3%	2.5%

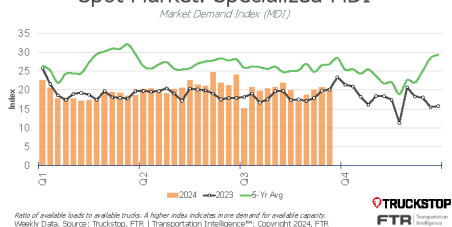
F = Forecast // Rates exclude Fuel Surcharges, data is seasonally adjusted
Source: FTR | Transportation Intelligence™; Copyright 2024, FTR

Freight Outlook: Specialized



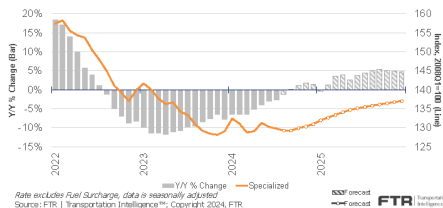
Data is seasonally adjusted. Source: FTR | Transportation Intelligence™; Copyright 2024, FTR

Spot Market: Specialized MDI



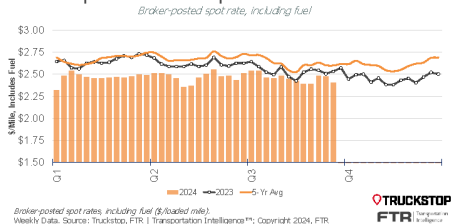
Ratio of available loads to available trucks. A higher index indicates more demand for available capacity. Weekly Data. Source: Truckstop, FTR | Transportation Intelligence™; Copyright 2024, FTR

Rate Outlook: Specialized



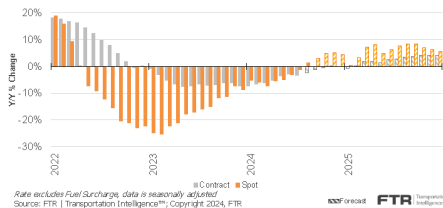
Rate excludes Fuel Surcharges, data is seasonally adjusted. Source: FTR | Transportation Intelligence™; Copyright 2024, FTR

Spot Market: Specialized Rates



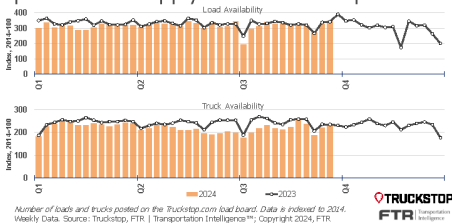
Broker-posted spot rates including fuel (\$/loaded mile). Weekly Data. Source: Truckstop, FTR | Transportation Intelligence™; Copyright 2024, FTR

Specialized Rates: Spot vs Contract



Rate excludes Fuel Surcharges, data is seasonally adjusted. Source: FTR | Transportation Intelligence™; Copyright 2024, FTR

Spot Market: Supply vs Demand – Specialized



Number of loads and trucks posted on the Truckstop.com load board. Data is indexed to 2024. Weekly Data. Source: Truckstop, FTR | Transportation Intelligence™; Copyright 2024, FTR

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WHAT'S INCLUDED

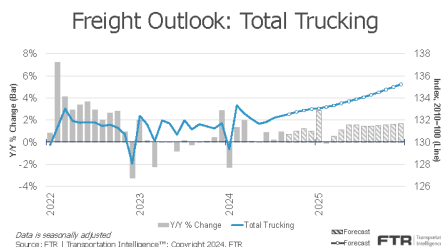
Exclusive FTR forecasts included:

- Freight Outlook: Specialized
- Rate Outlook: Specialized
- Specialized Spot vs Contract
- Spot Market: Specialized MDI
- Spot Market: Specialized Rates
- Spot Market: Supply vs Demand - Specialized



Trucking
October 2024

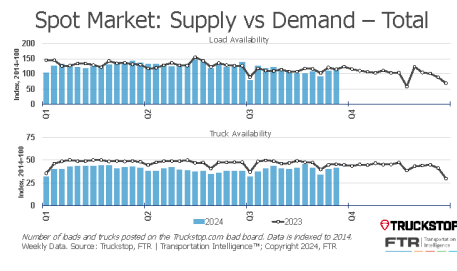
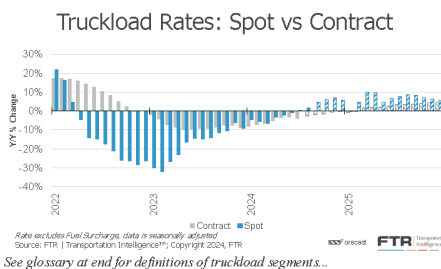
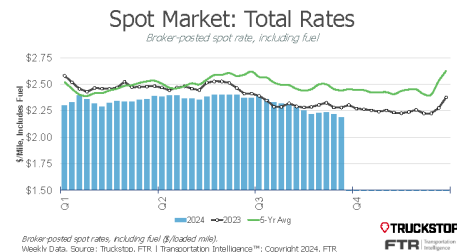
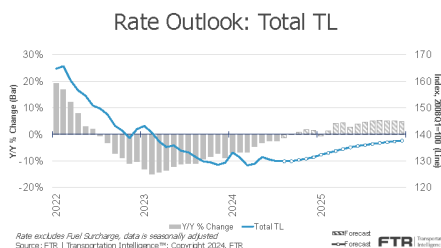
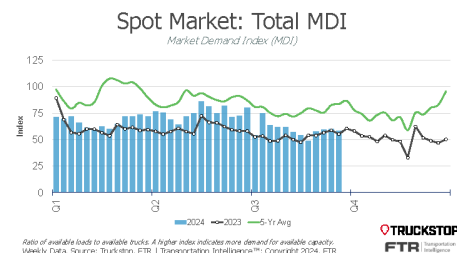
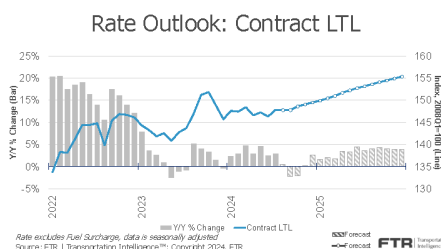
Total Trucking Market



Total Truckload Rates Overview

YY % Change	Jul-24	Aug-24	Sep-24	2024	2025
		F	F	F	F
Total Truck (Spot + Contract)	-2.5%	-1.2%	0.0%	-2.6%	3.8%
Spot Truck Rates	0.3%	1.8%	4.9%	0.0%	6.5%
Contract Truck Rates	-3.7%	-2.7%	-1.9%	-3.8%	2.5%
Dry Van	-1.6%	-0.3%	1.4%	-1.8%	3.8%
Refrigerated	-1.2%	-1.8%	-1.4%	-2.5%	5.1%
Flatbed	-4.7%	-2.4%	-2.2%	-4.0%	3.4%
Specialized	-2.6%	-1.2%	0.1%	-2.7%	3.7%
LTL Rates	2.9%	0.5%	-2.3%	1.8%	3.3%

F = Forecast // Rates exclude Fuel Surcharges, data is seasonally adjusted
Source: FTR | Transportation Intelligence™, Copyright 2024, FTR



WHAT'S INCLUDED

Exclusive FTR forecasts included:

- Total Trucking Rates Overview
- Freight Outlook: Total Trucking
- Rate Outlook: Contract LTL
- Rate Outlook: Total TL
- Truckload Rates: Spot vs Contract
- Spot Market: Total MDI
- Spot Market: Total Rates
- Spot Market: Supply vs Demand - Total



Trucking
October 2024

TABLE: U.S. Truck Freight Outlook

U.S. Truck Freight: Commodity Groups & Trailer Types

Seasonally Adjusted (000,000s of Loadings Originated)

F = Forecast	MONTH							QUARTER				
	Jun-24	Jul-24	Aug-24	Sep-24F	Oct-24F	Nov-24F	Dec-24F	Q1'24	Q2'24	Q3'24F	Q4'24F	Q1'25F
Total Truck Loadings	66.28	66.47	66.55	66.64	66.73	66.81	66.87	198.73	198.88	199.66	200.41	200.89
Active Truck Utilization Rate (%) ²	91.2%	91.7%	92.0%	92.3%	92.7%	92.9%	93.1%	89.9%	91.0%	92.0%	92.9%	93.5%
Commodity Groups												
Food & Kindred Products	10.11	9.99	10.01	10.03	10.09	10.12	10.14	29.96	30.00	30.03	30.35	30.54
Stone, Clay, Glass & Concrete	5.72	5.74	5.77	5.79	5.81	5.83	5.85	17.16	17.10	17.30	17.49	17.65
Nonmetallic Minerals, Except Fuels	9.29	9.60	9.62	9.63	9.59	9.59	9.59	29.35	28.52	28.86	28.78	28.86
Chemicals & Allied Products	3.02	3.00	3.00	3.00	2.99	2.99	2.99	8.61	8.96	8.99	8.97	8.96
Transportation Equipment	5.76	5.73	5.72	5.72	5.73	5.72	5.71	17.00	17.26	17.16	17.16	16.97
All Other	32.38	32.41	32.44	32.47	32.52	32.55	32.58	96.65	97.04	97.32	97.65	97.91
Trailer Types												
Dry Van	21.67	21.60	21.63	21.67	21.74	21.77	21.80	64.58	64.72	64.90	65.30	65.46
Reefer Van	4.55	4.59	4.60	4.61	4.63	4.64	4.65	13.63	13.75	13.80	13.92	14.01
Flatbed	7.73	7.74	7.76	7.78	7.80	7.81	7.82	23.03	23.10	23.29	23.43	23.55
Specialized	10.47	10.44	10.44	10.44	10.47	10.48	10.49	31.25	31.42	31.33	31.44	31.46
Tank	7.13	7.08	7.08	7.09	7.09	7.09	7.10	20.74	21.19	21.25	21.28	21.29
Bulk/Dump	14.73	15.01	15.04	15.05	15.01	15.01	15.02	45.50	44.71	45.10	45.04	45.13
YY % Change ¹												
Total Truck Loadings	0.9%	0.2%	0.9%	0.7%	1.0%	1.2%	1.0%	0.3%	0.3%	0.6%	1.1%	1.1%
Commodity Groups												
Food & Kindred Products	2.2%	1.5%	1.9%	1.8%	2.0%	2.7%	2.2%	0.7%	0.8%	1.7%	2.3%	1.9%
Stone, Clay, Glass & Concrete	-3.2%	-3.1%	-3.1%	-2.5%	-2.9%	-0.2%	-0.2%	-8.0%	-4.9%	-2.9%	-1.1%	2.9%
Nonmetallic Minerals, Except Fuels	-5.3%	-3.8%	0.0%	-1.7%	-2.5%	-1.1%	-3.1%	-1.5%	-3.5%	-1.8%	-2.2%	-1.7%
Chemicals & Allied Products	2.4%	2.2%	0.9%	3.2%	4.8%	5.1%	4.3%	-1.1%	1.6%	2.1%	4.7%	4.2%
Transportation Equipment	0.6%	-0.6%	1.1%	1.6%	5.3%	1.2%	0.4%	3.0%	0.1%	0.7%	2.3%	-0.2%
All Other	3.1%	1.5%	1.7%	1.3%	1.4%	1.5%	1.9%	2.1%	2.3%	1.5%	1.6%	1.3%
Trailer Types												
Dry Van	2.2%	1.0%	1.4%	1.5%	2.3%	1.9%	1.7%	1.9%	1.7%	1.3%	2.0%	1.4%
Reefer Van	1.9%	3.1%	2.5%	1.1%	2.2%	2.8%	2.4%	1.0%	2.0%	2.2%	2.5%	2.8%
Flatbed	0.3%	0.0%	0.2%	-0.1%	0.0%	0.9%	1.6%	-2.6%	-0.9%	0.0%	0.8%	2.3%
Specialized	2.4%	-0.3%	0.2%	1.0%	0.9%	1.2%	1.6%	0.2%	0.7%	0.3%	1.3%	0.7%
Tank	1.9%	2.0%	2.0%	2.7%	3.3%	3.3%	2.7%	1.0%	0.8%	2.2%	3.1%	2.8%
Bulk/Dump	-2.5%	-2.3%	0.2%	-1.2%	-1.6%	-0.9%	-2.0%	-0.8%	-1.9%	-1.1%	-1.5%	-0.8%

Annual Data

F = Forecast	2023	2024F	2025F	2026F	2022	2023	2024F	2025F	2026F
Total Truck Loadings	793.13	797.68	808.73	825.17	2.5%	0.2%	0.6%	1.4%	2.0%
Active Truck Utilization Rate (%) ²	89.4%	91.4%	94.1%	95.0%					
Commodity Groups									
Food & Kindred Products	118.72	120.34	122.97	125.10	2.2%	-0.2%	1.4%	2.2%	1.7%
Stone, Clay, Glass & Concrete	72.14	69.05	70.79	71.56	6.6%	-1.8%	-4.3%	2.5%	1.1%
Nonmetallic Minerals, Except Fuels	118.20	115.51	115.91	117.94	3.2%	-1.5%	-2.3%	0.3%	1.8%
Chemicals & Allied Products	34.89	35.53	35.76	35.72	4.4%	2.0%	1.8%	0.6%	-0.1%
Transportation Equipment	67.57	68.58	69.07	72.55	4.1%	7.3%	1.5%	0.7%	5.0%
Other	381.60	388.67	394.22	402.30	1.2%	-0.1%	1.9%	1.4%	2.0%
Trailer Types									
Dry Van	255.17	259.50	263.84	270.30	1.4%	0.7%	1.7%	1.7%	2.4%
Reefer Van	54.04	55.09	56.57	57.86	1.7%	0.6%	1.9%	2.7%	2.3%
Flatbed	93.48	92.85	94.48	96.62	4.2%	-0.8%	-0.7%	1.8%	1.2%
Specialized	124.67	125.43	127.36	131.42	4.0%	1.4%	0.6%	1.5%	3.2%
Tank	83.00	84.46	85.29	86.07	2.8%	0.5%	1.8%	1.0%	0.9%
Bulk/Dump	182.76	180.35	181.19	183.89	2.2%	-1.1%	-1.3%	0.5%	1.5%

Notes:

Preliminary Data: Based on economic data and subject to revision. F = Forecast

Total Truck Loadings includes both Tractor/Trailer Loadings and Straight Truck Loadings

Source: FTR | Transportation Intelligence™. Copyright 2024, FTR

¹ - YY % Change: Current period vs. year-ago period.

² - Utilization Rate: Trucks in use as a percentage of trucks actively competing for freight.

WHAT'S INCLUDED

Exclusive FTR forecasts included:

- Commodity Groups and Trailer Types



Driver Situation: FTR Driver Labor Metrics

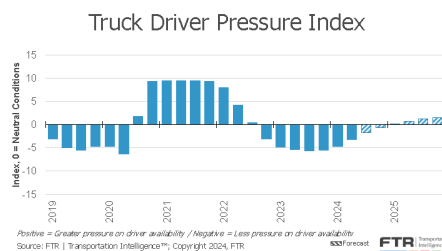
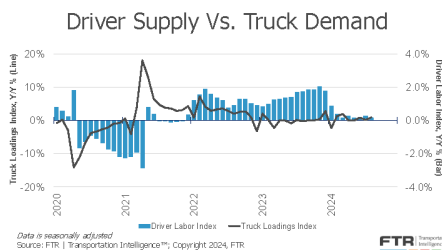
- Trucking payroll employment is flat y/y.
- The Truck Driver Pressure Index strengthens.

For-hire trucking shed 1,400 **payroll jobs**, seasonally adjusted, in August. Employment is down 12,900 jobs over the past five months but is essentially flat y/y now that the prior-year comparisons exclude Yellow Corporation, which exited the market at the end of July 2023.

More granular data is available only through July. None of the major trucking subsectors saw big changes m/m. General freight truckload jobs were up slightly while LTL jobs declined slightly.

In late August, the Bureau of Labor Statistics released a preliminary benchmark revision of prior estimates for April 2023 through March 2024. For an analysis of how the preliminary revision affects trucking, see page 16.

FTR's forecast for the **Truck Driver Pressure Index** is modestly stronger but is still expected to be in negative territory through the rest of 2024. TDPI estimates for recent quarters also were revised marginally higher.



Truck Driver Environment

Driver Labor Indicators				
	Jun	Jul	Aug	Impact
Employment Indicators				
Unemployment Rate (%)	4.1%	4.3%	4.2%	●
Personal Income (M/M %)	0.2%	0.3%	--	▲
Total Payroll Employment (000's)				
Total Payroll Employment	158,548	158,637	158,779	▲
% Change (M/M)	0.1%	0.1%	0.1%	
% Change (Y/Y)	1.6%	1.6%	1.5%	
Job Creation	118k	89k	142k	
Service-Providing Industries				
Service-Providing Industries	136,736	136,805	136,937	▲
• Retail	15,665	15,662	15,650	▼
Manufacturing				
Manufacturing	12,945	12,951	12,927	▼
Construction	8,233	8,246	8,280	▲
Total Transportation & Warehousing				
Total Transportation & Warehousing	6,611	6,617	6,624	▲
• Truck Transportation	1,547	1,545	1,544	▼

Source: Bureau of Labor Statistics

Driver Labor Supply *				
Index (1992=100) *	128.5	128.8	129.0	●
% Change (M/M)	0.0%	0.2%	0.1%	
% Change (Y/Y)	0.1%	0.3%	0.2%	
Truck Loads Demand				
Index (1992=100)	149.8	150.2	150.4	●
% Change (M/M)	0.1%	0.3%	0.1%	
% Change (Y/Y)	0.9%	0.2%	0.9%	

Impacts: ▼ - Loosening; ▲ - Tightening; ● - Neutral
Source: FTR | Transportation Intelligence™

Driver Labor Outlook


	FORECAST			
	Q2'24	Q3'24	Q4'24	Q1'25
ACTIVE TRUCK CAPACITY				
Utilization %	91.0%	92.0%	92.9%	93.5%
CL-8 TRUCK LOADS				
% Change, Y/Y	0.3%	0.6%	1.1%	1.1%
DRIVER LABOR INDEX				
% Change, Y/Y	0.2%	0.1%	0.3%	0.9%
TRUCK DRIVER PRESSURE INDEX				
0 = Neutral Conditions	-3.21	-1.73	-0.69	0.15

Source: FTR | Transportation Intelligence™; Copyright 2024, FTR

WHAT'S INCLUDED

Exclusive FTR forecasts included:


- Driver Supply vs Truck Demand
- Truck Driver Pressure Index
- Driver Labor Indicators
- Drive Labor Outlook



Trucking
October 2024

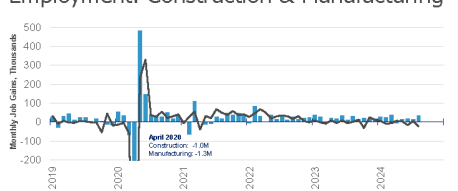
Driver Situation ...

Employment: Total Payroll



Source: BLS, FTR | Transportation Intelligence™, Copyright 2024, FTR

Employment: Construction & Manufacturing



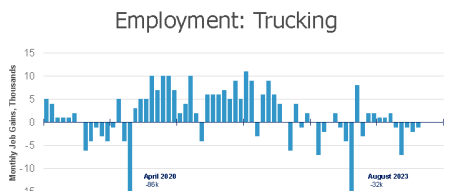
Source: BLS, FTR | Transportation Intelligence™, Copyright 2024, FTR

Employment: Unemployment Rate




Source: BLS, FTR | Transportation Intelligence™, Copyright 2024, FTR

Employment: Trucking




Source: BLS, FTR | Transportation Intelligence™, Copyright 2024, FTR

Employment: Parcel/Courier




Source: BLS, FTR | Transportation Intelligence™, Copyright 2024, FTR

Employment: Warehousing



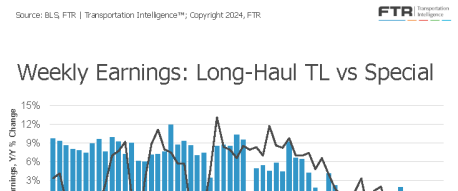
Source: BLS, FTR | Transportation Intelligence™, Copyright 2024, FTR

Weekly Earnings: Total vs Trucking



Source: BLS, FTR | Transportation Intelligence™, Copyright 2024, FTR

Weekly Earnings: Long-Haul TL vs Special



Source: BLS, FTR | Transportation Intelligence™, Copyright 2024, FTR

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WHAT'S INCLUDED

Exclusive FTR forecasts included:

- Employment: Total Payroll
- Employment: Construction & Manufacturing
- Employment: Unemployment Rate
- Employment: Trucking
- Employment: Parcel/Courier
- Employment: Warehousing
- Weekly Earnings: Total vs Trucking
- Weekly Earnings: Long-Haul TL vs Special



Trucking
October 2024

Economic Environment

Summary

The third estimate of real Gross Domestic Product in the second quarter held at 3.0% annualized. FTR's latest forecast for 2024 is 2.7% growth, but the data does not reflect an annual update of GDP data released by the Bureau of Economic Analysis in late September. That update showed slightly stronger GDP growth in Q1.

August economic indicators were mixed, but even areas of strength come with an asterisk. Manufacturing output rebounded following a tough July, but it saw significant downward revisions of prior months' estimates. Retail sales were basically flat, but more sectors saw declines m/m than saw increases. The housing market was mixed with a solid gain in new construction but weaker home sales. Payroll employment growth slowed further.

Consumer

Retail sales barely changed in August, ticking up just 0.1% m/m, seasonally adjusted, following a robust July that saw sales rise 1.1%. Sales were up 2.1% y/y in August. Retail trade sales adjusted for inflation were marginally stronger due to lower commodities prices.

Real consumer spending was nearly flat in August, ticking up just 0.1% m/m. Goods spending was up less than 0.1%, services spending increased 0.2%.

Manufacturing

The Institute for Supply Management's manufacturing index ticked up 0.4-point in August to 47.2%, meaning that the sector contracted slightly more slowly than it did in July. The production and new orders components of the index deteriorated further within contraction. Order backlogs are even deeper in contraction.

Manufacturing output rose 0.9% m/m, seasonally adjusted, in August after a 0.7% drop in July. Motor vehicles and parts production was a big factor in the recovery. However, both total manufacturing and automotive saw notable downward revisions of prior data.

Residential Construction

Housing starts jumped 9.6% m/m, seasonally adjusted, in August for the largest gain since February. Starts were up 3.9% y/y, also the strongest since February. The gain was due solely to single-family homes, which rose 15.8%. Starts of multi-family units fell 6.7%. The number of homes under construction declined for the ninth straight month.

Home sales weakened. Sales of existing single-family homes declined 1.2% to the second lowest level since October 2010. Sales of new single-family homes fell 4.7% but were still up nearly 10% y/y. An expected decline in mortgage rates could yield stronger home sales.

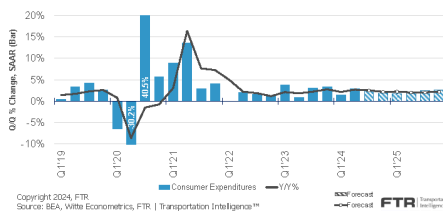
Economic Outlook Overview

Q/Q % Change, SAAR	Q2'24	Q3'24F	2024E	2025F
Real Gross Domestic Product (GDP)	3.0%	2.1%	2.7%	1.9%
Industrial Production (IP)	2.9%	0.0%	-0.1%	0.4%
Goods Transportation Sector (GTS)	5.4%	2.2%	2.6%	2.2%

F = Forecast

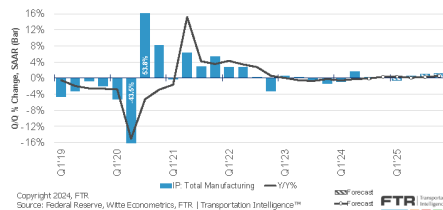
Source: Witte Econometrics, FTR; Copyright 2024, FTR

GDP: Consumer Expenditures



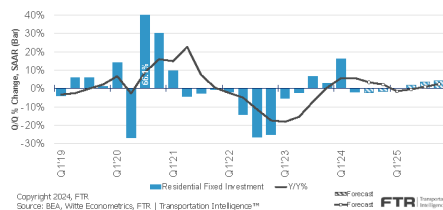
Copyright 2024, FTR
Source: BEA, Witte Econometrics, FTR | Transportation Intelligence™

IP Outlook: Manufacturing



Copyright 2024, FTR
Source: Federal Reserve, Witte Econometrics, FTR | Transportation Intelligence™

GDP: Residential Investment



Copyright 2024, FTR
Source: BEA, Witte Econometrics, FTR | Transportation Intelligence™

WHAT'S INCLUDED

Exclusive FTR forecasts included:

- GDP
- Industrial Production
- Goods Transportation Sector





Trucking
October 2024

Economic Environment ...

Monthly Business & Economic Highlights

August's Economic Environment:

Industrial production turns positive with durable goods boost. Job growth accelerates, and unemployment eases slightly.

	May	Jun	Jul	Aug	Impact	Y/Y Chg.	Comments
INDUSTRIAL PRODUCTION							
Total Industrial Production	0.7%	0.1%	-0.9%	0.8%	▲	0.0%	Q3 cautiously returned to positive territory in its second month, driven by durables, primarily automobiles. This occurred alongside a decline in non-durables, most notably in food.
Total Manufacturing	0.8%	-0.2%	-0.7%	1.0%	▲	0.2%	
Automobile and Light Duty Motor Vehicle Production	-0.8%	-0.4%	-12.8%	17.9%	▲	3.5%	
BUSINESS INDICATORS							
Unemployment Rate	4.0%	4.1%	4.3%	4.2%	●	40 bp	Although leading indicators are still struggling to gain significant momentum, job growth accelerated in the latest month, and unemployment ticked down.
Job Creation (Payroll Employment)	216k	118k	88k	142k	▲	2,358k	
ISM Manufacturing Index	49.2	48.7	46.8	47.2	▼	80 bp	
CONSUMER INDICATORS							
Consumer Confidence (Conference Board)	101.3	97.8	101.9	103.3	●	-5.4 pts	Retail activity remained positive following substantial growth in the prior month. Housing activity continues to display weakness, but mortgage rates dropped significantly.
Housing Starts	-4.5%	1.1%	-6.9%	9.6%	▲	3.9%	
Retail Sales	0.2%	-0.3%	1.1%	0.1%	●	2.1%	
Consumer Price Index	0.0%	-0.1%	0.2%	0.2%	▲	2.6%	
OIL AND FUEL							
National Avg. Diesel/Gal.	\$3.822	\$3.722	\$3.810	\$3.700	▲	-15.3%	Diesel reached its lowest level since December 2021, while crude oil prices fell to the second lowest level of the year.
W. Texas Int. Crude Oil (\$Bbl)	\$80.02	\$79.77	\$81.80	\$76.68	▲	-5.8%	

Impacts: ▲ = Positive / ▼ = Negative / ● = Neutral

Source: Federal Reserve, BLS, ISM, Conference Board, Census Bureau, EIA, FTR | Transportation Intelligence™, Copyright 2024, FTR

Employment

The U.S. added just 142,000 payroll jobs m/m on a seasonally adjusted basis in August, according to preliminary data from the Bureau of Labor Statistics. Payroll employment was up 1.5% y/y. Unemployment edged down to 4.2%. Labor participation held at 62.7%.

Downward revisions to June and July estimates totaled 86,000 jobs. The revision puts July's gain at just 89,000 payroll jobs – the smallest since the 2020 lockdowns aside from a drop in December 2020.

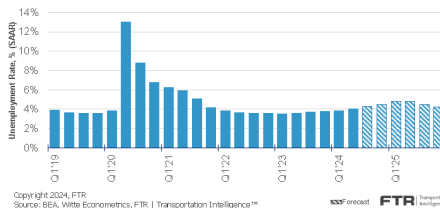
BLS recently released a preliminary benchmark revision showing 818,000 fewer jobs added in the 12 months ended in March than currently stated. The preliminary revision does not affect official estimates until BLS releases a final revision in February.

Forecast Risks

The Federal Reserve's decision to cut the target federal funds rate by half a point likely will boost the housing market and business investment, provided it is the first of multiple reductions. The larger than expected increase also might signal greater concern over achieving a soft landing, however. FTR's forecasts have not built in any assumptions over the election's outcome or specific policies that might flow from the result.

See page 7 for detailed economic outlook...

Unemployment Rate Outlook



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Economic Outlook Probabilities

GDP Forecast Confidence Levels

	Next 4 Quarters		Following 2 Years	
	GDP Range	Probability	GDP Range	Probability
Faster Growth	>2.5%	15%	>3.0%	20%
Base Forecast	2.0%	60%	2.0%	55%
Slower Growth	<1.5%	25%	<1.0%	25%

Source: FTR | Transportation Intelligence™; Copyright 2024, FTR

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WHAT'S INCLUDED

Exclusive FTR forecasts included:

- GDP forecast confidence levels
- Unemployment





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TABLE: U.S. Economic Outlook

U.S. Economic & Industrial Outlook

Forecasts of key economic data

	2024				2025				Annual			
	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	2023	2024	2025	2026
F = Forecast												
Gross Domestic Product (SAAR)												
Real GDP	1.4%	3.0%	2.1%	1.9%	1.5%	1.9%	2.2%	2.3%	2.5%	2.7%	1.9%	2.3%
Consumer Expenditures	1.5%	2.9%	2.4%	1.9%	1.7%	2.1%	2.5%	2.6%	2.2%	2.4%	2.1%	2.5%
Residential Fixed Investment	16.0%	-2.0%	-2.3%	-1.6%	0.0%	2.0%	3.4%	4.3%	-10.6%	4.2%	0.3%	3.7%
Change-Business Inventories	28.6	69.0	68.0	68.0	68.0	68.3	68.7	69.0	43.7	58.4	68.5	69.9
Real Exports of Goods	-0.5%	1.3%	2.0%	2.0%	2.0%	3.5%	3.5%	3.5%	2.6%	1.4%	2.5%	3.5%
Real Imports of Goods	6.5%	7.8%	3.1%	0.8%	2.1%	3.3%	3.9%	4.0%	-1.6%	4.0%	2.9%	3.8%
Goods Transportation Sector	0.7%	5.4%	2.2%	1.1%	1.5%	2.5%	3.0%	3.1%	0.0%	2.6%	2.2%	3.0%
CPI Index	3.8%	2.8%	2.6%	2.8%	2.8%	2.7%	2.6%	2.4%	4.1%	3.1%	2.7%	2.4%
Housing Starts - Millions (SAAR)	1.41	1.34	1.28	1.26	1.31	1.36	1.41	1.44	1.42	1.32	1.38	1.50
% Change (SAAR)	-18.5%	-17.6%	-16.7%	-6.5%	17.7%	16.3%	13.8%	10.2%	-8.4%	-7.0%	4.5%	8.3%
Auto Sales - Millions (SAAR)	15.3	15.7	15.1	14.8	14.6	14.8	15.0	15.2	15.5	15.2	14.9	15.4
3 Month T-Bill Rate, %	5.5%	5.5%	5.3%	4.9%	4.4%	3.9%	3.5%	3.2%	5.3%	5.3%	3.7%	2.9%
Moody AAA Bonds, %	5.0%	5.2%	5.0%	5.0%	5.0%	5.0%	5.1%	5.1%	4.8%	5.0%	5.1%	5.1%
Unemployment Rate, %	3.8%	4.0%	4.3%	4.5%	4.8%	4.8%	4.5%	4.2%	3.6%	4.1%	4.6%	3.8%
Federal Surplus, \$ (SAAR)	-\$1,580	-\$1,600	-\$1,547	-\$1,558	-\$1,608	-\$1,551	-\$1,449	-\$1,399	-\$1,664	-\$1,571	-\$1,501	-\$1,300

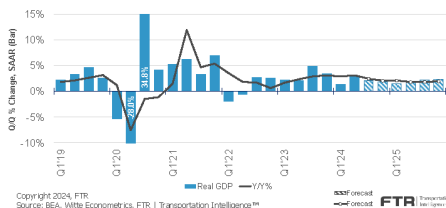
	2024				2025				Annual			
	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	2023	2024	2025	2026
F = Forecast												
Industrial Production (SAAR)												
Total IP	-1.8%	2.9%	0.0%	0.2%	-0.2%	0.4%	0.9%	1.2%	0.2%	-0.1%	0.4%	1.1%
Manufacturing, Total	-0.9%	1.7%	0.2%	0.3%	-0.6%	0.5%	1.0%	1.2%	-0.4%	-0.2%	0.3%	1.2%
Manufacturing, Non-Durables	-1.7%	2.8%	0.3%	0.4%	-0.3%	0.2%	0.7%	1.0%	-0.9%	0.0%	0.4%	0.9%
Manufacturing, Durables	0.0%	0.6%	0.1%	0.2%	-0.9%	0.7%	1.4%	1.4%	0.2%	-0.3%	0.2%	1.4%
Mining	-5.5%	4.1%	1.6%	-0.1%	-0.9%	0.2%	1.1%	0.9%	4.8%	-0.3%	0.5%	0.9%
Utilities	-3.0%	10.9%	-3.5%	0.0%	3.7%	0.8%	0.5%	1.7%	-1.9%	1.4%	1.4%	1.3%

Q/Q % Change, SAAR // F = Forecast

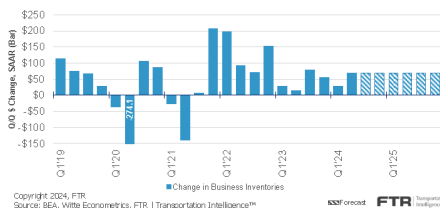
SAAR is Seasonally Adjusted Annual Rates or Seasonally Adjusted Quarter to Quarter Changes at Annual Rates.

Source: Witte Economics, Federal Reserve, BEA, FTR | Transportation Intelligence™, Copyright 2024, FTR

Real GDP Outlook



GDP: Business Inventories



WHAT'S INCLUDED

Exclusive FTR forecasts included:

- GDP breakdown
- IP breakdown





Has active capacity really normalized?

Downwardly revised employment data is not the final word on drivers.

As we note often, government data is subject to revision. Almost all recent data is tweaked routinely, and various data series are subject to annual revisions that might go back several years.

Usually, we have no advance intel on an annual revision, but employment is an exception. The Bureau of Labor Statistics' annual benchmark revision released in February is based on data from the Quarterly Census of Employment and Wages.

The QCEW is a far more comprehensive accounting of jobs and wages than monthly BLS sampling, but it takes time to compile. BLS, therefore, relies on QCEW figures to adjust its monthly payroll employment estimates once a year.

We typically have ignored preliminary revisions as normally they are incremental, but that was not the case in the data disclosed in late August.

QCEW data from Q1 indicated 818,000 fewer U.S. jobs added during the 12 months ended in March than currently reflected in BLS estimates. That's a big number and unusually large on a percentage basis. A typical revision in recent years has been 0.1%. The August preliminary revision was 0.5%.

For-hire trucking saw an even larger downward revision, implying that driver capacity is back to pre-pandemic levels. However, the August estimate is not final, and it does not capture all the relevant data. We still find that the market has significantly more for-hire drivers than before the pandemic.

Sharply weaker employment, maybe

The industry-specific QCEW data is not seasonally adjusted, so we compared it with the current BLS unadjusted estimates from the establishment survey. These datasets do not match up precisely, but they are close enough to offer a clear sense of the direction and scope of potential changes.

The updated data puts payroll employment in truck transportation in March – the most recent month covered by the latest QCEW – at more than 32,500 jobs, or 2.1%, below the officially published figure.

In percentage terms, the difference is far larger in general freight truckload, which is second only to

local general freight in the degree to which current BLS figures show job growth since February 2020 – the final month unaffected by pandemic distortions.

The preliminary revision puts truckload employment at 22,000 jobs, or 4.1%, below the official BLS figures. As with the total trucking figures, the updated data basically would erase all truckload employment growth since February 2020.

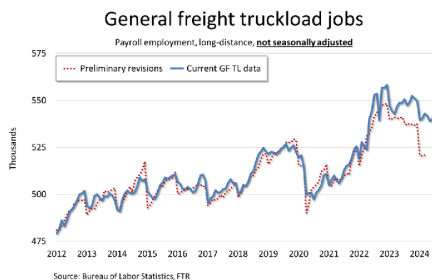
Payroll jobs and driver jobs are not the same, of course, but the driver population surely accounts for most changes month to month – especially in truckload as opposed to LTL. For the record, the revised data would put LTL employment at 10,500 jobs, or 4.4%, *above* official BLS figures.

A notable issue with the preliminary revision is that the most recently data in the QCEW is subject to change. This point is quite important, because the greatest differences between current trucking job figures and those implied by the QCEW are in the period of January through March 2024.

For the total industry, the preliminary revision fell from -1.1% in December to -2.0% in January. For truckload, it dropped from -2.2% in December to -3.4% in January. In the latter case, that gap widened substantially in February and March as noted above.

So the data behind the preliminary revision itself is preliminary. We expect the final benchmark revision to result in weaker trucking employment, but the scope of that change is still a bit up in the air.

(Continued on page 17)



WHAT'S INCLUDED

What news matters? What doesn't?

Every day, you're barraged with overwhelming amounts of data. From customers, to coworkers, to news sources, everyone has their own opinions about what deserves attention.

Each month, the FTR experts craft a data-driven commentary to tell you exactly what they are paying attention to and the risks you should have on your radar.

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Trucking
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Commentary ...

(Continued from page 16)

Employees aren't everything

Data accuracy is a concern, but it's not the biggest factor in our conclusion that the for-hire market still has many more drivers than it did in February 2020.

Our recent analysis of Federal Motor Carrier Safety Administration data showed that the number of drivers working for authorized for-hire operations (excluding parcel and private fleets with authority) was nearly 15% higher than before the pandemic.

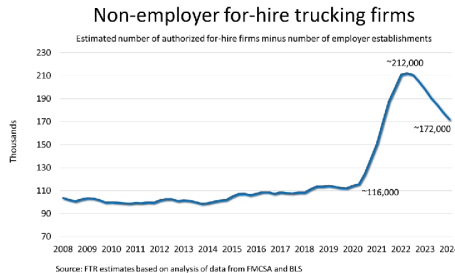
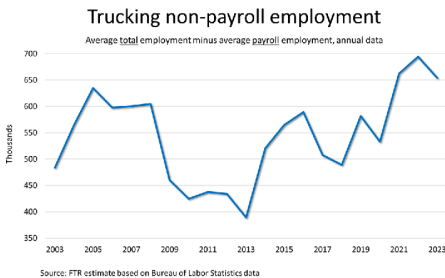
Carriers are required to update their data only once every two years, so the figures likely overstate current driver capacity. However, the estimate is unlikely to be off by more than a few percentage points. Pandemic-era distortions seem to have decoupled driver capacity and payroll employment.

The QCEW is based on data for workers covered by state unemployment insurance programs, but hundreds of thousands of workers in trucking are not subject to unemployment insurance.

Each year, BLS publishes industry-specific data from the household survey. By subtracting payroll figures from the broader household numbers, we estimate that more than 650,000 people worked in non-payroll trucking jobs in 2023, down from a record 695,000 in 2022.

Many of these workers likely are leased owner-operators and would be included in driver estimates that carriers report to FMCSA. In other words, they do not necessarily represent independent capacity.

However, this group also includes drivers holding their own authority and not covered by unemployment insurance. Before the pandemic, we did not worry much about this cohort when analyzing



capacity because we presumed that their ranks moved largely in concert with payroll jobs. That dynamic changed in mid-2020 when the number of newly authorized carriers – most of which were single-truck firms – soared. The carrier population has declined for two years, but the market still has about 35% more carriers than in February 2020.

This surge alone does not mean that BLS payroll data fails to reflect capacity changes because many small carriers are employer firms. To estimate the number that are not, we subtracted BLS figures on the number of trucking employer establishments from FMCSA figures on the number of authorized U.S. for-hire trucking firms. This exercise is not perfect, but given consistent data over time, differences between the two should be meaningful.

For years, the gap between the number of carriers and the number of establishments was stable, at least by today's standards. The number of non-employer firms rose modestly starting in the mid-2010s in the wake of various market disruptions, but the gap started to widen dramatically in 2020Q3.

By mid-2022, the market had roughly 212,000 authorized for-hire carriers that were not accounted for in BLS data on establishments. Since then, the difference has narrowed to about 172,000.

You could argue, therefore, that BLS is not accounting for 172,000 carriers, but that's not really the question. We want to isolate the level of non-employment capacity that exceeds the norm. Given a gap of about 116,000 at the beginning of the surge, 56,000 more carriers arguably are still invisible to BLS than was typical before the pandemic. Even if each carrier has just one driver that would be significant, but clearly the average is some figure higher than 1.0 driver per carrier.

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WHAT'S INCLUDED

New to the industry?

If you have new employees in the transportation department, or need a refresher, the glossary provides a great starting point to understanding the FTR and industry lingo you need to know.



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