

ECONOMY

Help Wanted: Jobs in Trucking Go Unfilled

Labor Shortage in Shipping Industry Reflects a Skills and Goals Gap

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Something strange is afoot in long-distance trucking that is also bedeviling other industries: Many jobs that pay well—and don't require expensive degrees—are going unfilled for months.

Brenda Cronin explains to WSJ's Hank Weisbecker how the long-distance trucker shortage appears to be getting worse.

U.S. Xpress Inc., a Tennessee-based carrier, has enough freight to hire an additional 100 truckers a week and is deploying recruiters daily to driving schools throughout the eastern half of the country.

Copeland Trucking, a family-owned company with about 50 trucks, is turning away business because of unfilled openings. The Minnesota-based firm's \$9 million a year in revenue "could go to \$13 million or \$14 million overnight if I could put drivers in those trucks," said Charlie Hoag, manager of Copeland's terminal in Des Moines, Iowa.

The trucker shortage reflects a conundrum of the recovery even as the Labor Department last week reported the U.S. is adding, on average, more than 200,000 jobs a month: The skills and goals of the nation's roughly 9.5 million unemployed aren't meshing with employers' needs.

Businesses with openings across the pay and education spectrum are struggling to hire house cleaners, registered nurses, engineers, software developers and other workers. Employers say suitable candidates aren't raising their hands and individuals who do apply lack the right skills and experience.

Such a mismatch reflects "the fundamental transformation in the job market" during the recession and the lackluster recovery, said **Bernard Baumohl, chief global economist at Economic Outlook Group LLC**. The downturn prodded some laid-off workers to train for new careers, **Mr. Baumohl** said, while sending others into the off-the-books economy and marooning those with obsolete skills in long-term unemployment.

National snapshots such as last week's Labor Department report reflect the broad contours of the jobs market but not its inner frictions. The U.S. added a robust 288,000 positions in June, the five-year anniversary of the start of the recovery, and the unemployment rate fell to 6.1%. Hiring rose across many sectors and job gains for April and May were revised up.

But a key benchmark of labor-market health—wages—hasn't climbed substantially in recent months, suggesting that although some employers say hiring is difficult, they haven't felt pushed to raise pay to attract workers. Average hourly earnings for nonsupervisory workers rose 0.2% in June from May.

If a skills mismatch were prolonged and widespread, said Torsten Slok, chief international economist of Deutsche Bank Securities, earnings would rise.

And that could be happening. Anecdotal evidence reflects that "companies can't find the right workers," Mr. Slok said, leading him to wonder if "maybe we are getting closer to the inflection point when labor markets are getting tighter and we should see wages go up."

The problem is acute in the trucking industry, where the worker shortage reflects not only a skills gap but also economic shifts such as the energy boom and changing demographics.

Operators across the country are short 30,000 long-distance drivers, the American Trucking Associations estimates. The group projects the shortage could top 200,000 in the next decade. Average annual pay for long-distance drivers was \$49,540 in 2013, according to ATA estimates. Hiring and wages in truck transportation have inched up this year, according to the Labor Department.

Tennant Truck Lines Inc., of Colona, Ill., raised its compensation at the beginning of the second quarter, said Aaron Tennant, president of the firm, which employs 230 drivers. But finding drivers remains difficult, despite efforts to enlist social media and move beyond want ads on the radio and online.

Although "we're doing all the out-of-the-box things," Mr. Tennant said, "we have empty trucks sitting on the fence, waiting for drivers to come along."

Indeed, the improving economy has been a mixed blessing by increasing demand from companies with goods to move but also spurring drivers to jump to jobs in construction or the energy business that pay more and don't require travel.

Trucking firms, while accustomed to high driver turnover, say hiring is tougher than ever. "It's probably the most difficult recruiting environment...I've seen in my 26 years in the business," said Scott McLaughlin, president of Stagecoach Cartage & Distribution LP, a family-owned firm in El Paso, Texas.

About 100 of Stagecoach's 250 employees are long-distance drivers—and retaining them is as hard as recruiting. "Every driver I've got could leave here today and have any number of jobs," Mr. McLaughlin said.

Demographics have also stepped up the pressure. Retirements are draining the pool of long-haul drivers, whose average age is about 50, with no younger cohorts to replace them.

"My driving force is starting to get a little bit older," Mr. McLaughlin said. "I can't think of the last time I hired someone less than 27 or 28 years old."

Some younger drivers are quitting because they don't want to be away from home. For more than five years, Jacob Babcock, of Pinedale, Wyo., hauled hay to Texas and drove back to his home state with loads of pipe for gas fields. A year ago, he started a business repairing vehicles. Long-distance trucking "isn't very family-friendly" said Mr. Babcock, who turns 30 this month. His boys, now 7 and 4 years old, would ride along when they were younger. But now that his older son is in school, the family can't hit the road for six or seven nights at a stretch.

Exit interviews with drivers at Tennant Truck Lines reveal the pull of home outweighs earnings for many. Drivers "want to be home and sleep in their bed every night," Mr. Tennant said. More stringent regulations about drivers' schedules have prompted some to exit the long-distance life and dissuaded others from entering, several carriers said.

To keep drivers from being poached, operators are fattening health benefits, investing in new trucks and offering more flexible schedules that minimize time away from home. Some companies are asking lawmakers in Washington to revisit federal requirements that interstate commercial drivers be at least 21 years old.

"I started driving at 18," Mr. Tennant said. "We have all these good jobs available and if we could tap into that demographic and bring these younger folks in and...train them, we'd develop a really solid group of drivers."

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