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the web site of Heavy Duty Trucking magazine

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7/8/2011

Most Carriers Expect Driver Pay to Increase This Year

Two thirds of carriers expect driver wage increases of 1-5% in the recent Second Quarter Business Expectations Survey by Transport Capital Partners.

This is about the same as the first quarter's survey.

"The responses were skewed to a higher level with 28% saying rates would increase more than five percent this quarter compared to only 12% expected over 5% in the prior quarter," said Richard Mikes, TCP partner and survey founder.

Seven percent anticipate wage rates would remain unchanged, as the reality of parked trucks without drivers became more commonplace. This will contribute to rate pressures, according to TCP.

A higher share of larger carriers (over \$25 million in revenue) reported expectations of increases beyond five percent compared to smaller carriers, 30% to 22%.

"The larger carriers apparently are feeling the pressure first as the driver pendulum is swinging to the more typical levels of this phase of the supply demand cycle and truck capacity is tightening both because of lack of equipment as well as now drivers," said Mikes.

A follow up question asked how high driver wages must be before the industry can attract and retain drivers with 73% forecasting required wages in ranges of \$50,000 to \$70,000. Mikes noted that the industry reports of a mounting driver shortage can no longer be left out of the industry capacity and underlying cost structure discussions on potential rates in the months and years ahead.