

CAPACITY CRISIS OF 2018: CAUSE & EFFECT

Make no mistake—today, it's a carrier's world and shippers are living in it. Since 2017, a slew of market forces have combined to create a very real truck capacity shortage in the United States.

HERE'S A CLOSER LOOK AT THE CAUSES, EFFECTS AND HOW SHIPPERS CAN COME OUT ON TOP.

THE CAUSES



Steadily Climbing Economy

GDP has grown by close to **\$5 trillion since 2008**
Expected to **grow by another 2.5% next year**¹



Bustling Holiday Season

U.S. retail holiday sales **jumped 4.9%**
The **biggest increase** since 2011²



Uncharacteristic Weather

Temperatures **18 degrees colder** than typical
Northeastern US and southeastern Canada **hit hardest**³



ELD Mandate Enforcement

Expected **3-5% decrease** in productivity
16% decrease in the average miles per day



Extreme Driver Shortage

Fewer new drivers entering as current driving force ages
Potential drivers have other opportunities, with national **unemployment at 4.1%**⁴

THE EFFECTS

5%+ Carrier Rates Increase⁵

18% Driver Pay Increase⁶

31% Spot Rate Increase⁶

WHAT SHIPPERS CAN DO TO PROTECT THEIR BOTTOM LINE

Strengthen Carrier Relationships

- » Timely loading and unloading to limit delays
- » Provide clean restrooms
- » Offer lunchrooms
- » Reduce frequency of changes to loads

Get Private or Dedicated Fleets

PRIVATE: Provides captive capacity that only supports your freight

DEDICATED: Provides reliable capacity for you and reliable freight for carrier

Convert Truck Shipments to Intermodal or Rail

PROS: Lower costs, increased security of goods, environmental benefits, increased highway safety

CONS: Slower transit times, diminished reliability, increased risk of cargo damage, higher infrastructure costs

Tap Into 3PL Carrier Networks

- » Use of pre-qualified carriers, monitored daily
- » Access to more carriers and market-competitive rates

WANT TO CHAT ABOUT CAPACITY CRUNCH OR ABOUT ONGOING CAPACITY MANAGEMENT SERVICES? CONTACT US TO LEARN ABOUT HOW OUR VAST CARRIER NETWORK CAN ALLEVIATE YOUR CAPACITY ISSUES.

CLXLogistics.com | 800.288.4851 |   

SOURCES

¹ RealClear Policy, *Economic Growth Since the Great Recession, 2017*

² USA Today, *U.S. retail holiday sales jump 4.9%, biggest increase since 2011, 2017*

³ Climate Central, *Winter in North America Is Cold*

⁴ National Conference of State Legislatures, *National Unemployment Update, 2018*

⁵ HDT Truckinginfo, *Trucking Capacity Crunch Leading to Record Freight Rates, 2018*

⁶ Roar Logistics, *2018 Is the Year of the Trucking Capacity Crunch, 2018*