

# Job Losses in Trucking Slow During September

By Frederick Kiel  
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The U.S. economy lost 263,000 jobs in September, bringing the overall unemployment rate to 9.8%, the highest level since 1983, but the number of job cuts in trucking was less than 5,000 for the third month in a row, the Labor Department said.

The department's Bureau of Labor Statistics said Oct. 2 in its monthly survey that the largest job losses were in construction, manufacturing, retail trade, and government, but trucking fell by only 3,600 for the month.

Trucking lost 12,200 jobs in September 2008, when the recession struck, ballooning from just 900 job cuts in August 2008, according to BLS seasonally adjusted statistics. In ensuing months, job losses in trucking topped 17,000 three times, hitting a high of 17,500 job cuts in January of this year, according to BLS statistics.

As late as June, 7,900 jobs were cut in the industry, but losses slowed to 4,900 jobs in July, 3,300 in August and 3,600 in September, according to BLS. The tallies for

August and September were preliminary, BLS noted.

"Carriers have probably done most of their reductions in employment, and we may have seen a bottoming out in job cuts," Chris Brady, president of the research firm, Commercial Motor Vehicle Consulting, Manhasset, N.Y., told TRANSPORT TOPICS. "The decrease in the numbers of people laid off shows that we're seeing a stabilizing, and now, a gradual but very slow recovery in freight volume."

CMVC focuses on marketing analysis and research of the North American commercial vehicle industry.

"But I don't see any strong recovery in freight jobs in the near future," Brady added. "The imbalance in retail inventories to sales has been largely corrected, but inventories are still out of line in warehousing and distribution centers."

Brady said inventories would have to fall to sales levels or below in all three sectors before freight volume would pick up significantly, but he noted that consumers are still reluctant to spend.

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## Trucking Job Losses Slow

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"The driver for freight growth is consumer and business spending, but consumers have experienced a \$12 trillion decrease in wealth since the recession hit, and that steep decrease has changed their spending habits," Brady said.

Eric Starks, president of FTR Associates, a transportation research group based in Nashville, Ind., also saw no quick turnaround in trucking employment.

"Fleets have gotten rid of most everybody that they wanted to, but from now to the end of the year, I think we'll be in mostly a status quo situation," Starks told TT. "I don't expect to see not much laying off or hiring the rest of 2009."

He said that FTR research has shown that fleets "are seeing some things happening."

"There's a general sense that freight has picked up a tad, but it's not anything to write home about," Starks said. "Things have settled down, and fleets are feeling a little bit better."

Like Brady, Starks did not see any significant pickup in freight until the first half of 2010, but he said that though fleets will seek drivers almost immediately when their businesses grow, it probably will not be reflected in government labor data when it does occur.

"Once freight really, truly starts to pick up, they'll pull in drivers, but they might bring on owner-operators first, which they will not necessarily have to

report as employees," Starks said. "If freight picks up at a very fast clip, they won't be able to hire drivers fast enough, but my guess is you'd see a three-month lag before they show up in government statistics."

BLS data show that trucking added jobs to the economy most recently in March 2008, when the industry gained 2,700 jobs.

BLS economist John Coughlan agreed with the other analysts.

"From what I've been hearing, the value of freight shipments is starting to tick up, and that could account for the decrease in job losses in trucking," Coughlan told TT.

He pointed out that 1.26 million, the total number of jobs in trucking in September, was the lowest figure of this decade.

"That's a clear sign trucking has practically reached the bottom of its job-cutting," Coughlan said.

Employment in trucking reached its high this decade in the first five months of 2007, at 1.45 million workers.

"It doesn't mean more jobs won't be lost in trucking, just at smaller rates," he said.

Overall, the September numbers were bleak.

"Since the start of the recession in December 2007, the number of unemployed persons has increased by 7.6 million to 15.1 million, and the unemployment rate has doubled to 9.8%," the BLS September report said.

Analysts said that even these figures may be revised in coming months to show much higher unemployment (see story, p. 30).