

2019

Ohio Trucking Association and Schneider Downs

# TRANSPORTATION BUSINESS OUTLOOK AND ECONOMIC SURVEY



# ABOUT THE SURVEY RESPONDERS



## ANNUAL REVENUES

\$0-1 million	13.19%
\$1.01-5 million	17.58%
\$5.01-10 million	14.29%
\$10.01-20 million	13.19%
\$20.01-50 million	18.68%
\$50.01-100 million	8.79%
\$100.01-250 million	2.20%
\$250.01-500 million	4.40%
Over \$500 million	7.68%



## SECTORS

Truckload	69.77%
Flatbed	30.23%
Tanker	20.93%
Less than Truckload	16.28%
Private Carrier	10.47%
Refrigerated	9.30%
Aggregate & Construction	4.65%
Intermodal	3.49%



## ADDITIONAL SERVICES

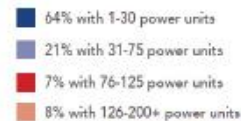
Freight Brokerage	69.49%
Third-Party Logistics	52.54%
Warehousing	52.54%

## OTA MEMBERSHIP PROFILE

### Geographical Reach



### 812 Total Members



## A QUOTE FROM AN OTA MEMBER

WE'RE DEFINITELY **STRONGER** THAN ANY ONE OF US ON OUR OWN. BIG CARRIERS, SMALL CARRIERS – WE ALL ARE PART OF THE INDUSTRY.

Doug Sibila, Peoples Services



# SIGNIFICANT ISSUES IMPACTING THE TRANSPORTATION INDUSTRY



Economic Conditions



Industry Challenges



Political/Regulatory



# ECONOMIC CONDITIONS



# MEMBERS CRYSTAL BALL ...



## SURVEY RESULTS

In the next 12 months, do you believe the overall economic conditions in the transportation industry will:

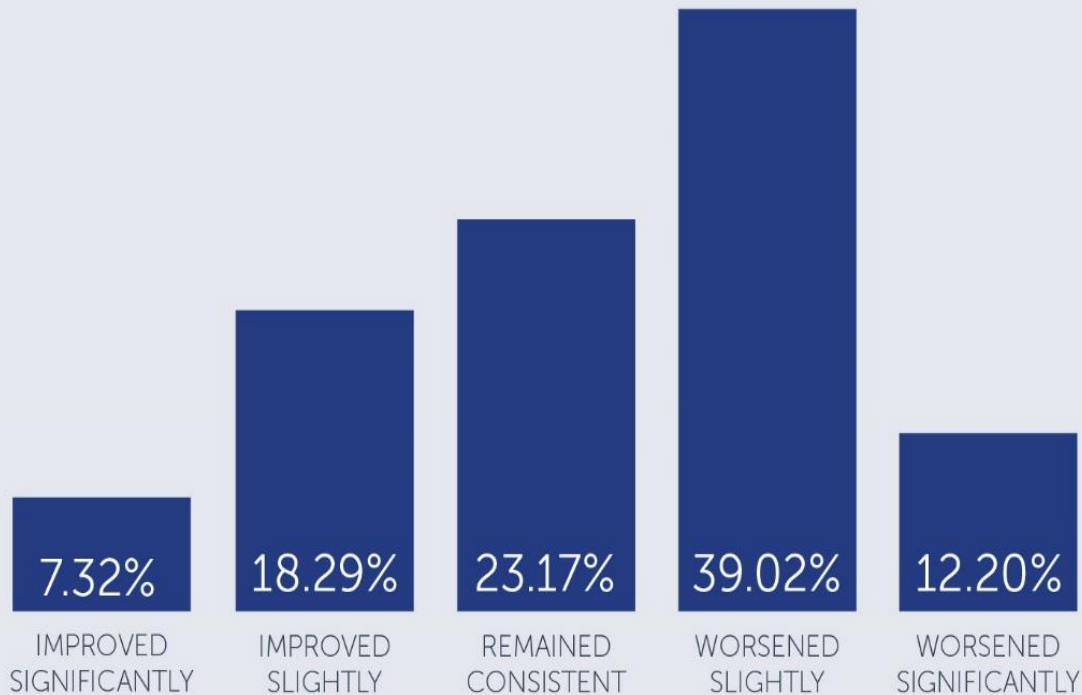




# MEMBERS EXPERIENCE

## SURVEY RESULTS

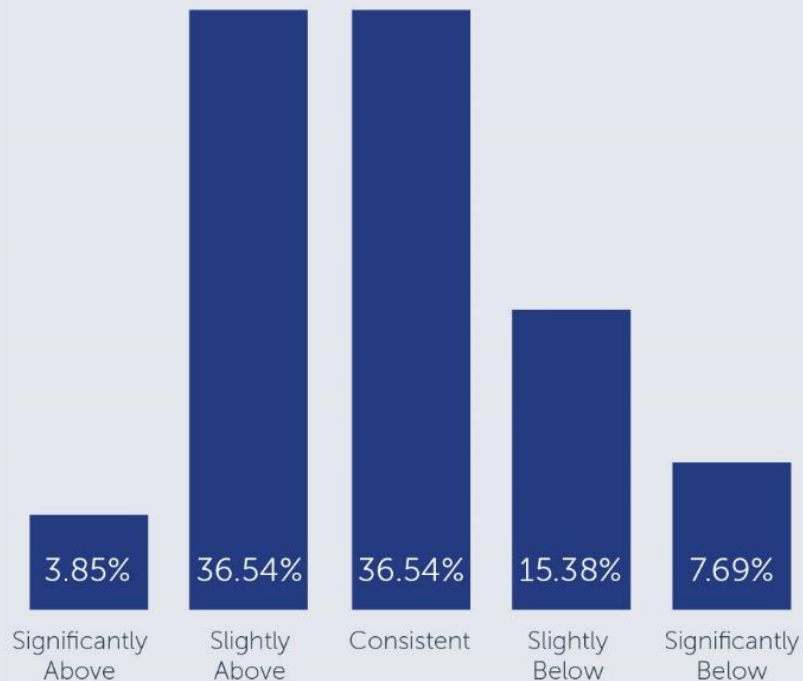
What do you believe the state of the transportation industry is today compared to a year ago?



# FORECAST – PARTLY CLOUDY WITH A CHANCE OF RAIN

## SURVEY RESULTS

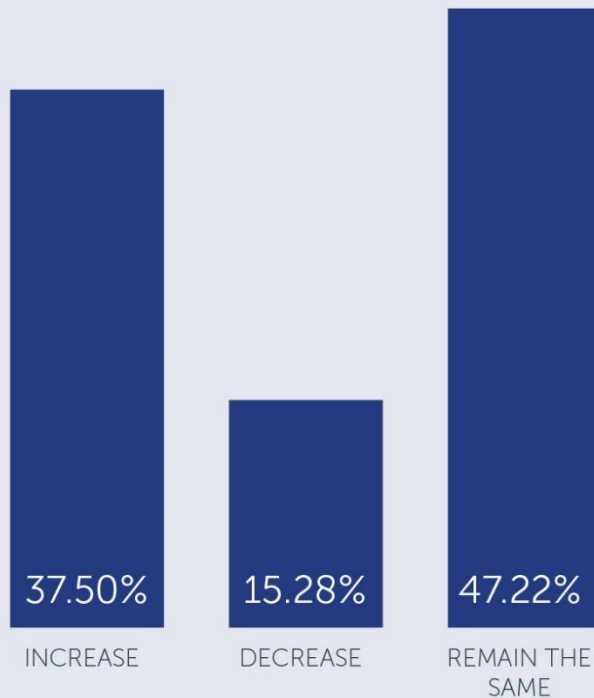
Where do you expect your 2019 forecast revenues to be compared to your 2018 results?



# THOUGHTS ON SPENDING ... \$\$

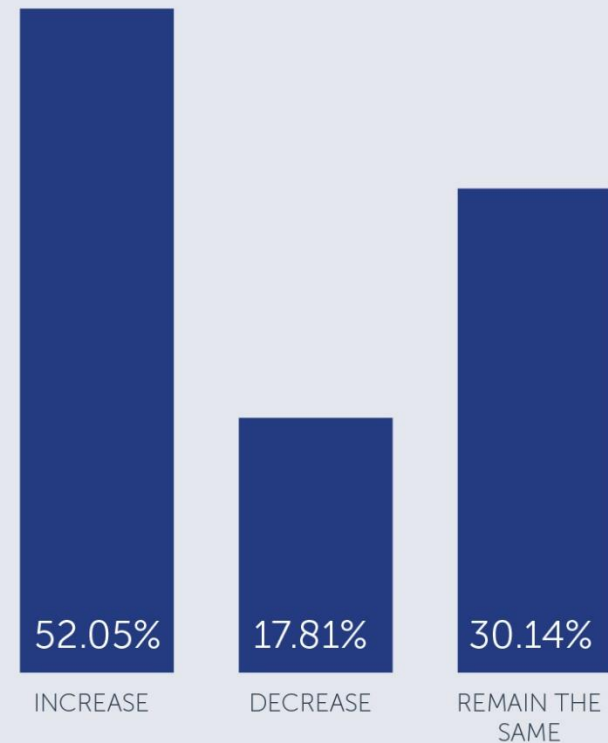
## SURVEY RESULTS

In the next 12 months, our capital budget will:



## SURVEY RESULTS

In the next 12 months, our fleet maintenance costs will:





# RELATED INDUSTRIES – FOLLOW THE LEADER? ...

Sector	Current Revenue	Annual Growth 2013-2018	Projected Annual Growth 2018-2023
Construction <sup>(1)</sup>	\$2.0tr	3.4%	0.8%
Manufacturing <sup>(2)</sup>	\$6.2tr	-0.5%	1.5%
Wholesale Trade <sup>(3)</sup>	\$8.3tr	0.3%	1.9%
Retail Trade <sup>(4)</sup>	\$5.5tr	2.1%	1.2%

Growth within the construction industry over the next several years is also expected to increase at a slower rate, driven by lower demand following the waning construction boom and a normalizing housing market.

Industry	Current Revenue	Annual Growth 2014-2019	Projected Annual Growth 2019-2024
Local Freight <sup>(5)</sup>	\$52.0bn	2.6%	1.3%
Long-Distance Freight <sup>(6)</sup>	\$223.2bn	2.6%	1.8%
Local Specialized <sup>(7)</sup>	\$48.1bn	0.8%	2.7%
Tank & Refrigeration <sup>(8)</sup>	\$45.1bn	0.5%	2.8%

A photograph of a smiling man with a beard, wearing a white baseball cap, a red and black plaid shirt, and a high-visibility orange safety vest. He is pointing his right hand towards the side of a white truck. The truck has a red and white striped safety bar and a yellow reflective tape. The background is a light-colored wall with a grid pattern.

## Polling Question #1



A smiling man with a beard, wearing a grey cap, a red and black plaid shirt, and an orange safety vest, is pointing his right hand towards a thin wire. He is standing in front of a large, dark tire. The background is a light-colored wall with a grid pattern. The text "INDUSTRY CHALLENGES" is overlaid in a white box.

# INDUSTRY CHALLENGES



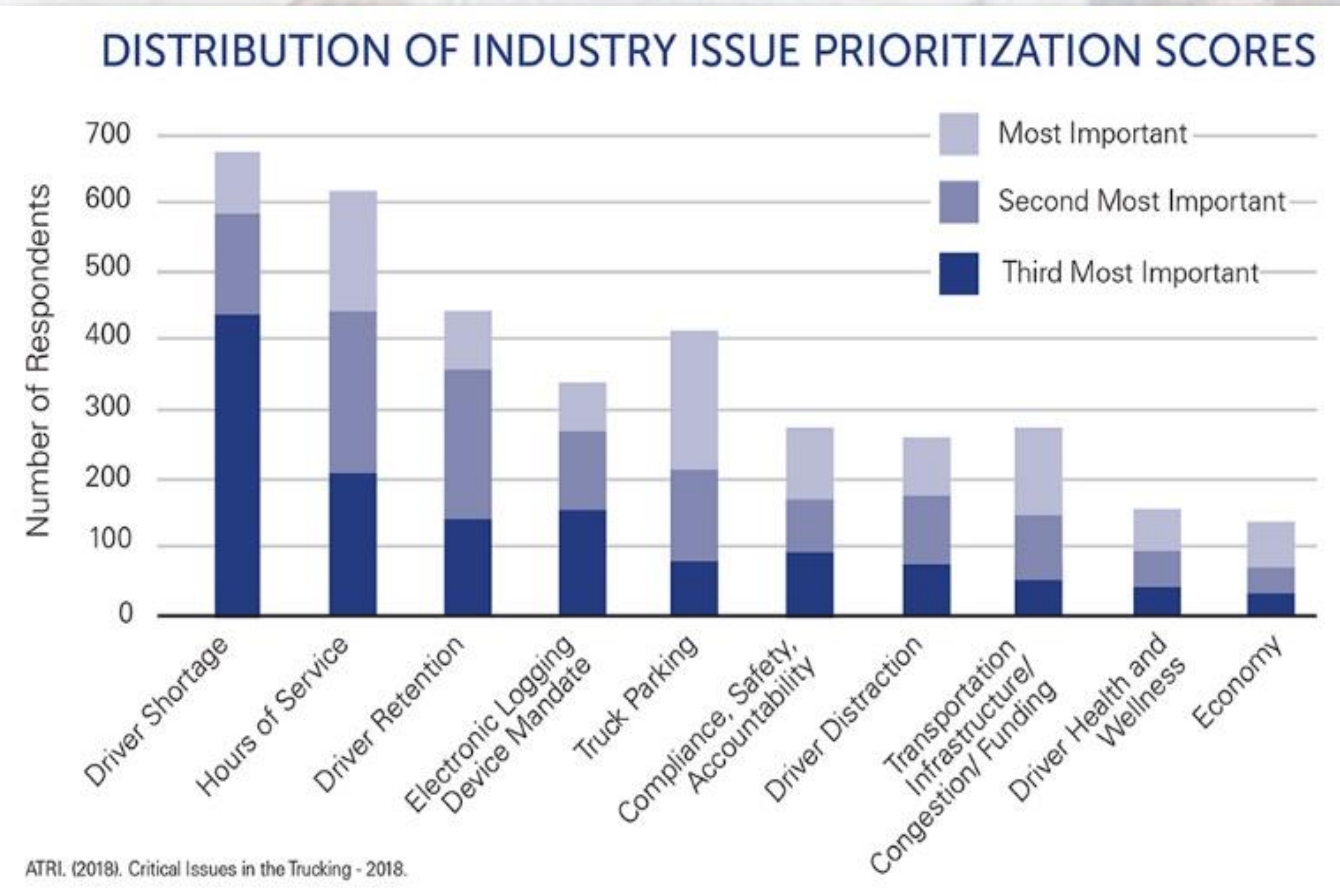
# OVERCOMING THE OBSTACLES ...

## TOUGHEST CHALLENGES YOUR ORGANIZATION IS CURRENTLY FACING

- 73.49% Ability to Find & Hire Experienced Drivers
- 62.65% Labor Costs/Driver Retention
- 48.19% Healthcare Costs
- 38.55% Insurance/Reinsurance Costs
- 33.73% Age of the Drivers/Health & Wellness
- 33.73% Overall Regulatory Environment

- More than 3.5 million drivers in the industry
- Numbers at all time high
- Estimated 50,000 shortfall nationally
- Average age of 46 vs. 41 for all other workers

# PRIORITIES, PRIORITIES, PRIORITIES ...



# HELP WANTED ...

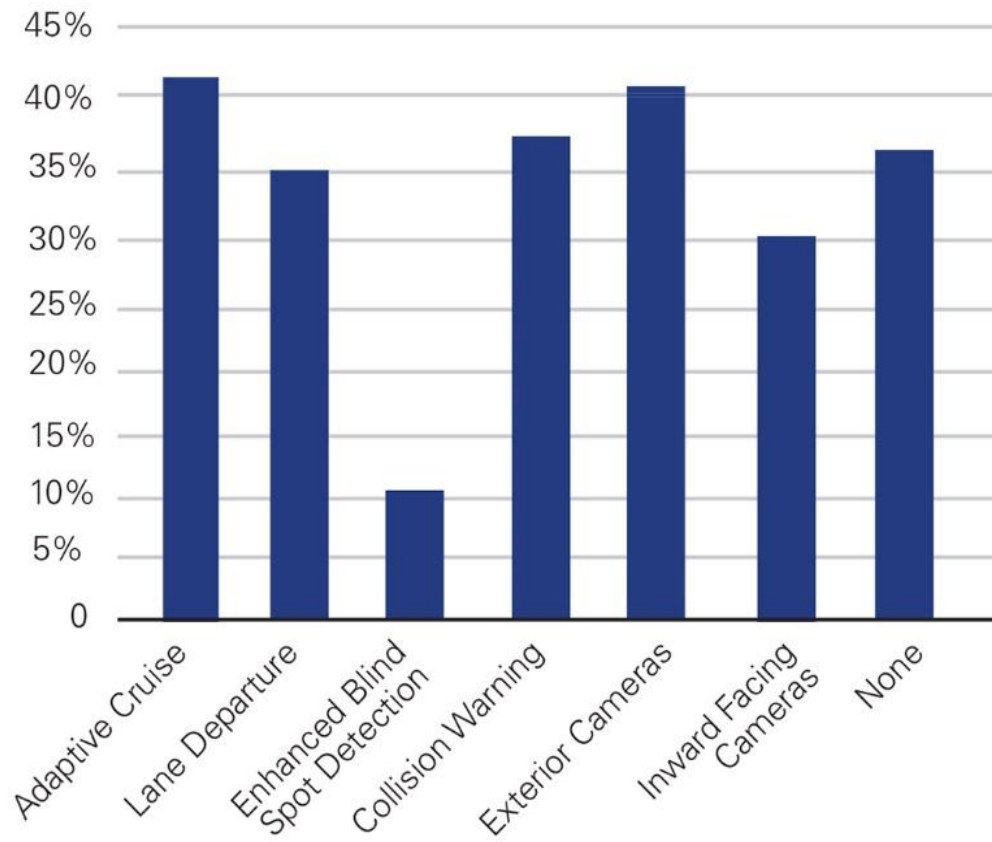
## ACTIONS TAKEN TO ADDRESS THE DRIVER SHORTAGE

- 75.00% Wage Increase
- 68.42% Social Media Engagement (recruiting, marketing, etc.)
- 61.84% Employee Referral Programs
- 51.32% Upgrade Equipment and Technology
- 47.37% Advertising



# CAN I GET SOME HELP AROUND HERE? ...

## WHICH DRIVER ASSISTANCE TECHNOLOGY DOES YOUR COMPANY EMPLOY?



# HEALTHCARE COSTS – MIGHT MAKE YOU FEEL SICK ...

## PPO BENCHMARK

Deductible Individual	Deductible Family	Coinsurance	Office Co-pay
\$500	\$1000	20%	\$25

Specialist Co-pay	ER Visit Co-pay	Employee Contribution	Firm Contribution	Average Cost Per Employee
\$40	\$150	27%	32%	\$13,203

## HIGH DEDUCTIBLE, WITH HSA BENCHMARK

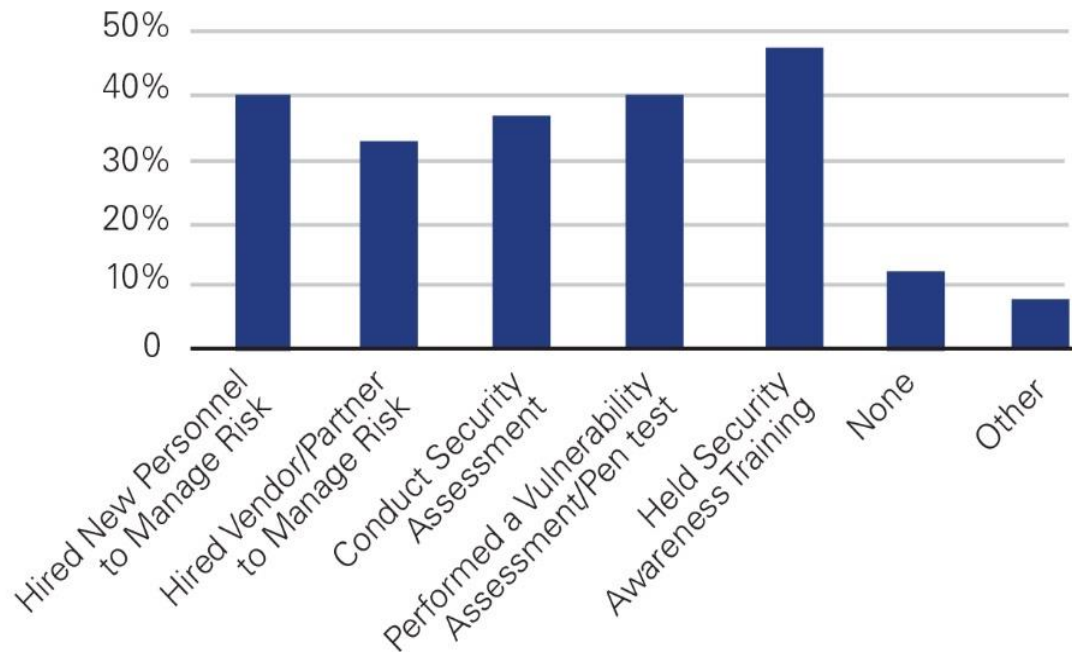
Deductible Individual	Deductible Family	Coinsurance
\$1500	\$3600	20%

Employee Contribution	Family Contribution	Average Cost Per Employee
26%	26%	\$9669

Note: Statistics provided by Mercer National Survey, 2017 and 2018

# Cyber Security/ Fears or Not....

WHICH OF THE FOLLOWING BEST DESCRIBES ACTIONS YOU HAVE TAKEN TO IMPROVE YOUR SECURITY AGAINST CYBER-ATTACKS IN THE PAST YEAR?



- Few respondents indicated as a top concern
- Almost 40% indicated as a significant issue



A smiling man with a beard, wearing a white cap, a red and black plaid shirt, and an orange safety vest with reflective stripes, stands next to a large white truck. He is pointing his right hand towards the truck's side. The truck has a white body with red and white reflective stripes on the side. The background is a light, textured wall.

## Polling Question #2

The background of the slide features a photograph of the United States Capitol building in Washington, D.C., taken from a low angle looking up at the dome. The building is illuminated with warm yellow lights from its windows. Overlaid on the entire image is a semi-transparent, light blue map of the United States, showing state boundaries and major cities. A white rectangular box is positioned in the center of the image, containing the text "POLITICAL/REGULATORY".

# POLITICAL/REGULATORY

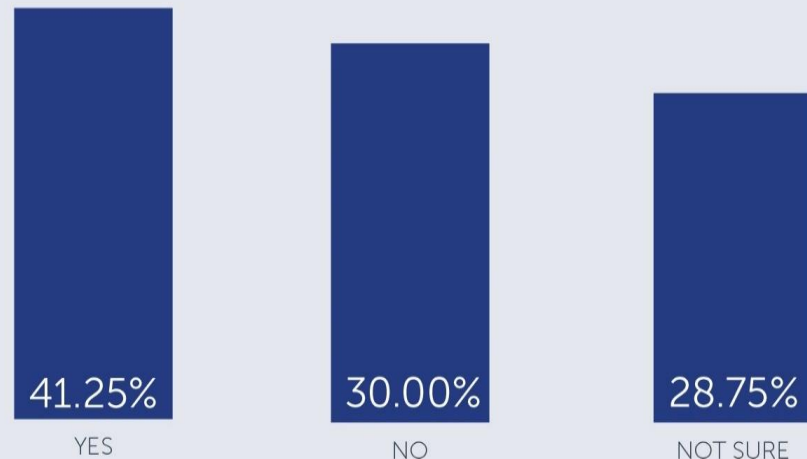
# Infrastructure/Congestion – “Can’t Get There From Here” ...

3 Ohio Interchanges on Top 100 Bottlenecks from ATRI

- I-71 at I-75 Cincinnati
- I-75 at I-74 Cincinnati
- I-71 at I-70 Columbus

## SURVEY RESULTS

Are you optimistic that the current administration and Congress will engage a major infrastructure bill in the next 12 months?



“For the cost of a nickel, we can reclaim the time and money we are losing to traffic congestion and damaged roads.” - Chris Spear, ATA President & CEO TT Reference



# Tax Reform: Can I Get a Break? ...

## SURVEY RESULTS

Has the tax reform law passed in December of 2017 impacted your company?



- Reduced Income Tax Rates
  - Corporate/Individual
- Bonus Depreciation
- Interest Expense Limitations
- Employee Business Expense
- Entertainment Expenses

A photograph of a smiling man with a beard, wearing a white baseball cap, a red and black plaid shirt, and a high-visibility orange safety vest. He is pointing his right hand towards the side of a white truck. The truck has a red and white striped safety bar and a large black tire visible in the foreground. The background is slightly blurred, showing an outdoor setting.

## Polling Question #3

# Political/Regulatory

- California ABC Test/California Assembly Bill 5
- FMCSA boosts random drug test from 25% to 50%.
- Tariffs
- USMCA
- Infrastructure received \$1 billion in funding in late 2019.
- Alternative Fuel Credit



A smiling man with a beard, wearing a white cap, a red and black plaid shirt, and a high-visibility orange safety vest, stands next to a white truck. He is pointing his right hand towards the truck's cargo area. The truck has a white body with red and white reflective stripes. The background is a blurred construction site.

**Thank You!!**

**Any Questions?**