

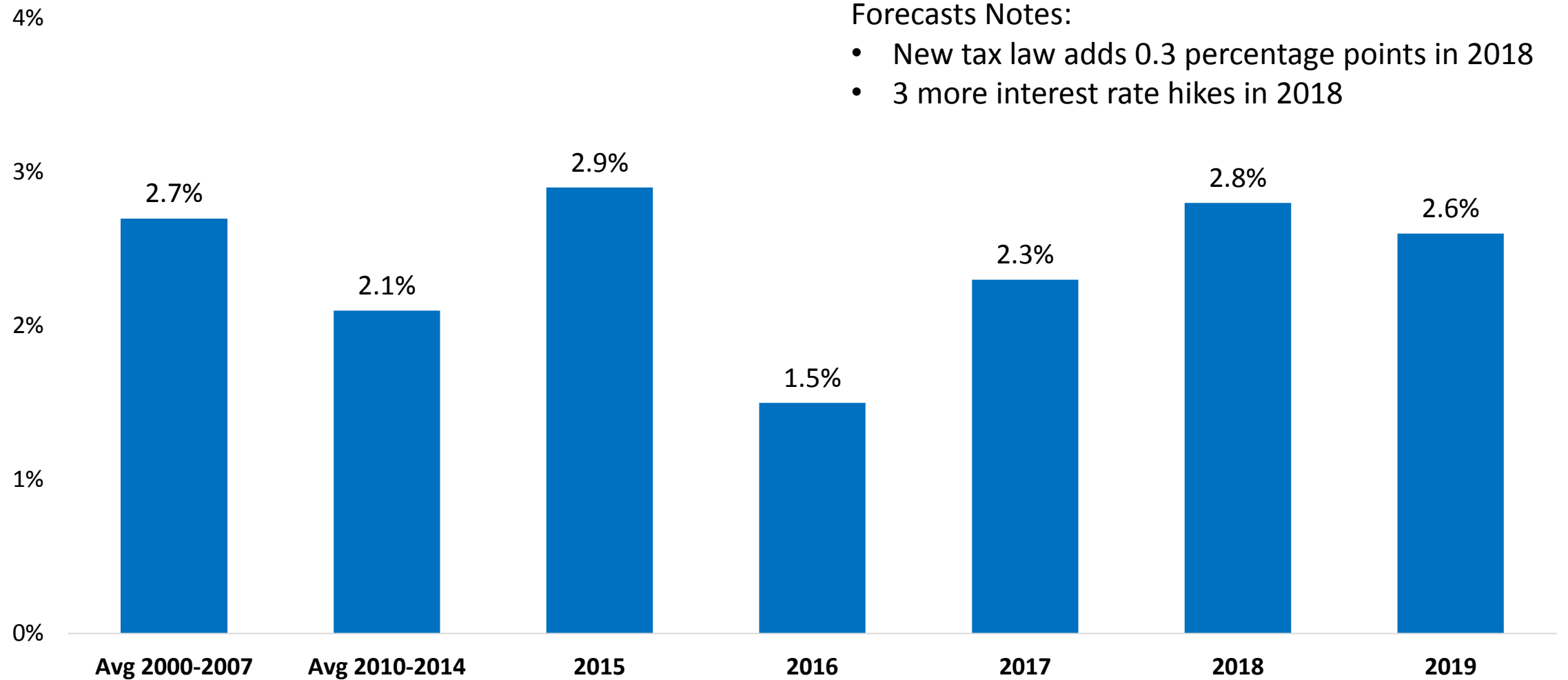
Economic & Trucking Industry Update

January 20, 2018

Bob Costello

Chief Economist & Senior Vice President
American Trucking Associations

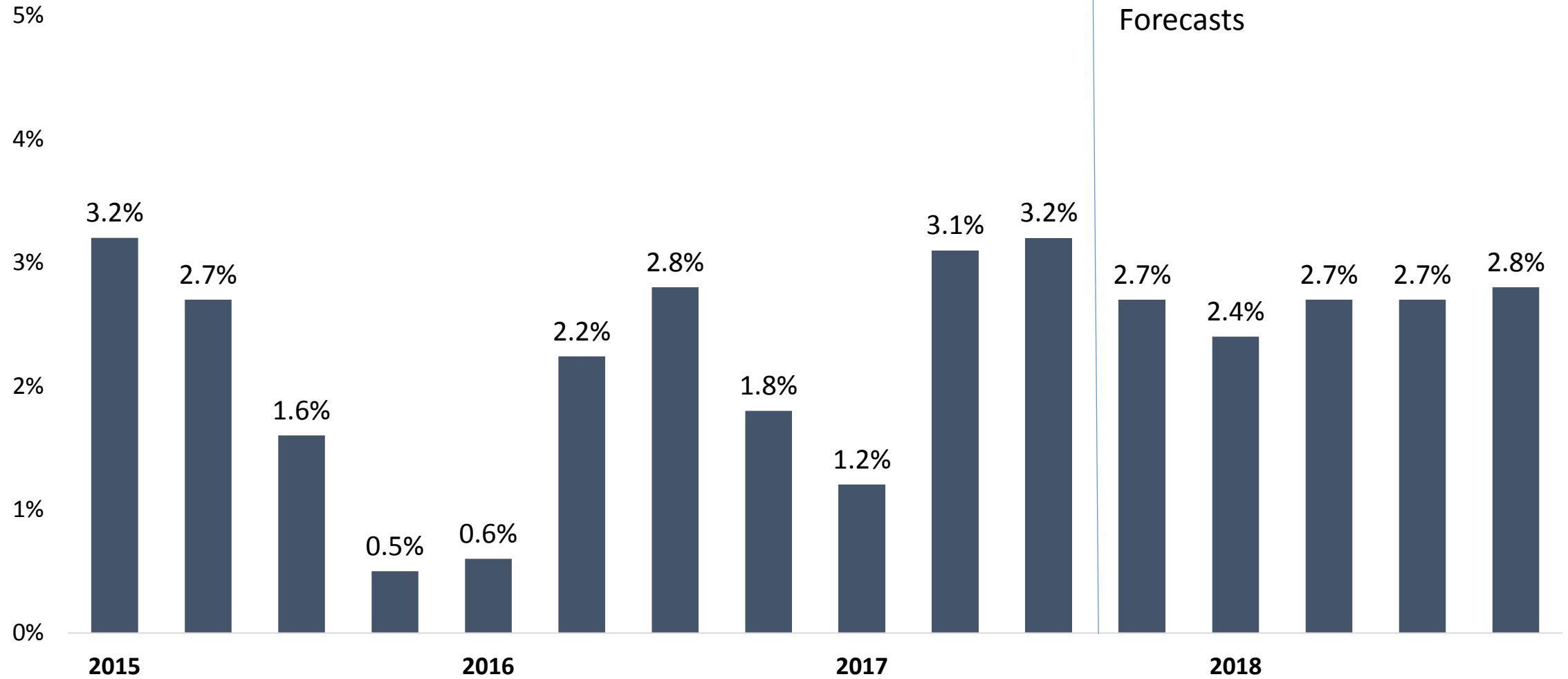
Real Gross Domestic Product Growth



Real Gross Domestic Product Growth

Annualized Rates

Forecasts



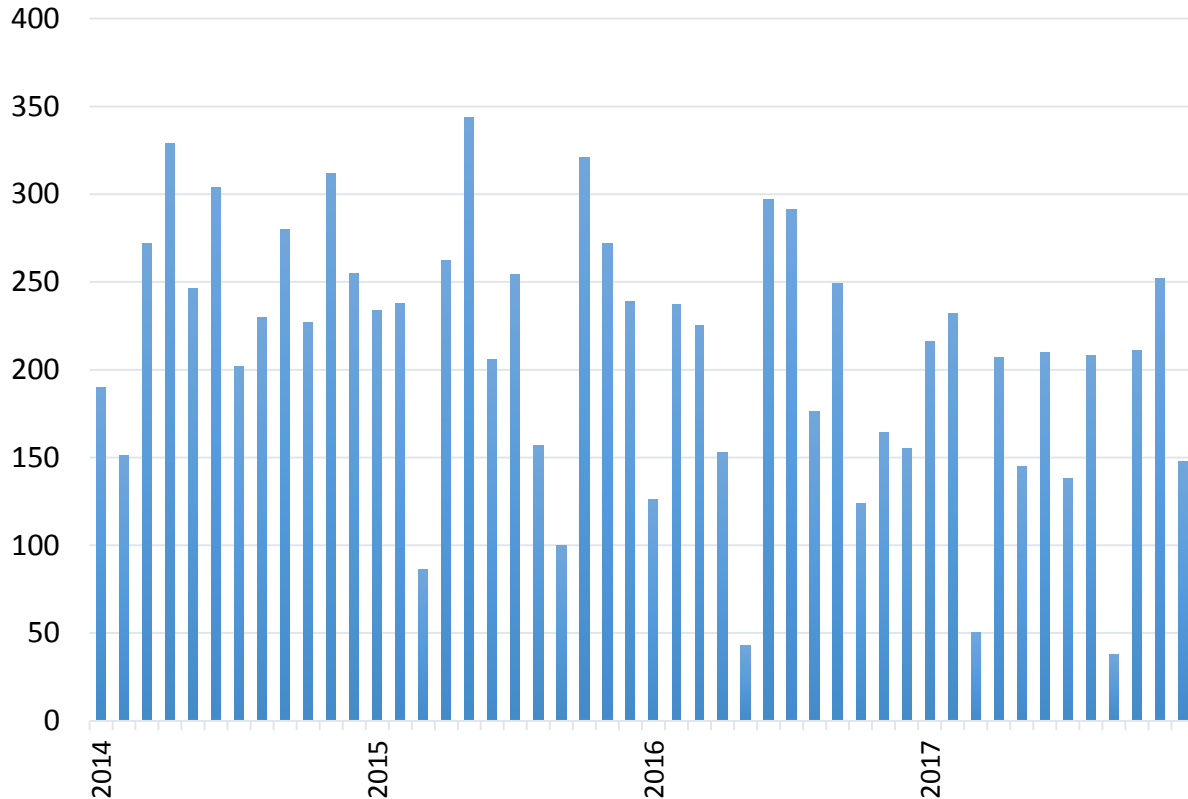
Sources: BEA & ATA

Drivers of Truck Freight

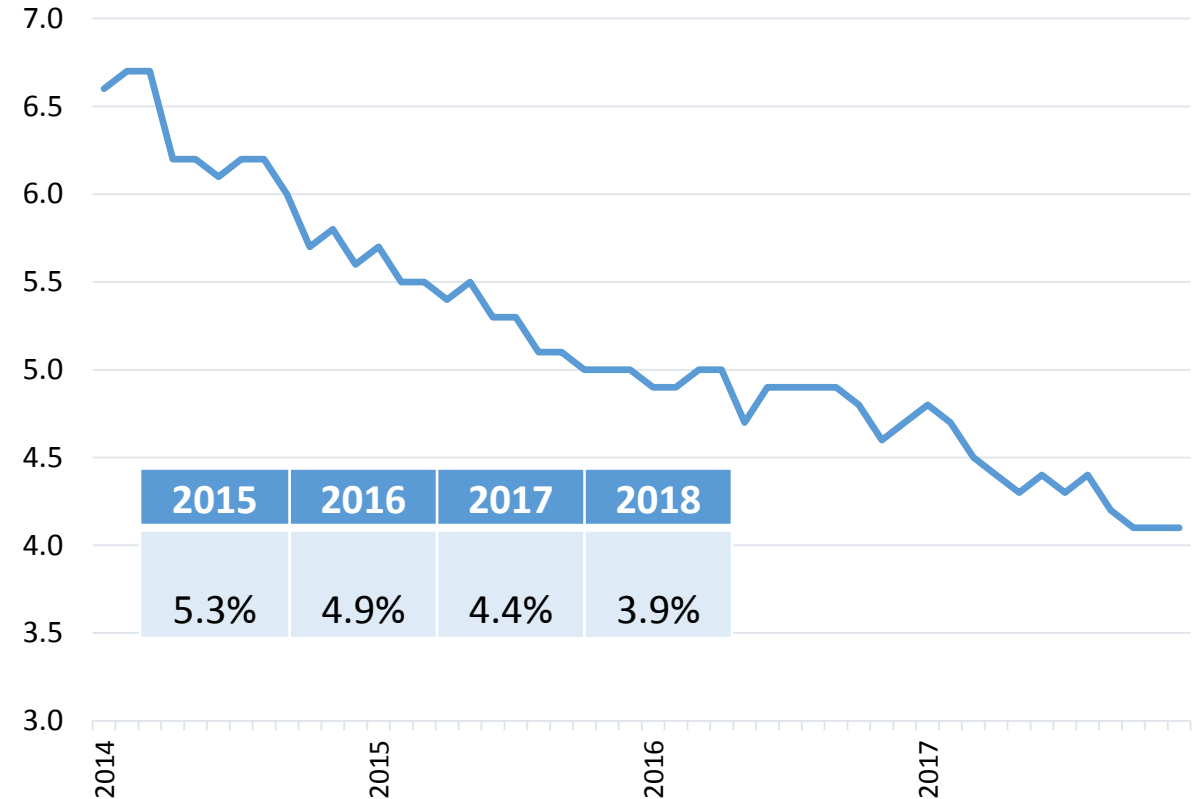
The 3.5 Buckets of Freight

Job Market

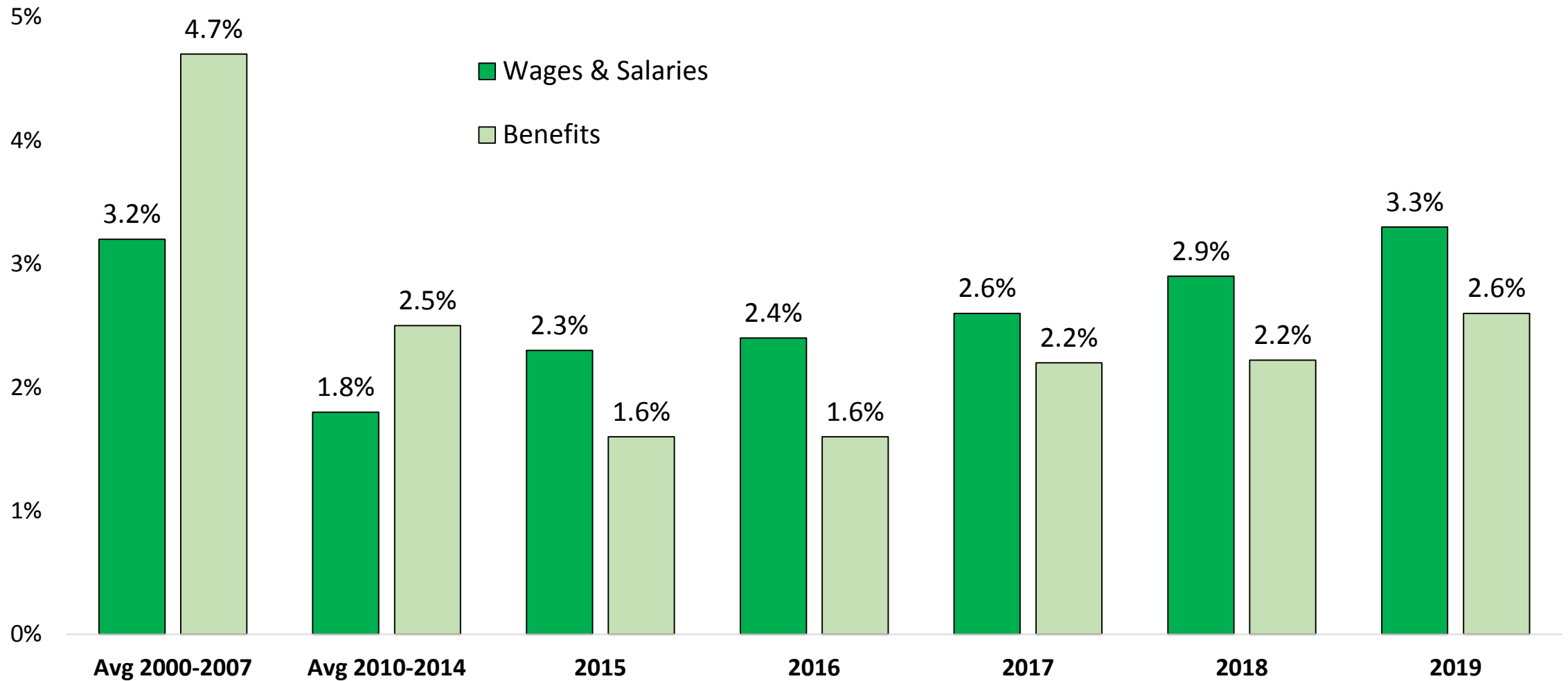
Monthly Job Changes (Thousands)



Unemployment Rate (Percent)

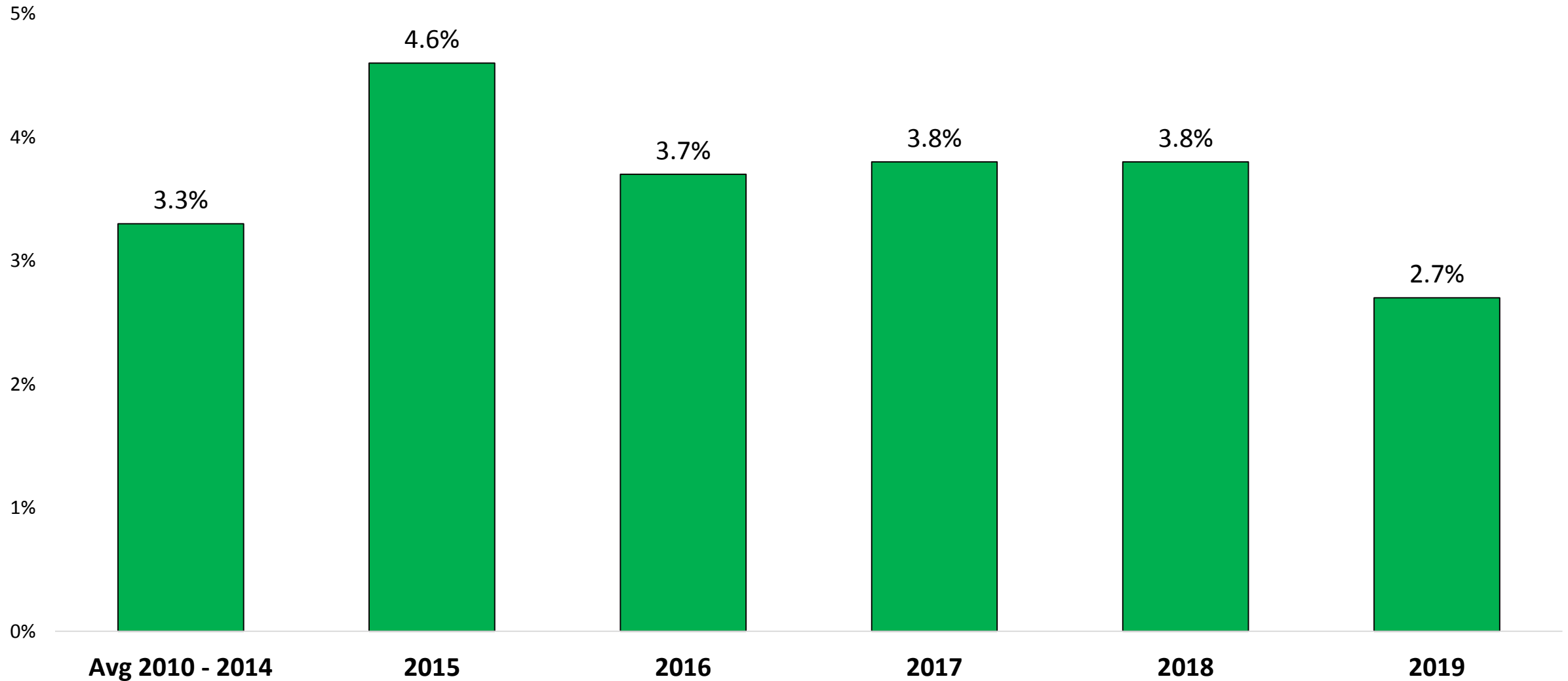


Employment Costs



Sources: BLS & ATA

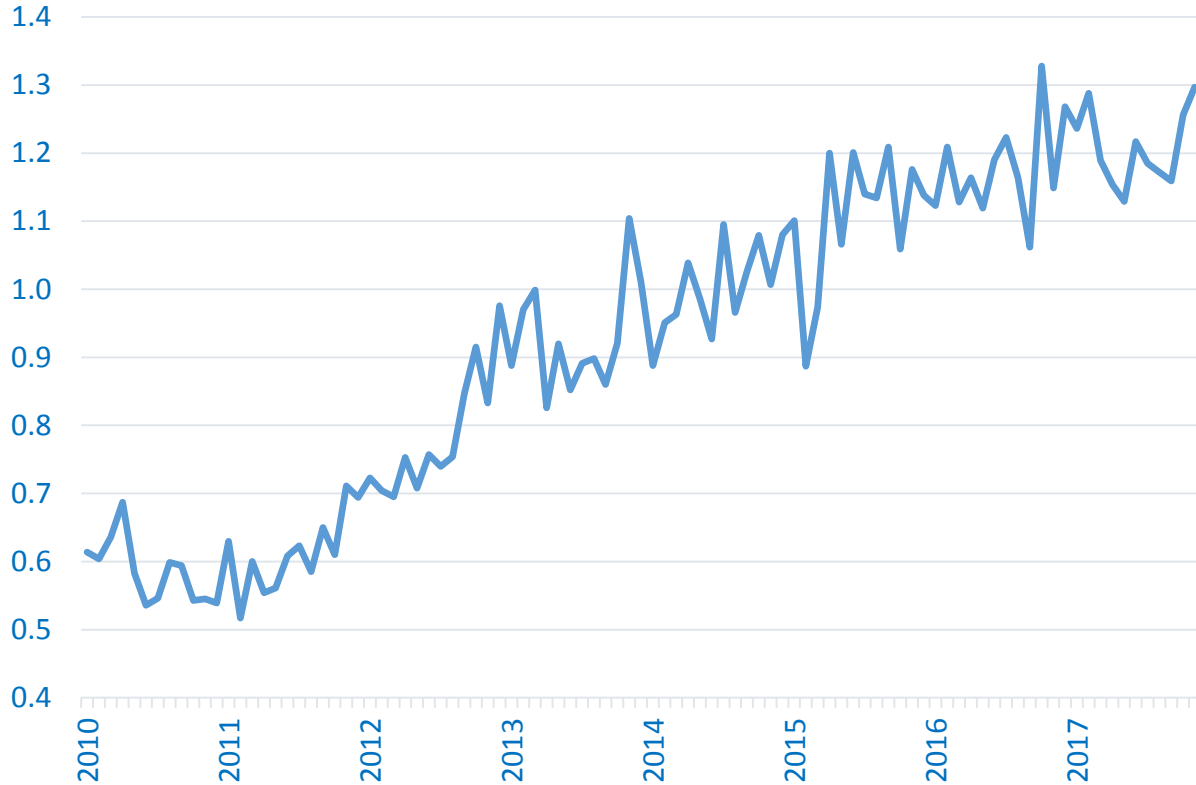
Real Personal Consumption Growth (Goods Only)



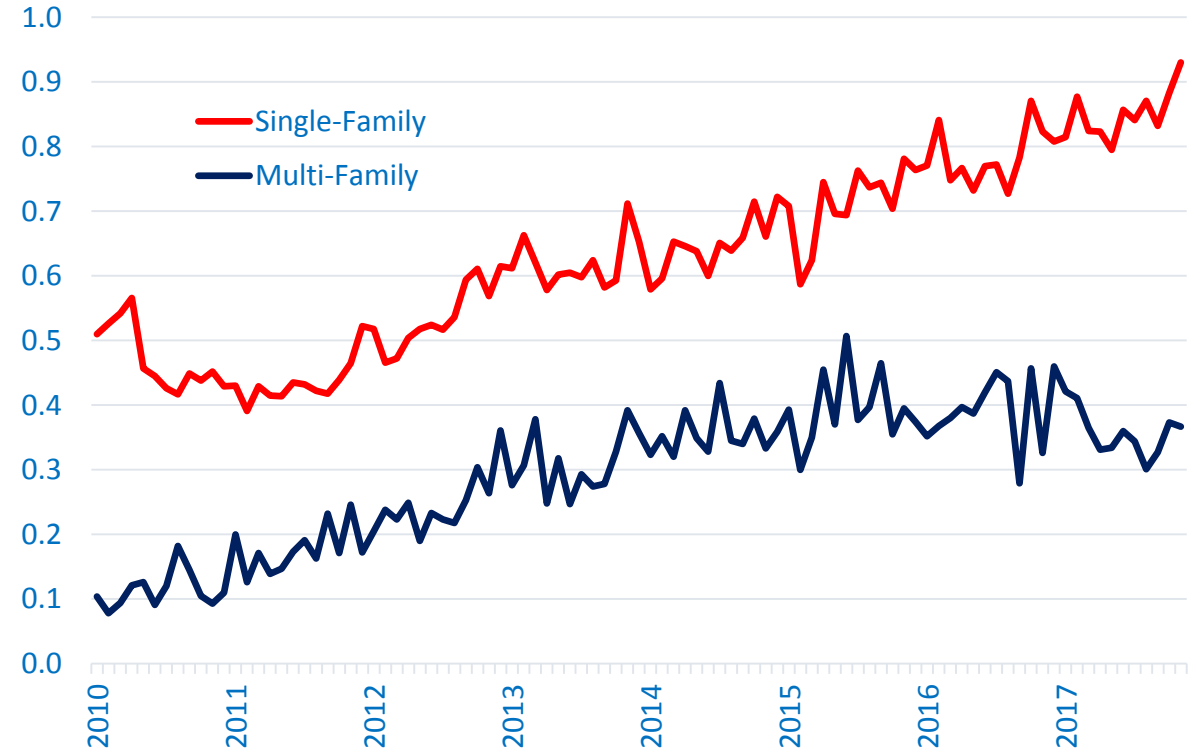
Sources: BEA & ATA

Single-Family Housing Starts Will Continue Their Upward Climb

Total Housing Starts
(Monthly; Annualized Rate; Millions)



Single-Family vs Multi-Family Units
(Monthly; Annualized Rate; Millions)



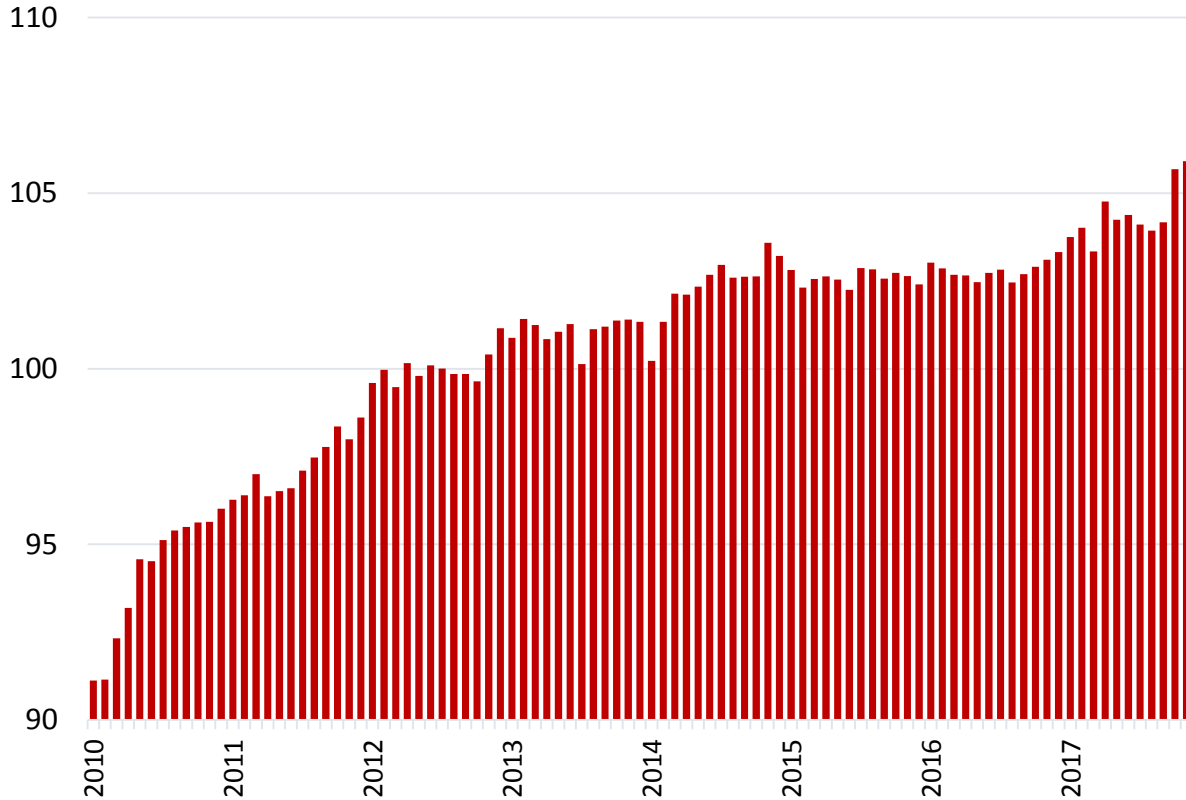
	2015	2016	2017	2018	2019
H.S.	1.11 M	1.18 M	1.21 M	1.29 M	1.40 M

Sources: Census & ATA



Factory Output is Improving

Factory Output
(Index)



	2015	2016	2017	2018	2019
Output	0.2%	0.2%	1.7%	3.3%	3.0%

Factory Output
(Year-over-Year Percent)



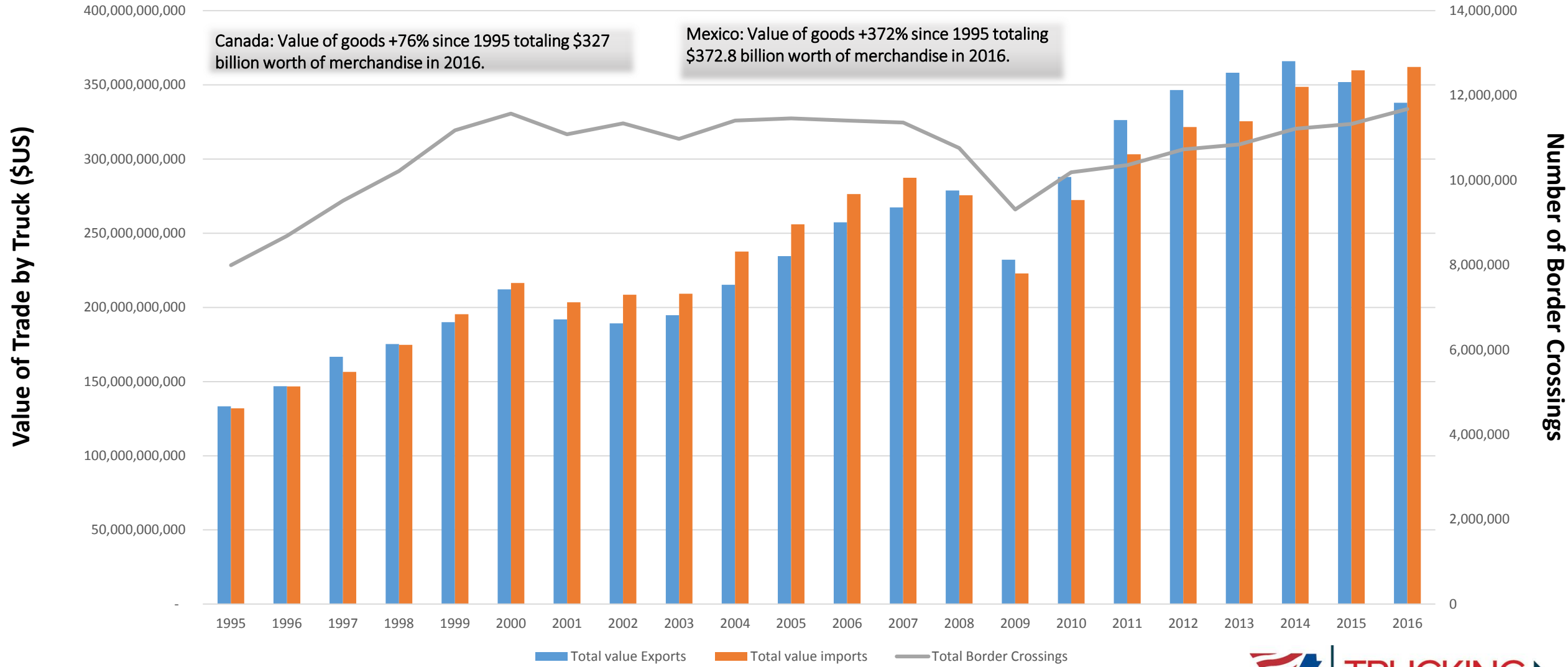
Sources: Federal Reserve & ATA

Total Business Inventory-to-Sales Ratio

(Data adjusted for seasonal, holiday, and trading-day differences, but not price changes)



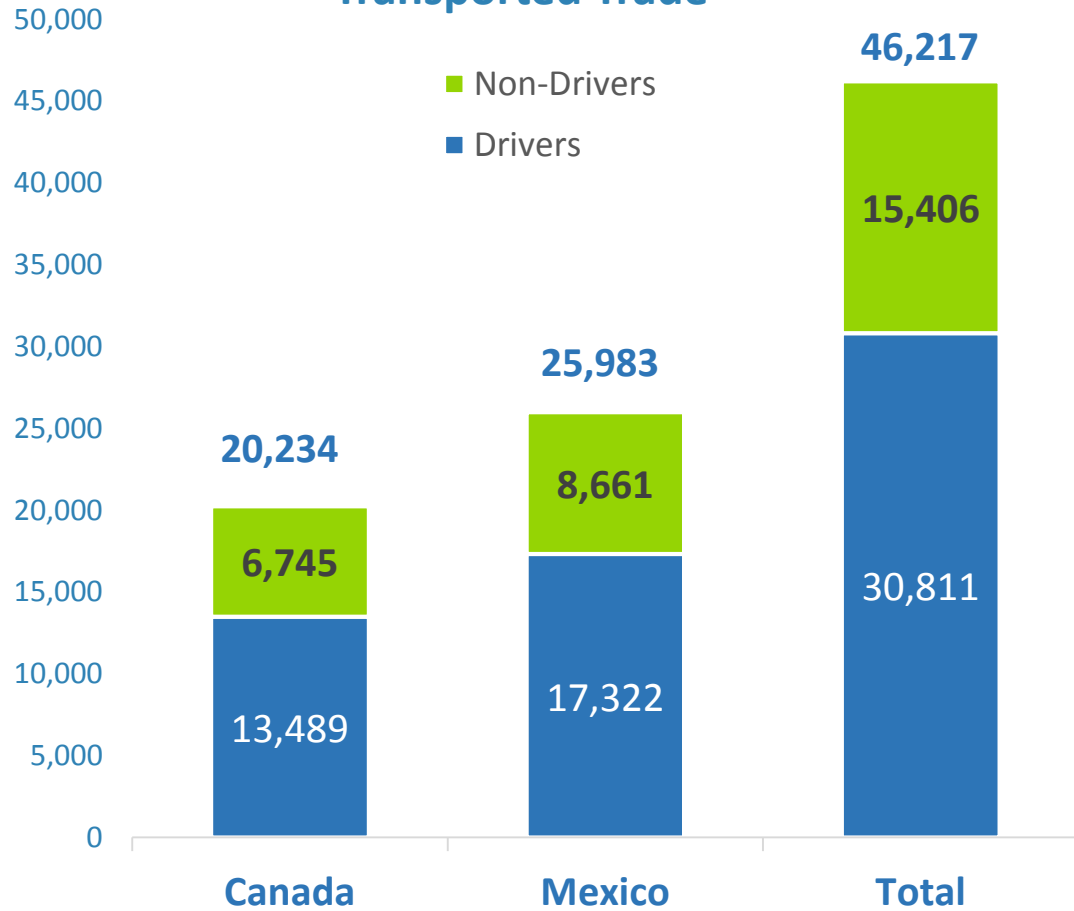
US Trade via Truck with Canada and Mexico



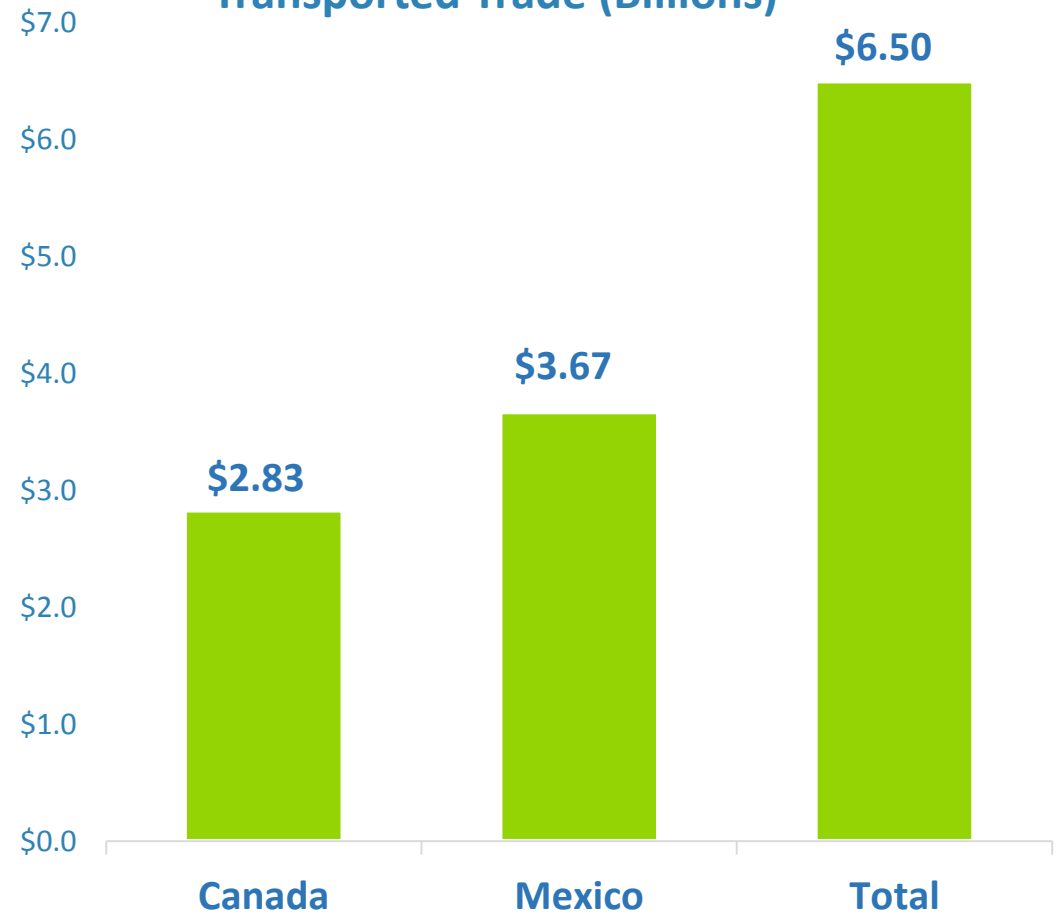
Source: Bureau of Transportation Statistics



2016 U.S. Trucking Employment From Truck Transported Trade



2016 U.S. Trucking Revenue From Truck Transported Trade (Billions)

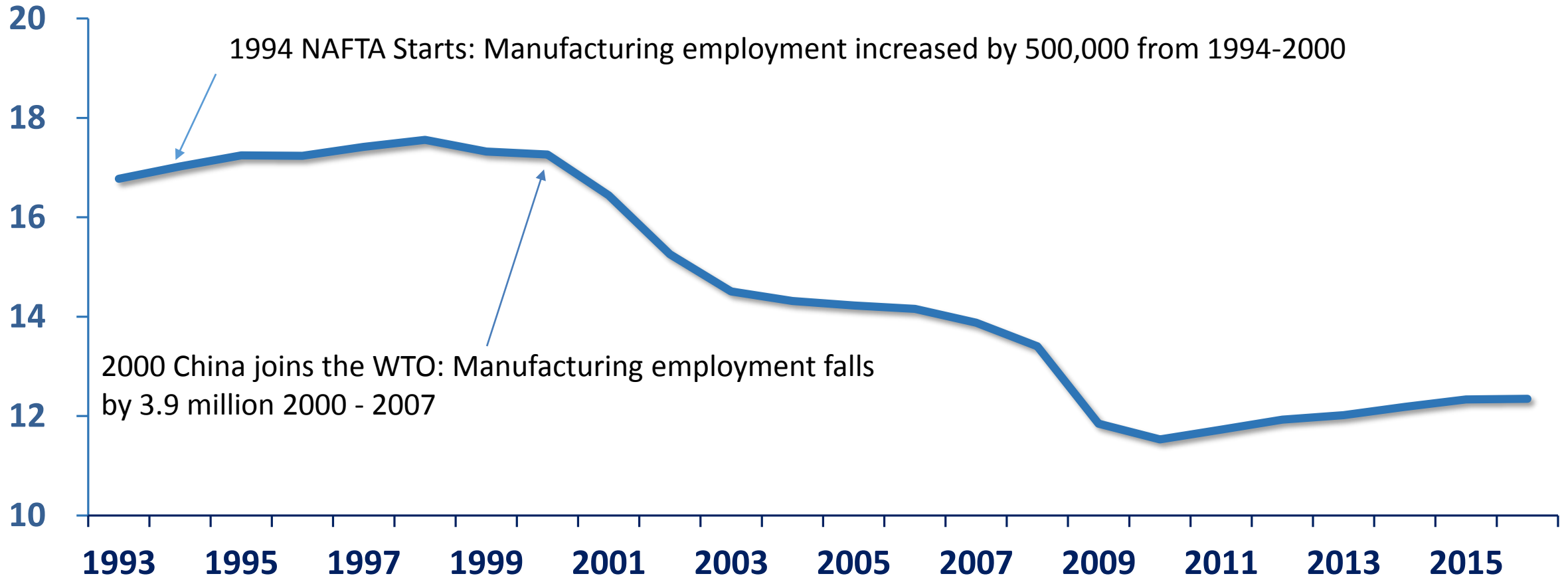


Source: American Trucking Associations' Economics Department

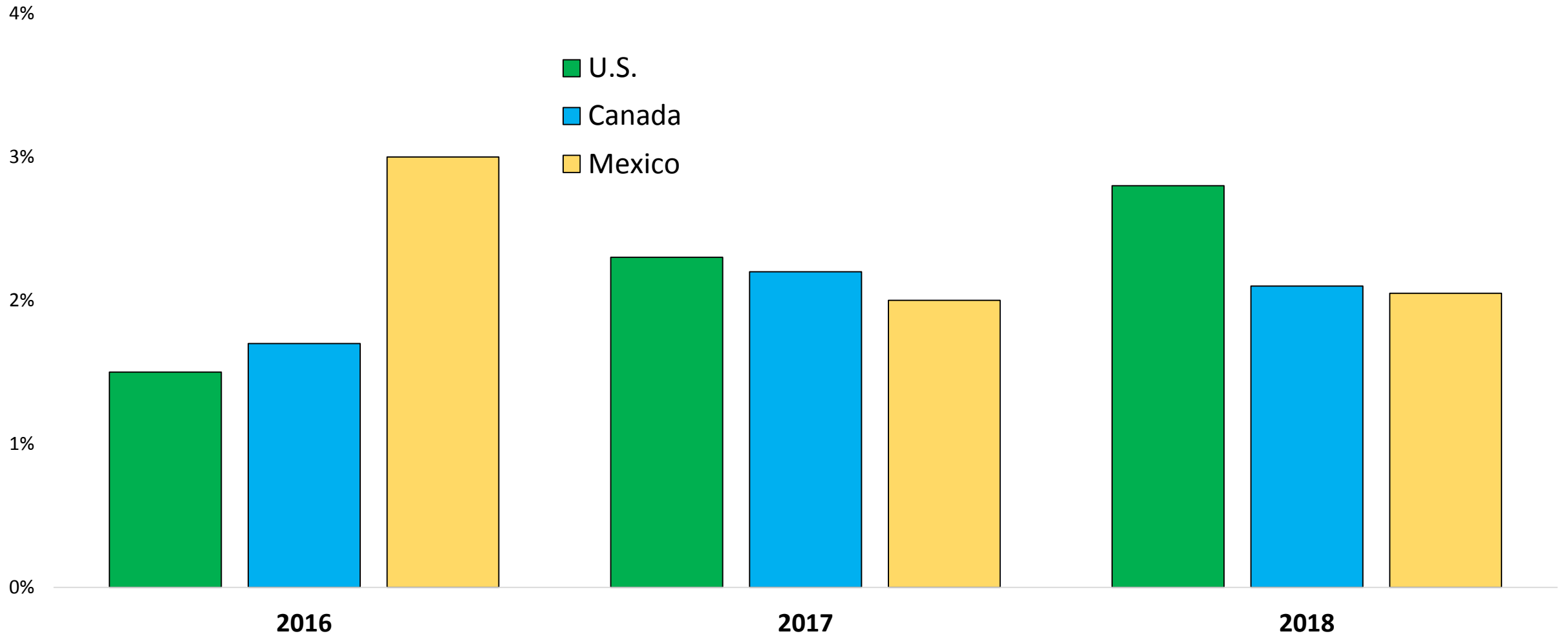


U.S. Manufacturing Employment

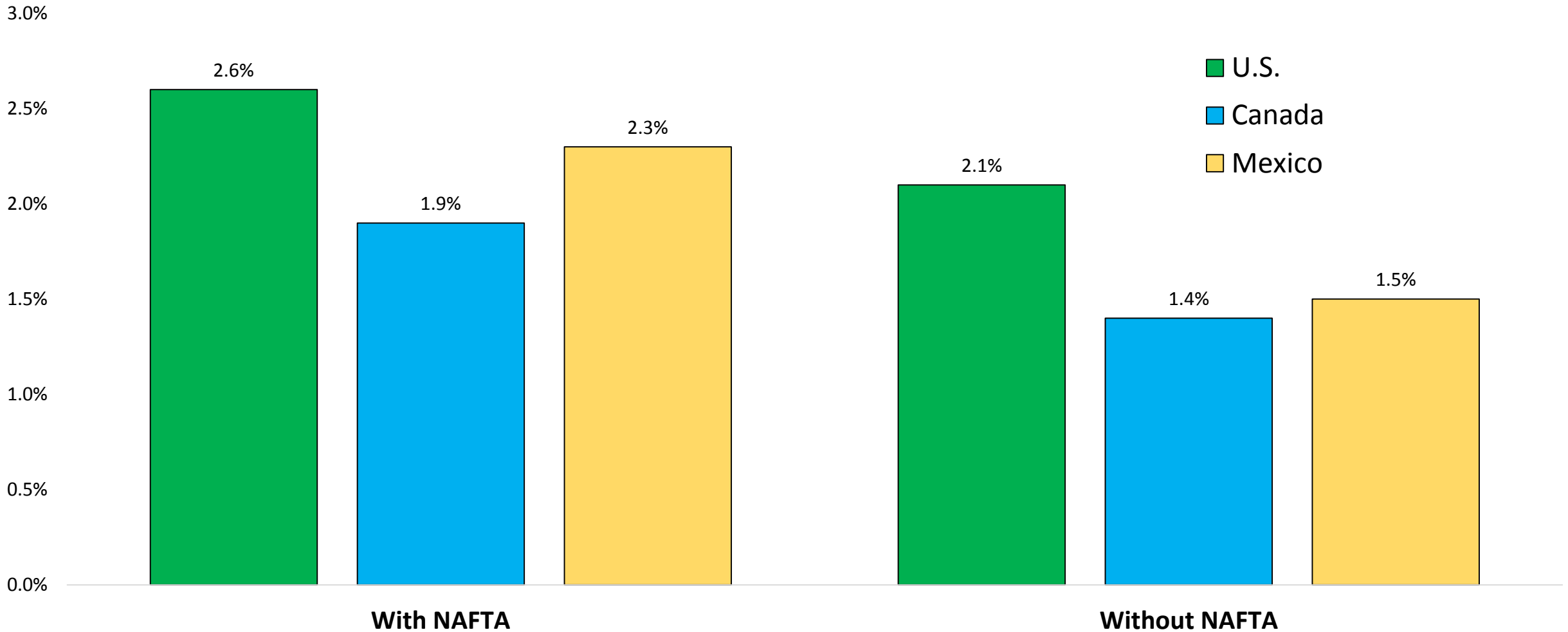
Millions of Employees



North American Economy



Impact of U.S. NAFTA Withdrawal on GDP Growth in 2019



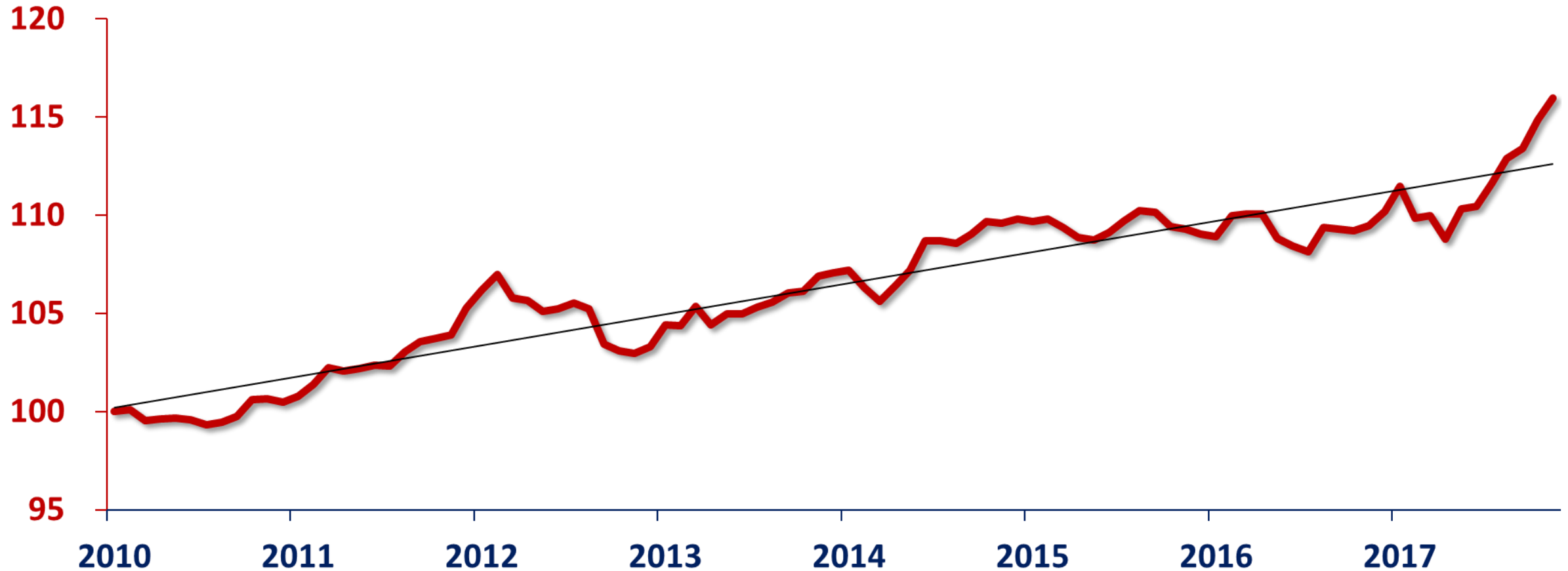
Sources: ATA and Oxford Economics/Haver Analytics

Impact of NAFTA on California

- 25% of all California exports go to Canada or Mexico.
- NAFTA trade supports 1,513,800 jobs in California.

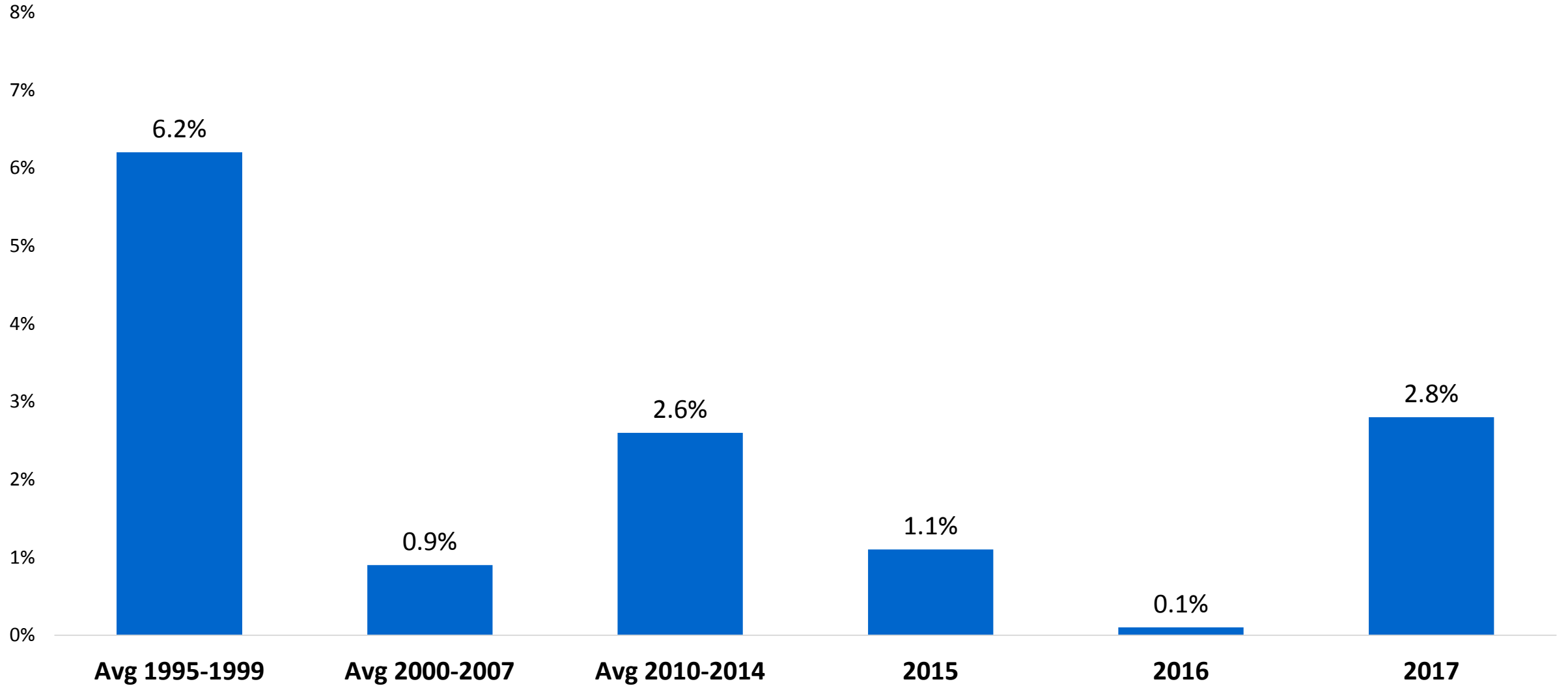
Total TL Loads

Index: January 2010=100; 3-Month Moving Average



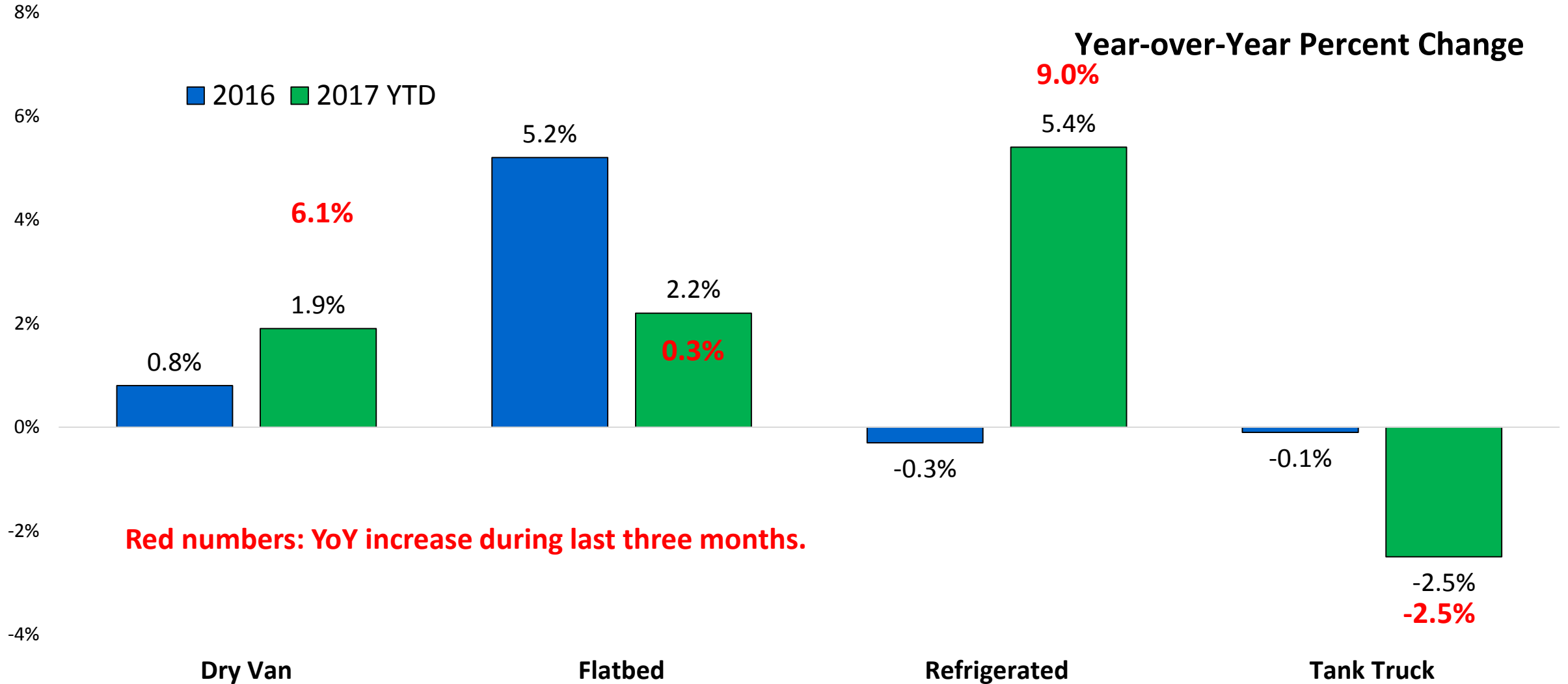
Includes Dry Van, Flatbed, Temp Controlled, and Tank Truck

Truckload Loads



Source: ATA

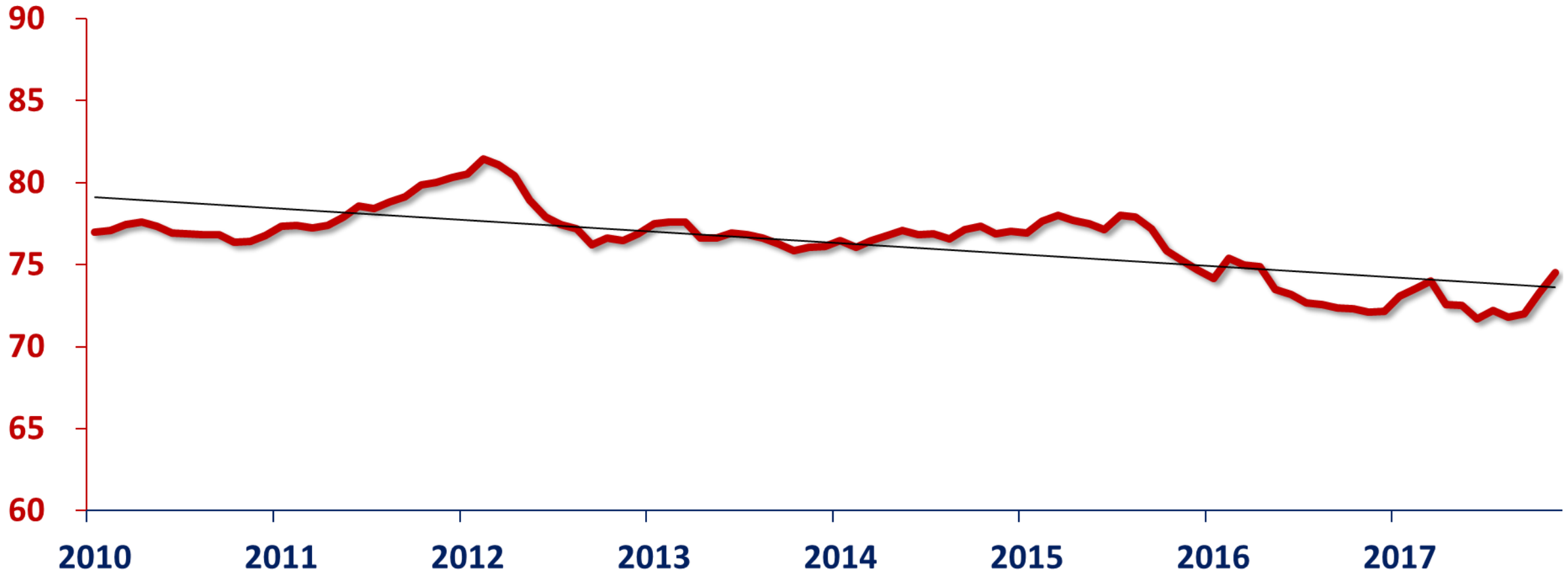
Truckload Loads



Source: ATA

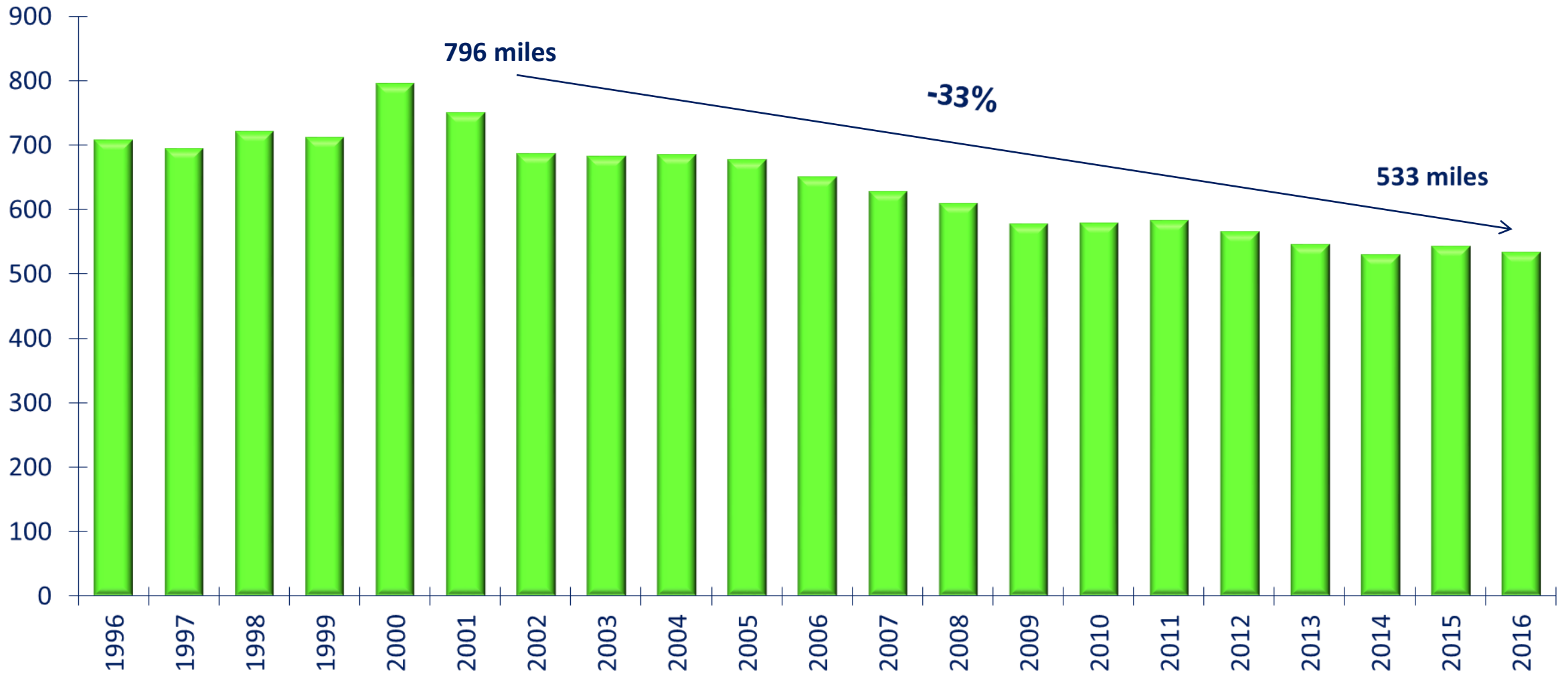
Total TL Miles

Index: 2000=100; Seasonally Adjusted; 3-Month Moving Average



Includes Dry Van, Flatbed, Temp Controlled, and Tank Truck

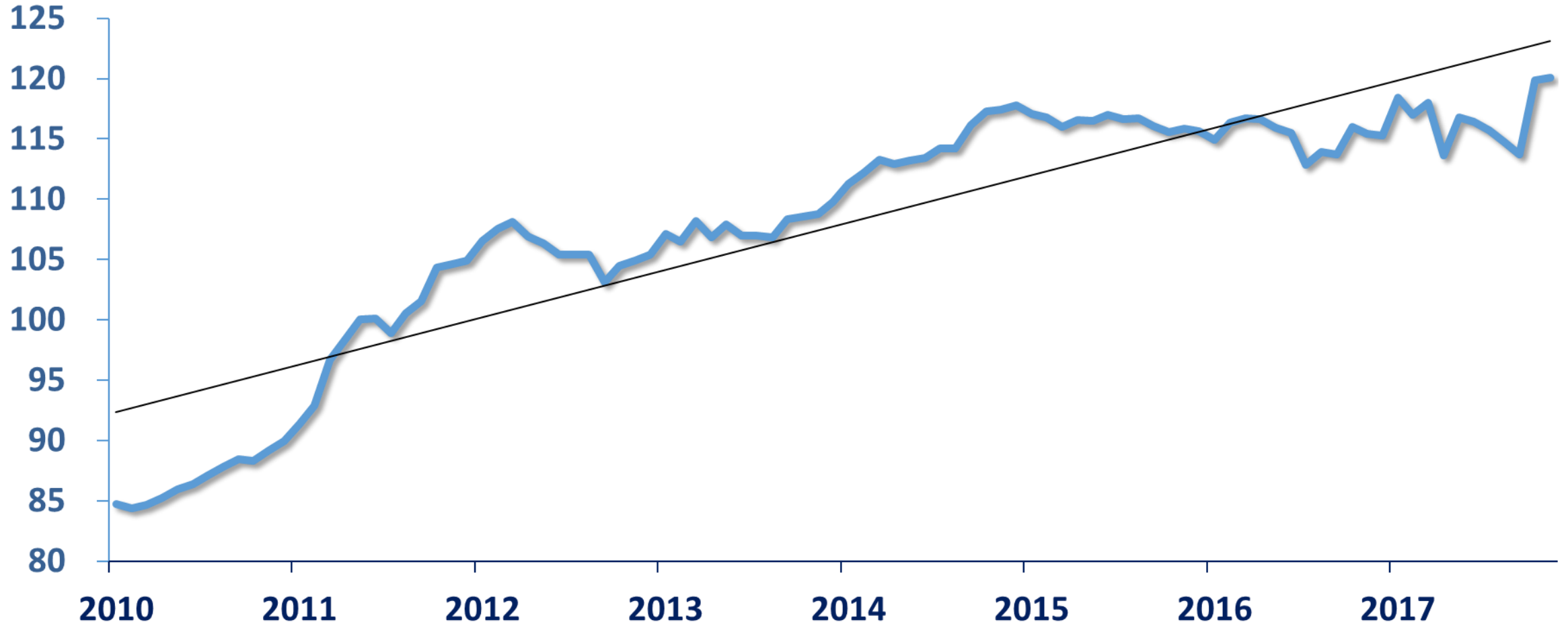
Dry Van Average Length-Of-Haul is Down



Source: ATA

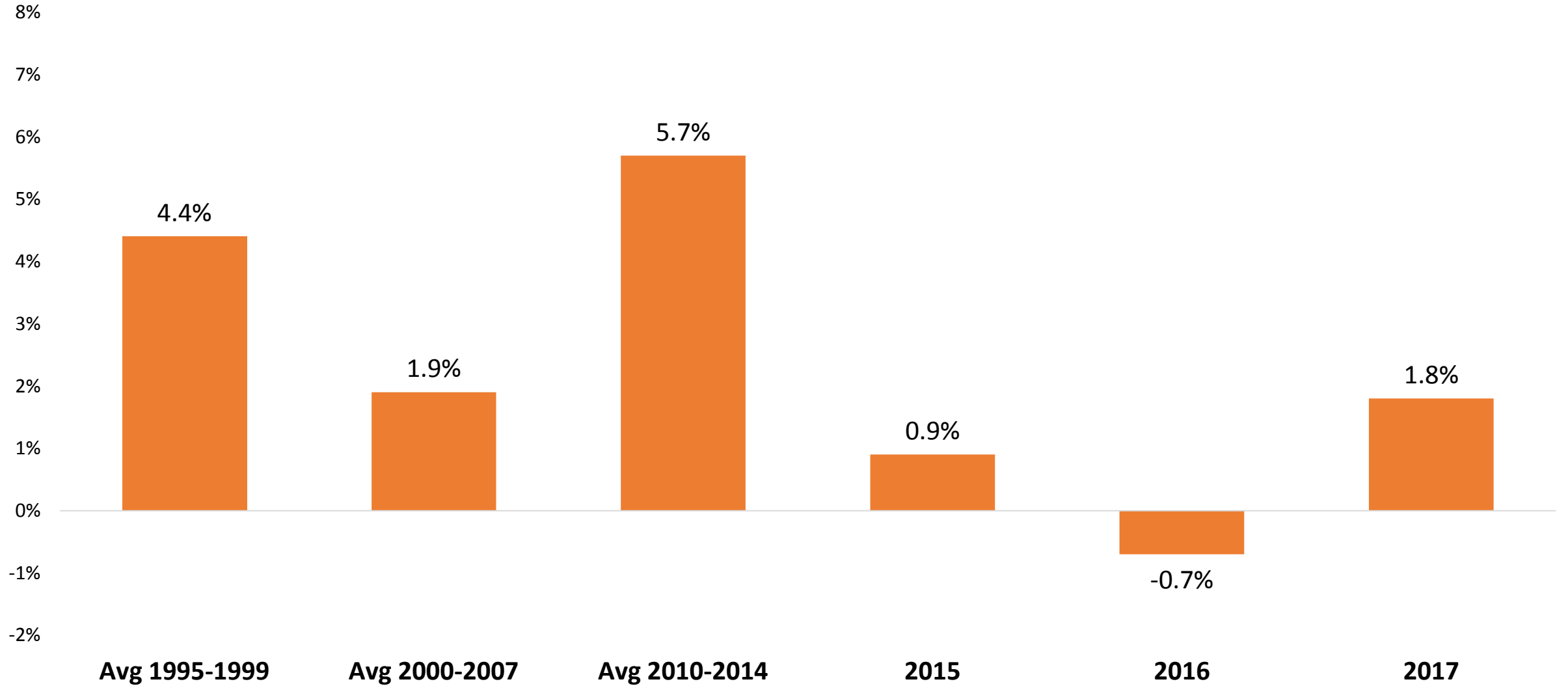
LTL Tonnage

Index: 2000=100; 3-Month Moving Average



Source: ATA's *Trucking Activity Report*

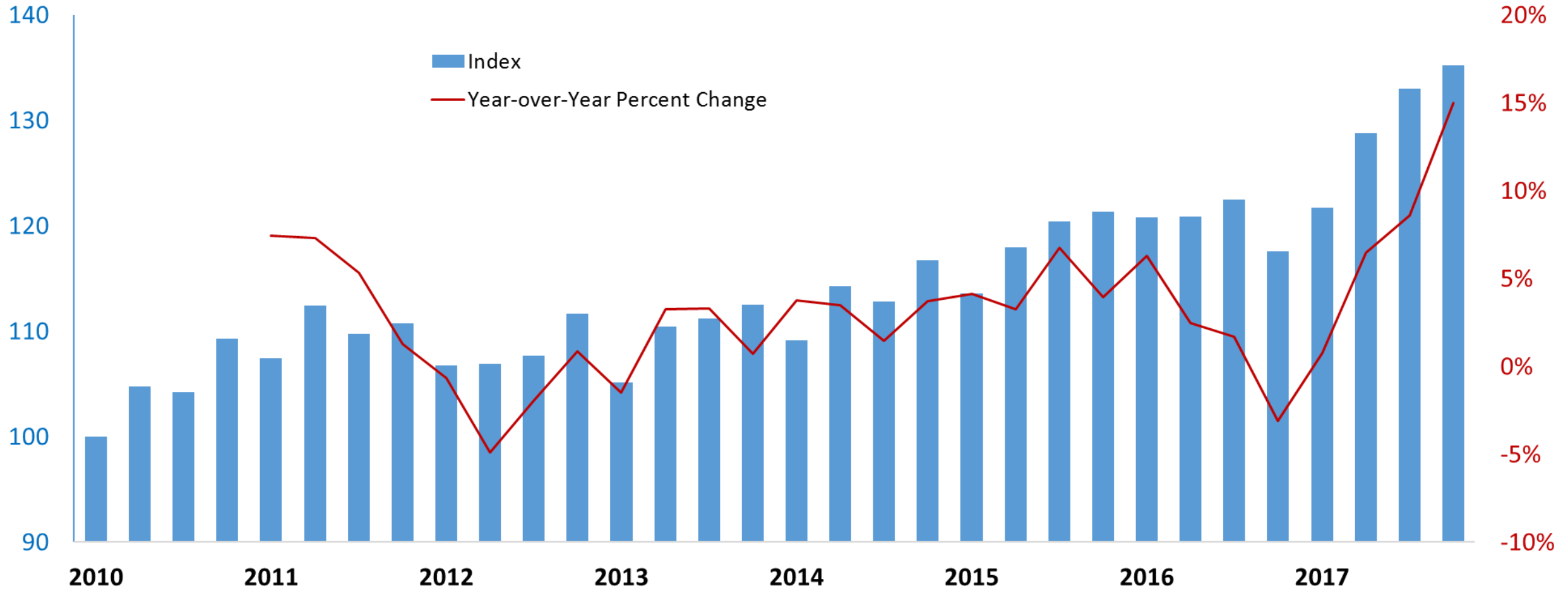
LTL Tonnage



Source: ATA

US Bank Shipments Index

Q1 2010 = 100



Source: US Bank

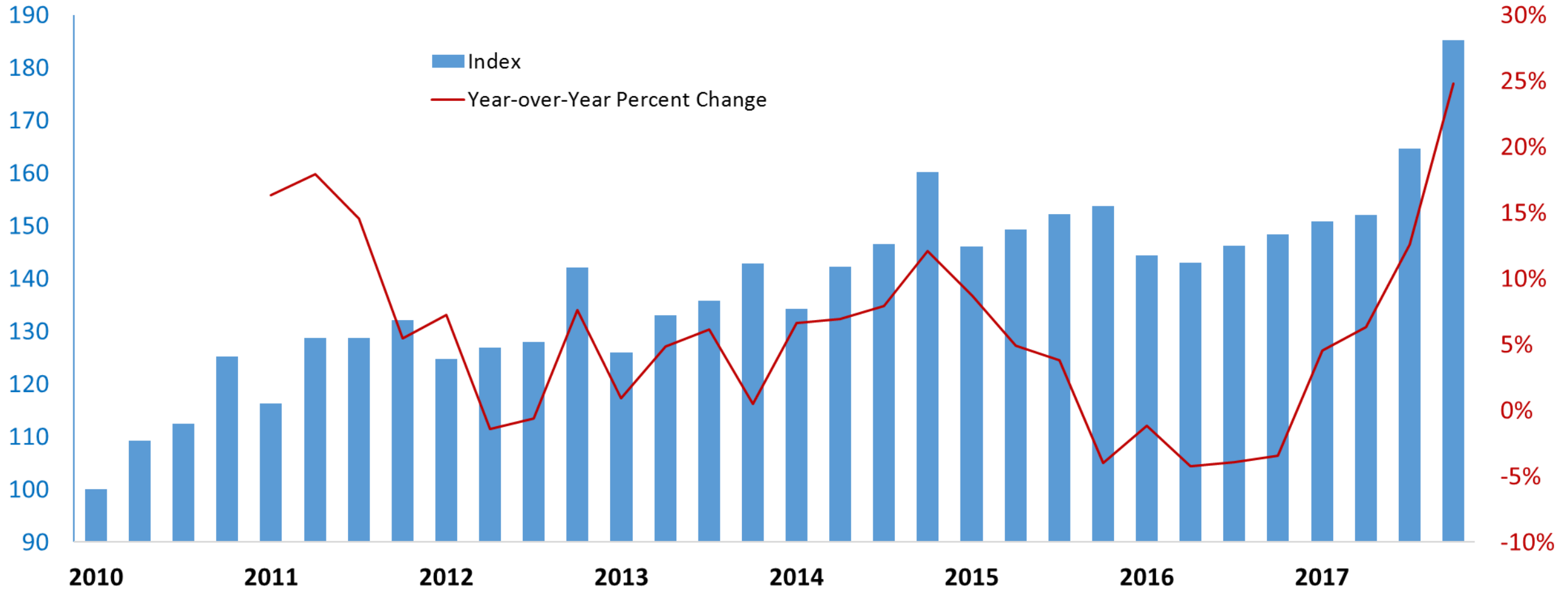
<https://freight.usbank.com>

Includes TL and LTL Truck Freight



US Bank Spend Index

Q1 2010 = 100



Source: US Bank

<https://freight.usbank.com>

Includes TL and LTL Truck Freight



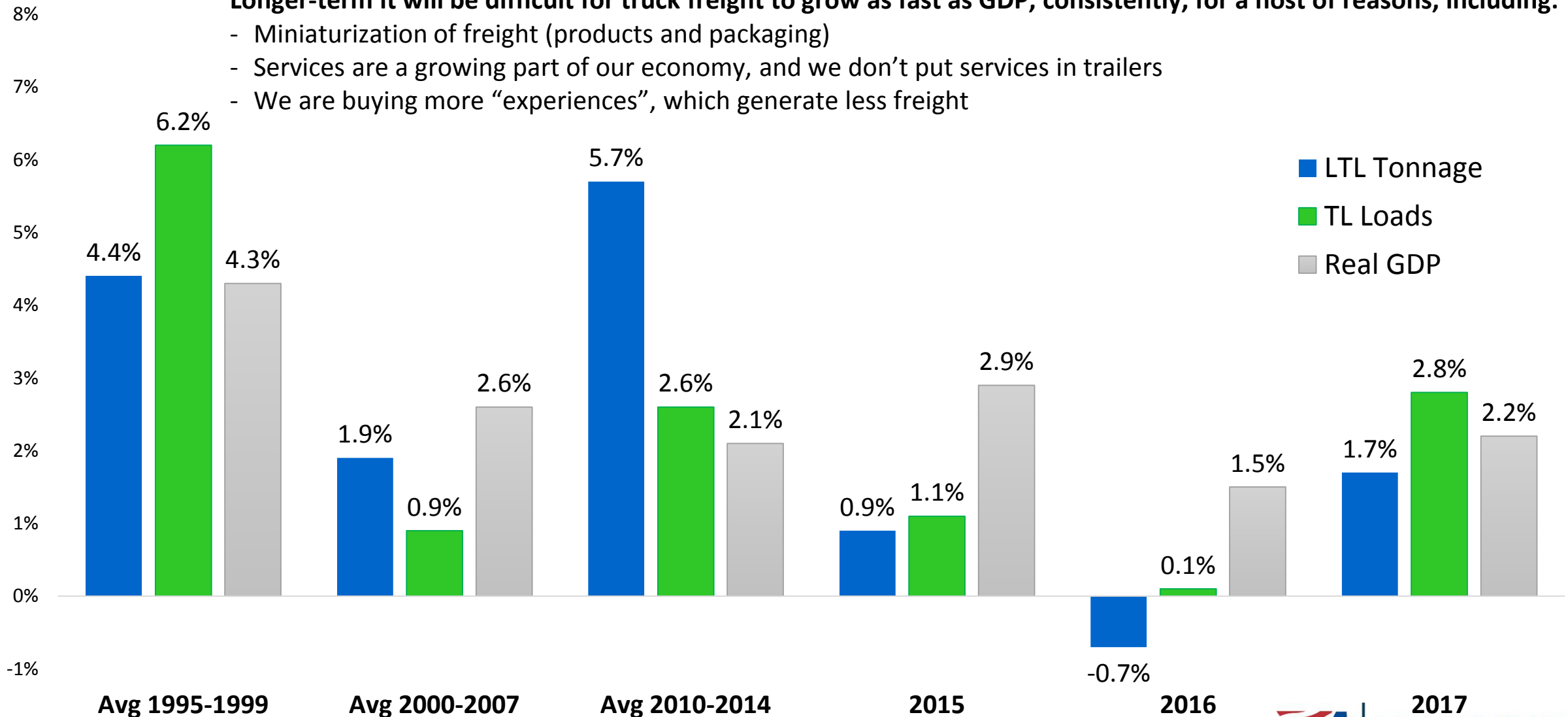
Fourth Quarter 2017 US Bank Regional Shipments & Spend Indexes

Region	Shipments Year-over-Year Change	Spend Year-over-Year Change
Northeast	20.2%	32.0%
Southeast	11.5%	16.6%
Midwest	12.2%	39.0%
Southwest	20.0%	27.0%
West	18.2%	13.4%

Growth in Truck Freight vs Real GDP

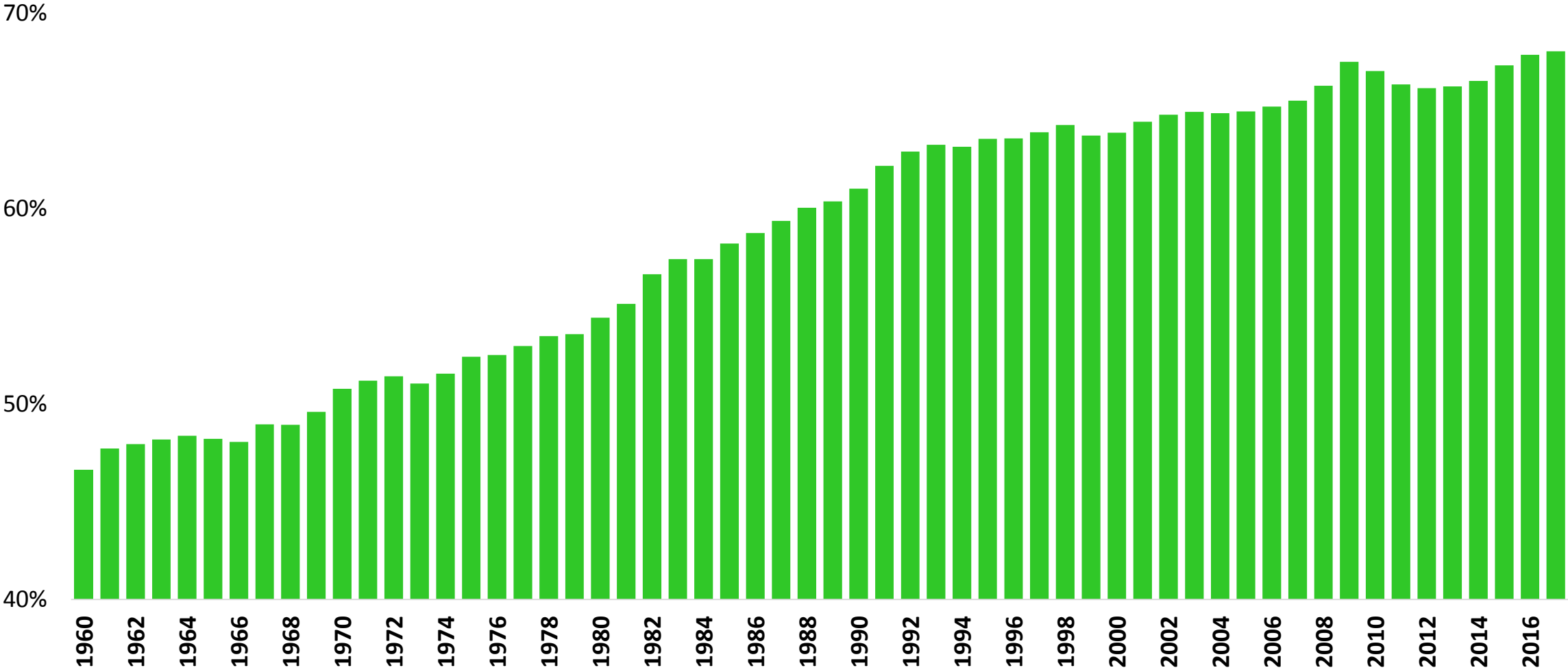
Longer-term it will be difficult for truck freight to grow as fast as GDP, consistently, for a host of reasons, including:

- Miniaturization of freight (products and packaging)
- Services are a growing part of our economy, and we don't put services in trailers
- We are buying more "experiences", which generate less freight



Source: ATA

Services Share of Personal Consumption Expenditures

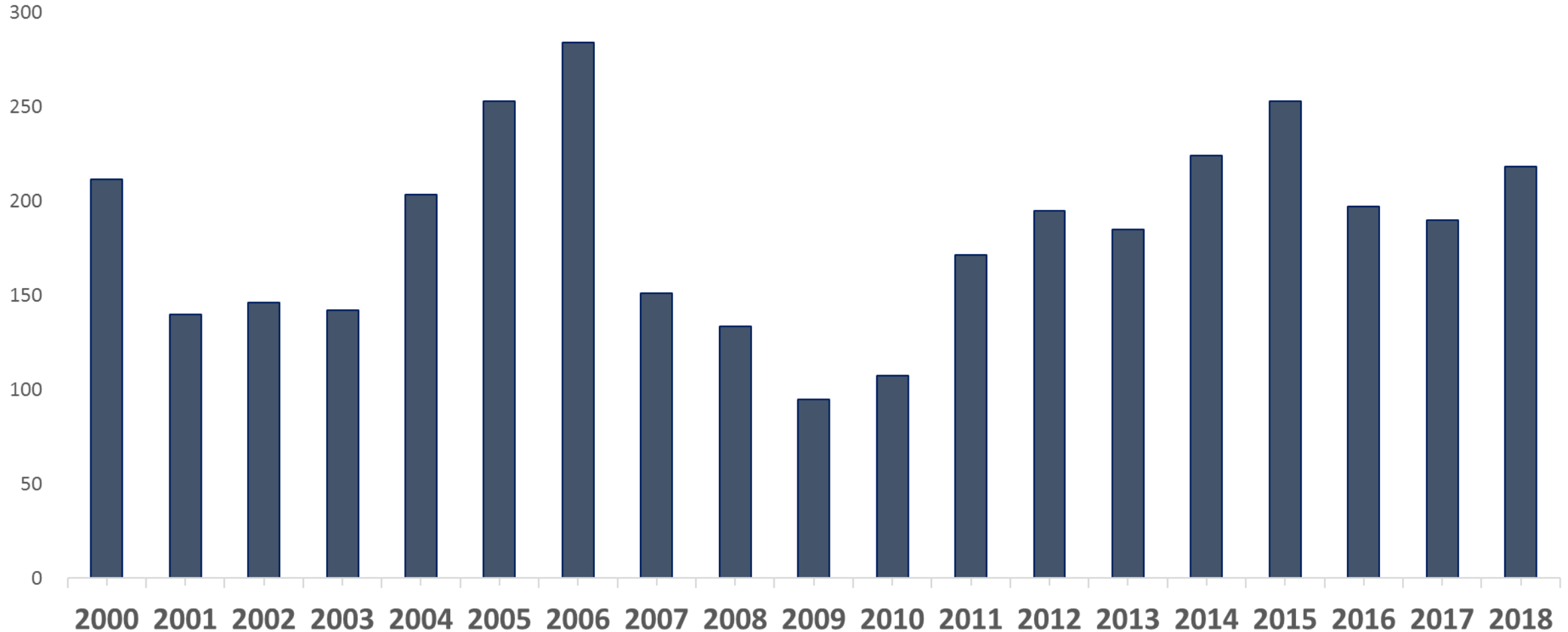


Sources: Census & ATA



US Retail Class 8 Truck Sales

Thousands



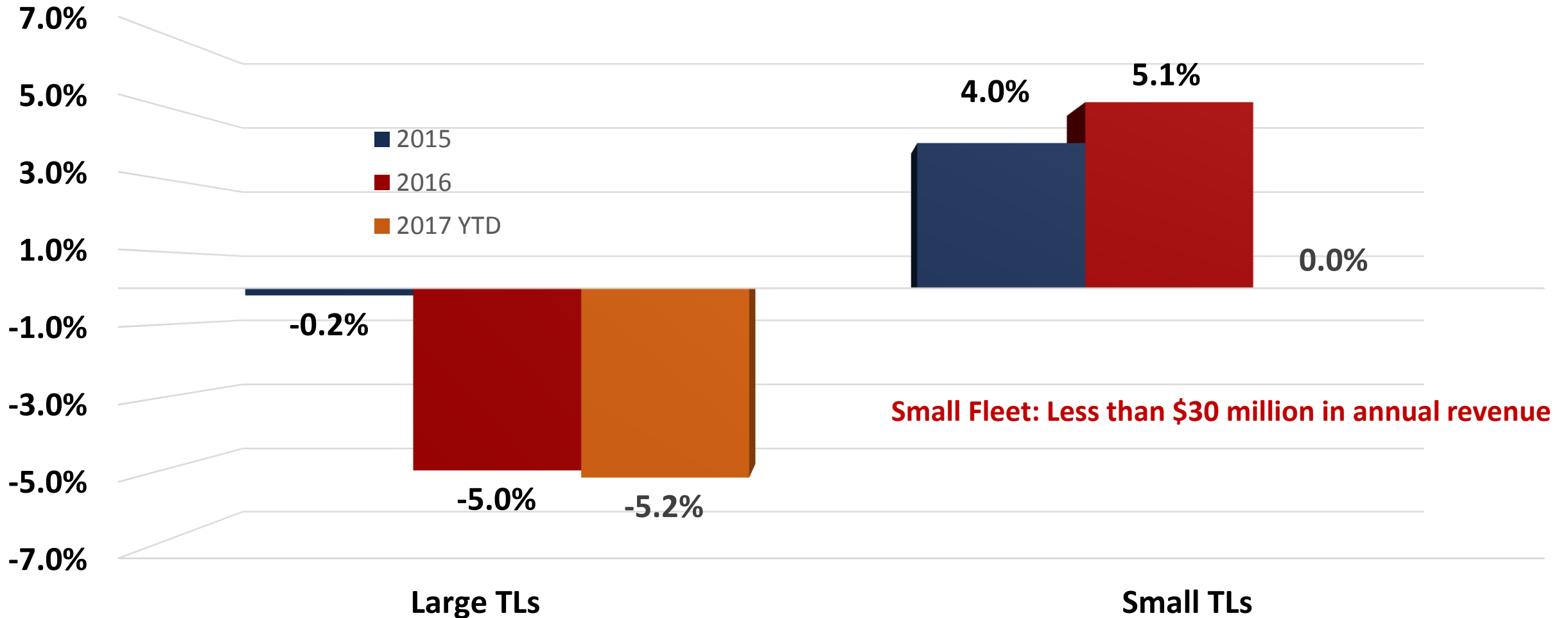
Includes Tractors & Straight Trucks

Source: ATA's American Trucking Trends 2016 & ACT Research

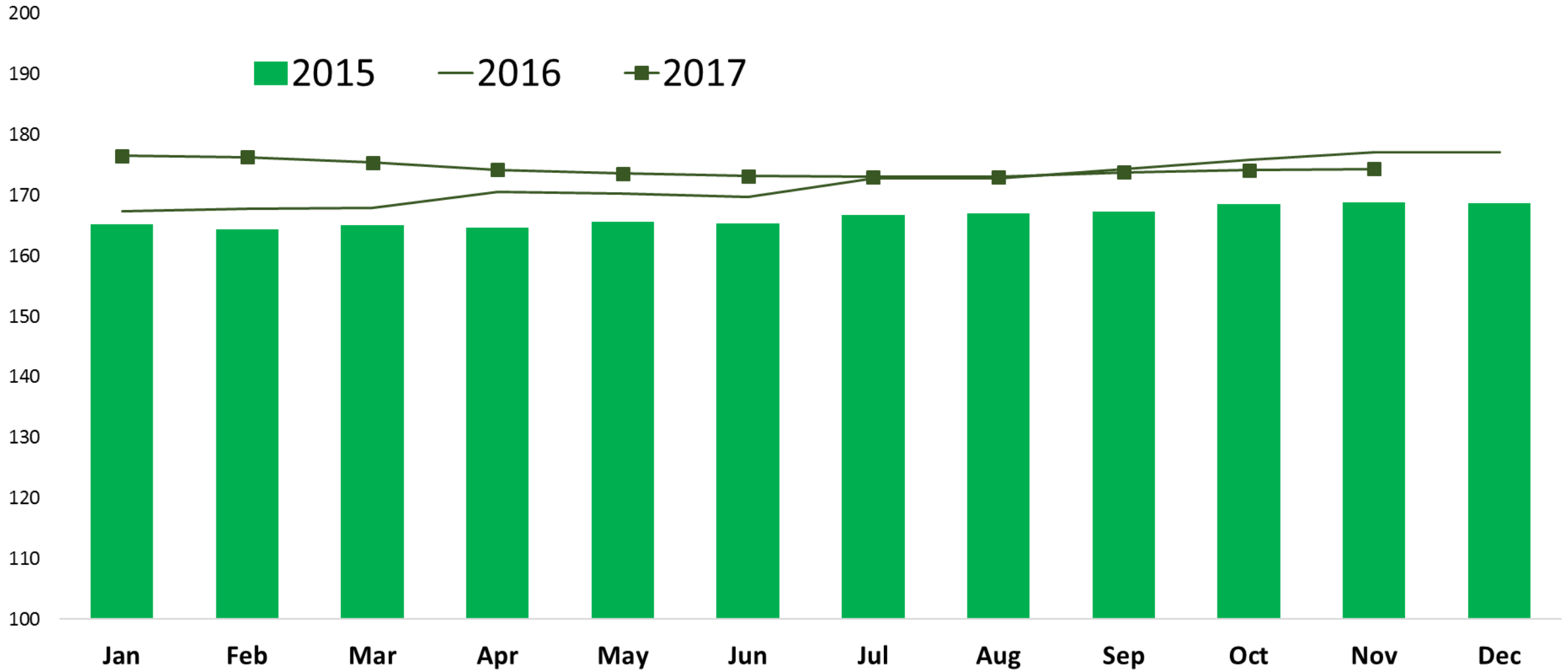


TL Tractor Changes: Large vs Small Fleets

Includes company tractors and independent contractor equipment



TL Trailer Counts

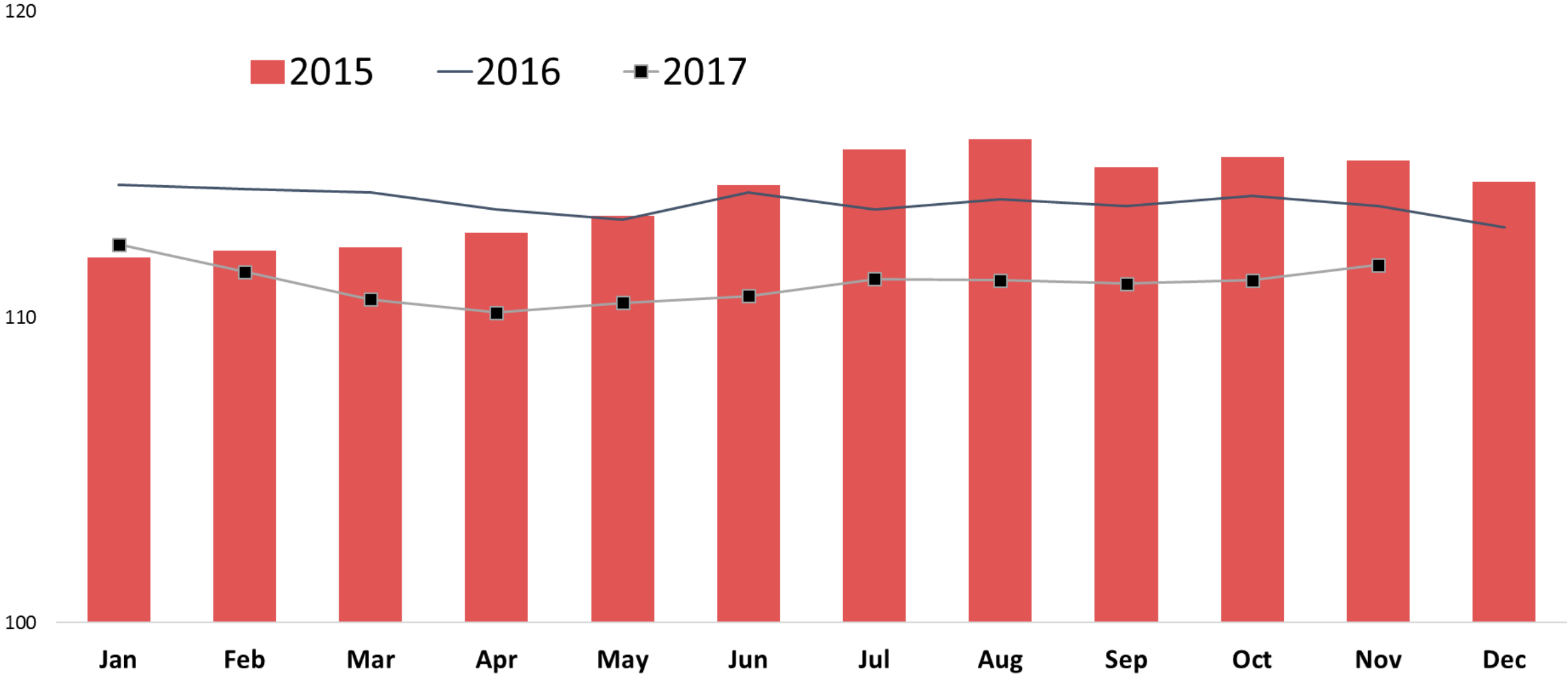


Includes company tractors and independent contractors

Source: ATA's Trucking Activity Report



LTL Truck Counts

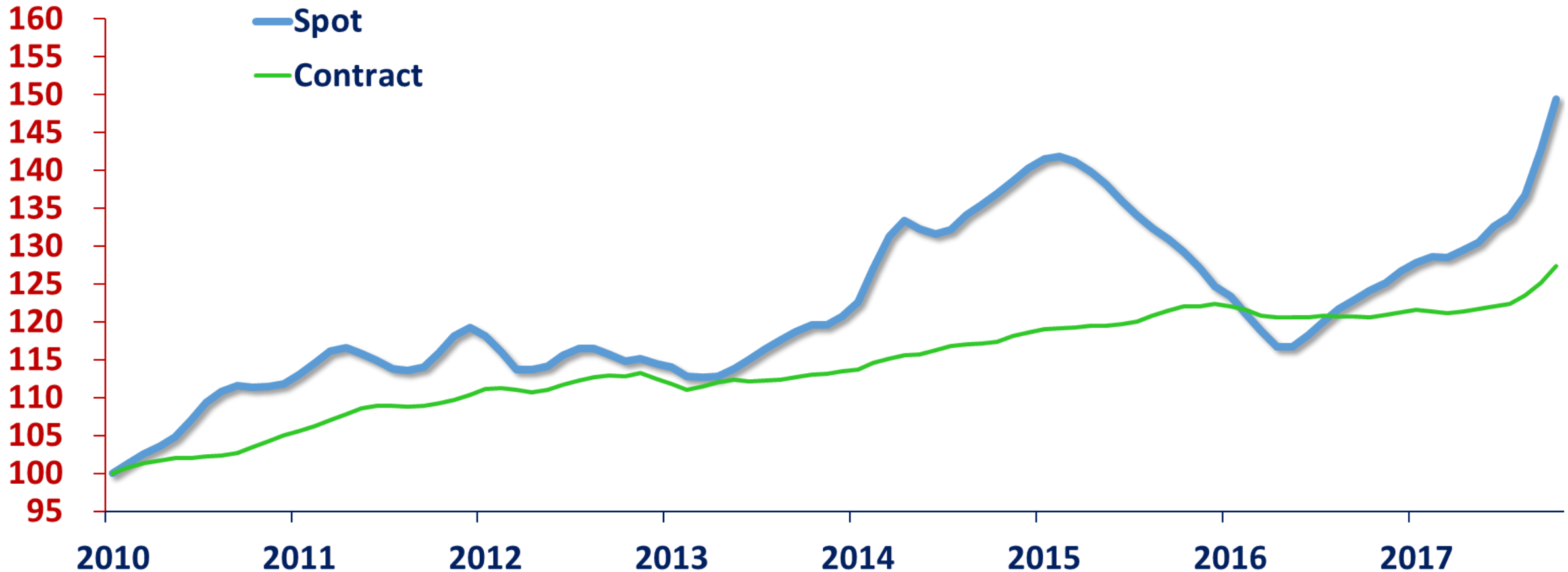


Source: ATA's Trucking Activity Report



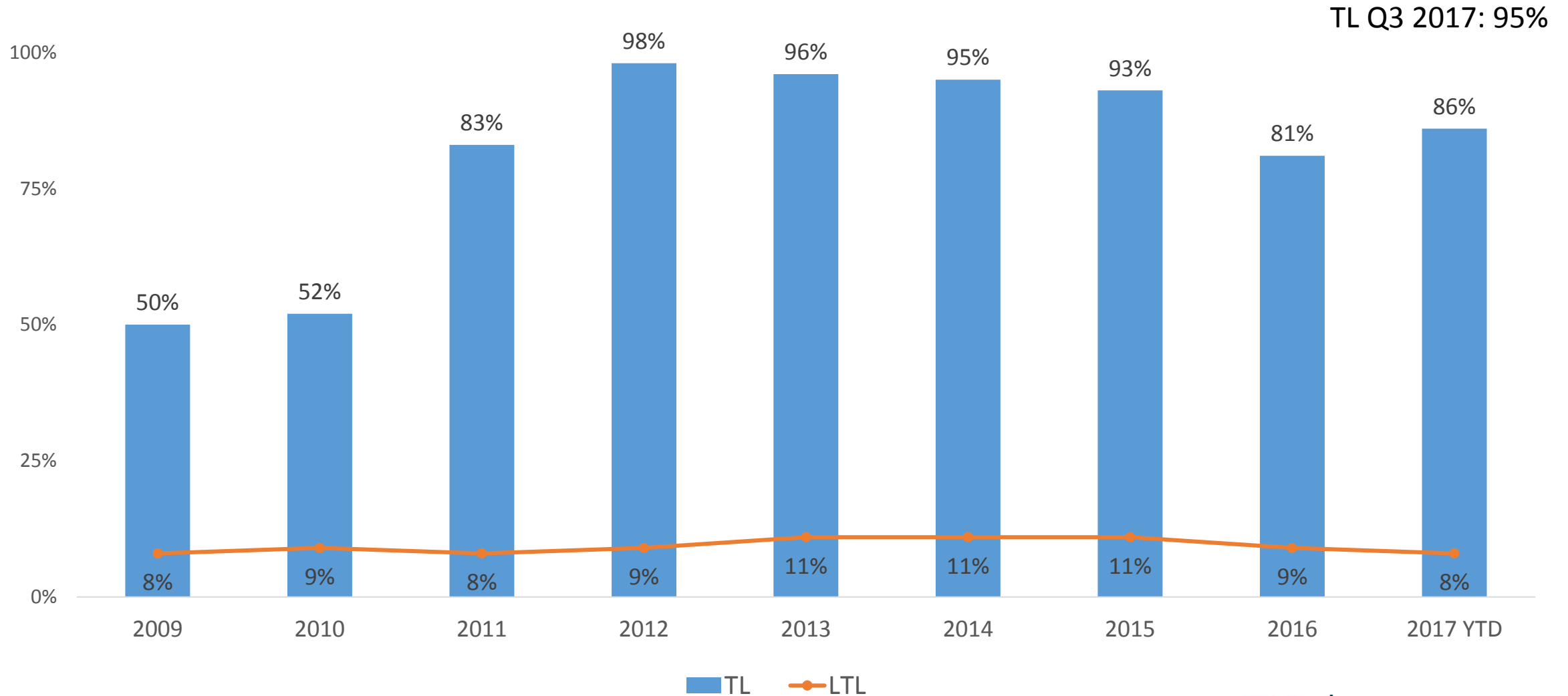
Rates and Rate Proxies: Contract vs Spot

Index: January 2010=100; 3-Month Moving Average



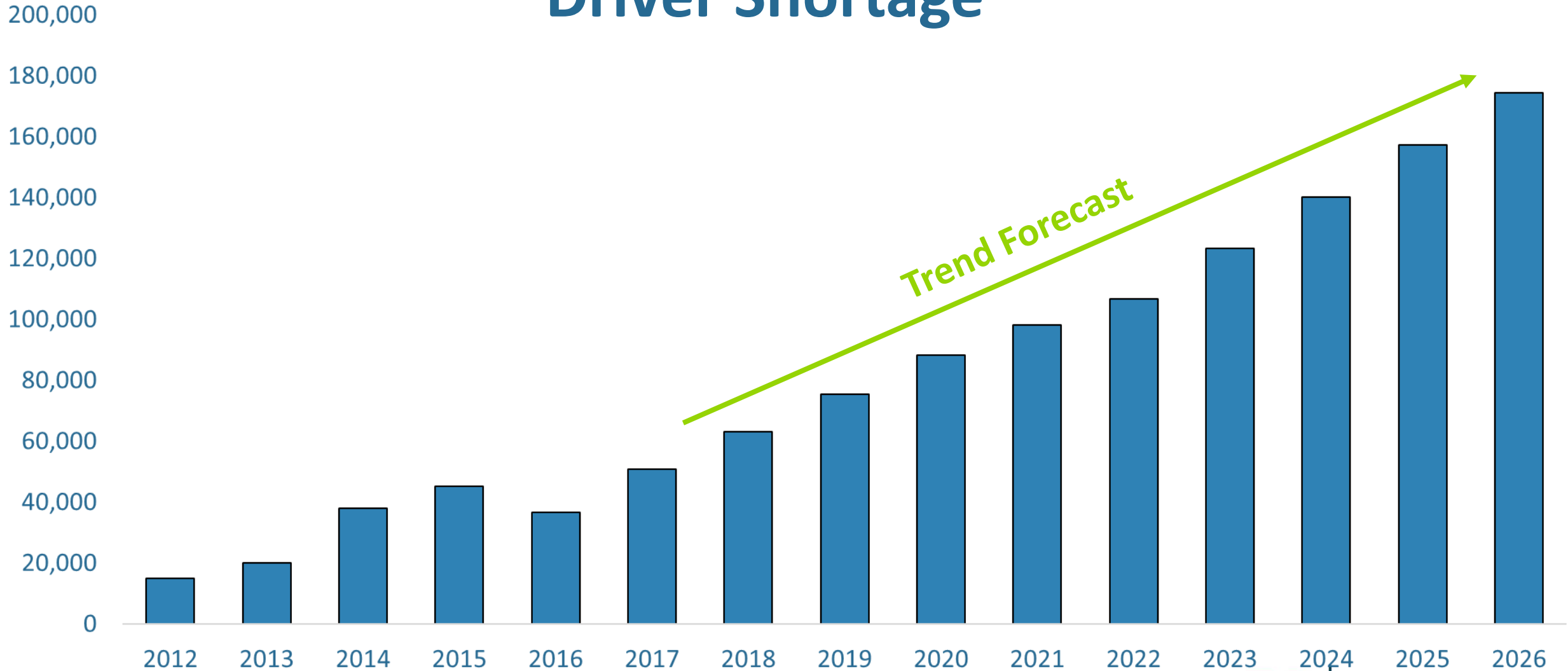
Includes Dry Van, Flatbed, Temp Controlled, and Tank Truck
Contract = For-Hire Truckload Average Revenue per Mile x FSC

Truck Driver Turnover Rates



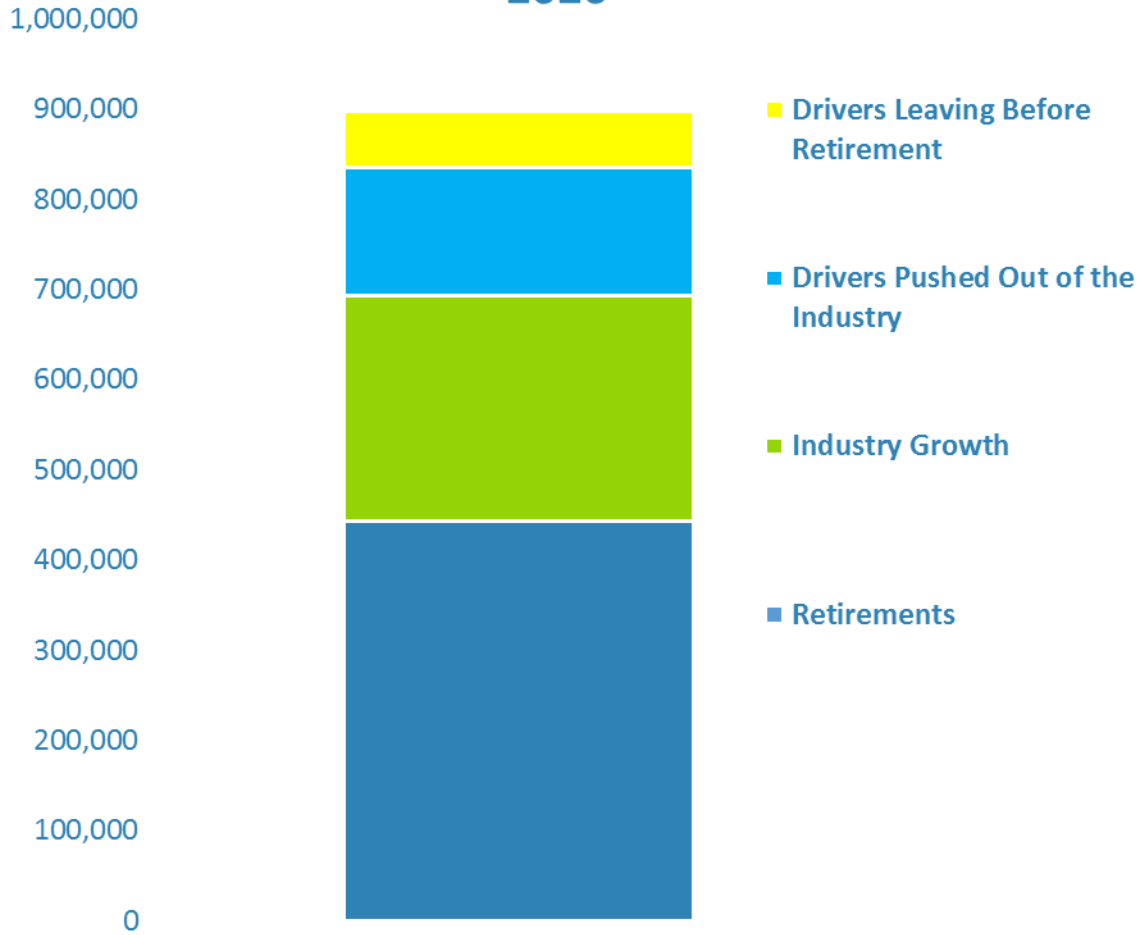
Source: ATA

Driver Shortage

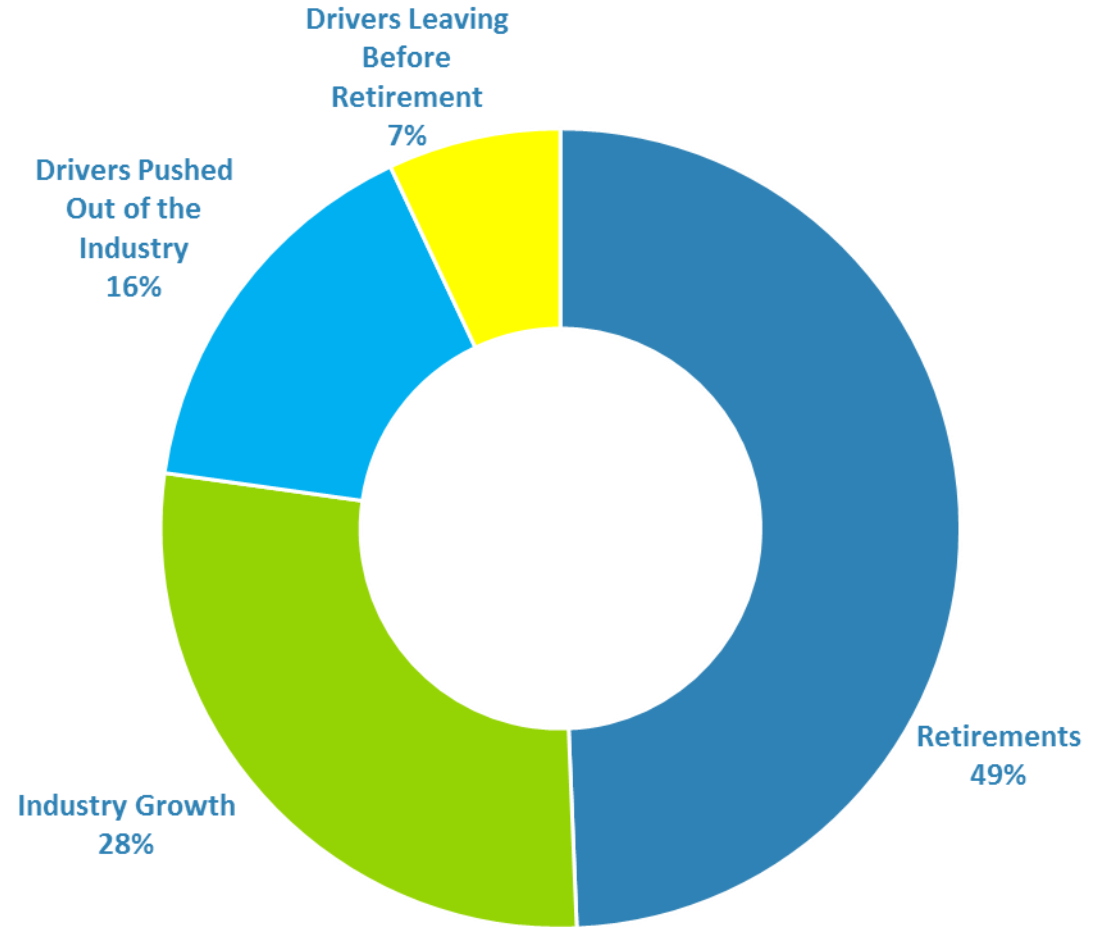


Source: ATA's *Truck Driver Shortage Analysis 2017*

Total Number of Drivers Needed Through 2026



Share of Drivers Needed Through 2026



Download ATA's Report for Free at:

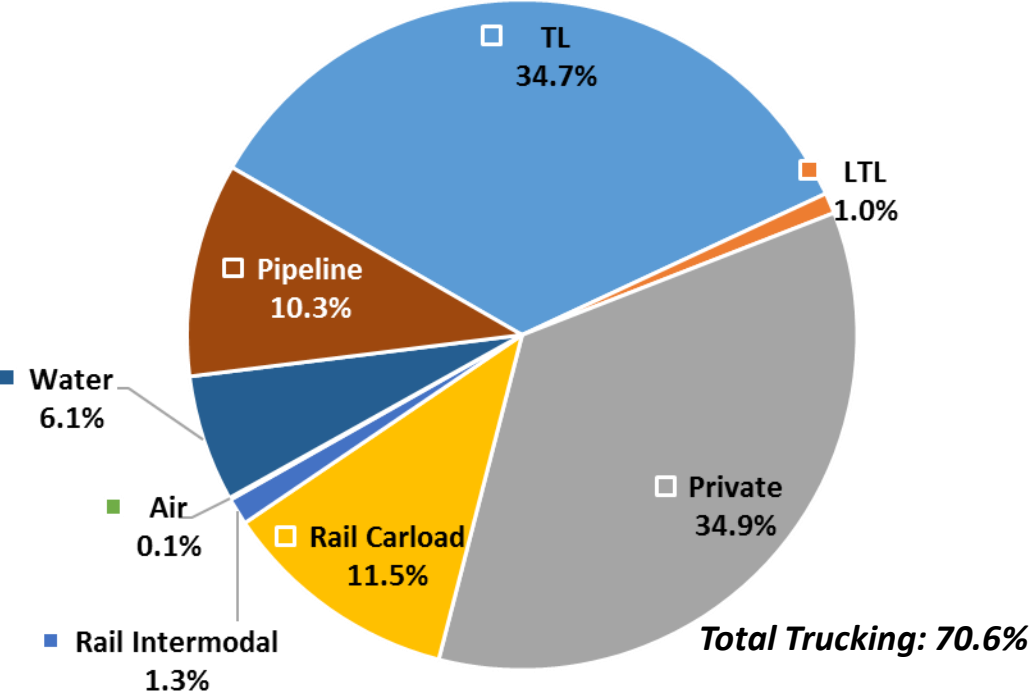
<http://trck.ng/drivershortage>

TRUCK DRIVER SHORTAGE ANALYSIS

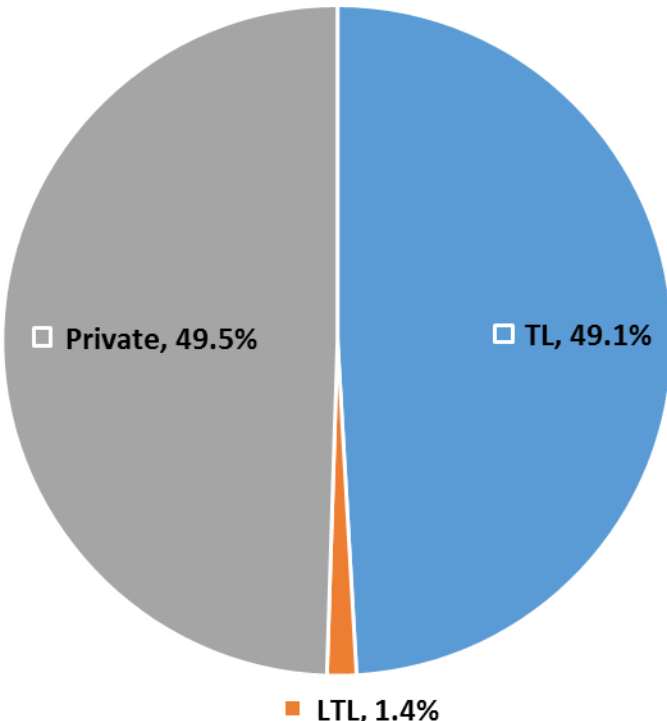
— 2017 —



Distribution of Tonnage by Mode: 2016



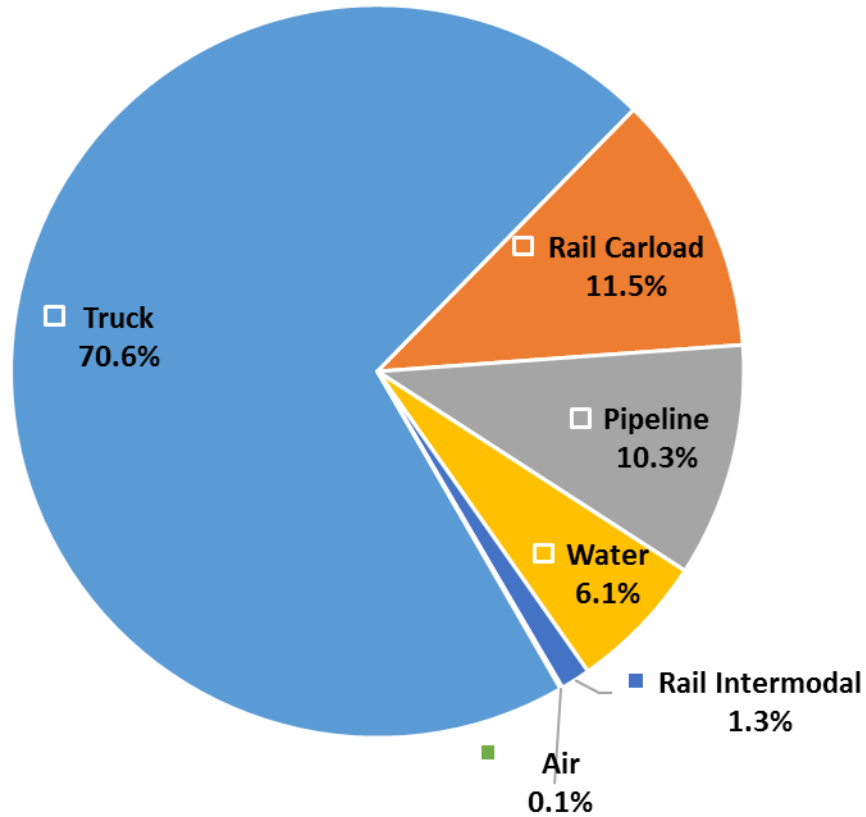
2016



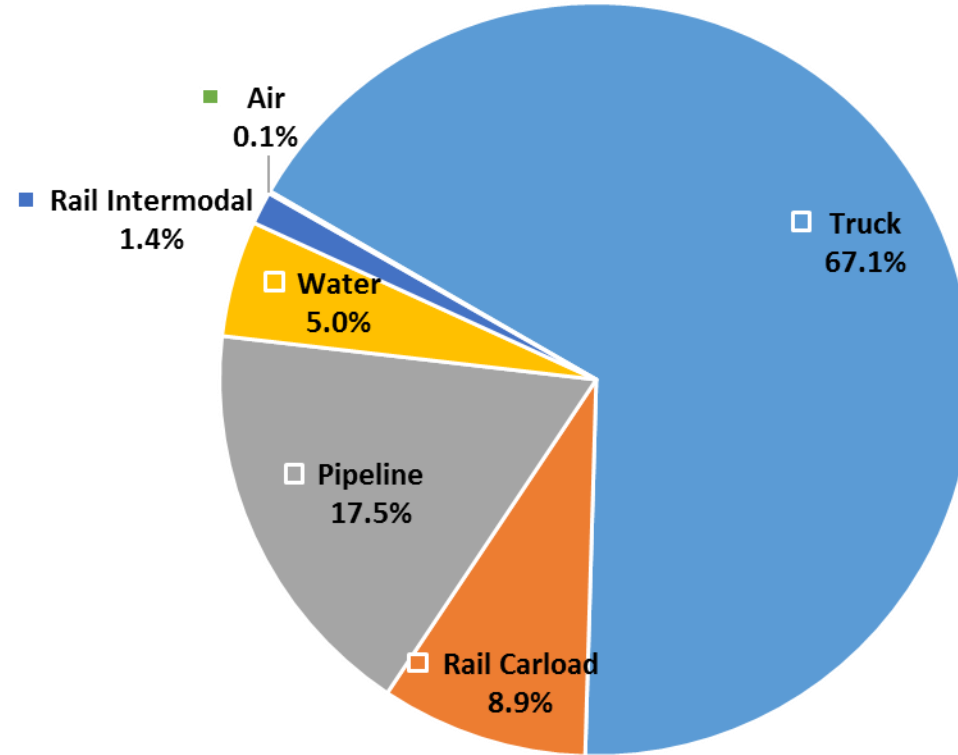
Truck Tonnage Only

Source: ATA, U.S. Freight Transportation Forecast to 2028 available at www.atabusinesssolutions.com

Distribution of Tonnage by Mode: 2016 vs 2028



2016

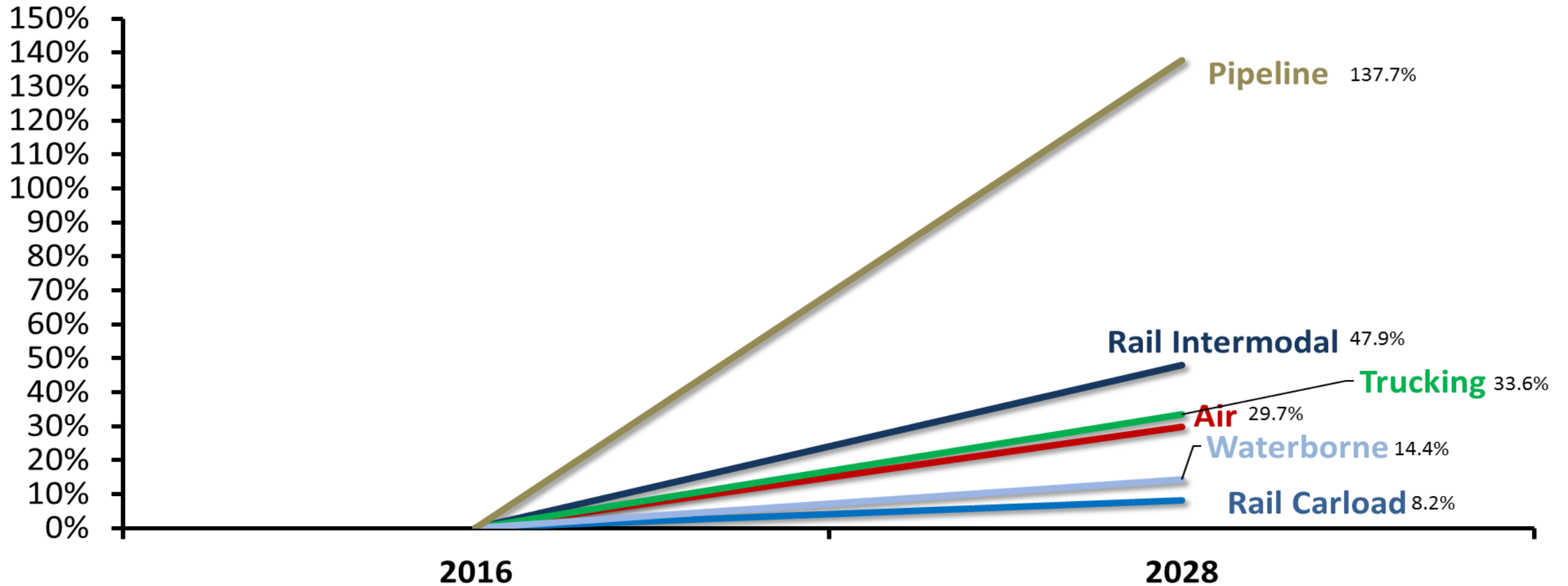


2028

Source: ATA, U.S. Freight Transportation Forecast to 2028 available at www.atabusinesssolutions.com

All Modes of Freight Transportation Will Grow

Total Percentage Increase in Tonnage from 2016 to 2028



Source: ATA, U.S. Freight Transportation Forecast to 2028 available at www.atabusinesssolutions.com

Thanks

Twitter: @ATAEconBob