



Rodney's Take

April 19, 2021

Consider a Career in...Trucking?

According to my good friend FRED (Federal Reserve Economic Data), median real personal income rose to \$35,977 in 2019. We don't have numbers yet for 2020, but it probably won't be too far off of that level. I like to look at the median, because it notes the point where half the workers in the U.S. earn more and half earn less, unlike the average, which tends to be skewed by outlying high earners.

The Bureau of Labor Statistics shows that the median pay last year for heavy truck and tractor-trailer drivers was \$47,130, or about one third higher than median pay. That was then. If the recent surge in shipping and first look at the reopening of the U.S. economy are any guide, truckers will earn substantially more this year and beyond. They are the canary in the employment coal mine.

Knight-Swift, the largest truckload carrier in the nation, reports that wages for recently certified drivers jumped more than 40% in the last few months. Think about that for a second. The pay for **new drivers** increased 40%! Recent driving-school grads are tracking to make more than \$60,000 in their first year, which would make their pay 66% higher than the median pay in the U.S. in 2019.

Driving a truck isn't for everyone. It requires technical training, and companies look for people with squeaky clean driving records. The hours aren't set and the job takes people far from home, often alone. But it doesn't require a degree or years of certification.

The employment site www.indeed.com shows the top professional undergraduate college degrees by starting salary are engineering (\$69,188), computer science (\$67,539), math and sciences (\$62,177), and business (\$57,657). The bottom degrees by starting salary are art and music education (\$45,613), drama and theater arts (\$44,538), visual and performing arts (\$42,465), studio arts (\$41,762), and early childhood education (\$39,097).

The average cost of attending college in state, including just room, board, and tuition, is about \$20,000 per year, or about \$80,000 for four years. The average cost of a commercial driver's license is about \$2,500.

I'm not recommending that parents try to redirect their kids majoring in drama to truck-driving school, but the cost-benefit analysis is pretty obvious, and it speaks to a broader point. We're struggling to fill jobs throughout the national supply chain. From truck drivers to warehouse workers and last-mile delivery drivers, we don't have enough people to satisfy demand, and this is before we reopen broad swaths of the economy.

People who took jobs in warehouses and delivery vans might be much happier serving drinks or working at hotels. As the leisure, travel, and hospitality industries reopen in the months ahead, entry-level employees and those just beyond that rung of the employment ladder will have many choices as to where they work. If you're a small business and looking for people, consider bumping your pay offers now before the employment crunch. If you have good people on staff, consider developing a bonus or profit-sharing plan to keep them around.

While it might cost the business to pay a bit more, it's much cheaper to retain good workers than to find and train new ones who might not work out anyway.

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Got a question or comment? You can contact us at info@hsdent.com.