

Truck transportation jobs break 6-month string of gains with slight loss

Separately, warehouse jobs, which have been mostly declining the past 2 years, soar in April

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Truck transportation jobs fell slightly in April. (Photo: Jim Allen/FreightWaves)

For the first time in six months, the number of truck transportation jobs has declined from the prior month.

Truck transportation jobs, according to the Bureau of Labor Statistics' report for April, fell by 300 jobs, to 1,557,800. It marked the seventh consecutive month of relatively small movement in the total employment number following two years of wild swings driven by the pandemic, the historically

strong freight market that followed, the subsequent freight recession and the midyear 2023 impact of the closure of Yellow Corp.

Outside a gain of 4,100 jobs in March, every other change in that seven-month period was fewer than 2,000 jobs.

But a big loss of more than 31,000 jobs last August when Yellow closed still hasn't been replaced. The April total this year remains 20,600 jobs fewer than where it was a year ago.

The big shift in April came in warehouse jobs, which have been on a downward trend for more than a year.

The increase of 7,600 warehouse jobs to 1,775,600 is the fourth consecutive month recording a gain, though the prior three months were all increases of fewer than 100 jobs.

Otherwise, the one-month gain in April is stunning not only in its size but in how contrary it is to recent trends. Seasonally adjusted warehouse jobs increased by 14,300 in April 2023, but that was followed by a string of declines that ranged from 3,300 to 16,700 jobs.

The end result is that warehouse jobs in April were still 108,200 fewer than they were a year ago and 166,600 jobs fewer than in May 2022, when they hit their all-time high of 1,942,200.

David Spencer, the vice president of market intelligence at Arrive Logistics, in his monthly commentary on the BLS report, said the truck transportation decline "doesn't represent attrition at a grand scale but is just one more

sign of cracking we are seeing from carriers as trucking conditions remain challenging in the first half of the year.”

With contract negotiations in full swing between carriers and shippers, Spencer said that “anecdotes from the Q1 RFP season point to increased pressure on asset carriers to provide year-over-year discounts in contract rates. While some have given in, and risk lower profits or even operating losses, others are saying no. It is those carriers that may no longer be able to keep drivers on board, waiting for a meaningful improvement in the truckload rate environment.”

“A weak peak season, and we will absolutely see more carriers throwing in the towel, resulting in further pullbacks in employment,” he said. By contrast, “a strong peak season would likely mean we are closer to the end of the downcycle, and it could be a sign to carriers to continue to invest in expanding their operations ahead of a potential sustained disruption, where carriers have much greater opportunity to earn profits in the spot market.”

In other highlights from the report:

- Talk of a rail rebound and a focus on increasing staffing levels haven’t led to much of anything in rail transportation jobs. In April 2023, seasonally adjusted employment in rail was 152,800 jobs. In April of this year, it was 153,400, a gain of just 600 jobs in 12 months.
- Hourly earnings in truck transportation edged back above \$31 an hour in March, to \$31.06. The wage data is on a one-month lag. It follows seven consecutive months of an hourly wage for all employees in truck transportation of less than \$31 per hour.