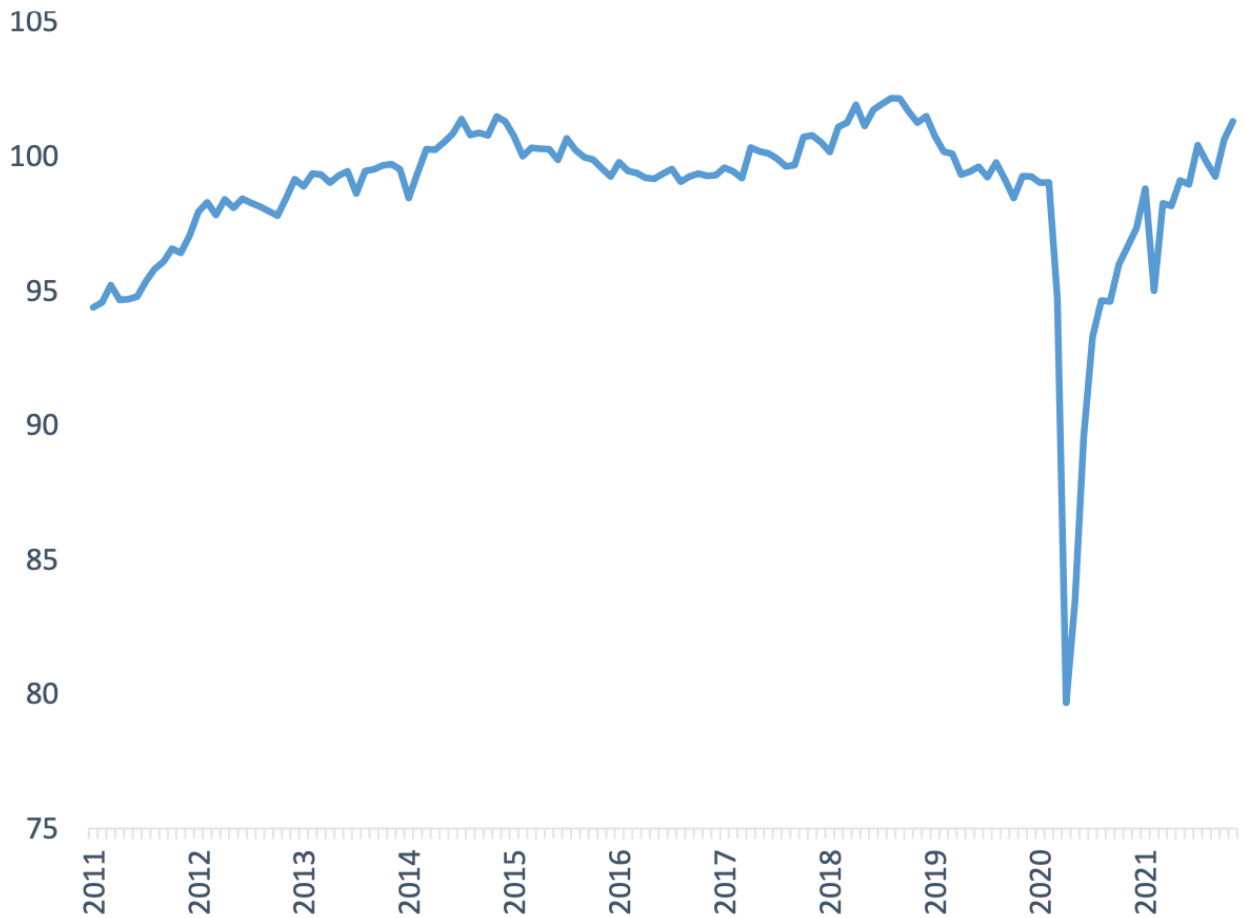
WHITEWOOD

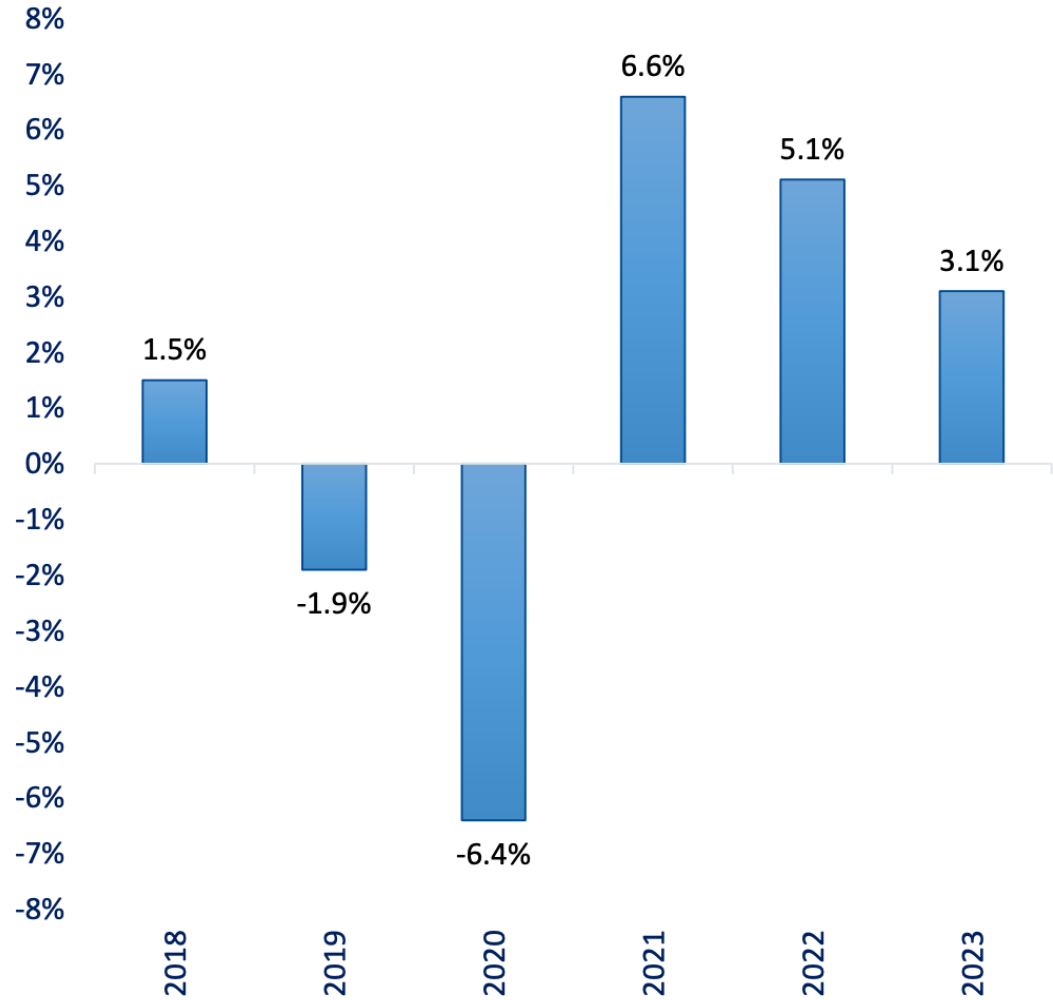
253
OVERSIZE LOAD

Factory Output

Level of Output (Index)



Annual Percent Change in Output



Source: Federal Reserve & ATA

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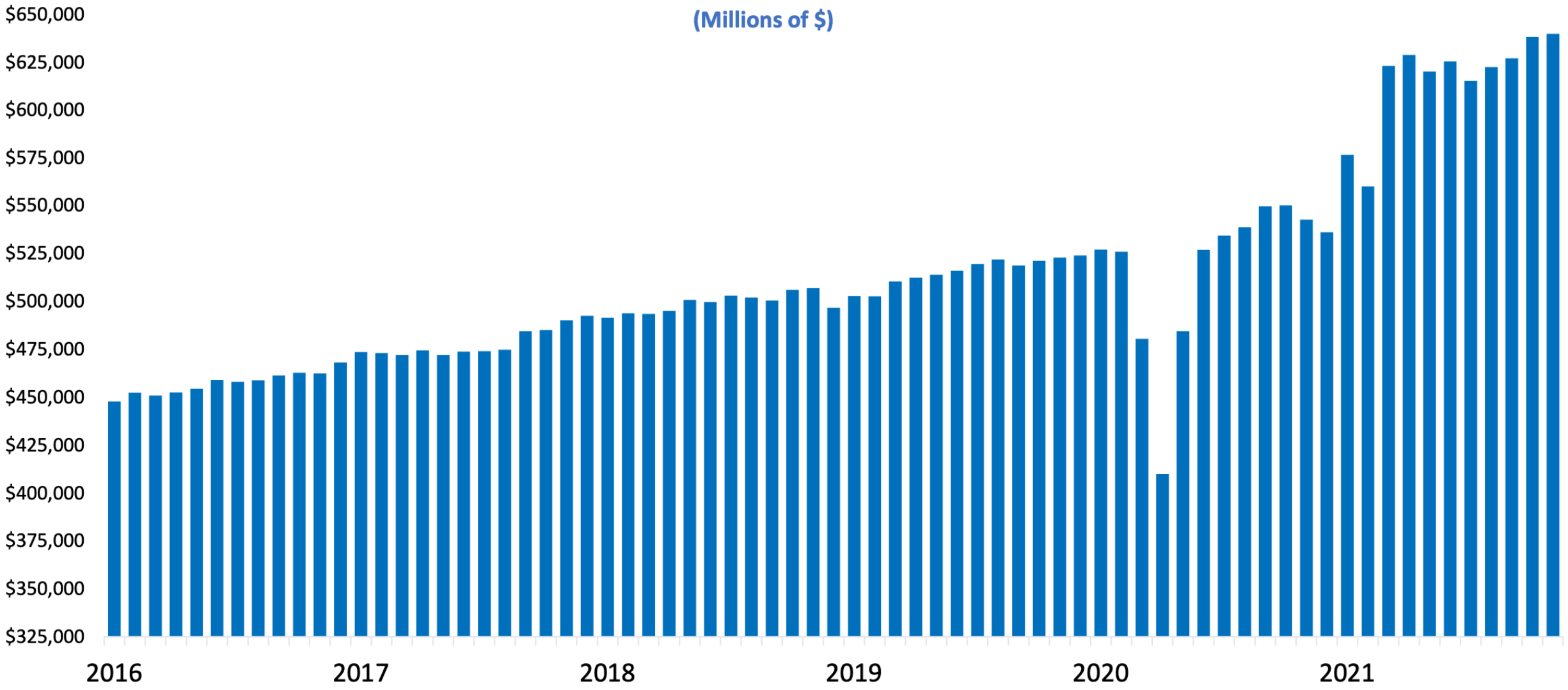
Retail Sales



Source: Census Bureau

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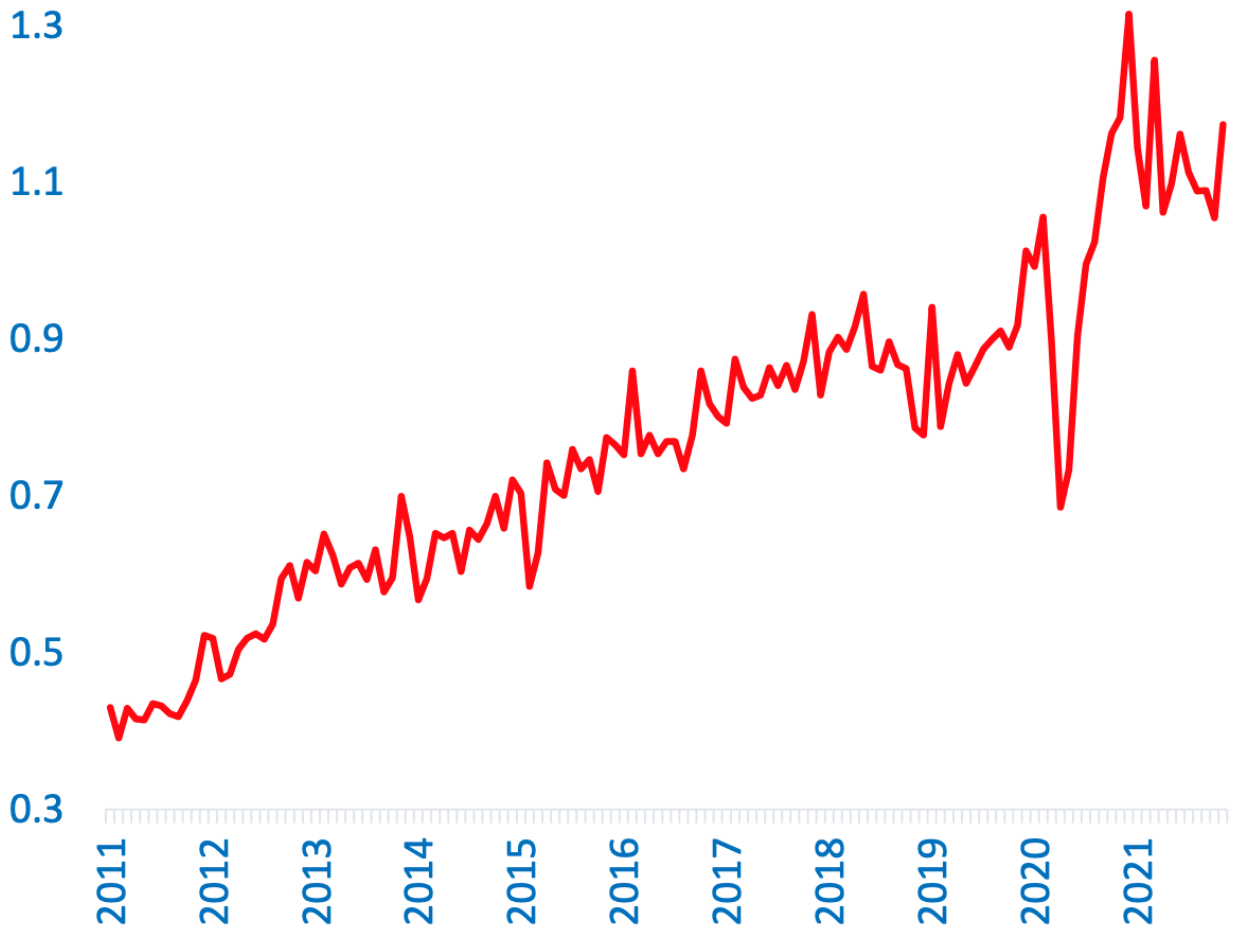
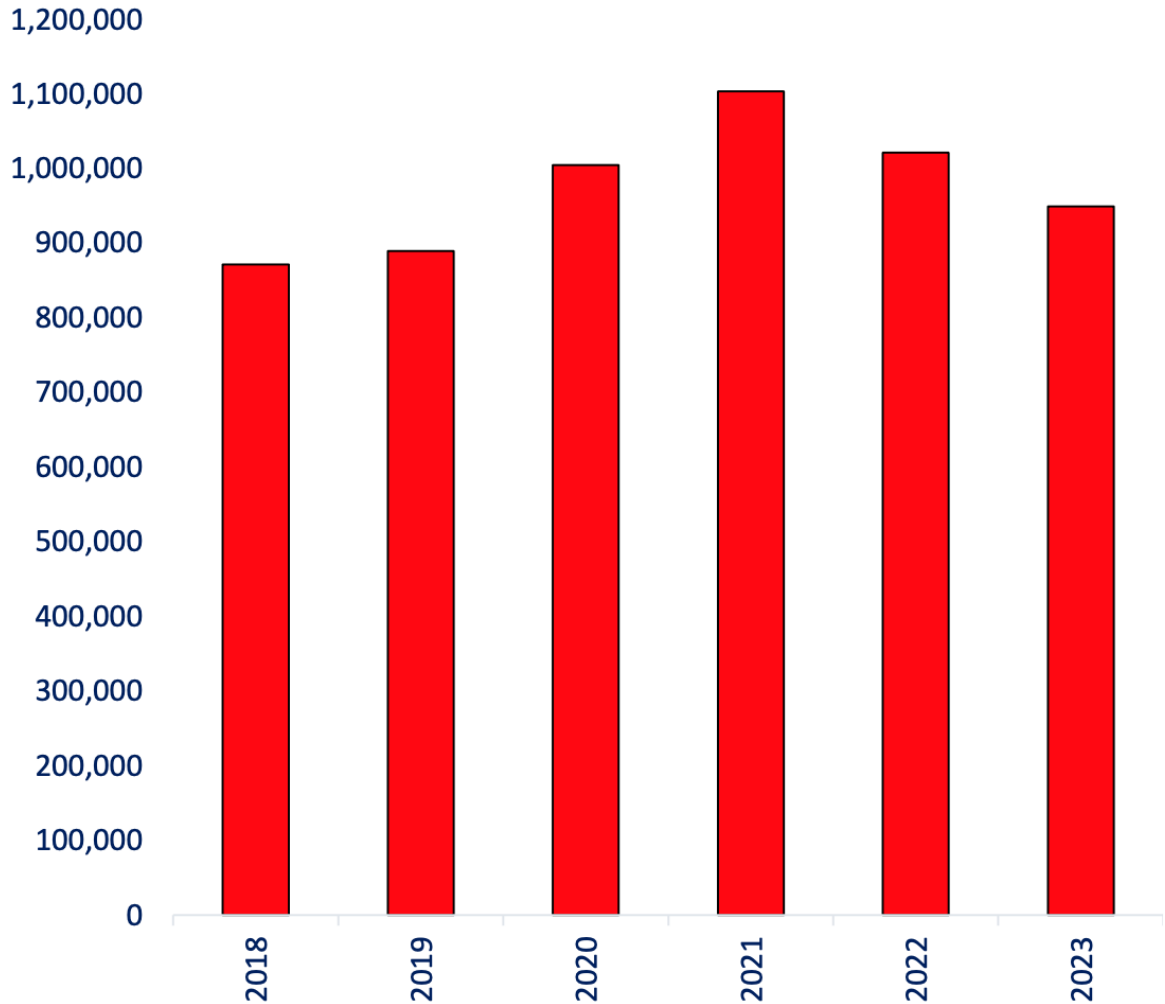
Housing Market: Construction

Single-Family Housing Starts
(Annualized Rate; Millions)



Annual Level of Starts



Sources: Census Bureau & ATA

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On-Highway Diesel Fuel Prices

Source: Energy Information Administration

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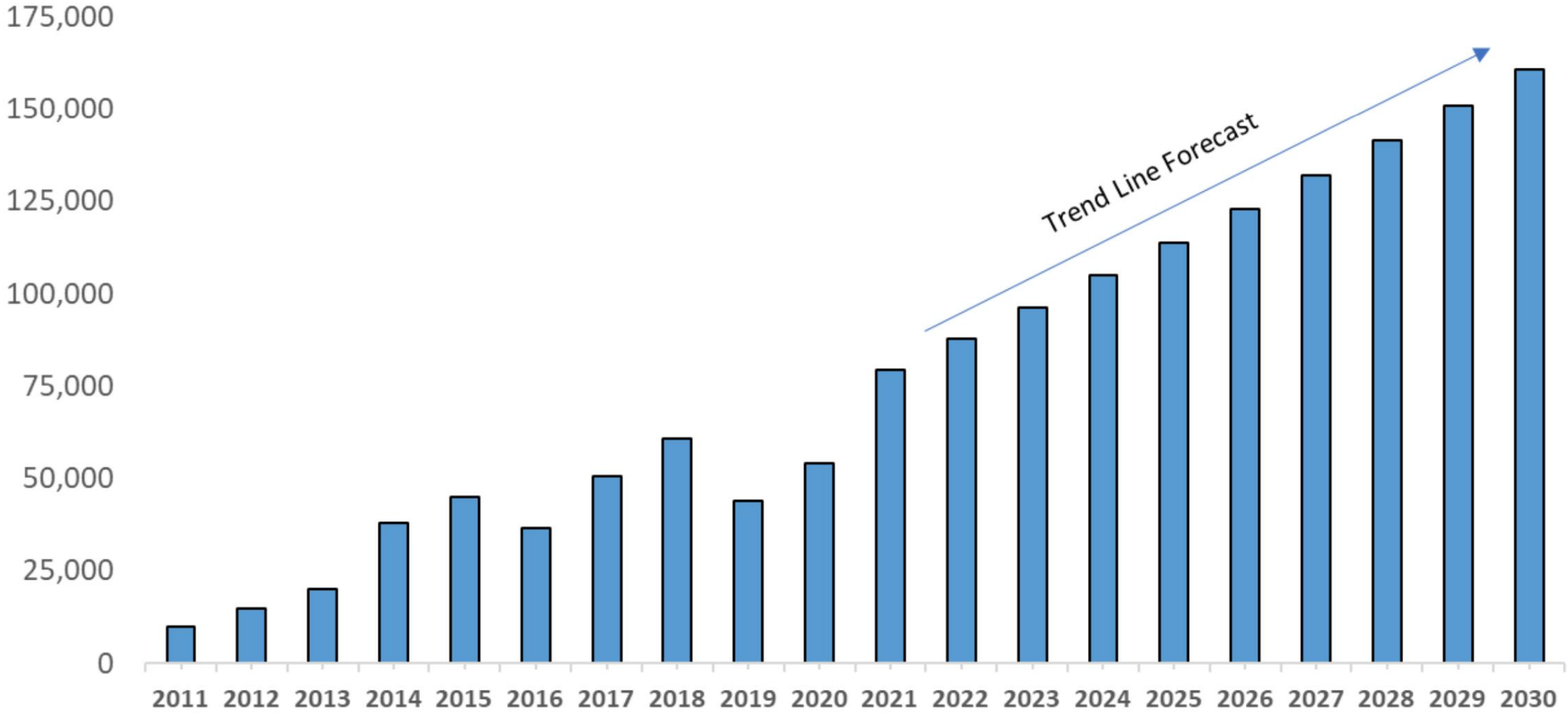
Truck Driver Shortage



Source: ATA

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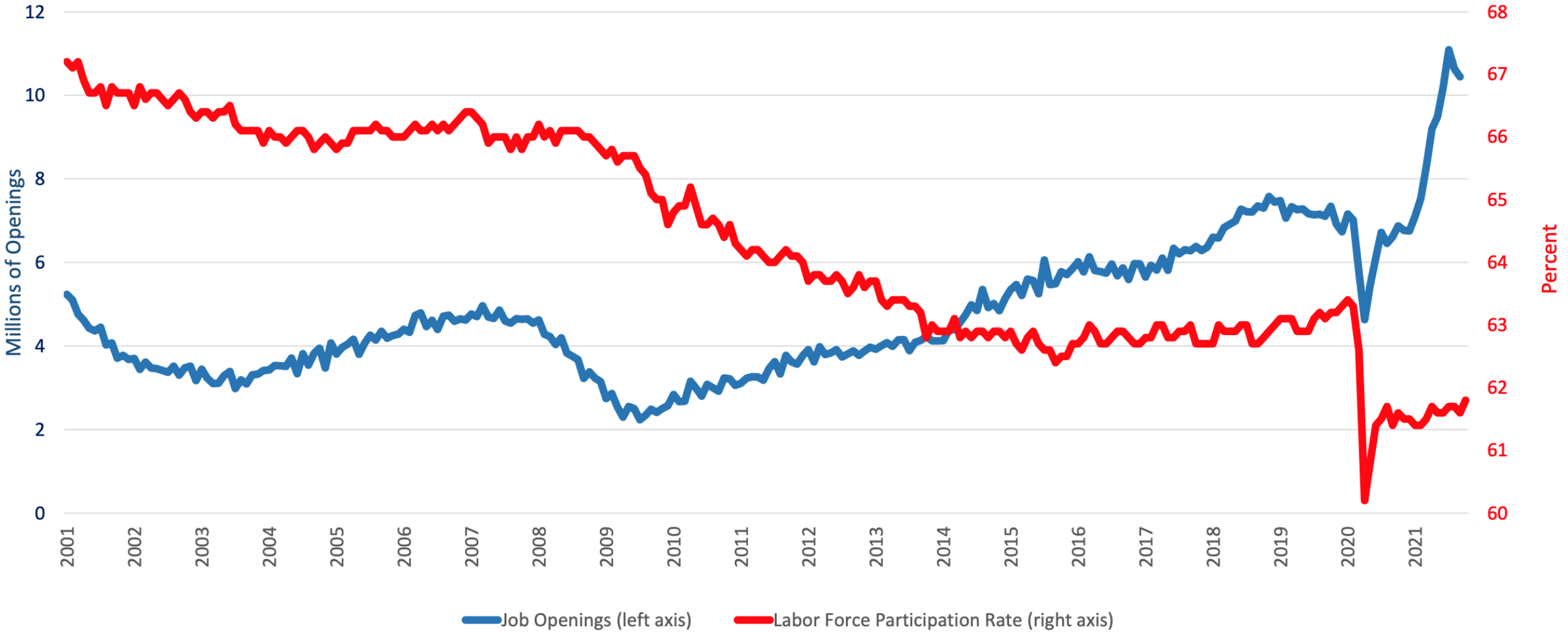
Job Openings vs Labor Force Participation



Source: Department of Labor

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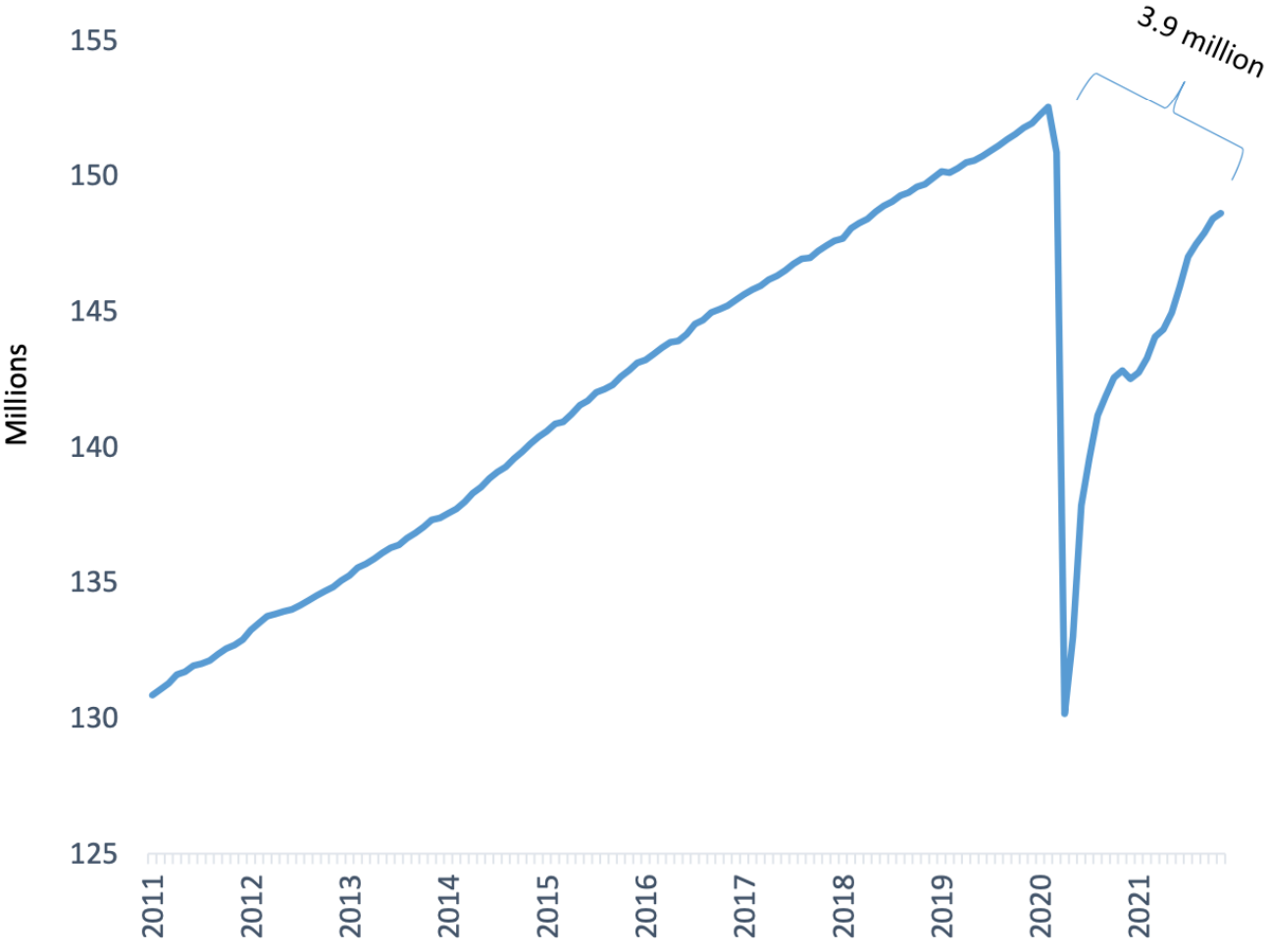
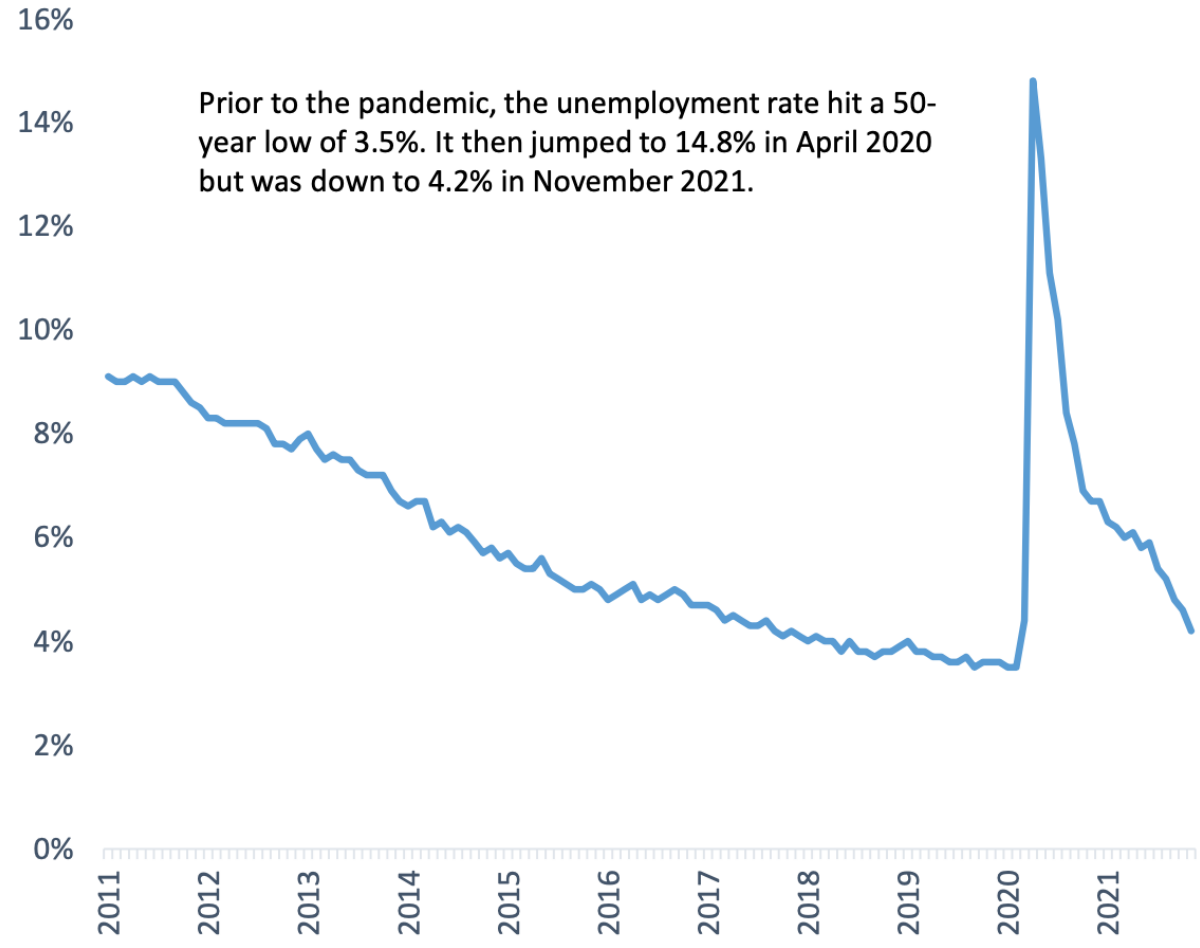
Key Employment Metrics

Payroll Employment



Unemployment Rate



Sources: DOL & ATA

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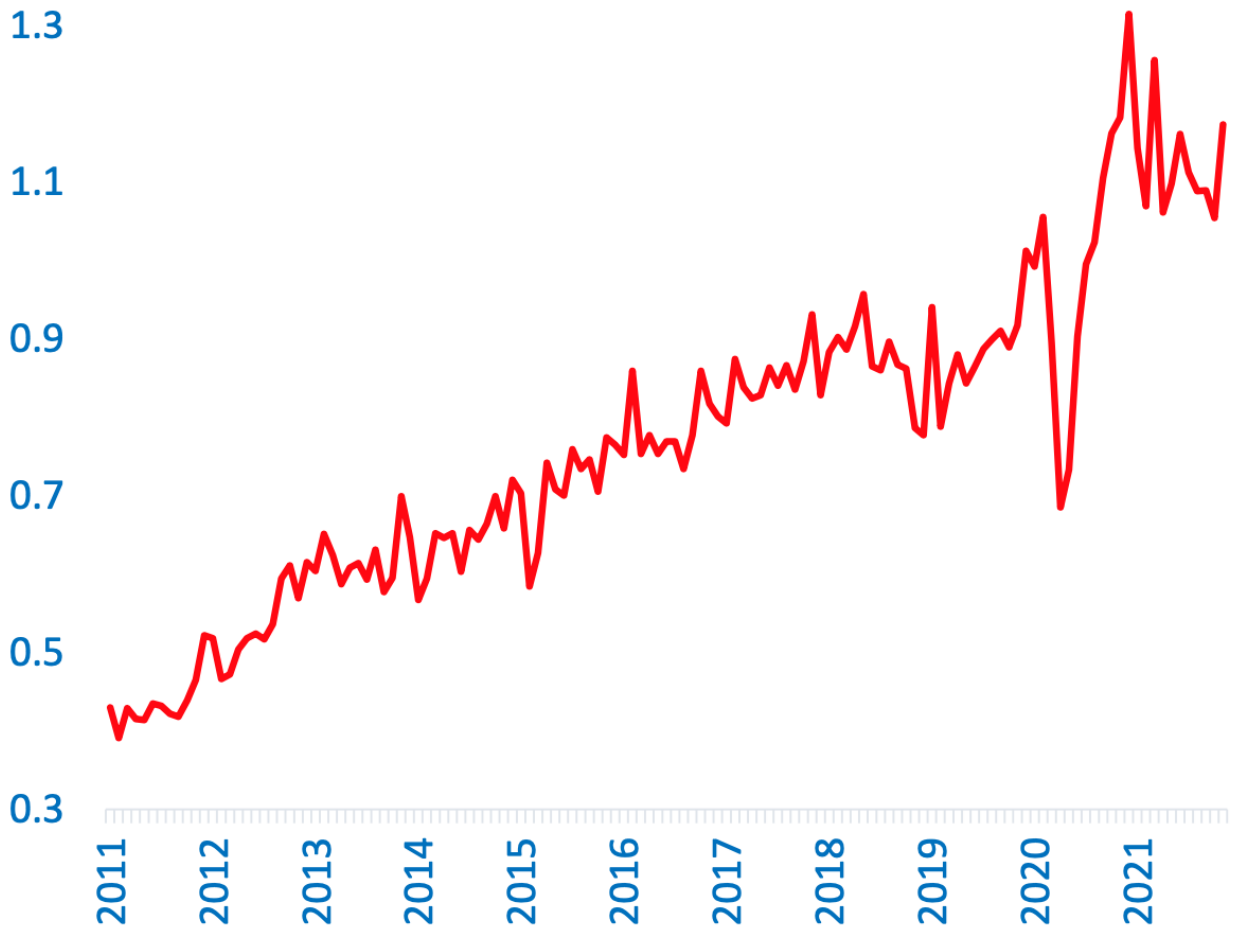
Expect Continued High Closure Rates of Trucking Companies

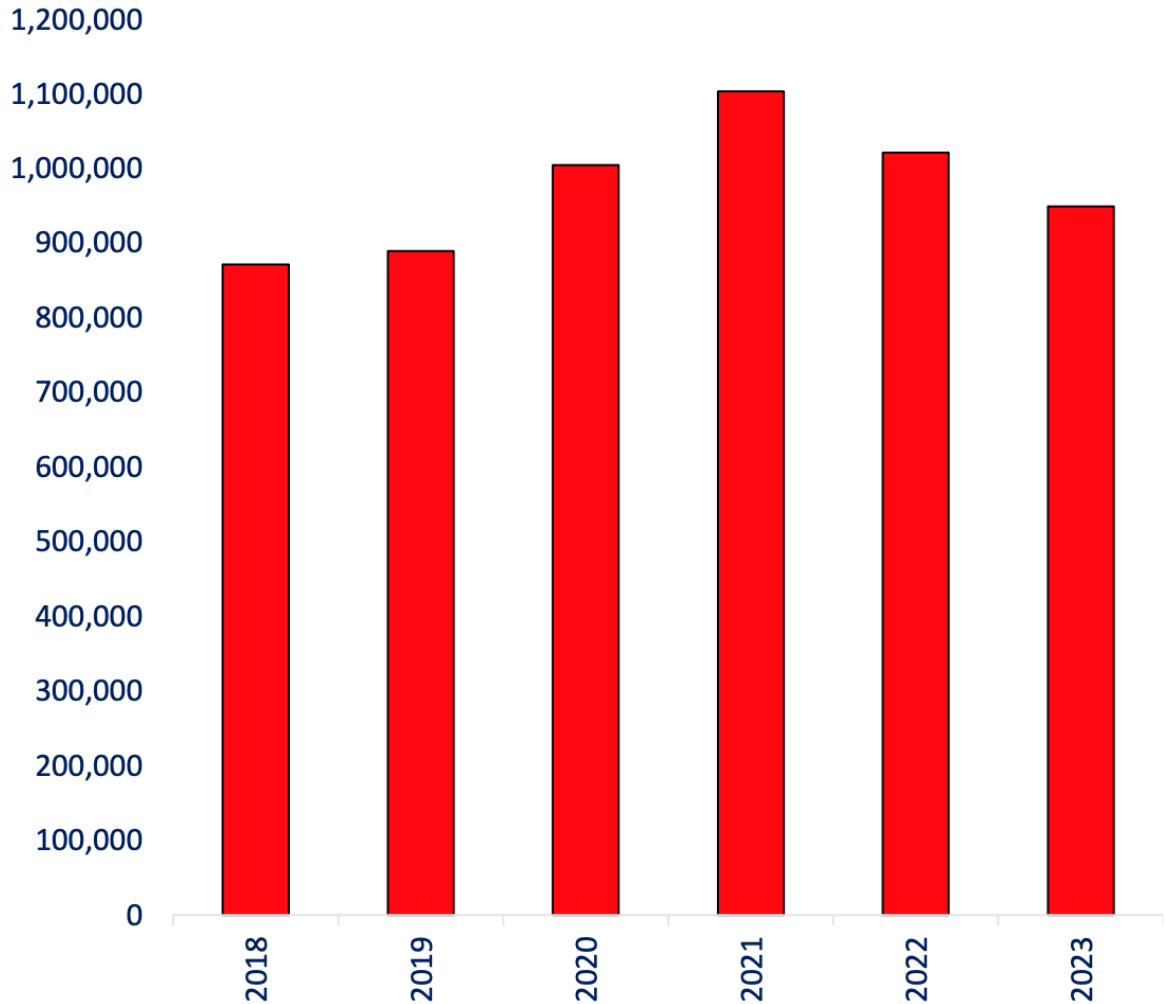
- In 2018 284 carriers filed bankruptcy and closed
- This number rose to 1,697 in 2019 with more than 50% of these happening in the 4th quarter (trade wars)
- 3,140 carriers exited the market in 2020. Over half of these failures occurred over 4 months, the 2nd quarter plus the month of May (the height of the pandemics economic shutdown)
- Small fleets got hit the hardest, fleet sizes were 40% smaller than 2019 failures.
- In April, spot market rate averages dropped from 1.87/mile to 1.60/mile. The freight index of loads to available trucks dropped below 1-1 for the first time ever. This index bottomed out at 1-2 or one order for every two trucks, it quickly rebounded as manufacturers and retails re-opened.
- Insurance rates have continued to rise, putting additional cost pressure on the smaller fleets during a time pricing has been unpredictable.
- Haven't released the number of fleets that failed that had received government assistance.

Housing Market: Construction

Single-Family Housing Starts
(Annualized Rate; Millions)



Annual Level of Starts



Sources: Census Bureau & ATA

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Consumer Price Index

Year-over-Year Percent Change

Source: BLS ATA

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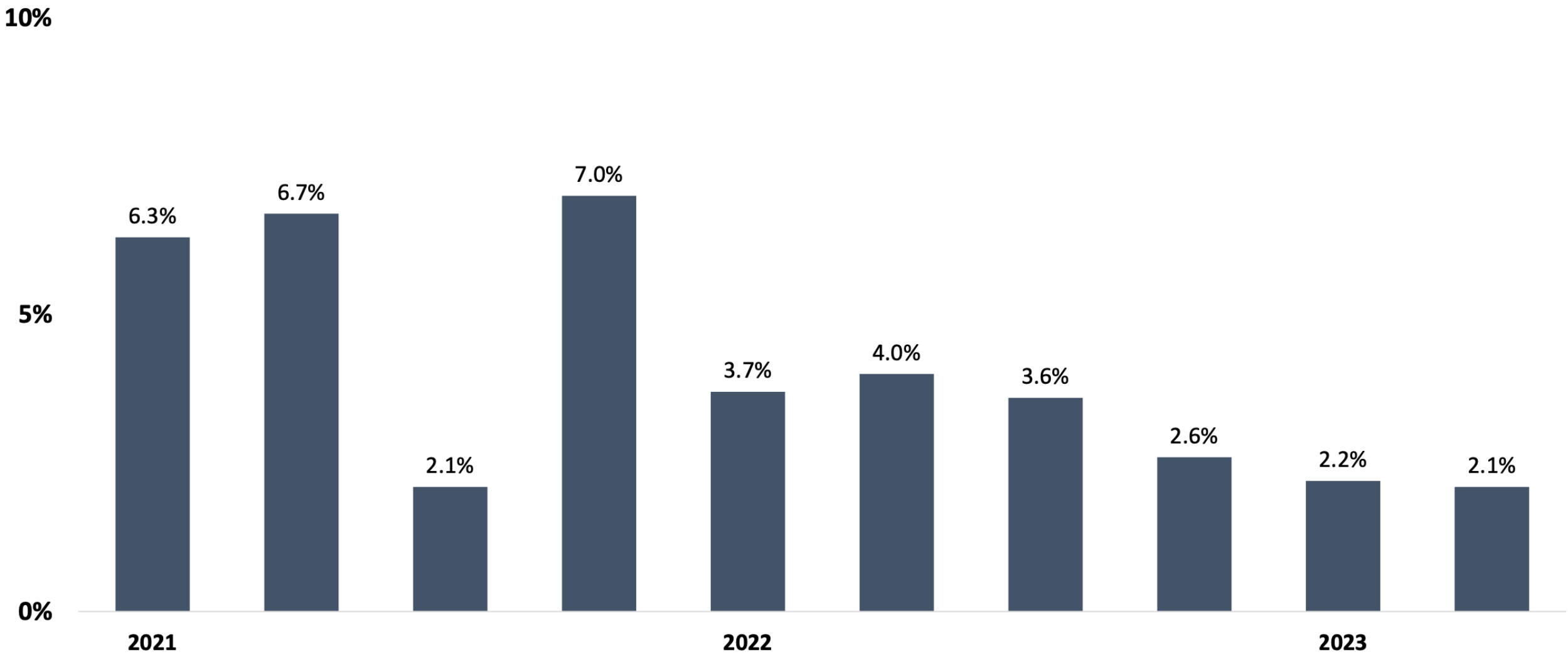
Quarterly Real Gross Domestic Product Growth

Annualized Rates



Sources: BEA & ATA

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Economic Forecast Highlights:

- Continued growth for the U.S. economy – but back to trend.
- Prospects of a recession in 2022 but need to keep an eye on inflation.
- Total Freight Tonnage is estimated to grow from 15.1 billion tons in 2021 to 19.3 billion tons in 2023 (a 28% increase)
- While trucks share of the freight tonnage will slowly decline from 72.2% in 2021 to 71% in 2023-overall volumes will grow across all segments of the industry. Truck tonnage should grow from 10.23 billion tons in 2021 to 13.7 billion tons by 2023.
- Total revenue derived from primary freight shipments in the US will increase from $1.083 trillion in 2021 to $1.627 trillion by 2023.
- Labor shortages and the underlying problems need resolved. Is it a generational shift or remnants from the pandemic (stimulus / child care / rent & eviction moritoriums/ student debt deferral (and possible cancellation).
- Lower level of inventories is currently creating a demand for truck freight – but is it related to demand or supply chain issues.
- Feds lowered the federal funds rates from 2.16 (YE ‘19) to .08 (YE ‘21)
- With CPI above 6% and inflation increases, the feds will be forced to raise rates to 1.75% (est) over 2022.

Economic & Trucking Industry Update

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