



## DRIVER PAY MOVING UP-FREIGHT COSTS CAN'T BE FAR BEHIND:

A number of Truckload carriers have recently announced the rollout of an enhanced driver compensation package that raises pay. Con-way Truckload, Crete Carrier Corp., U.S. Xpress and Shaffer Trucking have become the latest fleets to raise driver pay in response to growing demand. Driver pay has been rising across the industry this year as fleets' higher profits facilitate pay increases and driver retention efforts have accelerated. More than four of every ten truckload fleets raised pay in the third quarter, a recent survey found.

"As a company, we have tremendous opportunities to grow. Hiring the best drivers allows us to retain our leadership in the industry," Crete CEO Tonn Ostergard said. "This pay increase is not an expense, but an investment in our most valuable asset."

In addition to higher pay, Crete, which owns both Crete Carrier Corp. and Shaffer Trucking, said that miles driven have increased at both carriers, producing even greater pay for drivers.

"After listening to their feedback and evaluating current market trends, this is the right time to increase our mileage rate and add new compensation programs which reward driver loyalty, productivity and safe driving performance," said Joseph M. Dagnese, president, Con-way Truckload.

Crete Carrier's national over-the-road drivers on January 1 will receive 2 cents more per practical mile as part of an 11% increase in the overall pay package, the company said. Shaffer is increasing pay by 4 cents per practical mile. Shaffer's increase over 2013 pay levels is 17%, and Crete's hike is 13%. U.S. Xpress is raising its base mileage pay for over-the-road, solo, non-dedicated truck drivers by an average of 13%.

Con-way drivers can earn additional compensation, paid as an annual bonus, of between 1.5 cents and 3 cents per mile, on miles driven over the previous 12 months from their anniversary date. The company said it is also increasing layover pay from \$60 to \$75 per day. When combined with company's existing compensation and incentive programs, the enhancements increase per-mile pay for new-hire experienced drivers to a total of 42.5 cents per mile, according to the company.

After many years of discussions about driver shortage, truckload carriers are forced to do what they have been trying to avoid for years, raise driver compensation. This is an indication that the marketplace will not only see truckload freight cost go up, but this trend is likely to continue. While the price of fuel has been declining, it is a variable cost. Shippers must remember that unlike fuel, driver compensation only goes one way.

*As budgets for 2015 are being developed you should be talking with Data2Logistics' Professional Services team. They have the insight and experience to help you control costs and put programs in place that will help you to maximize your purchasing power. Please contact Leif Holm-Andersen, Executive Director of Professional Services at [Leif.holm-andersen@data2logistics.com](mailto:Leif.holm-andersen@data2logistics.com) or +1 239 425 8050.*