



Overview:

2017 Texas Trucking Industry Compensation and Benefits Study

By, Kim Moore with Business Financial Group

Introduction

The *2017 Compensation and Benefits Study* is the first of its kind conducted by the Texas Trucking Alliance. It follows five years of producing the *Texas Trucking Industry Study*, which focused on industry demographics, financial benchmarks, human resources, and safety.

An online survey format was used. It collected information on key demographics, staffing changes, cash compensation, arrangements made for independent owner-operators, insurance benefits, retirement plans, and other benefits, such as paid leave, amenities, and driver recognition. A high-level summary of the results is below.

Company Size

To help with interpretation of results and aid in benchmarking, results are presented for both the group overall (Total) and based on three company size subgroups:

1. Small: 10 or fewer drivers (n=20)
2. Large: 11 to 300 drivers (n=69)
3. Ultra Large: Over 300 drivers (n=5)

Company Profiles

Most companies surveyed are headquartered in one of four Texas counties: Harris, Dallas, Tarrant, or Collin. Most headquarters are located in either a large city (47%) or small city (34%). Another 13% were located in a suburban area. Companies averaged 3.5 locations in Texas. 57% are TTXA members.

76% of companies surveyed are private companies, and 63% reported 2016 annual revenues of less than \$25 million.

Companies were segmented into four groups based on ownership:

1. Common Motor Carriers (52%)
2. Contract Motor Carriers (23%)
3. Private Carriers (16%)
4. Independent Contractors (9%)

Companies reported their typical customer is either an independent business or shipper. The companies surveyed offer a wide range of services:

- Dry goods and general commodities (47%)
- Sand, gravel, aggregates, grain, corn or similar free-flow bulk materials (33%)
- Machinery, construction/industrial equipment (33%)
- Home-furnishing and personal household goods (31%)

- Oversized or extra-heavy loads (30%)
- Oil field pipe and supplies (24%)
- Refrigerated goods, fresh produce (23%)
- Nonhazardous liquids (22%)
- Ocean-going intermodal containers (19%)
- Flammable or other hazardous materials/liquids (19%)
- Cotton (14%)
- Autos (11%)
- Livestock (7%)
- Other (3%)

Staff Profiles

Overall, of the companies surveyed, the majority are in the Large subgroup, with 11 to 300 drivers:

Profile: Large Companies	Median
Non Driver Employees	20
Employee Drivers	26
Independent Owner-Operators	10

A majority of all companies surveyed have 20 or fewer non-driver employees. Almost half of the companies (46%) use both employee drivers and independent owner-operators; 40% use only employee drivers.

Respondents said 66% of their drivers are over the age of 40. Overall, the average reported tenure of an employee driver is 6.8 years and 7.1 years for an independent owner-operator. 94% of company drivers are male, and almost half of the carriers surveyed had no female drivers.

Evaluations

Employee drivers were most likely to receive performance evaluations, usually on an annual (36%) or quarterly (30%) basis. 77% of respondents said office staff receive performance evaluations, while 62% said independent owner-operators receive them.

Cash Compensation

Non-driver staff are generally paid by salary or hourly rate. Employee drivers are most commonly paid by a flat rate per mile and through hourly wages. Owner-operators are paid as follows, with some carriers using more than one of these methods:

- Percentage of freight (64%)
- Per mile (36%)
- By the load (34%)

Driver Annualized Pay	Median for Large Companies
Employee Drivers	\$51,600
Independent Owner-Operators	\$71,000

For local lanes, 62% reported paying based on rate per load, while 31% pay based on rate per job and 22% on rate per mile. 39% of carriers using owner-operators pay chassis splits, while 70% provide a fuel card. Another 57% pay a fuel surcharge, while 56% pay for waiting time. About half of Texas trucking companies expect owner-operators to pay 100 percent of the costs for liability, physical damage, nontruck liability and occupational accident insurance.

Most companies review their salary and compensation packages on an as-needed basis rather than at regular intervals.

78% of companies provide merit-based pay increases and 65% offer cost of living adjustments. 94% base bonuses on individual performance, while 81% also pay bonuses based on company performance. 64% offer bonus pay for accident-free mileage or other safety achievements to employee drivers, while 46% offer it to owner-operators. 48% offer a longevity bonus to employee drivers, while 27% offer it to owner-operators.

Insurance Benefits

82% of Texas trucking companies offer health insurance to their employees and employee drivers. Companies pay an average of 59% of the costs, but 30% pay the full cost. 25% offer health insurance coverage to their owner-operators, the most common type of insurance offered to that group. 57% offer no insurance benefits to owner-operators.

Among other insurance benefits, 71% offer life insurance coverage to employees and employee drivers, while 70% offer a dental plan, 65% offer a vision plan, and 62% offer a prescription drug plan. Another 54% offer employees short-term disability insurance, while 53% offer long-term disability insurance.

Retirement Benefits

Two-thirds of respondents offer some kind of retirement benefit. The most common is a 401(k) plan (60%), with an average participation rate of 66% and with employees vested after an average of about four years. 82% of carriers offering a 401(k) plan provide employer contributions, while 20% automatically enroll their employees. 36% said their retirement plans qualify as “safe harbor” plans because of the structure of the employer contributions, while 32% were not sure.

11% of companies offer a profit-sharing plan, 6% offer a defined benefit plan, 5% offer a SIMPLE IRA, and 3% offer a stock ownership plan.

Other Benefits

85% of companies surveyed offer paid leave to their non-driver staff and employee drivers, broken down by the following averages. Please note that these averages are based on the answers given by companies providing this benefit. The full report provides sample size data for reference.

- Paid vacation leave: 10.1 days
- Paid sick leave: 7.7 days
- Paid holidays: 6.5 days

60% of respondents offer drivers access to education or training, while other benefits include free parking or a parking subsidy and access to driver facilities with amenities. Employee drivers also received help with licensing and exam fees, while owner-operators were offered flexible work schedules. Office staff perks including free parking or a subsidy, flexible work schedules, and overtime pay for managers.

68% of respondents reported they do not provide any additional supplemental benefits to employees who are considered “key” or “highly compensated.” Of those who do offer supplemental benefits, the most common offerings were a bonus (16%) or stock options (11%). Most carriers offered other types of recognition programs, the most common being praise from a direct supervisor (83%), praise from company owners and senior leaders (80%), driver recognition awards (68%), and a company celebration or party (68%).