The Churn: A Brief Look at the Roots of High Driver Turnover in U.S. Trucking

Despite ongoing claims of a driver shortage, the U.S. trucking industry experiences persistently high annual turnover rates, often surpassing 90% at major truckload carriers. Typically, a genuine shortage would increase wages and improve conditions, stabilizing labor supply. Yet, trucking remains trapped in a paradox where these normal market corrections fail to materialize, primarily due to deeply embedded structural and economic factors.

The roots of high turnover in trucking date back to deregulation through the Motor Carrier Act of 1980. Prior to deregulation, trucking was highly regulated, unionized, and provided stable careers with attractive wages. Post-deregulation, thousands of new carriers entered the market, while the number of shippers stayed relatively constant, leading to fierce price competition, reduced profit margins, and wage stagnation. This competitive landscape effectively eliminated companies' ability to raise pay significantly without losing business, embedding high turnover as a standard business strategy. In today's highly fragmented truckload sector, minimal differentiation among employers keeps drivers cycling between similar low-quality jobs, or leaving the industry entirely rather than seeing substantial improvements in pay or conditions.

Long-haul truckers are typically paid per mile, causing significant unpaid labor during loading, unloading, waiting periods, and administrative tasks. Federal hours-of-service regulations cap driving hours, inadvertently incentivizing drivers to maximize driving time at the expense of rest and compliance. Moreover, the Fair Labor Standards Act excludes interstate drivers from overtime protections, allowing companies to demand extensive hours without overtime pay. Consequently, drivers often work up to 70-hour weeks while experiencing effective hourly wages significantly lower than comparable occupations. This misaligned incentive structure externalizes the industry's inefficiencies onto drivers, fueling dissatisfaction and turnover. This is illustrated most strikingly when you compare other segments of the industry, such as Less Than Truckload (LTL) or private fleets which have turnover rates in the teens or single digits, compared to the 90% to 100% turnover rates in Over the Road (OTR) carriers.

High turnover has become the standard operational model for large carriers, leveraging government subsidies, taxpayer-funded training programs, non-domiciled CDLs, and an array of other means to artificially inflate the labor pool. Roughly 400,000 new Commercial Driver's Licenses (CDLs) are issued annually, which rose to approximately 800,000 in 2022. Given CDLs remain valid for five years, there are consistently about 2 to 2.5 million recent CDL holders (this does not include the many drivers who have held their CDLs for over 5 years or reinstatements) competing for only 800,000 to 900,000 available long-haul trucking jobs. This persistent oversupply of at least 3 CDL holders for every available job depresses wages and enables carriers to treat drivers as disposable commodities.

Carriers often utilize indentured training agreements, requiring new drivers to either remain at entry-level pay until training costs are repaid or leave early and incur significant debt. Subsidized by federal and state training programs designed to alleviate perceived shortages, these practices inadvertently perpetuate high turnover by continuously injecting inexpensive labor into the market. Thus, the churn model, though costly in safety risks and service quality, remains economically rational for carriers.

Reliance on inexperienced drivers due to high turnover in the industry significantly influences technological adoption. Rather than broadly improving operational efficiency or proactively enhancing safety, many new technologies aim primarily to compensate for limited driver skill and inadequate training. Notably, entire fleets now incur substantial costs to adopt automated transmission systems, lane-keeping, collision avoidance, and automatic braking systems—all designed to mitigate reliance on inexperienced drivers.

A stark example is the widespread deployment of driver-facing cameras, primarily intended to monitor and correct unsafe behaviors common among poorly trained or transient drivers. The industry's preference for technological oversight rather than investing in fundamental improvements in training and retention underscores how structural churn influences technological development.

Owner-Operators, who lease or own trucks and contract independently, represent another troubled segment. The allure of independence and higher potential earnings frequently attracts company drivers dissatisfied with poor conditions. However, Owner-Operators face significant volatility and limited negotiating leverage, often experiencing severe financial strain during market downturns. Predatory lease-purchase programs further exploit drivers by imposing steep weekly payments and operational costs while limiting drivers' autonomy and income potential. These programs rarely succeed, leading to a situation where a driver has worked for a carrier essentially at-cost, ended without the proffered vehicle, and gained nothing but a substantial pile of debt—fostering additional churn.

Several intertwined factors mute the natural market corrections that would typically resolve labor shortages:

- **Extreme Competition:** Intense competition restricts carriers from raising wages significantly without losing business.
- **Labor Supply Inflation:** Industry and government initiatives continually increase the labor pool through non-market means, artificially depressing wages.
- **Regulatory Loopholes:** The overtime exemption and misclassification practices shift costs onto drivers, artificially suppressing market wages.
- **Limited Bargaining Power:** Fragmented and individually powerless drivers cannot negotiate better conditions effectively.
- **Information Asymmetry:** Many new drivers enter the industry under misconceptions—sometimes intentionally fostered by dishonest parties—about earnings and conditions, maintaining a high turnover cycle.

Conclusion: Realigning Incentives for Stability

The persistent churn in trucking results from systemic distortions rather than a genuine shortage. Structural changes following deregulation, misaligned compensation practices, reliance on subsidized training, and technology aimed at inexperienced drivers collectively maintain the churn equilibrium. Addressing these foundational issues—realigning incentives, improving transparency, and reforming exploitative practices—would allow genuine market corrections, fostering a more stable, sustainable workforce. Until then, the trucking industry remains trapped in a cycle of perpetual churn, undermining its long-term efficiency and safety.