



Driving Progress

THE NEW ROAD AHEAD

**Labour Market Outlook for Canada's
Trucking and Logistics Sector, 2024–2030**

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Trusted, responsible, data driven labour market information for Canada's trucking and logistics industry

What is Labour Market Information?

Labour market information (LMI) is the cornerstone of Trucking HR Canada's work to identify opportunities and address human resources and labour market challenges facing Canada's trucking and logistics industry.

Our LMI is actionable intelligence pertaining to the supply and demand of labour. It

puts raw data into context and facilitates better decisions by employers, workers, job seekers, policymakers, educators, career practitioners, academics, students, parents, and more. It is the most comprehensive data available—providing a full picture of what is happening in the trucking and logistics labour market.

How Does Trucking HR Canada Develop LMI?

Since 2018, Trucking HR Canada has been publishing sector-specific labour market information that is not available anywhere else. Our analysts derive actionable insights from a range of Statistics Canada sources, including:

- ✦ Customized Labour Force Survey tables, updated monthly.¹
- ✦ Customized labour market and demographic Census data, updated every five years.
- ✦ Job Vacancy and Wage Survey data by occupation and industries, updated every quarter.
- ✦ Survey of employment, payrolls, and hours, updated monthly.

These data sources are supplemented by regular surveys of Canadian for-hire trucking companies and private fleets, allowing Trucking HR Canada to monitor critical labour market variables and key HR challenges as they emerge. Variables we track include staff turnover, utilization trends of contractors/owner-operators, compensation methods and levels as well as employers' expectations about the future of the labour market.

¹ Our customized data sets include 37 occupations (NOCs) and 21 industry codes (NAICS – 2, 3 and 4-digits) along with 8 custom NOC groupings and 2 custom (NAICS groupings). It also includes national and provincial and territorial labour market data, starting from January 2006.



Executive Summary



For years, Canada's trucking and logistics industry has struggled with labour shortages, especially for truck drivers. The demand for trucking services, which support virtually every industry in the Canadian economy, continually fuels the need to hire, train and retain talent in the sector.

As Canada's economy recovered from the COVID-19 pandemic and supply chain bottlenecks shone a light on the importance of functioning supply chains, trucking and logistics employers found themselves in an intensifying competition for workers.

They were no longer competing for talent with the truck fleet up the street. With job vacancies near all-time highs, trucking and logistics employers were up against manufacturers, construction firms, local distribution companies and a long list of other businesses with open jobs.

At the same time, trucking and logistics employers faced familiar limitations, including an aging workforce, a largely homogeneous driver pool, persistent turnover and the need for higher standards of human resources management.

How would trucking and logistics employers respond?

This report, based on our latest labour market information (LMI) initiative, helps answer that question. It also offers an assessment of the industry's workforce needs for the rest of the decade.

Post-pandemic analysis

Our new LMI identifies labour market issues after the pandemic and extends our labour supply and demand forecasts to 2030. It combines the latest Statistics Canada and Transport Canada data with the results of a comprehensive survey of trucking and logistics employers conducted in 2023.

The renewed LMI shows several important changes in the industry since our previous report in 2019:

- ✖ More women, youth and non-permanent residents are entering the sector's workforce.
- ✖ Fewer employers expect a truck driver shortage to be their top challenge in the coming months.
- ✖ The proportion of employers reporting lost sales or reduced revenue from the driver shortage has decreased.

Despite some encouraging progress, the sector still needs support:

- ✖ Most employers say they need help finding all the workers they require.
- ✖ One in four companies will likely have to delay plans to expand its business because it can't hire enough drivers.
- ✖ Most employers expect driver recruiting and retention to be "very" or "extremely" challenging in the next six months.
- ✖ Concern about adequate training for non-driver employees has increased.

Demand for workers will grow through 2030

The need for workers in trucking and logistics will increase through 2030

- ✖ Under the status quo, our most optimistic outlook is that the industry will need to recruit, train and onboard more than 10,300 new workers.
- ✖ Without support for employers to attract and retain more workers, vacancies will exceed 40,400 by 2030.
- ✖ The pool of potential experienced applicants will amount to less than one person per vacant job (0.74 person/vacancy).



Resources are available—and needed

Fortunately, trucking and logistics employers have access to resources that can help them attract the workers they need. For example:

- ✦ If the sector implemented initiatives that boosted the attraction of new workers by 15% and reduced voluntary turnover of drivers by 10%, the number of vacancies would drop by 39% to 24,500.
- ✦ The number of experienced job seekers per vacancy would increase to 1.4 by 2030, reducing the pressure to find and train new workers.

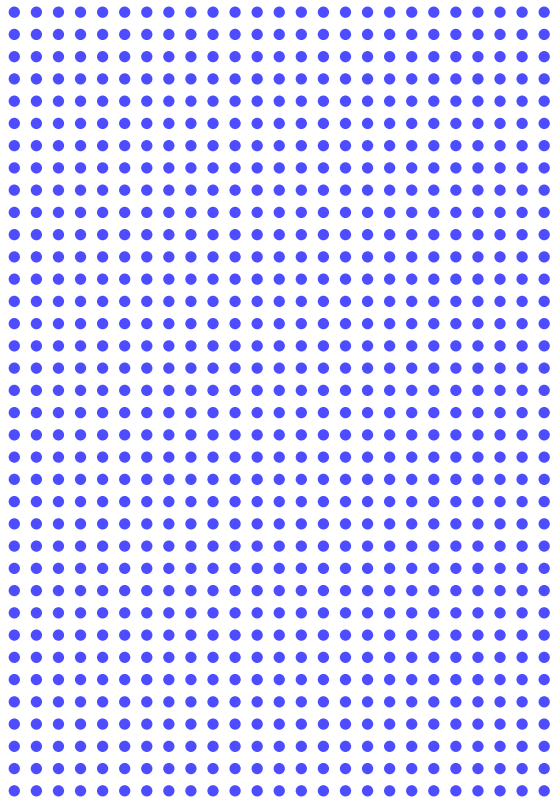
While the pandemic was a shock to the system for trucking and logistics employers, other factors may be just as transformative. For instance, as Canada prepares for the green economy, we will need to assess the changing labour requirements of the trucking and logistics sector. And there is always the potential for an event that disrupts supply chains and amplifies the need for workers.

This report highlights how the sector is dealing with a combination of age-old challenges and evolving needs. While each individual business has a unique approach, the trucking and logistics sector needs to continue researching, planning, and promoting HR practices to nurture the future workforce and protect Canada's economy.



The Industry at a Glance

We expect Canada's trucking and logistics sector to **add a net 9,000 workers per year between now and 2030.**



Trucking HR Canada's most recent Labour Market Information projects that **40,400 available jobs will be vacant in 2030**, leaving employers with a mere **0.74 applicants for every unfilled position.**

Even if all active job seekers in the sector were readily employable in 2030, **employers would still need to recruit and train at least 10,300 new workers** to meet their labour requirements.

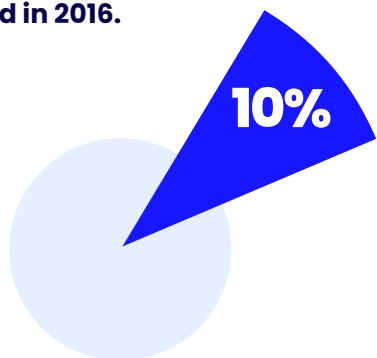
10,300

The employment of **workers aged 65 and up increased by 3.4% per year across the Canadian workforce** between 2016 and 2021, but it rose much more quickly in trucking, reaching an **annual growth rate of 6.2% among non-driving occupations and 8.6% among truck drivers.**

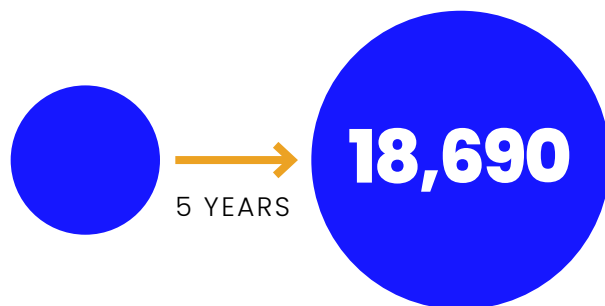


THE TRUCKING AND LOGISTICS SECTOR IS ALSO INCREASINGLY DIVERSE.

Ten percent of trucking and logistics workers were under the age of 25 in 2021. That means **the sector employed 34,185 more youth than it did in 2016.**



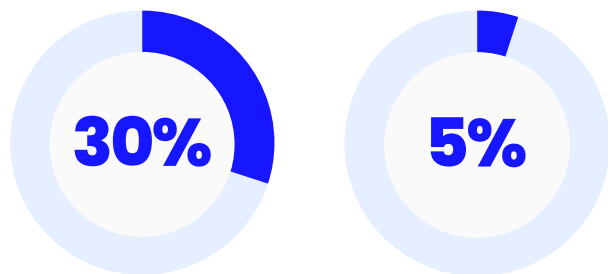
In just five years, the number of drivers **under the age of 25** almost doubled – accounting for 18,690 younger drivers behind the wheel.



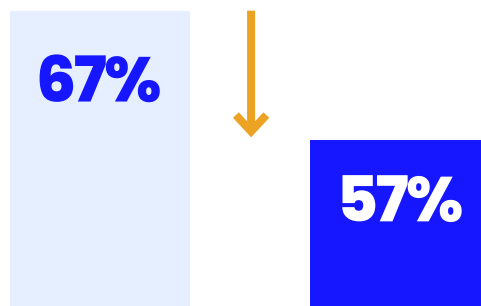
The number of **female truck drivers increased 43% between 2016 and 2021.** There were 26,235 more women in trucking and logistics overall, up 27% over 2016.

26,235

Thirty percent of its workers were immigrants in 2021, **up from 26% just five years earlier.** Five percent were non-permanent residents, a **five-fold increase** over the same time period.




Fifty-seven percent of surveyed companies say they couldn't recruit all the drivers they needed in the last year. But that's down from 67% in 2021.





A Look Back at The Road Ahead



On March 11, 2020, just one day before the World Health Organization declared COVID-19 a global pandemic, Trucking HR Canada released *The Road Ahead: Addressing Canada's Trucking and Logistics Labour Shortages*. This was our first comprehensive labour market study of the trucking and logistics industry in almost a decade.

The report involved nearly three years of intensive research, data collection and analysis. It showed that Canada's trucking and logistics industry faced labour challenges that threatened the growth and stability of other sectors of the economy. These challenges included:

- ✖ A looming labour shortage, especially among drivers
- ✖ An older and aging workforce
- ✖ Difficulties attracting and retaining women and young workers
- ✖ Problems recruiting and training new drivers
- ✖ Limited access to immigration programs like the temporary foreign worker program
- ✖ High levels of driver turnover and attrition

The Road Ahead collected data from official sources such as Statistics Canada and our own survey of private and for-hire trucking employers and owner-operators (independent contractors who provide

trucking services). It had insights and quantitative intelligence not available from any other source on topics including employment and pay/compensation systems for long-haul and short-haul drivers; the use of contracted drivers and owner-operators; driver turnover; and the industry's HR challenges now and in the future.

The report also forecasted employment, unemployment, and vacancies, as well as the inflow and outflow of workers, through 2023.

The release of *The Road Ahead* was followed by a series of industry consultations and government briefings at which Trucking HR Canada presented the findings. Working together with industry stakeholders Trucking HR Canada then developed a sector-wide HR plan. It featured opportunities to help employers diversify their talent pool; incentives to hire, train and deploy new workers, especially drivers; and resources to help them retain experienced drivers and create a diverse and inclusive workplace.



The Road to Recovery: How the Pandemic Changed the Road Ahead

After the pandemic started, Trucking HR Canada moved quickly to gauge the impact on the trucking and logistics labour market.

In June 2020, we issued another employer survey to assess the pandemic's impact on our forecasts for employment and vacancies in the sector. We undertook a second pandemic-era employer survey in 2021 and updated our outlook for labour demand by two years to 2025.

In December 2021, we published an updated labour market report entitled *The Road to Recovery*.

The pandemic underscored the essential nature of trucking and logistics

After a sharp drop after the start of the pandemic, demand for trucking services surged. Businesses and consumers shifted their buying patterns. Governments issued exemptions to quarantine and other public health guidelines for drivers carrying "essential goods" both in Canada and across the U.S. border.

The effect on trucking, and especially on truck drivers, was substantial. Trucking companies adjusted for physical distancing in the workplace. Long-haul drivers struggled to find accommodations, food, and facilities on the road. Transborder and interprovincial vaccine mandates further complicated rules for truck drivers and disrupted supply chains.



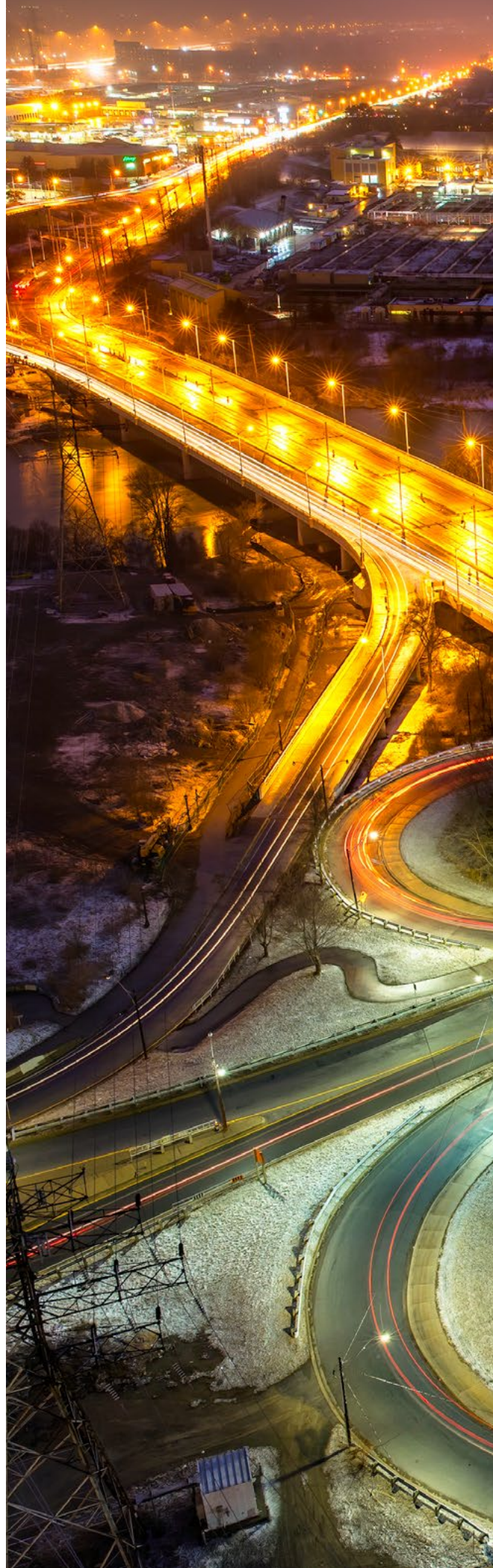
Our 2020 survey sought to quantify the impact and focused on trucking and logistics employers' responses to the initial lockdown. Among the short-term consequences:

- ✖ 60 to 70% of employers reduced hours or laid off workers during the first few months of the pandemic.
- ✖ Unemployment increased during the second quarter of 2020 and there were fewer open positions, especially for drivers².
- ✖ Downturns in manufacturing, mining, oil and gas extraction, construction and retail/wholesale trade had significant effects on employment in trucking and logistics.

The trucking and logistics labour market rebounded during the third quarter, with truck driver employment returning to pre-pandemic levels by September 2020.

According to Trucking HR Canada's 2021 employer survey, two-thirds of employers said they could not find all the drivers they needed. Their estimated vacancy rate was 7.5%, well above the Canadian average of 4.7%.

² Vacancies between April and September 2020 are estimated because Statistics Canada suspended collection of Job Vacancy and Wage Survey data for Quarters 2 and 3 2020.







Beyond The Road to Recovery: Back to The Road Ahead

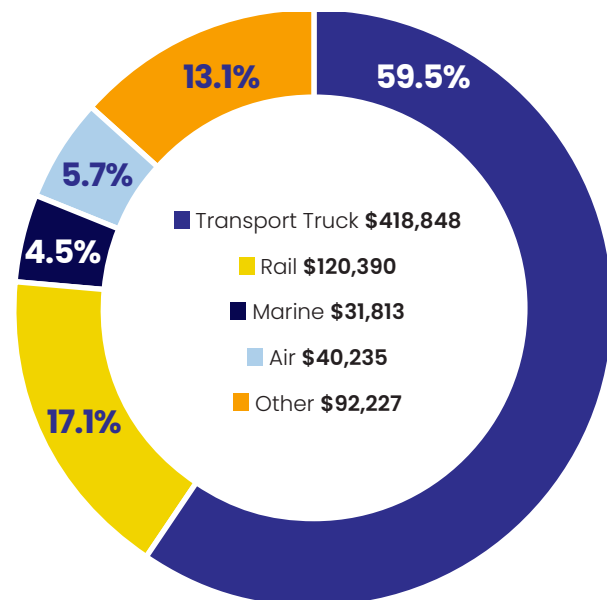
In late 2022, Trucking HR Canada launched an initiative to update our labour market data and analysis, identify emerging issues and extend our labour supply and demand forecasts to 2030. We collected the latest data from Statistics Canada and Transport Canada and issued a new survey of for-hire and private fleets across Canada.

Trucking, logistics and Canada's economy: The post-pandemic view

Over the past 10 years (2013–2022), the average annual GDP of the core trucking and logistics sector³ was \$45.2 billion, accounting for 2.3% of Canada's national GDP⁴. The estimated yearly GDP for core trucking and logistics in 2023⁵ is \$48.4 billion, a level not seen since 2019, when it reached \$48.7 billion.

According to Transport Canada estimates⁶, for-hire trucks hauled 77.7%⁷ of the total volume of goods moved within Canada, while rail accounted for 22.2% and air only 0.1%. In addition, between 2016 and 2020, it is estimated that 59.5% of Canada–U.S. trade moved by truck, with an average annual value of \$419 billion. In comparison, 17.1% of Canada–U.S. trade was transported by rail, 4.5% by marine transport, 5.7% by air and 13.1% by other methods. See figure 1.

FIGURE 1: Share of value of Canada/US Trade (CAD millions) by mode of transportation, 5-year average, 2016–2020



Source: Transport Canada, *Transportation in Canada: Statistical Compendium*, 2020

³ The “core” trucking and logistics sector is defined as a combination of the following industries: NAICS 484 (Truck Transportation); NAICS 488 (Support Activities for Transportation); NAICS 492 (Couriers and Messengers); and NAICS 493 (Warehousing and Storage)

⁴ Statistics Canada. Table 36-10-0434-06, Gross domestic product (GDP) at basic prices, by industry, annual average, industry detail (x1,000,000)

⁵ Annualized average, January–October 2023

⁶ Source: Transport Canada, *Transportation in Canada: Statistical Compendium*, 2020

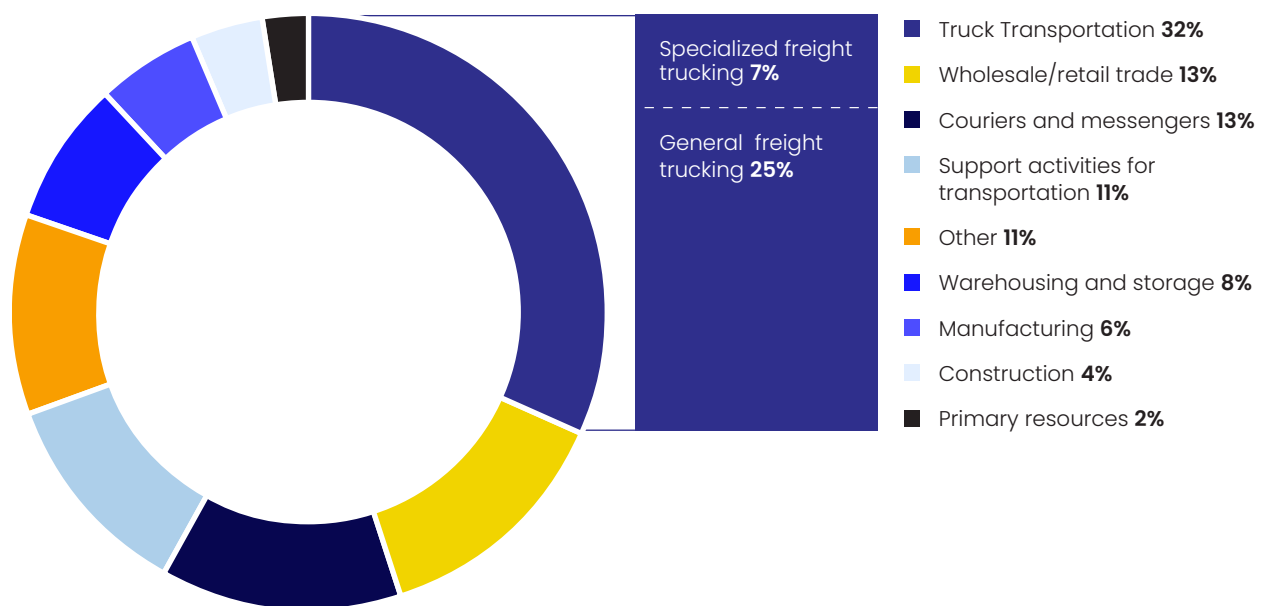
⁷ Average from 2014–2018

Two-thirds of trucking and logistics workers are employed by industries other than Truck Transportation (NAICS 484)

Employment patterns are another indicator of the central role of trucking and logistics. See figure 2. Trucking and logistics workers⁸ are employed in many industries outside the core sector, with 13% working in wholesale and retail trade, 6% in manufacturing, 4% in construction and 2% in primary resources

such as mining, oil and gas, agriculture and forestry. Another 11% work in other sectors, such as waste management, utilities, accommodation, and food services.

FIGURE 2: Employment of trucking and logistics workforce by industry



Source: Trucking HR Canada, Statistics Canada, Census 2021, custom data request

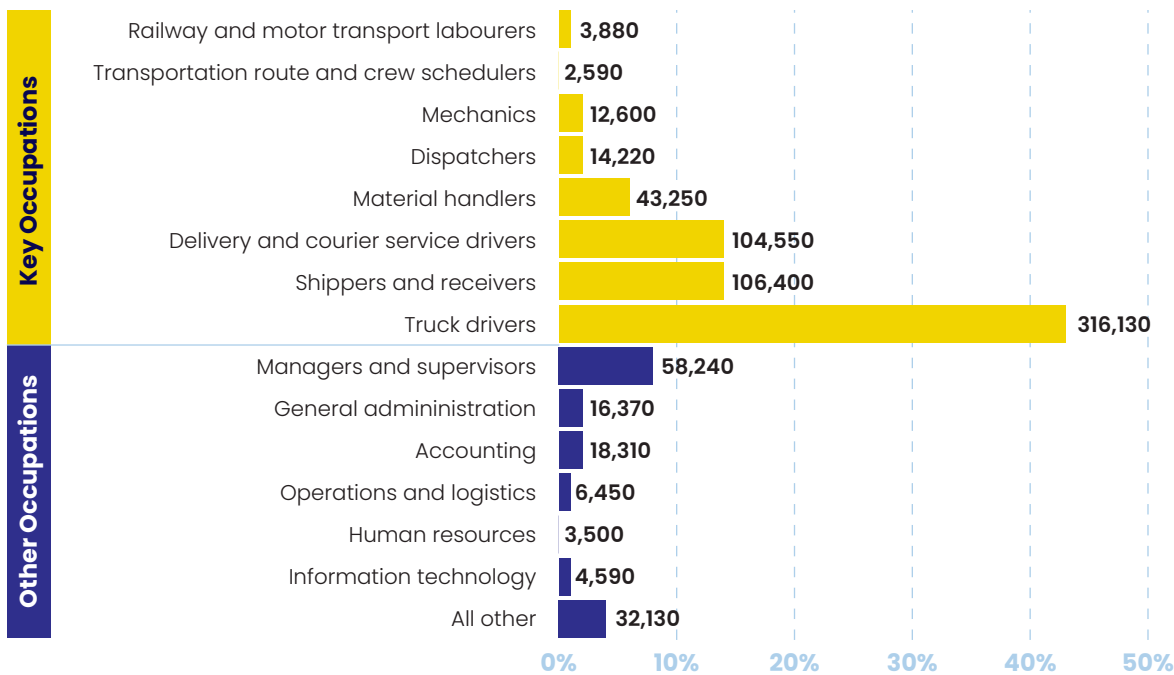
⁸ This includes the following occupations: transport truck drivers, delivery and courier service drivers, shippers/receivers and dispatchers.

Drivers dominate the workforce

Transport truck drivers comprise 43% of total employment in the trucking and logistics sector, with just over 316,00 drivers employed across Canada. Other occupations are shippers/receivers and delivery and courier service drivers, each accounting for approximately 14% of the trucking and logistics workforce. See figure 3.

According to our latest employer survey, 46% of all transport truck drivers are short-haul drivers and 54% drive long-haul routes. Employers reported that 78% of their drivers are company employees, while 22% are contracted owner-operators. Two-thirds of truck drivers at private fleets are short-haul drivers, while one-third drive long-haul routes.

FIGURE 3: Employment in trucking and logistics sector by occupation, 2013 – 2022, ten-year average, % and number of workers



Source: Trucking HR Canada, Statistics Canada, Labour Force Survey, custom data request, 2023

Sector’s vacancies centre on hiring and training new drivers

Trucking HR Canada monitors vacancies by occupation every quarter; however, data for the trucking and logistics sector as a whole are not available from Statistics Canada. Our latest LMI modelling estimates the average annual number of vacancies across the entire trucking and logistics sector to be 39,840 from 2018 to 2022.

In 2022, record-high vacancies were recorded across the Canadian economy, with an annual average of almost 942,500 vacant jobs and a 5.4% average vacancy rate. Trucking and logistics sector vacancies reached almost 52,000⁹ jobs, accounting

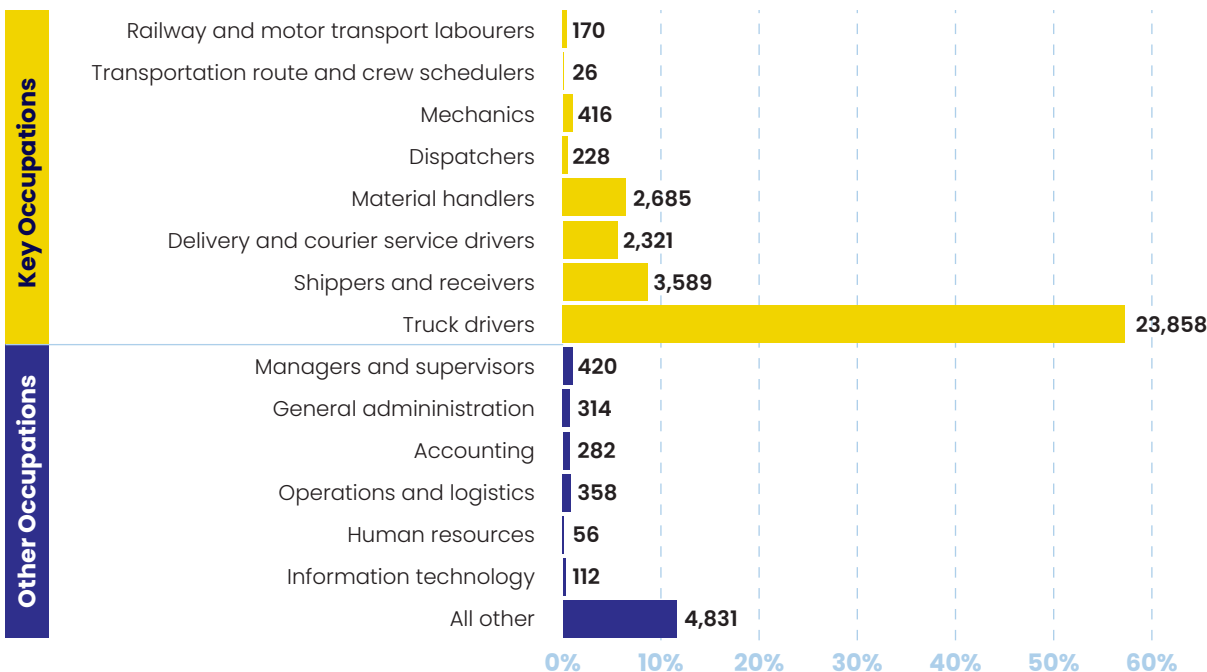
for 5.5% of all vacant jobs in Canada. The average vacancy rate in trucking and logistics was estimated to be 5.9%, above the national average but below other industries such as accommodation and food services (9.9%), construction (6.7%) and waste management (6.2%)¹⁰.

From an occupational standpoint, drivers accounted for 60% of all vacant trucking and logistics jobs between 2018 and 2022. See figure 4. Employers also faced significant hiring challenges for shipper/receiver labour, delivery and courier service drivers and material handlers.

⁹ Trucking HR Canada, Labour Market Outlook Dashboard, 2023

¹⁰ Source: Statistics Canada, Table 14-10-0326-01, Job vacancies, payroll employees, job vacancy rate and average offered hourly wage by industry sector, quarterly, unadjusted for seasonality.

FIGURE 4: Average annual vacancies in the trucking and logistics sector by occupation, 2018–2022



Source: Trucking HR Canada, Labour Market Outlook Dashboard, 2023.

The needle is moving: Evidence from our new LMI research

Our new LMI data and analysis indicate that the strategies developed and implemented in response to challenges identified in *The Road Ahead* have been effective. This section describes the progress.

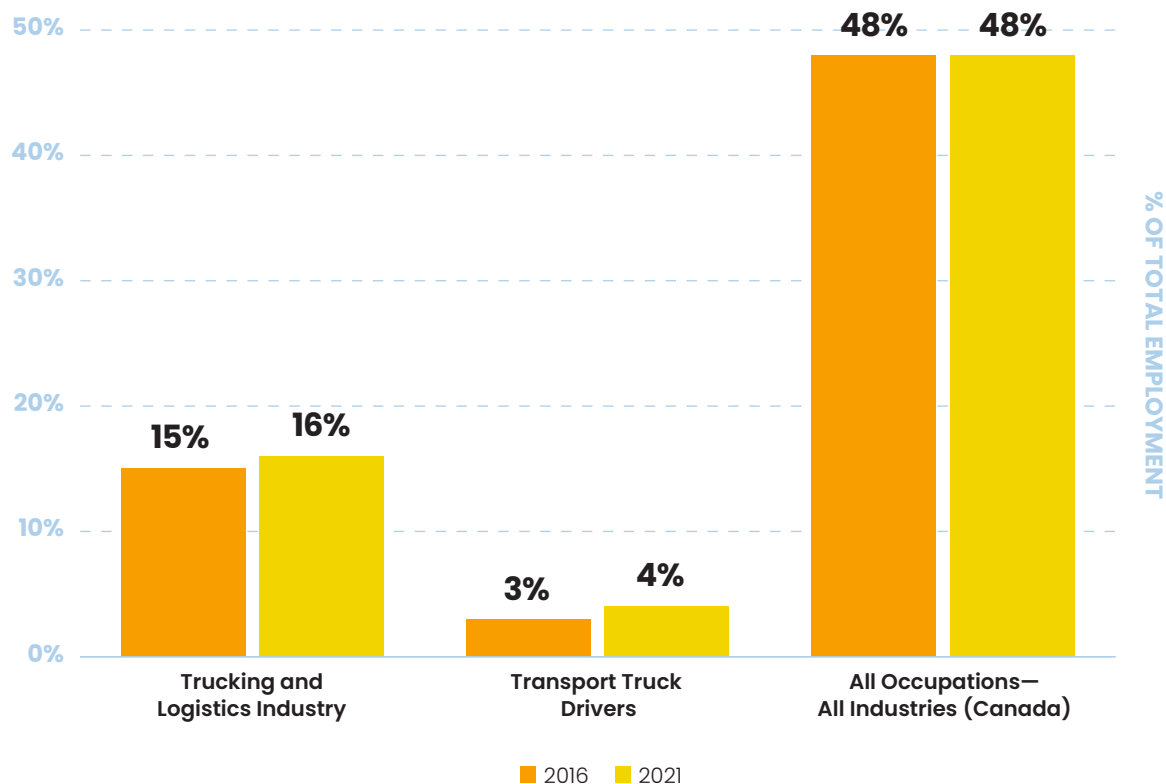
TRUCKING AND LOGISTICS EMPLOYS MORE WOMEN

While the gender balance between men and women has stayed roughly the same, the trucking and logistics sector is employing more women, especially more drivers.

- ✦ Between 2016 and 2021, the proportion of women in trucking and logistics increased from 15% to 16%, and the proportion of women transport truck drivers increased from 3% to 4%.

- ✦ Conversely, the proportion of men in the sector fell from 85% to 84% and decreased from 97% to 96% among truck drivers.
- ✦ Over the same period the proportion of women in the overall Canadian workforce remained at 48%. See figure 5.

FIGURE 5: Proportion of women in the workforce (%), 2016 and 2021



Source: Trucking HR Canada, Statistics Canada, Census 2016 and 2021, custom data request

Looking at the total number of women employed in the sector, 26,235 more women worked in trucking and logistics in 2021. That’s a 27% increase compared to 2016.

Among transport truck drivers, there was a 43% increase in female drivers between 2016 and 2021, up from 9,955 to 14,270. In comparison, the number of women in the Canadian workforce was nearly unchanged from 2016 to 2021, falling by 0.5%. See table 1.

TABLE 1: NUMBER OF FEMALE WORKERS, 2016 AND 2021

Number of Female Workers	2016	2021	% Change 2016–2021
Transport Truck Drivers	9,955	14,270	43%
Trucking and logistics sector	97,135	123,370	27%
All occupations—All industries (Canada)	8,306,490	8,265,025	–0.5%

Source: Trucking HR Canada, Statistics Canada, Census 2016 and 2021, custom data request



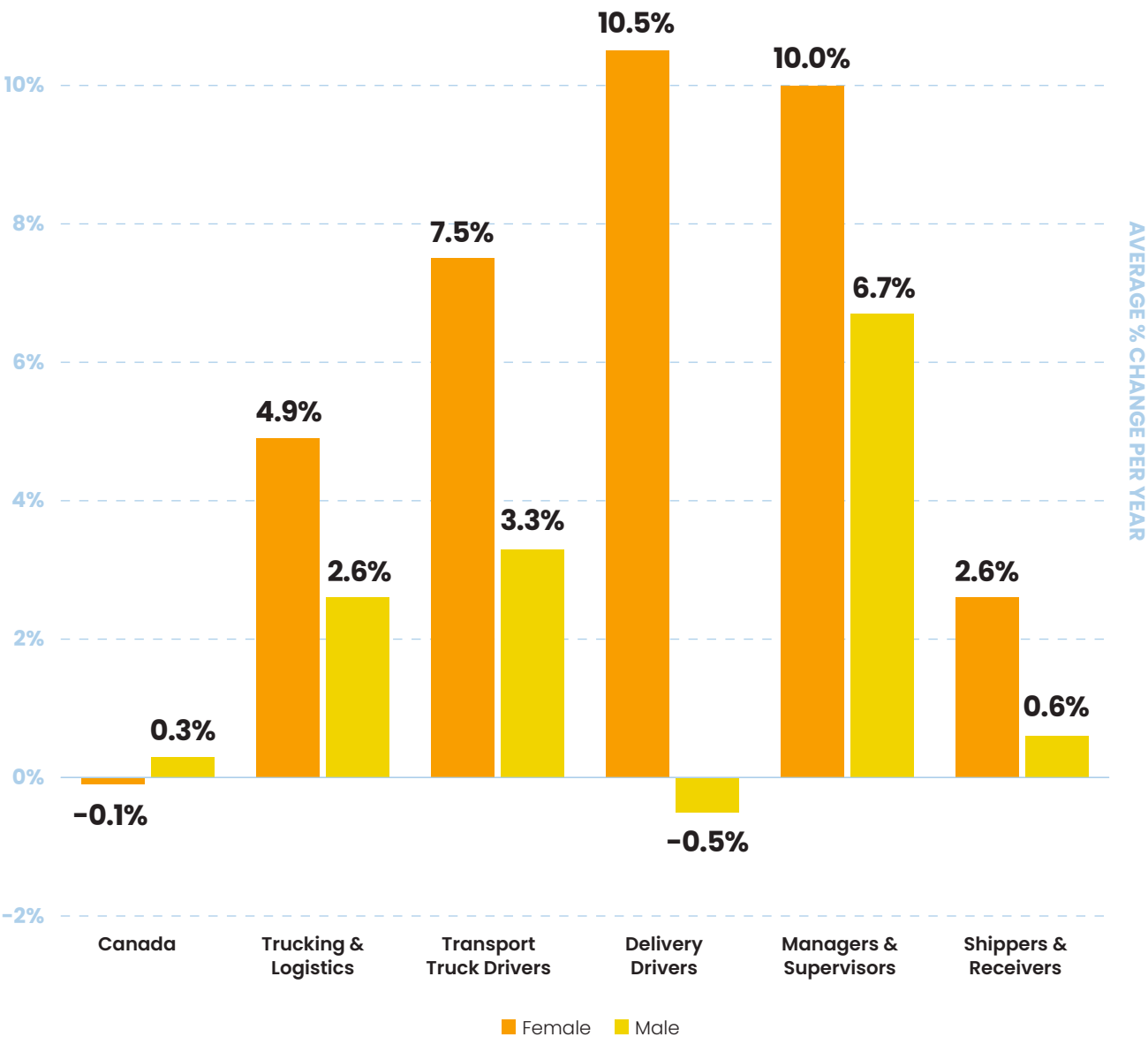
Indeed, the number of women in all occupations decreased by an average of 0.1% each year. See figure 6. In trucking and logistics, the number of women employed increased by almost 5% per year. In contrast, the employment of men grew by only 2.6% per year.

Among key occupations in the sector, the largest annual growth rate in the employment of women was among delivery and courier service drivers at 10.5% per year. The number of men employed in the

occupation decreased by 0.5% per year between 2016 and 2021.

The average annual increase in the number of women employed was 10.0% in manager and supervisor positions (compared to 6.7% for men). Likewise, the employment of women in transport truck driver positions grew by 7.5% per year, compared to 3.3% for men. Employment as shippers/receivers increased by 2.6% per year for women, compared to 0.6% for men.

FIGURE 6: Annual % change in employment by gender, 2016–2021



Source: Trucking HR Canada, Statistics Canada, Census 2016 and 2021, custom data request

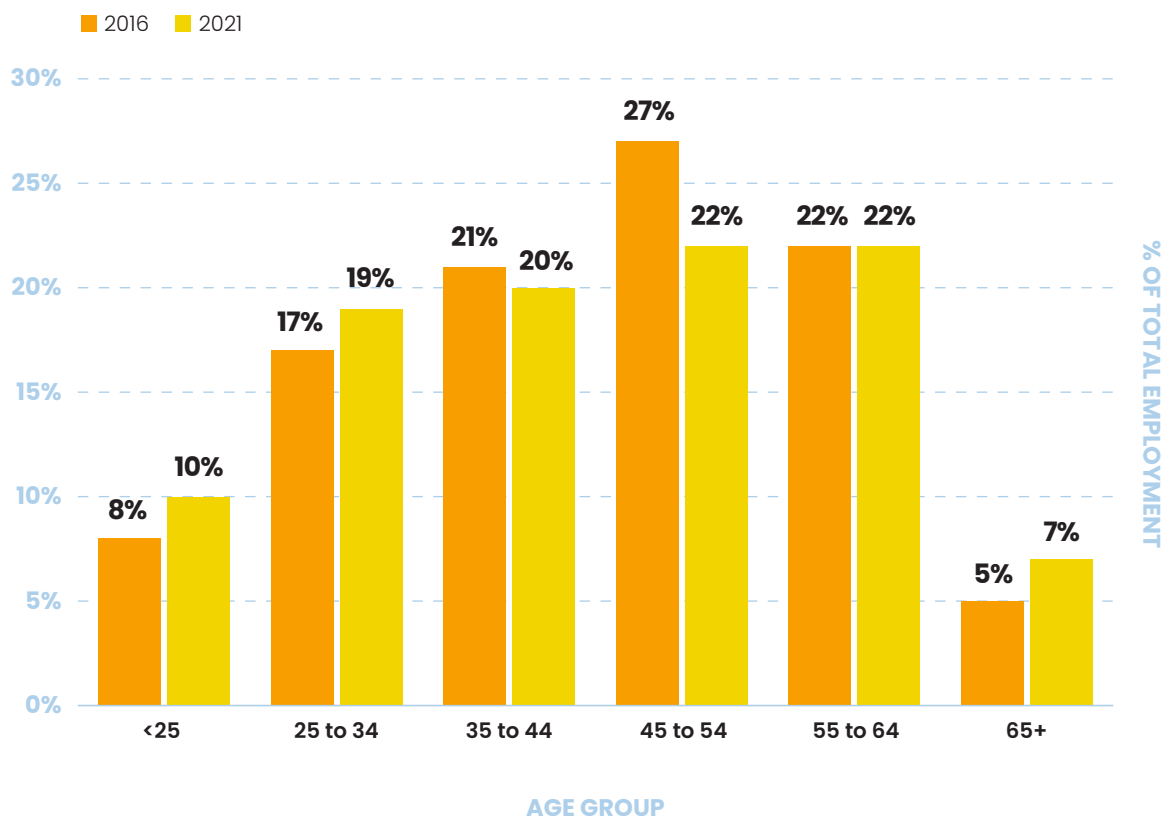
Young people are joining the trucking and logistics workforce

Statistics Canada Census data shows that more young people are joining the trucking and logistics workforce.

Workers under the age of 25 comprised 10% of the industry's workforce in 2021, compared to 8% in 2016—an additional 34,185 youth employed. See figure 7. Over the same period, the number of people under 25 in the Canadian workforce decreased by 8%.

On the other hand, the proportion of older workers in the sector increased. Between 2016 and 2021, the proportion of employees over 65 rose from 5% to 7% and the actual number of employees over 65 increased by almost 15,000.

FIGURE 7: Employment by age group, Trucking and Logistics, 2016 and 2021



Source: Trucking HR Canada, Statistics Canada, Census 2016 and 2021, custom data request

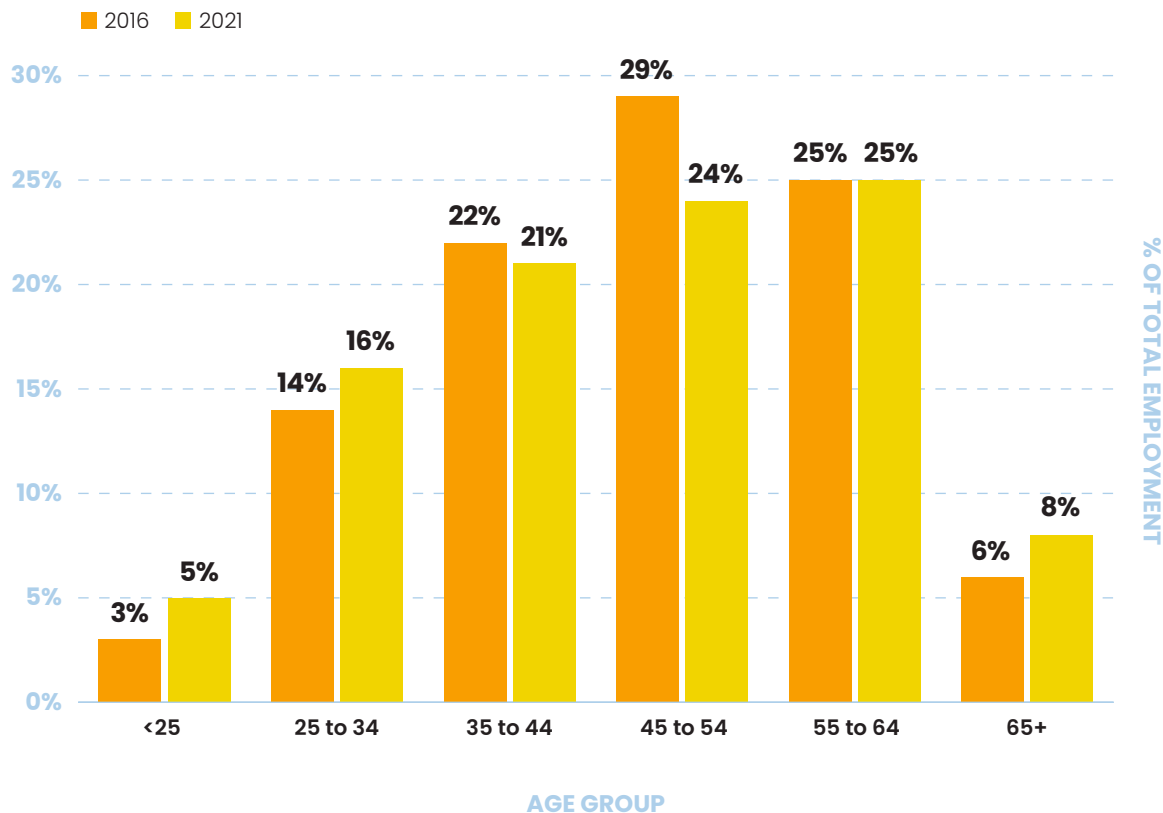
For transport truck drivers, the proportion of youth in the workforce rose from 3% to 5%, with the number of drivers under 25 almost doubling from 9,910 to 18,690. See figure 8. The proportion of drivers who are 65 and older increased from 6% to 8%, or an additional 9,290 drivers.

The average annual growth in the number of employed youth was highest among transport truck drivers at 13.5%, compared to non-driving occupations at 2.6% growth

per year. See figure 9. Across the Canadian workforce, the number of younger workers fell by 1.6% per year between 2016 and 2021.

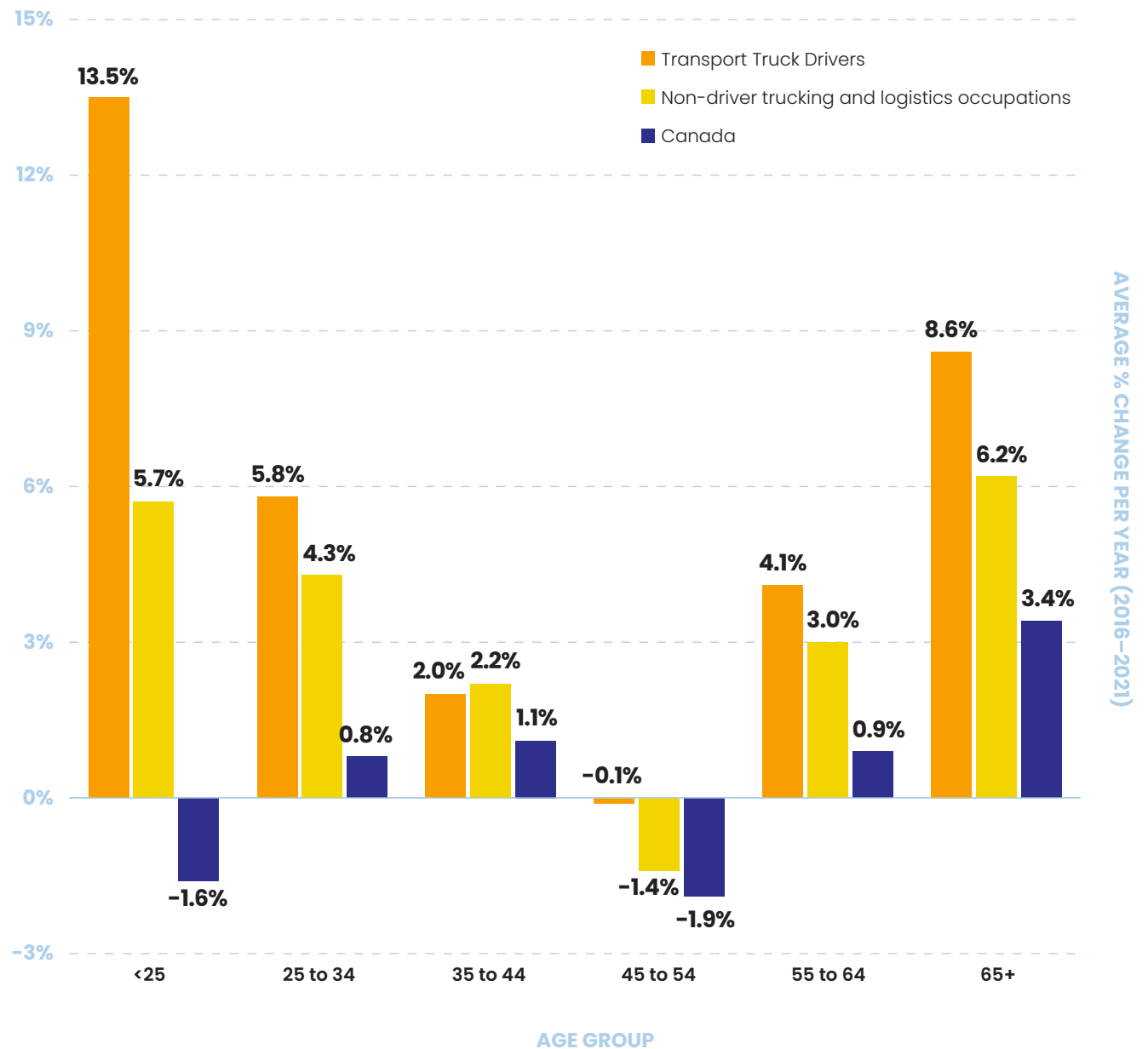
The trucking and logistics workforce continues to age. While the employment of workers aged 65 and older increased by 3.4% per year across the Canadian workforce, it increased more in trucking and logistics, with annual growth rates of 6.2% among non-driving occupations and 8.6% among transport truck drivers.

FIGURE 8: Employment by age group, transport truck drivers, 2016 and 2021



Source: Trucking HR Canada, Statistics Canada, Census 2016 and 2021, custom data request

FIGURE 9: Annual % change in employment by age group, 2016–2021

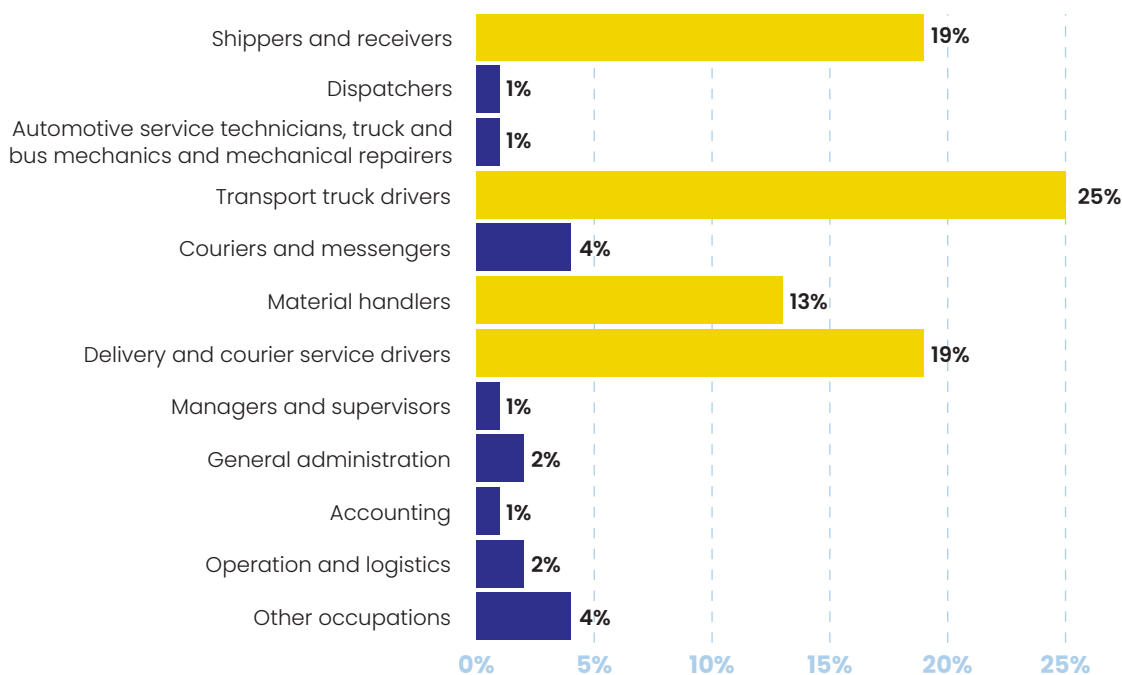


Source: Trucking HR Canada, Statistics Canada, Census 2016 and 2021, custom data request

In 2021, of the 74,500 trucking and logistics workers under age 25, 27% or 18,165 were transport truck drivers. Delivery and courier service drivers and shippers/receivers each were 19% of the industry's youth workforce, and material handlers were 13%. See figure 10.

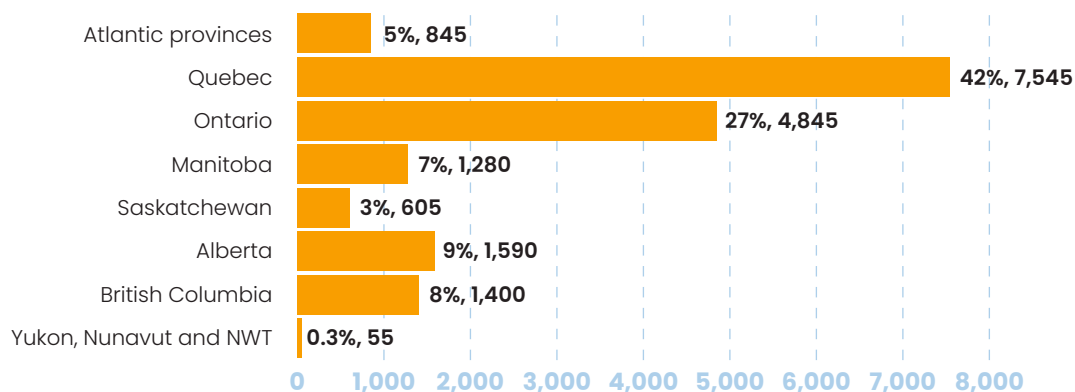
Forty-two percent of transport truck drivers under 25 worked in Quebec; at 7,545, that figure has more than tripled since 2016. Ontario accounted for another 27% or 4,845 drivers under 25, up 71% since 2016. See figure 11.

FIGURE 10: Proportion of workers under 25 years old employed in trucking and logistics, by occupation, 2021



Source: Trucking HR Canada, Statistics Canada, Census 2021, custom data request

FIGURE 11: Provincial distribution of transport truck drivers under 25 years old, 2021 (% , number employed)



Source: Trucking HR Canada, Statistics Canada, Census 2021, custom data request

Trucking and logistics added over 30,600 non-permanent residents¹¹ to its workforce

Trucking and logistics employers can expand their access to a larger potential labour pool by creating inclusive and accommodating workplaces and actively engaging diverse communities, including Indigenous people, immigrants, non-permanent residents, people with disabilities and visible minorities.

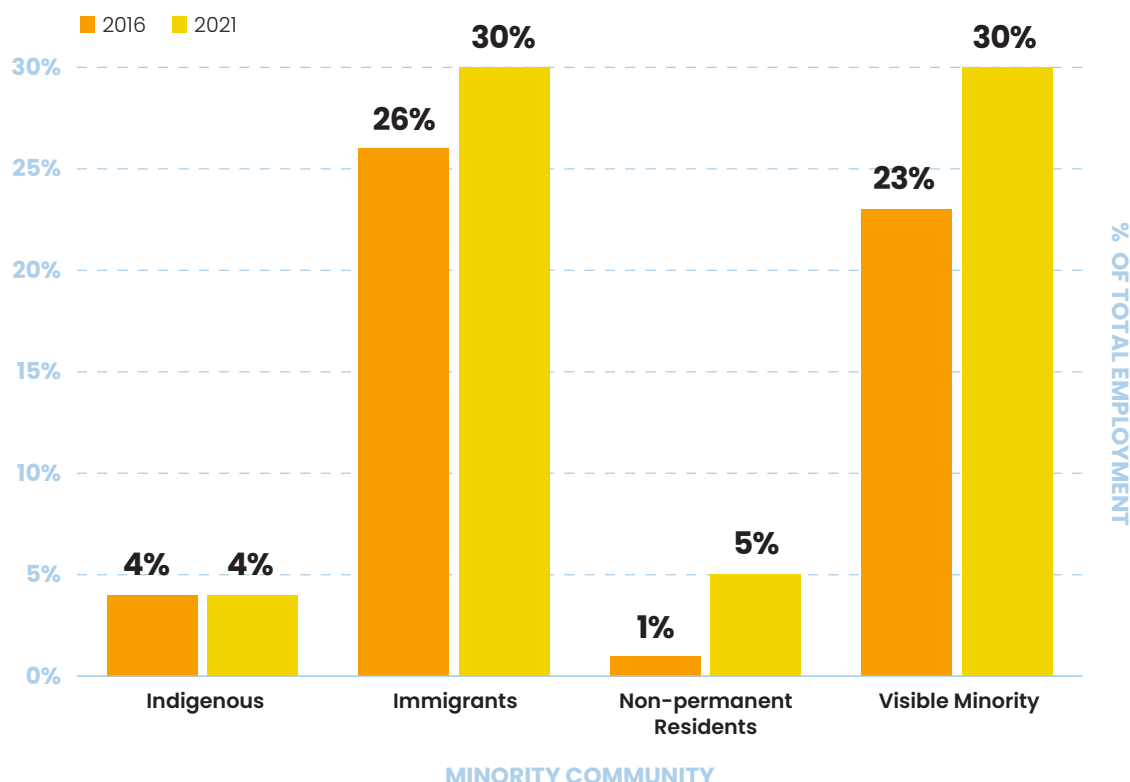
Census data show that the trucking and logistics sector employed the same proportion of Indigenous people in 2016 as in 2021 (4%).

This reflects the representation of Indigenous people across the Canadian workforce.

The proportion of immigrants employed in the industry increased from 26% to 30% during the same period, the share of non-permanent residents was up to 5% from 1% and visible minorities representation increased from 23% to 30%. See figure 12.

¹¹ "Non-permanent resident" refers to a person from another country with a usual place of residence in Canada and who has a work or study permit or has claimed refugee status (asylum claimant). The largest segment of NPRs had a work permit, such as temporary foreign workers. In 2021, 40.1% of NPRs had a work permit only, and 14.2% had a work and study permit. NPRs with a study permit alone (such as international students) represented 21.9% of all NPRs, while asylum claimants, those seeking refugee protection, accounted for 15.1%. Source: <https://www150.statcan.gc.ca/n1/daily-quotidien/230620/dq230620b-eng.htm>

FIGURE 12: Employment of minority communities, trucking and logistic sector, 2016 and 2021



Source: Trucking HR Canada, Statistics Canada, Census 2016 and 2021, custom data request

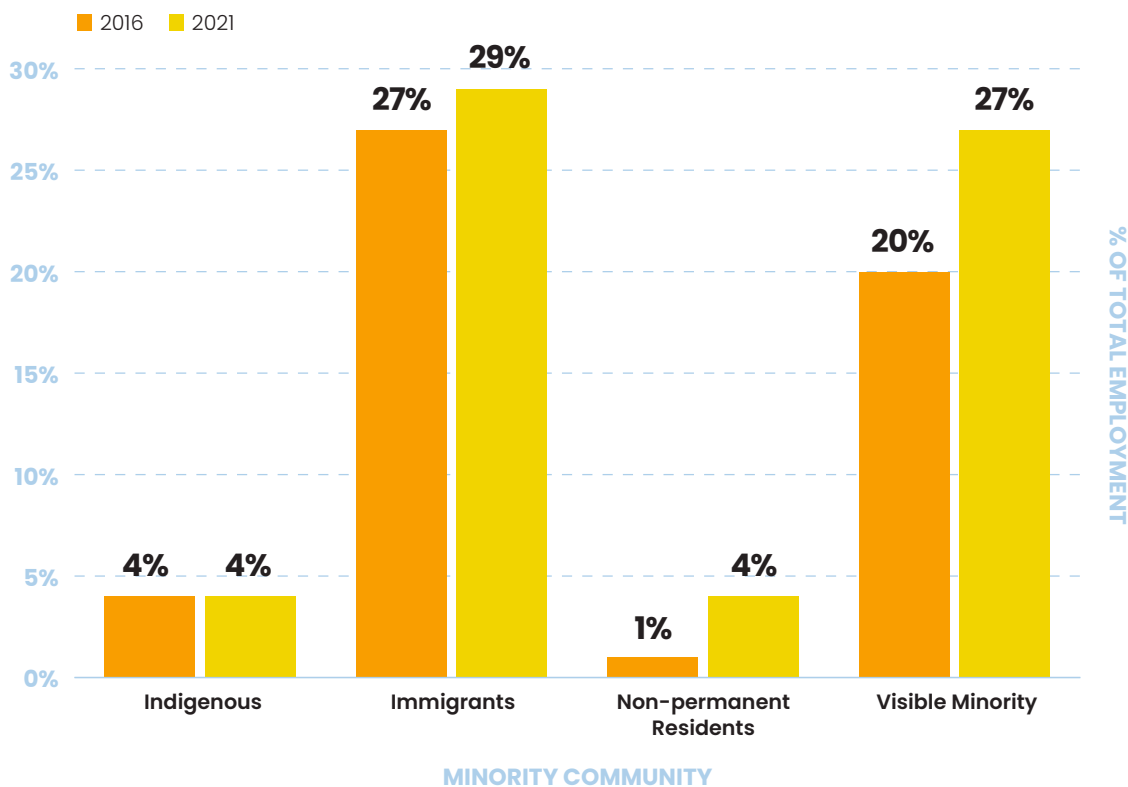
For the transport truck driver occupation, the pattern of employment of minorities mirrors that of the sector. While the proportion of Indigenous drivers remained steady at 4%, the proportion of immigrants increased from 27% to 29%; non-permanent residents from 1% to 4%; and the share of visible minorities rose from 20% to 27% between 2016 and 2021. See figure 13.

Figure 14 shows the annual growth rate of employees from selected minority communities in the transport truck driver occupation, non-driver occupations and across the workforce. The number of non-permanent residents working in non-driver

occupations in the sector grew by 43% per year, adding over 20,200 non-permanent workers from 2016 to 2021. For transport truck drivers, the annual growth of employment among non-permanent residents was 35%, with the addition of 10,440 drivers.

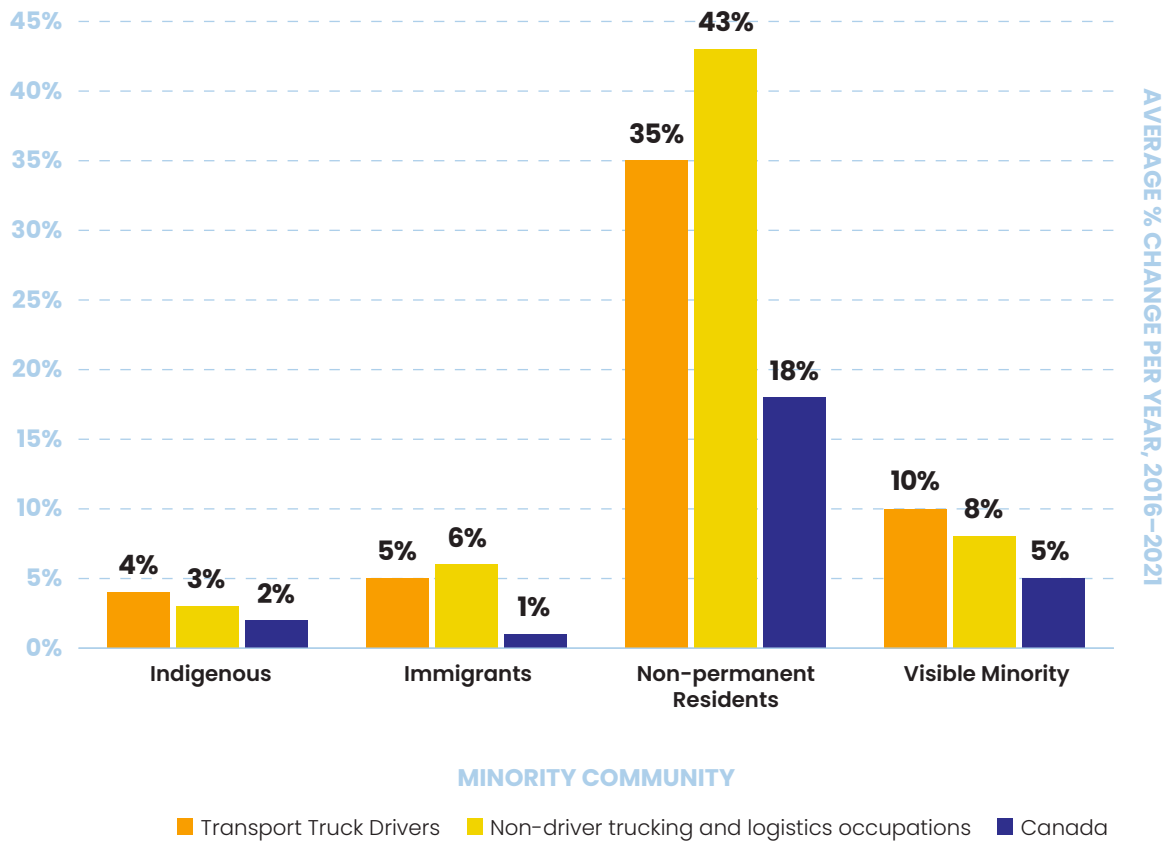
Across the Canadian economy, the number of non-permanent residents in the workforce grew by only 18%. This may reflect that the trucking and logistics sector has made better use of revised immigration rules and policies, especially for those holding temporary work and study/work permits.

FIGURE 13: Employment of minority communities, transport truck drivers, 2016 and 2021



Source: Trucking HR Canada, Statistics Canada, Census 2016 and 2021, custom data request

FIGURE 14: Annual % change in employment, minority communities, 2016–2021



Source: Trucking HR Canada, Statistics Canada, Census 2016 and 2021, custom data request

Employers' outlook is changing: Results from the 2023 employer survey

Trucking HR Canada conducted a Canada-wide employer survey in 2023 as part of our LMI renewal program. A total of 376 surveys were completed. These employers represented 48,385 drivers. A complete description of the survey sample can be found in Annex 1.

The 2023 survey revealed significant changes in the data reported, and the perspectives of sector employers expressed in the pre-COVID (2019) and pandemic-era (2020 and 2021) employer surveys. This section focuses on the shifting problems, priorities, and practices of employers in the sector in the context of highly volatile demand for trucking services before, during and after the pandemic.

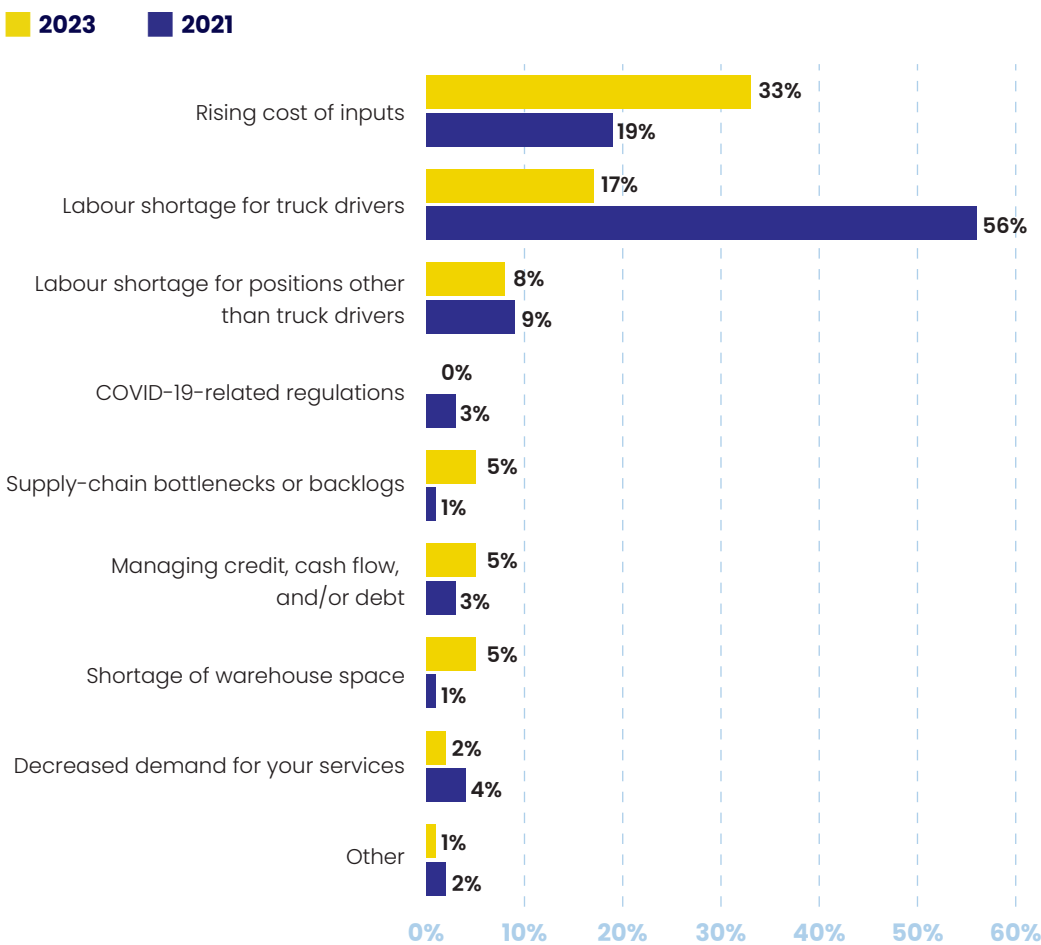
Rising input costs overtake driver shortages as a top concern

In 2021, 56% of companies said a shortage of drivers was their top concern over the impending six months. Less than one in five said higher costs for fuel, equipment, insurance, labour, and other inputs were their most worrying issue.

Just two years later, only 17% of employers identified the driver shortage as their top concern, while one-third said their primary concern was higher costs. See figure 15. In our 2023 survey, trucking employers listed rising interest rates and increased demand for trucking services as top near-term challenges at 15% and 10%, respectively.¹²

¹² "Rising interest rates" and "increased demand for trucking services" were not included in the selection list in our 2021 survey questionnaire.

FIGURE 15: What is the top challenge you face over the next six months?



Source: Trucking HR Canada, Employer survey, 2021 and 2023

Employers still struggle to find all the drivers they need

Despite lower levels of concern about the driver shortage, trucking and logistics employers still have difficulty hiring drivers.

Over the past year, 57% of companies said they could not recruit all the drivers they need, down from 61% in 2019 and 67% in 2021. Larger companies were less likely to fill all their vacancies. For example, 61% of those with more than \$50 million in revenue could not fill all their positions, compared with only 48% of those with less than \$5 million. See table 2.

TABLE 2: OVER THE PAST YEAR, WAS YOUR COMPANY ABLE TO FILL ALL TRUCK DRIVER POSITIONS NEEDED?

	% No
Less than \$5,000,000	48%
\$5,000,000 to \$10,000,000	52%
\$10,000,000 to \$25,000,000	55%
\$25,000,000 to \$50,000,000	64%
\$50,000,000+	61%
Total	57%

Source: Trucking HR Canada, Employer survey, 2023

Employers said a lack of candidates with necessary experience (60%) was the main reason for not being able to fill positions, followed by too many departures in a short period (20%) and rapid company expansion (18%).

Fewer employers report lost revenue as an impact of driver shortages

There are clear consequences for companies that cannot fill truck driver positions.

The top impacts are increased stress among truck drivers to fill the gap (56%); overtime costs (44%); increased stress among other employees to find alternative solutions (34%); delayed or cancelled expansion (25%); and losing long-term customers to competitors (24%).

In 2023, only 19% of employers reported lost sales or revenue because they were not able to hire all the drivers they needed. This is significantly lower than in 2019, when more than 40% of employers said the driver shortage decreased revenue¹³.

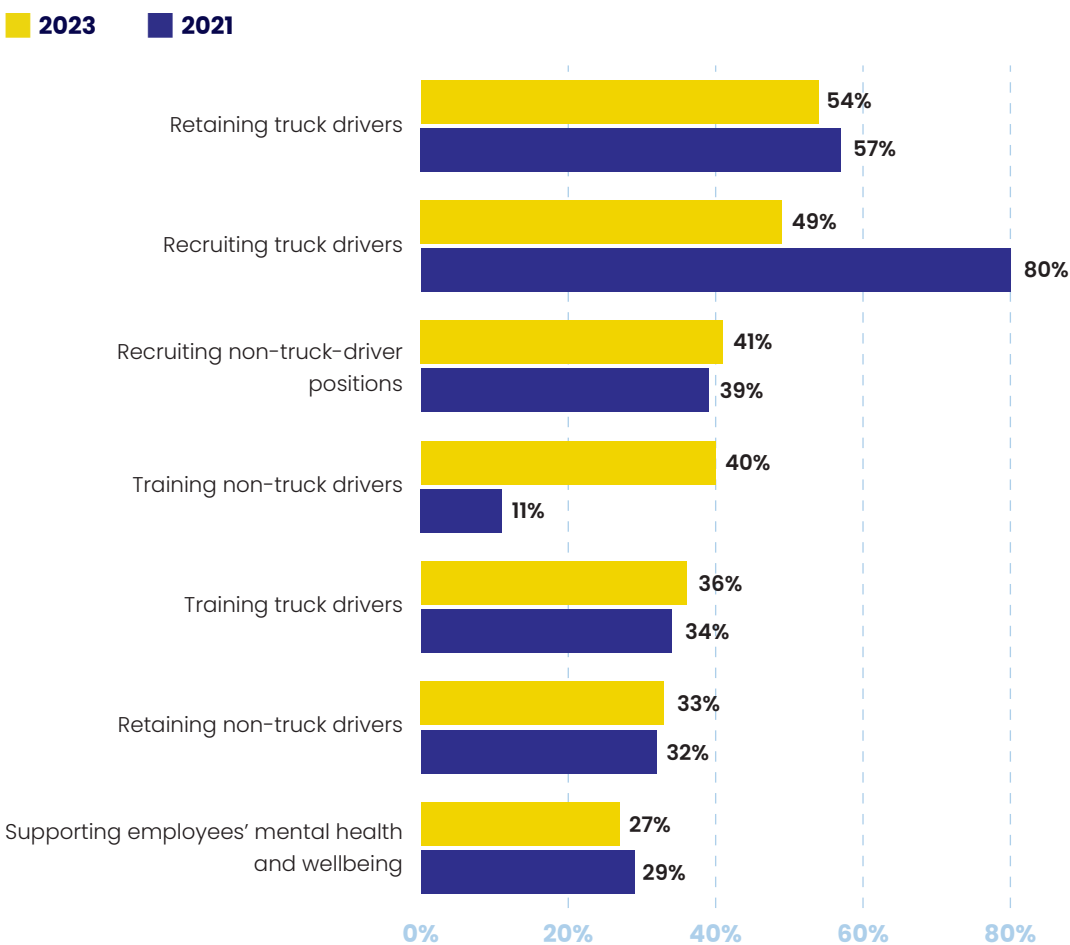
¹³ Among the companies that said they lost sales, few could estimate how much they lost. Those providing an estimate in 2023 said the average loss of sales was 10.1%. In 2019, the reported average was 11.6%.

Recruiting drivers less challenging than in 2021, but retention is still top of mind

In 2021, 80% of employers anticipated that recruiting drivers would be very or extremely challenging in the coming six months compared to 49% in 2023. On the other hand, driver retention continues to be a major challenge: 57% in 2021 and 54% in 2023 said keeping drivers would be very or extremely difficult. See figure 16.

Our 2023 employer survey revealed that employers are increasingly concerned about training non-driver workers, with 40% stating that this will likely be very or extremely difficult over the coming six months, compared to just 11% in 2021.

FIGURE 16: Over the next six months, how challenging do you expect the following HR-related tasks to be for your company? (% responding very or extremely challenging)



Source: Trucking HR Canada, Employer survey, 2021 and 2023

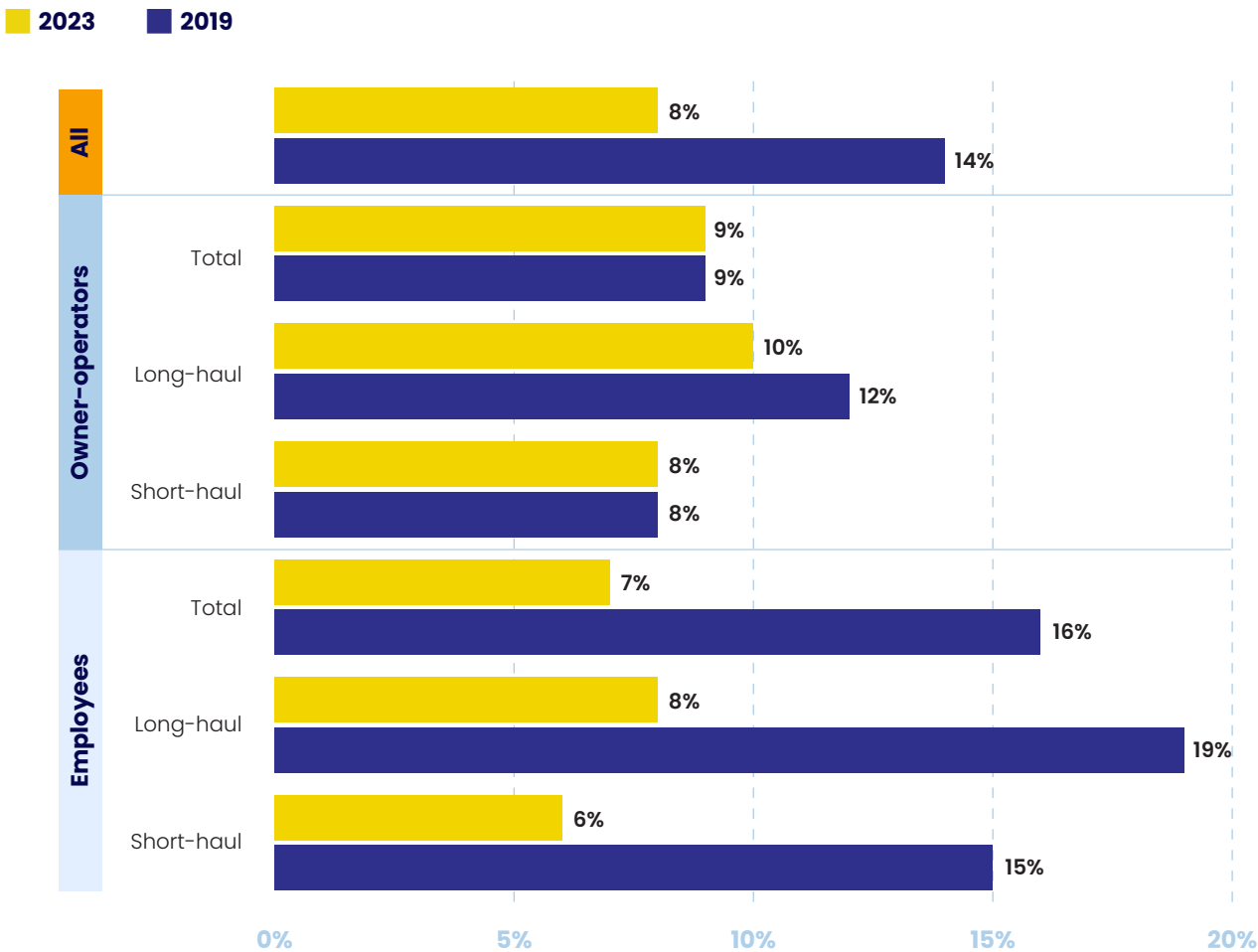
Turnover rates among drivers have decreased from pre-COVID levels

Even though they said driver retention was “very” to “extremely” challenging, employers reported that the voluntary turnover rate¹⁴ among their drivers has decreased since 2019. The overall voluntary turnover rate for drivers dropped from 14% in 2019 to 8% in 2023.

This is most striking among employee drivers compared to owner-operators. The voluntary turnover rate for long-haul drivers decreased from 19% in 2019 to 8% in 2023, and for short-haul employees the rate dropped from 15% to 6% over the same period. See figure 17.

¹⁴ “Voluntary turnover” is staff turnover due to employee-initiated departures, sometimes referred to as avoidable or regrettable turnover. The voluntary turnover rate is calculated as the number of driver-initiated departures as a proportion of total employment. Based on our survey question, it is not possible to distinguish between drivers who leave their jobs for a different occupation and those who are changing employers.

FIGURE 17: Voluntary turnover rates, Transport truck drivers, 2019 and 2023



Source: Trucking HR Canada, Employers survey, 2021 and 2023

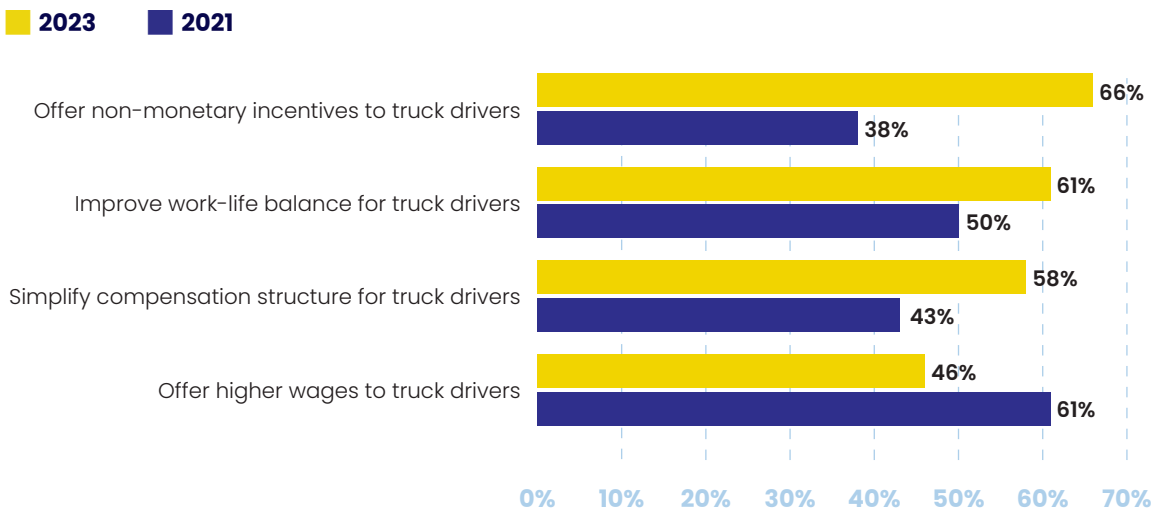
Higher wages are taking a backseat to non-monetary incentives in attracting and retaining drivers

More trucking and logistics employers recognize the value of non-monetary incentives over increased wages as a key strategy to attract and retain more drivers:

- ✦ In 2021, more than 60% of employers believed that providing higher wages to drivers would be most effective in attracting and retaining more employees, compared to only 46% in 2023.
- ✦ In 2023, 66% of employers said non-monetary incentives—such as employee wellness programs, mental health supports and awards programs—were important to their recruitment and retention efforts. This is up from only 38% in 2021.

- ✦ In addition, more employers said improving work-life balance for drivers (61% in 2023 compared to 50% in 2021) and simplifying compensation structures (58% in 2023 and 43% in 2021) were effective attraction and retention tools. See figure 18.

FIGURE 18: What strategy/practices help your company the most with recruiting/retaining truck drivers?



Source: Trucking HR Canada, Employer survey, 2021 and 2023



Pay structures remain unchanged but income for drivers increased, especially in 2022

At most companies, the pay structure for drivers has not changed over the last two years: 70% of employers have not changed their long-haul driver pay structure and 80% have not changed the pay structure for short-haul drivers.

Average income for drivers has risen since 2020 with particularly large increases in 2022. Thirty-two percent of employers reported pay increases of more than 5% to short-haul drivers in 2022, and 39% of employers reported increases of more than 5% to long-haul drivers.

This information is further verified using data from Statistics Canada's Job Vacancy and Wage Survey, where the average offered hourly wage for transport truck drivers increased by 4.9% between 2020 and 2021 and then surged by 9.1% between 2021 and 2022¹⁵.

¹⁵ Statistics Canada. Table 14-10-0328-01, Job vacancies, proportion of job vacancies and average offered hourly wage by selected characteristics, quarterly, unadjusted for seasonality.

Most long-haul drivers receive a salary plus additional monetary compensation

Many factors go into driver compensation, including an annual salary, distance travelled (by the mile/kilometer) or an hourly rate. Survey respondents were asked how they compensate long-haul and short-haul drivers. It should be noted that employers reported based on the methods they use, not specific methods that drivers receive. For example, some employees could receive compensation in more than one way or different drivers could be compensated using a different method.

Overall, 72% of employers pay long-haul drivers using multiple methods. There is, however, a segment (16%) that pay their

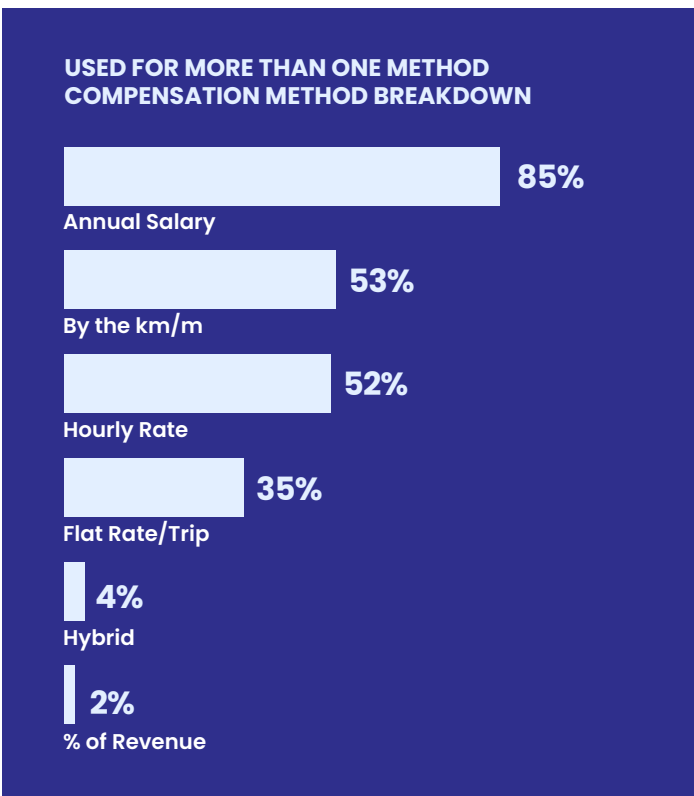
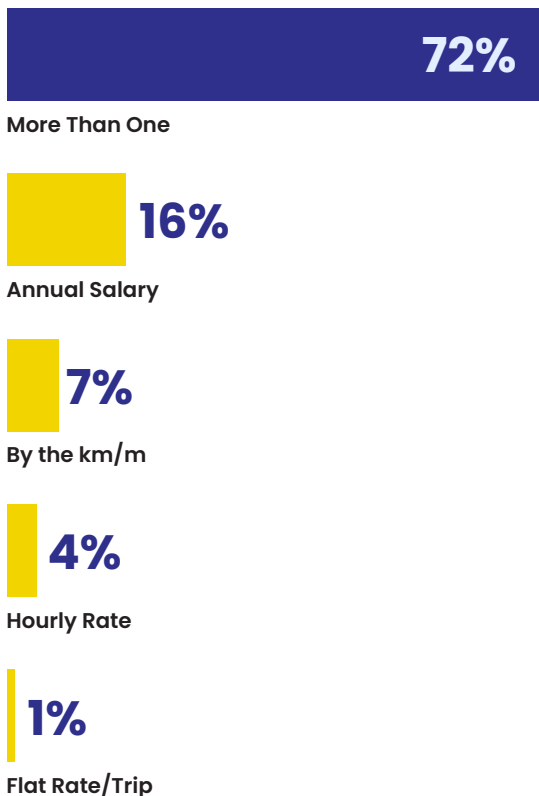
long-haul drivers an annual salary and no other method. It should be noted that:

- ✖ Larger revenue companies tend to use multiple methods (likely because they have more drivers).
- ✖ Companies that deliver their own goods (private fleets) are less likely to use multiple methods and more likely to use hourly rates or distance travelled.

Among those that pay long-haul drivers using multiple methods, almost all (85%) use annual salaries. About half (53%) use distance travelled or hourly rate (52%). See figure 19.

FIGURE 19: Long-haul driver compensation methods

OVERALL COMPENSATION METHOD



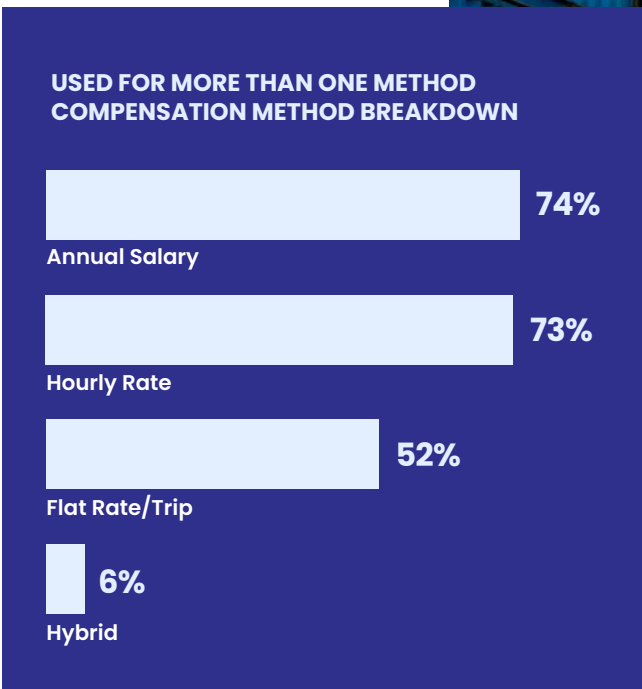
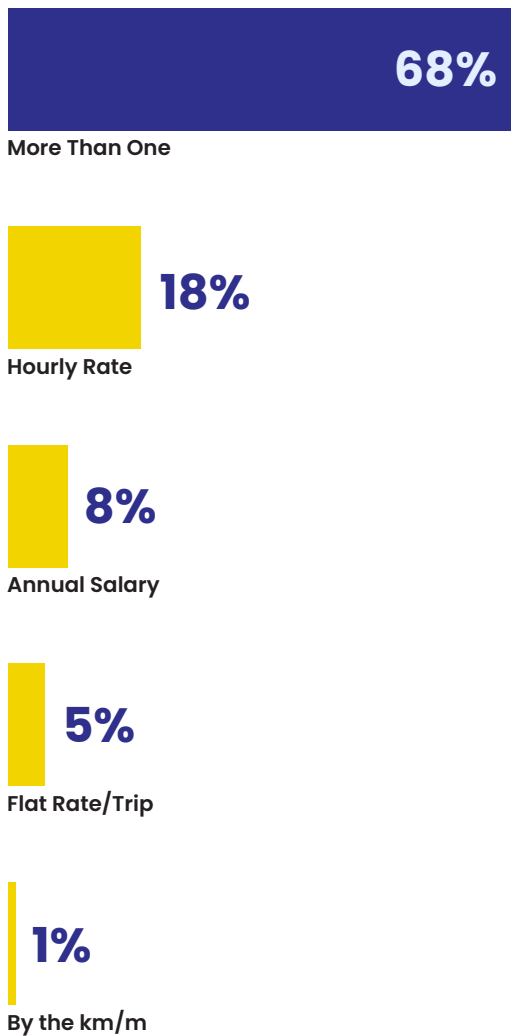
Source: Trucking HR Canada, Employer survey, 2023

Compensation for short-haul drivers is less straightforward

Overall, 68% of companies pay short-haul drivers using multiple methods. There is, however, a segment that pays short-haul drivers hourly (18%) or an annual salary (8%) and no other method. Among those companies that pay short-haul drivers using multiple methods, most use of annual salaries (74%) and/or hourly rates (73%). About half (52%) use a flat rate per trip. See figure 20.

FIGURE 20: Short-haul driver compensation methods

OVERALL COMPENSATION METHOD



Source: Trucking HR Canada, Employer survey, 2023





Moving Forward: Labour Market Outlook to 2030



Part of Trucking HR Canada's LMI renewal program included revising and extending our labour market forecasts to assess how labour shortages will evolve over time. This includes projections of labour supply, labour demand, employment, unemployment, and vacancies until 2030.

The forecasts were made for the whole trucking and logistics sector, as well as for 37 specific occupations and for Canada and each province.

Furthermore, our LMI outlook tool allows us to examine the potential impact of implementing programs and developing tools that attract more workers to the sector and retain more of the existing workforce, particularly drivers.

What if we do nothing? The baseline scenario

The baseline or status quo scenario depicts the expected labour market outcomes if the sector's ability to recruit and retain workers does not improve.

UNDER THE BASELINE SCENARIO:

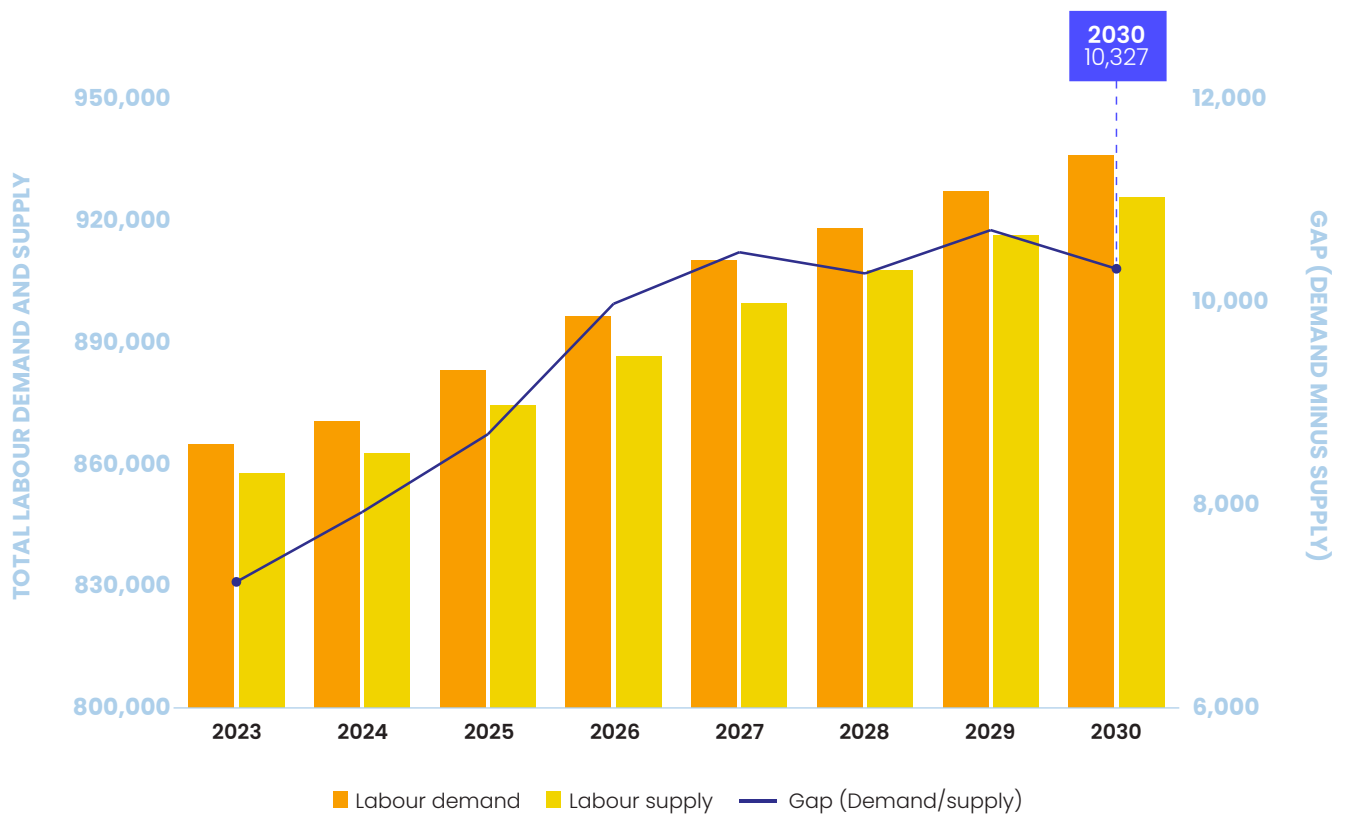
- ✖ Labour supply in the trucking and logistics sector is expected to grow by 7.9% per year from 2023 to 2030.
- ✖ The net inflow¹⁶ of workers to the sector is projected to be approximately 9,000 per year.
- ✖ The demand for labour is expected to grow by 8.2% and the number of vacancies across the sector is expected increase by 8.4%, reaching over 40,400 vacant positions by 2030.

¹⁶ "Inflow" includes workers who enter the trucking and logistics labour force from all sources, including new entrants (those who leave school and those entering trucking and logistics from other industries), immigrants and non-permanent residents. "Outflow" accounts for those who leave the sector for jobs in other industries or to retire, as well as other types of attrition including illness, death, dismissal or simply dropping out of the labour force. "Net inflow" is the difference between inflows and outflows.

At the same time, the potential pool of experienced job seekers to fill these vacancies remains limited, with unemployment rates expected to stay relatively stable at 3.3% throughout the forecast period. The job seeker/vacancy ratio, an indicator of labour market tightness, would be 0.74. This means employers would have less than one potential applicant for each vacant position.

The result is an overall increase in the gap between the demand for and supply of labour in trucking and logistics. By 2030, we forecast that even if all active job seekers in the trucking and logistics sector were readily employable, employers would still need to recruit and train at least 10,300 new workers to meet their labour requirements. See figure 21.

FIGURE 21: Forecasted labour demand, supply and gap, trucking and logistics sector, 2023–2030



Source: Trucking HR Canada, Labour market outlook dashboard, 2023

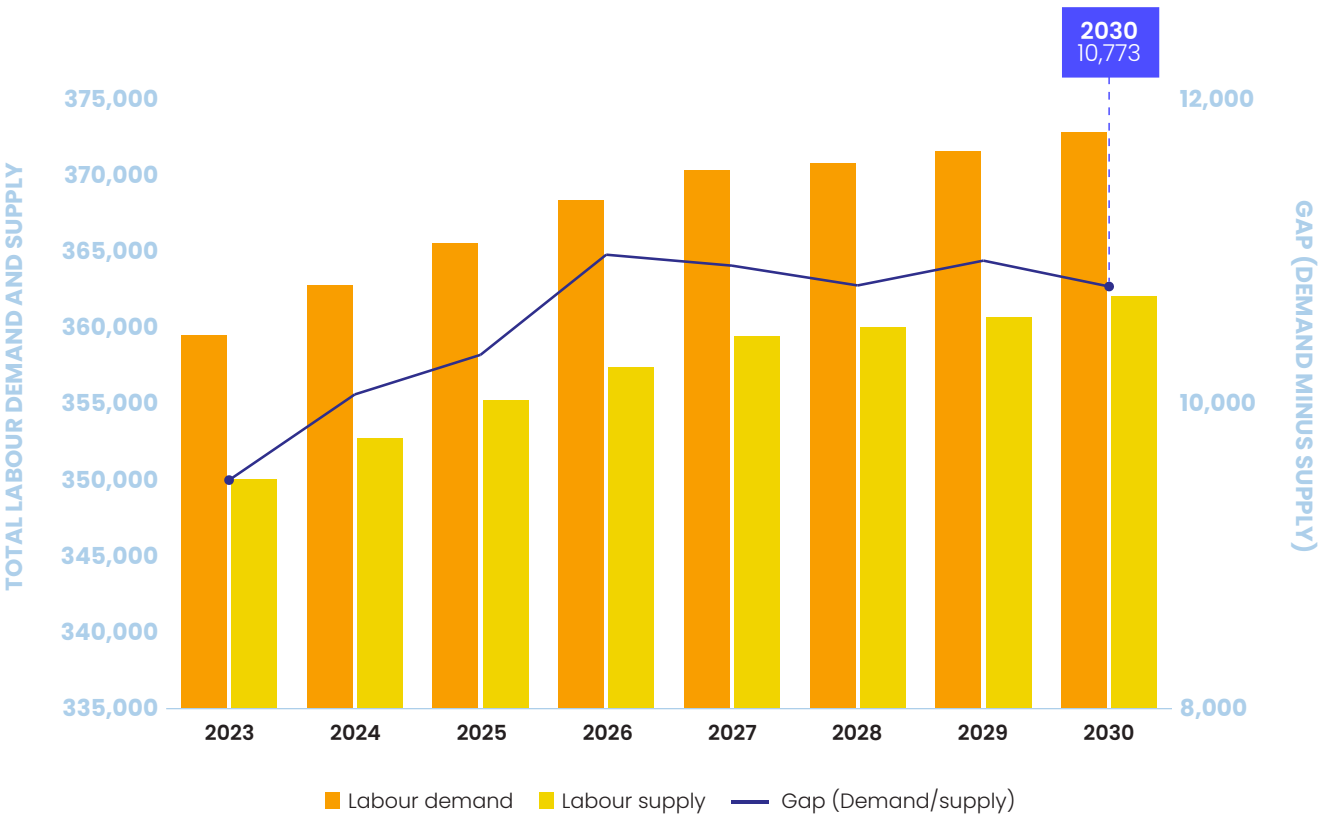
The baseline forecast for transport truck drivers reveals a similar pattern, with the growth in demand outstripping supply in each year of the forecast. By 2030 the gap between supply and demand of transport truck drivers is expected to reach almost 10,800. See figure 22.

Our baseline forecast shows that unless the sector’s ability to recruit workers and retain drivers improves, the gap between demand and supply of workers will continue to grow.

However, it also highlights that other occupations in the industry are coming under increasing pressure.

While the annual growth rate of vacancies for drivers is projected to increase by 0.54% per year from 2023 to 2030, for non-driver occupations the number of vacancies is expected to grow by 2.4% per year.

FIGURE 22: Forecasted labour demand, supply and gap, Transport truck drivers, 2023–2030



Source: Trucking HR Canada, Labour market outlook dashboard, 2023



Taking Action: Changing the Labour Market Outlook

Ongoing LMI monitoring shows that successful implementation of programs aimed at expanding the sector’s access to labour can and does move the needle on key variables such as better engagement of under-represented groups. Furthermore, projects, tools and resources that incentivize companies to hire new employees and invest in training and skills development contribute to an employer’s ability to address labour market tightness.

Our survey shows that companies are turning to immigration sponsorship programs such as the Government of Canada’s Express Entry program or provincial nominee program (53%), the temporary

foreign worker program (40%) and Trucking HR Canada’s Career Expressway (37%) to help them address their most urgent labour market challenges. See table 3.

TABLE 3: WHAT PROGRAMS IS YOUR COMPANY USING TO HELP FILL TRUCK DRIVER VACANCIES?

Programs Used to Help Fill Driver Vacancies	% of Employers Using
Sponsoring professional truck drivers	53%
Temporary Foreign Worker Program	40%
THRC’s Career Expressway	37%
Provincial nomination programs	35%
Other	9%

Source: Trucking HR Canada, Employer survey, 2023

But the work isn't done. Failing to address persistent labour shortages in trucking and logistics could seriously affect the rest of the Canadian economy. Our baseline forecasts show that the sector's ability to meet Canada's increasing demand for general and specialized trucking services will be constrained unless further labour supply programs and projects are funded.

Trucking HR Canada's labour market outlook model allows us to explore how different supply management programs could help ease the tightness in the trucking and logistics sector's labour market.

For example, if the sector implemented initiatives that boosted the attraction of new workers by 15%, the net inflow of workers to

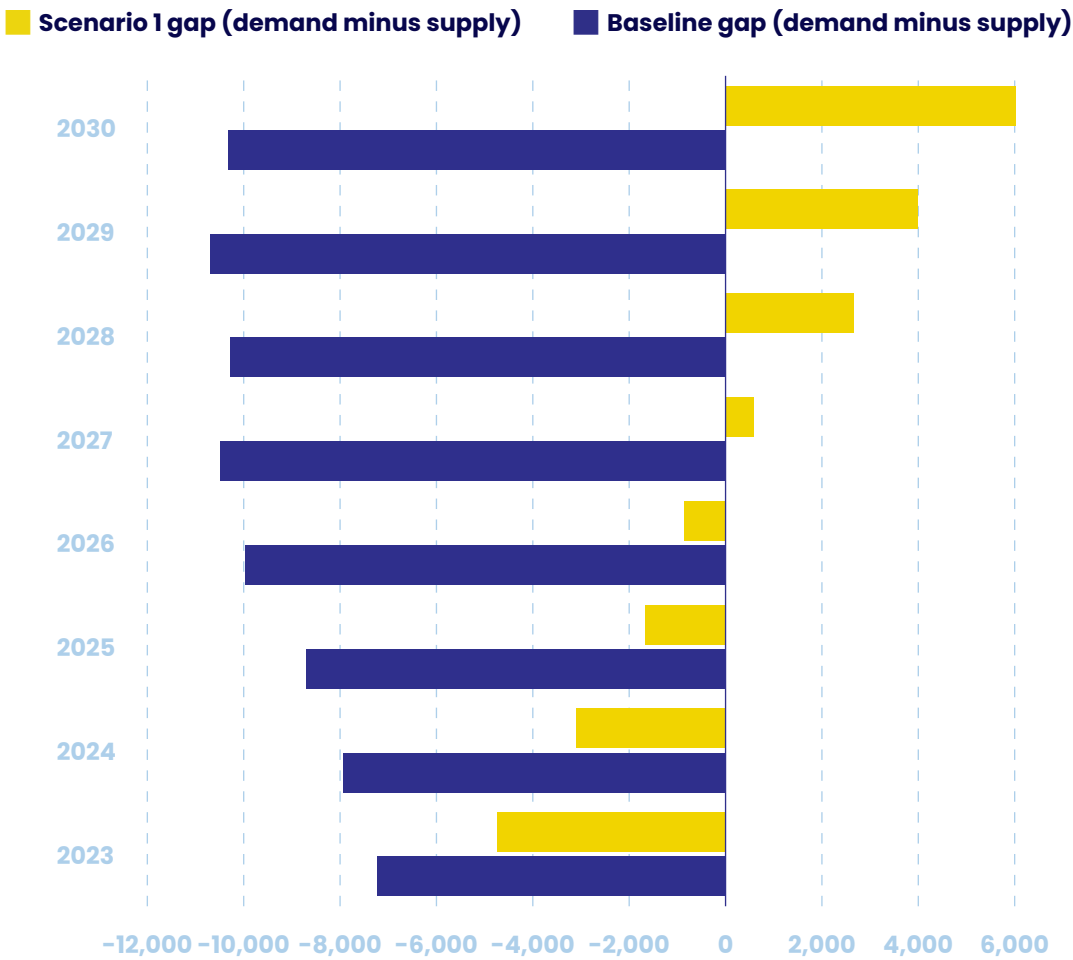
the industry would be more than 11,200 per year from 2024 to 2030 and the number of vacancies would decrease to around 28,500 in 2030.

If, in addition, programming aimed at improving worker retention could reduce voluntary truck driver turnover by 10%, the net inflow of workers could reach almost 12,000 per year and the average number of vacancies per year would drop to 24,500 in 2030 – a 39% decrease from the baseline or status quo scenario.

Under this scenario, employers could see the job seeker/vacancy rate rise to 1.4. Figure 23 shows the potential impact of these supply management programs on the labour market outlook for the sector.




FIGURE 23: Improving retention and increasing attraction to the sector will improve employers' access to the workers they need.



Source: Trucking HR Canada, Labour market outlook dashboard, 2023



Summary & Conclusions



Canada's trucking and logistics sector requires ongoing resources and support with recruiting, retaining, and training workers in both driving and non-driving occupations.

Trucking HR Canada advances professional HR practices and provides exclusive data, analysis, and innovative solutions to help employers meet Canada's demand for trucking and logistics services. Programs include:

- ✦ **Women with Drive:** Our leadership summits and "Hits the Road" events are a forum for women and other under-represented groups to meet and exchange ideas with a view toward creating a more diverse and inclusive trucking workforce.
- ✦ **Career Expressway:** Career Expressway provides training grants and wage incentives as well as practical workplace experiences to new drivers and other non-driving workers.
- ✦ **Truck Driver National Occupational Standard (NOS):** We are working with industry stakeholders to update the National Occupational Standard for truck drivers and develop resources for improved and consistent driver training across Canada.
- ✦ **Top-Fleet Employers program:** This initiative recognizes industry leaders for their sound HR policies and practices.

- ✦ **Labour Market Information (LMI):** Our LMI snapshots and special reports inform stakeholders about changing conditions in the industry.

Our labour market analysis, employer survey findings and forecasts show a need for systemic change. While incentives can help employers pay for broader recruiting efforts, their bigger challenges involve onboarding and training new employees and, especially, improving retention among all employees.

Our latest LMI research has drawn attention to new priorities emerging for the trucking and logistics sector, with employers highlighting the need for more research and support for skills development and training in the non-driver occupations that are crucial to our industry.

Furthermore, Canada's move toward a green economy has substantial implications for trucking and logistics. Technologies and operational strategies that help lower fuel consumption and vehicle emissions will require new skills and more training. Employers need fresh resources and tools to help them prepare their workforce for *The Road Ahead*.

ANNEX 1:

Profile of Survey Respondents

The following profile shows the distribution of company characteristics in the sample.

There is strong regional and provincial representation and relatively close alignment with business counts in the sector.

97% of businesses transport other companies' goods and 7% transport their own goods.

Most companies said they offer logistics services (90%) and storage or warehousing services (73%). Customs brokerage and freight brokerage are more specialized services that companies are less likely to offer.

The industries they most likely serve/operate in are food retail, other retail (non-food) and manufacturing.

Just 2% of companies that completed the survey are small (less than \$1 million in annual revenue); many (26%) are very large (revenue exceeding \$50 million).

TABLE A1: DISTRIBUTION OF COMPANIES BY REGION

Region/Province	% in sample	% of businesses
British Columbia	13%	15%
Alberta	11%	11%
Manitoba/Saskatchewan	11%	9%
Ontario	42%	48%
Quebec	18%	15%
Atlantic	5%	3%

Source: Trucking HR Canada, Employer survey, 2023 and Statistics Canada, Tables 33-10-0661-01 and 33-10-0662-01 (Canadian business counts)

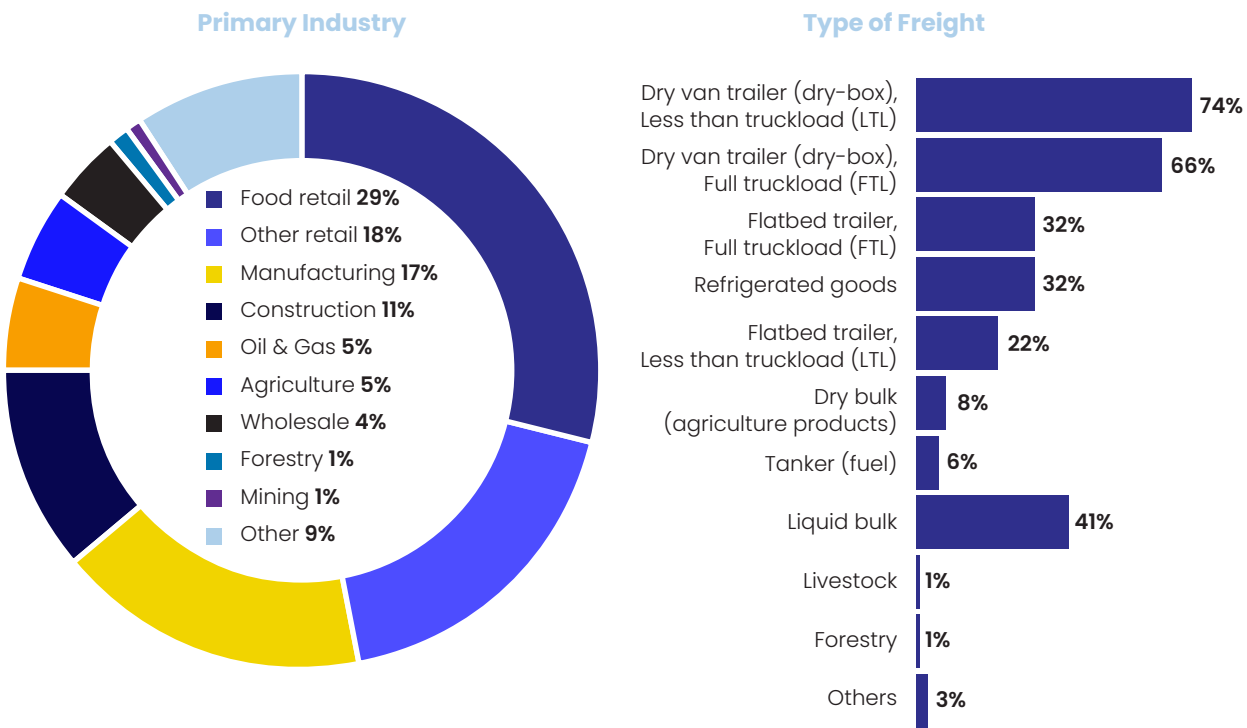
TABLE A2: TRUCKING-RELATED SERVICES OFFERED

Services Offered	Yes	No
Logistics	90%	10%
Storage/warehousing	73%	27%
Customs brokerage services	22%	78%
Freight brokerage services	19%	81%

Q. Does your company offer any of the following trucking-related services (e.g., storage/warehousing, brokerage services, logistics, etc.)?

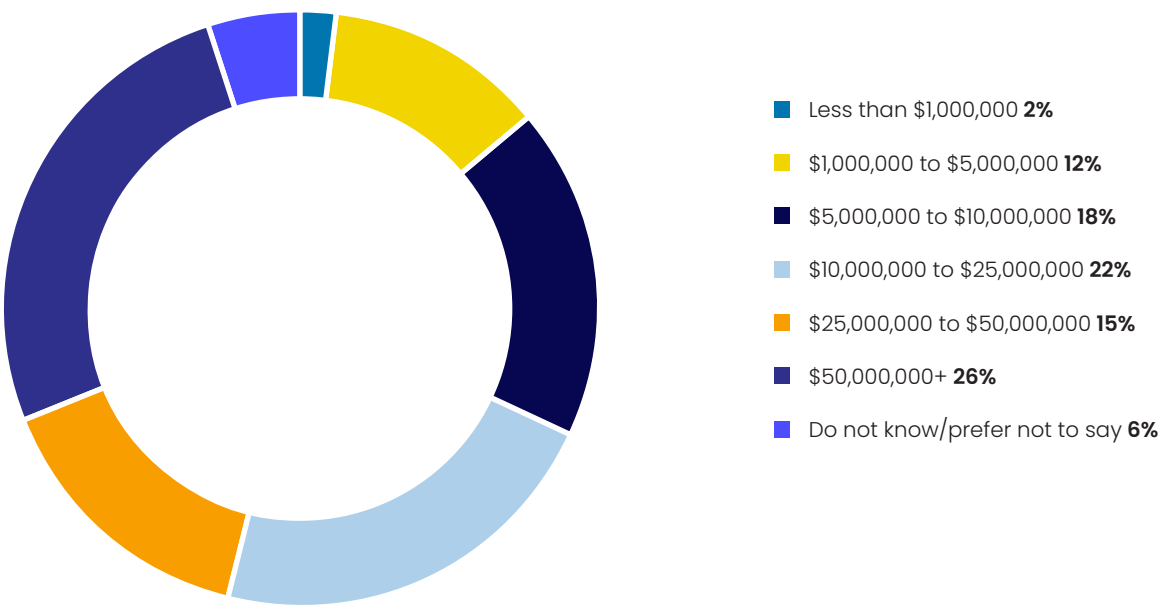
Source: Trucking HR Canada, Employer survey, 2023

FIGURE A1: Industry and Type of Freight Distributed

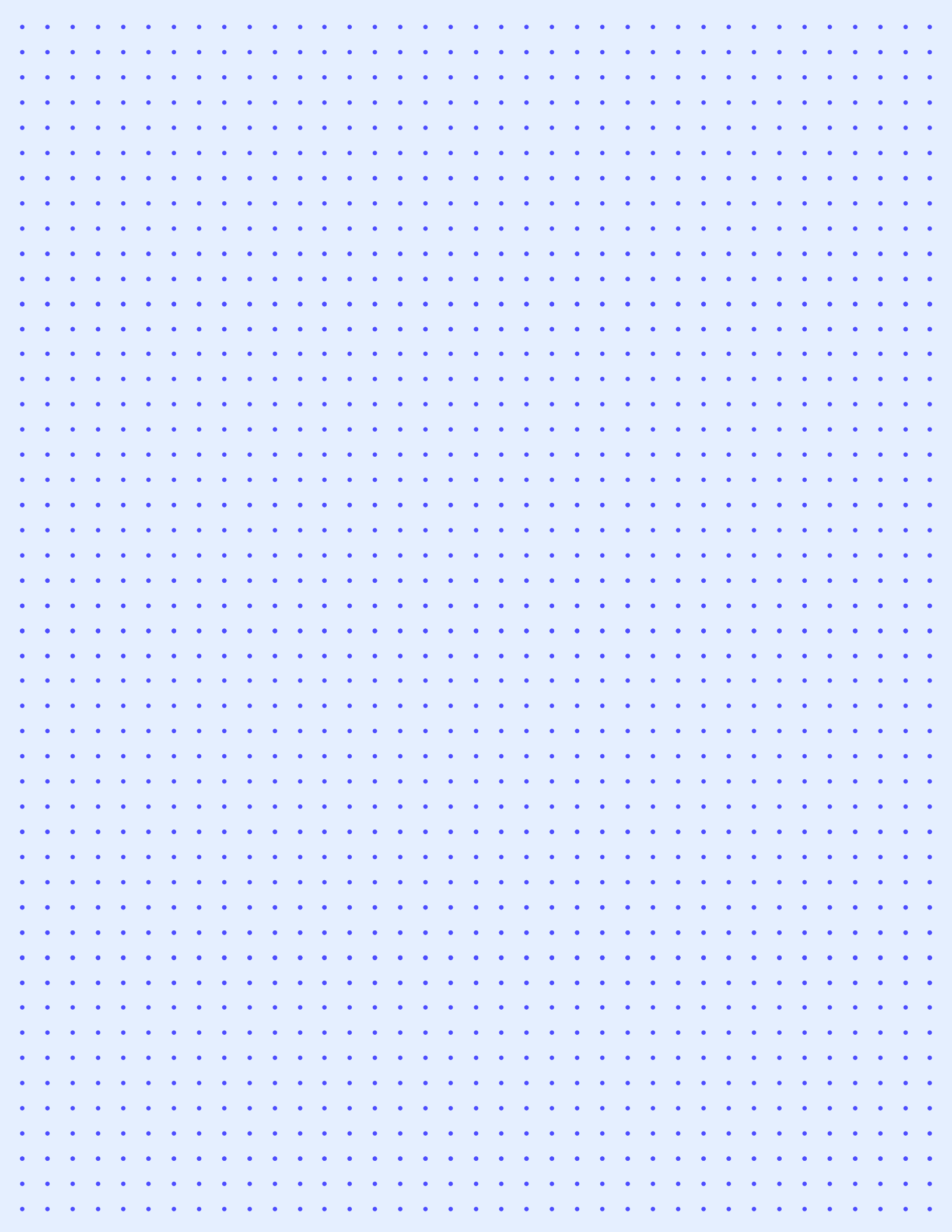


Source: Trucking HR Canada, Employer survey, 2023

FIGURE A2: 2022 Annual Gross Revenue



Source: Trucking HR Canada, Employer survey, 2023





Looking for more LMI Resources?

Trucking HR Canada's labour market information is essential to ensuring the workforce is ready and able to keep Canada on the move. In addition to periodic comprehensive reports, we issue quarterly labour market snapshots and special vacancy reports.

Visit our website or contact us directly for more information.

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