

## **Business Expectations Survey Results – Released in January 2016**

Survey conducted jointly with ACT Research [www.actresearch.com](http://www.actresearch.com)

### Trucking Continues to Move Forward with Cautious Optimism

The fourth-quarter Transport Capital Partners (TCP) survey finds carriers remaining positive, despite tempered expectations, and looking toward more stable growth in 2016.

Undeterred by continuing volatility around the world, the United States economy will likely continue its steady upward climb in 2016. And, as has often been the case, the trucking industry presents us with an accurate mirror to the economy at large.

Economic events in the 4th quarter of 2015 left expectations at their lowest levels in over 5 years. However, a third of industry executives remain optimistic that 2016 will bring solid growth for their companies.

Our observation is that expectations are lower than in recent years but are still positive for 2016. The indication is for a stable business environment and little fear of a recession.

#### Many Carriers but not most are still positive about rates

At the beginning of 2015, 79% of the participants in our survey were looking forward to rate increases over the year ahead. Turning the page into 2016, that number had dwindled to 41% - the lowest percentage we have recorded since 2009.

Despite this dampened optimism, positive expectations remain strong. Forty-one percent of those surveyed still expect their freight revenue rates to rise this year.

#### Carriers Most Positive About Capacity

Perhaps most telling of industry expectations for 2016 is that a strong majority - 61% of carriers - expect to expand their fleets this year.

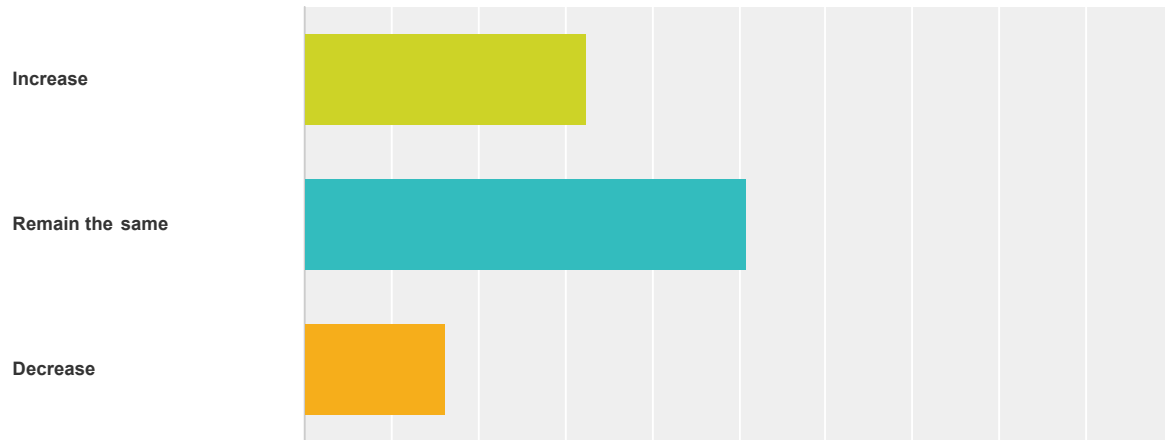
Growth expectations are not quite as robust as they were in 2014 and 2015. But, this number is still relatively consistent with the expectations - and the steady growth - of the past few years.

#### Driver wage increased likely to be modest

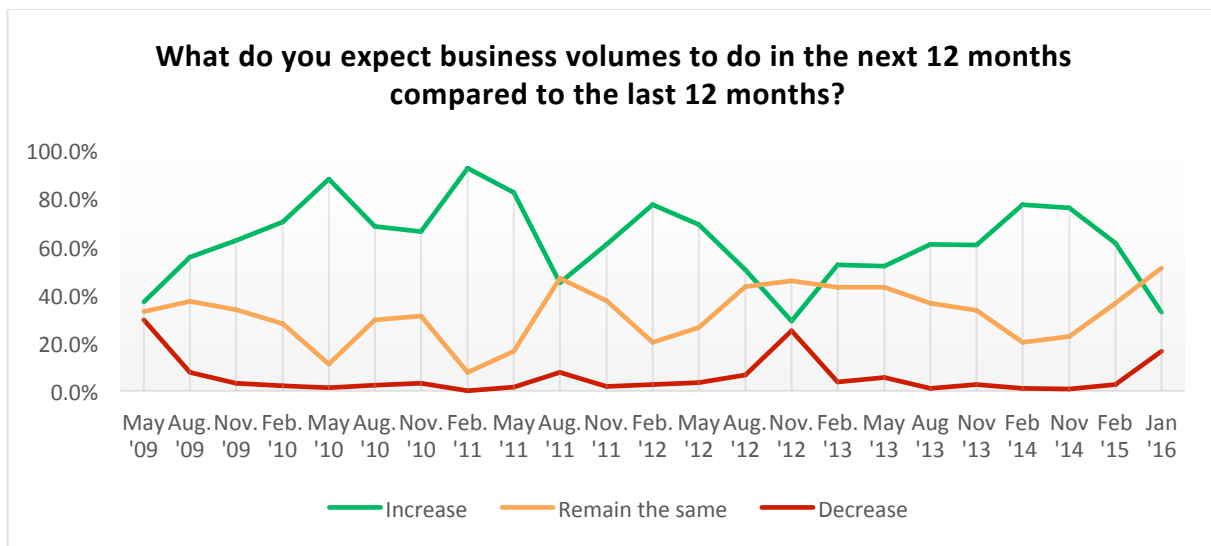
Driver wage increases may be limited in 2016, perhaps due to more modest expectations for freight volume and rates. 22% of carriers expect no wage increase and another 70% expect no more than a 5% wage increase. These expectations are similar to Q4 2010 and Q4 2012 and are more conservative than in recent years.

Some carriers have recently announced higher wage rate increases and we know many carriers are struggling with unseated trucks. The tradeoff between business caution and the need to improve driver staffing levels will be interesting in 2016.

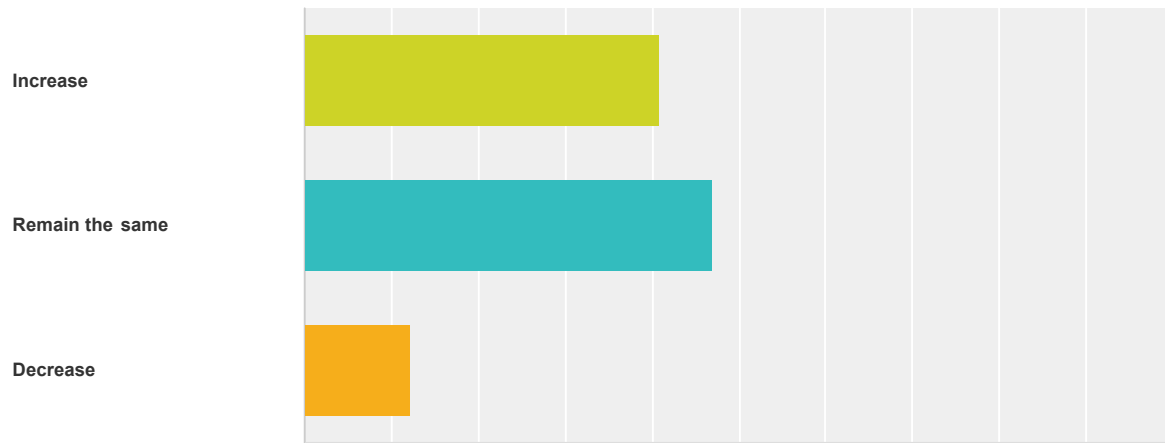
## Q1 What do you expect business volumes to do over the next 12 months compared to the last 12 months?



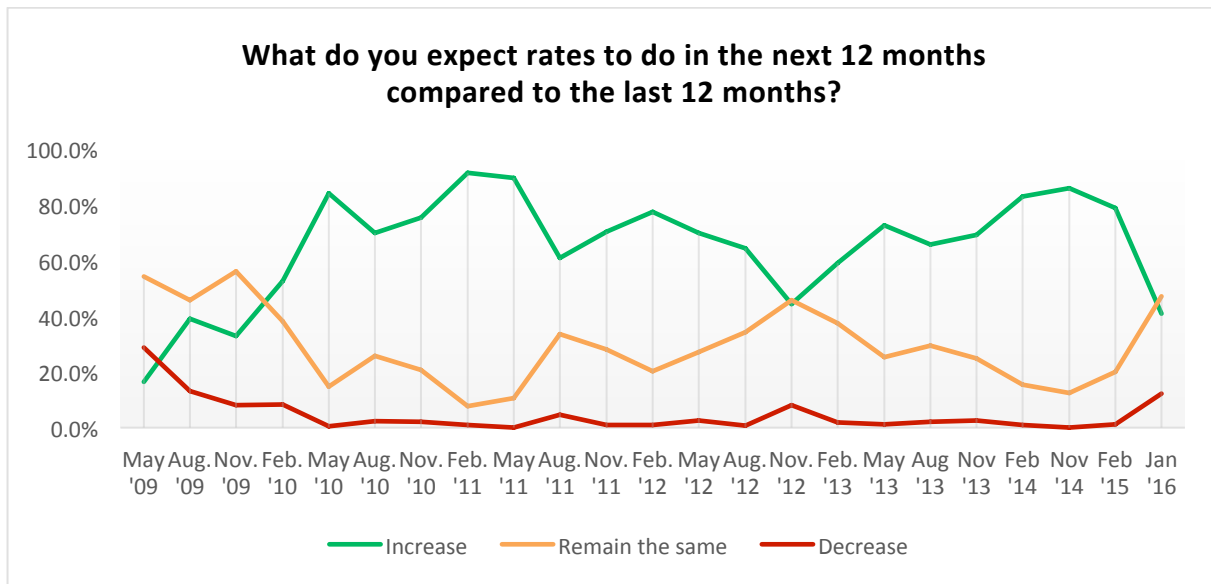
Answer Choices	Responses
Increase	32.65%
Remain the same	51.02%
Decrease	16.33%
<b>Total</b>	



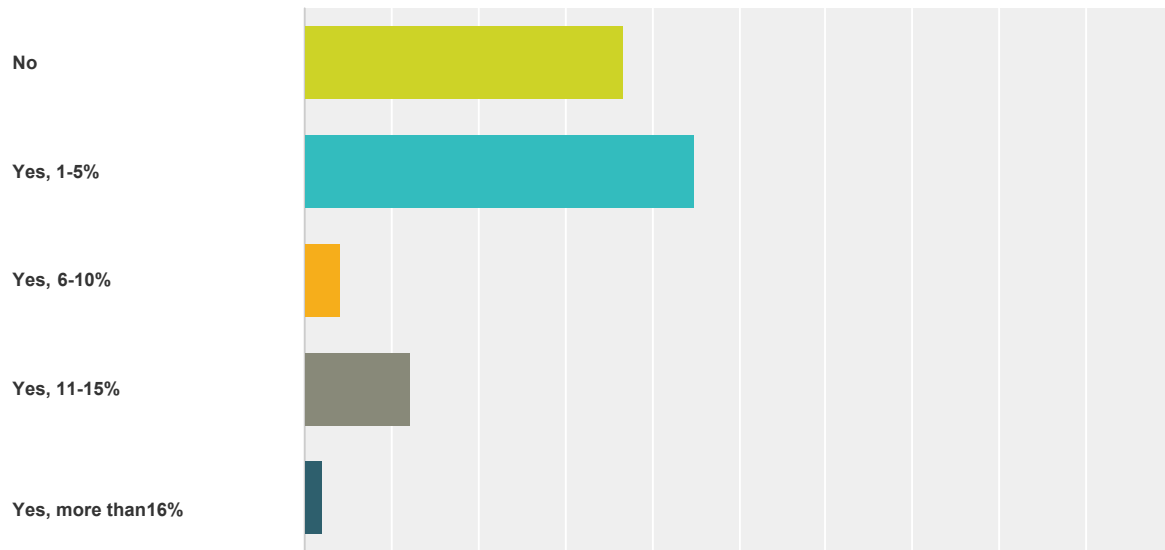
## Q2 What do you expect freight rates to do in the next 12 months compared to the last 12 months?



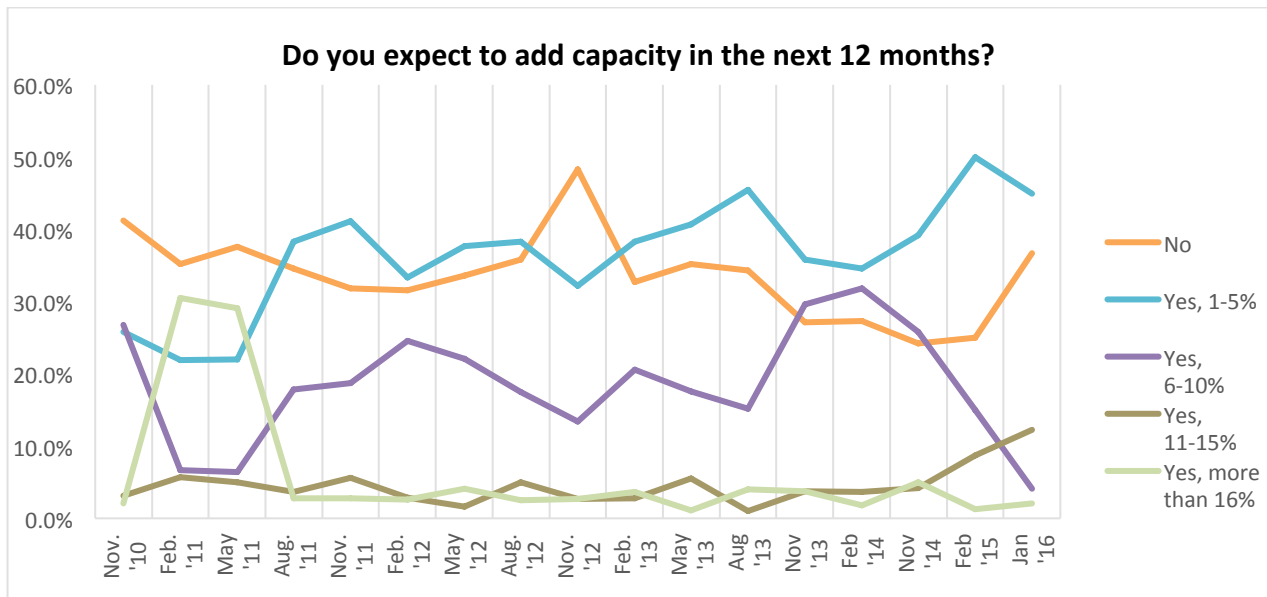
Answer Choices	Responses
Increase	40.82%
Remain the same	46.94%
Decrease	12.24%
<b>Total</b>	



### Q3 Do you expect to add capacity in the next 12 months, if so by how much?

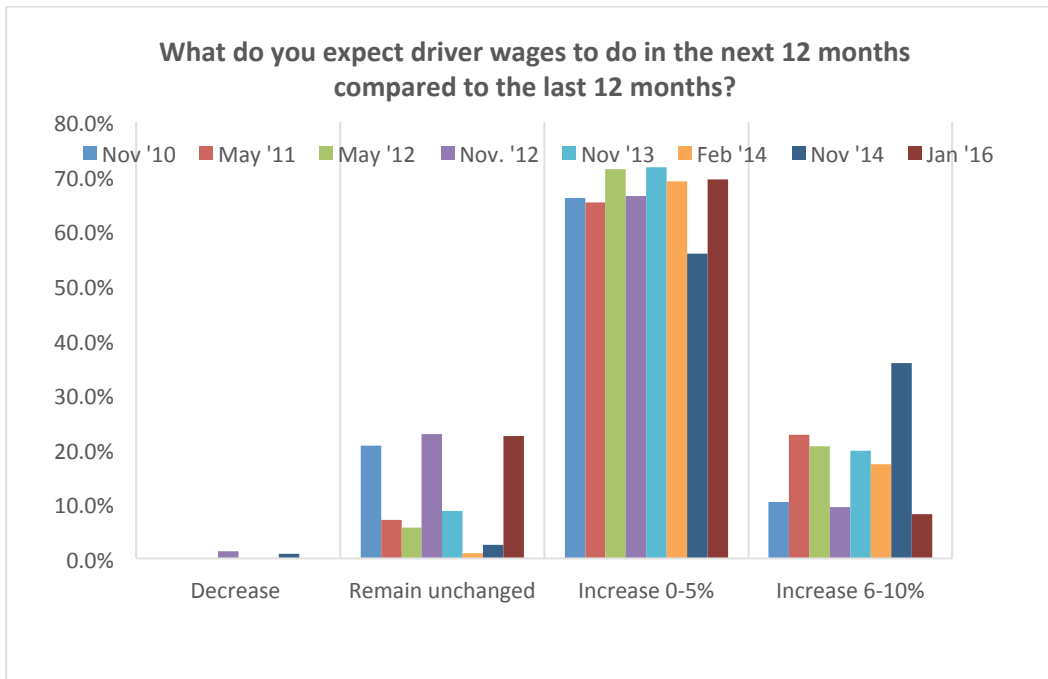


Answer Choices	Responses
No	36.73%
Yes, 1-5%	44.90%
Yes, 6-10%	4.08%
Yes, 11-15%	12.24%
Yes, more than 16%	2.04%
<b>Total</b>	

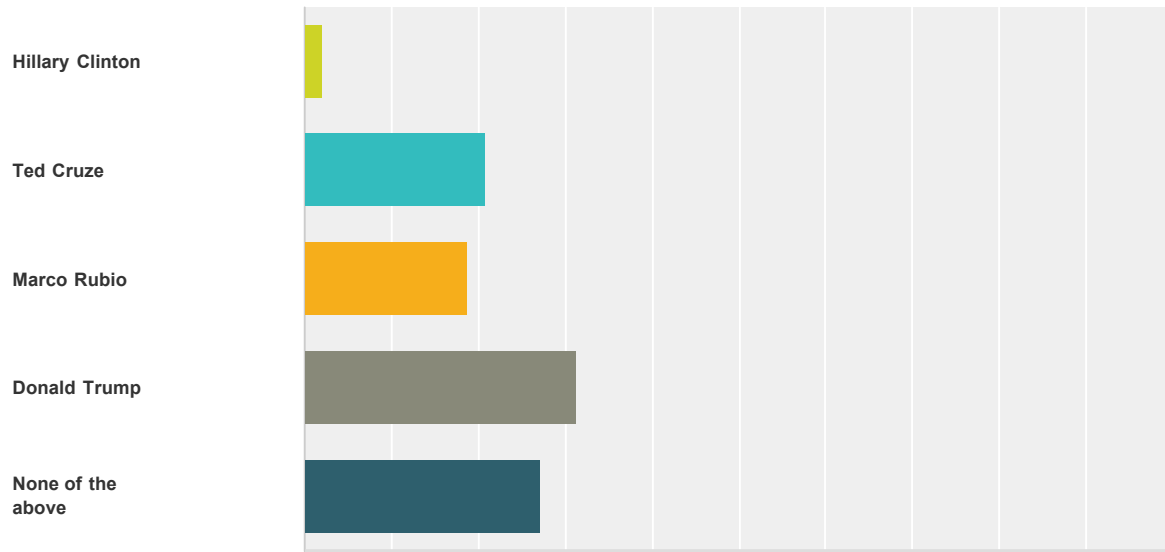


## Q4 What do you expect driver wages to do in the next 12 months compared to the last 12 months?

Answer Choices	Responses
Decrease by 1-5%	0.00%
Remain unchanged	22.45%
Increase 0-5%	69.39%
Increase 6-10%	8.16%
Increase by more than 10%	0.00%
<b>Total</b>	



## Q5 If the Presidential election was held today, who would you vote for?



Answer Choices	Responses
Hillary Clinton	2.08%
Ted Cruz	20.83%
Marco Rubio	18.75%
Donald Trump	31.25%
None of the above	27.08%
<b>Total</b>	