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Trucking jobs return to Charlotte, a sign of better times

Growing transportation sector, a leading indicator, points to economy's rebound.

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The phone rings at Atlantic Trucking Co. a couple hundred times a day lately, and terminal manager Lee Montgomery occasionally logs 12-hour shifts, taking orders and scanning rate quotes from his office off Sugar Creek Road.

A cardboard sign, stuck in the grass outside, is another signal of better times: "Recruiting," it declares, in bold block letters.

Trucking companies in Charlotte and around the country are reporting a pickup in business and, as a result, hiring, as firms ramp up inventories and consumers begin buying again. Economists and trucking officials say the industry is a leading indicator - meaning more jobs could be on the horizon for the rest of the economy.

Some truckers remain cautious, saying they're unsure how swift the recovery will be, but for now, they're optimistic.

"The good news is, we are busy," said Montgomery, who runs the Charlotte arm of the Charleston, S.C.-based Atlantic Trucking. "I just hope whatever got this big old engine going doesn't stop."

The transportation sector has grown in recent months, a sharp contrast to many other fields. Transportation and warehousing companies added 15,000 jobs nationwide in June, about 18 percent of the total private-sector gains, the U.S. Bureau of Labor Statistics found.

Transportation-related job postings jumped 73 percent last month over June 2009, according to job search engine [Indeed.com](#).

The American Trucking Association trade group found recently that for-hire truck tonnage increased about 7 percent in May over the year before, the sixth straight month of gains. The

May figure was down slightly from April, but trucking association economists said the upward trend remained solid.

Those increases point to a rebound in the general economy, said Rick Kaglic, an economist with the Federal Reserve's Charlotte branch. Truck tonnage is tied directly to manufacturing, indicating that companies are replenishing their inventories and businesses and consumers are buying more, he said.

Kaglic said the trucking industry usually leads the rest of the economy by one to three quarters - meaning a modest recovery is in the works.

"I think it's going to be a sustained pickup, although it's going to continue to pick up at an ungratifying pace," he said.

To be sure, the broader economy has a long way to go. The Charlotte area's unemployment rate was 10.9 percent in May, down slightly from the month before but still far above pre-recession levels. More than 94,000 people remain out of work in the region.

And while the trucking industry has posted gains, it remains in a deep hole compared to years past. Locally, about 31,800 people were employed in the Charlotte region's transportation, warehousing and utilities sector in May, according to the N.C. Employment Security Commission. That's up about 2 percent from the month before - but down 4 percent from May 2009.

Employment in the sector, which accounts for 5 percent of local private-sector jobs and 4 percent of wages, is down 12 percent from the start of the recession. And the May jobs total hasn't been as low since the early 1990s, ESC data show.

Still, trucking workers are optimistic.

The Federal Reserve reported in its latest beige book, a snapshot of economic conditions, that manufacturing and transportation activity continued to improve in June, with most Fed districts reporting increases in factory production, shipments and new orders.

And the American Trucking Association's U.S. Freight Transportation Forecast, released in May, found that freight transportation is poised to grow through 2021. The study found that total freight tonnage will grow 25 percent and total freight transportation revenue will grow almost 70 percent - though it said that the nation's freight pool contracted by more than 12 percent in 2009.

T.G. Stegall Trucking Co. in Matthews began noticing a pickup in January, though business remained relatively steady through the recession, company Vice President Gene Stegall said.

"One week you need two or three drivers, the next week you need two or three trucks," he said. "It's a fine opportunity to be growing a business right now."

Part of the increase, Stegall said, comes from the smaller companies that closed during the recession. These days, Stegall Trucking is snapping up orders from shippers who never used the company before, he said.

Stegall said he gets more calls now than in a long time. Some of them come from people in different industries in the community who simply want to know how business is - and what they can expect for their own businesses.

The pickup extends to truck manufacturers, too: Daimler Trucks North America announced last week it would call back about 540 workers to three Freightliner manufacturing facilities in the Charlotte region. The company said that's partly in response to daily build rates, which are rising sharply in response to strong order activity this year.

"I think up and down the industry chain, we're seeing some activity again," said Robert Van Geons, executive director of the Salisbury-Rowan Economic Development Commission. "For a long time, people were only doing what they absolutely had to do to maintain operations. Now they are looking to replace what needs to be replaced. ... I really think it's a sign that our regional economy has stabilized."

Van Geons said it's still a long road, but that the improvement in the trucking industry is an early indicator and a positive sign.

At Atlantic Trucking, the office is bustling by 9 a.m., as drivers stop in to get directions to their next drop-off and dispatchers take phone calls. The company, which has seven terminals across the Southeast, receives orders from shipping companies and freight forwarders to deliver ocean containers carrying just about everything, from just about every industry.

The 20 or so truckers from the Charlotte terminal, private contractors who own their trucks, usually pick up the containers from local rail lines and deliver them around the region and, sometimes, the country.

Montgomery, the terminal manager, said he's looking for about five new drivers and is advertising through newspaper classifieds, word of mouth and cardboard signs like the one outside. He's even offering a signing bonus to lure qualified workers, noting that every trucking company he talks to is also on the lookout, he said.

If the recession was a challenge - and it was, with a handful of layoffs companywide and an "incredibly tough year" in 2009 - it's been equally difficult to juggle the work that's cropped up since late last year.

"It's definitely pointing to a pickup," he said. "We just hope it sustains itself."

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