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William B. Cassidy, Senior Editor | Jun 05, 2020 12:07PM EDT



Trucking operators in the US added 12,100 jobs in May after cutting headcounts by 86,000 from February through April, according to the US Bureau of Labor Statistics (BLS). Photo credit: Shutterstock.com.

Non-adjusted US trucking employment numbers jumped by 12,100 in May after falling by 86,000 from February through April, a sign that shipper demand for trucking services partially recovered last month after the COVID-19 pandemic collapsed the economy in March and April.

Seasonally adjusted trucking employment numbers fell by 1,200 to 1.431 million jobs, after falling by 88,000 in April, but seasonal adjustments provide a less reliable picture of trends in periods of extreme, unpredictable volatility, as opposed to regular seasonality (a sudden recession versus produce season). The unadjusted trucking employment number for May was 1.429 million.

Trucking employment typically rises in May and June, strong months for retail freight demand in non-recession years, and that seasonal gain can depress actual job gains when data is adjusted. The adjustments are meant to minimize the impact of regular seasonal events, but are less meaningful amid the worst economic recession since the 1930s.

A slight gain or loss in trucking employment is good news for shippers concerned about the availability of truck capacity as the US economy moves through the recession toward recovery. They may also signal a slowing in the exiting of capacity from the trucking market.

Driving in the right direction

Both adjusted and unadjusted numbers reflected a steep loss of jobs and business in March and April as the coronavirus disease 2019 (COVID-2019) pushed the US economy into recession, driving the national unemployment rate up to 14.7 percent.

That unemployment rate dropped to 13.3 percent in May, the US Bureau of Labor Statistics (BLS) said Friday, as total nonfarm employment rose by 2.5 million, and the number of unemployed fell by 2.1 million to 21 million. That doesn't signal a quick recovery, however.

"We are not going to regain the levels of economic output we had in 2019 until 2022 at the earliest," IHS Markit chief economist Nariman Behravesh said this week. "The damage has been horrific." That damage is evident in the 20.7 million jobs lost in April alone.

Despite May's limited job gains, employment is still 13 percent below February levels, BLS said. Last month's improvement reflects "a limited resumption of economic activity that had been curtailed due to the coronavirus pandemic and efforts to contain it," BLS said.

Non-adjusted total transportation and warehousing jobs jumped by 21,000 in May from April, to 5.1 million, a 0.4 percent increase, but were still down 513,900 jobs from a year ago. Seasonally adjusted figures showed transportation and warehousing jobs falling by 19,000.

While seasonally adjusted and unadjusted numbers diverged in May, they both showed drastic transportation job losses from February to April. Unadjusted, transportation and warehousing workers lost 558,700 jobs in that period. Adjusted job losses totaled 582,200.

Climbing out of that employment hole will take time, and the recovery could still be affected by a potential second wave of COVID-19, low consumer confidence, and the US stock market, where Behravesh sees signs of "irrational exuberance" that flies in the face of "very bad earnings."

Nevertheless, both the seasonally adjusted and unadjusted numbers indicate trucking employment either stabilized after April's shocking losses or made slight gains on a long road to recovery.

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