



**A PUBLIC/PRIVATE PARTNERSHIP TO  
GROW THE TRUCKING INDUSTRY  
WORKFORCE IN WISCONSIN**

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## ***Abstract***

The trucking industry is vital to the Wisconsin economy. Trucks carry 89.9% of all manufactured freight in the state and more than 77% of all Wisconsin communities are served exclusively by truck. The industry in Wisconsin employs one out of every 15 workers, roughly totaling 161,199 people, and truck related occupations span the manufacturing, retail, public utility, construction, service, transportation, mining, and agricultural sectors (American Transportation Research Institute). Despite the importance of the trucking industry in Wisconsin, the industry faces shortages of skilled workers in both the diesel technician and truck driver career fields. This shortage impedes the growth of the industry and the Wisconsin economy. A consortium of employers approached the Wisconsin Economic Development Corporation (WEDC, formerly the Wisconsin Department of Commerce), the Wisconsin Technical College System (WTCS), and the Wisconsin Department of Workforce Development (DWD) to develop short-term and long-term solutions to address this shortage.

## **The Importance of Trucking in Wisconsin**

The strong presence of manufacturing, the geographical location of the state, and the access to multiple transportation modes in Wisconsin can account for the large contingent of trucking companies in the state. The items everyone enjoys are more than likely brought by truck. Part of this is due to Wisconsin's long tradition in manufacturing, a high concentration of manufacturing companies, and, out of the 50 states, it is the second most dependent on its manufacturing base, alternating with Indiana for the top spot. The state's second largest labor force is manufacturing, employing roughly 14.2% of the labor force. Even in economic downturns manufacturing remains strong within the state.

Wisconsin also sits in a unique geographic location which positions it at a nexus of rail and ship transportation. (See Appendices A and B.) Both types of access points require trucks to carry freight, from raw materials to finished goods, from originating sources to end customers. The state is bordered by two Great Lakes and contains an important freight corridor that connects Midwest markets to the Prince Rupert Port in Canada. This, in turn, serves Asian markets.

There are more than 500,000 motor carriers in the United States, of which 22,000 are located in Wisconsin (Wisconsin Motor Carriers Association). Of the *top* 250 carriers in the nation, 11 are located in the state, which is roughly twice the national average (Forward Wisconsin, Inc.). Nationally, the trucking industry transports nearly 68% of all consumer goods through the supply chain and hauls approximately 8.8 billion tons of freight (American Trucking Associations). Rail, in comparison, the second highest transporter by tonnage, transports only 13.6%. More than 80% of American communities receive consumer goods solely by truck. In comparison, 77% of all Wisconsin communities are served by truck and 89.9% of manufactured freight is carried by truck (American Transportation Research Institute).

Within the trucking industry, truck driving is the occupation with the most employees. In 2010, there were 43,660 heavy duty truck drivers in Wisconsin and 16,880 light/delivery drivers (Bureau of Labor Statistics).

In addition to the freight carriers, there are logistics services and support, including repair and maintenance which employ roughly 5,450 individuals (Bureau of Labor Statistics). Furthermore, due to the high levels of freight moving in Wisconsin, the need for logistics services and support, particularly repair and maintenance of equipment, is vital for the Wisconsin trucking industry. Many carriers have their own maintenance and operations facilities in Wisconsin in addition to the independent maintenance facilities operating in strategic locations.

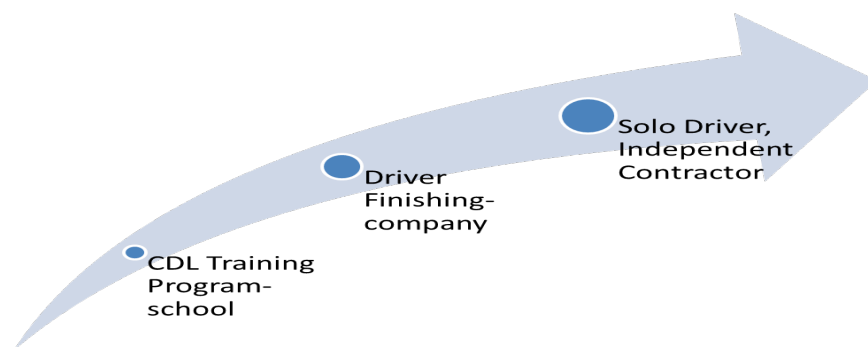
## ***Wisconsin Transportation Industry Challenges***

### **Workforce Issues**

The trucking industry continues to struggle with a shortage of truck drivers. While the trucking sector fluctuates with economic cycles the need for truck drivers remains high in Wisconsin and throughout the nation, even during the recent economic downturn. As the economy continues to improve, the demand for freight carrying services will continue to increase, and an aging workforce nearing retirement will put additional pressure on the industry. The Wisconsin trucking industry projects roughly 8,000 – 10,000 drivers will be needed annually, based on labor projections and survey work, of both experienced drivers and inexperienced drivers (those who recently obtained their Commercial Driver's License [CDL]).

Experienced drivers are in high demand, because their training costs are lower and they are able to turn profits faster than new CDL holders who must go through a lengthier training program. The typical CDL program consists of a minimum of 160 hours of classroom and hands-on training. Students in this program then take a third party test to obtain their CDLs. A student with a new CDL is usually not ready to drive solo. Therefore, trucking companies pair new drivers with experienced drivers for additional training and mentoring, referred to as on-board training or driver finishing. During this training, employees are introduced to the processes of the hiring company and receive additional safety and hands-on behind-the-wheel training. With the projected demand for the occupation and an aging workforce, the number of student drivers needing training is expected to increase.

A diesel technician shortage is also anticipated. With the increasing amount of freight needing transport, more trucks will be on the road requiring repair and maintenance. As technology advances continue to make diesel engines more complex, an increasing number of skilled technicians will be needed and current technicians will require additional skills. The companies hiring diesel technicians also face the need to replace their retiring, highly skilled workforce. Diesel technicians in the state are trained exclusively through the technical college system since there are no private education providers. Some trucking and diesel repair companies will hire individuals with strong mechanical backgrounds but without formal education and provide training. After technicians receive their degrees or diplomas they continually require advanced training, which is typically provided by the manufacturers of the changing technology.



### **Industry Image**

The trucking industry faces an image issue in relation to truck driving, which may present an obstacle for industry recruitment – it is not considered a career choice that provides family-supporting jobs. For potential truck drivers, the long hours of driving and considerable time away from home may make the career a less desirable option. Additionally, the age

requirements for new drivers leave out a segment of the population that might be more willing to take on a career that takes them far from home. The industry has gone to great lengths to improve its image and promote professionalism of the industry. Companies have been improving the working conditions which may have contributed to the negative industry image, including driving positions with dedicated routes and predictable and frequent time at home.

Diesel maintenance occupations also deal with a significant image issue. It has been widely believed that students who were unable to succeed at the rigorous course work of high school would be viable students for diesel mechanic positions. However, with increasing technological advancements which have made diesel engines more complex, a focus on diesel electronics, and the need to work with diverse customers, students entering into the diesel technician career must have strong math and communication skills.

## **Training Capacity**

The Wisconsin Technical College System is the publicly funded provider of occupational training in the state and the primary provider of that training. The System is comprised of 16 technical colleges offering more than 300 occupational degrees or diplomas. Three of the 16 colleges offer technical diplomas in truck driving and train roughly 350 drivers per year. The colleges have the ability to offer contract training – a partnership between trucking companies and the technical college. The placement of truck driver graduates is high and earning potential is strong; within six months of graduation, 79% of students are employed with an average annual salary of \$33,617 (Wisconsin Technical College System). In addition to the public institutions offering training, there are private CDL training providers both within and outside of the state.

Though there are public and private resources for training, there are continual and long wait lists for the truck driving training programs. Impediments to additional training capacity are the costs associated with training. Instructor/student ratios are low, with an average of three to four students per instructor for the hands-on portion of the training, which necessitates additional instructors.

Nine of the technical colleges offer programs in diesel technology. The programs are typically one to two years in length and award either technical diplomas or Associate Degrees of Applied Science. The system has the capacity to graduate 200 students per year; however, the historic trend has been approximately 100 students per year. This trend is due, in part, to a phenomenon referred to as “jobbing-out.” Students are typically hired while in school and then drop out to work. Waitlists and placements for the diesel technician programs have been high historically, and 88-100% of graduates are employed within six months of graduation with average hourly starting salaries of \$13.96 to \$19.00 (Wisconsin Technical College System Graduate Follow-up Report For 2009-2010).

## ***The Trucking Consortium***

### **Background**

The Trucking Consortium is an industry-led group of Wisconsin-based companies. The member companies currently include Klemm Tank Lines, Marten Transport, Roehl Transport, Schneider National, Truck Country of Wisconsin, and WEL Companies. The Wisconsin Motor Carriers Association has also participated in consortium activities.

The catalyst for the creation of the Trucking Consortium occurred when Bentley Government Affairs and Lubner Consulting, both with extensive industry experience and a knowledge of the unique issues facing the industry, approached the former Wisconsin Department of Commerce - whose business development functions are currently administered by the new Wisconsin

Economic Development Corporation (WEDC). They discussed the issues they had identified as impeding the growth of the trucking industry. The Department of Commerce suggested that they convene a small group of industry experts, and develop a strategic plan to address the issues. Bentley and Lubner approached a small group of trucking companies both in transport and diesel mechanics, explained their ideas on creating a small group of companies who could address the issues they faced, and then approached the state with a plan to address and solve those problems. Though the companies were competitors, Lubner and Bentley asked them to leave their competitive hats at the door – together they could resolve the issues without stepping on each other’s turf. They all share in the problem, but if they built it, it could help them all.

Once the group came together and agreed to create the Trucking Consortium they identified a significant obstacle in growing jobs in the industry – the inadequate supply of trained diesel technicians and commercial truck drivers. The Consortium came up with three primary objectives: increasing the visibility of trucking as a career, increasing training capacity, and identifying funding to offset the high costs of training.

### **Agency Coordination**

The Consortium then approached WEDC for assistance in creating a public/private partnership to address these issues. At WEDC, the Business and Industry Development Division (BID) had been created to develop high quality jobs and significant job growth in Wisconsin by advancing targeted, high growth business consortia and industry sectors. WEDC’s BID has taken a lead role in coordinating this effort and has worked in close partnership with the WTCS and the DWD.

### **Aligning Resources and Support**

The agencies and industry partners worked to align resources and to support the development of solutions in the three primary focus areas identified by the Consortium. Pooling efforts has produced rapid progress with a number of short-term projects in place and laid the groundwork for longer term initiatives to address labor shortages.

### **Increased Visibility of Trucking**

Wisconsin has an extensive Job Center network which functions with strong and active coordination between Wisconsin Job Service, Workforce Development boards, the Office of Veteran Services, Vocational Rehabilitation, local technical schools, and a variety of other local partners. DWD’s JobCenterofWisconsin.com (JCW) website allows employers and job seekers to make employment matches and drive local employment and training program functionality.

The Trucking Consortium worked with WEDC, WTCS, and DWD to implement a trucking website that would be attached to the JCW website. The website was activated in late 2011 and currently receives approximately 350 hits per week (Appendix C).

Trucking Consortium members have posted their open positions on JCW, allowing each company to increase their exposure to potential applicants. The members have been pleased with the site and have received positive feedback from applicants.

Through this partnership, DWD has created several targeted email campaigns, both to veterans and non-veterans, to create awareness of available jobs in the trucking industry and to alert them to the new website. The strategy included searching for candidates with backgrounds in driving or diesel mechanics.

The Trucking Consortium specifically identified veterans as a target group for its job announcements and training, as individuals with military experience frequently have the skills necessary to succeed in the trucking industry. An added benefit to hiring veterans is that many of them may be more accustomed to lifestyles in which they are away from home on a regular basis. WEDC has also identified an opportunity for veterans to transfer their military CDL to a Wisconsin civilian CDL.

Finally, WTCS has a job site called TechConnect that is specifically for technical college students and graduates. Employers post their positions, and the positions are then matched to students in programs related to the position. The site allows colleges to analyze labor demand specific to occupational programs as opposed to specific job titles. The Trucking Consortium is encouraging employers in the industry to post their available positions on the TechConnect site. TechConnect provides employers a direct link to students and provides colleges with another analysis tool for capacity planning.

### **Build Training Capacity**

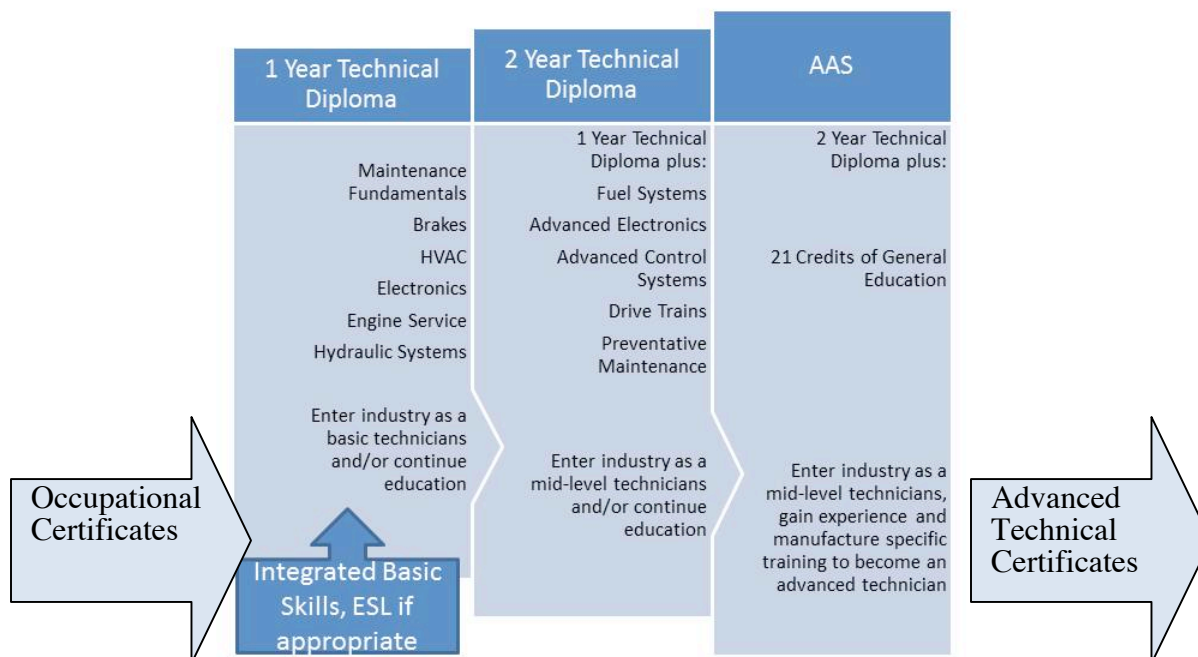
The Trucking Consortium and partner agencies identified a need for additional training capacity in Wisconsin and have researched how to create a strong pipeline of skilled diesel technicians and truck drivers. The private and public education providers did not have the capacity to meet the short-term needs of employers for truck drivers or diesel technicians, with demand from the consortium members, alone, reaching 120 diesel technicians and 1,200 truck drivers in 2011.

As a result of the increased awareness of the trucking industry and need for drivers, the three colleges offering driver training have increased their collective capacity from 350 students per year to 1,200 per year. To accomplish this, they created shorter contract training programs by allowing colleges to stack offerings, thereby significantly increasing the capacity to train individuals. The colleges also offered an online training option for the classroom portion of the training, and the trucking companies then completed the hands-on instruction utilizing their own equipment. One college also offers an ESL truck driving program which gives students the opportunity to gain English skills while earning the occupational skills to start a truck driving career.

To increase diesel technician training capacity, the colleges explored ways to add sections, including evening and weekend courses. The colleges identified courses that could be modified into a hybrid format with a portion of the course offered online and the remainder offered in a traditional lab setting. By creating hybrid formats and adding non-traditional class times, the colleges were able to free up classroom space and add capacity.

Industry input has assisted the technical colleges in creating a basic, integrated curriculum that is better aligned to support the traditional career pathway for students and, at the same time, allows students to earn degrees quickly and enter the industry at entry level. Students then have the opportunity to return to school to gain additional skills through manufacturer-specific training, full two-year degree or diploma programs, or advanced technical certificates. The additional training allows students to progress to mid-level and advanced level technician status. Input from the industry was essential to the creation of the integrated curriculum, and the companies had to be willing to hire a student with the basic subset of training. Not every employer approves of this approach, and a demand still exists for students entering into employment after the completion of two-year programs.

# WTCS Heavy Duty Truck Diesel Education Progression



The next steps for the Consortium, WEDC, and state agency partners are to explore the utility and viability of youth and adult apprenticeship programs and to conduct outreach events at secondary institutions. Adult and youth apprenticeships would provide another avenue of training for the diesel technician career field and an alternative entry point in to the industry. Outreach events at the secondary school level will provide an introduction to the industry for guidance counselors and students and present trucking as an important and viable career for students desiring to work soon after graduation.

## ***Identifying Funding to Offset the High Cost of Training***

As mentioned previously, providing training for the diesel technicians and drivers can be costly. WTCS measures costs per full-time equivalent per year and training in the Industrial and Technical areas averages between \$13,151 and \$14,480, the highest of all divisions. In WTCS, a mix of local property tax dollars, state aid, federal aid, and program fees (fees collected from students) make up operating revenues. In general, program fees account for approximately 20% of the cost to operate an education program. Therefore, although the majority of trucking companies provide education reimbursement, additional resources are needed to expand these programs.

A subcommittee of the Trucking Consortium members and agency partners, including a local workforce development board director, met in late 2011 to explore funding opportunities help offset the cost of training. The meeting included a discussion of the extensive on-boarding training that companies provide for new CDL holders. They discussed several programs,

including the Workforce Investment Act, Trade Adjustment Assistance, veterans programs, the Workforce Advancement Training Grant program offered by WTCS, and tax credit programs administered by WEDC.

Several ideas arose out of the meeting. Due to the specific requirements for the above noted programs, WEDC will compile a simplified reference document for the industry that will describe some of the potential resources and the related contacts. WEDC will research the development of a pilot tax credit program, using an existing state income tax credit program, which will help offset some of the high costs associated with driver finishing. The goal for the pilot program would be to encourage companies to train more inexperienced drivers and to reduce the number of truck driver position vacancies.

The full committee will look at other opportunities to train targeted groups, including the aforementioned veterans and dislocated workers. In addition, the Consortium will look for ways to defray the costs of purchasing tools for new diesel technicians. While there are discounts for students and a scholarship program for employer-sponsored students to purchase starter tool sets, the costs associated with the investment of tool purchases are still significant and can range from \$10,000 to \$15,000 per student.

### ***Summary***

This industry-led model and interagency collaboration has worked well to address the needs of the trucking employers in Wisconsin in both the short- and long-run. The group will continue to collaborate to address the labor supply. While this partnership involves a smaller group of companies, the activities are designed to benefit the entire Wisconsin trucking industry, and it is anticipated that the initiative will be scaled up to include other companies. This model is being duplicated across other industry sectors in the state to address workforce and other specific industry-identified issues. The partnership demonstrates that through collaboration results can be achieved more rapidly with positive impacts across an entire sector.



# Appendix A





# Appendix C



Connecting Wisconsin's Workforce

LOGIN | PERFORM A JOB SEARCH

Home Job Seeker Tools Employer Tools About Us Help Exit

Home > Trucking Home



### Focus on Trucking.

Welcome to Job Center of Wisconsin (JCW) - Trucking: Your one stop home page for jobs, training, and information related to the trucking industry. From here you can post a resume, search for jobs, find out more about Wisconsin's trucking industry, and find information on wages, trends, and other subjects. Whether you are looking for work or information, JCW - Trucking is the place for you.

### Featured Employer



Check out the Job Center of Wisconsin [job openings](#) for this featured employer.

### Industry Workforce Links

You can view links related to the industry as a whole or choose a specific occupation from list and click the "Go" button to update links.

For

- [Career Guide to Industries](#)
- [Industries at a Glance](#)
- [Career One Stop - Industry Profile](#)
- [U.S. Census Bureau - Industry Definition / Statistics Sampler](#)
- [U.S. Census Bureau - FactFinder](#)
- [U.S. Census Bureau - 2002 Census Data](#)

### TRUCKING RELATED JOBS

View a quick list of jobs available for trucking related occupations.

### WISCONSIN TECHNICAL COLLEGE SYSTEM

Post-secondary programs for the trucking industry.

### WMCA

Wisconsin Motor Carriers Association

### WORKING IN THE TRUCKING INDUSTRY

Industry-specific documents, reports, and trends.

### LABOR MARKET INFORMATION - DRIVERS

Occupation profile for Heavy and Tractor-Trailer Truck Drivers in Wisconsin.

### LABOR MARKET INFORMATION - DIESEL MECHANICS

Occupation profile for Bus and Truck Mechanics and Diesel Engine Specialists Drivers in Wisconsin.

### JOB SEEKER / TRAINING INFORMATION

Job Center and Eligible Training Providers/Programs

### WEDC

Wisconsin Economic Development Corporation



### VETERAN RESOURCES

View services available for Veterans.



### VISIT US ON FACEBOOK!

## ***Resources***

Actual Cost Allocation Summary Report, Wisconsin Technical College System.  
[http://www.wtcsystem.edu/reports/data/cost\\_alloc/index.htm](http://www.wtcsystem.edu/reports/data/cost_alloc/index.htm)

Trucks Bring Life's Essentials. American Trucking Associations. Retrieved March 2012.  
<http://www.truckline.org/Newsroom/Pages/TrucksareEssential.aspx>

American Transportation Research Institute. (n.d.) Wisconsin Fast Facts. Retrieved March 2012, from Job Center of Wisconsin: <http://www.jobcenterofwisconsin.org/trucking>

Bureau of Labor Statistics. *Occupational Employment Statistics Survey*. U.S. Dept. of Labor

Careeronestop. (n.d.). Occupation Profile. Retrieved March 2012, from Careeronestop, Pathways to Career Success: <http://www.careerinfo.net.org>

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<http://www.revenue.wi.gov/ra/econ/2011/Fall/fullrpt.pdf>

Wisconsin's Trucking Industry [http://www.forwardwi.com/forward\\_docs/sub.php?sub\\_id=35](http://www.forwardwi.com/forward_docs/sub.php?sub_id=35)

The Wisconsin Trucking Perspective, April 2011, The Wisconsin Motor Carriers Association.  
<http://www.witruck.org/2011positionpaper.pdf>