

MEMORANDUM

TO: Pete Pantuso
 FROM: John Dunham
 DATE: January 30, 2023
 RE: Estimation of Motorcoach Driver Shortage

John Dunham & Associates has surveyed the American Bus Association (ABA) membership to better understand issues related to worker and diesel fuel shortages. **Based on the survey results, members report a shortage of as many as 7,300 drivers.** This is an incredible figure considering that (according to the Bureau of Labor Statistics), there are only 26,800 bus drivers employed by the private, non-institutional sector.

As such, based on the survey results, **as much as 21.4 percent of the market demand for bus drivers is unfulfilled.**

General Survey Information:

John Dunham & Associates (JDA), conducted this survey for the ABA in January 2023. Survey instruments containing approximately 7 questions were sent by email to 982 member companies. Members represent approximately 71.8 percent of all private companies operating motorcoaches in the US, not including companies that operate institutional coaches, or coaches to take their own employees (for example a roofing crew) to worksites.

A total of 112 usable surveys were returned, for a response rate of 11.4 percent, which means the survey was statistically significant to the 95% level with a variance of +/- 8.72 percent. This is a very good response rate for a non-governmental survey of private firms.

Driver Shortfall:

Of the respondents, 92.9 percent said that they were having problems finding and hiring drivers. Weighted by the size of the responding companies, the figure was even higher 97.3 percent, meaning that larger companies are having more difficulty than smaller operations with under 10 busses. See Table 1

**Table 1
Survey Responses: Driver Shortfalls**

	Responses	Pct of Responses	Percent of Coaches	Drivers Needed
No	8	7.1%	2.7%	
Yes	104	92.9%	97.3%	7,309
Total	112	100.0%	100.0%	7,309

When the survey responses are extrapolated across the entire industry, the results show a shortfall of just over 7,300 drivers.¹ Considering that the Federal government reports that there are only a total of 26,800 bus drivers currently employed, the shortfall is quite significant.²

¹ Survey respondents themselves reported a shortfall of 775 drivers.

² *May 2021 OEWS Estimates*, Occupational Employment and Wage Statistics (OEWS) Survey, US Department of Labor, Bureau of Labor Statistics, at: www.bls.gov/oes

Reasons for Driver Shortfall:

The shortage of qualified motorcoach drivers is not only sizable, but it is the result of a number of factors, many of which are out of the hands of operators. Based on the survey, weighted by the need for drivers, 47.4 percent of respondents suggested that the major reasons for the shortfall were attributed to availability of training, delays in licensing, insurance issues, fears surrounding COVID-19 and the general labor force shortage.

That does not mean that there are not things that companies can do to attract more drivers. About 36.5 percent of respondents specifically stated that things like low wages, work schedules, and competition from trucking companies and other operators were the main causes of the shortfall. Once the “All factors” is added in, the figure rises to 51.0 percent.

**Table 2
Survey Responses: Reasons Given for Driver Shortfalls**

Reason(S) Provided	Percent of Drivers Needed	Percent of Coaches
Work schedules	12.3%	28.1%
All Factors	14.5%	11.7%
Licensing delays	12.8%	9.2%
Lack of Interest in driving	11.1%	8.5%
Competition from other bus companies (private and public)	15.5%	8.3%
General workforce shortages	8.9%	7.8%
Competition from other trucking companies	2.1%	6.2%
Wage rates	6.6%	5.8%
COVID-19	6.3%	3.7%
Unknown/No response	4.4%	3.4%
Don't need drivers	0.0%	2.7%
Insurance	3.4%	2.1%
Availability of training	1.5%	1.5%
Other	0.8%	1.1%
Grand Total	100.0%	100.0%

Weighted by company size, only 2.1 percent of respondents did not need drivers at this time.

Based on these responses, it will take a multi-factored approach to reduce the driver shortfall. Policy decisions such as making licenses and training more accessible, as well as reduced insurance regulations would help but not alleviate the shortage. In addition, providing education on the quality of motorcoach driver jobs might influence more people to consider driving as a career. Smaller companies in particular, suggested that a major reasons for the shortfall is that there is a general lack of interest on the part of the labor force to take up driving as a career.

Finally, companies themselves have to recognize that in a tight labor market workers will demand higher wages and better working conditions. Making motorcoach driving a more rewarding occupation would surely help to alleviate part of the driver shortage.

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Diesel Fuel Supplies:

The cost of diesel fuel has soared in the US since November of 2020. As of today, the average price of diesel is about \$4.60 per gallon. This us up by 52.8 percent since prior to the COVID-19 shutdowns. Prices have again started to increase after coming down slightly from the July 2022 peaks.³

The survey also asked companies to report on if these high prices were associated with diesel fuel shortages. Generally, prices for normal goods increase if supply falls and demand stays stable, so the ABA wanted to know if the price increases were a reflection of overall shortages of diesel in the market.

Based on the survey, this was not the case, as only 1.8 percent of respondents (2.8 percent when weighted by coaches) reported shortfalls. Roughly 96 percent of responding companies reported that they had access to enough diesel fuel.

Table 3
Survey Responses: Diesel Availability

	Responses	Pct of Responses	Percent of Coaches
No	108	96.4%	95.7%
Yes	2	1.8%	2.8%
No Response	2	1.8%	1.6%
Total	112	100.0%	100.0%

Please let me know if you need further information pertaining to this survey.

³ *Weekly US Diesel Sales Price*, US Department of Energy, Energy Information Administration, retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/GASDESW>, January 30, 2023.