

# **Independent Contractor Benchmarking**

**A Fleet's Guide To Independent Contractor Success**

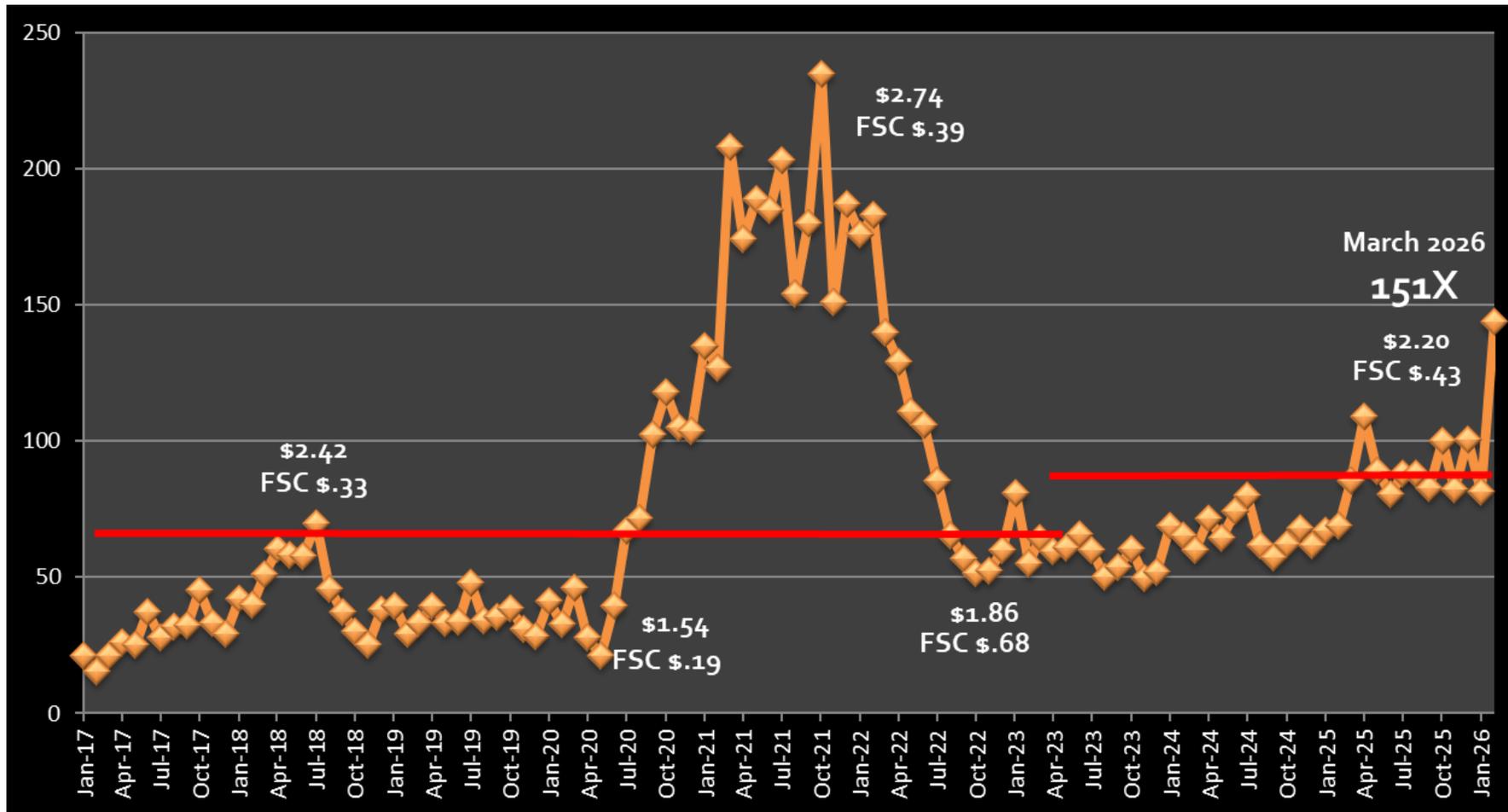
*2025Q4 – End of Year Analysis*

*Mike Hosted – Vice President*



**What is the economic environment in trucking?**

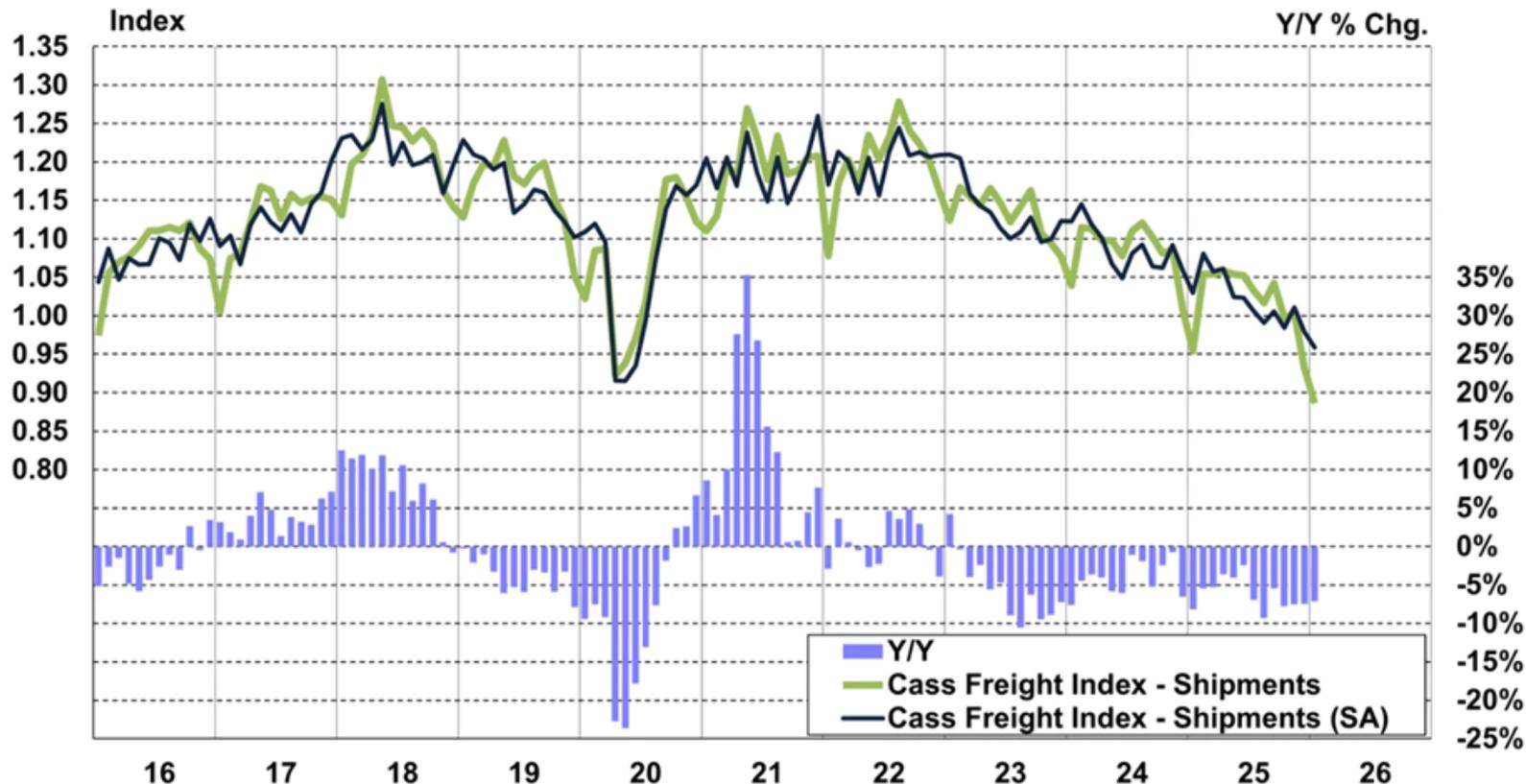




Spot Rate X Fuel Surcharge (FSC) based on \$1.25 base for fuel

### Cass Freight Index<sup>®</sup> - Shipments

January 2016 - January 2026 (01'1990=1.00)



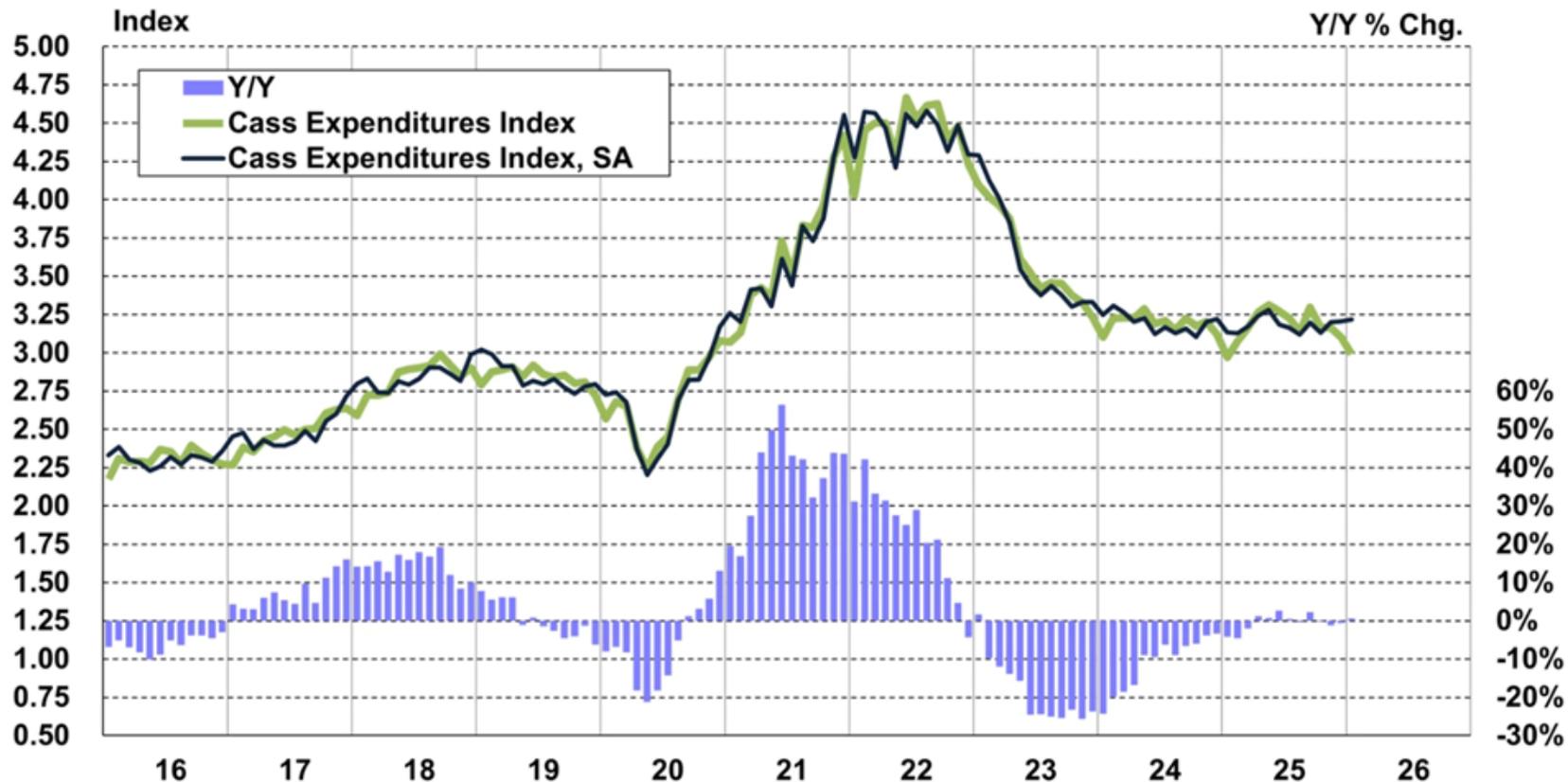
# CASS Freight Index

## Expenditures



### Cass Freight Index® - Expenditures

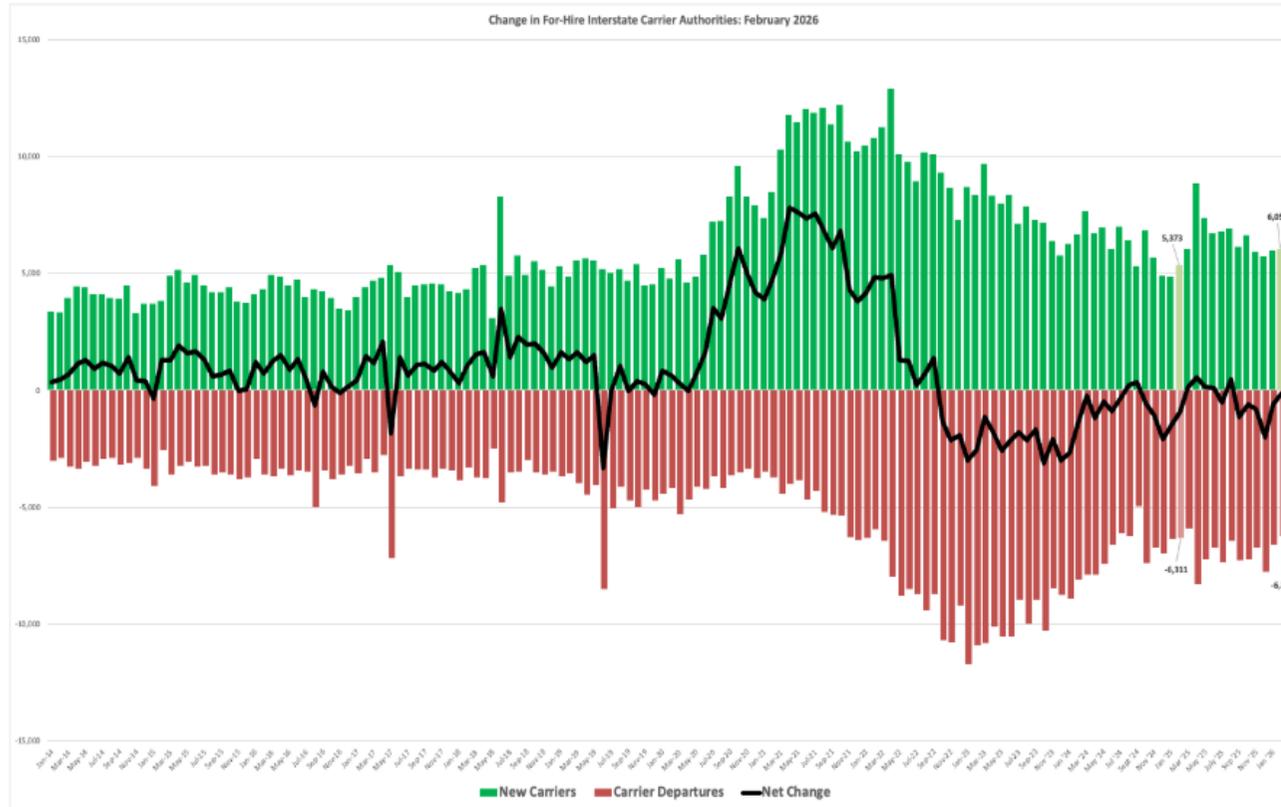
January 2016 - January 2026 (01'1990=1.00)



When do you think freight market/rates will start to improve & by how much?

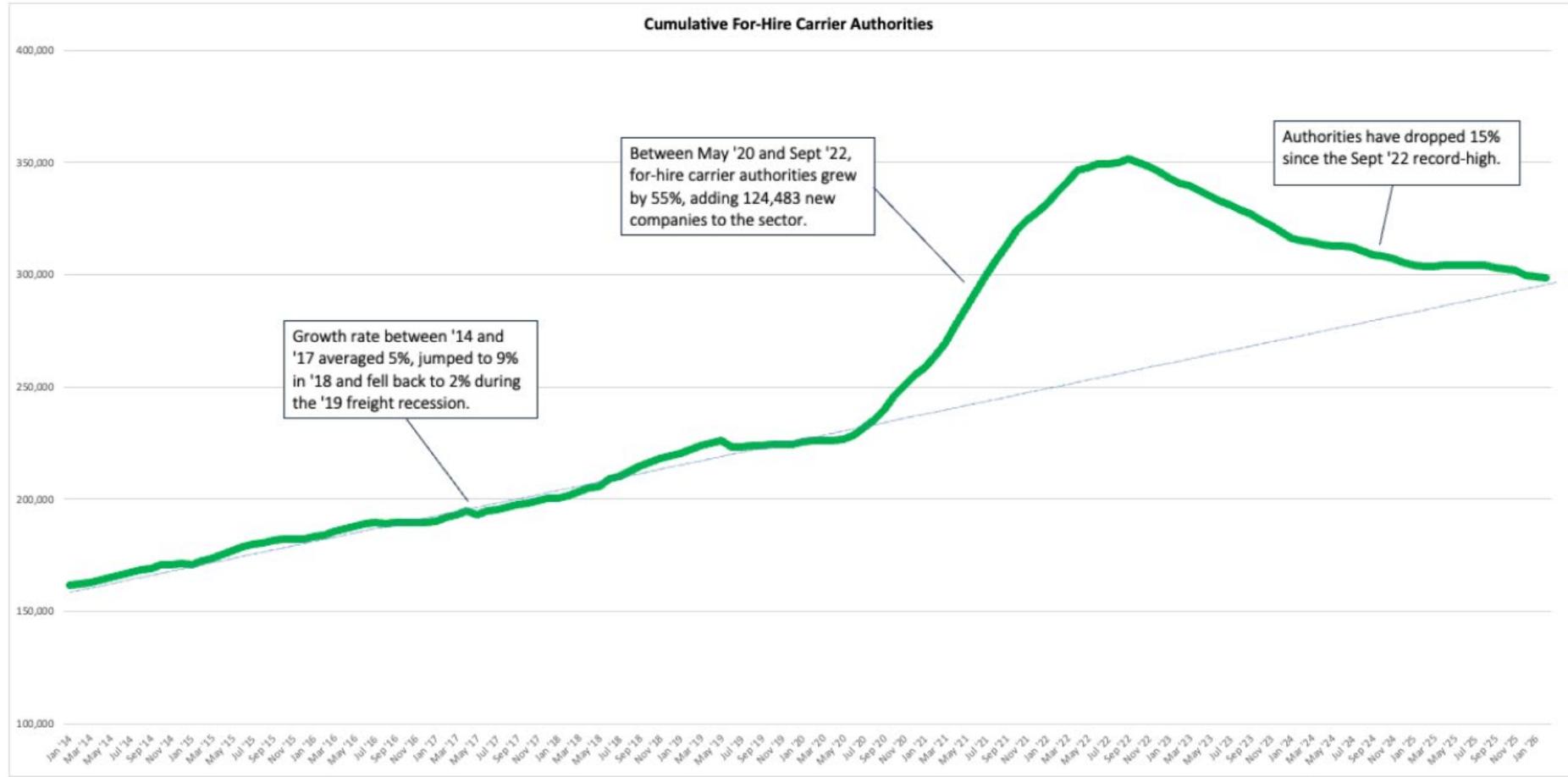
- 29% of fleet owners said first half 2026
- 57% said second half of 2026
- 11% said not until 2027
  
- 64% expect a 1-3% increase in rates
- Only 7% of fleets believe that rates will remain flat
- 21% expect bigger increases of 4-10%

## For-Hire Small Fleet Capacity: February 2026



- The for-hire sector is showing early signs of capacity addition after three consecutive months of fewer carrier exits and more new entrants, coinciding with dry van spot rates increasing by 25% year-over-year.
- Although the total number of new entrants remains 32% lower than the three-year high recorded last April, new authority totals have increased for the past three months, including a 1% rise last month, placing them 13% higher than this time last year.

### For-Hire Capacity: February 2026



# Illegal Driver Capacity - What does it mean?

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- **English Language Proficiency = 138,000 estimated**
  - *(11,500 off road so far)*
- **Non-Domiciled Drivers = 194,000 estimated**
  - *(CDL's will expire over next 5 years & not be renewed)*
- **ELD's revoked – This will reduce illegal miles of foreign drivers**
  - *(88 by FMCSA, 14 in 2026 so far out of 1,000 total)*
- **Entry Level Driver Training Schools = approx 16,000 schools**
  - *(Dec 2025 – FMCSA randomly audited 1,500 – 30% failure rate)*
- **Chameleon Carriers**

## AI model of the effect of reducing driver capacity on spot and contract rates

### Trucking Rate Impact From Driver Capacity Exits

*(Baseline driver population: 3,000,000 — Demand Held Constant)*

#### Key Assumptions

- Baseline driver pool: 3,000,000 drivers
- Demand held constant (rate changes reflect supply tightening only)
- Contract / linehaul elasticity: ~1.215
  - 95% confidence interval: 0.573 – 1.858
- Spot market elasticity assumption: ~2× contract elasticity
- Results represent percent changes in a rate index, not per-mile pricing

#### Scenario Results

Drivers Exiting	Capacity Loss	Contract / Linehaul Rate Change (95% CI)	Spot Rate Change (95% CI)
10,000	0.33%	+0.41% (0.19% – 0.62%)	+0.81% (0.38% – 1.25%)
50,000	1.67%	+2.06% (0.97% – 3.17%)	+4.17% (1.94% – 6.44%)
100,000	3.33%	+4.21% (1.96% – 6.50%)	+8.59% (3.96% – 13.42%)
200,000	6.67%	+8.75% (4.03% – 13.67%)	+18.26% (8.22% – 29.22%)
300,000	10.00%	+13.66% (6.22% – 21.62%)	+29.18% (12.83% – 47.91%)

# Operating Analysis

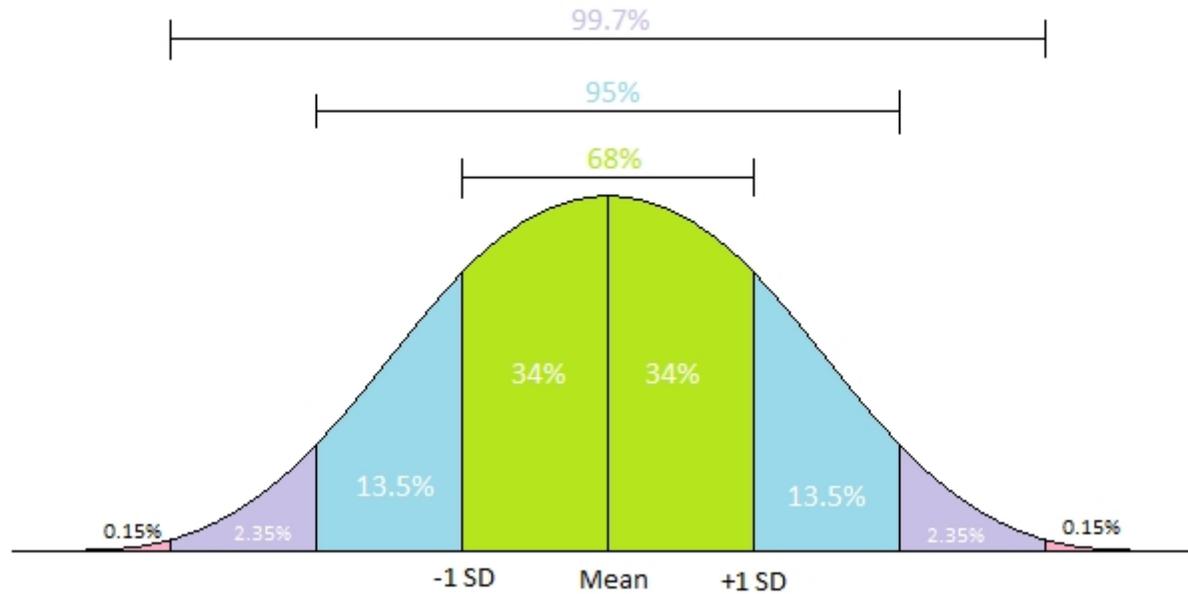
## By Independent Contractor Segment

Dry, Reefer, Flatbed, Specialized, Tank, Independent  
& Average of All Segments



- **Goal of ICB: Track & compare the performance of the average full-time owner operator.**
  - Data anomalies: churn (turnover), incomplete data due to changing operations (fleets, freight types), entrants/exits mid-term, teams, multiple trucks.
- **Client must have revenue & expenses in every period being reported. Reporting periods are either monthly or quarterly.**
- **Client must have stayed at the “partner” (fleet, own authority) the whole period being reported.**
- **Average each account category for values not equal to zero.**
- **Include only clients within one standard deviation of average Net Income for the “group” (partner or industry segment).**

# What is a Standard Deviation?



- Each “group” (partner, industry segment) is calculated using clients who are within one standard deviation of their average Net Income.
- This removes clients in the outer third of the bell curve, providing a more consistent measure of a full-time, one truck, solo owner operator.

- Sample Size = thousands of owner-operators in each market segment
- Most recent 24 months including an average of each 12-month period (Trailing Twelve Months or TTM)
- Avg All Market Segments is a weighted average of the “segments”
- Data Tables are available from ATBS

# Revenue Analysis

Miles, RPM, Gross Revenue

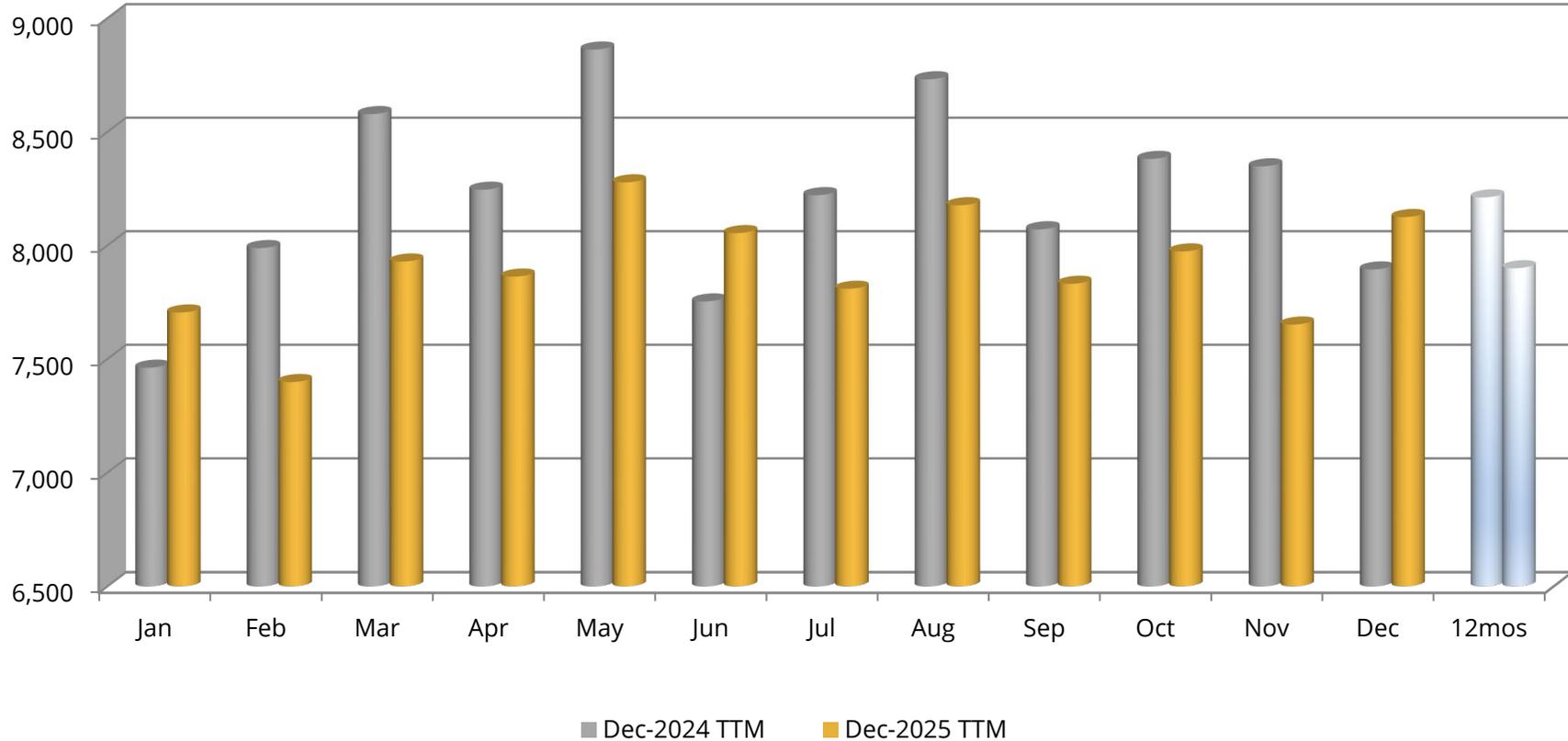


# Miles

## Average All Market Segments



Miles - Average All Segments



TTM 2024 vs TTM 2025: **-3.8%** **-3,744** to 94,802

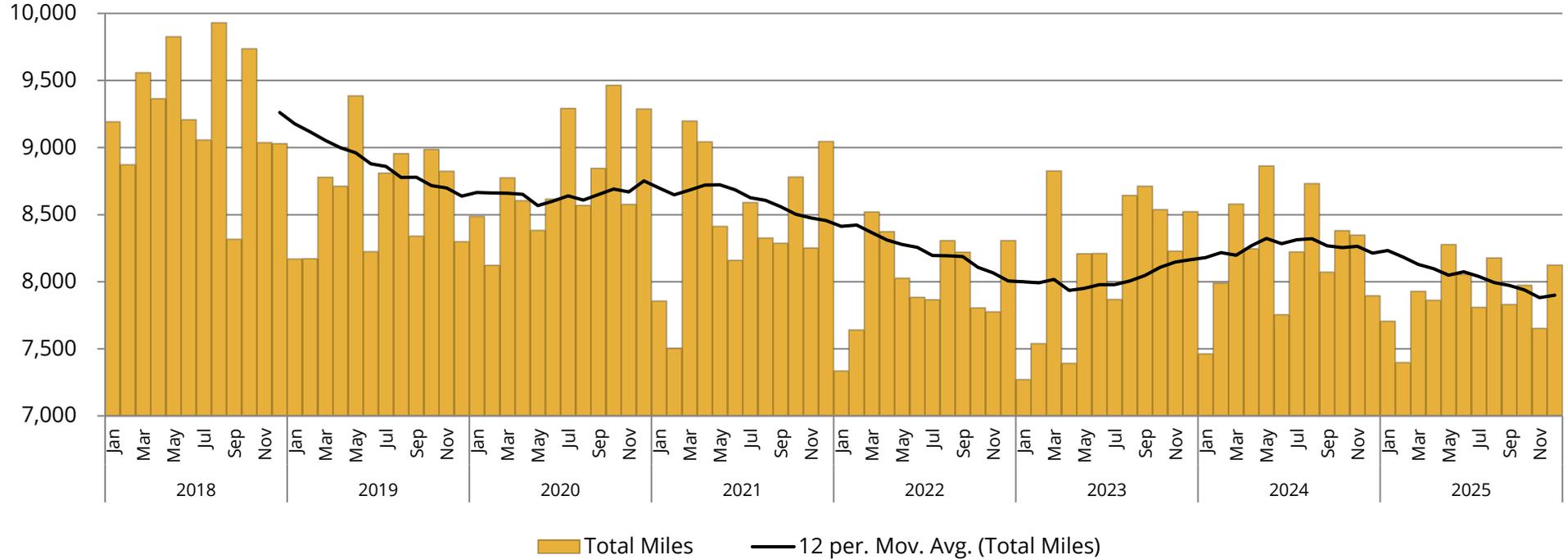
Dry	<b>-5.0%</b>	to	100,377	Specialized	<b>-0.6%</b>	to	89,479
Reefer	<b>-0.9%</b>	to	98,265	Tank	<b>-2.8%</b>	to	82,005
Flat	<b>-1.3%</b>	to	92,861	Independent	<b>-0.5%</b>	to	91,168

# Miles, 2018 - Current

## Average All Market Segments

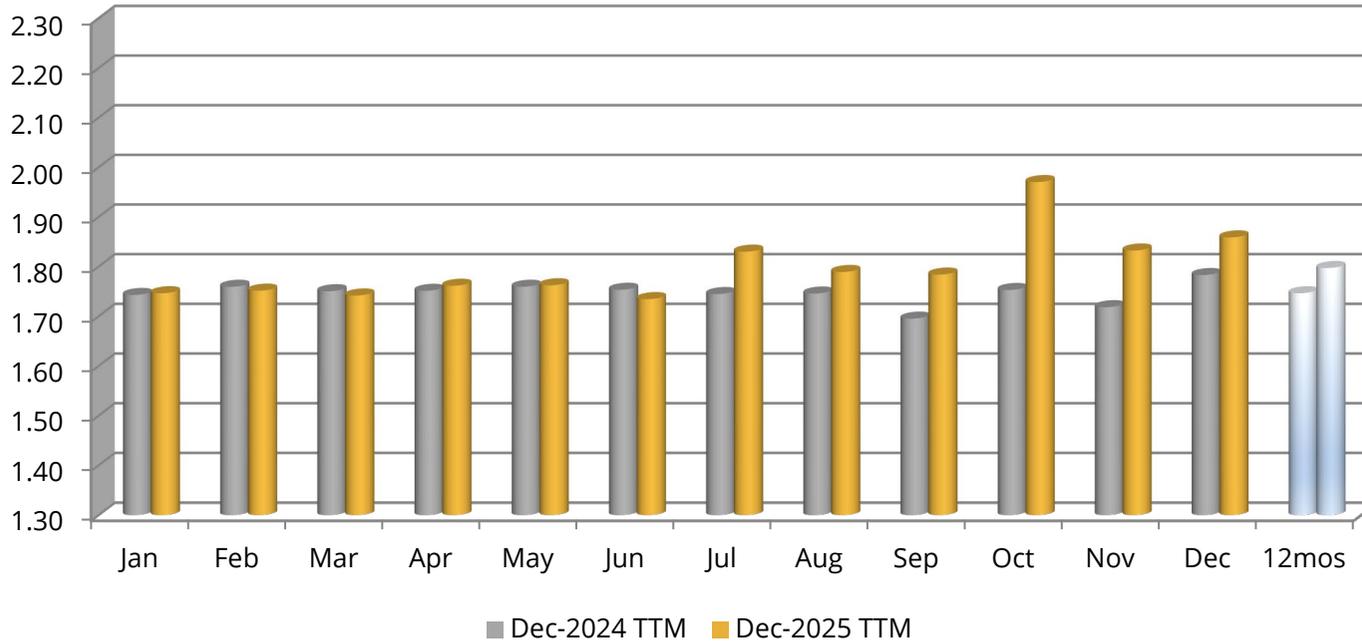
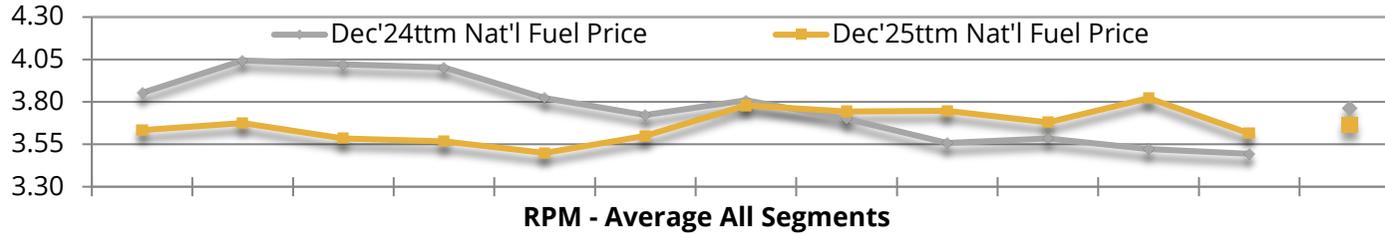


Miles



# Revenue Per Mile

## Average All Market Segments



TTM 2024 vs TTM 2025: **+2.9%** **+5.1 cpm** to \$1.80

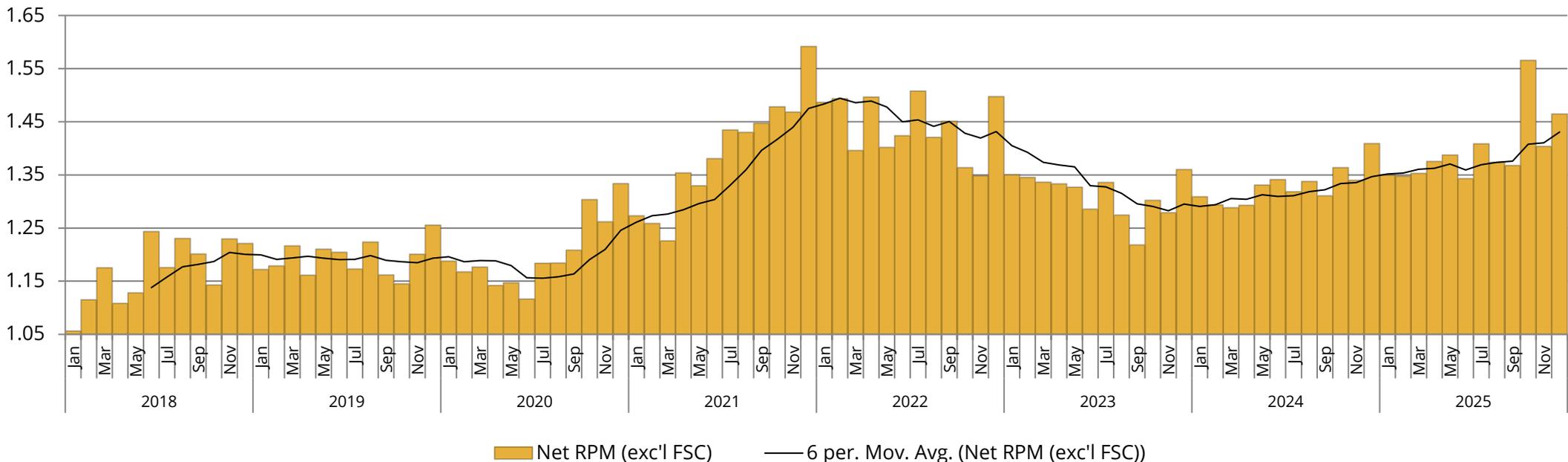
Dry	+\$0.07	to	\$1.64	Specialized	-\$0.03	to	\$2.00
Reefer	+\$0.01	to	\$1.95	Tank	+\$0.02	to	\$2.63
Flat	+\$0.03	to	\$1.96	Independent	-\$0.01	to	\$1.99

# RPM Excluding Fuel Surcharge, Avg All

Calculated Base = \$1.25/gal, 6 mpg



Net RPM Excluding Fuel Surcharge  
Base = \$1.25/gal, 6 mpg

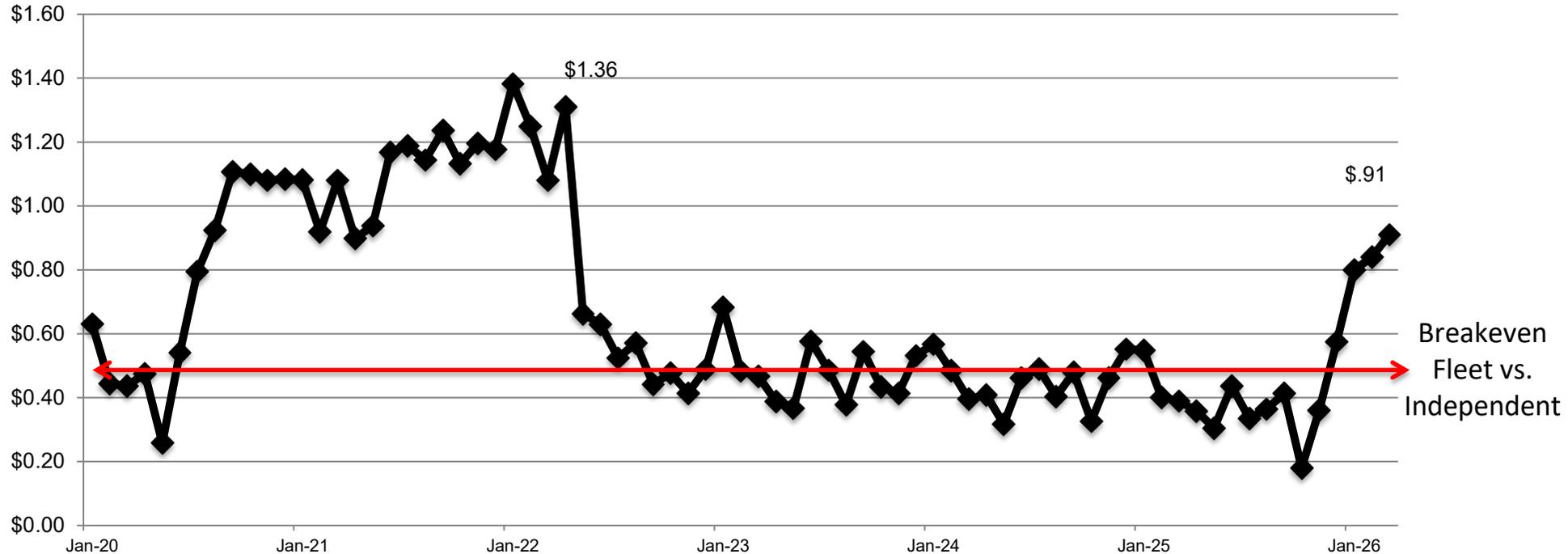


# Spot Market Rates vs ATBS ICB Fleet Rates

2020 to current



Spot market rates vs ATBS ICB fleet rates

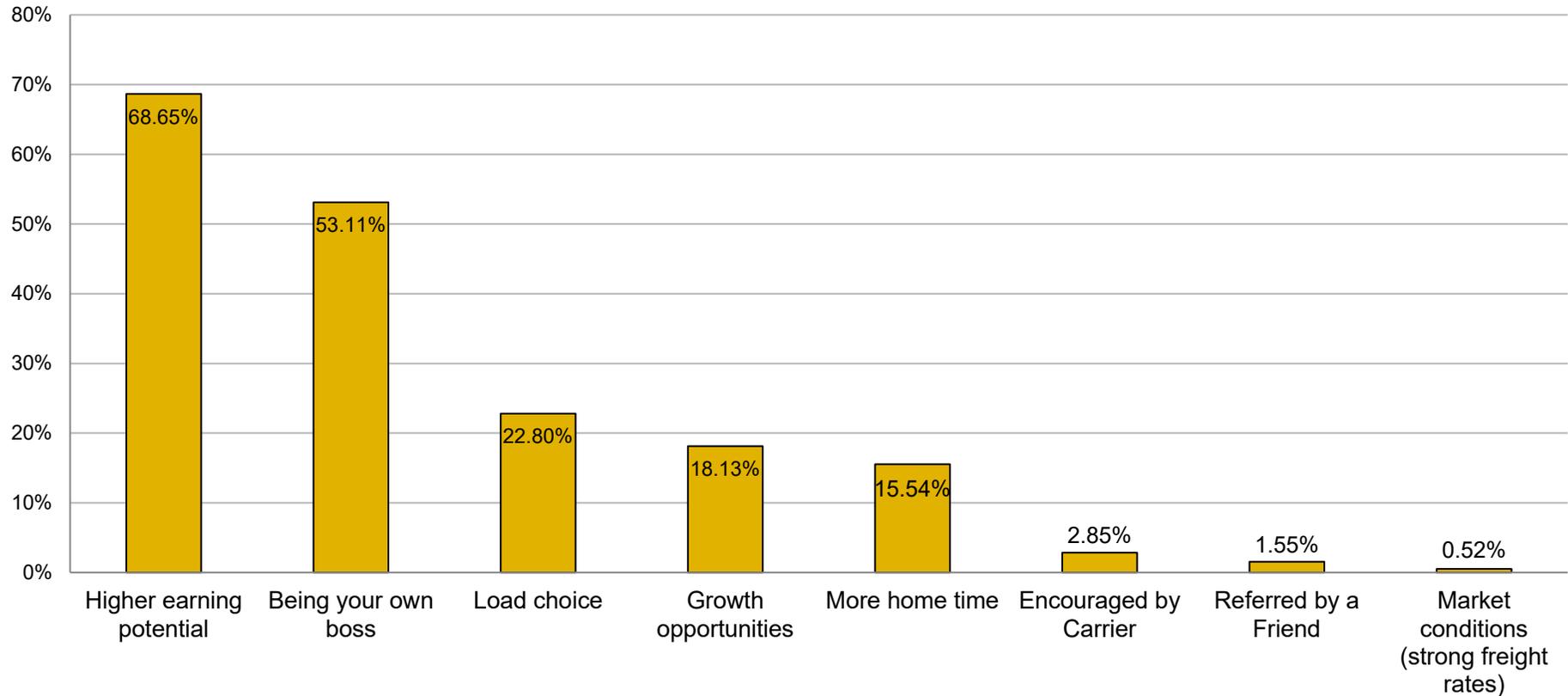


Indep Cost Increase	\$ Amount	Per Mile
License, Permit, IFTA, etc	\$3,000	0.03
Additional Insurance	\$12,500	0.11
Trailer	\$7,000	0.06
Book, Bill & Collect Loads	\$5,000	0.05
Operational Losses, ELD's (drop & Hook)	\$25,000	0.23
<b>TOTAL</b>	<b>\$52,500</b>	<b>0.48</b>

# Primary reasons you chose to become an Owner-Operator?



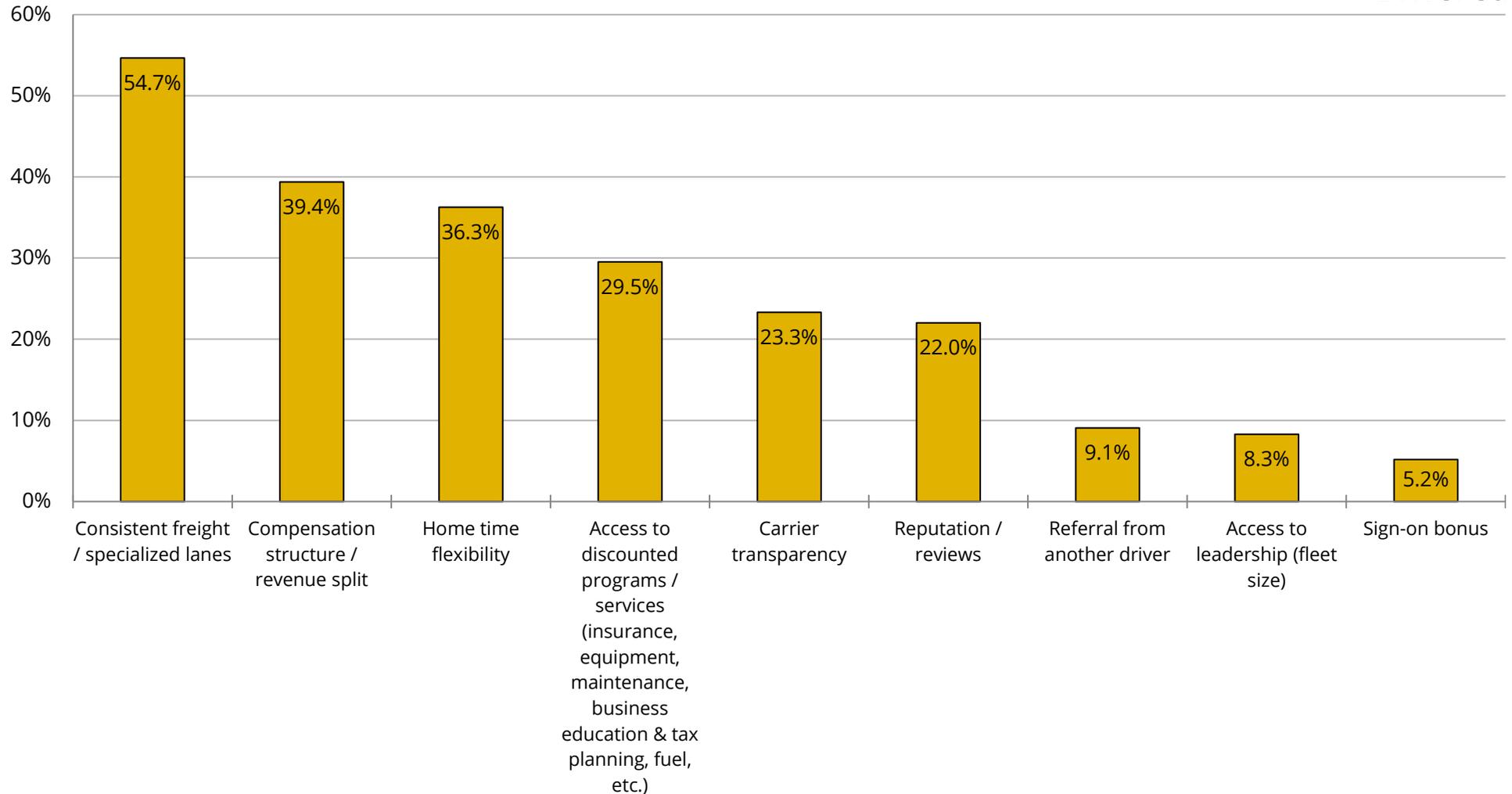
\*Driver Survey



# Most important factors in choosing your current carrier?



\*Driver Survey

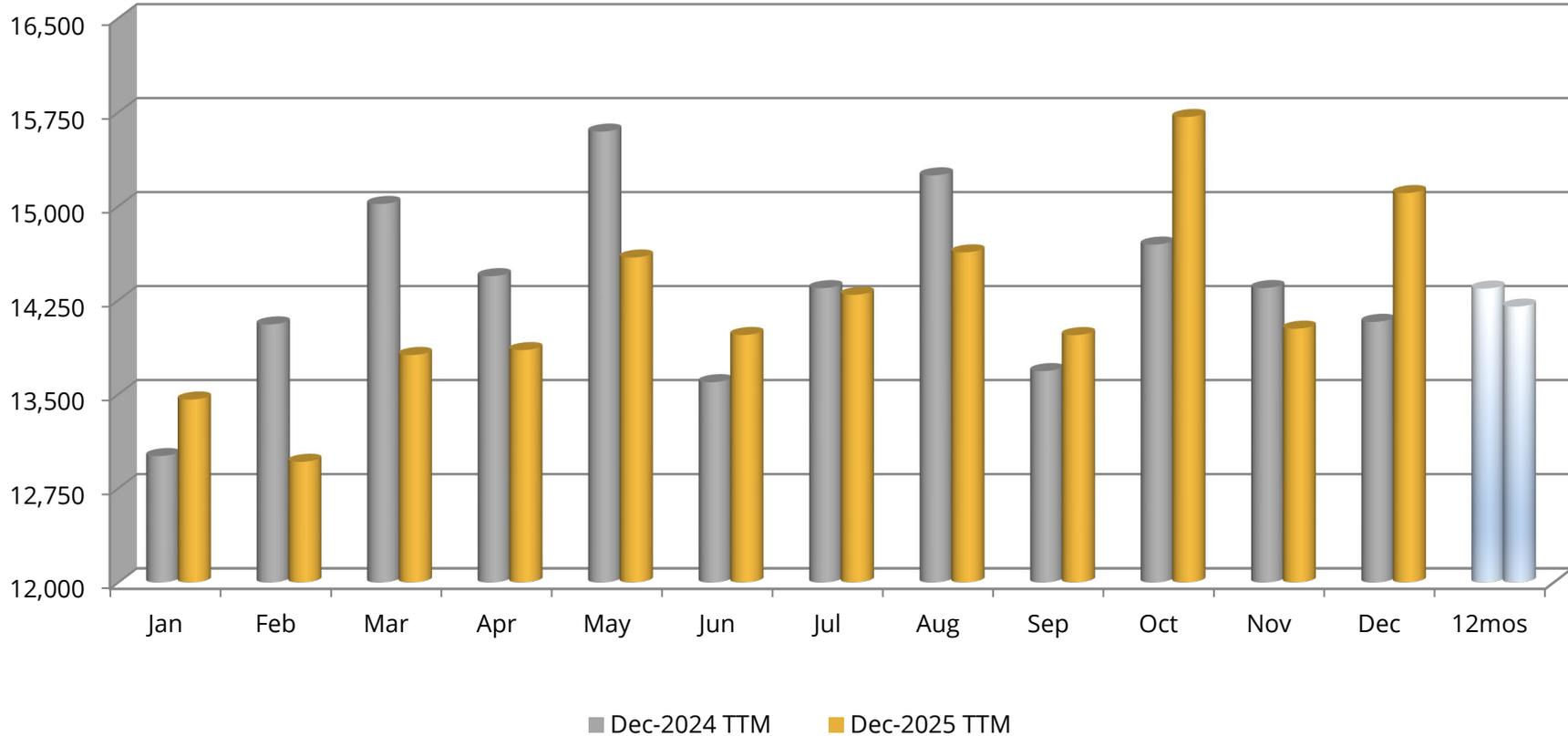


# Gross Revenue

## Average All Market Segments



Revenue - Average All Segments



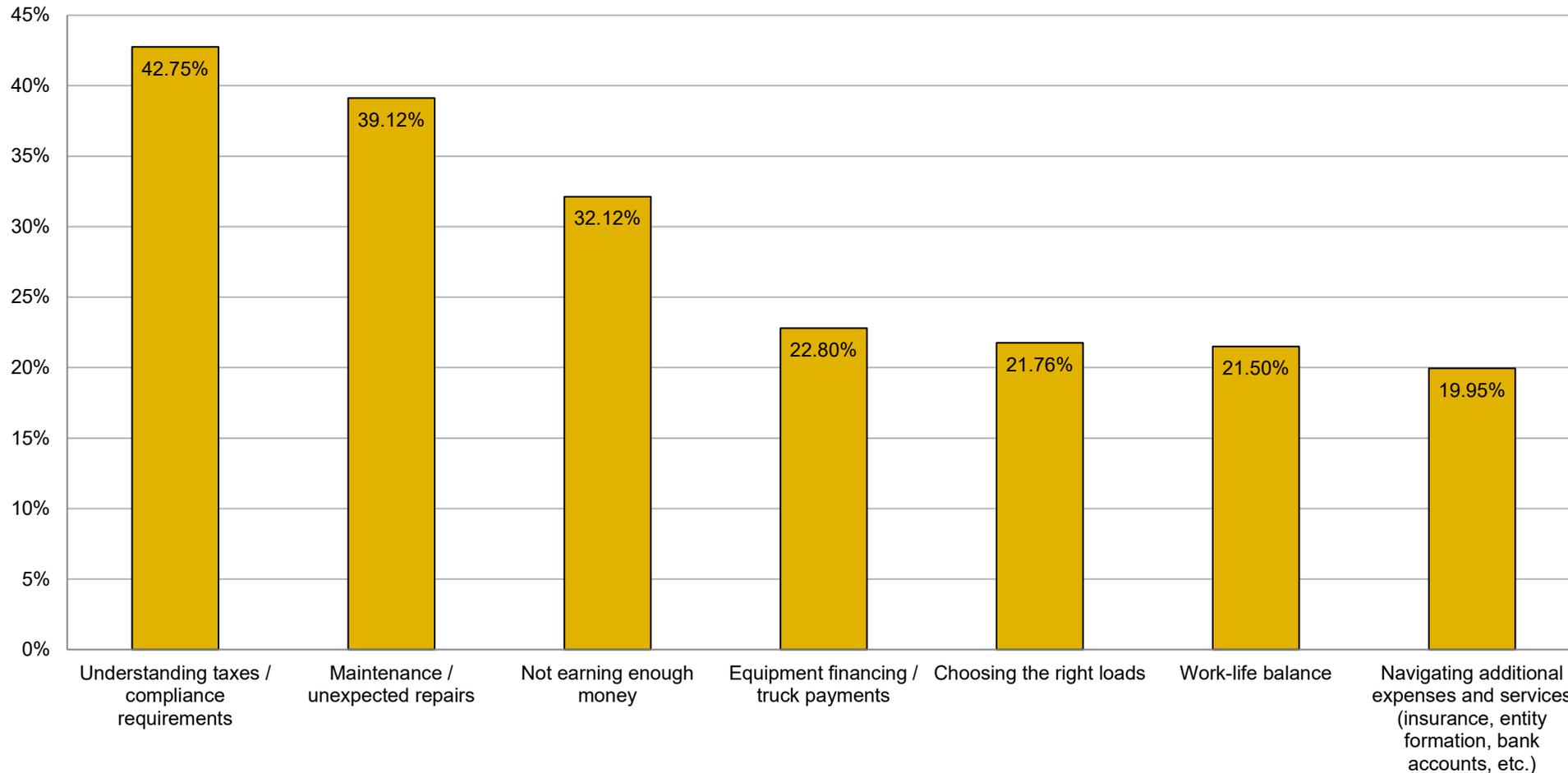
TTM 2024 vs TTM 2025: **-1.3%** **-\$2,207** to \$167,259

Dry	-0.5%	to	\$164,088	Specialized	-2.2%	to	\$179,168
Reefer	-0.6%	to	\$191,159	Tank	-2.2%	to	\$215,997
Flat	+0.3%	to	\$181,559	Independent	-1.2%	to	\$181,341

# What was your biggest challenge when you started as an Owner Operator?



\*Driver Survey



# Cost Analysis

Fixed, Variable, Total



## Fixed Costs

- Truck Payment
- Trailer Payment
- License, Permits, FHUT, Tolls, Scales
- Phys Dam Insurance
- Bobtail Insurance
- OccAcc Insurance
- Health Insurance

## Variable Costs

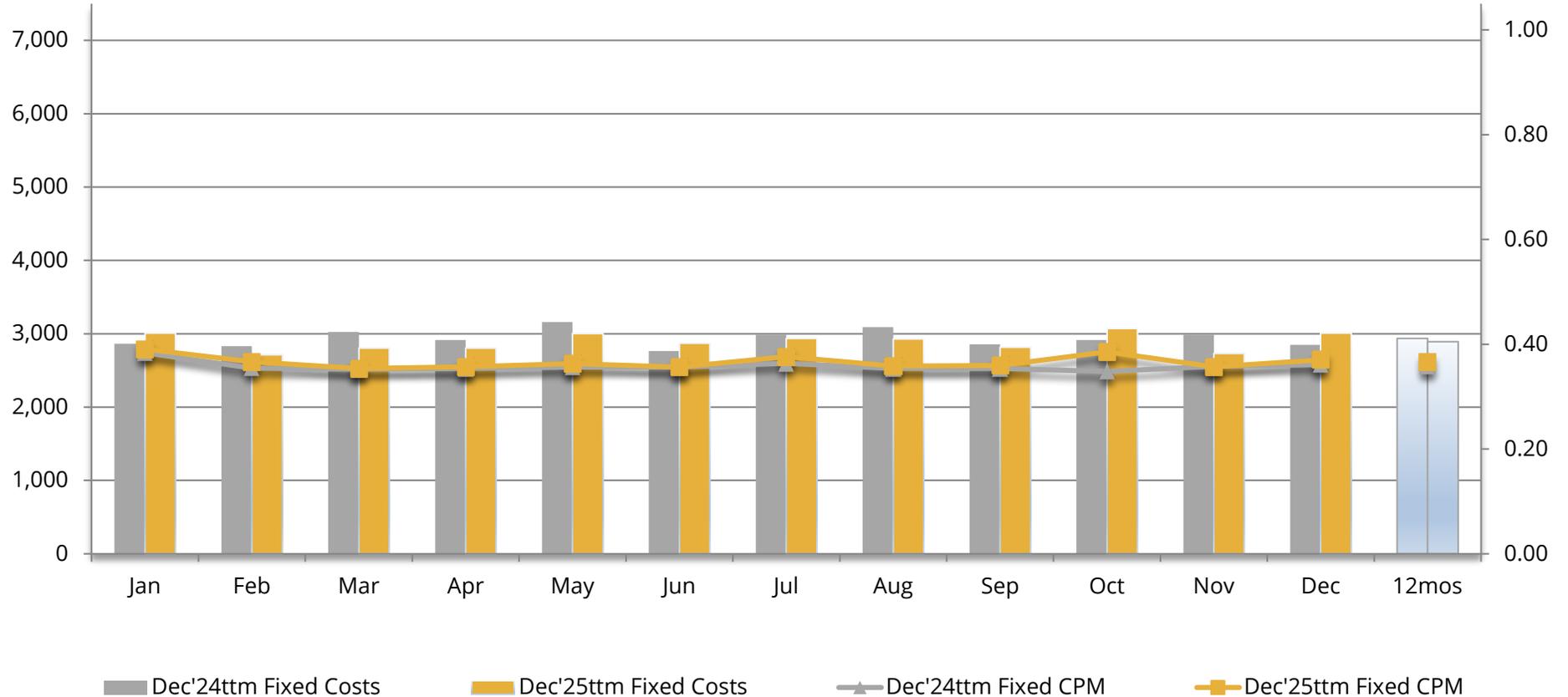
- Fuel
- Maintenance
- Communication
- Hotels

# Fixed Costs

## Average All Market Segments



### Fixed Costs - Average All Segments



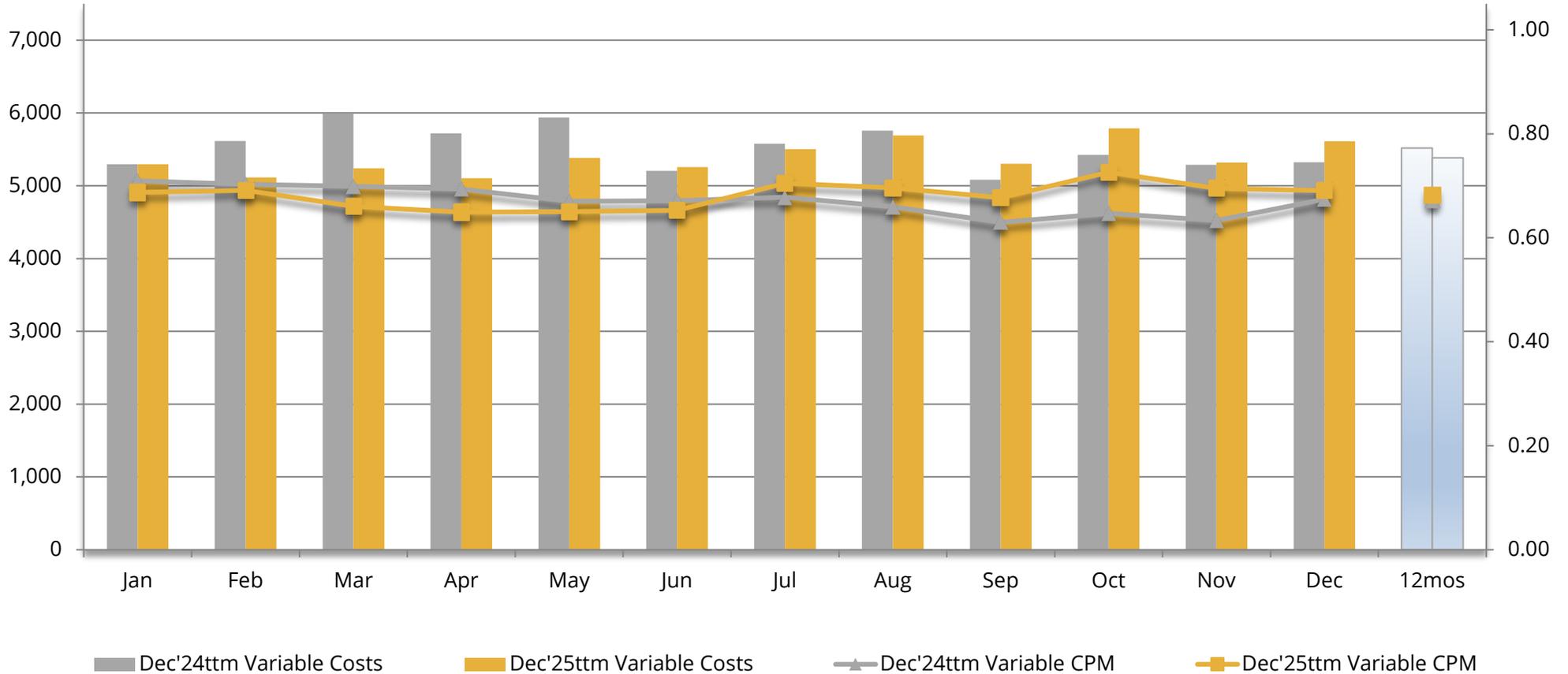
TTM 2024 vs TTM 2025: -1.5% down \$536 to \$34,703

# Variable Costs

## Average All Market Segments



Variable Costs - Average All Segments



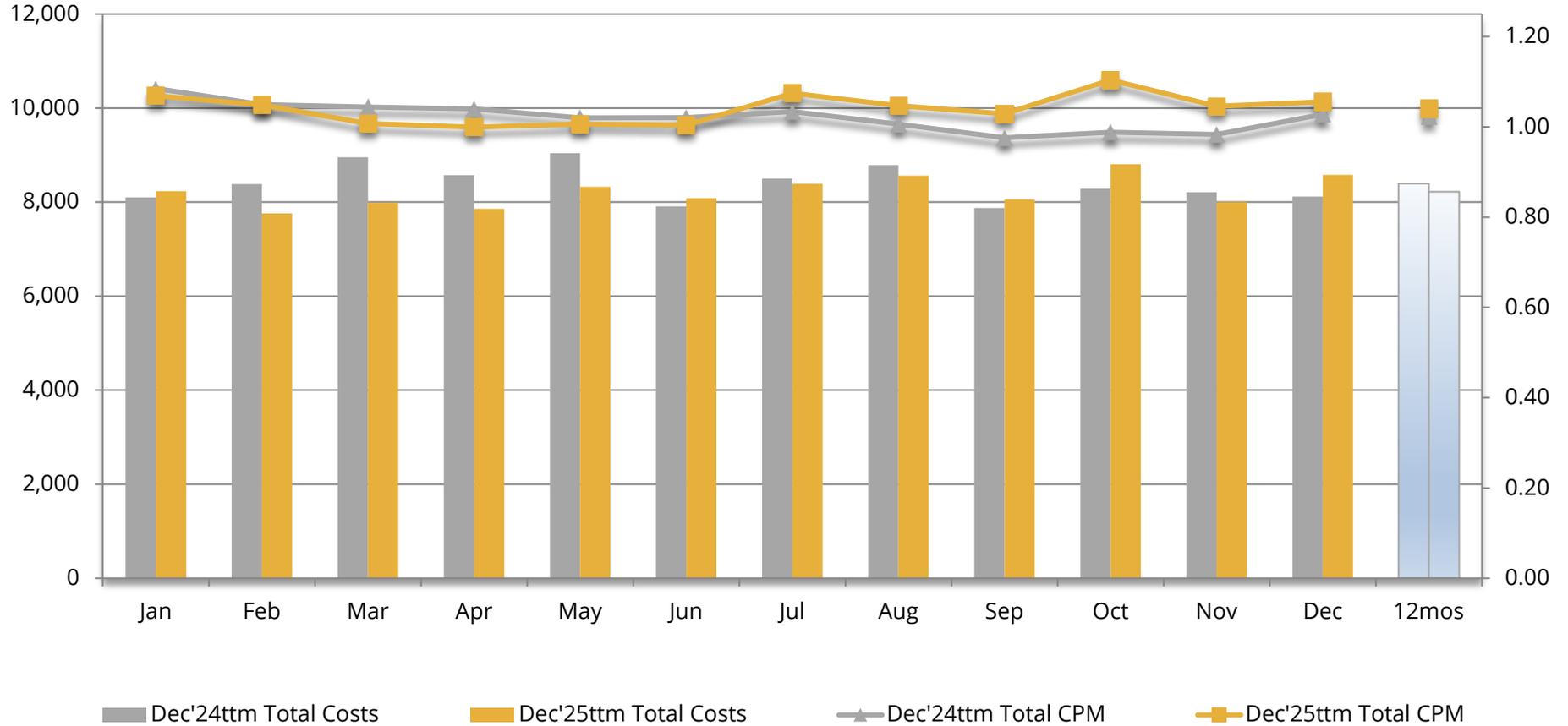
TTM 2024 vs TTM 2025: -2.4% down \$1,605 to \$64,619

# Total Costs

## Average All Market Segments



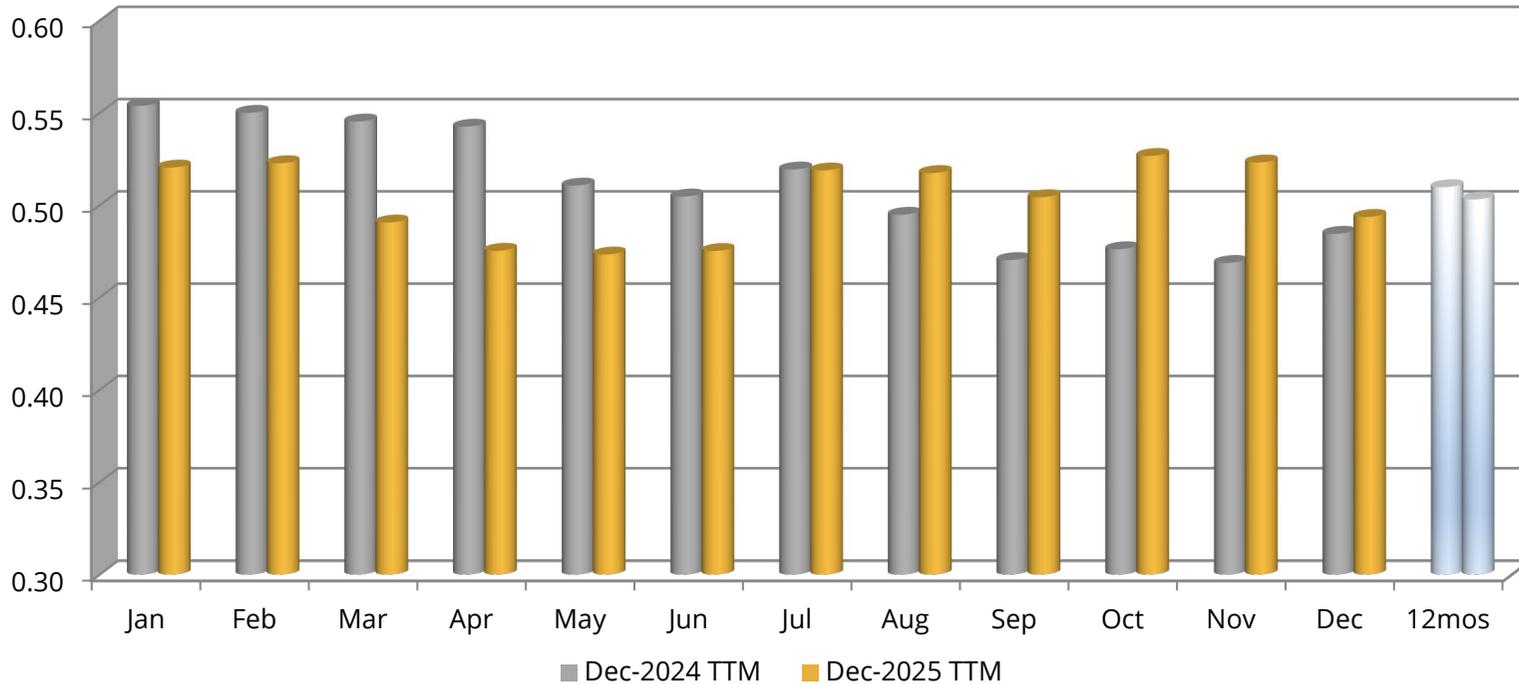
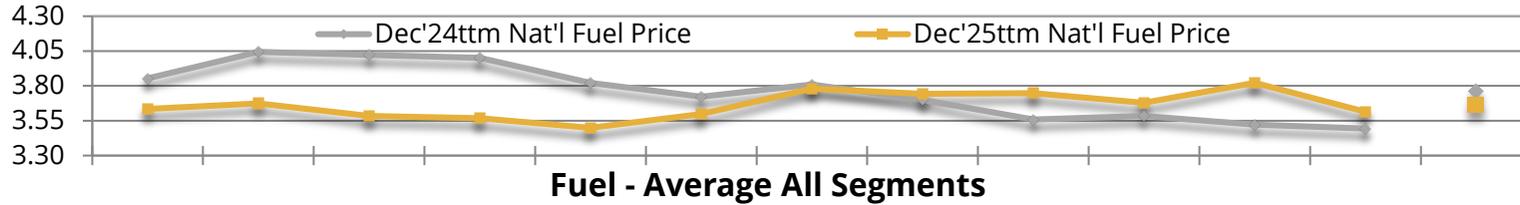
Total Costs - Average All Segments



TTM 2024 vs TTM 2025: -2.1% down \$2,085 to \$98,637

# Fuel CPM

## Average All Market Segments



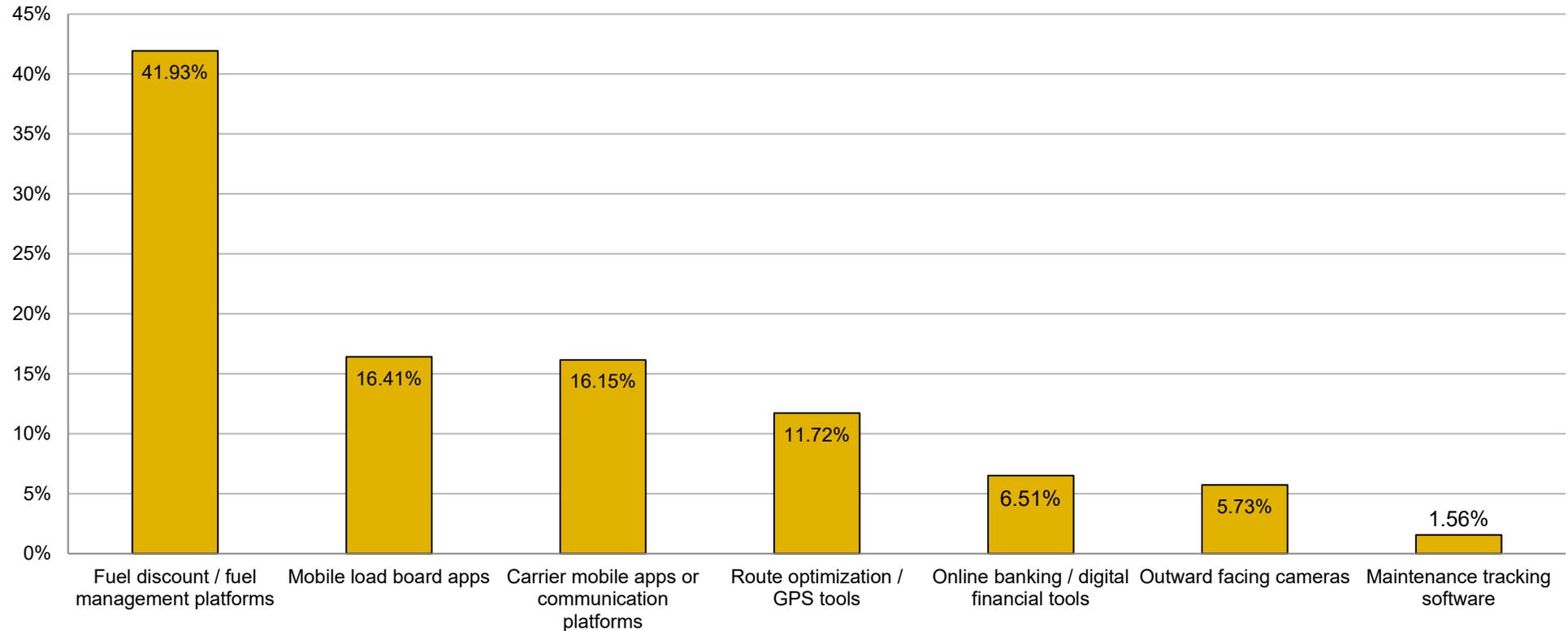
TTM 2024 vs TTM 2025: **-1.3%** **-\$0.01** to \$0.50 cpm

Dry	<b>+0.1%</b>	to	\$0.48	Specialized	<b>-3.5%</b>	to	\$0.54
Reefer	<b>-2.9%</b>	to	\$0.54	Tank	<b>-2.2%</b>	to	\$0.59
Flat	<b>-4.8%</b>	to	\$0.53	Independent	<b>-2.8%</b>	to	\$0.54

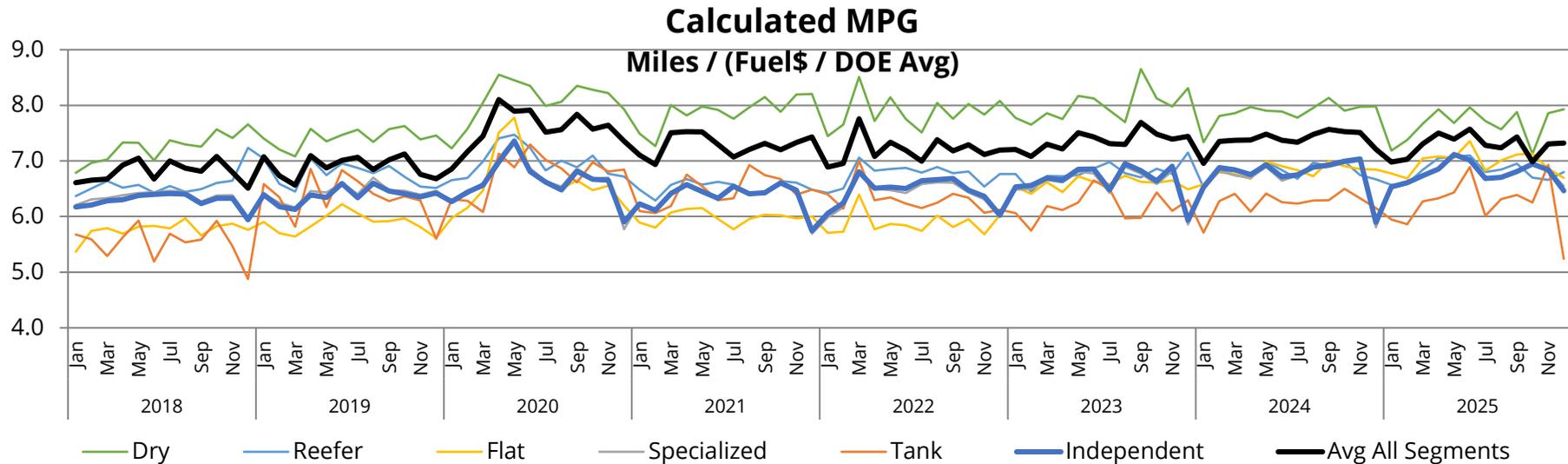
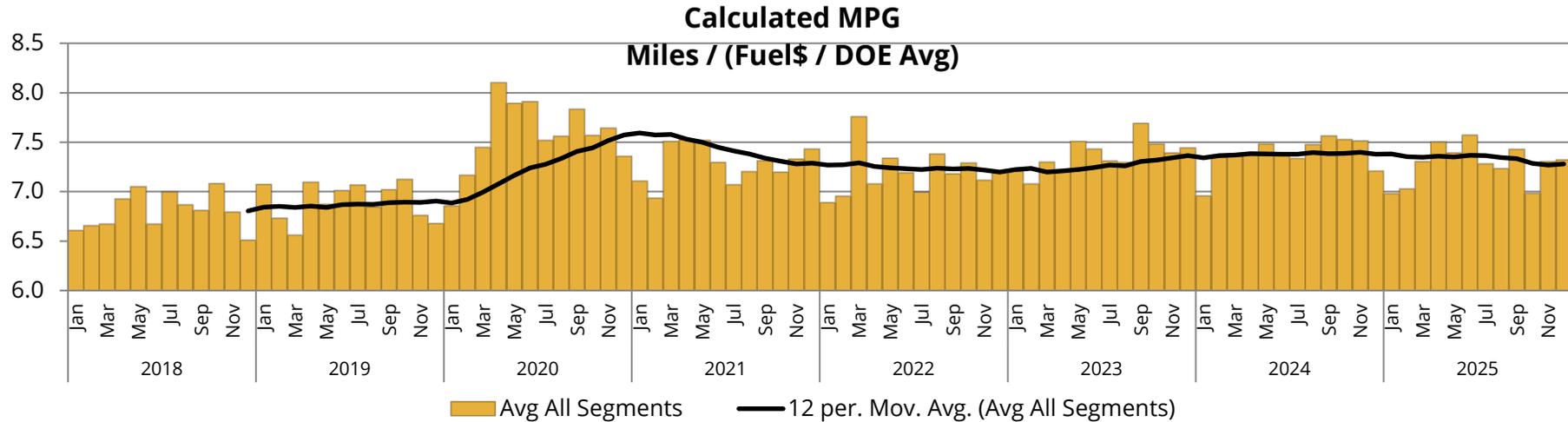
# Which technology advancement has had the greatest positive impact on your business?



\*Driver Survey



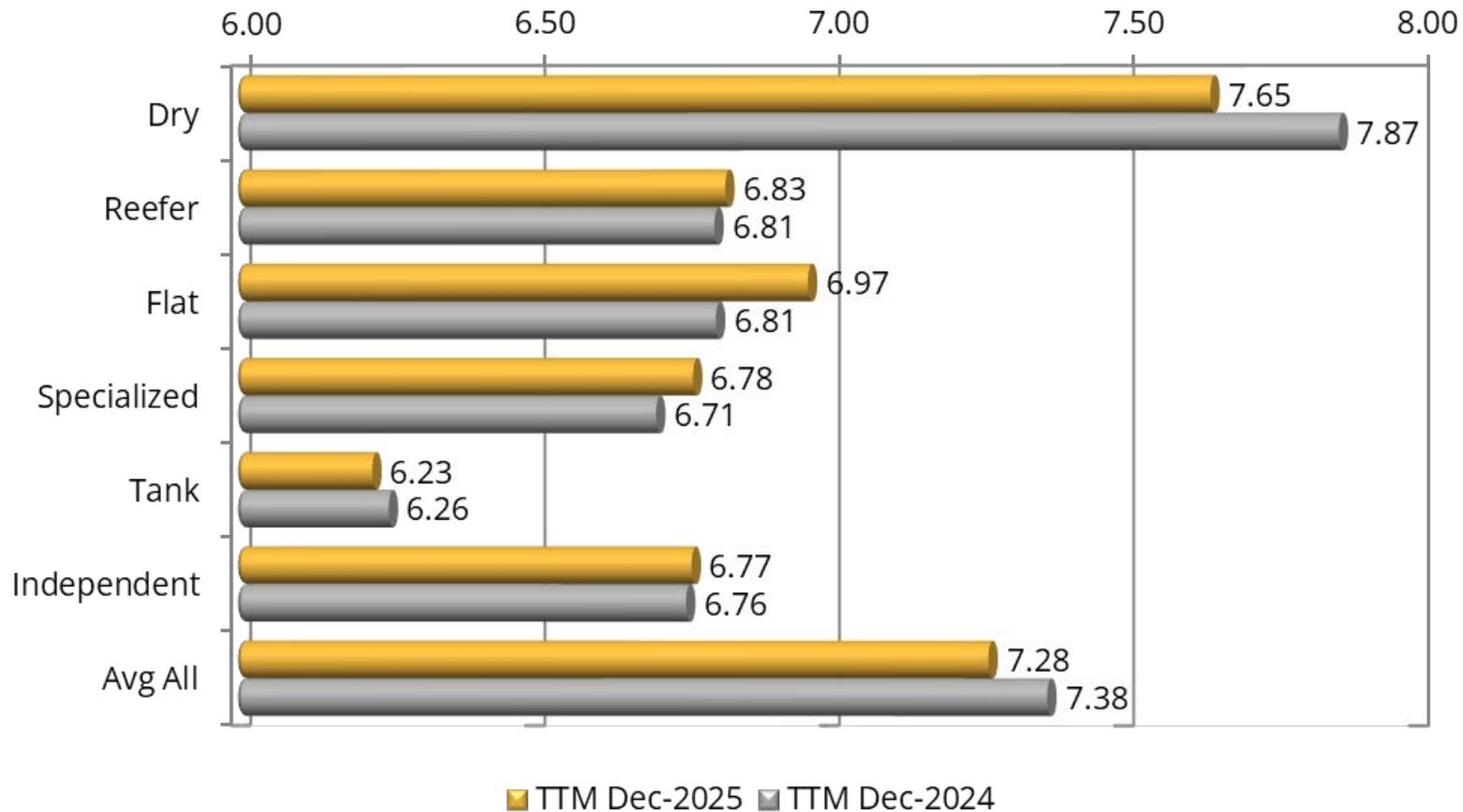
# Estimated MPG



# Estimated MPG



**MPG (estimated)**  
*miles / (fuel \$ / DOE avg \$ per gallon)*

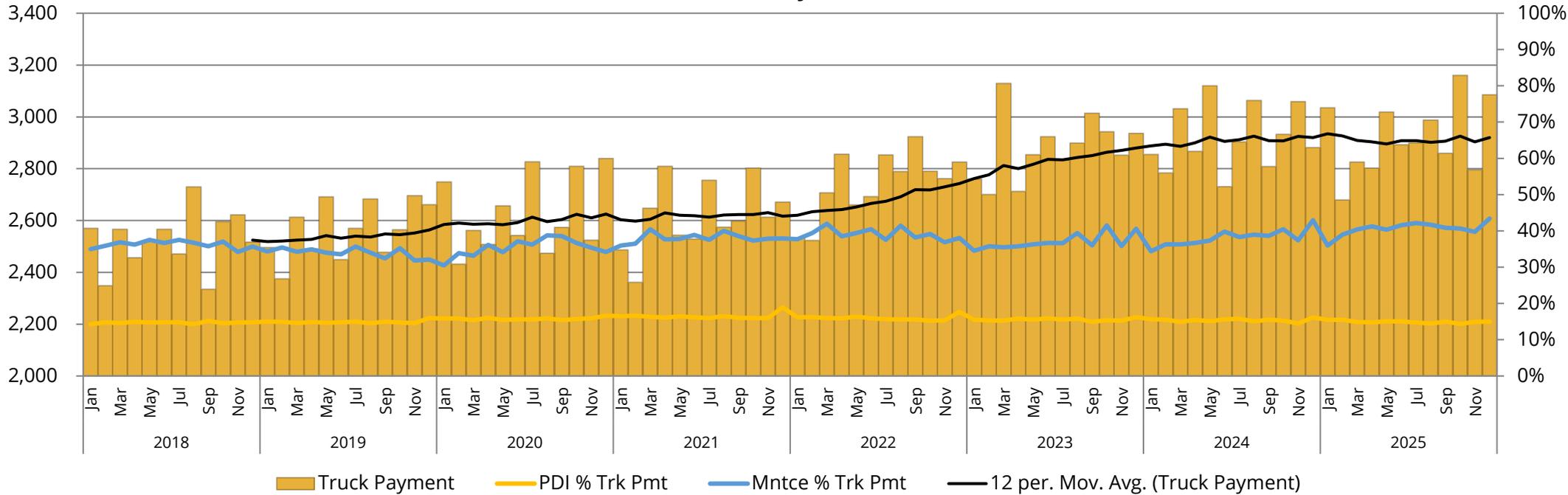


# Truck Payments, 2018 - Current

## Average All Market Segments



Truck Payment

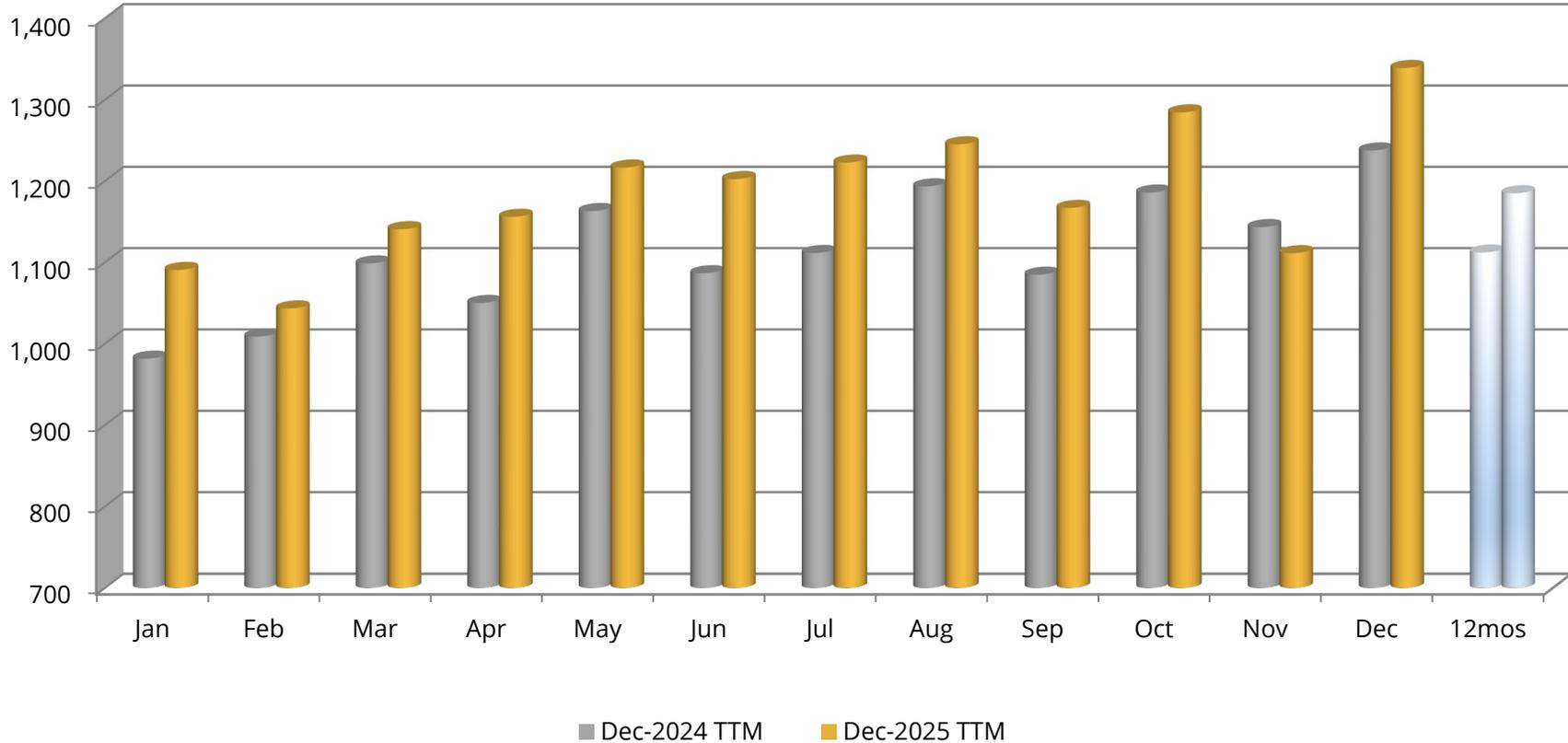


# Maintenance

## Average All Market Segments



Maintenance - Average All Segments



TTM 2024 vs TTM 2025: **+6.5% up \$874** to \$14,222

Dry	<b>+\$385</b>	to	\$12,311	Specialized	<b>+\$1,609</b>	to	\$17,777
Reefer	<b>+\$3,955</b>	to	\$17,274	Tank	<b>-\$1,176</b>	to	\$16,622
Flat	<b>-\$1,128</b>	to	\$13,003	Independent	<b>+\$1,728</b>	to	\$17,887

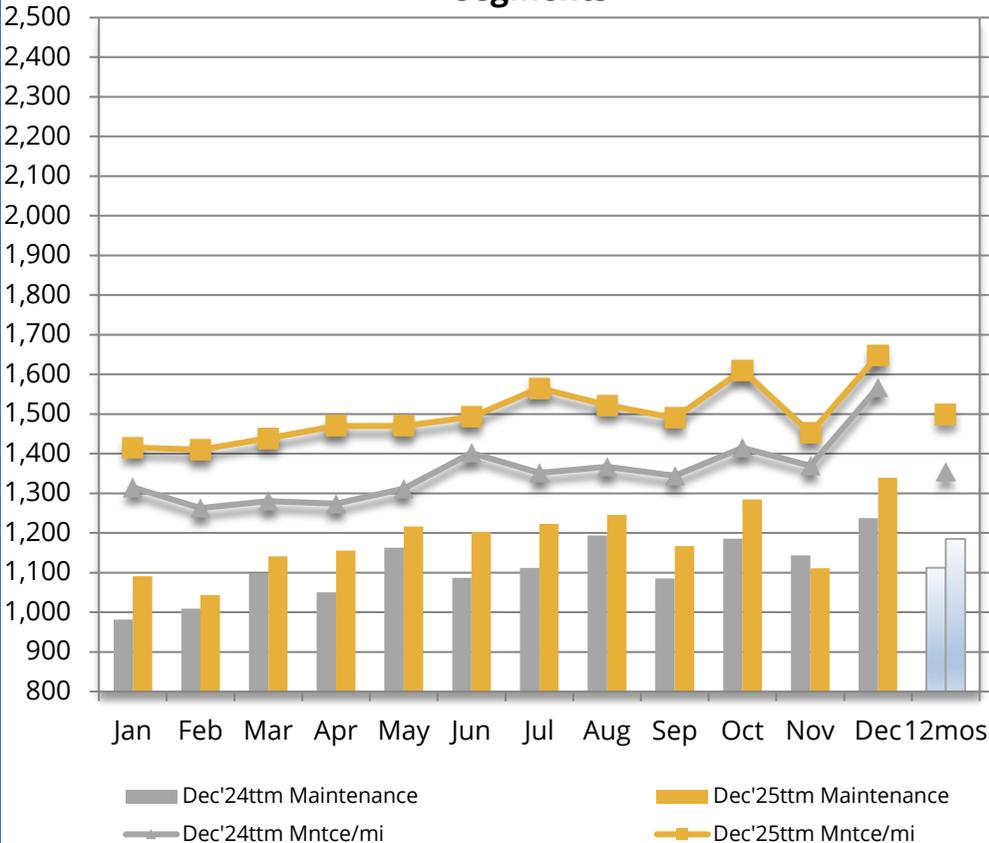
# Maintenance

## Average All vs Independents



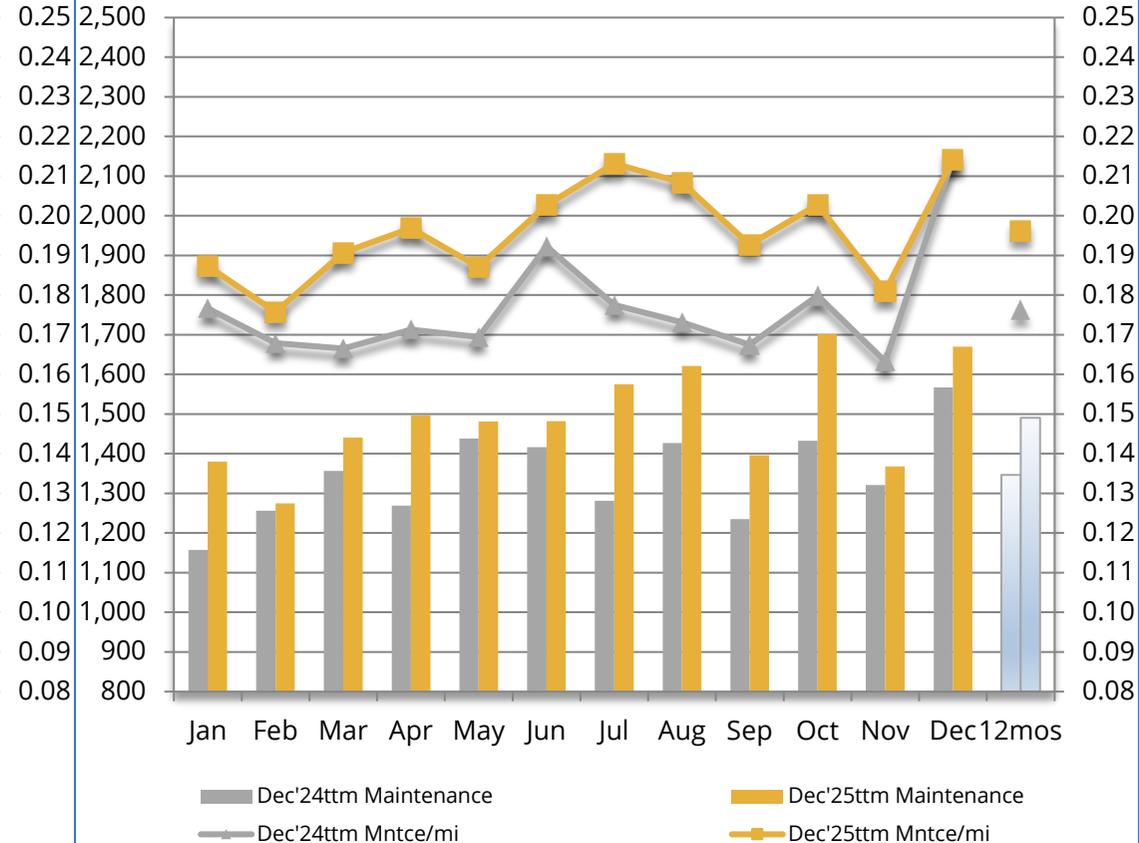
### Average All

Maintenance & Maintenance/mi - Average All Segments



### Independents

Maintenance & Maintenance/mi - Independents

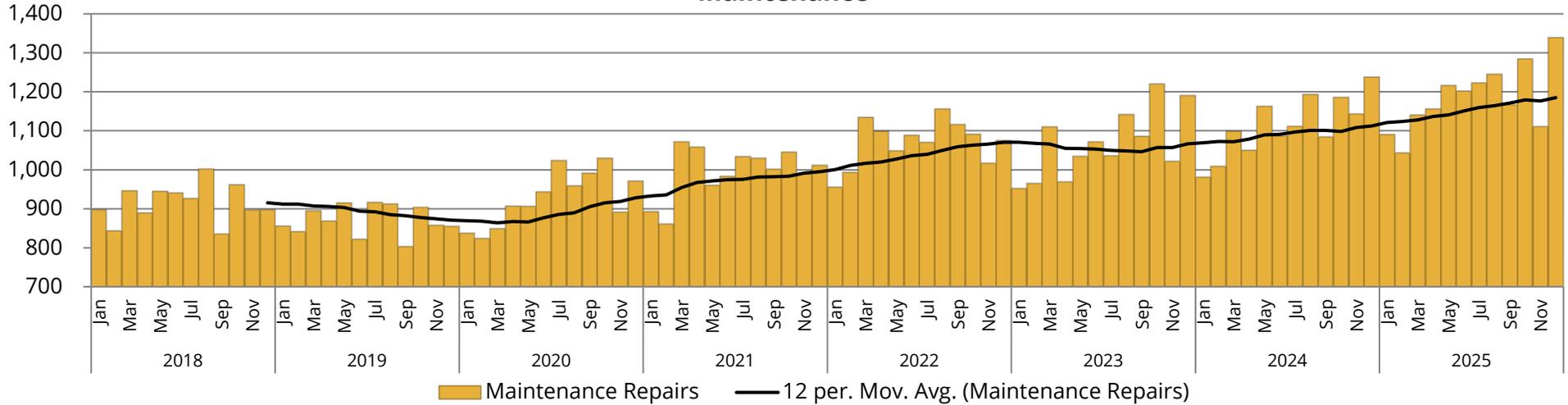


# Maintenance, 2018 - Current

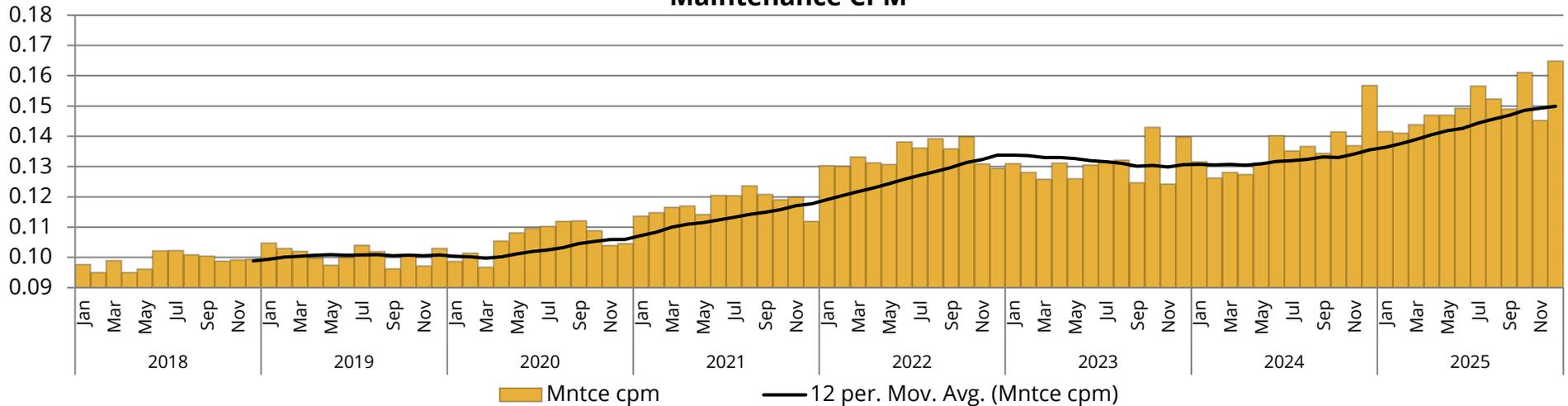
## Average All Market Segments



### Maintenance



### Maintenance CPM



# Net Income

Dollars vs Cents Per Mile (CPM)

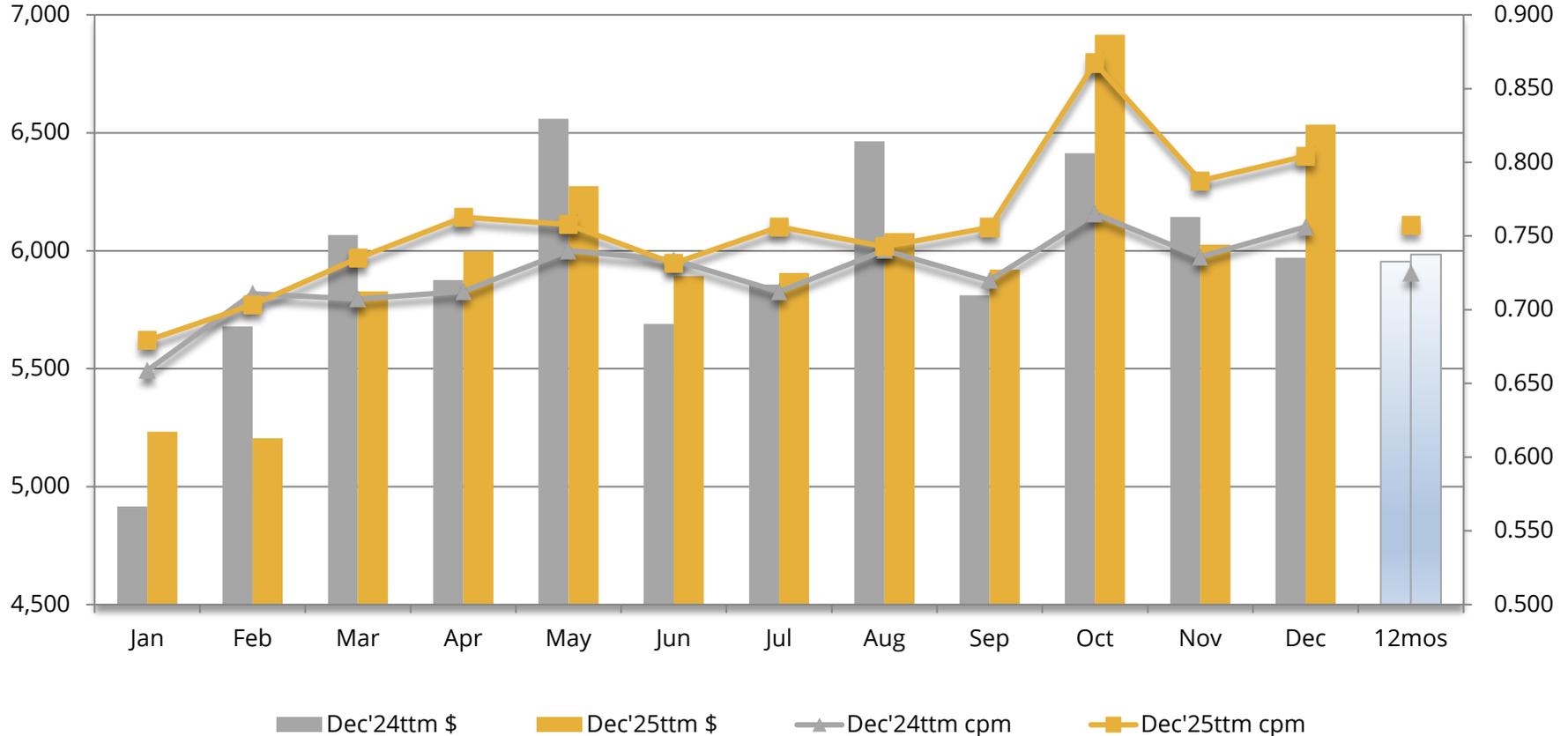


# Net Income

## Average All Market Segments



Net Income - Average All Segments



TTM 2024 vs TTM 2025: +0.5% up \$361 to \$71,808

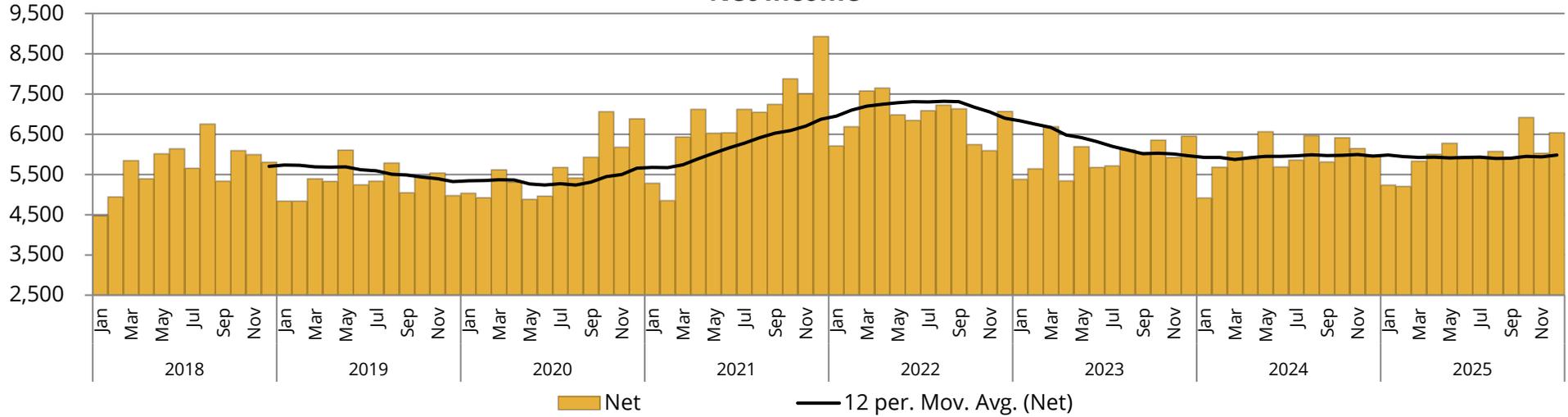
Dry	\$1,541	to	\$69,677	Specialized	-\$4,783	to	\$73,691
Reefer	-\$4,214	to	\$62,774	Tank	+\$1,811	to	\$119,505
Flat	+\$4,746	to	\$79,792	Independent	-\$3,760	to	\$74,025

# Net Income, 2018 - Current

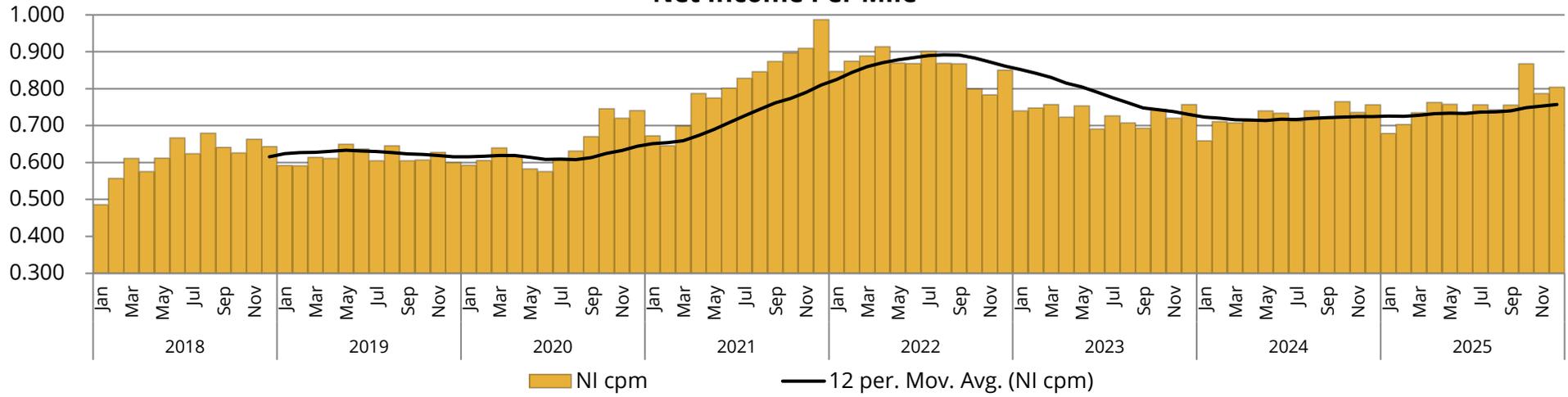
## Average All Market Segments



### Net Income



### Net Income Per Mile

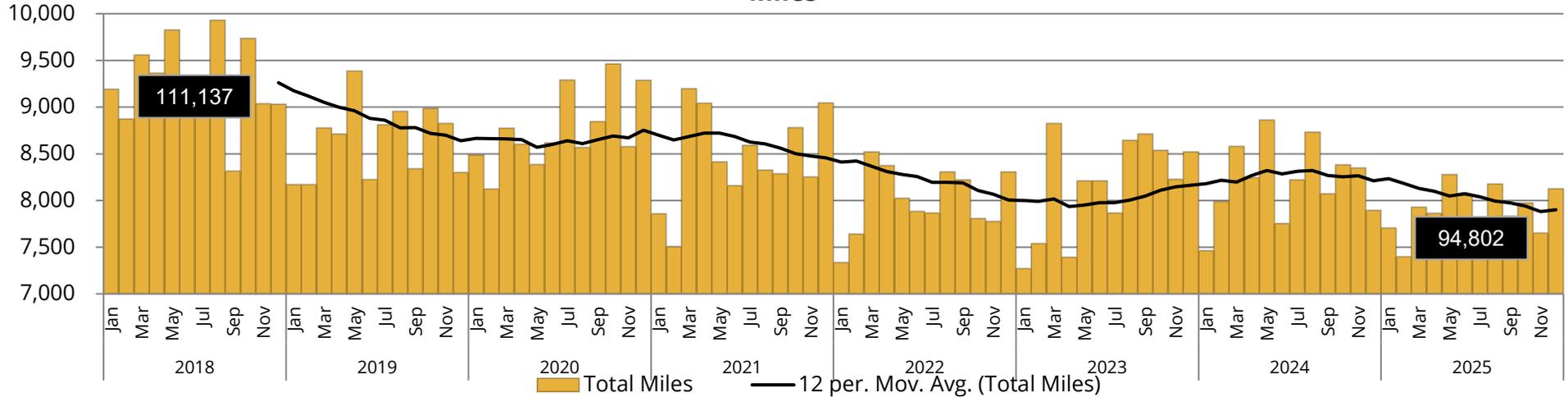


# Miles vs Net Income, 2018 - Current

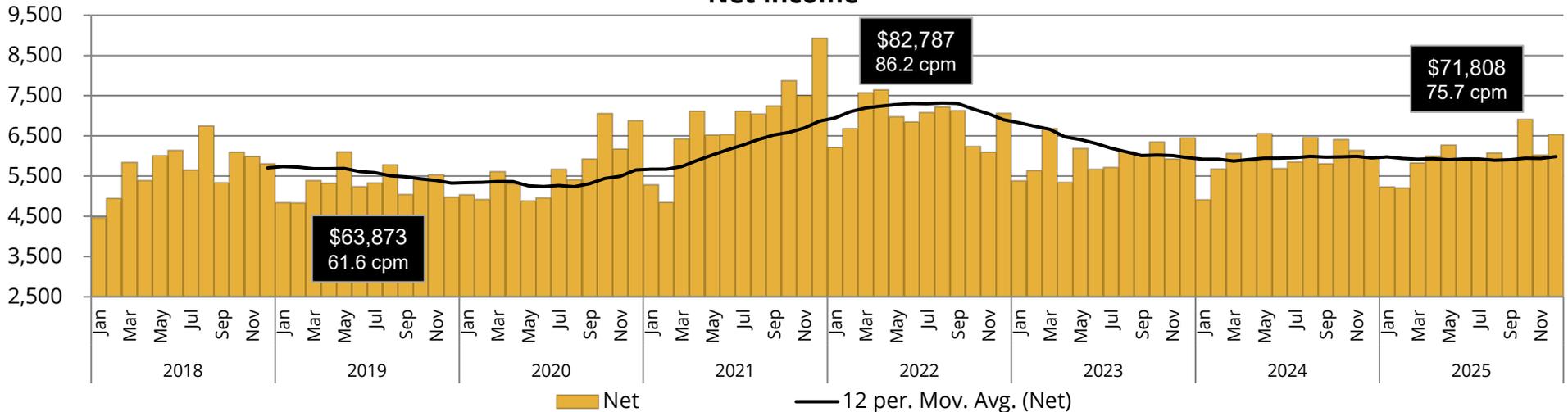
## Average All Market Segments



### Miles



### Net Income

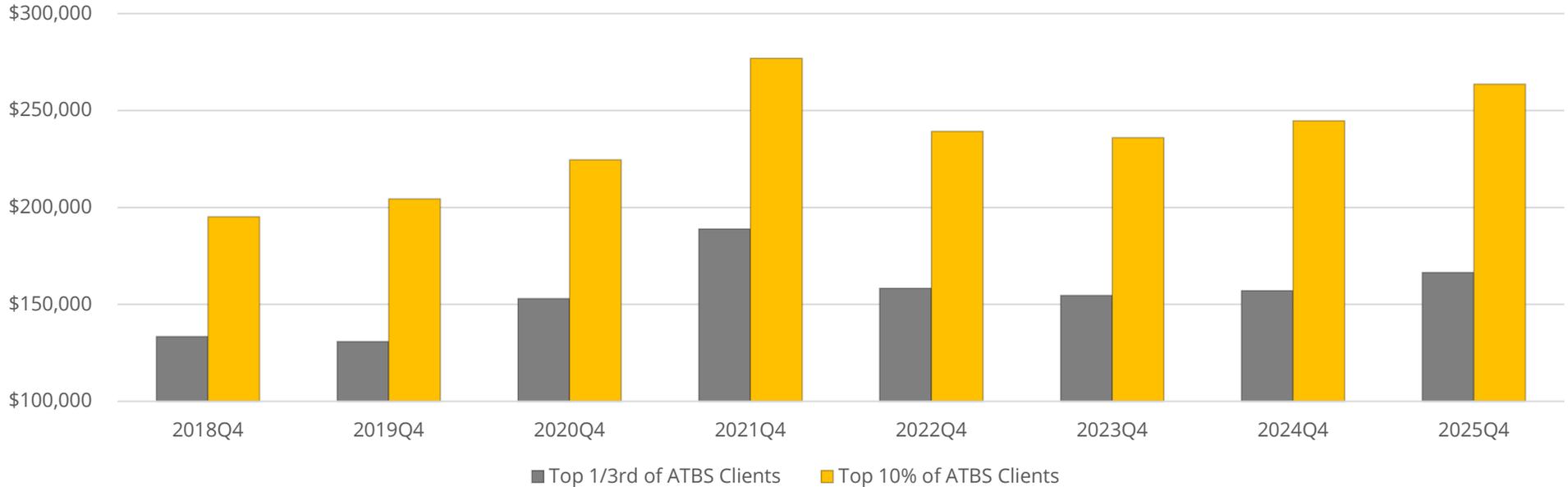


# Top Performing Clients

## Standard Deviation of NI not applied



Annualized Net Income

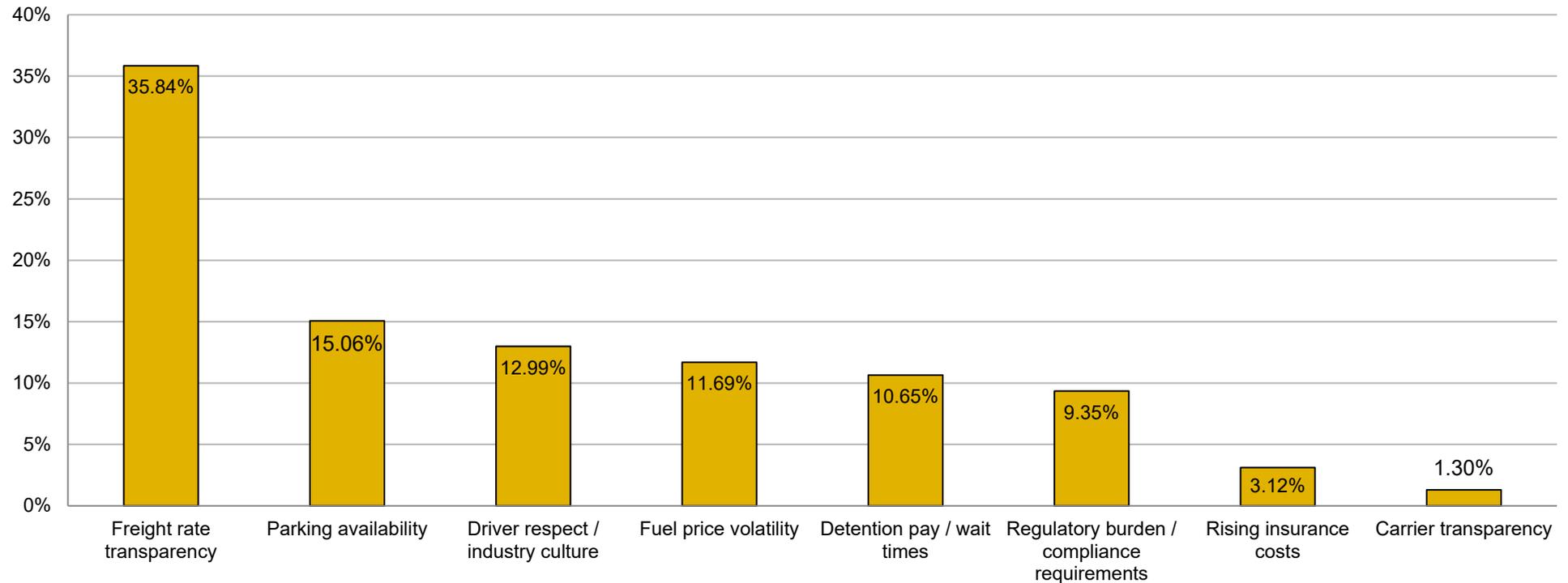


	2018Q4	2019Q4	2020Q4	2021Q4	2022Q4	2023Q4	2024Q4	2025Q4
Top 1/3 <sup>rd</sup> of ATBS Clients	\$133,444	\$130,860	\$152,985	\$188,960	\$158,376	\$154,650	\$157,170	\$166,431
Top 10% of ATBS Clients	\$195,183	\$204,439	\$224,516	\$276,962	\$239,257	\$236,002	\$244,679	\$263,527

# If you could change one major issue in the trucking industry, which would it be?



\*Driver Survey



# So what is important right now?

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- Fuel Cost
- Fuel Surcharge
- Fuel Economy
- Rates likely to go up!
- Cashflow issues due to FSC lag
- Understanding numbers – A new budget might be needed?

- Fuel in January was  $\$3.50 * 200 \text{ gallons} = \$700$  fill up
- Fuel 2 weeks ago was  $\$3.80 * 200 \text{ gallons} = \$780$  fill up
- Fuel today is  $\$4.85 * 200 \text{ gallons} = \$970$

That's a \$270 difference every time an IC fills up today vs 2 months ago. Education, efficiency, and understanding numbers is how we help our clients understand how to survive and even thrive in today's changing market!

- **Fuel Surcharge** - a mechanism in the trucking industry that helps balance the fluctuations in the cost of fuel.
- **The Fuel Surcharge Equals:**
  - The current price of fuel: \$5.38/gallon (as of 3/23/26)
  - The base price of fuel in a shipping contract: \$1.25/gallon
  - The increased cost of fuel:  $\$5.38 - \$1.25 = \$4.13/\text{gallon}$
  - Divided by the average miles per gallon of a truck = 6.5mpg
  - The fuel surcharge is  $\$3.60$  divided by 6.5 = \$0.64 cents per mile.
- So, if a shipping contract offers to pay \$2.00/mile base rate, plus a fuel surcharge, you would get paid \$2.64/mile based on the example above.

## Fuel Surcharge Matrix



Miles Per Gallon	Length of Haul	Number of Gallons	Cost of Fuel	Fuel Surcharge Compensation	Gross Cost of Fuel (after Fuel Surcharge)	Base Price (base rate X gallons at 6.5 mpg)	Net Fuel Cost after Base Price
5 MPG	1,000 Miles	200 Gallons <i>(1000 miles / 5 mpg)</i>	\$1,000 <i>(200 gallons X \$5.00)</i>	\$580 <i>(\$0.58 FSC X 1000 miles)</i>	\$420 <i>(\$1000 - \$580)</i>	\$192.31 <i>(\$1.25 X 153.85)</i>	-\$227.69 <i>(\$192.31 - \$420)</i>
6 MPG	1,000 Miles	166.66 Gallons <i>(1000 miles / 6 mpg)</i>	\$833.33 <i>(166.66 gallons X \$5.00)</i>	\$580 <i>(\$0.58 FSC X 1000 miles)</i>	\$253.33 <i>(\$833.33 - \$580)</i>	\$192.31 <i>(\$1.25 X 153.85)</i>	-\$61.02 <i>(\$192.31 - \$253.33)</i>
7 MPG	1,000 Miles	142.86 Gallons <i>(1000 miles / 7 mpg)</i>	\$714.29 <i>(142.86 gallons X \$5.00)</i>	\$580 <i>(\$0.58 FSC X 1000 miles)</i>	\$134.29 <i>(\$714.29 - \$580)</i>	\$192.31 <i>(\$1.25 X 153.85)</i>	\$58.02 PROFIT <i>(\$192.31 - \$134.29)</i>
8 MPG	1,000 Miles	125 Gallons <i>(1000 miles / 8 mpg)</i>	\$625 <i>(125 gallons X \$5.00)</i>	\$580 <i>(\$0.58 FSC X 1000 miles)</i>	\$45 <i>(\$625 - \$580)</i>	\$192.31 <i>(\$1.25 X 153.85)</i>	\$147.31 PROFIT <i>(\$192.31 - \$45)</i>
9 MPG	1,000 Miles	111.11 Gallons <i>(1000 miles / 9 mpg)</i>	\$555.56 <i>(111.11 gallons X \$5.00)</i>	\$580 <i>(\$0.58 FSC X 1000 miles)</i>	-\$24.44 <i>(\$555.56 - \$580)</i>	\$192.31 <i>(\$1.25 X 153.85)</i>	\$216.75 PROFIT <i>(\$192.31 - -\$24.44)</i>
10 MPG	1,000 Miles	100 Gallons <i>(1000 miles / 10 mpg)</i>	\$500 <i>(100 gallons X \$5.00)</i>	\$580 <i>(\$0.58 FSC X 1000 miles)</i>	-\$80 <i>(\$500 - \$580)</i>	\$192.31 <i>(\$1.25 X 153.85)</i>	\$272.31 PROFIT <i>(\$192.31 - -\$80)</i>

- **Maintain optimal RPM** - Ideal range is **1100–1200 RPM**; avoid both high speeds (75+ mph) and “bogging down” the engine at low RPM (800–900).
- **Reduce unnecessary shifting** - If terrain causes frequent shifting, **slow down and maintain a steady RPM**.
- **Limit idling** - Idling burns fuel ( $\approx$  **30 miles of fuel per hour**). Use **bunk heaters and grill blankets** to reduce overnight idling.
- **Protect emissions system** - Excessive idling increases **DPF regenerations**, burning extra fuel and adding wear to components like the **turbo and EGR**.
- **Check air filters regularly** - Dust and sand—especially in **hot, dry regions**—can clog filters and reduce engine efficiency. Clean by tapping out debris (no compressed air).
- **Stay on top of maintenance** - Replace **fuel filters** according to manufacturer guidelines to prevent MPG loss and engine issues.
- **Monitor alignment** - **Potholes and rough roads can cause misalignment, increasing rolling resistance and reducing fuel efficiency.**



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