

2019 Cross-Industry Compensation Survey:

DRIVER AND WAREHOUSE POSITIONS EDITION

SAMPLE



Metals Service Center Institute
100 YEARS **STRONG**

2019 Cross-Industry Compensation Report: *Driver & Warehouse Positions Edition*

(Based on Calendar Year 2018 Statistics)

The **2019 Cross-Industry Compensation Report: Driver & Warehouse Positions Edition** provides a detailed analysis of key compensation and benefits related statistics for the distribution industry. The results are based on confidential surveys from 93 distribution companies, providing data for 699 locations.

The **2019 Cross-Industry Compensation Report: Driver & Warehouse Positions Edition** was compiled, tabulated and analyzed by **Industry Insights, Inc.** (www.industryinsights.com), an independent professional research and analytics firm that specializes in conducting financial operating surveys, compensation studies, market assessment surveys, customer satisfaction research, educational programs and other forms of customized research for associations.

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Introduction

About This Report

The **2019 Cross-Industry Compensation Report: Driver & Warehouse Positions Edition** represents the most complete, accurate, and up-to-date driver and warehouse positions compensation data available. This report is designed to allow users to easily compare compensation levels and recruiting and retention information with companies involved in wholesale trade/distribution.

We at Industry Insights are proud to present the enclosed insights into the compensation practices for the distribution industry. We wish to thank the companies that submitted data for the study. Their support was essential in making this study a success.

How the Tables are Organized

The tables in this report are organized to include a number of important findings for each relevant “grouping” of similar companies. Detailed compensation information is reported for the following data aggregations:

MSCI Firms Only

All Firms

2018 Location Sales/Shipment Volume

- Under \$50 Million
- \$50 to \$200 Million
- Over \$200 Million

Location Region

- Northeast
- South
- Midwest
- West
- Outside U.S.

This report provides an “abridged” view of the survey results. All survey participants/subscribers also have access to an Excel-based file containing output of all survey data points which are presented by many additional data aggregations for comparison. The Excel file as well as PDF versions of the survey and this report can be found online at www.compensationbenchmarking.com/MSCI. Some of the additional aggregates included are:

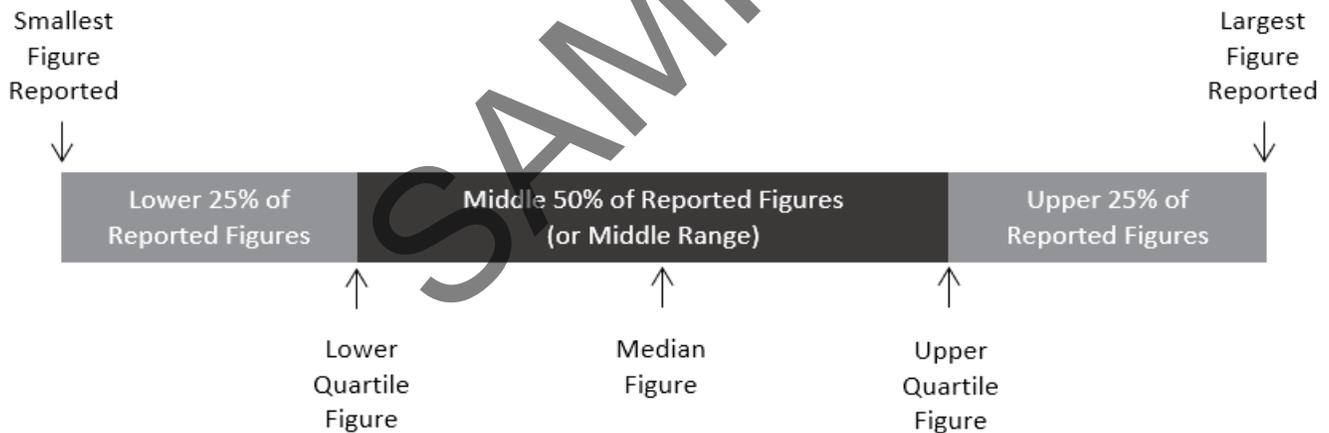
- Organization Sales Volume
- Business Seasonality
- Number of Employees
- Metropolitan Statistical Areas (MSAs)
- U.S. States
- Geographic Regions (9 U.S. Census Regions and Outside of U.S.)

Interpreting the Numbers

Many of the results included in this study are reported as both medians and arithmetical averages or means. Unlike the mean, the median is not distorted by a few unusually high or low values that may exist in the sample due to special circumstances. The “median” value represents the mid-point of the data for a particular measure, with one-half of responding distributors reporting figures above it and one-half below. Each median was computed independently based on the participants that reported for that item. As a result, mathematical relationships do not always exist when different data points are used together in a calculation

As readers compare their compensation information to that of the industry, it is important to remember that the statistics published in this report should be regarded as guidelines rather than absolute standards. Since distributors differ depending on their location, size, specialization, and other factors, any two distributors may offer their employees reasonably attractive, yet very different compensation packages. For example, duration of employment and nature of prior experience will obviously influence the compensation offered to a particular individual. Thus, a deviation between a company’s own figures for a position and numbers contained in this report is not necessarily good or bad; it is merely an indication that additional scrutiny may be warranted.

As a safeguard to ensure the confidentiality of all responses, a minimum of 5 responding organizations for each value is required in order to show means and medians (a minimum of 7 organizations is required to display percentiles). In addition, values are not displayed if a single organization represents more than 40% of the reported values for a data grouping. An asterisk (*) replaces the values for all cases in which the data sampling failed to meet both requirements.



Disclaimer

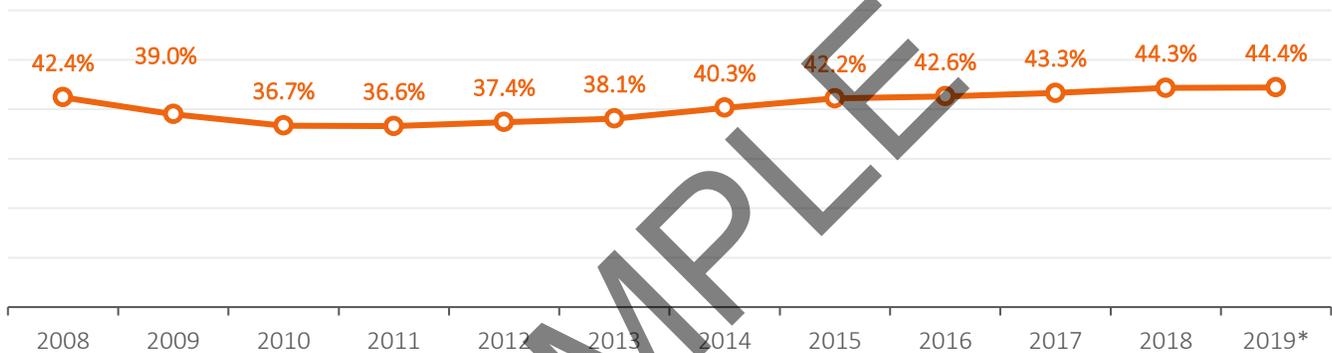
The statistical information contained in this report is believed to be representative of the individuals responding to the survey. All reasonable efforts were taken by Industry Insights, Inc. to assure data comparability within the limitations of reporting procedures. However, the data used in this report are not necessarily based on audited data and the statistical validity of any given number varies depending upon sample sizes and the amount of consistency among responses for that particular figure. Industry Insights and MSCI, therefore, make no representations or warranties with respect to the results of this study and shall not be liable to clients or anyone else for any information inaccuracies, or errors or omissions in contents, regardless of the cause of such inaccuracy, error or omission. In no event shall Industry Insights and/or MSCI be liable for any consequential damages.

Turnover Rates Trending Upward

Currently, the economy is experiencing both low unemployment rates and a surplus of job openings. When this occurs, the competition for talent increases, resulting in higher employee turnover rates and increased compensation levels. The turnover rate for employees was over 44% in 2018; the highest it has been in the past eleven years. Looking ahead to 2019, it is forecasted that the turnover rate will remain at 44% as new jobs continue to be created and unemployment continues to trend downward.

As job surpluses, quit rates, and employee turnover rates continue to rise, so too does the need for employers to retain employees. These factors have led to increases in employee expenses in the form of rising salaries, training and education expenses, and fringe benefits. Given the current labor market in the U.S., finding and retaining skilled employees is one of the most important issues facing employers.

Turnover Rate



Source: Bureau of Labor Statistics
*Forecast—Federal Reserve

Summary

The overall economy remained relatively steady in 2018 with little variation from 2017. Companies are expanding, and new jobs are being created at historically high levels. This trend should continue as the economy continues to grow and the unemployment rate falls. Forecasts for GDP, salary budgets, inflation, and unemployment are all favorable for 2018, and the U.S. dollar remains strong. The overall positive forecasts and continued economic growth should result in increased employment and compensation levels moving forward. However, with the increasing fear of a recession, consumer spending may tighten, which would dampen the expected growth figures. Additionally, economic uncertainty continues to be seen with volatility in the stock market, unsecured trade agreements, and the unknown impact of baby boomers retiring at the highest levels seen to date.

Driver Compensation

Class A CDL Delivery Drivers (No Helper)

Operates a tractor and trailer for making deliveries to stores, customer distribution centers and other business locations. Responsible for delivering products to customers and may unload using company provided equipment, such as ramps, hand trucks, carts, pallet jacks, rollers, stands, lift trucks, etc. Completes related paperwork regarding the product(s). Typically travels within a specific region or distance from the distribution center. Maintains DOT logs. Requires Class A CDL license.

	# of Employees	Average Weekly Hours	Base Compensation		Gross Compensation		Effective Base Rate		Effective Gross Rate	
			Median	Average	Median	Average	Median	Average	Median	Average
MSCI Firms	2,114	43.4	\$44,654	\$45,121	\$50,011	\$52,472	\$20.46	\$20.32	\$23.07	\$23.42
All Firms	23,006	44.5	\$50,676	\$53,790	\$59,638	\$62,341	\$23.50	\$23.29	\$27.06	\$26.95
2018 Location Sales Volume/Shipment Volume										
Under \$50M	394	45.2	\$46,662	\$47,029	\$49,316	\$52,500	\$20.88	\$20.26	\$22.43	\$22.42
\$50M-\$200M	1,956	47.1	\$51,429	\$54,254	\$62,971	\$63,889	\$22.69	\$22.23	\$25.72	\$26.09
Over \$200M	6,641	50.4	\$72,394	\$69,941	\$82,796	\$81,931	\$27.79	\$26.63	\$32.07	\$31.27
Location Region										
Northeast	3,217	44.7	\$55,131	\$56,909	\$63,656	\$65,791	\$24.38	\$24.60	\$28.05	\$28.42
South	9,508	44.6	\$48,321	\$51,747	\$56,877	\$61,121	\$22.72	\$22.29	\$25.89	\$26.24
Midwest	4,339	43.8	\$53,281	\$56,061	\$61,644	\$63,935	\$24.50	\$24.55	\$28.46	\$27.94
West	4,405	45.9	\$52,796	\$56,366	\$62,400	\$64,272	\$25.00	\$23.65	\$28.40	\$27.03
Outside U.S.	86	40.0	\$55,708	\$56,338	\$58,521	\$57,510	\$26.78	\$27.09	\$28.14	\$27.65



Percent of Class A CDL Drivers (No Helper) that are Unionized – All Firms			
Average	25 th Percentile	Median	75 th Percentile
26.2%	0.0%	0.0%	88.0%