

# MOVING TRENDS

**GHC Industry Survey**

Conducted April 18 - May 20, 2024



# OVERVIEW

Movers for America commissioned an independent survey of moving professionals, conducted April 18 - May 20, 2024, to gauge their current participation in military moves, the business pressures they face, and their awareness and views about U.S. Transportation Command's (TRANSCOM) planned transition of military household goods moves under the new Global Household Goods Contract (GHC).

This group included more than 600 professionals representing independent van lines, agency owners, independent owner-operators, and contractors. The survey reflected widespread awareness and concerns about the GHC and also documented significant market pressures that participants fear would increase under the GHC.

# KEY FINDINGS

## Many of those who currently move military families are veterans themselves

- 38% of respondents or their immediate family members are veterans of the US military.
- Independent owner-operators are more than 7 times as likely to have served in the military as the general population. This is consistent with prior findings by Pew Research.

## Respondents report significant military moving experience

- Military shipments make up more than 50% of annual hauling revenue for almost three-quarters (71%) of respondents.
- 72% of respondents have 20 years or more experience in the household goods moving industry.

## Costs are up across the board

- 100% of agency owners say costs for labor and materials have gone up over the last five years, and 99% say costs have increased for insurance, fuel, and equipment.
- About three-quarters of respondents say the costs of equipment, fuel, labor, and materials have gone up by at least 30% over the last five years, with more than one-third saying that these costs have increased by at least 50%.

## An overwhelming majority of moving professionals say their operational costs have significantly increased over the last five years in the following categories:

- Labor - 96%
- Fuel - 96%
- Material - 94%
- Insurance - 93%
- Equipment - 93%
- None of the above - 3%

## About three-quarters of respondents have seen at least a 30% increase in operational costs over the last 5 years for labor, fuel, material, and equipment:

- Labor - 79%
- Fuel - 77%
- Material - 74%
- Equipment - 76%
- Insurance - 63%

## More than one-third respondents have seen at least a 50% increase in these operational costs over the last 5 years:

- Labor - 35%
- Fuel - 37%
- Material - 34%
- Equipment - 39%
- Insurance - 22%

## High awareness of Global Household Goods Contract (GHC)

- Nearly 90% of moving professionals are familiar with USTRANSCOM's new Global Household Goods Contract (GHC), with agency owners and independent van lines the most aware.

# KEY FINDINGS

## Nearly all moving professionals voiced fears about GHC imposing new layers of red tape

- More than 90% of moving professionals across all sectors said they believe imposing the Service Contract Act (SCA) will have a negative impact on their operations – and 97% believe the hourly compensation requirements will negatively impact operations.
- 94% said it will be difficult to comply with SCA requirements, which could include recordkeeping on the identities of labor, elimination of day labor usage, conversion of independent drivers to company employees, and pay for each helper.
- About 75% of moving professionals said they are very concerned with the complexities of the SCA, and more than 90% of the industry at least somewhat concerned.

***Under GHC, a single private entity (HomeSafe) will decide who receives jobs through subcontracting. Among the moving professionals surveyed, 91% believe this will negatively impact their operations.***

## Biggest industry concerns with GHC

- Requirements for independent operators to become employees - a concern of 90% of all respondents; 94% of independent owner-operators
- Compensation - a concern of 96% of respondents
- Administration of the SCA - 89% of all; 92% of agency owners
- Complying with bureaucratic complexity - 85% of respondents
- Lack of confidence in US TRANSCOM / sole contractor's ability to execute program - 93% of respondents
- Increase in claims liability and exposure - 90% of all respondents; 92% of independent owner-operators
- Other new rules and regulations - 84% of all respondents; 88% of independent owner-operators

## Most moving industry professionals plan to pivot away from military moves

Based on what they know about the GHC, about 90% of industry professionals across all sectors said they plan to reduce or leave the military moving business, with independent owner-operators representing the largest sector who say they are contemplating an exit.

Based on what they know today, 75% of industry professionals said they do not plan to service GHC business, and nearly 90% of independent owner-operators indicate their future plans do not include GHC work, including:

- 78% of major van lines
- 68% of independent van lines
- 70% of agency owners
- 88% of independent owner-operators
- 61% of contractors
- 69% of professionals in the industry less than 10 years
- 64% of professionals in the industry 10-19 years
- 78% of professionals in the industry 20+ years

More than 80% of professionals said they have already seen their moving companies begin to diversify their businesses, shifting away from hauling military shipments.

90% of drivers with more than 10 years of experience said they will do less military business under the GHC, meaning the most experienced professionals will be replaced with the inexperienced.