ABF U-PACK MOVING®

MOVINGTRENDSREPORT

ISSUED JANUARY 2009

ABF U-PACK MOVING
PO BOX 10048
3801 OLD GREENWOOD ROAD
FORT SMITH, AR 72917-0048

UPACK.COM

PUBLICRELATIONS@UPACK.COM

479.785.8738

Introduction

The patterns of human migration tell the stories of our civilizations. Throughout history, we've seen that major events can cause a shift in populations and change the patterns of migration. Sometimes these events are environmental, such as an Ice Age or a devastating hurricane. Sometimes they are economic, like a gold rush or a silicon valley. When events happen unexpectedly, they can change the patterns of where we move, how far away and why.

This annual report examines long distance moving from the perspective of an industry expert. Most moving industry reports focus on local moving or moving in general. This report focuses on the specific area of expertise held by ABF U-Pack Moving®, which is out-of-state, do-it-yourself moving. The trends observed in U-Pack® customers could indicate potential national trends. The statistics contained in this report, unless otherwise attributed, reflect U-Pack customers only.

U-Pack is a nationwide moving service of ABF Freight System Inc., one of the largest less-than-truckload carriers in the United States. ABF® services North America, Mexico and Canada. If you would like to receive information on a specific geographic area or need specific statistics, please submit requests to publicrelations@upack.com.

Modern Moving: The New Needs in Relocation

A decade ago, relocating cross-country on a budget generally meant packing one's belongings into a rental truck or personal vehicle. Then there was the long and sometimes arduous drive several hundred miles, possibly in a cumbersome, unfamiliar vehicle. Rental trucks came in specific sizes and customers paid for the entire truck whether they used it or not.

Modern movers needed more. With complicated lives and intense schedules, they wanted more options to make one of the most stressful things in life less stressful. The moving industry evolved- ABF U-Pack Moving was at the forefront of this change, putting more control in the hands of the customer. U-Pack offered flexible options with a higher level of customer service, while maintaining affordability.

ABF is an originator of the "You Pack -They Drive" discount moving service. The U-Pack concept is simple. ABF drops off a trailer or ReloCube®, a portable storage container, at the customer's residence. Three business days are allowed for the customer to load their belongings. Rates are charged by the linear foot, so customers only pay for the amount of space they actually use. A professional ABF driver then delivers the shipment to the customer's new residence. Another three business days is allowed for the customer to unload.

So where did U-Pack customers move to and from in 2008 and what factors possibly affected moving trends? Let's take a look.

2008 Trends Overview:

More people moved from Northeastern states. New Jersey claimed the number one spot in 2008 for the highest percentage of out-of-state moves. Generally, states in the Northeast had higher percentages of outbound moves, which represent people leaving those states. Rust Belt states, the heavily industrial region around the Great Lakes, continue to demonstrate significant outbound activity, partly due to the struggling American automotive industry. This holds true for all states in the area, with the exception of Illinois, which made the top ten inbound list.

Southern and Southeastern states maintain popularity as destination states. Along with Illinois, Southern and Southeastern states once again had the highest proportions of inbound moves, or people moving into those states. Of the Southern states, South Carolina had the highest proportion of inbound moves. The affordability of these areas is a significant draw. While housing costs were skyrocketing in some parts of the country, these states maintained relatively modest home prices. Many major cities in these states have median home prices from $130-150K compared to $517K in Anaheim, California or $287K in Miami, Florida.

The housing crisis and its ripple effect on the economy are slowing down moving in general. According to population estimates recently released by the Census Bureau the high migration rates to the South and West are slowing.

While U.S. automotive industry factors are promoting outbound trends in the North, foreign automotive plants are spurring growth in the South. Detroit has long been considered the automotive capital of the nation. However, almost every foreign auto factory that has opened in the U.S. since the 90's is below the Mason-Dixon Line. Within a 200 mile corridor running from the Rust Belt states down through Alabama, most of the foreign plants are in the Southern half of that corridor. These plants and the jobs they provide are spurring pockets of growth in many states. What happens in these regions following a potential bankruptcy of one of the "Big 3" domestic automakers could be significant in the future.

The most notable inbound cities this year were in the Carolinas. Greenville, Charleston, Charlotte, Asheville, and Winston-Salem all brought in more new residents and make up half of the top ten cities for high inbound percentages. In Texas, the Dallas-Ft. Worth area had the highest proportion of inbound moves from other states. The cities of Honolulu, Hawaii; Nashville, Tennessee; Billings, Montana and Oklahoma City, Oklahoma complete the top ten. Although not on the list, New Orleans, Louisiana continues to make a significant comeback.

Cities in California, Michigan and Florida topped the outbound list this year. The top five cities with the highest percentages of outbound moves were Miami, Florida; Ventura, California; Flint, Michigan; Detroit, Michigan and San Bernardino, California. Of the remaining five cities on the list, three are in California.

Socioeconomic factors were big news. The most dramatic of these were the burst of the real estate bubble and the ensuing economic crisis. Record numbers of home-owners were in foreclosure. Many others were struggling on the brink of foreclosure. Many states saw unemployment rates climb significantly. A recent news release by the National Home Builders Association stated that new home production and permit issuance declines were more dramatic than any since the U.S. Commerce Department began tracking these statistics in 1959[1].

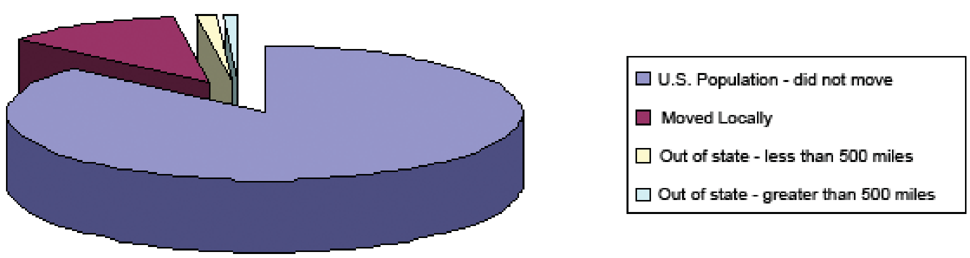
The courting of retiring boomers is underway. 2008 was predicted to be a pivotal gateway year for baby boomer retirement. The courting of these active retirees is underway with several states launching initiatives, such as the "Certified Retirement Community" designation in several states[2].

Long Distance Moving in the United States

How many people relocate long distances?

According to the most recent census information on mobility, about 39 million Americans, or about 13% of the total population moved from 2006 to 2007, the smallest percentage since the government began tracking these statistics in the late 1940s[3]. Approximately 4.9 million people moved to a different state. In that same time period, about 2.6 million moved over 500 miles. Renters are four times more likely to move than homeowners. The average American will relocate eleven times in the course of their lifetime.

Percentage of the U.S. Population who move each year



Which groups are most likely to relocate longer distances?

The census indicates that the most likely segment of the population to move is the younger generation - primarily age 20-24. The likelihood of relocation in general decreases with age. These numbers are slightly different for long distance moves. In addition to younger Americans, there is also a more mature group that will move long distance. The two age groups most likely to move 500 miles or more are the 20-24 and 35-44 age groups.

Young parents (age 25-34) with school-aged children (6-17) are less likely to make a long distance move than older parents (age 35-44) with school-aged children (6-17). This may reflect the ages of the children rather than that of the parents. It could also be related to the career or income level of the older parents.

Higher education increases the likelihood of a long distance move. According to the Census Mobility statistics, those with a high school education are less likely to move 500 miles or more than those with at least some college education.

Those with lower incomes are most likely to move according to the latest Census information. This applies to long distance moves as well. As income increases, the likelihood of relocating decreases. Households with annual incomes of $75,000 or more annually are the least likely to move out of state.

Why do people move long distances?

The primary reasons people move change when the distance increases. Within the long distance move category, the reasons also change based on age. According to the Census Mobility statistics, most local moves are for housing-related issues. These include establishment of a household, home ownership or to obtain a more suitable home. However, the primary reasons for moving long distances are for job- or family-related issues. Also, as people age, they are less likely to make a long distance move for housing reasons. After the age of 29, the primary reasons for making a longer move are job or family-related.

Age	Primary Reason for Moving Longer Distances
20-24	Establishment of a household
25-29	Home ownership
30-65	Obtaining a new job or job transfer
65+	Family reasons

ABF U-Pack Moving®
Moving Trends Report

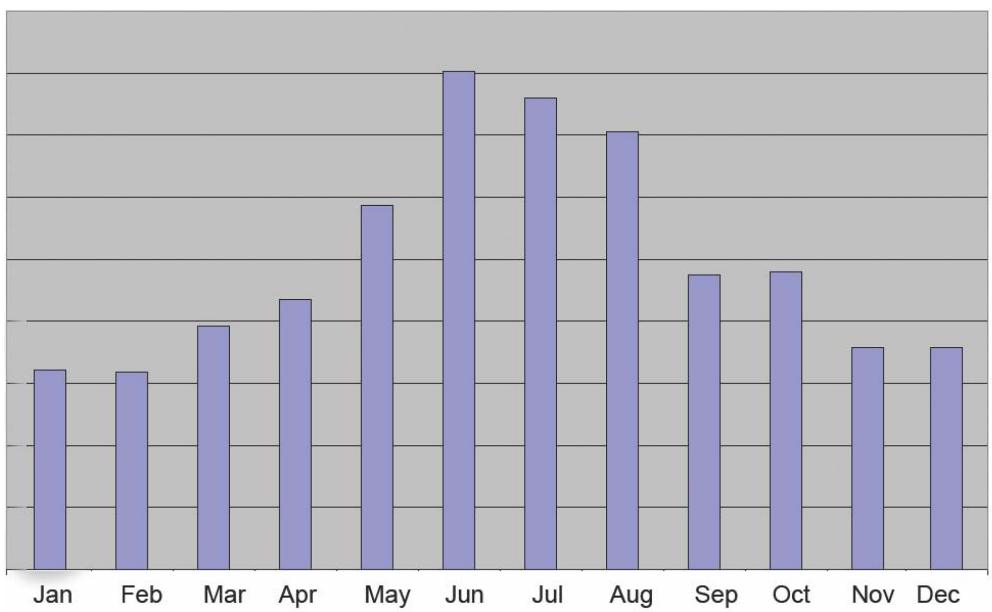
upack.com

Statistics for ABF U-Pack Moving Customers

Moving by the Calendar:

June and July were the most popular months for moving in 2008. This is a slight change from previous years, when the two most popular months were June and August. The last census also reported June and August as the most popular. So why is there a potential trend change for U-Pack customers? There could be many reasons for the slight shift. U-Pack customers tend to follow an annual geographic mobility pattern based on climate. As the American population concentrations continue to shift, so may the most popular moving months. With the increased activity in Southern states, the heat of August provides less than desirable moving conditions. Also, many school districts across the nation have adopted earlier start dates.

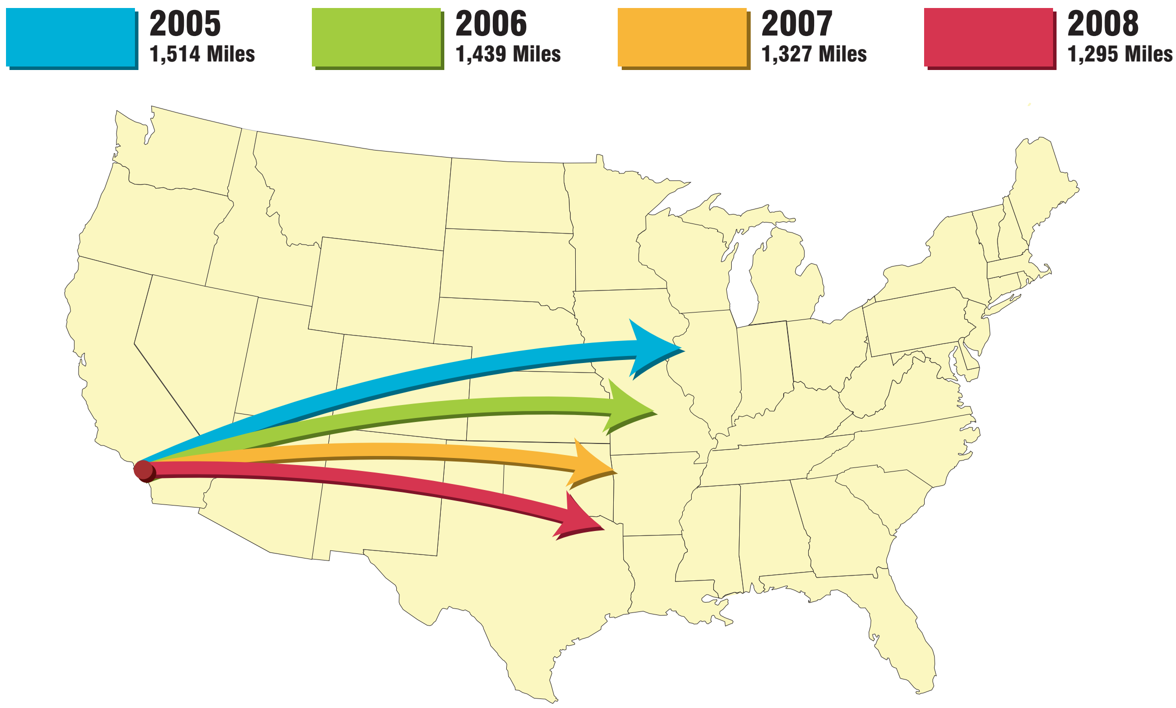
February was the least popular month for U-Pack moves in 2008; however, the historically distinct seasonality of moving is becoming less pronounced for U-Pack customers. There continue to be increases in months that have been less popular in the past such as December.



Distance of Move:

The shortest interstate move in 2008 was 47 miles, from Yonkers, NY to Fairfield, CT. The longest move in 2008 was 5498 miles, from Massachusetts to Hawaii. The average distance of a U-Pack move declined in 2008 to 1295 miles.

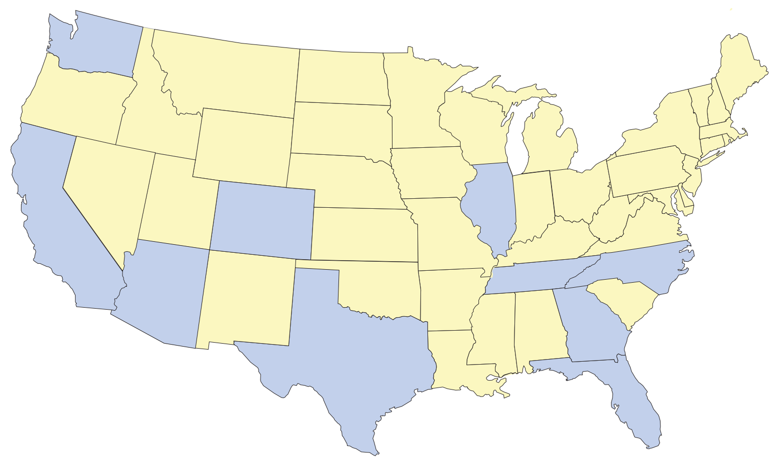
Average Moving Distance



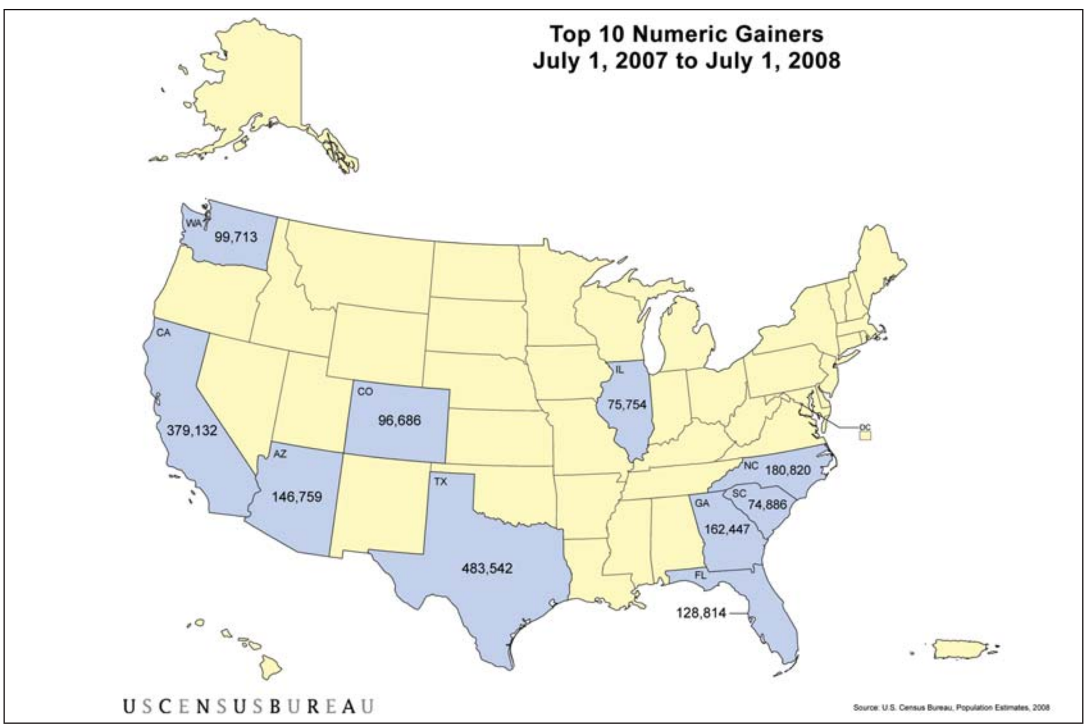
Number of Moves:

When studying trends for volume of moves, it is important to keep in mind that, based on population, some areas have more activity in general than others. These statistics do not indicate population growth, but simply volume of moves through the U-Pack system. Potential trends in number of moves become significant when states or cities are on only one of the "Top Ten" lists. For instance, a state's presence only on the "Top Ten Outbound States" list and not on the inbound list indicates a possible trend. A state's appearance on both of the top lists indicates a high level of activity in general. Areas that appear on only one list are highlighted.

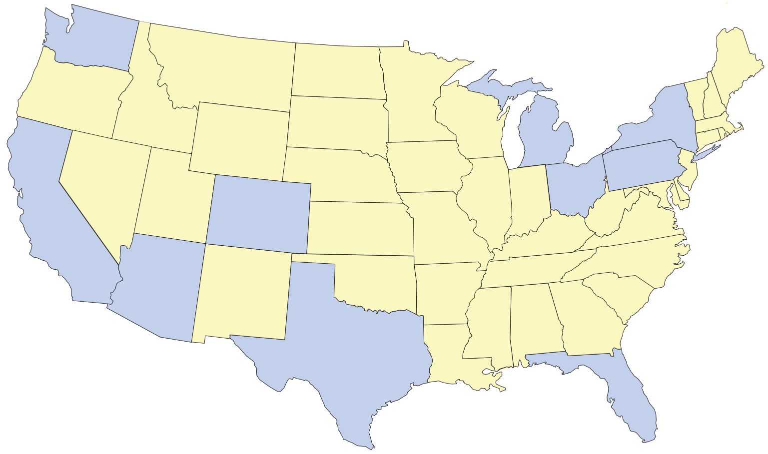
The ten states with the most U-Pack Inbound Moves in 2008:
1. Texas
2. California
3. North Carolina
4. Florida
5. Georgia
6. Colorado
7. Arizona
8. Tennessee
9. Washington
10. Illinois



For comparison, this Census map shows the states with the largest numeric gains from July 2007 to July 2008[4]:



States with the most U-Pack Outbound Moves in 2008
1. California
2. Florida
3. New York
4. Texas
5. Arizona
6. Washington
7. Colorado
8. Michigan
9. Ohio
10. Pennsylvania



The ten cities with the most U-Pack inbound moves in 2008
1. Phoenix, AZ
2. Denver, CO
3. Portland, OR
4. Atlanta, GA
5. Houston, TX
6. Baltimore/DC
7. Dallas/Fort Worth, TX
8. Charlotte, NC
9. Raleigh, NC
10. Salt Lake City, UT

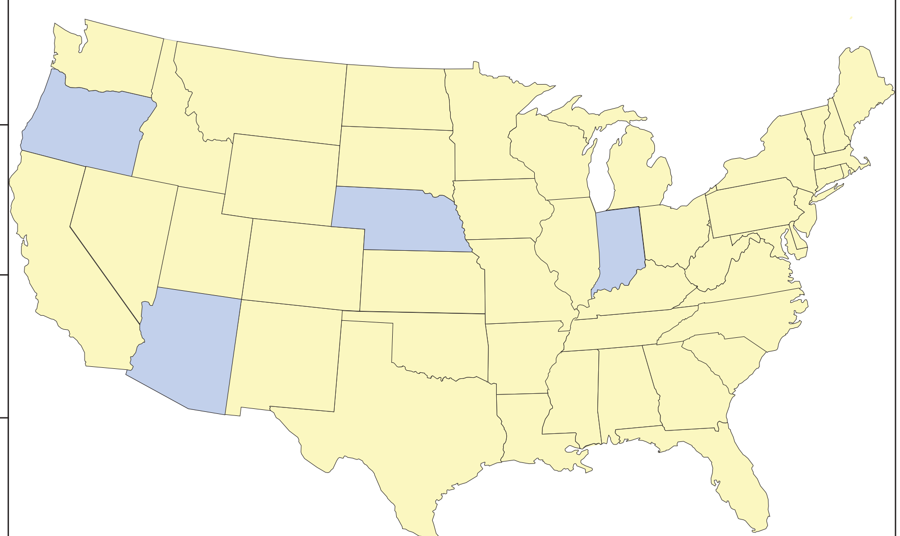
The ten cities with the most U-Pack outbound moves in 2008
1. Phoenix, AZ
2. Portland, OR
3. Baltimore, MD/ D.C.
4. Denver, CO
5. Oakland, CA
6. Salt Lake City, UT
7. Orlando, FL
8. Atlanta, GA
9. Las Vegas, NV
10. Miami, FL

Inbound/Outbound Percentages

It is interesting to track and compare the percentages of inbound and outbound moves for cities and states. These statistics could indicate potential trends in population growth or decline, regardless of population or high mobility activity. For this report, only cities with a significant volume of moves were considered. However, statistics are maintained on all of the cities serviced by ABF U-Pack. These statistics are available by request for media representatives.

This year we have included information on “Micropolitan” areas as well. According to the U.S. Census Bureau, these are cities with populations from 10,000 to 49,999 that serve as centers for the surrounding population[5]. Micropolitan areas are generally located 100 miles or more from larger metropolitan areas. They sustain the surrounding culture and commerce and are much more prominent than their core population would indicate. Consistent growth in these cities could indicate burgeoning cities of the future.

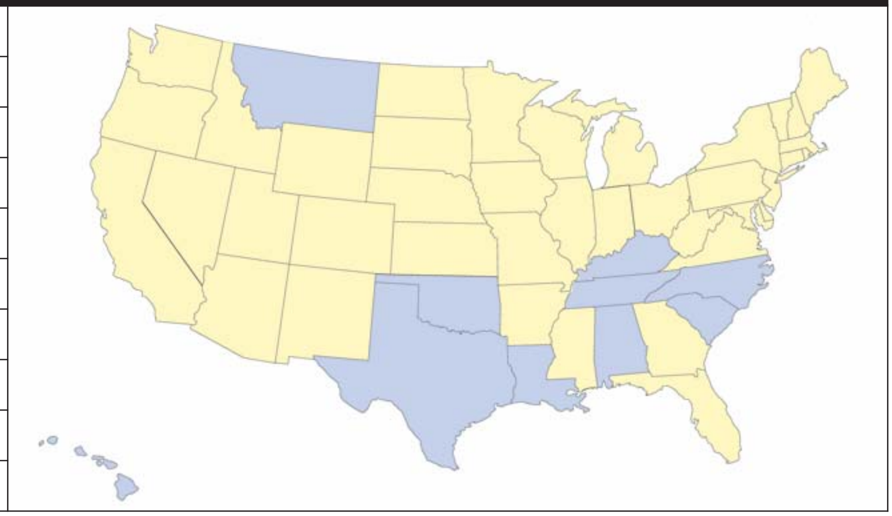
States with balanced percentage U-Pack moves 2008
1. Arizona
2. Oregon
3. Indiana
4. Nebraska



States with high inbound percentage U-Pack moves 2008:

The paradise state of Hawaii remains a location where people long to live and don't usually leave. South Carolina actually tops her northern sister for percentage of inbound moves. Texas did not rank as high for percentage of inbound moves as it did for volume. Oklahoma, Montana and Alabama are significant on this list. Even though they are not on the list of high volume of moves, they ranked at the top of the list for more moves in than out.

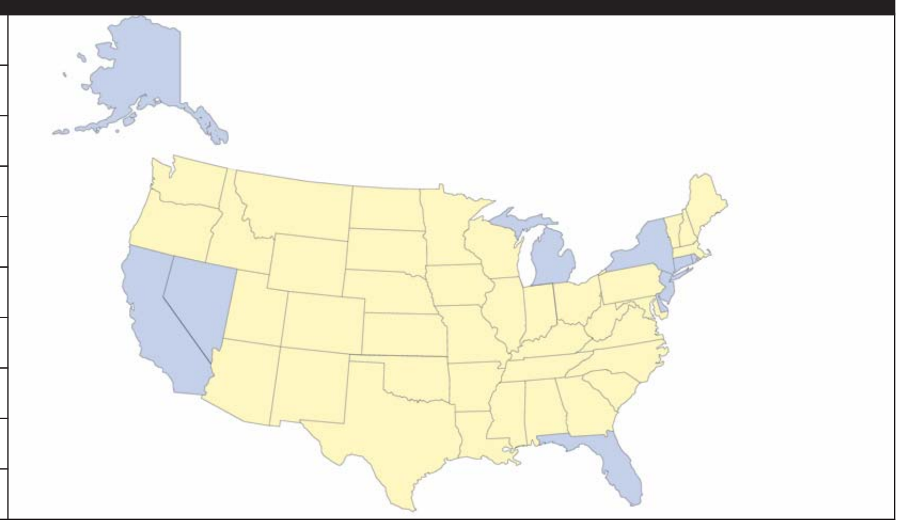
States with high inbound percentage U-Pack moves in 2008
1. Hawaii
2. South Carolina
3. Tennessee
4. North Carolina
5. Montana
6. Kentucky
7. Alabama
8. Oklahoma
9. Texas
10. Louisiana



States with high outbound percentage U-Pack moves 2008:

Northeastern states continue to top this list of high outbound percentage while not necessarily being high volume states. Florida, California and Nevada are formerly high inbound percentage states.

States with high outbound percentage U-Pack moves 2008
1. New Jersey
2. Delaware
3. Rhode Island
4. Nevada
5. Michigan
6. California
7. Alaska
8. Connecticut
9. New York
10. Florida



City Inbound/Outbound Percentages

Cities with high inbound percentage U-Pack moves 2008:

These cities reflect the high inbound percentage states and give an idea of where most people are settling within those states. Half the cities on the list are in the Carolinas.

Cities with high inbound percentage U-Pack moves 2008
1. Honolulu, HI
2. Greenville, SC
3. Winston-Salem, NC
4. Charlotte, NC
5. Nashville, TN
6. Asheville, NC
7. Billings, MT
8. Dallas/Fort Worth, TX
9. Oklahoma City, OK
10. Charleston, SC

Cities with high outbound percentage U-Pack moves 2008:

Half the cities on this list are in California. Flint and Detroit are in the Rust Belt.

Cities with high outbound percentage U-Pack moves 2008
1. Miami, FL
2. Ventura, CA
3. Flint, MI
4. Detroit, MI
5. San Bernardino, CA
6. Bakersfield, CA
7. Paterson, NJ
8. Anaheim, CA
9. Stockton, CA
10. Hartford, CT

ABF U-Pack Moving®
Moving Trends Report

upack.com

Micropolitan top ten inbound percentages of U-Pack moves 2008:

By definition these cities are smaller (10K-49K) and are generally located 100 miles from the nearest metropolitan area. This definition means that most are located in states with more rural areas, predominantly in the West or the South.

Micropolitan top ten inbound percentages of U-Pack moves 2008:
1. Cookeville, TN
2. Lufkin, TX
3. Meridian, MS
4. Calhoun, GA
5. Harrison, AR
6. Russellville, AR
7. Tupelo, MS
8. Dillon, SC
9. Whitewater, WI
10. El Dorado, AR

Anticipated Future Trends and Significant Factors:

There are several factors that could influence the moving industry in the coming year.

The "Boomer" Effect

The effect of baby boomer retirements will be more dramatic in the decade following 2008. Initial predictions were that these boomers would retire to active communities with lower costs of living. Many communities have already started to court boomers with specific marketing plans and retirement community designation programs. Why? The Texas Department of Agriculture, which launched the "Go Texan" Certified Retirement Community program, has determined that an additional senior household has the same economic benefit as that of adding 1.5 jobs in a community[6]. Louisiana's equivalent program estimates that one retiree household added in that state has the same economic impact as adding 3.7 factory jobs[7]. By 2018, most boomers will be of retirement age. So far six states have created programs for certified retirement communities, using various names for the designations: Texas, Louisiana, Mississippi, Kentucky, West Virginia and Tennessee.

With 76 Million boomers on the retirement horizon, the impact on these states could be significant. So far, the programs are documenting tremendous success. Statistics indicate that 1 in 5 will relocate after retirement. However, the economic recession of 2008 could have quite an impact on these programs. Some boomers may have to delay

ABF U-Pack Moving®
Moving Trends Report

upack.com

retirement – or perhaps even more will be willing to relocate to stretch their retirement dollars. Offering perks like tax breaks, cleanliness, safety, cultural centers, low-cost living, moderate climates and excellent medical facilities, these communities may soon attract more than just retirees.

Money Magazine recently selected the best places to retire based on affordability and nearness to water, two factors that appeal to retirees[8]. Topping that list were-

Money Magazine's best places to retire (based on affordability and nearness to water)
1. Fort Smith, AR
2. Des Moines, IA
3. Janesville, WI
4. Pearl, MS
5. Westerville. OH
6. Wadsworth, OH
7. North Augusta, SC
8. Benbrook, TX
9. Evans, GA
10. Bettendorf, IA

Boomers and the Job Market

Boomer retirement will also affect the job market and potentially mobility patterns. Recent changes in Social Security laws could postpone planned retirement dates, keeping boomers in the workforce longer. A healthier older population that sees work as beneficial may choose to continue working. There is also the "boomer echo," which refers to the increased birth rate from 1979-94. This generation began graduating from college in 2002. The youngest of these begin graduating in 2018, just when many boomers could be retiring.

The Foreclosure Crisis of 2008:

The foreclosure crisis of 2008 could be a significant factor on mobility in 2009. Some areas of the country were hit harder than others (*see tables, next page*). The ripple effect of the foreclosures on their respective economies could make relocation to better economies more appealing. With job availability being one of the top reasons for a long distance move, and significant job losses posted in late 2008, relocation for a job may become more appealing. It is already the top reason for a long distance move within certain age groups.

Top Ten States for Foreclosures

A comparison of state foreclosure statistics several months apart indicates that the situation continues to worsen.

Top Ten States for Foreclosures - March, 2008[9]	
1. Nevada	1 in 139 homes
2. California	1 in 204 homes
3. Florida	1 in 282 homes
4. Arizona	1 in 283 homes
5. Colorado	1 in 339 homes
6. Georgia	1 in 351 homes
7. Ohio	1 in 448 homes
8. Michigan	1 in 475 homes
9. Massachusetts	1 in 486 homes
10. Maryland	1 in 538 homes

Top Ten States for Foreclosures November, 2008[9]	
1. Nevada	1 in 76 homes
2. Florida	1 in 173 homes
3. Arizona	1 in 218 homes
4. California	1 in 218 homes
5. Michigan	1 in 309 homes
6. Georgia	1 in 387 homes
7. Ohio	1 in 392 homes
8. Colorado	1 in 393 homes
9. Utah	1 in 450 homes
10. Idaho	1 in 479 homes

For more information on U-Pack Moving visit upack.com or contact publicrelations@upack.com.

Forward-Looking Statements

The following is a “safe harbor” statement under the Private Securities Litigation Reform Act of 1995: Statements contained in this press release that are not based on historical facts are “forward-looking statements.” Terms such as “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “intend,” “plan,” “predict,” “prospects,” “scheduled,” “should,” “would,” and similar expressions and the negatives of such terms are intended to identify forward-looking statements. Such statements are by their nature subject to uncertainties and risk, including, but not limited to, union relations; availability and cost of capital; shifts in market demand; weather conditions; the performance and needs of industries served by ABF; actual future costs of operating expenses such as fuel and related taxes; self-insurance claims; union and nonunion employee wages and benefits; actual costs of continuing investments in technology; the timing and amount of capital expenditures; competitive initiatives and pricing pressures; general economic conditions; and other financial, operational and legal risks and uncertainties detailed from time to time in Arkansas Best’s Securities and Exchange Commission (“SEC”) public filings.

Notes:

[1]http://www.nahb.org/news_details.aspx?sectionID=0&newsID=8417
[2]http://www.topretirements.com/communities/certified_retirement_communities.html
[3] http://www.census.gov/Press-Release/www/releases/
[4]http://www.census.gov/population/www/metroareas/lists/2007/List5.txt
[5]http://www.census.gov/Press-Release/www/releases/archives/population/013049.html
[6]http://www.retireintexas.org/rit/channel/retire_channel_render/0,1504,19589_19595_0_0,00.html
[7]http://www.retirelouisiana.org/communities/index.cfm
[8]http://money.cnn.com/galleries/2008/moneymag/0809/gallery.bpretire_affhomes.moneymag/
[9]http://www.therealestatebloggers.com/2008/04/16/top-ten-states-for-foreclosures-march-2008/

ABF U-PACK MOVING®

We Drive. You Save.®