



Owner-operator vs. company driver: what's the difference?

Description

Driving a heavy truck, delivering goods all over the US, can bring a lot of fascinating perks like competitive salary, operational freedom, and traveling opportunities whether you are an independently working owner-operator or an employed truck driver. Those who are only preparing to start their careers in the transportation industry may face some difficulties choosing which job to choose.

Although the two professions share many common features, these [driver jobs](#) require different skills and offer different extras. Therefore, in this article, we highlight the core job details of owner-operators and company drivers to assist you in choosing an ideal occupation that fits your ambitions and personal traits.

What does it mean to be an owner-operator?

Owner-operators act as business owners, dealing with legal registration of the work, managing loads, and delivering goods. While some of them fulfill all tasks from finding clients and doing the paperwork to delivering cargo, others – team up with dispatchers, accountants, and sales specialists.

Some owner-operators started their professional way working for fleet companies – developing the necessary skills and knowledge that could be successfully applied for independent operation.

What are the annual earnings of an owner-operator?

The income of a self-employed trucker is formed by many distinct factors, like type of transportation, cargo weight and size, daily workload, and number of working days. With approximate earnings of \$323,000, independent truckers can earn around three times more than when working for an employer.

Duties and functions of an owner-operator

Organizing all business operations from negotiating an order to unloading delivered goods, a self-employed trucker has many tasks:

- Dealing with papers and documents;
- Ensuring vehicle maintenance;
- Hiring assistants and managers;
- Paying fees, taxes, and penalties;
- Planning budget;
- Finding loads;
- Negotiating with customers;
- Securing financial operations.

Here are a few things you should have for beginning a legal and effective work:

- Seed money to buy or lease CMV, fuel, equipment, and licensing;
- Legal registration;
- Licenses, like CDL, IFTA, and additional permits for different types of cargo;
- USDOT and MC identifiers;
- Detailed business plan.

How do owner-operators receive payment?

There are two ways to receive payment for self-employed drivers. Some get paid for mileage, while others receive a percentage of the load value. Dealing with percentage-based payment makes it difficult to plan a budget, as rates often fluctuate. Yet, this method may provide better earning [opportunities for owner-operators](#).

What does it mean to be a company truck driver?

Company truckers receive a stable salary and extra benefits that depend on workload or professional achievements.

What is the earning potential of a company truck driver?

The wages of truck drivers vary according to many factors. For example, standard salaries for [Migway company driver jobs in Atlanta, Georgia](#), start from around \$60,000 annually. Yet, the earning potential can significantly grow with receiving new skills and qualifications. Thus, truckers who are certified to transport hazardous substances receive \$88,000 – \$109,000 yearly. Wages may also differ in different states.

Duties and functions of a company truck driver

Working for a company, truckers don't have to worry about seeking clients and loads, paying

taxes, or dealing with papers and agreements. This allows them to focus on the timely and safe delivery of the cargo and the driving process itself.

There are some important requirements to become an employed trucker:

- Being an adult (18 or 21+);
- Obtaining CDL;
- Do health and drug tests;
- Undergo a background test;
- Demonstrate a clean driving record.

How do company truck drivers receive payment?

Commercial truckers receive salaries monthly or each week paid by the companies they work for. There are many possible payment options that are usually negotiable and may include fixed salary, piece-work pay, or pay-per-mile.

Owner-operator vs. company driver: key distinctions

Tasks:

- **Self-employed Driver:** all important operations, including registration, obtaining licenses, finding loads, paying taxes and fees, trucking cargo, and negotiating with clients.
- **Company Driver:** driving truck, watching goods to ensure safety.

Spends:

- **Self-employed Driver:** truck, fuel, maintenance, equipment, and repairs.
- **Company Driver:** no business-related expenses.

Workload:

- **Self-employed Driver:** organizes working schedule and controls the workload independently.
- **Company Driver:** the working schedule depends on the employer.

Earnings:

- **Self-employed Driver:** around \$323,000 annually.
- **Company Driver:** \$60,000 – \$109,000 yearly.

Owner-operator vs. company driver: which job to choose?

Besides some noticeable similarities, these two jobs are far from being the same. While the job of an owner-operator brings more money, it's associated with [unpredicted risk](#) and high-stress levels. Owner-operators also shall be able to cover all expenses and bring funds for starting the business, and be ready to invest extra funds for service development.

FAQ

Does an owner-operator earn more money compared to an employed driver?

Usually, the standard wages of owner-operators are several times higher. Yet, it's important to understand that an owner-operator bears more professional and financial risks, fulfills more functions, and covers all expenses.

Is one truck enough to start operating independently?

One CMV is enough to start the business. You can buy a truck or lease it if a big purchase is not currently affordable. Prices for [semi-trucks](#) start from \$150,000, while leasing costs from \$800 monthly.

Is an owner-operator defined as an independent contractor?

Yes, the work of an owner-operator can be defined as that of an independent contractor.

Is it worth becoming an owner-operator?

The answer may depend on your personal goals and values. If you are ready to take extra risks and duties, then you may enjoy being an owner-operator. However, if you prefer stable work with predictable duties and lower stress levels, being a company driver may be a more attractive option.

Conclusion

Without knowing the details, the jobs of an owner-operator and company driver may appear very similar. Yet, despite both of these jobs being aimed at carrying goods, they are very different. When figuring out which job to choose, it's crucial to pay attention to payment rates, duties, responsibilities, risks, and expenses. It's also important to understand which of the two jobs reflects your true values and personal preferences.

Category

1. Logistics

Date

05/22/2025

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