



U.S. Bank Freight Payment Index: Truck Freight Volume Continues to Contract Nationwide Despite Major Increases in Southwest U.S.

May 1, 2023

First quarter shipments down 6.1% nationwide while spending increased in all regions except the Midwest

MINNEAPOLIS--(BUSINESS WIRE)--May 1, 2023-- The volume of freight shipments moved via truck declined in the first quarter of 2023 by 6.1% year-over-year, [according to the latest U.S. Bank Freight Payment Index](#).

This was the fourth quarter in a row where volume has contracted on an annual basis. The drop was most intense in the Southeast, West and Northeast regions, where volume fell 16.1%, 14.1% and 13.8%, respectively. Shipments fell just 2.4% year-over-year in the Midwest, but the region has experienced contracting volume for 12 straight quarters. Meanwhile, shipments in the Southwest region increased 14%, the region's largest year-over-year increase since early 2018.

"This quarter was a prime example of how important it is to examine regional data when assessing truck freight shipments in the U.S.," said Bobby Holland, director of freight data solutions at U.S. Bank. "Boosted by growing truck-transported trade with Mexico and increased activity at the Port of Houston, truck freight activity in the Southwest region is markedly different than what we're seeing in other regions."

Nationwide spending on truck freight fell just 0.3% year-over-year driven by an 8% year-over-year spending drop in the Midwest. Spending rose in all other regions, including by 16.7% annually in the Southwest and 7.8% in the Southeast.

"It's clear that capacity is not uniform across the country," said Bob Costello, senior vice president and chief economist at the American Trucking Associations. "The spending data we're seeing in the South is more evidence that there is real trucking supply tightness there, while the Midwest is experiencing the opposite."

Regional Data

West

Shipments

Linked quarter: -2.8%

Year over year: -14.1%

Spending

Linked quarter: 6.9%

Year over year: 2.8%

Shipments declined in the West on a quarterly basis for the fourth consecutive quarter. Low seaport volumes and a significant contraction in housing starts appear to be impacting truck freight volumes in the region.

Southwest

Shipments

Linked quarter: 5.0%

Year over year: 14.0%

Spending

Third quarter: 5.7%

Year over year: 16.7%

Continuing to be the top region for truck freight, the Southwest experienced its eighth straight quarter of year-over-year volume and spending increases.

Midwest

Shipments

Linked quarter: 1.3%

Year over year: -2.4%

Spending

Linked quarter: -5.3%

Year over year: -8.0%

The region continues to be the weakest overall, notching its 12th-straight year-over-year contraction in volume. There appears to be ample truck capacity in the Midwest, which was the only region to have a drop in spending.

Northeast

Shipments

Linked quarter: -4.8%

Year over year: -13.8%

Spending

Linked quarter: 2.2%

Year over year: 2.0%

This was the third-straight year-over-year decline in volume in the region and the largest drop since Q1 2021. Spending increased even as diesel fuel prices fell, suggesting marginally constrained capacity in the area.

Southeast

Shipments

Linked quarter: -10.1

Year over year: -16.1%

Spending

Linked quarter: 1.8%

Year over year: 7.8%

The Southeast had the largest annual decline among all regions, with the 16.1% drop the largest on record for the region. Similar to the West, new housing starts and declining seaport activity appear to be impacting truck freight volume in the Southeast.

To see the full report including in-depth regional data, visit the [U.S. Bank Freight Payment Index website](#). For 25 years, organizations have turned to U.S. Bank Freight Payment for the service, reliability, and security that only a bank can provide. The U.S. Bank Freight Payment Index measures quantitative changes in freight shipments and spend activity based on data from transactions processed through [U.S. Bank Freight Payment](#). The business processed \$46 billion in 2022 for some of the world's largest corporations and government agencies.

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Source: U.S. Bancorp