



## U.S. Bank Freight Payment Index: Shipments, Spending Drop by Sharpest Amount Since Beginning of Pandemic

August 01, 2023

***In second quarter, truck shipments fall 9% nationwide as volume drops 27% in Northeast region***

MINNEAPOLIS--(BUSINESS WIRE)--Aug. 1, 2023-- Truck freight volume and spending in the second quarter of 2023 declined by the highest levels since the early days of the pandemic, the latest [U.S. Bank Freight Payment Index](#) revealed. Spending by shippers dropped 10.9% compared to the second quarter of 2022 while shipment volume dropped 9%.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20230801338184/en/>



“Trucking is in the midst of a significant slowdown,” said Bob Costello, senior vice president and chief economist at the American Trucking Associations. “Weaker consumer demand for goods and a slowdown in manufacturing activity and housing starts are having a major impact on the industry – especially carrier operations.”

Nationwide shipment levels have now decreased for five consecutive quarters. In the second quarter, volume dropped most in the Northeast (27.1%) and Southeast (12.6%) year-over-year. The Southwest continued to be a bright spot, with shipments increasing 14.8%.

Truck freight spending levels have now contracted year-over-year for two consecutive quarters. With spending at all-time high levels for the preceding six quarters, the recent drops brought spend activity back to its relatively strong levels of mid-2021.

U.S. Bank Freight Payment Index for Q2 2023 (Photo: Business Wire)

18.7% year-over-year. The Northeast and West also experienced double-digit spending declines, dropping 10.9% and 10.2%, respectively versus the second quarter of 2022.

“In the spot market, we’ve been observing for a while sharp spending drops caused by lower volumes and increased capacity. This trend has now solidly penetrated the contract freight market,” said Bobby Holland, director of freight business analytics, U.S. Bank. “Nearly every category we track – both nationwide and regionally – contracted in second quarter.”

### Regional Data

#### West

##### Shipments

Linked quarter: -2.6%

Year over year: -15.7%

##### Spending

Linked quarter: -9.0%

Year over year: -10.2%

Truck freight continued to struggle in the West region as port activity and housing starts there continued to slow. This is the lowest point for shipments in the West in three years.

#### Southwest

##### Shipments

Linked quarter: 2.9%

Year over year: 14.8%

##### Spending

Linked quarter: -6.4%

Year over year: 4.3%

The Midwest region had the sharpest spending drop in the second quarter,

Continuing to outperform other regions, Southwest volume is benefiting from increased truck-transported trade with Mexico. The 14.8% year-over-year increase in shipments is the highest since 2018.

#### **Midwest**

##### *Shipments*

Linked quarter: -0.5%

Year over year: -9.0%

##### *Spending*

Linked quarter: -9.4%

Year over year: -18.7%

Continued slowdowns in manufacturing likely led to year-over-year shipments dropping by the largest level in the region since Q4 2021. Yearly spending also dropped by the largest amount since Q2 2020.

#### **Northeast**

##### *Shipments*

Linked quarter: -9.2%

Year over year: -27.1%

##### *Spending*

Linked quarter: -10.9%

Year over year: -11.0%

The 27.1% volume contraction is the largest in the history of the Freight Payment Index. The region faces multiple headwinds, including low housing starts. However, the contraction in household consumption likely had the biggest impact for this populated area.

#### **Southeast**

##### *Shipments*

Linked quarter: -0.2%

Year over year: -12.6%

##### *Spending*

Linked quarter: -6.7%

Year over year: -2.5%

Even though shipments contracted 12.6% year over year and slightly on a linked quarter basis, this was an improvement for the region. In the first quarter, shipments fell 16.1% year over year and 10.1% on a linked quarter basis.

*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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