



U.S. Bank Freight Payment Index: Truck freight spending, volume drop for fifth consecutive quarter

November 01, 2023

With another challenging quarter for truck freight economy, shipments are down nearly 10% year-over-year nationwide and almost 23% in West region

MINNEAPOLIS--(BUSINESS WIRE)--Nov. 1, 2023-- During the third quarter, the amount spent to ship goods via truck freight was down 12.5% compared to a year prior while the volume of shipments was off 9.7%, according to the [U.S. Bank Freight Payment Index](#). Spending fell 4.2% and shipments declined 3.4% from the second quarter to the third quarter of 2023. This marks the fifth consecutive quarter that both truck freight spending and volume have declined.

"This quarter's Freight Payment Index results confirm that we are in a very challenging environment for motor carriers," said Bob Costello, senior vice president and chief economist at the American Trucking Associations. Costello pointed to a variety of factors that are impacting the truck freight economy, including retailer inventory reduction, decreased homebuilding and consumers preferring to spend on experiences over goods.

The pullback in shipments was greatest in the West region, where volume was down 22.9% compared with the third quarter of 2022. Spending, meanwhile, contracted the greatest in the Midwest region, where it's down more 17.9% year-over-year. Even the Southwest region – which has stood out in recent quarters for spending increases – saw a drop of 4.8% compared to the previous quarter.

"Across the board our data is showing a continued decline of the truck freight market, especially compared to last year's strong performance," said Bobby Holland, director of freight business analytics, U.S. Bank. "We'll be watching closely in upcoming quarters for signals that the market has reached a bottom in terms of volume and spending."

Regional Data

West

Shipments

Linked quarter: -9.0%

Year over year: -22.9%

Spending

Linked quarter: -5.1%

Year over year: -14.1%

This was the sixth consecutive quarter of shipment declines in the West region, which has been negatively impacted by soft import volumes.

Southwest

Shipments

Linked quarter: -4.8%

Year over year: 3.3%

Spending

Third quarter: -7.0%

Year over year: -4.6%

This is the first quarterly decline in shipments the Southwest has experienced since early 2022. Shipments had increased 17.3% over the previous five quarters. A decline in homebuilding and cross-border truck transportation in the region contributed to the drop in volume.

Midwest

Shipments

Linked quarter: -1.1%

Year over year: -6.3%

Spending

Linked quarter: -4.4%

Year over year: -17.9%

The Midwest region had the lowest quarterly contraction in shipments among all regions. The region has experienced spending declines for three consecutive quarters.

Northeast

Shipments

Linked quarter: -2.7%

Year over year: -20.8%

Spending

Linked quarter: -1.6%

Year over year: -11.1%

Spending in the region had the smallest quarterly drop of all regions, significantly lower than the 10.9% decline in the previous quarter.

Southeast

Shipments

Linked quarter: -2.7%

Year over year: -14.0%

Spending

Linked quarter: -2.8%

Year over year: -5.1%

Shipments in the Southeast region have now declined for nine consecutive quarters. Fewer housing starts in the region have contributed to recent declines.

To see the full report including in-depth regional data, visit the [U.S. Bank Freight Payment Index website](#). For more than 25 years, organizations have turned to U.S. Bank Freight Payment for the service, reliability, and security of a full-service, federally regulated financial institution. 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](#).

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