



## U.S. Bank Freight Payment Index: Shipper Costs Hit Five-Year High as Freight Demand Stalls

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- Shipper spending rose 5.2% quarter-over-quarter and 32.1% year-over-year, the largest annual increase since 2021
- Freight volumes varied sharply by region, while spending increased in every region. Most notably, *the Southwest saw a 51.6% year-over-year increase*
- Tighter capacity, rising rates and diesel prices that exceeded \$6 per gallon drove higher costs

MINNEAPOLIS--(BUSINESS WIRE)-- U.S. shippers continue to pay more to move freight even as shipment volumes remain largely unchanged, according to the latest [U.S. Bank Freight Payment Index](#). Third-quarter shipper spending surged 32.1% from a year ago, marking the largest annual increase since 2021, primarily driven by tightened carrier capacity and diesel prices climbing over \$6.50 per gallon nationally.

National shipment volumes increased both quarter-over-quarter and year-over-year for the first time since 2021, but the gains were modest at 0.4% and 0.5% respectively.

“What makes this quarter notable is that outlays are rising much faster than freight volumes,” said Bob Costello, senior vice president and chief economist at the American Trucking Associations. “Freight demand remains uneven, but companies are encountering tighter truck capacity, higher fuel costs and stronger carrier pricing power. As a result, shippers are spending substantially more to move essentially the same amount of freight.”

### Regional results underscore a divided market

Shipments increased in the Southeast, Southwest and Northeast but declined in the West and Midwest. The Southeast posted the strongest quarter-over-quarter shipment gain at 4.7%, while the West recorded the largest decline at 3.1%. Compared with a year earlier, the Northeast led shipment growth at 2.8%.

Spending rose in every region both sequentially and year-over-year. Quarter-over-quarter gains ranged from 0.6% in the Midwest to 9% in the Southeast. The Southwest posted the largest annual increase at 51.6%, reflecting especially tight capacity as enforcement actions reduced the availability of drivers hauling domestic loads. The West also faced outsized fuel pressure, with California diesel reaching \$8.25 per gallon in late September.

“Freight conditions vary by region, but cost pressure is widespread,” said Bobby Holland, director of freight business analytics at U.S. Bank. “Even where volumes are flat or declining, tighter capacity and higher operating costs are driving spending higher.”

|           | Shipments<br>QoQ | Shipments<br>YoY | Spending<br>QoQ | Spending<br>YoY |
|-----------|------------------|------------------|-----------------|-----------------|
| National  | 0.4%             | 0.5%             | 5.2%            | 32.1%           |
| West      | -3.1%            | -2.1%            | 5.2%            | 31.1%           |
| Southwest | 2.9%             | -2.6%            | 8.6%            | 51.6%           |
| Midwest   | -2.5%            | 2.4%             | 0.6%            | 25.3%           |
| Northeast | 1.4%             | 2.8%             | 4.1%            | 25.4%           |
| Southeast | 4.7%             | 0.0%             | 9.0%            | 32.7%           |

For more than 25 years, U.S. Bank Freight Payment has been a trusted steward between shippers and carriers—protecting capital flow, payment accuracy, data integrity and relationships with bank-grade standards. U.S. Bank Freight Payment audits invoices line-by-line, pays securely and on time, and delivers clean, decision-grade reporting, with \$46 billion in freight payments processed annually. The U.S. Bank Freight Payment Index source data is based on the actual transaction payment date and contains volume from domestic freight modes (truckload and less-than-truckload) and is both seasonally and calendar adjusted. To see the full report including in-depth regional data, visit the [U.S. Bank Freight Payment Index website](#).

### About U.S. Bancorp

Headquartered in Minneapolis, U.S. Bancorp is the parent company of U.S. Bank National Association, the fifth-largest commercial bank in the United States. The company's three major business lines serve 15 million clients globally, and its team of nearly 70,000 people invest their hearts and minds to power human potential every day. Ranked 110<sup>th</sup> on the Fortune 500, U.S. Bancorp is deeply respected for its culture and long-term stewardship and admired for its diversified business mix and product capabilities.

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