



U.S. Bank Freight Payment Index: Tight Capacity Pushes Freight Rates Higher Despite Soft Volumes

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Shipper spending rises for third consecutive quarter as industry capacity shrinks

MINNEAPOLIS--(BUSINESS WIRE)-- The U.S. truck freight market showed modest improvement in shipment volumes during the fourth quarter of 2025 and tightening capacity drove shipper spending to its highest level since early 2024, according to the latest [U.S. Bank Freight Payment Index](#). National shipments rose 1.5% from the previous quarter, while spending jumped 4.6%.

"The capacity story is the defining theme of Q4. Shippers paid significantly more to move slightly more freight—clear evidence that available truck capacity continues to tighten," said Bobby Holland, U.S. Bank director of freight business analytics. "Between fleet exits and carriers reducing their rosters, the industry is feeling the effects of prolonged contraction."

Compared with Q4 2024, national shipment volumes fell 4.9%—the fifteenth consecutive quarter of year-over-year decline. However, this marked the smallest year-over-year drop since Q2 2022. For 2025 overall, freight levels declined 9.9% from 2024, though this was less than half the 20.4% annual decline in 2024.

Shipper spending rose 5.2% year-over-year in Q4—the first year-over-year increase in three years. Over the past three quarters, spending has increased 7.9% while shipments rose just 1.0%, highlighting the rate pressure shippers are experiencing. The spending increase cannot be attributed to diesel prices, which averaged 5.2 cents per gallon lower than Q3, according to Department of Energy data.

Regional performance was mixed for shipments but showed broad-based spending increases. The Southwest, Midwest, and Northeast posted sequential shipment gains ranging from 3.5% to 5.4%, while the West and Southeast contracted. All five regions recorded sequential spending increases, and four of five saw year-over-year spending gains—another indication of tightening capacity.

"Freight market conditions remained challenging in Q4, with manufacturing, construction, and consumer spending all showing strain," said Bob Costello, senior vice president and chief economist at the American Trucking Associations. "The capacity adjustments we're seeing across the industry are a natural response to these prolonged demand headwinds."

The U.S. Bank Freight Payment Index measures quantitative changes in freight shipments and spend activity based on data from transactions processed through the U.S. Bank Freight Payment platform. U.S. Bank Freight Payment processes an industry-leading \$46 billion in freight payments annually for shippers and carriers across the U.S. The Index insights are provided to U.S. Bank customers to help them make business decisions and discover new opportunities.

Data

National

Shipments

Linked quarter: +1.5%

Year over year: -4.9%

Spending

Linked quarter: +4.6%

Year over year: +5.2%

Regional

West

Shipments

Linked quarter: -1.3%

Year over year: +5.4%

Spending

Linked quarter: +2.6%

Year over year: +9.4%

Freight volumes in the West edged down despite strong annual performance, with 2025 volumes up 3.2% over 2024.

Southwest

Shipments

Linked quarter: +5.4%

Year over year: -25.4%

Spending

Linked quarter: +12.6%

Year over year: +16.8%

The Southwest posted sharp spending increases despite steep volume declines, reflecting acute capacity pressures in the region.

Midwest

Shipments

Linked quarter: +3.5%

Year over year: -3.3%

Spending

Linked quarter: +5.0%

Year over year: +0.1%

Freight activity in the Midwest improved sequentially despite mixed manufacturing signals and modest declines in cross-border traffic from Canada.

Northeast

Shipments

Linked quarter: +4.2%

Year over year: +12.1%

Spending

Linked quarter: +5.5%

Year over year: +16.7%

The Northeast led all regions in year-over-year growth, posting its fourth consecutive quarterly shipment gain.

Southeast

Shipments

Linked quarter: -2.4%

Year over year: -5.9%

Spending

Linked quarter: +0.7%

Year over year: -1.3%

Freight in the Southeast was likely impacted by consumer caution and the federal government shutdown.

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 and payments provider. 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 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.

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