



U.S. Bank: Freight market contracts in Q3 as capacity tightens

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Shipper spending rises for second straight quarter despite ongoing volume declines

MINNEAPOLIS--(BUSINESS WIRE)-- The U.S. truck freight market reversed its brief Q2 improvement in the third quarter of 2025, with national shipment volumes contracting 2.9%, according to the latest U.S. Bank Freight Payment Index. Meanwhile, shipper spending managed to increase for second consecutive quarter.

"Shippers paid more to move less freight in the third quarter—a clear signal that industry capacity is exiting. While higher fuel prices played a role, it doesn't fully explain the increase in spending," said Bobby Holland, U.S. Bank director of freight business analytics. "The impact of fleet exits is showing up in pricing, pushing rates higher even as volumes remain soft."

Compared with Q3 2024, shipment volumes fell 10.7% in the third quarter. Since peaking in late 2020, volumes have declined more than 40%, with the steepest drops occurring over the past two years. Despite this ongoing contraction, shipper spending is showing signs of recovery. In Q3, spending rose 2.0% from the previous quarter. Over the last two quarters, spending has increased by a total of 3.2%. Compared with Q3 2024, spending was only 1.7% lower, despite the double-digit drop in volume, suggesting that rates are rising as industry capacity tightens.

Regionally, the Southwest experienced the steepest decline in shipment volumes, falling 15.7% from the previous quarter and 32.8% year-over-year. In contrast, the Northeast continued to outperform, with shipments up 0.6% from Q2 and 6.3% year-over-year.

"The freight market faced renewed pressure in Q3, with areas key to the trucking industry like manufacturing, construction, and consumer goods spending showing signs of strain," said Bob Costello, senior vice president and chief economist at the American Trucking Associations. "Despite a brief rebound in the second quarter, challenges continue to weigh on freight activity."

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 \$43 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: -2.9%

Year over year: -10.7%

Spending

Linked quarter: +2.0%

Year over year: -1.7%

Regional

West

Shipments

Linked quarter: +4.4%

Year over year: +4.6%

Spending

Linked quarter: +9.0%

Year over year: +6.8%

Freight volumes in the West rose for the third straight quarter, supported by port activity.

Southwest

Shipments

Linked quarter: -15.7%

Year over year: -32.8%

Spending

Linked quarter: +0.3%

Year over year: +3.8%

The Southwest posted the largest sequential shipment decline among regions with slower home construction and a contraction in the number of inbound trucks from Mexico.

Midwest

Shipments

Linked quarter: -2.2%

Year over year: -11.5%

Spending

Linked quarter: -1.4%

Year over year: -6.3%

Freight activity in the Midwest declined, impacted by soft consumer spending and reduced border crossings.

Northeast

Shipments

Linked quarter: +0.6%

Year over year: +6.3%

Spending

Linked quarter: +5.0%

Year over year: +11.7%

The Northeast led all regions in year-over-year shipment and spending growth, driven by manufacturing and retail sales.

Southeast

Shipments

Linked quarter: -2.1%

Year over year: -10.0%

Spending

Linked quarter: +1.6%

Year over year: -8.5%

Freight in the Southeast was impacted by soft manufacturing, consumer activity and reduced tourism.

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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