



U.S. Bank Freight Payment Index: Truck freight contraction continues

5/1/2024

Compared to a year earlier, first quarter 2024 spending fell 27.9% while shipment volume dropped 21.6%

MINNEAPOLIS--(BUSINESS WIRE)-- The latest [U.S. Bank Freight Payment Index](#) revealed that the U.S. truck freight market contracted significantly during the first three months of 2024. Spending by shippers decreased 27.9% in the first quarter compared with the same period in 2023 and was down 16.8% compared to the fourth quarter of 2023. Meanwhile, shipments dropped 21.6% from a year prior and 7.8% from the fourth quarter of 2023.

"While there was hope for a freight market turnaround to start the year, our data shows that the challenges continued," said Bobby Holland, director of freight business analytics, U.S. Bank. "Nationally, this was the eighth straight quarter of year-over-year volume decreases and the fifth straight with a drop in spending."

The U.S. Bank Freight Payment Index regional data shows how widespread the current challenges are for the truck freight market. With the exception of the Southwest – which had a quarterly increase in volume – all regions had significant declines in shipments and spending. The most severe contraction was in the Northeast, where spending dropped 34.8% year-over-year and shipments fell 33.9%.

"Spending fell disproportionately to the drop in volume, which suggests downward rates pressure to start the year," said Bob Costello, senior vice president and chief economist at the American Trucking Associations. "Truck capacity remained above the amount of freight available. The degree to which this mismatch shrinks or expands will be important to watch throughout the year."

National Data

Shipments

Linked quarter: -7.8%

Year over year: -21.6%

Spending

Linked quarter: -16.8%

Year over year: -27.9%

Regional Data

West

Shipments

Linked quarter: -10.6%

Year over year: -23.0%

Spending

Linked quarter: -19.9%

Year over year: -30.6%

Overcapacity, bad weather and consumers spending less on goods all impacted the truck freight market in the West. This was the third time since the height of the pandemic that the region had annual and quarterly declines in both spending and volume.

Southwest

Shipments

Linked quarter: 8.9%

Year over year: -12.8%

Spending

Third quarter: -16.5%

Year over year: -29.2%

The only region to have higher volumes, shipments in the Southwest were up 8.9% over the previous quarter. However, they were down -12.8% year over year. Weaker factory output in the region was partially offset by higher cross-border freight from Mexico.

Midwest

Shipments

Linked quarter: -9.5%

Year over year: -18.5%

Spending

Linked quarter: -15.4%

Year over year: -25.9%

Shipment volumes dropped for the fourth consecutive quarter in the Midwest. A slowdown in auto sales and softer manufacturing activity contributed to the declines.

Northeast

Shipments

Linked quarter: -17.5%

Year over year: -33.9%

Spending

Linked quarter: -23.8%

Year over year: -34.8%

The Northeast had an extremely difficult quarter, with the largest declines of all five regions. Bad winter storms and softer retail sales were two drivers of the major contractions in volume and spending.

Southeast

Shipments

Linked quarter: -9.0%

Year over year: -24.4%

Spending

Linked quarter: -13.8%

Year over year: -25.0%

The Southeast experienced its 11th consecutive quarter where shipments contracted sequentially. However, the region had the smallest decline in volume of the four regions that contracted and the smallest decline in spending.

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](#).

About U.S. Bank

U.S. Bancorp, with more than 70,000 employees and \$684 billion in assets as of March 31, 2024, is the parent company of U.S. Bank National Association. Headquartered in Minneapolis, the company serves millions of customers locally, nationally and globally through a diversified mix of businesses including consumer banking, business banking, commercial banking, institutional banking, payments and wealth management. U.S. Bancorp has been recognized for its approach to digital innovation, community partnerships and customer service, including being named one of the 2024 World's Most Ethical Companies and Fortune's most admired superregional bank. Learn more at usbank.com/about.

Todd Deutsch, U.S. Bank Public Affairs & Communications

todd.deutsch@usbank.com | 612.303.4148

Source: U.S. Bancorp