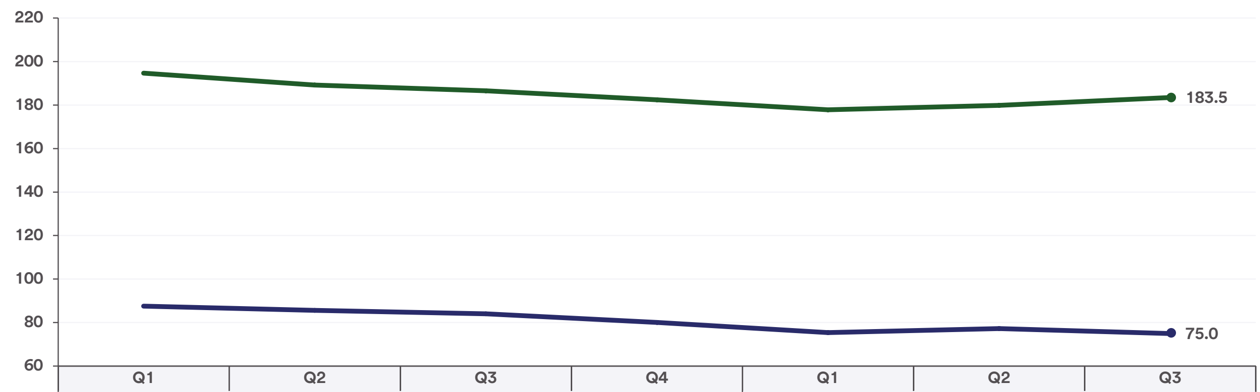
U.S. Bank Freight Payment Index™

Q3 2025

Q3 2025 national freight market overview



	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Spend	194.7	189.2	186.6	182.4	177.8	179.9	183.5
Shipments	87.5	85.6	84.0	80.1	75.4	77.2	75.0

Shipments	
Index value	75.0
Quarterly % change	-2.9% ▼
Yearly % change	-10.7% ▼

Spend	
Index value	183.5
Quarterly % change	2.0% ▲
Yearly % change	-1.7% ▼

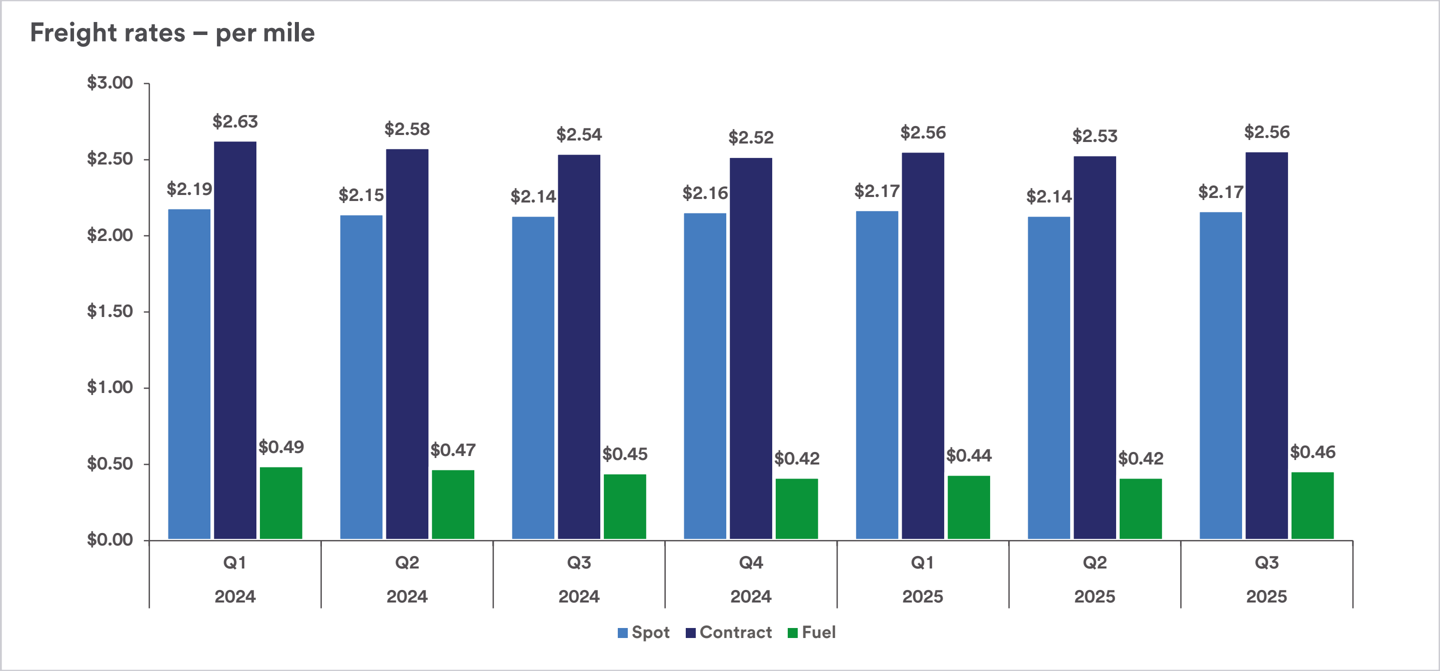
Following a short improvement in the second quarter, the freight market declined again in the third quarter, as the U.S. Bank shipments index fell below its previous gains. There is evidence that capacity continues to leave the industry as shippers had to pay more to move less freight during the three-month period.

In terms of volumes, the freight market has experienced challenges over the past few years. Following some improvement in the second quarter, the goods economy slowed during the summer and early fall. Tariffs continue to impact the freight market in multiple ways, notably within the factory sector. The United States manufacturing economy ranks as the second largest globally, accounting for more than 15% of total worldwide manufacturing output. Only China's manufacturing base is larger. Almost half of imports are unfinished goods vital for manufacturing, so tariffs are hurting factory output. Most manufacturing indicators show little growth or even a decline, and manufacturing remains a major source of freight for trucking.[1]

Housing construction also slowed in the third quarter, further reducing freight volumes. Lower mortgage rates and a Fed Funds rate cut did not prevent declines in single-family construction compared to the previous quarter and last year. New multi-family spending also decreased during this period. Household goods spending held up better than expected last quarter, but signs of strain are emerging. Spending on experiences like travel dropped, yet consumers did not shift that money to goods; instead, overall discretionary spending declined. This is an indication that household spending is slowing.

Freight volumes remain soft, which contributes to increased pressure on fleets. The third quarter saw further reductions in industry capacity due to fleet exits, decreased equipment availability, and regulatory adjustments affecting drivers. These trends are indicated in the U.S. Bank National Spend Index. During this period, shippers experienced higher costs while moving less freight. While elevated diesel fuel prices and related surcharges contributed to increased spend, higher energy costs do not entirely explain the overall rise in spending.

After a brief Q2 uptick, the U.S. freight market declined in Q3 2025 as tariffs and manufacturing contraction reduced volumes, housing and consumer spending slowed and tightening capacity drove up shipping costs despite less freight being moved.



Spot and contract rates come from DAT's truckload data, which reflects a weighted average pricing from dry van, reefer and flatbed shipments. Rates shown are not inclusive of fuel costs, which are displayed as a separate item to make trends easier to see.

Data powered by **DAT**

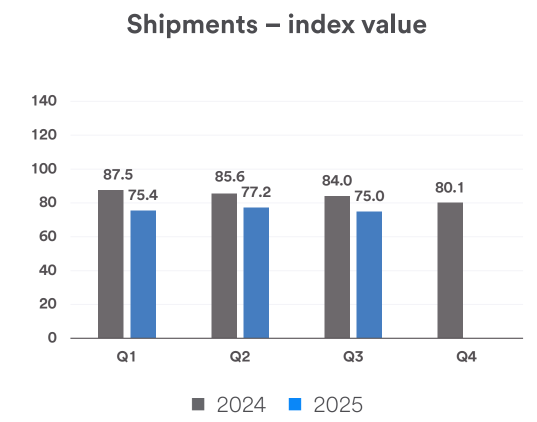
Freight spot, contract and fuel rates per-mile – quarter-over-quarter

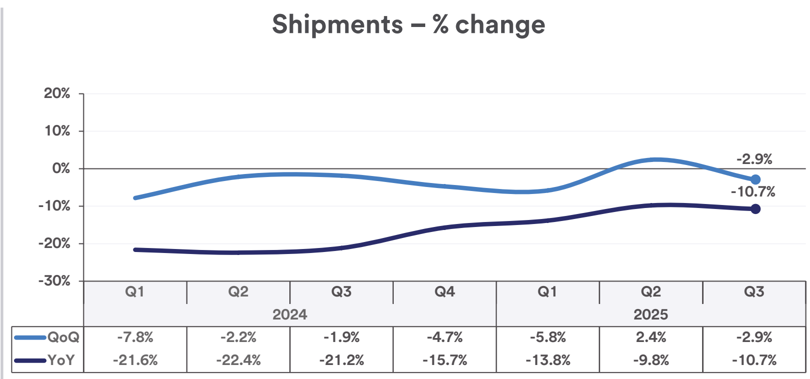
DAT's data aligns with trends identified in the U.S. Bank data. During the third quarter, both DAT's spot market average quarterly rate and contract freight rates increased by 3 cents per mile, corresponding to rises of 1.4% and 1.1%, respectively, compared to the second quarter. These figures indicate that market conditions saw some changes during this period.

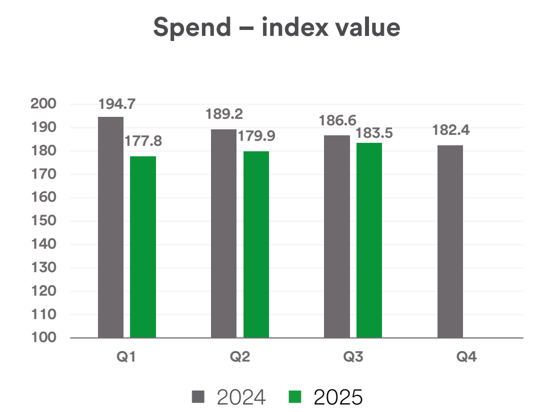
The third quarter U.S. Bank data indicates that some of the increased shipper expenses resulted from higher fuel costs, leading to greater fuel surcharges. According to DAT, the average fuel cost per mile increased by 4 cents, or 10.4%.

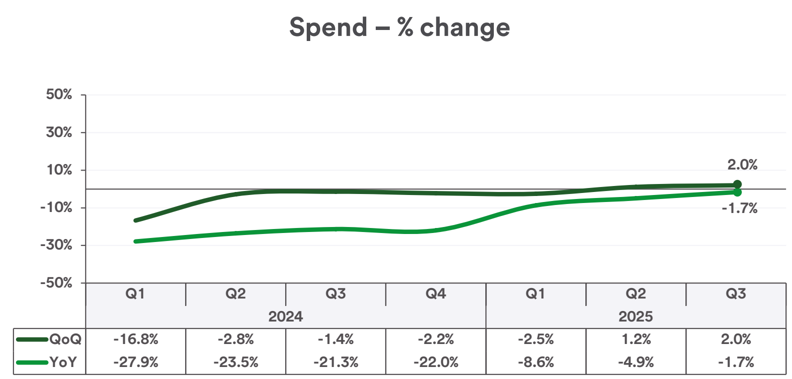
Compared to the same period last year, all key metrics showed growth. Spot rates increased by 1.4%, while contract rates were up by 0.7% compared to the third quarter of 2024. Additionally, fuel expenditures rose 3% due to higher diesel prices.

DAT data showed modest increases in spot and contract freight rates and fuel costs in the third quarter, contributing to higher overall shipper spending compared to previous periods.









National shipments and spending – quarter-over-quarter, year-over-year

The U.S. Bank National Shipments Index decreased by 2.9% in the third quarter, offsetting the 2.4% increase seen in the previous quarter. Data from the third quarter suggests continued weakness in the freight sector. Shipments have declined more than 40% since late 2020, with most of this reduction occurring within the last two years. Apart from the second quarter of this year, shipment volumes have dropped each quarter during the past three years.

Shipment volumes continue to decline noticeably compared to the previous year. In the third quarter, shipments fell by 10.7% year-over-year, representing a greater decrease than the 9.8% reduction seen in the second quarter. For the year to date, volumes were down 11.5% compared to the same three quarters in 2024.

Although industry supply is decreasing, shipper spending hasn't been as heavily impacted. Capacity is tightening due to slow reductions, affecting pricing: In Q3, shipments declined by nearly 3%, while shipper spending rose 2%. Over the past two quarters, spending increased by 3.2%. In Q3 2024, shippers spent just 1.7% less despite a 10.7% drop in volume, indicating higher rates and less capacity. This can be attributed to fewer fleets and drivers, as well as recent DOT English Language Proficiency (ELP) rule changes.

> Shipments have declined more than 40% since 2020, apart from Q2 2025, shipment volumes have dropped each quarter for the last three years.

Regional shipments and spending – quarter-over-quarter, year-over-year

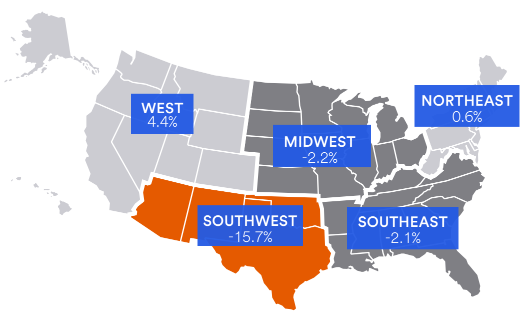
Looking only at national freight metrics overlooks the regional differences. The Northeast and West regions showed freight growth both quarterly and annually, while the Southeast, Midwest and Southwest regions saw double-digit, year-over-year declines for shipments, continuing the freight recession in those areas.

Spending patterns varied across regions. The Midwest experienced a decline from the second quarter (-1.4%), while other regions had increases, ranging from 0.3% in the Southwest to 9% in the West. Compared to the previous year, three regions reported higher spending, with the Northeast showing the largest increase (11.7%). The Southeast had a small quarterly gain but registered the largest annual decrease at 8.5%.

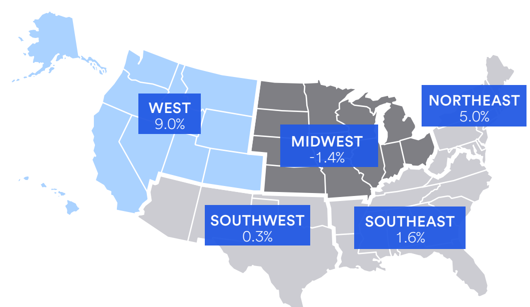
Spending increased in the Southwest despite lower volumes, likely due to stricter enforcement of ELP rules for truck drivers. Previously, ELP violations were not treated as out-of-service (OOS), but since June 25, 2025, failing roadside ELP tests now results in OOS status. Between late June and September, more than 5,000 drivers nationwide deemed OOS for ELP violations, with the policy having an outsized impact on the Southwest.

> Freight volumes and spending trends in Q3 reflected ongoing industry pressures, with national declines offset by regional strength in the Northeast and West.

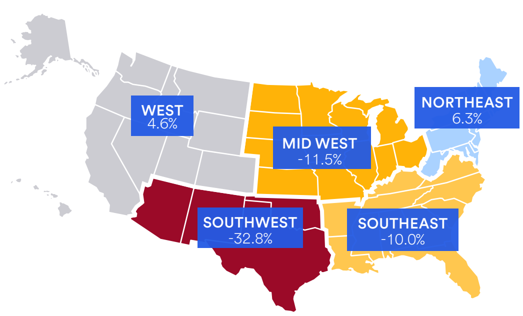
Shipments – regional quarter-over-quarter % change



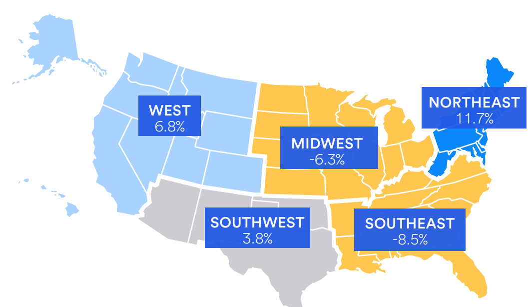
Spend – regional quarter-over-quarter % change

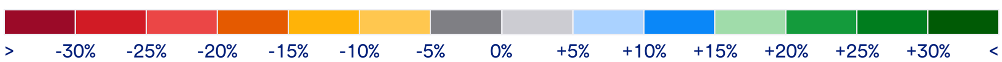


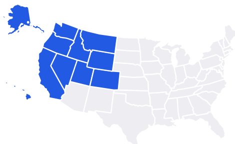
Shipments – regional year-over-year % change



Spend – regional year-over-year % change

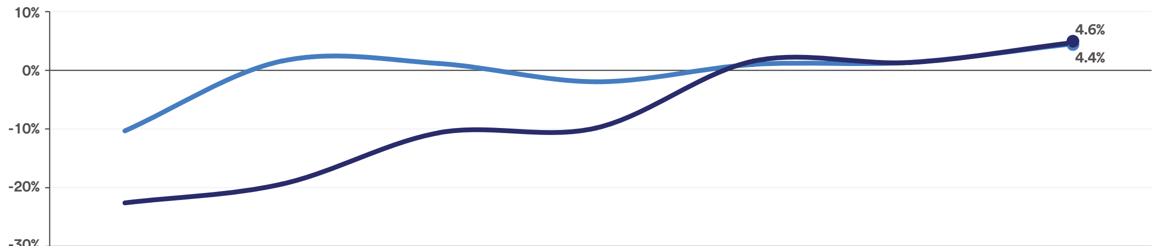






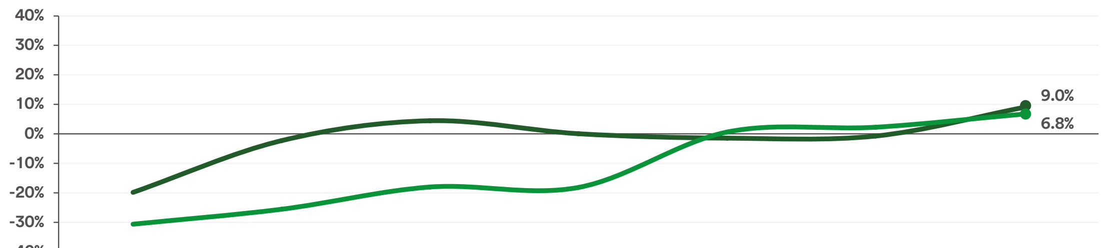
West regional shipments and spending – quarter-over-quarter, year-over-year

Shipments Last four quarterly index values (starting w/ current quarter): **106.7 | 102.2 | 100.9 | 99. 9**



	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
QoQ	-10.6%	1.5%	1.1%	-2.1%	1.0%	1.3%	4.4%
YoY	-23.0%	-19.8%	-10.9%	-10.1%	1.5%	1.3%	4.6%

Spend Last four quarterly values (starting w/ current quarter): **249.0 | 228.4 | 230.1 | 233.4**



	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
QoQ	-19.9%	-2.3%	4.4%	0.1%	-1.4%	-0.7%	9.0%
YoY	-30.6%	-25.5%	-18.0%	-18.2%	0.6%	2.3%	6.8%

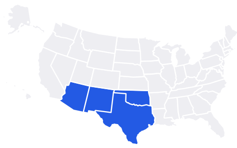
The West region led in sequential growth, with shipments and spending both up year-over-year. This was partly driven by international trade, as a higher-than-normal, two million containers moved through the Port of Los Angeles in July and August. Many shippers imported goods early to avoid new tariffs, storing them in West Coast warehouses and later boosting truck freight volumes during the third quarter.

During the first two months of the quarter, truck imports at western land ports were mixed. Overall, the region saw a 3% monthly increase from the previous quarter, with California ports performing slightly better than those on the Canadian border. However, both reported nearly an 8% drop compared to last year.[2]

Although housing starts in the West declined slightly compared to the second quarter, they continued at relatively high levels, which contributed positively to freight activity. August demonstrated notable strength. During the initial part of the quarter, manufacturing activity was reported by the Federal Reserve Bank of San Francisco as either subdued or declining compared to the previous quarter.[3]

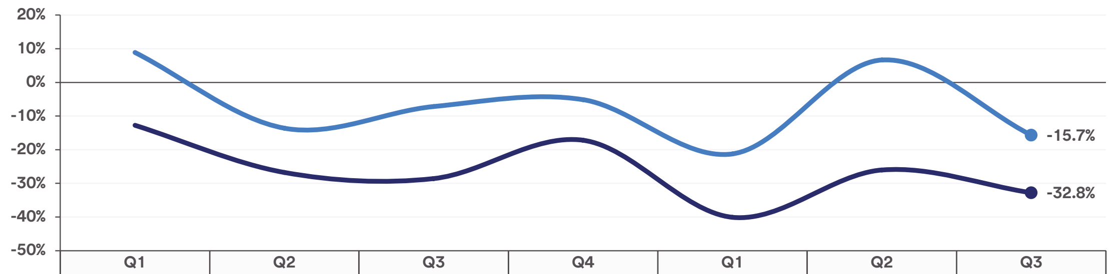
Shipments rose 4.4% in the second quarter, marking the year's third increase for a total gain of 6.8%. This was the largest quarterly jump in four years. Freight levels also climbed 4.6% year-over-year, with spending up 9%, partly due to higher volumes and fuel costs, as well as possible rate hikes. Overall, spending was 6.8% higher than the same time last year.

> Freight shipments and spend in the West region experienced the largest sequential gain in four years.



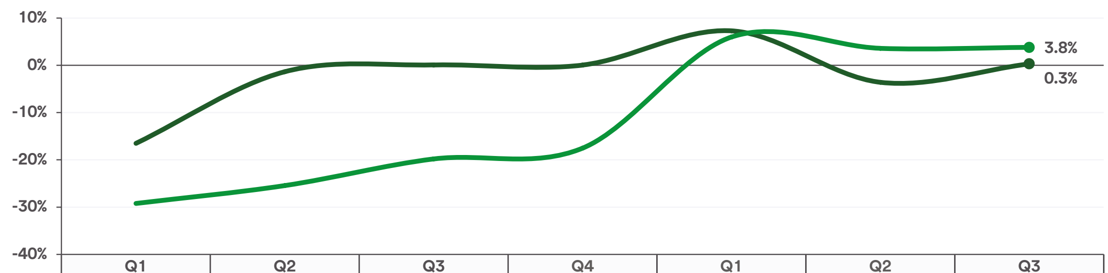
Southwest regional shipments and spending – quarter-over-quarter, year-over-year

Shipments Last four quarterly index values (starting w/ current quarter): **73.2 | 86.8 | 81.4 | 103.3**



	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3
QoQ	8.9%	-13.6%	-7.2%	-5.1%	-21.2%	6.7%	-15.7%
YoY	-12.8%	-26.8%	-28.6%	-17.2%	-40.1%	-26.0%	-32.8%

Spend Last four quarterly index values (starting w/ current quarter): **208.4 | 207.8 | 215.6 | 200.9**



	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3
QoQ	-16.5%	-1.4%	0.1%	0.0%	7.3%	-3.6%	0.3%
YoY	-29.2%	-25.5%	-19.8%	-17.5%	6.0%	3.6%	3.8%

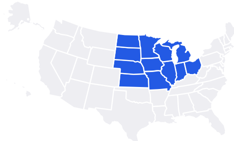
The Southwest region recorded a 15.7% decrease in freight levels from the previous quarter and a 32.8% drop compared to the same period last year. Freight volumes in the region have consistently declined, with shipments falling 29.2% from the fourth quarter of last year through the third quarter of this year, representing the largest reduction among all regions during this timeframe.

Several factors contribute to reduced activity in the region. One factor is the slower pace of home construction in the South. Construction levels did not decrease substantially from the previous quarter, but compared to the previous year, they declined by more than 11.5%. Beyond housing, labor markets in the region have experienced a significant slowdown. As a result, household spending dropped, with one example being lower sales at building material and garden equipment stores early in the quarter.

In addition, current trade policies and economic conditions have contributed to a decline in inbound freight from Mexico to the region. During July and August, inbound truck volumes decreased by 1.2% compared to the second quarter monthly average. In August, the reduction was larger, with a drop of more than 3%, equating to over 15,000 loads. At Laredo, Texas, volumes declined by 6.1% in August compared to the previous year. These combined trends have had a measurable effect on freight levels within the region.

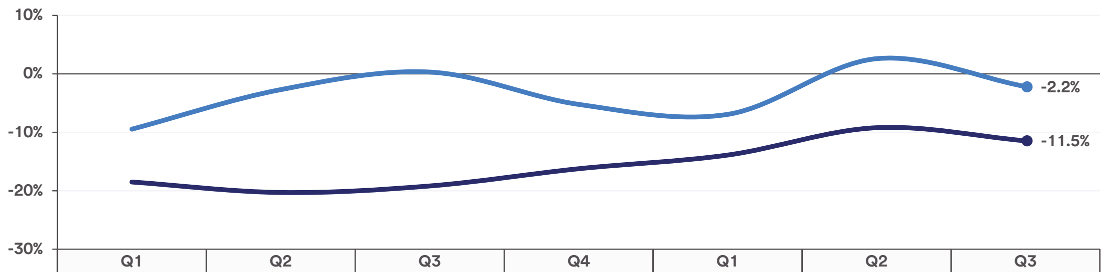
It is of note that shippers incurred higher costs while moving less freight, indicating that capacity may be becoming more limited. Recent government policies affect all regions, but their impact is greater in the Southwest. Consequently, spending increased by 0.3% over the second quarter and by 3.8% compared to the same period last year.

The Southwest region saw the sharpest drop in freight volumes among all regions, yet shippers faced increased costs due to tightened capacity driven by policy changes and economic weakness.



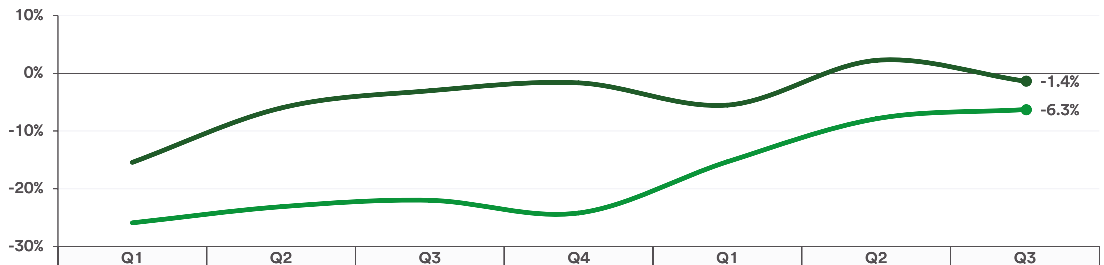
Midwest regional shipments and spending – quarter-over-quarter, year-over-year

Shipments Last four quarterly index values (starting w/ current quarter): **61.0 | 62.4 | 60.8 | 65.3**



	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3
QoQ	-9.5%	-2.7%	0.3%	-5.2%	-6.9%	2.6%	-2.2%
YoY	-18.5%	-20.3%	-19.2%	-16.2%	-13.9%	-9.2%	-11.5%

Spend Last four quarterly index values (starting w/ current quarter): **129.9 | 131.7 | 128.8 | 136.3**



	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3
QoQ	-15.4%	-6.0%	-3.0%	-1.7%	-5.5%	2.2%	-1.4%
YoY	-25.9%	-23.1%	-22.0%	-24.2%	-15.3%	-7.9%	-6.3%

During the third quarter, the Midwest freight market was the only region that experienced declines in both shipments and spending compared to the second quarter and the same period in the previous year. Shipments decreased by 2.2% from the second quarter, following a 2.6% increase in the prior quarter. Freight volumes were 11.5% lower than in the third quarter of 2024.

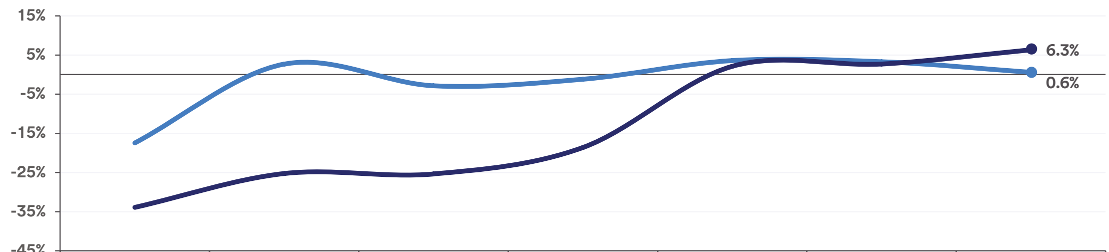
Recent trends in the region have been influenced by factors such as flat or slightly declining consumer spending. Reports indicate that consumers are reducing discretionary purchases and opting for lower-priced goods, which reflects changes in household purchasing habits. As with the West, the region's proximity to Canada has also impacted freight levels due to decreased border crossings by Canadian shoppers and tourists. Freight truck crossings between the region and Canada remained steady through July and August compared to the previous quarter but were approximately 6% lower than the same period in 2024. Most manufacturing in the region was steady or declined in the first half of the quarter. Any gains were minor and did not make up for the losses caused by tariffs and other factors.[4]

In the third quarter, shippers spent 1.4% less on freight compared to the second quarter, while shipping volume declined by 2.2%. This indicates that rates increased slightly, along with higher fuel surcharge expenses. Compared to the previous year, overall spending decreased by 6.3%.

For the third time in the last four quarters, the Midwest region freight market saw declines in both quarterly and yearly shipments and spending in Q3.

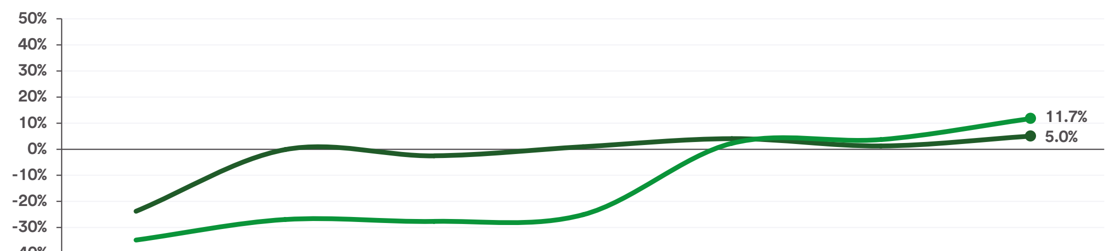
Northeast regional shipments and spending – quarter-over-quarter, year-over-year

Shipments Last four quarterly index values (starting w/ current quarter): **59.6 | 59.3 | 57.4 | 55.4**



	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
QoQ	-17.5%	2.7%	-2.8%	-1.2%	3.6%	3.3%	0.6%
YoY	-33.9%	-25.2%	-25.4%	-18.6%	2.1%	2.7%	6.3%

Spend Last four quarterly values (starting w/ current quarter): **167.2 | 159.2 | 157.2 | 151.1**



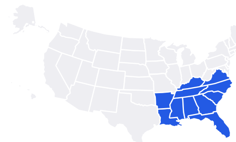
	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
QoQ	-23.8%	-0.1%	-2.5%	0.9%	4.1%	1.3%	5.0%
YoY	-34.8%	-26.9%	-27.7%	-25.1%	2.3%	3.7%	11.7%

Freight levels in the Northeast region have recently increased. Manufacturing activity improved during the third quarter; according to a survey from the Federal Reserve Bank of Philadelphia, 46.2% of manufacturers in the region reported higher production.[5] In the most recent Beige Book, the Federal Reserve Banks of New York and Boston also reported modest growth in factory activity during the first half of the quarter, helping truck freight in the region.

Factory activity increased, and consumer spending also rose, contributing to a balance against declines in the home construction sector. Although retailers in the area expressed concerns about potential reductions in discretionary spending, retail sales showed an increase. In contrast, activity within the housing market – encompassing both existing home sales and new construction – exhibited mixed performance.[6] While existing home sales slightly improved, home construction was down significantly during July and August.[7]

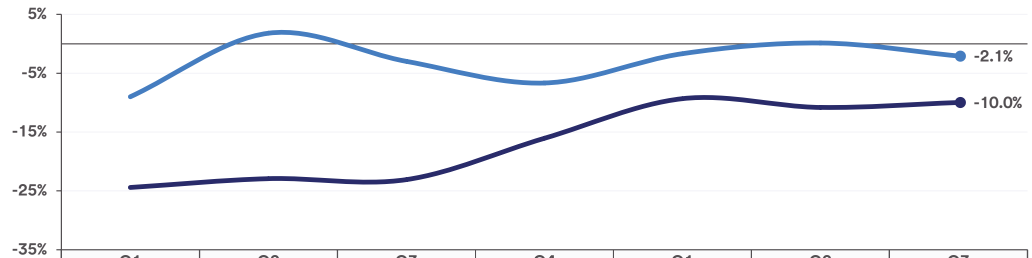
Economic activity showed a modest improvement in the third quarter compared to the second. Shipments rose by 0.6% during this period, marking the third consecutive increase with a cumulative total of 7.6%. Freight levels expanded by 6.3% compared to the same period in 2024. Shippers' spending also increased as freight grew; the spend index was up 5% from the previous quarter, marking the fourth consecutive quarterly rise and totaling 11.7%, which corresponds to the year-over-year change.

> The Northeast was one of only two regions to post across-the-board increases in shipments and spend in Q3, and the only region to not see a quarterly or yearly decline in either in 2025.



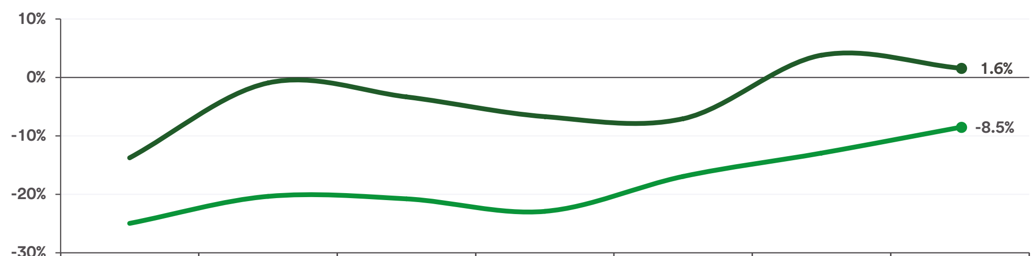
Southeast regional shipments and spending – quarter-over-quarter, year-over-year

Shipments Last four quarterly index values (starting w/ current quarter): **81.3 | 83.0 | 82.9 | 84.3**



	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3
QoQ	-9.0%	1.8%	-3.0%	-6.7%	-1.7%	0.1%	-2.1%
YoY	-24.4%	-22.9%	-23.1%	-16.1%	-9.3%	-10.8%	-10.0%

Spend Last four quarterly index values (starting w/ current quarter): **227.0 | 223.4 | 215.2 | 231.5**



	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3
QoQ	-13.8%	-0.9%	-3.3%	-6.7%	-7.0%	3.8%	1.6%
YoY	-25.0%	-20.3%	-20.8%	-22.9%	-16.9%	-12.9%	-8.5%

Freight levels in the Southeast dropped 2.1% from last quarter and 10% year-over-year, due to a weak labor market and lower household spending. Employers are limiting new hires, although widespread private sector job cuts haven't occurred yet. Federal layoffs, notably in Northern Virginia, are having an impact. As residents adjust to changing job conditions, consumer spending is falling. The Federal Reserve Bank of Atlanta reported continued demand declines at restaurants and home goods stores as cost-conscious shoppers trade down.[8] The Southeast region typically experiences high tourism levels during the third quarter. Historically, goods spending has had a greater impact on truck freight than spending on experiences. During this quarter, tourism in the region declined, with decreases reported in hotel bookings and other travel metrics for both domestic and international visitors.[9]

In addition to household spending, manufacturing activity in the region decreased during the first half of the quarter. According to the Federal Reserve, manufacturing activity declined slightly over the reporting period. Producers of housewares, beverages and chemicals reported reduced orders and sales, which were partially attributed to uncertainty regarding trade policy.[10]

During the quarter, truck freight volumes decreased. Shipper expenditures showed mixed outcomes, increasing by 1.6% compared to the previous quarter but declining 8.5% compared to the same period last year. The quarterly rise in spending is partially attributable to higher fuel prices and associated fuel surcharges. While spending increased and volumes decreased, this may indicate ongoing changes in capacity.

The Southeast continues to battle headwinds with declines in three of the four metrics, the region has not experienced a year-over-year increase in shipments since Q3 2021.

About the index

The U.S. Bank Freight Payment Index is a quarterly publication representing freight shipping and spend volumes on national and regional levels. The U.S. Bank Freight Payment Index source data is based on the actual transaction payment date, contains our highest-volume domestic freight modes of truckload and less-than-truckload, and is both seasonally and calendar adjusted. The first-quarter 2010 base point is 100. The chain-based index point for each subsequent quarter represents that quarter's volume in relation to the immediately preceding quarter.

For more than 25 years, organizations have turned to U.S. Bank Freight Payment for the service, reliability and security of a federally regulated financial institution and payments provider. The pioneer in electronic freight payment, U.S. Bank Freight Payment processes more than $43 billion in freight payments annually and continues to innovate for its corporate and federal government clients. Through a comprehensive online solution, organizations can streamline and automate their freight audit and payment processes and obtain the business intelligence needed to maintain a competitive supply chain.

25+ years of experience

$43 billion in global freight payments annually

About the index commentary partner, Bob Costello

Bob Costello is the chief economist and senior vice president of International Trade & Security Policy for the American Trucking Associations (ATA), the national trade association for the trucking industry. As Chief Economist, he manages ATA's collection, analysis and dissemination of trucking economic information. This includes several monthly trucking economic indicators, motor carrier financial and operating data, an annual freight transportation forecast, driver wage studies, weekly diesel fuel price and economic reports, and a yearly trucking almanac.

Bob also conducts economic analyses of proposed regulations and legislation affecting the trucking industry and heads up ATA's International Trade Policy and Cross Border Operations Department. In this capacity, he works on issues related to USMCA, tariffs, customs and immigration. He is often cited in the news media as an expert on trucking economics and serves on the 45-member Advisory Committee on Supply Chain Competitiveness to provide the Secretary of Commerce with detailed advice on the elements of a comprehensive, national freight infrastructure and freight policy.

He is on the Board of Directors for the Border Trade Alliance and is also a member of the National Association for Business Economics and a member of the Industrial Economists Group at Harvard University. Prior to joining ATA in 1997, Bob was an economist with Joel Popkin & Company in Washington, D.C., an economic consulting firm that specializes in the analysis of wages, inflation and economic trends.

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[1] Commodity Flow Survey published by the Bureau of Transportation Statistics and the Census Bureau. www.bts.gov

[2] All cross-border data comes from the Bureau of Transportation Statistics website. www.bts.gov Data in the third quarter is for July and August only.

[3] Statement based on the Federal Reserve Beige Book published September 3, 2025, report from the Federal Reserve Bank of San Francisco.

[4] Statements are based on the Federal Reserve Beige Book published September 3, 2025, reports from the Federal Reserve Banks of Cleveland and St. Louis.

[5] September 2025 Manufacturing Business Outlook Survey. https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/mbos-2025-09

[6] Statements are based on the Federal Reserve Beige Book published September 3, 2025, reports from the Federal Reserve Banks of New York and Philadelphia.

[7] Statements are based on the Federal Reserve Beige Book published September 3, 2025, reports from the Federal Reserve Banks of New York and Philadelphia. Not seasonally adjusted housing starts in the Northeast region averaged 31.5% less in July and August than the average during the second quarter.

[8] Federal Reserve Beige Book published September 3, 2025. Federal Reserve Banks of Atlanta.

[9] Statement based on the Federal Reserve Beige Book published September 3, 2025, report from the Federal Reserve Bank of Atlanta.

[10] Statement and quote based on the Federal Reserve Beige Book published September 3, 2025, report from the Federal Reserve Bank of Atlanta and Richmond.

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