



## U.S. Bank Index: Truck freight market ends 2023 with double-digit drops in volume, spending

February 01, 2024

**Fourth quarter shipments down 15.7% compared to same period a year earlier, while spending by shippers dropped 13.5%**

MINNEAPOLIS--(BUSINESS WIRE)--Feb. 1, 2024-- The U.S. truck freight market ended 2023 with further declines in both shipment volume and spending, according to the latest [U.S. Bank Freight Payment Index](#). Compared to the same period in 2022, fourth quarter shipment volume was down 15.7% while spending by shippers contracted 13.5%. The year-over-year drop in volume was the largest in the history of the Index.

"The truck freight market is feeling the impacts of companies reducing inventories significantly as well as consumers continuing to spend more on experiences over goods," said Bob Costello, senior vice president and chief economist at the American Trucking Associations. "We'll watch carefully in coming quarters if companies complete their inventory reduction efforts and begin to restock, which would help boost trucking."

All regions in the fourth quarter felt the slowdown in volume versus the same quarter in 2022, but it was most acute in the Southeast (-25.4%) and Northeast (-23.8%). Spending also dropped in all regions year over year, with the most significant in the Midwest (-17%).

"Throughout 2023, our Index has consistently revealed significant declines in spending by shippers. While spending dropped again in the fourth quarter, we are seeing indications that might suggest trucking supply is coming into balance with demand," said Bobby Holland, director of freight business analytics, U.S. Bank.

### National Data

#### Shipments

Linked quarter: -10.9%

Year over year: -15.7%

#### Spending

Linked quarter: -1.4%

Year over year: -13.5%

### Regional Data

#### West

##### Shipments

Linked quarter: -2.9%

Year over year: -16.3%

##### Spending

Linked quarter: 0.2%

Year over year: -7.4%

The West was one of two regions to see an increase in spending on a quarter-over-quarter basis, though spending by shippers was still down -7.4% compared to a year earlier. Improved West Coast import volumes may have helped the region's shipment volumes, which were still down, but less so than most other regions.

#### Southwest

##### Shipments

Linked quarter: -18.2%

Year over year: -15.9%

##### Spending

Third quarter: -2.7%

Year over year: -10.4%

After slowing in the third quarter, the Southwest truck freight market contracted significantly in the fourth quarter. The region, which was the best for truck freight in 2022 and the first half of 2023, experienced slower retail and home sales in the first half of the fourth quarter, which weighed on truck freight volumes.

#### Midwest

##### Shipments

Linked quarter: -8.6%

Year over year: -8.9%

##### Spending

Linked quarter: 1.2%

Year over year: -17.0%

Midwest shipment volumes contracted the least among all regions compared to the fourth quarter 2022. Soft manufacturing, consumer spending and housing activity in the region have likely contributed to depressed freight volumes, which have persisted for the last few years.

#### Northeast

##### Shipments

Linked quarter: -9.4%

Year over year: -23.8%

*Spending*

Linked quarter: -2.5%

Year over year: -12.5%

The Northeast was one of the most challenged truck freight markets in 2023. Headwinds for the market include consumer spending moderation and manufacturing activity softening.

**Southeast**

*Shipments*

Linked quarter: -14.5%

Year over year: -25.4%

*Spending*

Linked quarter: -4.1%

Year over year: -11.4%

The Southeast had the largest year-over-year drop in volume among all regions. The region has had consistent volume contractions – as well as spending declines – in recent quarters.

*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](#).*

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