AMERICAN
TRUCKING
ASSOCIATIONS

Economic & Trucking Industry Update

AFFI-CON Lunch & Learn
February 21, 2026

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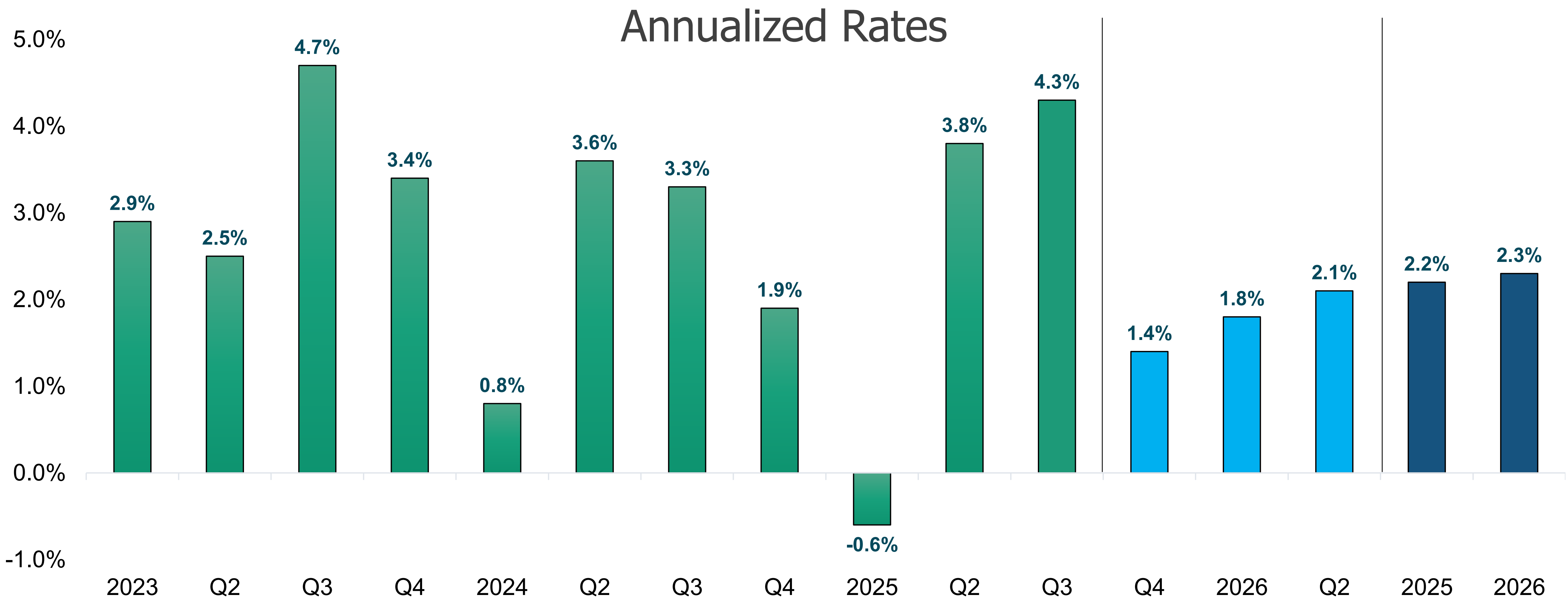
Macro Trends & Outlook

REAL GROSS DOMESTIC PRODUCT

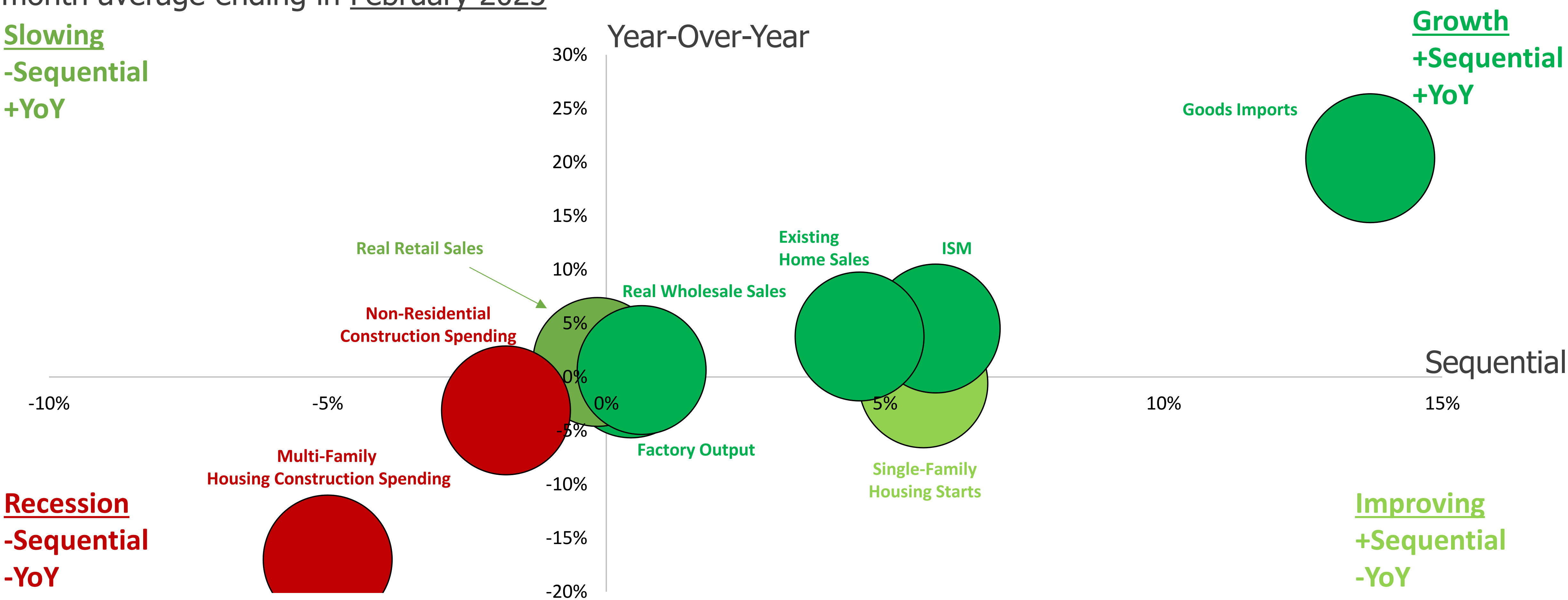


Sources: BEA, ATA, S&P Markit

Forecast as of 1/7/2026 and subject to change

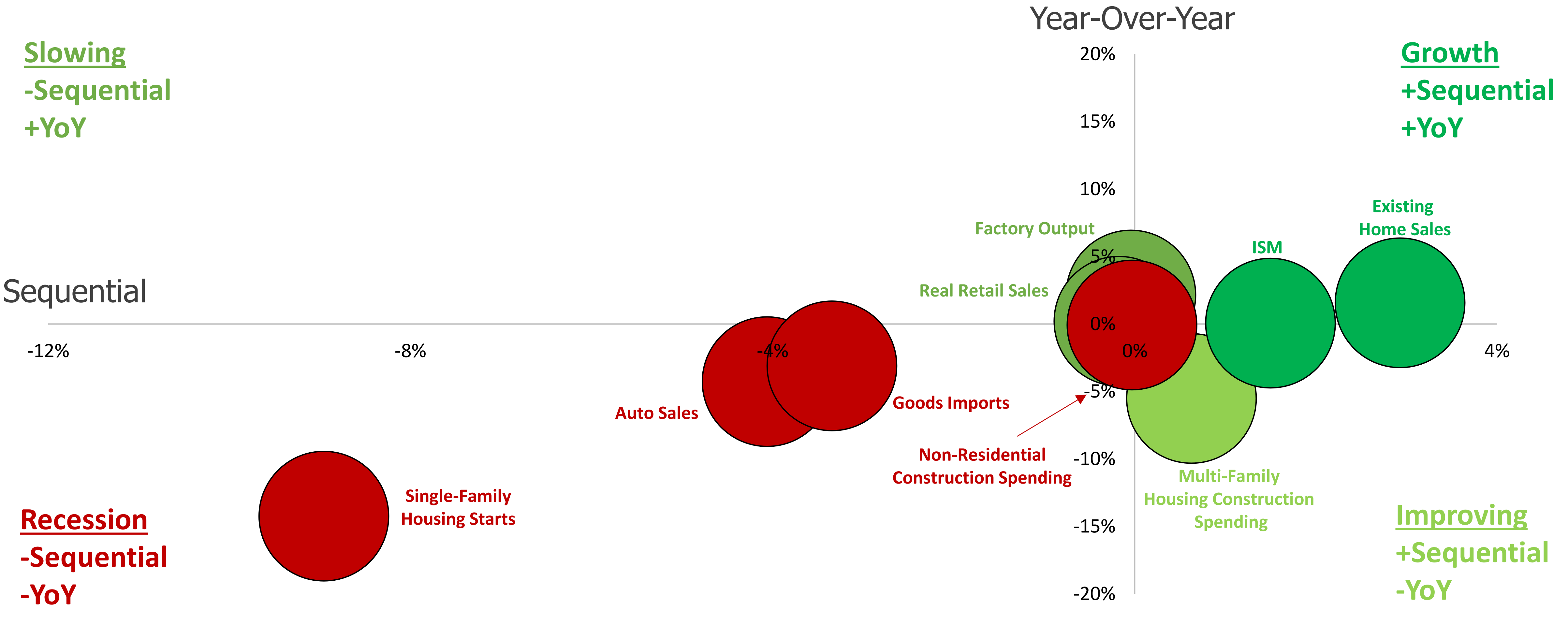
IMPORTANT ECONOMIC INDICATORS FOR TRUCK FREIGHT

3-month average ending in February 2025

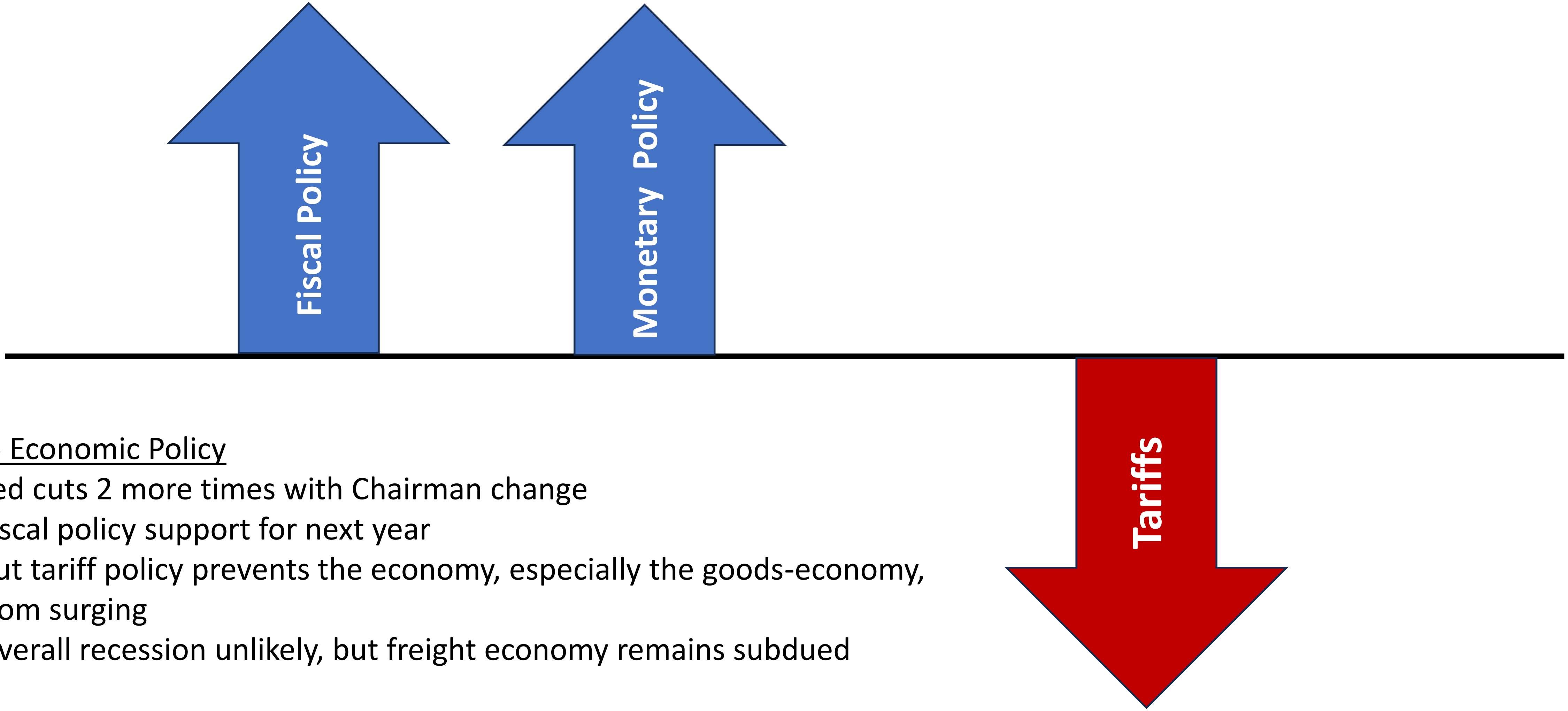


IMPORTANT ECONOMIC INDICATORS FOR TRUCK FREIGHT

3-month average ending in October, November or December depending on the indicator



Macro Economy Supports & Headwinds

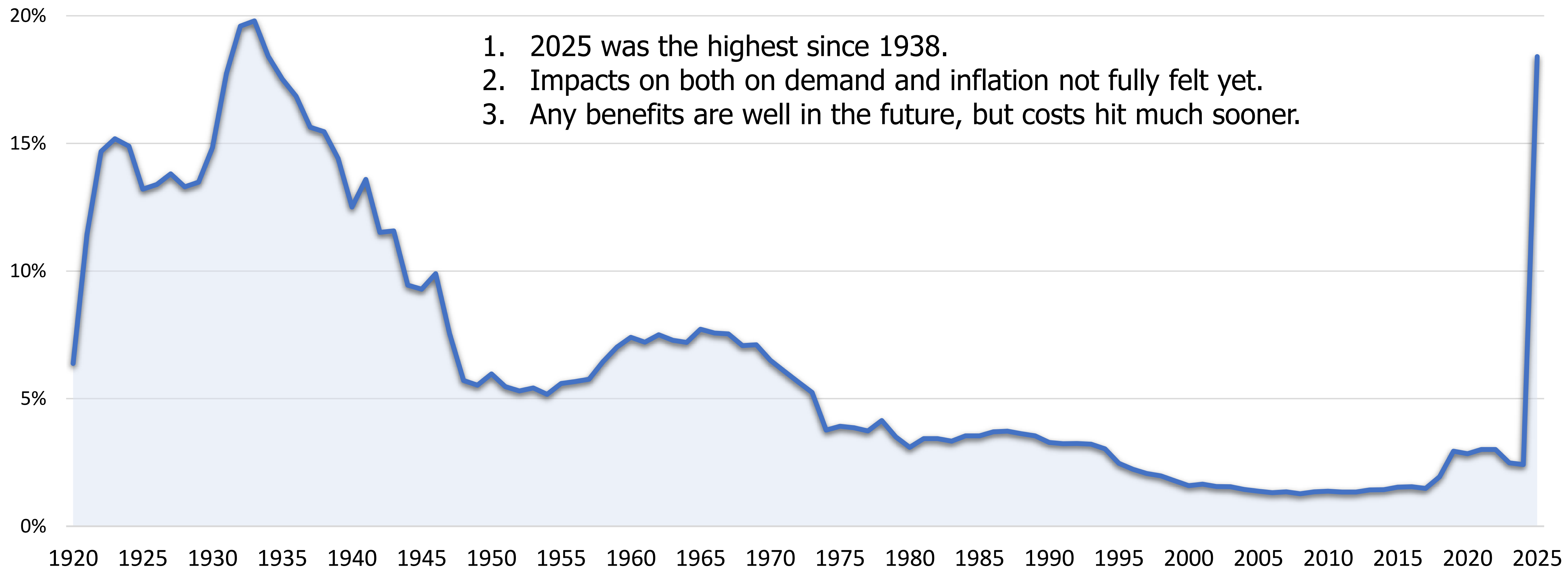


<u>2026 Economic Policy</u>

- Fed cuts 2 more times with Chairman change
- Fiscal policy support for next year
- But tariff policy prevents the economy, especially the goods-economy, from surging
- Overall recession unlikely, but freight economy remains subdued

Effective Tariff Rate

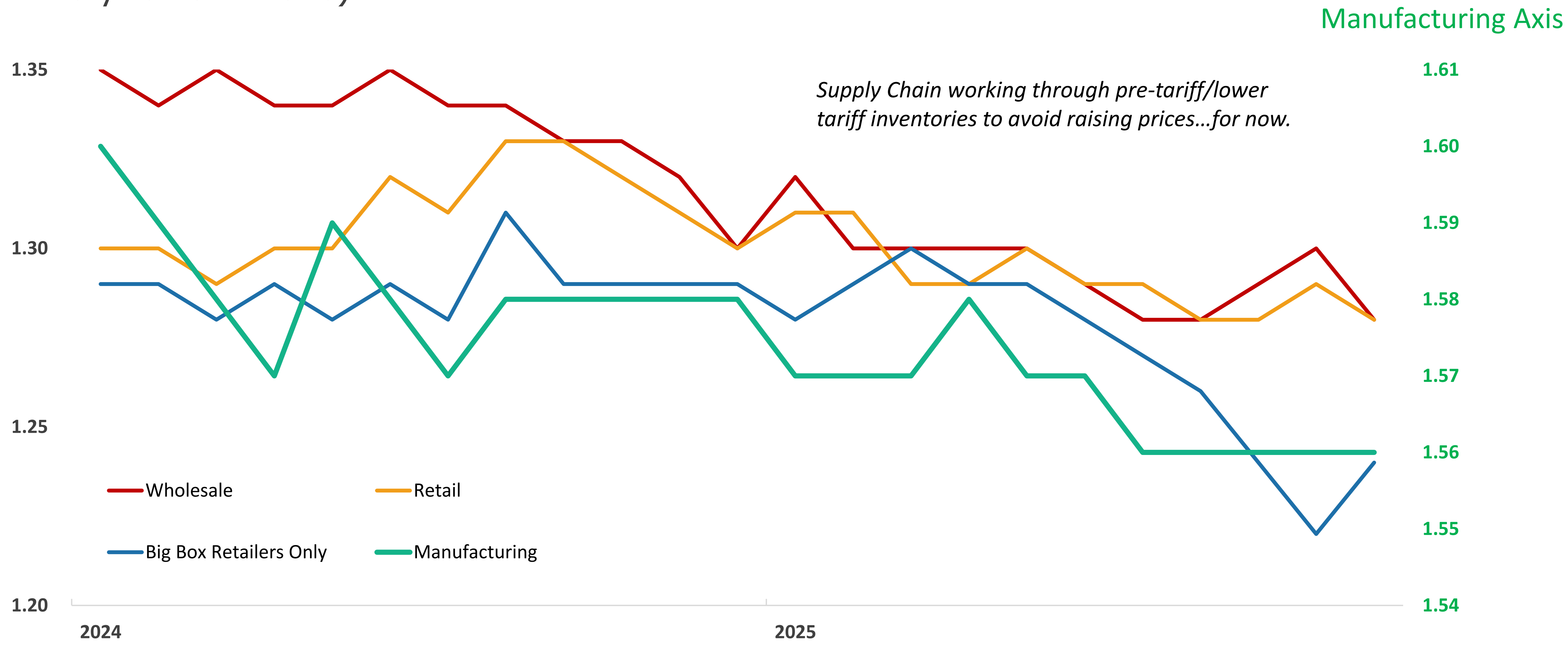
Annual Figures



 Sources: Yale Budget Lab & ATA

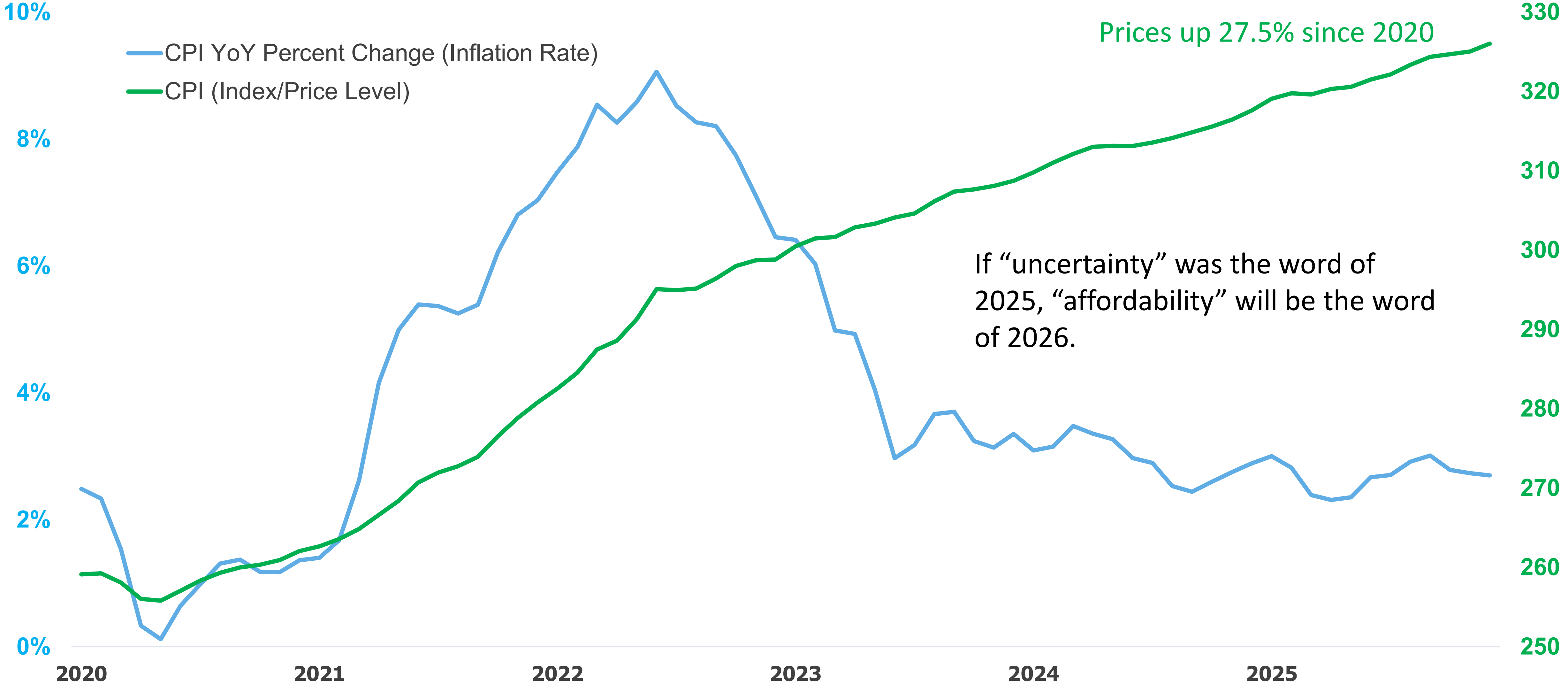
Supply Chain Working Down Inventories

(Inventory-to-Sales Ratio)



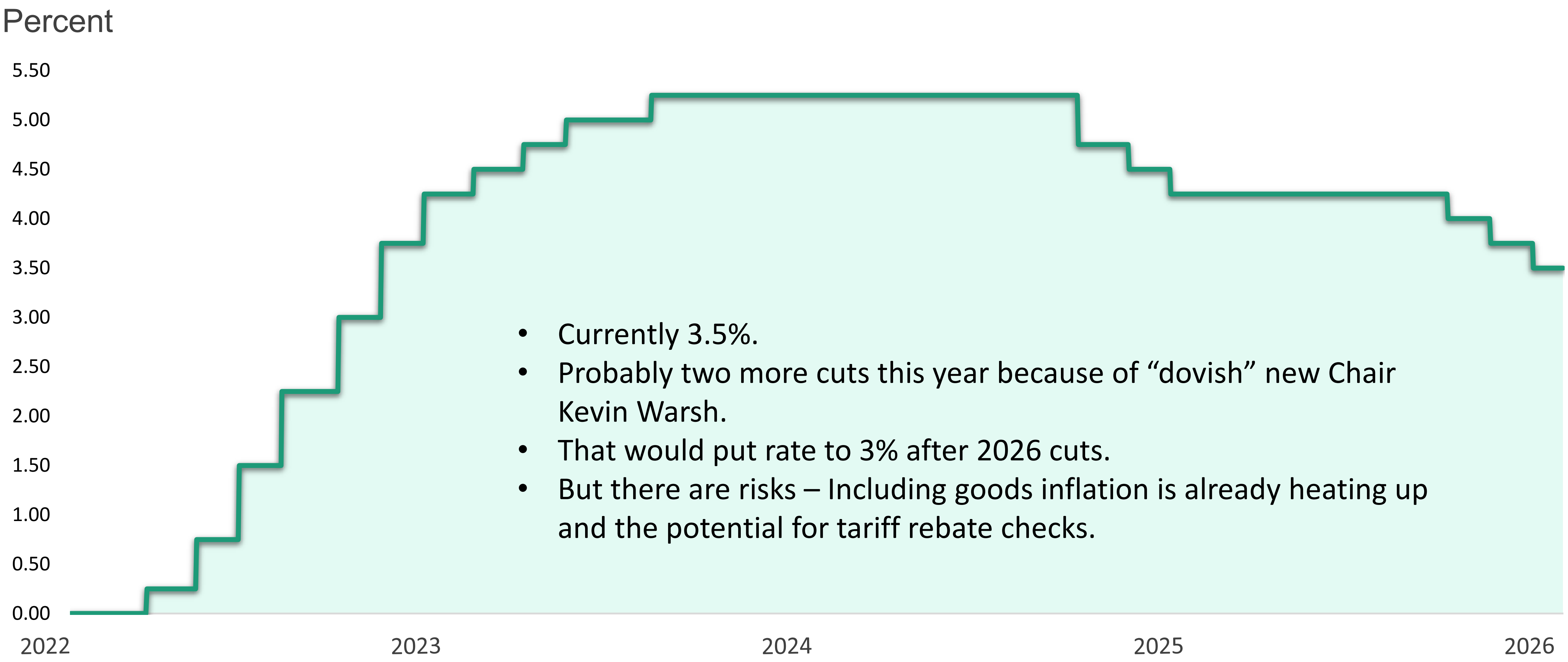
Sources: Census Bureau & ATA

CPI – PRICE VS INFLATION



Sources: BLS & ATA

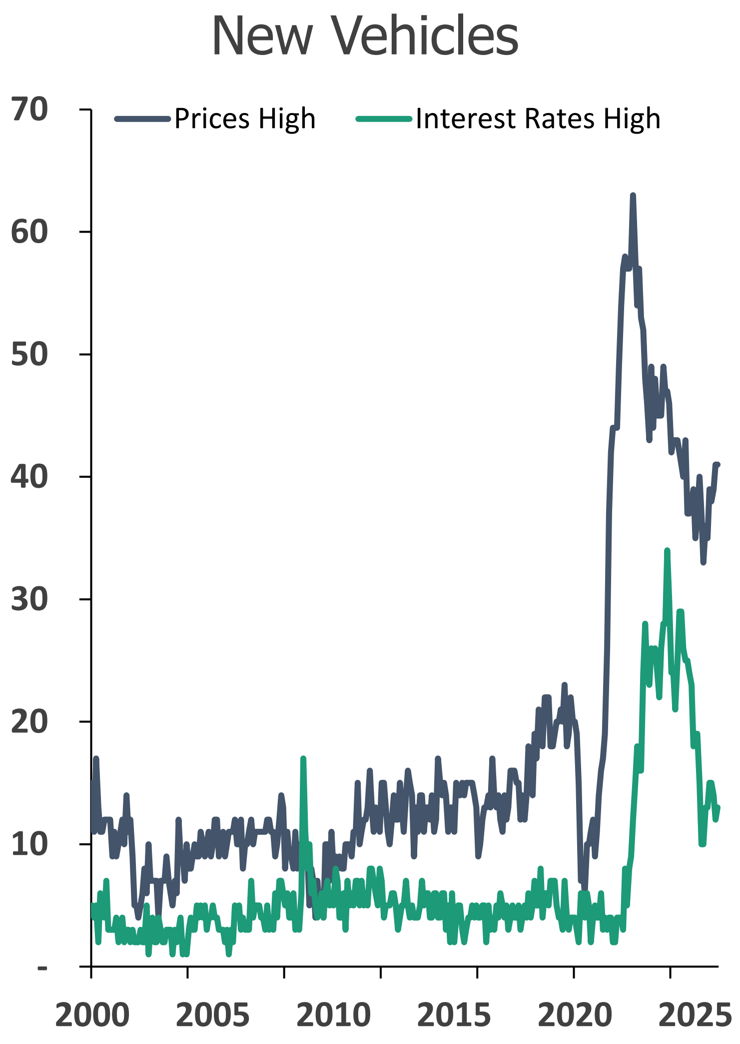
Fed Funds Interest Rate

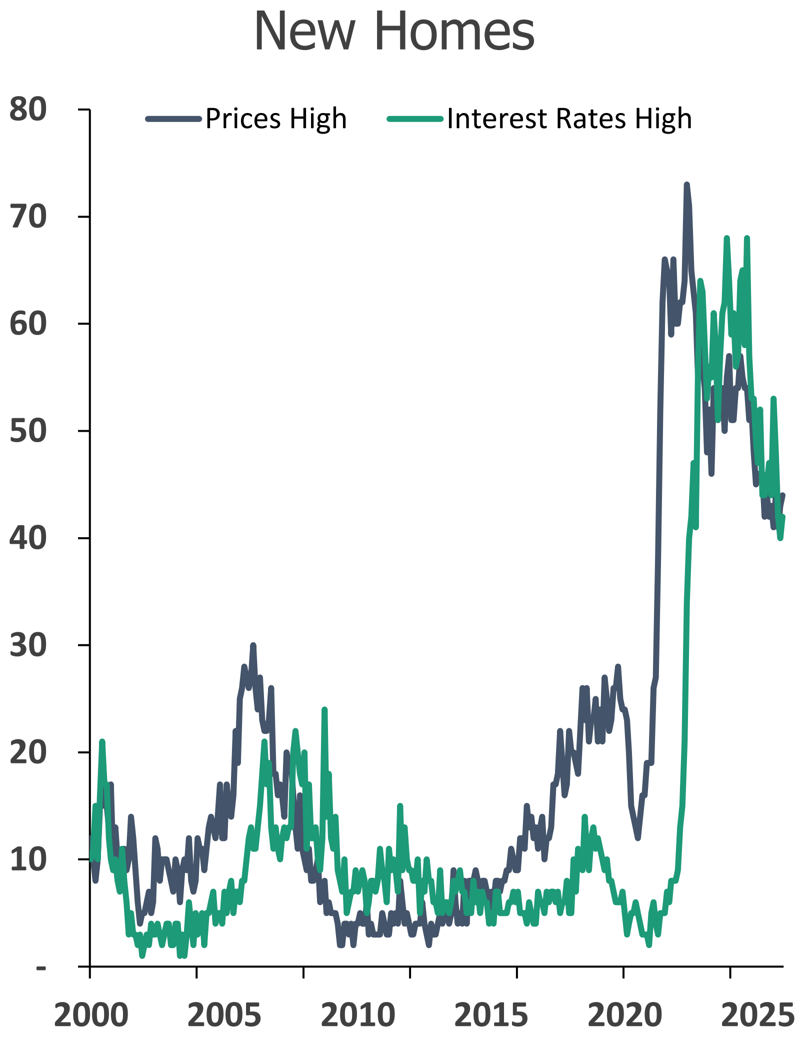


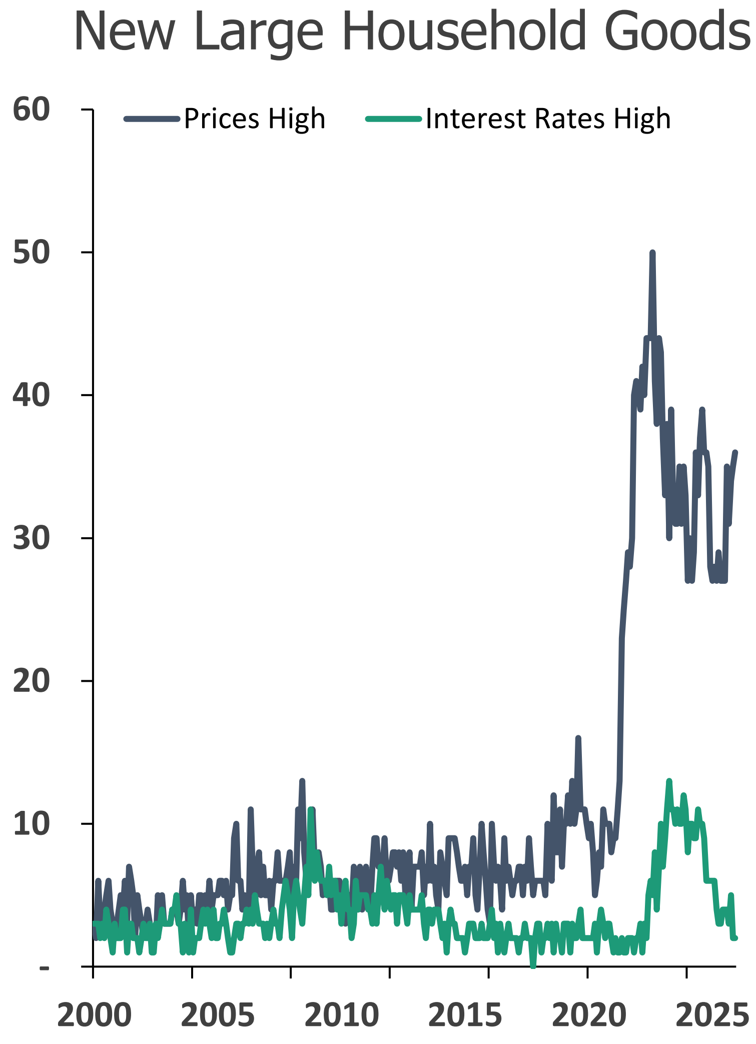
- Currently 3.5%.
- Probably two more cuts this year because of “dovish” new Chair Kevin Warsh.
- That would put rate to 3% after 2026 cuts.
- But there are risks – Including goods inflation is already heating up and the potential for tariff rebate checks.

Source: Federal Reserve & ATA

CONSUMERS: WHY IT'S A BAD TIME TO BUY

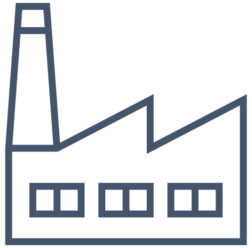






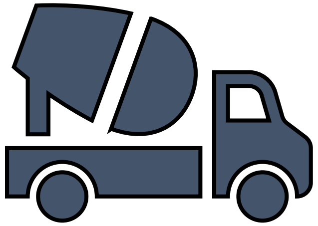
Source: University of Michigan Survey Research Center

Three Big Sources of Truck Freight



Factory & Industrial

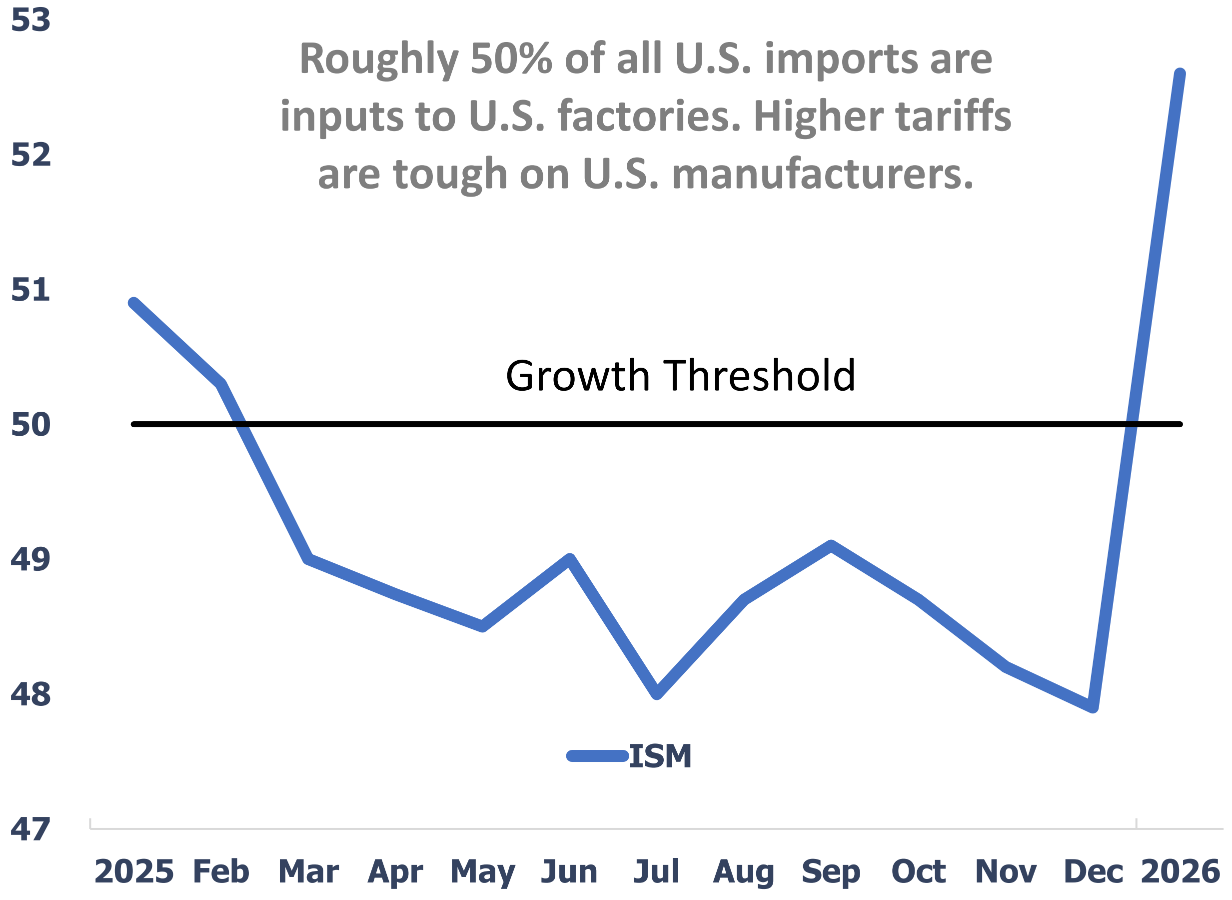
Household Consumption/Retail

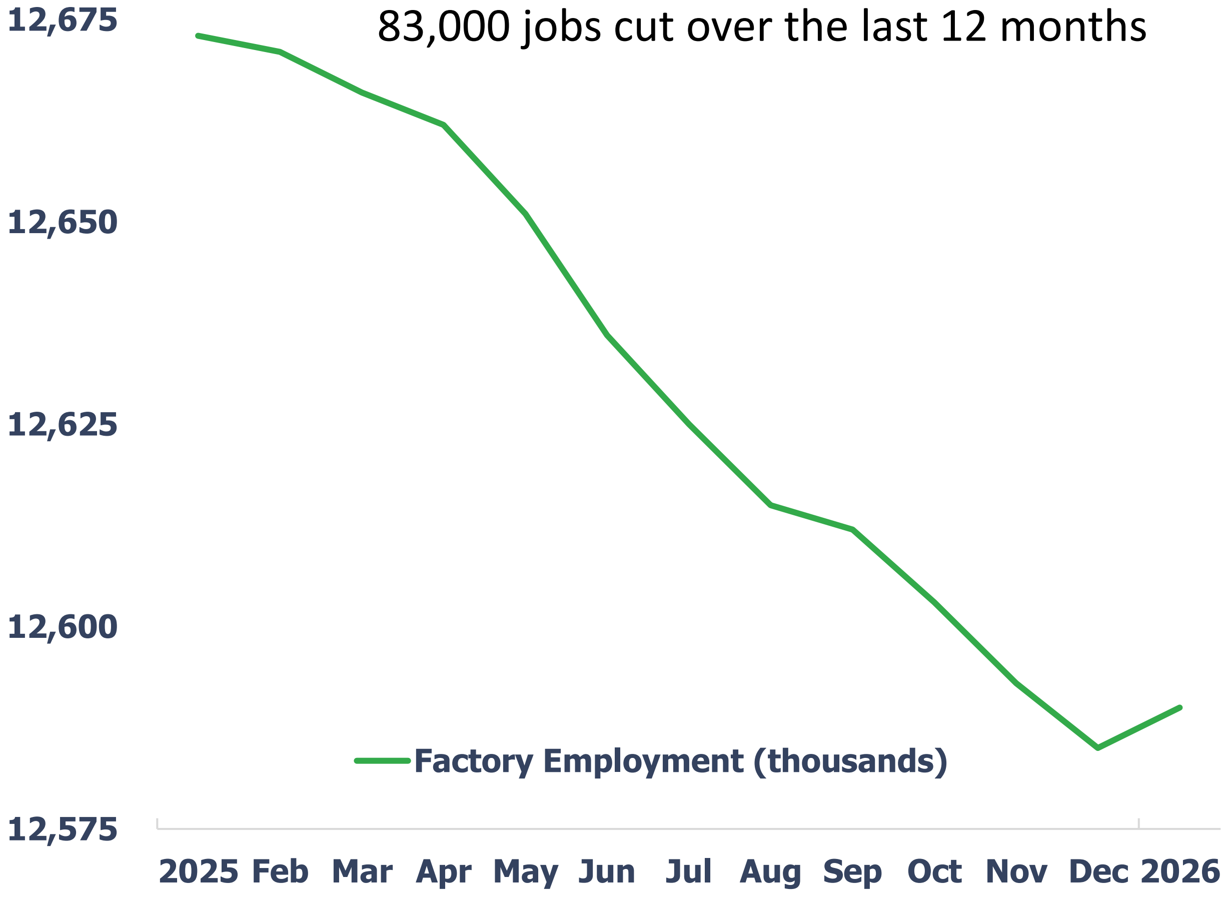


Construction: Home & Non-residential

EVIDENCE MANUFACTURING IS ALREADY BEING HURT BY TARIFFS

(ISM Manufacturing Index and Manufacturing Employment)

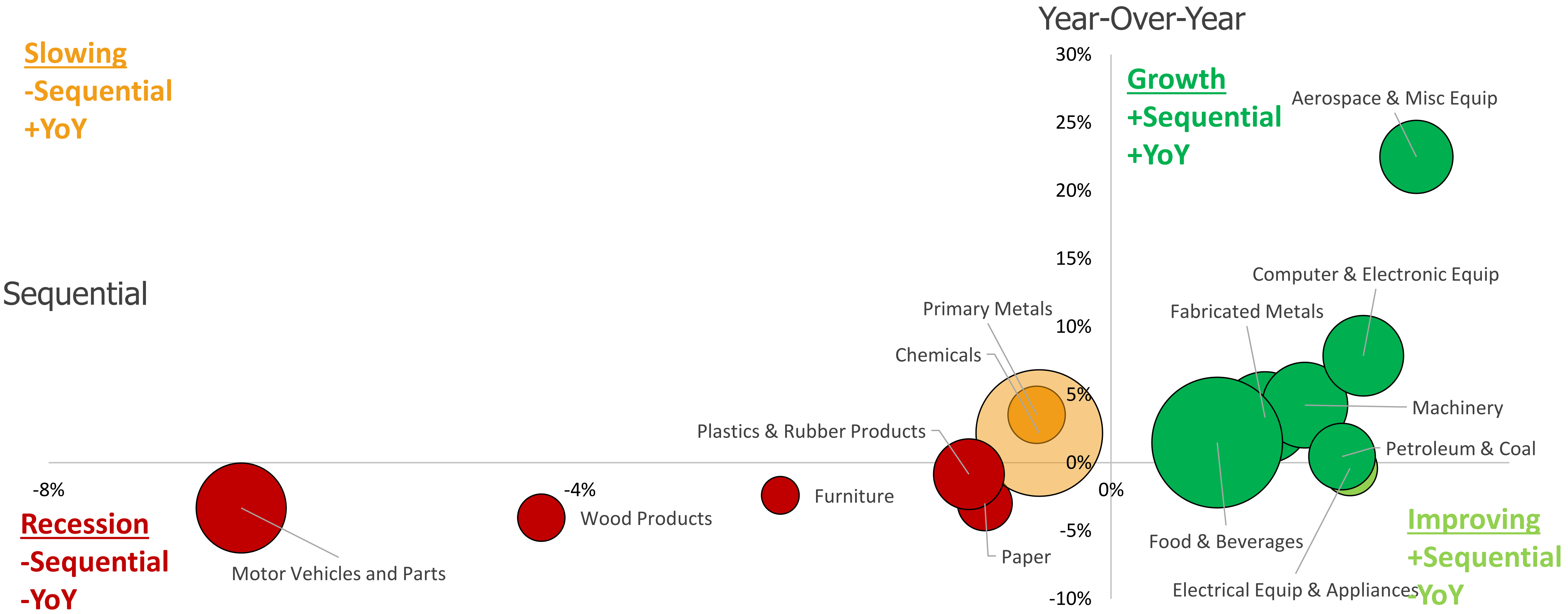




Sources: Institute for Supply Management, DOL, ATA

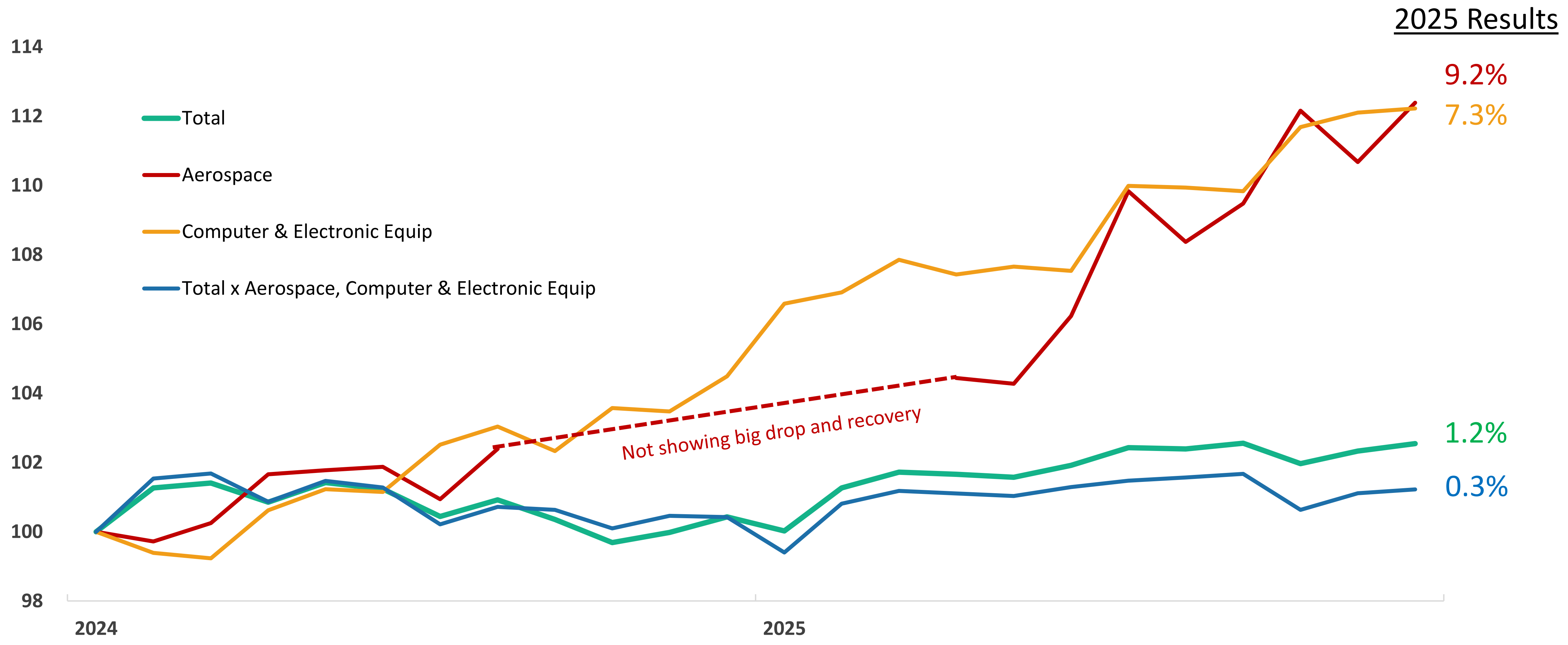
Manufacturing Output by Sector

3-month average ending in December 2025



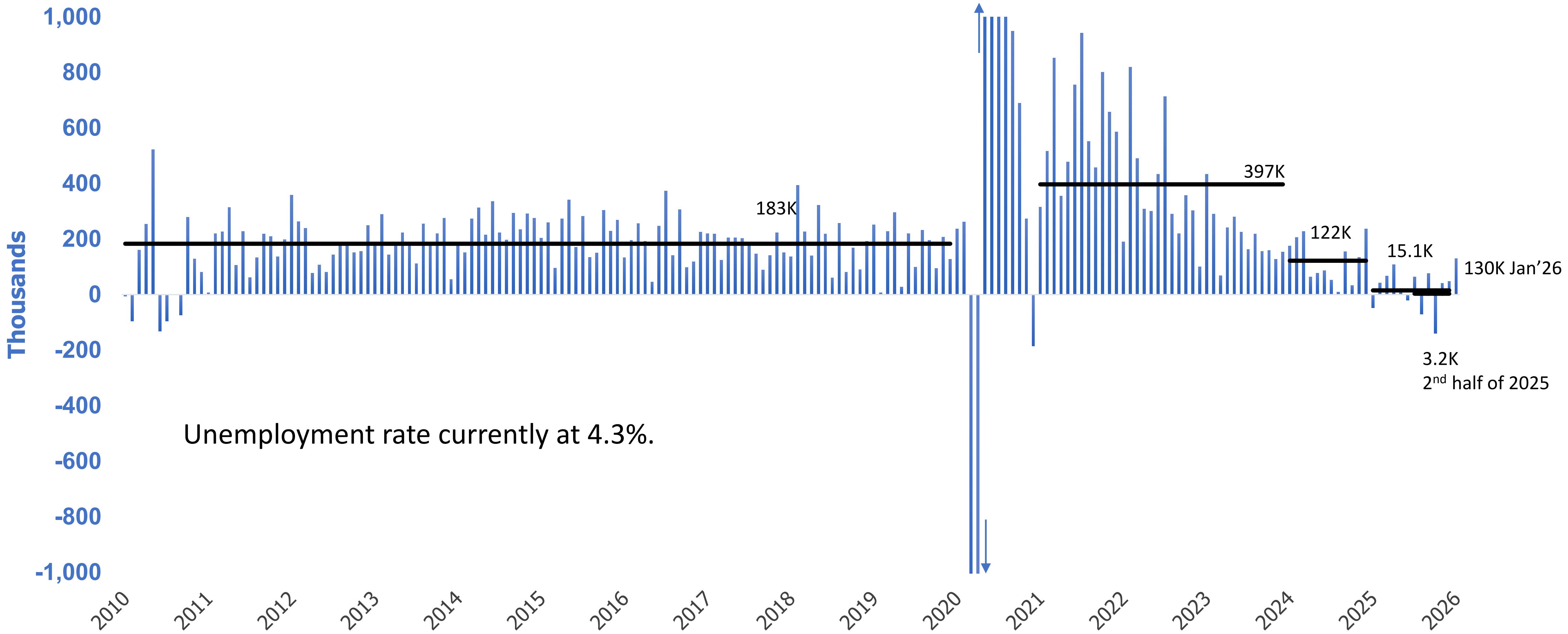
Manufacturing Output

(Index; January 2024 = 100; Seasonally Adjusted)

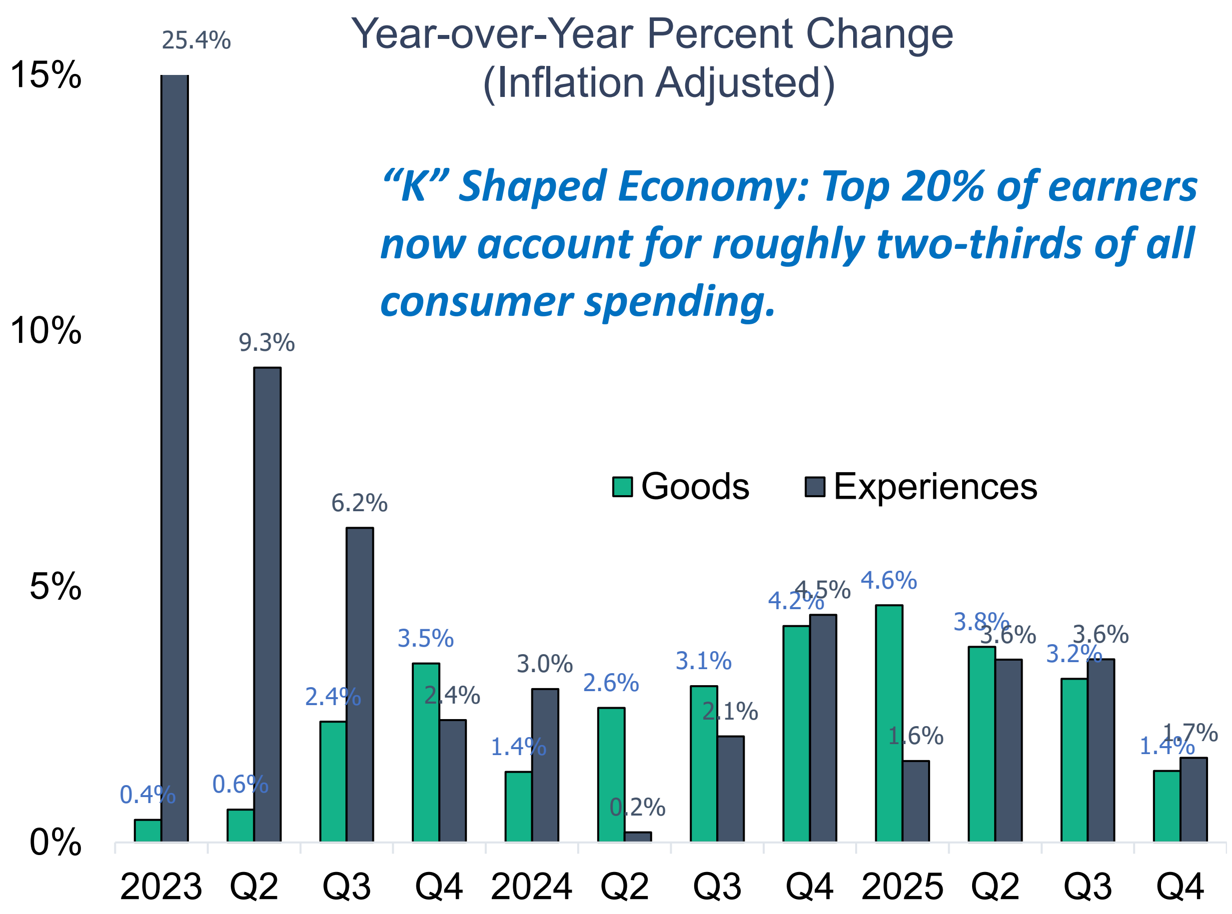


Sources: Federal Reserve & ATA

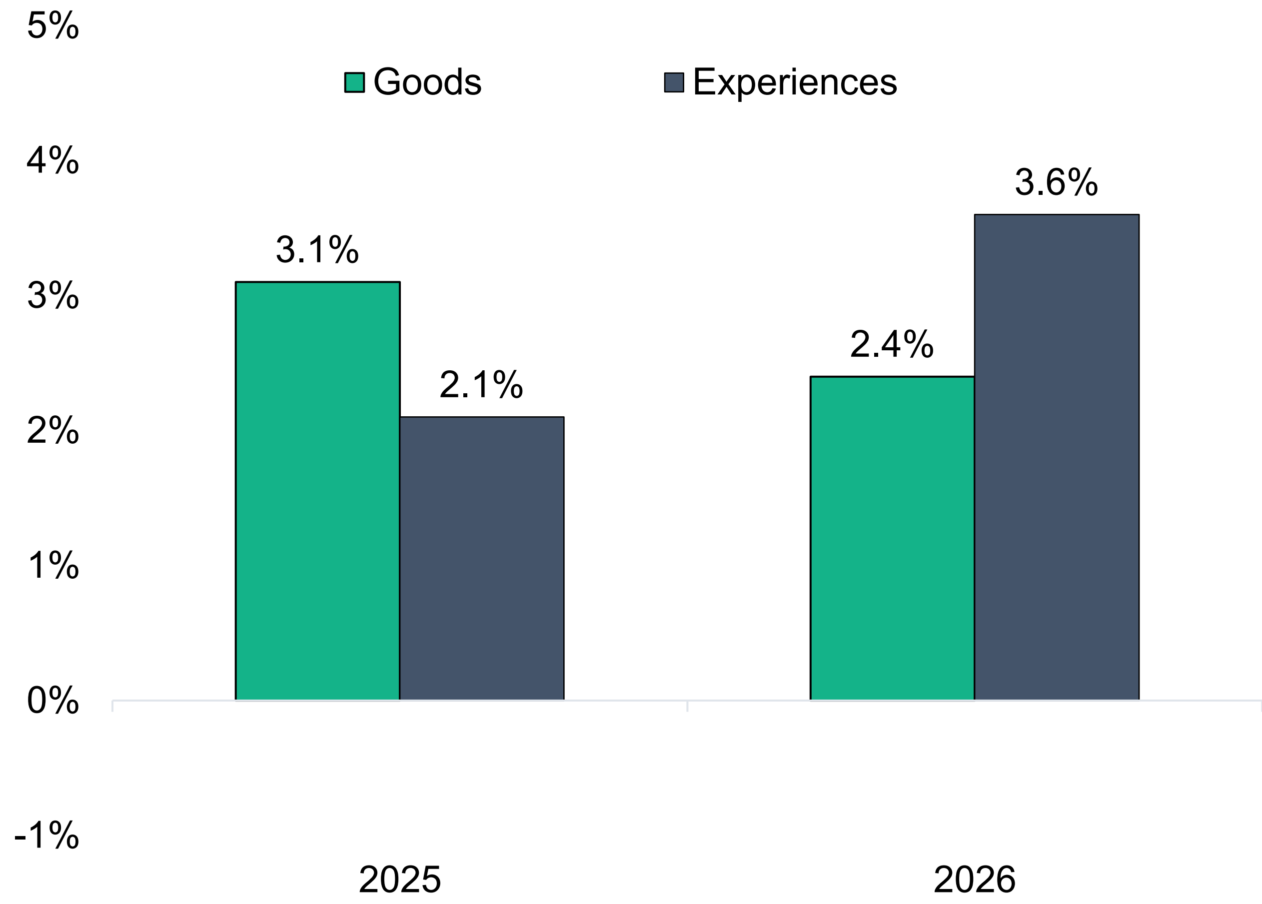
MONTHLY CHANGES IN NONFARM PAYROLLS



CONSUMER SPENDING – GOODS VS EXPERIENCES



"K" Shaped Economy: Top 20% of earners now account for roughly two-thirds of all consumer spending.

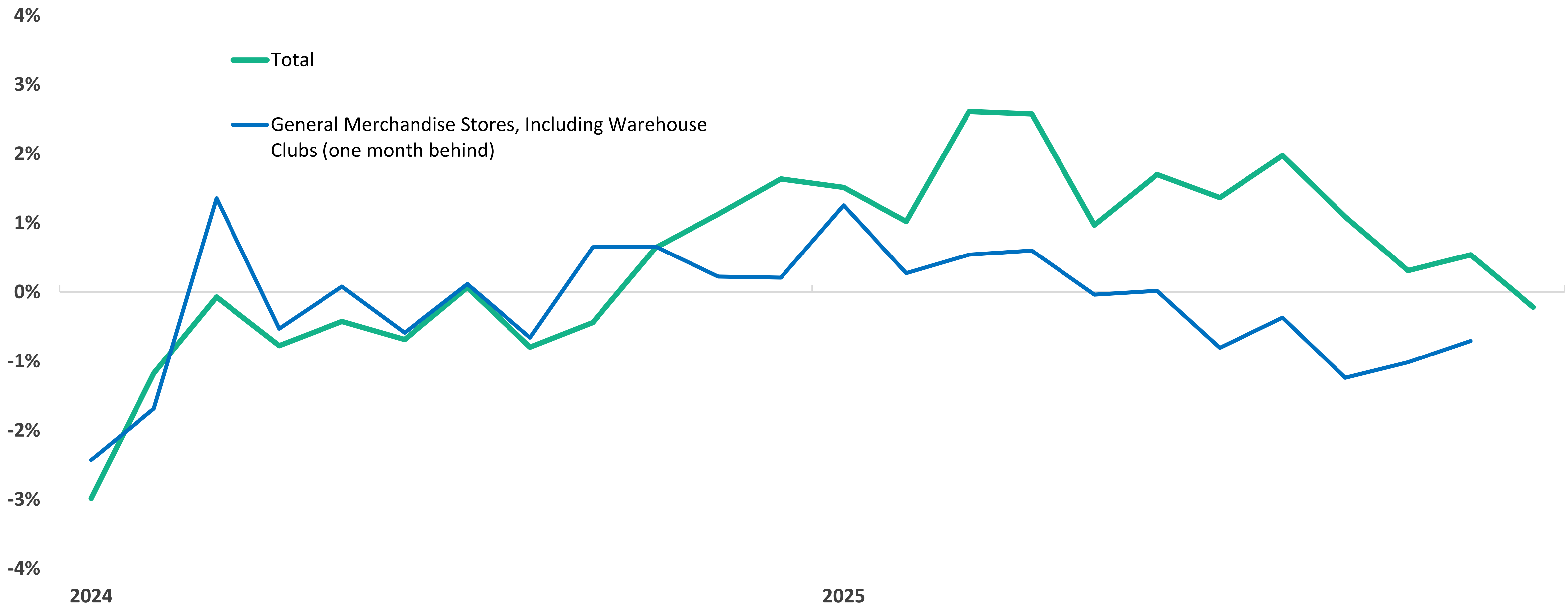


Sources: BEA, ATA, S&P Markit

Forecast as of 1/9/2026 and subject to change.

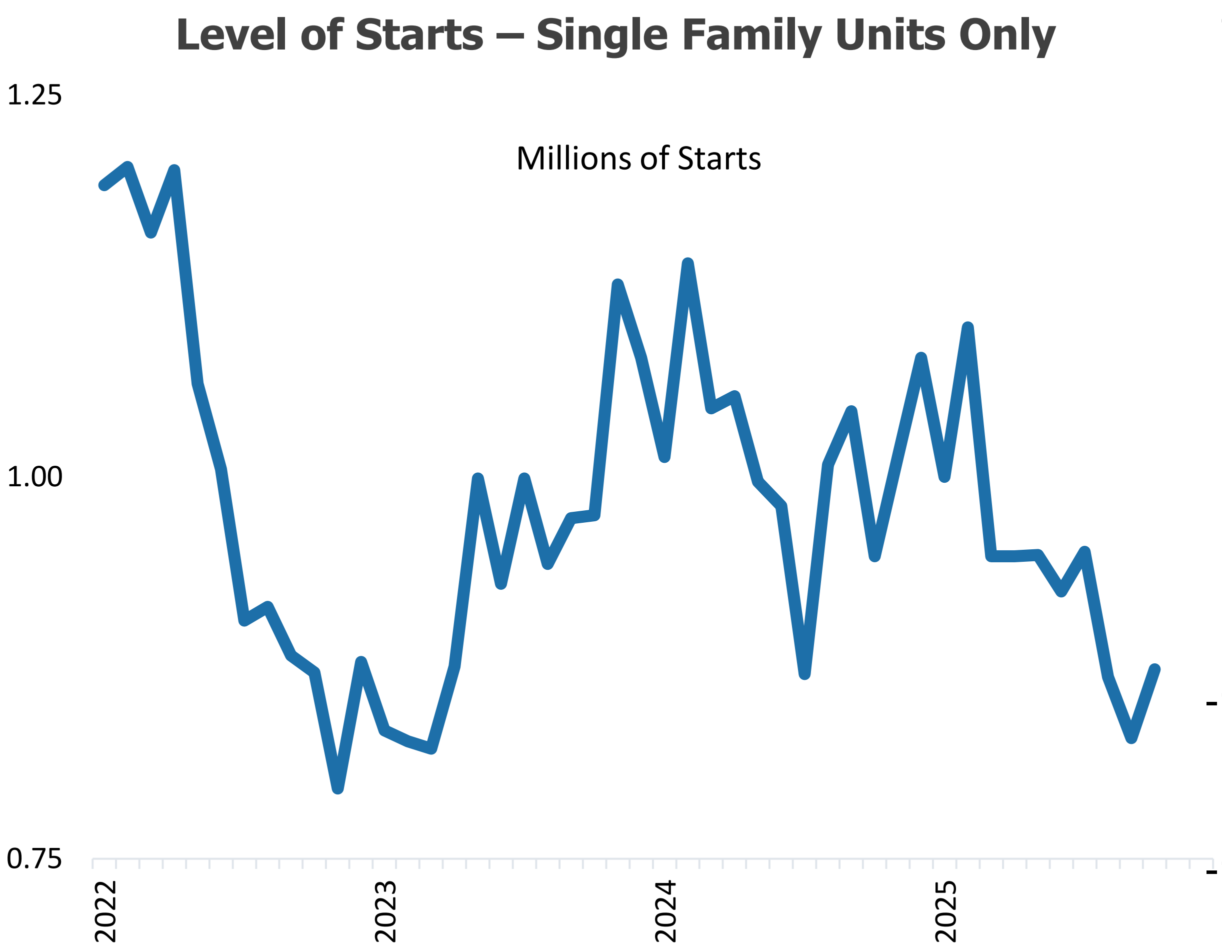
Real Retail Sales

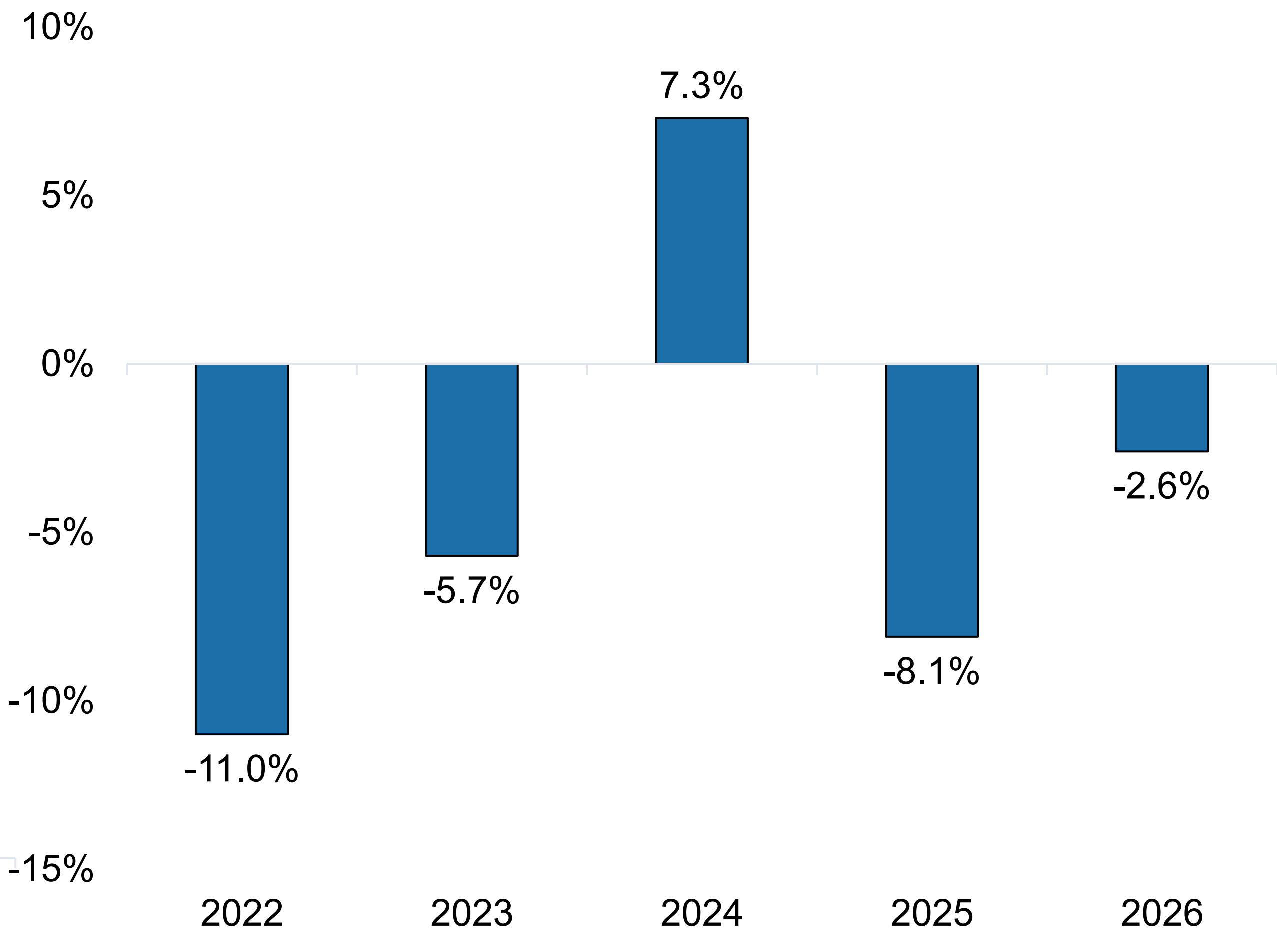
(Year-over-Year Percent Change)



Sources: ATA based on Census Bureau and Bureau of Labor Statistics Data

HOME CONSTRUCTION MARKET



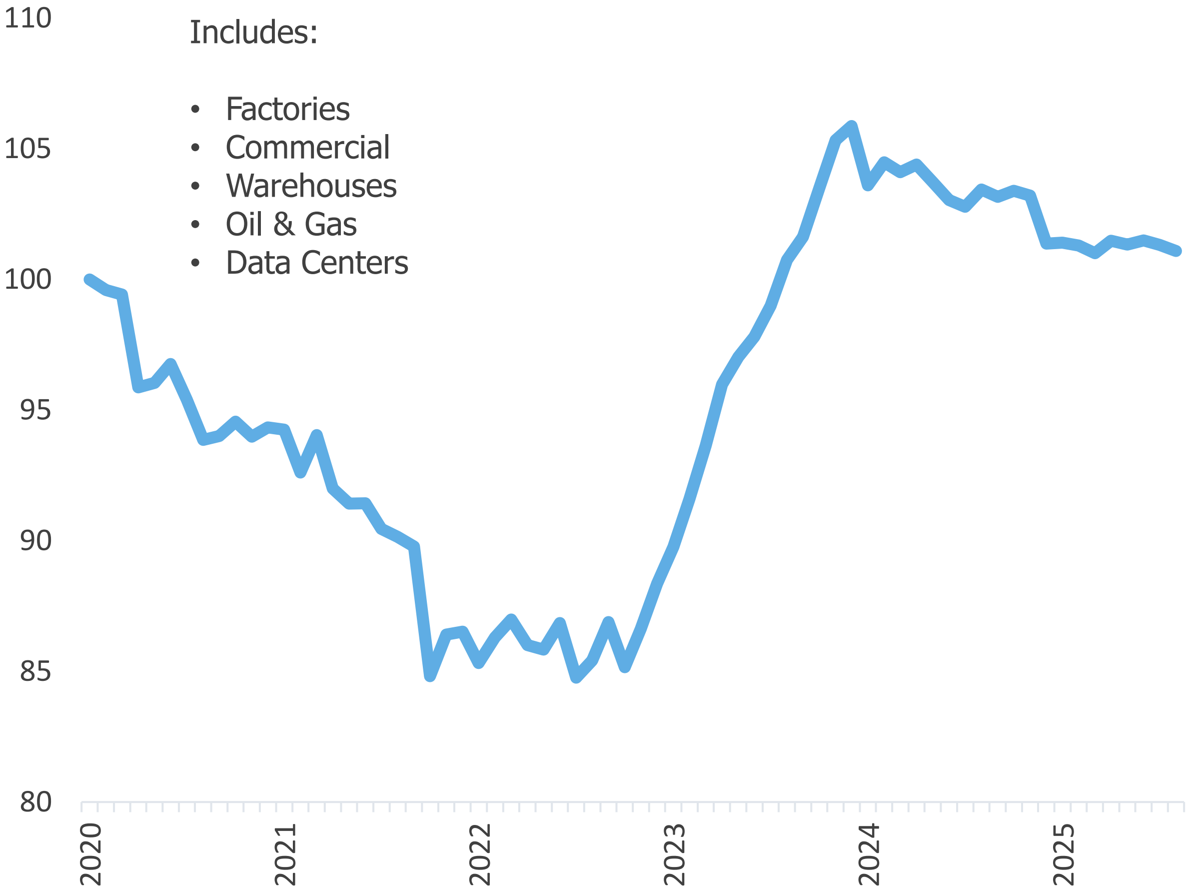


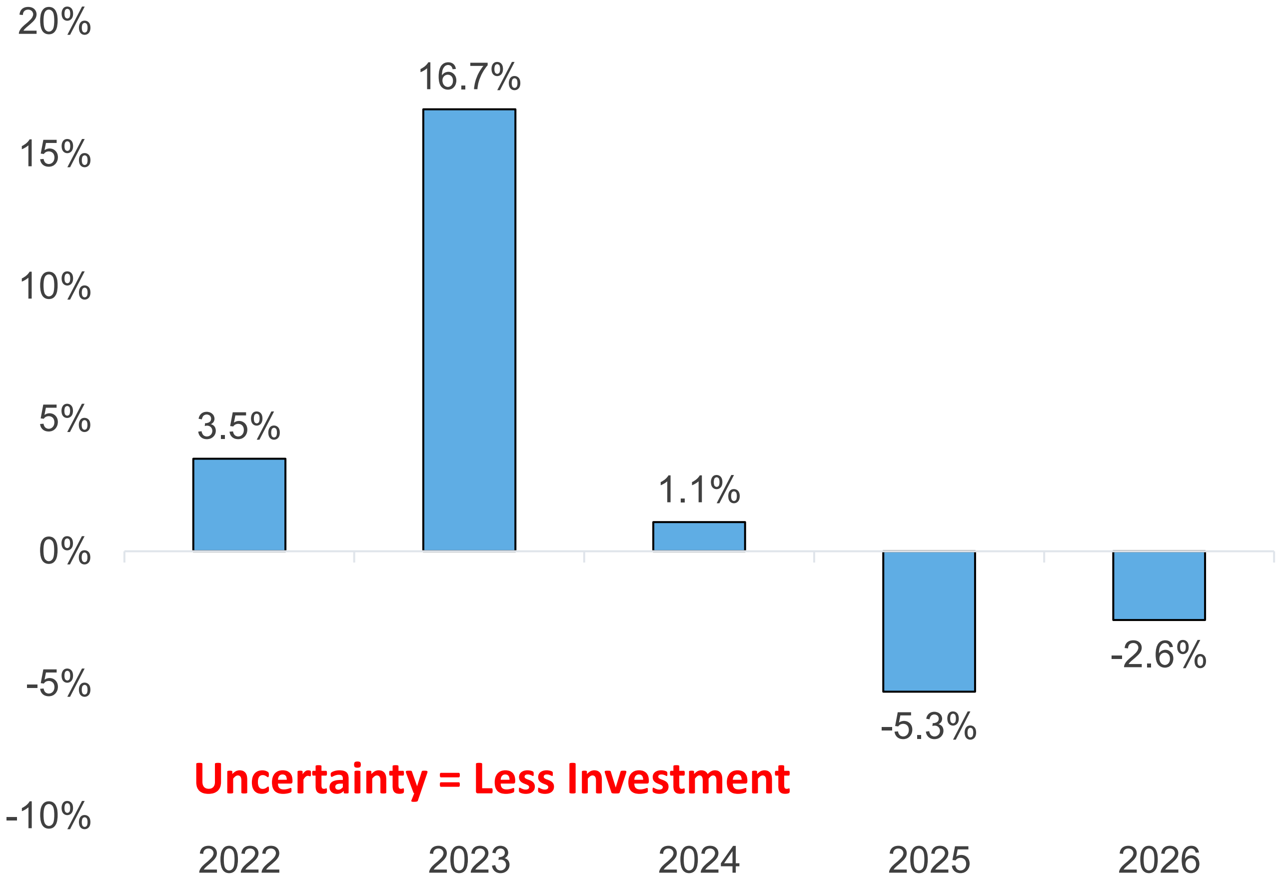
Sources: Census Bureau, S&P & ATA

Forecast as of 2/13/2026 and subject to change.

REAL NON-RESIDENTIAL CONSTRUCTION SPENDING

Index Jan 2020=100; Annualized Rate



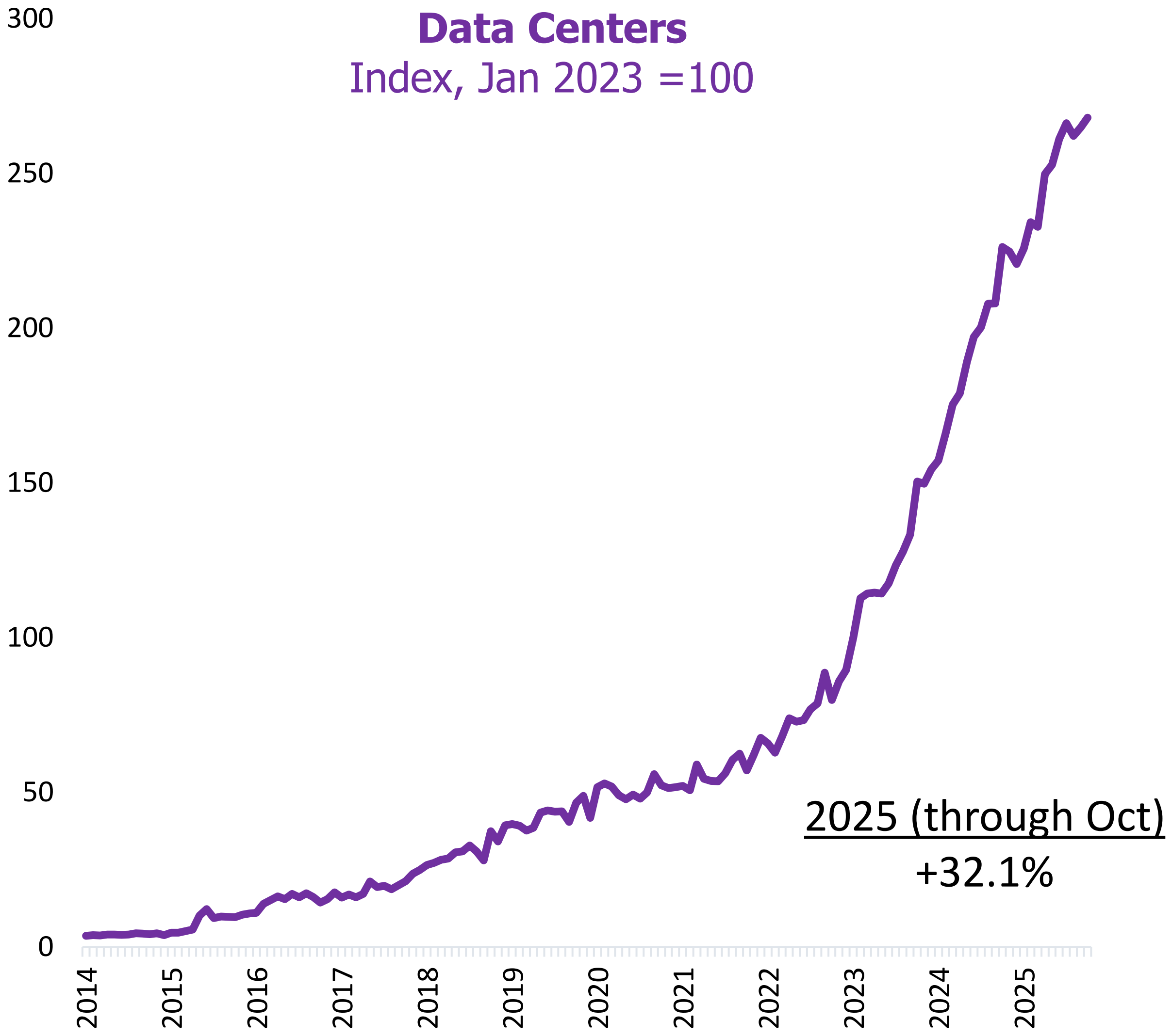


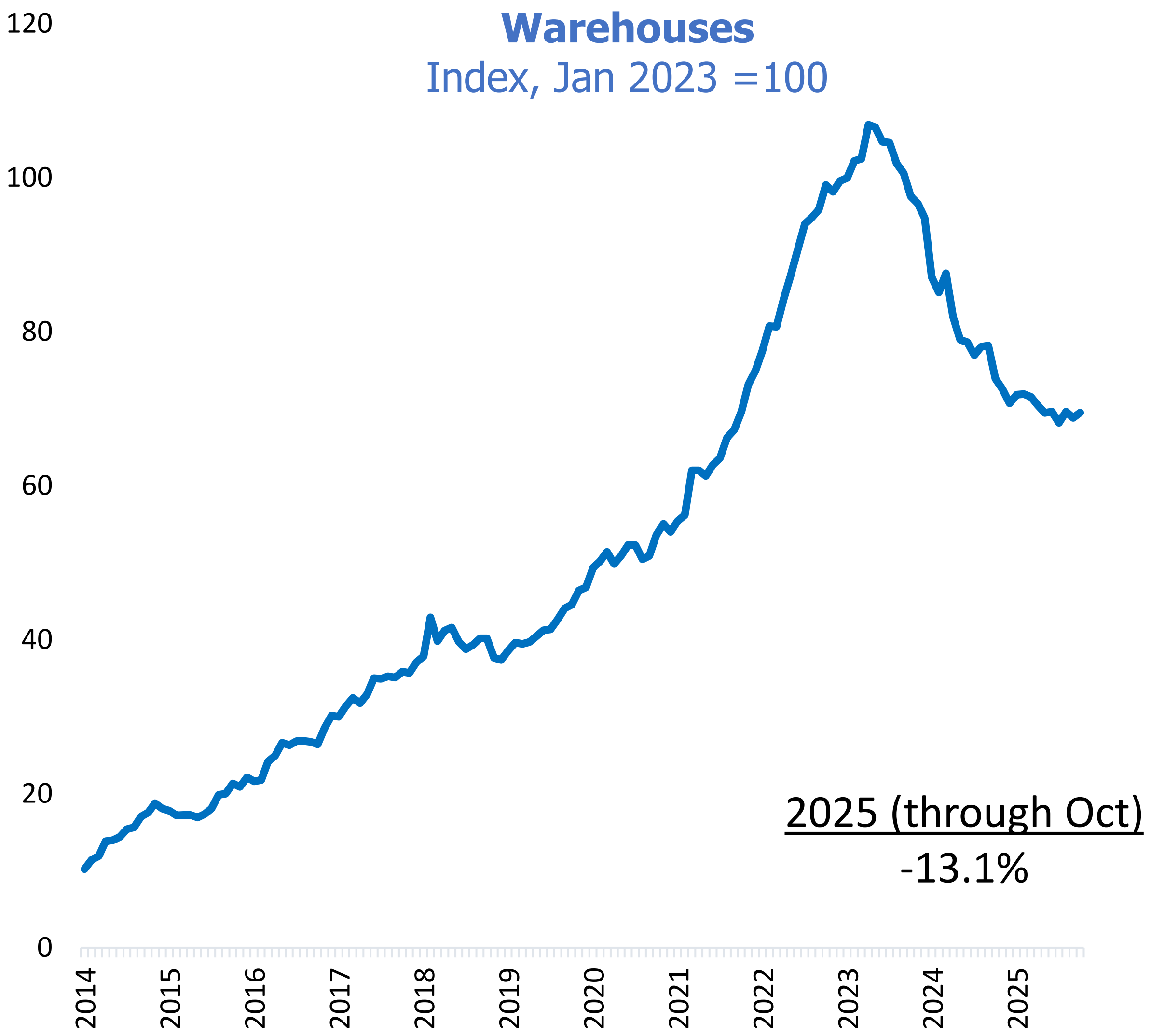
Sources: Census Bureau, FRED, and ATA

Forecast as of 2/13/2026 and subject to change.

Real Value of Private Construction Spending

Seasonally Adjusted Annualized Rates



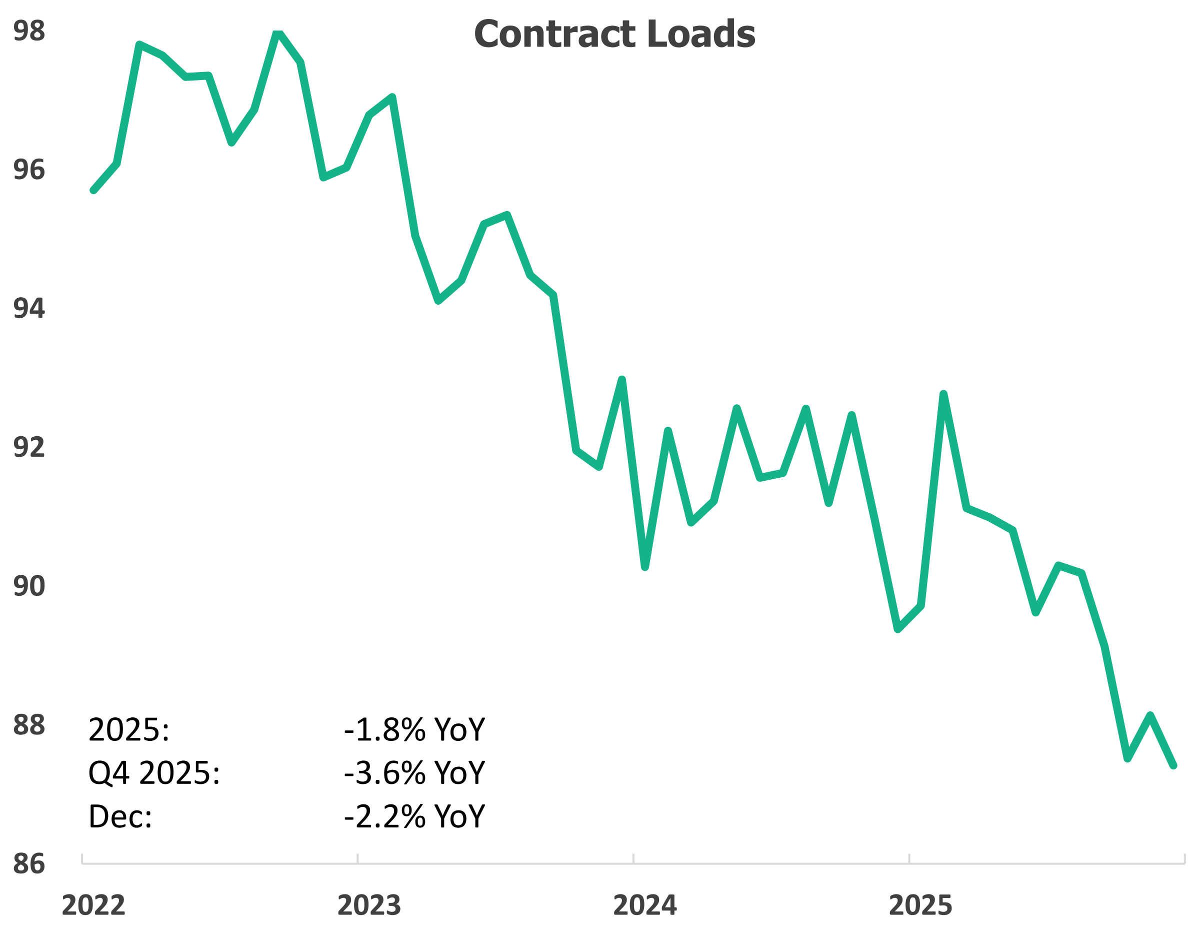


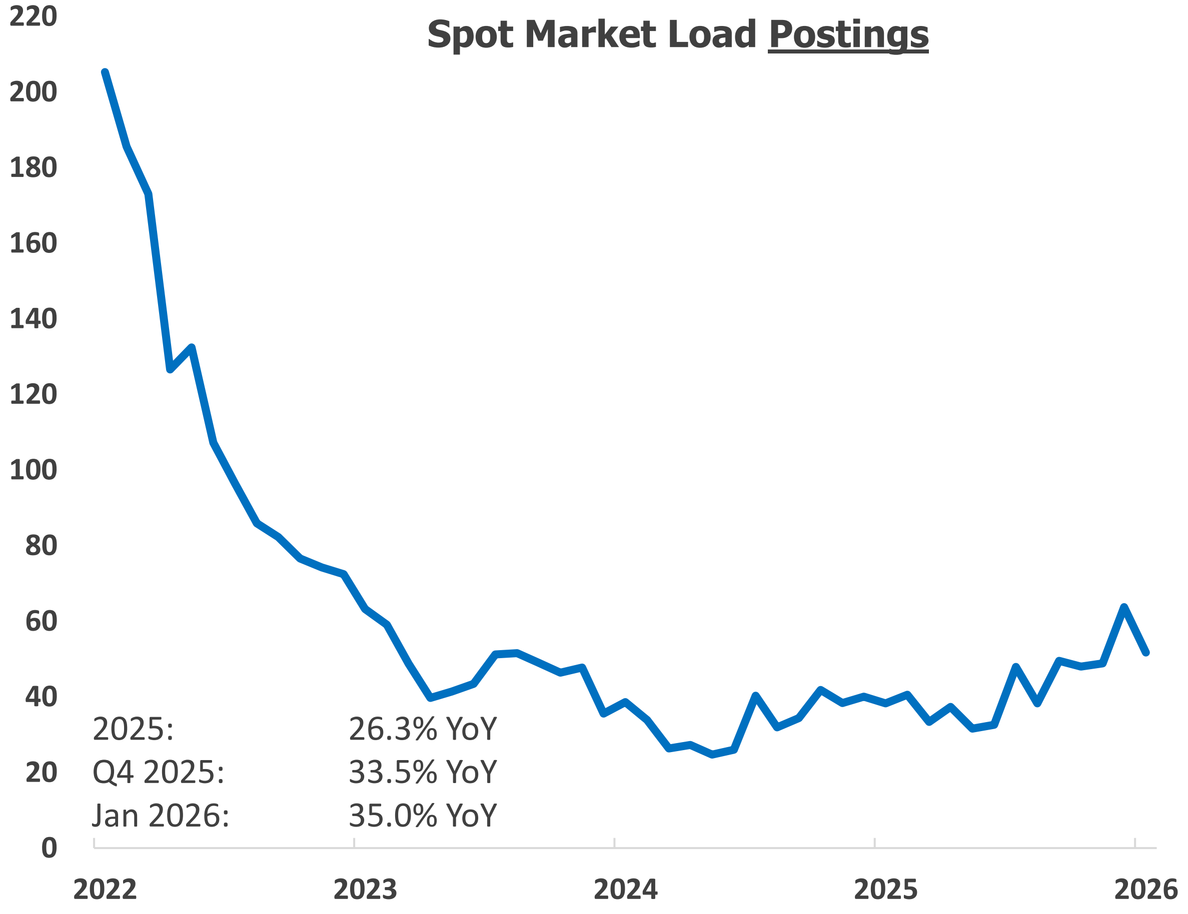
Source: ATA based Census Bureau data

Trucking Demand

TRUCKLOAD LOADS

(Index; January 2020 = 100; Seasonally Adjusted)





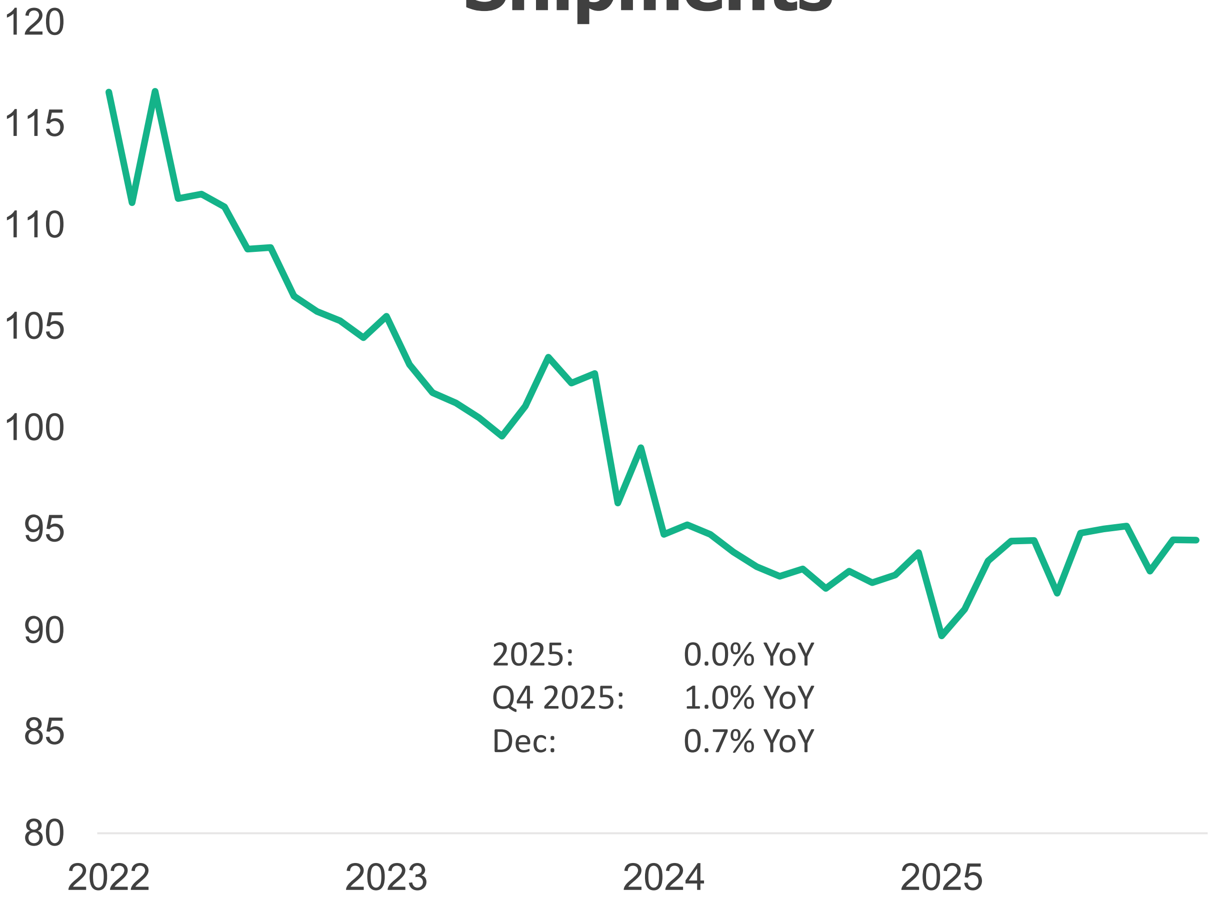
Includes all types of truckload freight.

Sources: ATA's Trucking Activity Report & DAT.com

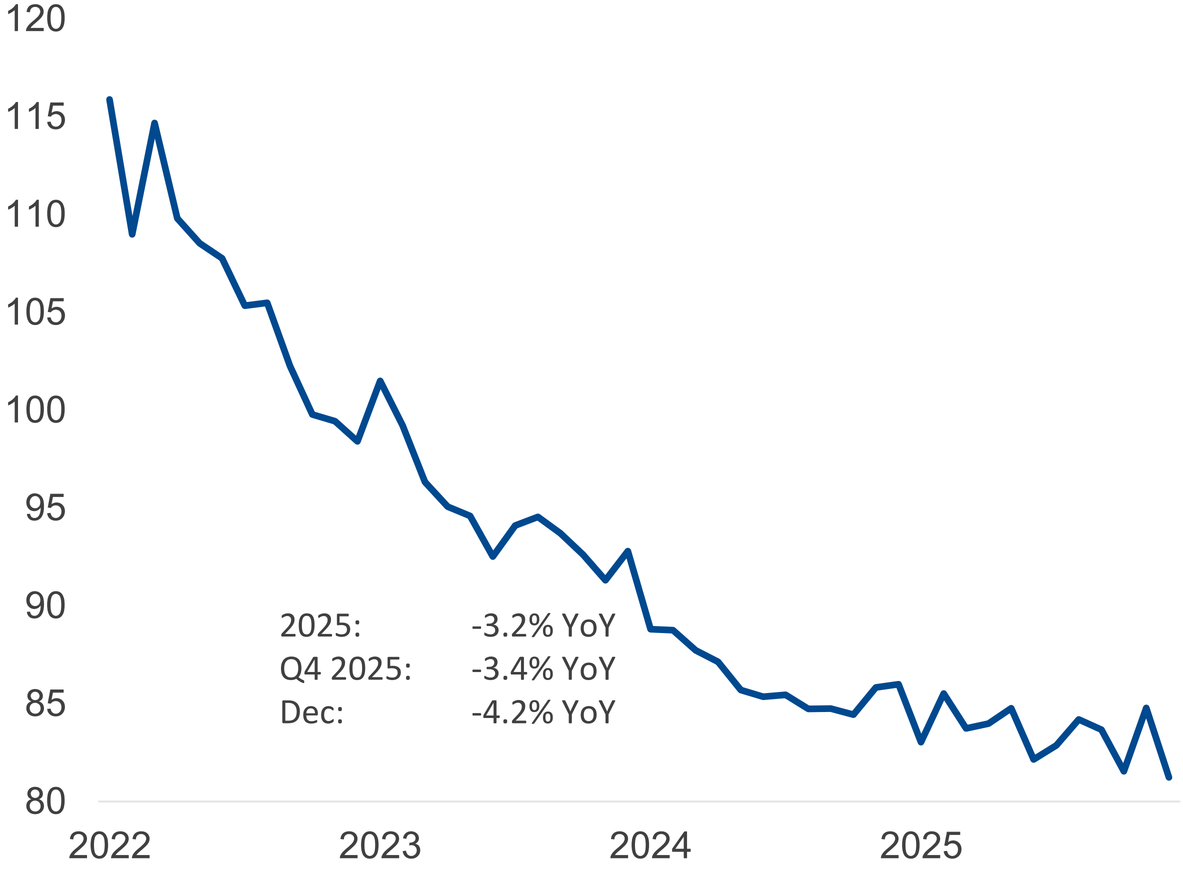
LTL SHIPMENTS AND TONNAGE

(Index, January 2020 = 100; Seasonally Adjusted)

Shipments



Tonnage

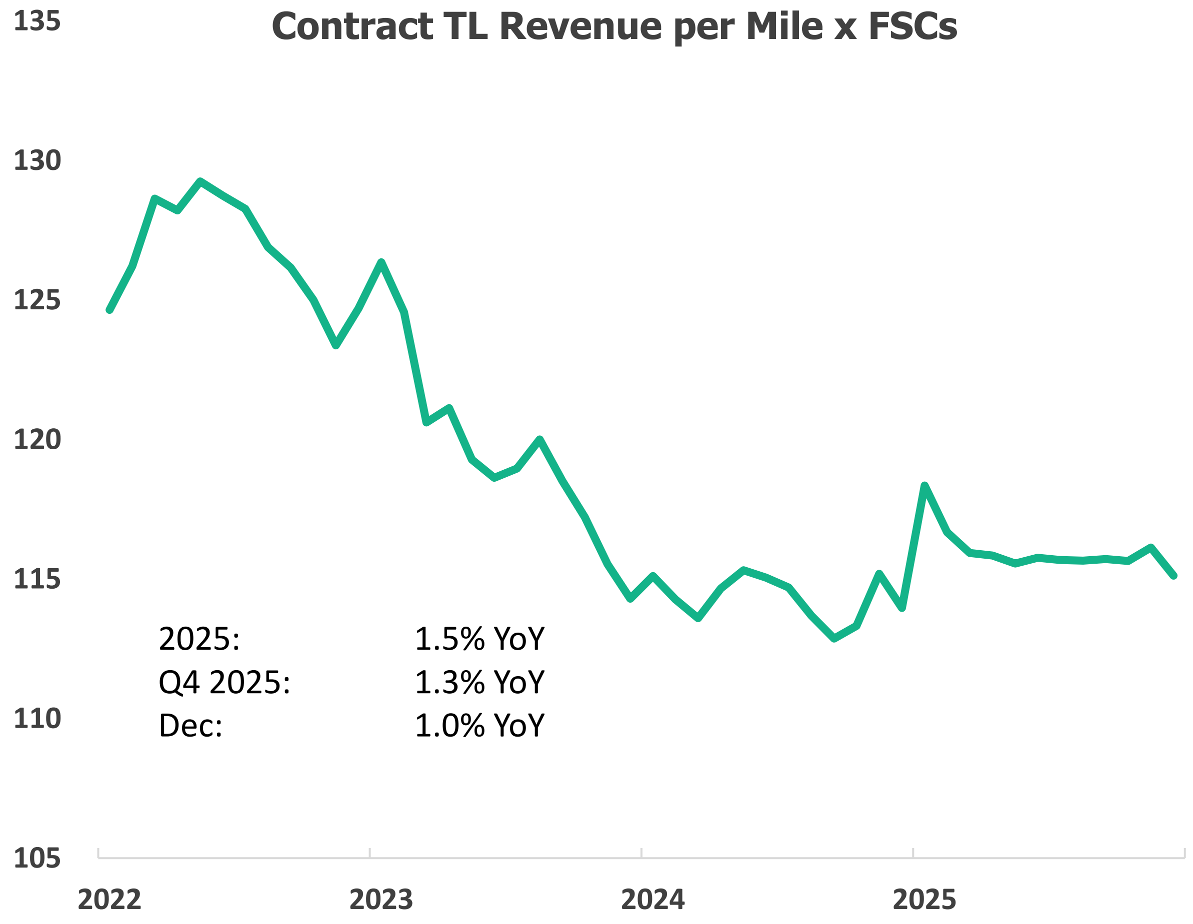


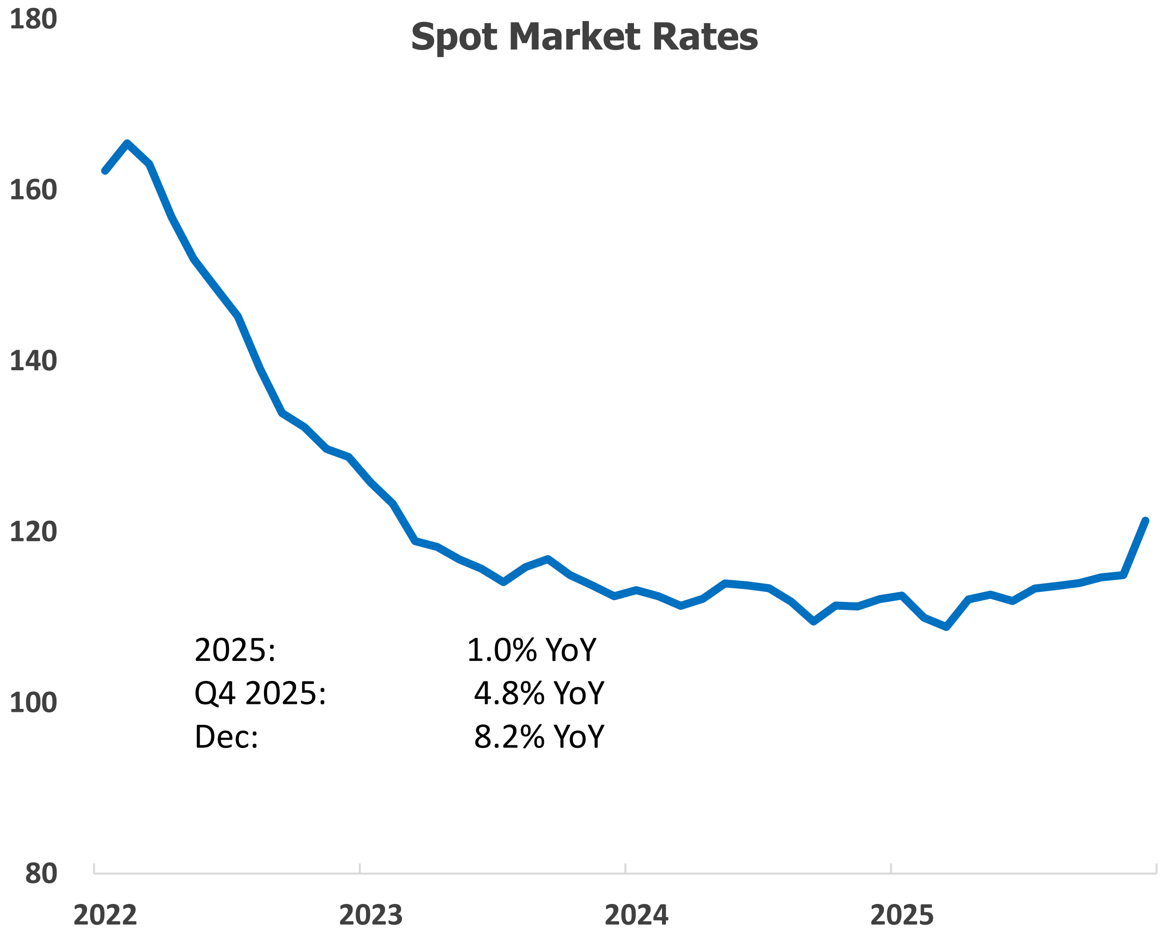
Source: ATA's Trucking Activity Report

Trucking Supply Trends – Market Pressures

TRUCKLOAD PRICING PROXIES

(Index; January 2020 = 100; Seasonally Adjusted)

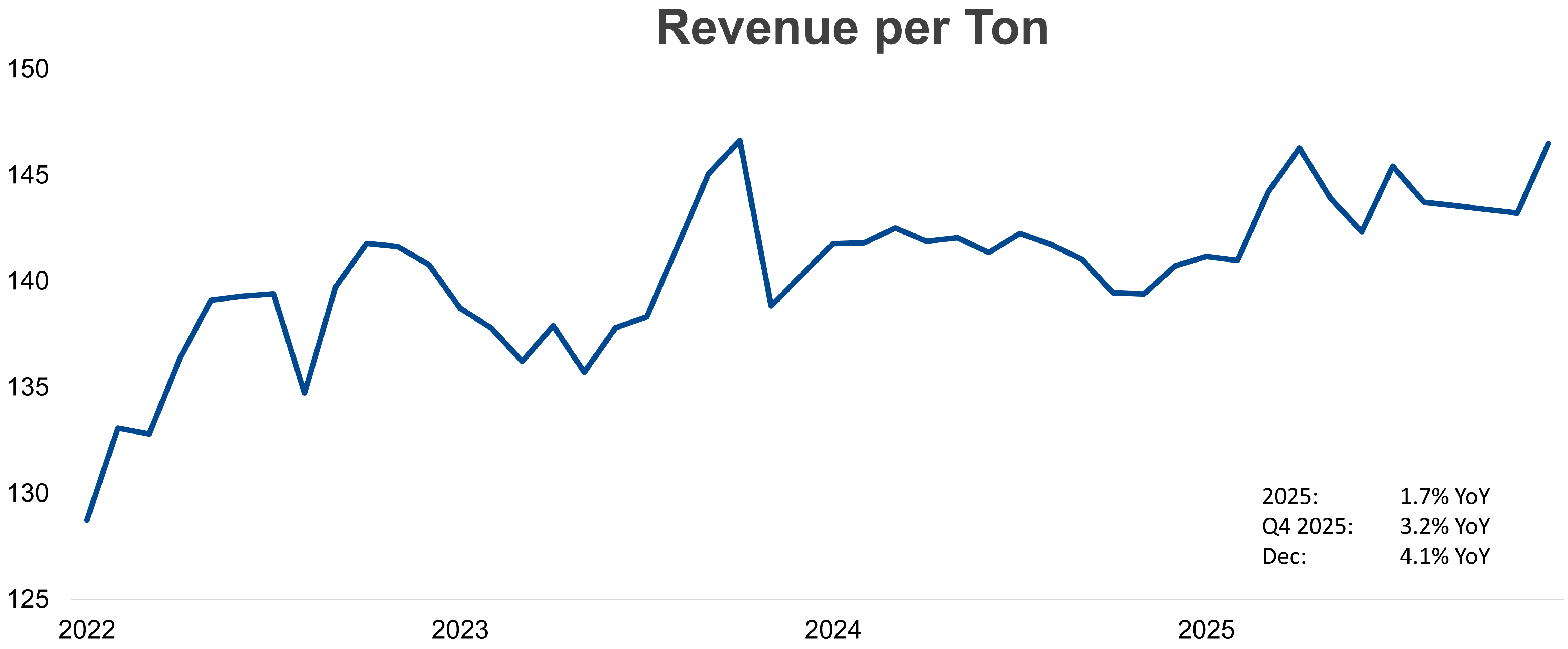




Sources: ATA's Trucking Activity Report & DAT.com

LTL PRICING PROXY METIRC

Index, January 2020 = 100

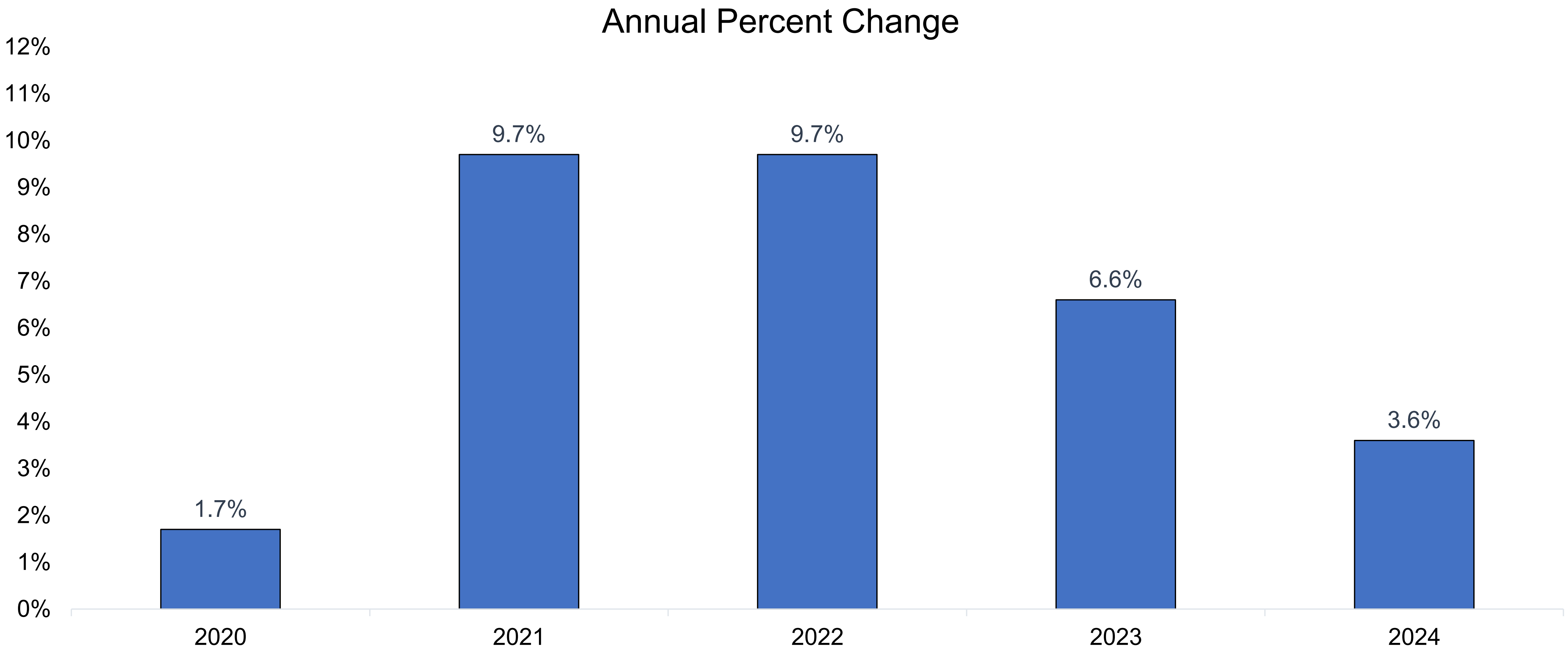


Source: ATA's Trucking Activity Report

Note: Revenue metrics exclude fuel surcharge revenue.

Trucking Supply Trends – Cost Pressures

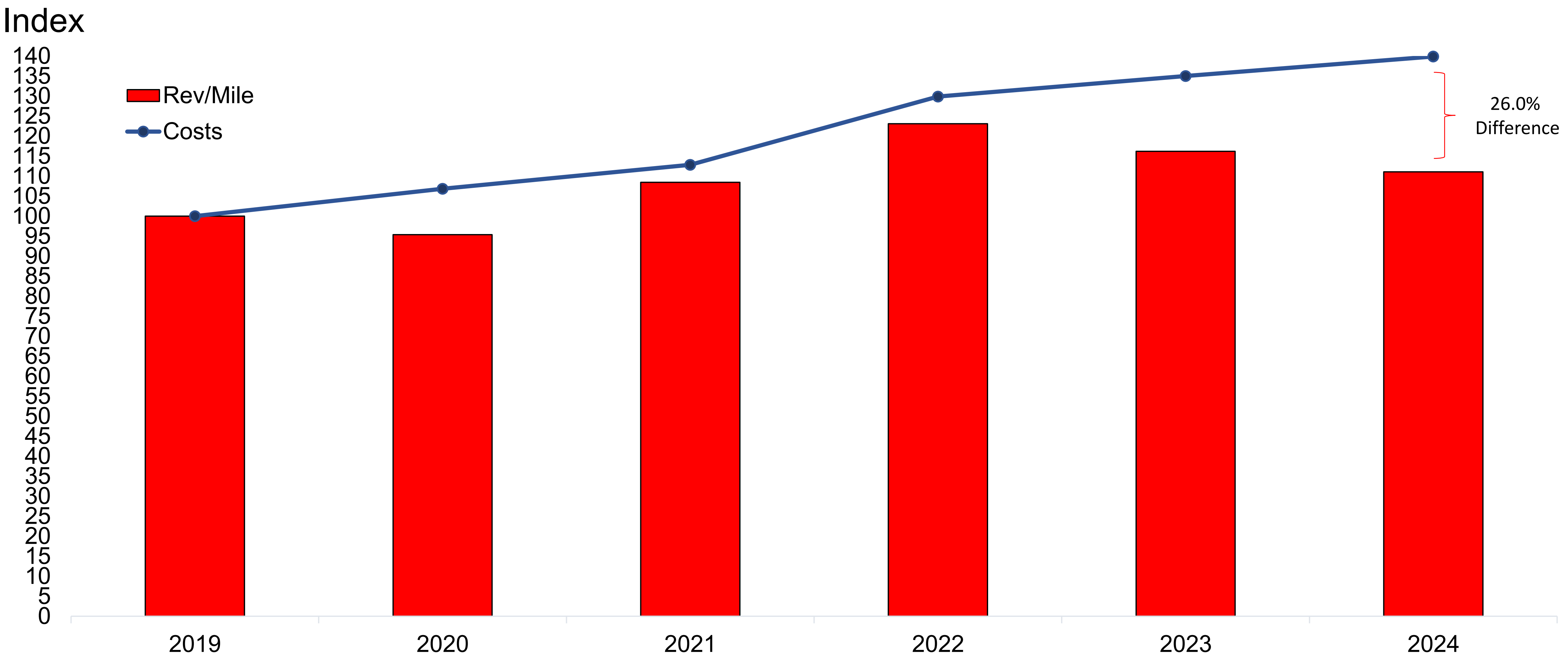
Operational Cost of Trucking for TL, LTL, & Specialized



Includes: TL, Specialized, and LTL
Excludes Fuel Expenses

Source: ATRI

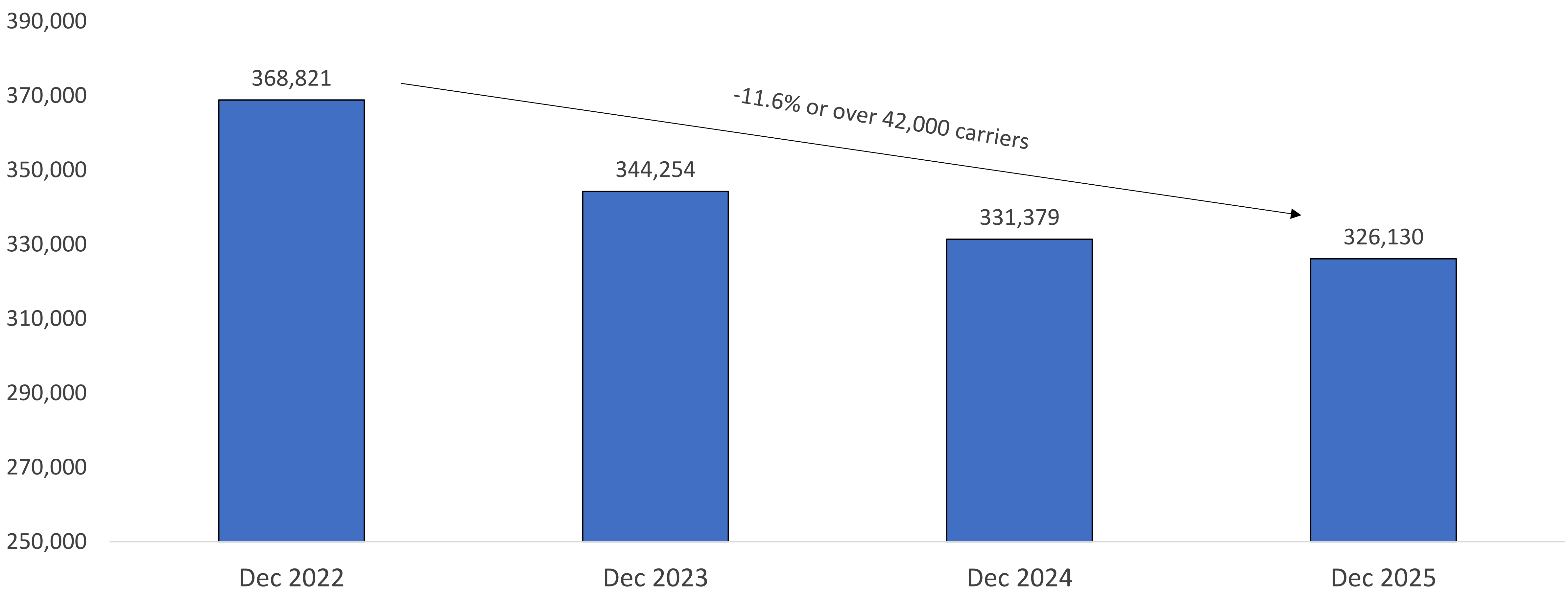
Truckload Only: Operational Cost of Trucking vs Freight Rate Proxy



Excludes Fuel Expenses & FSCs

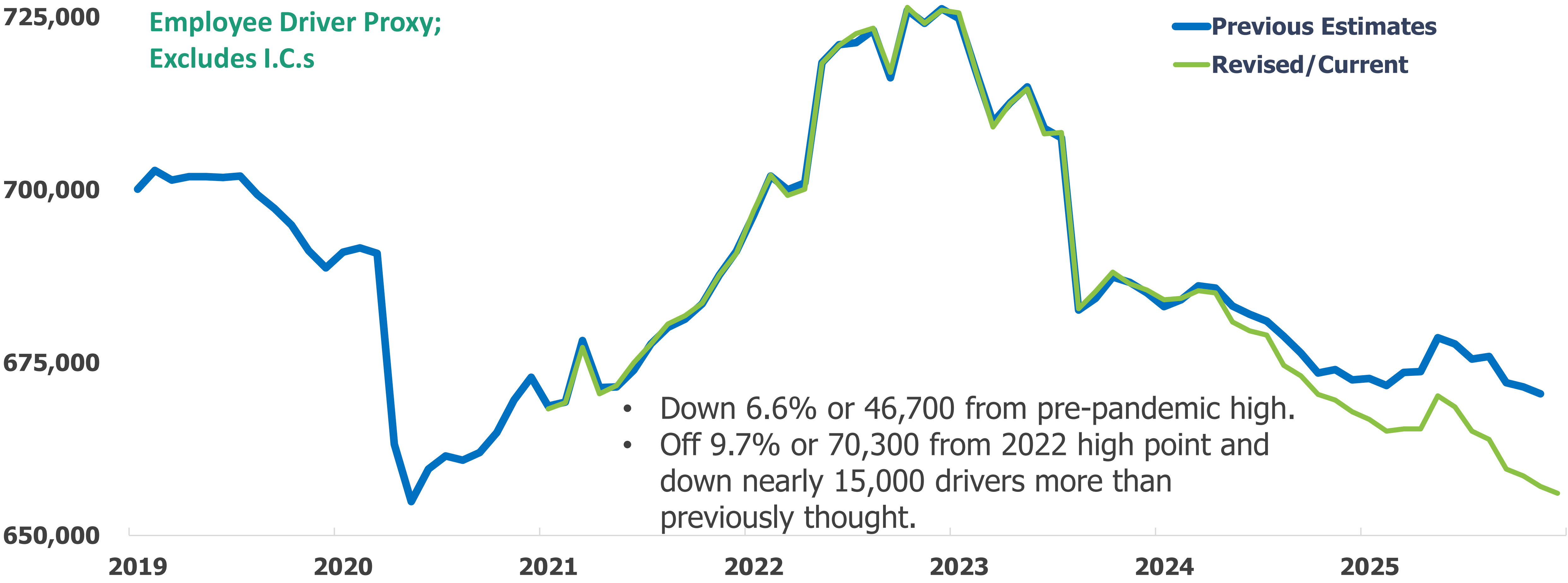
Trucking Supply Trends

PROPERTY CARRIERS WITH INTERSTATE OPERATING AUTHORITY ARE EXITING THE MARKET



Source: FMCSA Licensing & Insurance Snapshot

PRODUCTION & NONSUPERVISORY EMPLOYEES:
General Freight Long-Distance TL & LTL

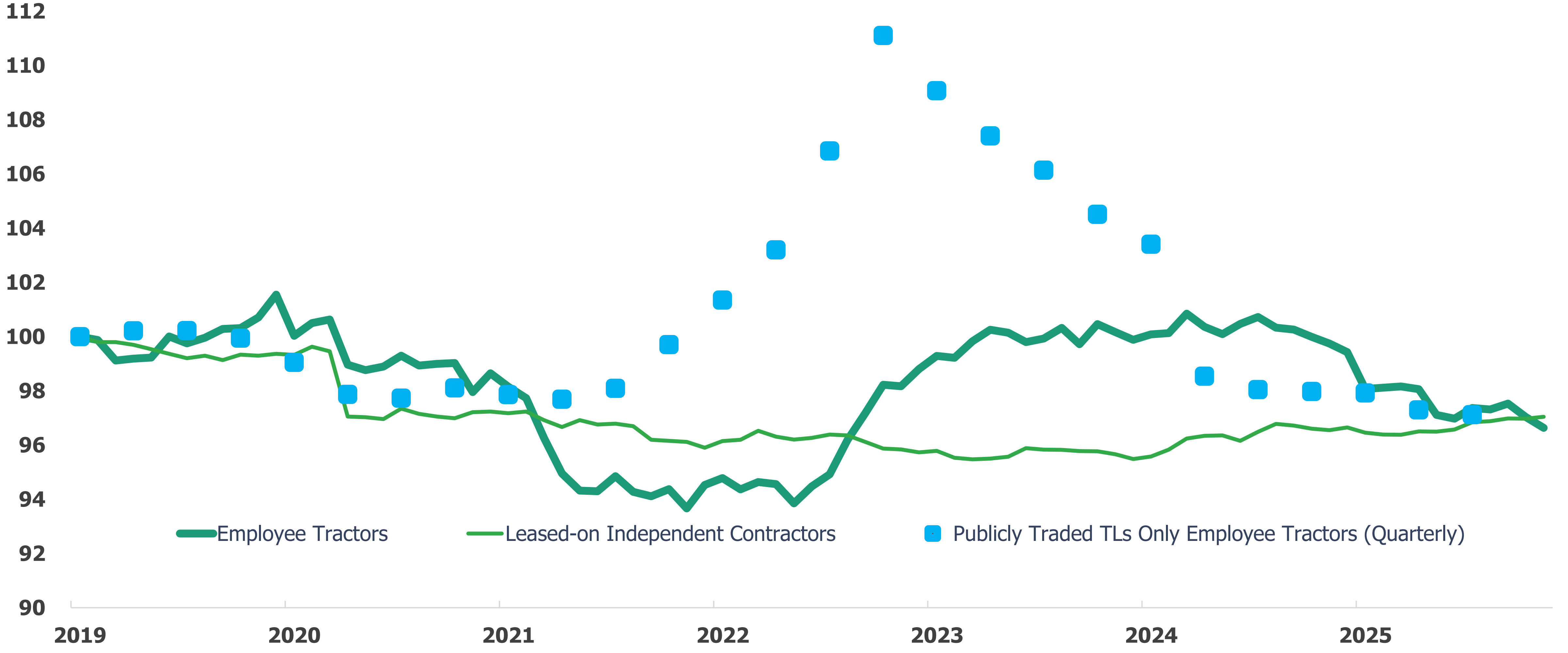


- Down 6.6% or 46,700 from pre-pandemic high.
- Off 9.7% or 70,300 from 2022 high point and down nearly 15,000 drivers more than previously thought.

Sources: DOL & ATA

TRUCKLOAD TRACTOR COUNT TRENDS

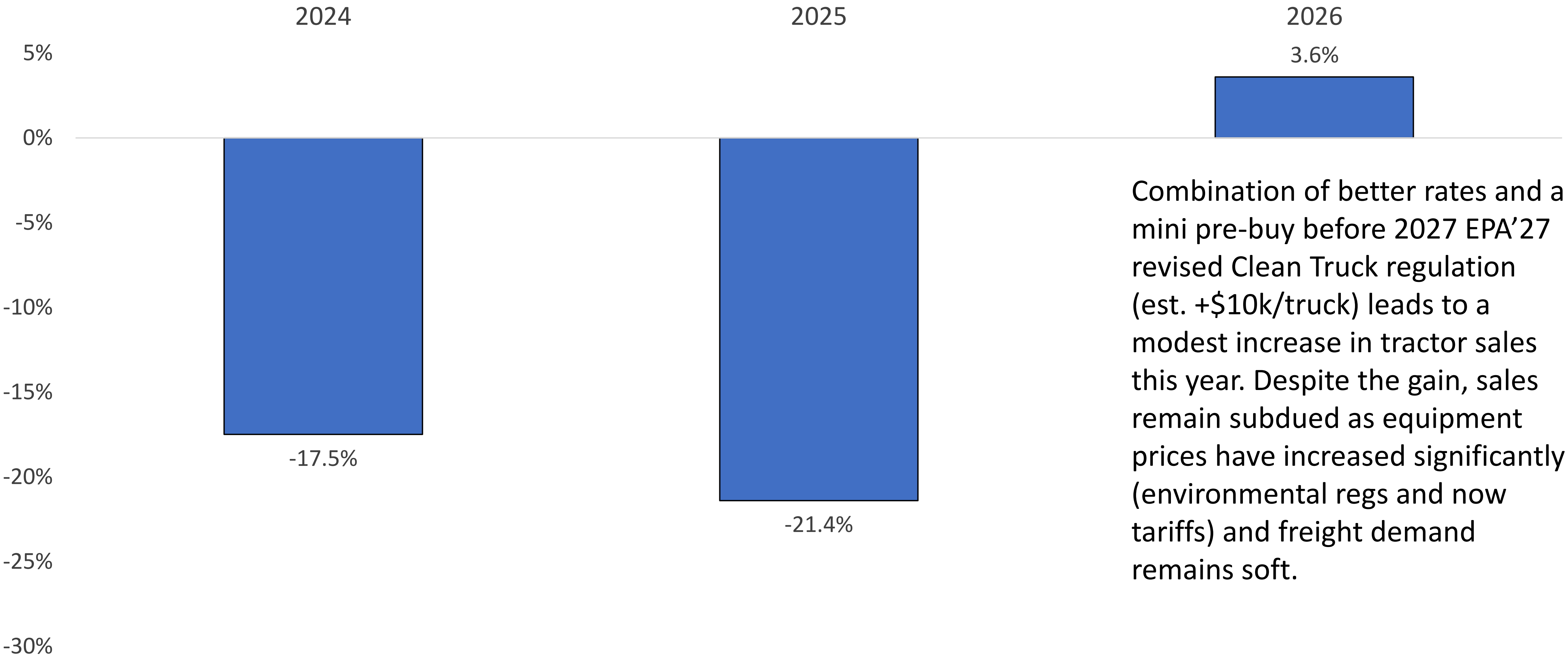
(Index; January 2019 = 100)



Sources: ATA's Trucking Activity Report & ACT Research

Publicly traded carrier data is quarterly averages

U.S. Class 8 Tractor Retail Sales Trends



Combination of better rates and a mini pre-buy before 2027 EPA’27 revised Clean Truck regulation (est. +$10k/truck) leads to a modest increase in tractor sales this year. Despite the gain, sales remain subdued as equipment prices have increased significantly (environmental regs and now tariffs) and freight demand remains soft.

Source: ACT Research

FACTORS IMPACTING FOR-HIRE SUPPLY

Supply Had Been Slow to Leave

- Lenders didn't want the used equipment – but this is changing.
- Small fleets/I.C.s had decent cash flow even if they were losing money.
- Unlike past down cycles, it is easier to get freight even if they lost money on the load.
- Private fleet growth has finally ended and is reversing, which will help for-hire carriers.

Supply Reductions Could Accelerate Going Forward

- Many small fleets/I.C.s are on the brink as they have no cushion.
- Fleets have been trying to reduce costs as much as possible. Some of the efforts are good, but other costs cutting efforts will cause problems in the long-run, like deferred maintenance.
- Debt has been piling up. Some can't afford new trucks even before tariffs. Maintenance is going to catch up with them eventually. Freight rates fell, but costs jumped. Interest rates won't go down enough to drastically reduce costs. Etc., etc.
- Assume freight levels don't improve as a result of the tariffs, but costs remain high also because of the tariffs, we could see an acceleration in failures.
- Driver market should shrink as ELP, Non-Domiciled CDLs, and Visa policies change.
- Truck sales to remain below replacement rates with new tariffs.
- Ending ELD self-certification?

Illegal Capacity

- Some fleets are illegally using Mexican B-1 drivers to haul domestic loads, known as cabotage. ATA is working with the Department of Homeland Security to crack down on this illegal activity. This has added to capacity when it should have been falling. Recent bust in AZ.

Demand vs Supply Trucking Recoveries

- Demand based recoveries are “easy”
- Supply based recoveries are “difficult”
- Unfortunately, we don’t see a surge in trucking freight services demand coming in 2026
- But the continued reduction in supply should help

QUESTIONS?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