



The <250 Miles Logistics Goods & Components Distressing Situation By Kathleen Graham and Mark Zoff¹

Equifax’s Small Business Delinquency Index (SBDI) for the transportation industry continues to relentlessly spiral upwards to levels not seen since the Great Financial Crisis. These SBDI numbers in the above graph are not adjusted for inflation, so the situation is actually more dire. **BOTTOM LINE:**

- Almost 100% of all goods (electronics, motor vehicles, pharmaceuticals, gravel, sand, hazardous materials, machinery, food, the vast majority of commodities²)—that’s over 55.5 million tons of goods daily in the US³—travel their last 250 miles via a short-haul⁴ (or short-distance) truck...and an uncomfortably high share of those trucking companies are close to bankruptcy...and there is no replacement transportation that can substitute for the service they provide, which is hauling your goods or components from the ships/airplanes/long-haul trucks to your grocery store, your wholesaler, your retailer, your home, your business.
- There are: clearly material signs of strain⁵ in this short-distance trucking sector⁶; no policy levers being enacted to alleviate the distress; and no countervailing economic trends⁷ to offer an obvious respite.

CAUSES OF THIS LOGISTICS SCENARIO

Logistics is the part of supply chain management that deals with the efficient forward and reverse flow of goods, services, and related information from the point of origin to the point of consumption according to the needs of customers.⁸

One of the major causes of short-haul trucking sector distress is their inability to charge higher prices to cover higher logistic costs⁹, many of which have increased to 8.8% of GDP since 2024¹⁰. The spot market rate has not been in their favor, either—*“Spot rates finished inflationary 4Q24 at 7.5% YoY. By 4Q25, we expect spot rates to remain inflationary, potentially reaching a 17.5% increase YoY.”*¹¹

“The 2025 CSCMP State of Logistics Report notes that fleet margins for owner-operators are ‘down to the bone,’ with profitability metrics now at their lowest since 2010 [and facing] fuel surcharges, equipment price hikes, and higher insurance premiums—but with little pricing power in a saturated market.”—“Margin Squeeze in Logistics: What’s Fueling the Cost Crisis in 2025 & Who’s at Risk,” Tradlinx, 6/24/25¹²

RECOMMENDED CORPORATE SOLUTIONS

Currently the healthcare and some other specialty industries are stable and unlikely to be impacted by supply disruptions because they rely on local transportation companies that are outfitted to deliver their very specific, very profitable products’ components.

However, if your company is facing potential future supply chain disruptions, now is the time to prepare to do more than store needed components/products in nearby warehouses as warehouse pricing is likely to continue to rise sharply, eroding end of supply chain manufacturers/wholesalers/distributors/retailers’ profit margins.¹³ Three time-proven solutions that work are:

- Vary your product mix to include more items that do not need to be physically shipped.
- Orient your offerings to focus on service offerings, which also perform better than goods in economic downturns.
- Strategize and then promptly secure backup supply chain solutions now, because now is the time to prepare.

REFERENCES

¹MARK ZOFF is the Vice President of Analytics for Medspeed, North America's leading provider of last-mile logistics for the healthcare industry. Previously he was an executive Economist for Exelon's Energy Economics group, Paynet/Equifax's Statistical Modeler/Chief Economist, and started his career as Director of Research for David Hale, one of the preeminent global macroeconomists. Zoff earned his MS, Applied Economics from The University of Minnesota and his BA in Economics and History from Northwestern University.

² US Department of Transportation, Bureau of Transportation Statistics. (2025). *Freight facts and figures*. <https://data.bts.gov/stories/s/Moving-Goods-in-the-United-States/bcyt-rqmu>. Outside of natural gas and other fossil fuel products & crude petroleum, which are shipped via pipeline, the remaining 8 out of top 10 commodities are delivered via truck to their destinations.

³ US Department of Transportation, Bureau of Transportation Statistics. (2025). <https://data.bts.gov/stories/s/Moving-Goods-in-the-United-States/bcyt-rqmu>.

⁴ Logos Logistics. (2025). *What is short haul logistics?* <https://www.logos3pl.com/glossary/short-haul>

⁵ Truck Driver News . (2024, November 14). *BLS report and freight rates: Why costs continue to rise*. <https://truckdrivernews.com/the-truth-about-freight-rates-why-costs-are-soaring>

⁶ O'Neil, K. (2025, June 11). *Another distressed trucking company files Chapter 11 bankruptcy*. <https://www.msn.com/en-us/money>.

⁷ Rogers, Z. (2025, September 2). *August 2025 logistics managers' index report*. Department of Management, Colorado State University. <https://www.the-lmi.com/august-2025-logistics-managers-index.html>. “The fact that we have moved towards a negative inversion in August, at the start of what should normally be peak season, renders the chances of a boom market happening any time soon as fairly unlikely...it will be critical to continue monitoring movements in these metrics as transportation often acts as a leading indicator for the overall economy.”

⁸ Ghiani, G.; Laporte, G.; Musmanno, R. (2004). *Introduction to Logistics Systems Planning and Control*. John Wiley & Sons. p.1, 5, 10–15.

⁹ ACT Research. (2025, September 17). *Trucking industry forecast for 2025*. <https://www.actresearch.net/resources/blog/trucking-industry-forecast-2025>

¹⁰ Lacefield, S. (2025, June 30). *State of Logistics Report highlights growing uncertainty after a year of relative stability*. Supply Chain Xchange. <https://www.thescxchange.com/move/state-of-logistics-report-2025>. “Logistics costs have been increasing as a percent of the GDP, and they're going to be a little bit more prominent and pronounced in the P&L statements of companies...logistics costs seem to be stabilizing again but at a higher baseline of 8.8% of GDP...whereas US business logistics costs rose 5.4% in 2024 versus 2023 to a total of \$2.58 trillion or 8.8% of national GDP.”

¹¹ Transportation Insight. (2025, February 20). *2025 transportation outlook*. <https://transportationinsight.com/resources/q1-2025-transportation-outlook>

¹² Tradlinx. (2025, June 24). *Margin squeeze in logistics: What's fueling the cost crisis in 2025 and who's at risk*. <https://blogs.tradlinx.com/margin-squeeze-in-logistics-whats-fueling-the-cost-crisis-and-whos-at-risk>

¹³ Rogers, Z. (2025, June3). *May 2025 logistics managers' index report*. Department of Management, Colorado State University. <https://www.the-lmi.com/may-2025-logistics-managers-index.html>.