

Economy

Business Checkpoint: Looking into the logistics

15 October 2026

Key takeaways

- Small and mid-sized businesses entered Q3 in relatively solid financial condition, with profitability growth up across both groups, according to Bank of America business account data. Nearly half of estimated tariff payments had been refunded by September, though the share of these refunds relative to revenue has peaked.
- In Bank of America business payments data, logistics spending growth per client was up four times as much for small than mid-sized firms. Additionally, distribution and inventory transactions growth per client has outpaced spending since the spring of 2025.
- Growing transportation bottlenecks are re-emerging ahead of the holiday season. Trucking capacity has tightened as driver availability remains constrained, according to BofA Global Research. This has pushed freight rates higher and driven strong transportation sector payroll growth, particularly among mid-sized businesses, according to Bank of America payments data.

Business Checkpoint is a new, regular publication from Bank of America Institute. It provides a real-time view of the financial health, opportunities and challenges facing small and mid-sized businesses across the US economy, leveraging the depth and breadth of Bank of America's proprietary data. By analyzing activity among both small and mid-sized firms, *Business Checkpoint* offers timely insights into business profitability, hiring, investment and spending trends. Such data is not intended to be reflective or indicative of, and should not be relied upon as, the results of operations, financial condition or performance of Bank of America.

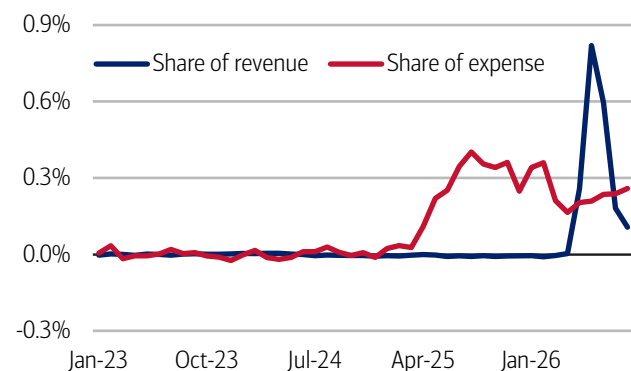
Businesses end Q3 in fair shape

While profitability growth remained positive for both small and mid-sized firms in the third quarter, small firms outpaced their mid-sized counterparts for the second consecutive quarter (Exhibit 2). Still, there's been a notable reversal in the profitability of mid-sized businesses, growing this quarter after declining slightly for the past two.

The continued rollout of tariff refunds is serving as a tailwind to some firms' cash positions. That is particularly true for small firms. According to Bank of America account data, by September approximately 47% of estimated International Emergency Economic Powers Act-related tariff payments had been refunded to companies with less than \$50 million in annual revenue.

Exhibit 1: Tariff refunds as a share of income for businesses <\$50M in annual revenue peaked in June

Share of tariff payments of income and expense (percentage point difference from 2023 average share)

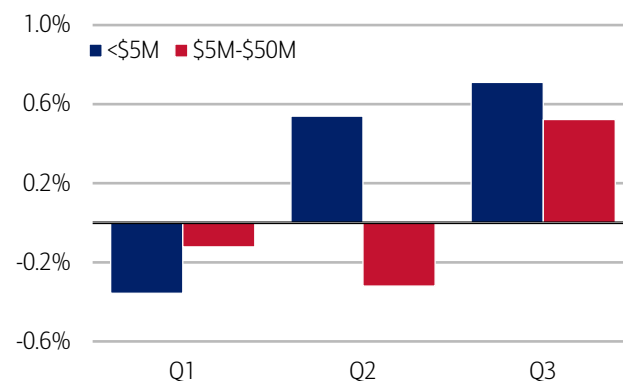


Source: Bank of America internal data

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Exhibit 2: Small firms' profitability growth outpaced mid-sized firms in Q3 2026

Profitability growth by firm size in 2026 (quarterly average, year-over-year (YoY)%)



Source: Bank of America internal data

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According to Bank of America business payments data, the percentage point difference in tariff refunds as a share of revenue for firms with less than \$50 million in annual revenue spiked in June but dropped to nearly zero in September. At the same time, the percentage point difference in tariff payments as a share of expenses began rising again relative to the 2023 average (Exhibit 1). This suggests that while tariffs continue to affect companies, the refund program has provided temporary relief for some businesses.

Wholesale trade along with transportation and warehousing posted solid profitability growth across business size

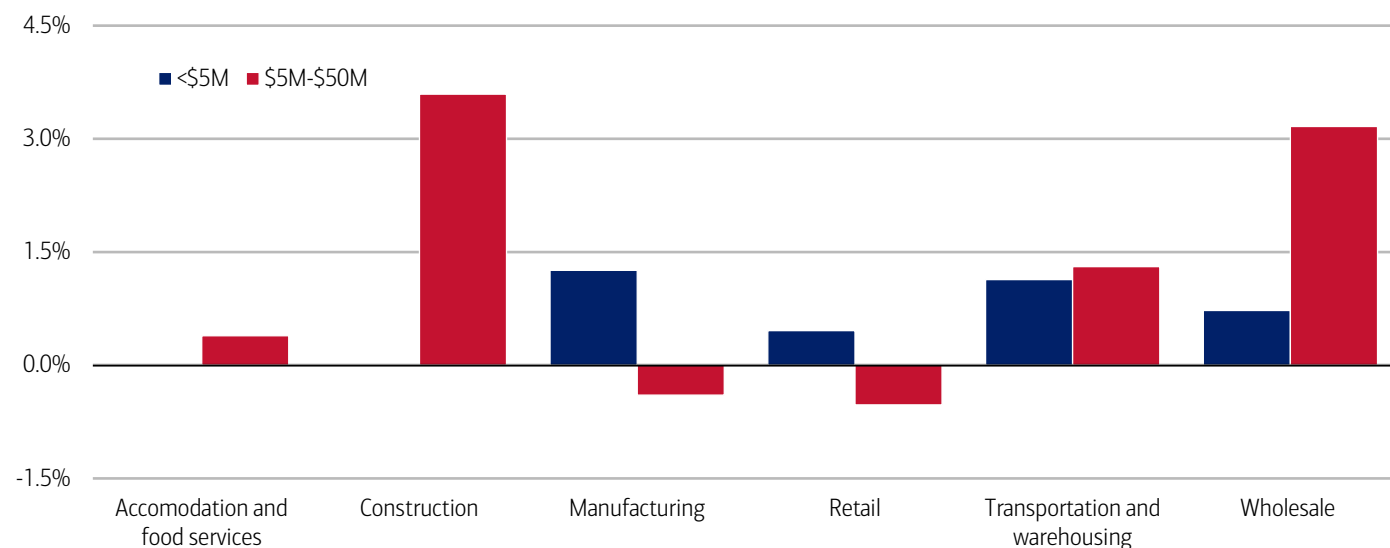
However, the benefits appear uneven. Such refunds have boosted cash flow, but they have not fully insulated firms from broader cost pressures.

Looking across industries, mid-sized construction and wholesale firms had the strongest profitability growth in September (Exhibit 3). Notably, transportation and warehousing, as well as wholesale trade were among the few sectors showing positive profitability growth for both small and mid-sized firms last month.

The persistence of logistics, freight and inventory-related cost pressures may help explain why profitability gains have remained relatively concentrated in transportation and wholesale trade. However, these sectors also have a higher exposure to rising gas prices within their margins (read more on this in the [August Small Business Checkpoint](#)).

Exhibit 3: For both small and mid-sized businesses, profitability growth was positive in transportation and warehousing as well as wholesale trade in September

Profitability growth by sector and business size in September (YoY%, six-month moving average)



Source: Bank of America internal data

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The cost of maintaining supply chains is rising

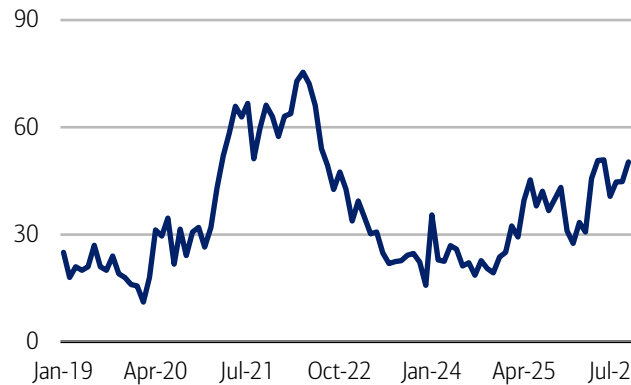
In fact, the prices paid component of the September services reading from the Institute for Supply Management indicates still-building price pressure for firms (Exhibit 4). This marked the highest reading since July 2022.

Using Bank of America internal data, we identified payments to logistics and freight companies to assess a key part of supply chain costs. In June, logistics and freight payments' growth per client from small businesses grew nearly 30%, though has moderated to 12.7% YoY in September (Exhibit 5). Meanwhile, mid-sized firms' payments growth in this category was up just 3.2% YoY in September.

The divergence suggests logistics costs may be disproportionately affecting smaller firms, who are typically less capable of absorbing rising costs than larger firms. Larger companies also often benefit from dedicated logistics contracts and greater purchasing power, while smaller ones may be more exposed to spot-market transportation costs and fluctuations in freight pricing.

Exhibit 4: The September services Institute for Supply Management higher prices component was the highest reading since July 2022

Institute for Supply Management: Services: Prices, Higher (% of respondents)

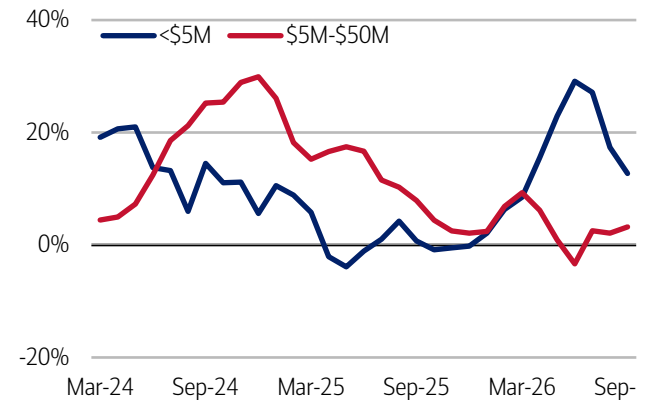


Source: Haver Analytics

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Exhibit 5: Logistics and freight payments' growth by small businesses peaked in June

Logistics and freight payments by business size (YoY%, monthly, three-month moving average)



Source: Bank of America internal data

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Evidence of more moving parts in companies' supply chains

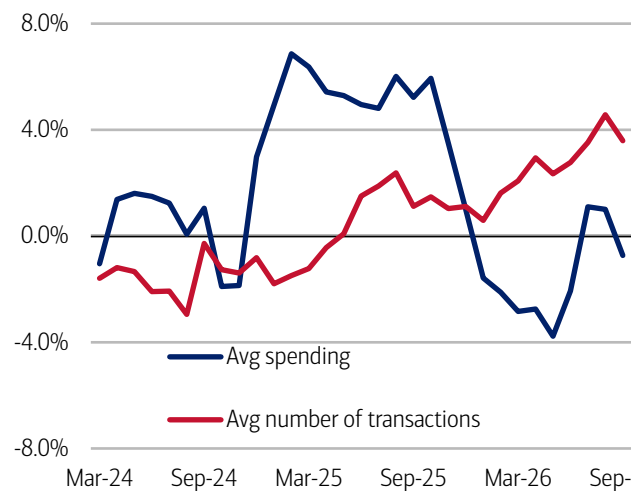
Yet there is increasing evidence that tariffs and geopolitics are adding complexity to small and mid-sized companies' supply chains.

In Bank of America payments data, average distribution and inventory transaction growth per business client has increased steadily since the spring of 2025 despite spending growth in this category falling in September (Exhibit 6). Rising transaction growth alongside softer spending growth suggests businesses may be engaging with more suppliers, shipments or inventory movements even as overall procurement outlays moderates.

Furthermore, in May 2026, the Global Supply Chain Pressure Index reached its highest reading since the summer of 2022 and has continued to remain elevated into October (Exhibit 7). This further emphasizes that transportation bottlenecks, delays and procurement challenges are becoming more common globally. While current readings remain below the extreme levels observed during the pandemic, the recent move higher indicates supply chain normalization may be reversing.

Exhibit 6: Average distribution and inventory transaction growth per business client has increased steadily since the spring of 2025

Payments and transactions to distribution and inventory per client (monthly, YoY%, three-month moving average)

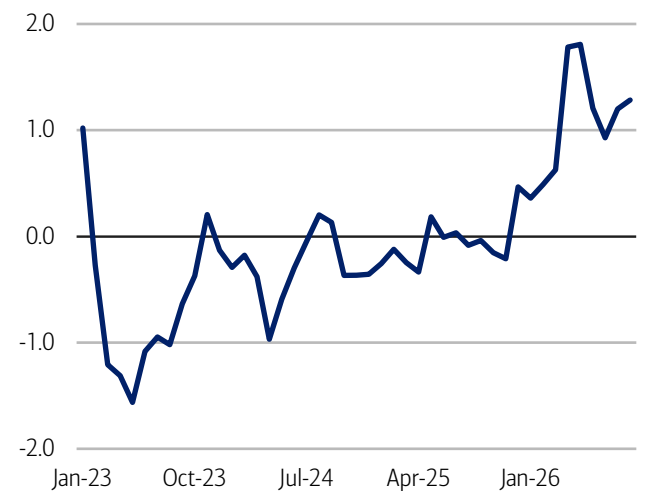


Source: Bank of America internal data

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Exhibit 7: The Global Supply Chain Pressure Index reached its highest reading since the summer of 2022 in May 2026

Global Supply Chain Pressure Index (monthly)



Source: Federal Reserve Bank of New York, Global Supply Chain Pressure Index, <https://www.newyorkfed.org/research/gscpi.html>.

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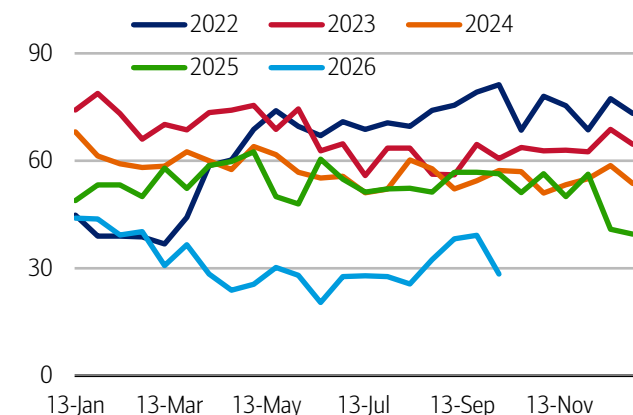
The trials of trucking

As of October 1, BofA Global Research's proprietary bi-weekly Truckload Demand Indicator (see Methodology) remained below its historical growth signal (Exhibit 9) and the Truck Capacity Indicator, which reflects shippers' views of available capacity, tightened significantly, falling from 39.2 to 28.4 (Exhibit 8). This suggests shippers are seeing fewer trucks available relative to demand than in the previous survey.

According to BofA Global Research, the current trucking upcycle is being driven by constrained supply rather than a significant improvement in freight demand. While any positive movement in demand is an important indicator as the industry moves into peak shipping season between late September and early December, tighter capacity appears to be the dominant force supporting freight rates.

Exhibit 8: Shippers' view of available capacity has fallen significantly as of October 1, 2026

BofA Truckload Capacity Indicator by year (bi-weekly)



Source: BofA Global Research

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Exhibit 9: The Demand Indicator has been sub-60 for the past two months after 4.5 months above

BofA Truckload Demand Indicator (bi-weekly)



Source: BofA Global Research

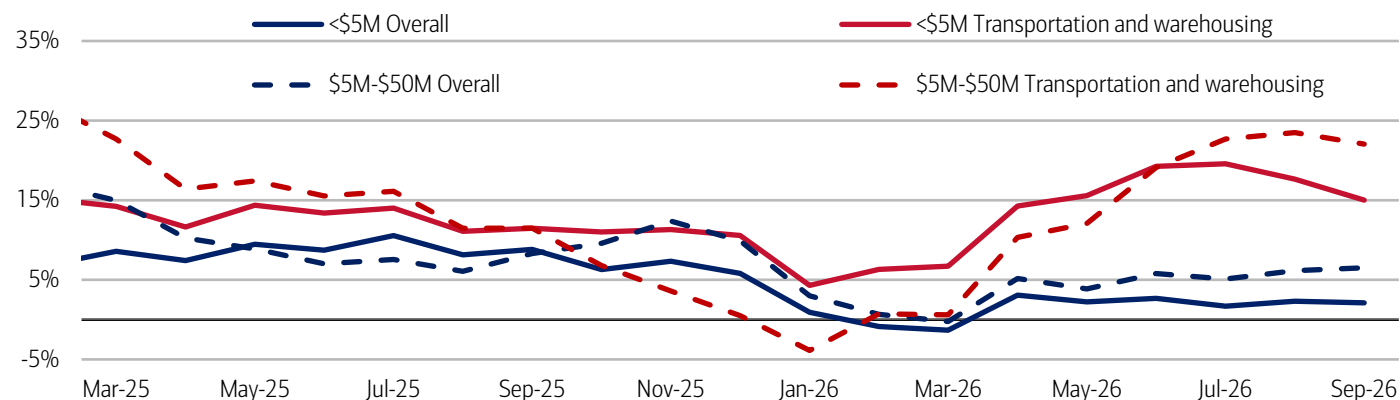
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The reduction in capacity reflects several factors, including stricter commercial driver's license (CDL) and training requirements, increased compliance and enforcement measures, and other regulatory changes that have reduced the pool of qualified drivers. This has also likely driven some wage inflation within the industry. According to Bank of America payments data, transportation and warehousing payroll growth per client has surged since the start of the year, especially for mid-sized businesses (Exhibit 10).

Having to pay higher wages suggests labor shortages remain a challenge in the sector. Firms may increasingly need to offer higher compensation to attract and retain workers as trucking capacity tightens. In turn, such capacity puts upward pressure on freight rates, particularly in the spot market where small businesses may be more impacted.

Exhibit 10: Transportation and warehousing payroll growth has surged since the start of the year, especially for mid-sized businesses

Payroll payments per client by industry and business size (monthly, YoY%, three-month moving average)



Source: Bank of America internal data

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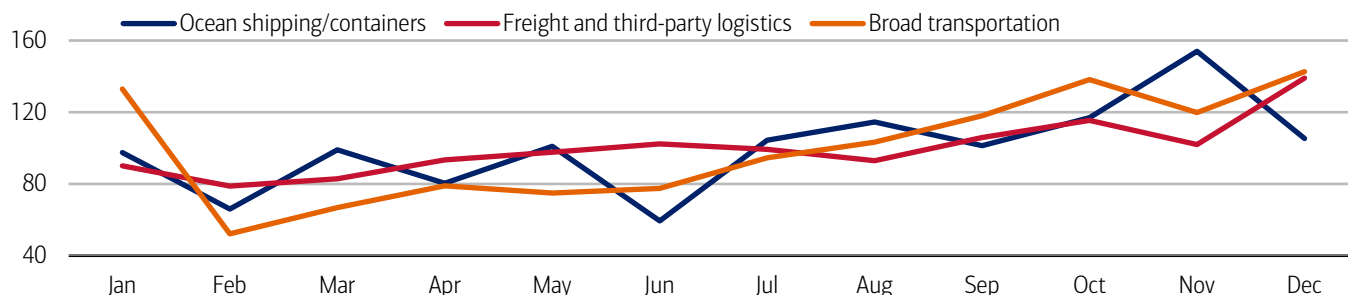
Logistics payments tend to increase in the second half of the year

September marks a key run-up to the holiday season (read more on signs of holiday spending in the [October Consumer Checkpoint](#)), with spending on ocean shipping, containers, and other transportation services steadily accelerating ahead of the peak shopping period.

In fact, over the past two years, the month of November has seen ocean shipping/container spending volumes well above their 2023-2025 monthly average (Exhibit 11). The seasonal pattern likely reflects inventory restocking and holiday-related shipping activity. Ocean shipping volumes typically accelerate during the fall months as businesses prepare for year-end demand.

Exhibit 11: Ocean shipping/container spending volumes were well above their 2023-2025 monthly average in November

Logistics and freight average payments by category (monthly, indexed, 100 = monthly 2023-2025 average)



Source: Bank of America internal data

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Distributors and inventory payments' growth fell ahead of holiday season

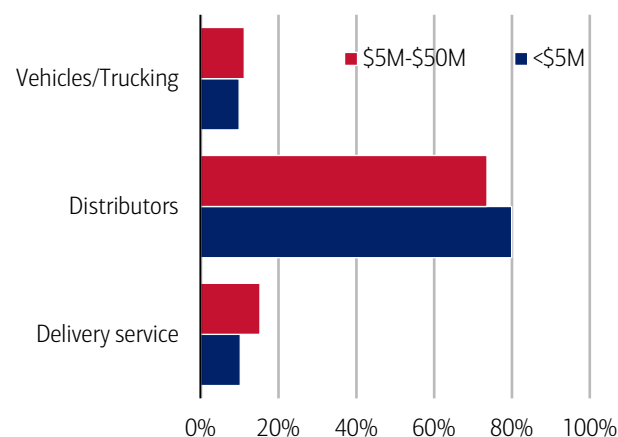
Changes in logistics and freight spending often provide an early signal of inventory trends, as distributors account for a large share of supply chain-related spending (Exhibit 12).

The sharp moderation in distribution and inventory spending growth per client for both small and mid-sized businesses indicates that much of the large-scale inventory accumulation seen earlier in 2025 has already occurred (Exhibit 13). In other words, businesses appear to be replenishing inventories for seasonal demand rather than significantly expanding stockpiles as they did earlier in the year.

Overall, businesses seem to be entering the holiday season in relatively stable financial condition, supported by tariff refunds and positive profitability growth. However, rising logistics costs, tighter trucking capacity and elevated supply chain pressures suggest operating conditions are becoming more challenging.

Exhibit 12: Distributors comprise a sizeable share of overall supply chain-related payments

Share of supply chain-related payments by category in 2026 by business size (%)



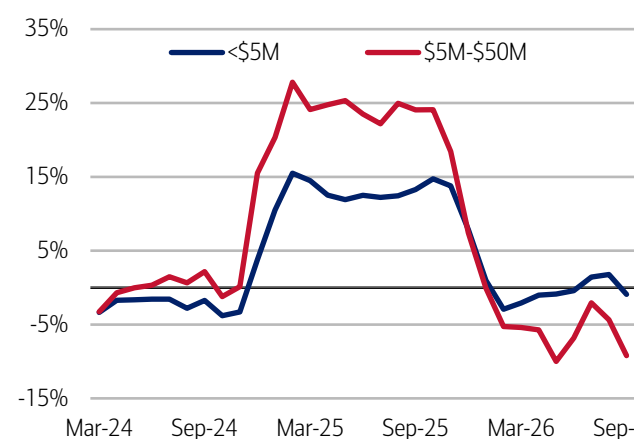
Source: Bank of America internal data

Note: Supply chain-related payments are those towards companies within logistics, freight, distribution and inventory.

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Exhibit 13: For both small and mid-sized firms, payments growth to distribution and inventory firms accelerated sharply during 2025

Payments to distribution and inventory by business size (monthly, YoY%, three-month moving average)



Source: Bank of America internal data

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Methodology

Selected Bank of America transaction data is used to inform the macroeconomic views expressed in this report and should be considered in the context of other economic indicators and publicly available information. In certain instances, the data may provide directional and/or predictive value. The data used is not comprehensive; it is based on **aggregated and anonymized** selections of Bank of America data and may reflect a degree of selection bias and limitations on the data available.

Any **Business** payments data represents aggregate spend from Small Business and/or Business Banking clients with a deposit account or a Small Business credit card. Payroll payments data include channels such as ACH (automated clearing house), bill pay, checks and wire. Bank of America per Business client data represents activity spending from active Business clients with a deposit account or a Small Business credit card and at least one transaction in each month. Small businesses in this report include business clients within Bank of America and are generally defined as under \$5mm in annual sales revenue. Mid-sized businesses in this report include business clients within Bank of America and are generally defined as \$5mm-\$50mm in annual sales revenue.

Unless otherwise stated, data is not adjusted for seasonality, processing days or portfolio changes, and may be subject to periodic revisions.

Revenue tiers are determined by the combination of following factors: 1) stated revenue on small businesses credit applications, 2) actual account inflow into Bank of America Deposit Accounts, and 3) third party revenue estimation.

The alternative hiring indicator consists of payments from Bank of America business clients to business-focused hiring firms which include both direct deposits through Automated Clearing House (ACH) and payments via credit and debit cards.

Supply chain-related spending is comprised of payments to logistics, freight, distribution, inventory, delivery service, and trucking companies. These are identified from merchant names and MCC codes.

BofA Global Research's trucking indicators are a bi-weekly diffusion-style survey of shipper demand expectations over the next 0–3 months, built from responses from surveyed shippers.

Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the MCCs to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data may also be classified by other proprietary methods not using MCCs.

Additional information about the methodology used to aggregate the data is available upon request.

Contributors

Taylor Bowley

Economist, Bank of America Institute

Sources

Patrick Williams

Senior Vice President, Analytics, Modeling & Insights

Kevin Burdette

Vice President, Small Business Strategy

Vivek Siwatch

Vice President, Global Strategy and Platforms

Ken Hoexter

Research Analyst, BofA Global Research

Adam Roszkowski, CFA

Research Analyst, BofA Global Research

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