

LABOR & LOGISTICS INDICATORS · OCTOBER 2026

PMI 54.5, Warehouse Jobs –21,600: Retention Is the Peak Risk

Factories are expanding and costs are climbing, but warehouse jobs are falling and pay trails 3.4% inflation. Retention, not hiring, is the peak-season labor risk.

By Paul Baker, CFO · Published Oct. 4, 2026 · Data as of Oct. 4, 2026



The Executive Soundbite

Manufacturing is expanding, with the ISM PMI at 54.5 in September. Meanwhile, warehousing and storage employment is down 21,600 from a year ago, and transportation and warehousing pay, up 3.1%, trails 3.4% inflation. Diesel at \$6.382/gal and parcel ground fuel surcharges near 30% mean costs are moving faster than volume. Heading into peak, the labor risk is keeping trained people, not finding new ones.

“FedEx has already announced a 5.9% rate increase for January, and that comes on top of a ground fuel surcharge that's already 29.75%. Diesel is up about 70% from a year ago, and residential peak fees haven't even started. Freight spend is up 18.7% on just 2.1% more shipments, and diesel is the cost moving fastest.”

PAUL BAKER, CFO, PRODUCTIV

The Productiv Labor & Logistics Pressure Index

AUGUST 2026 (FINAL)

130.4

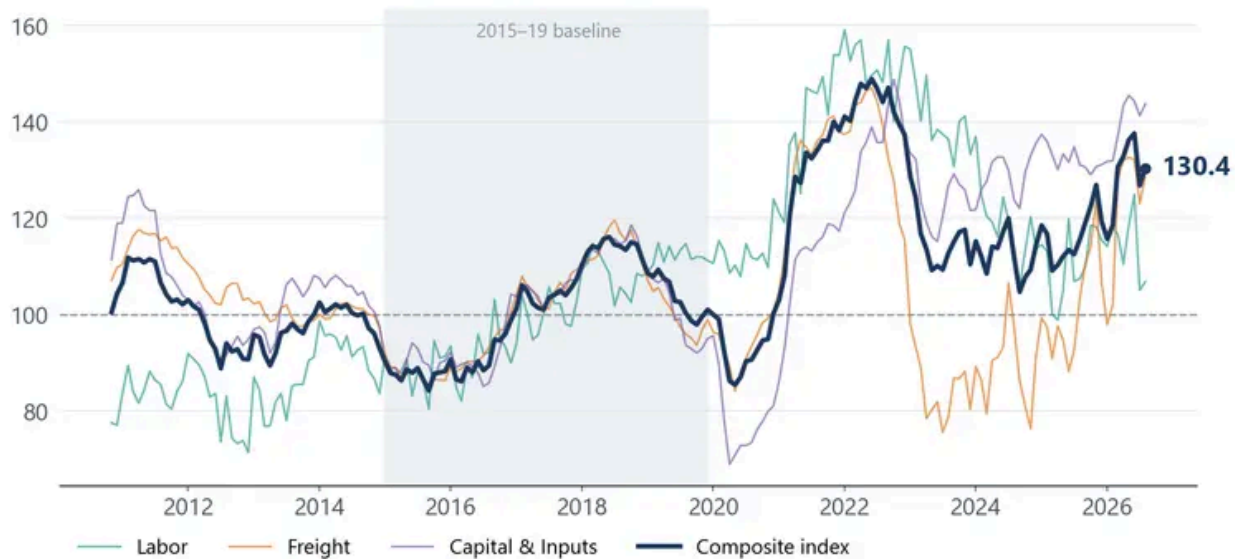
+3.7 pts m/m · +14.9 pts y/y

LABOR	FREIGHT	CAPITAL & INPUTS
106.8	128.6	143.7

How to read it: 100 = the 2015–2019 average; every 10 points is one normal-year swing; higher = more cost and labor pressure.

Cost and labor pressure is well above the pre-pandemic norm

Productiv Labor & Logistics Pressure Index, monthly, Nov. 2010 – Aug. 2026 (100 = 2015–2019 average)



Source: Productiv calculations from BLS (CES, JOLTS, PPI), EIA diesel and the Federal Reserve 10-year Treasury (DGS10), via FRED

Productiv

Cost and labor pressure is well above the pre-pandemic norm. Productiv Labor & Logistics Pressure Index, monthly, Nov. 2010 – Aug. 2026 (100 = 2015–2019 average). Source: Productiv calculations from BLS (CES, JOLTS, PPI), EIA diesel and the Federal Reserve 10-year Treasury (DGS10), via FRED; final months only.

Data table and CSV: getproductiv.com/data/labor-logistics-indicators/2026-10/00-pressure-index.csv

For shippers & manufacturing leaders: At 130.4, pressure is about three normal-year swings above the pre-pandemic average, led by Capital & Inputs (143.7) and Freight (128.6). Set 2027 freight and packaging budgets against that, and ask your 3PL how its peak plan absorbs it.

For 3PLs & facility operators: Labor is the calmest pillar at 106.8, so the squeeze this month is fuel, freight and input costs, not wages. That makes now the cheaper time to lock in retention, before peak hiring competition starts.

[How the index is built: components, weights, baseline and revision policy](#)

AT A GLANCE

Fuel: U.S. diesel averaged \$6.382/gal for the week of Sept. 28, 2026, up \$2.63 (about 70%) from a year earlier (EIA).

Warehouse jobs: Warehousing and storage employment was 1,831,800 in September 2026 (preliminary), down 21,600 from a year earlier (BLS).

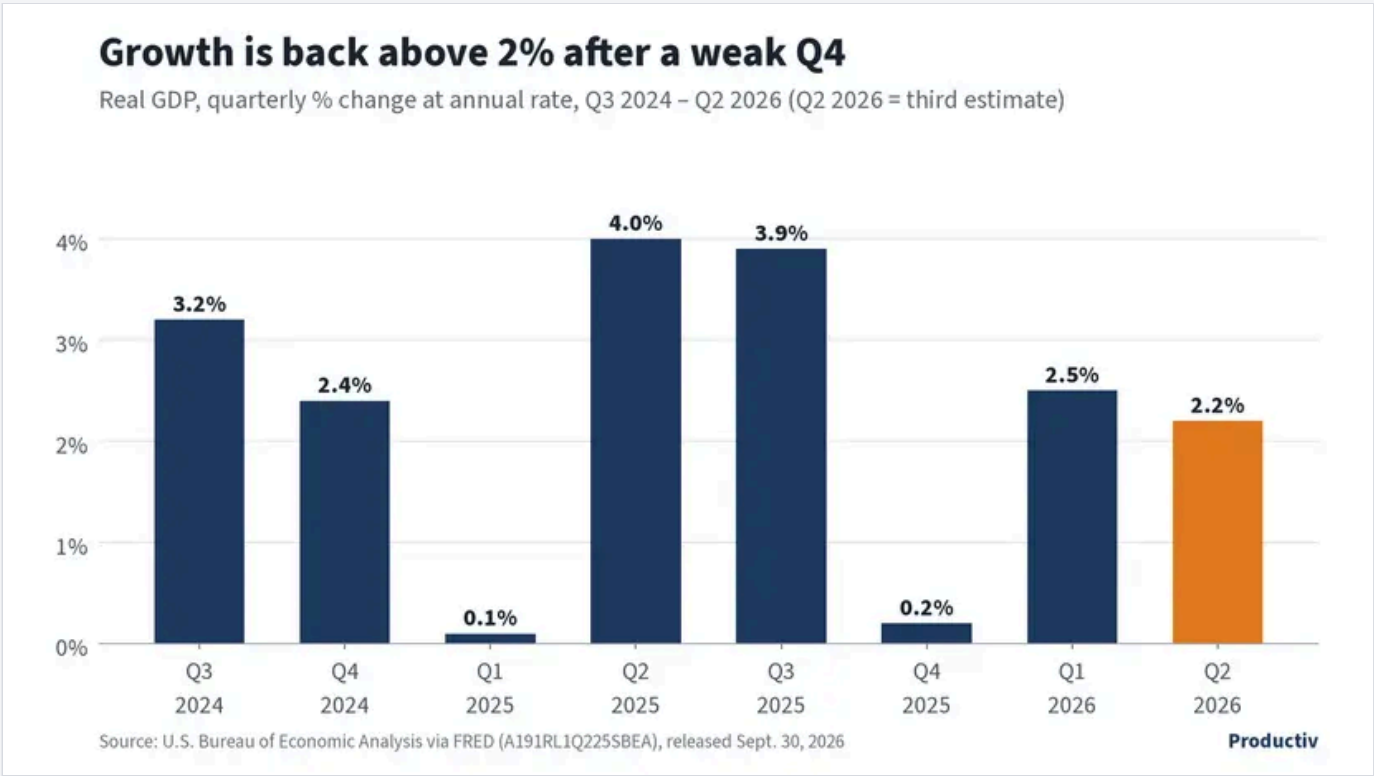
Pay: Transportation and warehousing average hourly earnings were \$32.78 in September 2026, up 3.1% year over year, behind August CPI inflation of 3.4% (BLS).

Input prices: Producer prices for final demand rose 5.4% year over year in August 2026 (BLS), and the ISM manufacturing prices index was 77.9 in September (ISM).

Parcel: Ground fuel surcharges were 30.25% at UPS and 29.75% at FedEx for the week of Sept. 28, 2026, before peak fees. FedEx's 2027 rate increase averages 5.9% (carrier notices).

1. Economy

- **Real GDP:** +2.2% annualized in Q2 2026 (BEA third estimate, released Sept. 30). Q1 was revised to +2.5%.



Growth is back above 2% after a weak Q4. Real GDP, quarterly % change at annual rate, Q3 2024 – Q2 2026. Source: U.S. Bureau of Economic Analysis via FRED (A191RL1Q225SBEA), released Sept. 30, 2026.

Data table and CSV: getproductiv.com/data/labor-logistics-indicators/2026-10/01-real-gdp.csv

- **CPI, headline:** +3.4% year over year in August 2026 (BLS, released Sept. 11).
- **CPI, core (excluding food and energy):** +2.4% year over year. Energy was up 16.3% and gasoline up 27.4%. Transportation services were up 2.4%.

Energy is pushing headline inflation above core

CPI-U, % change from 12 months earlier, Sept. 2024 – Aug. 2026



Source: BLS via FRED (CPIAUCNS, CPILFENS), released Sept. 11, 2026. Oct. 2025 not collected (federal shutdown).

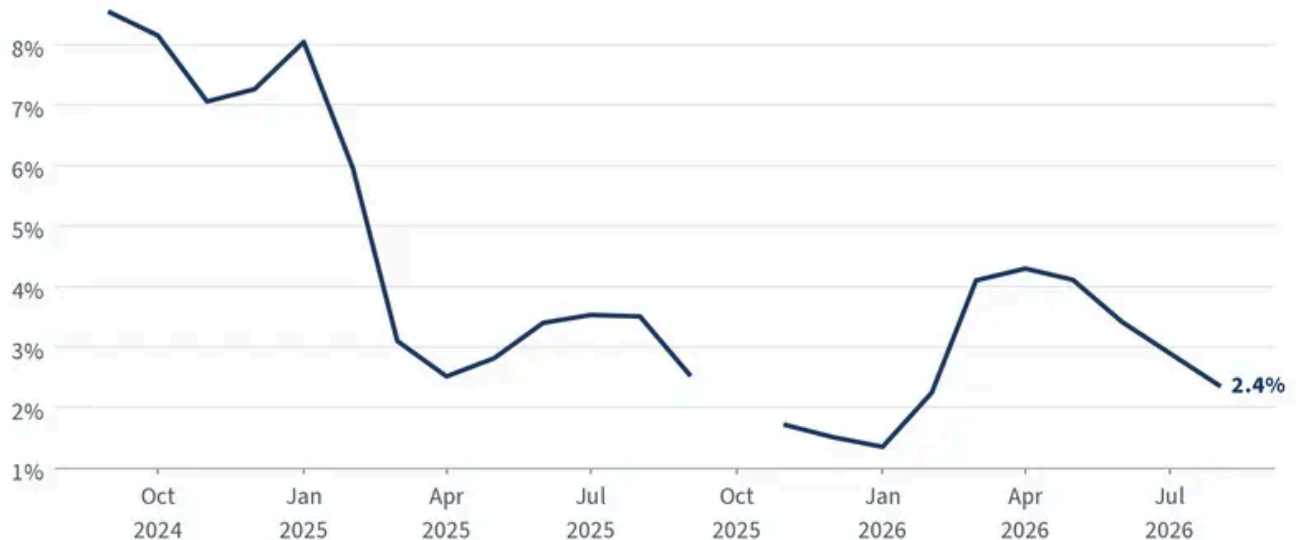
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Energy is pushing headline inflation above core. CPI-U, % change from 12 months earlier, Sept. 2024 – Aug. 2026. Source: BLS via FRED (CPIAUCNS, CPILFENS), released Sept. 11, 2026.

Data table and CSV: getproductiv.com/data/labor-logistics-indicators/2026-10/02-cpi.csv

Transportation services inflation is cooling

CPI transportation services, % change from 12 months earlier, Sept. 2024 – Aug. 2026



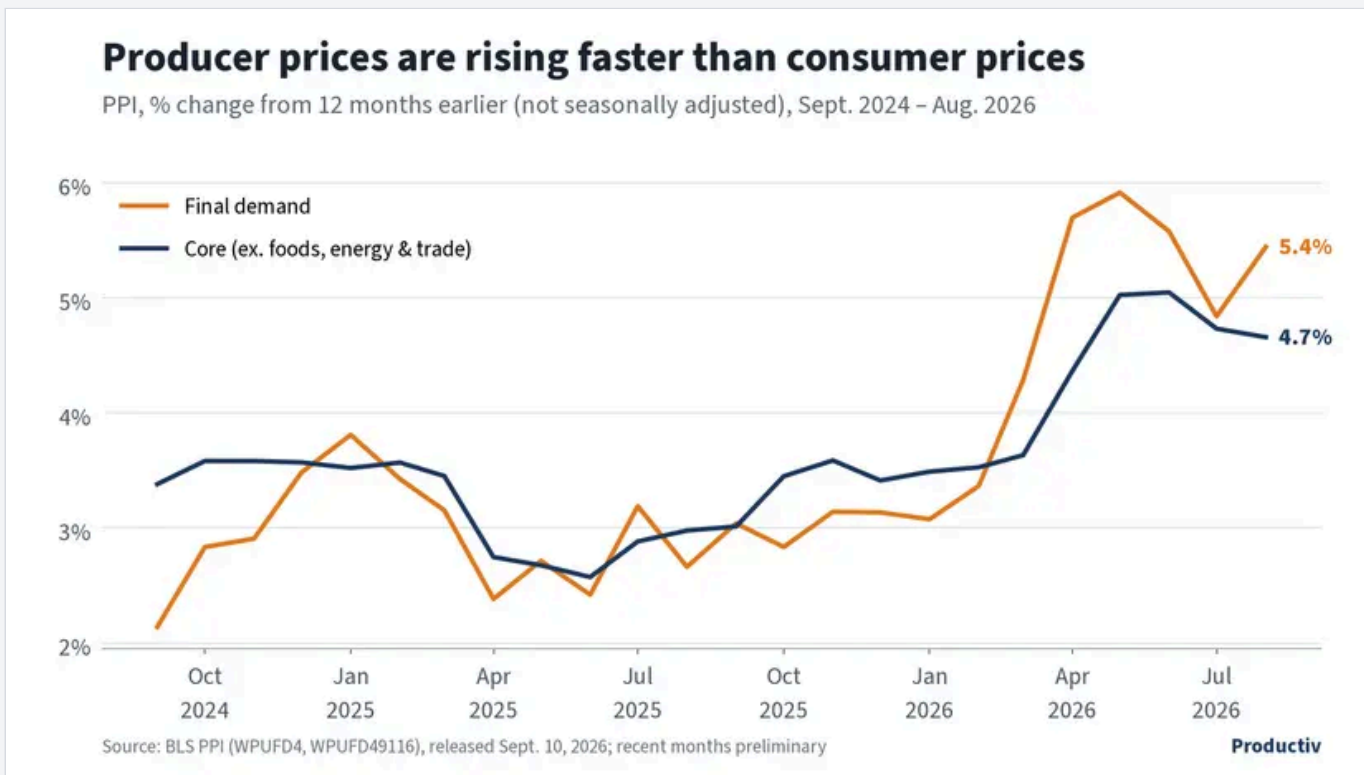
Source: BLS via FRED (CUUR0000SAS4), released Sept. 11, 2026. Oct. 2025 not collected (federal shutdown).

Productiv

Transportation services inflation is cooling. CPI transportation services, % change from 12 months earlier, Sept. 2024 – Aug. 2026. Source: BLS via FRED (CUUR0000SAS4), released Sept. 11, 2026.

Data table and CSV: getproductiv.com/data/labor-logistics-indicators/2026-10/10-cpi-transport-services.csv

- **Producer Price Index, final demand:** +0.4% month over month and +5.4% year over year in August 2026 (BLS, released Sept. 10).
- **PPI core (excluding foods, energy, and trade services):** +0.3% month over month and +4.7% year over year.



Producer prices are rising faster than consumer prices. PPI, % change from 12 months earlier (not seasonally adjusted), Sept. 2024 – Aug. 2026.

Source: BLS PPI (WPUFD4, WPUFD49116), released Sept. 10, 2026.

Data table and CSV: getproductiv.com/data/labor-logistics-indicators/2026-10/03-ppi.csv

- **ISM Manufacturing PMI:** 54.5 in September 2026, down from 54.6 in August (ISM, released Oct. 1). That's the ninth straight month of expansion (above 50 = growth).
 - New orders: 55.3 (+1.6)
 - Employment: 52.7 (+1.5)
 - Prices: 77.9 (+6.8), close to March's 78.3
- **Industrial production, manufacturing:** +1.0% year over year in August 2026 (Federal Reserve G.17; FRED updated Sept. 18).

Factory output is up 1% from a year ago

Industrial production: manufacturing, index 2017 = 100, seasonally adjusted, Sept. 2024 – Aug. 2026



Source: Federal Reserve Board G.17 via FRED (IPMAN), August data posted Sept. 18, 2026

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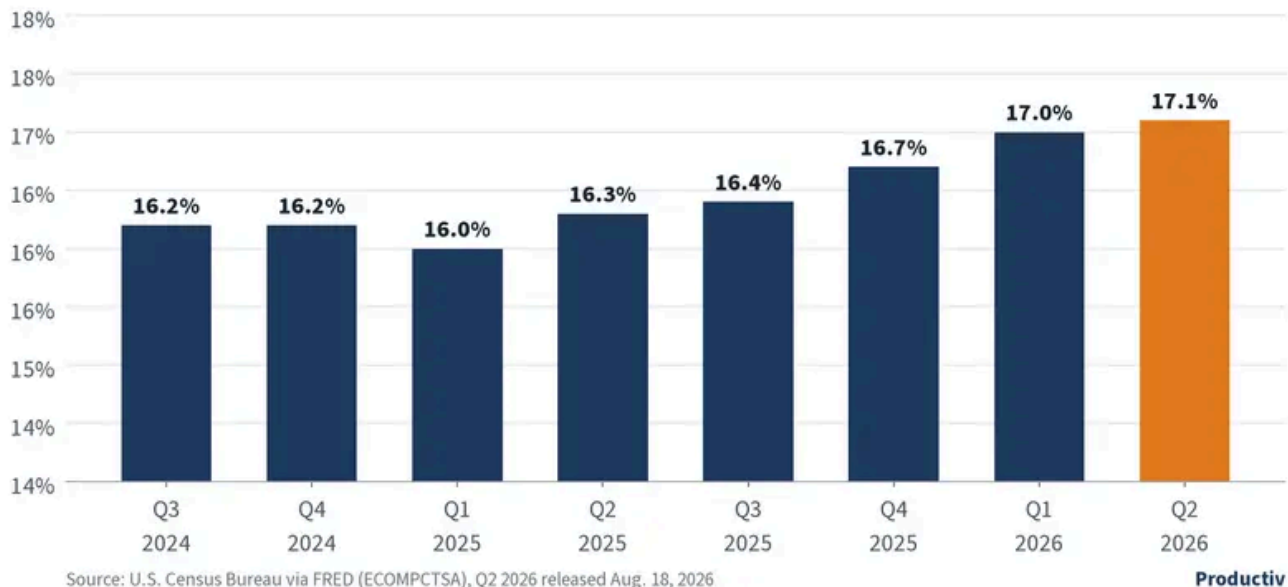
Factory output is up 1% from a year ago. Industrial production: manufacturing, index 2017 = 100, Sept. 2024 – Aug. 2026. Source: Federal Reserve Board G.17 via FRED (IPMAN), August data posted Sept. 18, 2026.

Data table and CSV: getproductiv.com/data/labor-logistics-indicators/2026-10/12-ip-manufacturing.csv

- **E-commerce share of retail:** 17.1% in Q2 2026, up from 16.3% a year earlier (Census Bureau, released Aug. 18).

E-commerce reached 17.1% of retail sales

E-commerce share of U.S. retail sales, quarterly, seasonally adjusted, Q3 2024 – Q2 2026



E-commerce reached 17.1% of retail sales. E-commerce share of U.S. retail sales, quarterly, Q3 2024 – Q2 2026. Source: U.S. Census Bureau via FRED (ECOMPCTSA), Q2 2026 released Aug. 18, 2026.

Data table and CSV: getproductiv.com/data/labor-logistics-indicators/2026-10/11-ecommerce-share.csv

WHAT IT MEANS

Shippers & manufacturers

Producer prices are up 5.4% year over year (August) and the ISM prices index is 77.9 (September). Expect component and packaging quotes to rise before your selling prices do, and set 2027 cost assumptions now.

3PLs & warehouse operators

Core PPI is up 4.7%, so supply bills keep climbing. Check the pass-through terms in your contracts before peak volume arrives.

Transportation & fleets

Manufacturing output is up 1.0% year over year (August) and new orders are at 55.3, so industrial freight demand is growing, slowly.

Sources: [BEA GDP](#), [BLS CPI August 2026](#), [BLS PPI August 2026](#), [ISM Manufacturing PMI, September 2026](#), [Federal Reserve G.17 via FRED](#), [Census quarterly e-commerce](#)

2. Credit & Rates

- **Fed funds target range:** 3.75%–4.00%, after a 0.25-point increase at the Sept. 15–16 FOMC meeting (statement released Sept. 16). The next meeting is Oct. 27–28.
- **Effective fed funds rate:** 3.88% on Oct. 1, compared with 4.09% a year ago.
- **30-year fixed mortgage (Freddie Mac PMMS):** 7.28% for the week of Oct. 1, up from 6.34% a year ago.

- **10-year Treasury:** 5.24% on Oct. 1, up from 4.12% a year ago.

Long-term rates are climbing again

Effective fed funds, 10-year Treasury, and 30-year mortgage, percent, Oct. 2024 – Oct. 1, 2026



Long-term rates are climbing again. Effective fed funds, 10-year Treasury and 30-year mortgage, Oct. 2024 – Oct. 1, 2026. Source: Federal Reserve Bank of NY (EFFR), U.S. Treasury (DGS10), Freddie Mac PMMS (MORTGAGE30US), all via FRED.

Data table and CSV: getproductiv.com/data/labor-logistics-indicators/2026-10/15-rates.csv

- **Bank prime loan rate:** 7.00%, up from 6.75% before the September hike (7.25% a year ago).

WHAT IT MEANS

Shippers & manufacturers

The 10-year Treasury is 5.24% (Oct. 1), up from 4.12% a year ago, so carrying peak inventory costs more. Tighter replenishment beats early, deep stock positions.

3PLs & warehouse operators

With the bank prime rate at 7.00%, automation and equipment projects need a shorter payback to clear the bar. Higher rates also slow new warehouse development, which supports rents.

Transportation & fleets

Financing tractors and trailers costs more at a 7.00% prime rate. Extending the life of current equipment is worth pricing against replacement.

Sources: [Federal Reserve FOMC statement, Sept. 16, 2026](#), [FOMC calendar](#), FRED: [EFFR](#), [MORTGAGE30US](#), [DGS10](#), [DPRIME](#)

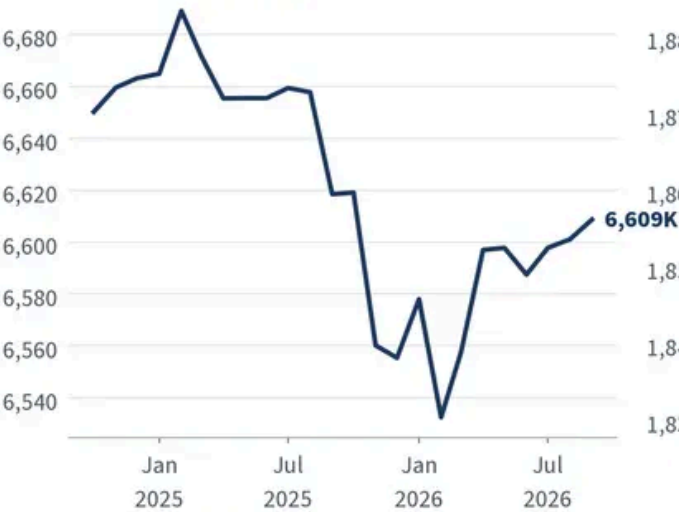
3. Labor

- **Transportation & warehousing employment:** 6,608,700 in September (preliminary). That's +7,600 from August and about 9,800 below September 2025.
- **Warehousing & storage:** 1,831,800, down 4,100 from August and 21,600 from a year ago.

Warehouse headcount keeps slipping

All employees, seasonally adjusted, thousands, Oct. 2024 – Sept. 2026 (Aug.–Sept. 2026 preliminary)

Transportation & warehousing



Warehousing & storage



Source: BLS Current Employment Statistics (CES4300000001, CES4349300001), released Oct. 2, 2026

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Warehouse headcount keeps slipping. Employment, seasonally adjusted, Oct. 2024 – Sept. 2026. Source: BLS Current Employment Statistics (CES4300000001, CES4349300001), released Oct. 2, 2026.

Data table and CSV: getproductiv.com/data/labor-logistics-indicators/2026-10/04-tw-employment.csv

Warehousing has shed jobs three months running

Change in employment from prior month, thousands, seasonally adjusted, Oct. 2024 – Sept. 2026



Source: BLS Current Employment Statistics (CES4349300001), released Oct. 2, 2026; Aug.–Sept. 2026 preliminary

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Warehousing has shed jobs three months running. Warehousing & storage, monthly change in employment, Oct. 2024 – Sept. 2026. Source: BLS Current Employment Statistics (CES4349300001), released Oct. 2, 2026.

Data table and CSV: getproductiv.com/data/labor-logistics-indicators/2026-10/08-warehousing-mom.csv

- **Average hourly earnings, transportation & warehousing:** \$32.78, up \$0.08 from August and +3.1% year over year.

Warehouse-sector pay is now trailing inflation

Avg. hourly earnings vs. CPI, % change from 12 months earlier, Oct. 2024 – Sept. 2026



Warehouse-sector pay is now trailing inflation. Avg. hourly earnings vs. CPI, % change from 12 months earlier, Oct. 2024 – Sept. 2026. Source: BLS CES (CES4300000003), released Oct. 2, 2026; CPI via FRED (CPIAUCNS).

Data table and CSV: getproductiv.com/data/labor-logistics-indicators/2026-10/05-pay-vs-cpi.csv

- **Job openings and quits (JOLTS, transportation, warehousing & utilities, not seasonally adjusted):** 353,000 openings in August. The quits rate was 2.0%, compared with 2.2% a year earlier (BLS, released Sept. 29).

Quits are running a bit below last year

Transportation, warehousing & utilities (JOLTS), not seasonally adjusted, Sept. 2024 – Aug. 2026



Quits are running a bit below last year. Job openings and quits rate, transportation, warehousing & utilities, Sept. 2024 – Aug. 2026. Source: BLS JOLTS via FRED (JTU480099JOL, JTU480099QUR), released Sept. 29, 2026.

Data table and CSV: getproductiv.com/data/labor-logistics-indicators/2026-10/09-jolts-twu.csv

- **Overall payrolls (BLS):** +29,000 with unemployment at 4.2%. Revisions cut July and August by a combined 60,000.
- **ADP, September:** +90,000 private jobs, with trade/transportation/utilities flat (0). Base pay for job-stayers rose 3.0% year over year, versus 4.8% for job-changers. Trade/transportation/utilities base pay was up 3.4%.

WHAT IT MEANS

Shippers & manufacturers

Warehousing and storage lost 21,600 jobs over the year (September, BLS). Ask your 3PL how it will staff peak and what its turnover was last season.

3PLs & warehouse operators

Job-changers got 4.8% raises versus 3.0% for stayers (ADP, September). Every trained operator who leaves during peak is replaced at a higher wage by someone still learning the work. Run the [turnover cost](#) before you set peak pay.

Sources: [BLS Transportation & Warehousing](#), [BLS Warehousing & Storage](#), [BLS Employment Situation, Sept. 2026](#), [BLS JOLTS via FRED](#), [ADP National Employment Report](#)

4. Industrial Real Estate (Q2 2026; Q3 reports due later this month)

- **U.S.:** Vacancy is 6.9%, down 10 bps from the prior quarter. Average asking rent is \$10.32/sq ft, up 2.9% year over year.

→ [See Cushman & Wakefield's Q2 2026 U.S. industrial vacancy and rent chart](#)

- **Dallas/Fort Worth:** Vacancy is 8.1%, down 110 bps year over year. Asking rent hit a record \$9.19/sq ft, up 13.2% year over year (\$8.99 for warehouse/distribution).

→ [See Cushman & Wakefield's Q2 2026 Dallas/Fort Worth vacancy and rent chart](#)

- **Charlotte:** Vacancy is 7.4%, the fifth straight quarterly decline. Overall asking rent is \$8.67/sq ft (\$7.76 for warehouse/distribution).

→ [See Cushman & Wakefield's Q2 2026 Charlotte vacancy and rent chart](#)

WHAT IT MEANS

Shippers & manufacturers

U.S. vacancy is 6.9% and asking rent is \$10.32/sq ft, up 2.9% (Q2 2026). If you were waiting for a softer lease market, that window is closing. Price [flexible 3PL capacity](#) alongside any new lease.

3PLs & warehouse operators

Dallas/Fort Worth asking rent is up 13.2% to a record \$9.19/sq ft, and Charlotte vacancy has fallen five straight quarters to 7.4%. Space costs more at renewal, so output per square foot matters more.

Sources: [Cushman & Wakefield U.S. Industrial MarketBeat](#), [Dallas/Fort Worth](#), [Charlotte](#)

5. Freight

- **Logistics Managers' Index (August):** 66.6, down 2.2 from July (above 50 = expansion).
 - Inventory levels: 52.8
 - Warehousing capacity: 53.5 (+7.2, back in expansion)
 - Warehousing prices: 75.0
 - Transportation prices: 90.0

→ [See the LMI's warehousing prices chart in the August 2026 report](#)

→ [See the LMI's transportation prices chart in the August 2026 report](#)

- **Cass Freight Index (August):** Shipments +2.1% year over year, the first annual gain since January 2023. Expenditures +18.7% year over year.

Freight spending is rising far faster than volume

Cass Freight Index, % change from 12 months earlier, Sept. 2024 – Aug. 2026



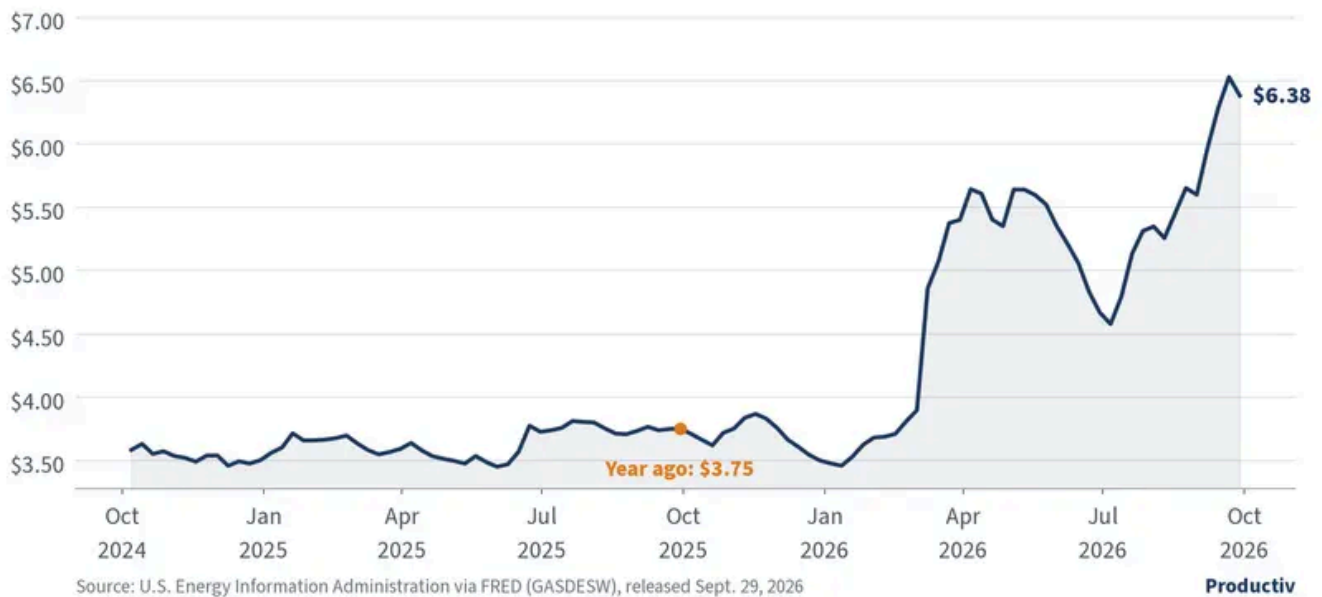
Freight spending is rising far faster than volume. Cass Freight Index, % change from 12 months earlier, Sept. 2024 – Aug. 2026. Source: Cass Information Systems via FRED (FRGSHPU649NCIS, FRGEXPUSM649NCIS), posted Sept. 11, 2026.

Data table and CSV: getproductiv.com/data/labor-logistics-indicators/2026-10/07-cass.csv

- **Diesel (EIA):** \$6.382/gal for the week of Sept. 28. That's down 14.7¢ on the week but up \$2.63 (about 70%) from a year ago.

Diesel is up 70% from a year ago

U.S. on-highway diesel, weekly retail average, \$ per gallon, Oct. 2024 – week of Sept. 28, 2026



Diesel is up 70% from a year ago. U.S. on-highway diesel, weekly, Oct. 2024 – week of Sept. 28, 2026. Source: U.S. Energy Information Administration via FRED (GASDESU), released Sept. 29, 2026.

Data table and CSV: getproductiv.com/data/labor-logistics-indicators/2026-10/06-diesel.csv

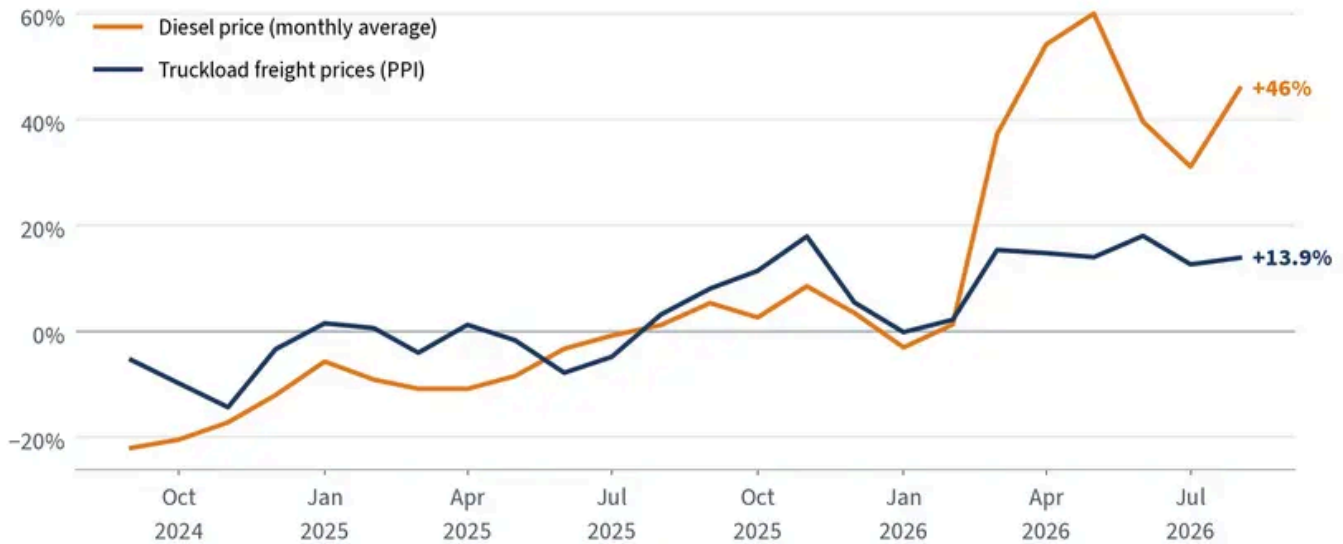
- **DAT dry van (linehaul, excluding fuel):** Spot averaged \$2.17/mile last week, +31.9% year over year. In August, contract averaged \$2.41 against \$2.19 spot.

→ [See DAT's dry van spot rate chart \(2026 vs. 2017–2025\)](#)

- **Truckload pricing:** The BLS producer price index for long-distance truckload was up 13.9% year over year in August (released Sept. 10). The Cass Truckload Linehaul Index was up 11.3%.

Truckload prices are rising, but trail diesel

% change from 12 months earlier, Sept. 2024 – Aug. 2026



Source: EIA via FRED (GASDESM, monthly diesel avg.); BLS PPI long-distance truckload via FRED (PCU484121484121), released Sept. 10, 2026

Productiv

Truckload prices are rising, but trail diesel. Diesel vs. truckload freight prices, % change from 12 months earlier, Sept. 2024 – Aug. 2026. Source: EIA via FRED (GASDESM); BLS PPI long-distance truckload via FRED (PCU484121484121), released Sept. 10, 2026.

Data table and CSV: getproductiv.com/data/labor-logistics-indicators/2026-10/13-diesel-vs-truckload.csv

WHAT IT MEANS

Shippers & manufacturers

Cass expenditures are up 18.7% year over year on shipments up 2.1% (August). Build 2027 freight budgets on cost, not volume, and plan for fuel volatility rather than a one-time spike.

3PLs & warehouse operators

LMI warehousing prices hold at 75.0 while warehousing capacity loosened to 53.5 (August). Storage costs aren't falling yet, but customers will see the extra capacity coming.

Transportation & fleets

Diesel is \$6.382/gal (week of Sept. 28), up about 70%, and DAT dry van spot is \$2.17/mile, up 31.9%. Keep fuel surcharge tables current and plan for loaded miles.

Sources: [LMI August 2026](#), [Cass Transportation Index, August 2026](#), [EIA Gasoline & Diesel Update](#), [DAT Dry Van Report](#), [DAT August rates](#), [BLS PPI truckload via FRED](#)

6. Parcel

Fuel and peak fees stack up this season

Published rate actions as of Oct. 4, 2026 (list rates; contracts vary)

Carrier	2027 GRI	Ground fuel surcharge (week of Sept. 28)	2026 residential demand surcharge
FedEx	+5.9% avg., eff. Jan. 4, 2027	29.75% (29.25% Oct. 5–11)	\$0.50–\$0.80 per pkg Oct. 26 – Jan. 17
UPS	Not announced (as of Oct. 4)	30.25%	\$0.50 / \$0.75 / \$0.50 per pkg Oct. 25 – Jan. 16
USPS	Not announced (as of Oct. 4)	No fuel surcharge; 8% temporary increase Apr. 26 – Jan. 17	Peak pricing Oct. 4 – Jan. 17; commercial Ground Advantage +\$0.40 to +\$7.70

Source: FedEx and UPS fuel surcharge pages; Supply Chain Dive (Sept. 21, Aug. 27, July 23, 2026); USPS (Mar. 25, Aug. 25, 2026)

Productiv

Fuel and peak fees stack up this season. Published parcel rate actions as of Oct. 4, 2026. Source: FedEx and UPS fuel surcharge pages; Supply Chain Dive (Sept. 21, Aug. 27, July 23, 2026); USPS (Mar. 25, Aug. 25, 2026).

Data table and CSV: getproductiv.com/data/labor-logistics-indicators/2026-10/14-parcel-table.csv

2027 general rate increases

- **FedEx:** Average +5.9%, effective Jan. 4, 2027, the fourth year in a row at that level. The residential delivery charge rises from \$6.95 to \$7.35.
- **UPS:** No 2027 increase announced as of Oct. 4.
- **USPS:** No January 2027 shipping price change announced as of Oct. 4.

Fuel surcharges (week of Sept. 28 to Oct. 4)

- **FedEx:** Ground 29.75% (29.25% for Oct. 5 to 11). Express 33.00%.
- **UPS:** Ground 30.25%. Domestic Air 33.50%.
- **USPS:** No separate fuel surcharge. An 8% time-limited "transportation-related" increase on competitive parcels runs April 26, 2026 through Jan. 17, 2027.

2026 peak and demand surcharges

- **UPS:** Ground Residential is \$0.50 (Oct. 25 to Nov. 21), then \$0.75 (Nov. 22 to Dec. 26), then \$0.50 through Jan. 16. Additional Handling runs \$8.75 to \$11.90 starting Sept. 27.
- **FedEx:** Ground/Home Delivery residential is \$0.50 to \$0.80 from Oct. 26 to Jan. 17. Additional Handling runs \$8.80 to \$11.85 starting Sept. 28.

- **USPS:** Peak pricing runs Oct. 4 to Jan. 17. For commercial Ground Advantage, it adds \$0.40 (Zones 1–4, 0–3 lb) up to \$7.70 (Zones 5–9, 26–70 lb).

WHAT IT MEANS

Shippers & manufacturers

Ground fuel surcharges are 30.25% (UPS) and 29.75% (FedEx) for the week of Sept. 28, before any peak fee. Package dimensions and zone mix now move parcel cost more than FedEx's 5.9% GRI.

3PLs & warehouse operators

Additional Handling runs \$8.75 to \$11.90 per package at UPS and \$8.80 to \$11.85 at FedEx this peak. Pack-out standards that avoid those triggers protect margin directly. Our [peak readiness checklist](#) covers where those costs hide.

Sources: [Supply Chain Dive: FedEx 2027 rates](#), [FedEx fuel surcharge](#), [UPS fuel surcharge](#), [Supply Chain Dive: UPS peak](#), [Supply Chain Dive: FedEx peak](#), [USPS peak pricing](#), [USPS 8% increase](#)

The Ecosystem Breakdown

One key indicator from each section, and which way it cuts for shippers, 3PLs and fleets this month.

ECOSYSTEM BREAKDOWN · OCTOBER 2026					
Where each indicator cuts: shippers, 3PLs and fleets					
INDICATOR	LATEST VALUE	CHANGE	SHIPPERS & MANUFACTURERS	3PLS & WAREHOUSES	TRANSPORTATION & FLEETS
ECONOMY PPI, final demand	+5.4% y/y (Aug. 2026, BLS)	+0.4% m/m; core +4.7% y/y	▼ HEADWIND Input and packaging costs rising upstream	▼ HEADWIND Supply costs climb; check pass-through clauses	● NEUTRAL Truckload prices tracked separately above
CREDIT & RATES 10-year Treasury	5.24% (Oct. 1, 2026, FRED)	From 4.12% a year ago	▼ HEADWIND Costlier to carry peak inventory	▼ HEADWIND Higher bar for automation payback	▼ HEADWIND Equipment financing costs more
LABOR Warehousing & storage employment	1,831,800 (Sept. 2026, prelim., BLS)	−21,600 y/y; −4,100 m/m	▼ HEADWIND Ask how your 3PL staffs peak	▼ HEADWIND Job-changers get 4.8% vs. 3.0% for stayers	● NEUTRAL Transportation & warehousing jobs +7,600 m/m
INDUSTRIAL REAL ESTATE U.S. industrial vacancy	6.9% (Q2 2026, Cushman & Wakefield)	−10 bps q/q; rent \$10.32/sq ft, +2.9% y/y	▼ HEADWIND Lease window narrowing; price flexible capacity	● NEUTRAL Firmer rents at renewal; space must earn its keep	● NEUTRAL No direct effect
FREIGHT U.S. on-highway diesel	\$6.382/gal (week of Sept. 28, 2026, EIA)	+\$2.63 y/y (about 70%)	▼ HEADWIND Fuel in every freight bill	▼ HEADWIND Inbound and outbound freight costs up	▼ HEADWIND Fuel up about 70%; dry van spot +31.9%

INDICATOR	LATEST VALUE	CHANGE	SHIPPERS & MANUFACTURERS	3PLS & WAREHOUSES	TRANSPORTATION & FLEETS
PARCEL UPS ground fuel surcharge	30.25% (week of Sept. 28, 2026)	FedEx 2027 GRI +5.9%; peak fees from Oct. 25–26	▼ HEADWIND About 30% fuel plus peak fees per parcel	● NEUTRAL Pack-out standards decide surcharge exposure	● NEUTRAL No direct effect

Deep dive: peak-season labor retention

The warehouse labor market is shrinking, not tightening. Warehousing and storage employment was 1,831,800 in September (preliminary), down 21,600 from a year earlier. Transportation and warehousing pay rose 3.1% in September, against 3.4% CPI inflation in August. Real pay is flat to negative.

People are mostly staying put. The quits rate for transportation, warehousing and utilities was 2.0% in August, down from 2.2% a year earlier. But the ones who leave are paid well to do it: ADP puts raises for job-changers at 4.8%, against 3.0% for people who stay.

That gap matters most on the work that takes longest to learn. A multi-component kit, a retailer's routing guide, an ASN that has to match the carton it describes: these run on people who already know the build and the customer's rules. A replacement hired in November is still learning in December.

New-hire mistakes show up as retailer chargebacks and reships, and this year reships cost more. Ground fuel surcharges are 30.25% at UPS and 29.75% at FedEx (week of Sept. 28). Peak residential and Additional Handling fees, up to \$11.90 per package at UPS, apply on top.

The same math applies inside manufacturing plants. With the PMI at 54.5 and new orders at 55.3, factories are adding output. Plants that lean on temp labor for kitting and packaging lines feel turnover as missed schedules, not just higher cost.

Whether the team runs in a 3PL building or [inside the client's plant](#), the operations that keep the same leads and trained operators from September through January should have the steadier peak. Before peak, compare what retention pay costs with what a lost trained operator costs in rework, chargebacks and reships.

Operational directives

Optimize: staffing and throughput

- Lock peak rosters now. Tie retention pay to finishing the season, and remember you are competing with the 4.8% raises job-changers are getting.
- Put your most experienced operators on the most complex builds and use new hires on simpler pick-and-pack work, where errors are easier to catch.
- Track output per labor hour weekly through January, not just headcount against plan.

Safeguard: retail compliance and chargebacks

- Audit [routing guide](#) and [ASN/EDI accuracy](#) before peak volume, not after the first chargeback notice.
- Freeze display and kit build specs early, and check the first unit of every new build against the spec before the line runs.
- Pair new hires with a trained lead on labeling and compliance-critical stations.

Synchronize: production and regional fulfillment

- With diesel at \$6.382/gal and truckload producer prices up 13.9%, move finished goods to regional fulfillment in planned full loads rather than expedited partials.
- Time production runs to fulfillment windows. At a 5.24% 10-year Treasury, finished goods sitting early are a cost, not a buffer.
- Position inventory closer to demand: USPS peak pricing adds up to \$7.70 per package (Zones 5–9, 26–70 lb).

What's next

September CPI comes out Oct. 14 and September PPI on Oct. 15. The Fed meets Oct. 27–28, and the Q3 GDP advance estimate is due Oct. 29. Our next issue arrives in early November.

Get the next issue and the full data: every chart's data table and CSV, and the monthly email sign-up, are at getproductiv.com/insights/labor-logistics-indicators.

If peak surcharges are changing your fulfillment math, [talk to our team](https://getproductiv.com/contact) (getproductiv.com/contact).

About this report and methodology

Labor & Logistics Indicators is published monthly by Productiv. It is built from official public data (BEA, BLS, the Federal Reserve, Freddie Mac, EIA, FRED and the Census Bureau) and named industry sources (Cushman & Wakefield, the Logistics Managers' Index, DAT, Cass, ISM, UPS, FedEx and USPS). Every figure is linked to its source with its reference period and release date. It contains no proprietary Productiv data.

How figures are calculated: year-over-year and month-over-month changes are taken from the official series as published. Our charts plot about 24 months of published data without estimates or seasonal adjustments of our own. Third-party charts are linked, not reproduced.

The Productiv Labor & Logistics Pressure Index is different: it is a Productiv calculation from public data, not a figure as published by a source (see the [methodology](#)). Each issue recomputes its full history. If a month we have already published moves by 1 point or more, we note it in a footnote in the new issue; past issues are not edited.

Revisions: when a source revises a figure, we update it on this page, change the “Updated” date and note what changed. Past issues keep their URLs.

Productiv, Inc. is headquartered in Midlothian, Virginia. It runs [3PL fulfillment](#) in [Dallas](#) and [Charlotte](#), and [onsite kitting and co-packing teams](#) inside client plants in Richmond, Charlotte, Raleigh, Dallas and Salt Lake City.

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