

Why trucking payments are critical to the health of the economy

Article

Below, Insider Intelligence analysts Adriana Nunez and Tyler Van Dyke recap a session at this year's Money 20/20 event.

Why trucking payments are critical to the health of the economy

Session name: "Remapping Payments for the Trucking Industry"

Speakers:

- **J.P. Jolly, Global Co-Head of Corporate and Ecommerce Sales and Solutions, JPMorgan (moderator)**
- **Zack Miller, Founder and Editor-in-Chief, Tearsheet Studios (moderator)**
- **Lior Ron, Head of Uber Freight, Uber**
- **Renata Caine, Senior Vice President, International, Strategy and Planning, Marqeta**
- **Atif Siddiqi, Founder and CEO, Branch**

Findings:

- Despite being the backbone of the global economy, the trucking industry faces substantial payment issues: On average, truckers get paid **60–90 days** after shipment delivery, according to Lior Ron, head of **Uber Freight**—Uber's app-based solution, whose service matches carriers with shippers and operates similarly to its ride-sharing and food-delivery businesses.
- We're in the middle of a growing logistics issue: There's **three times** more demand for goods than there was **18 months** ago, and there aren't enough truck drivers to meet it—making improving the payments experience of existing truckers even more important.
- Uber Freight tapped advanced programming interface issuer-processor **Marqeta** and personal finance and technology firm **Branch** to help truckers on its platform get paid faster and to develop other transaction innovations for the nearly **4 million** truckers who operate in the US. Uber Freight also acquired logistics solutions provider **Transplace**, which on average processes **\$17 billion** in trucking payments annually.
- Using Marqeta's infrastructure and analytics capabilities, Branch developed a digital wallet for Uber Freight's truckers that lets them get paid **2 hours** after proof of delivery and gives them instant access to their funds.
- The panelists also discussed how Uber Freight's tie-up with Branch and Marqeta is part of a bigger trend of bringing financial services to industries that have historically been overlooked or underserved.

What This Means:

- The trucking industry is in need of digital disruption, and providers like Uber Freight, Marqeta, and Branch are developing payment solutions that better serve this critical market.

Our Take:

- Eliminating transaction friction by enabling near-instant payment can perhaps make trucking a more attractive industry for workers, especially as the economy struggles to overcome a dwindling supply of truckers: According to Ron, the average age of a trucker today is **55**—20 years ago, it was **35**.
- And unlike industries that have in some ways been cannibalized by technology—like in-person checkout in retail, for instance—trucking still relies on a human workforce, making it imperative for companies to bring much-needed digital solutions to market to meet those workers' needs.