

WHITE PAPER: Understanding Cost Pressures in the Moving Industry (2020–2025)

Prepared by the International Association of Movers (IAM) August 2025

Executive Summary

Since 2020, the global moving and storage industry has faced sustained cost increases across nearly every operational input. From trailers and insurance to labor, fuel, and warehousing, costs have risen by as much 80%. These economic shifts shape how movers retain staff and make long-term investments.

This paper is designed to:

1. To provide industry stakeholders, including DoD officials and the Permanent Change of Station Task Force (PCS TF), with clear, credible data that explains the rise in costs across the sector; and
2. To help shape future program design that sustains industry participation and protects the capacity needed to meet the Department of Defense’s personal property shipping needs.

The [International Association of Movers \(IAM\)](#) asserts that alignment between pricing policy and operational cost is essential to the viability of the Defense Personal Property Program (DP3). Without it, the DoD risks losing access to reliable, experienced, and quality capacity, especially among small and mid-sized firms.

Introduction and Purpose

This paper documents the systemic cost increases faced by the moving industry since 2020. It is not a critique of current policy but a call for data-informed alignment between program expectations and the commercial realities of service delivery. All data included is sourced from credible, independently verifiable sources and reflects key economic indicators that have reshaped the industry’s operating environment.

The International Association of Movers (IAM) stands ready to connect the PCS TF with expert practitioners and contributors cited in this paper for further engagement or clarification.

Program Context: DP3 and the GHC Transition

The Defense Personal Property Program (DP3) has long delivered flexible, resilient, and geographically distributed capacity for military relocations. Built on competition and decentralized execution, it has facilitated millions of successful moves.

TRANSCOM introduced centralization at a scale that outpaced infrastructure readiness and disrupted longstanding partnerships. The resulting strain on operations, communication, and service member satisfaction has been well documented.

As the DoD considers the short and long-term future of household goods moves, IAM advocates a pragmatic and phased modernization approach. We believe this would preserve DP3's strengths while working toward TRANSCOM's goals of continuous performance improvement and efficiency.

Methodology

IAM compiled data from insurance underwriters, national wage data, fuel pricing databases, logistics research firms, and supplier partners in packaging and equipment. Specific contributors and sources include:

- **American Transportation Research Institute (ATRI)**, 2025 report
- **Champion Risk & Insurance**
- **Aegis Insurance Services**
- **Paul Hanson Partners / Mover's Choice**
- **Kentucky Trailer**
- **United Brokerage Packaging**
- **Smurfit Westrock Packaging Solutions**
- **Supply Chain Dive**
- **F. Curtis Barry & Company**
- **U.S. Bureau of Labor Statistics**
- **U.S. Energy Information Administration**
- **Indeed.com**
- **Trading Economics**
- **Daycos**

The cited data reflects changes occurring between 2020 and 2025.

Key Cost Drivers Since 2020

According to the Consumer Price Index, prices have risen by just over 25% across the U.S. since January of 2020. This inflation has impacted almost all economic sectors, but the moving industry has faced disproportionate pressure as service providers grapple with underlying costs rising by 30% - 80%. Each cost category highlighted in this paper constitutes key considerations for Transportation Service Providers (TSPs) and agents who support the Defense Personal Property Program (DP3). These costs are cumulative and have been sustained for several years. In combination, they undermine the long-term sustainability of the program without responsive adjustments.

The sections below provide insight into how each cost category has evolved since 2020 and how these shifts are influencing business decisions, capacity availability, and longterm investment planning for moving companies.

TRANSCOM General Price Adjustments

The table below shows the price adjustments to tender/tariff baseline rates since 2021:

Year	Price Adjustment
2021	1.08%
2022	3.40%
2023	8.22%
2024	5.44%
2025	1.99%
Total (Compounded)	~21.63%

TRANSCOM’s adjustments are appreciated but fall short of offsetting cost increases that range from 30 – 80% in multiple categories. These adjustments are not applied to all rates in the tender.

Motor Carrier Average Marginal Costs per Mile



Table 8: Average Marginal Costs per Mile, 2015-2024

Motor Carrier Costs	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<i>Vehicle-Based</i>										
Fuel Costs	0.403	0.336	0.368	0.433	0.384	0.308	0.417	0.641	0.553	0.481
Truck/Trailer Lease or Purchase Payments	0.230	0.255	0.264	0.265	0.256	0.271	0.279	0.331	0.360	0.390
Repair & Maintenance	0.156	0.166	0.167	0.171	0.149	0.148	0.175	0.196	0.202	0.198
Truck Insurance Premiums	0.074	0.075	0.075	0.084	0.071	0.087	0.086	0.088	0.099	0.102
Permits & Licenses	0.019	0.022	0.023	0.024	0.020	0.016	0.016	0.015	0.009	0.009
Tires	0.043	0.035	0.038	0.038	0.039	0.043	0.041	0.045	0.046	0.047
Tolls	0.020	0.024	0.027	0.030	0.035	0.037	0.032	0.028	0.034	0.038
<i>Driver-Based</i>										
Driver Wages	0.499	0.523	0.557	0.596	0.554	0.566	0.627	0.724	0.779	0.798
Driver Benefits	0.131	0.155	0.172	0.180	0.190	0.171	0.182	0.183	0.188	0.197
TOTAL	1.575	1.592	1.691	1.821	1.699	1.646	1.855	2.251	2.270	2.260

The table above shows data collected by the [American Transportation Research Institute](#) in their [2025 Update of An Analysis of the Operational Costs of Trucking](#)¹. In total, this analysis indicates vehicle and driver-based costs have risen 37.3% from 2020 to 2024.

Truck & Trailer Payments

The 2025 ATRI Report further states that, “Truck and trailer payment costs have undergone a sea change since the pandemic, increasing by **52.3%** since 2019 - more than any other cost line-item.”²

Moving Trailers

While ATRI focuses generally on the trucking sector, moving trailers were not immune to these cost increases. According to industry supplier [Kentucky Trailer](#), the cost of new trailers rose **44.5%** in just 5 years. A moving company could purchase a new trailer at an MSRP of \$80,185 in 2020. By 2025, the MSRP had increased to \$115,870.³

Insurance Premiums

Insurance costs have skyrocketed as well. IAM received insight and data from [Champion Risk & Insurance Services](#), [Aegis Insurance Services](#), and [Paul Hanson Partners](#). According to the data we have received from these providers, we have seen significant increase in most insurance types movers require.

To illustrate with an example using round numbers, Champion Risk & Insurance Services shared that, “We looked at an average account to see what the price would have been in 2020 vs. today: • \$50,000 in Auto premium from 2020 is \$94,140 today - an increase of **88.28%**.

- \$10,000 in Property/Inland Marine Premium from 2020 is \$13,741 today – an increase of **37.41%**.
- \$2,500 in General Liability premium from 2020 is \$3,313 today – an increase of **32.52%**.
- \$35,000 in Worker’s Comp premium from 2020 is \$26,200 today – a decrease of **25.14%**.”⁴

¹ American Transportation Research Institute, *An Analysis of the Operational Costs of Trucking: 2025 Update* (July 2025), 15, <https://truckingresearch.org/2025/07/an-analysis-of-the-operational-costs-of-trucking-2025-update/>.

² Ibid., 54

³ David Smith, Director of Sales, Kentucky Trailer, email message to author, July 11, 2025.

⁴ Casey Myers, Senior Vice President, Champion Risk, email message to author, July 15, 2025.

What would have cost \$97,500 in 2020 now costs approximately \$137,394 today. This is an increase of **40.92%**. These increases have been driven “by rising claims costs, economic inflation, and tighter underwriting standards”⁵.

Packaging Materials

[United Brokerage Packaging](#) reported the following increases to IAM since 2020⁶:

Material	Percentage Increase
Corrugated Boxes	+35%
Packing Papers	+30%
Bubble Wrap / Stretch Film	+45%
Mattress Bags / Special Covers	+40%
Tape & Labels	+28%

[Smurfit Westrock Packaging Solutions](#) indicated that the cost for many packaging products that use either cloth or wood are exposed to potential cost increases due to higher import tariffs. The increases we highlighted in the table above occurred prior to the latest round of tariff changes.⁶

Lumber (Crating & Lift vans)

Based on [Trading Economics tracking](#), there has been a **33% increase** in lumber prices since 2020, with extreme spikes in 2021–2022.⁷ Higher future tariffs could drive these costs higher in the future as well.

⁵ Aegis Insurance Services, *Insurance Premium Trend Report for Moving Industry* (internal document, July 2025). ⁶ Rob Brooks, Sales Executive, United Brokerage Packaging, email message to author, July 15, 2025.

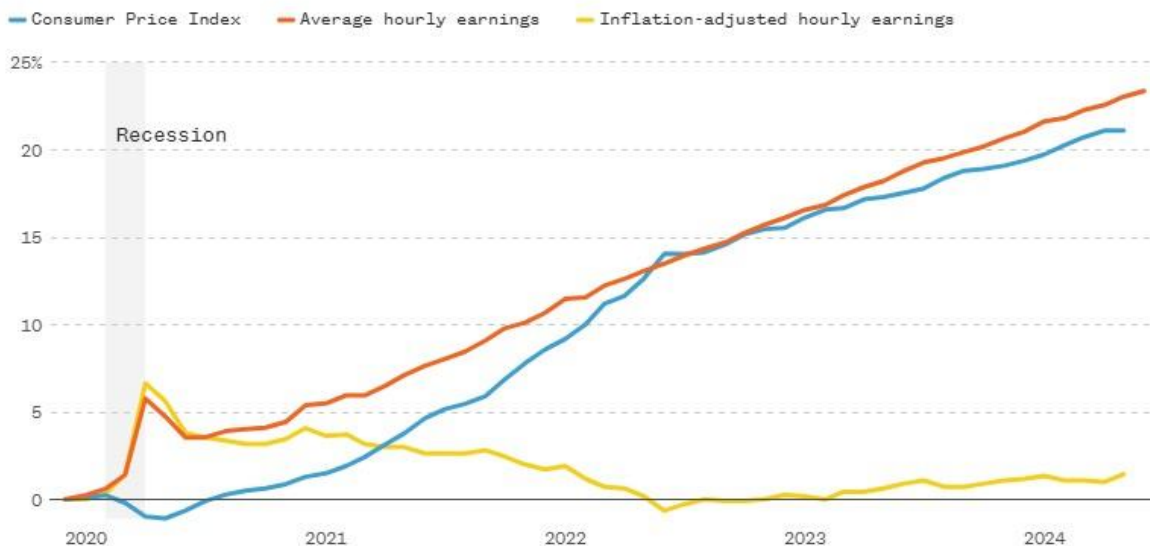
⁶ Charlie Cook, National Mover Account Manager, Smurfit Westrock Packaging Solutions, email message to author, July 23, 2025.

⁷ TradingEconomics.com, “Lumber—United States Producer Price Index by Commodity: Lumber and Wood Products,” accessed August 1, 2025.

Labor Wages

The [U.S. Bureau of Labor Statistics' Employment Cost Index \(ECI\)](#) shows that general bluecollar wages has risen approximately **18 – 22%** since 2020⁸. The chart below shows the change over time on average hourly earnings since December of 2019.

Percentage change in earnings and inflation since Dec. 2019



Source: Bureau of Labor Statistics via FRED (Consumer Price Index and Average hourly earnings), YCharts
Graphic: Nigel Chiuwaya / NBC News

Specifically, “production, transportation, and material moving” occupations showed a yearly growth rate between **3.5 – 5.0%** since 2020. This category aligns closely with the type of workers moving companies must employ to service military moves.

Warehouse Leases

[F. Curtis Barry & Company](#) indicate that the national average for warehouse lease costs have risen 50% since 2020.⁹ They have further shared that there has been a 60 – 70% increase in warehouse lease rates in coastal and sun belt metropolitan areas. More recently, their data indicates a 16.1% year-over-year increase from 2024 to 2025.

⁸ U.S. Bureau of Labor Statistics, *Employment Cost Index - June 2025*, news release, July 31, 2025, accessed August 1, 2025, <https://www.bls.gov/news.release/pdf/eci.pdf>.

⁹ F. Curtis Barry & Company, “Warehouse Lease Rates Increase While Demand Drops,” *F. Curtis Barry & Co.* (blog), accessed August 1, 2025, <https://www.fcbco.com/blog/warehouse-lease-rates-increase-while-demanddrops>.

Diesel Fuel Costs

Data from the [U.S. Energy Information Administration \(EIA\)](#) shows that diesel fuel has risen from an average cost / gallon of \$2.55 in 2020 to \$3.76 in 2025. This is more than a 47% increase.

At the same time, TRANSCOM made two significant changes to their fuel surcharge policy. The first was a change to how fuel surcharge was applied to the domestic leg of an international shipment delivering into or out of storage-in-transit. According to analysis from Daycos, the largest third-party billing provider handling invoicing for a majority of providers in the DoD market, this change resulted in a \$2.5 Million+ decrease in reimbursement charges in 2022. These funds are designed to flow through to the entity (usually the driver) who incurs the fuel cost. Since the change in policy, that represents a 66% decline in fuel surcharge reimbursements for this segment of billing.

In addition, TRANSCOM changed the fuel surcharge baseline from \$2.50 to \$3.50 in 2024. This too had a direct impact on driver compensation, as they received a significantly reduced or even zero (depending on the month) fuel surcharge reimbursement. TSPs were instructed by TRANSCOM to “put the difference in your rates” so drivers could be properly compensated, only to experience significant domestic rate rejections for the 2025 rate year.

Summary and Recommendations

This paper provides a verified, sector-wide view of the cost landscape that shapes how moving companies price, staff, and structure their services. The data illustrates a gap between policy expectations and financial reality that could jeopardize the very capacity DoD relies upon.

Based on this data, IAM recommends the following:

1. Benchmark pricing mechanisms against real-world cost indices
 2. Preserve competition and capacity diversity
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3. Incorporate industry feedback in program design
 4. Avoid abrupt or large-scale program transitions that disrupt operational continuity
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Engagement

IAM is committed to working with the DoD, TRANSCOM, and the PCS TF to strengthen DP3 and ensure the sustainability of the HHG relocation network. We welcome further dialogue and can facilitate connections to contributors cited herein or other industry experts.

Together, we can build a moving program that delivers the service TRANSCOM expects and what the military family deserves.

About the International Association of Movers

The International Association of Movers (IAM) is the moving industry's largest global trade association representing more than 2,200 companies in the moving, relocation, forwarding, and logistics industries worldwide. For decades, IAM's members have played a vital role in supporting the Defense Personal Property Program (DP3), providing critical capacity, local expertise, and global reach to ensure the safe and timely relocation of U.S. service members and their families.