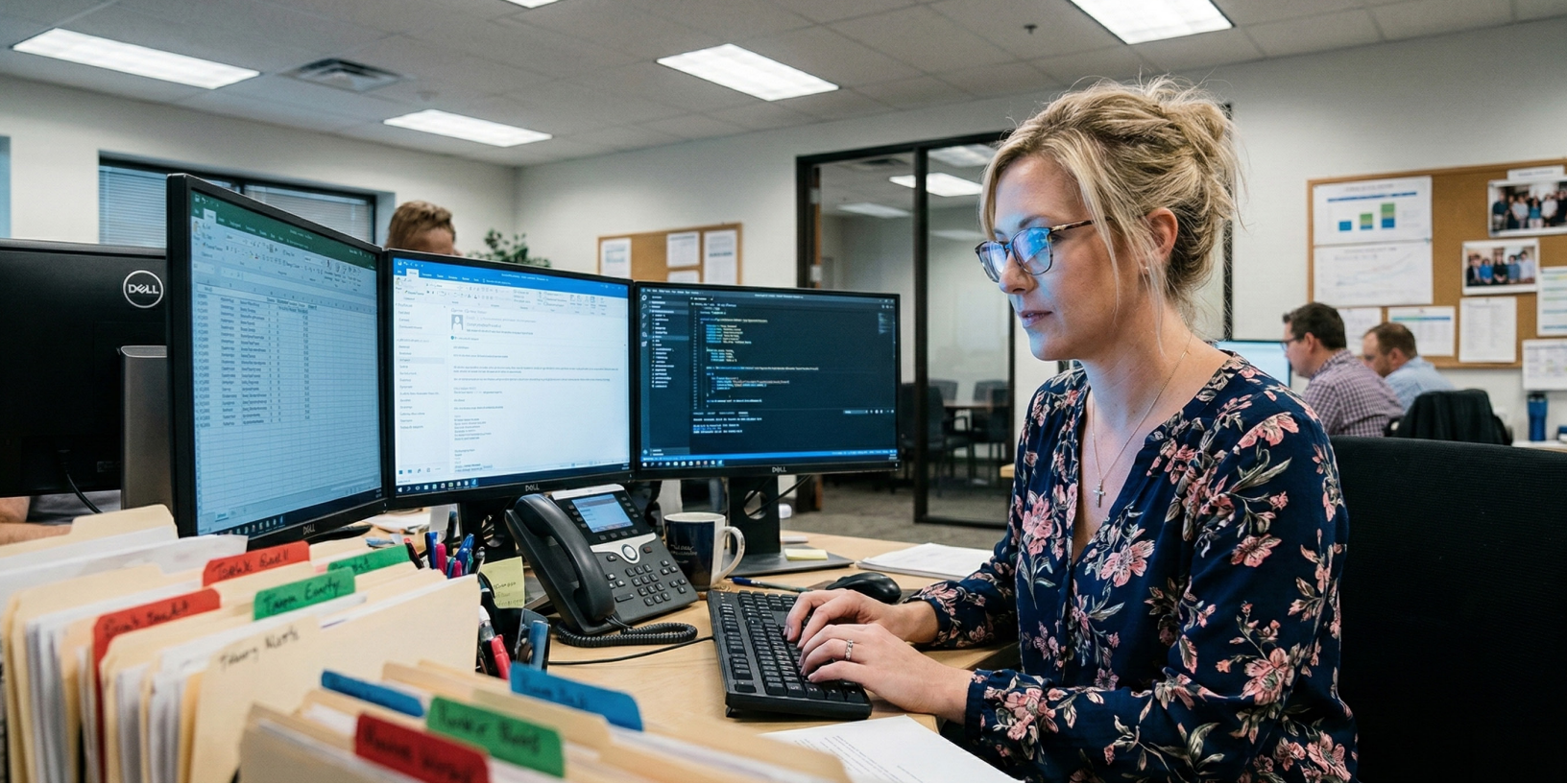


# Fuel volatility, inflation, and cost containment: A fleet survival guide



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**Fleet management** has always required a steady hand, but today's economic landscape demands even more. Inflation, fuel price volatility, rising labor costs, and high interest rates continue to pressure operating margins. At the same time, tariffs, global trade conflicts, and supply chain disruptions reshape the cost and availability of vehicles, parts, and equipment, making it harder than ever for fleet-based businesses to plan with confidence.

As Cindy Levy and Shubham Singhal report in an April 18, 2025 [McKinsey](#) article, the combined tariffs enacted by the U.S. government since April 2 “have rapidly raised the country’s weighted-average tariff rate to its highest level in the past 100 years, from approximately 2 percent at the start of 2025 to more than 20 percent as of April 11, 2025.” Levy and Singhal say it’s hard to predict how these measures will evolve, but the impact these tariffs will have on businesses will be substantial, no matter what.

# What this economic uncertainty means for fleets

Whether you manage a service fleet, run daily delivery routes, or oversee vehicles across multiple job sites, you're being asked to do more with less. And staying ahead of these shifts isn't optional — it's essential to keeping your business running smoothly, safely, and profitably.


From long-term strategy to daily cost controls, in this white paper we explore how local and regional fleets are managing risk, reducing expenses, and positioning themselves to weather volatility and emerge stronger.

## Introduction: The cost pressures facing commercial fleets

Commercial fleet managers today face a level of economic complexity that's undeniable. It's not just inflation or fuel prices, it's the ripple effect of global trade disruptions, shifting tariffs, and supply chain bottlenecks that are reshaping the cost of doing business at a local level.

For service-oriented fleets — like HVAC companies, electricians, plumbers, delivery services, and contractors — this chaos is hitting close to home. Unpredictable fuel costs are colliding with price hikes on vehicles, parts, and materials, driven in part by ongoing tariff tensions and geopolitical uncertainty. Meanwhile, inflation continues to drive up wages, insurance premiums, and operating expenses across the board.

These converging factors are tightening margins and making it harder for regional and local fleets to plan, budget, and grow. That's where this guide comes in. We unpack the pressures commercial fleets are facing and offer clear, actionable strategies to help you manage fuel volatility, navigate inflation, and contain costs so you can stay competitive, agile, and prepared for whatever comes next.



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# How fuel volatility impacts everyday fleet operations

## Why fuel pricing is so unpredictable

Fuel is one of the most volatile expenses for any commercial fleet, and one of the hardest to predict. Prices can swing widely in response to global market dynamics, seasonal demand, weather events, and geopolitical tensions. In recent years, fuel costs have been further destabilized by supply chain disruptions, refining capacity issues, and shifting trade policies that impact the flow of oil and gas across borders.

For small to mid-sized fleet-based businesses, there's little insulation from these fluctuations. Unlike larger enterprises with bulk purchasing agreements or hedging strategies, local fleets typically pay retail prices at the pump. This leaves them exposed to rapid cost increases with limited flexibility to absorb the impact or pass costs along to customers.

## Small changes, big consequences

Even minor fuel price increases can deliver a major blow to a fleet's bottom line. Take, for example, a 10-vehicle service fleet, with each vehicle consuming an average of 120 gallons per month. A \$0.50 increase per gallon translates to an additional \$600 in monthly fuel costs — \$7,200 annually. Multiply that across several months of elevated prices, and it can quickly disrupt operating budgets, delay investments, or squeeze already thin profit margins.

Fuel consistently ranks as one of the top three operating expenses for commercial fleets, right behind labor and maintenance. That makes even small gains in fuel efficiency or cost control especially valuable. When pricing is unpredictable, the key is building strategies that increase visibility, reduce waste, and give fleet managers more control over what they spend and when.



## Inflation's ripple effect on fleet-dependent businesses

### Higher costs for parts, maintenance, and labor

Inflation has made nearly every aspect of fleet management more expensive, and commercial vehicle maintenance is no exception. Ongoing supply chain issues continue to limit the availability of critical parts, leading to higher prices and longer lead times for even routine repairs. For fleet managers, this can mean vehicles are sidelined for longer periods and unplanned downtime that disrupts service schedules.

At the same time, labor costs are rising. Skilled drivers and technicians are in high demand across the industry, and inflation pushed wages up so businesses could retain top talent. For small and mid-sized fleets already operating on tight margins, these labor increases put additional strain on the bottom line, especially when combined with rising vehicle and repair expenses.

### Financing and insurance: A growing burden

The cost to finance or lease new vehicles has also increased sharply due to high interest rates. For businesses looking to expand their fleet or replace aging vehicles, this creates a tough choice: either

lock into more expensive financing terms or delay acquisition and risk higher maintenance costs on older assets.

Meanwhile, insurance premiums have climbed steadily, driven by everything from increased repair costs to more complex vehicle technologies. Coverage options have become more nuanced, too, with insurers factoring in fleet size, usage patterns, and telematics data to assess risk. For commercial fleets, this growing burden adds another layer of complexity to budget planning and underscores the importance of proactive cost containment and strategic resource allocation.

## Containing fuel costs with smarter tools and tactics

Fuel volatility may be beyond your control, but how you manage your fuel spend isn't. **With the right mix of technology and policy, commercial fleet managers can significantly reduce waste, tighten oversight, and stretch every dollar at the pump.** Here are three proven tactics that help turn fuel into a controllable cost center rather than a runaway expense.



### Tactic #1: Use fuel cards to control spend and unlock rebates

**Fuel cards aren't just a more efficient way to pay, they're a powerful cost management tool.** By setting purchase limits based on location, time of day, or product type, **fuel cards give you greater control over spending.** You can restrict non-fuel purchases, prevent unauthorized transactions, and ensure drivers fuel during approved hours.

**Many programs also offer gallon-based rebates that reward higher volume usage, helping you save more as your fleet grows.** Unlike traditional credit cards, fleet fuel cards can provide Level III transaction data, giving you deep visibility into every purchase: which driver fueled, what they bought, where, when, and for how much. This level of granularity is key to spotting trends, identifying misuse, and optimizing fuel policy.

### Tactic #2: Reduce idling and inefficiencies with telematics

Unnecessary idling, poor route planning, and unauthorized vehicle use are common — and costly — fuel drains. **Telematics solutions can help you address these issues in real time,** and the best fuel card providers offer telematics as a key part of their fleet management solution. By monitoring vehicle diagnostics and driver behavior, you can spot patterns like prolonged idle times, harsh acceleration, or inefficient routes and take corrective action quickly.

Real-time alerts and dashboards make it easier to hold drivers accountable and fine-tune routes for fuel efficiency. Even small behavioral changes, like reducing idle time by just 10 minutes per day, can add up to substantial annual savings.

### Tactic #3: Curb fraud and unauthorized spending

**Fuel fraud remains a persistent risk, particularly for smaller fleets without strict controls in place.** Shared cards, off-hours fueling, and organized theft can quietly eat away at your fuel budget. But with the right safeguards, it's possible to catch and prevent fraud before it escalates.

Many fleet fuel cards allow you to assign unique driver IDs, set fuel limits by vehicle or user, and trigger alerts for suspicious activity. Exception reporting and trend analysis can flag anomalies like fuel purchases that exceed tank capacity or multiple fills in a short time frame, so you can investigate and act quickly. These controls can prevent abuse and build a culture of accountability across your fleet.

## Fighting inflation through preventive strategies

Inflation doesn't just raise the price of fuel, it affects nearly every aspect of running a fleet, from parts and labor to financing and downtime. While you can't control rising costs, you can manage how those costs impact your operation. One of the smartest ways to do that? Think proactively. By investing in preventive strategies, commercial fleet managers can protect assets, reduce downtime, and squeeze more value out of every mile.



### Lean into preventive maintenance

Unexpected breakdowns are one of the most expensive—and disruptive—costs a fleet can face. In an inflationary environment, where repair parts are harder to find and labor is more expensive, waiting until something breaks isn't just risky—it's costly.

**Preventive maintenance helps you stay ahead of wear and tear**, keeping vehicles on the road and avoiding the ripple effects of emergency repairs.

Scheduling regular inspections, oil changes, tire rotations, and fluid checks reduces the chance of surprise failures. And by planning maintenance during off-peak hours, you can keep your vehicles productive when it matters most. **Over time, this approach lowers your total cost of ownership and extends the life of your fleet.**

### Extend vehicle life where possible

With interest rates and vehicle prices still elevated, many fleet managers are holding off on new vehicle purchases—and making the most of the assets they already have. That strategy only works if those vehicles remain safe, reliable, and efficient.



### Telematics helps you make informed decisions about when to repair, replace, or retire a vehicle.

Real-time diagnostics can alert you to emerging issues before they become expensive problems, and long-term performance data helps you track the health of each asset. When combined with a strong preventive maintenance program, this data allows you to confidently extend vehicle life while maintaining high performance and safety standards.

## Creating a resilient cost management plan

In an unpredictable economy, cost management isn't just about cutting expenses, it's about building resilience. **For commercial fleet managers, that means having systems in place that allow you to monitor spending, adapt quickly, and make smart decisions under pressure.** A resilient cost management plan is proactive, flexible, and rooted in strong data and relationships.



## Forecasting, tracking, and scenario planning

The first step in staying ahead of costs is understanding where your money is going – and where it could go. Set clear, realistic benchmarks for your major expense categories, especially fuel, maintenance, labor, and insurance. Use historical data, industry benchmarks, and fleet analytics to build a reliable baseline, then track performance against it monthly or even weekly.

But don't stop at tracking – plan for what's next. Develop best-case, worst-case, and base-case budget scenarios based on variables like fuel price increases, parts shortages, or vehicle downtime. This kind of scenario planning allows you to make fast, informed decisions when the unexpected happens, whether it's adjusting routes, delaying purchases, or reallocating resources.

## Tap into vendor partnerships and supplier programs

You don't have to go it alone. Strategic vendor relationships can play a huge role in helping you contain costs and increase predictability. **Fuel card providers, parts suppliers, service shops, and equipment dealers often offer programs that provide preferred pricing, volume discounts, or bundled services designed specifically for commercial fleets.**

For example, **joining a fuel savings network or locking in discounted maintenance packages can help smooth out cost spikes.** And when you build long-term relationships with trusted vendors, you often gain more than price advantages – you gain flexibility, support, and faster service when you need it most. In a volatile economy, that kind of partnership is an investment in operational stability.

WEX provides the support you need with 42+ years of experience in the fleet industry: We've got your back and we're here for the long haul.

# WEX provides the support you need with 42+ years of experience in the fleet industry: We've got your back and we're here for the long haul

One way economic downturns can impact business norms is with increases in fraud, and preventing fraud is all about having the right systems in place in advance of an attack. A fleet card program that gives you visibility, control, and built-in fraud protection is one of the most effective ways to avoid fraudster threats to your business.

## With WEX, you get:



**Built-in fraud controls/purchase limits:** Catch suspicious transactions before they impact your bottom line



**Detailed, line-item transaction data (Level III):** See what was purchased, by whom, and where



**Real-time alerts/customizable reporting:** Stay informed and in control



**A closed-loop fuel network:** Limit exposure and manage risk more effectively



**Support and guidance:** WEX has been around for 40+ years – our team knows your business and what you need

If you're actively looking for ways to reduce fraud and gain visibility into your fuel spend, the right partner can make all the difference. Smart fraud prevention uses data to predict and prevent issues, and keeps your business moving and your spend right where you want it.



## Control what you can, plan for what you can't

Economic volatility may be out of your hands, but how you respond to it is entirely within your control. Fuel price swings, inflation, and supply chain pressures are challenging but not insurmountable – when you have the right systems and strategies in place.

By increasing visibility into your fleet's fuel usage, applying discipline through purchase controls and preventive maintenance, and building strategic partnerships with vendors and service providers, you can turn cost containment into a competitive advantage. These actions help you take control of the variables you can manage, while creating the flexibility to respond to those you can't.

Uncertainty isn't going away. But with the right tools and a proactive mindset, your fleet can remain agile, efficient, and resilient no matter what the economy throws your way.

↓ **Download our free resource: [Fuel cost planning checklist for commercial fleets](#)** to start building your own cost-control strategy today.

WEX is a leading, global fintech solutions provider, simplifying payments and back-end business processes in the fleet management, benefits management, and corporate payments areas. To learn more, please [visit the company's About WEX page](#).