

NACM's CMI Helps Predict Health of Economy

NACM's Credit Managers' Index (CMI) is a one-of-a-kind study published monthly since February 2003, which measures credit quality today in effort to forecast future risk. CMI data and analysis provide forward-looking specialized insight. Since its inception, the CMI has been a startlingly accurate economic predictor, proving its worth most notably during the 2008-09 recession.

The CMI survey asks U.S.-based credit professionals in manufacturing or service sectors to rate whether a variety of factors in their monthly business cycle have improved, worsened or stayed the same compared with the prior month. Favorable factors rate sales, new credit applications, dollar collections, and amount of credit extended, while unfavorable factors weigh rejections of credit applications, accounts placed for collections, dollar amounts of receivables beyond terms, and filings for bankruptcies.

Participants also can comment about the issues they are facing during that month's commercial business transactions cycle. For example, one credit professional wrote in November's CMI: "Inflation continues to cause havoc in the credit world. I've spent more time in the last month considering credit line increases than I may ever have in my 25-plus year career."

Another respondent shared how supply-chain issues have impacted risk management: "Supply chain problems (along with labor inefficiencies) continue to be the primary factors hindering performance. Customers seem to be a bit more tenuous in making payments. There appears to a level of uncertainty about the economy and we are getting the response more often 'we will pay you when we get paid.'"

Consider participating in the next CMI survey. The results reflect the entire cycle of commercial business transactions, providing an accurate, predictive benchmarking tool. [Sign up](#) to receive survey participation alerts. You will receive an email when the survey is open each month so you can participate.