



Report for April 2025

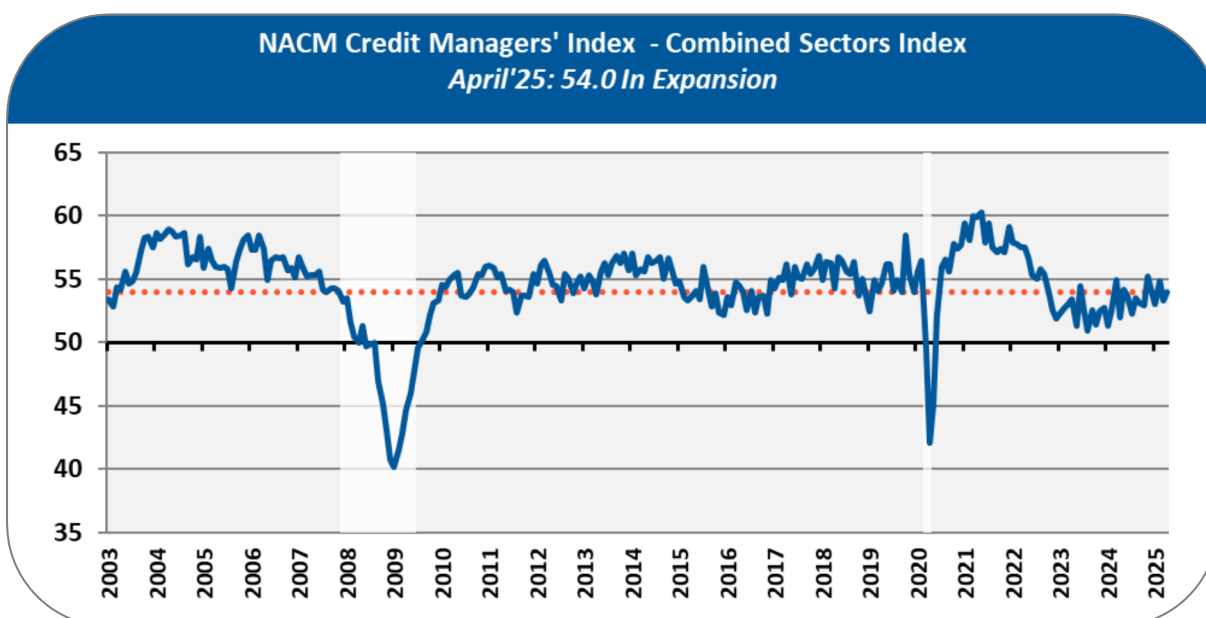
Issued May 1, 2025

National Association of Credit Management

Credit Managers' Index Combined Sectors

The National Association of Credit Management's seasonally adjusted combined Credit Managers' Index (CMI) for April 2025 improved 0.7 points to 54.0. "The Credit Managers' Index improvement currently reflects accelerated business activity ahead of new tariffs" said NACM Economist Amy Crews Cutts, Ph.D., CBE.

"The Credit Managers' Index is based on a survey of credit managers regarding their companies' experiences in the month just completed, so this month's survey is asking about March activity, before the "Liberation Day" tariff announcements. The improvement in the index is driven by rising sales and payments, even though most of the unfavorable factors deteriorated. Respondents expressed concerns about disrupted supply chains, increasing business failures, the challenges of writing pricing contracts in this environment, and the large amount of time being dedicated to responding to uncertainty caused by the tariffs and on-and-off again policy changes. As I said last month, the hard economic data is still saying the economy is okay, but the soft data is pointing to rapidly weakening conditions."



The CMI is centered on a value of 50, with values greater indicating expansion and values lower indicating economic contraction.

Combined Manufacturing and Service Sectors (seasonally adjusted)	Apr '24	May '24	Jun '24	Jul '24	Aug '24	Sep '24	Oct '24	Nov '24	Dec '24	Jan '25	Feb '25	Mar '25	Apr '25
Dollar Sales	57.9	62.2	60.1	55.1	58.5	55.3	55.8	63.4	53.6	56.1	59.5	54.9	58.0
New Credit Applications	57.7	60.4	58.5	58.2	57.1	55.6	57.5	58.9	59.2	57.2	61.4	56.8	58.8
Dollar Collections	55.3	60.0	58.5	55.3	62.0	57.5	58.2	63.4	60.0	61.3	59.8	54.8	62.6
Amount of Credit Extended	60.9	60.5	59.4	60.8	58.6	57.6	58.2	63.7	62.0	56.8	60.7	59.6	59.5
Index of Favorable Factors	57.9	60.8	59.1	57.4	59.1	56.5	57.4	62.3	58.7	57.9	60.3	56.5	59.7
Rejections of Credit Applications	49.4	51.0	51.0	49.9	50.5	52.1	50.0	50.6	50.6	50.9	51.1	50.2	50.8
Accounts Placed for Collection	44.9	45.0	46.1	46.4	45.7	48.9	47.0	47.1	49.6	47.8	49.4	49.7	49.2
Disputes	49.7	49.7	49.2	49.1	49.8	51.0	50.6	52.6	51.5	51.1	51.0	51.3	49.1
Dollar Amount Beyond Terms	43.6	50.7	50.6	46.1	49.7	50.9	49.6	52.6	50.2	46.9	51.7	52.1	48.3
Dollar Amount of Customer Deductions	50.7	51.9	51.5	51.1	51.8	51.3	52.0	51.8	53.0	51.3	52.5	51.1	50.4
Filings for Bankruptcies	49.9	50.7	52.4	50.9	51.7	50.9	50.3	48.5	51.5	50.6	51.6	53.0	52.9
Index of Unfavorable Factors	48.0	49.9	50.1	48.9	49.9	50.8	49.9	50.5	51.1	49.8	51.2	51.2	50.1
NACM Combined CMI	52.0	54.2	53.7	52.3	53.5	53.1	52.9	55.3	54.1	53.0	54.9	53.3	54.0

CMI Combined Sectors Factor Indexes

Key Findings:

- The Index of Unfavorable Factors remained just over 50, sliding from 51.2 to 50.1, clinging in expansion territory. Of the six unfavorable factors, half are in the contraction zone and half are just above the threshold.
- The Index for Accounts Placed for Collection is at 49.2 this month, its 32nd month in contraction. This means the number of accounts placed for collections at respondent firms has increased every month for more than two and a half years.
- The Index for Favorable Factors improved 3.2 points in April, climbing to 59.7 points, in expansion. Three of the four component favorable factor indexes improved, with dollar collections on both due and past-due accounts seeing the largest improvement, gaining 7.8 points to 62.6.

“This month’s CMI covers activity in March, which includes some new tariff levies and many that were placed and then suspended, but it does not reflect the announcement or implementation of the ‘Liberation Day’ tariffs scheduled for April,” said Cutts. “Credit Managers within firms will be among the first to see the impacts of economic conditions, and they are sounding the alarms right now.”

She continued, “Firms that either manufacture items overseas or use inputs that come from offshore have increased orders ahead of the tariff effective dates, but once they are in place, all bets are off. Companies are spending considerable resources making plans to deal with the sourcing impacts of the tariffs, but uncertainty about whether the tariffs will remain or which countries will have the currently paused p tariffs applied makes any long-term planning impossible.”

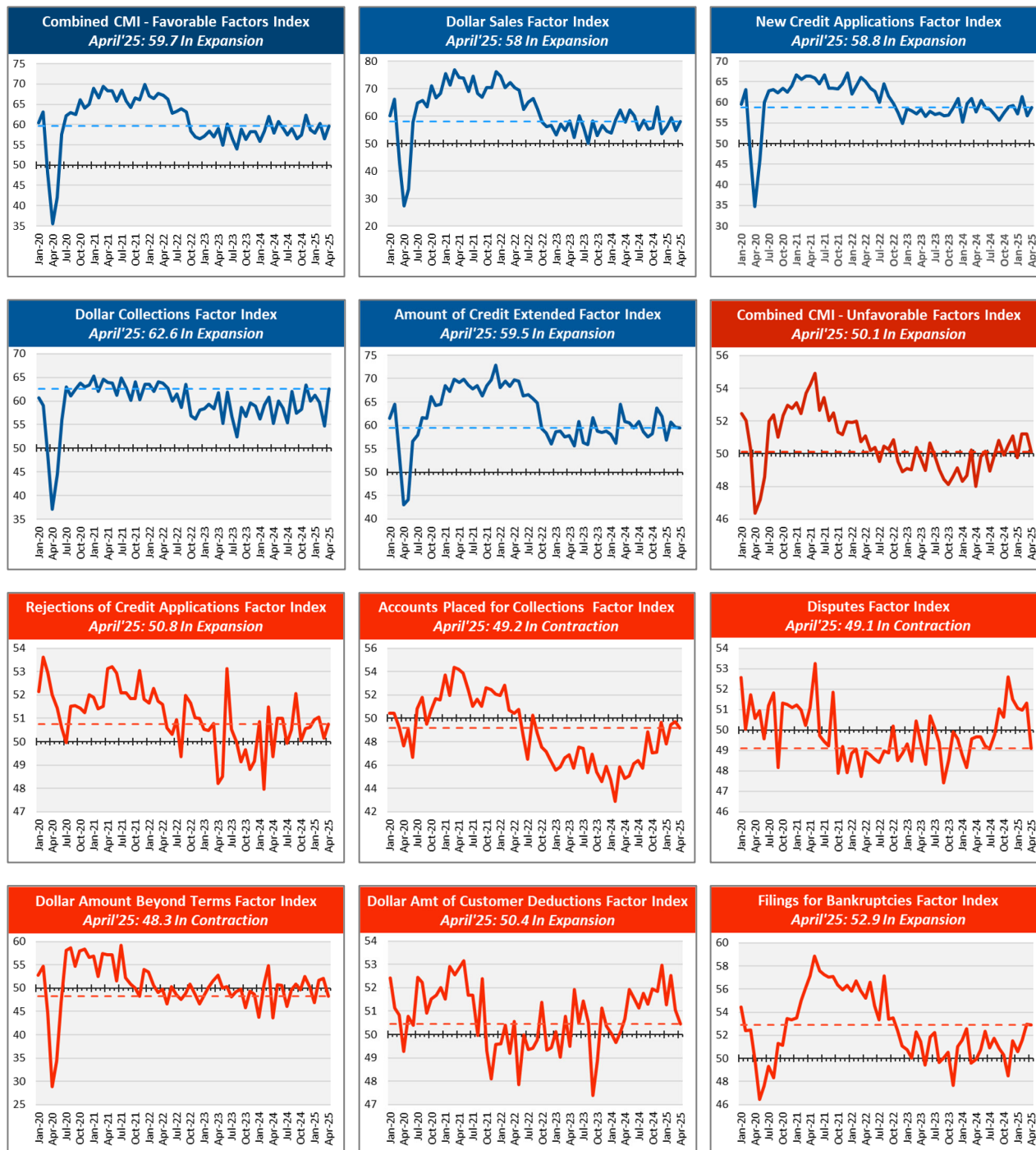
“One respondent in this month’s survey stated, ‘Dollar amounts of sales and credit extended are being skewed by the tariffs—not only the increased costs but also the panic buying of commodities in advance of the effective dates. A lot of uncertainty is driving unusual customer behavior.’ This means economic data may

be highly skewed in March and April indicating better conditions than truly exist, which will sharply reverse in following months. I think many economists are underestimating the disruptive impacts of the tariffs.”

CMI Combined Sectors Factor Indexes Charts

All charts contain seasonally adjusted data.

Please note that the vertical axes are not scaled identically, and the dotted line represents the most recent value.

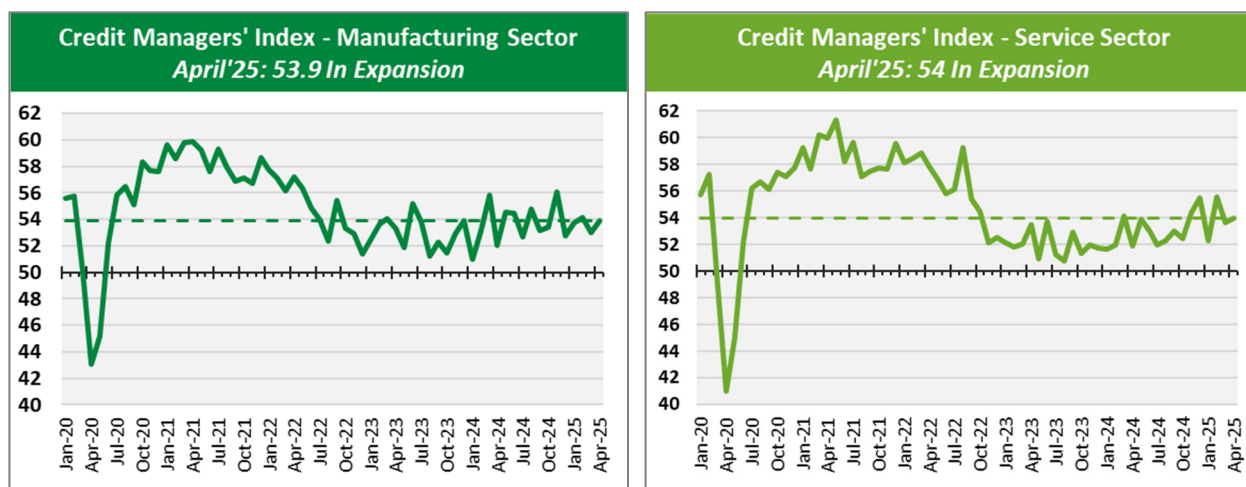


CMI Manufacturing versus CMI Service Sectors Indexes

The Manufacturing Sector CMI improved 0.9 points in April to a level of 53.9. The Service Sector CMI increased by 0.4 points to 54.0.

“Last month we had a CMI respondent note that they were seeing more businesses simply close without declaring bankruptcy,” said Cutts. “Since then, I have asked members if they are also seeing this trend and the majority of those informal polls have supported this notion. This month, one survey respondent added that they have filed more mechanic liens in the past few months than they have in the past five years. Another said they had their first customer bankruptcy in seven years.”

“Many respondents indicated that their customers are asking for extended terms or are simply being slow to pay. This is before the tariff pressures are put into play. The economic data may indicate things are good but I think there is a significant undercurrent of weakness already in place,” Cutts added.



The data in the charts are seasonally adjusted.

CMI Manufacturing Sector Factor Indexes

Among the CMI Manufacturing Sector Factor Indexes, favorable factors increased 3.2 points to 58.3. The Unfavorable Factor Index deteriorated 0.6 points and now stands at 51.0.

Key Findings:

- Last month, all the manufacturing sector factor indexes were in expansion. However, this month, two factor indexes fell back into contraction: Disputes and the Dollar Amount Beyond Terms.
- Three of the four favorable factor indexes improved this month with the Amount of Dollar Collections (from both due and past due accounts) jumping 12.7 points to 63.3. Only the index for the Amount of Credit Extended deteriorated in the April survey, losing 3.0 points to 56.9.
- Among unfavorable factor indexes, the largest improvement was in the index for Accounts Placed for Collections, which rose 1.6 points to 52.4. This is the second month in expansion for this index and its strongest reading since February of 2022.

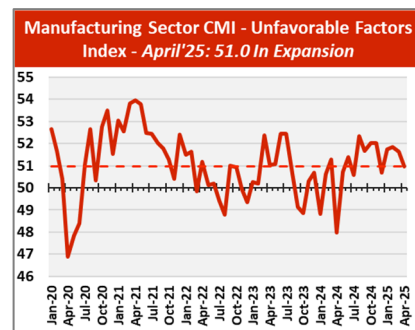
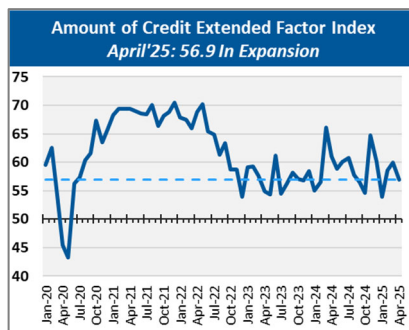
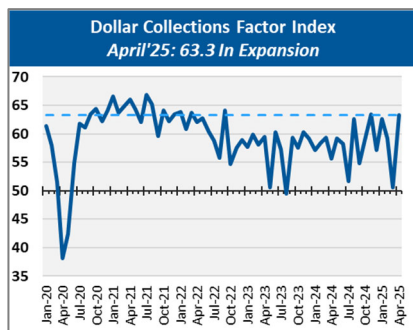
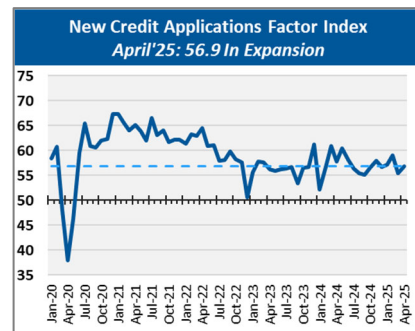
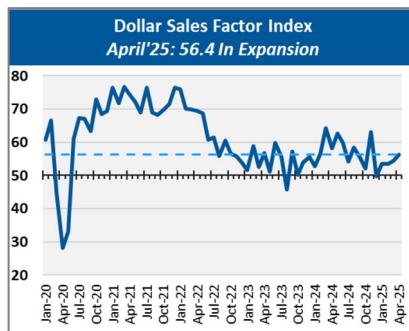
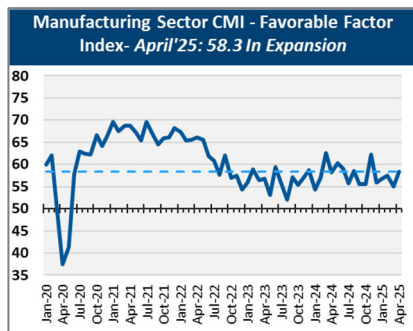
“The strongest message coming across our manufacturing sector respondents is that everyone is in a ‘wait and see’ mode – delayed orders, delayed payments, delayed plans,” said Cutts. “Several members indicated they don’t know how to price contracts for deliveries later in the year given the uncertainty.”

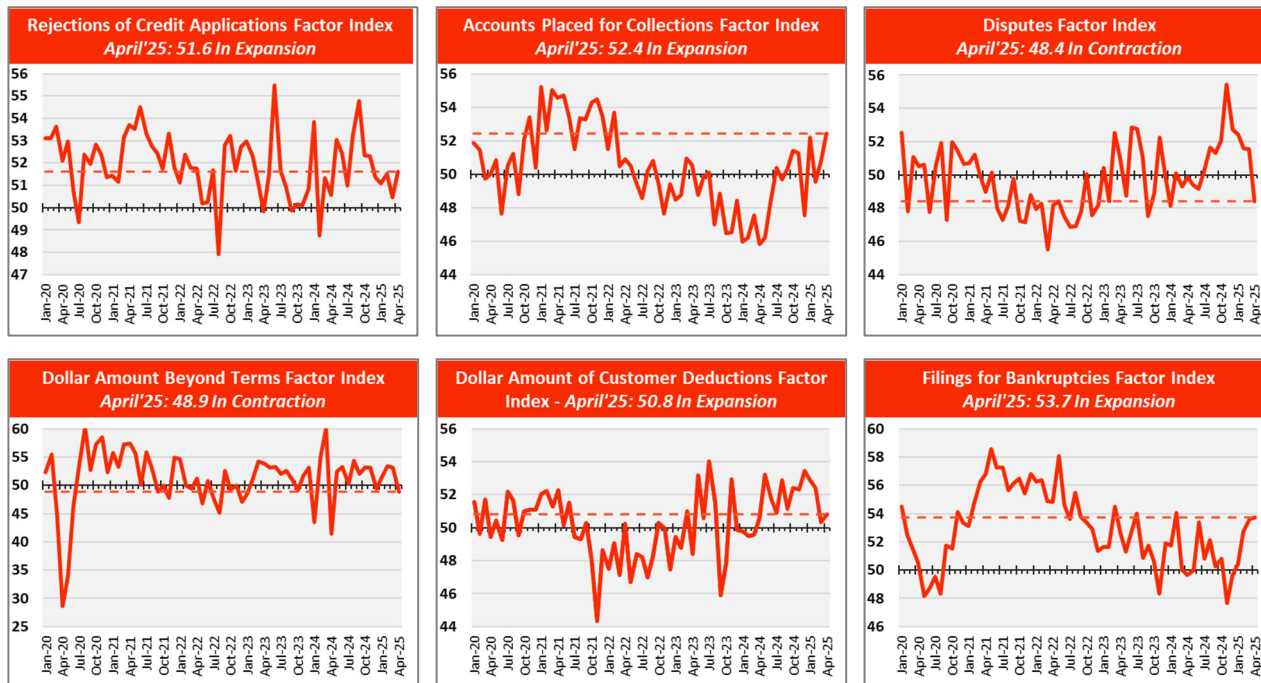
Manufacturing Sector (seasonally adjusted)	Apr '24	May '24	Jun '24	Jul '24	Aug '24	Sep '24	Oct '24	Nov '24	Dec '24	Jan '25	Feb '25	Mar '25	Apr '25
Dollar Sales	58.2	62.6	59.9	54.2	58.3	55.4	52.2	63.0	49.8	53.4	53.4	54.5	56.4
New Credit Applications	57.7	60.4	58.1	56.4	55.4	55.1	56.5	57.9	56.6	57.1	59.0	55.4	56.9
Dollar Collections	55.6	59.3	58.2	51.7	62.7	54.8	58.9	63.4	57.1	62.7	59.2	50.6	63.3
Amount of Credit Extended	61.1	58.8	60.0	60.8	57.8	56.6	54.6	64.7	60.1	53.9	58.6	59.9	56.9
Index of Favorable Factors	58.1	60.3	59.1	55.8	58.5	55.5	55.6	62.2	55.9	56.8	57.5	55.1	58.3
Rejections of Credit Applications	50.6	53.0	52.4	51.0	53.2	54.8	52.3	52.3	51.4	51.1	51.5	50.5	51.6
Accounts Placed for Collection	45.8	46.2	48.3	50.4	49.7	50.4	51.4	51.2	47.6	52.2	49.5	50.8	52.4
Disputes	49.9	49.4	49.2	50.2	51.6	51.3	52.1	55.4	52.7	52.4	51.6	51.5	48.4
Dollar Amount Beyond Terms	41.4	52.5	53.3	50.2	54.4	52.1	53.1	53.1	49.4	51.4	53.4	53.2	48.9
Dollar Amount of Customer Deductions	50.6	53.2	51.7	50.9	52.9	51.2	52.4	52.3	53.5	52.9	52.4	50.3	50.8
Filings for Bankruptcies	49.7	50.0	53.4	50.8	52.1	50.3	50.8	47.7	49.7	50.4	52.7	53.6	53.7
Index of Unfavorable Factors	48.0	50.7	51.4	50.6	52.3	51.7	52.0	52.0	50.7	51.7	51.9	51.6	51.0
NACM Manufacturing CMI	52.0	54.5	54.5	52.7	54.8	53.2	53.4	56.1	52.8	53.7	54.1	53.0	53.9

CMI Manufacturing Sector Factor Indexes Charts

All charts contain seasonally adjusted data.

Please note that the vertical axes are not scaled identically, and the dotted line represents the most recent value.





CMI Service Sector Factor Indexes

The CMI Service Sector Favorable Factors Index marked a 3.2-point improvement to 61.1. The sector's Unfavorable Factors Index lost 1.5 points to 49.3.

Key Findings:

- The Unfavorable Factors Index has been in contraction for 26 of the past 30 months, with the four months in expansion occurring since September 2024.
- The improvement in the Favorable Factor Index was led by a 4.5-point increase in the Index for Dollar Sales which is now at 59.7.
- The deterioration in the Unfavorable Factors Index was led by a 3.3-point decline in the Index for the Dollar Amount Beyond Terms to 47.7. The Index for Accounts Placed for Collections lost 2.7 points to 46.0, marking its 33rd month in contraction out of the last 36 months. During that period the index was in expansion only in May 2022, August 2022, and December 2024.

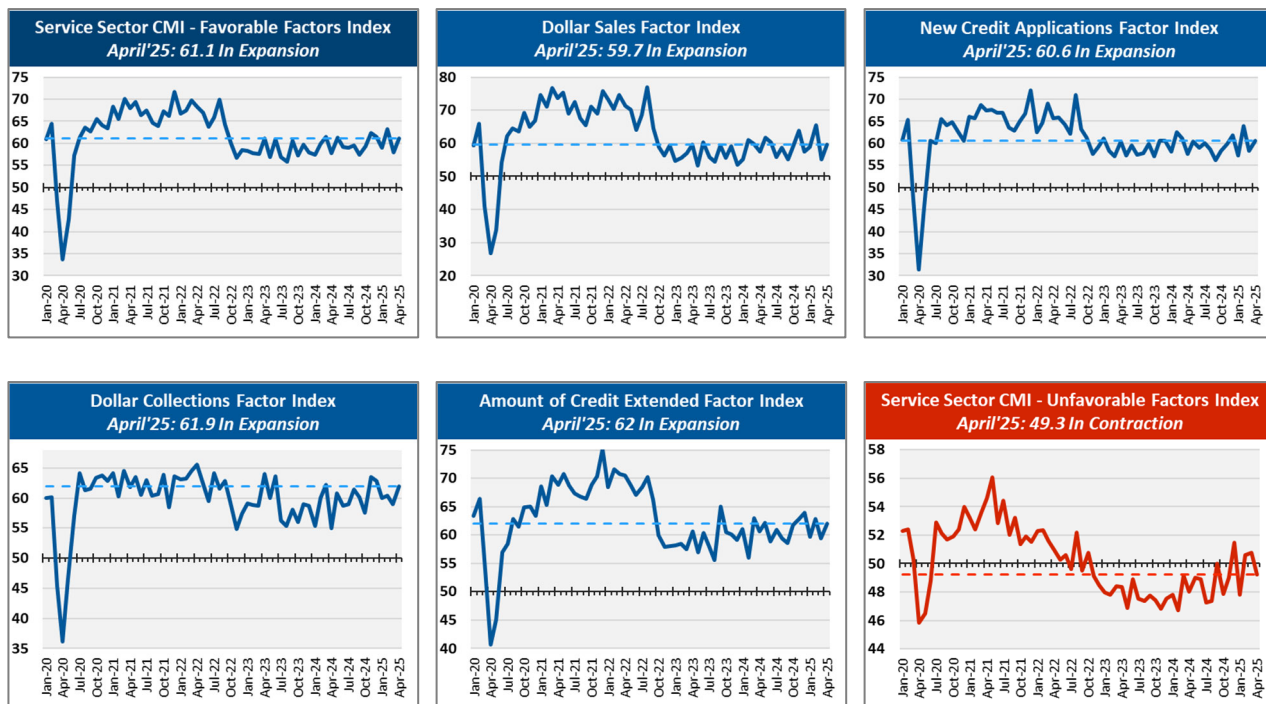
“Not all of the respondents who commented about tariffs thought they were a challenge,” said Cutts. “One of the Service Sector members commented that the ‘... tariffs against China are causing an increased interest in our offerings and making us more competitive (China undercuts the pricing and 'dumps' copied goods in the market).’ Most commenters however noted several concerns regarding tariff impacts on their businesses.”

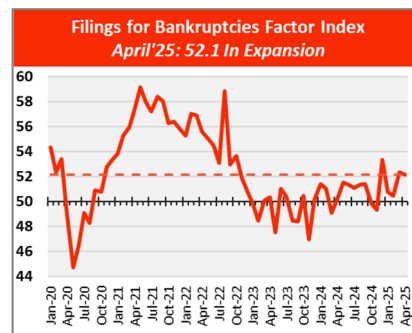
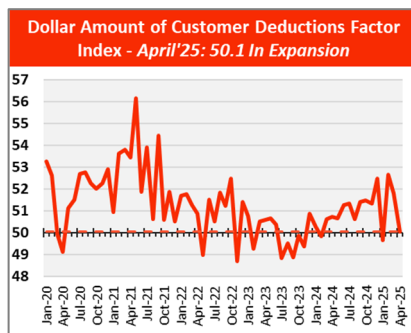
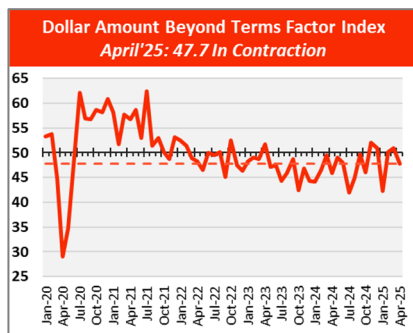
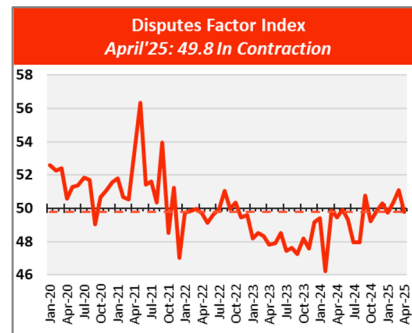
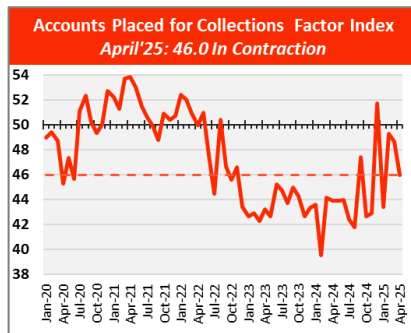
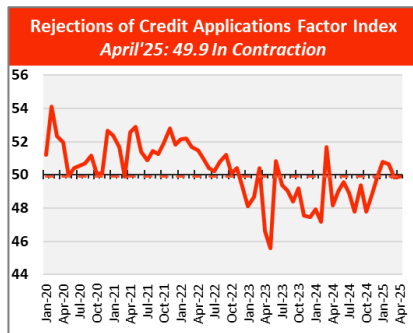
Service Sector (seasonally adjusted)	Apr '24	May '24	Jun '24	Jul '24	Aug '24	Sep '24	Oct '24	Nov '24	Dec '24	Jan '25	Feb '25	Mar '25	Apr '25
Dollar Sales	57.6	61.8	60.3	55.9	58.8	55.1	59.4	63.7	57.4	58.9	65.6	55.2	59.7
New Credit Applications	57.6	60.5	58.9	60.1	58.7	56.1	58.4	59.8	61.8	57.2	63.9	58.2	60.6
Dollar Collections	55.0	60.8	58.7	59.0	61.4	60.1	57.5	63.5	62.8	59.9	60.3	58.9	61.9
Amount of Credit Extended	60.7	62.1	58.9	60.9	59.5	58.6	61.8	62.7	63.9	59.7	62.8	59.3	62.0
Index of Favorable Factors	57.7	61.3	59.2	59.0	59.6	57.5	59.3	62.4	61.5	58.9	63.1	57.9	61.1
Rejections of Credit Applications	48.2	49.0	49.6	48.9	47.8	49.4	47.8	48.8	49.9	50.8	50.6	49.9	49.9
Accounts Placed for Collection	43.9	43.9	44.0	42.4	41.8	47.4	42.7	42.9	51.7	43.4	49.3	48.7	46.0
Disputes	49.5	49.9	49.3	48.0	48.0	50.8	49.2	49.8	50.3	49.7	50.3	51.1	49.8
Dollar Amount Beyond Terms	45.8	49.0	47.9	41.9	44.9	49.7	46.1	52.0	51.0	42.3	50.1	51.0	47.7
Dollar Amount of Customer Deductions	50.7	50.7	51.3	51.3	50.6	51.4	51.5	51.3	52.5	49.7	52.7	51.8	50.1
Filings for Bankruptcies	50.2	51.5	51.3	51.1	51.4	51.4	49.9	49.3	53.4	50.8	50.5	52.3	52.1
Index of Unfavorable Factors	48.0	49.0	48.9	47.3	47.4	50.0	47.8	49.0	51.5	47.8	50.6	50.8	49.3
NACM Service CMI	51.9	53.9	53.0	52.0	52.3	53.0	52.4	54.4	55.5	52.2	55.6	53.6	54.0

CMI Service Sector Factor Indexes Charts

All charts contain seasonally adjusted data.

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View CMI archives at <https://www.nacm.org/cmi/cmi-archive.html>.

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Methodology Appendix

CMI data has been collected and tabulated monthly since March 2002. The index, published since March 2003, is based on a survey of approximately 1,000 trade credit managers in the first half of each month, with about equal representation between the manufacturing and service sectors. The survey asks respondents to comment whether they are seeing improvement, deterioration, or no change for various favorable and unfavorable factors. There is representation from all states, except some of the less populated, such as Vermont and Wyoming. The computation of seasonality is based on the formula used by the U.S. Census Bureau and most of the federal government's statistical gathering apparatus, making it possible to compare the CMI diffusion index with comparable indices, such as the Purchasing Managers' Index (PMI) and other manufacturing and service sector indices.

Factors Making Up the Diffusion Index

As shown in the table below, 10 equally weighted items determine the index. These items are classified into two categories: favorable factors and unfavorable factors. A diffusion index is calculated for each item with the overall CMI being a simple average of the 10 items. Survey responses for each item capture the change—higher, lower or the same—in the current month compared to the previous month.

For positive indicators, the calculation is:

$$\frac{\text{Number of "higher" responses} + \frac{1}{2} \times \text{number of "same" responses}}{\text{Total number of responses}}$$

For negative indicators, the calculation is:

$$\frac{\text{Number of "lower" responses} + \frac{1}{2} \times \text{number of "same" responses}}{\text{Total number of responses}}$$

A resulting CMI number of more than 50 indicates an economy in expansion; less than 50 indicates contraction.

Favorable Factors	Why Favorable
Sales	Higher sales are considered more favorable than lower sales.
New credit applications	An increase in credit applications says that demand is greater, which represents increased business if credit is extended.
Dollar collections	Higher dollar collections represent improved cash flow for the selling firm and the ability of buying firms to pay.
Amount of credit extended	An increase for this item means business activity is expanding with greater sales via trade credit.
Unfavorable Factors*	Why Unfavorable
Rejections of credit applications	Increased rejections of credit applications mean more marginal creditworthy customers are seeking trade credit and being denied.
Accounts placed for collection	As this item increases, the selling firm is having trouble collecting accounts, or conversely, there is an increase in buyers not paying.
Disputes	Higher dispute activity often is associated with cash flow problems of customers. They dispute the invoice to defer payment until later.

Dollar amount of receivables beyond terms	As this item becomes higher, it means customers are taking longer to pay.
Dollar amount of customer deductions	Higher deductions often are associated with cash flow problems of customers.
Filings for bankruptcies	Higher bankruptcy filings mean cash flow difficulties of customers are increasing.

**Note: When survey respondents report increases in unfavorable factor activities, the index numbers drop, reflecting worsening conditions.*

About the National Association of Credit Management

NACM, headquartered in Columbia, Maryland, supports more than 32,000 business credit and financial professionals at more than 8,000 companies worldwide with premier industry services, tools and information. NACM and its network of affiliated associations are the leading resource for credit and financial management information, education, products and services designed to improve the management of business credit and accounts receivable. NACM's collective voice has influenced our nation's policy makers on federal legislation concerning commercial business and trade credit for more than 100 years and continues to play an active role in legislative issues that pertain to business credit and corporate bankruptcy. Its annual Credit Congress & Expo is the largest gathering of credit professionals in the world. NACM has a wealth of member experts in the fields of business-to-business credit and law. Consider using NACM as a resource in the development of your next credit or finance story. View CMI archives at <https://www.nacm.org/cmi/cmi-archive.html>.