



## Report for August 2025

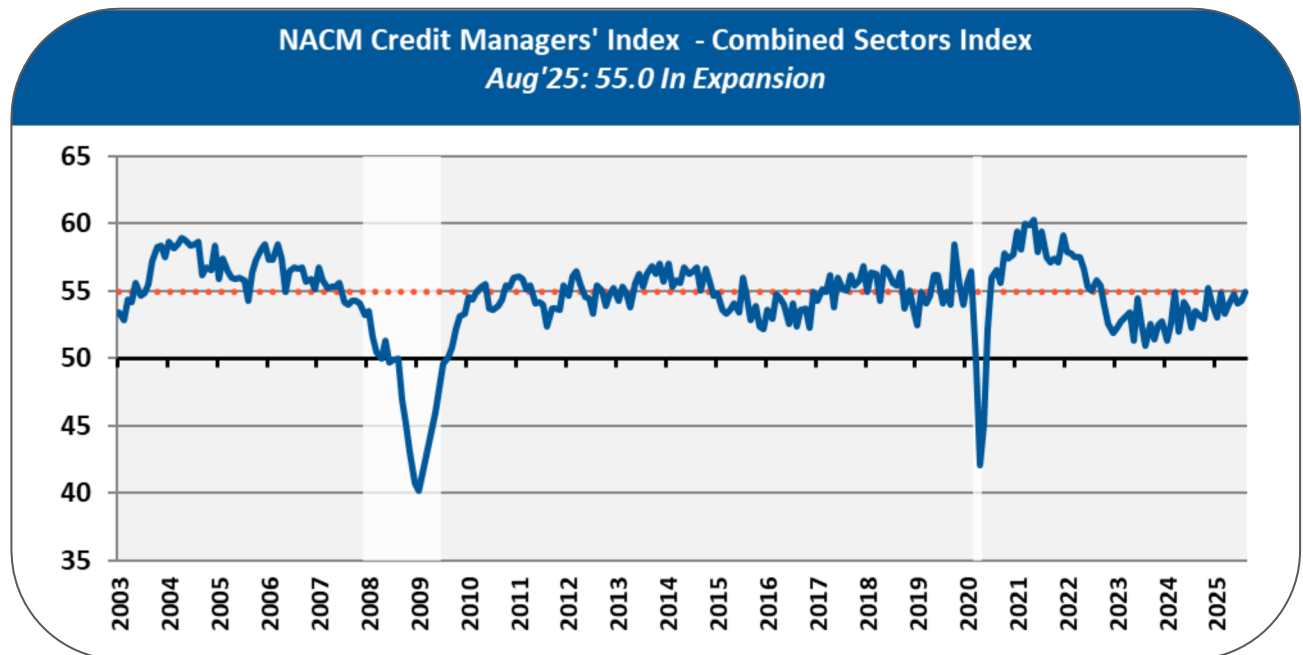
Issued September 2, 2025

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 August 2025 improved 0.7 points to 55.0. "Overall, the CMI shows improvement as we hit midsummer," said NACM Economist Amy Crews Cutts, Ph.D., CBE. "The index has not moved much over the past year but has followed a gently sloped upward trend."

"The strength is mostly on the favorable factors side, but these factors are not as positive as we might think. For example, new credit applications are coming from growing businesses, a positive trend, but also, as indicated by respondent comments, because more applicants are being declined elsewhere. Dollar sales are similarly rising, but not because unit sales are rising – it's coming from higher prices."



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

<b>Combined Manufacturing and Service Sectors (seasonally adjusted)</b>	<b>Aug '24</b>	<b>Sep '24</b>	<b>Oct '24</b>	<b>Nov '24</b>	<b>Dec '24</b>	<b>Jan '25</b>	<b>Feb '25</b>	<b>Mar '25</b>	<b>Apr '25</b>	<b>May '25</b>	<b>Jun '25</b>	<b>Jul '25</b>	<b>Aug '25</b>
Dollar Sales	58.5	55.3	55.8	63.4	53.6	56.1	59.5	54.9	58.0	61.9	55.8	60.9	63.3
New Credit Applications	57.1	55.6	57.5	58.9	59.2	57.2	61.4	56.8	58.8	56.5	57.4	56.4	57.0
Dollar Collections	62.0	57.5	58.2	63.4	60.0	61.3	59.8	54.8	62.6	61.8	59.8	60.8	62.4
Amount of Credit Extended	58.6	57.6	58.2	63.7	62.0	56.8	60.7	59.6	59.5	62.1	58.4	59.9	61.3
<b>Index of Favorable Factors</b>	<b>59.1</b>	<b>56.5</b>	<b>57.4</b>	<b>62.3</b>	<b>58.7</b>	<b>57.9</b>	<b>60.3</b>	<b>56.5</b>	<b>59.7</b>	<b>60.6</b>	<b>57.9</b>	<b>59.5</b>	<b>61.0</b>
Rejections of Credit Applications	50.5	52.1	50.0	50.6	50.6	50.9	51.1	50.2	50.8	50.4	50.7	50.2	50.8
Accounts Placed for Collection	45.7	48.9	47.0	47.1	49.6	47.8	49.4	49.7	49.2	47.9	50.1	47.7	45.5
Disputes	49.8	51.0	50.6	52.6	51.5	51.1	51.0	51.3	49.1	51.3	51.8	49.7	50.8
Dollar Amount Beyond Terms	49.7	50.9	49.6	52.6	50.2	46.9	51.7	52.1	48.3	52.0	50.7	52.9	53.0
Dollar Amount of Customer Deductions	51.8	51.3	52.0	51.8	53.0	51.3	52.5	51.1	50.4	51.3	52.0	51.7	52.1
Filings for Bankruptcies	51.7	50.9	50.3	48.5	51.5	50.6	51.6	53.0	52.9	52.0	54.2	52.8	53.5
<b>Index of Unfavorable Factors</b>	<b>49.9</b>	<b>50.8</b>	<b>49.9</b>	<b>50.5</b>	<b>51.1</b>	<b>49.8</b>	<b>51.2</b>	<b>51.2</b>	<b>50.1</b>	<b>50.8</b>	<b>51.5</b>	<b>50.9</b>	<b>50.9</b>
<b>NACM Combined CMI</b>	<b>53.5</b>	<b>53.1</b>	<b>52.9</b>	<b>55.3</b>	<b>54.1</b>	<b>53.0</b>	<b>54.9</b>	<b>53.3</b>	<b>54.0</b>	<b>54.7</b>	<b>54.1</b>	<b>54.3</b>	<b>55.0</b>

## CMI Combined Sectors Factor Indexes

### Key Findings:

- The Index for Unfavorable Factors was unchanged, remaining at 50.9, marking its seventh month in expansion territory. Five of the six factors increased.
- The index for Accounts Placed for Collection not only deteriorated by 2.2 points but slid further into contraction for the second month in a row. This marks the index's 35<sup>th</sup> month in contraction out of the last 36; the number of accounts placed for collections at respondent firms has increased every month for nearly 3 years with the exception of June 2025.
- The Index for Favorable Factors improved by 1.5 points, climbing further into expansion at 61.0 points.
- All four favorable factor indexes improved and are in expansion, with dollar sales leading the improvement, rising 2.4 points to 63.3. The weakest favorable factor index is the index for New Credit Applications, which climbed 0.6 points to 57.0.

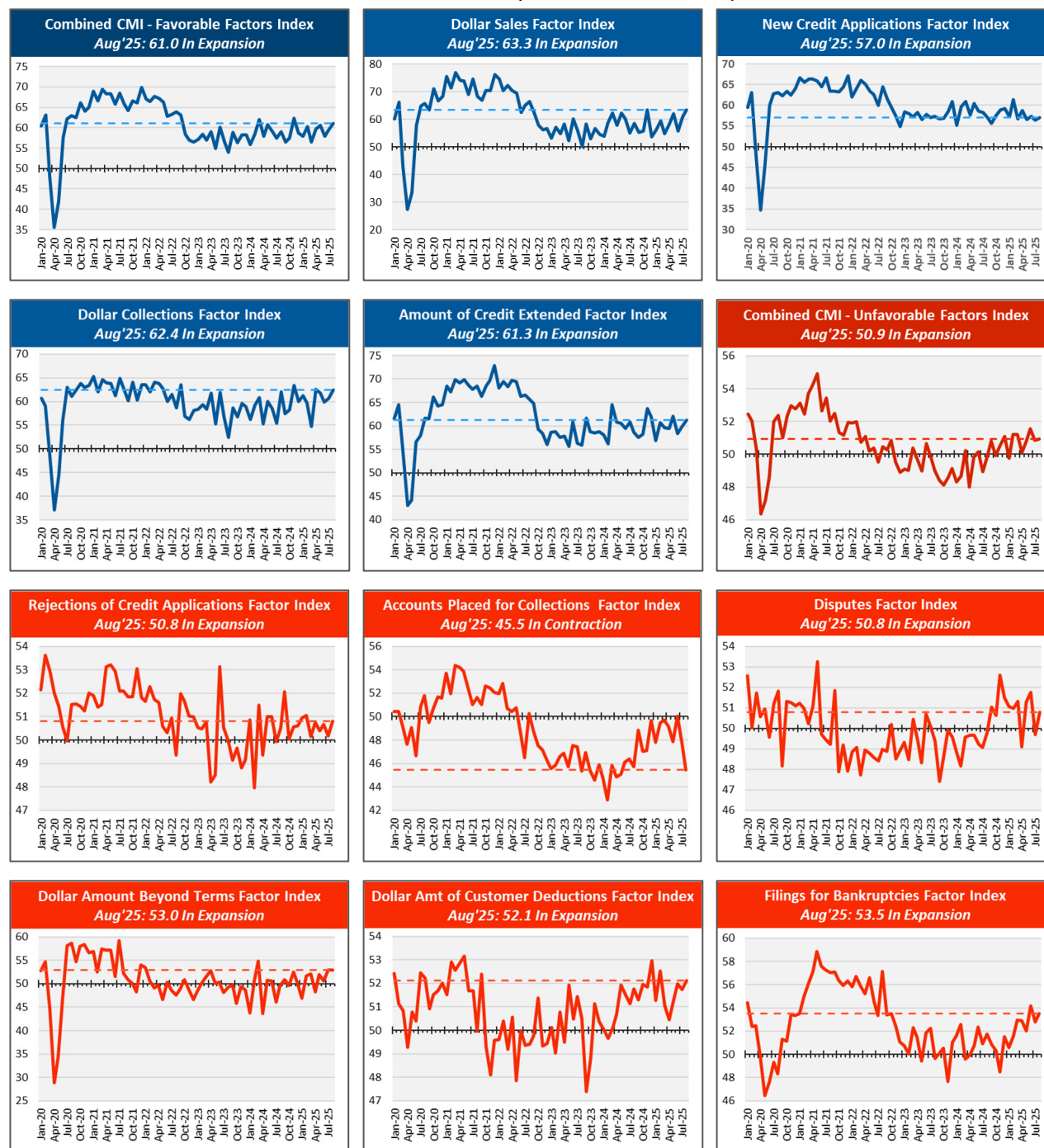
"Respondents continue to comment about requests for extended terms," said Cutts. One respondent reported, "Customers are dragging out payment, as their customers are delaying payments to them. It seems nobody looks at terms anymore." Cutts summarized how respondents are feeling this way: "There is palpable frustration among credit managers being asked to approve credit for sales today and to extend terms on accounts knowing that their companies also have bills to pay. Everyone wants to preserve cash flow, but there are limits to how long this can continue."

She continued, "We are now seeing real signs of stress in the economy. Take agriculture as an example. The trade war, particularly with large buyers of American crops, like China, and the cancellation of global aid programs mean farmers don't have a market for the crop they are about to harvest. According to a recent [Bloomberg](#) article, not one cargo ship has been booked for soybeans to China. Prices are depressed but the costs of fertilizer and machinery are rising fast. The ag sector is a large part of our economy and it is in trouble."

## 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.



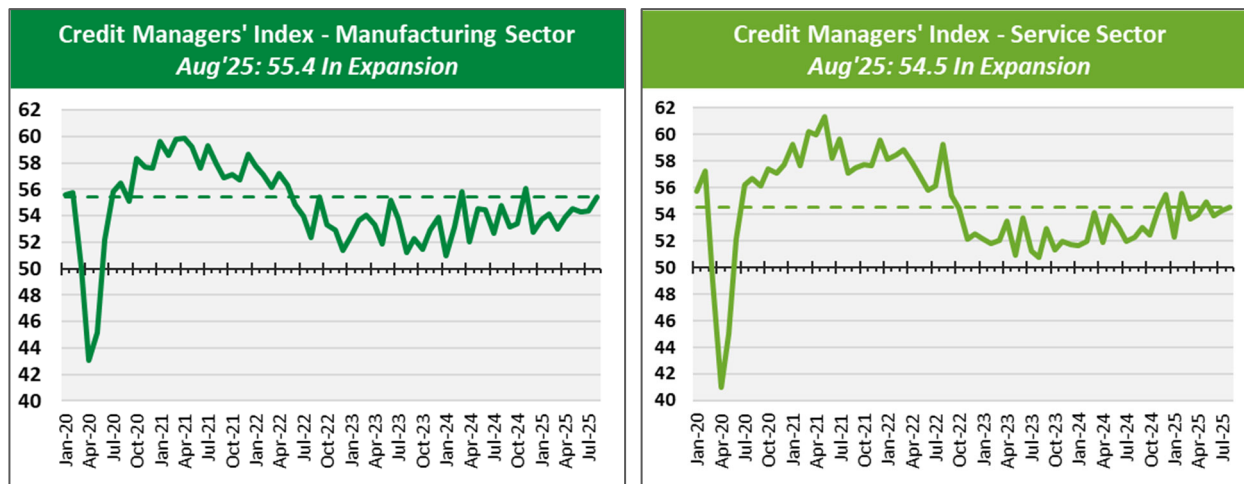
## CMI Manufacturing versus CMI Service Sectors Indexes

The Manufacturing Sector CMI climbed 1.0 point in August to 55.4. The Service Sector CMI improved by 0.3 points to 54.5.

“The Federal Reserve Bank of Cleveland just released the results of its [Survey of Regional Conditions and Expectations](#) which asks firms in its district what their plans are for capital investment and business conditions,” said Cutts “Fifty-seven percent of respondents said that uncertainty is the main factor influencing their capital investment for the rest of the year and its

potential impact on demand. Less than a third estimated that a significant portion of their current inventory been subject to additional duties as a result of changes to trade policy in 2025.”

“The Cleveland Fed survey shows that nonlabor costs for manufacturers are rising fast—this covers everything from new machines, to parts, to raw materials, to energy. One CMI respondent noted that the tariffs on steel have allowed domestic sourced steel prices to rise faster than imported prices. Another noted that electric utilities are struggling in some areas to keep up with the demand from data centers, making the grid less reliable and electric prices to rise though not fast enough to keep a rising number of power utilities from declaring bankruptcy.”



The data in the charts are seasonally adjusted.

## CMI Manufacturing Sector Factor Indexes

Among the CMI Manufacturing Sector Factor Indexes, favorable factors rose 0.9 points to 59.3 and the Unfavorable Factor Index increased 1.1 points to 52.8.

### Key Findings:

- All of the favorable factors were in expansion this month and showed improvement. The Index for the Amount of Credit Extended had the biggest gain, rising 2.5 points to 59.1.
- Two unfavorable factor indexes deteriorated, with one falling back into contraction. The Index for Accounts Placed for Collection slipped 4.5 points to 47.3. This was its first month in contraction since February. The index for Filings for Bankruptcies fell 1.2 points, but remains in expansion at 53.0.

“Credit managers are in an ever more challenging position. One noted this month that ‘Collections are more challenging with more follow ups and more demand letters,’” said Cutts. “Another said, ‘We have had a lot of projects that started early this year and customer balances that have gone from current and 31 to 60 ... [to unexpectedly high], which has put us on high alert. We make sure all jobs are pre-liened, that we have a current credit application on file and have a signed personal guarantee, etc. We are calling on accounts at 31 days this year.’”

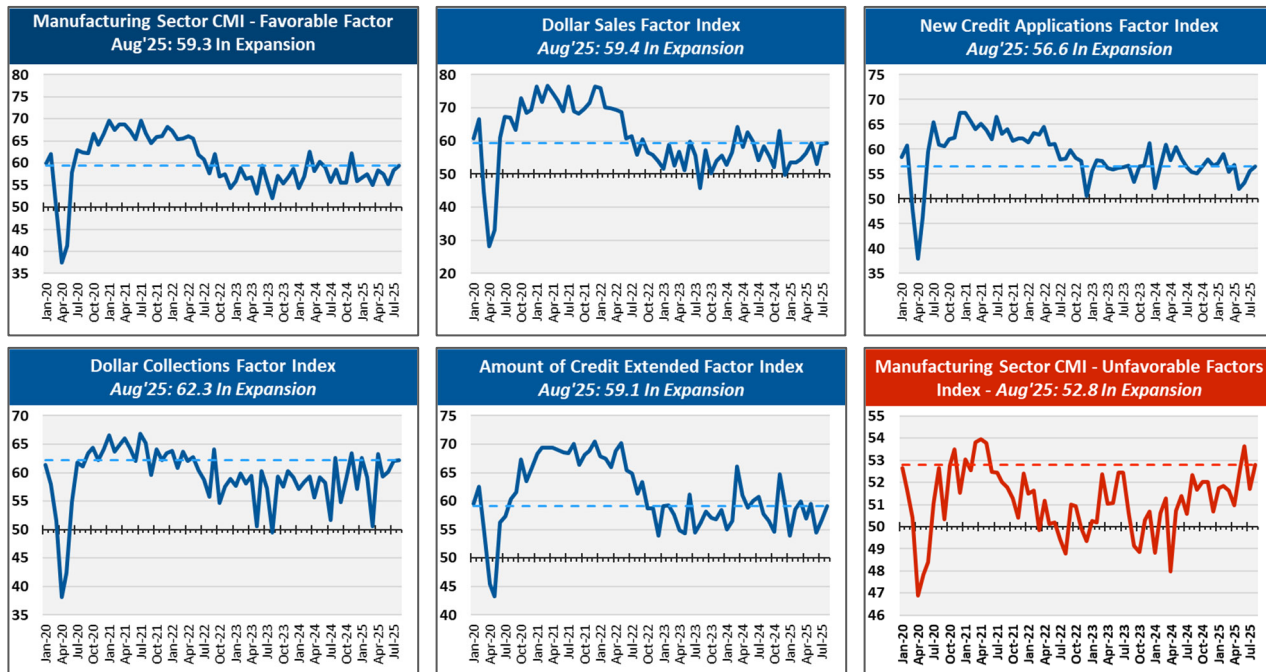
Cutts added, “Some of the new trade policies seem like they would be good for manufacturing, but it often takes years to build new factories from scratch and finding the right labor in the right place is always a challenge. The changes have come so fast and random, and the tariffs are also affecting the costs of new machines and building materials to expand capacity. In this environment it is hard to see how firms can make any meaningful progress in the near term on domestic production, and that also assumes demand remains strong.”

<b>Manufacturing Sector (seasonally adjusted)</b>	<b>Aug '24</b>	<b>Sep '24</b>	<b>Oct '24</b>	<b>Nov '24</b>	<b>Dec '24</b>	<b>Jan '25</b>	<b>Feb '25</b>	<b>Mar '25</b>	<b>Apr '25</b>	<b>May '25</b>	<b>Jun '25</b>	<b>Jul '25</b>	<b>Aug '25</b>
Dollar Sales	58.3	55.4	52.2	63.0	49.8	53.4	53.4	54.5	56.4	59.3	53.1	59.1	59.4
New Credit Applications	55.4	55.1	56.5	57.9	56.6	57.1	59.0	55.4	56.9	52.1	53.2	55.7	56.6
Dollar Collections	62.7	54.8	58.9	63.4	57.1	62.7	59.2	50.6	63.3	59.3	60.2	62.1	62.3
Amount of Credit Extended	57.8	56.6	54.6	64.7	60.1	53.9	58.6	59.9	56.9	59.5	54.5	56.6	59.1
<b>Index of Favorable Factors</b>	<b>58.5</b>	<b>55.5</b>	<b>55.6</b>	<b>62.2</b>	<b>55.9</b>	<b>56.8</b>	<b>57.5</b>	<b>55.1</b>	<b>58.3</b>	<b>57.6</b>	<b>55.2</b>	<b>58.4</b>	<b>59.3</b>
Rejections of Credit Applications	53.2	54.8	52.3	52.3	51.4	51.1	51.5	50.5	51.6	53.8	52.1	50.1	52.2
Accounts Placed for Collection	49.7	50.4	51.4	51.2	47.6	52.2	49.5	50.8	52.4	52.0	52.9	51.8	47.3
Disputes	51.6	51.3	52.1	55.4	52.7	52.4	51.6	51.5	48.4	52.0	55.2	50.1	52.5
Dollar Amount Beyond Terms	54.4	52.1	53.1	53.1	49.4	51.4	53.4	53.2	48.9	53.6	52.4	52.5	58.6
Dollar Amount of Customer Deductions	52.9	51.2	52.4	52.3	53.5	52.9	52.4	50.3	50.8	50.3	55.3	51.5	53.1
Filings for Bankruptcies	52.1	50.3	50.8	47.7	49.7	50.4	52.7	53.6	53.7	53.4	54.0	54.2	53.0
<b>Index of Unfavorable Factors</b>	<b>52.3</b>	<b>51.7</b>	<b>52.0</b>	<b>52.0</b>	<b>50.7</b>	<b>51.7</b>	<b>51.9</b>	<b>51.6</b>	<b>51.0</b>	<b>52.5</b>	<b>53.6</b>	<b>51.7</b>	<b>52.8</b>
<b>NACM Manufacturing CMI</b>	<b>54.8</b>	<b>53.2</b>	<b>53.4</b>	<b>56.1</b>	<b>52.8</b>	<b>53.7</b>	<b>54.1</b>	<b>53.0</b>	<b>53.9</b>	<b>54.5</b>	<b>54.3</b>	<b>54.4</b>	<b>55.4</b>

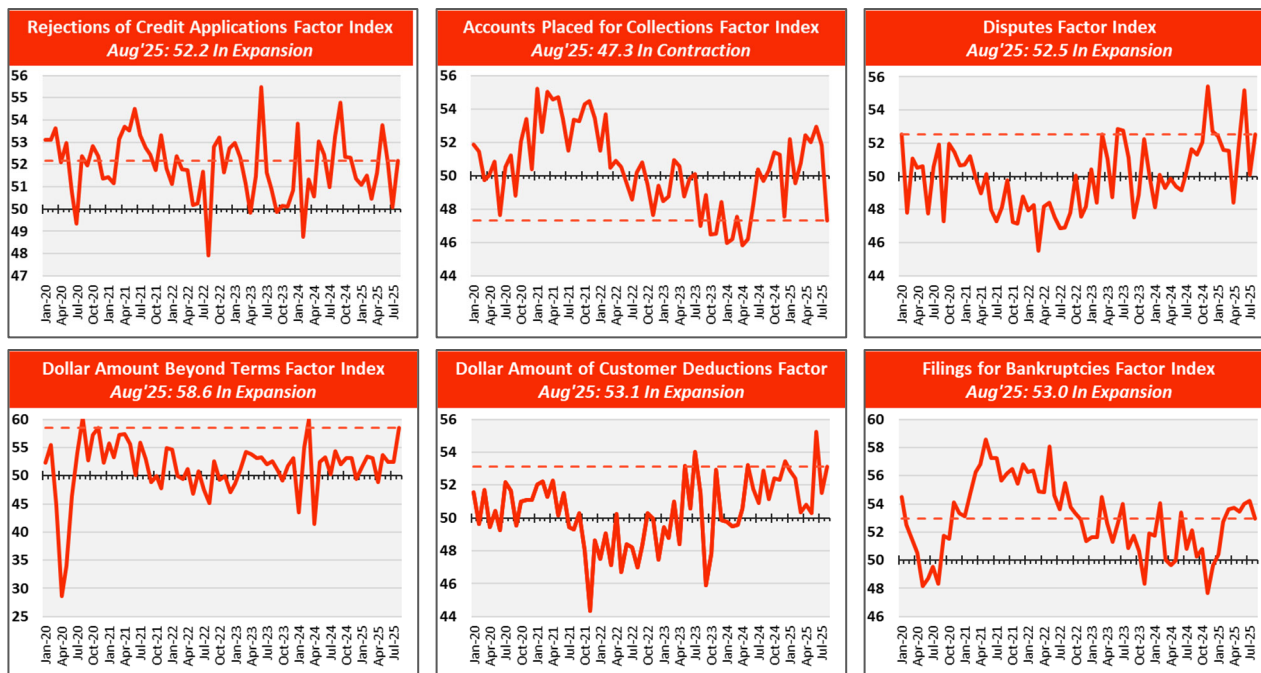
## CMI Manufacturing Sector Factor Indexes Charts

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 2.1-point improvement to 62.7, and the index climbed well into expansion. The sector's Unfavorable Factors Index deteriorated, losing 0.9 points to 49.1, moving into contraction territory after one month at neutral (or 50).

### Key Findings:

- The Unfavorable Factors Index has been in contraction for 31 of the past 34 months with two of the 34 months sitting exactly at neutral, 50.0.
- Each component of the Favorable Factor Index improved, led by a 4.6-point increase to 67.3 in the Index for Dollar Sales, its highest level since August of 2022.
- The index for Dollar Collections on both due and past due accounts improved 3.2 points to 62.6.
- Four of the six Unfavorable Factors Index deteriorated with only Filings for Bankruptcies increasing.
- The Index for Accounts Placed for Collections held steady at 43.6, marking its 38<sup>th</sup> month in contraction out of the last 41 months. During that period the index was in expansion only in May 2022, August 2022, and December 2024.
- The index for the Dollar Amount Beyond Terms fell back into contraction, deteriorating by 6.0 points to 47.4.

"Service sector respondents in the CMI survey pointed out some of the disturbing trends happening that make collections more challenging," said Cutts. "Selling an entity, like an apartment building, to a finance company, and then leasing it back to the original owner as a new legal entity who then contracts for improvements makes it hard, sometimes impossible to file a lien. Another respondent noted that they are seeing more 'one-off customers' and another indicated a rising number of customers switching suppliers to extend terms."

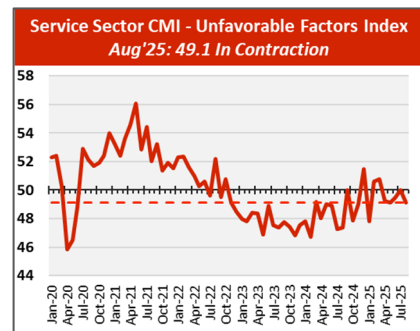
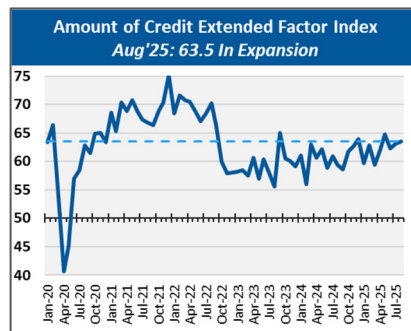
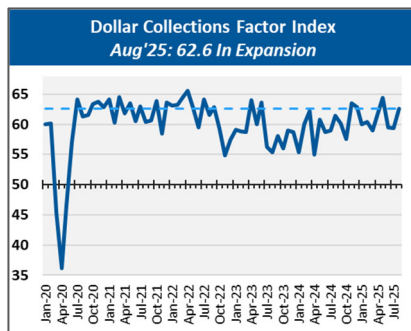
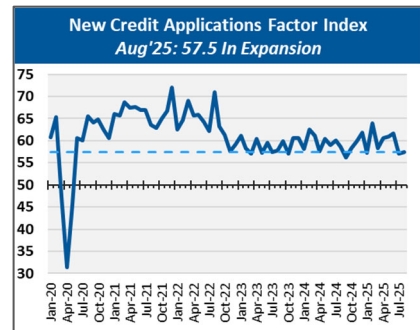
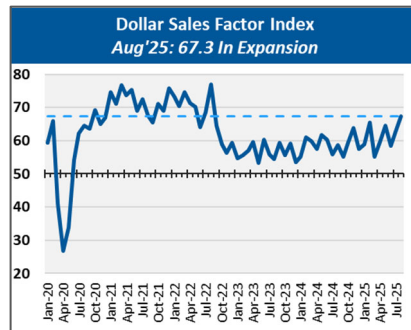
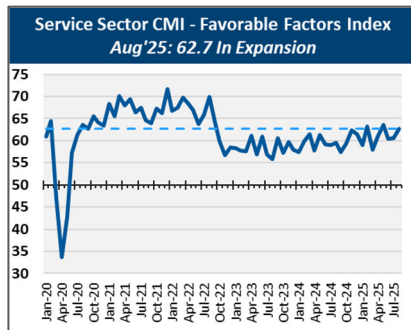
Cutts added, "New clients always present a new set of challenges for credit management. Smaller contracts take a disproportionately long time to underwrite and are relatively more expensive to onboard. Credit managers have little patience for smaller, newer accounts going beyond terms or asking for special treatment, which I think explains why month after month, the CMI indicates more accounts being referred to collections while the dollar amount beyond terms has held up. If companies are resorting to fraud and trickery to avoid being liable for payment, I think credit management will become more conservative, especially when considering new clients, and the business engine of the economy will suffer for it."

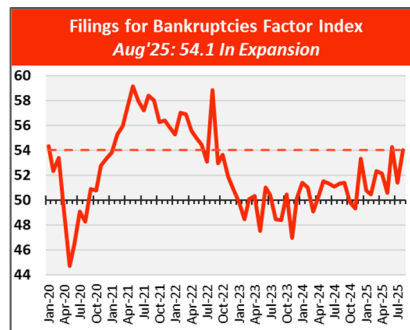
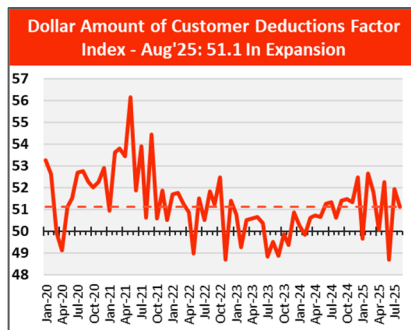
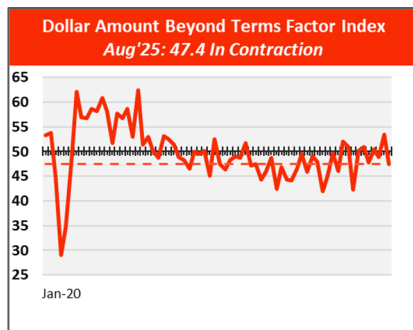
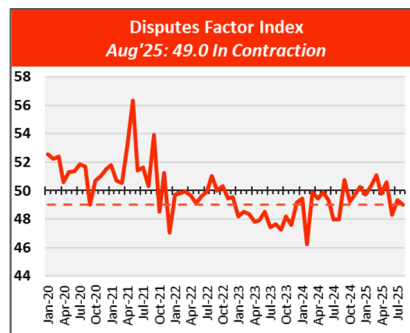
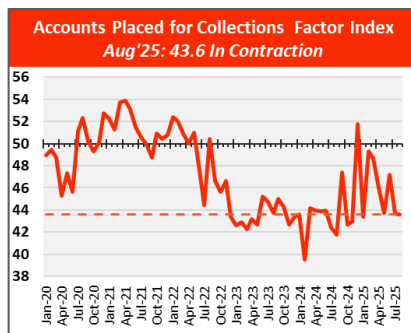
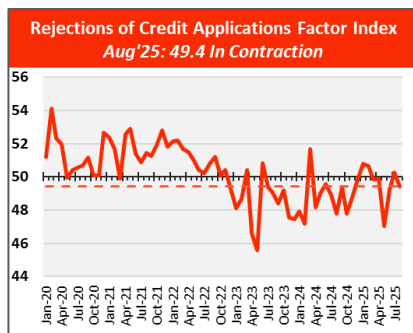
<b>Service Sector (seasonally adjusted)</b>	<b>Aug '24</b>	<b>Sep '24</b>	<b>Oct '24</b>	<b>Nov '24</b>	<b>Dec '24</b>	<b>Jan '25</b>	<b>Feb '25</b>	<b>Mar '25</b>	<b>Apr '25</b>	<b>May '25</b>	<b>Jun '25</b>	<b>Jul '25</b>	<b>Aug '25</b>
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Dollar Collections	61.4	60.1	57.5	63.5	62.8	59.9	60.3	58.9	61.9	64.4	59.5	59.4	62.6
Amount of Credit Extended	59.5	58.6	61.8	62.7	63.9	59.7	62.8	59.3	62.0	64.7	62.3	63.1	63.5
<b>Index of Favorable Factors</b>	<b>59.6</b>	<b>57.5</b>	<b>59.3</b>	<b>62.4</b>	<b>61.5</b>	<b>58.9</b>	<b>63.1</b>	<b>57.9</b>	<b>61.1</b>	<b>63.6</b>	<b>60.5</b>	<b>60.6</b>	<b>62.7</b>
Rejections of Credit Applications	47.8	49.4	47.8	48.8	49.9	50.8	50.6	49.9	49.9	47.0	49.2	50.3	49.4
Accounts Placed for Collection	41.8	47.4	42.7	42.9	51.7	43.4	49.3	48.7	46.0	43.8	47.2	43.6	43.6
Disputes	48.0	50.8	49.2	49.8	50.3	49.7	50.3	51.1	49.8	50.6	48.3	49.3	49.0
Dollar Amount Beyond Terms	44.9	49.7	46.1	52.0	51.0	42.3	50.1	51.0	47.7	50.4	48.9	53.4	47.4
Dollar Amount of Customer Deductions	50.6	51.4	51.5	51.3	52.5	49.7	52.7	51.8	50.1	52.3	48.7	52.0	51.1
Filings for Bankruptcies	51.4	51.4	49.9	49.3	53.4	50.8	50.5	52.3	52.1	50.6	54.3	51.4	54.1
<b>Index of Unfavorable Factors</b>	<b>47.4</b>	<b>50.0</b>	<b>47.8</b>	<b>49.0</b>	<b>51.5</b>	<b>47.8</b>	<b>50.6</b>	<b>50.8</b>	<b>49.3</b>	<b>49.1</b>	<b>49.5</b>	<b>50.0</b>	<b>49.1</b>
<b>NACM Service CMI</b>	<b>52.3</b>	<b>53.0</b>	<b>52.4</b>	<b>54.4</b>	<b>55.5</b>	<b>52.2</b>	<b>55.6</b>	<b>53.6</b>	<b>54.0</b>	<b>54.9</b>	<b>53.9</b>	<b>54.2</b>	<b>54.5</b>

## 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 May 2002. Published since May 2003, the CMI is based on a survey of approximately 500 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>.