Report for August 2026

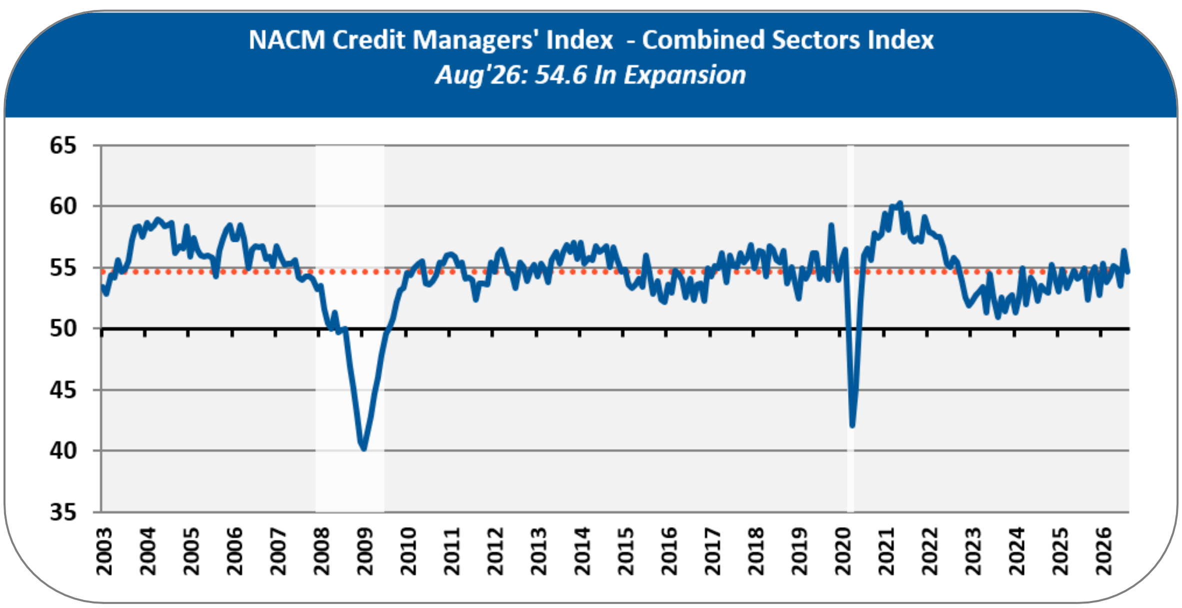
Issued September 1, 2026

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 2026 deteriorated by 1.8 points to 54.6. The survey reflects business conditions for the month just completed. "Recent volatility in the CMI has been largely driven by large swings in Dollar Sales, which refers to new orders received during the month that have entered into the system but not yet shipped," said NACM Economist Amy Crews Cutts, Ph.D., CBE®.

Cutts continued, "This volatility could be due to customers reacting in the moment to news about how the U.S.-Iran conflict may be affecting delivery costs, the availability of goods or other factors relating to trade policy. Dollar sales can rise because of higher unit sales or because the respondent firms have increased prices. The way the CMI is constructed, if sales rose in July for whatever reason, but stayed steady in August, we would see this sort of volatility in the index. Many members that I have spoken with have raised prices mostly due to higher input costs or delivery costs at least once in recent months."



The CMI is centered on a value of 50, with values greater indicating expansion and values lower indicating economic contraction. Seasonal adjustment factors for prior periods were updated for this report.

Combined Manufacturing and Service Sectors (seasonally adjusted)	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25	Jan '26	Feb '26	Mar '26	Apr '26	May '26	Jun '26	Jul '26	Aug '26
Dollar Sales	63.3	52.8	61.3	60.6	55.3	67.4	56.8	60.4	64.5	62.6	57.3	71.8	61.8
New Credit Applications	57.0	59.6	58.1	60.8	53.3	59.9	59.1	60.5	59.5	62.0	57.8	61.7	56.5
Dollar Collections	62.4	56.5	64.1	60.2	56.1	62.5	60.1	60.8	61.8	62.1	61.4	66.6	64.0
Amount of Credit Extended	61.3	62.0	59.3	61.7	57.5	60.6	62.3	62.8	63.0	65.9	62.4	65.0	62.7
Index of Favorable Factors	**61.0**	**57.7**	**60.7**	**60.8**	**55.6**	**62.6**	**59.6**	**61.1**	**62.2**	**63.1**	**59.7**	**66.3**	**61.3**
Rejections of Credit Applications	50.8	49.7	51.9	50.5	51.8	50.6	50.1	50.7	49.3	49.2	49.5	48.3	50.4
Accounts Placed for Collection	45.5	43.7	47.4	47.1	45.3	46.6	48.1	44.3	47.7	47.6	46.5	46.7	47.4
Disputes	50.8	49.1	48.8	50.6	51.6	49.9	49.4	49.2	48.9	48.6	49.6	50.3	49.5
Dollar Amount Beyond Terms	53.0	47.0	51.8	54.2	51.3	51.3	48.4	50.1	50.4	49.5	47.2	48.8	51.9
Dollar Amount of Customer Deductions	52.1	50.8	52.1	51.3	52.7	52.7	51.1	52.1	52.8	50.2	51.9	51.4	50.2
Filings for Bankruptcies	53.5	52.3	50.3	53.2	53.1	51.9	52.4	51.8	53.6	51.8	51.8	53.6	52.0
Index of Unfavorable Factors	**50.9**	**48.8**	**50.4**	**51.1**	**51.0**	**50.5**	**49.9**	**49.7**	**50.4**	**49.5**	**49.4**	**49.8**	**50.2**
NACM Combined CMI	**55.0**	**52.4**	**54.5**	**55.0**	**52.8**	**55.3**	**53.8**	**54.3**	**55.2**	**55.0**	**53.5**	**56.4**	**54.6**

CMI Combined Sectors Factor Indexes

Key Findings:

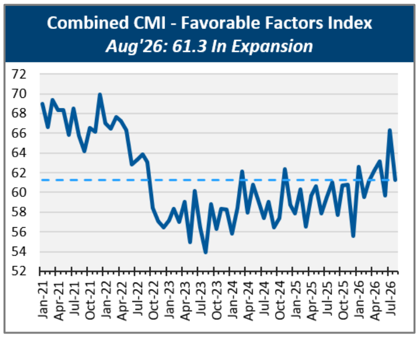
- The Index for Unfavorable Factors improved by 0.4 points and now sits at 50.2 points, moving back into expansion after three months in contraction. This index has not wavered much above or below the 50-point line denoting the break between contraction and expansion since the summer of 2021.
- Three of the six unfavorable factors deteriorated in the August survey. The largest decline was in Filings for Bankruptcies, which lost 1.6 points, to sit at 52.0 points.
- The factor for the number of Accounts Placed for Collections improved 0.7 points to 47.4 points. This month's survey marks the factor's 47th month in contraction out of the last 48. This means the number of accounts placed for collections at respondent firms has increased every month four years with the exception of June of 2025 when it was essentially at neutral.
- The Index for Favorable Factors deteriorated 5.0 points in this month's survey. The index sits at 61.3 points.
- All of the favorable factors deteriorated this month, led by a 10.0-point decline in Dollar Sales.
- All of the favorable factors are in expansion.

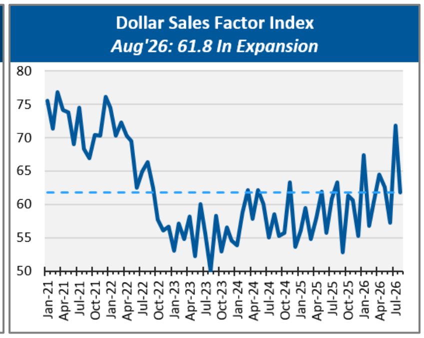
"Business bankruptcy filings were up 0.9% in the second quarter of 2026 but up 16.3% versus the same quarter a year ago according to U.S. Courts bankruptcy statistics," said Cutts. "These stats only cover business that go through formal bankruptcy and thus do not reflect the increasing number of firms that simply cease operations. CMI respondents have indicated that they are seeing more and more business closures where the phones are turned off and the doors are closed without warning."

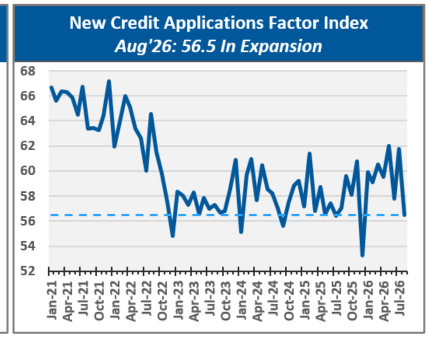
Cutts continued, "Cashflow has been a common theme for the past several surveys. What frustrates many credit managers is customers just assume an extension of terms with the claim that they need to preserve cash or that they will pay when paid even though the contract specifies the number of days. Preserving cash means they are saving that money for payroll, taxes or the power bill. But the vendor that supplies them will not do so indefinitely and I think that is why we have seen Accounts Placed in Collections in contraction for so long. Credit managers are losing their patience with being strung along by nonpayers, especially if they are small or recently established accounts."

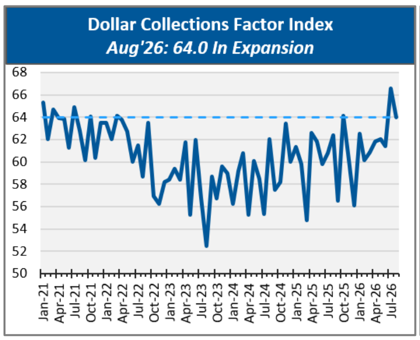
CMI Combined Sectors Factor Indexes Charts

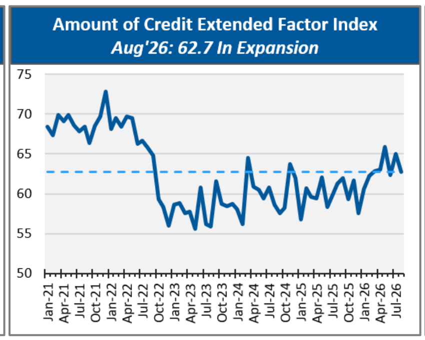
All charts contain seasonally adjusted data. Please note that the vertical axes are not scaled identically, and the dotted line represents the most recent value.

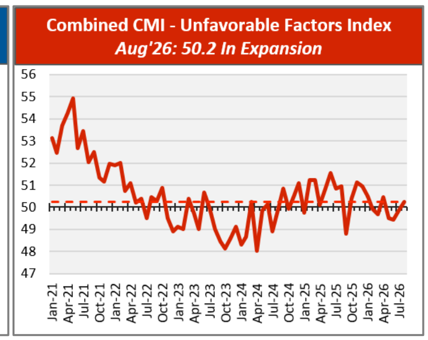


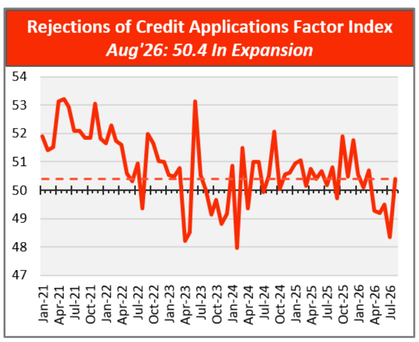


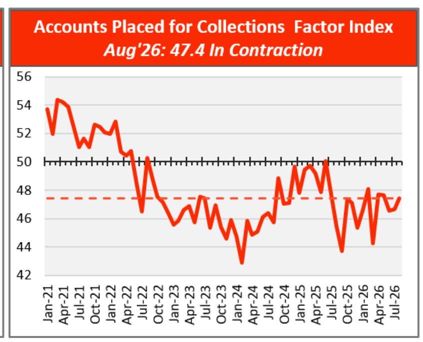


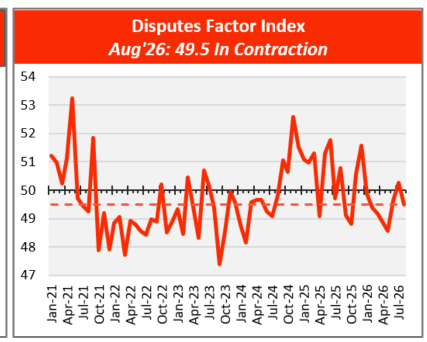


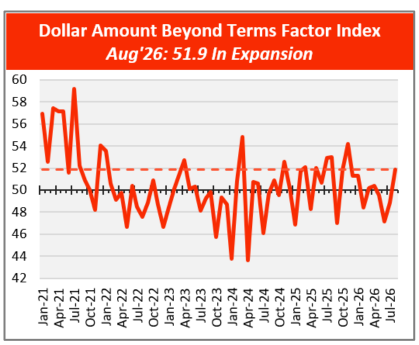


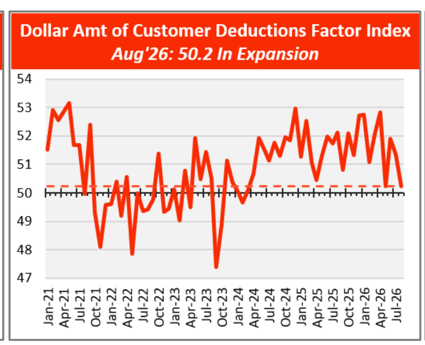


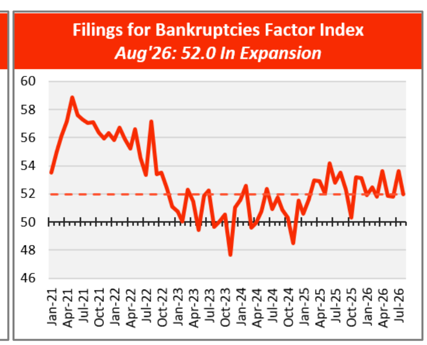






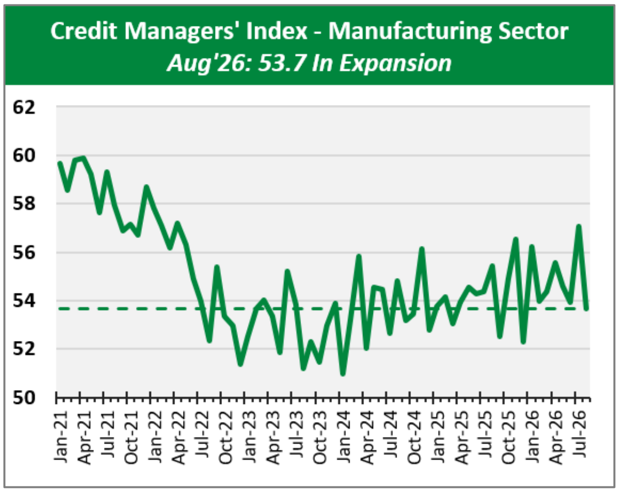


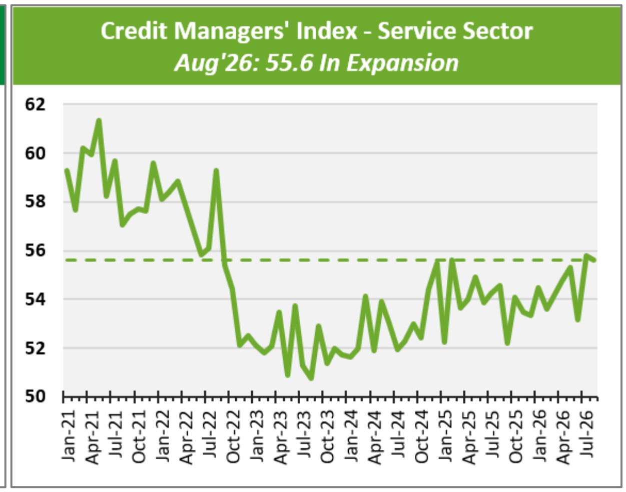




CMI Manufacturing versus CMI Service Sectors Indexes

The Manufacturing Sector CMI lost 3.4 points in the August CMI survey, which reflects July activity, to a level of 53.7. The Service Sector CMI deteriorated 0.2 points to sit at 55.6 points.





The data in the charts are seasonally adjusted.

CMI Manufacturing Sector Factor Indexes

Among the CMI Manufacturing Sector Factor Indexes, favorable factors fell by 7.1 points to 57.5. The Unfavorable Factor Index also deteriorated, losing 0.9 points, and now stands at 51.1.

Key Findings:

- All of the favorable factors for the Manufacturing sector are in expansion.
- All of the four favorable factors decreased by a significant margin in this month's survey. The factor for New Credit Applications fell furthest, losing 10.9 points to hit a level of 49.5, its first time in contraction since May of 2020.
- Four of the six unfavorable factors declined this month. The factor for the number of Filings for Bankruptcies fell the most, losing 2.9 points to 52.8.
- Three of the unfavorable factors are in contraction: Account Placed for Collections at 49.4 points, and both Disputes and the Dollar Amount of Customer Deductions at 49.5.

What Manufacturing Sector respondents are saying:

- "Sale prices have increased almost every month this year. Data center and border wall [construction] are a big driver of business right now."
- "Early start to customer cash flow for our seasonal customers."

Several respondents noted seasonal impacts on their businesses without further comment.

Manufacturing Sector (seasonally adjusted)	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25	Jan '26	Feb '26	Mar '26	Apr '26	May '26	Jun '26	Jul '26	Aug '26
Dollar Sales	59.4	48.6	60.7	62.2	55.2	69.7	55.6	57.1	62.8	59.1	56.5	67.4	59.0
New Credit Applications	56.6	59.4	56.4	60.4	50.3	59.6	55.8	58.4	56.5	58.5	55.0	60.4	49.5
Dollar Collections	62.3	59.4	65.9	61.2	54.0	61.5	59.0	57.6	61.4	62.3	61.6	68.2	61.7
Amount of Credit Extended	59.1	60.8	56.2	62.5	55.2	60.3	61.3	60.3	63.1	63.4	60.8	62.6	59.8
Index of Favorable Factors	**59.3**	**57.1**	**59.8**	**61.6**	**53.7**	**62.8**	**57.9**	**58.3**	**61.0**	**60.8**	**58.5**	**64.6**	**57.5**
Rejections of Credit Applications	52.2	51.7	55.0	53.1	52.3	52.7	51.3	51.6	50.1	49.8	51.2	51.5	52.2
Accounts Placed for Collection	47.3	45.1	48.7	49.2	45.7	47.8	52.2	47.5	52.0	50.6	51.5	50.4	49.4
Disputes	52.5	49.4	48.7	52.5	52.8	49.9	49.2	50.1	48.4	48.2	50.2	51.7	49.5
Dollar Amount Beyond Terms	58.6	50.7	53.6	60.2	50.8	54.0	52.3	55.1	52.5	51.7	47.3	51.1	53.2
Dollar Amount of Customer Deductions	53.1	50.4	52.3	51.5	53.1	54.5	50.9	53.7	53.8	50.3	52.7	51.7	49.5
Filings for Bankruptcies	53.0	49.5	51.7	52.8	53.5	52.3	51.9	52.4	54.9	52.0	52.2	55.7	52.8
Index of Unfavorable Factors	**52.8**	**49.5**	**51.7**	**53.2**	**51.4**	**51.9**	**51.3**	**51.7**	**52.0**	**50.4**	**50.9**	**52.0**	**51.1**
NACM Manufacturing CMI	**55.4**	**52.5**	**54.9**	**56.5**	**52.3**	**56.2**	**54.0**	**54.4**	**55.6**	**54.6**	**53.9**	**57.1**	**53.7**

CMI Manufacturing Sector Factor Indexes Charts

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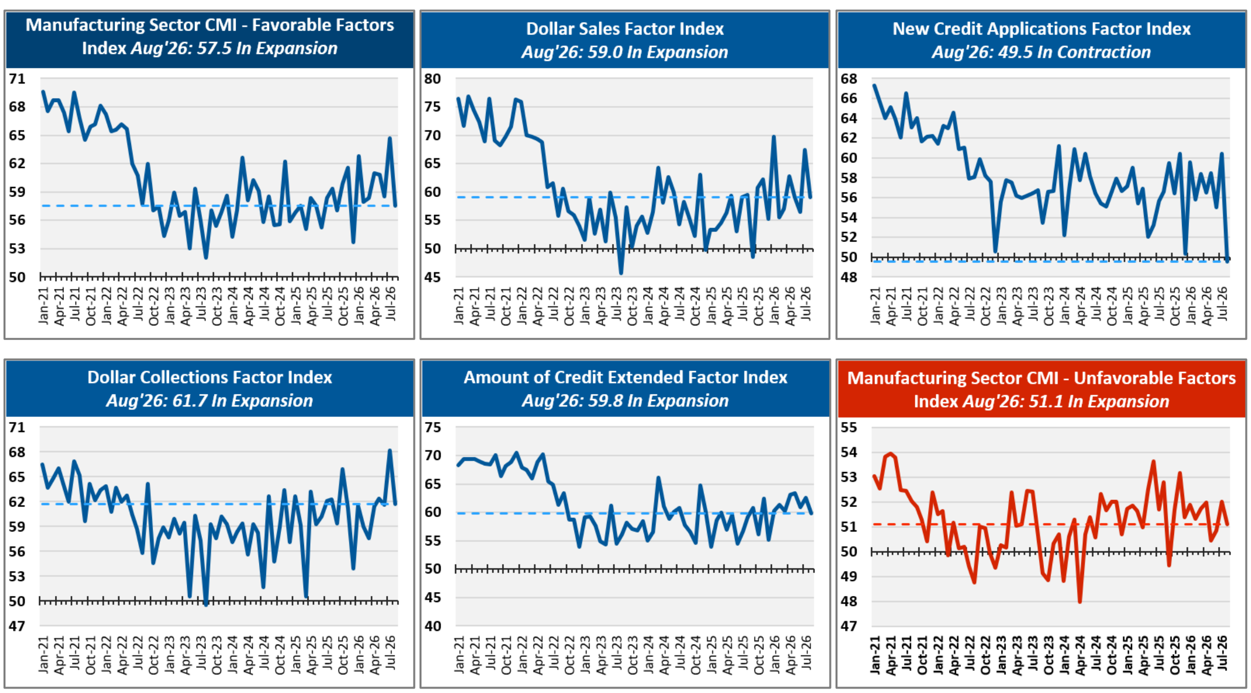

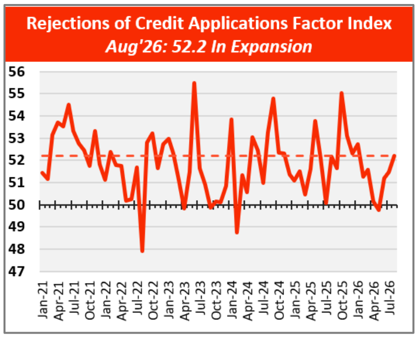

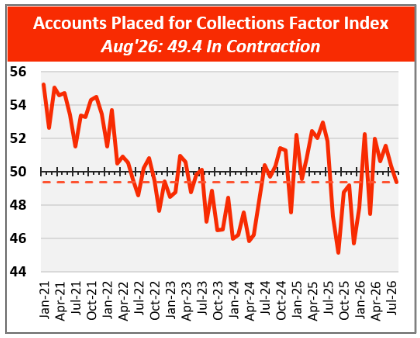

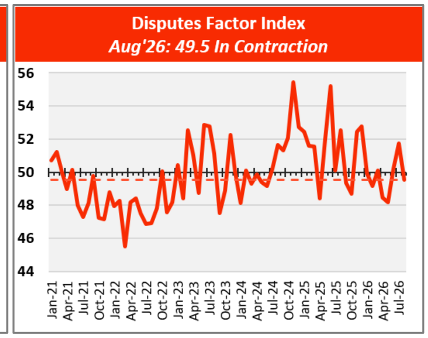

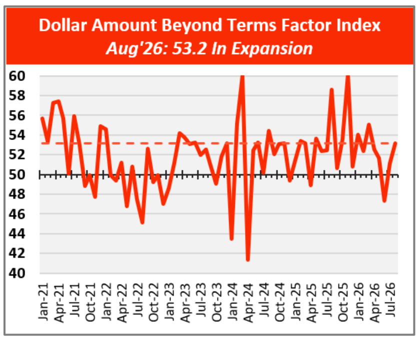

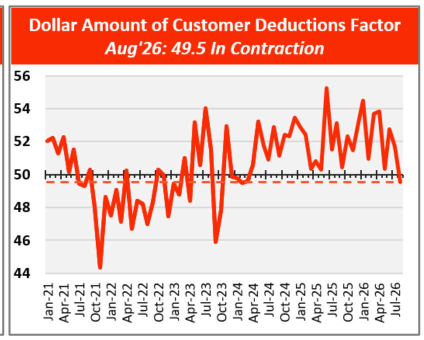

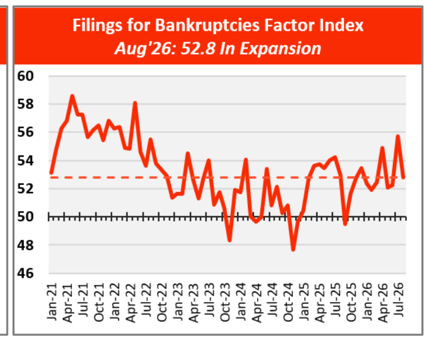

CMI Service Sector Factor Indexes

The CMI Service Sector Favorable Factors Index marked a 3.0-point deterioration to 65.0. The sector's Unfavorable Factors Index improved 1.7 points to 49.4, its eighth consecutive month in contraction.

Key Findings:

- The Unfavorable Factors Index has been in contraction for 44 of the past 50 months with another two months sitting exactly at neutral (at 50.0); it has risen above a level of 51 only once in that time span.
- Two of the four favorable factors decreased this month, with Dollar Sales leading that decline with a loss of 11.6 points to 64.6 points. All favorable factors remain in expansion.
- The factor for Accounts Placed for Collections was one of four unfavorable factors that improved, rising by 2.5 points to a value of 45.5 marking its 50^{h} month in contraction out of the last 53 months. During that period the index was in expansion only in May 2022, August 2022, and December 2024.
- Three of the six unfavorable factors are in contraction and have been for eight months or more. They are the factors for: Rejections of Credit Applications, Accounts Placed for Collection, and Disputes.

What Service Sector respondents are saying:

- "The collection environment is becoming more difficult to navigate. Companies are changing payable criteria, using third parties and delaying payments. Additionally, it seems that turnover in the payable teams is increasing, causing backlogs of payments."
- "Sales were down slightly but new orders in pipeline have increased markedly. Some of this may be attributed to beating upcoming price increases. Bankruptcies in our industry have been relatively low but there are more business closures and insolvencies outside of bankruptcy."
- "Next to January, July is the slowest sales month for our customer base consisting of casual dining and foodservice—including schools & business. We experienced a historical summer slowing trend with pick up as schools returned later in August & early September."

- “July and August are the peak of our season.”
- “Dollars past due are on the rise and the number of customers experiencing serious cash flow issues is now at an alarming rate. Hold to the credit limit and don't take risks!”
- “Data center work continues to drive demand.”
- “Customers that we normally haven't had to worry about are seeing cash flow issues as slow paying owners and general contractors are starting to catch up with them. We are seeing a slowdown in payments along the contract chain in almost all sectors.”
- “Customer fraud (ID theft of legit company) is on the rise. We've seen double the amount of attempted fraud in the past several months as we've had over the past year to year and a half.”

Service Sector (seasonally adjusted)	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25	Jan '26	Feb '26	Mar '26	Apr '26	May '26	Jun '26	Jul '26	Aug '26
Dollar Sales	67.3	57.0	61.9	58.9	55.4	65.2	57.9	63.7	66.2	66.1	58.1	76.2	64.6
New Credit Applications	57.5	59.8	59.8	61.1	56.2	60.2	62.3	62.6	62.6	65.6	60.5	63.1	63.4
Dollar Collections	62.6	53.6	62.3	59.2	58.3	63.5	61.3	64.0	62.2	61.8	61.2	65.0	66.3
Amount of Credit Extended	63.5	63.1	62.4	61.0	59.9	61.0	63.2	65.4	62.9	68.4	63.9	67.5	65.6
Index of Favorable Factors	**62.7**	**58.4**	**61.6**	**60.0**	**57.5**	**62.5**	**61.2**	**63.9**	**63.5**	**65.5**	**60.9**	**68.0**	**65.0**
Rejections of Credit Applications	49.4	47.8	48.8	47.9	51.2	48.4	49.0	49.9	48.4	48.6	47.8	45.2	48.6
Accounts Placed for Collection	43.6	42.3	46.0	45.1	45.0	45.4	44.0	41.1	43.4	44.7	41.5	43.0	45.5
Disputes	49.0	48.8	48.9	48.7	50.4	49.9	49.6	48.3	49.3	49.0	49.1	48.8	49.5
Dollar Amount Beyond Terms	47.4	43.4	50.0	48.2	51.8	48.6	44.5	45.2	48.3	47.4	47.0	46.6	50.6
Dollar Amount of Customer Deductions	51.1	51.2	51.9	51.2	52.3	51.0	51.2	50.4	51.8	50.1	51.0	51.0	50.9
Filings for Bankruptcies	54.1	55.2	49.0	53.6	52.7	51.5	53.0	51.2	52.3	51.6	51.4	51.5	51.2
Index of Unfavorable Factors	**49.1**	**48.1**	**49.1**	**49.1**	**50.6**	**49.1**	**48.5**	**47.7**	**48.9**	**48.5**	**48.0**	**47.7**	**49.4**
NACM Services CMI	**54.5**	**52.2**	**54.1**	**53.5**	**53.3**	**54.5**	**53.6**	**54.2**	**54.7**	**55.3**	**53.2**	**55.8**	**55.6**

CMI Service Sector Factor Indexes Charts

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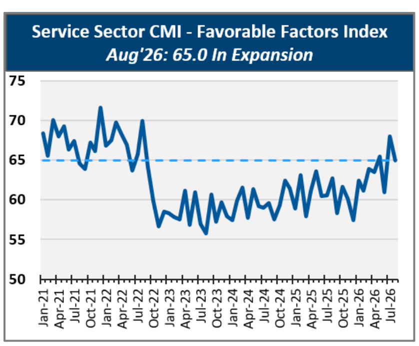

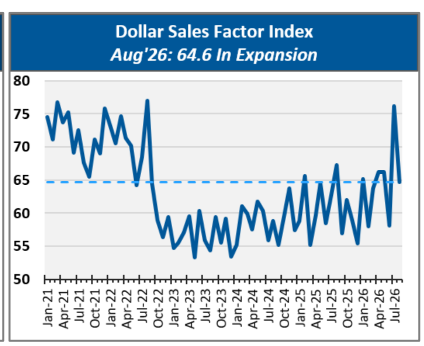

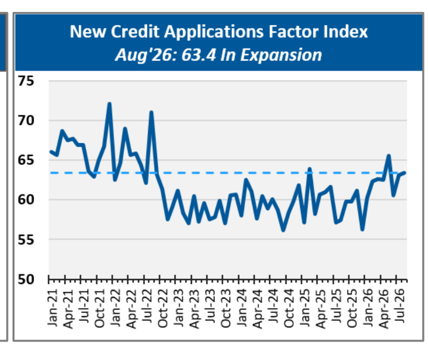

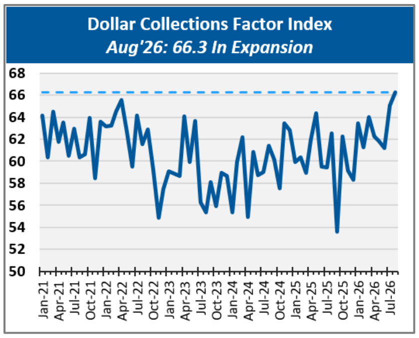

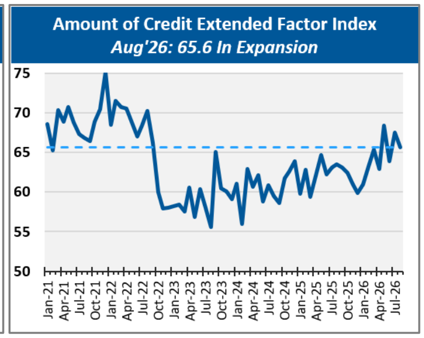

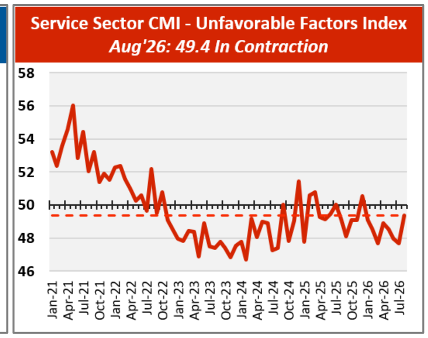

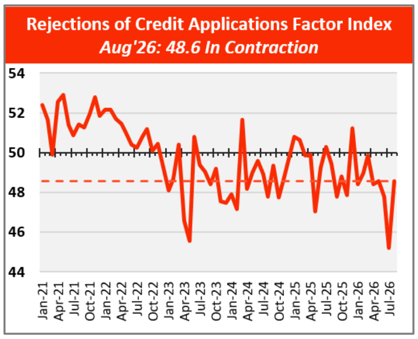

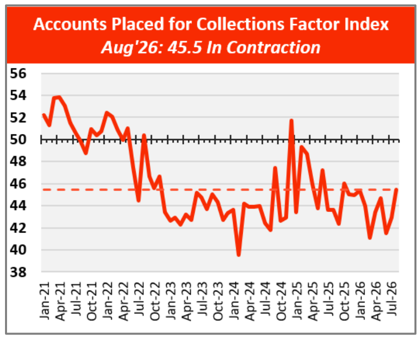

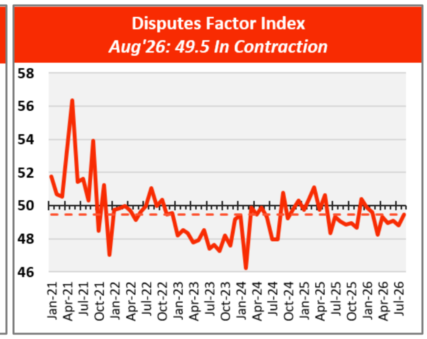

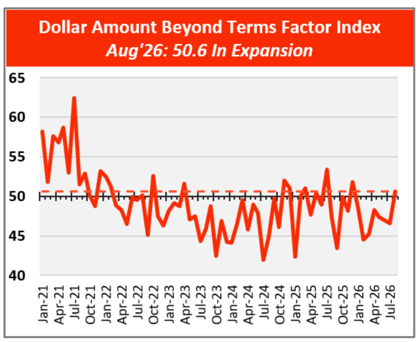

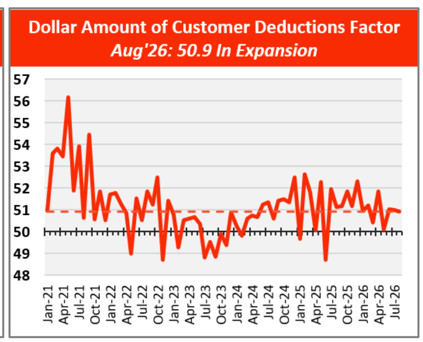

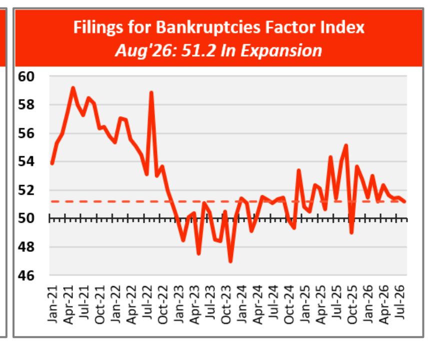

View CMI archives at https://www.nacm.org/cmi/cmi-archive.html.

Source: National Association of Credit Management

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Methodology Appendix

CMI data has been collected and tabulated monthly since May 2002. The index, published since May 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 thousands of business credit and financial professionals 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 over 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/cmiarchive.html.