



Report for December 2025

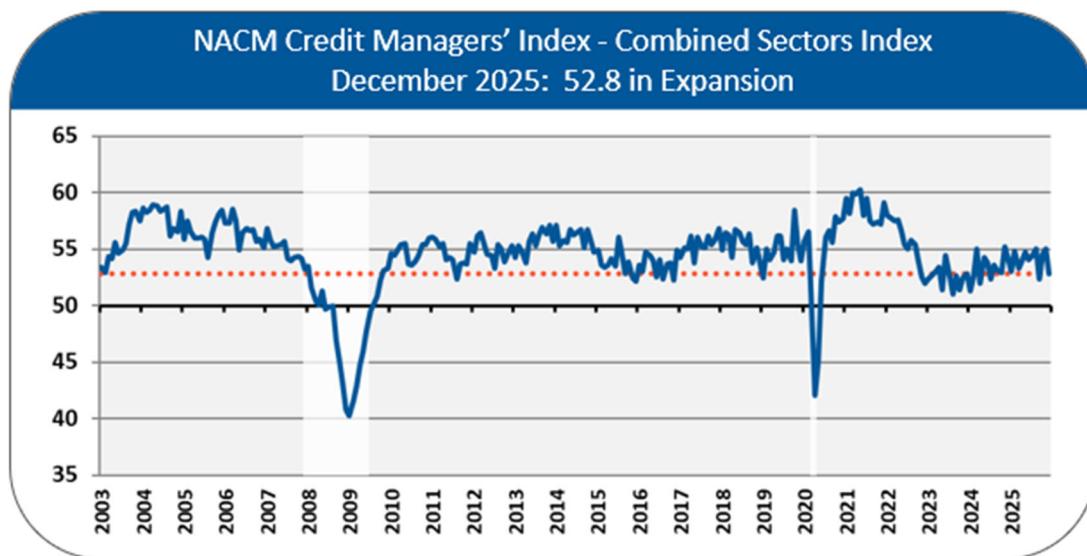
Issued January 2, 2026

National Association of Credit Management

Credit Managers' Index Combined Sectors

In December 2025, the National Association of Credit Management's seasonally adjusted combined Credit Managers' Index (CMI) slid 2.2 points to 52.8. "Respondents continue to report numbers that are consistent with an overall trend of expansion, though that strength may be waning as comments suggest that financial stress is growing," said NACM Economist Amy Crews Cutts, Ph.D., CBE. "A theme in the comments this month is that, in order to prop up sales, margins have been trimmed. While this strategy works in the short term, eventually firms will have to raise prices."

Cutts continued, "We are seeing federal statistical data releases come back on schedule but there are serious concerns about data quality, not just because of the shutdown but because of the significant staff reductions. Further, though the recent third quarter GDP growth numbers looked great in the headlines, the growth in consumer spending was primarily driven by healthcare expenditures. That is a terrible way to grow the economy."



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)	Dec '24	Jan '25	Feb '25	Mar '25	Apr '25	May '25	Jun '25	Jul '25	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25
Dollar Sales	53.6	56.1	59.5	54.9	58.0	61.9	55.8	60.9	63.3	52.8	61.3	60.6	55.3
New Credit Applications	59.2	57.2	61.4	56.8	58.8	56.5	57.4	56.4	57.0	59.6	58.1	60.8	53.3
Dollar Collections	60.0	61.3	59.8	54.8	62.6	61.8	59.8	60.8	62.4	56.5	64.1	60.2	56.1
Amount of Credit Extended	62.0	56.8	60.7	59.6	59.5	62.1	58.4	59.9	61.3	62.0	59.3	61.7	57.5
Index of Favorable Factors	58.7	57.9	60.3	56.5	59.7	60.6	57.9	59.5	61.0	57.7	60.7	60.8	55.6
Rejections of Credit Applications	50.6	50.9	51.1	50.2	50.8	50.4	50.7	50.2	50.8	49.7	51.9	50.5	51.8
Accounts Placed for Collection	49.6	47.8	49.4	49.7	49.2	47.9	50.1	47.7	45.5	43.7	47.4	47.1	45.3
Disputes	51.5	51.1	51.0	51.3	49.1	51.3	51.8	49.7	50.8	49.1	48.8	50.6	51.6
Dollar Amount Beyond Terms	50.2	46.9	51.7	52.1	48.3	52.0	50.7	52.9	53.0	47.0	51.8	54.2	51.3
Dollar Amount of Customer Deductions	53.0	51.3	52.5	51.1	50.4	51.3	52.0	51.7	52.1	50.8	52.1	51.3	52.7
Filings for Bankruptcies	51.5	50.6	51.6	53.0	52.9	52.0	54.2	52.8	53.5	52.3	50.3	53.2	53.1
Index of Unfavorable Factors	51.1	49.8	51.2	51.2	50.1	50.8	51.5	50.9	50.9	48.8	50.4	51.1	51.0
NACM Combined CMI	54.1	53.0	54.9	53.3	54.0	54.7	54.1	54.3	55.0	52.4	54.5	55.0	52.8

CMI Combined Sectors Factor Indexes

Key Findings:

- The Index for Unfavorable Factors declined 0.1 points to 51.0 points. This Index has not moved much above or below the 50-point line, which denotes the break between contraction and expansion.
- Three of the six (or half) of the Unfavorable Factors deteriorated with the largest decline seen in the Dollar Amount Beyond Terms Factor, which lost 2.9 points, falling to 51.3.
- The Accounts Placed for Collection Factor dropped by 1.8 points to 45.3, marking its 39th month in contraction out of the last 40. This means the number of accounts placed for collections at respondent firms has increased every month for nearly 3 years except for June this year when it was essentially at neutral. This is the only Factor index in contraction for the combined CMI.
- Although the Favorable Factors Index fell 5.2 points to 55.6 points, it remains in expansion.
- All of the Favorable Factors are in expansion, in the mid-50s-point range.

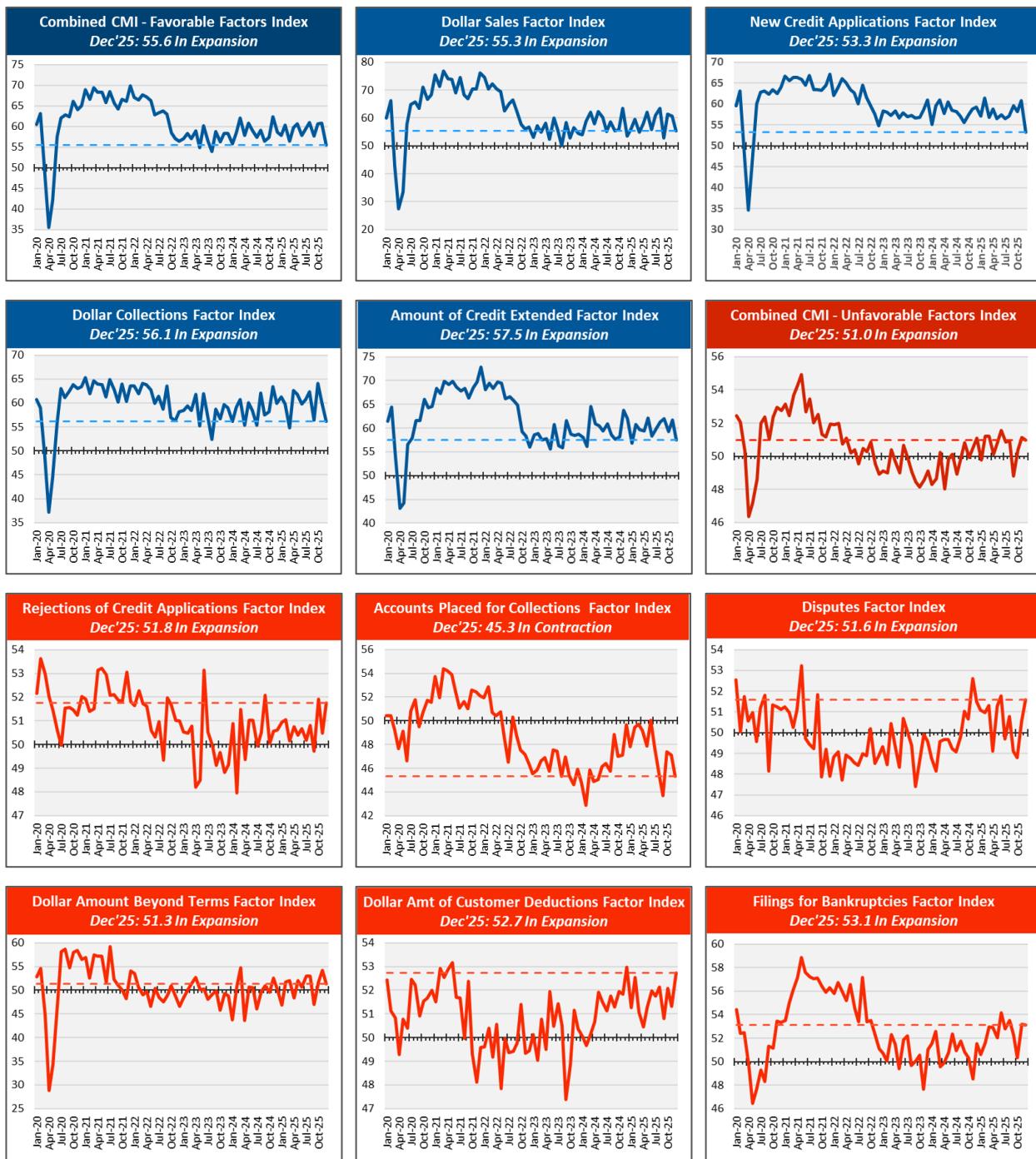
“While the theme in respondent comments is mostly negative, some respondents are seeing booming sales and few collection issues,” said Cutts. “We see the economy through our own experience – our business’ successes or stresses, our personal experiences running our households, etc. In every economic condition there are firms and workers that thrive and those that get squeezed.”

She continued, “One of our services sector respondents noted that they added some new products and their sales are up 25% over the past year. Another respondent in the sector noted that because of the data center construction boom and the border wall expansion, their revenues have been boosted significantly.”

CMI Combined Sectors Factor Indexes Charts

All charts contain seasonally adjusted data.

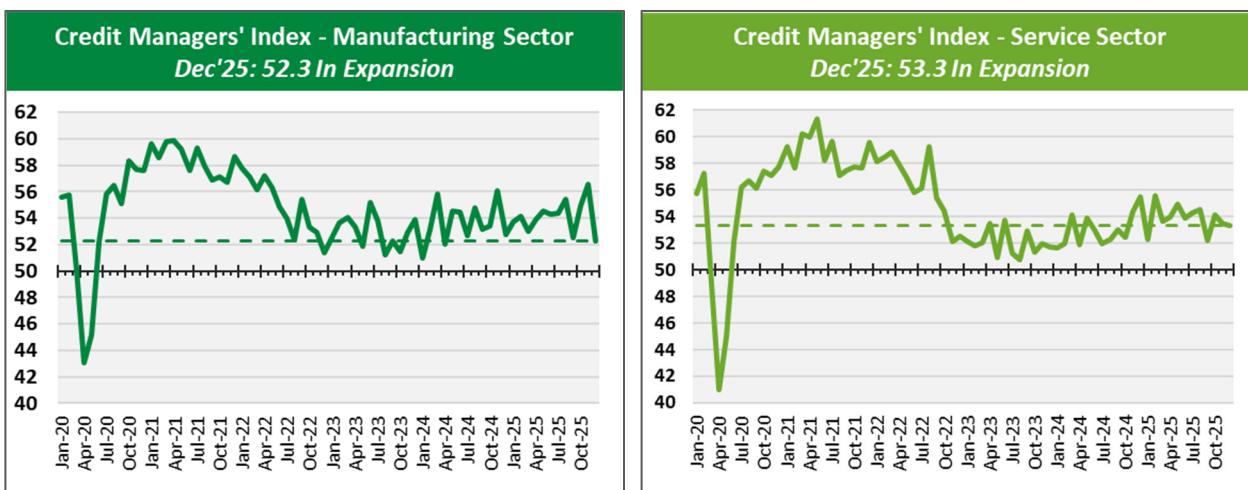
Please note that the vertical axes are not scaled identically, and the dotted line represents the most recent value.



CMI Manufacturing versus CMI Service Sectors Indexes

The Manufacturing Sector CMI deteriorated 4.2 points in the December, which reflects November activity, to a level of 52.3. The Service Sector CMI dropped 0.2 points to 53.3.

“Both sector indexes remain well above the expansion threshold. Recently, the manufacturing sector CMI has been more volatile than the service sector index, showing larger swings month to month. The indexes have been trending similarly, however.”



The data in the charts are seasonally adjusted.

CMI Manufacturing Sector Factor Indexes

Among the CMI Manufacturing Sector Factor Indexes, favorable Factors deteriorated 7.9 points to 53.7. The Unfavorable Factor Index lost 1.8 points and now stands at 51.4.

Key Findings:

- All of the Favorable Factors tumbled at least 7 points this month, yet all remain in expansion.
- The New Credit Applications Factor dropped the most, deteriorating 10.1 points to 50.3—nearly crossing into contraction.
- The Dollar Amount Beyond Terms Factor declined 9.4 points to 50.8. In September, this Factor also brushed closely into contraction with a reading of 50.7.
- Only one Factor, Accounts Placed for Collections, is in contraction with a reading of 45.7—its 5th consecutive month below the 50-point threshold.

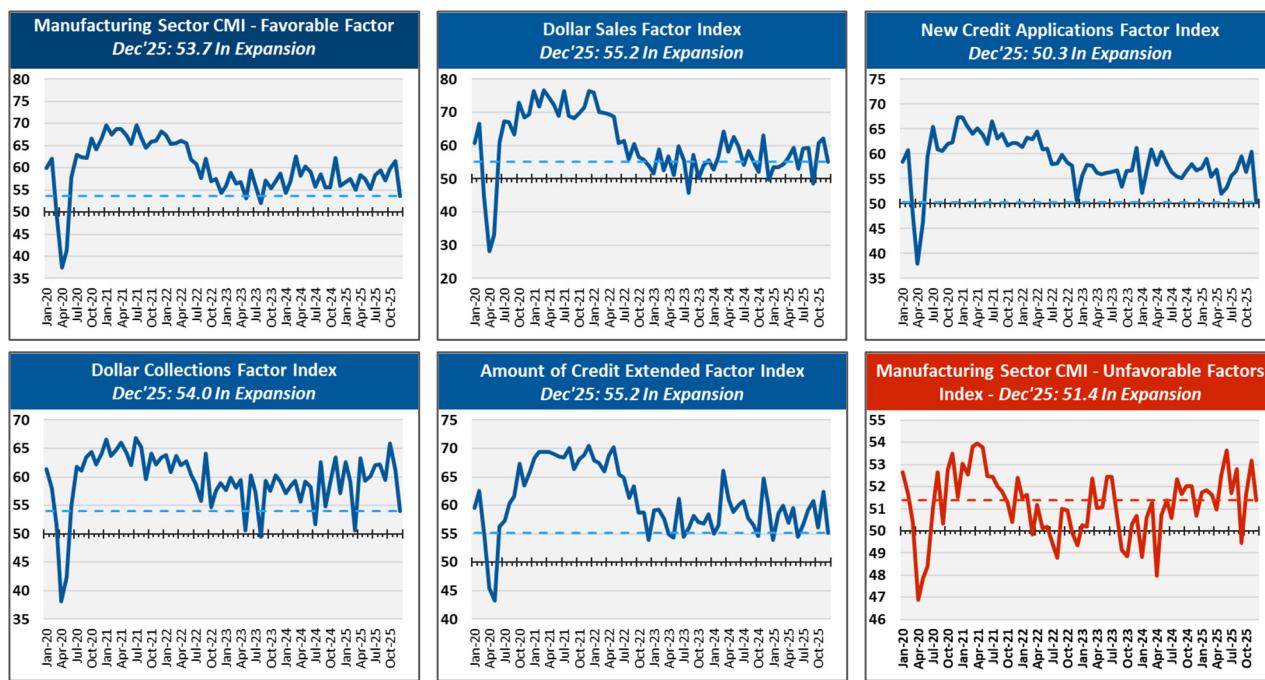
“Credit managers are the people who get called on to fix things when money isn’t coming in” said Cutts. “They are the contract and payment terms enforcers, and sometimes that means they have to act aggressively.” One manufacturing respondent noted some success in this area, stating, “[We started] filing many liens and bond claims to collect ... in October and [are] now getting funded and lifting liens. It is a challenging environment in which to ensure timely payment, with a lot of extra work going into normal credit management activity.”

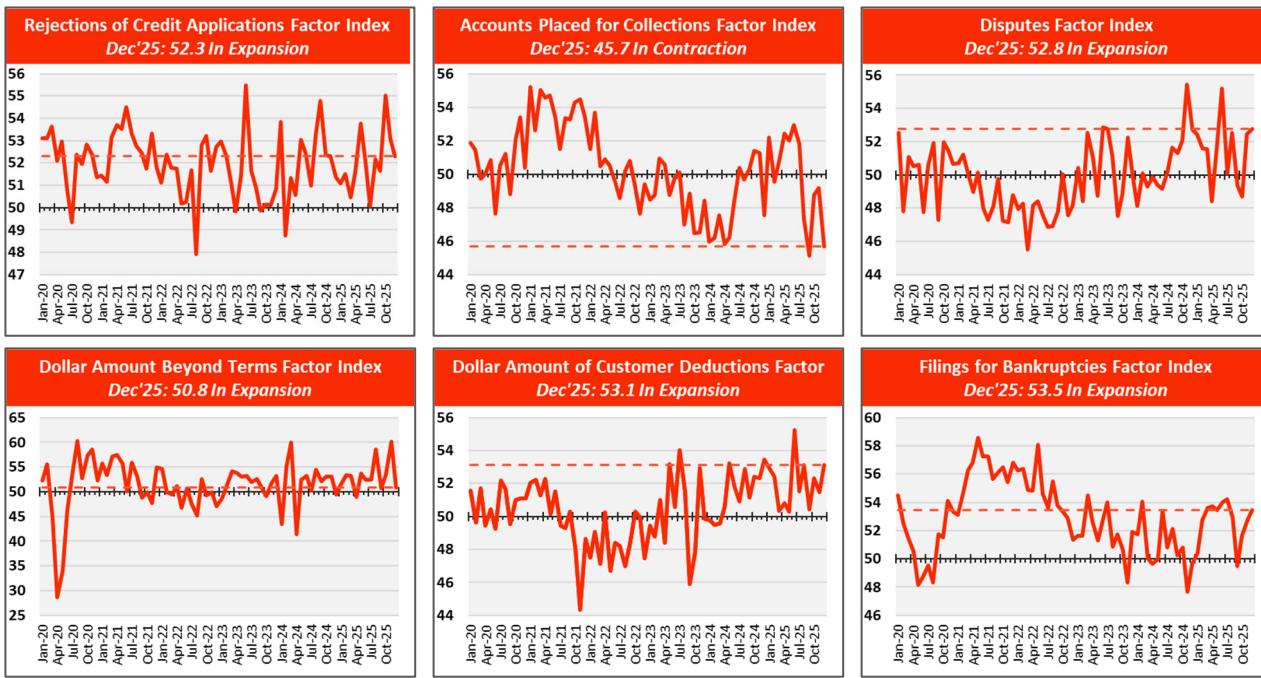
Manufacturing Sector (seasonally adjusted)	Dec '24	Jan '25	Feb '25	Mar '25	Apr '25	May '25	Jun '25	Jul '25	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25
Dollar Sales	49.8	53.4	53.4	54.5	56.4	59.3	53.1	59.1	59.4	48.6	60.7	62.2	55.2
New Credit Applications	56.6	57.1	59.0	55.4	56.9	52.1	53.2	55.7	56.6	59.4	56.4	60.4	50.3
Dollar Collections	57.1	62.7	59.2	50.6	63.3	59.3	60.2	62.1	62.3	59.4	65.9	61.2	54.0
Amount of Credit Extended	60.1	53.9	58.6	59.9	56.9	59.5	54.5	56.6	59.1	60.8	56.2	62.5	55.2
Index of Favorable Factors	55.9	56.8	57.5	55.1	58.3	57.6	55.2	58.4	59.3	57.1	59.8	61.6	53.7
Rejections of Credit Applications	51.4	51.1	51.5	50.5	51.6	53.8	52.1	50.1	52.2	51.7	55.0	53.1	52.3
Accounts Placed for Collection	47.6	52.2	49.5	50.8	52.4	52.0	52.9	51.8	47.3	45.1	48.7	49.2	45.7
Disputes	52.7	52.4	51.6	51.5	48.4	52.0	55.2	50.1	52.5	49.4	48.7	52.5	52.8
Dollar Amount Beyond Terms	49.4	51.4	53.4	53.2	48.9	53.6	52.4	52.5	58.6	50.7	53.6	60.2	50.8
Dollar Amount of Customer Deductions	53.5	52.9	52.4	50.3	50.8	50.3	55.3	51.5	53.1	50.4	52.3	51.5	53.1
Filings for Bankruptcies	49.7	50.4	52.7	53.6	53.7	53.4	54.0	54.2	53.0	49.5	51.7	52.8	53.5
Index of Unfavorable Factors	50.7	51.7	51.9	51.6	51.0	52.5	53.6	51.7	52.8	49.5	51.7	53.2	51.4
NACM Manufacturing CMI	52.8	53.7	54.1	53.0	53.9	54.5	54.3	54.4	55.4	52.5	54.9	56.5	52.3

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 fell 2.5 points to 57.5, still well into expansion. The Service Sector's Unfavorable Factors Index improved 1.5 points to 50.6, marking its first month back in expansion after eight consecutive months in contraction or at best neutral.

Key Findings:

- The Unfavorable Factors Index has been in contraction for 36 of the past 43 months with another two months sitting exactly at neutral, 50.0. During that time, and it has risen above a level of 51 twice.
- All of the Favorable Factors deteriorated this month, but all remain in expansion above 55 points.
- The Accounts Placed for Collections Factor fell by 0.1 points to 45.0, marking its 42nd month in contraction out of the last 45 months. During that period the Factor was in expansion only in May 2022, August 2022, and December 2024.
- The Dollar Amount Beyond Terms Factor improved 3.6 points, tipping back into expansion at 51.8. This index has been jumping back and forth over the threshold between expansion and contraction for the past year and spending all but 8 of the past 36 months in contraction.

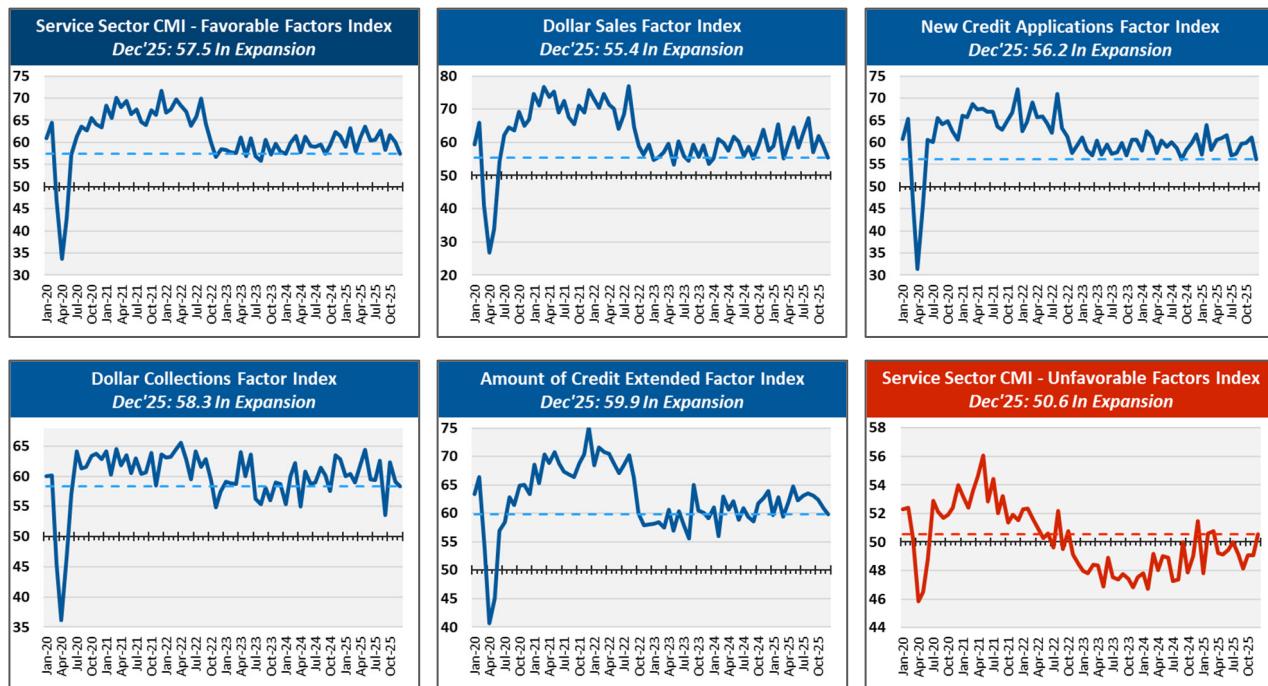
"A Service sector respondent in the CMI survey reiterated the two tales of customers storyline," said Cutts. They respondent said that "While payments increased for us in November, it is clear that businesses are extending payment plans, seeking longer terms and trying to stretch their dollars as much as possible." Another respondent tells a similar story but focused on why sales are higher, stating, "We are seeing overall slower payment patterns from our accounts but [have] higher order volumes due to end-of-year promotions."

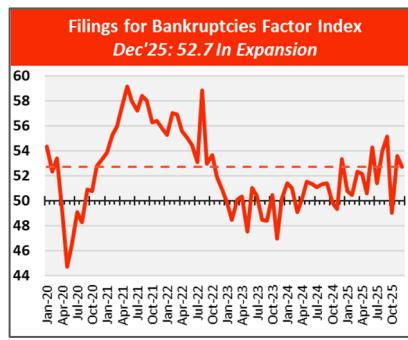
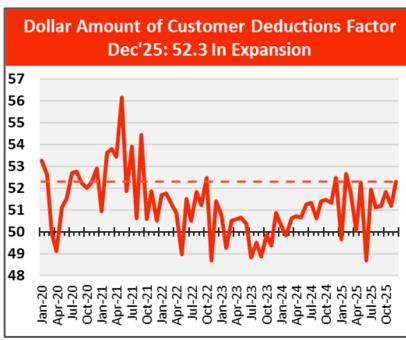
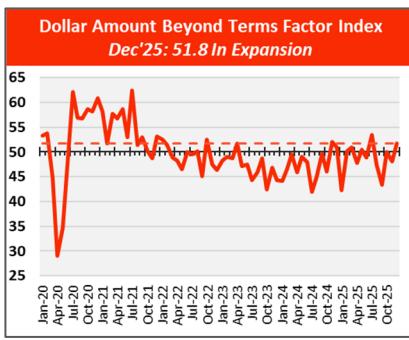
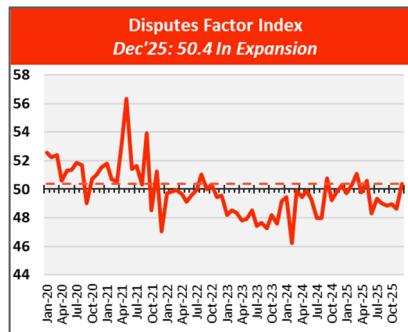
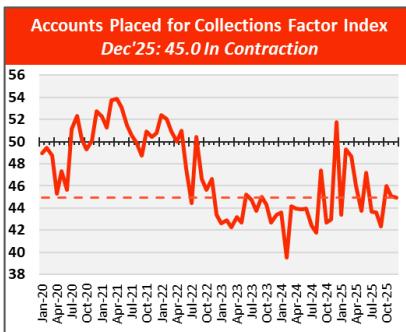
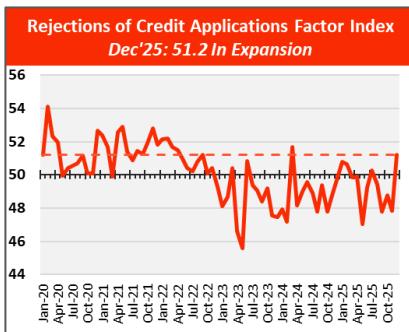
Service Sector (seasonally adjusted)	Dec '24	Jan '25	Feb '25	Mar '25	Apr '25	May '25	Jun '25	Jul '25	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25
Dollar Sales	57.4	58.9	65.6	55.2	59.7	64.5	58.4	62.7	67.3	57.0	61.9	58.9	55.4
New Credit Applications	61.8	57.2	63.9	58.2	60.6	61.0	61.6	57.2	57.5	59.8	59.8	61.1	56.2
Dollar Collections	62.8	59.9	60.3	58.9	61.9	64.4	59.5	59.4	62.6	53.6	62.3	59.2	58.3
Amount of Credit Extended	63.9	59.7	62.8	59.3	62.0	64.7	62.3	63.1	63.5	63.1	62.4	61.0	59.9
Index of Favorable Factors	61.5	58.9	63.1	57.9	61.1	63.6	60.5	60.6	62.7	58.4	61.6	60.0	57.5
Rejections of Credit Applications	49.9	50.8	50.6	49.9	49.9	47.0	49.2	50.3	49.4	47.8	48.8	47.9	51.2
Accounts Placed for Collection	51.7	43.4	49.3	48.7	46.0	43.8	47.2	43.6	43.6	42.3	46.0	45.1	45.0
Disputes	50.3	49.7	50.3	51.1	49.8	50.6	48.3	49.3	49.0	48.8	48.9	48.7	50.4
Dollar Amount Beyond Terms	51.0	42.3	50.1	51.0	47.7	50.4	48.9	53.4	47.4	43.4	50.0	48.2	51.8
Dollar Amount of Customer Deductions	52.5	49.7	52.7	51.8	50.1	52.3	48.7	52.0	51.1	51.2	51.9	51.2	52.3
Filings for Bankruptcies	53.4	50.8	50.5	52.3	52.1	50.6	54.3	51.4	54.1	55.2	49.0	53.6	52.7
Index of Unfavorable Factors	51.5	47.8	50.6	50.8	49.3	49.1	49.5	50.0	49.1	48.1	49.1	49.1	50.6
NACM Service CMI	55.5	52.2	55.6	53.6	54.0	54.9	53.9	54.2	54.5	52.2	54.1	53.5	53.3

CMI Service Sector Factor Indexes Charts

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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. 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 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>.