



Report for January 2026

Issued February 1, 2026

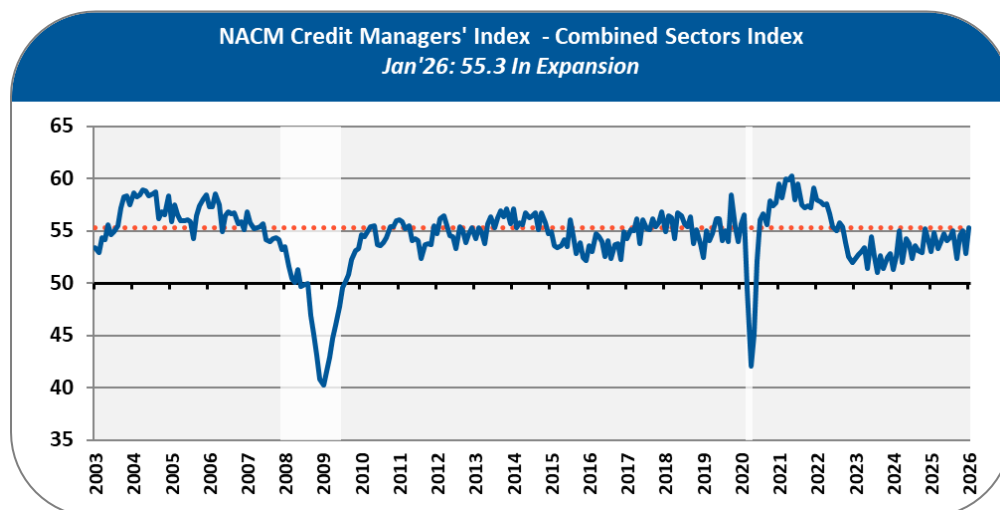
National Association of Credit Management

Credit Managers' Index Combined Sectors

The National Association of Credit Management's seasonally adjusted combined Credit Managers' Index (CMI) for January 2026 improved 1.2 points to 54.5. The survey reflects business conditions for the month just completed.

"There was a large and positive reversal of trend in favorable factors at the end of the year, although unfavorable credit factors remained subdued," said NACM Economist Amy Crews Cutts, Ph.D., CBE®. "Respondents continue to indicate signs of stress among customers whether they are asking for extended terms or disputing more invoices, yet sales activity and credit applications point to growth."

Cutts continued, "When the CMI was launched in 2003, the delineation between favorable and unfavorable factors made sense. If dollar sales increased or businesses received more applications for new credit, it was a positive thing associated with growth. But what the survey designers perhaps did not envision under normal circumstances is a run of unusual economic times, such as the COVID pandemic that resulted in a lasting global supply crunch followed by a dramatic change in tariff policies. These have resulted in a run-up in dollar sales but not much change in unit sales. Applications for new credit are rising, but many of these applicants have been turned down multiple times by other businesses. We have to be careful about interpreting 'up as good and down as bad' when the data have multiple possible drivers."



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)	Jan '25	Feb '25	Mar '25	Apr '25	May '25	Jun '25	Jul '25	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25	Jan '26
Dollar Sales	58.9	65.6	55.2	59.7	64.5	58.4	62.7	67.3	57.0	61.9	58.9	55.4	65.2
New Credit Applications	57.2	63.9	58.2	60.6	61.0	61.6	57.2	57.5	59.8	59.8	61.1	56.2	60.2
Dollar Collections	59.9	60.3	58.9	61.9	64.4	59.5	59.4	62.6	53.6	62.3	59.2	58.3	63.5
Amount of Credit Extended	59.7	62.8	59.3	62.0	64.7	62.3	63.1	63.5	63.1	62.4	61.0	59.9	61.0
Index of Favorable Factors	58.9	63.1	57.9	61.1	63.6	60.5	60.6	62.7	58.4	61.6	60.0	57.5	62.5
Rejections of Credit Applications	50.8	50.6	49.9	49.9	47.0	49.2	50.3	49.4	47.8	48.8	47.9	51.2	48.4
Accounts Placed for Collection	43.4	49.3	48.7	46.0	43.8	47.2	43.6	43.6	42.3	46.0	45.1	45.0	45.4
Disputes	49.7	50.3	51.1	49.8	50.6	48.3	49.3	49.0	48.8	48.9	48.7	50.4	49.9
Dollar Amount Beyond Terms	42.3	50.1	51.0	47.7	50.4	48.9	53.4	47.4	43.4	50.0	48.2	51.8	48.6
Dollar Amount of Customer Deductions	49.7	52.7	51.8	50.1	52.3	48.7	52.0	51.1	51.2	51.9	51.2	52.3	51.0
Filings for Bankruptcies	50.8	50.5	52.3	52.1	50.6	54.3	51.4	54.1	55.2	49.0	53.6	52.7	51.5
Index of Unfavorable Factors	47.8	50.6	50.8	49.3	49.1	49.5	50.0	49.1	48.1	49.1	49.1	50.6	49.1
NACM Combined CMI	52.2	55.6	53.6	54.0	54.9	53.9	54.2	54.5	52.2	54.1	53.5	53.3	54.5

CMI Combined Sectors Factor Indexes

Key Findings:

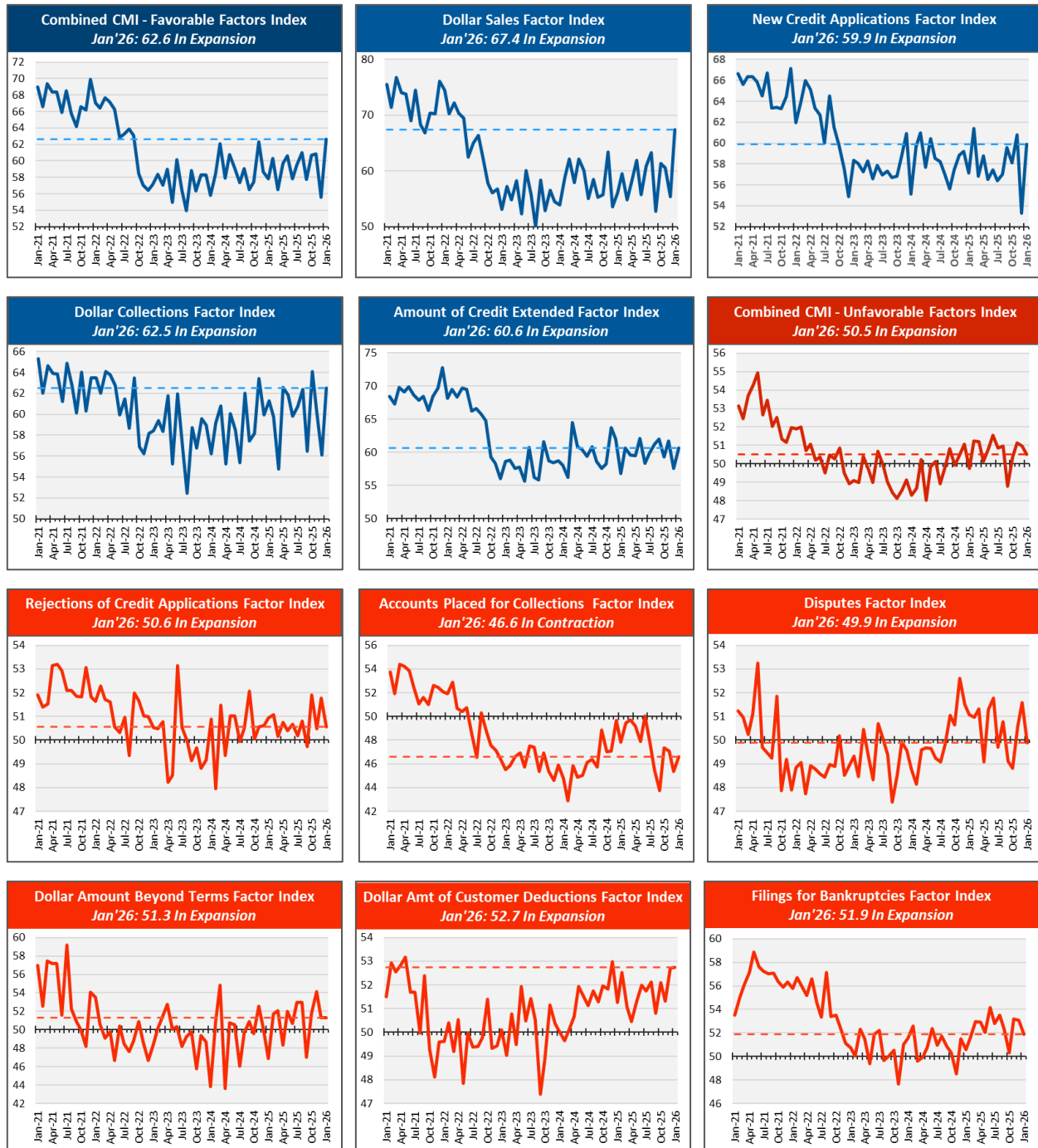
- The Index for Unfavorable Factors deteriorated 1.5 points and now sits at 49.1 points. This index has not wavered much above or below the 50-point line denoting the break between contraction and expansion since the summer of 2021.
- All but one of the unfavorable factor indexes fell, with the largest decline happening in the Disputes Index, which lost 0.5 points to fall into contraction territory at 49.9 points.
- The index for Accounts Placed for Collection improved by 0.4 points. This marks the index's 40th month in contraction out of the last 41. This means the number of accounts placed for collections at respondent firms has increased every month for nearly three years with the exception of June 2025 when it was essentially at neutral.
- The Index for Favorable Factors improved by 5.0 points in this month's survey. The index sits at 62.5 points and is in expansion.
- All of the favorable factor indexes are in expansion.

"Many respondents noted seasonal effects on their business operations and collections success," said Cutts. "I expect that we will see impacts from the winter storms in January collections due to the large number of states affected by power outages, deep cold, snow and ice."

She continued, "No one in the CMI survey is currently mentioning tariff impacts on their business, but a recent survey by Freightos and Clearit shows that tariff uncertainty is a top concern, even more than the level of tariffs. With certainty, importers can make lasting adjustments and investments. The survey results show that about three-quarters of respondents are experiencing higher costs and 38% indicated costs were up 20% or more."

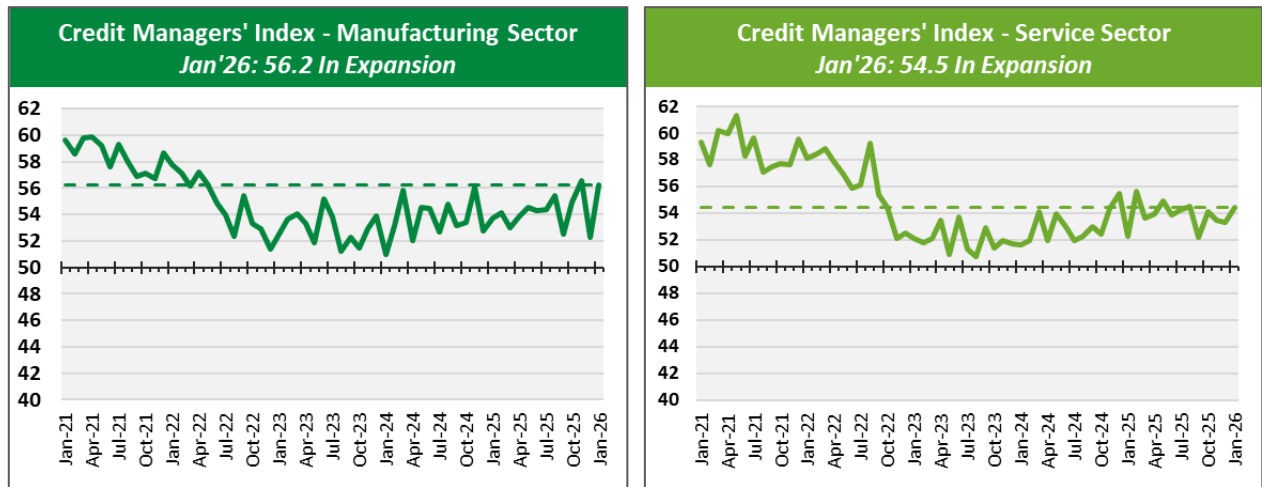
CMI Combined Sectors Factor Indexes Charts

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 3.9 points in the January CMI survey, which reflects December activity, to a level of 56.2. The Service Sector CMI improved 1.2 points to sit at 54.5.



The data in the charts are seasonally adjusted.

CMI Manufacturing Sector Factor Indexes

Among the CMI Manufacturing Sector Factor Indexes, favorable factors improved 9.1 points to 62.8. The Unfavorable Factor Index gained 0.5 points and now stands at 51.9.

Key Findings:

- All of the favorable factor indexes improved at least five points in this month's survey and remain in expansion.
- The index for dollar sales improved the most, gaining 14.5 points, erasing all of the decline from the prior month. The index sits at 69.7, its highest level since April 2022.
- The index for Customer Disputes marked the largest deterioration, losing 2.9 points and falling into contraction at 49.9 points.
- The Accounts Placed for Collections index is at 47.8, its sixth consecutive month below the 50-point threshold.

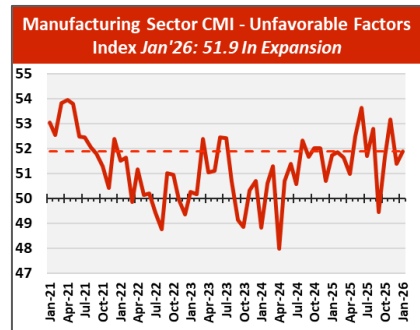
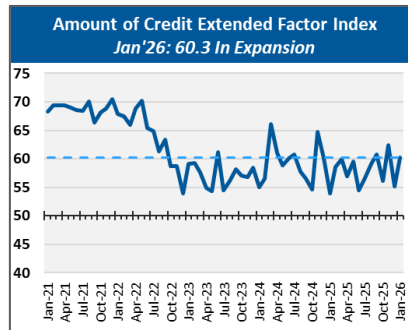
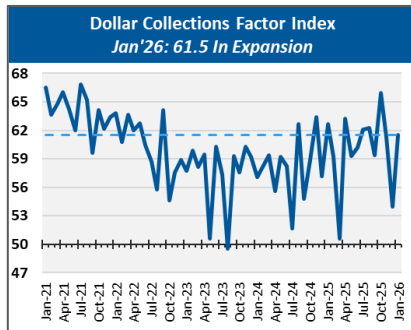
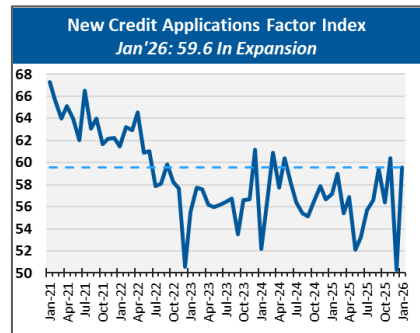
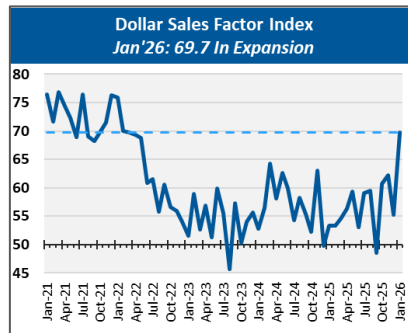
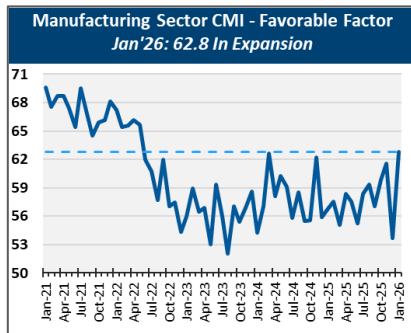
What Manufacturing Sector respondents are saying:

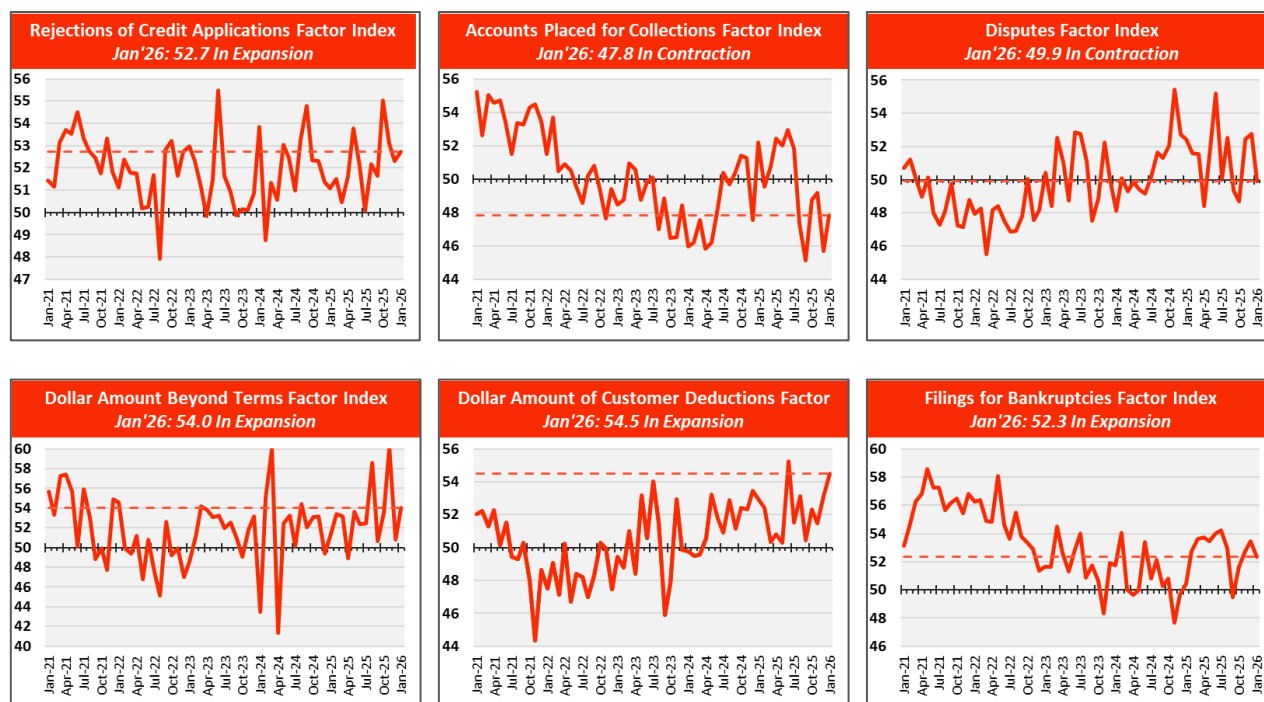
- "Our largest customers are refusing to allow price increases, even though lumber has increased in cost. They are insisting on price reductions. We are eating the cost of business in order to stay in business (for the moment)."
- "We filed liens and bond claims in October – these paid off in December, and this continues to be my greatest collection tool in the fall and winter."
- "We are experiencing a downturn in both sales and collections for December 2025, a trend we expect to persist through mid-February. This performance is primarily driven by tightened cash flow among our client base, resulting in increased delinquency and slower response times to our collection efforts. We are closely monitoring these accounts as we navigate this seasonal liquidity crunch."
- "Increased prices, large data center jobs and border wall orders are driving the increases we see."

Manufacturing Sector (seasonally adjusted)	Jan '25	Feb '25	Mar '25	Apr '25	May '25	Jun '25	Jul '25	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25	Jan '26
Dollar Sales	53.4	53.4	54.5	56.4	59.3	53.1	59.1	59.4	48.6	60.7	62.2	55.2	69.7
New Credit Applications	57.1	59.0	55.4	56.9	52.1	53.2	55.7	56.6	59.4	56.4	60.4	50.3	59.6
Dollar Collections	62.7	59.2	50.6	63.3	59.3	60.2	62.1	62.3	59.4	65.9	61.2	54.0	61.5
Amount of Credit Extended	53.9	58.6	59.9	56.9	59.5	54.5	56.6	59.1	60.8	56.2	62.5	55.2	60.3
Index of Favorable Factors	56.8	57.5	55.1	58.3	57.6	55.2	58.4	59.3	57.1	59.8	61.6	53.7	62.8
Rejections of Credit Applications	51.1	51.5	50.5	51.6	53.8	52.1	50.1	52.2	51.7	55.0	53.1	52.3	52.7
Accounts Placed for Collection	52.2	49.5	50.8	52.4	52.0	52.9	51.8	47.3	45.1	48.7	49.2	45.7	47.8
Disputes	52.4	51.6	51.5	48.4	52.0	55.2	50.1	52.5	49.4	48.7	52.5	52.8	49.9
Dollar Amount Beyond Terms	51.4	53.4	53.2	48.9	53.6	52.4	52.5	58.6	50.7	53.6	60.2	50.8	54.0
Dollar Amount of Customer Deductions	52.9	52.4	50.3	50.8	50.3	55.3	51.5	53.1	50.4	52.3	51.5	53.1	54.5
Filings for Bankruptcies	50.4	52.7	53.6	53.7	53.4	54.0	54.2	53.0	49.5	51.7	52.8	53.5	52.3
Index of Unfavorable Factors	51.7	51.9	51.6	51.0	52.5	53.6	51.7	52.8	49.5	51.7	53.2	51.4	51.9
NACM Manufacturing CMI	53.7	54.1	53.0	53.9	54.5	54.3	54.4	55.4	52.5	54.9	56.5	52.3	56.2

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 5-point improvement to 62.5, still well into expansion. The sector's Unfavorable Factors Index decreased 1.5 points to 49.1, marking the eighth month out of the past twelve that this index has been in contraction.

Key Findings:

- The Unfavorable Factors Index has been in contraction for 37 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 only once.
- All of the favorable factors improved this month, with all remaining in expansion at 60 points or higher.
- The Index for Accounts Placed for Collections improved by 0.4 points to 45.4, marking its 42nd month in contraction out of the last 44 months. During that period the index was in expansion only in August 2022 and December 2024.
- Four of the six unfavorable factor indexes are in contraction and the remaining sit below values of 52 points, putting them close to the contraction line.

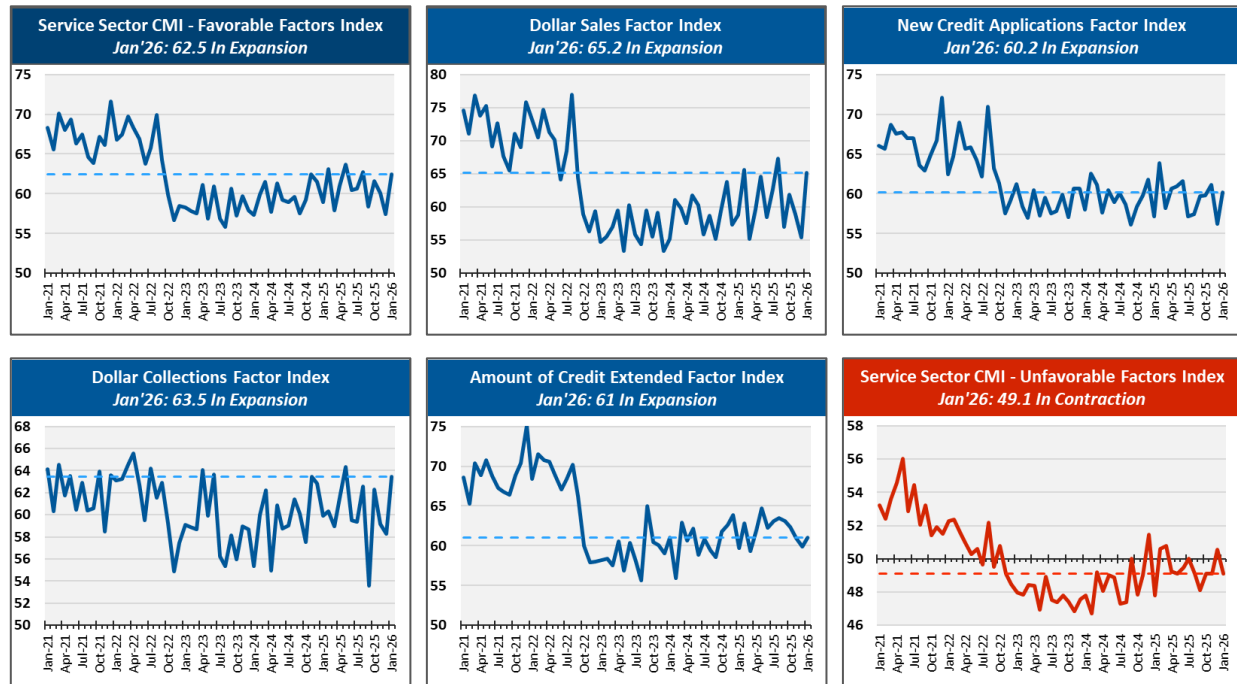
What Service Sector respondents are saying:

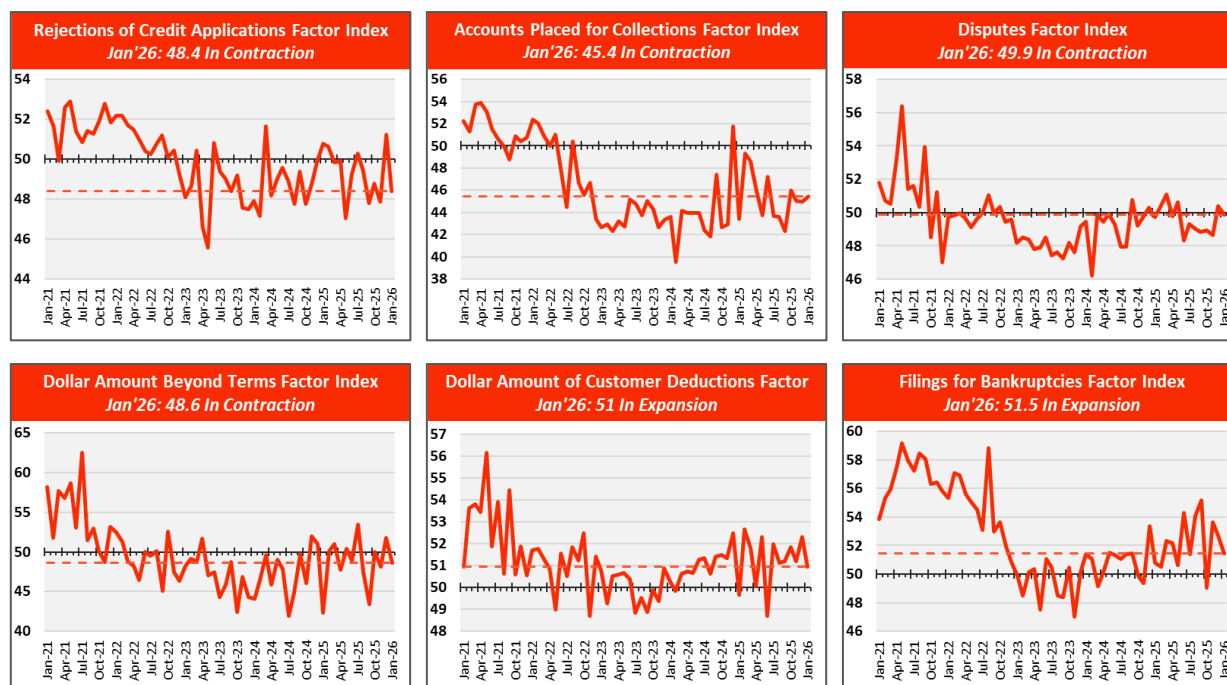
- "Data centers continue to be a larger and larger part of our business. Also, metal pricing is up and our order activity in the first two weeks of January is also up. Lots of activity going on right now across the board in all industries."
- "Orders placed in pipeline and new opportunities have come in quite strong but collections on existing accounts continue to be a challenge in some cases."
- "Sales are up year over year. Economy seems to be much improved from a year ago."
- "We experienced strong seasonal sales to the restaurant and hospitality industry; however, it is tougher to collect. It seems many A.P. departments took vacation or were unavailable over the year-end holidays. On Dec. 31 we got hit with a \$200k probable bad debt as a private equity owner [...] ceased operating after the holiday sales and are not responding to creditors."

Service Sector (seasonally adjusted)	Jan '25	Feb '25	Mar '25	Apr '25	May '25	Jun '25	Jul '25	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25	Jan '26
Dollar Sales	58.9	65.6	55.2	59.7	64.5	58.4	62.7	67.3	57.0	61.9	58.9	55.4	65.2
New Credit Applications	57.2	63.9	58.2	60.6	61.0	61.6	57.2	57.5	59.8	59.8	61.1	56.2	60.2
Dollar Collections	59.9	60.3	58.9	61.9	64.4	59.5	59.4	62.6	53.6	62.3	59.2	58.3	63.5
Amount of Credit Extended	59.7	62.8	59.3	62.0	64.7	62.3	63.1	63.5	63.1	62.4	61.0	59.9	61.0
Index of Favorable Factors	58.9	63.1	57.9	61.1	63.6	60.5	60.6	62.7	58.4	61.6	60.0	57.5	62.5
Rejections of Credit Applications	50.8	50.6	49.9	49.9	47.0	49.2	50.3	49.4	47.8	48.8	47.9	51.2	48.4
Accounts Placed for Collection	43.4	49.3	48.7	46.0	43.8	47.2	43.6	43.6	42.3	46.0	45.1	45.0	45.4
Disputes	49.7	50.3	51.1	49.8	50.6	48.3	49.3	49.0	48.8	48.9	48.7	50.4	49.9
Dollar Amount Beyond Terms	42.3	50.1	51.0	47.7	50.4	48.9	53.4	47.4	43.4	50.0	48.2	51.8	48.6
Dollar Amount of Customer Deductions	49.7	52.7	51.8	50.1	52.3	48.7	52.0	51.1	51.2	51.9	51.2	52.3	51.0
Filings for Bankruptcies	50.8	50.5	52.3	52.1	50.6	54.3	51.4	54.1	55.2	49.0	53.6	52.7	51.5
Index of Unfavorable Factors	47.8	50.6	50.8	49.3	49.1	49.5	50.0	49.1	48.1	49.1	49.1	50.6	49.1
NACM Service CMI	52.2	55.6	53.6	54.0	54.9	53.9	54.2	54.5	52.2	54.1	53.5	53.3	54.5

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 11,000 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 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>.