



Report for May 2026

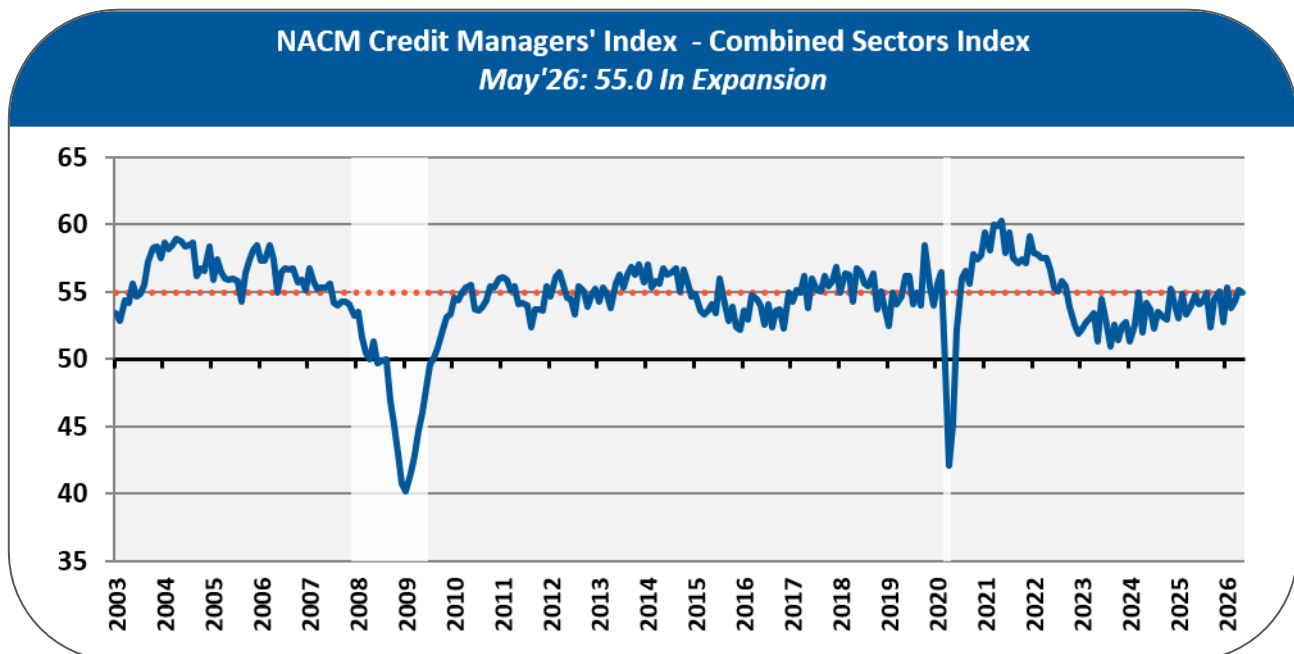
Issued June 1, 2026

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 May 2026 deteriorated 0.2 points to 55.0. The survey reflects business conditions for the month just completed. "Despite all of the major economic and global events happening, the CMI has been trending sideways over the past year," said NACM Economist Amy Crews Cutts, Ph.D., CBE®. "The six unfavorable factors fell this month, collectively offsetting the positive changes in three of the favorable factors."

Cutts continued, "The respondent comments this month noted stress from higher energy prices, rising shipping costs and the many factors negatively affecting agriculture. I believe the ongoing drought affecting much of the US will be a larger issue for both our food supply and ethanol production as the year progresses. Additionally, farmers were hit with much higher fertilizer prices due to the closure of the Strait of Hormuz at prime planting time putting more financial stress on them at a low cashflow time of year."



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)	May '25	Jun '25	Jul '25	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25	Jan '26	Feb '26	Mar '26	Apr '26	May '26
Dollar Sales	61.9	55.8	60.9	63.3	52.8	61.3	60.6	55.3	67.4	56.8	60.4	64.5	62.6
New Credit Applications	56.5	57.4	56.4	57.0	59.6	58.1	60.8	53.3	59.9	59.1	60.5	59.5	62.0
Dollar Collections	61.8	59.8	60.8	62.4	56.5	64.1	60.2	56.1	62.5	60.1	60.8	61.8	62.1
Amount of Credit Extended	62.1	58.4	59.9	61.3	62.0	59.3	61.7	57.5	60.6	62.3	62.8	63.0	65.9
Index of Favorable Factors	60.6	57.9	59.5	61.0	57.7	60.7	60.8	55.6	62.6	59.6	61.1	62.2	63.1
Rejections of Credit Applications	50.4	50.7	50.2	50.8	49.7	51.9	50.5	51.8	50.6	50.1	50.7	49.3	49.2
Accounts Placed for Collection	47.9	50.1	47.7	45.5	43.7	47.4	47.1	45.3	46.6	48.1	44.3	47.7	47.6
Disputes	51.3	51.8	49.7	50.8	49.1	48.8	50.6	51.6	49.9	49.4	49.2	48.9	48.6
Dollar Amount Beyond Terms	52.0	50.7	52.9	53.0	47.0	51.8	54.2	51.3	51.3	48.4	50.1	50.4	49.5
Dollar Amount of Customer Deductions	51.3	52.0	51.7	52.1	50.8	52.1	51.3	52.7	52.7	51.1	52.1	52.8	50.2
Filings for Bankruptcies	52.0	54.2	52.8	53.5	52.3	50.3	53.2	53.1	51.9	52.4	51.8	53.6	51.8
Index of Unfavorable Factors	50.8	51.5	50.9	50.9	48.8	50.4	51.1	51.0	50.5	49.9	49.7	50.4	49.5
NACM Combined CMI	54.7	54.1	54.3	55.0	52.4	54.5	55.0	52.8	55.3	53.8	54.3	55.2	55.0

CMi Combined Sectors Factor Indexes

Key Findings:

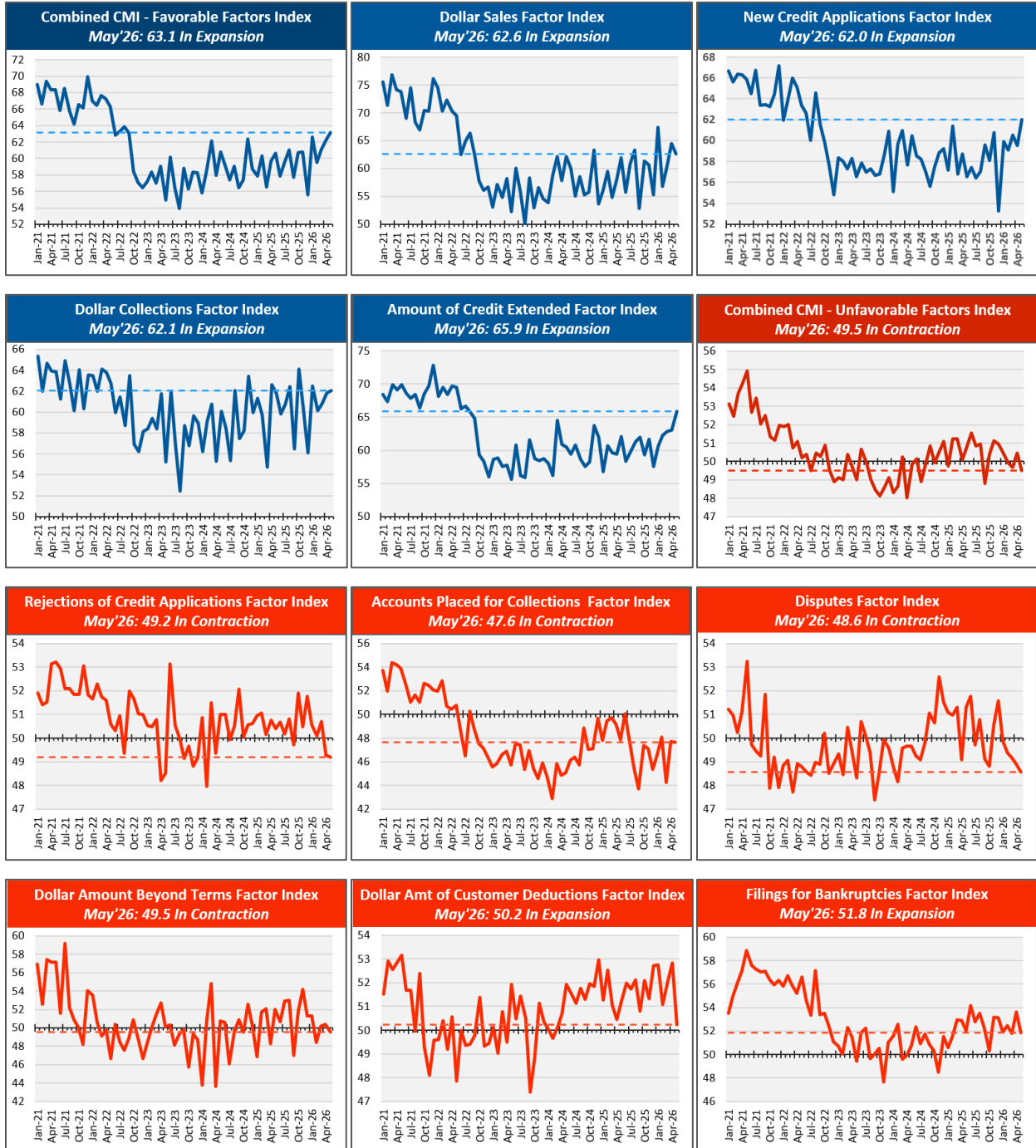
- The Index for Unfavorable Factors deteriorated by 0.9 points and now sits at 49.5 points. This index has not wavered much above or below the 50-point line denoting the break between contraction and expansion since the summer of 2021.
- All of the six unfavorable factor indexes deteriorated in the May survey. The largest decline was in Dollar Amount of Customer Deductions, which lost 2.6 points, to sit at 50.2 points.
- The factor for the number of Accounts Placed for Collections deteriorated 0.1 points to 47.6 points. This marks the index's 44th month in contraction out of the last 45. This means the number of accounts placed for collections at respondent firms has increased every month for almost four years with the exception of June of 2025 when it was essentially at neutral.
- The Index for Favorable Factors improved by 0.9 points in this month's survey. The index sits at 63.1 points. The primary driver of the improvement was an increase in the Amount of Credit Extended which gained 2.9 points.
- All of the favorable factors are in expansion.

"Like I saw last month, respondents this month seem to be either in the great situation of having one of their best years in a long time or the worrisome state of higher fraud incidence, tougher collections and more customer challenges," said Cutts.

Cutts states that one customer noted that they have instituted a tough love policy: "[We are] negotiating price increases for those requesting any terms over NET 60. Pay late, pay a higher price for service." The credit granted to customers through contracted payment terms of net 30 or 60 days is already quite generous and substantial. No bank grants such favorable terms so this form of credit is critical to the economy.

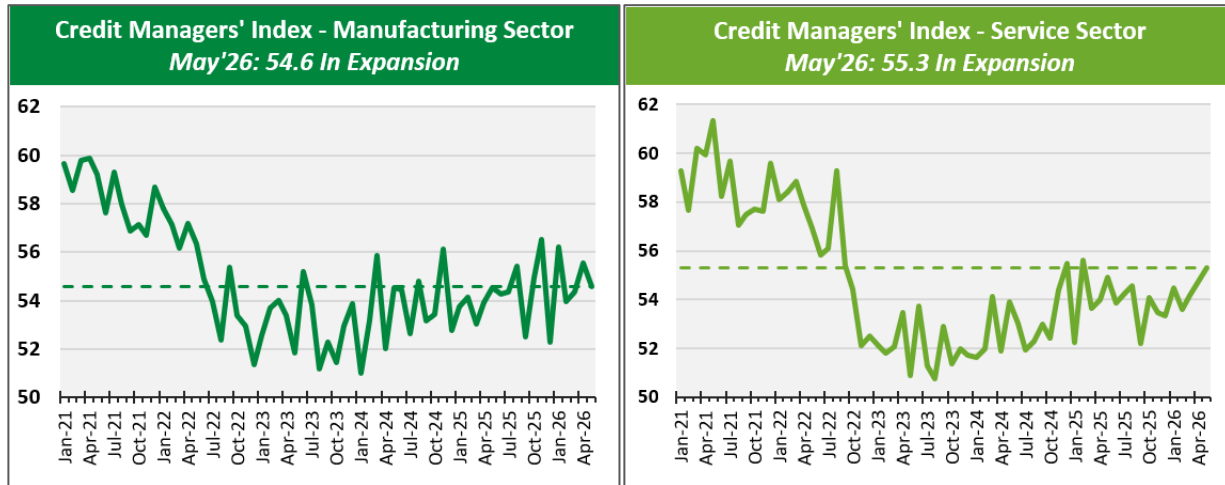
CMi Combined Sectors Factor Indexes Charts

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 1.0 point in the May CMI survey, which reflects April activity, to a level of 54.6. The Service Sector CMI improved 0.6 points to sit at 55.3 points.



The data in the charts are seasonally adjusted.

CMI Manufacturing Sector Factor Indexes

Among the CMI Manufacturing Sector Factor Indexes, favorable factors declined by 0.2 points to 60.8. The Unfavorable Factor Index also declined, losing 1.6 points, and now stands at 50.4.

Key Findings:

- Three of the four favorable factors improved in this month's survey. All remain in expansion.
- The factor for Dollar Sales was the only favorable factor to decline, losing 3.7 points to hit 59.1
- All of the six unfavorable factors deteriorated this month and now two factors are in contraction.
- The index for Rejections of Credit Applications fell back into contraction after losing 0.4 points to sit at 49.8 points.
- The Accounts Placed for Collections factor declined 1.4 points but remains in expansion. This index has been in contraction for 7 of the past 10 months.

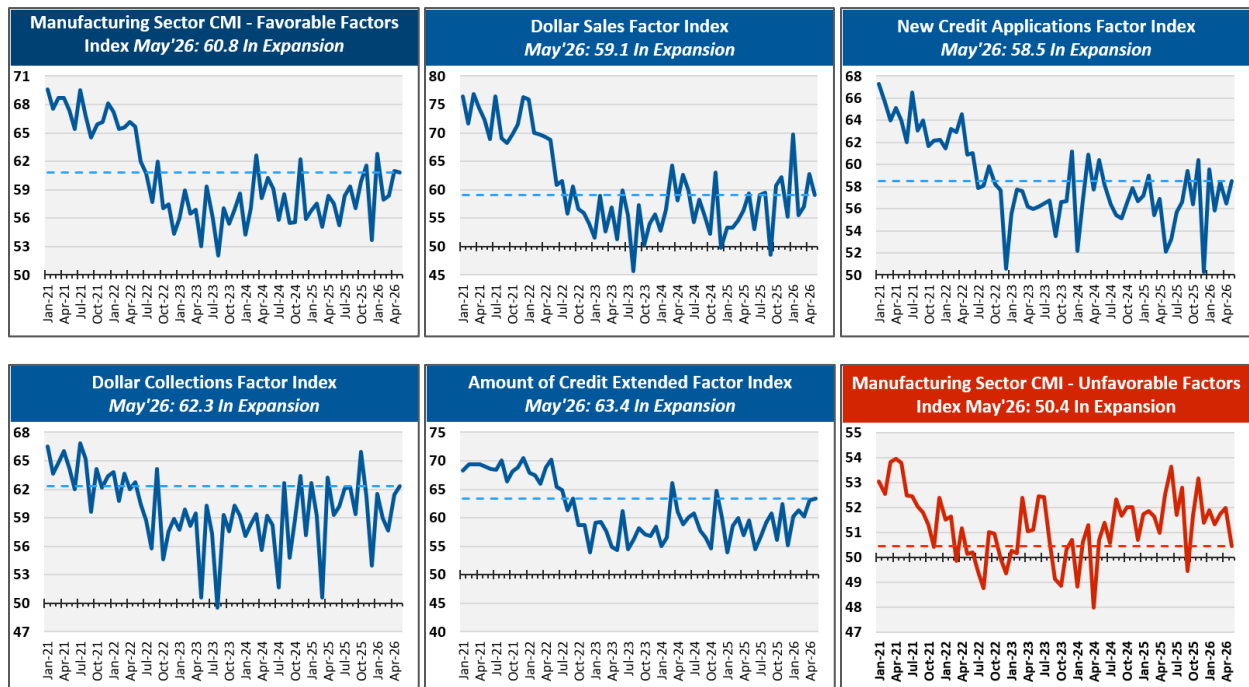
What Manufacturing Sector respondents are saying:

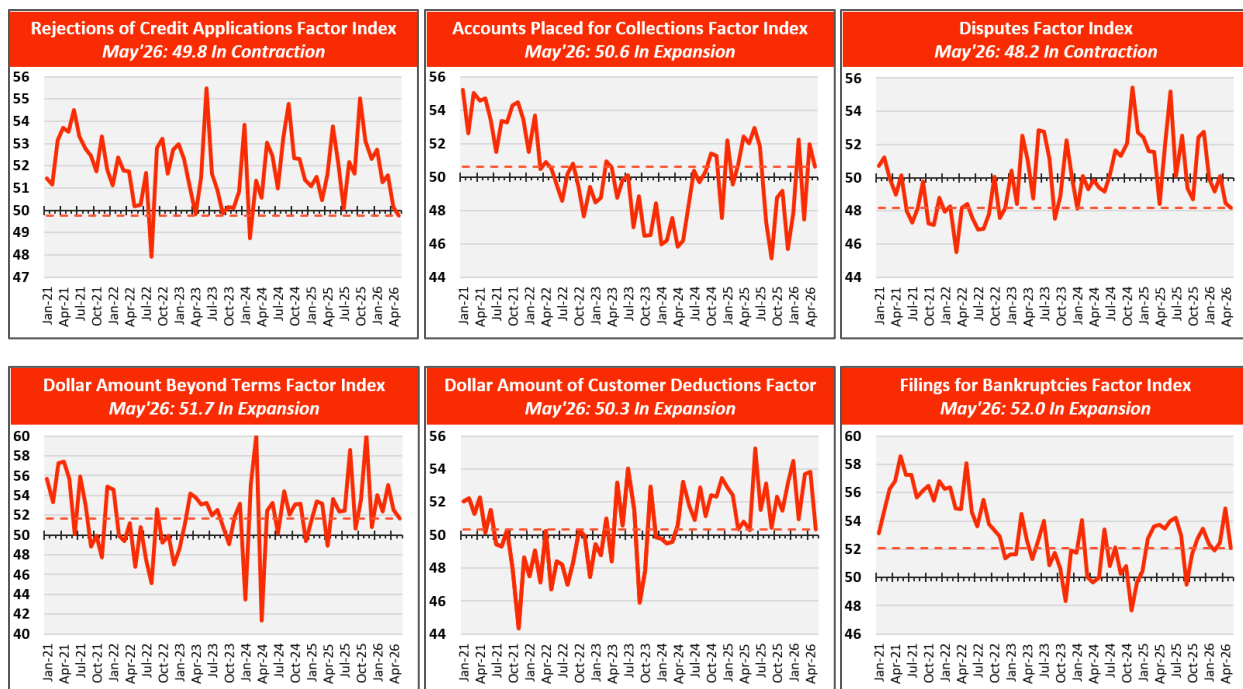
- "We just had our best April in 67 years, and it is not slowing down!"
- "Tariffs have been a big issue slowing down payment in the past several months. The raw material costs of goods sold (COGS) have increased significantly, causing pricing increases that are sometimes paid slower and/or disputed."
- "Sales have increased quite a bit in the past 90 days. Prices are increasing, although we haven't raised ours yet. Invoices are higher due to increased freight charges currently."
- "More customers are asking for extensions on payments on top of their Net30 terms."
- "Many customers are remarking that general contractors are paying slower on jobs."
- "Being in the energy industry, the price of energy products largely influenced these results. Companies see the higher prices and either have to pay much more or, in many cases, are also buying ahead as a hedge against fear that prices will rise even further."
- "Agriculture continues to suffer."

Manufacturing Sector (seasonally adjusted)	May '25	Jun '25	Jul '25	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25	Jan '26	Feb '26	Mar '26	Apr '26	May '26
Dollar Sales	59.3	53.1	59.1	59.4	48.6	60.7	62.2	55.2	69.7	55.6	57.1	62.8	59.1
New Credit Applications	52.1	53.2	55.7	56.6	59.4	56.4	60.4	50.3	59.6	55.8	58.4	56.5	58.5
Dollar Collections	59.3	60.2	62.1	62.3	59.4	65.9	61.2	54.0	61.5	59.0	57.6	61.4	62.3
Amount of Credit Extended	59.5	54.5	56.6	59.1	60.8	56.2	62.5	55.2	60.3	61.3	60.3	63.1	63.4
Index of Favorable Factors	57.6	55.2	58.4	59.3	57.1	59.8	61.6	53.7	62.8	57.9	58.3	61.0	60.8
Rejections of Credit Applications	53.8	52.1	50.1	52.2	51.7	55.0	53.1	52.3	52.7	51.3	51.6	50.1	49.8
Accounts Placed for Collection	52.0	52.9	51.8	47.3	45.1	48.7	49.2	45.7	47.8	52.2	47.5	52.0	50.6
Disputes	52.0	55.2	50.1	52.5	49.4	48.7	52.5	52.8	49.9	49.2	50.1	48.4	48.2
Dollar Amount Beyond Terms	53.6	52.4	52.5	58.6	50.7	53.6	60.2	50.8	54.0	52.3	55.1	52.5	51.7
Dollar Amount of Customer Deductions	50.3	55.3	51.5	53.1	50.4	52.3	51.5	53.1	54.5	50.9	53.7	53.8	50.3
Filings for Bankruptcies	53.4	54.0	54.2	53.0	49.5	51.7	52.8	53.5	52.3	51.9	52.4	54.9	52.0
Index of Unfavorable Factors	52.5	53.6	51.7	52.8	49.5	51.7	53.2	51.4	51.9	51.3	51.7	52.0	50.4
NACM Manufacturing CMI	54.5	54.3	54.4	55.4	52.5	54.9	56.5	52.3	56.2	54.0	54.4	55.6	54.6

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 2.0-point improvement to 65.5. The sector’s Unfavorable Factors Index deteriorated 0.4 points to 48.5, its fifth consecutive month in contraction.

Key Findings:

- The Unfavorable Factors Index has been in contraction for 41 of the past 476 months with another two months sitting exactly at neutral (at 50.0) and it has risen above a level of 51 only once in that time span.
- Half of the four favorable factors improved this month, with the factor for the Amount of Credit Extended leading that improvement with a gain of 5.5 points. All favorable factors remain in expansion.
- The factor for Accounts Placed for Collections increased by 1.3 points but remains well into contraction at a value of 44.7, marking its 47th month in contraction out of the last 50 months. During that period the index was in expansion only in May 2022, August 2022, and December 2024.
- Four of the six unfavorable factors are in contraction, with Amount of Customer Deductions at the threshold between expansion and contraction (50.1) after losing 1.7 points this month.

What Service Sector respondents are saying:

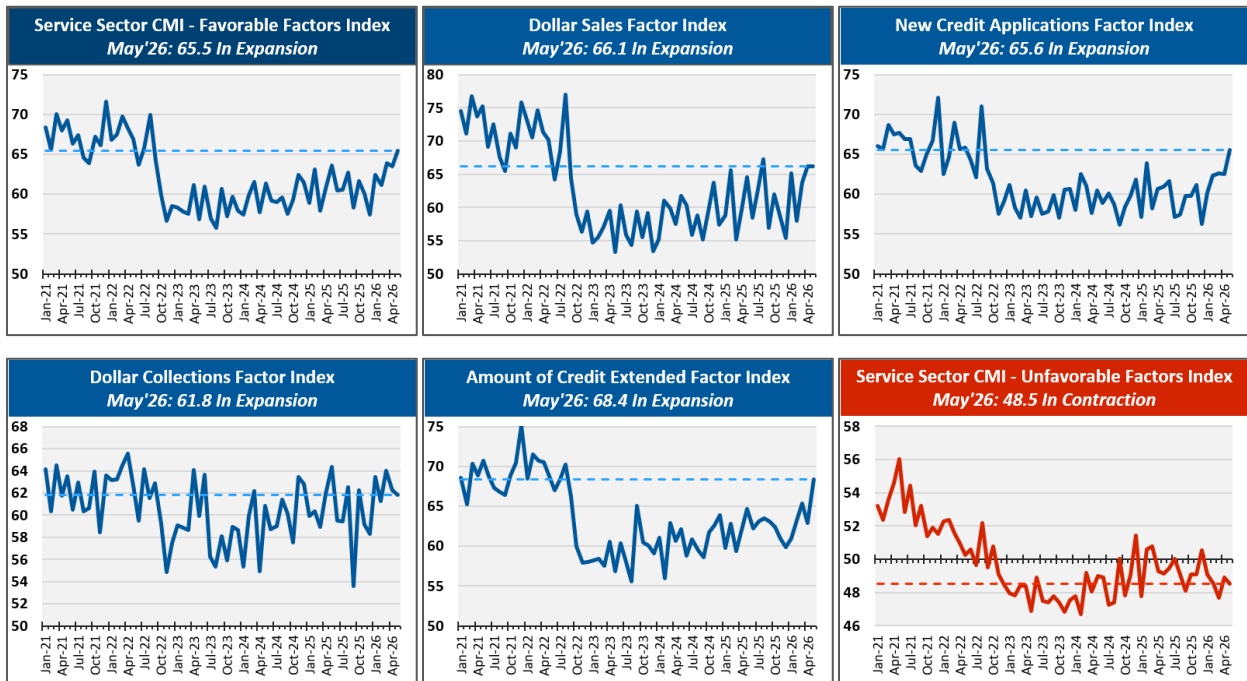
- “We had 3 long-term solar-related accounts in Washington close their doors in April. Seems like more of the solar-related accounts are starting to struggle since the current administration rolled back incentives for the green energy sector.”
- “We experienced a large customer Chapter 7 bankruptcy this past month.”
- “We are slowly seeing an increase of payments towards past due amounts. Small payments, but some progress nonetheless.”
- “[We are seeing an] increase in new credit applications requesting substantial credit limits that aren't substantiated through provided references or credit reports.”
- “[Despite] the up and down turmoil in the Middle East, orders are holding steady. The tariff refunds have positively impacted our customers, boosting confidence to have larger orders filled and larger inventories.”

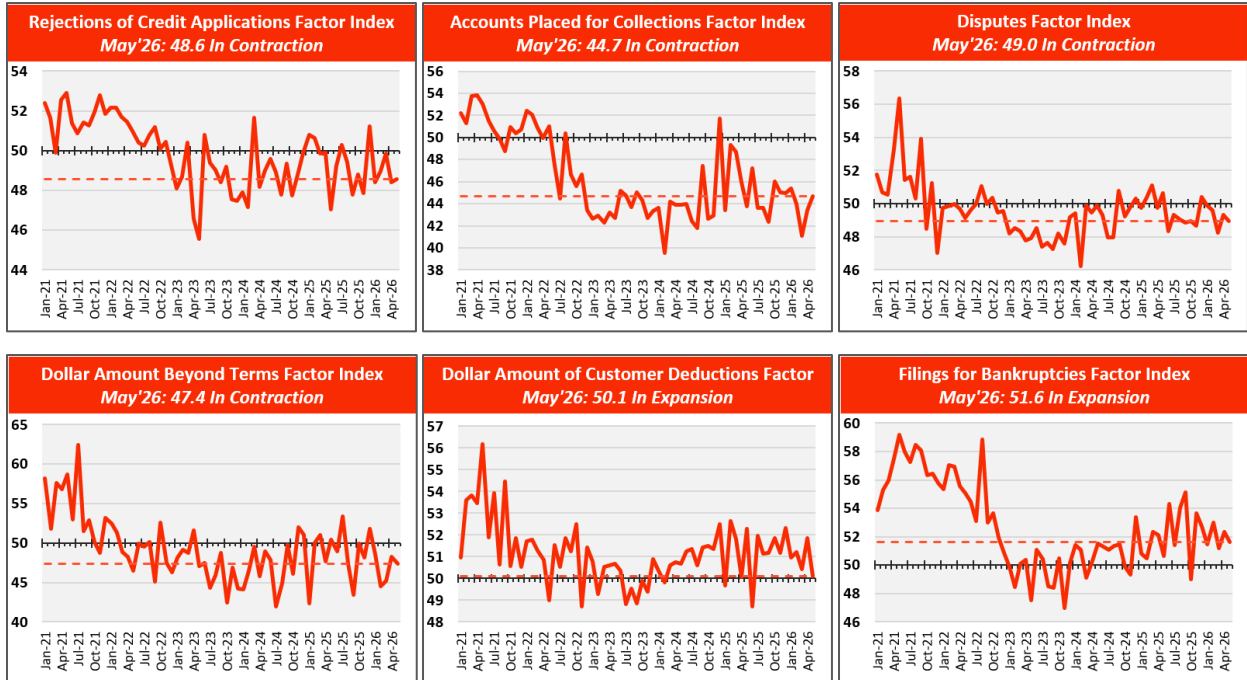
- “[We are] experiencing an increased number of ‘Not Sufficient Funds’ returns.”
- “Credit card fraud is more frequent.”
- “Consolidation in segments of our industry have contributed to collection issues, while at same time in some areas collections have improved. Overall, backlog of orders remains high. In some cases, the backlog stems from tightening in the market with capacity reductions.”

Service Sector (seasonally adjusted)	May '25	Jun '25	Jul '25	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25	Jan '26	Feb '26	Mar '26	Apr '26	May '26
Dollar Sales	64.5	58.4	62.7	67.3	57.0	61.9	58.9	55.4	65.2	57.9	63.7	66.2	66.1
New Credit Applications	61.0	61.6	57.2	57.5	59.8	59.8	61.1	56.2	60.2	62.3	62.6	62.6	65.6
Dollar Collections	64.4	59.5	59.4	62.6	53.6	62.3	59.2	58.3	63.5	61.3	64.0	62.2	61.8
Amount of Credit Extended	64.7	62.3	63.1	63.5	63.1	62.4	61.0	59.9	61.0	63.2	65.4	62.9	68.4
Index of Favorable Factors	63.6	60.5	60.6	62.7	58.4	61.6	60.0	57.5	62.5	61.2	63.9	63.5	65.5
Rejections of Credit Applications	47.0	49.2	50.3	49.4	47.8	48.8	47.9	51.2	48.4	49.0	49.9	48.4	48.6
Accounts Placed for Collection	43.8	47.2	43.6	43.6	42.3	46.0	45.1	45.0	45.4	44.0	41.1	43.4	44.7
Disputes	50.6	48.3	49.3	49.0	48.8	48.9	48.7	50.4	49.9	49.6	48.3	49.3	49.0
Dollar Amount Beyond Terms	50.4	48.9	53.4	47.4	43.4	50.0	48.2	51.8	48.6	44.5	45.2	48.3	47.4
Dollar Amount of Customer Deductions	52.3	48.7	52.0	51.1	51.2	51.9	51.2	52.3	51.0	51.2	50.4	51.8	50.1
Filings for Bankruptcies	50.6	54.3	51.4	54.1	55.2	49.0	53.6	52.7	51.5	53.0	51.2	52.3	51.6
Index of Unfavorable Factors	49.1	49.5	50.0	49.1	48.1	49.1	49.1	50.6	49.1	48.5	47.7	48.9	48.5
NACM Service CMI	54.9	53.9	54.2	54.5	52.2	54.1	53.5	53.3	54.5	53.6	54.2	54.7	55.3

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>.