



Report for September 2025

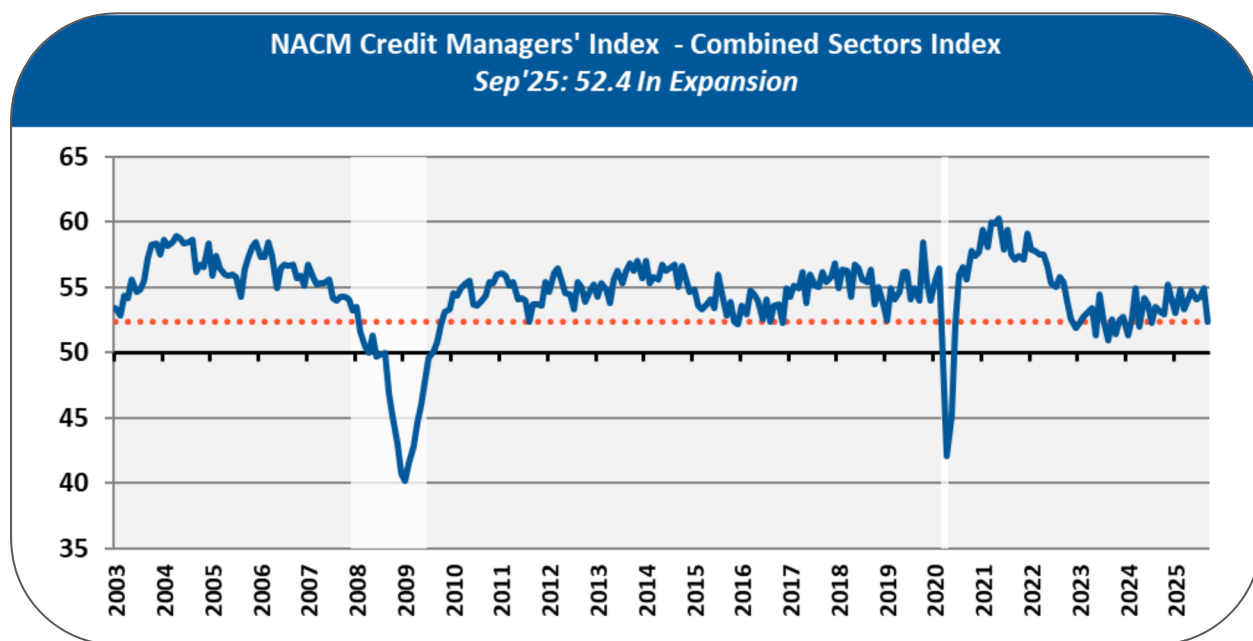
Issued October 1, 2025

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 September 2025 deteriorated 2.6 points to 52.4. "This is the first month that the CMI survey data matches what respondents have been saying in their comments, and it is pointing to significant weakness," said NACM Economist Amy Crews Cutts, Ph.D., CBE. "The level of the index is still in expansion, but it is at the lowest level since January 2024."

"The weakness in the combined index is coming from both the manufacturing and services sectors. There are many reasons cited for the weakness, but the biggest shock has come from a large decline in dollar sales," said Cutts. "Some, but not all, companies are raising prices as their costs have gone up whether from tariffs, compliance or labor costs. The dramatic decline in dollar sales is coming from fewer unit sales, which has real economic implications, like potential layoffs or jobs that won't be filled, or worse, business failures."



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)	Sep '24	Oct '24	Nov '24	Dec '24	Jan '25	Feb '25	Mar '25	Apr '25	May '25	Jun '25	Jul '25	Aug '25	Sep '25
Dollar Sales	55.3	55.8	63.4	53.6	56.1	59.5	54.9	58.0	61.9	55.8	60.9	63.3	52.8
New Credit Applications	55.6	57.5	58.9	59.2	57.2	61.4	56.8	58.8	56.5	57.4	56.4	57.0	59.6
Dollar Collections	57.5	58.2	63.4	60.0	61.3	59.8	54.8	62.6	61.8	59.8	60.8	62.4	56.5
Amount of Credit Extended	57.6	58.2	63.7	62.0	56.8	60.7	59.6	59.5	62.1	58.4	59.9	61.3	62.0
Index of Favorable Factors	56.5	57.4	62.3	58.7	57.9	60.3	56.5	59.7	60.6	57.9	59.5	61.0	57.7
Rejections of Credit Applications	52.1	50.0	50.6	50.6	50.9	51.1	50.2	50.8	50.4	50.7	50.2	50.8	49.7
Accounts Placed for Collection	48.9	47.0	47.1	49.6	47.8	49.4	49.7	49.2	47.9	50.1	47.7	45.5	43.7
Disputes	51.0	50.6	52.6	51.5	51.1	51.0	51.3	49.1	51.3	51.8	49.7	50.8	49.1
Dollar Amount Beyond Terms	50.9	49.6	52.6	50.2	46.9	51.7	52.1	48.3	52.0	50.7	52.9	53.0	47.0
Dollar Amount of Customer Deductions	51.3	52.0	51.8	53.0	51.3	52.5	51.1	50.4	51.3	52.0	51.7	52.1	50.8
Filings for Bankruptcies	50.9	50.3	48.5	51.5	50.6	51.6	53.0	52.9	52.0	54.2	52.8	53.5	52.3
Index of Unfavorable Factors	50.8	49.9	50.5	51.1	49.8	51.2	51.2	50.1	50.8	51.5	50.9	50.9	48.8
NACM Combined CMI	53.1	52.9	55.3	54.1	53.0	54.9	53.3	54.0	54.7	54.1	54.3	55.0	52.4

CMI Combined Sectors Factor Indexes

Key Findings:

- The Index for Unfavorable Factors deteriorated 2.1 points, falling into contraction territory to 48.8 points.
- All unfavorable factor indexes deteriorated with four of the six indexes now in contraction. The largest decline was in the index for Dollar Amount Beyond Terms, which lost 6.0 points, falling to 47.0.
- The index for Accounts Placed for Collection deteriorated 1.8 points, marking its 36th month of the last 37 in contraction. This indicates that the number of accounts placed for collections at respondent firms has increased every month for nearly 3 years with the exception of June 2025 when it was essentially in neutral territory.
- The Index for Favorable Factors deteriorated by 3.3 points in this month's survey although remaining in expansion at 57.7 points.
- While all of the favorable factor indexes are in expansion, two indexes deteriorated sharply this month. The index Dollar Sales fell 10.5 points, its steepest drop since the onset of the COVID19 pandemic. Even with this decline, the Dollar Sales index continues to cling on to expansion at 52.8, but weakly so. The index for Dollar Collections from both due and past due accounts deteriorated 5.9 points to 56.5.

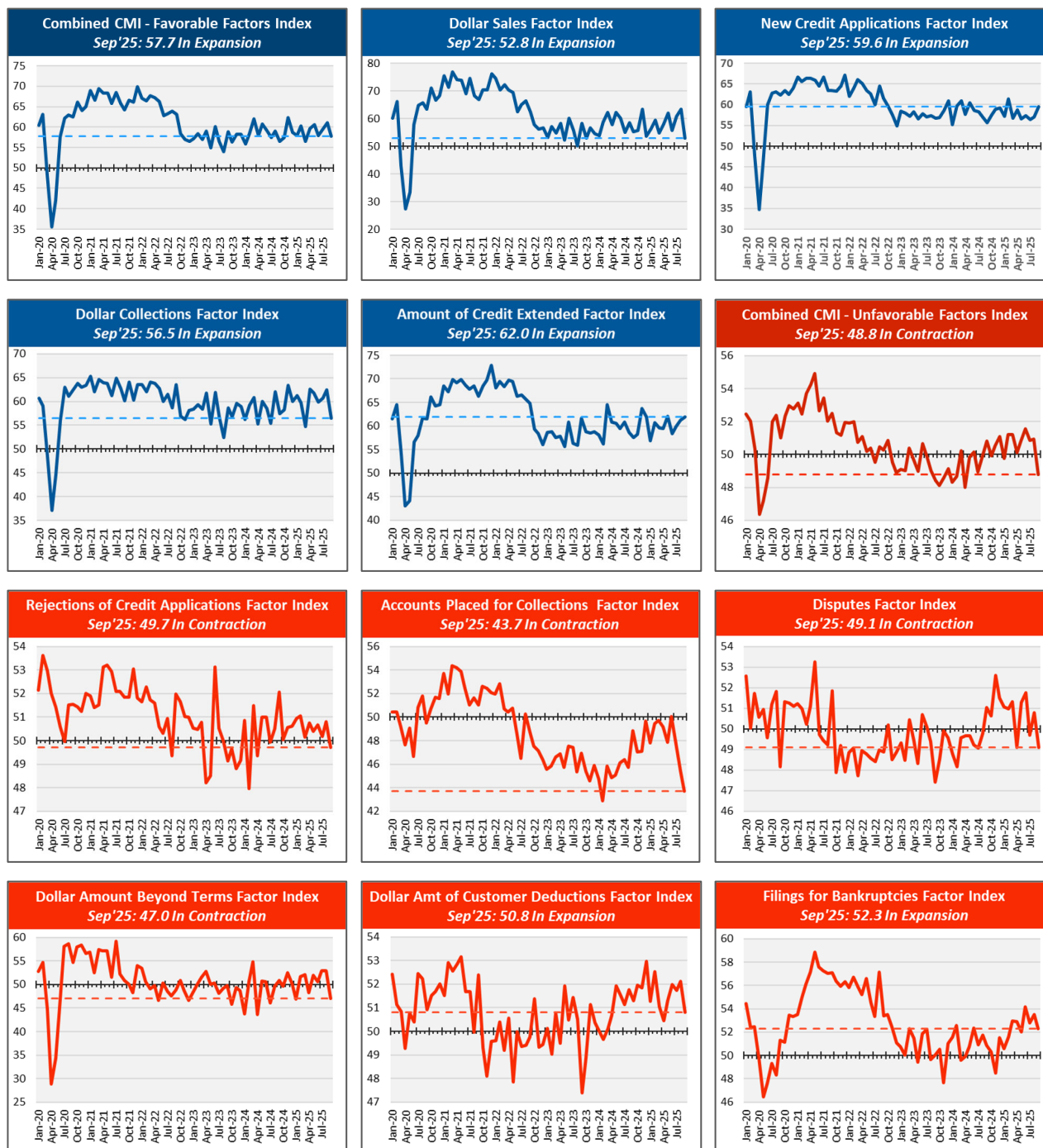
"The comments from respondents signal an alarming sea change this month," said Cutts. "Respondents are seeing an increase in business failures and bankruptcies, lien filings, and demands for extended terms. The energy behind the comments is strong and conveys significant worry that I have not seen since the 2007-2009 Financial Crisis and Great Recession. The CMI index numbers took a hit this month, and although the scores look similar to what we have seen in the recent past, this feels materially different."

She continued, "Companies are struggling on both ends – getting new sales orders in and getting paid for orders already fulfilled. Some of the factors in the CMI that we normally would think of as favorable, like new applications for credit, are in reality negative as clients are asking for credit not to expand their business but because they have been turned down by their usual suppliers. More and more respondents are noting this in their comments. They also said that they are seeing normally reliable customers running into difficulties and asking for term extensions."

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.

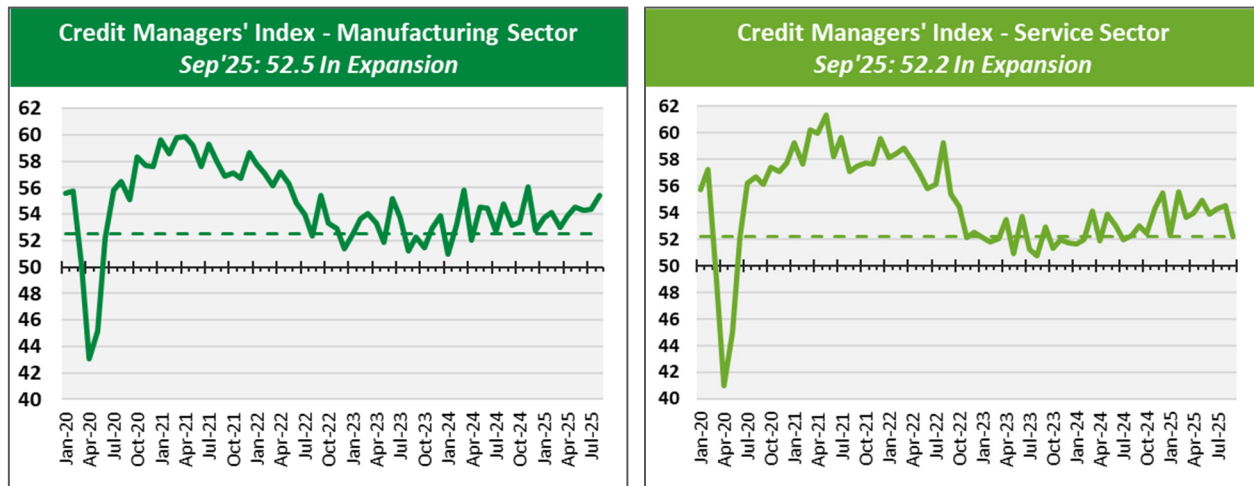


CMI Manufacturing versus CMI Service Sectors Indexes

The Manufacturing Sector CMI declined by 2.9 points to 52.5, which reflects August activity. The Service Sector CMI slipped 2.3 points to 52.2.

“The Federal Reserve’s Open Market Committee (FOMC) met earlier this month and lowered the target Federal Funds interest rate by one quarter of a point. This is an overnight rate that banks can charge one another to balance their ledgers for a short interval until transfers clear. Market interest rates move for many reasons, including the signals from the FOMC on current and future policy actions. Longer term Treasury rates, on which many consumer and business loans are priced, have risen since the Fed met, ironically having the opposite effect of the FOMC’s intention,” said Cutts.

“One reason is that many market participants had likely priced in not only this rate cut but likely further cuts later in the year. Additionally, the US Treasury market is a global market, so unrelated events from the news we may be focused on can influence rates. The bottom line, though, is that credit is not getting cheaper and for credit managers struggling to get paid within terms, the delays are very expensive.”



The data in the charts are seasonally adjusted.

CMI Manufacturing Sector Factor Indexes

Among the CMI Manufacturing Sector Factor Indexes, favorable factors fell 2.2 points to 57.1. The Unfavorable Factor Index lost 3.3 points and now stands at 49.5.

Key Findings:

- Two of the four favorable factors deteriorated this month. The index for Dollar Sales fell significantly by 10.8 points to 48.6, bringing it into contraction for the first time since the onset of the COVID19 recession.
- All of the unfavorable factor indexes deteriorated, with half now in contraction.
- The largest decline among unfavorable factors was the Dollar Amount Beyond Terms index, which dropped 7.9 points to 50.7 points, which is in expansion but weakly so.
- The index for Accounts Placed for Collection deteriorated 2.2 points to 45.1, marking its second month in contraction after six months in expansion.

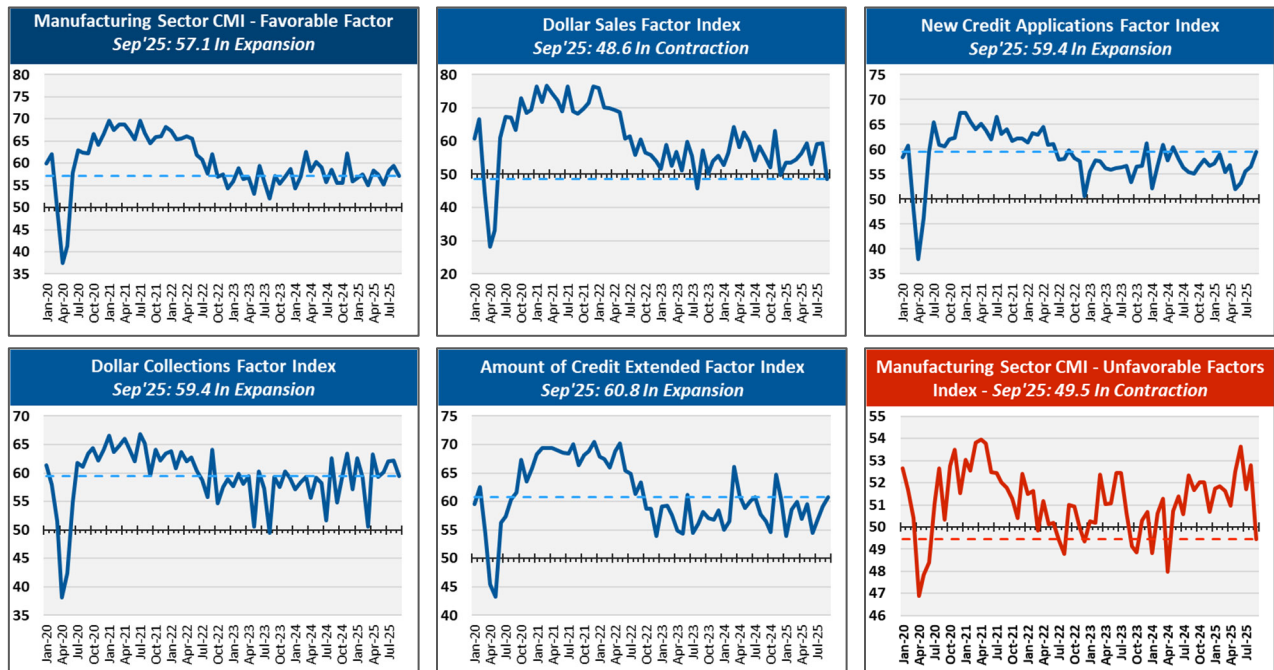
“Respondents this month were very blunt about the changing conditions,” said Cutts. “One manufacturer said that it has not seen a slow down like this since 2007 and that smaller accounts less than \$15,000 are going immediately to collections. Another reported three bankruptcies this month, mirroring the 2007/2008 business environment. Also

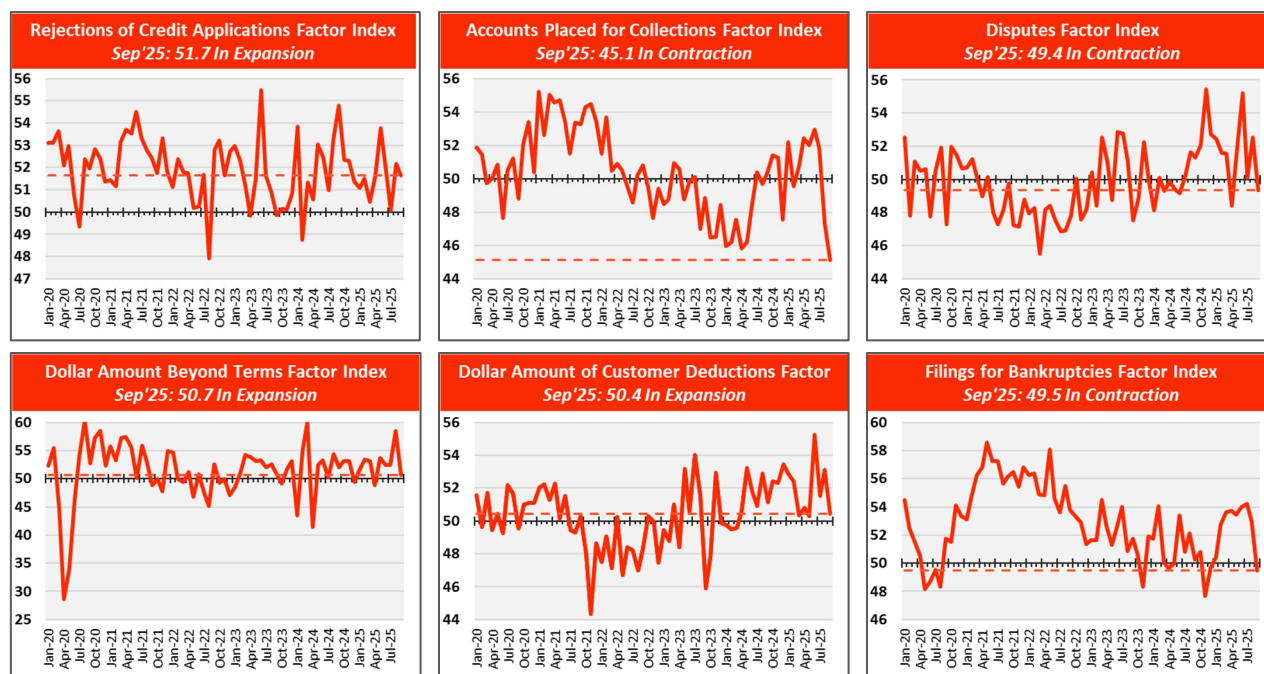
reported was a noticeable drop in orders and revenue in August after a few months of small gains in the early summer. Customers are seeking extended terms and encountering cash flow issues as they struggle themselves to get paid.” Cutts added, “Not one respondent mentioned tariffs or other specific policy changes that may be causing the change in business conditions, but one did mention that Agriculture continues to see stress with no relief in sight.”

Manufacturing Sector (seasonally adjusted)	Sep '24	Oct '24	Nov '24	Dec '24	Jan '25	Feb '25	Mar '25	Apr '25	May '25	Jun '25	Jul '25	Aug '25	Sep '25
Dollar Sales	55.4	52.2	63.0	49.8	53.4	53.4	54.5	56.4	59.3	53.1	59.1	59.4	48.6
New Credit Applications	55.1	56.5	57.9	56.6	57.1	59.0	55.4	56.9	52.1	53.2	55.7	56.6	59.4
Dollar Collections	54.8	58.9	63.4	57.1	62.7	59.2	50.6	63.3	59.3	60.2	62.1	62.3	59.4
Amount of Credit Extended	56.6	54.6	64.7	60.1	53.9	58.6	59.9	56.9	59.5	54.5	56.6	59.1	60.8
Index of Favorable Factors	55.5	55.6	62.2	55.9	56.8	57.5	55.1	58.3	57.6	55.2	58.4	59.3	57.1
Rejections of Credit Applications	54.8	52.3	52.3	51.4	51.1	51.5	50.5	51.6	53.8	52.1	50.1	52.2	51.7
Accounts Placed for Collection	50.4	51.4	51.2	47.6	52.2	49.5	50.8	52.4	52.0	52.9	51.8	47.3	45.1
Disputes	51.3	52.1	55.4	52.7	52.4	51.6	51.5	48.4	52.0	55.2	50.1	52.5	49.4
Dollar Amount Beyond Terms	52.1	53.1	53.1	49.4	51.4	53.4	53.2	48.9	53.6	52.4	52.5	58.6	50.7
Dollar Amount of Customer Deductions	51.2	52.4	52.3	53.5	52.9	52.4	50.3	50.8	50.3	55.3	51.5	53.1	50.4
Filings for Bankruptcies	50.3	50.8	47.7	49.7	50.4	52.7	53.6	53.7	53.4	54.0	54.2	53.0	49.5
Index of Unfavorable Factors	51.7	52.0	52.0	50.7	51.7	51.9	51.6	51.0	52.5	53.6	51.7	52.8	49.5
NACM Manufacturing CMI	53.2	53.4	56.1	52.8	53.7	54.1	53.0	53.9	54.5	54.3	54.4	55.4	52.5

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 4.3-point deterioration to 58.4, well into expansion. The sector's Unfavorable Factors Index deteriorated also, losing 1.0 point to 48.1, marking its sixth consecutive month in contraction or at best neutral.

Key Findings:

- The Unfavorable Factors Index has been in contraction for 34 of the past 40 months, with two of those months sitting exactly at neutral or 50.0. During that time, it has risen above a level of 51 twice.
- One of the factors in the Favorable Factor Index improved this month, the Index for New Credit Applications which climbed 2.3 points to 59.8.
- Like the Manufacturing sector, the Dollar Sales Index fell sharply this month, plummeting 10.3 points to 57.0.
- The index for the Dollar Collections on both due and past due accounts also tumbled sharply, losing 9.0 points to 53.6.
- The Index for Accounts Placed for Collections slid further, losing 1.3 points to 42.3, marking its 39th month in contraction out of the last 42 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 by 4 points to 43.4. This index has been showing weakness for the past three years with some periods just above the expansion/contraction line but never spending long in expansion.

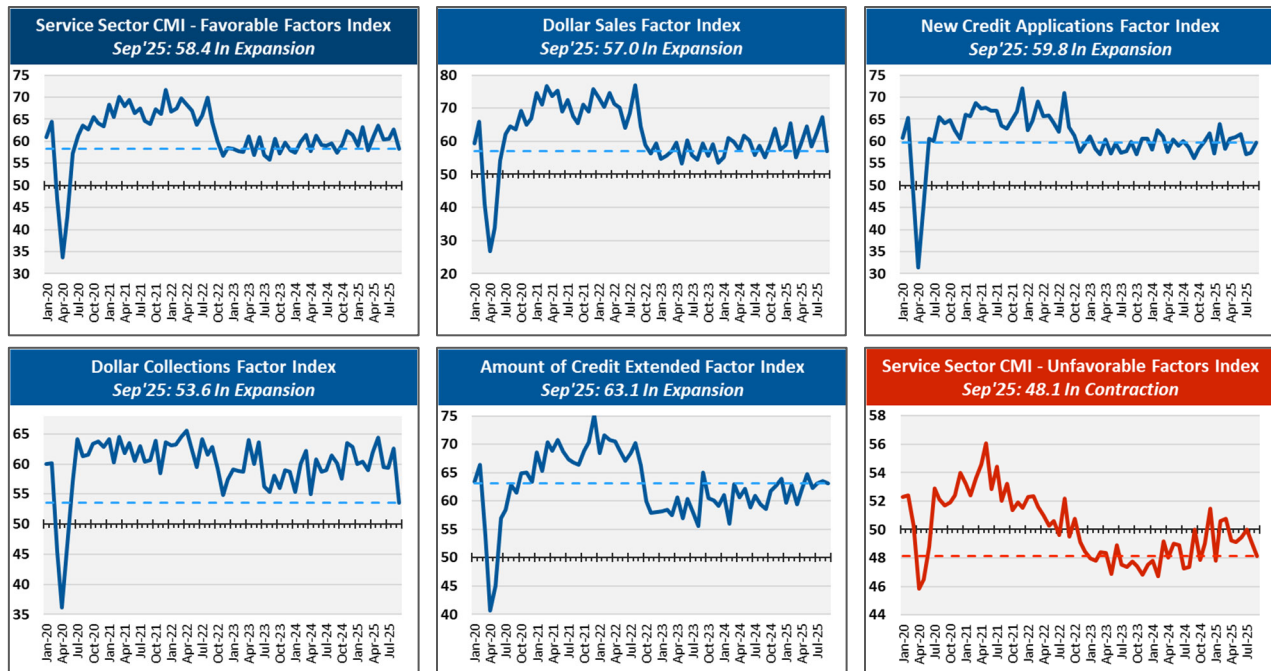
“Service sector respondents in the CMI survey reiterated that collecting payments is becoming more challenging,” said Cutts. “One said, ‘Customers continue to find ways to delay or withhold payments due to limited cash flow, while another said that it’s been more difficult to collect payment in the 2nd quarter for 2025 than it has been in the last 5 years.’”

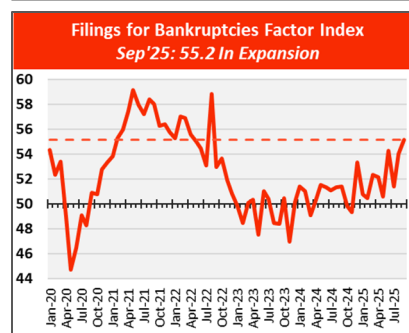
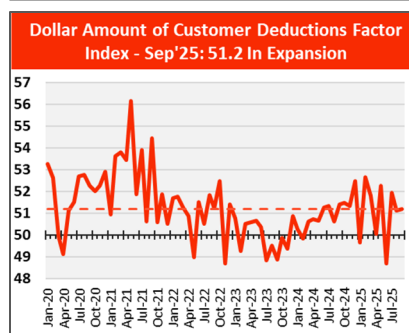
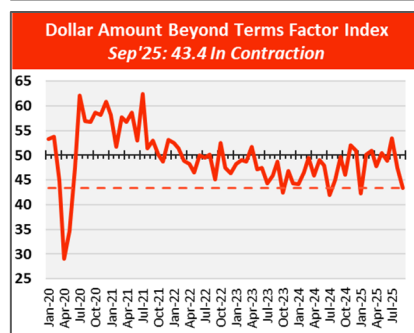
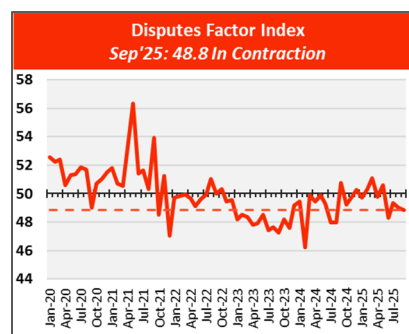
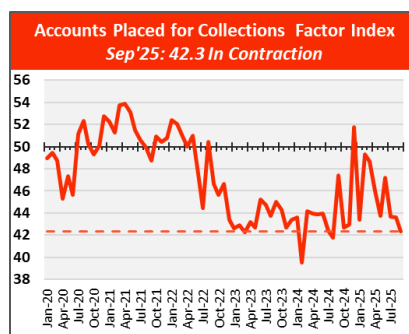
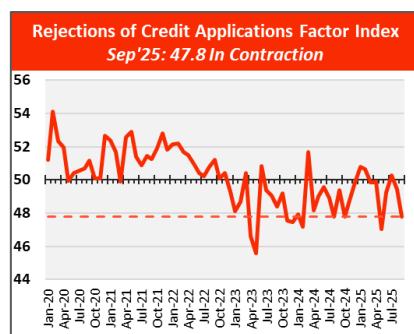
Cutts added, “Credit managers are the first and last line of defense for a company’s bottom line. Sales gets rewarded when the contract is signed but the additional work is done by the credit professionals who ensure that payment will be made. One respondent noted the pressure in their comment this month, saying ‘The number of customers that are 'ghosting' has increased. Extending terms demands are picking up as well. This is a direct result of the sales push and need to expand customer base.’”

Service Sector (seasonally adjusted)	Sep '24	Oct '24	Nov '24	Dec '24	Jan '25	Feb '25	Mar '25	Apr '25	May '25	Jun '25	Jul '25	Aug '25	Sep '25
Dollar Sales	55.1	59.4	63.7	57.4	58.9	65.6	55.2	59.7	64.5	58.4	62.7	67.3	57.0
New Credit Applications	56.1	58.4	59.8	61.8	57.2	63.9	58.2	60.6	61.0	61.6	57.2	57.5	59.8
Dollar Collections	60.1	57.5	63.5	62.8	59.9	60.3	58.9	61.9	64.4	59.5	59.4	62.6	53.6
Amount of Credit Extended	58.6	61.8	62.7	63.9	59.7	62.8	59.3	62.0	64.7	62.3	63.1	63.5	63.1
Index of Favorable Factors	57.5	59.3	62.4	61.5	58.9	63.1	57.9	61.1	63.6	60.5	60.6	62.7	58.4
Rejections of Credit Applications	49.4	47.8	48.8	49.9	50.8	50.6	49.9	49.9	47.0	49.2	50.3	49.4	47.8
Accounts Placed for Collection	47.4	42.7	42.9	51.7	43.4	49.3	48.7	46.0	43.8	47.2	43.6	43.6	42.3
Disputes	50.8	49.2	49.8	50.3	49.7	50.3	51.1	49.8	50.6	48.3	49.3	49.0	48.8
Dollar Amount Beyond Terms	49.7	46.1	52.0	51.0	42.3	50.1	51.0	47.7	50.4	48.9	53.4	47.4	43.4
Dollar Amount of Customer Deductions	51.4	51.5	51.3	52.5	49.7	52.7	51.8	50.1	52.3	48.7	52.0	51.1	51.2
Filings for Bankruptcies	51.4	49.9	49.3	53.4	50.8	50.5	52.3	52.1	50.6	54.3	51.4	54.1	55.2
Index of Unfavorable Factors	50.0	47.8	49.0	51.5	47.8	50.6	50.8	49.3	49.1	49.5	50.0	49.1	48.1
NACM Service CMI	53.0	52.4	54.4	55.5	52.2	55.6	53.6	54.0	54.9	53.9	54.2	54.5	52.2

CMI Service 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.





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 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>.