



Report for June 2025

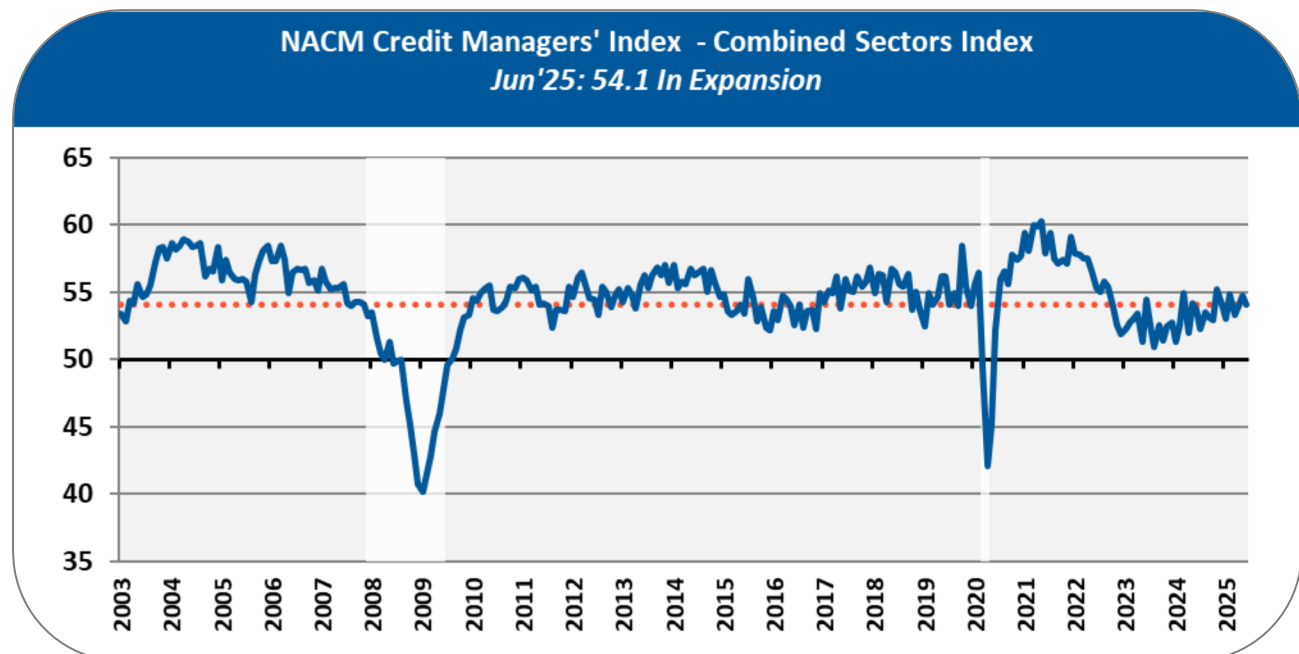
Issued July 1, 2025

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 June 2025 deteriorated 0.6 points to 54.1. "The CMI continues to show resilience in the face of great economic uncertainty in the U.S. and globally," said NACM Economist Amy Crews Cutts, Ph.D., CBE.

"The Credit Managers' Index is based on a survey of credit managers regarding their companies' experiences in the month just completed. So, this month's survey is asking about May activity. There seems to be a developing theme of two paths: companies greatly affected by pressures from tariffs, immigration policy and global capital markets (currency exchange and interest rates), and companies unaffected by changing conditions. For those in the affected group, we are hearing grave concerns over payment delays, business closures with and without bankruptcy filings, and more trouble doing business generally. For the rest, they indicate that so far things are still good, in some cases because they are seasonal businesses currently in their slow period or because falling energy costs have helped recently."



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)	Jun '24	Jul '24	Aug '24	Sep '24	Oct '24	Nov '24	Dec '24	Jan '25	Feb '25	Mar '25	Apr '25	May '25	Jun '25
Dollar Sales	60.1	55.1	58.5	55.3	55.8	63.4	53.6	56.1	59.5	54.9	58.0	61.9	55.8
New Credit Applications	58.5	58.2	57.1	55.6	57.5	58.9	59.2	57.2	61.4	56.8	58.8	56.5	57.4
Dollar Collections	58.5	55.3	62.0	57.5	58.2	63.4	60.0	61.3	59.8	54.8	62.6	61.8	59.8
Amount of Credit Extended	59.4	60.8	58.6	57.6	58.2	63.7	62.0	56.8	60.7	59.6	59.5	62.1	58.4
Index of Favorable Factors	59.1	57.4	59.1	56.5	57.4	62.3	58.7	57.9	60.3	56.5	59.7	60.6	57.9
Rejections of Credit Applications	51.0	49.9	50.5	52.1	50.0	50.6	50.6	50.9	51.1	50.2	50.8	50.4	50.7
Accounts Placed for Collection	46.1	46.4	45.7	48.9	47.0	47.1	49.6	47.8	49.4	49.7	49.2	47.9	50.1
Disputes	49.2	49.1	49.8	51.0	50.6	52.6	51.5	51.1	51.0	51.3	49.1	51.3	51.8
Dollar Amount Beyond Terms	50.6	46.1	49.7	50.9	49.6	52.6	50.2	46.9	51.7	52.1	48.3	52.0	50.7
Dollar Amount of Customer Deductions	51.5	51.1	51.8	51.3	52.0	51.8	53.0	51.3	52.5	51.1	50.4	51.3	52.0
Filings for Bankruptcies	52.4	50.9	51.7	50.9	50.3	48.5	51.5	50.6	51.6	53.0	52.9	52.0	54.2
Index of Unfavorable Factors	50.1	48.9	49.9	50.8	49.9	50.5	51.1	49.8	51.2	51.2	50.1	50.8	51.5
NACM Combined CMI	53.7	52.3	53.5	53.1	52.9	55.3	54.1	53.0	54.9	53.3	54.0	54.7	54.1

CMI Combined Sectors Factor Indexes

Key Findings:

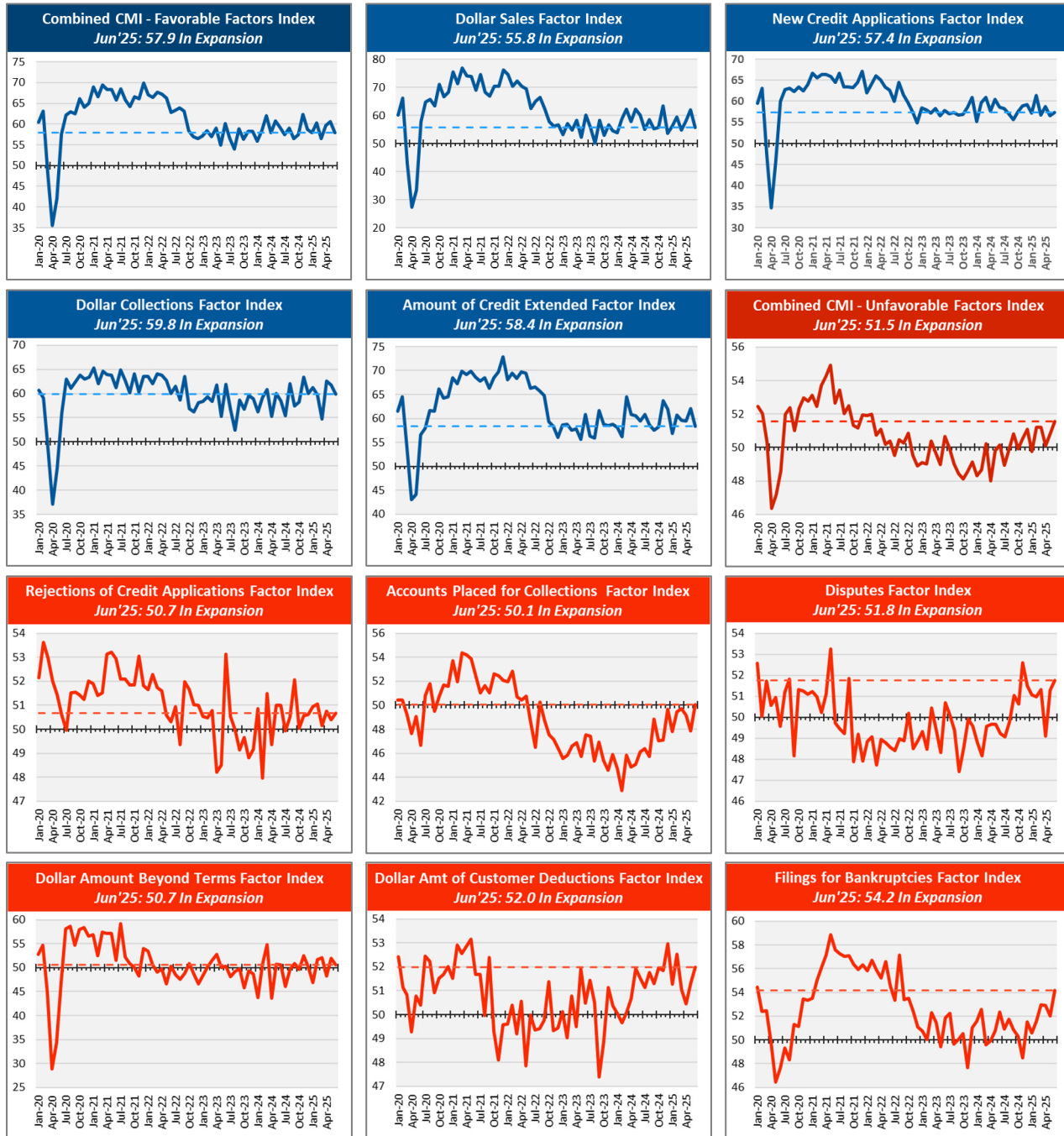
- The Index for Unfavorable Factors improved to 51.5 and marked its fifth month in expansion territory. None of the six unfavorable factors are in contraction, and only one is more than 2.0 points above the threshold.
- The Index for Accounts Placed for Collection improved 2.2 points, moving into expansion after 33 months in contraction. This means the number of accounts placed for collections at respondent firms has increased every month for nearly three years until this month. The index is now at 50.1.
- The Index for Favorable Factors deteriorated by 2.7 points in this month's survey. The index sits in expansion at 57.9. Three of the four favorable factor indexes improved, with dollar sales leading the deterioration.
- The new credit applications index is the only favorable factor index that improved this month.

"Respondents made many comments on the impact of tariffs beyond the obvious rising costs of materials or finished goods," said Cutts. "One respondent summarized it as, 'Rising duty costs and increased customer requests for extended payment terms are placing added pressure on operations. Additionally, frequent tariff changes are disrupting the transportation industry and leading to invoice inaccuracies, as custom systems are unable to keep pace with the rapid updates.'"

She continued, "This sentiment was echoed by several other respondents. In addition to the direct costs, the new tariff policies are disrupting business operations and finance functions in many ways."

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.

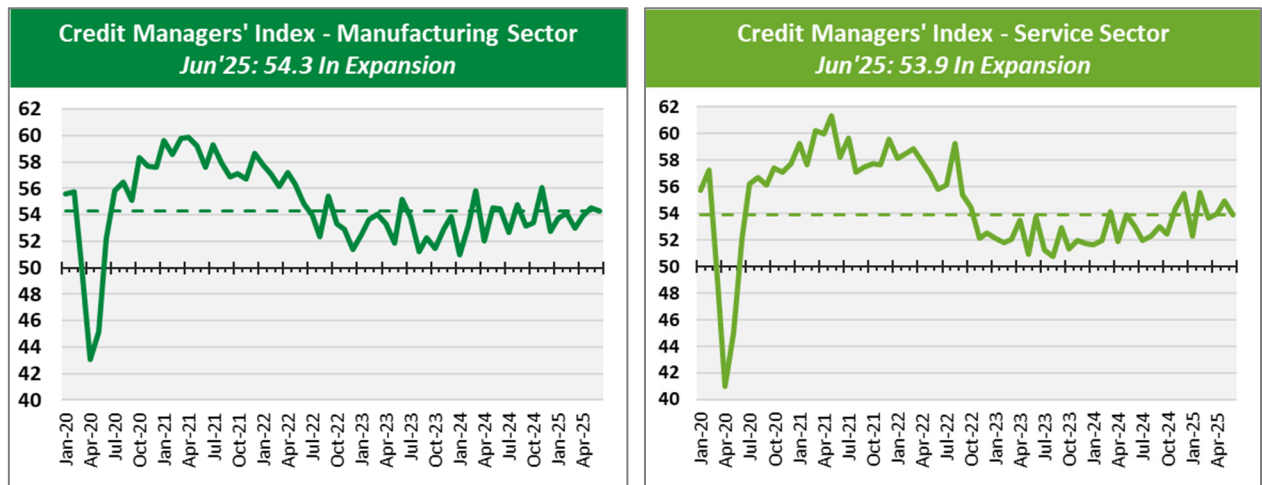


CMI Manufacturing versus CMI Service Sectors Indexes

The Manufacturing Sector CMI fell 0.2 points in June to a level of 54.3. The Service Sector CMI deteriorated by 1 point to sit at 53.9.

“Both sectors show deterioration in the June survey,” said Cutts. “The uncertainty over tariffs and potential price increases are causing some companies to buy in bulk to try to lock in prices for a few months. This puts credit managers in a bind because customers may be asking for orders in excess of their credit limits. Will they be able to pay for this extension or even stay in business? It’s a tough call.”

“Customers are already asking for extended terms according to several NACM member respondents,” Cutts added, “and one respondent commented that they are seeing more customers closing or planning to close by the year end, seemingly by choice rather than bankruptcy.”



The data in the charts are seasonally adjusted.

CMI Manufacturing Sector Factor Indexes

Among the CMI Manufacturing Sector Factor Indexes, favorable factors deteriorated 2.4 points to 55.2. The Unfavorable Factor Index improved 1.1 points and now stands at 53.6.

Key Findings:

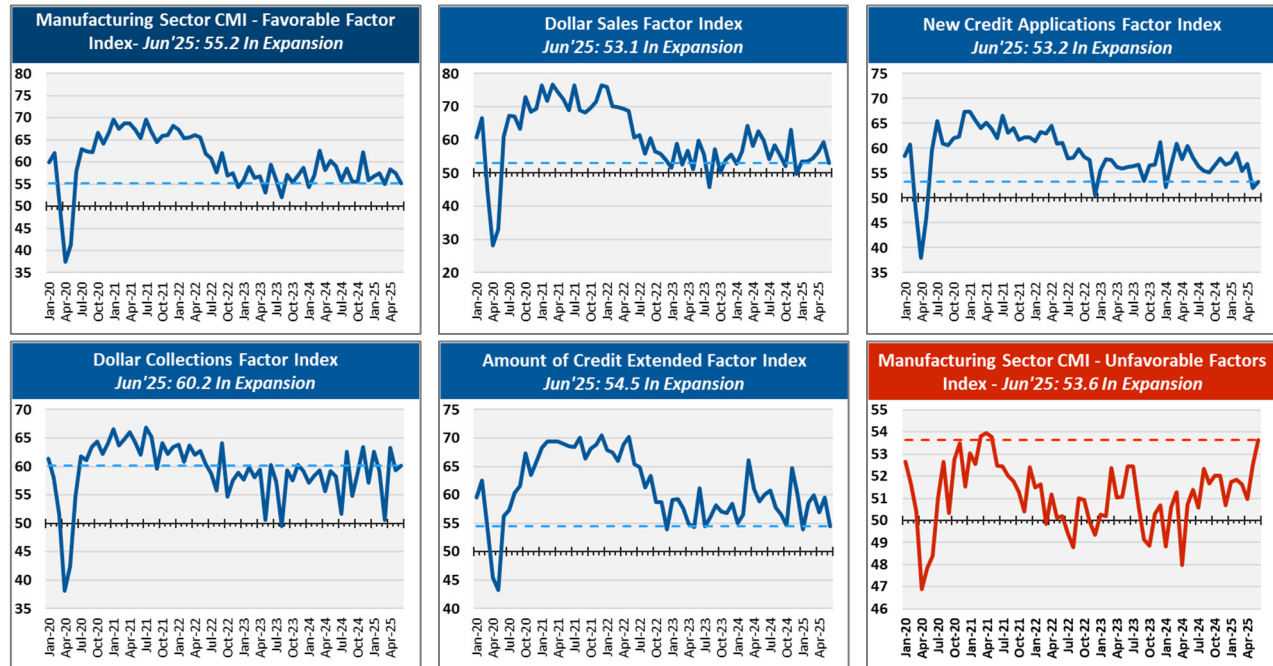
- The June survey marked the second month that all manufacturing sector factor indexes were in expansion.
- Half of the favorable factor indexes deteriorated this month with the Dollar Sales index falling 6.2 points to 53.1, and the index the Dollar Amount of Credit Extended deteriorating 5.0 points to 54.5.
- Among unfavorable factor indexes, the largest improvement was in the index for the Dollar Amount of Customer Deductions, which rose 5.0 points to 55.3.

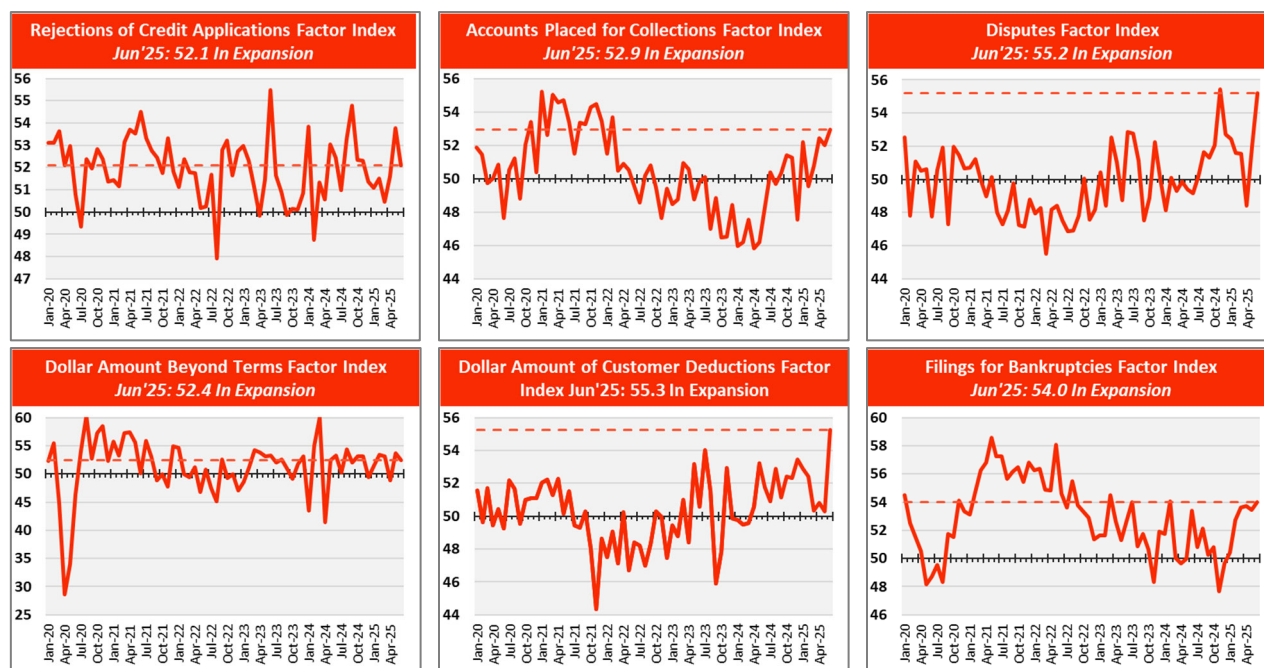
“In addition to policy changes coming from Washington, there are events that continue to happen in the normal course of doing business that are having a notable impact,” said Cutts. “As an example, a large supplier of high-performance engineered plastics filed for Chapter 11 bankruptcy in late April. They are seeking to restructure debt and cut costs while continuing to operate. But this leaves other chemical and energy suppliers potentially in a lurch as the 30 largest unsecured claims total over \$110 million. This isn’t a tariff or immigration issue, but is devastating to the vendors that may not get paid and who may find themselves in a financial bind.”

	Jun '24	Jul '24	Aug '24	Sep '24	Oct '24	Nov '24	Dec '24	Jan '25	Feb '25	Mar '25	Apr '25	May '25	Jun '25
Manufacturing Sector (seasonally adjusted)													
Dollar Sales	59.9	54.2	58.3	55.4	52.2	63.0	49.8	53.4	53.4	54.5	56.4	59.3	53.1
New Credit Applications	58.1	56.4	55.4	55.1	56.5	57.9	56.6	57.1	59.0	55.4	56.9	52.1	53.2
Dollar Collections	58.2	51.7	62.7	54.8	58.9	63.4	57.1	62.7	59.2	50.6	63.3	59.3	60.2
Amount of Credit Extended	60.0	60.8	57.8	56.6	54.6	64.7	60.1	53.9	58.6	59.9	56.9	59.5	54.5
Index of Favorable Factors	59.1	55.8	58.5	55.5	55.6	62.2	55.9	56.8	57.5	55.1	58.3	57.6	55.2
Rejections of Credit Applications	52.4	51.0	53.2	54.8	52.3	52.3	51.4	51.1	51.5	50.5	51.6	53.8	52.1
Accounts Placed for Collection	48.3	50.4	49.7	50.4	51.4	51.2	47.6	52.2	49.5	50.8	52.4	52.0	52.9
Disputes	49.2	50.2	51.6	51.3	52.1	55.4	52.7	52.4	51.6	51.5	48.4	52.0	55.2
Dollar Amount Beyond Terms	53.3	50.2	54.4	52.1	53.1	53.1	49.4	51.4	53.4	53.2	48.9	53.6	52.4
Dollar Amount of Customer Deductions	51.7	50.9	52.9	51.2	52.4	52.3	53.5	52.9	52.4	50.3	50.8	50.3	55.3
Filings for Bankruptcies	53.4	50.8	52.1	50.3	50.8	47.7	49.7	50.4	52.7	53.6	53.7	53.4	54.0
Index of Unfavorable Factors	51.4	50.6	52.3	51.7	52.0	52.0	50.7	51.7	51.9	51.6	51.0	52.5	53.6
NACM Manufacturing CMI	54.5	52.7	54.8	53.2	53.4	56.1	52.8	53.7	54.1	53.0	53.9	54.5	54.3

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 marked a 3.1-point deterioration to 60.5. The sector's Unfavorable Factors Index improved slightly, gaining 0.4 points to 49.5.

Key Findings:

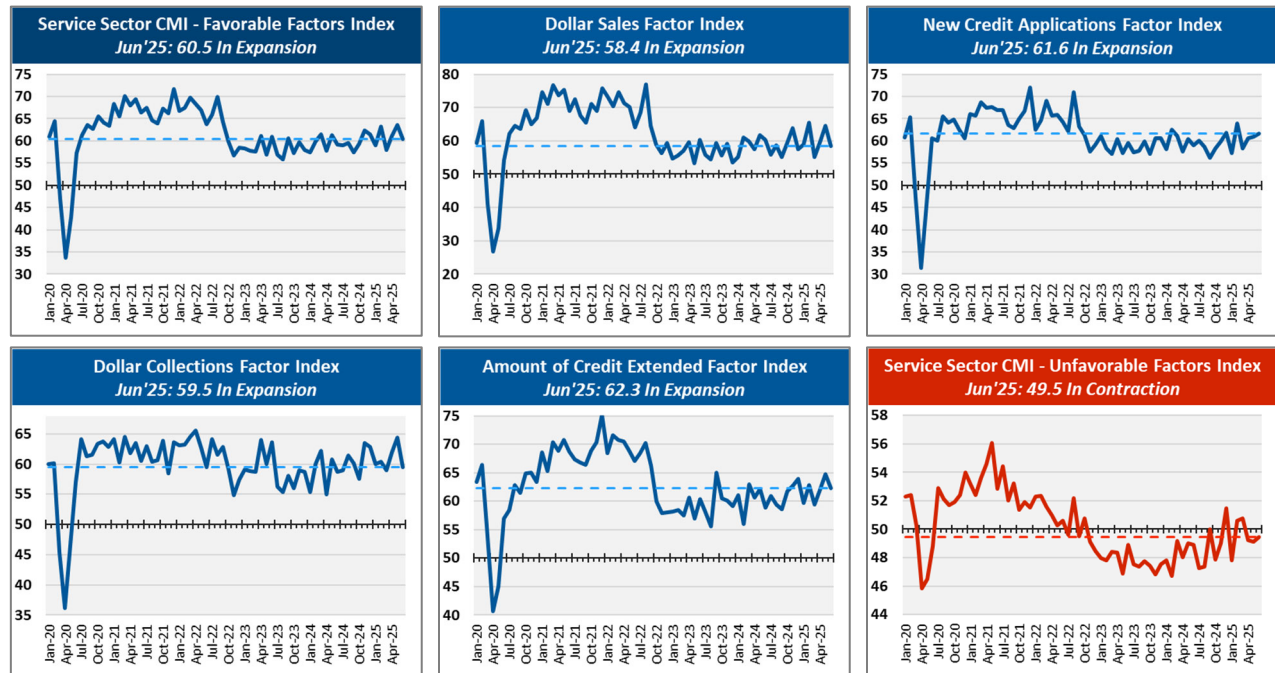
- The Unfavorable Factors Index has been in contraction for the past three CMI surveys and for 28 of the past 32 months overall.
- The deterioration in the Favorable Factor Index was led by a 6.1-point decrease in the Index for Dollar Sales, which is now at 58.4. The index for Dollar Collections of both due and past due accounts also deteriorated sharply, losing 4.9 points to 59.5.
- The improvement in the Unfavorable Factors Index was led by a 3.7-point rise in the Index for the Filings for Bankruptcies. The Index for Accounts Placed for Collections rose 3.4 points to 47.2, marking its 35th month in contraction out of the last 37 months. During that period the index was in expansion only in August 2022 and December 2024.

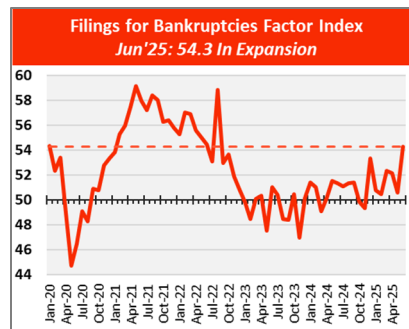
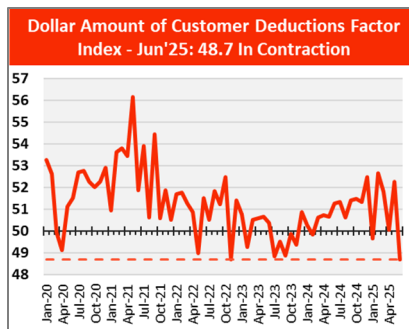
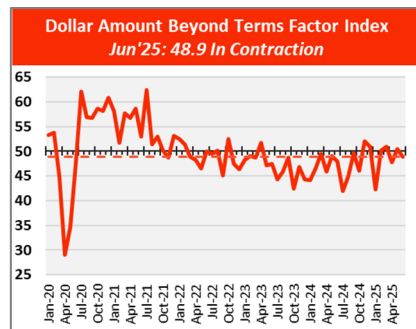
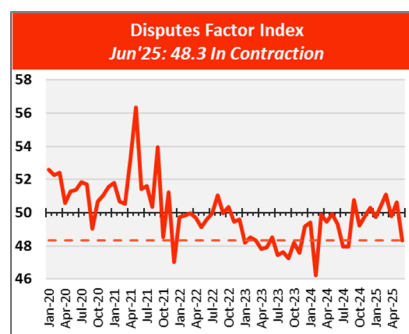
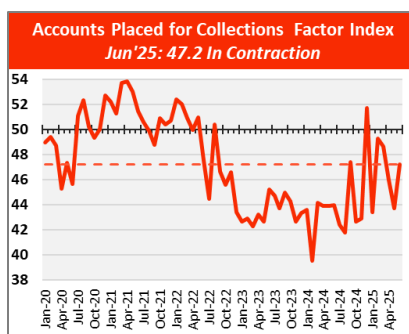
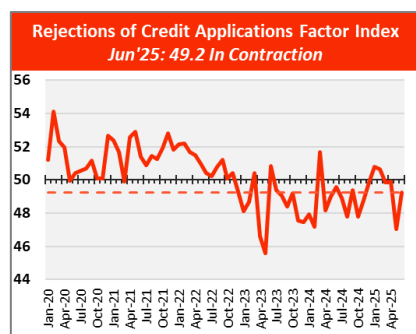
“Thematically, this month we saw optimism about sales but concern about getting paid down the road for those increased sales over the past few months,” said Cutts. “We tend to think publicly traded companies are more stable financially, but a respondent commented that they are seeing significantly more publicly traded clients with balance sheet problems. Another commented on the sharp increase in customers requesting extended terms. If times were normal with a strong expectation of continued economic growth it wouldn’t be worrying, but with the vast uncertainty even in the near term and significant rising costs, it is hard to celebrate increased sales.”

Service Sector (seasonally adjusted)	Jun '24	Jul '24	Aug '24	Sep '24	Oct '24	Nov '24	Dec '24	Jan '25	Feb '25	Mar '25	Apr '25	May '25	Jun '25
Dollar Sales	60.3	55.9	58.8	55.1	59.4	63.7	57.4	58.9	65.6	55.2	59.7	64.5	58.4
New Credit Applications	58.9	60.1	58.7	56.1	58.4	59.8	61.8	57.2	63.9	58.2	60.6	61.0	61.6
Dollar Collections	58.7	59.0	61.4	60.1	57.5	63.5	62.8	59.9	60.3	58.9	61.9	64.4	59.5
Amount of Credit Extended	58.9	60.9	59.5	58.6	61.8	62.7	63.9	59.7	62.8	59.3	62.0	64.7	62.3
Index of Favorable Factors	59.2	59.0	59.6	57.5	59.3	62.4	61.5	58.9	63.1	57.9	61.1	63.6	60.5
Rejections of Credit Applications	49.6	48.9	47.8	49.4	47.8	48.8	49.9	50.8	50.6	49.9	49.9	47.0	49.2
Accounts Placed for Collection	44.0	42.4	41.8	47.4	42.7	42.9	51.7	43.4	49.3	48.7	46.0	43.8	47.2
Disputes	49.3	48.0	48.0	50.8	49.2	49.8	50.3	49.7	50.3	51.1	49.8	50.6	48.3
Dollar Amount Beyond Terms	47.9	41.9	44.9	49.7	46.1	52.0	51.0	42.3	50.1	51.0	47.7	50.4	48.9
Dollar Amount of Customer Deductions	51.3	51.3	50.6	51.4	51.5	51.3	52.5	49.7	52.7	51.8	50.1	52.3	48.7
Filings for Bankruptcies	51.3	51.1	51.4	51.4	49.9	49.3	53.4	50.8	50.5	52.3	52.1	50.6	54.3
Index of Unfavorable Factors	48.9	47.3	47.4	50.0	47.8	49.0	51.5	47.8	50.6	50.8	49.3	49.1	49.5
NACM Service CMI	53.0	52.0	52.3	53.0	52.4	54.4	55.5	52.2	55.6	53.6	54.0	54.9	53.9

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>.