FICO® SCORE

Scoring Solutions

FICO® Score Credit Insights



White Paper

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About the Report

FICO® Score Credit Insights: Trends and intelligence for the credit economy

For more than 30 years, FICO has led the way in financial inclusion and credit risk innovation. Today, 90% of top U.S. lenders use the FICO® Score, and we continue to set the standard for objective, data-driven insights that empower smarter lending decisions and promote consumer financial health.

The FICO® Score Credit Insights report is a biannual publication designed to be the definitive source for credit score benchmarks and insights into the U.S. credit economy. Drawing from proprietary analytics of quarterly credit data and a FICO-sponsored consumer survey, this report delivers a comprehensive view of U.S. consumer credit health, awareness, and behaviors — both above and below the surface.

The first edition features:

- **Macro and segmented trends** in FICO® Score averages and distributions, with statistical stratification by product, geography, and credit segment
- **Insights into payment hierarchy and behavioral drivers** that influence credit health and scores
- **Trends impacting credit scores** (e.g., student loans)
- **Consumer perspectives** on credit literacy and credit activity, helping to contextualize the data with real-world sentiment
- **Forward-looking trends** to watch — equipping lenders, investors, and policymakers with the foresight to adapt strategies in a dynamic credit landscape
- **Market trends** in mortgage, auto, bankcards, and personal loans

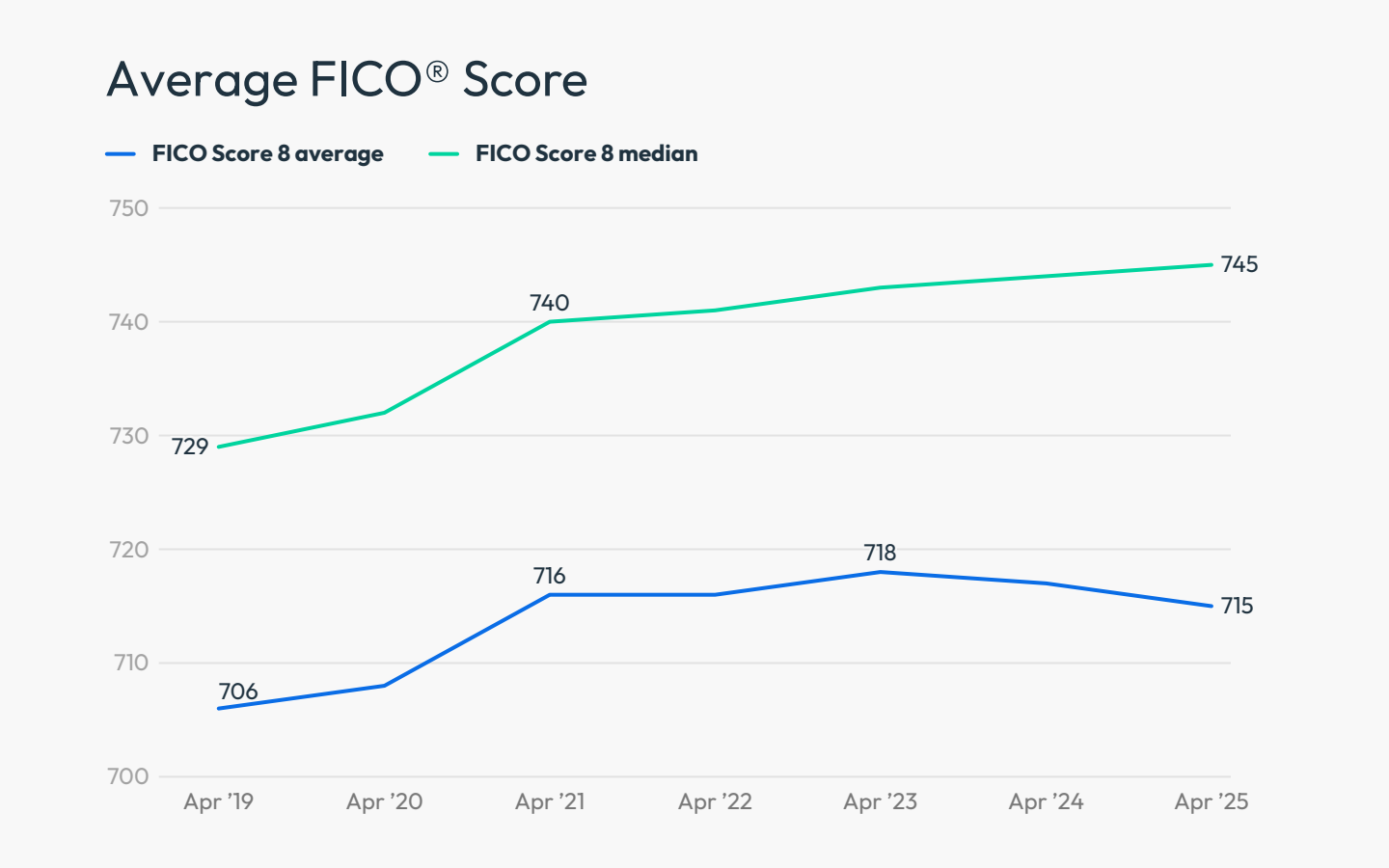
This report is more than a benchmark — it's a strategic resource. It reflects FICO's mission to help every consumer better understand their credit journey and support the financial ecosystem with the tools and insights needed to drive inclusive, responsible growth.



FICO® Score Credit Insights Analysis Report

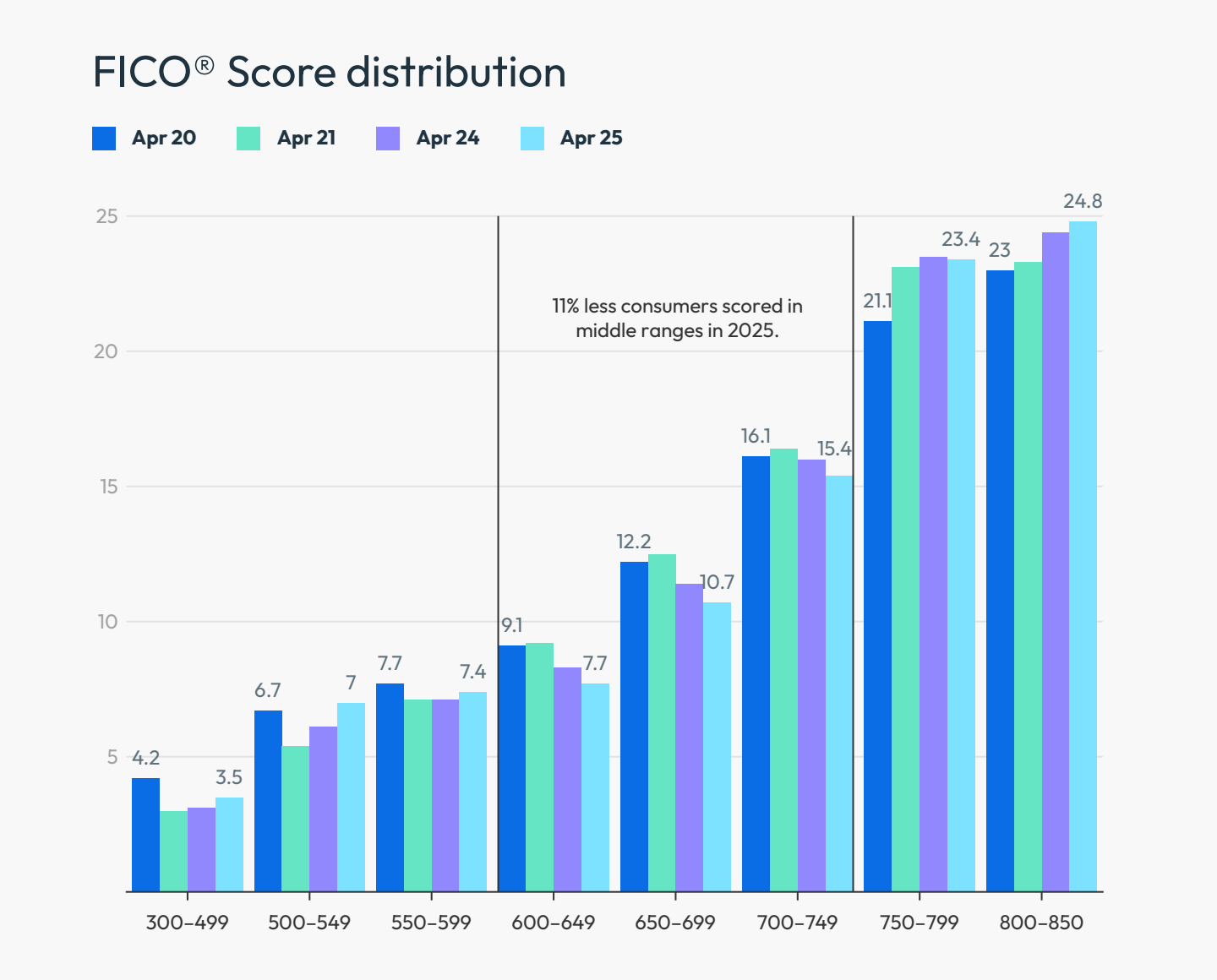
Average FICO® Score decreased to 715

The average FICO® Score decreased two points to 715 since 2024 due to increases in utilization and delinquency, including the resumption of student loan delinquency reporting. While the national average score dipped one point since April 2021, the median score rose five points since then due to a broadening of the score distribution.



More consumers scored in the highest and lowest score ranges

More consumers scored in the lowest and highest score ranges compared with 2021. About 38.1% of the population scored 600–749 in 2021, while only 33.8% of the population fell in these middle ranges in 2025.



The recent K-shaped economy has led to financial stress for some borrowers impacted by affordability concerns stemming from inflation and higher interest rates, while others have benefited from increases in their stock market portfolios and home price appreciation. Additionally, increased education and awareness of the importance of credit scores has helped consumers understand what they need to do to more effectively manage their credit.

Younger consumers experienced more large score decreases

Younger consumers typically have the largest average year-over-year score increase because they are the lowest-scoring group. Gen Z consumers have an average score of 676 — 39 points lower than the national average. Yet they also have the most potential for score improvement through sound credit behaviors, such as paying their bills on time, keeping their credit card balances low, and only applying for new credit as needed.

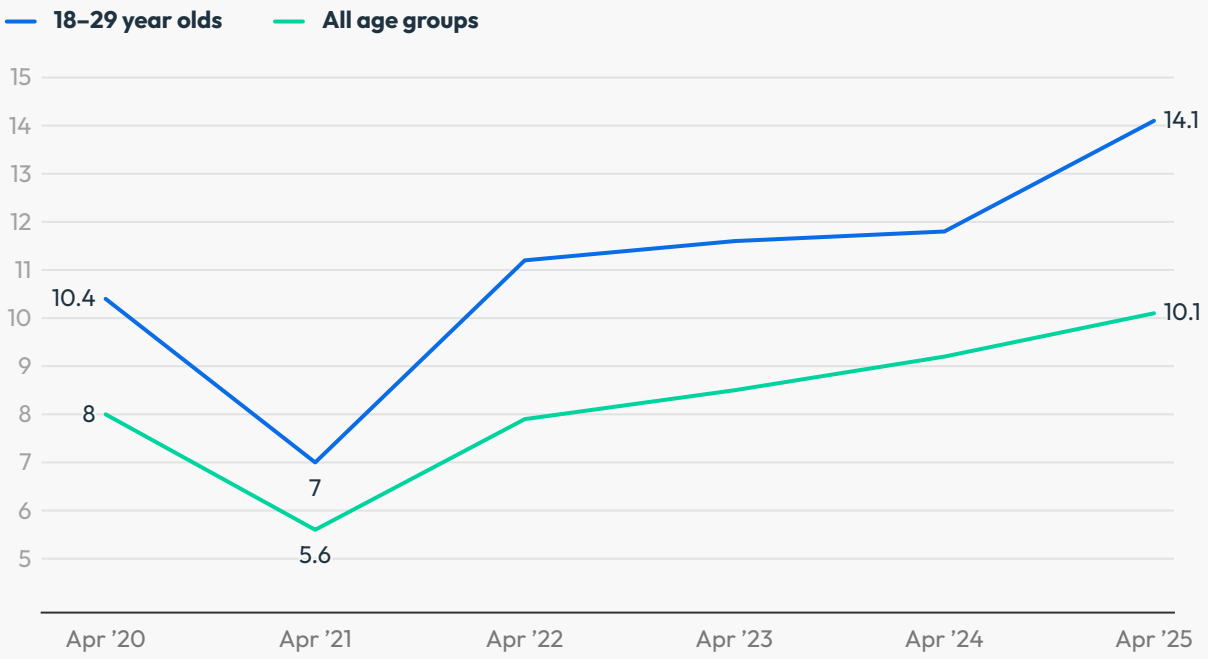
However, Gen Z consumers have just started their credit journeys and are less likely to make payments on time. Therefore, they are more likely to experience score volatility (large, 50-plus point score changes in either direction). Younger consumers have a consistently larger percent of the population with 50-plus-point, year-over-year score increases compared with the rest of the population. From 2024 to 2025, 9.8% of Gen Z had a 50-plus-point score increase, compared with 7.8% for the total population.



Gen Z consumers also had an average score decrease of three points, which is the largest year-over-year score decrease of any age group — not only this year, but for any age group since 2020. Gen Z consumers have had less time to build savings, and are less likely to benefit from stock market gains and home price appreciation. Instead, they are more likely to have affordability issues and more likely to face the impacts of higher interest rates and inflation.

Additionally, younger consumers are more likely to have student loans and weather the impact of resumed student loan delinquency reporting. The data shows 34% of Gen Z have open student loans — double the 17% of the total population that has an open student loan. And 14.1% of Gen Z consumers had a 50-point score decrease in the last year — more than double the figure from 2021.

% of population with 50+ point score decrease year-over-year



FICO® Score 8 is the score version used in all analysis for this report, unless indicated otherwise. The report data focuses on consumers with a valid FICO Score. This report defines Gen Z as 18- to 29-year-olds, because consumers can't have a credit report until they are 18 years old and 18–29 is closest to the Gen Z age group in 2025. Additionally, it is important to keep the age groups consistent across time rather than going strictly by the generations. It would not be appropriate to produce data for Gen Z in 2019 and compare those figures with Gen Z in 2025 because those consumers have six more years of potential credit experience.

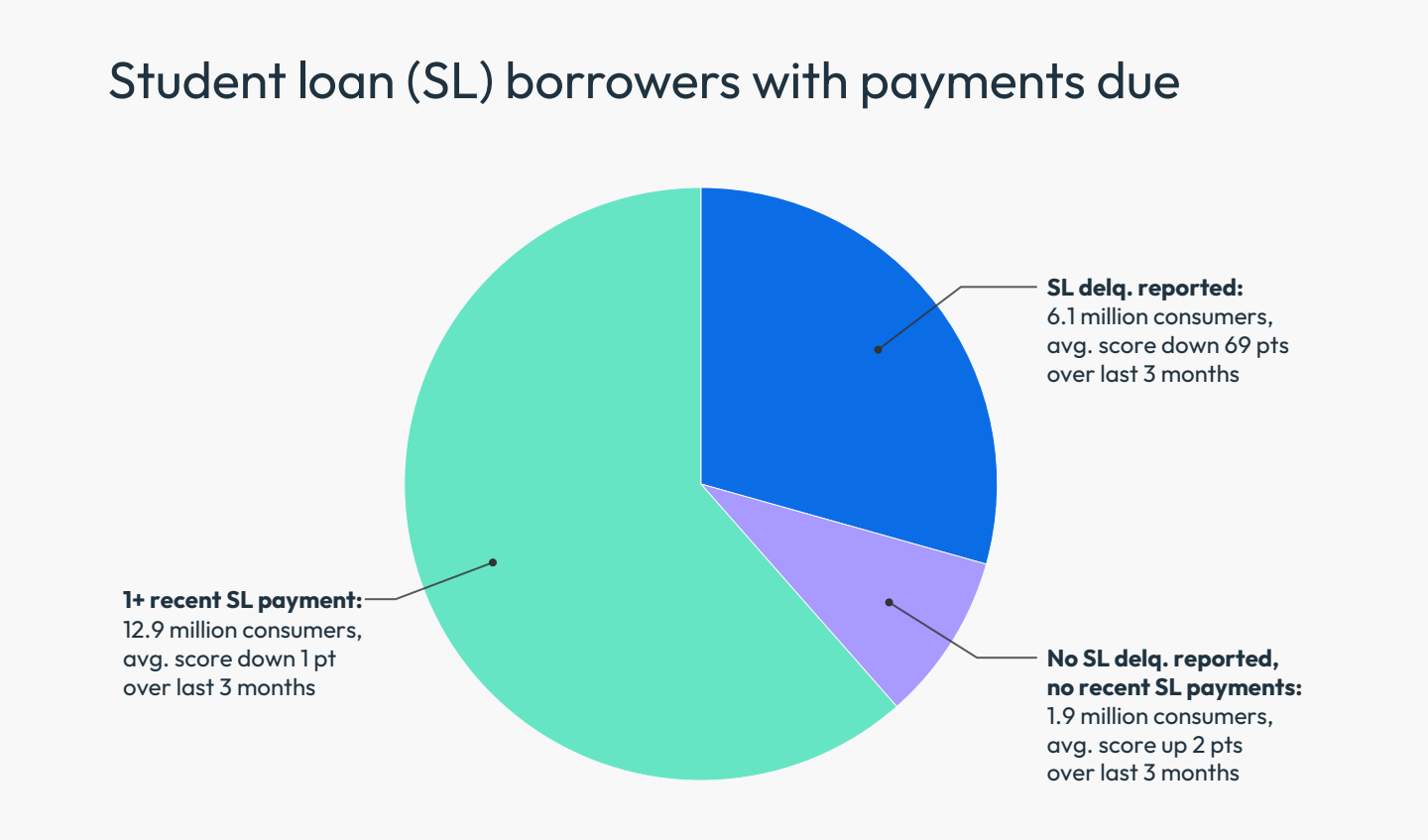


Student loan delinquency rate hit record highs

Starting in February 2025, new federal student loan delinquencies were reported on credit files for the first time since March 2020. At that time, the CARES Act placed federal student loans into forbearance, with the pause lasting until October 2023. Even after payments on federal student loans resumed in late 2023, delinquencies were not immediately reported on credit files due to the U.S. Department of Education's one-year "on-ramp" period. Furthermore, federal student loan delinquencies are not reported until 90 days past due, and they have just begun showing up in the credit report again as of February 2025.

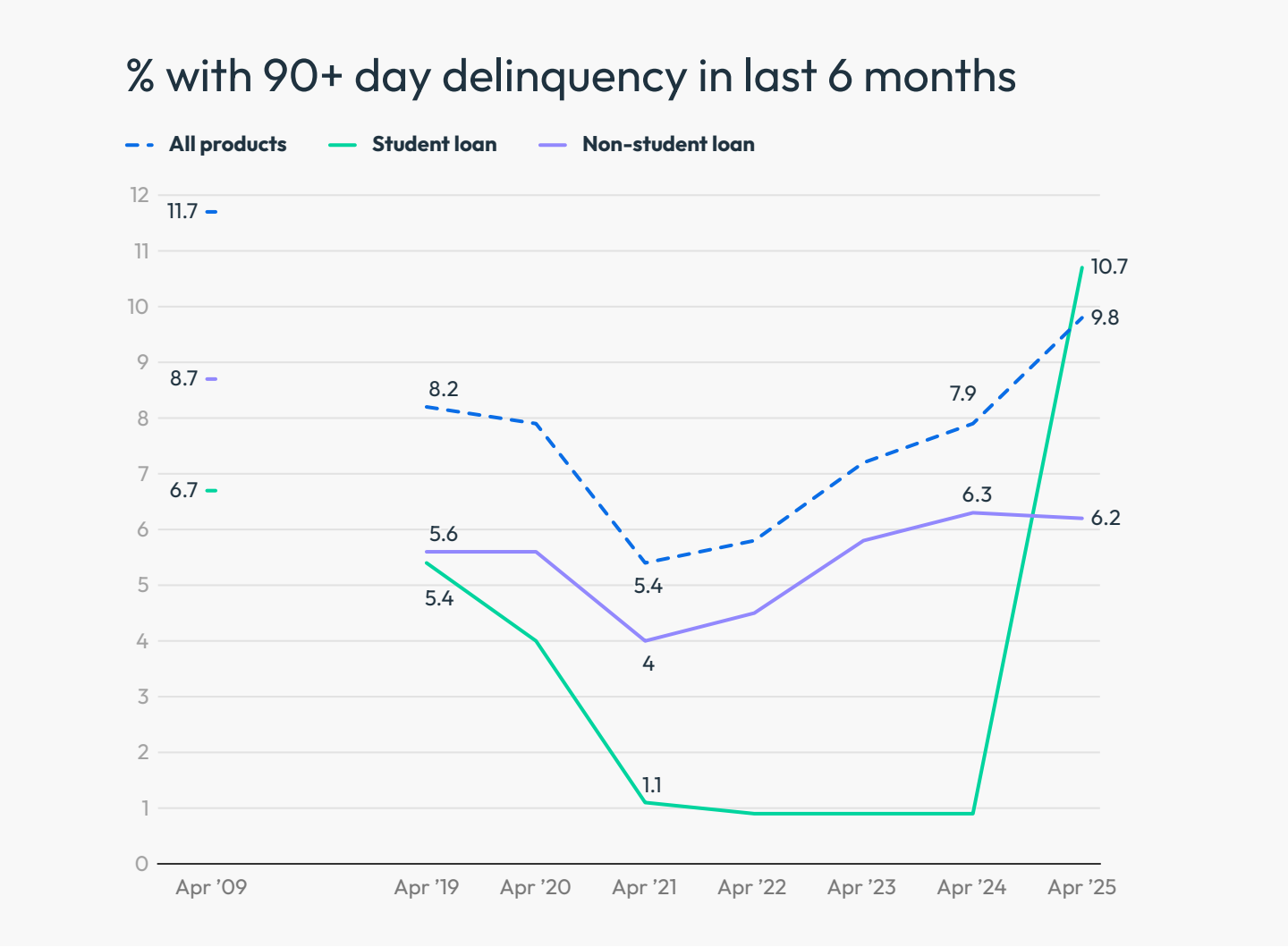
As of April 2025, 10% of the total FICO scorable population (21 million consumers) has a scheduled federal student loan payment greater than $0. The student loan delinquency rate is at record highs, as 3.1% of the total scorable population (6.1 million consumers) had a student loan delinquency added to their credit file from February to April 2025. Another 1% of the population (1.9 million consumers) have not yet had a delinquency reported even though they have payments due and haven't made any student loan payments since October 2024.

Conversely, 6.4% of the population (12.9 million borrowers) have made at least one payment on their student loans since October 2024. Their average score in January was 736 — down one point from January to April.



The population with a reported delinquency experienced an average score decrease of 69 points from a starting score of 617 in January 2025. The reason for the large score impact is that recency and severity of delinquency are important characteristics in the FICO® Score "Payment History" category, which is the most important part (~35%) of the score calculation. About 25% of the impacted population experienced a score decrease of more than 100 points between January and April 2025.

Resumption of student loan delinquency reporting has led to a spike in the rate of recent, severe delinquencies, which jumped 25% from 7.9% in April 2024 to 9.8% in April 2025.



The student loan delinquency rates captured in this line graph vary from the pie chart because they are based on consumers with a student loan on their credit file, while the pie chart focuses specifically on consumers who have a payment due on their student loan.

States with lower average scores generated greater score decreases

States with lower average scores have experienced greater score changes in recent years (either for the better in 2020 to 2023, or worse in 2023 to 2025).

Conversely, states with higher average scores generally had smaller average score decreases in the past year.

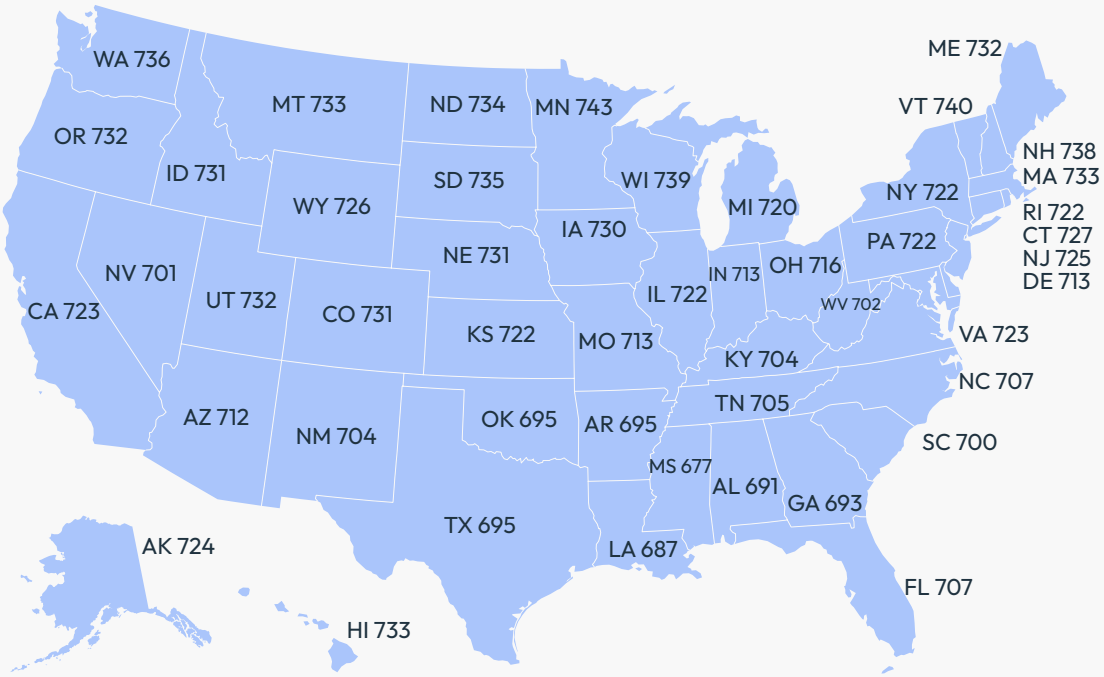
There is a strong positive correlation (+0.56) between a state's score change from last year and its average score. States with higher average scores had a larger percent of the population benefiting in the current economy, while states with lower average scores had a larger percent of the population struggling in the current economy.

This year's correlation is much stronger than last year's figure (+0.12, based on an April 2023 versus April 2024 comparison), and notably reversed from the three prior years (-0.41 from April 2020 to 2021, -0.49 from April 2021 to 2022, and -0.43 from April 2022 to 2023).

From 2020 to 2023, states with lower average scores generally had larger score increases because these states had more consumers who disproportionately benefited from pandemic payment accommodations and government stimulus.

Average FICO® Score by state

April 2025



Autos rose to the top of the payment hierarchy, student loans fell to the bottom

The payment hierarchy is now as follows:

1. **Auto, which consumers are 19% more likely to pay than mortgage**
   For consumers with open autos and mortgages, the auto 90-plus-day delinquency rate in 2023 to 2025 was 2.6% while the mortgage figure was 3.1%

2. **Mortgage, which consumers are 56% more likely to pay than personal loan**
   For consumers with open mortgages and personal loans, the mortgage 90-plus-day delinquency rate in 2023 to 2025 was 6% while the personal loan figure was 9.3%

3. **Personal loan, which consumers are 64% more likely to pay than bankcard**
   For consumers with open personal loans and bankcards, the personal loan 90-plus-day delinquency rate in 2023 to 2025 was 13% while the bankcard figure was 21.4%

4. **Bankcard, which consumers are 22% more likely to pay than student loan**
   For consumers with open bankcards and student loans, the bankcard 90-plus-day delinquency rate in 2023 to 2025 was 13.8% while the student loan figure was 16.8%

5. **Student loan**

Missed payments are usually most prevalent in lower-scoring consumers, so the total population results mostly reflect their behaviors. The total population data generally reflects the combination of consumers' ability and desire to make payments for a particular product.

Auto and mortgage are secured products associated with tangible assets essential to one's quality of life, so they are higher in the payment hierarchy. One reason auto is higher than mortgage is monthly payments are generally lower for auto than mortgage. Additionally, while the mortgage foreclosure process takes longer and there are more legal protections for homeowners, autos can be repossessed with little notice.

The remaining products are unsecured products and fall lower in payment hierarchy. One reason why personal loan is higher than bankcard is consumers typically have fewer personal loans than bankcards. So, even if a consumer misses payments on one credit card, they will still often have access to another credit card.

Many consumers might not have prioritized student loans over the last two years because the forbearance and on-ramp periods meant many borrowers hadn't made payments since 2020 (or ever, if their loans were taken out after 2020 or were previously in deferment) and were unfamiliar with the process of paying, the lack of consequences of nonpayment, and servicing issues. Going forward, we will monitor whether student loans remain at the bottom of the payment hierarchy, as the federal government begins collections and wage garnishments on defaulted student loans.

In the chart below, we see how each product's payment hierarchy ranking has changed over time. CARES Act reporting standards meant federal student loan delinquencies were not reported from March 2020 to January 2025, causing the student loan-related shift seen below. Otherwise, bankcard is generally at the bottom of the payment hierarchy among the remaining four products, while auto is consistently at the top of the payment hierarchy except for the pandemic era, where accommodations enabled mortgages and student loans to overtake auto.

Total Pop Rank	2005–2007	2010–2012	2015–2017	2020–2022	2023–2025
1	Auto	Auto	Auto	Mortgage	Auto
2	Mortgage	Personal Loan	Personal Loan	Student Loan	Mortgage
3	Personal Loan	Mortgage	Mortgage	Auto	Personal Loan
4	Student Loan	Bankcard	Bankcard	Personal Loan	Bankcard
5	Bankcard	Student Loan	Student Loan	Bankcard	Student Loan

However, among consumers with a prime FICO® Score (700+), mortgage remained atop the payment hierarchy

Since higher-scoring consumers are more likely to make payments than lower-scoring consumers, the data below reflects consumers' desire to keep a particular product in good standing more than their ability to pay. The only difference in payment hierarchy for this population in 2023 to 2025 is mortgage is higher than auto.

Unlike lower-scoring consumers, this population is likely to be able to choose whether to make their auto or mortgage payment and choose mortgage, while lower-scoring consumers might only be able to afford the auto payment but not the mortgage payment. Additionally, with recent home price increases, high-scoring consumers are more likely to have home equity they can tap into to help them avoid mortgage delinquency.

While auto has consistently been prioritized over personal loan, which has consistently been prioritized over bankcard (as it has with the total population), the payment hierarchy of mortgage shifted from being at the top prior to the Great Recession to the bottom afterward due to strategic defaulters, then it returned to the top starting with the pandemic.

In the chart below, we see how each product's payment hierarchy ranking for high-scoring consumers has changed over time.

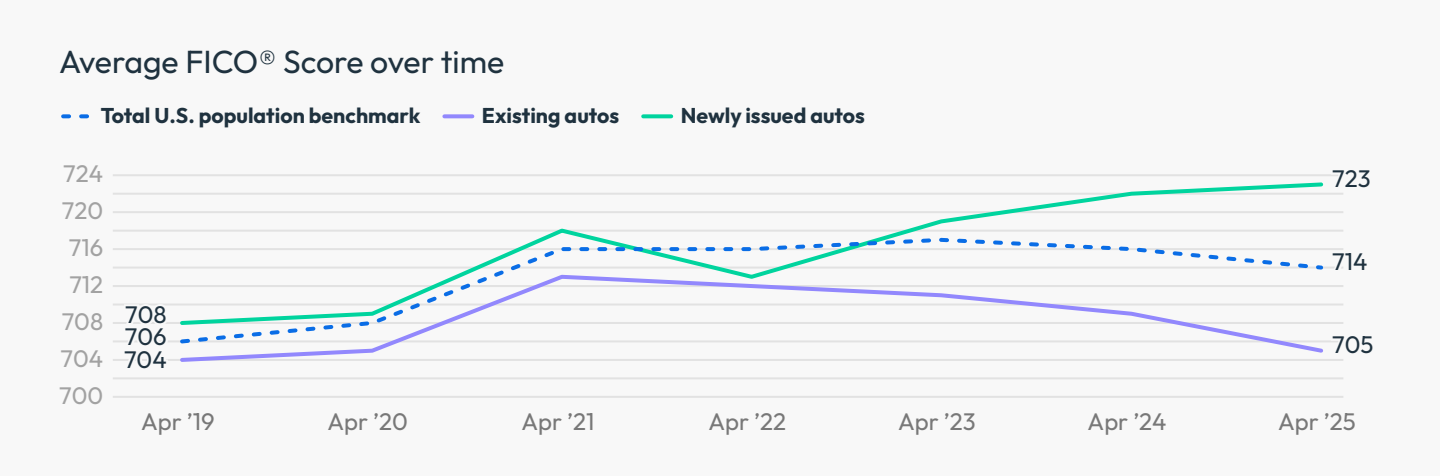
FICO 700+ Rank	2005–2007	2010–2012	2015–2017	2020–2022	2023–2025
1	Mortgage	Auto	Auto	Mortgage	Mortgage
2	Auto	Personal Loan	Mortgage	Auto	Auto
3	Personal Loan	Bankcard	Personal Loan	Student Loan	Personal Loan
4	Bankcard	Student Loan	Bankcard	Personal Loan	Bankcard
5	Student Loan	Mortgage	Student Loan	Bankcard	Student Loan

Using auto and the 2023 to 2025 period as an example, the score (for high-scoring consumers) is calculated as of April 2023. The population is focused on consumers with auto finance accounts originated as of April 2023 or earlier. The auto 90-plus-day delinquency rate is the number of consumers who have a 90-plus days past-due delinquency on an auto from May 2023 to April 2025 divided by the number of consumers with an active auto as of April 2025. The auto finance loans in question need to have originated in April 2023 or earlier. This is similar for other products and periods.

Since payment hierarchy evolves, monitoring these payment hierarchy behaviors can be beneficial for lenders to help them understand how a typical consumer might decide which product to make their payments on, if required to make a choice across products.

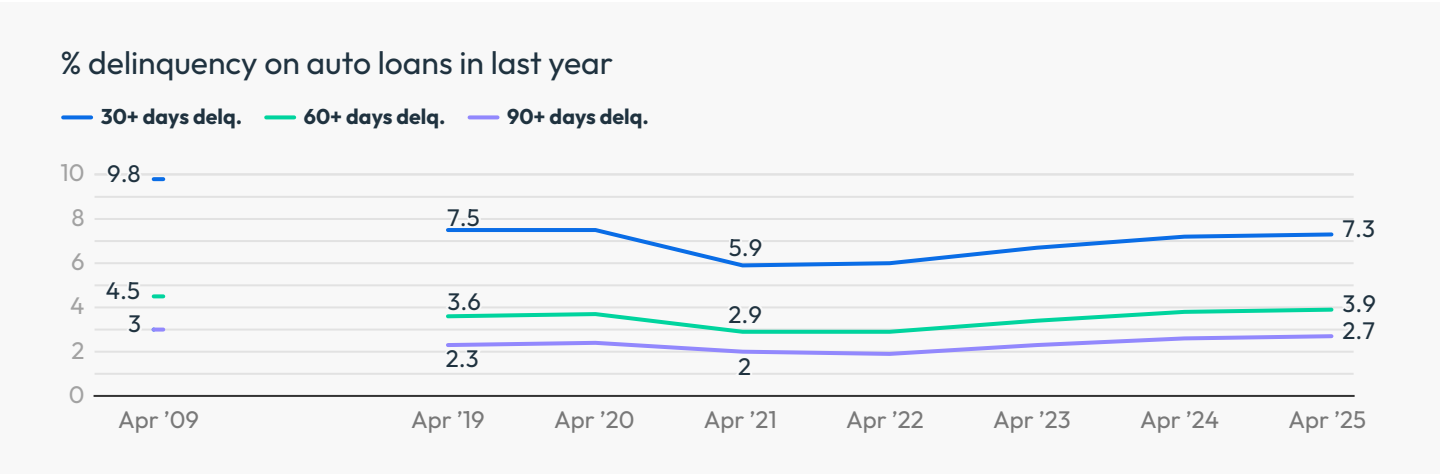
FICO® Scores for auto borrowers continued to drop

The average FICO® Score for newly issued auto finance loans has increased since 2022, even while the average FICO Score for existing auto finance loans decreased in that period. There was only a one-point difference between existing and newly issued loans in 2022, but now there is a 17-point difference as those older vintages have worse credit on average than recent vintages. Additionally, 2022 was the only period where the average score for newly issued loans was lower than the national average.

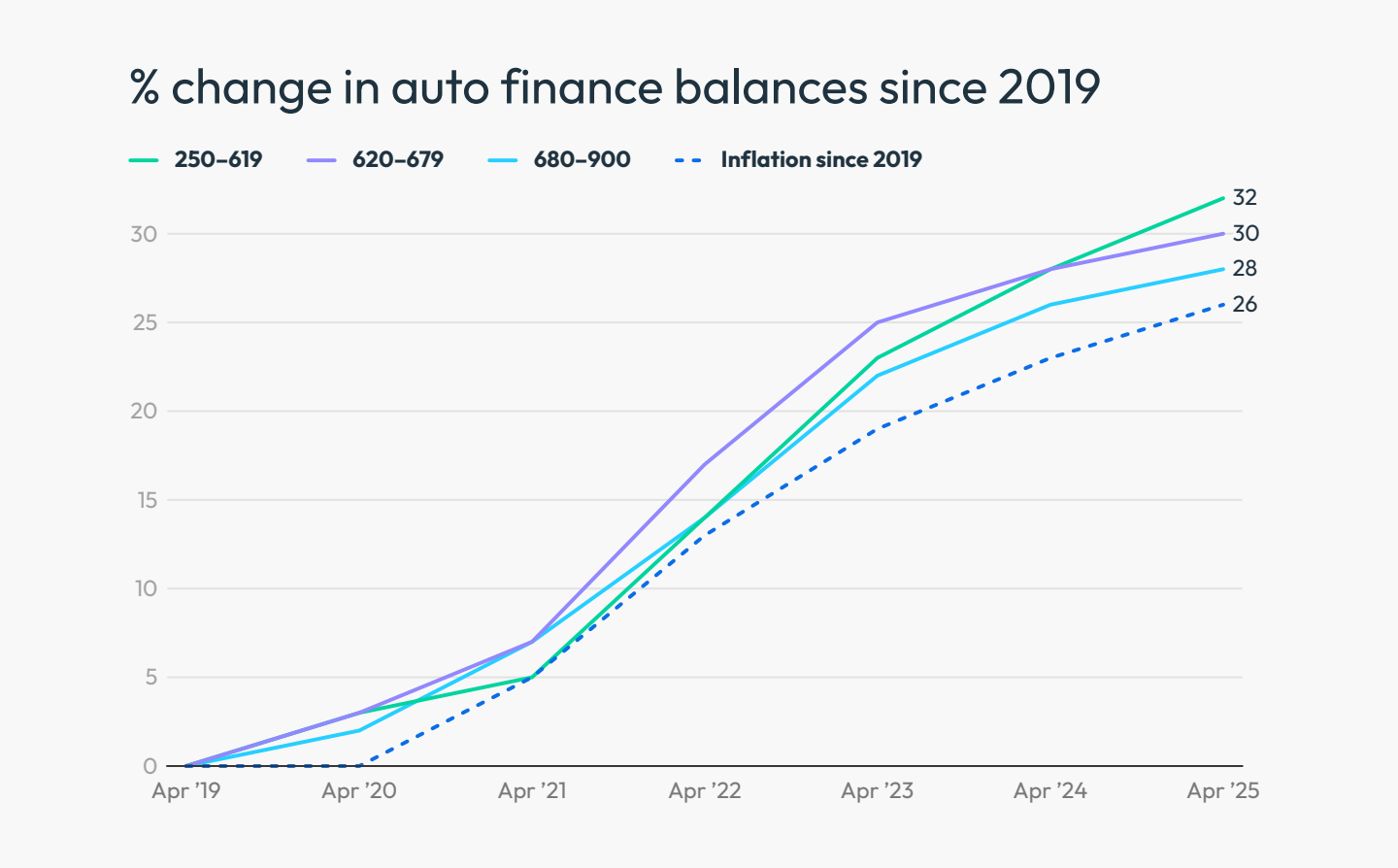


Auto finance loans have jumped to the top of the payment hierarchy now that mortgage and student loan forbearances are no longer readily accessible. So, while the delinquency rates in mortgage and student loans have recently increased, the delinquency rate on auto finance loans stabilized since last year, stopping the trend of increasing auto delinquency rates that began in 2021. The auto delinquency rate is up a relative 24% since 2021.

The stabilization of the delinquency rate can be partly attributed to recent vintages' higher credit quality, and the 30-plus-day delinquency rate of 7.3% continues to be lower than the pre-pandemic figure from 2019 (7.5%) and the Great Recession figure from 2009 (9.8%). Notably, the pandemic in 2020 led to anomalies in credit reporting and behaviors due to payment accommodations and government stimulus.



Unlike other products (where lower-scoring consumers have seen their balances increase at a significantly higher rate than other score groups), all score groups have seen their auto finance balances increase at a similar rate since 2019. All groups saw balances increase between 28–32%. This is slightly greater than the rate of inflation, where prices are 26% higher in 2025 compared with 2019. Regardless of score range, auto borrowers are similarly impacted by increases in car prices and are experiencing affordability challenges.



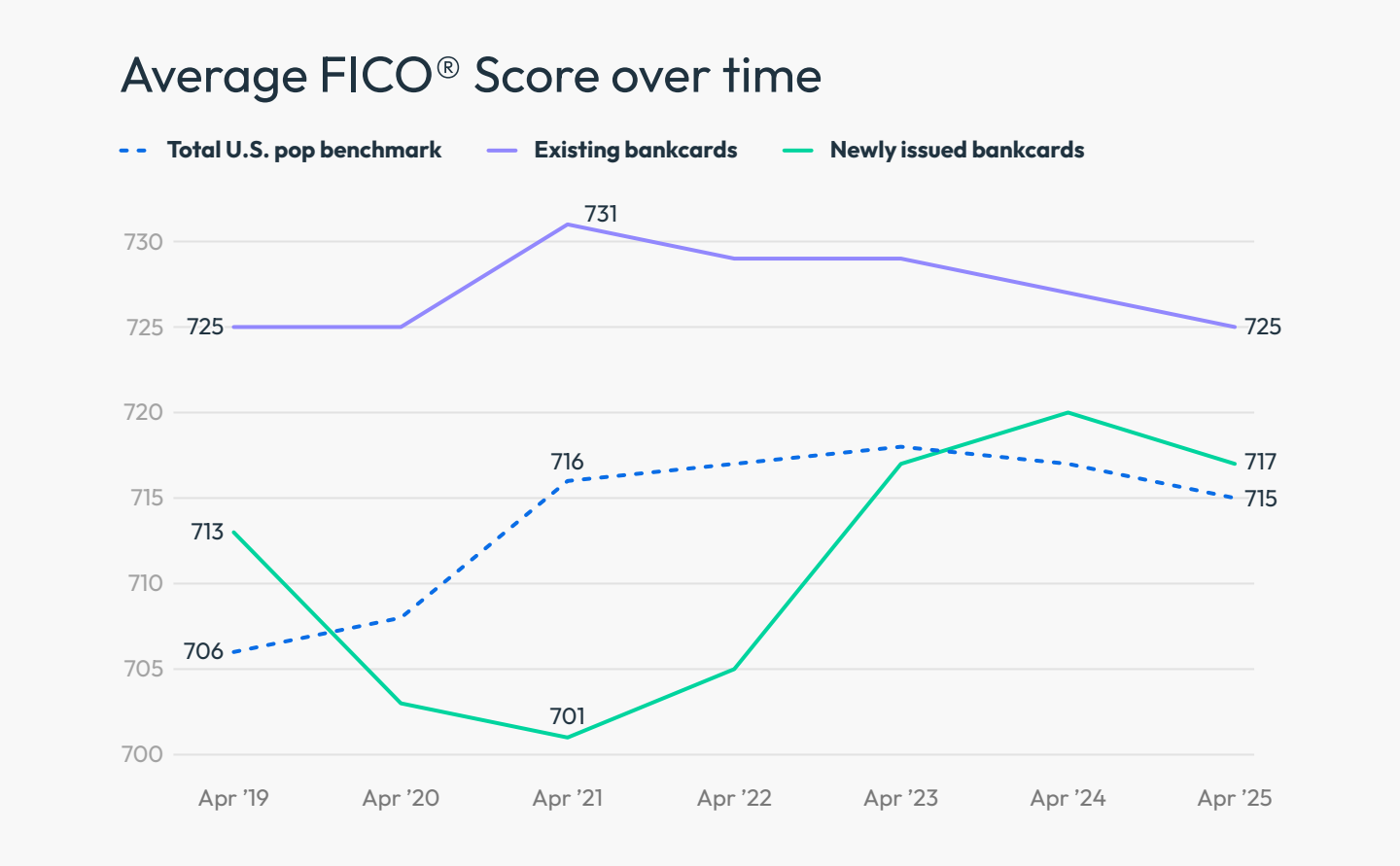
FICO® Auto Score 8 is used for all analysis in this report pertaining to auto. The score for existing autos is the score calculated as of April in that year. The score for newly issued autos is the score calculated as of January in that year, so newly issued autos can be identified from February to April of that year. The definition of "existing" and "newly issued" is similar for the other products in this report. The auto delinquency rates above calculate the number of consumers who have a 30-plus/60-plus/90-plus days past-due delinquency on an auto in the past year divided by the number of consumers with an auto. This is similar for the other products in this report. Auto finance balances are calculated by identifying the population of consumers with an open auto finance loan in a given score range and then taking the average of each consumer's sum of all balances on open auto finance loans. The percent change in auto finance balances is then the percent difference in balance between that year's average balance and April 2019's average balance. This is similar for the other products in this report.

Inflation data is sourced from the Bureau of Labor Statistics' consumer price index data.

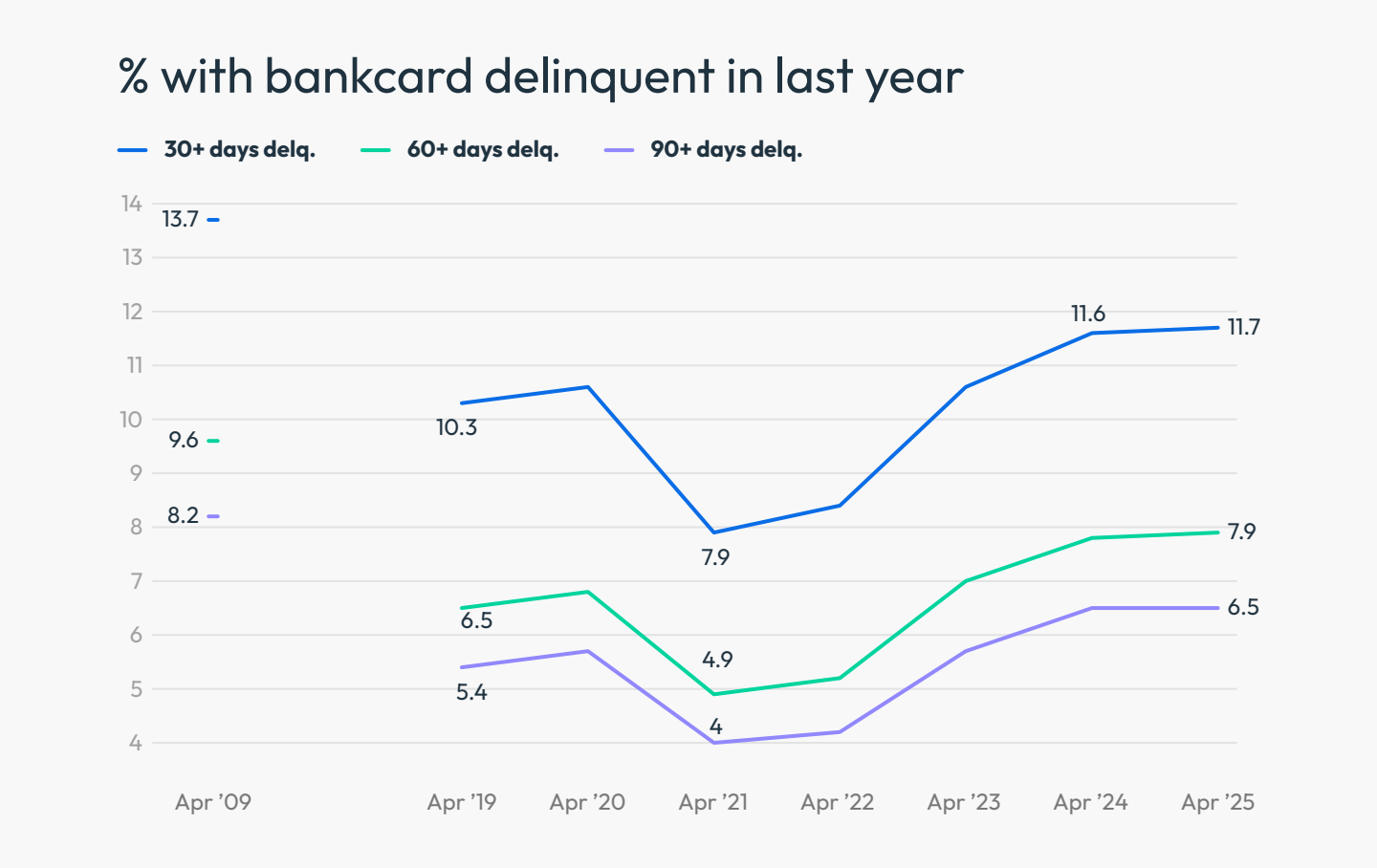
Bankcard delinquency rates stabilized

The average FICO® Score for newly issued bankcards decreased by three points in 2025 after consistent increases since 2021, when consumers with existing bankcards had an average score 30 points higher than consumers with newly issued bankcards. But in 2025, the gap has shrunk to eight points as recent vintages are lower risk than vintages from 2021.

As of 2025, the average score for newly issued bankcards is two points higher than the national average. This contrasts with the average score for newly issued bankcards being 14 points lower than the national average in 2021, which led to higher default rates for that vintage.



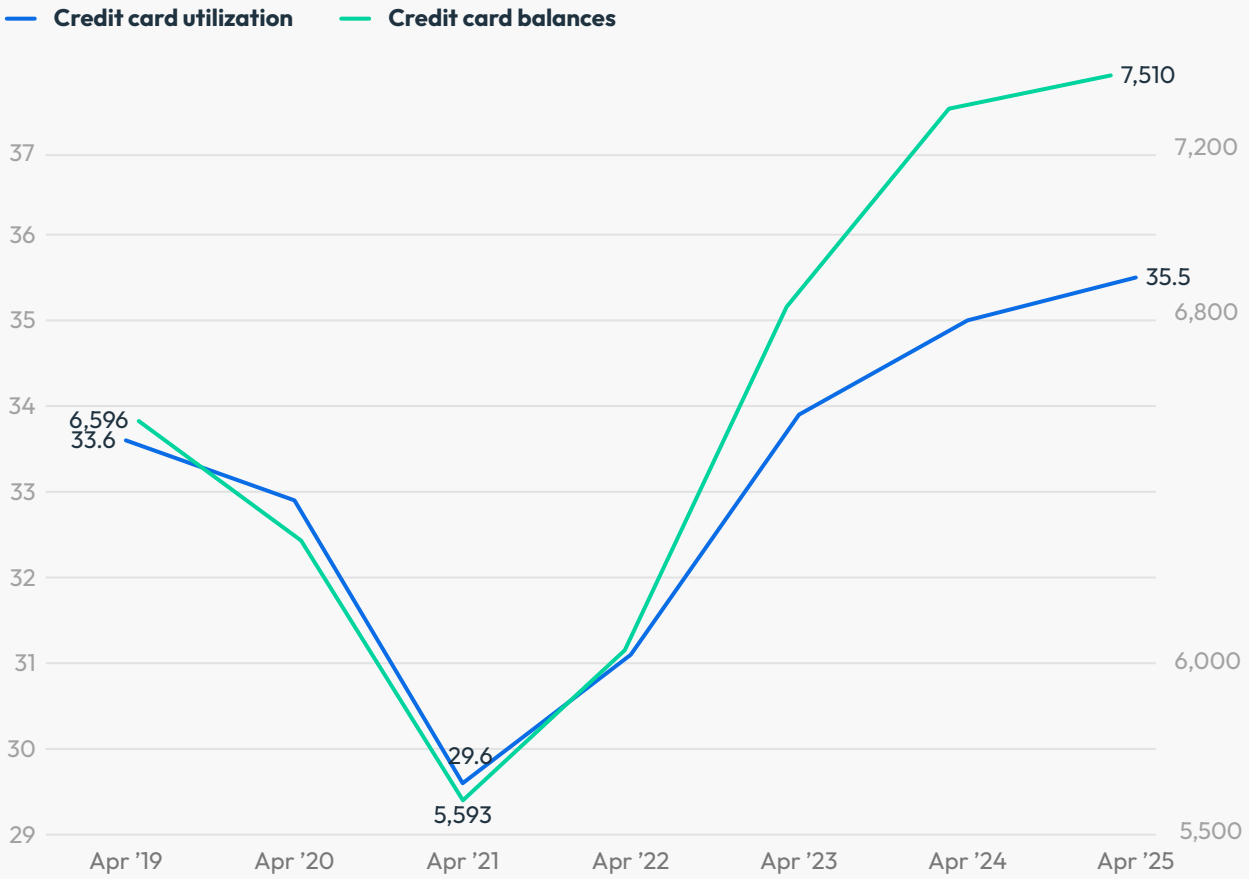
The 30-plus-day delinquency rate on bankcards stabilized in the past year (increasing slightly from 11.6% in 2024 to 11.7% in 2025) as lenders prevented delinquency rates from continuing an upward trajectory. However, the bankcard delinquency rate is up a relative 48% since 2021, when the figure was 7.9%. Some consumers continue to face headwinds in the current economy, and bankcard is near the bottom of the payment hierarchy. The delinquency figure has been above the pre-pandemic 2019 benchmark (10.3%) for the last three years, but it remains below the Great Recession figure (13.7%).



The second-most important category of the FICO® Score is "Amounts Owed," which makes up approximately 30% of the score calculation. Within this category, one of the most important characteristics is credit card utilization, calculated as credit card balances divided by credit limits.

Average consumer credit card balances and utilization continue to increase since these metrics bottomed out in 2021, when the personal savings rate increased because of government stimulus and pandemic-era travel and entertainment restrictions. Card balances are up 34% since 2021. Over the past several years, inflation, high interest rates and higher prices have strained many consumers, leading them to rely more on credit cards to make ends meet. The upward trajectory of credit card balances and utilization continues in 2025 and utilization now stands at 35.5%, up from 29.6% in 2021.

Average credit card utilization & balances over time

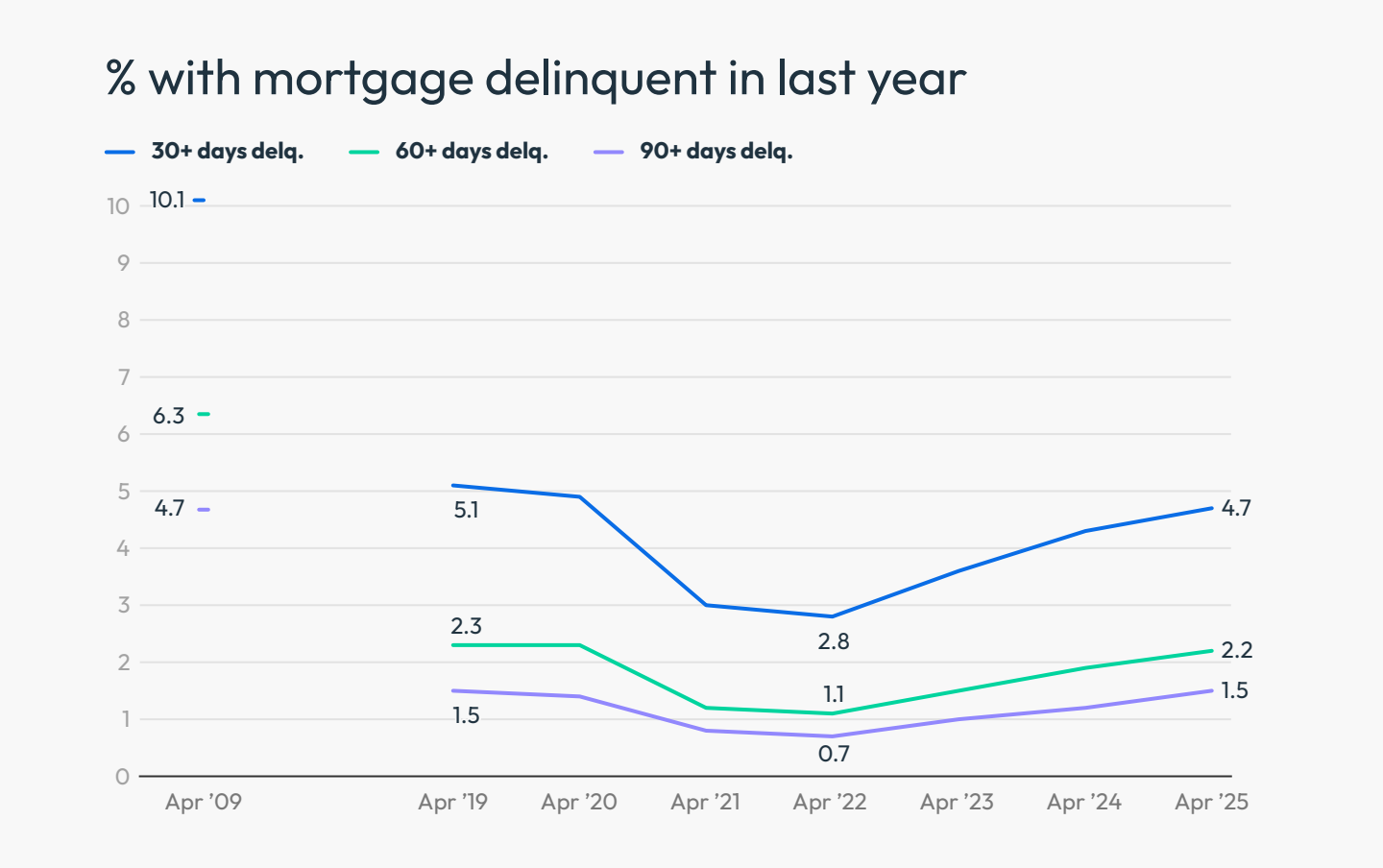




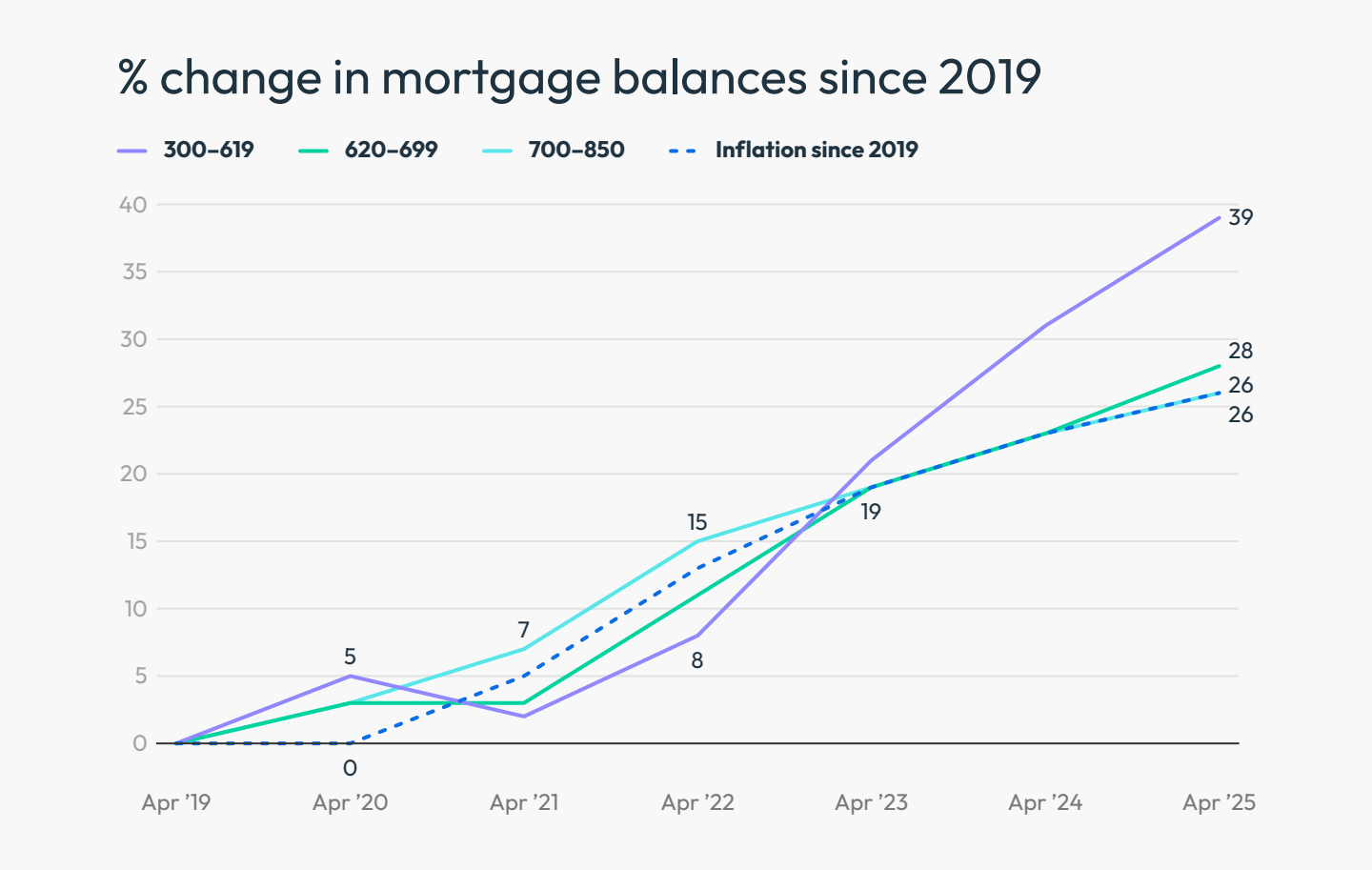
FICO® Score 8 is used for all analysis in this report pertaining to bankcard. The score for existing bankcards is the score calculated as of April in that year. The score for newly issued bankcards is the score calculated as of January in that year, so newly issued bankcards can be identified from February to April of that year. The definition of "existing" and "newly issued" is similar for the other products in this report. The bankcard delinquency rates above calculate the number of consumers who have a 30-plus/60-plus/90-plus days past-due delinquency on a bankcard in the past year divided by the number of consumers with a bankcard. This is similar for the other products in this report. Credit card utilization is calculated by taking the average of each consumer's sum of all credit card balances divided by credit limits on open revolving accounts. Credit card balances are calculated by taking the average of each consumer's sum of all credit card balances on open revolving or open-ended accounts, for those with an open revolving or open-ended account.

Mortgage delinquencies and balances continued to rise

The 30-plus-day delinquency rate on mortgages (4.7% in 2025) has jumped year-over-year since 2022, as trends revert back to the mean after the historically low delinquency rates observed early in the pandemic due to payment accommodations. The mortgage delinquency rate is up a relative 64% since 2022. Still, the delinquency rate continues to be lower than the pre-pandemic figure from 2019 (5.1%) and remains less than half the Great Recession figure from 2009 (10.1%). Homeowners have benefited from recent home price increases, which have enabled them to build home equity and find other solutions rather than going delinquent on their mortgage.



Additionally, mortgage balances have risen because of home price increases related to low supply, as many homeowners are reluctant to move after locking in historically low interest rates earlier this decade. Lower-scoring consumers have seen their mortgage balances increase rapidly (39% increase since 2019) at a rate higher than inflation (26% increase in prices since 2019) and other score groups.

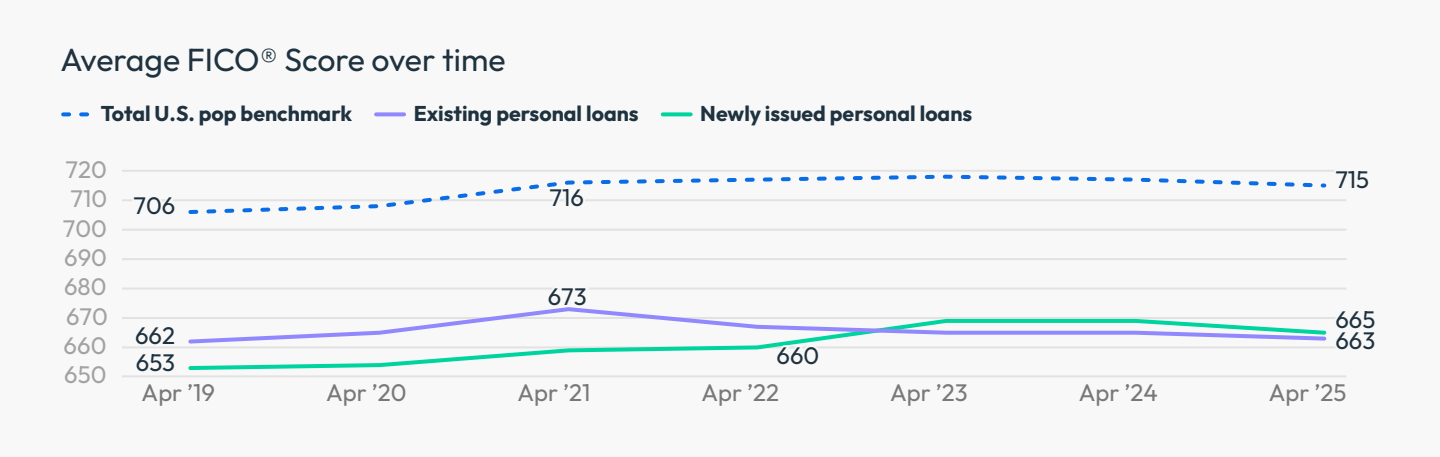


Classic FICO® Score is used for all analysis in this report pertaining to mortgage. The mortgage delinquency rates above calculate the number of consumers who have a 30-plus/60-plus/90-plus days past-due delinquency on a mortgage in the past year divided by the number of consumers with a mortgage. This is similar for the other products in this report. Mortgage balances are calculated by identifying the population of consumers with an open mortgage loan in a given score range and then taking the average of each consumer's sum of all balances on open mortgage loans. The percent change in mortgage balances is then the percent difference in balance between that year's average balance and April 2019's average balance. This is similar for the other products in this report.

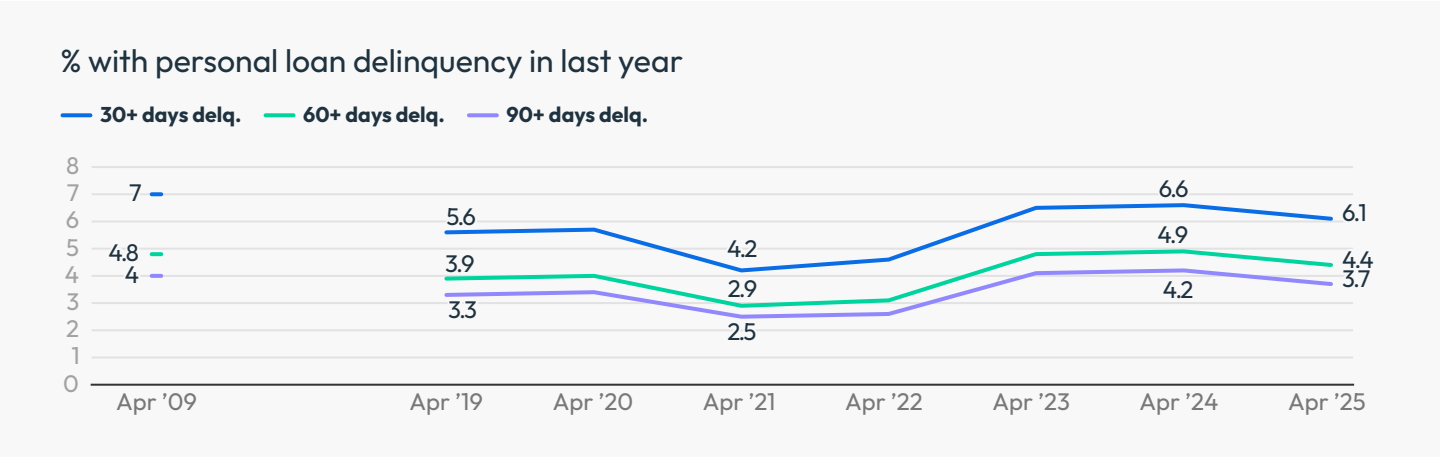
Personal loan delinquencies declined from recent peaks

The average FICO® Score on newly issued personal loans decreased for the first time since 2020, although the difference between the national average and the newly issued personal loan average has been relatively consistent since 2023. It is currently a 50-point difference as consumers with personal loans score lower than the national average and as higher-scoring consumers typically don't open personal loans but do use auto loans, bankcards and mortgages.

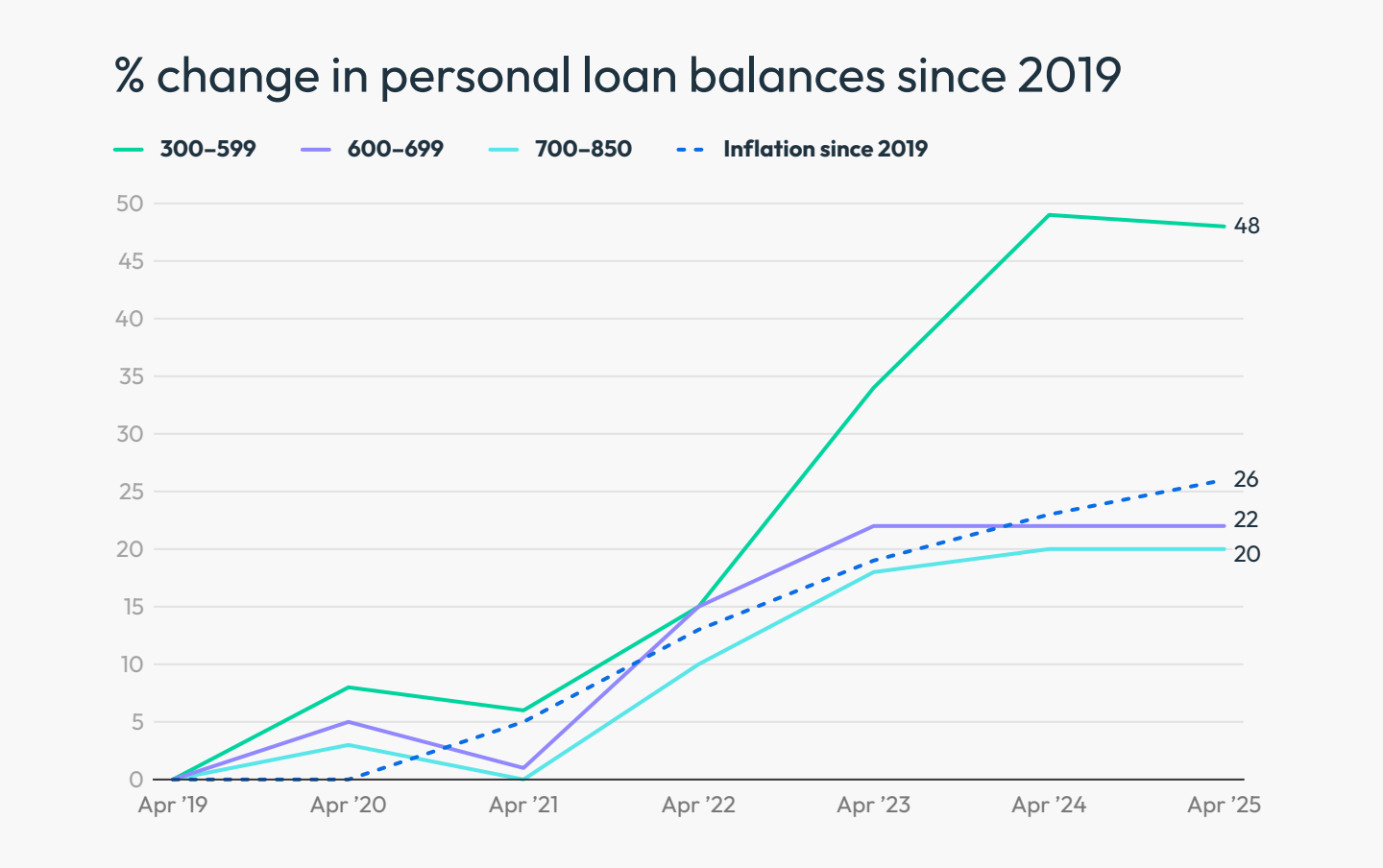
Average FICO® Scores for new personal loans peaked at 669 in 2023, likely influenced by tighter marketing and underwriting criteria — including tactics such as heavier focus on repeat customers — amid concerns over rising delinquencies. Since 2023, newly issued personal loans have had a higher average score than existing personal loans, which was not true from 2019 to 2022.



The 30-plus-day delinquency rate on personal loans decreased for the first time since 2021 and now stands at 6.1%, as lenders have originated loans for consumers with higher scores since 2023 after experiencing notable delinquency increases around that period. Still, the personal loan delinquency rate is up a relative 45% since 2021. It remains higher than the pre-pandemic figure from 2019 (5.6%), but lower than the Great Recession figure from 2009 (7%).



Lower-scoring consumers' personal loan balances have jumped 48% since 2019, which is significantly higher than the rate of inflation (26% increase since 2019) and other score groups, as higher interest rates disproportionately lead to increased personal loan balances for lower-scoring consumers. The middle-scoring (22% increase since 2019) and higher-scoring (20% increase since 2019) groups have actually seen their personal loan balances increase at a rate lower than the rate of inflation, as lenders have reduced the loan amounts given in recent vintages.



FICO® Score 8 is used for all analysis in this report pertaining to personal loans. Personal loans are defined as unsecured installment loans which are not student loans. The score for existing personal loans is the score calculated as of April in that year. The score for newly issued personal loans is the score calculated as of January in that year, so newly issued personal loans can be identified from February to April of that year. The definition of "existing" and "newly issued" is similar for the other products in this report. The personal loan delinquency rates above calculate the number of consumers who have a 30-plus/60-plus/90-plus days past-due delinquency on a personal loan in the past year divided by the number of consumers with a personal loan. This is similar for the other products in this report. Personal loan balances are calculated by identifying the population of consumers with an open personal loan in a given score range and then taking the average of each consumer's sum of all balances on open personal loans. The percent change in personal loan balances is then the percent difference in balance between that year's average balance and April 2019's average balance. This is similar for the other products in this report.

Delinquency rates dipped for subprime borrowers, except for mortgage

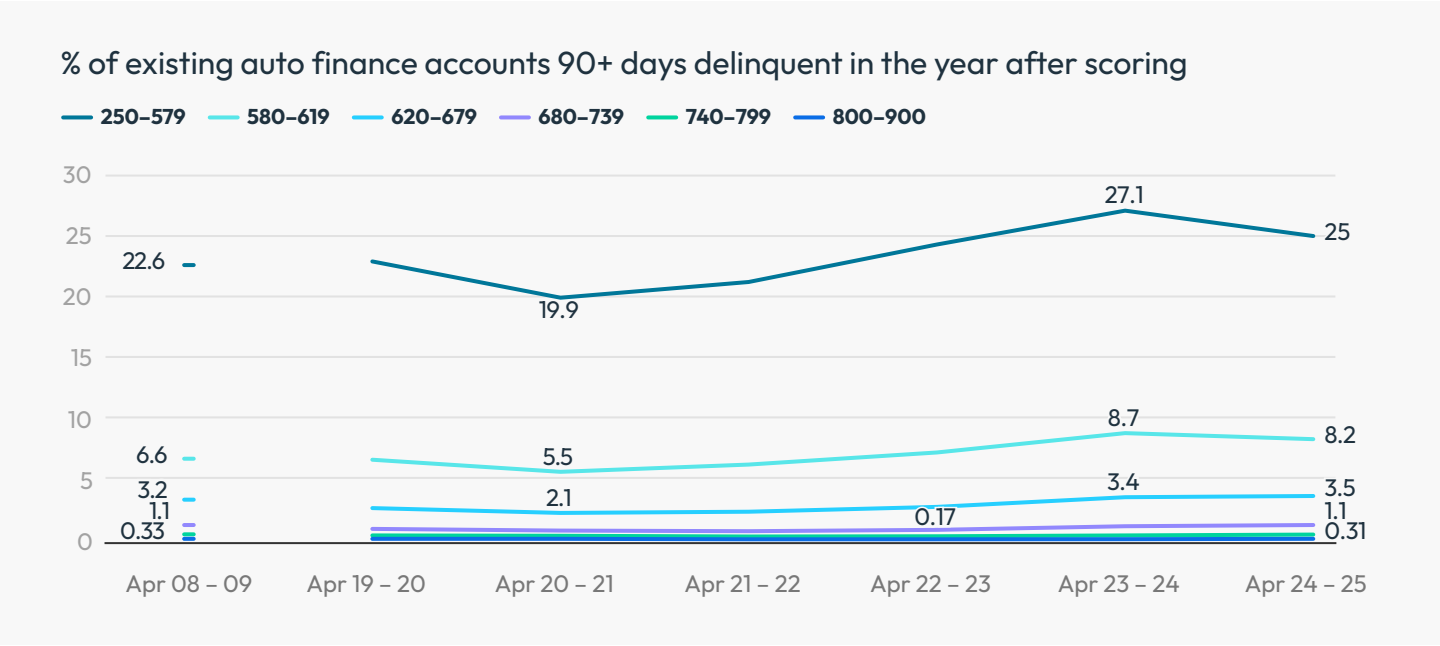
The FICO® Score is designed to rank-order the relative likelihood a borrower will repay their loan(s), with higher-scoring borrowers representing lower risk and lower-scoring borrowers representing higher risk. The aim is to ensure a pool of borrowers scored as a 660 at a given point in time represent lower risk of default than a pool of borrowers scored as a 620 at that same point in time.

However, the relationship between defaults and the FICO® Score is dynamic and not fixed. It can and does shift over time, driven largely by changes in factors outside the credit file (such as the economy and lender underwriting practices) that also play an important role in consumers' ability to pay their credit obligations.

For lower score ranges, the serious delinquency rate at any given score decreased for auto account management for the first time since the first year of the pandemic (8.2% for the 580–619 population in 2024 to 2025 versus 8.7% in 2023 to 2024, and up a relative 49% since 2021 to 2022). Part of the decrease in delinquency rates for subprime auto could be attributable to stricter underwriting practices over the last couple of years.

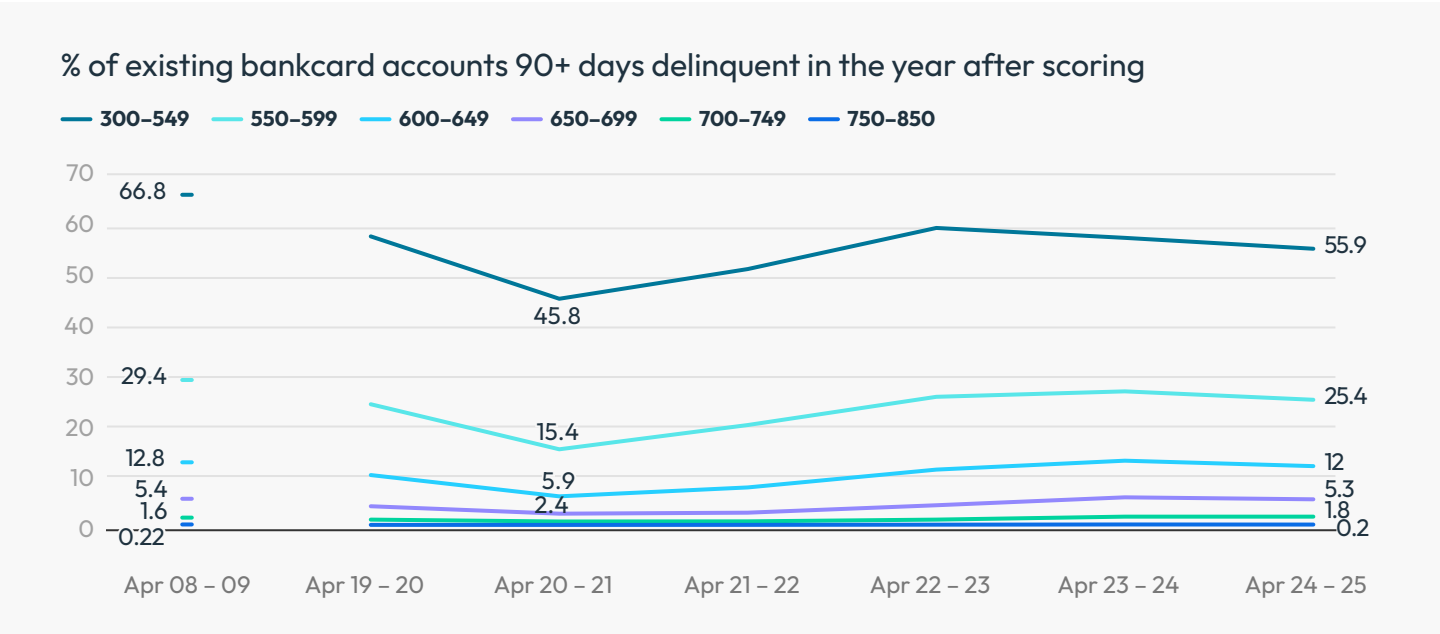
For higher score ranges, the serious delinquency rate continued to increase from the previous year (0.31% in 2024 to 2025 versus 0.24% in 2023 to 2024 in the 740–799 range). The delinquency rates at any given score are higher than the lows of the early pandemic era (0.21% for the 740–799 group in 2020 to 2021) for high-scoring consumers, while subprime consumers still have higher serious delinquency rates than the Great Recession era (6.6% for the 580–619 group in 2008 to 2009).



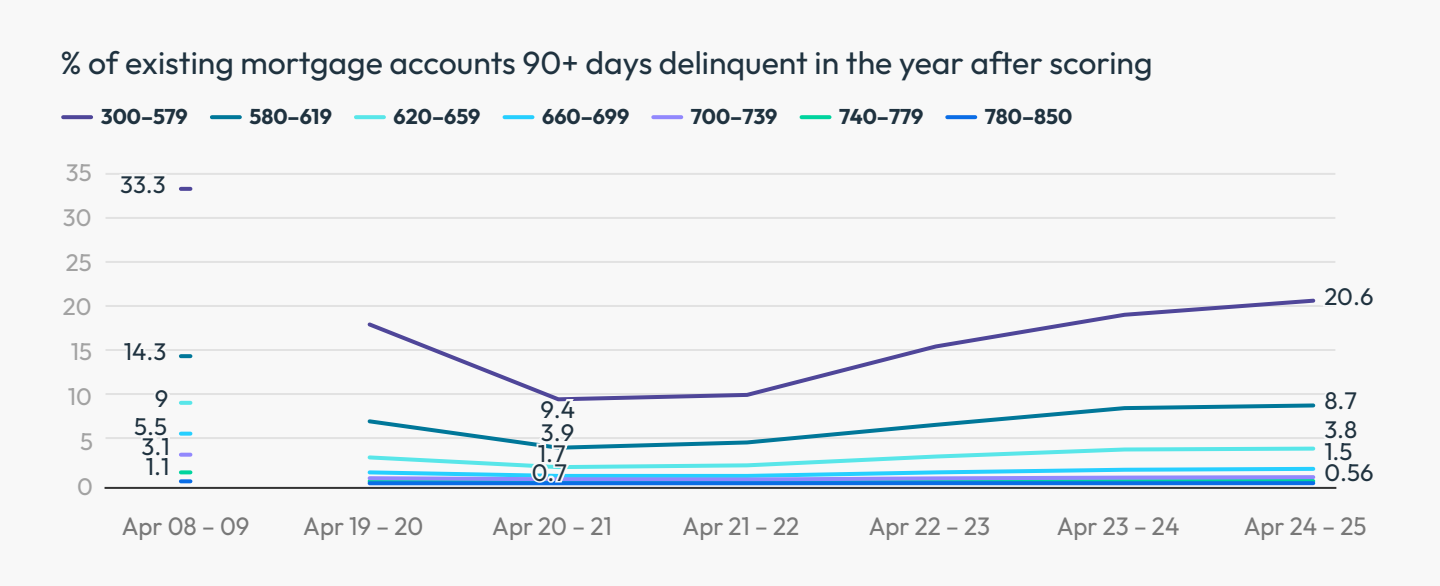


Using auto finance and the April 2024 to April 2025 period as an example, the score is calculated as of April 2024. The population is focused on auto finance accounts originated as of April 2024 or earlier. The percent of accounts more than 90 days delinquent is the percent of auto finance accounts (originated as of April 2024 or earlier) that went more than 90 days delinquent from May 2024 to April 2025. Then each line in the graph represents consumers who fall into a particular score range as of April 2024. This is similar for other products and periods.

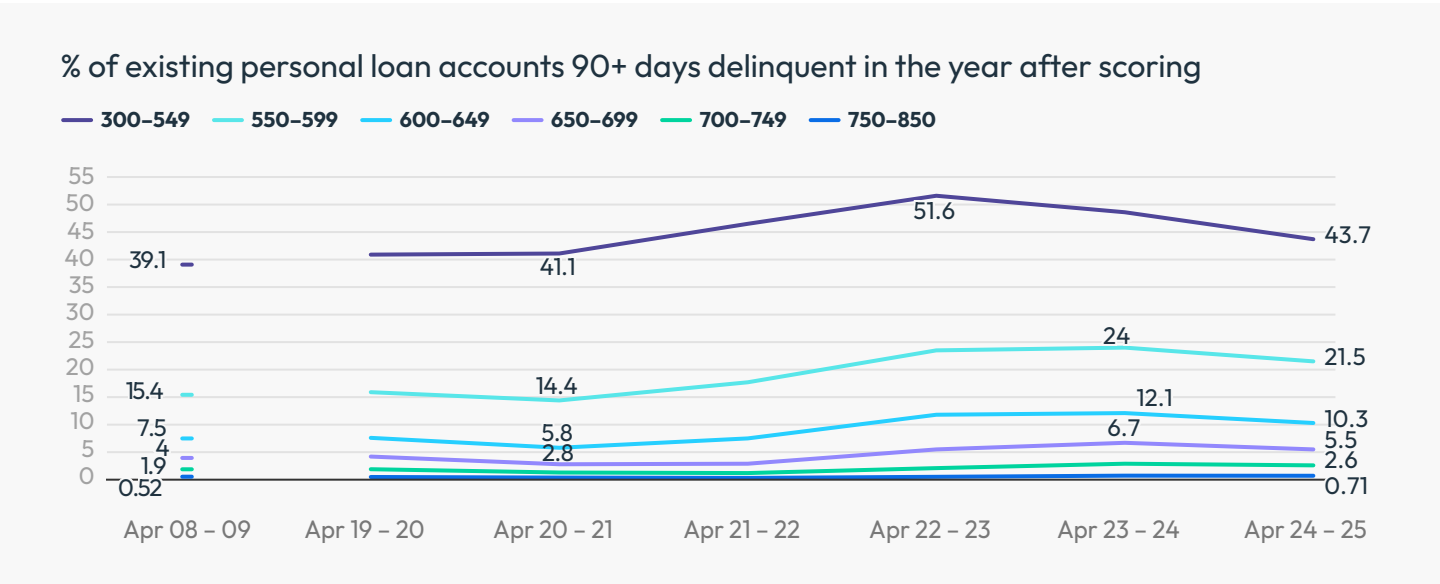
The serious delinquency rate at any given score decreased for bankcard account management (12% for the 600–649 group in 2024 to 2025 versus 13.1% in 2023 to 2024), as recent vintages have benefited from more conservative underwriting practices. The delinquency rates at any given score are notably higher than the lows of the early pandemic era (5.9% for the 600–649 group in 2020 to 2021, up a relative 105% since 2020 to 2021), but lower than what was experienced during the Great Recession for lower-scoring consumers (12.8% for the 600–649 group in 2008 to 2009) while being similar for other consumers.



The serious delinquency rate at any given score has gradually increased for mortgage account management (1.5% for the 660–699 population in 2024 to 2025) since the first year of the pandemic. The delinquency rates at any given score are notably higher than the lows of the early pandemic era (0.7% for the 660–699 population in 2020 to 2021, now up a relative 113% since 2020 to 2021) due to payment accommodations no longer being available. But they remain significantly lower than Great Recession delinquency rates, which were related to the mortgage crisis (5.5% for the 660–699 population in 2008 to 2009).



The serious delinquency rate at any given score decreased for personal loan account management (5.5% for the 650–699 group in 2024 to 2025 versus 6.7% in 2023 to 2024), attributable to stricter underwriting practices over the last couple of years. The delinquency rates at any given score are higher than the lows of the early pandemic era (2.8% for the 650–699 group in 2020 to 2021, up a relative 95% since 2020 to 2021) and have also been above Great Recession levels (4% for the 650–699 group in 2008 to 2009) for several years.



Uncertainty persists, particularly for student loan borrowers



Overall, many consumers' credit health remains strong as the average credit score of 715 is still near historical highs. However, the average FICO® Score is a lagging indicator of credit health, and there are certainly many risks to the future average credit score.

Additionally, while more student loan delinquencies are expected in the upcoming months, they could increase even more than anticipated due to changes in the availability of income-driven repayment plans for borrowers. On the other hand, consumers could adjust to the new reality of needing to make student loan payments to prevent wage garnishments, collections, and other negative consequences of not making student loan payments. This could also potentially impact the payment hierarchy.

In conclusion, this report demonstrates higher interest rates, higher prices caused by inflation, and affordability challenges are more likely to impact lower-scoring consumers. Still, more consumers score in the highest score ranges as an increasing number of them maintain healthy credit behaviors, such as paying their bills on time, keeping credit card balances low, and monitoring their credit.

Report methodology

The data used for this report is based on a nationally representative sample of millions of consumer credit files spanning multiple periods from one of the national consumer reporting agencies. Some of the variables shown in this report are also used in FICO® Scores.

Economist Briefing

By Amy Crews Cutts, PhD, CBE®; AC Cutts & Associates LLC

Since the start of 2020, the US consumer has been on a wild ride economically. The onset of the global pandemic brought isolation as everyone was told to stay home, businesses closed, and 21.6 million workers were laid off. Windfall payments landed in consumer bank accounts, student loans payments were suspended, and mortgage relief was made easy. After a two-month recession, the shortest on record, the jobs quickly came back, and businesses reopened with social distancing and health barriers in place. Later came fast rising prices, then higher interest rates, and now, in 2025, the remaining debts have come due.



Dr. Amy Crews Cutts is a nationally recognized thought leader and chief economist focused on providing strategic economic analysis rooted in practical business terms. Amy is the President and Chief Economist of AC Cutts & Associates LLC, an economics and policy consulting firm.

The CARES Act, passed at the end of March 2020, and subsequent pandemic-relief bills passed by Congress through early 2021, provided that the US Treasury pay up to $3,200 to each income-eligible American adult and up to $2,500 per child with near immediate effect. These acts also granted a full year of forbearance for mortgage borrowers in financial distress due to COVID-19, and suspended payments on all federally backed student loans until 2024.

Consumers used these windfall payments to pay down balances on credit cards and to pay off accounts in collections. Between February 2020 and April 2021, consumer credit card balances fell over $150 billion. Since consumers had nowhere to go for most of 2020, spending dropped too. The combination of less spending and higher incomes resulted in much stronger consumer balance sheets in 2021, and by then consumers were ready to spend again.

But in the global production system, the pandemic opened up risks that hadn't been realized before. Businesses had been so focused on lowest-cost, just-in-time inventory management over the past few decades that they forgot to pay attention to supply chain resiliency. Just as consumers were ready to spend their money again, retailers were finding they had no products to sell, and prices started rising quickly. Inflation accelerated to the highest level seen in the US since the 1980s, peaking at a year-over-year rate of 9.0% in June 2022. This rise in inflation in turn caused the Federal Reserve to rapidly increase interest rates. Mortgage rates went from below 3% in 2021 to above 7.5% in October 2023 and, similarly, car loans became much more expensive.

As prices rose, consumers' cash reserves started to dwindle and credit card debt balances started to rise too. Many workers also received larger than normal pay increases, but these were typically a little less than inflation so most didn't see a real improvement in their standard of living. After all that, the average US consumer entered 2025 about as financially well off as they were at the start of 2020 but with higher credit scores.

The economy remains good by many metrics through the first half of 2025 — real GDP is rising, businesses continue to hire, and the unemployment rate remains near historic lows. But cracks are starting to emerge in the foundation: Consumers, whose spending accounts for about 70% of GDP, are already stressed financially by the high inflation in 2022–2023 that outpaced income increases for most, and consumer sentiment levels across all income groups are at recession lows. Heading into fall, the Fed is torn between what they see as a fragile economy, perhaps tipping towards higher unemployment and recession — which would mean they should cut the Fed Funds target interest rate — and the potential for another spike in inflation, which would indicate they should increase the target rate.

As the FICO analysis shows, delinquency rates on auto loans, credit cards, and personal loans are at or near their highest levels since 2009, during the Great Recession — and are more consistent with an economy in recession than one still in expansion. Importantly, mortgage and home equity loan delinquency rates are still near historic lows, though both are starting to slowly rise. Federal student loan repayments restarted in October 2023, and many borrowers are struggling with this added burden. The analysis in this report shows that the resumption of student loan repayments is not the primary reason why delinquencies on other accounts are so high — consumers are more likely to make payments on any other loan they may have before they make a student loan payment if they can't cover all of their debt obligations.

Access to credit is an important support to the US economy, and it is built on the dual foundation of comprehensive and accurate credit reporting and the analytics around those reports that are used to make prudent underwriting decisions. A new survey by Harris Poll and FICO indicates that many American consumers have turned to credit, whether it be credit cards, BNPL loans, or personal loans, to manage financial shortfalls or to provide a safety net over the past year. The survey also finds that a majority of respondents anticipate needing new credit in the next six months to achieve financial goals, especially younger consumers. Despite the high priority placed on maintaining or enhancing credit scores in the coming year, many are concerned about insufficient credit access potentially hindering their financial achievements.

What lies ahead over the next year is uncertainty — both at the macroeconomic level and the micro for both borrowers and lenders. Importantly, US consumers are already using the tools available to them to manage their credit lives. Ninety percent of the Harris Poll-FICO survey respondents indicated that they have taken steps in the past 12 months to better their financial health, and 86% said they have the tools/knowledge to improve their credit score. Access to credit isn't just about getting a credit application approved — it is also the price paid for it. Seventy-five percent of respondents said interest rates have/would have an impact on timing for when they apply for credit, with 29% saying they won't apply for credit unless interest rates drop to a certain point, and nearly half (46%) saying they monitor/would monitor interest rates regularly to try to obtain an optimal rate.

FICO® Consumer Credit Study

Insight Summary, Fall 2025 Edition

About the survey

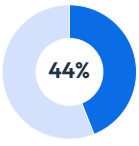
This survey was conducted online within the United States by The Harris Poll on behalf of FICO from August 7–11, 2025, among 2,079 U.S. adults ages 18 and older. The sampling precision of Harris online polls is measured by using a Bayesian credible interval. For this study, the sample data is accurate to within +/- 2.5 percentage points using a 95% confidence level. This credible interval will be wider among subsets of the surveyed population of interest.

America's credit score surge signals a new era in financial health

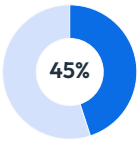
Credit score monitoring has become the nation's new financial fitness tracker, with a dramatic surge in engagement. Fifty-five percent of Americans checked their credit scores in the past year to better their financial health — a significant jump from 49% in 2024, signaling a fundamental shift in how Americans approach financial health management.

Financial fitness gains led by Gen Z and millennials

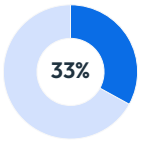
While 52% of Americans report their credit scores remain largely unchanged over the past six months, positive changes are outpacing negative ones by more than 4-to-1 (36% vs. 8%). Most remarkably, younger generations are driving this upward trend:



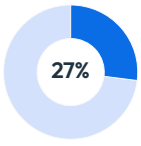
Gen Z
(ages 18–28)
44% report better scores vs. 6 months ago



Millennials
(ages 29–44)
45% saw improvements



Gen X
(ages 45–60)
Only 33% report gain

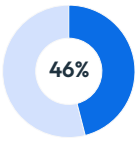


Baby boomers
(ages 61–79)
Just 27% experienced improvements

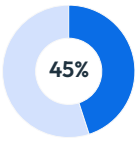
From annual to monthly: the new financial ritual

The traditional once-a-year credit check is becoming obsolete as younger generations transform credit monitoring into a regular financial wellness practice.

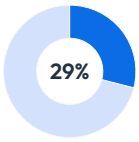
Monthly Monitors:



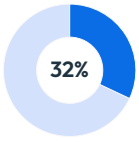
Gen Z
(ages 18–28)
46% check monthly



Millennials
(ages 29–44)
45% monitor monthly



Gen X
(ages 45–60)
29% engage monthly



Baby boomers
(ages 61–79)
32% check monthly

The digital native paradox

While younger Americans overall report checking their credit more often and are more likely to have seen recent gains, many still don't know where to start:

- **17% of Gen Z don't know where to find their credit score** (compared with just 8% of baby boomers)
- **21% of Gen Z feel they lack the tools and knowledge to improve their scores**
- **12% of millennials share this confidence lack of tools and knowledge**

Credit as a cushion

Americans are commonly turning to credit tools — like cards, BNPL, and personal loans — not for luxuries, but as lifelines during financial strain.

- **24%** of Americans opened a new credit card and 13% reported opening a personal loan in the past year to create a financial cushion
- **31%** say they relied on credit cards to make ends meet after a job loss or income disruption in the past 12 months, and 29% relied on BNPL to cover similar income gaps



Student loan holders are using credit to stay afloat

With repayments back in motion, student loan borrowers — especially younger generations — are leaning harder on credit to bridge their financial gaps.

- **54% of student loan borrowers** have relied more heavily on credit cards or loans in the past year due to repayment, with 25% saying they've done so much more heavily
- **64% of Gen Z and 61% of millennials with student loans** report heavier reliance on credit over the past year — compared with 49% of Gen X and just 28% of boomers

The education imperative

Despite high engagement levels, the data reveals a critical need for targeted financial education, particularly among Gen Z consumers who are:

- More active in monitoring (**46%** check monthly)
- Most likely to see improvements (**44%** report better scores)
- Most likely to lack foundational knowledge (**17%** don't know where to find scores vs. 10% each millennials and Gen X, and 8% baby boomers)
- Less likely to feel confident in their improvement capabilities (**21%** feel ill-equipped vs. 12% Millennials and 9% Baby boomers)



Bottom line: The future of financial health

Americans are overwhelmingly prioritizing financial health management, with 90% of consumers taking active steps toward improvement in the past 12 months. However, the data reveals a critical paradox: Those who monitor most frequently often understand least about the fundamentals. This presents both a challenge and an opportunity for financial education initiatives, particularly targeting the digitally native generations who will shape the future of American credit and financial health.

FICO® Scores and how FICO can help

FICO believes financial inclusion and responsible innovation go hand in hand. The **FICO® Score Innovation Lab** provides banks, fintechs, and credit risk leaders with powerful, interactive tools to explore new strategies for expanding access to credit. One example: the Inclusion Opportunity Explorer, which helps organizations model how score layering with alternative data, such as FICO® Score XD and UltraFICO® Score, can responsibly approve more applicants who are credit invisible or just below traditional approval cutoffs. These tools empower financial institutions to pursue inclusive lending strategies with confidence-supporting stronger portfolios while expanding access to credit for underserved communities.

This work is part of **FICO Impact**, a broader initiative that advances financial empowerment through measurable programs. FICO partners with nonprofits and community organizations through the **FICO® Score A Better Future® Program**, which offers free credit education and one-on-one counseling across the country. More than 250,000 consumers have received free scores through the **FICO® Score Open Access for Credit & Financial Counselors** Program. FICO also collaborates with Historically Black Colleges and Universities through the **Educational Analytics Challenge** and works directly with lenders via the **Lenders Leading Financial Inclusion Program** to responsibly expand access to credit for underserved populations.

In a time when consumers, regulators, and stakeholders increasingly expect companies to demonstrate leadership in financial inclusion, scam prevention, and education, FICO's approach stands out. These efforts help align values with outcomes-strengthening trust, brand reputation, and long-term partnerships.

Explore how inclusion can be a catalyst for both business growth and community impact.

Learn more at

www.fico.com/empowerment

www.fico.com/innovation-lab

FICO® SCORE

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