2022 Credit Trends in the US by City and State

FICO®SCORE

The national average FICO® Score currently sits at 716 as of April 2022, the same as when FICO last reported on it a year ago. This is a change from the previous trend of increasing average FICO Score we have observed over the past several years. We saw a substantial increase in the first year of the pandemic when the average FICO Score rose five points due to the rapid recovery of the economy, government stimulus programs, and historic levels of household saving, along with payment accommodation programs offered by lenders to help consumers manage their debts in the face of COVID-related income loss. Now, the average FICO Score has leveled off during the second year of the pandemic.

Average FICO® Score 8 by Year

Exhibit 1 — Average FICO® Score 8 based on random national sample of the US population

The leveling-off of the average FICO® Score this year has been driven by modest changes in key metrics considered by the score: a small uptick in missed payments, slightly elevated consumer debt levels, and an increase in consumers obtaining new credit. We'll dive into each of these trends in a bit more depth in this paper at both a State and MSA level.

While the data we analyzed offers clear evidence of modest increases in default rates on certain products, re-leveraging of consumer debt and an uptick in new account openings, these emerging trends do not seem to be substantial enough in aggregate to materially move the national FICO® Score distribution downwards.

FICO®SCORE

	April 2021	April 2022
% of population with history of 1+ delinquency in past year	15.0%	15.2%
% of population with 70+% revolving utilization	13.9%	15.1%
% of population with 3+ inquiries in the past year	4.7%	4.6%
% of population that opened 1 or more new credit accounts in the past 12 months	44.8%	47.6%

Exhibit 2 — Year-over-year trends in credit characteristics based on a random national sample of the US population

The findings in Exhibit 2 illustrate some of the moderate changes in aggregate consumer credit behaviors as of April 2021 versus April 2022. For example, the percentage of population with one or more recent delinquencies reported has increased slightly as of April 2022 compared to April 2021. The more recent April 2022 snapshot also reveals a higher percentage of consumers who are heavily utilized on their credit cards.

As payment history and amounts owed categories account for ~65% of a FICO® Score, these moderate changes toward more risky behaviors have contributed to the leveling off of higher average FICO Scores.

In addition, we also observed a higher percentage of consumers with new credit obligations opened over the previous 12 months as of April 2022 — influencing the score categories of length of credit history and pursuit of new credit.

Having higher FICO® Scores provides benefits beyond "bragging rights." They can help individuals gain access to more credit options at more affordable rates — potentially saving them thousands of dollars in interest charges.

So, while the growth in average FICO® Score is leveling off at the national level, what about at the state or city level? Which states have seen the biggest changes over the past 12 months? How do major US cities compare? Which state residents carry the most credit balances? Which major city residents are applying for credit most frequently?

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1. State-Level View

The average FICO® Score for the US as of April 2022 is 716. While 31 states (and the District of Columbia) have an average score higher than the national average of 716, we generally see that the upper Midwest and New England states continue to have the highest average FICO® Scores. Minnesota, Vermont, New Hampshire, and Wisconsin are ~23 points higher than the national average, coming in at 742, 739 and 737, respectively.
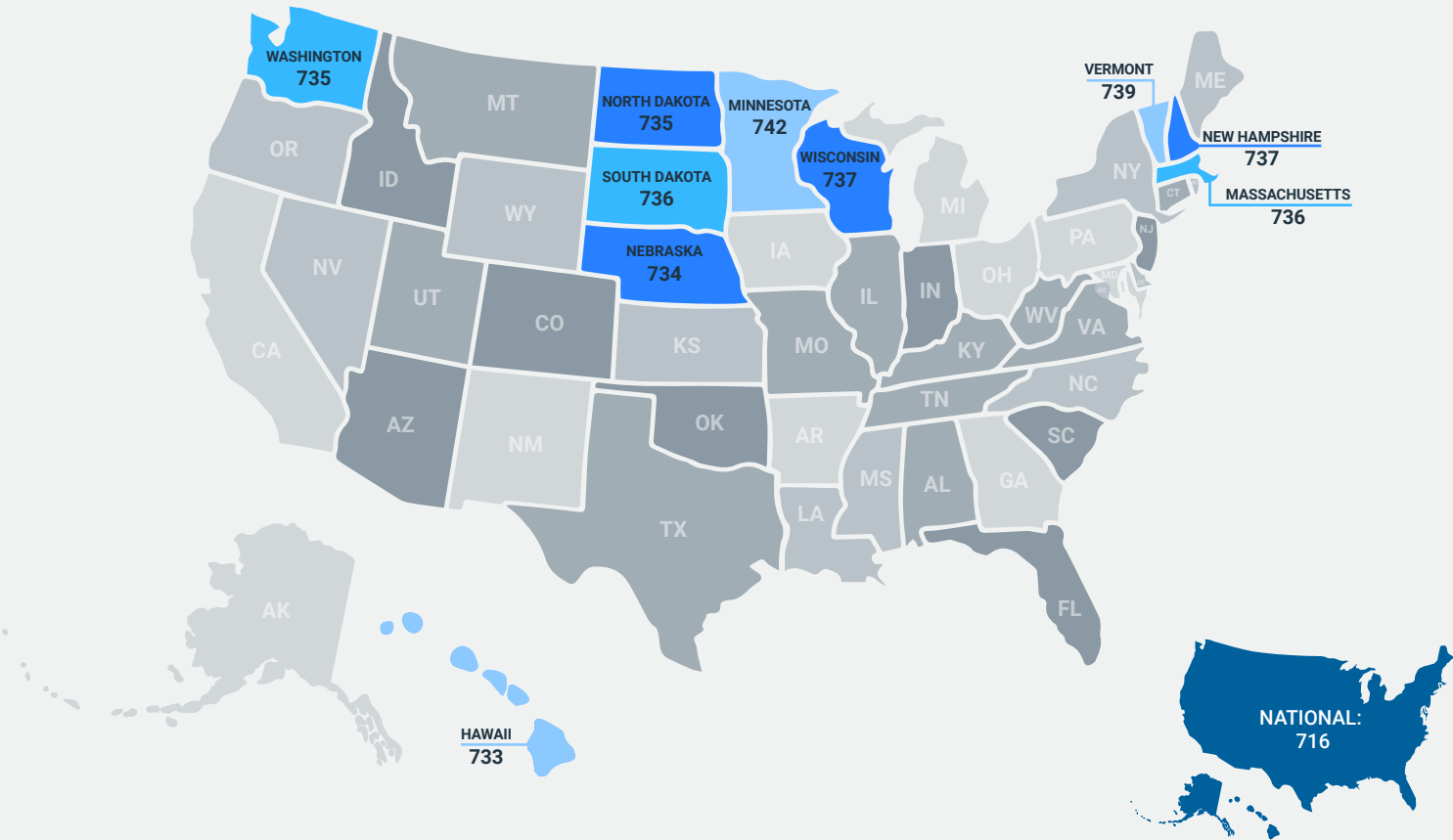
Average FICO® Score 8

Exhibit 3 — Average FICO® Score 8 as of April 2022 (Top 10 States)

On average, residents in these states are likely to have fewer recently missed payments, are less likely to be seeking and opening new credit and are less likely to have higher revolving utilization — which are all behaviors that reflect positively on a FICO® Score. For example, the chart below illustrates different credit profile dynamics for the top 10 states with the highest average FICO Scores in April 2022 compared to the national view.

	Top 10 states	National
% of population with history of 1+ delinquency in past year	11.7%	15.2%
% of population with 70+% revolving utilization	12.3%	15.1%
% of population with 3+ inquiries in the past year	2.9%	4.6%
% of population that opened 1 or more new credit accounts in the past 12 months	44.9%	47.6%

Exhibit 4 — Year-over-year trends in credit characteristics based on a random national sample of the US population

Average FICO® Scores have remained the same or increased slightly in almost all states between April 2021 and April 2022

Forty six states have seen their average FICO® Scores as of April 2022 remain the same or increase slightly (by 1 point on average) when compared to their average benchmark snapshot scores as of April 2021.

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2. Metropolitan Statistical Area (MSA)[2] (City) Level View

The San Francisco Bay Area has the highest average FICO® Score as of April 2022, at 746, closely followed by Minneapolis/St. Paul and Boston. Similar to the state level analysis, residents in these MSAs are likely to have fewer recently missed payments, are less likely to be seeking and obtaining new credit, and are less likely to have higher revolving utilization — which are behaviors that reflect positively on a FICO Score. Exhibit 5 highlights the 10 MSAs (of those we evaluated) with the highest average FICO Score as of April 2022.

Houston, San Antonio, and Miami had the lowest average FICO® Scores (696, 695, and 694, respectively) of the MSAs we evaluated.
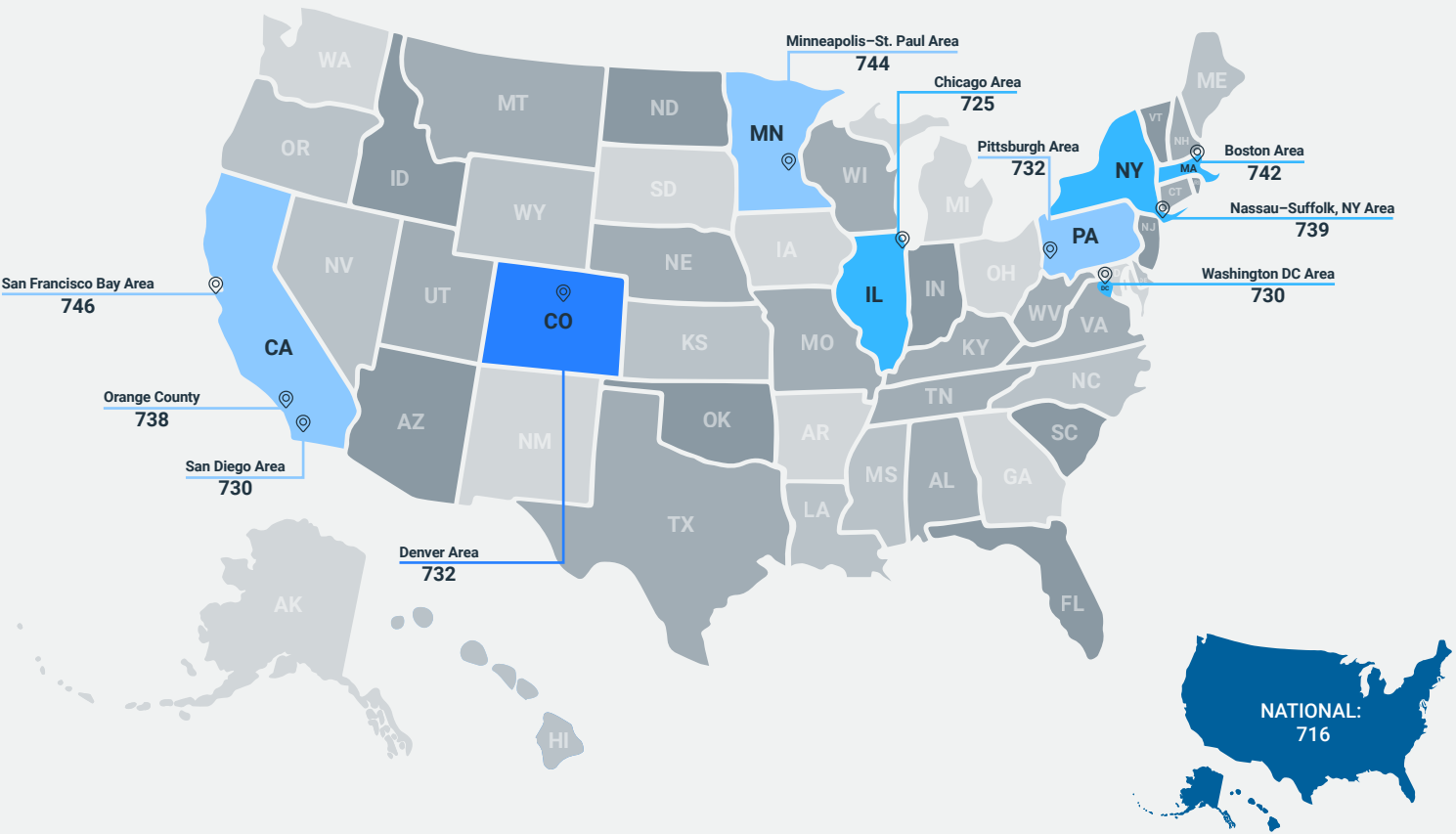
Average FICO® Score 8

Exhibit 5 — Average FICO® Score 8 as of April 2022 (Top 10 MSAs)

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MSAs have also seen their average FICO® Scores stabilize over the April 2021 to April 2022 timeframe

In terms of score migration, all the MSAs evaluated had no change or a minor increase in their average FICO® Score — except the New York City MSA, which saw a decrease between April 2020 and April 2021.

An important fact about credit scores — they are dynamic and will change as the underlying credit behaviors change. And increasing one's credit score can have a substantial impact in terms of increasing the likelihood of being approved for a credit application and securing more attractive interest rates.

3. Additional Trends Evaluated

There are other interesting comparisons regarding some of the underlying credit dimensions that help explain the FICO® Score dynamics being observed.

When looking specifically at mortgage loan dynamics on the population with an open mortgage obligation on their credit report, it's not surprising that we are seeing substantial increases in the average mortgage loan balances given the persistent "hot mortgage market" across the US during this time period. As can be expected, states known for expensive real estate make up the top five.

Looking for lower housing costs? Arkansas, Mississippi, and West Virginia have the lowest average mortgage balances being reported ($144,183, $138,328, and $130,879, respectively). However, even in these states, the average mortgage loan balance has increased by ~$7,900 compared to a year ago.

	April 2021	April 2022	Increase
District of Columbia	$467,522	$498,873	$31,351
California	$387,637	$417,231	$29,594
Hawaii	$391,924	$411,296	$19,372
Washington	$300,591	$331,076	$30,485
Colorado	$291,257	$317,635	$26,378
National	$224,477	$240,625	$16,148

Exhibit 6 — Average Mortgage Loan Balances April 2021/2022 (Top 5 States)

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West coast MSAs have higher average mortgage balances

In fact, when drilling down into the MSA level, we see that the average total real estate balances for the San Francisco Bay Area and Orange County, CA, are two times greater than the US national average of $240,625 as of April 2022, and around three times greater than those MSAs we evaluated with the lowest average total mortgage balances.
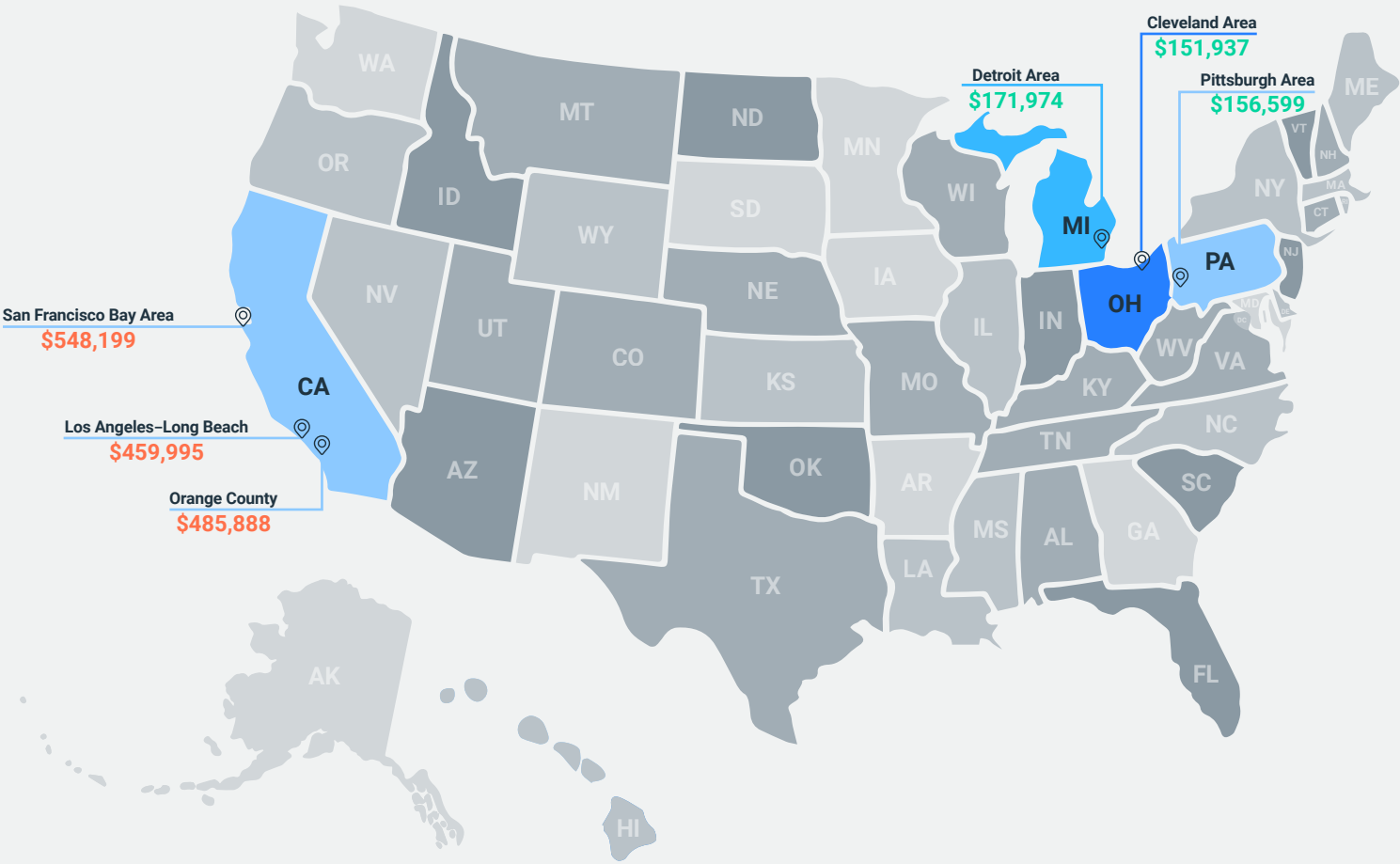
Average Mortgage Balance

Exhibit 7 — MSAs with the highest and lowest mortgage loan balances (April 2022)

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Trends in revolving debt

How much of one's available revolving credit is being used (commonly referenced as "revolving utilization percentage") is an important credit behavior evaluated in a FICO® Score calculation. Analysis of millions of credit reports has found that the higher the percentage of available revolving credit being utilized by a consumer, the greater their risk of defaulting on a credit obligation in the future. This is a key driver in the "amounts owed" FICO Score category, which comprises of 30% of the score calculation.

At the national level, we see that close to 15% of the population has a relatively high revolving utilization of 70% or greater as of April 2022. Generally, Midwest and New England states tend toward having a smaller percentage of their residents with higher revolving utilization. The top three states (Wisconsin, Minnesota, and Vermont) average 11% of their residents having 70% or greater utilization as of April 2022.

On the flip side, Nevada, Georgia, and Mississippi exhibit a higher percentage of their residents with 70% or greater revolving utilization.

Note that all states (and the District of Columbia) have seen the percentage of residents with 70+% revolving utilization increase slightly when comparing April 2022 to April 2021 — helping contribute to the lack of increase in higher average scores observed in April 2022 compared to April 2021.

	% of Population with 70+% Revolving Utilization
Wisconsin	10.9%
Minnesota	11.3%
Vermont	11.9%
Mississippi	18.2%
Georgia	18.3%
Nevada	19.1%
National	15.1%

Exhibit 8 — States with highest/lowest % of residents with 70% or greater revolving utilization (April 2022)

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At the MSA level, we see similar trends. Miami, Las Vegas, and Jacksonville are more likely to have a higher percentage of their residents with 70% or greater revolving utilization. Cities with a lower percent of their residents being 70% or greater utilized tend to have higher average FICO® Scores, including Boston, the San Francisco Bay Area, and Minneapolis/St. Paul.

Note, all of the MSAs we evaluated have seen the percentage of residents with 70+% revolving utilization increase when comparing April 2022 to April 2021 — helping contribute to the stabilization of average scores observed in April 2022.

	% of Population with 70+% Revolving Utilization
Boston Area	10.8%
San Francisco Bay Area	10.9%
Minneapolis-St. Paul Area	11.1%
Jacksonville Area	18.9%
Las Vegas Area	20.0%
Miami Area	20.5%
National	15.1%

Exhibit 9 — MSAs with highest/lowest % of residents with 70% or greater revolving utilization (April 2022)

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	Recently Opened New Credit
Alaska	40.3%
District of Columbia	41.9%
Hawaii	42.2%
Florida	50.7%
Texas	51.3%
Mississippi	52.2%
National	47.6%

Exhibit 10 — States with the highest/lowest % of population with a new account opened in the past year (April 2022)

While it's always interesting to compare and contrast FICO® Score and credit attribute dynamics across US states and MSAs, it's important to remember that the information shared in this report is aggregated across all consumers in those regions. There are residents in each state and MSA who span the full spectrum of values for these credit attributes and FICO Scores, and who have experienced the full spectrum of changes in FICO Score during these dynamic times.

And as always, remember that information about where someone lives (such as state, county, ZIP code) is never considered in a FICO® Score. FICO Scores are calculated based solely on how an individual manages their credit. Regardless of where you live, it is always important to manage your FICO Score responsibly, for example, by paying your bills on time, keeping your credit balances low, and only applying for credit as needed.

FICO® More Precise Decisions