



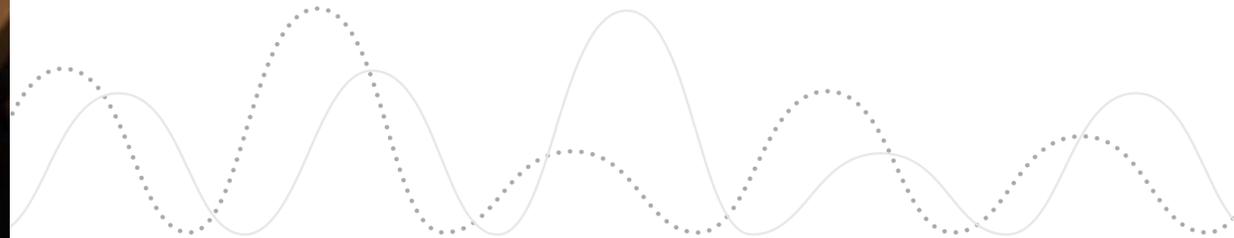
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Market **Pulse**

Main Street Lending Report

March 2026

Data through January 2026





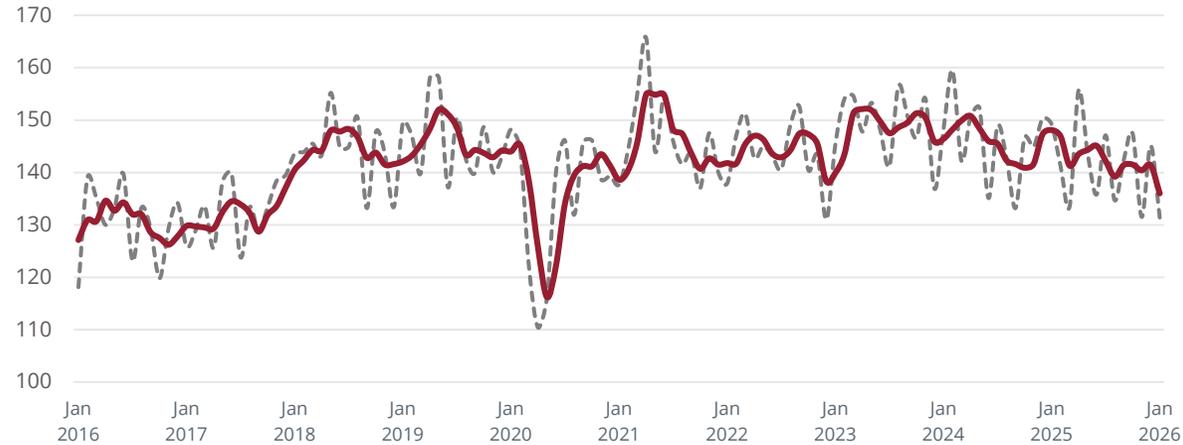
Equifax Main Street Lending Report — March 2026

Summary for Executives

Key Takeaways

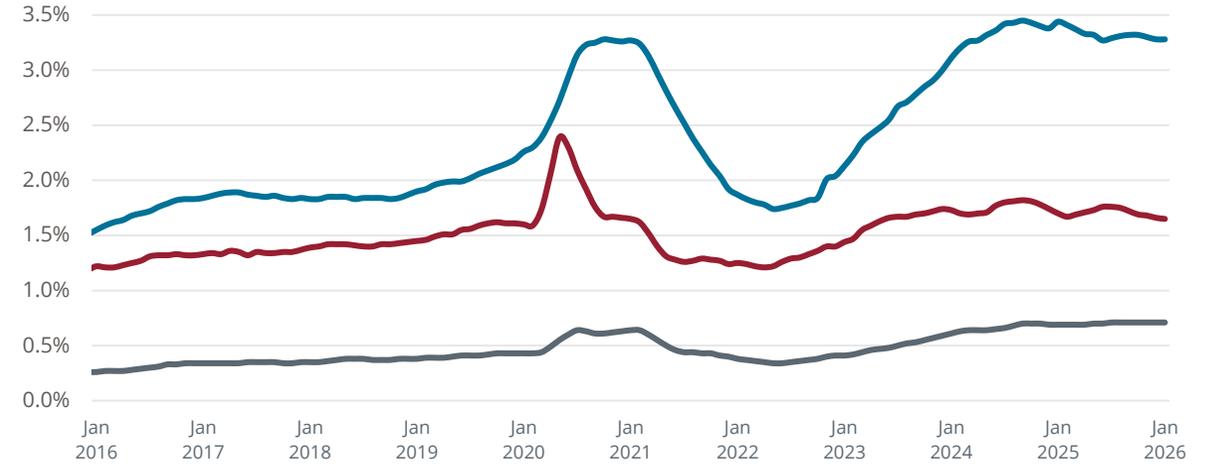
- In January, the Small Business Lending Index decreased 9.4% from December and was down 11.9% year-over-year. As for delinquencies, short-term delinquencies (31-90 days) edged down on a month-over-month and year-over-year basis, while long-term delinquencies (91 – 180 days) were flat over the same timeframes.
- The economy recorded positive, albeit slower-than-expected, growth to close out 2025. Consumer spending remained in positive territory, though its deceleration across 2025, and particularly over the last few months, raises concerns about the outlook moving forward. Combined with weak labor market data and nervousness surrounding the Supreme Court’s tariff ruling and ongoing conflict in Iran, economic uncertainty is rising and may potentially drag on near-term growth.

Equifax Small Business Lending Index (SBLI)



Volume of new commercial loans and leases to small businesses, seasonally adjusted index (January 2005 = 100)

Equifax Small Business Delinquency (SBDI) & Default Indices (SBDFI)



SBDFI calculated as a 12-month rolling average

Factors to Watch



Slowing Consumer Spending

Consumers may be beginning to pull back on spending, with some hints of growing financial stress and weak December and January retail sales.



Trade Policy Post-IEEPA

The administration is likely to continue pursuing its tariff agenda in the wake of the Supreme Court’s decision, turning to other legal authorities.



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Economic Trends

Economic Context

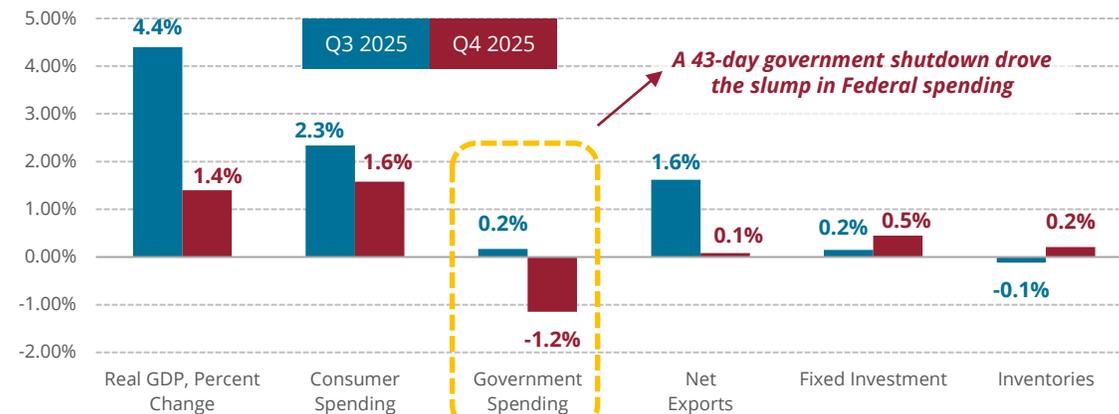
Economic growth decelerated in Q4, expanding at a 1.4% annualized rate after Q3's robust 4.4% pace (see top chart). The Congressional Budget Office estimates that the 43-day government shutdown (the longest on record) shaved a full percentage point off growth. For the year, the economy expanded 2.2% in 2025 — healthy, but the slowest annual pace since 2020. Looking ahead, economic uncertainty is rising in 2026: recent weak labor market and consumer spending data, the Supreme Court's ruling invalidating tariffs enacted under the International Emergency Economic Powers Act (IEEPA), and ongoing geopolitical conflict are all clouding the outlook.

Three key factors to watch for Main Street in the months ahead include:

- Consumer Spending:** Consumer spending momentum may be slowing. Real retail sales came in weaker than expected in December and January at 0% and -0.2% M/M, respectively. Meanwhile, overall consumer spending increased just 1.7% Y/Y in December, the slowest rate in three years. Weakening labor market conditions and rising financial stress could signal further softening ahead. In February, the economy lost 92,000 jobs — offsetting most of the gains from January's employment report — while Vanguard reports that 6% of workers took hardship withdrawals from their 401(k) plans in 2025, roughly triple the pre-pandemic average.
- Tariffs:** Tariffs and economic uncertainty have gone hand-in-hand since early 2025, and that trend looks likely to continue this year. In February, the Supreme Court struck down the Trump administration's country-specific reciprocal tariffs, resulting in more than \$130 billion in refunds that will need to be distributed to importers. At present, details are limited regarding how or when refunds will be processed, but in the meantime the administration is moving forward with temporary 15% tariffs on all countries for 150 days using authority provided by Section 122 of the Trade Act of 1974. The administration is also likely to pursue product-specific tariffs under Section 232 of the Trade Expansion Act of 1962 and, potentially, additional country-specific tariffs under Section 301 of the Trade Act.
- Inflation and Federal Reserve Policy:** While CPI inflation moderated slightly in 2025 (see bottom chart), conflict in Iran has raised fears of energy price spikes, which could lead to broad-based inflation. The Fed will need to balance upside risks to inflation with downside risks to the labor market during its March meeting. At present, markets expect the Fed to hold rates steady at the March 18 meeting, but cuts later this year appear more likely than not.

GDP Decelerates in Q4 2025, Driven by Large Drop in Gov't Spending

Contributions to percent change in Real GDP, Q3 2025 & Q4 2025 (categories sum to overall GDP growth)



Source: Bureau of Economic Analysis.

Consumer Price Index (CPI) Inflation Eases in Late 2025/Early 2026

Seasonally Adjusted, Y/Y Percent Change



Source: U.S. Bureau of Labor Statistics. Note that October data was not collected due to U.S. government shutdown.

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