



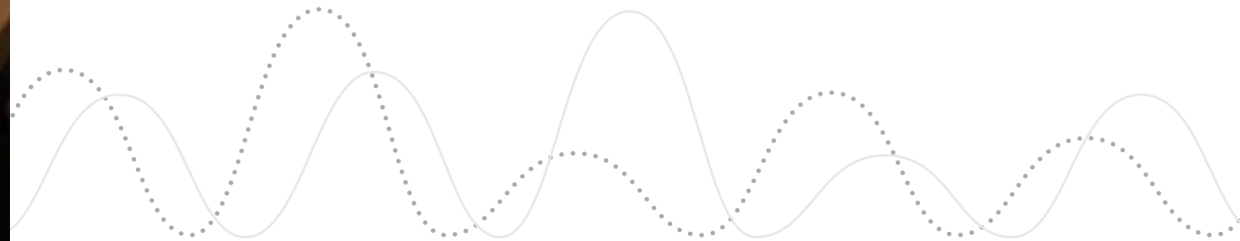
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Market **Pulse**

Main Street Lending Report

November 2025

Data through September 2025





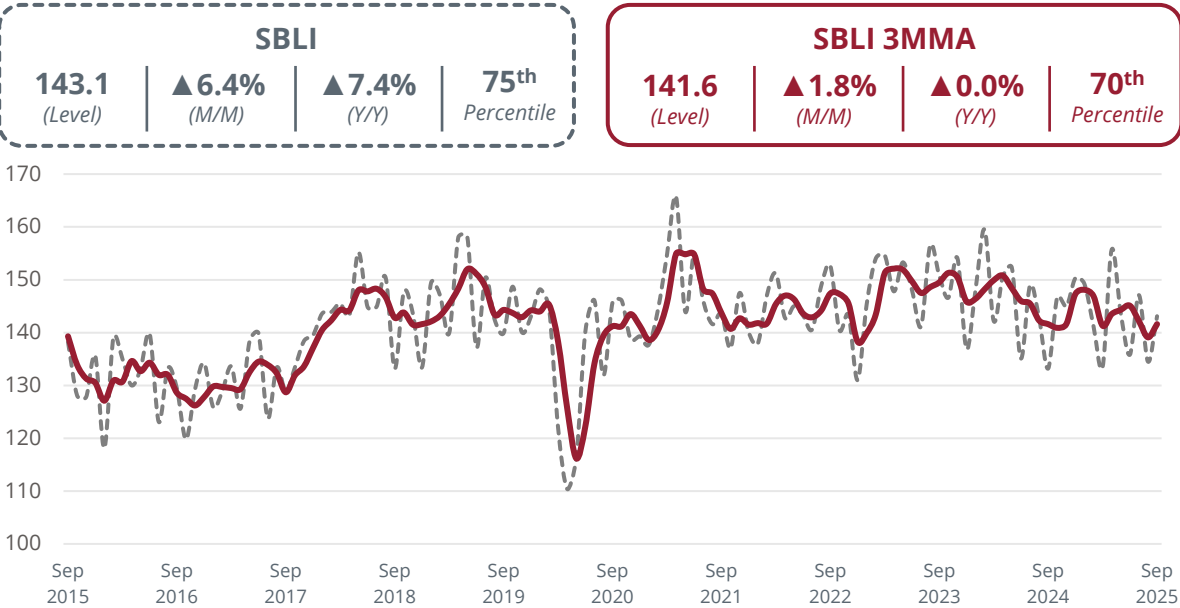
Equifax Main Street Lending Report — November 2025

Summary for Executives

Key Takeaways

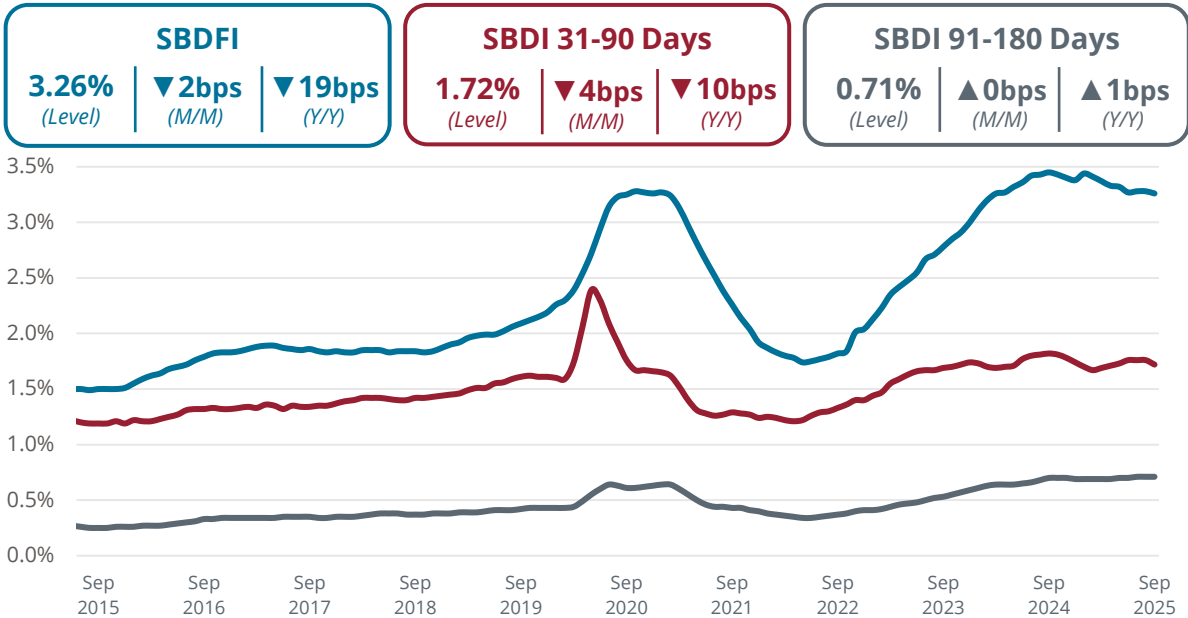
- In September, small business lending increased 6.4% from August and is up 7.4% Y/Y, though the index is down 4.8% year-to-date. Delinquencies of 91-180 days remain flat compared to last month while delinquencies of 31-90 days and defaults fell by 4bps and 2bps, respectively.
- Although official government data has not yet been released given the recently-concluded government shutdown, private sector data suggests labor markets rebounded modestly in October after contracting in September. Still, small business job growth is showing signs of strain. Easing some of Main Street’s anxiety, the Federal Reserve cut interest rates by 25 basis points at its most recent meeting, and markets are projecting another cut in December.

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



Small Businesses Continue to Shed Jobs

ADP’s private-sector jobs data shows that small businesses (<500 employees) have shed 140,000 jobs over the last three months.



Fed Cuts Could Provide Boost to Lending Environment

Two rate cuts this fall and potentially one more in December should improve small business lending demand and credit availability.



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Economic Trends

Economic Context

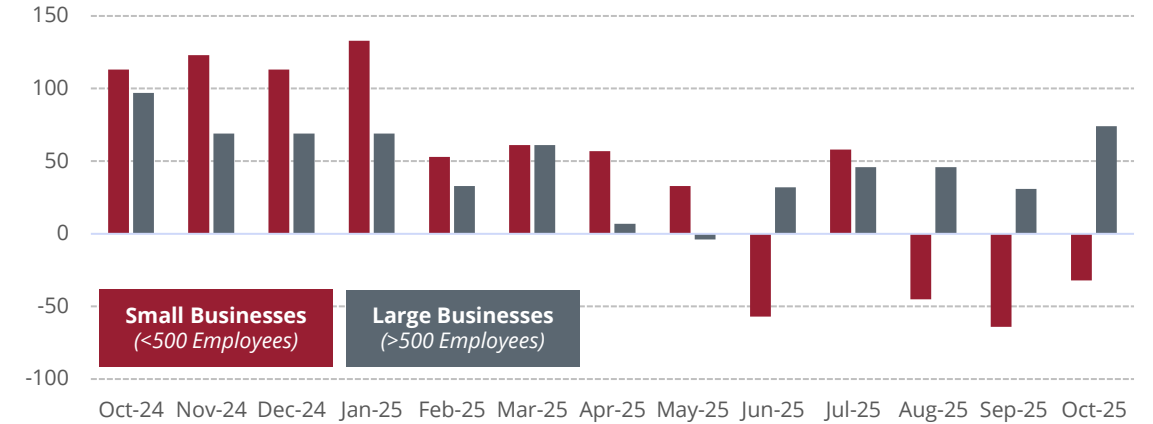
After 43 days, the longest government shutdown in history has finally come to an end. While operations will begin to normalize immediately, the economic impact of the shutdown may linger. Indeed, according to the Congressional Budget Office, the shutdown is expected to shave around 1.5 percentage points from Q4 GDP growth (though most of this decline is expected to be recovered across 2026). The shutdown has also delayed key federal data releases, leaving businesses, investors, and policymakers with limited visibility into current economic conditions. It may take some time for statistical agencies to “unfreeze” data collection and reporting efforts, but the Federal Reserve Board should have fresh employment and inflation data before the final FOMC meeting of the year in mid-December.

Moving into the final stretches of 2025, some small businesses appear to be growing more nervous about the state of the U.S. economy. While official government data is still unavailable, recent ADP data suggest that job growth among small businesses has declined steadily: firms with fewer than 500 employees have shed 140,000 jobs over the last five months (see top chart). Overall, ADP finds that the private labor market expanded modestly in October, but the official labor market data is expected to come in weaker, in part because roughly 150,000 federal employees voluntarily left their position via the government’s deferred resignation program (i.e., the “Fork in the Road”). According to the WSJ/Vistage Small Business CEO Survey, tariffs are also continuing to weigh on Main Street: 57% of respondents report higher costs, 51% are less profitable, 40% report decreased demand, and 39% have seen revenues fall due to tariffs.

Some of the recent strain on small businesses may be buoyed by the prospect of lower interest rates. After the Fed cut rates at each of its last two meetings in response to weaker labor market readings, markets currently assign a roughly two-thirds chance of a third cut in December. As borrowing costs ease, lending conditions should begin to improve. According to the latest Senior Loan Officer Opinion Survey, small business demand for commercial and industrial loans has shown signs of recovery in recent months (see bottom chart), driven by renewed financing needs for plant and equipment investments, M&A activity, and inventory management. The WSJ/Vistage survey finds that 80% of small businesses expect rate cuts to take at least three months to filter through to their operations, suggesting stronger loan demand in early 2026.

Small Businesses Shed Jobs for Third Consecutive Month

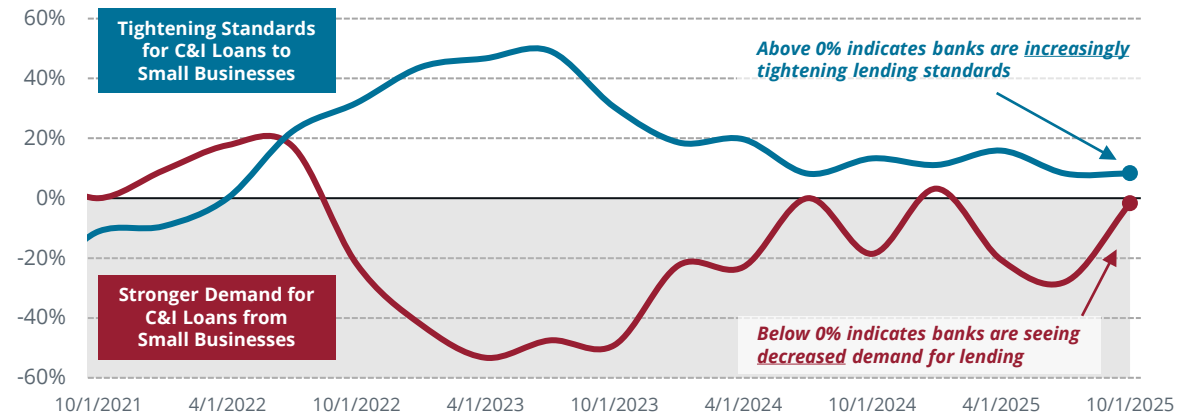
Change in jobs/persons employed by establishment size, thousands, monthly, seasonally adjusted



Source: ADP National Employment Report

Lending Demand is still Weak but Recovering for Small Businesses

Net percent of respondents: tightening standards for C&I loans & stronger demand for C&I loans



Source: Federal Reserve, Senior Loan Officer Opinion Survey (SLOOS).

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