The Market Pulse Index Report

Q1 2026

Q1’26
Market Pulse Index

The Hidden Movement of the Middle

The Equifax Market Pulse Index measures financial stability of U.S. consumers by combining five key factors: credit, debt, income, assets, and spending capacity using a single value from 1 to 100. In Q1’26, the Market Pulse Index dipped **1%** to **60.9**, marking its second straight quarter of decline. While consumers are still moving in different financial directions, the entire economic picture has simply shifted down a notch. This small, collective decline was largely driven by recent changes in the equity markets affecting top-tier assets.

Beneath that overall drop, we saw movement within the Market Pulse Index consumer segments. The top-tier Thrivers group shrunk slightly while the Strivers group expanded. At the same time, the Middle tier showed a net change of exactly zero percent. While the top-line total for the middle is flat, millions of consumers are actually shifting between categories. Some are building momentum and moving up, while others face downward pressures that push them into the Strivers tier. This constant churning means the Middle tier is changing fast, a trend we explore later in the report.

Market Pulse Index

March 2026
60.9

▼ QoQ **-1**%

▲ YoY **-0.8**%

Change Since Inception
(June 2021)
▼ **-1.8**%

QoQ movement within Market Pulse Index consumer segments

▼ **5**%
Thrivers
(Avg Index 80 & Above)
Peak consumer stability with high asset growth and strong credit

0%
The Middle
(Avg Index 50–79)
Traditional middle class that can shift as households move toward growth or pressure

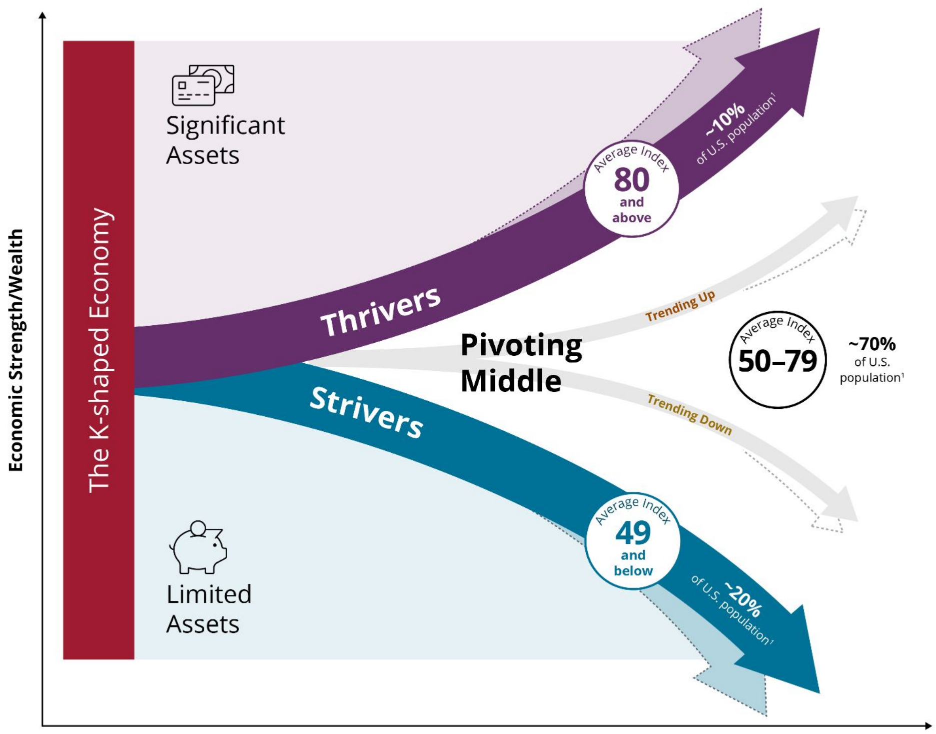
▲ **2**%
Strivers
(Avg Index 49 & Below)
More financially sensitive to rising prices, facing debt and limited savings

Divergence and Momentum with the K-Shaped Economy
We continue to track the growing ”divergence” within the Market Pulse Index to show how risk is concentrated in specific populations even when top-level averages stay relatively stable. Divergence compares the distribution of consumers this quarter against the previous quarter.

The K-Shaped economy is moving at different speeds for different consumer groups identified within the Market Pulse Index, with the top 10% of consumers (Thrivers) gaining financial momentum while the bottom 20% (Strivers) face faster downward pressures.

Tracking the K-Shaped Economy

The K-shaped economy is a dynamic story of people moving toward different financial futures — it is a shifting script of diverging financial trajectories. While traditional reporting often focuses on a single average, this visualization shows how the U.S. credit-visible population can be represented in terms of Market Pulse Index values.



¹ Percentage of U.S. credit visible population, 18+ in 50 states and D.C.

Thrivers
- Strong asset growth
- High credit stability
- Resilient spending

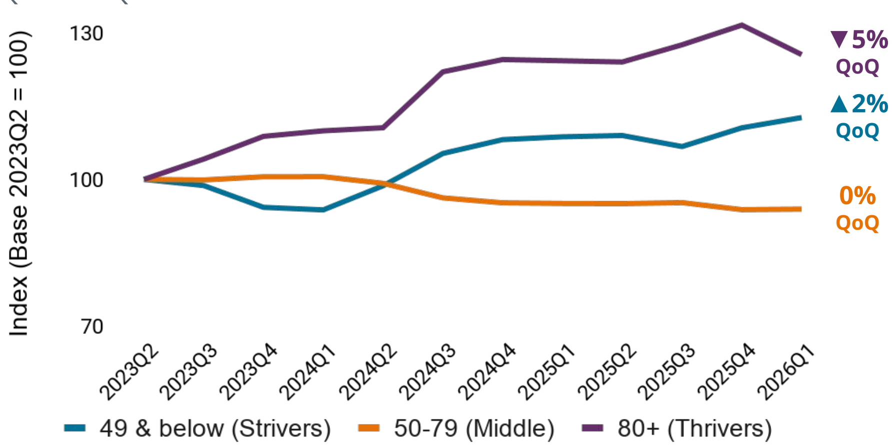
Trending Up
- Improving credit positions
- Growing assets
- Expanding flexibility

Trending Down
- Rising debt balance
- Lower asset protection
- Reduced spending room

Strivers
- High debt burdens
- Limited savings
- Rent and inflation stress

Market Pulse Index Consumer Segments Indexed Over Time (% of U.S. Population)

Q2'23 to Q1'26



This indexed chart illustrates the "K-shaped" economic divergence using the Market Pulse Index consumer segments. Both the highest and lowest segments have seen their population shares grow, while the middle segment has contracted.

This "hollowing out" of the middle tier **(-6.2%)** suggests that consumers are increasingly moving toward the extremes of the financial stability spectrum rather than remaining in the middle.

Middle Segment Migration by Wealth

Where the Middle is Moving

A significant portion of those leaving the Middle are sliding down to the Strivers category, and **97%** of that downward movement is explained by having Mass Market wealth (under $100k in assets). Conversely, more than two-thirds **(68%)** of those moving up from the Middle to Thrivers are in the Affluent tier.

Individuals who moved down into the Strivers group often had less than $100,000 in assets, while those moving up to Thrivers were heavily supported by affluent wealth. As expected, older generations show the most financial stability during this time, while younger consumers experience much faster movement both up and down.

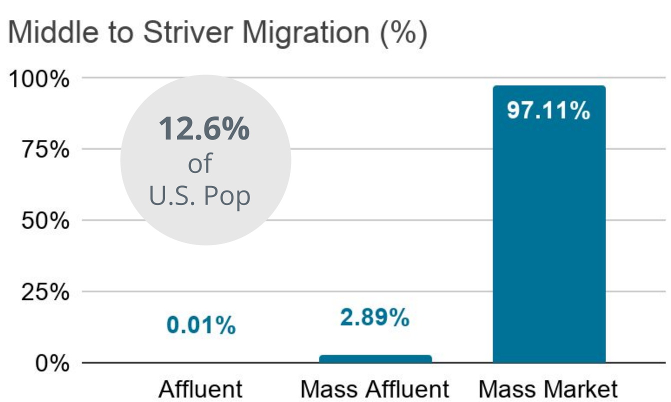
Thrivers: **Avg Index 80 & Above**
Peak consumer stability with high asset growth and strong credit.

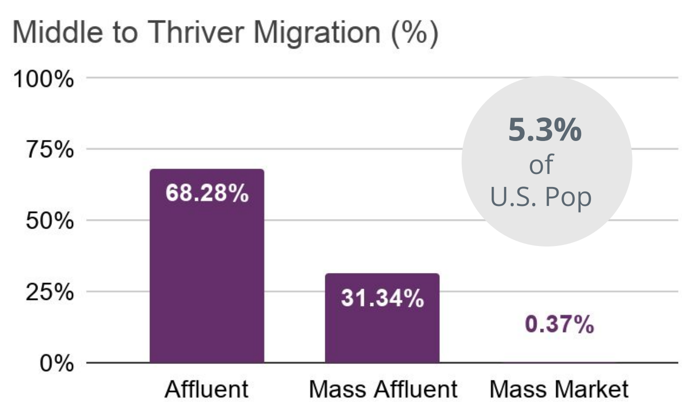
The Middle: **Avg Index 50–79**
Traditional middle class shifting as households move toward growth or pressure.

Strivers: **Avg Index 49 & Below**
More financially sensitive to rising prices, facing debt and limited savings.

Market Pulse Index Migration by Wealth Tier

from Q2’23 to Q1’26





Wealth Tiers in the U.S.

Mass Market
<$100K

- 71 million households
- $1.5 trillion total assets

Mass Affluent
$100K–$1M

- 47 million households
- $19.5 trillion total assets

Affluent
$1M+

- 14 million households
- $53.4 trillion total assets

Credit Scores, Incomes and the K-Shaped Economy

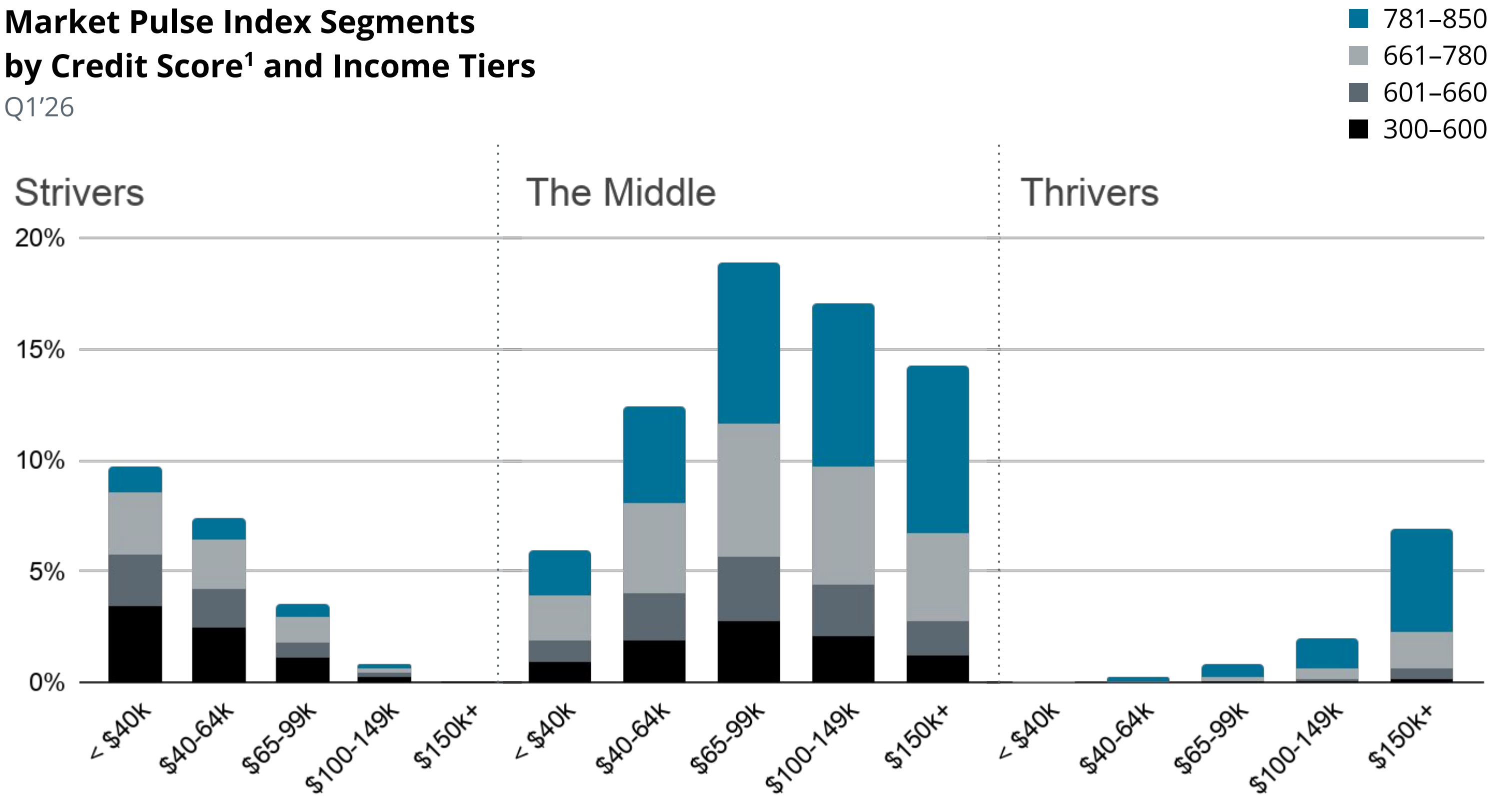
A strong credit score is a fantastic tool, but it is just one part of a consumer's full financial picture. For younger consumers, building solid credit and income are the main signs of financial health, while older generations rely much more on accumulated wealth.

Many everyday consumers manage their money incredibly well, even when cash is tight. Over **13%** of Strivers and **41%** of the Middle hold credit scores above 780, showing deep financial responsibility even without liquid wealth. This reveals a highly attentive group of consumers who stay responsible with their debt, despite lacking large emergency savings.

Unlike the other segments, the Middle has a significant presence across all credit score ranges, though it peaks in the highest VantageScore 4.0 bracket (781-850), which accounts for **28.5%** of the total population. However, this segment is most concentrated in the $65k–$149k income range.

Market Pulse Index Segments by Credit Score[1] and Income Tiers

Q1'26



[1] VantageScore 4.0

Wealth, Generations and the K-Shaped Economy

Market Pulse Index data confirms that having liquid assets is the ultimate dividing line for long-term financial security. Nearly all Thrivers come from the affluent tiers, while almost **98%** of Strivers fall into the mass market category. The few younger consumers who reach the Thriver segment without personal wealth are likely benefiting from shared family resources or housing support.

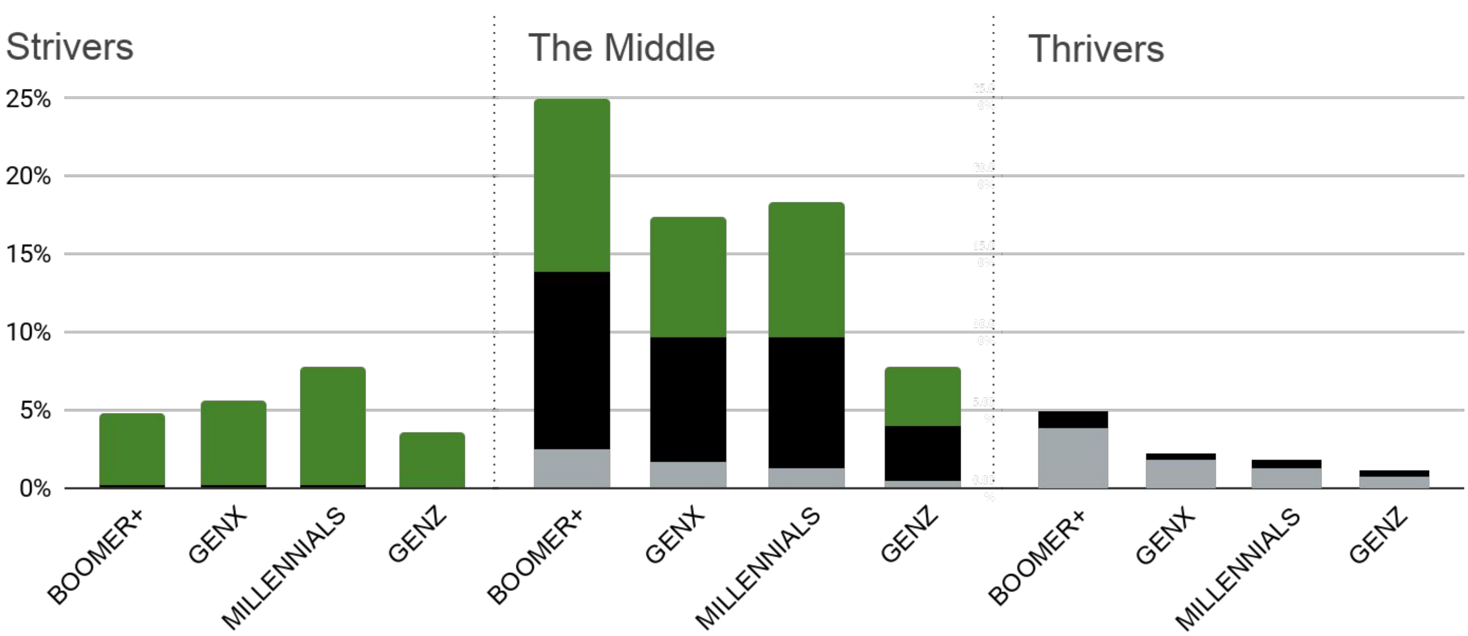
Dominance in the Middle

The Middle segment represents the largest portion of the population across all generations. It is particularly prominent in the Mass Affluent and Mass Market wealth tiers, with Boomer+ in the Mass Affluent tier making up **11.5%** of the total population.

Generational Takeaways

Across most segments, Boomer+ and Millennials tend to have higher representation, reflecting their larger relative sizes and economic positions within each category. Millennials represent the largest portion of Strivers at **7.6%,** nearly all from the Mass Market. Boomer+ in the Thriver segment account for **3.8%** of the total population, the highest among all segments for the Affluent tier.

Market Pulse Index Segments by Generation and Wealth Tiers
Q1'26



Market Pulse Index Movement by Generations

In every generation, the percentage of individuals experiencing a significant decrease (10+ points) outweighed those seeing a significant increase, suggesting a general downward pressure on Market Pulse Index values.

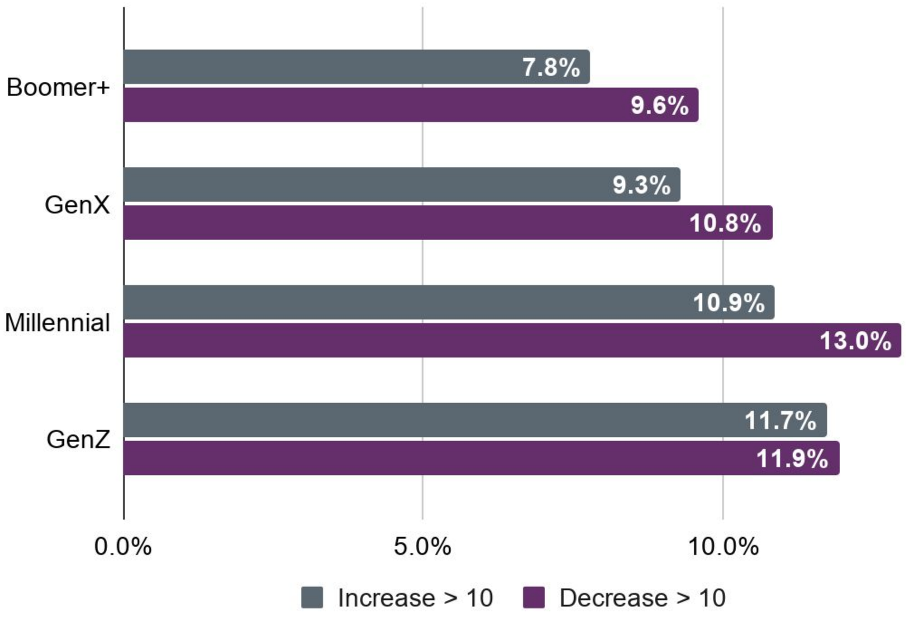
Millennials lead in Market Pulse Index decreases **(13%)**; while they are in their prime earning years, they do not always have the family wealth safety net that benefits younger consumers.

Generation Z's upward movement is the largest of all generations **(11.7%)**, indicating variability that could be closely tied to their proximity to family or neighborhood wealth.

Boomer+ showed the most stability, with the lowest percentages for both significant increases **(7.8%)** and decreases **(9.6%)**.

Market Pulse Index Movement by Generation +/- 10 Point Change

from Q2'23 to Q1'26



Q1'26 Market Pulse Index values

Generation Z
58.9
-0.1% QoQ ▼

Millennials
58.1
-1.2% QoQ ▼

Generation X
60.3
-0.8% QoQ ▼

Boomer+
64.3
-0.2% QoQ ▼

Market Pulse Index Movement by Wealth Segments

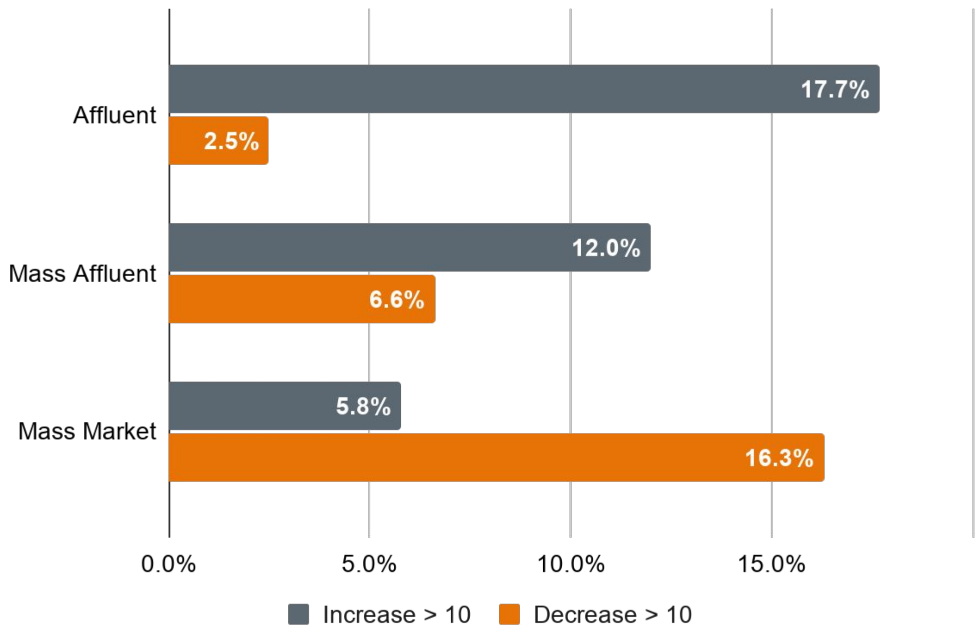
The K-shaped trend in wealth grew across different consumer groups. The Affluent segment shows strong upward momentum, with **17.7%** seeing their Market Pulse Index value grow by more than 10 points. At the same time, the Mass Market faces more financial pressure, with **16%** experiencing a Market Pulse Index drop of more than 10 points.

Anticipating Financial Shifts

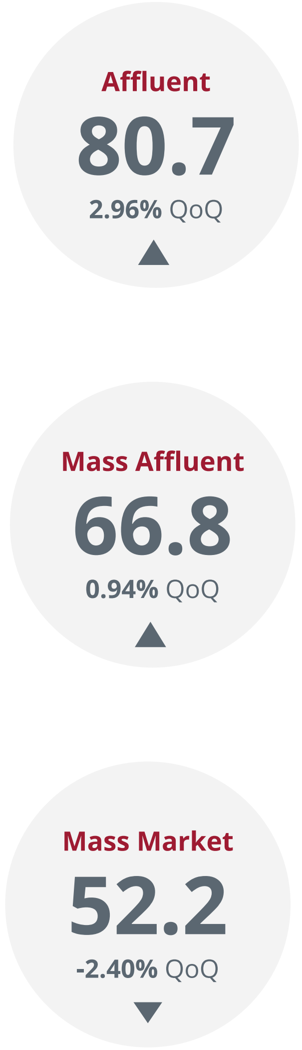
While a good portion of consumers remain steady, **43%** to **47%** of the population across all asset tiers shows significant financial movement up or down. This churn highlights how quickly a consumer's true financial health can change. The use of differentiated and alternative data can help understand what drives these shifts before they happen.

Market Pulse Index Movement by Wealth Segment +/- 10 Point Change

from Q2'23 to Q1'26



Q1'26 Market Pulse Index values



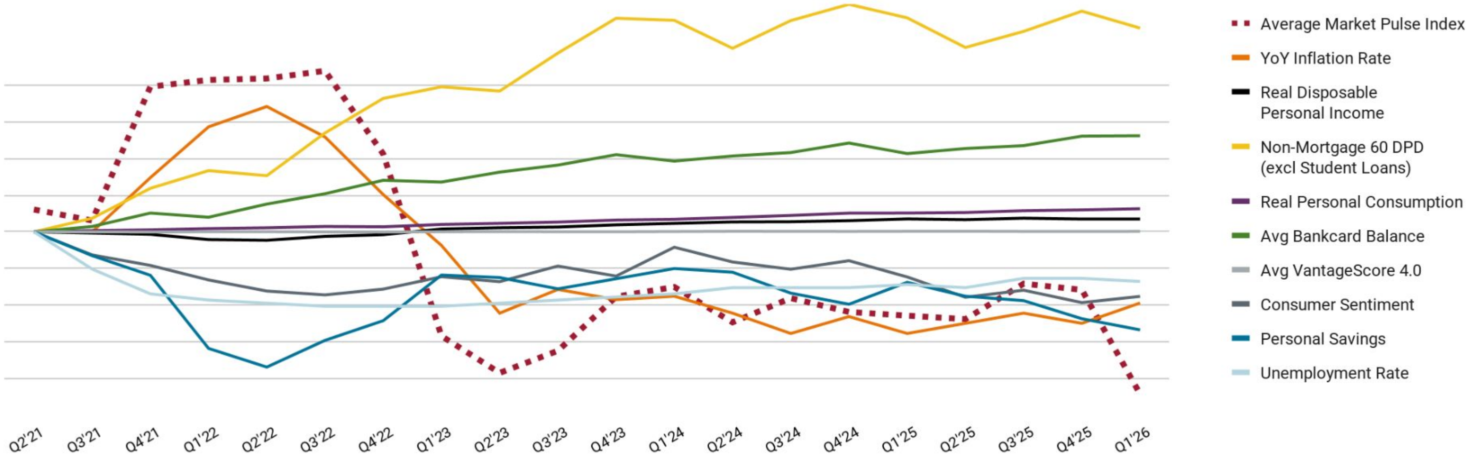
Tracking True Consumer Capacity

Broad macroeconomic markers like inflation and consumer sentiment often miss the daily financial realities of real households. The Market Pulse Index uses data directly correlated to consumers to provide a more detailed view of current financial capacity at a micro level. Looking past these broad averages is critical to truly understand the health of the economy.

The interplay between record-high bankcard balances and diminished savings confirms that consumers were lagging in their behavioral adjustments, funding their everyday lives with debt rather than sustainable income. This underlying pressure is exactly why the Market Pulse Index is valuable; it was able to capture this true financial strain, dropping to **60.9** in Q1'26, even while top-level spending numbers appeared strong.

Equifax Market Pulse Index and Macroeconomic Trends

VantageScore 4.0 | CPI | Delinquencies | Bankcard Balances | Consumption | Income | Sentiment | Assets | Employment



The Personal Savings Squeeze

Personal savings dropped to $745.6 billion this quarter, which is less than half of the $1,606 billion we saw in the middle of 2021. This sharp decline indicates that consumers are actively pulling from their savings to handle rising costs and higher prices.

Rising Prices and Credit Reliance

Even though overall consumer spending grew to nearly $16.8 trillion, the Market Pulse Index dipped. Bankcard balances reached a new high in Q1'26, revealing a hidden "lag effect" where strong spending masks increasing reliance on credit cards to manage daily expenses.

Looking Past the Averages

While inflation ticked back up to 3.3%, overall consumer sentiment surprisingly rose slightly to 55.4. This disconnect proves that broad consumer feelings do not always reflect true financial capacity. The Market Pulse Index helps to see past these mixed signals to accurately identify and support a consumer's real ability to pay.

Chart data is indexed as of Q2 2021.

Sources
Personal Income: U.S. Bureau of Economic Analysis via FRED®
CPI: U.S. Bureau of Labor Statistics
Consumer Sentiment: University of Michigan
Personal Consumption Expenditures: U.S. Bureau of Economic Analysis via FRED
All other measurements: Equifax, Inc.

Q1’26 Index Insights

The Million-Dollar Shield

While a strong salary helps, accumulated wealth is the true driver of top-tier stability. Currently, **76% of Thrivers hold over $1 million in total assets.** This confirms that compounding wealth, rather than income alone, creates lasting economic momentum.

High Income Isn’t Enough

A strong paycheck does not guarantee peak financial health. For example, **20% of the Middle earns over $150,000 annually**. Without sufficient liquid savings to act as a buffer, even high earners remain vulnerable to rising everyday costs.

Upward Mobility is Achievable

Facing economic challenges does not permanently define a consumer's financial future. **37.7% of consumers in the Strivers tier successfully moved into the Middle** over the last 18 months, proving that financial improvement is possible.

What Does This Mean for Lenders and Retailers?

Look Beyond a Single Credit Score
Over 13% of financially stressed consumers still maintain excellent credit scores above 780. Relying on just a credit score misses the full picture. Using additional data sources, like wealth and asset data, can help lenders find the best customers and confidently approve responsible borrowers.

Drive Selective Growth
Financial stability looks different at every age. Notably, Generation Z shows the largest upward financial movement of any generation at 11.7%. By tailoring product offers to match specific life stages and supporting younger consumers as they build credit, lenders can safely grow their business and build early loyalty.

Evaluate the Shrinking Wealth Shield
Liquid assets remain the ultimate economic shield, but they are shrinking fast as national savings drop by half. Since 97% of financially stressed consumers have under $100,000 in assets, evaluating total wealth—not just income—is the safest way to accurately measure real financial capacity.

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Appendix

Explaining the Market Pulse Index

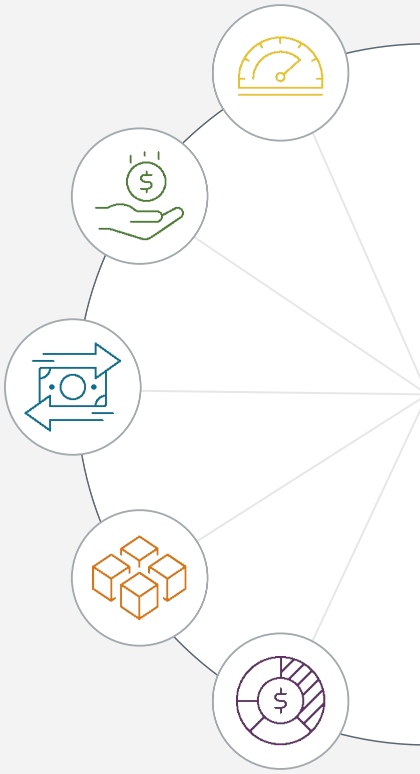
The Equifax Market Pulse Index is a holistic measure of consumer financial stability that synthesizes five key data points—credit, debt, income, assets, and spending capacity—into a single value from 1 to 100. This proprietary index identifies which segments of the U.S. population are building momentum and which are facing economic pressure, serving as a high-signal indicator of the true state of household finances.

Inside the Index

A multidimensional view of the financial state of U.S. consumers

Range	Frequency	Average Index value since inception	Timing	Data types
1-100	Quarterly	61.78	Tracking starts mid-2021	Credit, debt, income, capacity, assets

5 types of data in one metric



Credit
An individual's ability to obtain and manage credit based on their historic credit usage and performance.

Income
Personal income from employment and other sources such as interest, investments, gifts, etc.

Debt
The amount of debt held by an individual in relation to their ability to pay that debt.

Assets
The existence of savings and other sources or wealth that can be used to meet discretionary and non-discretionary pending needs as well as debt obligations if needed.

Capacity
The ability to continue meeting spending and debt obligation needs during periods of financial stress.

Market **Pulse**

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