



EQUIFAX

Market Pulse

The Market Pulse Index Report

Q4
2025



Q4'25 Market Pulse Index

Beyond the Averages: Tracking a Diverging Economy

The Market Pulse Index average value for the US population stayed at 61.6 for Q4'25, signaling a period of stabilization. However, even when the Index average value stays stable, there is often significant movement and “pivoting” happening within different consumer groups. In an economy defined by ‘Boomcession’ dynamics—where high-level growth coexists with household struggle—the average no longer tells the whole story.

To solve this we are tracking growing “divergence” within the Market Pulse Index to show how risk is concentrated in specific populations even when top-level averages stay stable.

Market Pulse Index

December 2025

61.6

QoQ

-0.06%

YoY

+0.22%

Change since Inception

(June 2021)

▼ -0.72%

▲ 32%

Top-Tier Growth

The group with peak financial resilience (Index 80+) grew from 7.96% to 10.47% of the total population, a **32%** increase in just over two years.

▼ 6%

The Pivoting Middle

The traditional middle class is shrinking as more households pivot toward opposite ends of the financial spectrum. Since Q2'23, the number of families in this middle tier (Index 50–79) has decreased by **6%**.

▲ 11%

Rising Pressure at the Bottom

The group of consumers facing the most financial stress (Index 49 and below) grew from 19.07% to 21.08%, representing an **11%** increase in the size of this population segment since Q2'23.

Explaining Divergence

Divergence of the Market Pulse Index compares the distribution of consumers this quarter against the previous quarter. A **low divergence** means the economy is moving in unison. A **high divergence** means the economy is splitting apart—where one group improves while another deteriorates, even if the average stays exactly the same.



Measuring the Growing Gap in Consumer Stability

The **K-shaped economy** is a dynamic story of people moving toward different financial futures. Since 2023, the group with strong financial health (Index values over 80) grew more than 32%. This shows that many households are successfully building wealth and finding a shield against economic changes. At the same time, the number of families in the traditional “middle” tier has dropped by 6%. These households are pivoting, with some moving into higher tiers while others face rising costs and more debt. This movement confirms that the financial gap is expanding, making it critical to look at each consumer’s unique path when making lending decisions.

The **K-shaped** economy is not static—it is a dynamic, shifting script of diverging financial destinies. While traditional reporting often focuses on a single average, we are using this visualization to show how the U.S. credit-visible population has pivoted over the last two plus years.

Thrivers

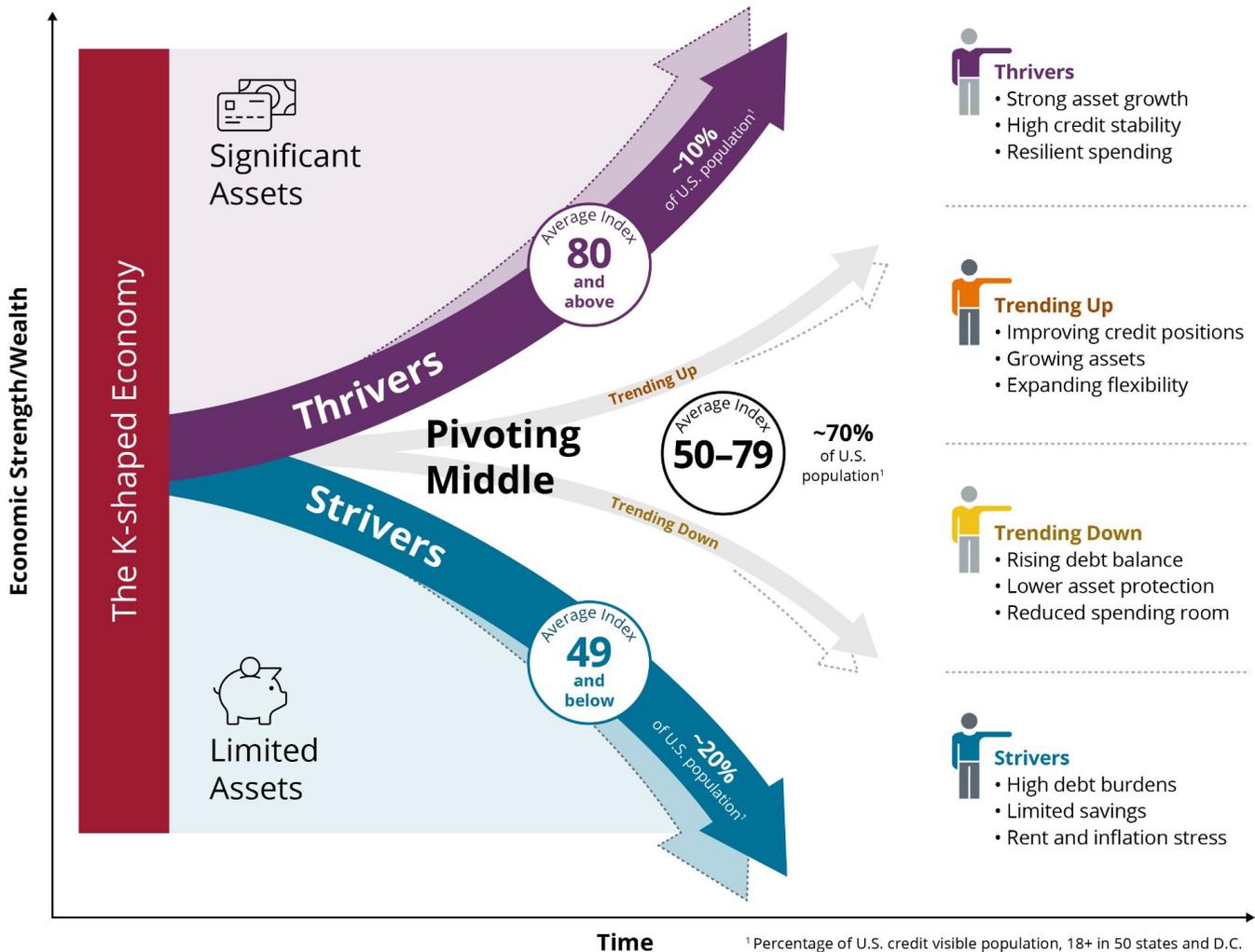
Peak consumer stability with high asset growth and strong credit.

The Pivoting Middle

Traditional middle class shifting as households move toward growth or pressure.

Strivers

More financially sensitive to rising prices, facing debt and limited savings.

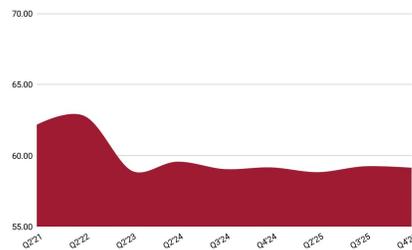


A Shared Generational Shift and the Path to Gen Z Independence

Every age group saw a slight dip in their Market Pulse Index averages this quarter, marking the first shared decline in two years. While these averages look steady, they mask an expanding K-shaped split happening within every generation. Despite this small shift, most age groups are still more stable today than they were a year ago.

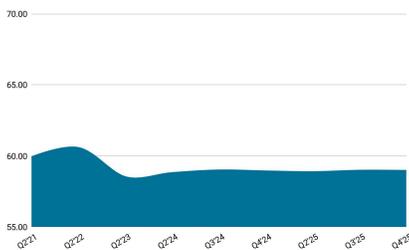
Generation Z continues to show the most variability as they work to find their financial footing. Many young adults are still supported by a “buffer” of family wealth, but they are steadily moving toward full financial independence. We are tracking this transition to see how they will manage their own financial lives as they build their own income and assets.

Generation Z



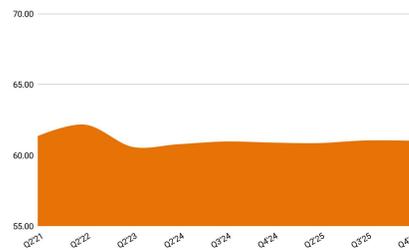
Q4 '25
▼58.9
 QoQ change
▼-0.17%
 YoY change
▼-0.04%

Millennials



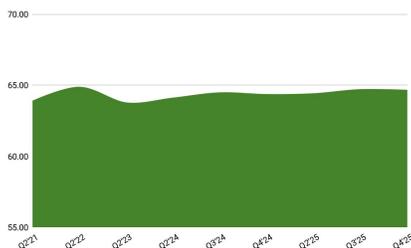
Q4 '25
▼58.8
 QoQ change
▼-0.02%
 YoY change
▲0.06%

Generation X



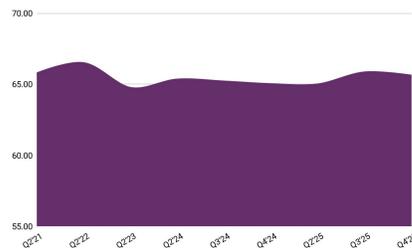
Q4 '25
▲60.8
 QoQ change
▼-0.03%
 YoY change
▲0.21%

Baby Boomers



Q4 '25
▲64.5
 QoQ change
▼-0.07%
 YoY change
▲0.46%

Traditionalists



Q4 '25
▲61.6
 QoQ change
▼-0.06%
 YoY change
▲0.22%

A Generational Look at the K-Shaped Economy

The gap between “Thrivers” and “Strivers” is most visible when we look at how different age groups are moving. While Generation Z’s top-tier stability grew by **74%** this year, their Index values often shift as they find their financial footing. This natural variability is common as young adults transition from the “buffer” of family wealth toward full financial independence.

Generation X is currently facing the most significant pressure in the lower tier (**11%**) as they balance peak-career debt. These generational shifts show how different life stages and economic factors are creating a wider divide in financial stability across the country.

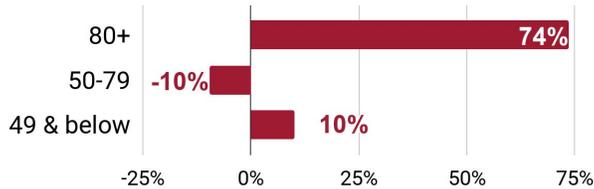
► The K-shaped split is not just between different generations; it is happening *within* them.

% Change by Market Pulse Index Tier

from Q2'23 to Q4'25

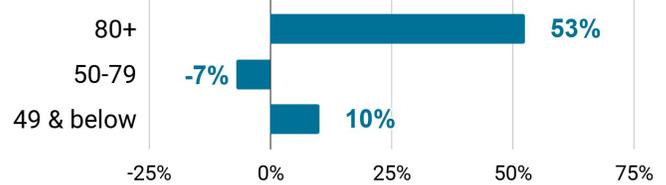
Generation Z

Younger adults are the momentum leaders in the top tier of the Index, possibly because of the proximity to generational wealth. The number of Gen Z households reaching peak stability (Index 80+) jumped by **74%**.



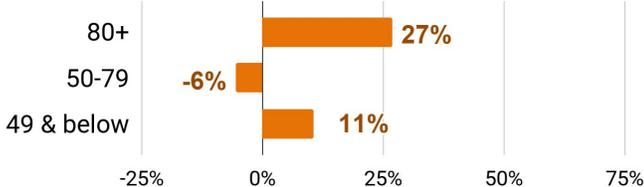
Millennials

Many Millennials are successfully moving toward a more secure financial future. The number of households in this group reaching the highest stability tier expanded by **53%**.



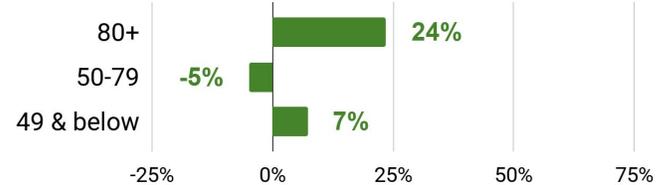
Generation X

Generation X is experiencing a widening gap as their lower Index tier (49 and under) grew by **11%**, the largest increase across all generations, indicating that a significant portion is being impacted by the “silent squeeze” of rising essential costs.



Boomers + Traditionalists

Older generations continue to lead in consistent stability because their assets act as a protective shield. This group saw only a **5%** decrease in the shrinking middle, the smallest reduction of any generation.



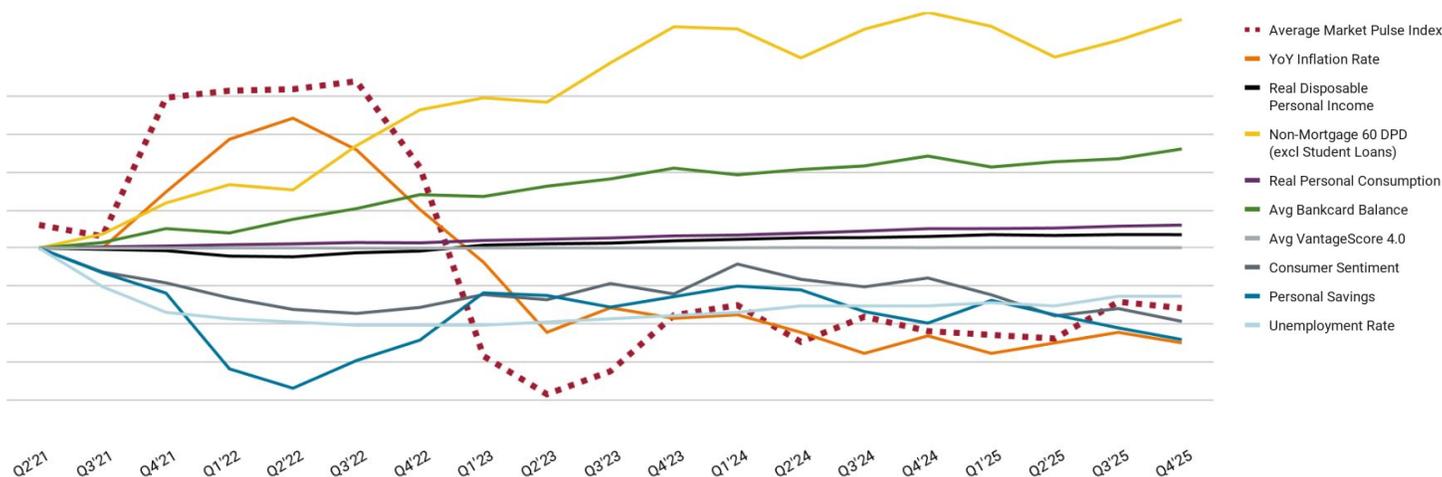
Measuring the Lag Effect

The Market Pulse Index uses direct, anonymized data to give a clear and uninterrupted view of financial capacity. Traditional signals like gross domestic product (GDP) or inflation can often be delayed or updated after they are first released. The Index is a critical tool for looking past these broad averages to see the true health of the economy.

The Index reveals how it takes time for households to feel the full impact of economic shifts. For example, high inflation often has a “lag effect,” meaning consumers may not adjust their spending habits immediately. By tracking the interplay between income and rising credit card balances, the Index shows exactly when households begin to feel the weight of these costs.

Equifax Market Pulse Index and Macroeconomic Trends

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



A Growing Sentiment Gap

There is a disconnect between the **10%** drop in consumer sentiment and the actual financial data, because metrics like GDP and others present information at a high-level, aggregated view which misses the growing number of people impacted by the economic divergence.

Resilient Income

Real disposable personal income has remained above \$18 trillion for the second half of 2025, providing a necessary shield against inflation.

Spending Momentum

Personal consumption expenditures rose to \$16.7 trillion in Q4'25, but that spending continues to be driven by the upper tier of consumers and not spread across the full consumer population.

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.

Q4'25 Index Insights

Tracking Economic Divergence

While the national Index average remains steady at 61.6, a widening gap defines the economy. Since Q2'23, high-stability "Thrivers" grew by 32%, while "Strivers" facing financial pressure increased by 11%, signaling households are moving in opposite financial directions simultaneously.

The Pivoting Middle

The traditional middle class is transitioning as the middle-tier population contracted by 6.2%. Families appear to be pivoting towards opposite ends of the stability spectrum, suggesting that "middle-market" strategies may no longer reach consumers whose financial paths are pivoting.

Generational Momentum and Pressure

A closer look at generational Market Pulse Index values reveals shifting momentum and spots of pressure across all generations. As examples, Generation Z's top financial tier grew 74%, while Generation X's lower tier grew the most of all generations at 11%.

What Does This Mean for Lenders and Retailers?

Segment by Capacity and Assets

With a **32% increase** in high-stability "Thrivers," there is a significant opportunity to engage consumers who have built structural "foundations" like home equity. Lenders should look beyond traditional scores to identify these high-capacity households whose financial buffers allow them to absorb inflationary costs more effectively than others.

Capture the Generation Z Momentum

Generation Z's top financial tier **grew 74%**, but they remain the most variable generation. As the consumers of the future, engage this economically diverse group with custom strategies that look beyond simple averages. Establishing these intelligent relationships today helps you capture their long-term momentum.

Proactively Monitor for the "Silent Squeeze"

Lower-stability tiers grew across every age group, signaling a "Silent Squeeze" throughout the economy. Generation X is a key example, showing an **11% rise** in financial pressure. Distinguishing "Strivers" who are struggling with the rising costs of essentials from those who are still able to maintain financial stability allows for more precise risk management.

Engage with our dedicated team of Equifax Advisors

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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 US consumers

Range
1-100

Frequency
Quarterly

Average Index value since inception
61.85

Timing
Tracking starts mid-2021

Data types
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

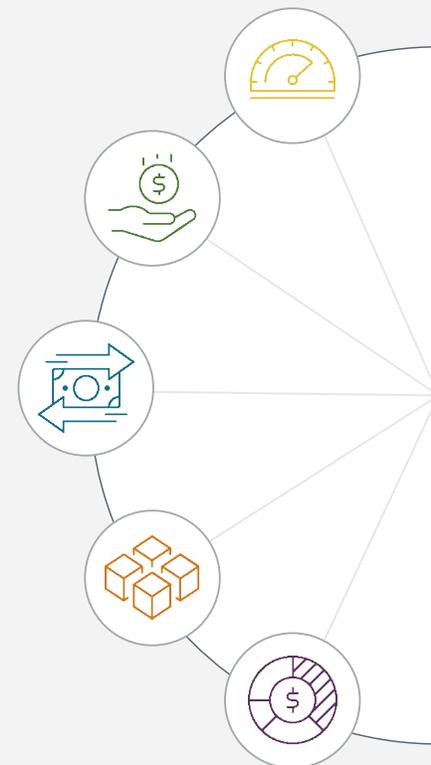
The amount of debt held by an individual in relation to their ability to pay that debt.

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.





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