The Market Pulse Index Report

Q3 2025

Q3'25
Market Pulse Index

Market Pulse Index September '25

61.6

-0.72% ▼

Change since inception (June '21)

QoQ +0.35% ▲

YoY +0.14% ▲

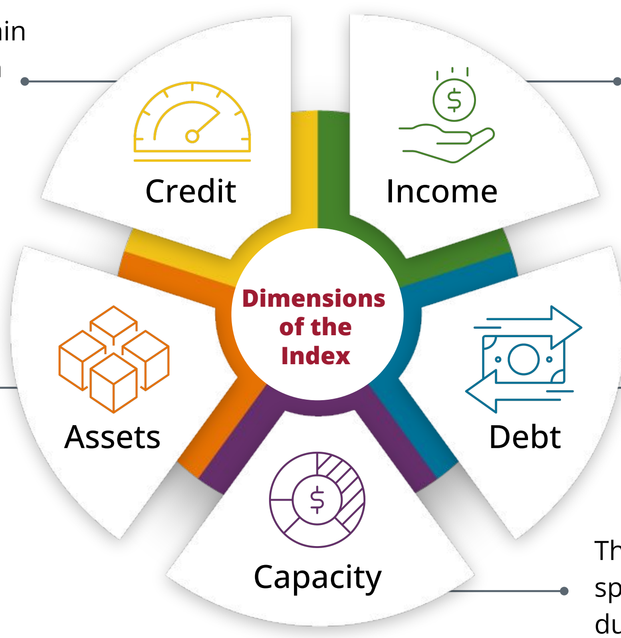
The average Market Pulse Index across the U.S. population rose slightly to 61.6 to end Q3'25, an increase that was also accompanied by rising averages among lower credit tier populations. However, we still see a growing gap in the K-shaped economy with average Market Pulse Index values lowering for those in the bottom tiers and the average value rising for those already in the top tiers of the Index.

For the past three years, we observed a sharp split: financially secure households improved while vulnerable ones fell further behind. While that gap still widens, the most recent Market Pulse Index values may be an early indication that portions of the most vulnerable credit tier populations have recognized some level of financial stabilization.

Inside the Index A multidimensional view of the financial state of U.S. 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

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

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



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

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

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

Correlation with economic indicators

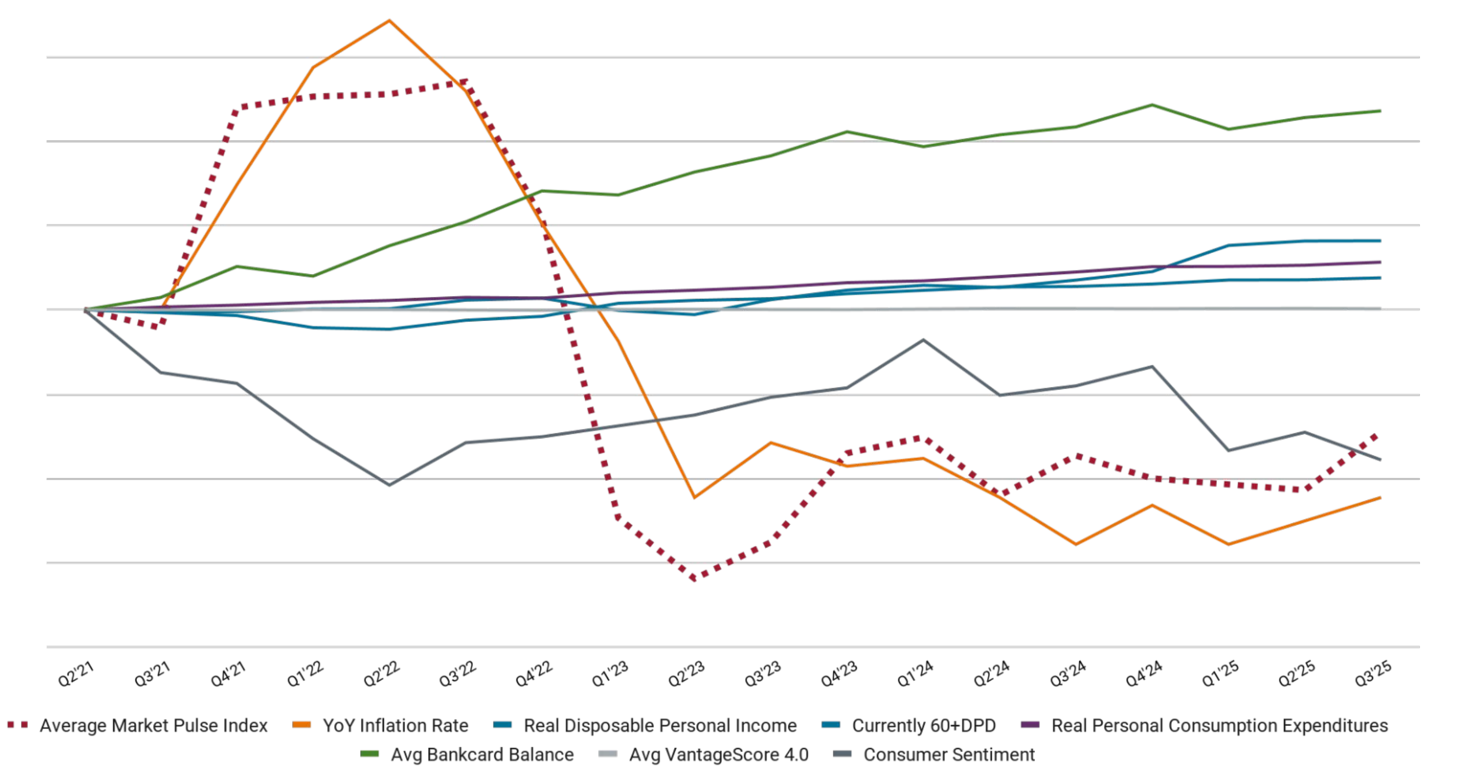
Economic metrics provided by the government and other sources may be delayed, disrupted or impacted by current events and may be revised as new data gradually becomes available.

The Market Pulse Index, however, operates independently of traditional government reporting. Derived from unique, directly reported, and anonymized data, the Market Pulse Index provides an uninterrupted view of consumer financial capacity. As the indexed chart illustrates, the Market Pulse Index can be tracked closely with these broader economic indicators, providing a fuller picture of the consumer environment and serving as a reliable proxy for understanding the K-shaped economy when official data is unavailable.

Even when traditional signals are paused or historically revised, the Market Pulse Index provides a clear snapshot of the state of consumer finances. As of Q3’25, the Index has ticked upwards to 61.6, and populations across the credit tier spectrum are seeing index value increases. This illustrates that hard data points to a broad stabilization and consumers on the downside of the “K-shape” are possibly finding their footing after several years of decline. Combined with a known dip in Consumer Sentiment (55.1) and stubbornly high (though stabilized) 60+ day delinquencies (15.59%), however, we can see that while some of the most vulnerable consumers may be showing early signs of recovery, there is still room for caution.

Equifax Market Pulse Index and macroeconomic trends

VantageScore 4.0 | CPI | Delinquencies | Bankcard balances | Consumption | Income | Sentiment



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.

Credit score tiers and the Index

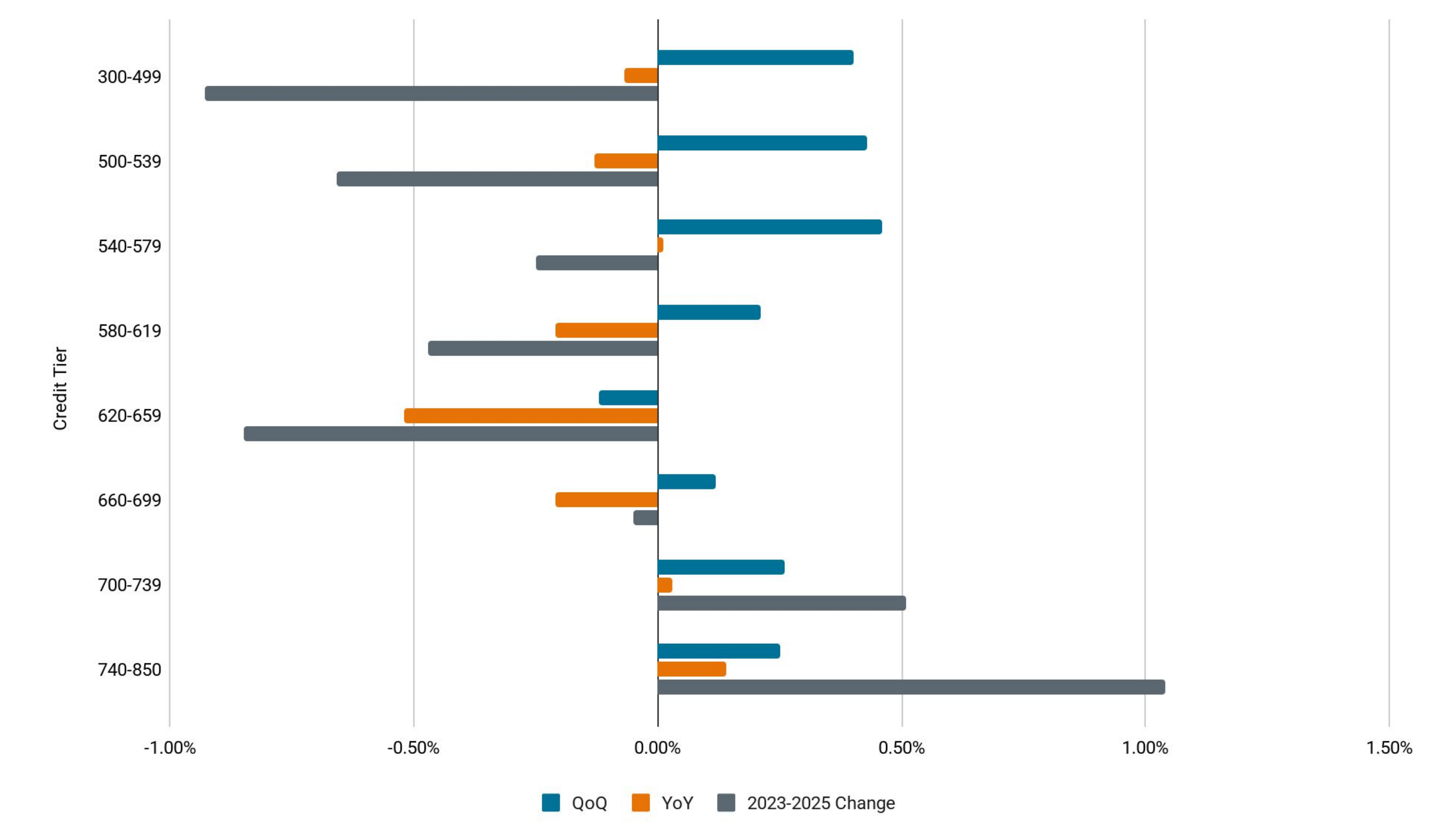
The "K-Shaped" split may be stabilizing

For the last two years, the U.S. has been experiencing a "K-shaped" economy. The higher credit score tiers (740+) saw their index values improve by over 1% , while consumers with scores below 500 saw their index values drop by nearly 1%. This created a widening gap between lower credit score tiers and the higher ones.

In Q3'25, we saw a promising shift: consumers in the lower credit tiers experienced a turnaround QoQ. While the middle tiers remained flat, those with credit scores below 580 saw their Market Pulse Index value rise by over 0.40% — nearly double the rate of consumers with the highest credit scores. While this population remains the most financially vulnerable, some gains in debt to income and household affluence metrics have helped lower credit score tier populations see their first quarterly increase since March of 2024.

Market Pulse Index movement by credit score tier

% change by time period | VantageScore 4.0



Source: VantageScore 4.0, Equifax Market Pulse Index

Generations and the Market Pulse Index

Generational momentum is shifting

While Millennials' Index value has remained relatively flat, Gen Z saw a 0.71% increase this quarter suggesting that as Gen Z enters the workforce and builds credit, their financial stability is growing and moving closer to the national average. As this generation moves towards financial independence, we expect to see the curve have less variability and move towards a concentrated average as older generations have.

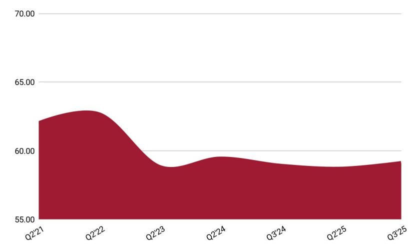
Meanwhile, Traditionalists saw the largest jump of any group (+1.30%), reinforcing the safety net that a lifetime of savings provides, however their influence is naturally shrinking.

Generation Z

Q3 '25
59.0

QoQ change
0.71%

YoY change
0.34%

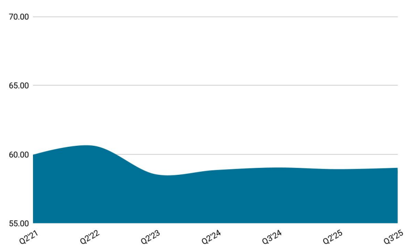


Millennials

Q3 '25
58.8

QoQ change
0.17%

YoY change
-0.04%

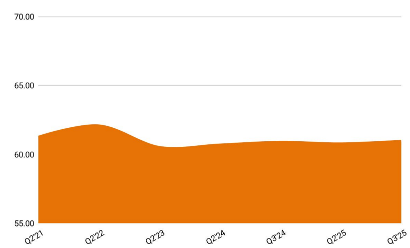


Generation X

Q3 '25
60.9

QoQ change
0.31%

YoY change
0.12%

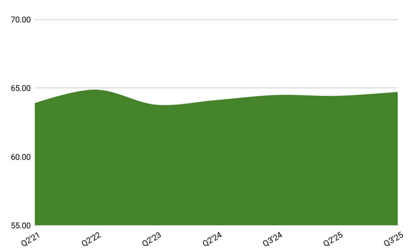


Baby Boomers

Q3 '25
64.5

QoQ change
.45%

YoY change
0.35%

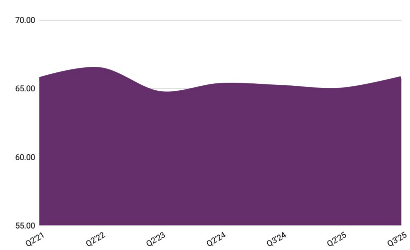


Traditionalists

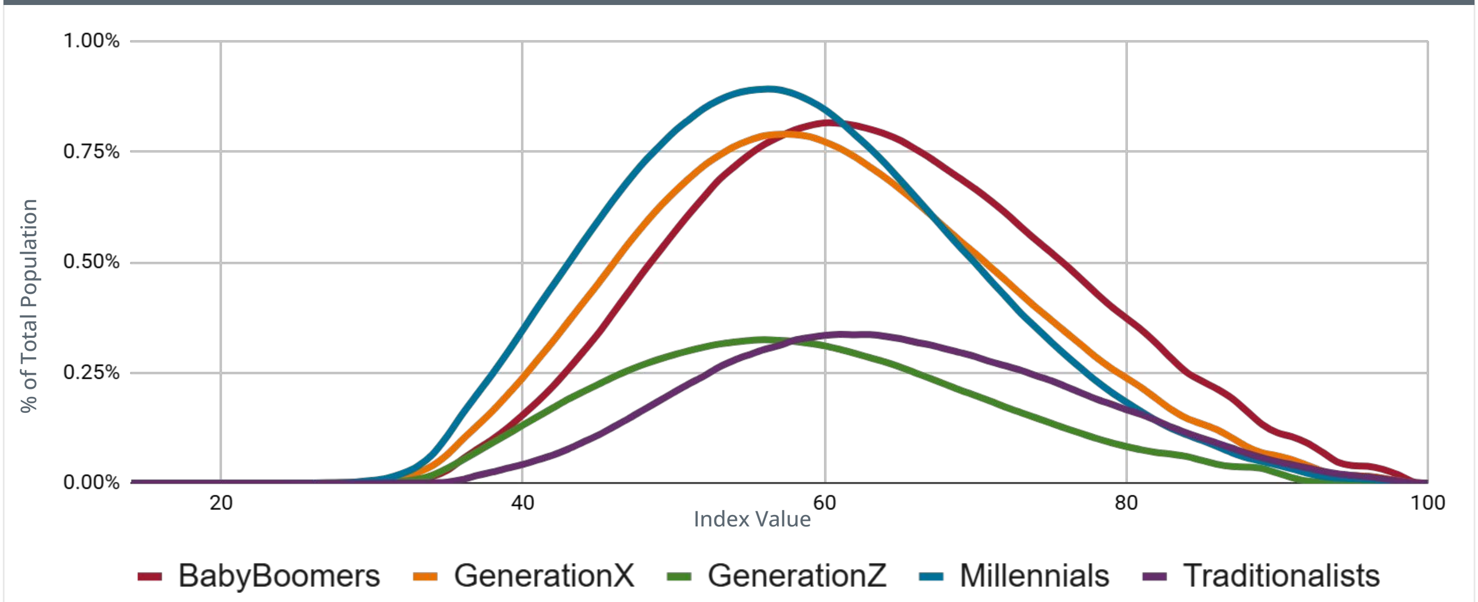
Q3 '25
65.7

QoQ change
1.30%

YoY change
0.99%



Generational comparison by Market Pulse Index



This chart visualizes the financial diversity *within* each generation. Here is what we are seeing:

The stability of age

The curves for older generations (Boomers, Traditionalists) sit furthest to the right and are more condensed. This visualizes the stabilizing effect of accumulated assets — older consumers are more consistently financially stable, with fewer individuals falling into the lower-Index areas.

The Gen Z shift

Generation Z's curve is shifting. While they still sit further to the left, their curve is moving rightward towards more overall stability, driving their average Index (59.04) slightly above Millennials (58.82) for the first time. This suggests they are adapting quickly as they enter the workforce and build their financial history.

We are also seeing an interesting crossover, as the number of financially active Gen Z consumers now rivals the current size of the Traditionalist generation. This growth offers a clear opportunity for lenders to build relationships with a generation that is gaining new consumers every day.

The Millennial split

The Millennial distribution lags slightly behind. While not as flat or variable as Gen Z, this indicates that the "split experience" present across all generations — where some are thriving, and others struggle with affordability and other hurdles — is having a strong impact on Millennials.

Reading the chart

This chart maps population percentage (height) to the Index value. Financial pressure is on the left, financial resilience is on the right, and the peak marks the group median. Peak height indicates concentration, while distribution width shows variability.

Wealth and the Market Pulse Index

Wealth tiers in the U.S.

Mass Market <$100K

- 75 million households
- $1.8 trillion total assets

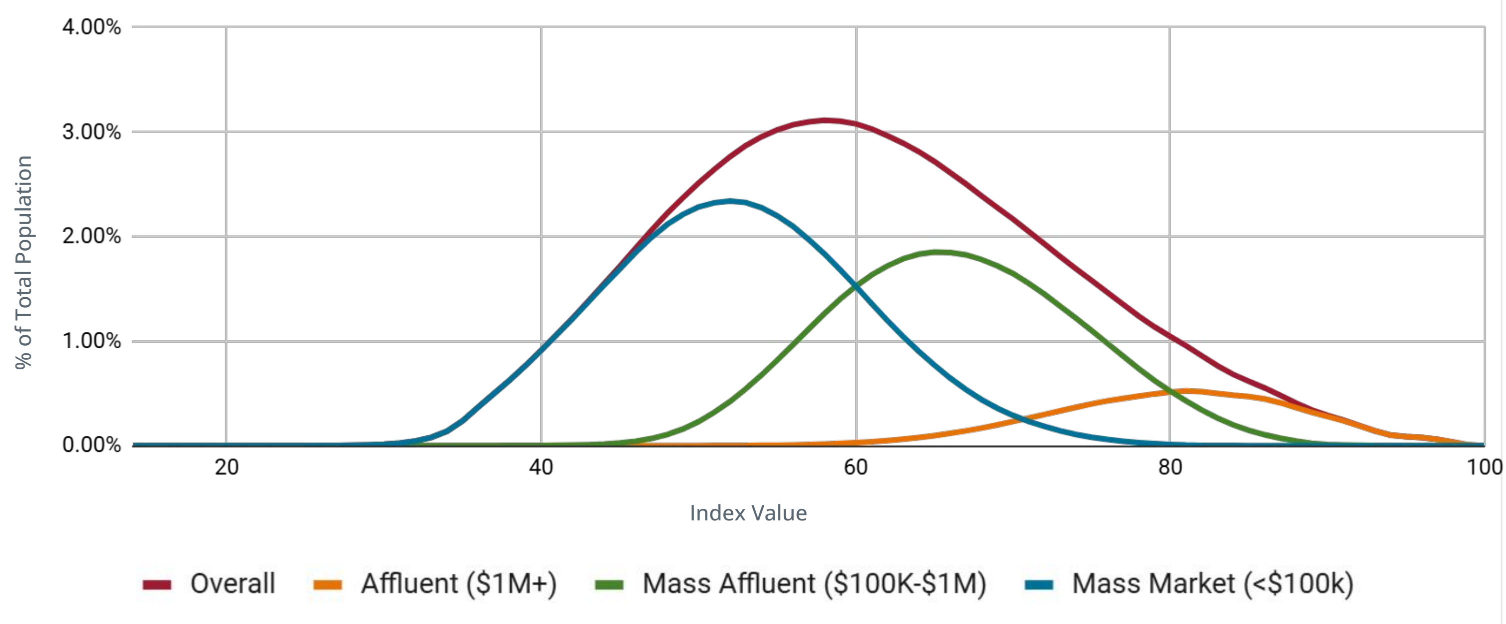
Mass Affluent $100K – $1M

- 44 million households
- $15.8 trillion total assets

Affluent $1M+

- 14 million households
- $48 trillion total assets

Market Pulse Index distribution curves based on wealth tiers



This chart visually proves the “K-shaped” economy. There is a distinct separation between the Mass Market and the Affluent groups. The Affluent group’s curve is pushed far to the right, with Index values often exceeding 80, showing that high asset levels provide a near-total shield against economic volatility. In contrast, the Mass Market curve sits further left, confirming that households without a wealth cushion are feeling the weight of the current economy much more acutely.

Reading the chart

This chart maps population percentage (height) to the Index value. Financial pressure is on the left, financial resilience is on the right, and the peak marks the group median. Peak height indicates concentration, while distribution width shows variability.

Q3’25 Index insights

Early signs of stabilization
Rising Market Pulse Index values for lower credit score tiers may be an early indication of financial stabilization for the portions of the most vulnerable populations.

Gen Z is gaining traction
Younger adults are showing signs of momentum, with Gen Z’s Index improving faster than Millennials this quarter. This momentum could reflect Gen Z progressing in their careers and financial lives.

Wealth equals resilience
The gap between wealth tiers proves that asset accumulation is the strongest shield against economic headwinds, allowing some groups to thrive while others adjust.

What does this mean for lenders and retailers?	
Capture the Gen Z momentum	Gen Z is showing surprising financial strength, improving faster than Millennials this quarter. This signals a prime opportunity to build relationships with this generation now, before they are fully established. Lenders and retailers should focus on engaging them with credit-building tools and entry-level products today to earn their loyalty for tomorrow.
Look deeper at “Ability to Pay”	The widening gap between the wealthy and the mass market means a simple credit score doesn’t tell the whole story. As seen with the Mass Market group, households without deep asset reserves feel economic pressure more acutely, making ‘capacity’ metrics critical. Using data that reveals income and spending power will help you say “yes” safely, even to customers with lower traditional scores.

The Market Pulse Index explores broad trends and specific experiences of distinct segments of the U.S. population.

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