





WEBINAR

Quarterly Business Credit Review

Date: May 28th, 2025

10:00 a.m. Pacific | 1:00 Eastern



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MAIN STREET — REPORT —

Your window into small business health

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Our Presenter



Brodie Oldham

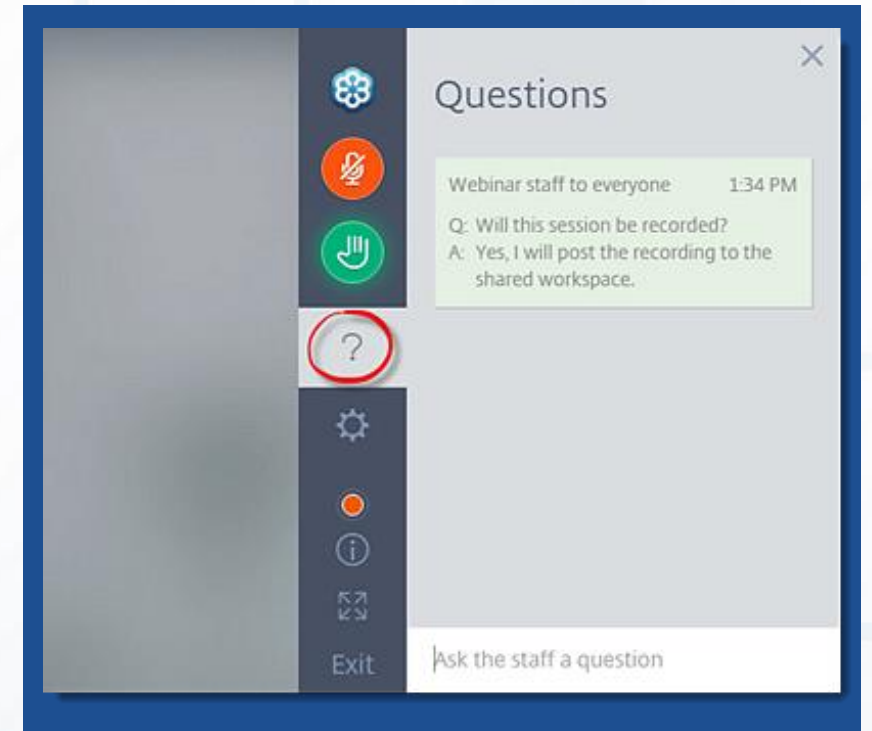
VP of Commercial Data Science
Experian

- Leads Commercial Data Sciences for the U.S.
- Oversees a team of statistical consultants, scientists, modelers, and engineers
- Delivering advanced analytic solutions, services, and actionable data visualizations to clients.
- Represents Experian as a speaker and writer on credit market trends.



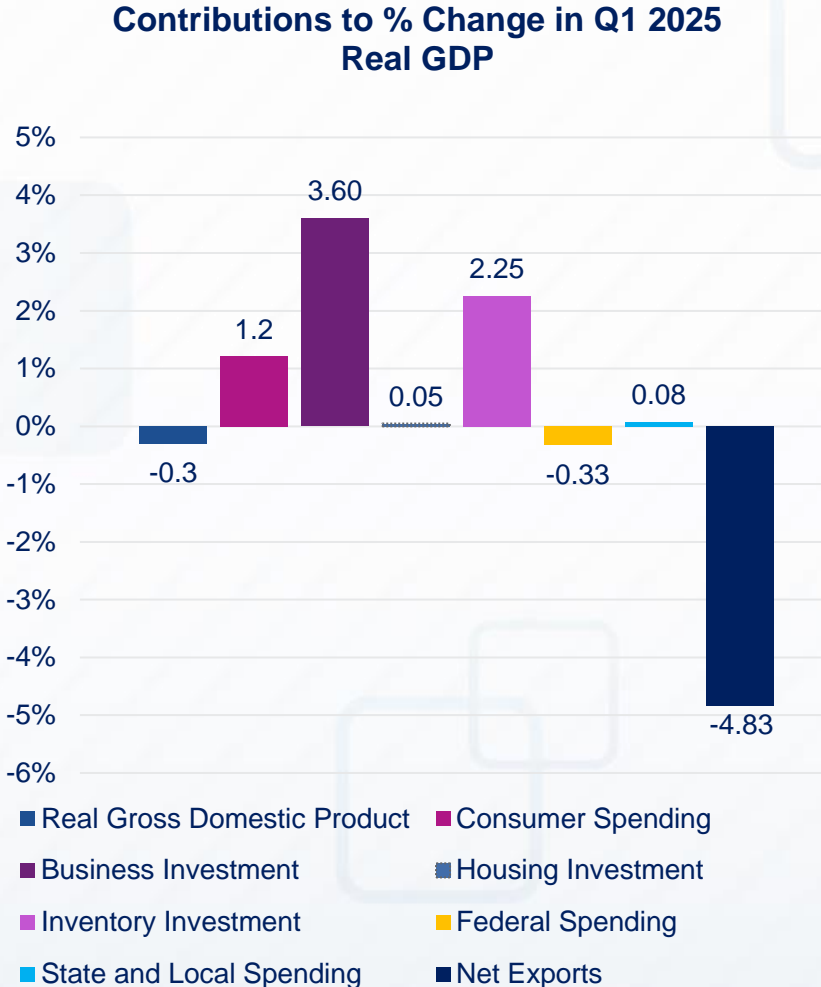
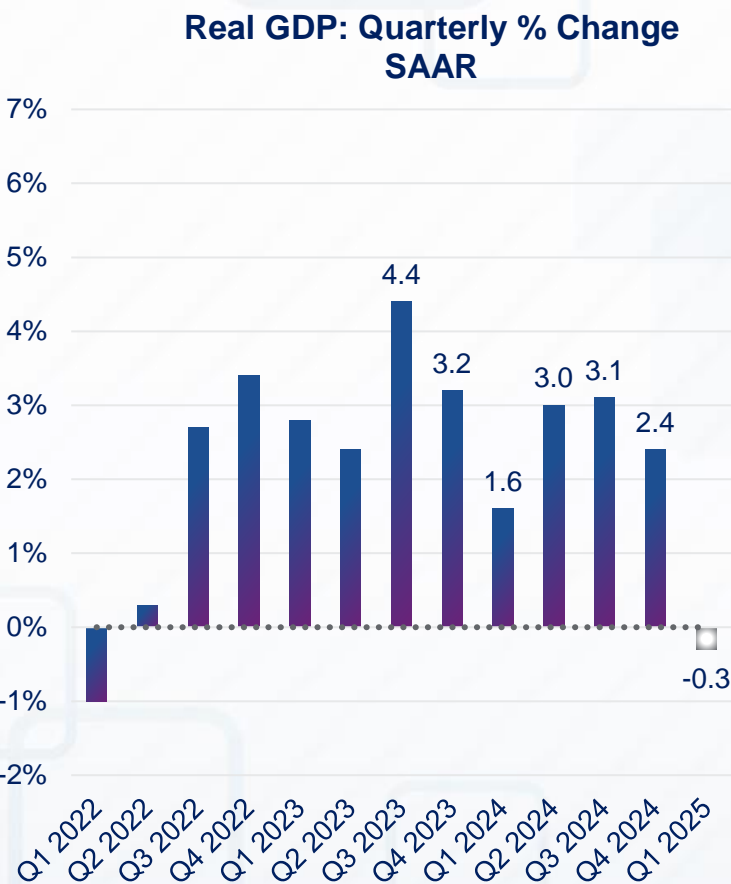
Send us your questions

Use the Q&A



First quarter of contraction since Q1 2022

Decline in growth driven by trade distortions as companies pulled forward purchases ahead of tariffs



Sources: Bureau of Economic Analysis, Experian May 2025 Forecasts, Polymarket (as of 5.21.2025), and Experian Economic Strategy Group

Global influence in 2025

International engagement transitions amid US reset

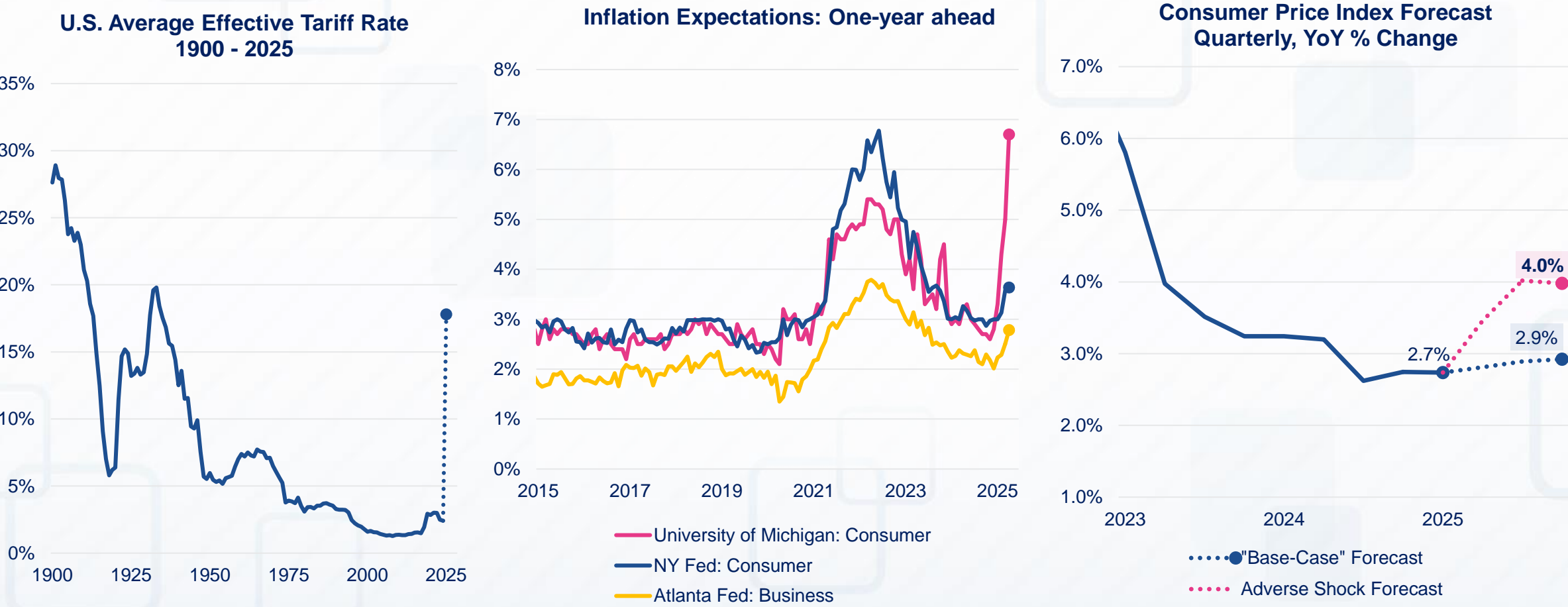
Top 5 influential head/ tail winds

- ✓ **Infrastructure Funding Shifts:** DOGE challenges are impacting funding availability and speed.
- ✓ **Regulatory Changes:** Environmental and safety standards are being challenged, regulatory agencies in a holding pattern for new regulation with some rules rolling back.
- ✓ **Trade Policies and Tariffs:** Proposed tariffs on imports will raise operation costs in the near term.
- ✓ **Energy Policy Shifts:** Reduced EV incentives may slow sustainable energy adoption plans, fossil fuel prices are dropping on expectation of slow down, big tech are reviewing data center plans which may limit energy capacity growth.
- ✓ **Labor and Immigration Policies:** Stricter immigration could worsen labor shortages, increasing wage pressures.



Inflation expected to rise as tariffs begin to hit

Despite recent de-escalation, effective tariff rate still at highest level since 1930s



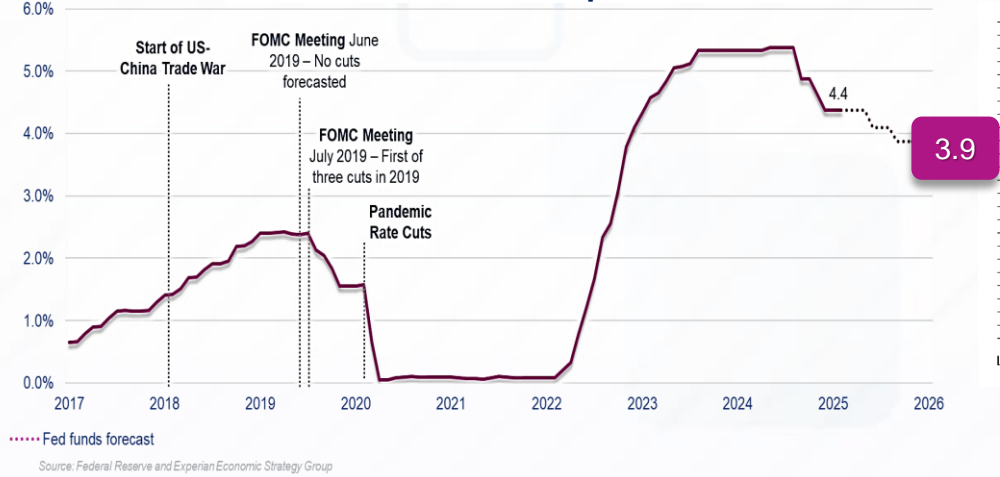
Sources: Yale Budget Lab, Experian's May 2025 Forecasts, University of Michigan, New York Fed, Atlanta Fed, and Experian Economic Strategy Group



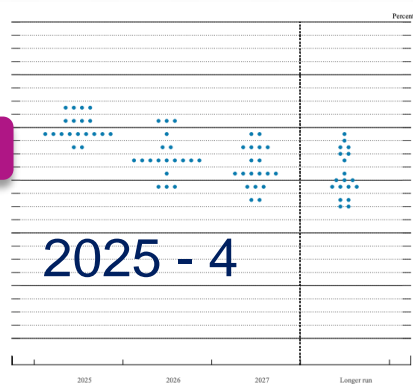
Fed officials reiterate expectation for two

Prior trade war resulted in quick pivot to cuts as growth concerns rose

Federal Funds Rate Midpoint Forecast



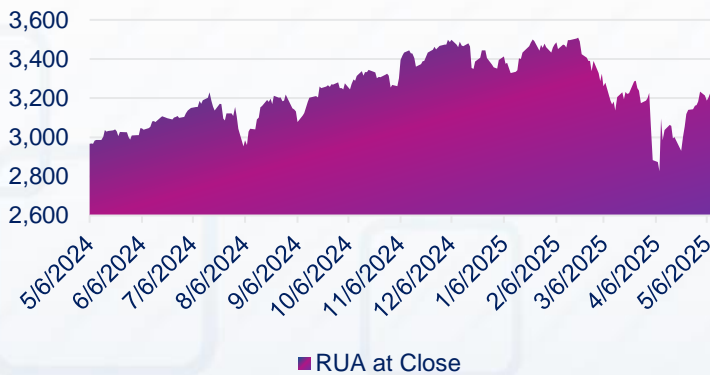
Federal Reserve Dot Plot



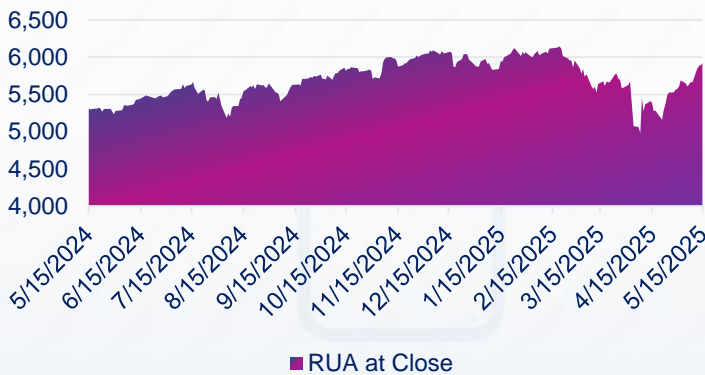
10-Yr Treasury Yield



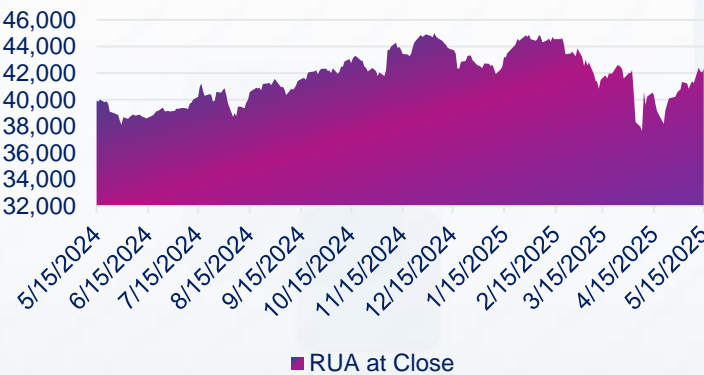
Russell 3000 Index (RUA)



S&P500



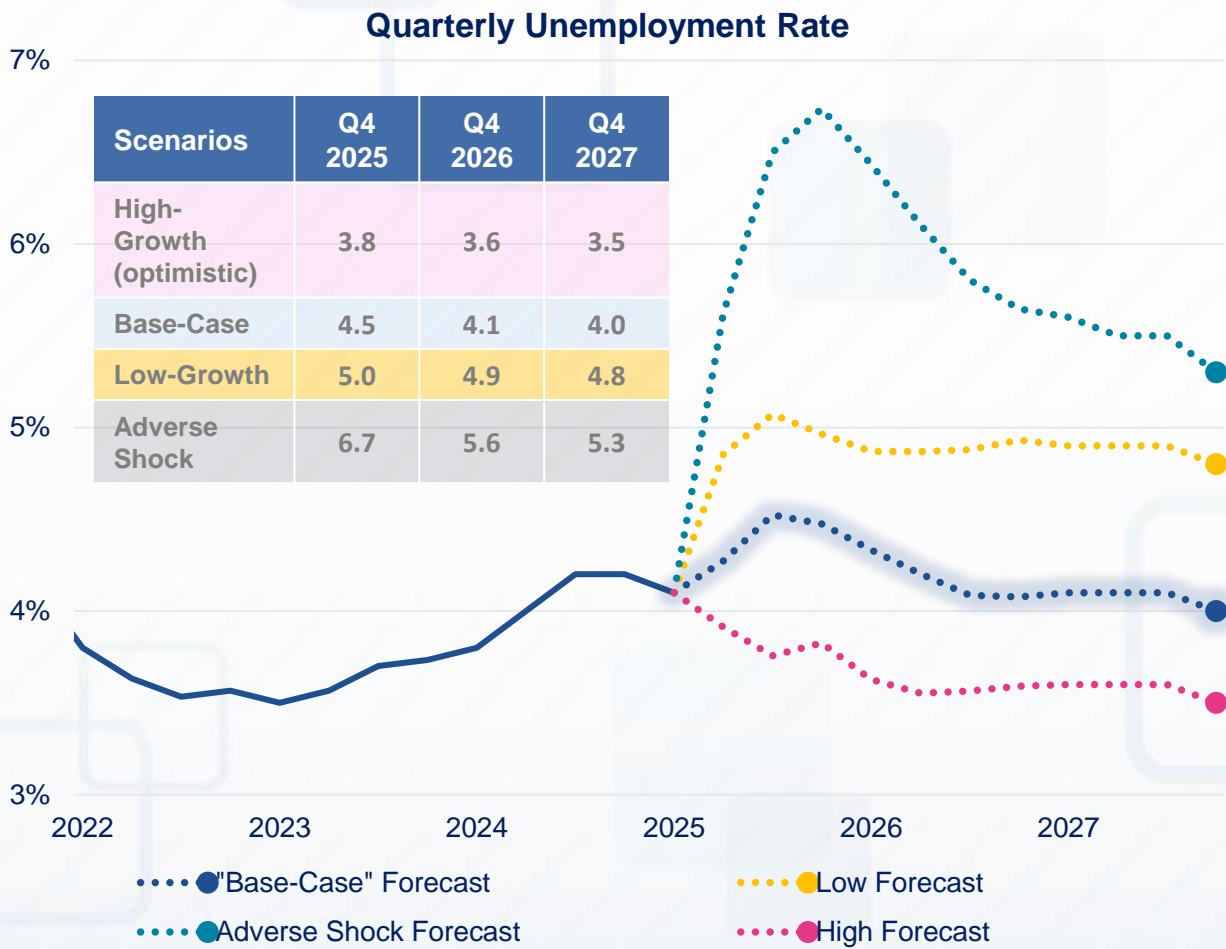
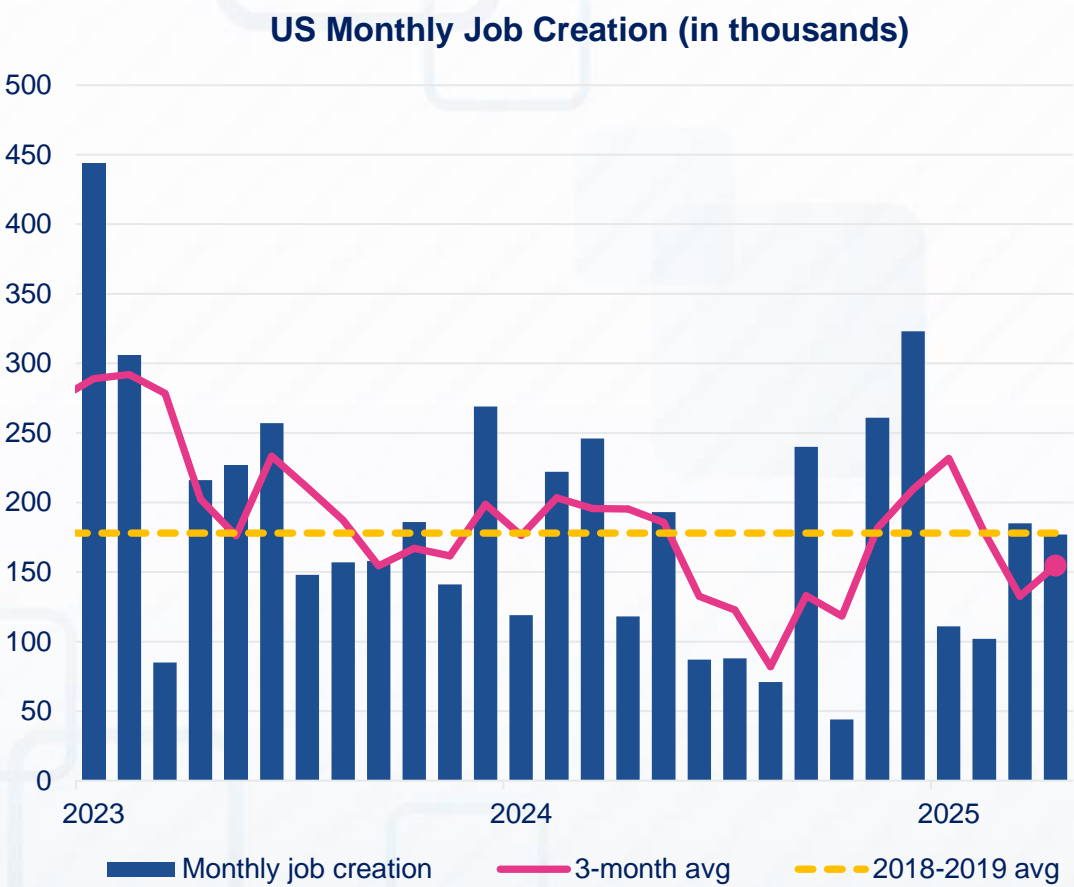
DOW



Sources: Bureau of Labor Statistics, Federal Reserve, and Experian Economic Strategy Group

Labor market remains decent across main indicators

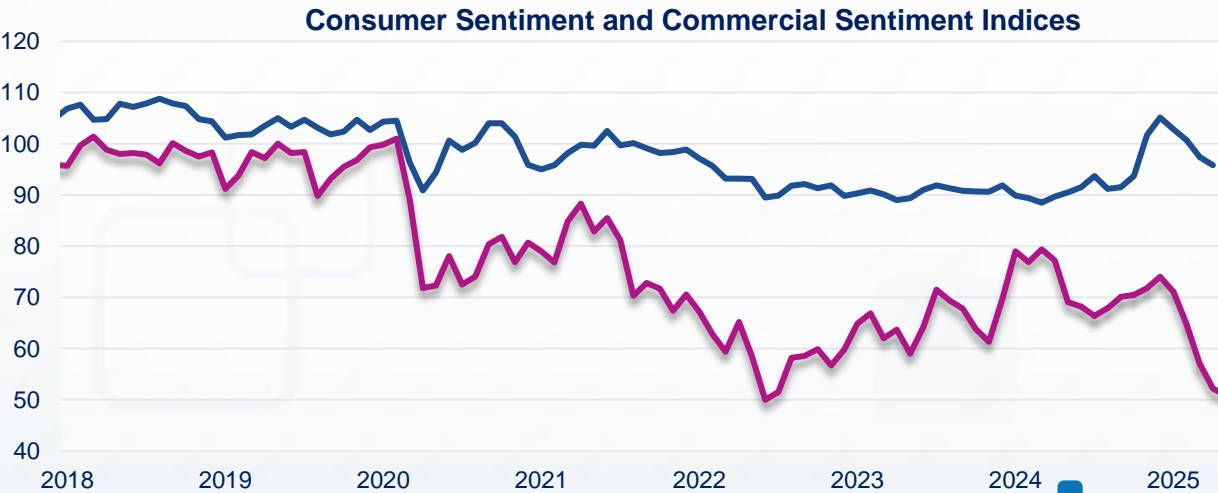
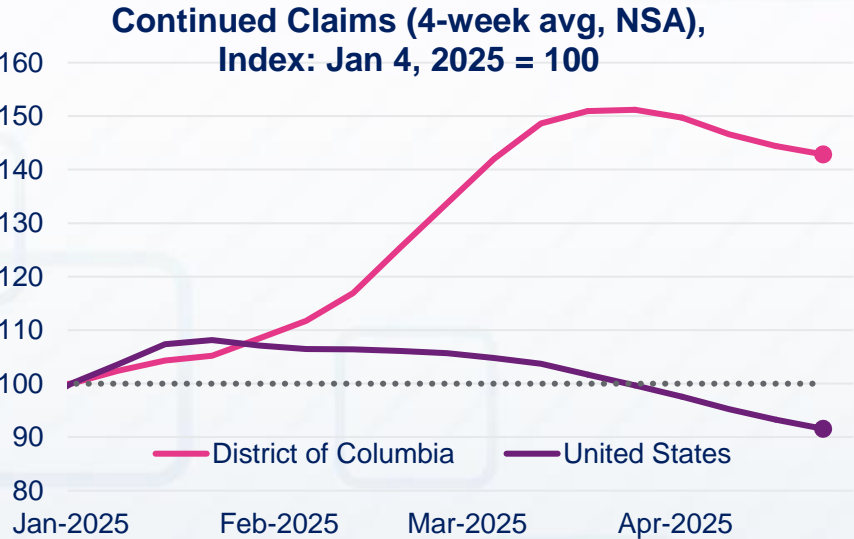
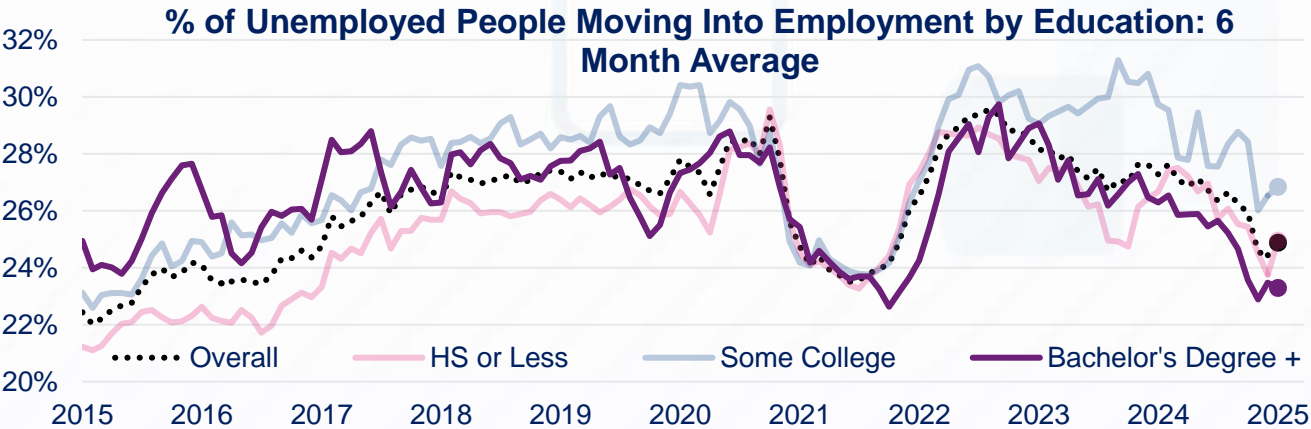
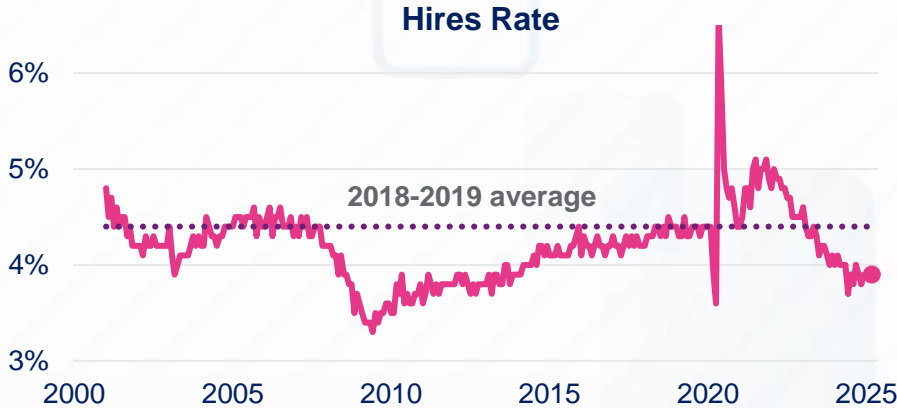
Unemployment expected to modestly pickup by end of 2025



Source: Experian's Macroeconomic Scenarios May 2025 Forecast, Bureau of Labor Statistics and Experian Economic Strategy Group

Labor market showing signs of slowing across certain indicators

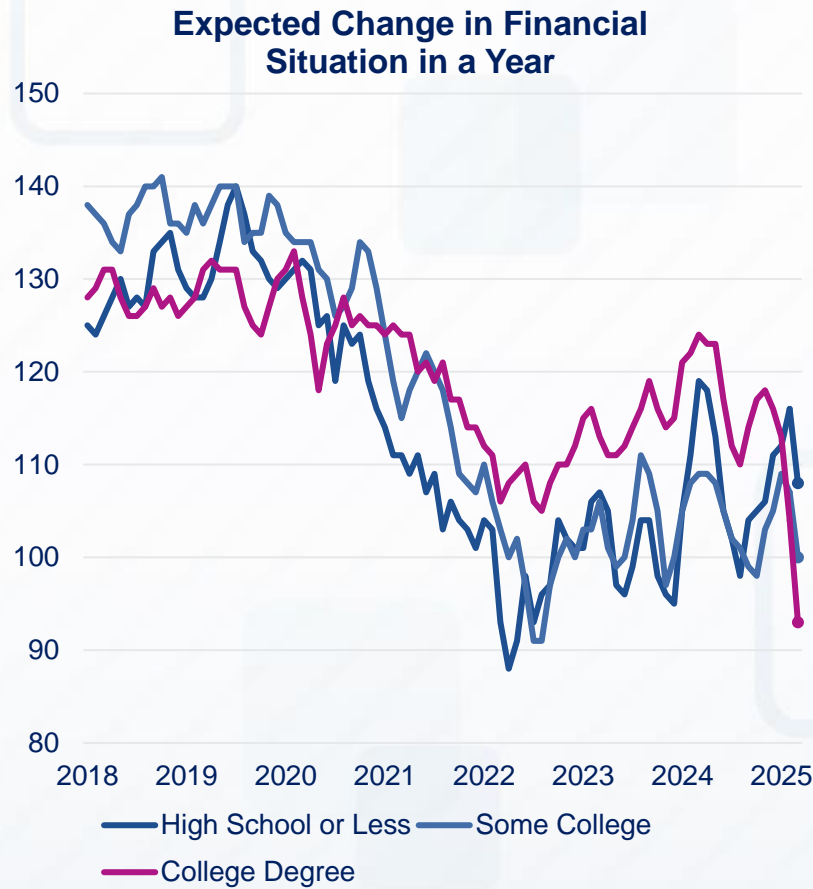
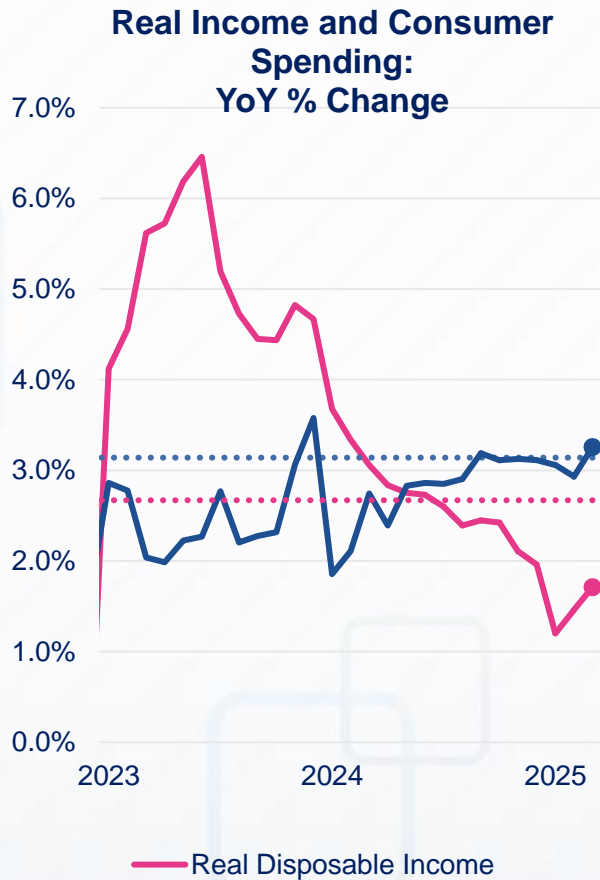
Despite layoff announcements, claims for benefits remain low



Source: Bureau of Labor Statistics, OPM, NFIB, University of Michigan Sentiment Survey, and Experian Economic Strategy Group

Income/Spending

Spending remains solid despite waning incomes

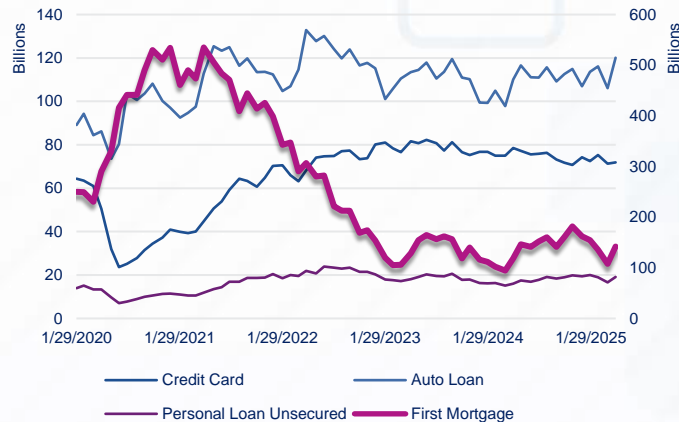


Source: Bureau of Economic Analysis, University of Michigan Consumer Sentiment and Experian Economic Strategy Group

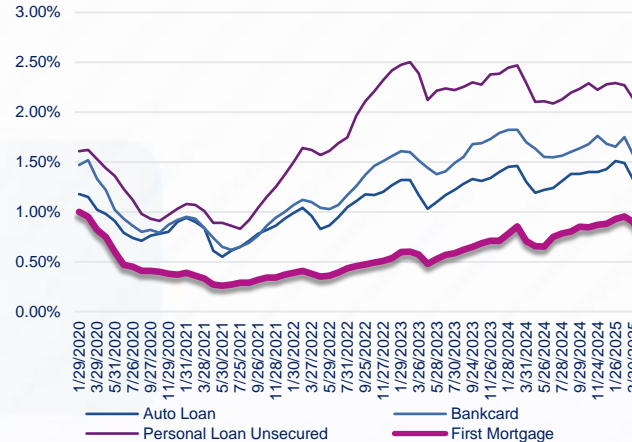
Consumer financial health

Consumers are absorbing cost but might be closer to missing a payment

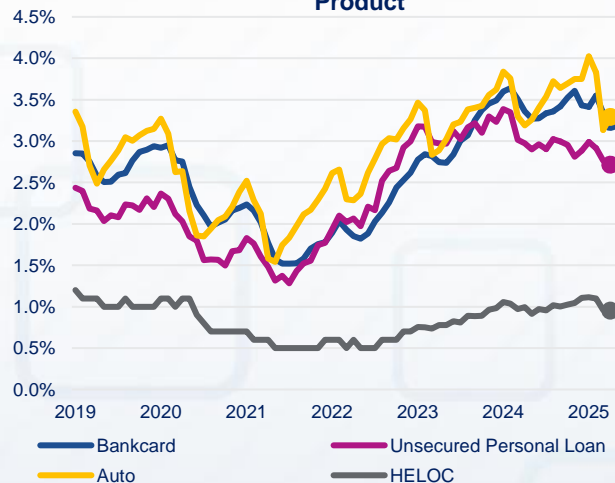
U.S. Consumer Origination trends by product



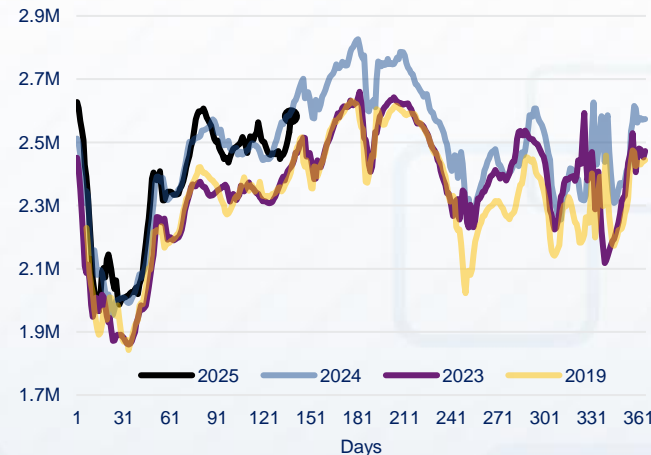
U.S. % Balance 60+ delinquency rates slow pace



% of Balances 30+ Days Past Due by Product

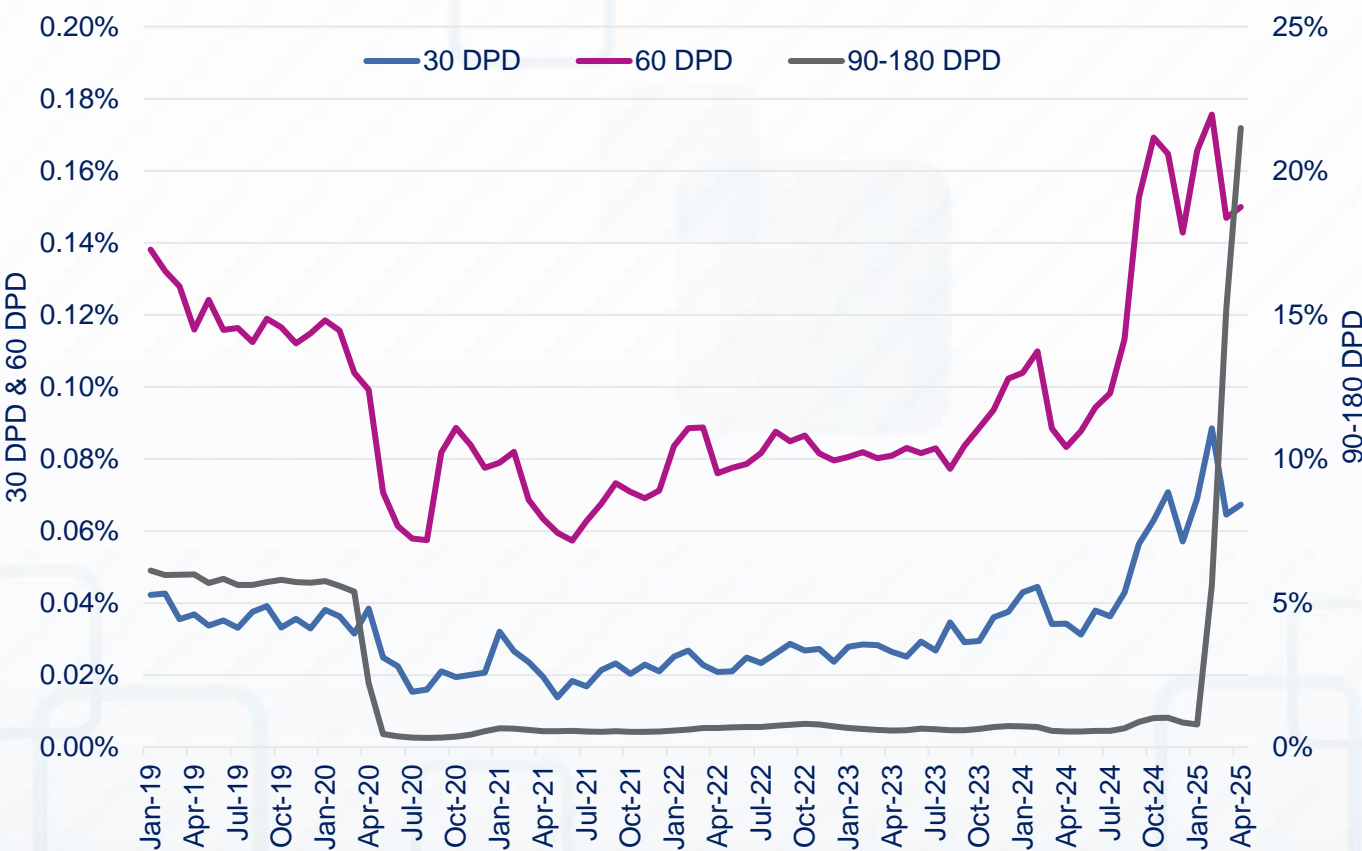


TSA Passenger Counts (7-Day Average)



Stabilization in delinquency, except for student loan

Student loan delinquency has spiked as reporting of delinquent accounts has resumed

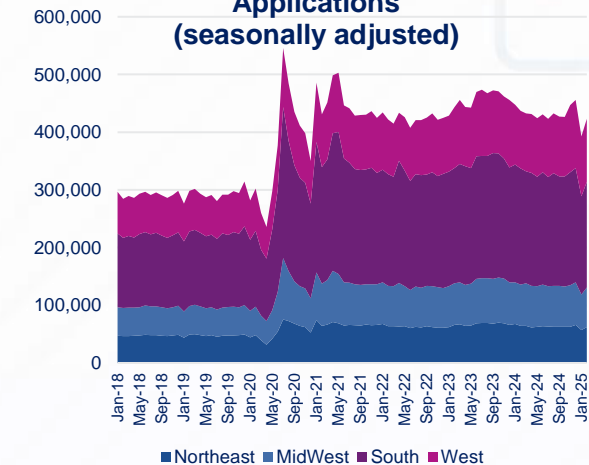


Sources: Experian Commercial Benchmark

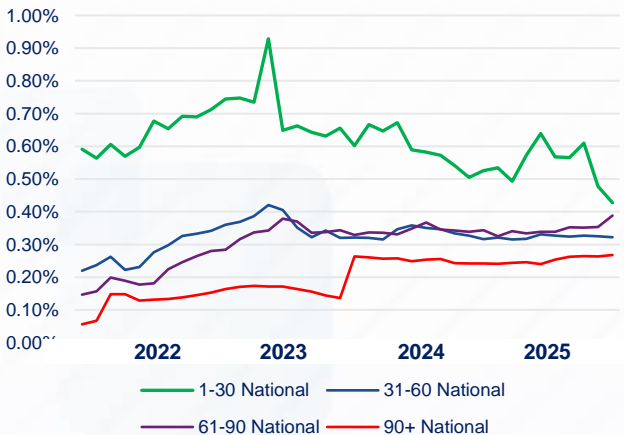
Credit underwriting policies

Delinquencies stable as policy drives volatility

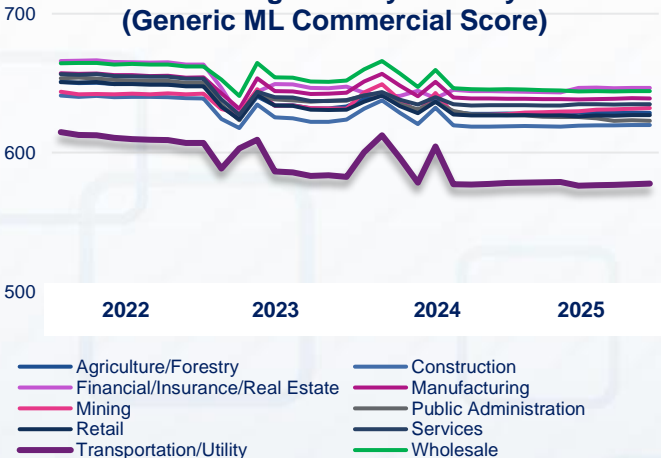
New Business Formation Applications (seasonally adjusted)



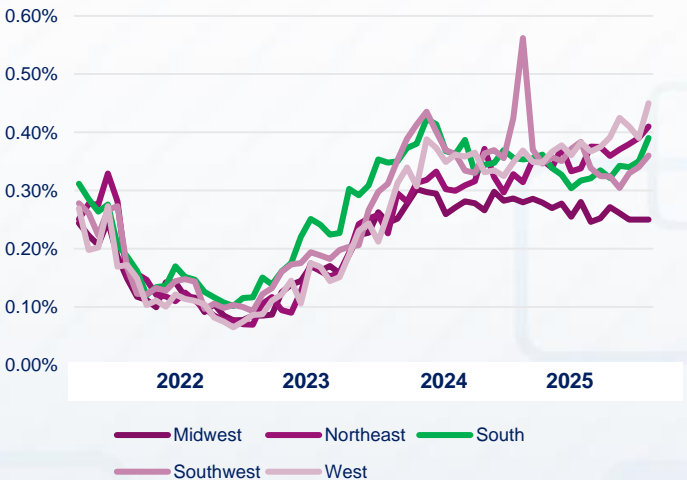
Commercial Card Delinquency Trends



Score Migration by Industry (Generic ML Commercial Score)



Regional Commercial Card 60-91 Delinquency

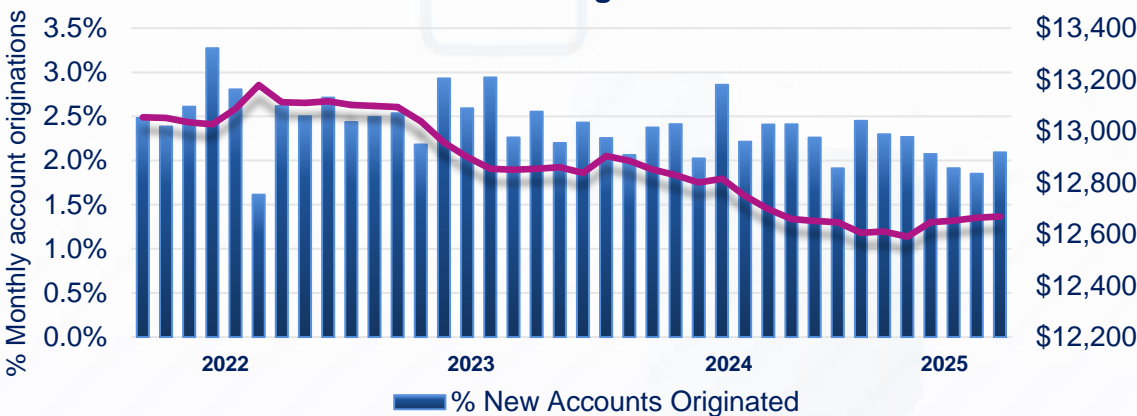


- Transportation had the largest decline, 6.03%
- Highest risk tier impacted - 2.53% overall

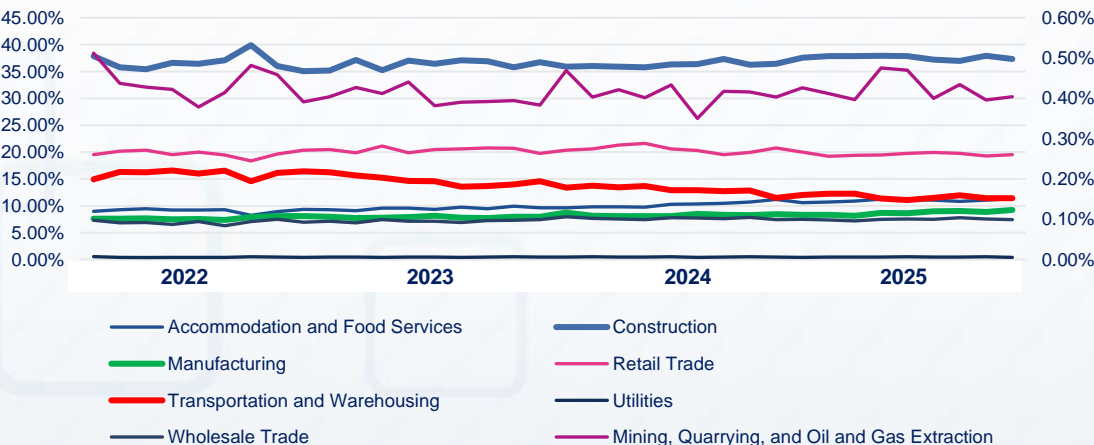
Growth in Small Business Lending

Stable fundamentals with a call down to grow expectations

Commercial Card Originations



Commercial Installment Originations

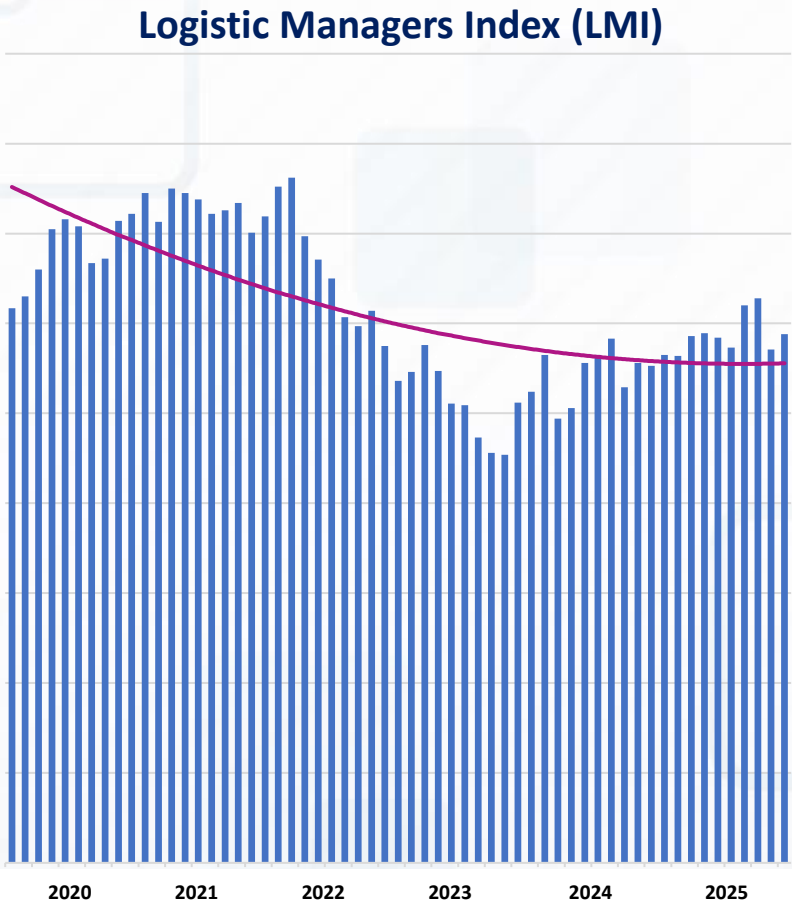
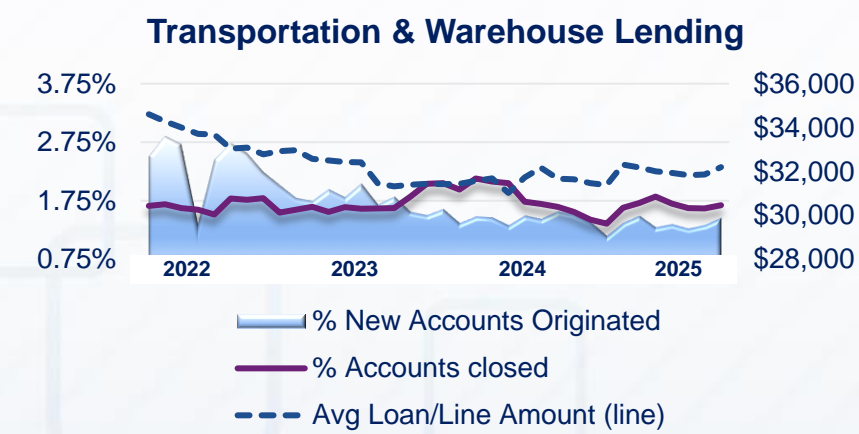
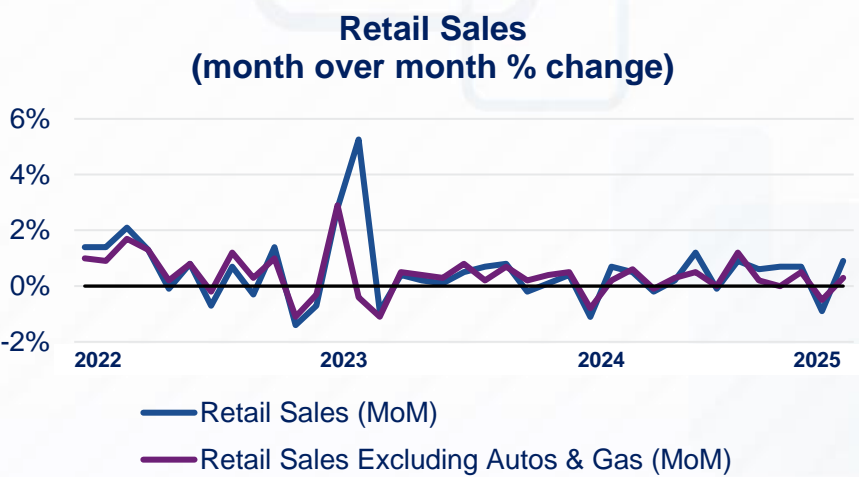


APR Trends on Revolving Unsecured Credit



Small Businesses non-intuitive behavior

Positive push to grow inventory slows as tariffs create volatility and sales slow



Container Bookings from China to U.S. slow

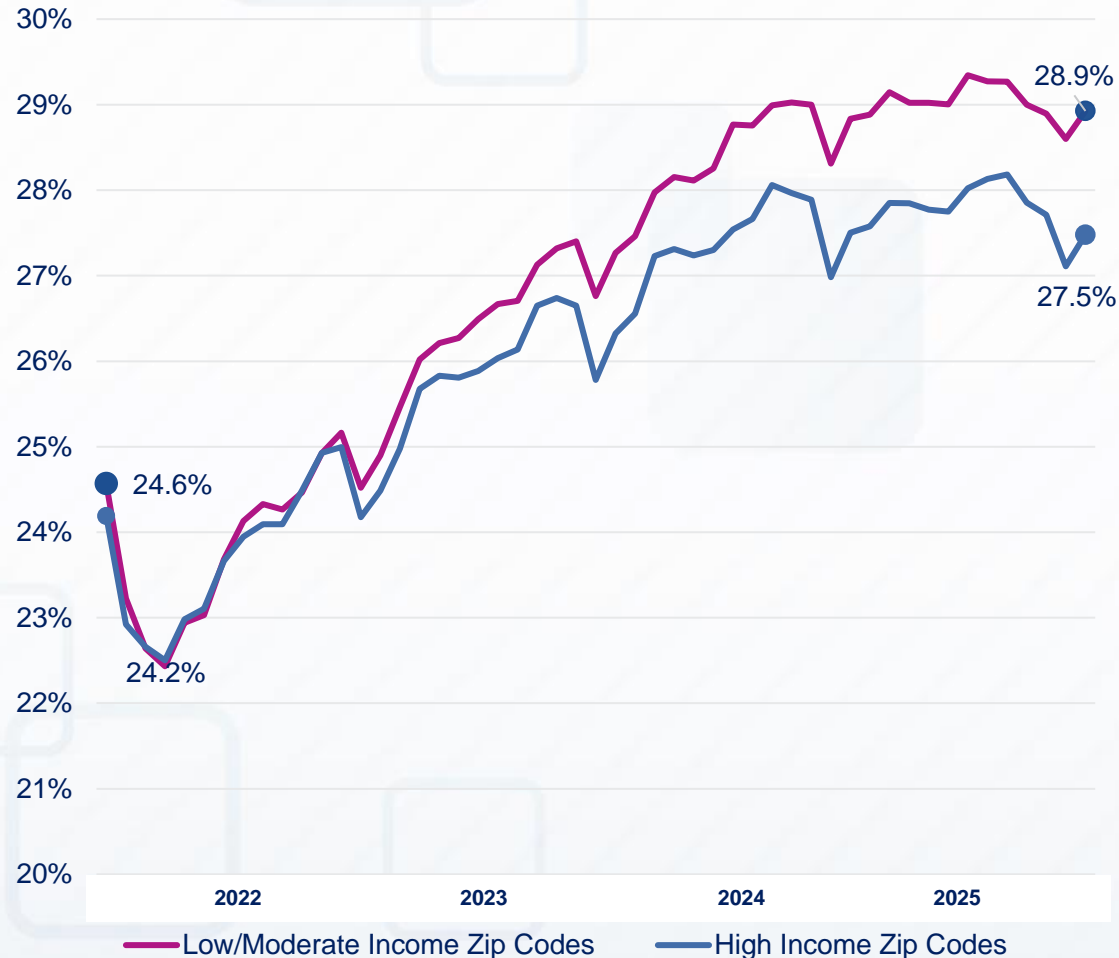
Sources: U.S. Census Bureau, Logistic Managers Index, US Global Investors



Dollar Tree, Target, TJXX

Earnings calls reflect on a cost-conscious consumer

Retailers: Commercial Card Utilization Rate



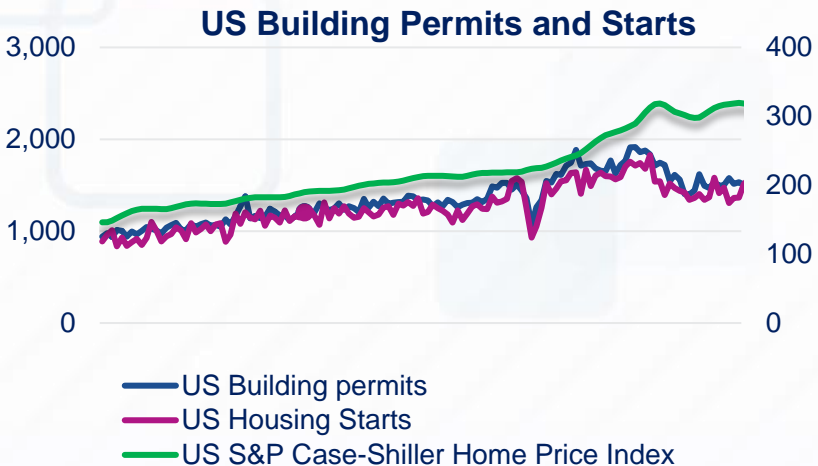
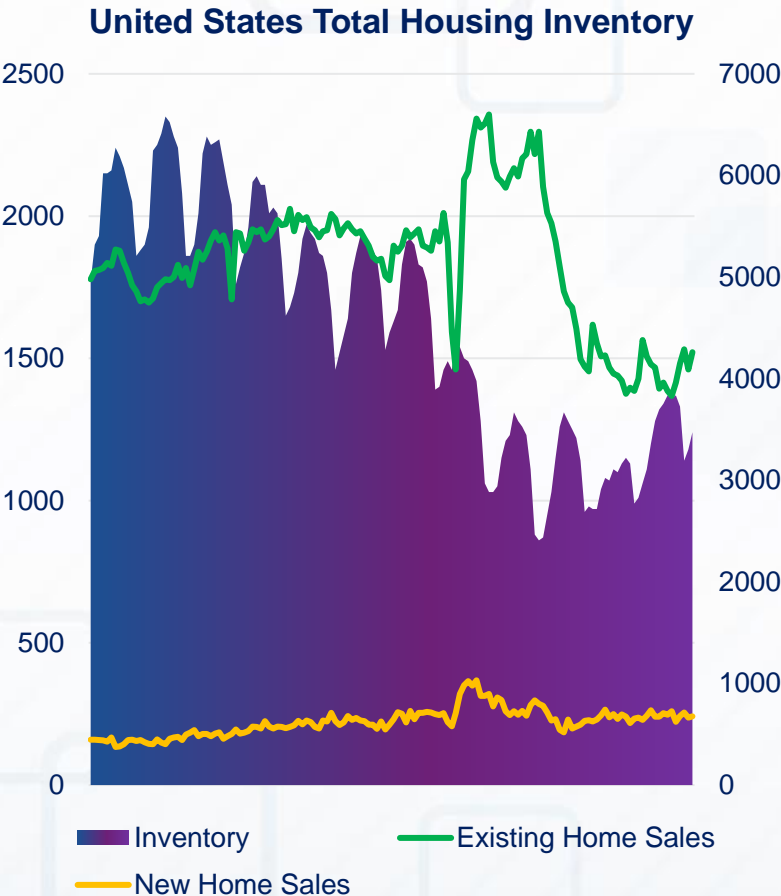
- ✓ **Steady consumer spending** driven by demand for value-focused options amid economic pressures
- ✓ Average **ticket size fell, and transactions dipped** indicating cautious consumer spending
- ✓ Consumers continue to **prioritize value** and enjoy the treasure-hunt shopping experience which is resonating across geographies.
- ✓ Consumers still **indulge in discretionary purchases** for special occasions when presented with the right combination of value and newness



Sources: Experian Commercial Ascend Sandbox

Ready for recovery

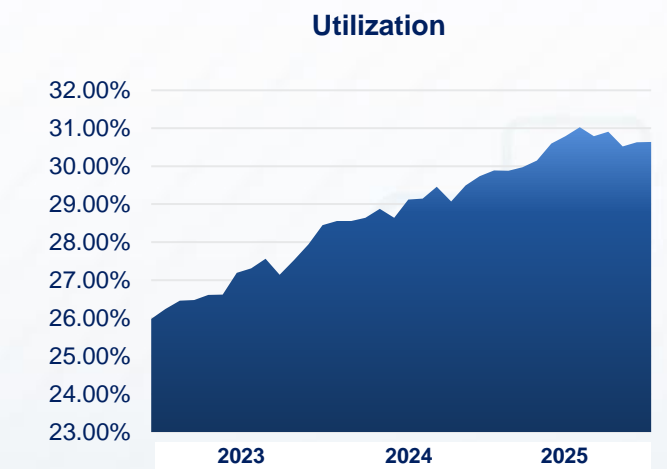
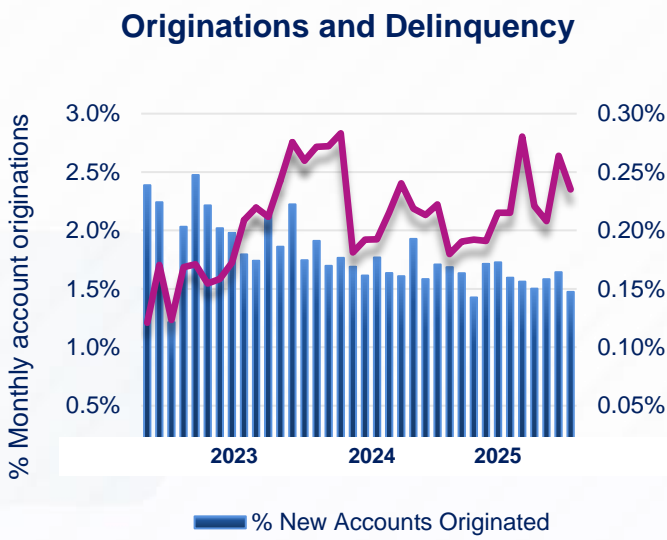
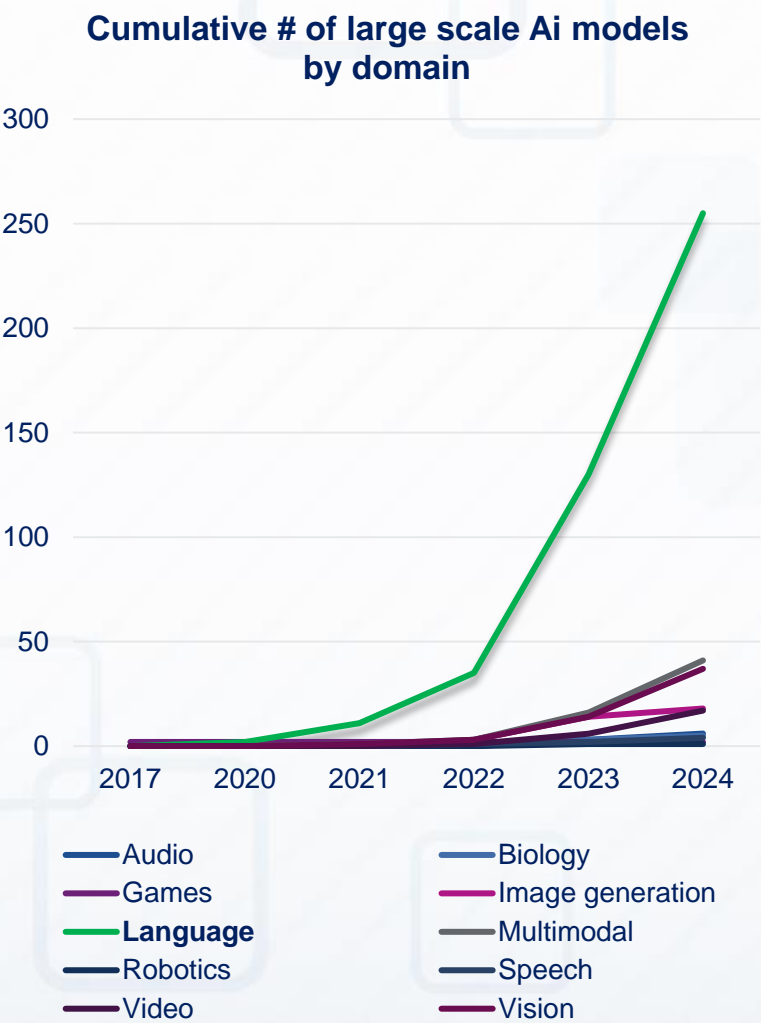
Construction industry struggles to find opening for growth



Source: Experian Commercial Benchmark, United States Case Shiller Home Price Index, National Association of Realtors, U.S. Census Bureau

Artificial intelligence is driving success

Professional and scientific navigates a quickly changing environment

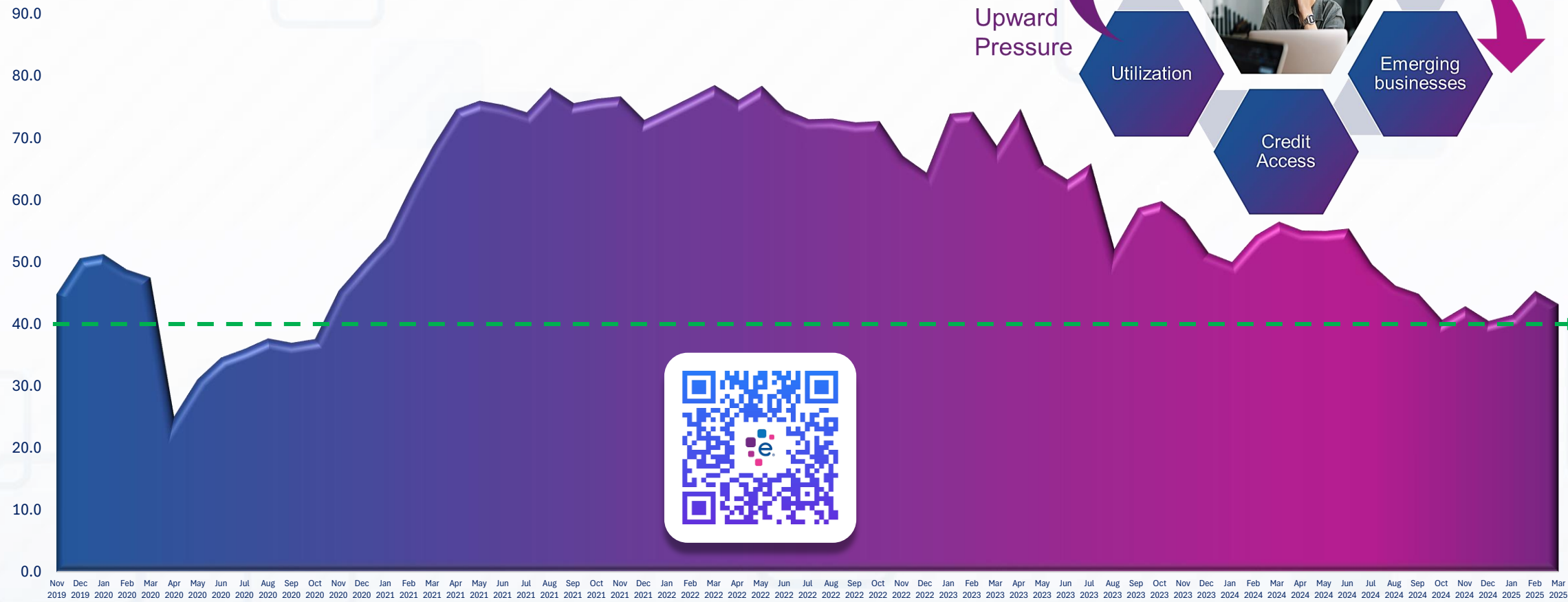


Source: Experian Commercial Benchmark, ourworldindata.org



State of Small Business Health

Stable fundamentals with a call down to grow expectations



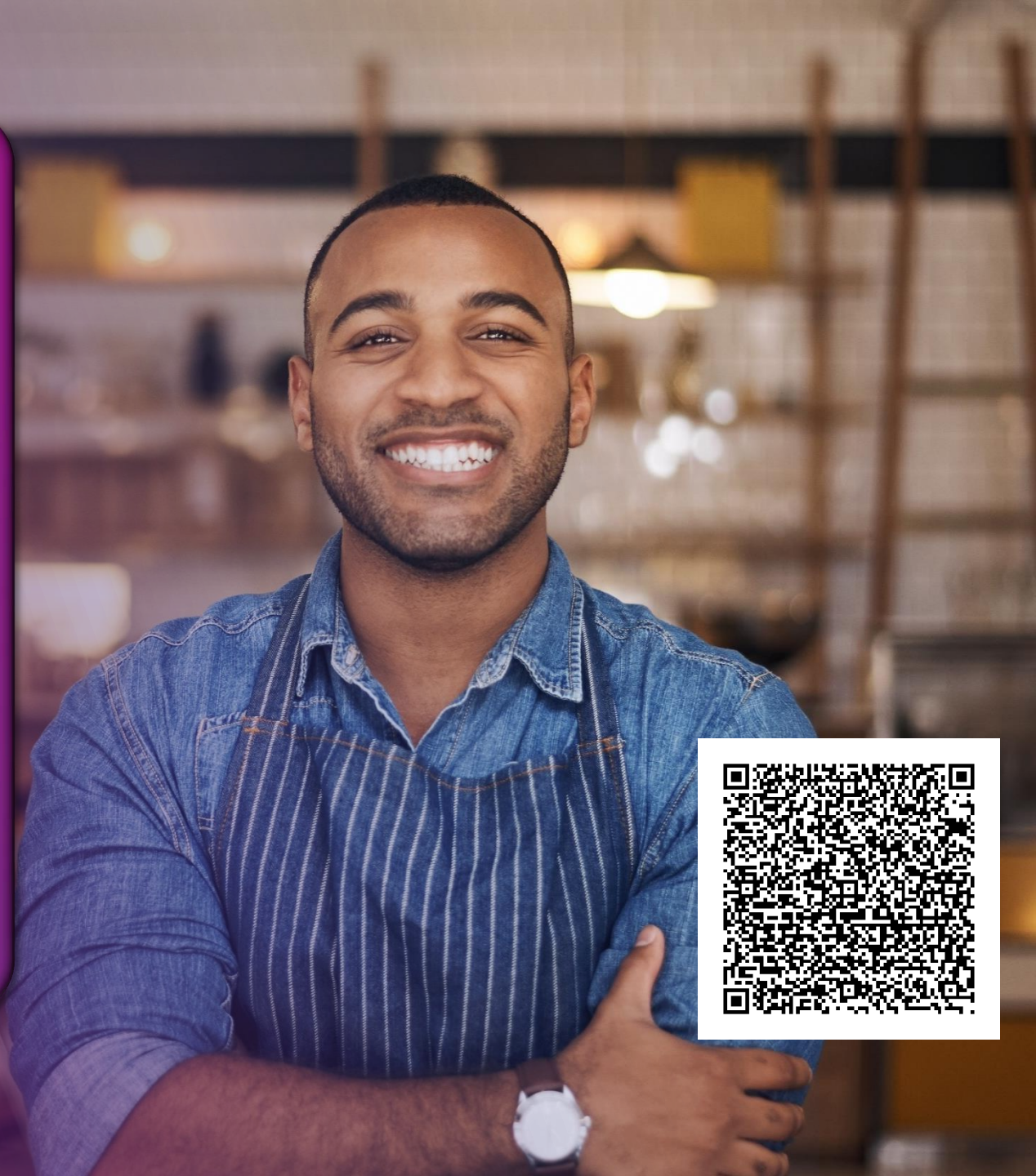
At Experian

Small Business Matters

We exist to give every small business the best chance to succeed and get access to capital to help them grow and realize their dream.

We ultimately serve small businesses directly and through our clients.

We believe every business should be represented at Experian.



Looking forward

Outlook for 2025 is mixed

- Earnings solid and markets call down 2025
- Labor market still resilient - regional softening
- New policy impacts create volatility both foreign and domestic
- Consumer and small business sentiment fall has not impacted spend
- Lenders hold credit underwriting constant, but winds could change





Questions?

Please take a moment to ask any questions. If we do not answer them here, we will route them to our experts and get back to you after the webinar.

How Did We Do?

- Please take a moment to fill out our short exit-survey
- Helps us keep improving our webinars
- Tell us what else we should be covering

"I gain valuable insights through these webinars."

Maggie M.

"Just a lot of fantastic macro insights I get here that I can't find anywhere else."

Jeffrey W.

"Understanding industry trends and as a comparison to what we are seeing."

Scott R.

"I love the polls so we can get a pulse for what the group thinks and the information provided is very helpful and timely."

John P.

"I like to use the information to compare to what I am seeing happen in our small business. To see if what we are seeing is a fad or a national trend."

Craig P.



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