

FEDERAL RESERVE BANK *of* NEW YORK

COMMUNITY DEVELOPMENT

EXAMINING CREDIT INSECURITY IN THE UNITED STATES

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June 2025

The views here are those of the authors and do not necessarily represent those of the Federal Reserve Bank of New York or the Federal Reserve System.

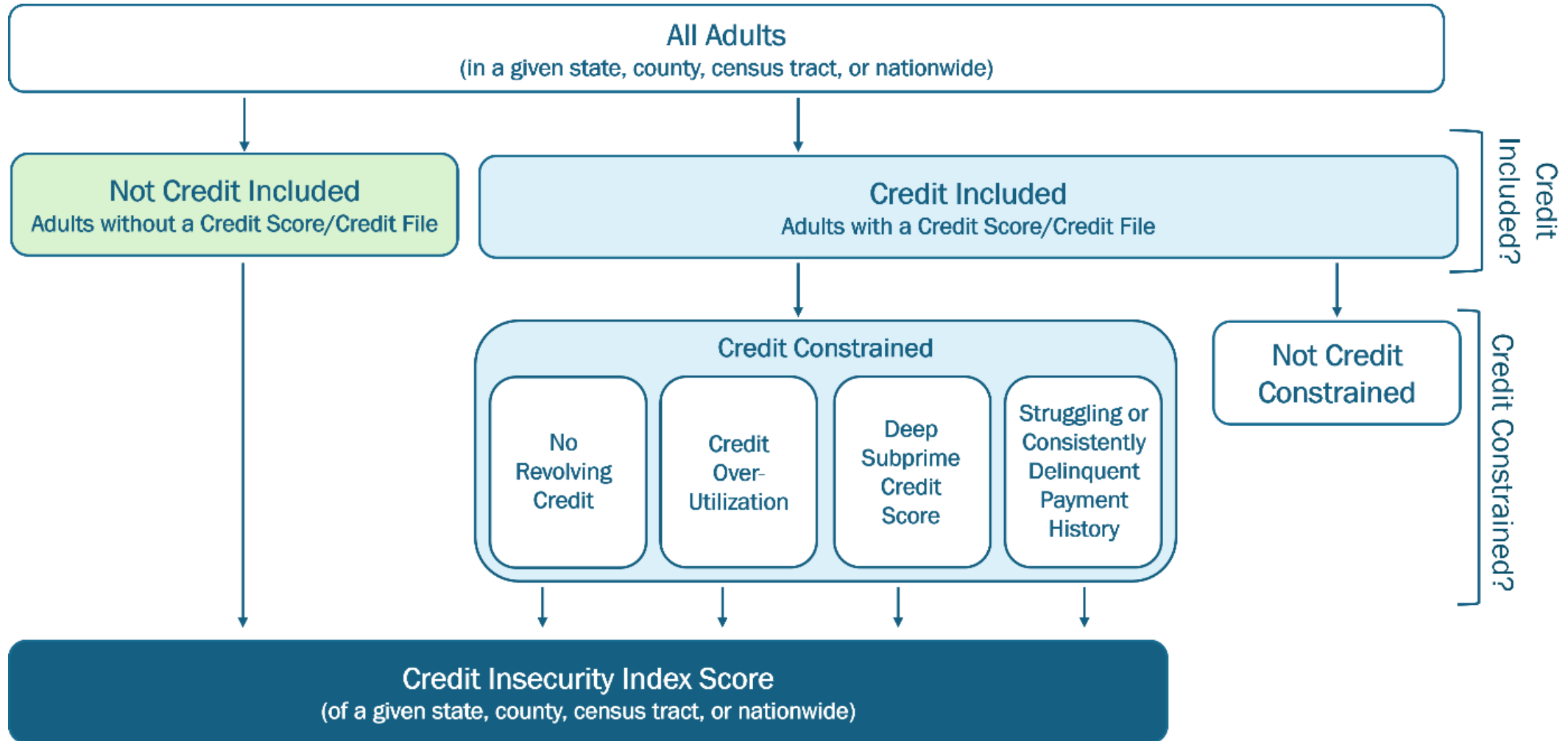
Introduction: What is the Credit Insecurity Index?

The Credit Insecurity Index aims to capture the ability of consumers to access credit at choice, meaning easily and affordably.

- It considers two populations: the adult population that is completely outside the credit economy and adults that, while in the formal credit economy, have prior credit experiences that constrain their current ability to access credit.

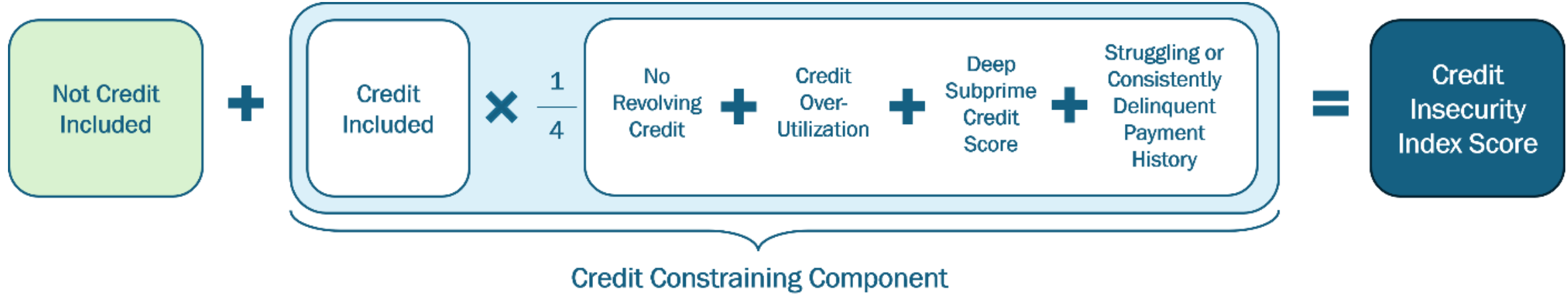
The Credit Insecurity Index is a *place-based measure*, in that it measures a community's collective ability to access credit and allows for comparison between regions and neighborhoods.

Conceptual Framework for the Credit Insecurity Index

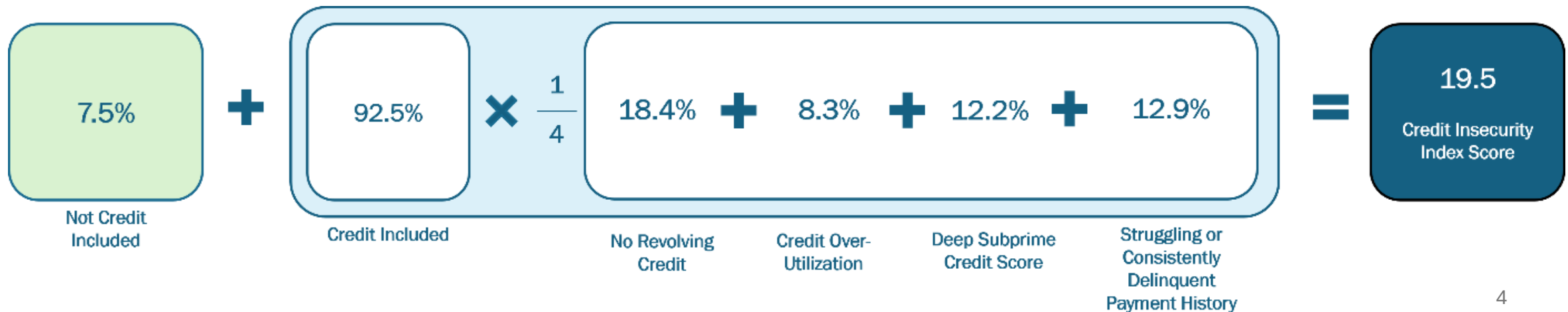


Calculation of the Credit Insecurity Index

Calculation:



National Score (2023):



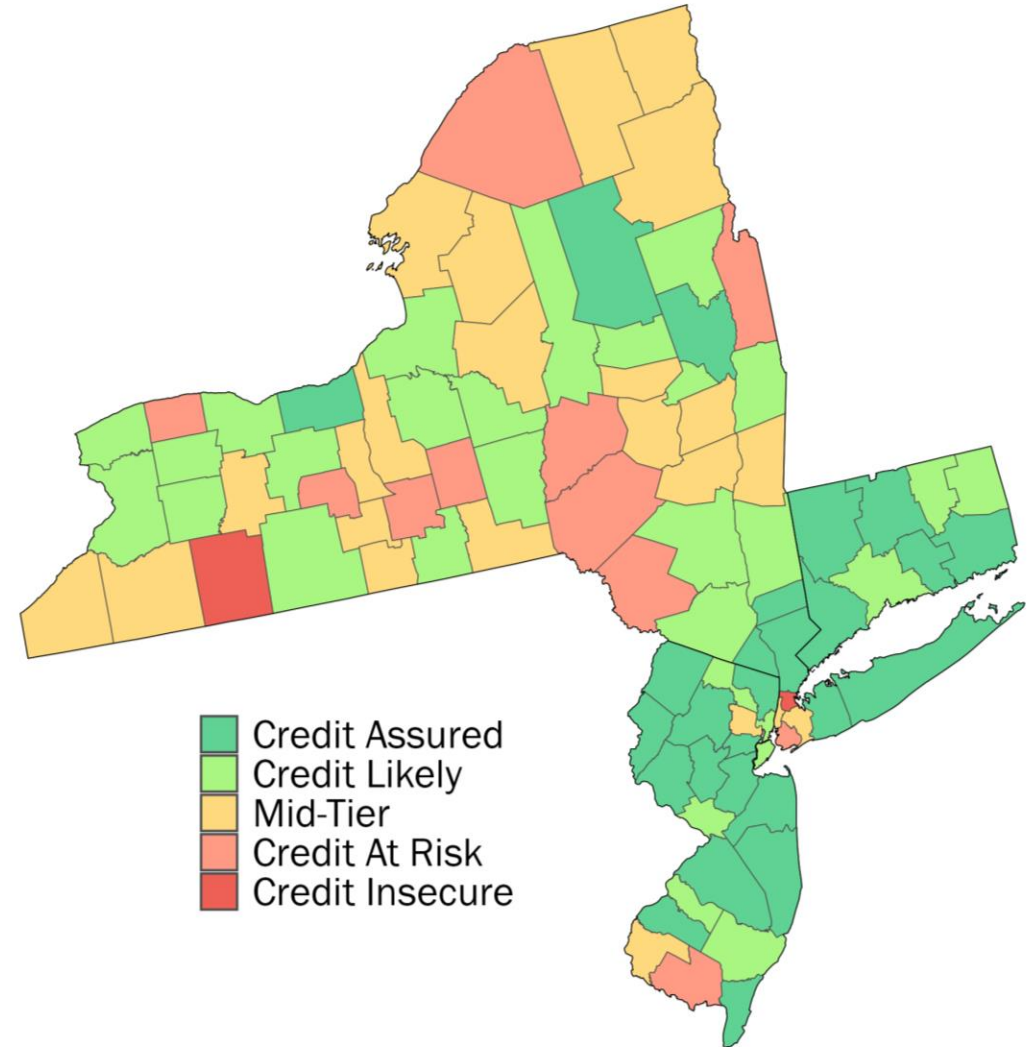
Credit Insecurity Tiers and the Second District

Most access to affordable credit



Tiers	Index Score Ranges
Credit Assured	0 - 16.6
Credit Likely	16.7 - 21.7
Mid-Tier	21.8 - 26.4
Credit At Risk	26.5 - 32.5
Credit Insecure	32.6 or above

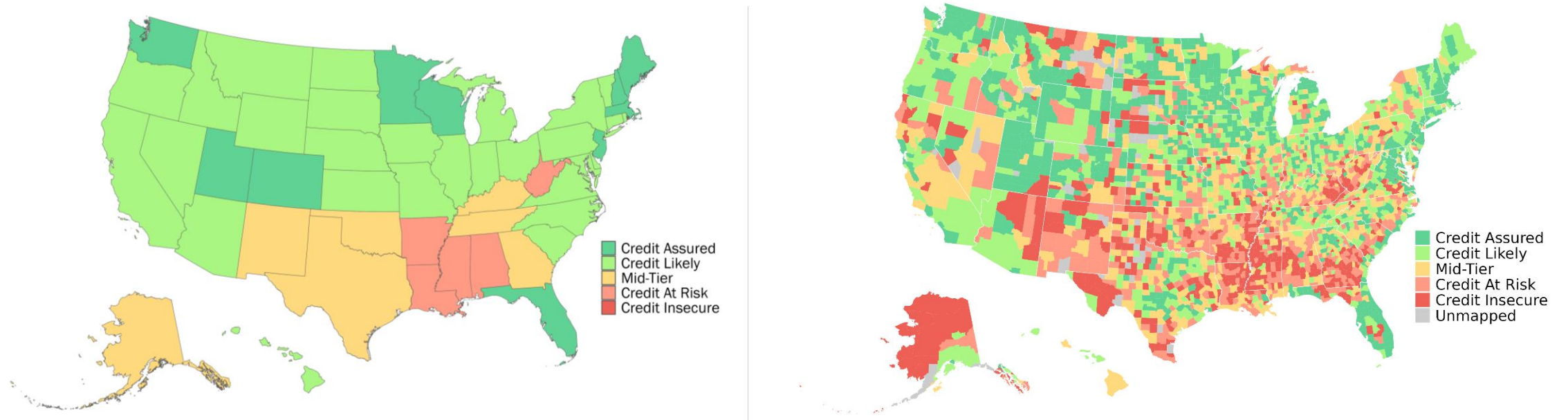
Least access to affordable credit



Credit Insecurity Score by State and County

Counties in the South and Appalachia experience substantial credit insecurity

Credit Insecurity Index score by county

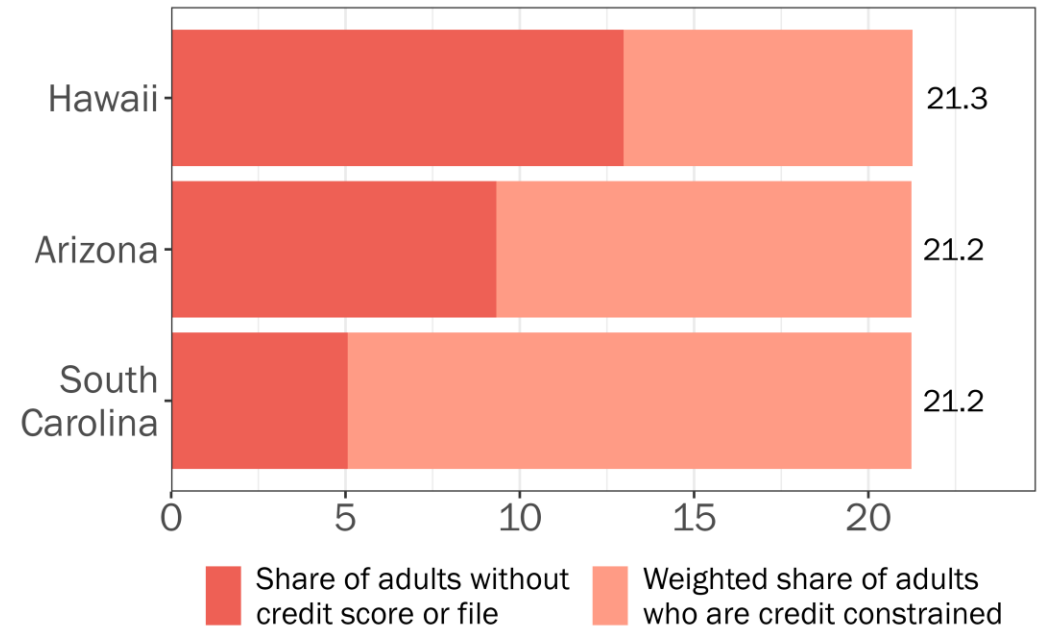
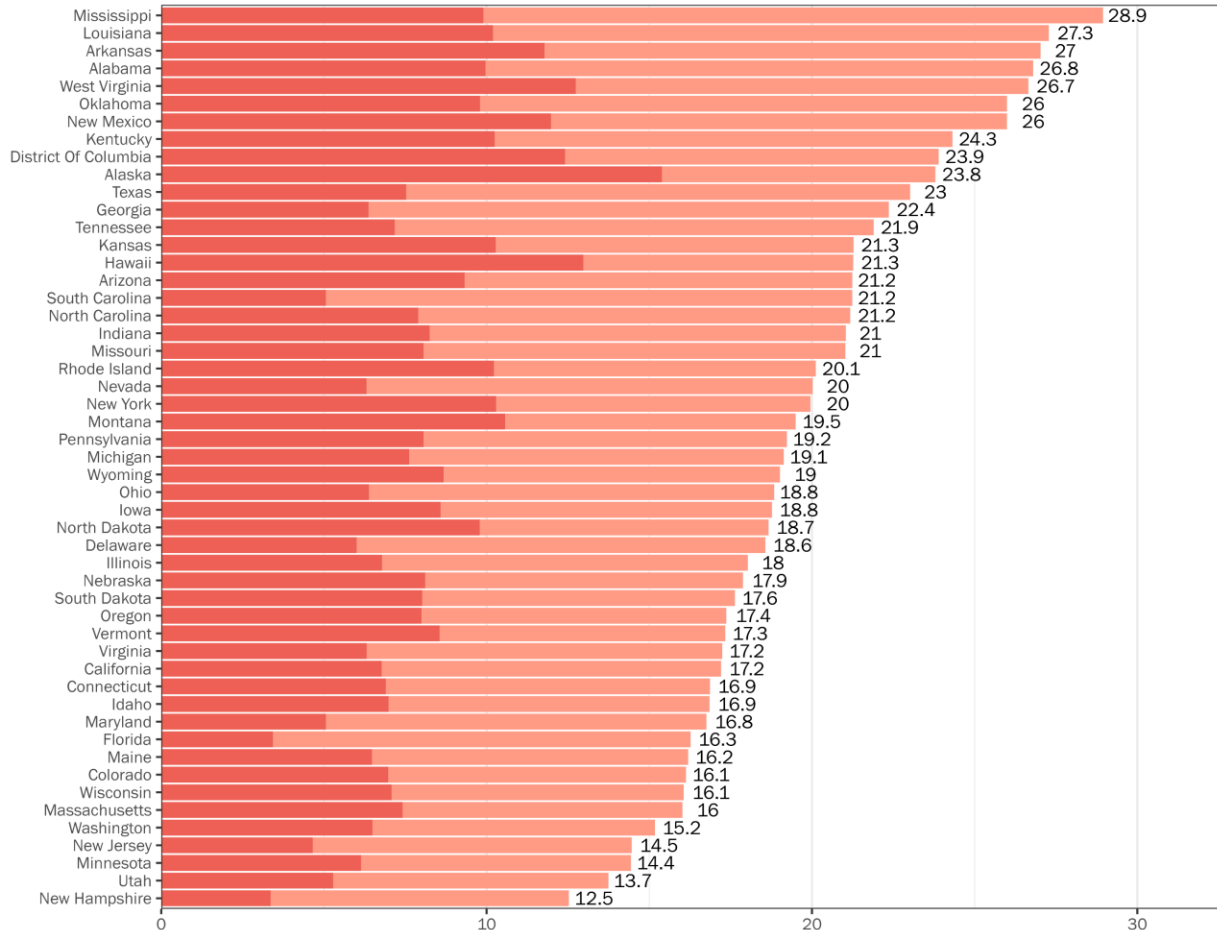


Tiers	Counties	Population (millions)	Share of Population
Credit Assured	795	125.9	39%
Credit Likely	680	100.6	31%
Mid-Tier	633	59.1	18%
Credit At Risk	528	26.0	8%
Credit Insecure	444	15.0	5%

Credit Insecurity Score by State

Credit Insecurity Index scores vary widely across states

Score by state in Q4 2023, by share without credit score or file and share who are credit constrained

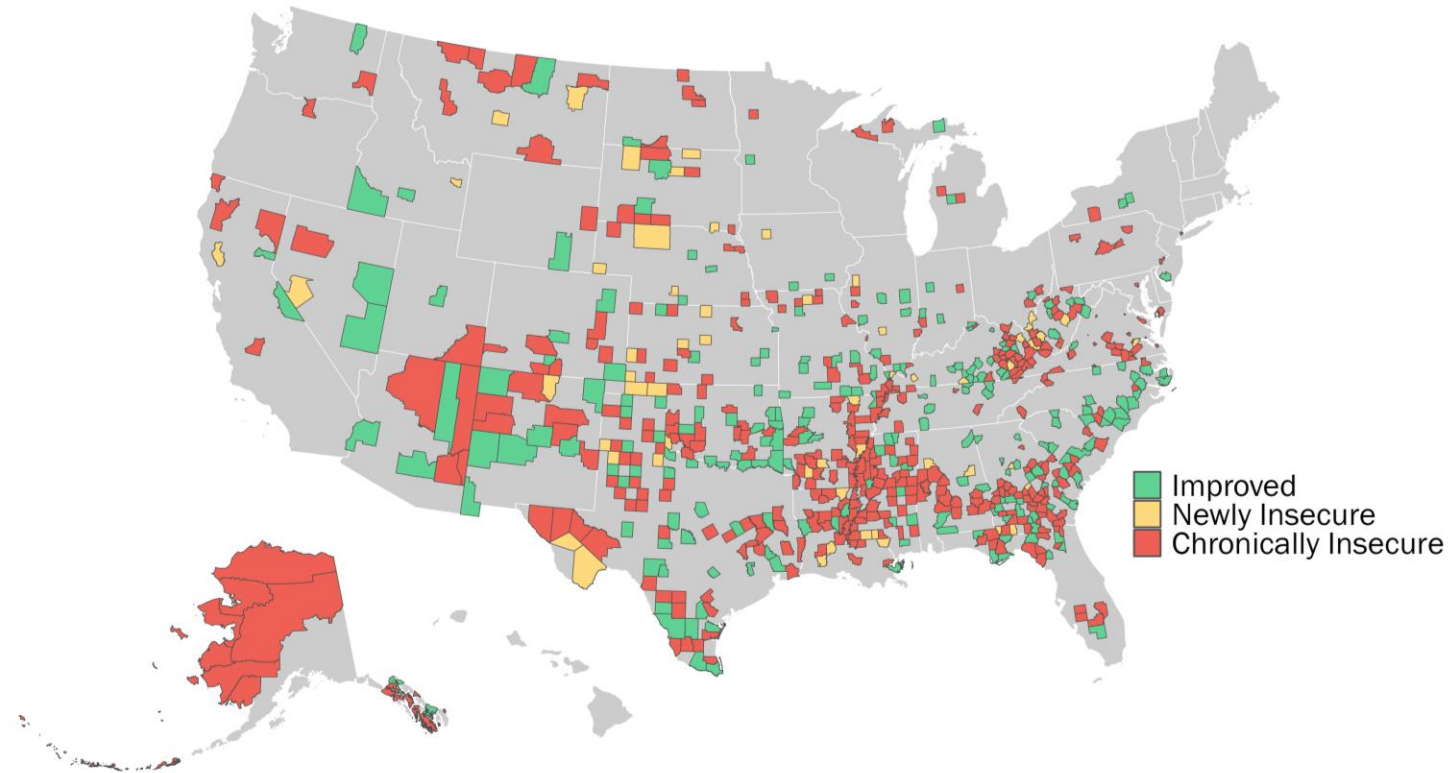


■ Share of adults without credit score or file
 ■ Weighted share of adults who are credit constrained

Credit Insecure Counties: 2018 - 2023

Most Credit Insecure counties remained insecure between 2018 and 2023

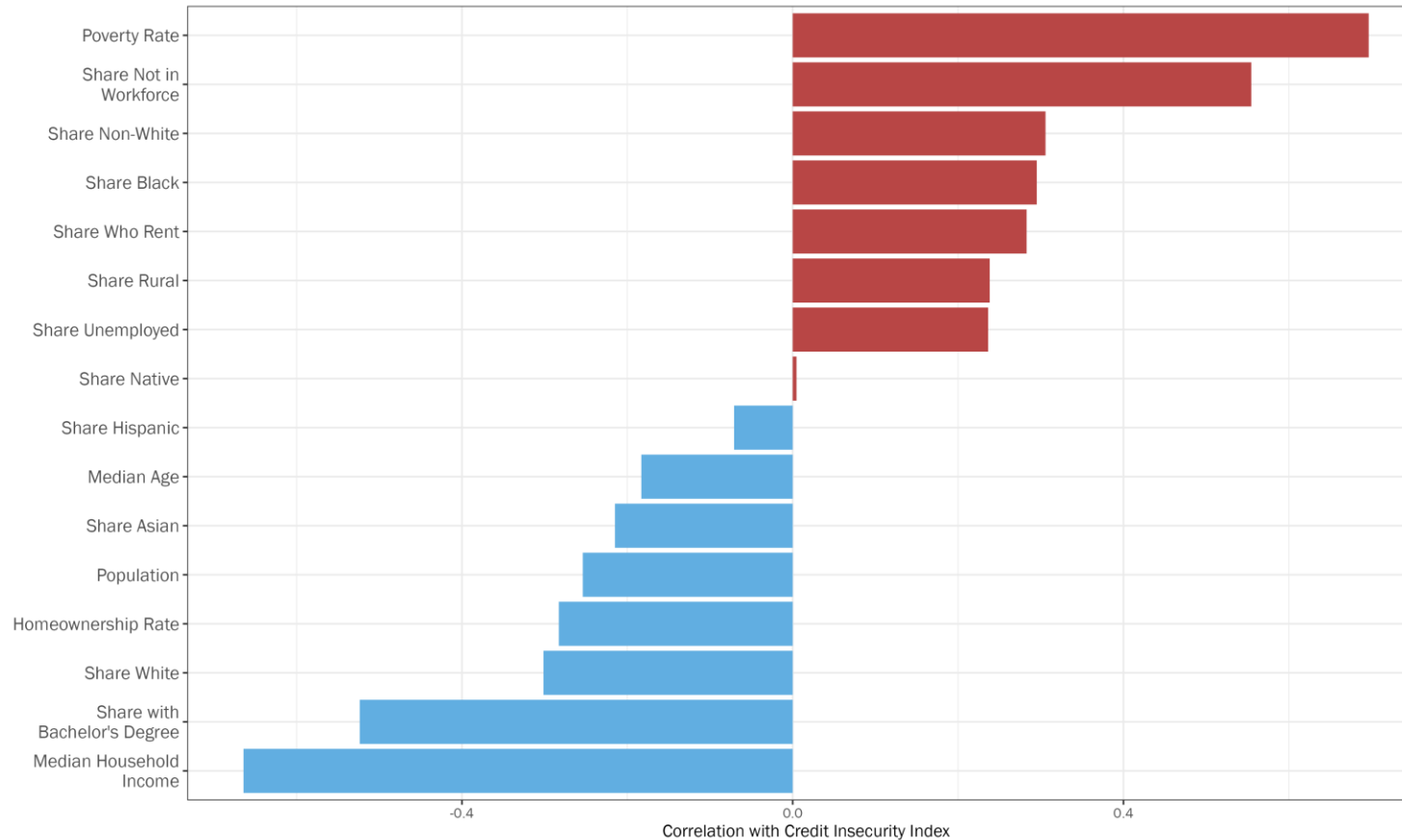
Insecure counties by category of improvement or decline



Sources: FRBNY Consumer Credit Panel/Equifax, American Community Survey (2017-2022 5-Year), Missouri Census Data Center Geocorr 2022.

Socioeconomic Characteristics and Credit Security

Characteristics like income, poverty, and homeownership correlate with credit insecurity at the county-level
Spearman Correlation coefficients, county-level observations.

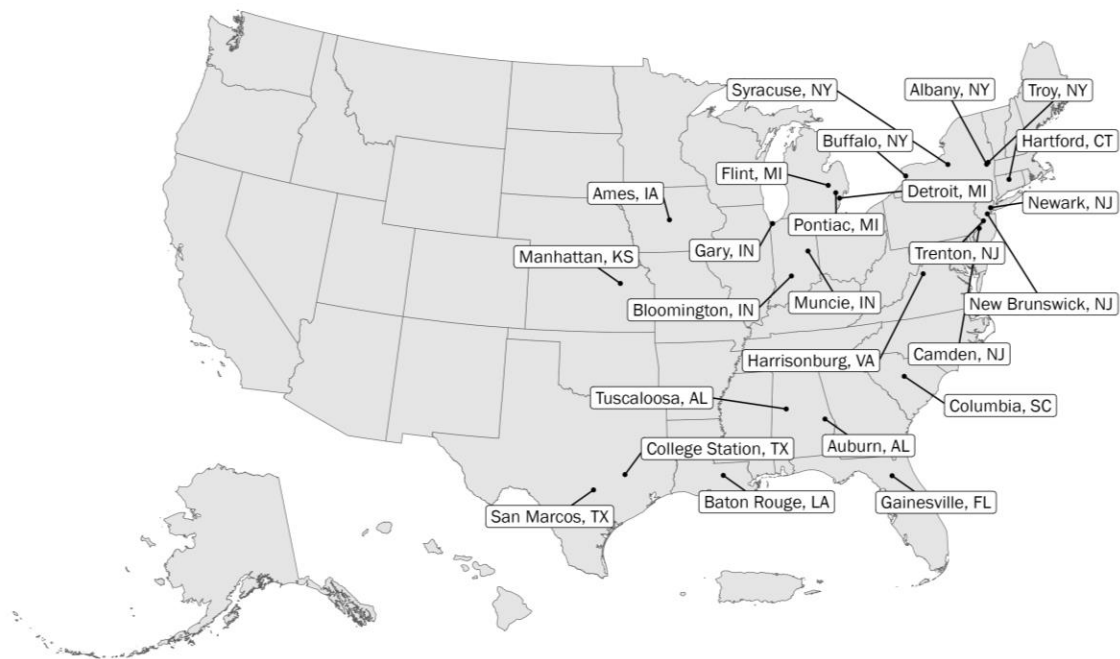


Sources: FRBNY Consumer Credit Panel/Equifax, American Community Survey (2017-2022 5-Year), Missouri Census Data Center Geocorr 2022.

Most Credit Insecure and Credit Secure Cities in the U.S.

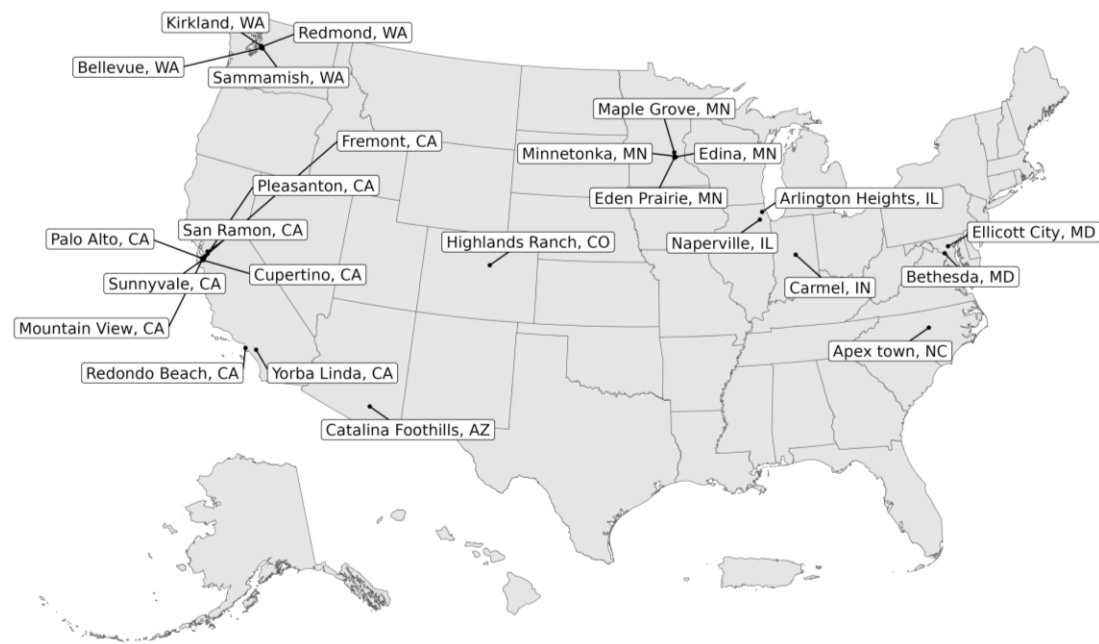
The most insecure cities in America are often former industrial cities or are home to major universities

Top 25 most insecure cities



The most Credit Secure cities in America tend to be suburbs of larger cities, especially on the West Coast

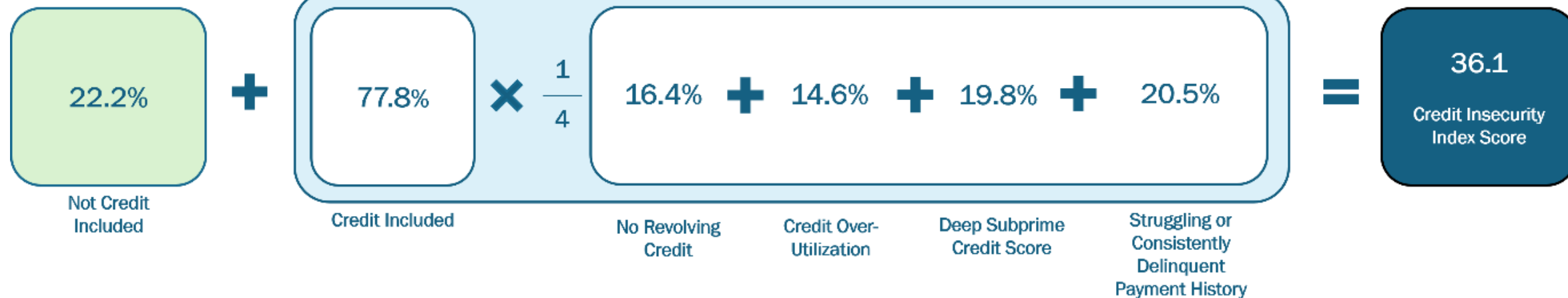
Top 25 most secure cities



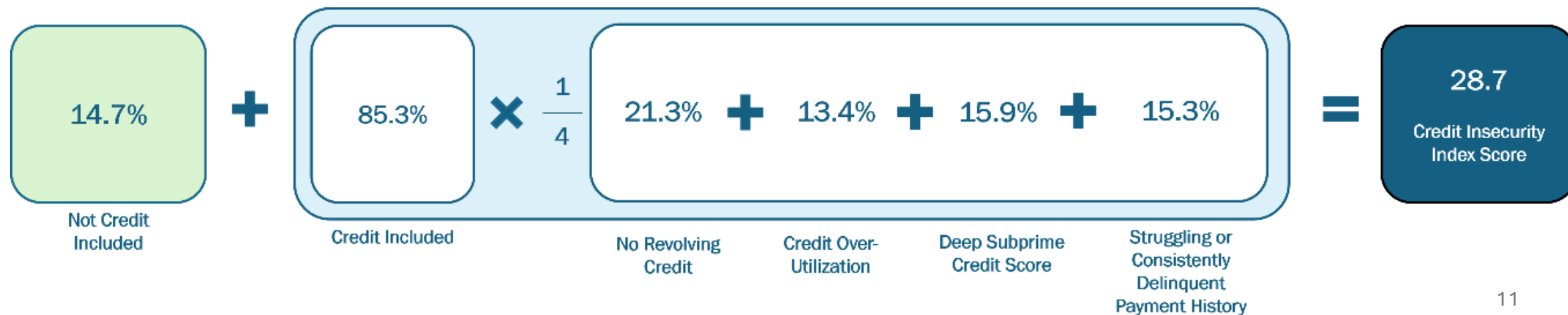
Sources: FRBNY Consumer Credit Panel/Equifax, American Community Survey (2017-2022 5-Year), Missouri Census Data Center Geocorr 2022.

Illustrative Credit Insecurity Index Scores

Bronx, NY:



Whitehall, NY:



Uses Cases for CDFIs

Understand community needs by linking credit insecurity data with other indicators of community well-being

Assess areas of greatest need for credit products and services

Evaluate policy and capital interventions and their impact on credit health over time

Understand geographical variations in credit inclusion, health, and stress

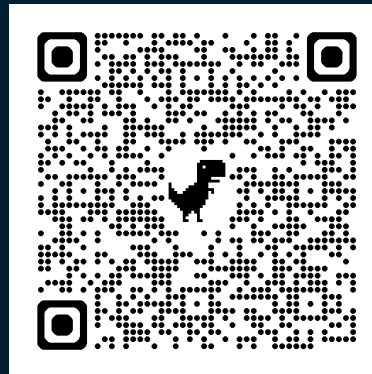
Identify which financial products and services work for communities over time

Target financial coaching and outreach programs based on barrier to credit access

Identify targeted opportunities for outreach to consumers in need of credit coaching, building, or repair

COMMUNITY DEVELOPMENT

Thank you!



Reach out with questions to:
NY.Fed.CommunityDevelopment@ny.frb.org

CREDIT INSECURITY IN THE UNITED STATES: 2018 - 2023

Jacob Scott
Ambika Nair
Claire Kramer Mills

March 2025

Key Takeaways

- Credit security is the ability of households to access mainstream credit and keep current on debt payments. Credit security increased among U.S. households between 2018 and 2023, a period that included significant economic disruptions.
- The share of people living in credit secure counties increased from 57 percent (182 million) to 69 percent (226 million) during this period.
- However, despite national improvement, pockets of America are experiencing hardship. More than one in ten people in the United States (41 million) live in Credit Insecure counties, places where large shares of consumers rely on high-cost credit and struggle to manage debt.
- Credit insecurity is persistent in certain places. Nearly two in three counties that were Credit Insecure in 2018, home to 14 million people, remained Credit Insecure through 2023.
- Credit insecurity is regionally concentrated, with concentrations in the South and Appalachia. Credit Insecure places have higher shares of the population who live in rural areas, do not have bachelor's degrees, and rent their homes.



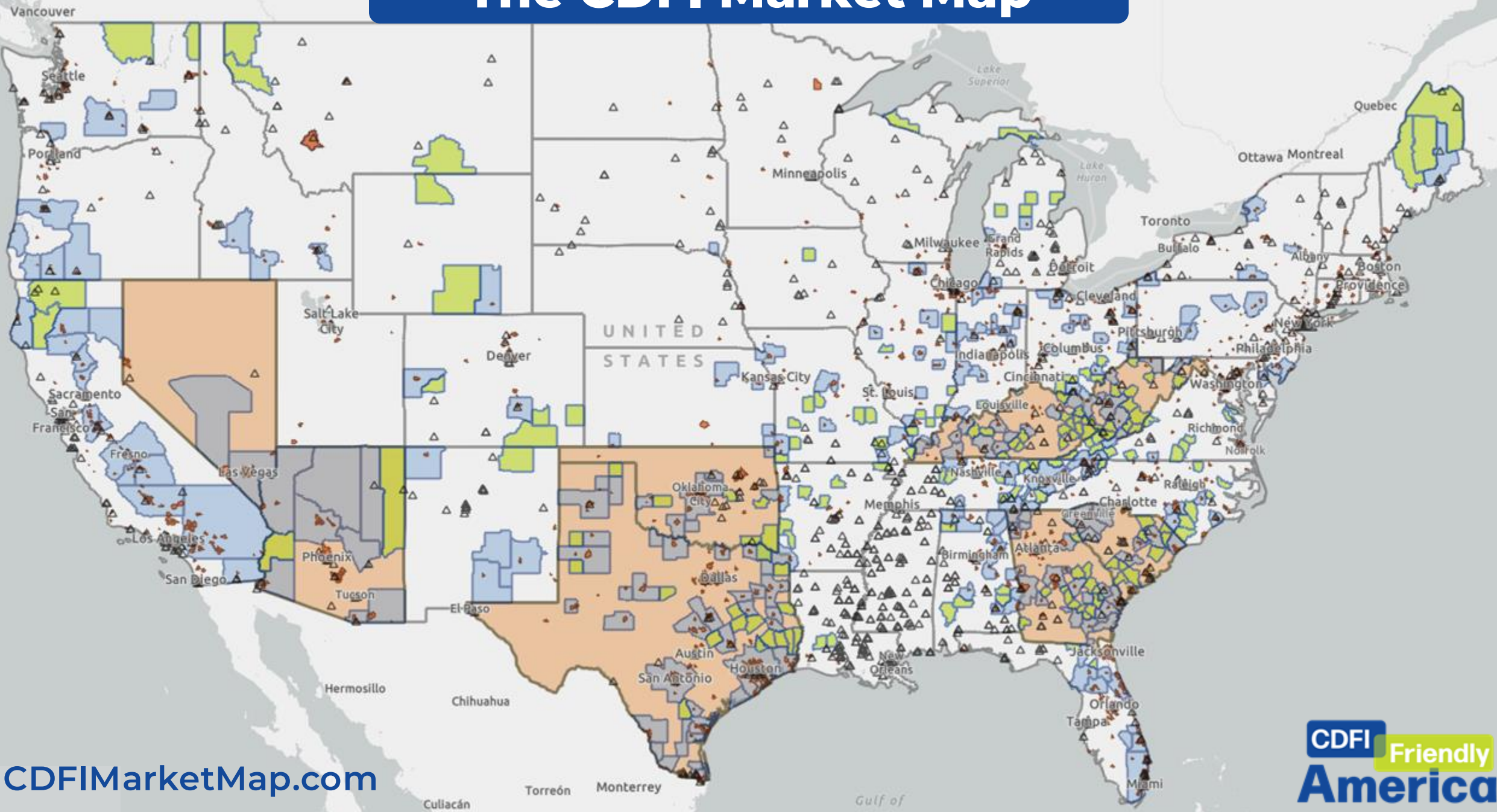
Expanding the Reach Of CDFIs

Mark Pinsky

President & Founder

June 9, 2025

The CDFI Market Map



CDFI Financing 2005-2020

Bloomington, IN

87%

Investment Area Tracts

**Bloomington, IN
Metro Area**

56%

Investment Area Tracts

Indiana

44%

Investment Area Tracts

United States

46%

Investment Area Tracts

\$24

Per Capita

\$21

Per Capita

\$74

Per Capita

\$325

Per Capita

\$2 mm

Total CDFI Lending

\$3.52 mm

Total CDFI Lending

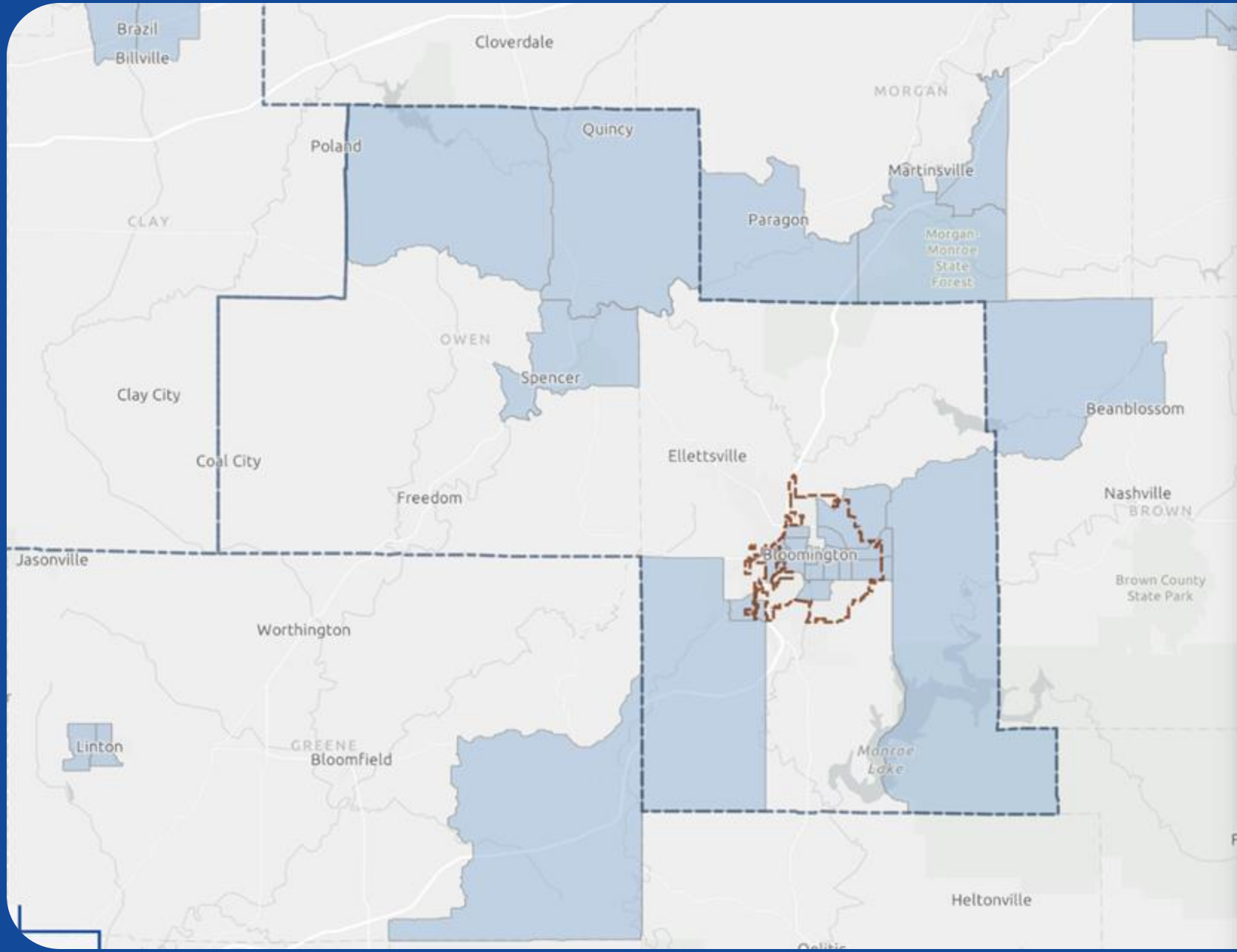
\$495 mm

Total CDFI Lending

\$105 bil

Total CDFI Lending

Bloomington, IN Metro Area



Legend

CDFI Market Map

Regional & Local

Certified CDFIs as of 1/13/2025



CDFI Desert Metro Micro Areas



CDFI Desert Counties (non Metro Micro)



CDFI Desert Places (Cities & Towns)



Local & Community (Tracts)

CDFI Desert Tracts



CDFI Financing 2005-2022

Scranton, PA

81%

Investment Area Tracts

**Scranton-Wilkes
Barre Metro Area**

52%

Investment Area Tracts

Pennsylvania

40%

Investment Area Tracts

United States

47%

Investment Area Tracts

\$84

Per Capita

\$52

Per Capita

\$181

Per Capita

\$714

Per Capita

\$6.35 mm

Total CDFI Lending

\$29.5 mm

Total CDFI Lending

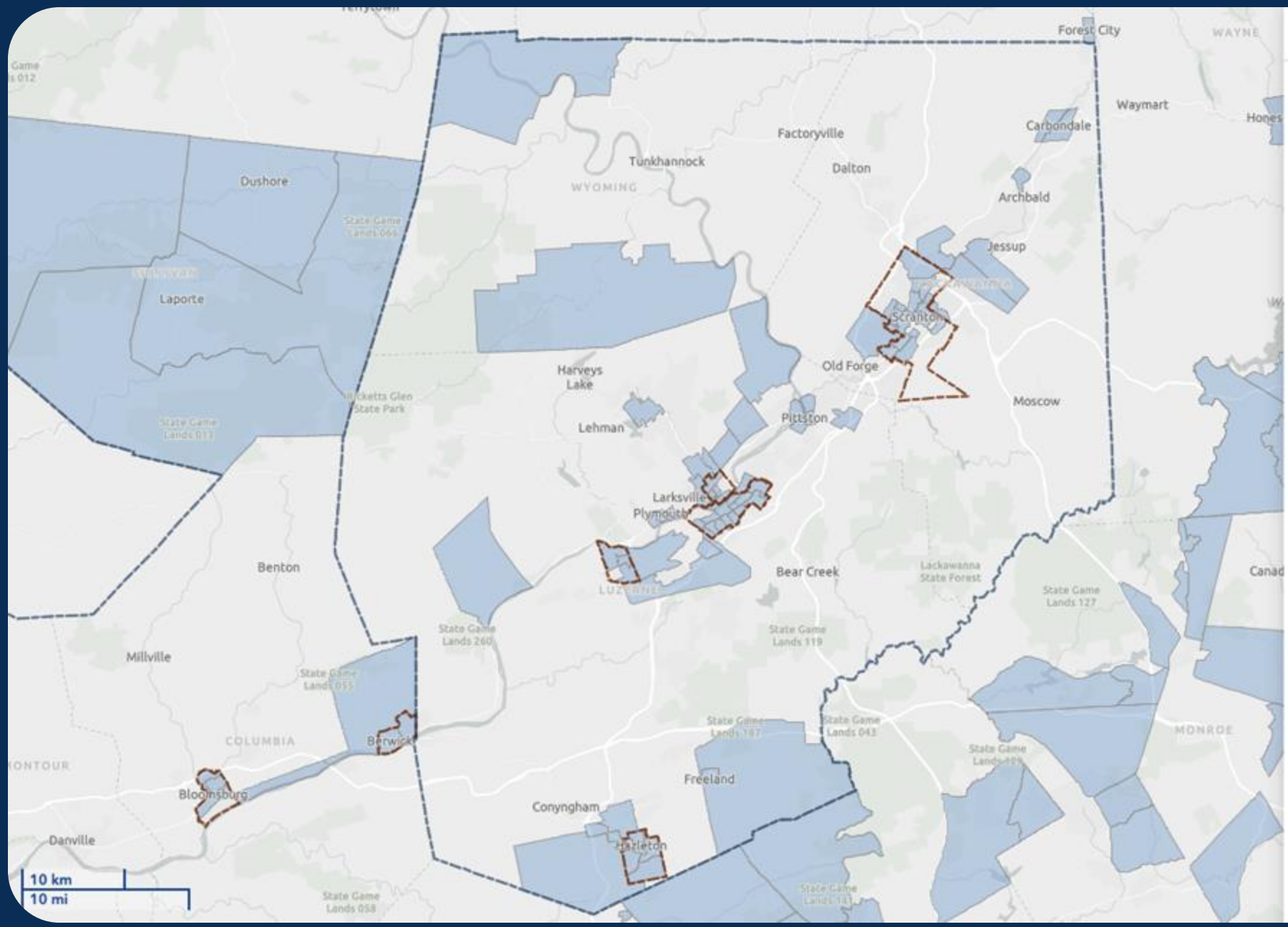
\$2.34 bil

Total CDFI Lending

\$235.4 bil

Total CDFI Lending

Scranton-Wilkes-Barre, PA Metro Area



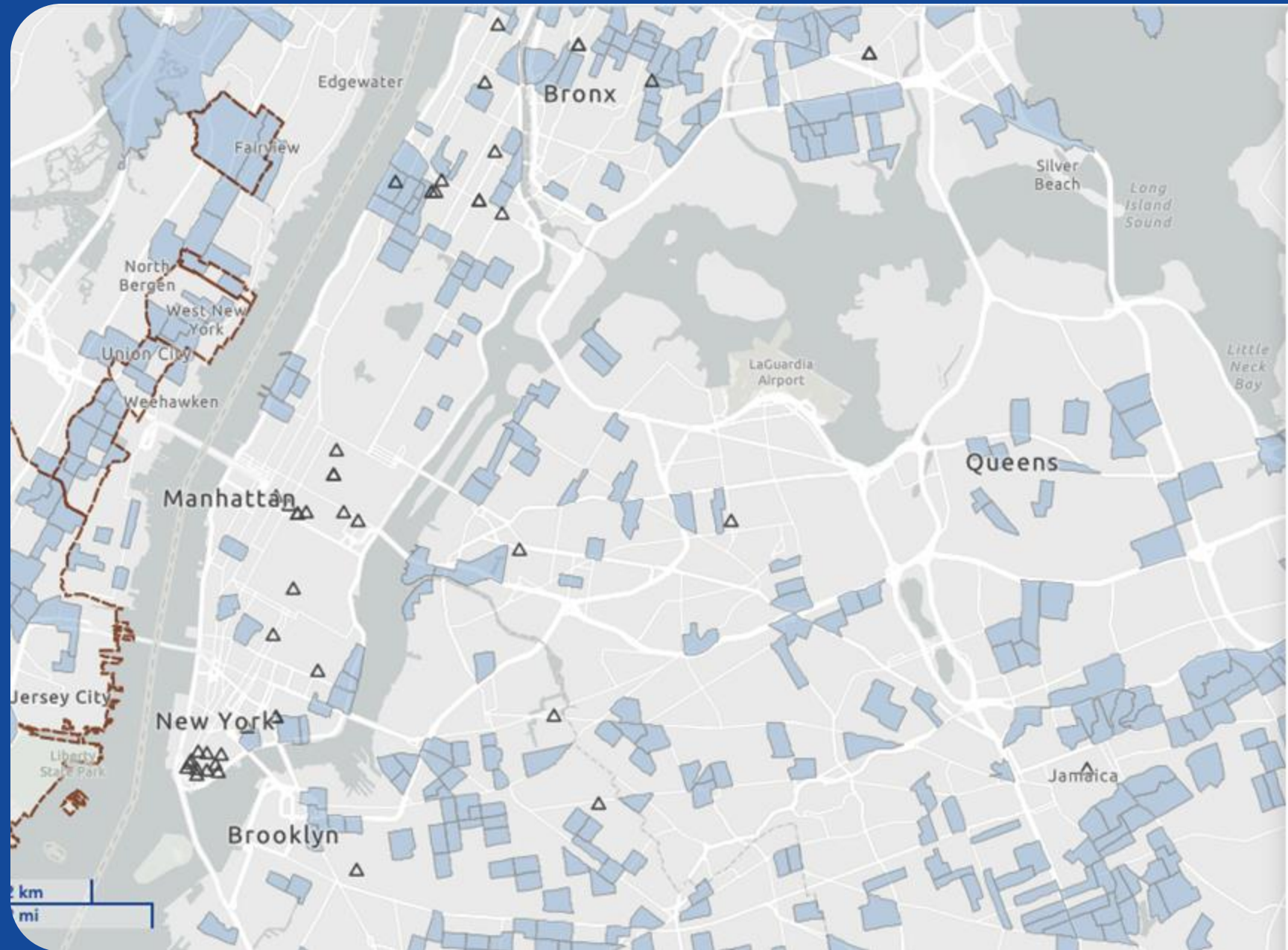
Legend

CDFI Market Map

- Regional & Local**
- Certified CDFIs as of 1/13/2025**
△
- CDFI Desert Metro Micro Areas**
□
- CDFI Desert Counties (non Metro Micro)**
□
- CDFI Desert Places (Cities & Towns)**
□
- CDFI Desert States**
□
- Local & Community (Tracts)**
- CDFI Desert Tracts**
□

New York City

New York City CDFI Desert Tracts



Legend

CDFI Market Map

Regional & Local

Certified CDFIs as of 1/13/2025



CDFI Desert Places (Cities & Towns)

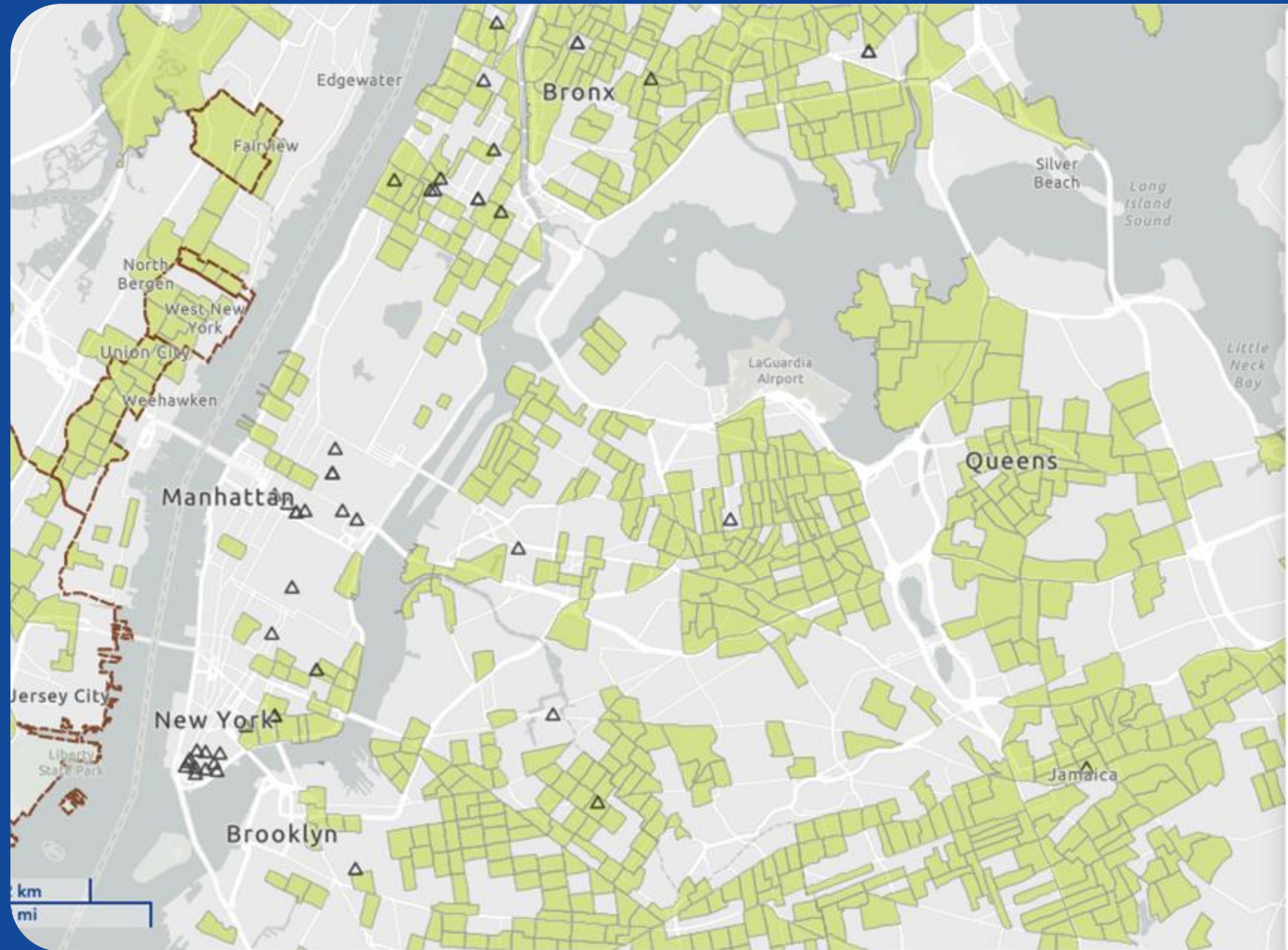


Local & Community (Tracts)

CDFI Desert Tracts



NYC Commercial Real Estate Desert Tracts



Legend

CDFI Market Map

Regional & Local

Certified CDFIs as of 1/13/2025



CDFI Desert Places (Cities & Towns)



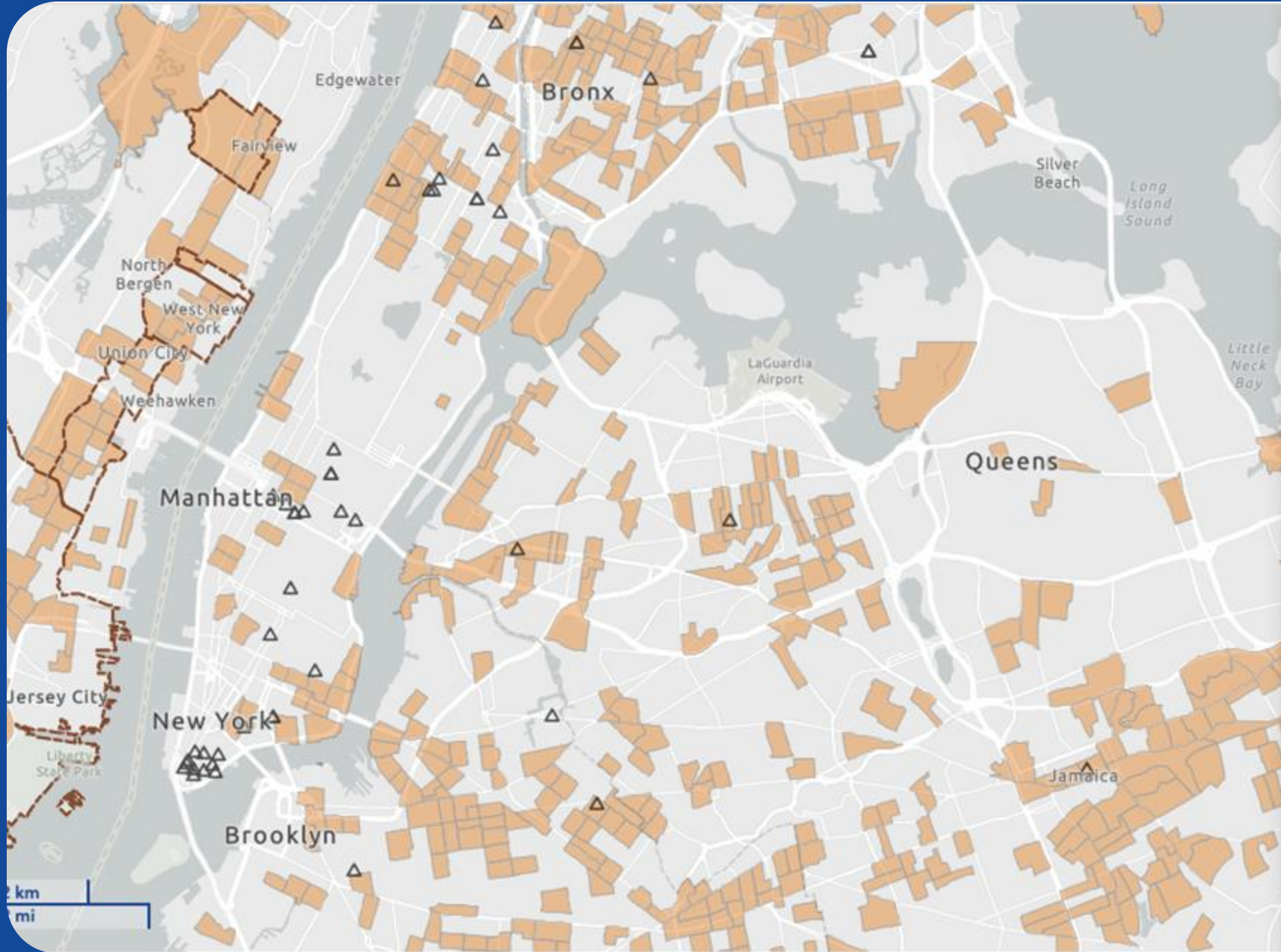
Local & Community (Tracts)

Lending Sector Tract Deserts

CRE and Community Facility Desert Tracts



NYC Housing Desert Tracts



Legend

CDFI Market Map

Regional & Local

Certified CDFIs as of 1/13/2025



CDFI Desert Places (Cities & Towns)



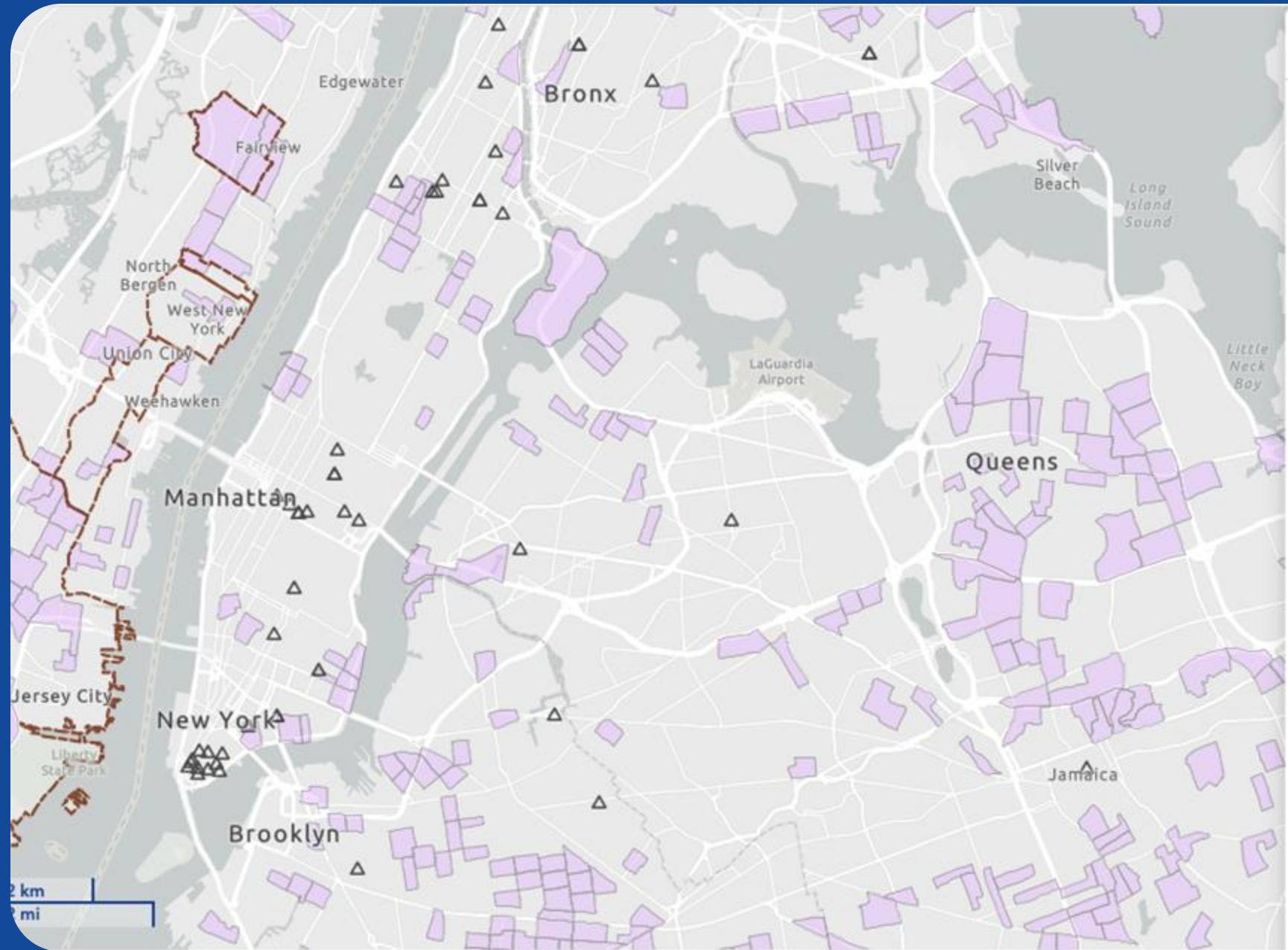
Local & Community (Tracts)

Lending Sector Tract Deserts

Housing Desert Tracts



NYC Small Business Desert Tracts



Legend

CDFI Market Map

Regional & Local

Certified CDFIs as of 1/13/2025



CDFI Desert Places (Cities & Towns)



Local & Community (Tracts)

Lending Sector Tract Deserts

Small Business Micro Desert Tracts





Thank you!

Mark Pinsky

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