American Default

Tracking what happens when the system breaks down.

AMERICAN DISTRESS INDEX

56.8

ELEVATED

+2.5 from 2025-Q2

The American Distress Index is a composite 0-100 score tracking U.S. household financial distress. It synthesizes federal economic data across five statistically derived components to measure how close American households are to the breaking point.

The ADI is not a prediction. It tracks what is -- current levels of savings depletion, debt distress, credit tightness, cost pressure, and labor market strain.

Healthy	Normal	Elevated	Serious	Crisis
<35	35-50	50-65	65-80	>80

Five-Component Breakdown

COMPONENT	WEIGHT	Z-SCORE	CONTRIBUTION	WHAT IT MEASURES
Buffer Depletion	30%	+0.52	+4.2	Savings rate, debt service ratio
Debt Stress	25%	+0.19	+1.2	Mortgage & credit card delinquency
Financial Conditions	15%	+0.62	+2.5	Credit market tightness (NFCI)
Cost Pressure	15%	+0.15	+0.6	Healthcare costs vs wages
Labor Market	15%	-0.45	-1.8	Income disruption signals
Composite	100%	+0.25	56.8	

Z-scores are deviations from the 2015-2024 baseline mean. Positive = above-baseline distress. Contribution = points added to 50-pt center (score = 50 + Z x 27).

Headline Statistics

4.5% Personal savings rate Source: BEA via FRED	**11.52%** FHA mortgage delinquency Source: MBA NDS	**2.94%** Credit card delinquency Source: FRED
11.3% Debt service ratio Source: FRED	**213K** Weekly initial claims Source: DOL via FRED	**4.11%** Credit card charge-off rate Source: FRED

Methodology

DATA SOURCES
96 federal indicators from FRED, BLS, NY Fed, MBA, Census, and other public sources

SCORING
Z-anchored scaling: score = 50 + (composite Z x 27), clipped to [0, 100]

LEADING INDICATOR
Buffer Depletion predicts Debt Stress by 9 quarters (r=0.69), validated 2005-2012.

BASELINE
Q1 2015 - Q4 2024, COVID-era values winsorized at 95th percentile

VALIDATION
Backtested to 2005. ADI enters Crisis zone in late 2008 (GFC), Normal by 2012.

UPDATE FREQUENCY
Composite quarterly; underlying indicators monthly, weekly, and quarterly by source

Data Access

API
americandefault.org/api/adi.json

EMBEDDABLE CHARTS
americandefault.org/embed/{slug}/ -- 96 indicators

CSV DOWNLOAD
americandefault.org/api/downloads/all-indicators-latest.csv

FULL DATA KIT
americandefault.org/press/

Citation

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