Meta Description: Personal credit and debt are changing, and those trends can help you manage debt. See how data from BHG Financial and others can optimize your finances.

H1: Consumer Credit Score Trends and Debt Behavior in 2026: What Borrowers Should Know to Strengthen Financial Health

Credit scores may look stable at a glance, but the behaviors influencing them are shifting. Understanding today's consumer credit score trends can help you make more informed decisions about debt, borrowing, and long-term financial health.

H2: Credit scores in 2026 are holding steady. Maintaining them is getting harder

Credit scores remain one of the most important factors in modern personal finance. They influence everything from loan approvals to interest rates to overall financial flexibility. Higher scores typically unlock lower interest rates and more competitive borrowing options, while lower scores can limit access and increase the cost of financing.

On the surface, recent consumer data suggests that scores are stabilizing. The **average FICO® score in 2026 sits at 715**, according to FICO®'s inaugural Credit Insights report—just a slight dip from last year. Although the change is modest, it reflects broader shifts in how consumers are managing credit.

Rising credit card balances, increasing credit utilization, and growing concern about payment sustainability are all contributing factors. In fact, **nearly two in five consumers (38%) say they're somewhat or very likely to miss a minimum debt payment in the next six months**, according to BHG Financial's Consumer Debt and Finances Report.

For both borrowers and lenders, this points to a more complex environment. Credit scores aren't collapsing, yet maintaining them requires more effort, strategy, and awareness than in previous years.

H2: National credit score trends: Data insights and behavior drivers

Data from FICO® and TransUnion point to three primary forces shaping credit behavior across all income levels: slightly lower average scores, elevated credit utilization, and stable—but increasingly influential—credit delinquencies.

Consumer sentiment reflects a similarly mixed picture. BHG Financial data shows that many consumers remain confident about their financial future, even as others continue navigating cash flow pressures and growing debt obligations.

H3: Slight dip in the 2026 average FICO® score indicates behavioral shifts, per FICO®

The average FICO® score has edged down to 715 in 2026, reflecting subtle but notable changes in consumer behavior. Increased reliance on revolving credit and the return of student loan delinquencies to credit reports in 2025 have both contributed to the shift.

Generational patterns add important context. **Younger consumers, particularly Gen Z, are opening credit cards at higher rates than previous generations** and using them more actively. Earlier engagement with credit also increases the likelihood of higher balances and score volatility without established repayment habits or long credit histories.

Meanwhile, many Gen X and older Millennial parents are extending financial support to these young adults as they navigate credit for the first time, making intergenerational finance a growing influence on overall household debt and financial health.

H3: Rising credit utilization is influencing score stability

Among the biggest factors influencing scores, credit utilization stands out. This metric measures how much of your available credit you're using—a higher utilization generally signals greater risk to lenders and can lower scores.

FICO® data shows that average credit card balances and utilization rates have climbed significantly since 2020, exceeding pre-pandemic levels. As of late 2024, **average balances reached approximately $7,622, with utilization stabilizing at around 35.7%.**

While this utilization level is above the commonly recommended threshold (often below 30%), the recent plateau suggests that many consumers have adjusted to carrying

higher balances. Credit usage has stabilized, even as households dedicate a larger share of their available credit to ongoing expenses.

H3: Delinquencies aren't spiking despite signs of strain

While credit delinquencies remain comparatively stable, though several indicators point to growing financial pressure among borrowers. TransUnion projects that **credit card delinquencies will hold steady in 2026, even as balances grow modestly**. Federal Reserve data support this trend, showing steadiness across credit card and auto loan segments.

Risk, however, is not evenly distributed. It is more concentrated among borrowers managing higher balances, multiple accounts, or inconsistent cash flow.

BHG Financial's research highlights this disconnect: 56% of respondents say they feel financially comfortable or wealthy, yet **36% live paycheck to paycheck—including 24% of high earners earning $100,000 or more annually.** Twelve percent of higher earners cite credit card debt as their largest monthly expense, and **31% of respondents report using credit cards to cover essential living costs during shortfalls.**

These patterns highlight a key theme: financial stability and financial stress can coexist.

H3: The underlying story: High earners are managing more complexity, not less

Financial complexity is increasing across income levels, but particularly among high earners, who are navigating more obligations than ever. Many belong to the "sandwich generation," supporting children *and* aging parents while pursuing their own goals. This multi-income, multi-responsibility reality means debt is less about overspending and more about managing competing priorities.

Even with strong earnings, the constant outflow of money—and energy—can make it difficult to preserve liquidity or adjust to unexpected expenses. So it makes sense that this segment of the population might rely on borrowing to maintain their foothold or manage cash flow.

In this context, debt is not inherently negative. Instead, it can be a tool that supports long-term financial health, as long as it's structured well and paired with a clear repayment plan.

H2: What these trends mean for consumers' borrowing power and financial flexibility

Credit scores directly influence what you can borrow, what you'll pay, and how much flexibility you have to meet future financial needs.

H3: Implications of a lower average score

A 10-to-20-point shift in credit scores can have measurable consequences, including:

- Movement between credit tiers
- Meaningful changes in APR
- Differences in access to larger loan amounts

These implications are especially important in a higher-rate environment. Mortgage rates, auto loan rates, and credit card APRs have all risen significantly compared to the historically low levels seen in 2020–2021, increasing the cost impact of even small score changes.

Stronger scores can unlock better terms and more options, while lower scores can increase the total cost of borrowing over time.

H3: Credit behavior as a reflection of financial health

Encouragingly, consumers are becoming more proactive. The FICO® report highlights an increase in credit monitoring and intentional credit-building behaviors, showing that people are paying closer attention to their financial profiles.

For example, **among those planning to open a new credit card, more than one-third of respondents in the BHG Financial survey (32%) said they were doing so to build or improve their credit score**. When managed responsibly, increasing available credit can help lower credit utilization and strengthen a credit score over time.

At the same time, patterns of behavior matter. Consistent, on-time payments and moderate balances tend to support stronger outcomes. In contrast, relying heavily on short-term debt without a clear strategy can gradually weaken credit standing.

H2: How to protect your finances

As consumer credit score trends evolve, so should your financial strategies. Here are three proven approaches for strengthening credit and managing debt effectively.

H3: Proactive credit monitoring and education

Per FICO®, **credit monitoring has become the top financial improvement habit across age groups, with 56% of consumers citing it as their go-to tactic**, outpacing cutting spending or boosting income.

This reflects a shift toward more informed decision-making. However, knowledge gaps still exist. BHG's consumer report found that many borrowers don't fully understand how their scores are calculated or which factors matter most.

Building awareness is a critical first step. Consistently reviewing your credit report, understanding how credit scores are calculated, and recognizing the impact of payment history can help you make more informed decisions.

H3: Strategic debt management and consolidation

For those managing multiple balances, debt consolidation is a proven way to simplify payments while improving credit.

Among those with debt, 12% of consumers report using or planning to use a consolidation loan, BHG found. What stands out is not just the approach, but the confidence it creates. People who planned to use, or currently use, debt consolidation loans or personal loans expressed greater confidence in their ability to stay current on payments.

By consolidating multiple accounts into a single structured loan, borrowers can:

- Lower overall credit utilization
- Simplify monthly payments
- Build momentum with a clear payoff plan

In many cases, consolidation can also support credit improvement. **The average BHG debt consolidation borrower sees their FICO® score increase by more than 40 points within a few months of funding**, highlighting how structured refinancing can actively enhance financial wellbeing.

H3: Balancing short-term pressures with long-term goals

Short-term pressures, such as rising living costs or unexpected expenses, can push borrowers toward higher utilization or greater reliance on credit. Over time, these decisions can impact scores and financial flexibility.

Balancing these pressures requires a broader perspective. Instead of focusing solely on your credit score, it's important to build habits that support sustainable financial health. Creating a realistic monthly budget—and sticking to it—helps ensure you're not

consistently spending more than you earn, which can reduce reliance on credit during tight periods.

Then, focus on building a financial cushion. Establishing emergency savings equal to roughly three months of income can provide a buffer when unexpected expenses arise, allowing you to continue making on-time payments without turning to short-term loans.

H2: Action steps to strengthen your credit profile now

Improving your credit doesn't require drastic changes. Small, consistent actions can make a meaningful difference over time.

To strengthen your profile:

- Check your credit reports regularly for accuracy
- Keep credit utilization below 30% (ideally lower)
- Make all payments on time, every time
- Limit new account openings unless they serve a clear purpose

H3: When to seek professional support

In some cases, additional support may be helpful.

If monthly payments feel difficult to manage or balances are spread across several high-interest accounts, debt consolidation through a reputable lender may be worth exploring.

You might benefit from professional support if:

- You're managing multiple high-interest balances above 15%
- Your monthly payments feel difficult to track or sustain
- Your credit utilization remains consistently high

A trusted financial advisor or lending specialist can also provide guidance on structuring your debt, improving your credit profile, and aligning your strategy with long-term goals.

H2: Turning data into better financial futures

While the average FICO® score remains relatively stable, growing debt loads and shifting credit utilization patterns call for more intentional credit management. At the same time, increased credit monitoring, growing awareness, and strategies like debt consolidation suggest that many consumers are taking steps in the right direction.

Understanding these broader trends can provide a useful perspective as you evaluate your own approach to credit, liquidity, and long-term wealth.