Annual CardRatings Study Reveals States with Credit Conditions Most Vulnerable to the Pandemic

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North Dakota leads overall; Kentucky most improved since last analysis

Foster City, CA – September 24, 2020 – Today CardRatings.com releases its yearly analysis of the best and worst states for credit conditions. The state-by-state study shows which are best prepared to withstand the economic rollercoaster of 2020. Just as COVID-19 preys heavily on those with preexisting conditions, the leader in credit card ratings finds the economic burden may hit households hardest that started the year with the weakest credit.

Most Improved and Worst Declines

- Delaware had the biggest decline in ranking: the state's unemployment rate rose more than any other state's, dropping from 16th to 42nd for employment conditions
- Kentucky is the biggest improver since last year's analysis , though its climb of 15 places only brought it up to the middle of the pack at 25th overall; the Bluegrass State jumped from 42nd to 1st for low unemployment due to an unusually steep drop in Labor Force participation rate and a big jump in employment in June

Differences Among States

- Alabama sees nearly 10x as many bankruptcies as Alaska, relative to population
- The average credit score in Minnesota is 60+ points higher than that in Mississippi
- Alaskans carry credit card debt equal to nearly 15% of their annual income, compared less than 9% in the District of Columbia
- A house in New Jersey is 17x as likely as one in South Dakota to go through foreclosure
- Massachusetts' unemployment rate is 4x the jobless rate in Kentucky

Credit Conditions and the 2020 Election
These differences during a recession may hold additional significance in an election year. Will states that improved reward the incumbent with their electoral votes or will the states that declined vote for the other party?

- States that voted blue in the 2016 presidential race improved their average ranking since the last election, while those that voted red slipped
  - The best states for credit in 2020 have an average of 5.2 electoral votes
  - The worst states for credit have an average of 11.9 electoral votes

2020's Best States for Credit Conditions
This is the fourth straight year North Dakota tops the list for the study. The state ranks in the top 10 in four out of five categories. Vermont takes the second spot again with its second lowest bankruptcy rate and second highest average credit score.

- North Dakota
- Vermont
- South Dakota
- Minnesota
- Montana

6. Washington
7. Nebraska
8. Iowa
9. Maine
10. District of Columbia

2020's Worst States for Credit Conditions
Nevada is the worst state for credit conditions for the third consecutive year. It ranked among the ten worst states in all five categories. Louisiana tied for the second worst in 2019 and sits in the same spot this year.

- Nevada
- Louisiana

6. Delaware (tie)
6. Mississippi (tie)

- Florida

- Georgia

- Alabama

8. Tennessee

9. Illinois

10. New Jersey (tie)
10. South Carolina (tie)

Methodology

To measure the combined impact on credit conditions, CardRatings looked at:

- Bankruptcies per capita, based on data from the American Bankruptcy Institute
- Average credit scores from Experian
- Credit card balances as a percentage of average income, based on credit card data from Experian and wage data from the Bureau of Labor Statistics
- Foreclosure data from Attom Data Solutions
- State unemployment rates from the Bureau of Labor Statistics

All 50 states plus the District of Columbia were ranked based on the above factors. Those rankings were then averaged to create an overall ranking of the best and worst states for credit conditions.

For the complete ranking of states and more in-depth analysis visit: [Best and Worst States for Credit Conditions in 2020](#)

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CardRatings innovated online credit card ratings and has been offering independent ratings and reviews of credit card offers since 1998. The website collects and maintains data on more than 700 credit card offers and carefully compiles objective lists of the top credit cards by card type, making it easy for consumers to find the right card to fit their needs.

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