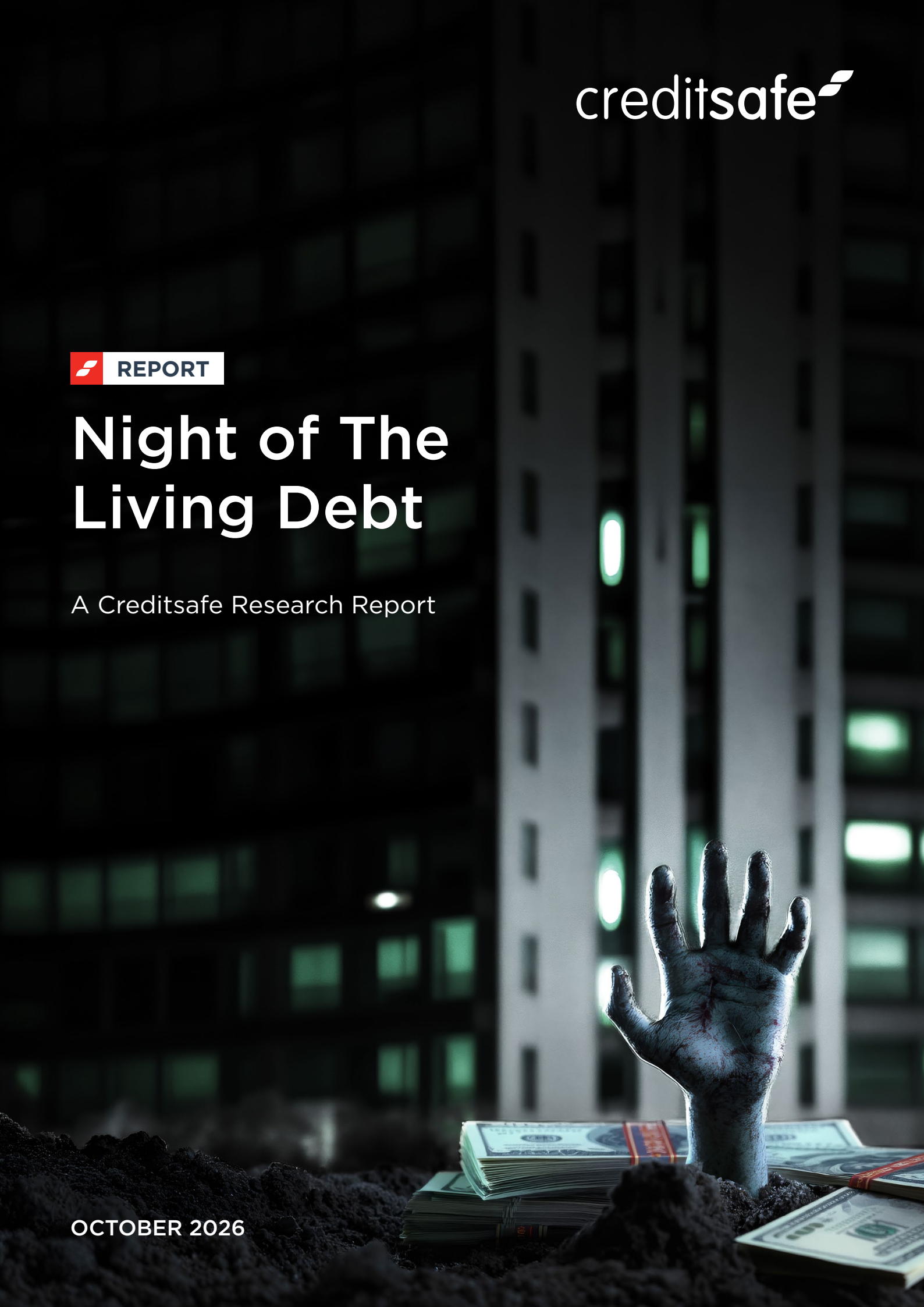
creditsafe

REPORT

Night of The Living Debt

A Creditsafe Research Report



OCTOBER 2026

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INTRODUCTION

The nights are creeping in, shivers are going up our spine, and things are going bump in the night. Spooky stories are usually just pretend, but what if we told you that we've found proof of some real-life zombies?

In the US, there's a type of company that looks alive on paper, but doesn't show the kind of commercial activity you'd expect to see in a healthy business. We call them **zombies:** not quite alive, but not quite dead, either.

Zombies are companies that did once trade but have stopped, without being formally dissolved or entering an open Chapter 7 case.

Using Creditsafe's best-in-class trade payment data, Secretary of State searches, and other available information, we've researched 13.3 million US headquartered companies - and the 6.75 million of them that we can call zombies.

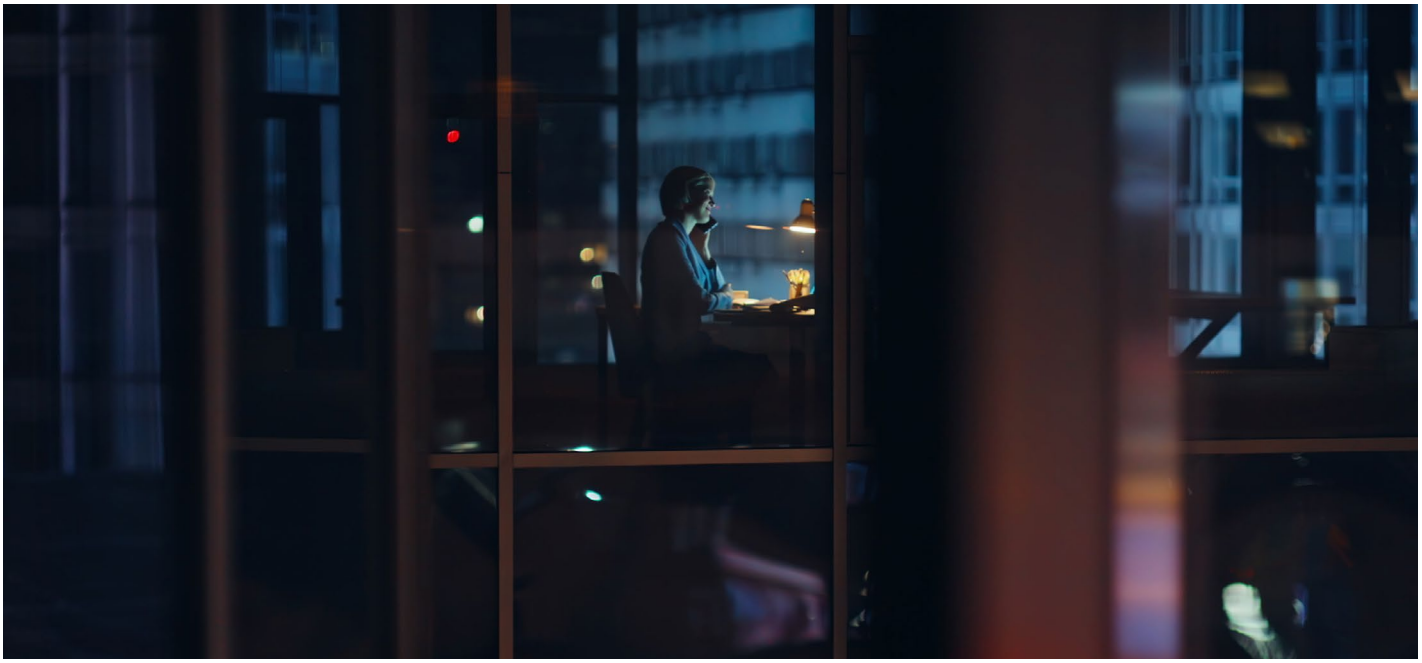
When you do business with other companies, you need to be sure that the people you're dealing with are from stable, reliable businesses – if they suddenly go dark, it'll be your bottom line that feels it most.

And zombies aren't just a home-grown problem. Alongside our US findings, we've also found UK zombie information for you to compare. Whether you're a smaller business trading domestically or a large enterprise with international ties, zombie companies are more than things that go bump in the night: they could pose a real risk to your cash flow.

About Creditsafe Data

With Creditsafe, you access the biggest wholly owned database in the industry, containing insights on over 430 million businesses, officers, and shareholders worldwide. We have live data streams for over 70 countries, working with recognized market leaders for online database reports.

Our scoring model is highly predictive, spotting the warning signs that help gauge the likelihood a business will declare bankruptcy in the next 12 months.



Methodology

	Zombies
Population (base)	All US headquartered companies that have ever had trade data reported: 13,300,660
Definition	No payments and no live balance for 24 months, not dissolved, no open Chapter 7.
Zombie Count	852,113 (6.4% of 13.3M)

Zombie status shows absence of payments and live balances for 24 months, not closure, which means our figure likely includes legitimate businesses that don't use trade credit, as well as holding companies and pass-through entities. In short, these are companies within the Creditsafe database that we've previously held data on, but haven't heard anything from in the last 2 years. It doesn't necessarily mean these businesses have stopped trading altogether, but it's certainly something to take a close look at before you do business with a company.

What are Zombies?

A zombie company is a business that used to trade but has since gone quiet. Instead of formally filing for bankruptcy, these companies continue to shuffle along like their un-dead namesakes. Zombies:

- Have no payments or live balance in our trade payment data for the last 24 months
- Haven't been dissolved and hold an Active Secretary of State registration
- Have no open Chapter 7 bankruptcy cases on file

While these businesses carry an Active registration with the Secretary of State, they'll usually show no *real* signs of life that you'd expect from a healthy business. Because these companies appear active, you could very well have them in your portfolio or be targeting them for business without realizing that you're trying to speak with the dead.

What Zombies *Aren't*

While every zombie movie has a slightly different interpretation of the undead, our definition is a little more solid. Our data separates zombies into 5 mutually-exclusive categories, so there's no confusion.

Status	Companies	Share of 13.3M
Active (still trading)	11,749,646	88.3%
Zombie	852,113	6.4%
Dead (stopped trading and dissolved)	358,002	2.7%
Dormant accounts (account opened, never traded, not reported for 24 months)	337,709	2.5%
Open Chapter 7 (filed in the last 36 months)	3,190	0.02%



Zombie Companies

Our data finds 852,113 registered zombies, equal to 6.4% of the 13.3 million registered companies in our database, or roughly one in 16. That's a bit spookier than the UK, where roughly one in 25 businesses (4%) are zombies.

One in Sixteen Registered US Companies are Zombies

Companies	Zombies	Zombie rate
13.3 million	852,113	6.4%

With so many zombies running around, it could be easy to accidentally extend trade credit to a company that's barely shuffling along. And do you think zombies are quick to pay back creditors on time? We doubt it.



Size Matters: Small Companies are More Likely to be Zombies

Employee band	Registered base	Zombies	Rate	Share of zombies	Share of base
1–4	1,487,967	82,388	5.54%	36.7%	24.7%
5–9	1,263,024	35,498	2.81%	15.8%	21.0%
10–19	1,032,685	21,943	2.12%	9.8%	17.1%
20–49	766,944	15,639	2.04%	7.0%	12.7%
50–99	190,574	1,711	0.90%	0.8%	3.2%
100–249	109,239	425	0.39%	0.2%	1.8%
250–499	39,653	92	0.23%	0.04%	0.7%
500–999	19,205	30	0.16%	0.01%	0.3%
1,000–4,999	14,759	8	0.05%	0.00%	0.2%
5,000+	7,708	15	0.19%	0.01%	0.1%
Unknown	1,093,242	66,855	6.12%	29.8%	18.1%

The smallest companies – those with between 1 and 4 employees – are **14 times more likely to be zombies** than those with 100-249 employees. In fact, over **one third** of zombies are businesses with 1-4 employees.

Combined, companies with fewer than ten employees account for **52.5%** of registered zombies. Companies with unknown employee counts also carry a high rate of 6.12%, and make up 29.8% of zombies. That suggests that many of those unknown companies could be small businesses, with thin data profiles.

Sales tell the same story. The registered zombie rate is:

6.0%
on companies earning below $500,000

4.0%
for $500,000–$999,999

1.75%
for $1M–$4.9M

>1%
And under 1% above $5 million

Only 21 registered zombies, 0.01% of the total, have sales above $1 billion.

Things are spookily similar in the UK. 11% of UK businesses with turnover of £0-£250k are zombies, compared with 6% of US businesses earning below $500,000. On the other end of the scale, 3.1% of UK businesses with turnover of £25 million or more are zombies, compared with under 1% of US businesses that earn over $5 million. In both countries, however, the higher the revenue, the lower the zombie rate.

Admin, Transport, and Management of Companies Lead for Zombies, while Manufacturing and Education are Alive and Well

Sector	Registered zombies	Rate	Share of zombies	Share of base
Management of companies	1,646	6.58%	0.7%	0.4%
Admin and support	27,838	6.03%	12.4%	7.7%
Transport and warehousing	13,015	5.19%	5.8%	4.2%
Information	3,784	3.95%	1.7%	1.6%
Real estate	7,881	3.89%	3.5%	3.4%
Accommodation and food	9,721	3.78%	4.3%	4.3%
Professional services	17,097	3.09%	7.6%	9.2%
Retail	15,109	3.00%	6.7%	8.4%
Other services	15,897	2.87%	7.1%	9.2%
Construction	17,201	2.60%	7.7%	11.0%
Health care	9,710	2.33%	4.3%	6.9%
Manufacturing	4,302	1.81%	1.9%	3.9%
Education	1,111	1.57%	0.5%	1.2%
Unknown sector	63,045	5.58%	28.1%	18.7%

The sector with by far the highest volume of zombies is Admin and support services. With 27,838 registered zombies, it represents 12.4% of the total.

Transport and warehousing is also over-represented. Management of companies has the highest rate of any known sector, but a small population of only 25,024 registered companies.

Manufacturing and education have the lowest rates, at 1.81% and 1.57%. Companies with an unknown sector have a 5.58% rate, well above the average: again, this suggests that thin profiles and zombie status go hand in hand.

In volume terms, construction (17,201), professional services (17,097), other services (15,897) and retail (15,109) are next after admin and support, but each has a rate at or below the national figure. Their high zombie count is likely more about the large number of businesses in each sector, rather than a particularly high zombie risk.

New York, New Jersey, and Pennsylvania Have a Zombie Problem

Census division	Registered base	Zombies	Registered rate	Broad rate	Share of zombies
Mid-Atlantic	943,926	57,647	6.11%	7.69%	25.7%
East North Central	771,726	31,016	4.02%	6.81%	13.8%
East South Central	271,774	9,499	3.50%	7.98%	4.2%
Mountain	481,499	16,588	3.45%	4.82%	7.4%
West North Central	381,492	12,670	3.32%	5.87%	5.6%
West South Central	637,383	20,896	3.28%	7.02%	9.3%
South Atlantic	1,384,034	44,129	3.19%	5.03%	19.7%
New England	269,716	7,827	2.90%	5.45%	3.5%
Pacific	882,928	24,299	2.75%	6.99%	10.8%

When it comes to zombies, the Mid-Atlantic (New Jersey, New York, and Pennsylvania) is a clear outlier. Its registered rate of 6.11% is more than double the Pacific's 2.75%, and it has 57,647 registered zombies, more than the much larger South Atlantic (44,129) despite having 32% fewer registered companies.



Why Zombies Matter

A company can remain legally registered while providing little evidence that it conducts business or pays its obligations. And, while you can't guarantee that every company without a full credit profile is a bad actor, working with a business that doesn't appear to ever actually do business can lead to headaches for you down the road.



Don't get too confident.

When you see that a business has an Active SoS registration, you might be tempted to assume everything's on the up and up. But that registration is a legal feature, not a credit one. Active registration doesn't establish revenue, operating activity, or the company's ability to pay you back in good time. If you treat it as evidence of creditworthiness, you could quickly find yourself too exposed.



Something even scarier can hide behind a zombie:

A company that has gone quiet isn't necessarily dangerous. But an established business identity with little recent commercial activity can present an opportunity for fraudsters.

US authorities have documented cases in which criminals exploited dormant or non-operating companies to create an appearance of legitimacy and obtain financing.

In one case reported by the US Department of Justice, conspirators acquired shelf companies that had been registered for years but had never genuinely operated. By creating websites, email addresses, bank accounts and fraudulent documentation, they used these corporate identities to support approximately $9 million in fraudulent loan applications, of which more than $7 million was funded.

Business identity theft presents another threat. Criminals can impersonate legitimate companies, manipulate registration information or attempt to obtain goods and credit using business identities they do not control.

Remember: that doesn't mean that the companies we've classified as zombies are fraudulent. It just shows you that you can't rely solely on an established registration or historical credit profile when it comes to making business decisions. Just because a company traded in the past, or is actively registered, doesn't mean that they're automatically legitimate as a result.

It's not unheard of for a business to return to active trading after a long period of silence, but that doesn't mean you should go in blind. Review historical trading patterns, verify ownership, and confirm the identity of the credit applicant to try and identify any inconsistencies before you extend credit.

Why it matters for Creditsafe: A company can have years of registration history without having years of genuine trading history. That distinction is crucial when reviewing credit applications.



Don't mistake silence for a clean bill of health.

A company with no recorded late payments may look reassuring... until you realize it has no recorded payments at all. Without that track record, it's harder to tell whether you're dealing with a reliable customer, a dormant business, or a fraudster. Before extending credit, check for signs of life: verified business activity, reliable financial information, and evidence that the company can pay. Missing data isn't proof of trouble, but it shouldn't give a company a free pass.

An Outbreak on Both Sides of The Pond

Zombie companies exist globally, and our research found that 1 in 16 US businesses are zombies while 1 in 25 UK businesses are undead.

In both markets, lower turnover is linked to a higher zombie rate. In the UK, 11% of businesses turning over £250k or less are zombies, compared with 6% of US businesses earning below $500k. As revenue rises, the risk falls: among the highest earning groups, zombie rates drop to 3.1% in the UK and less than 1% in the US.

Business size shows a similar pattern, however it is much stronger in the US. 3.46% of UK businesses with 1-9 employees are zombies, compared with almost 6% of US businesses with 1-4 employees. In fact, the smallest US businesses are 14 times more likely to be zombies than those with 100-249 employees.

What does this mean? A single indicator can't tell you if a company is a zombie or not. Looking at longer term financial and payment behaviour to identify trends, rather than relying on the most recent data, can reveal the real risks.

Want to check an international company for signs of life? **Creditsafe gives you access to more than 430 million business reports across 200 countries.**

Note: UK and US datasets differ in methodology and available measures. Comparisons have been made using the closest equivalent data available.

	UK	US
Overall zombie rate	**4.0%**, or **1** in **25** businesses	**6.4%**, or **1** in **16** businesses
Low turnover businesses = higher level of zombies	**11.0%** zombie rate for businesses turning over **£0–£250k**	**6.0%** zombie rate for businesses earning **under $500k**
High turnover business = lower level of zombies	**3.1%** zombie rate for businesses turning over **£25m+**	**<1%** zombie rate for businesses earning **over $5m**
Small businesses in the US are more likely to be zombies	**3.46%** zombie rate among businesses with **1–9 employees**	**5.54%** among businesses with **1–4 employees**
Size effect	Employee count shows a **weaker relationship** with zombie prevalence	Businesses with 1–4 employees are **14x more likely** to be zombies than those with 100–249 employees

4 Key Takeaways: Don't Let Credit Risk Come Back to Haunt You



A company that has gone quiet deserves a closer look

Creditsafe identified 852,113 registered US companies with previous trade history but no reported payments or live balances for at least 24 months. While this doesn't necessarily mean they have stopped trading or become financially distressed, it raises questions that Credit Managers should investigate.

The takeaway: The absence of recent trading evidence is something every responsible Credit Manager should understand before making a decision. Don't mistake a lack of activity for proof of financial distress, but don't ignore it either. Investigate changes in trading behavior and ask for officer guarantees or financial statements before making any calls.



Fraudsters can exploit the appearance of a legitimate business

Business identity theft, synthetic business fraud and credit bust-out schemes demonstrate how apparently credible business identities can be misused to obtain credit or goods without payment. An established company name or registration alone cannot guarantee that an application is genuine.

The takeaway: Verify who is behind each credit application. Pay particular attention to unexpected changes in ownership, contact details, delivery addresses or purchasing behavior, especially when a previously inactive customer suddenly becomes active again.



Your credit policy should evolve as your customers change

A credit decision made two years ago may no longer reflect a customer's current circumstances. Changes in payment behavior, business activity, ownership or financial information can alter the level of uncertainty associated with an account.

The takeaway: Review credit policies regularly, establish clear triggers for reassessment and ensure that credit limits and payment terms reflect current evidence rather than historic assumptions. Don't wait for an overdue invoice before investigating potential warning signs.



Credit risk doesn't stop at the border

Approximately one in 25 UK businesses and one in 16 registered US businesses meet their respective zombie definitions in Creditsafe's research. Although the methodologies differ, both datasets highlight the importance of looking beyond individual indicators when assessing business relationships.

The takeaway: Apply consistent, proportionate due diligence to domestic and international customers. Use current and historical business information to support informed decisions, protect cash flow and identify opportunities to trade confidently.

The bottom line: The greatest danger isn't necessarily a company that has stopped trading. It's making a credit decision without recognizing that the information you are relying on may no longer reflect the business today.

Conclusion

The US company register is haunted. Among the 13.3 million companies in our database, **852,113 (6.4%, about one in 16)** have gone quiet without ever being laid to rest. Here are the numbers that should keep you up at night:

5.54% vs 0.39%. A one-to-four-person company is 14 times likelier to be a zombie than one with 100 to 249 staff, and firms with fewer than ten employees make up **52.5%** of the registered undead. Even zombies prefer a small team.

6.11% in the Mid-Atlantic vs 2.75% in the Pacific. New Jersey, New York and Pennsylvania hold 25.7% of registered zombies on 15.7% of the base. Apparently, zombie shuffling requires a short commute.

6.03% zombies in admin and support. This sector shows the largest single source of registered zombies, at 27,838.

4.0% in the UK vs 6.4% in the US. The zombie problem isn't just an American one. Roughly 1 in 25 UK businesses and 1 in 16 US businesses have gone quiet, and, in both countries, small companies with low revenue are most at risk.

Before you cut off the head of your portfolio, remember that a zombie designation doesn't automatically mean fraud or failure. Zombie status shows a 24-month gap in payments, not a full-on funeral. No companies were harmed in the making of these statistics.

ABOUT CREDITSAFE

Creditsafe, the global expert in credit monitoring and risk management, is the world's most used provider of business reports. Today, over 120,000 customers globally depend on Creditsafe to make critical business decisions. Using real-time data from over 9,000 sources across 200 countries and territories, Creditsafe's mission is to help businesses mitigate financial, legal and compliance risks, while also empowering them to make more informed decisions.

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Are zombies lurking in your customer portfolio?

Find out with Creditsafe