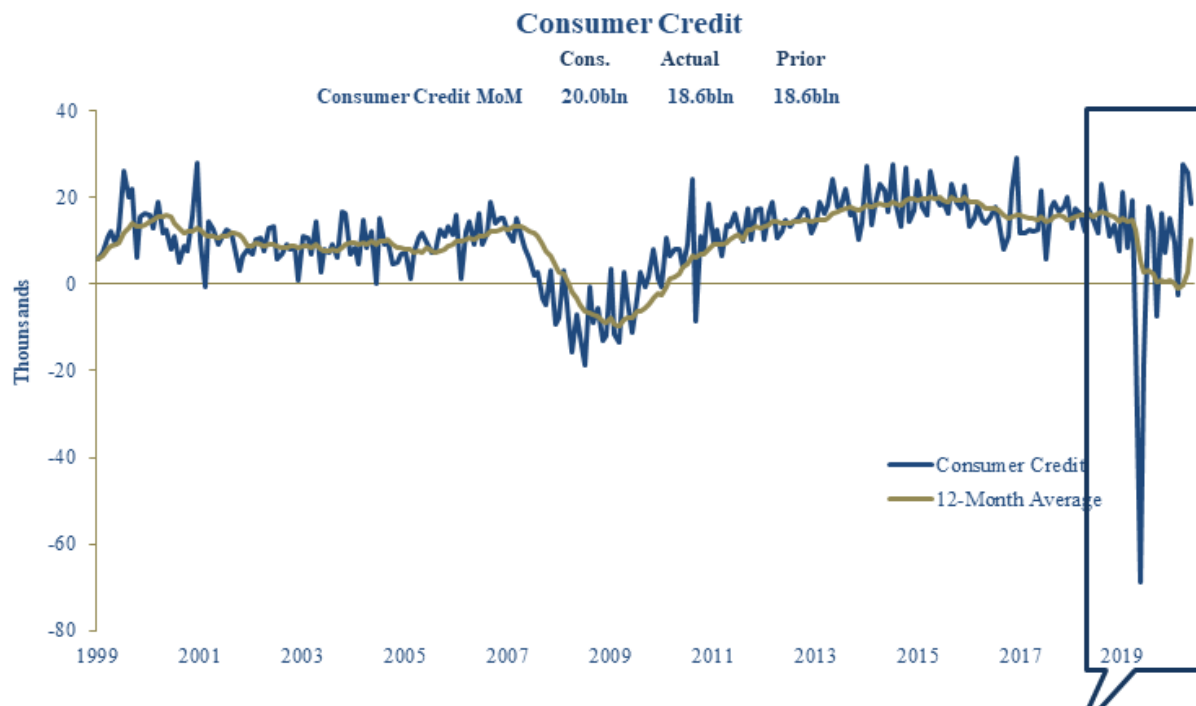
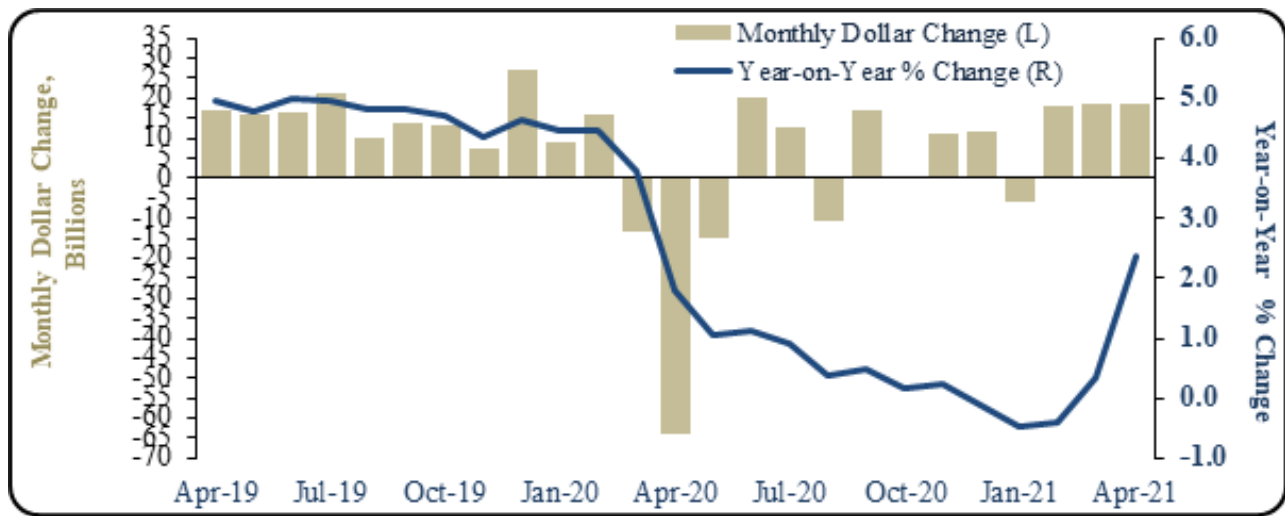


07.Jun.2021

### Consumer Credit: Credit Card Spending Contracts Again Amid Stimulus

**Bottom Line:** Consumer credit rose less than expected in April. Student loans continue to drive the headline consumer credit figure, but auto loan growth has also contributed to higher non-revolving credit balances amid increased demand for autos. Consumers paid down credit card balances as what will likely be the last of the direct fiscal stimulus payments hit. Overall, consumer balance sheets have improved markedly since the pandemic (at the aggregate level) as they spent a bit less than 1/3rd of the stimulus and used the balance equally to pay down debt and increase savings. Overall, consumer credit is still rising modestly because of the strong trend in student loans and growth in auto loans.



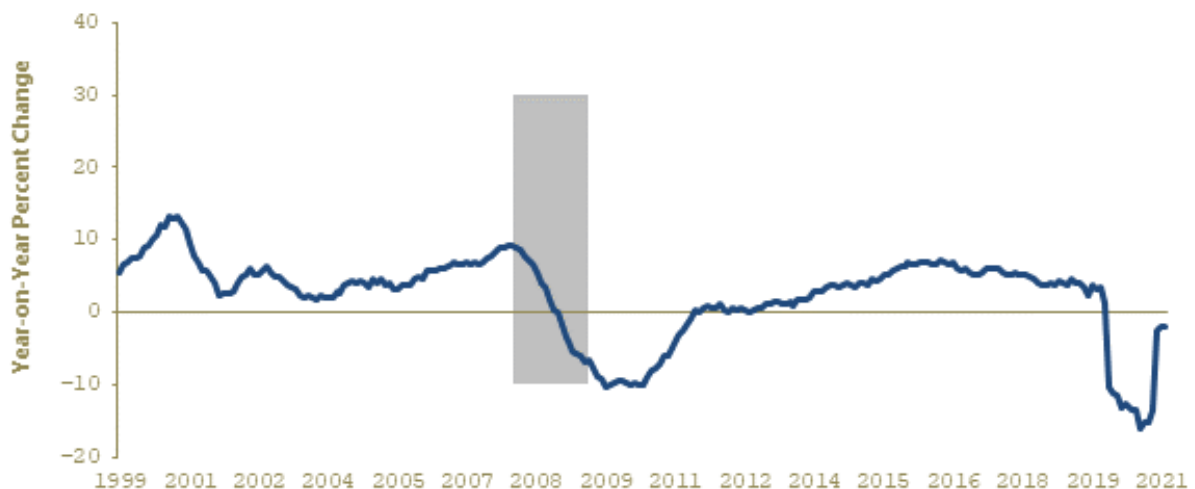


**Consumer Credit** ROSE by \$18.6 billion in April, compared with market expectations for an increase of \$20.0 billion. Over the past year, consumer credit has increased by \$97.3 billion or 2.4%.

**Revolving Credit**, including credit cards, FELL by \$2.0 billion. Over the past year, revolving credit has decreased by \$56.4 billion or 5.5%. Revolving debt is now close to its 2006-2007 levels and just 5.6% below its July 2008 peak.

**Non-Revolving Credit**, including auto and education loans, ROSE by \$20.6 billion. Over the past year, non-revolving credit has increased by \$153.7 billion or 4.9%. Of this amount, \$59.9 billion, or 39.0%, appears to be due to increases in student loans held by the federal government.

### Revolving Consumer Credit



## Nonrevolving Consumer Credit



	Billions of Dollars										
	Monthly Change				Average Monthly Change						
	Apr-21	Mar-21	Feb-21	Jan-21	Three Month	Six Month	Twelve Month	2018	2017	5-Year	10-Year
Consumer Credit previous estimate	18.6	18.6	18.2	-5.7	18.5	12.1	8.1	14.7	16.2	15.3	11.4
Revolving	-2.0	1.4	3.1	-13.5	0.8	-2.5	-4.7	3.1	4.7	3.3	0.4
Non-revolving	20.6	17.2	15.2	7.8	17.6	14.6	12.8	11.6	11.5	11.9	10.9
Addendum (NSA)											
Non-revolving	20.4	7.0	5.6	27.2	13.3	8.8	10.6	11.6	11.5	12.4	9.8
ex Government	19.3	4.9	0.2	6.2	8.2	6.3	7.8	4.1	3.4	3.6	1.8

Source: Federal Reserve System via Bloomberg. Our calculations.

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T.J. Connelly, Head of Research

June 7, 2021

Steven A. Wood, Sr. Economic Adviser