

## Economics Group

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### Consumer Credit Slips in April

*Consumer credit growth was below expectations in April, although upward revisions to March offset some of the slowdown. On a year-ago basis, revolving and nonrevolving credit are growing at about the same pace.*

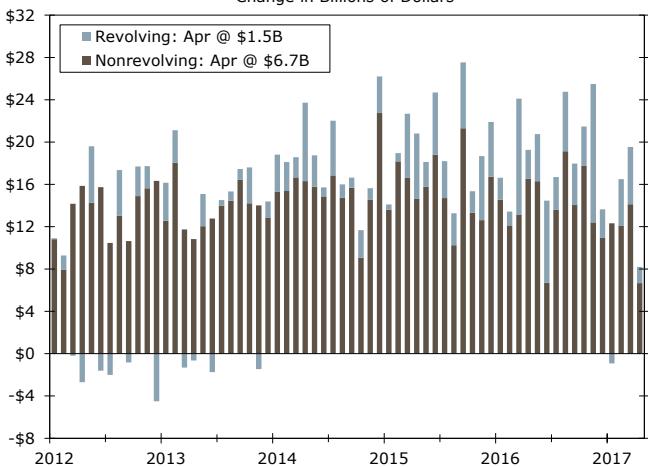
#### Consumer Credit Growth Decelerates

- Consumer credit rose by just \$8.2 billion in April, the slowest pace since mid-2011. Both nonrevolving and revolving credit growth were soft in the month.
- Revolving and nonrevolving credit growth have continued to move in lockstep on a year-ago basis. This convergence makes sense as student and auto lending cool, while revolving credit plays catch up after an unusually slow recovery.

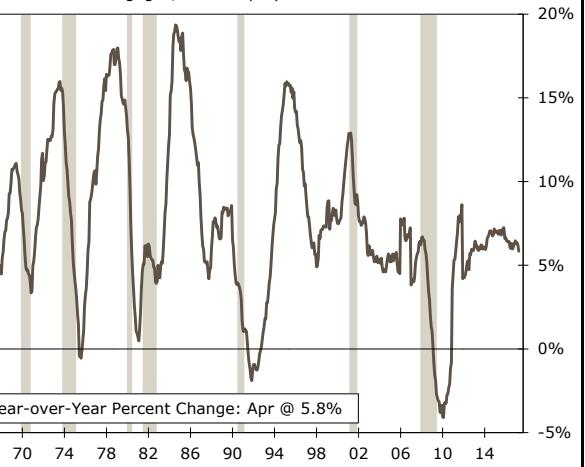
#### On Trend, Growth Still Fairly Steady

- As illustrated in the chart below, total consumer credit growth has slowed modestly over the past couple years. Credit growth has remained relatively even-keeled throughout this expansion, particularly given the steep decline and fairly modest bounce back that occurred during and after the Great Recession. Relative to disposable income, however, consumer credit remains elevated.

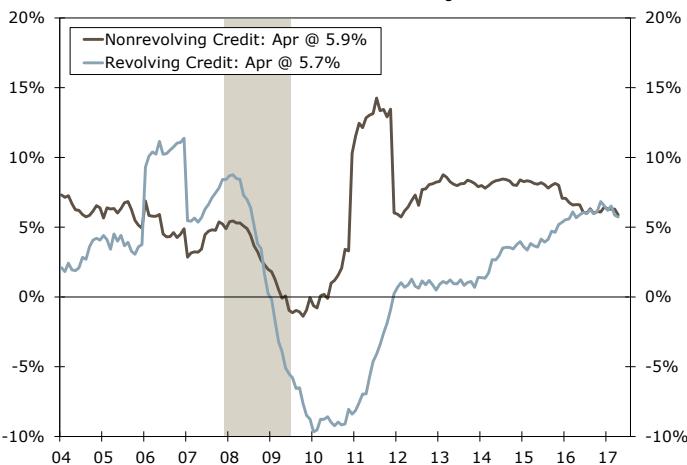
Total Consumer Credit  
 Change in Billions of Dollars



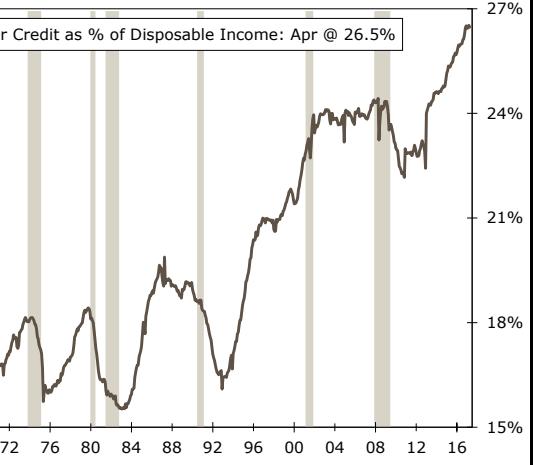
Consumer Credit  
 Excludes Mortgages, Home Equity Loans & Auto Leases



Consumer Credit  
 Year-over-Year Percent Change



Consumer Credit  
 As a Percent of Disposable Personal Income



Source: Federal Reserve Board, U.S. Department of Commerce and Wells Fargo Securities

# Wells Fargo Securities Economics Group

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