

# U.S. Consumer Credit Outlook

**Scott Hoyt, PhD, Senior Director, Research**  
**Deniz Tudor, PhD, Director, Credit Analytics**

**February 27, 2019**

# Speakers



**Scott Hoyt**  
**Senior Director**

Scott Hoyt is senior director for Moody's Analytics, responsible for the firm's consumer forecasts and analysis. Dr. Hoyt contributes to Economy.com, speaks at conferences, and oversees the production of the U.S. economic forecast. He has done custom modeling for credit and consumer sector clients.

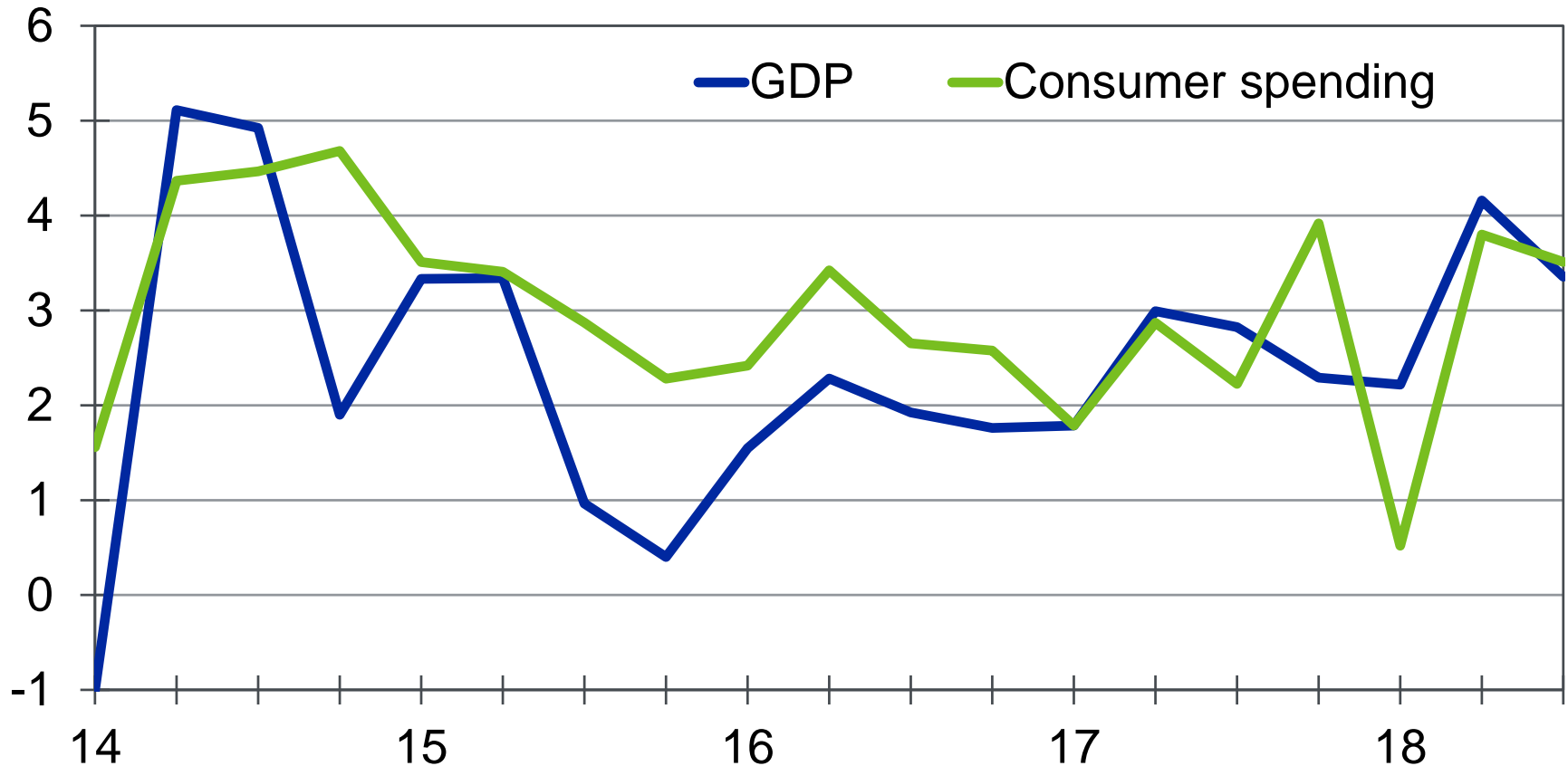


**Deniz K. Tudor**  
**Director**

Deniz Tudor is a director with Moody's Analytics. Deniz specializes in U.S. consumer credit trends and leads the development of custom and industry-based econometric credit loss models for clients. Deniz is also responsible for product development, management and strategy, including data partnerships that expand the forecast capabilities of Moody's Analytics.

# Strong Spending Growth Leads Economy

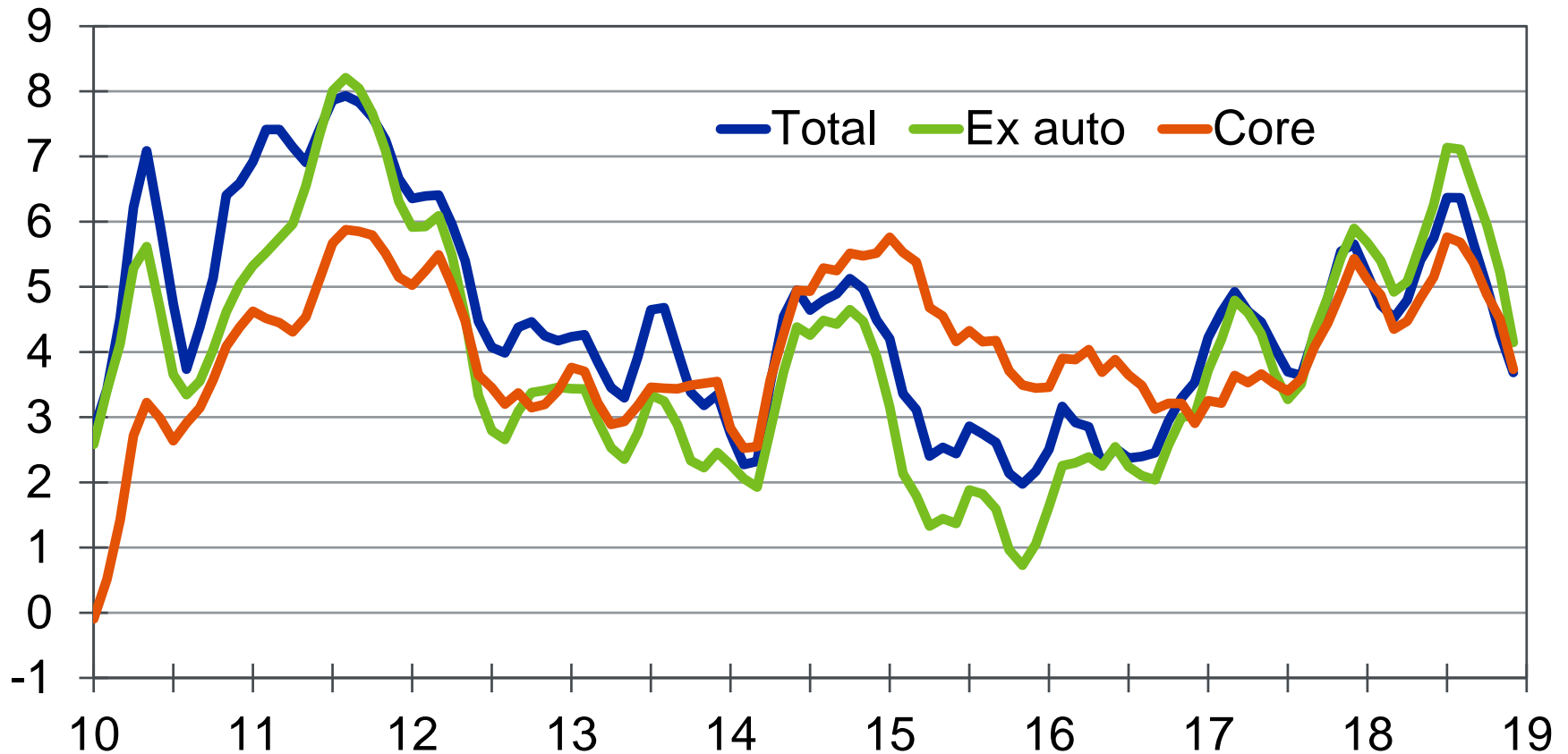
Real, % change annual rate



Sources: BEA, Moody's Analytics

# Retail Sales Growth Slows

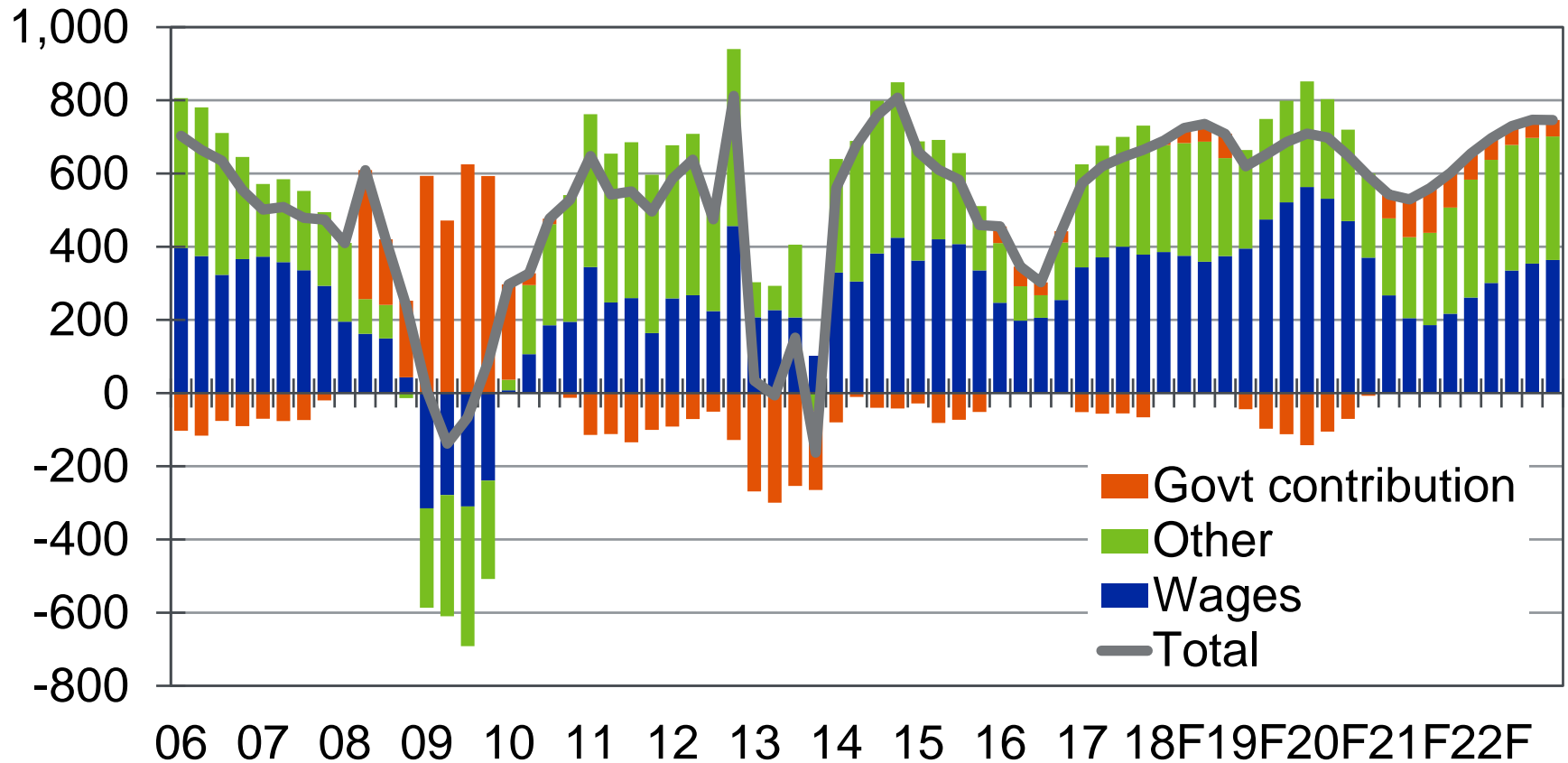
Retail sales, 3-mo MA, % change yr ago



Sources: Census Bureau, Moody's Analytics

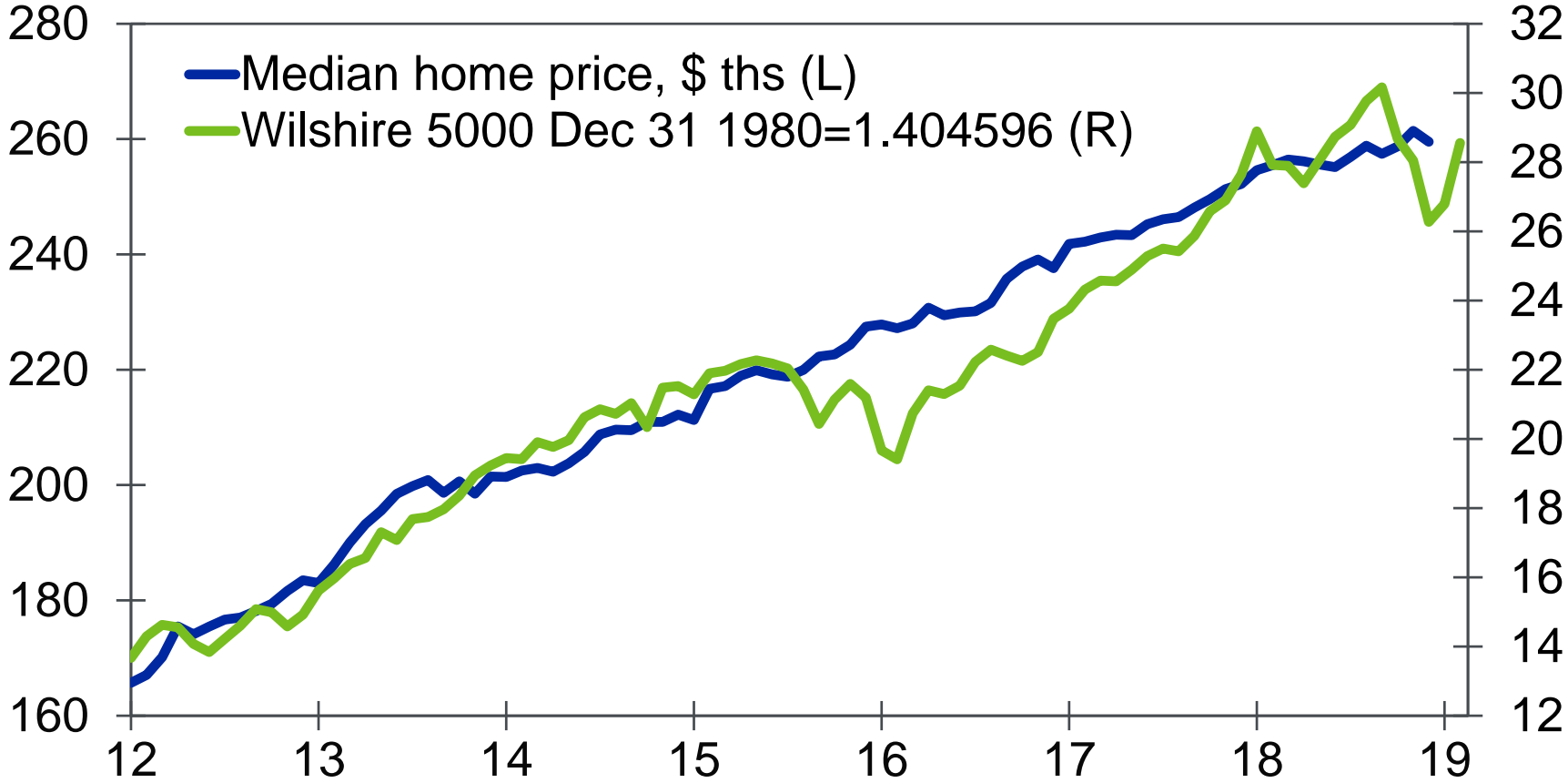
# Wages Driving Income Growth

Disposable income, \$ bil, change yr ago



Sources: BEA, Moody's Analytics

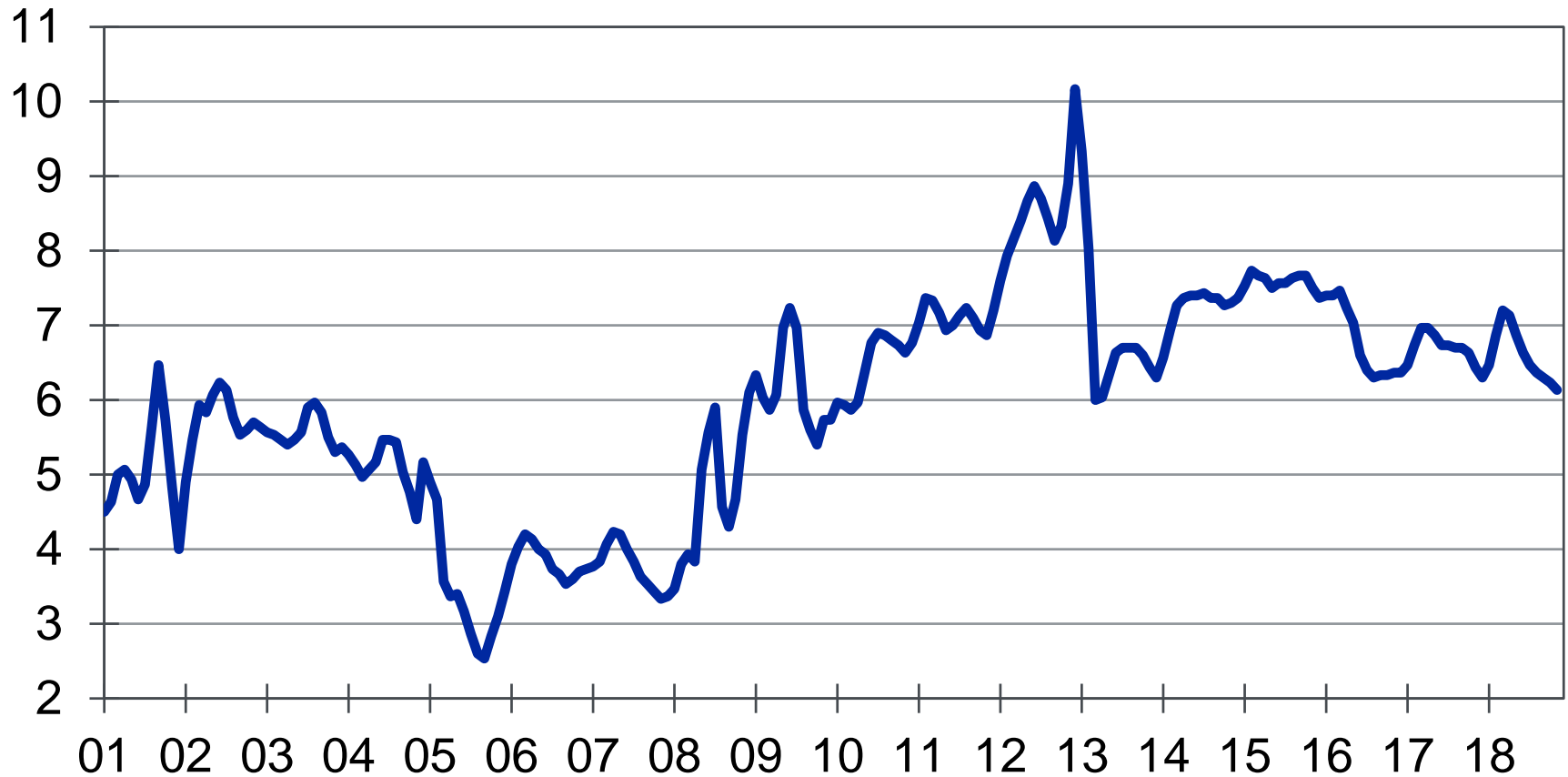
# Wealth Effect Starting to Fade



Sources: NAR, SIX Financial Information, Moody's Analytics

# Saving High but Near Recent Lows

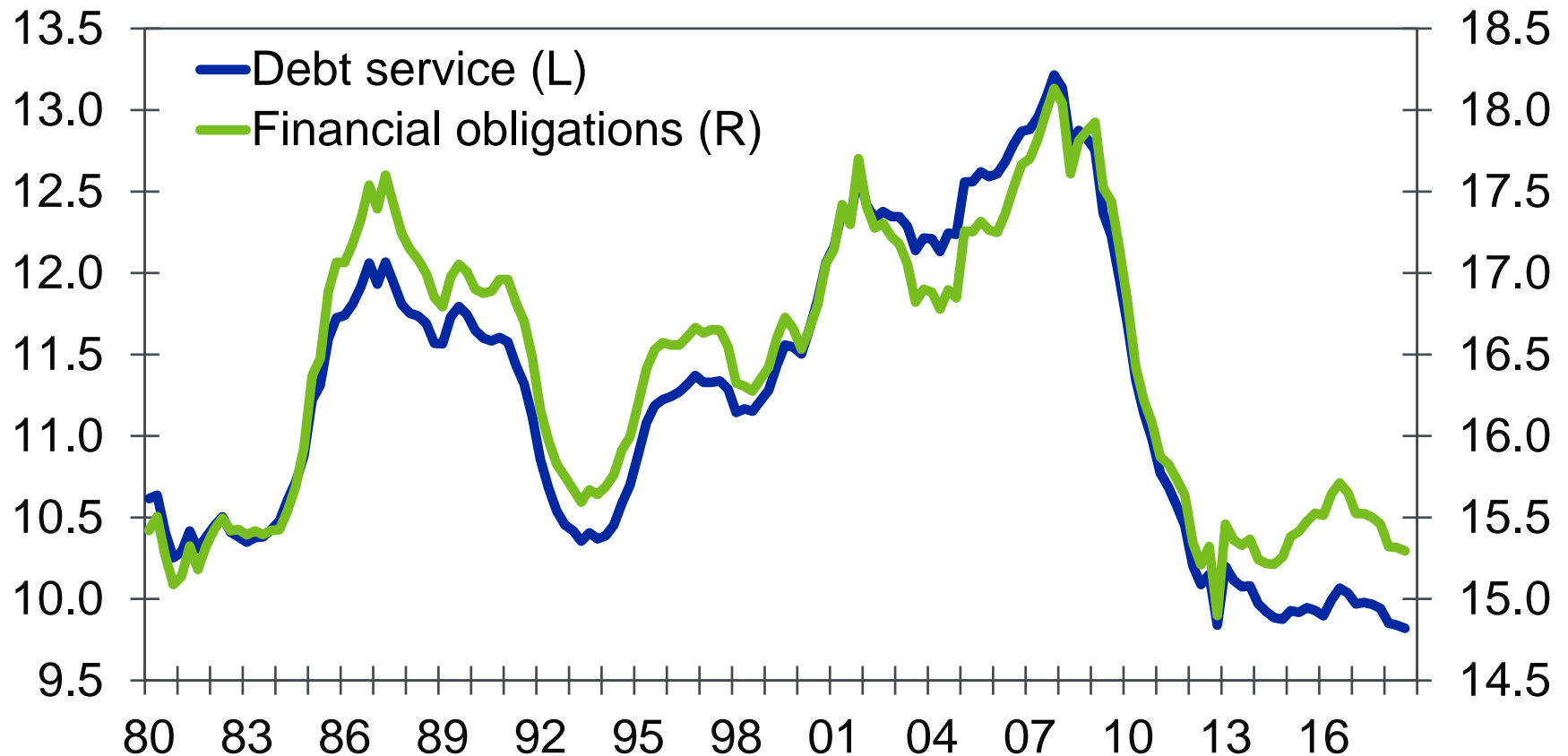
Personal savings, % of disposable income, 3-mo MA



Sources: BEA, Moody's Analytics

# Household Burdens Near Record Lows

% disposable income

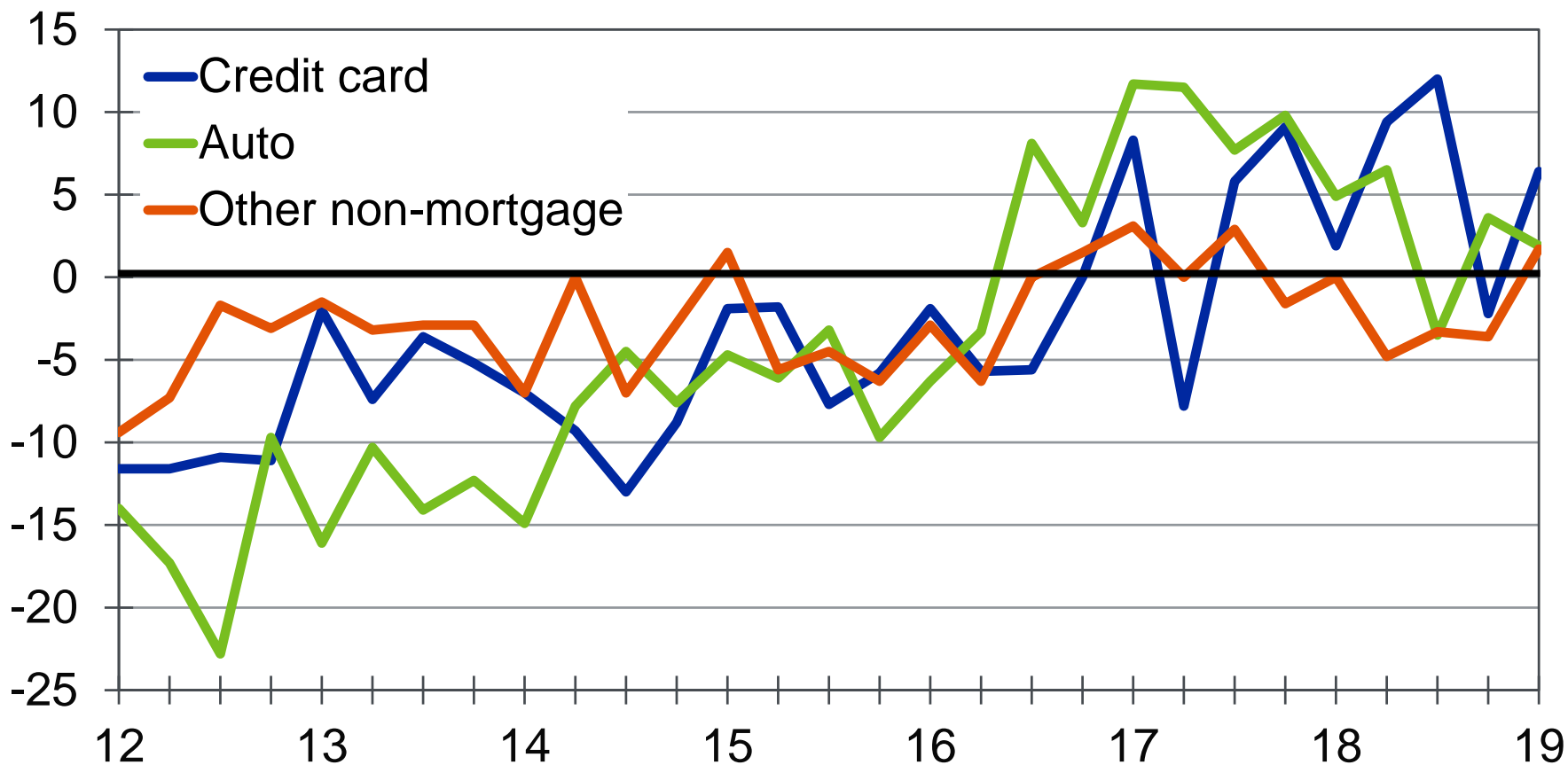


Sources: Federal Reserve, Moody's Analytics



# Lending Standards Being Tightened

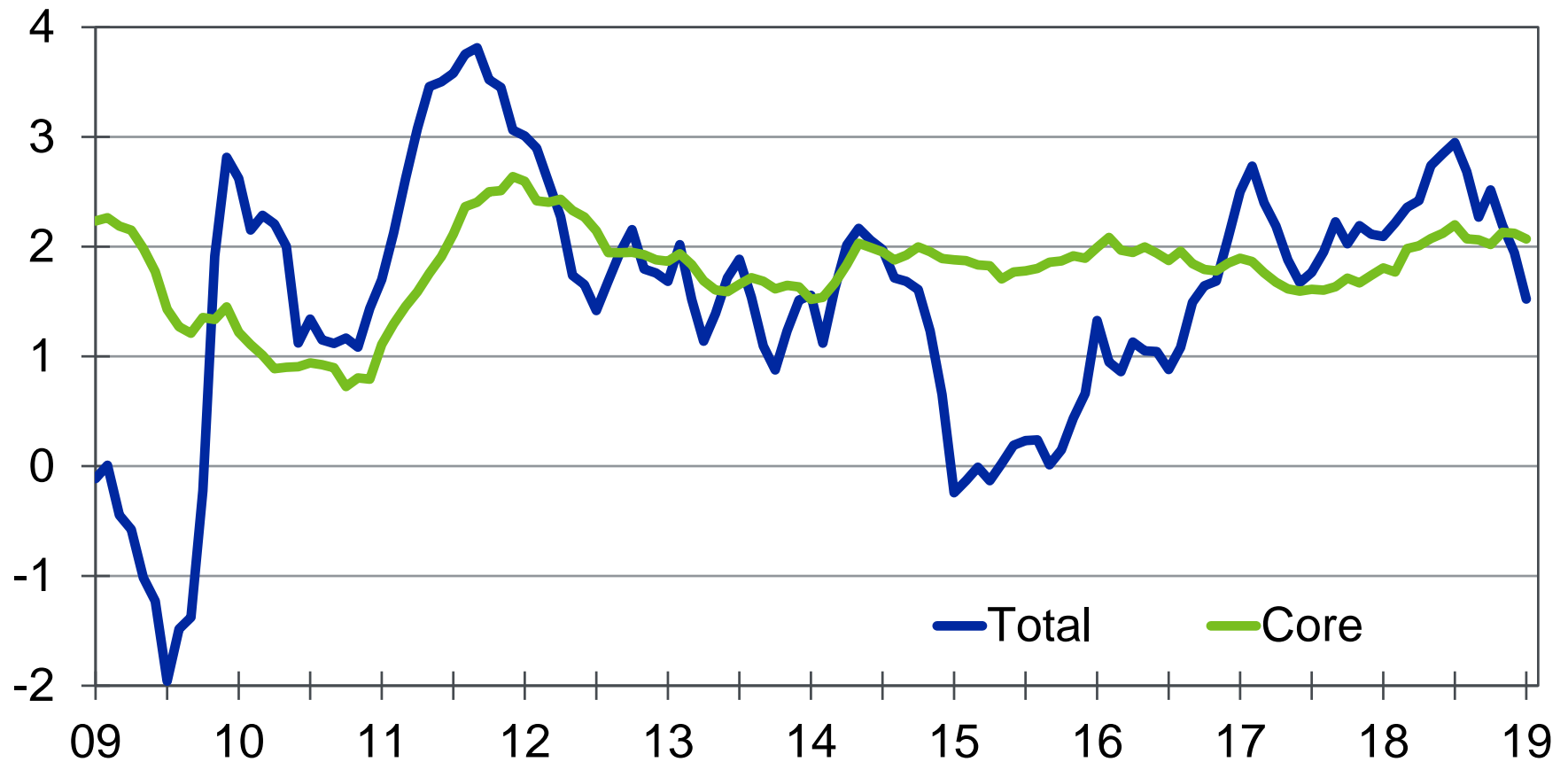
Net % tightening



Sources: Federal Reserve, Moody's Analytics

# Inflation Recovers Modestly

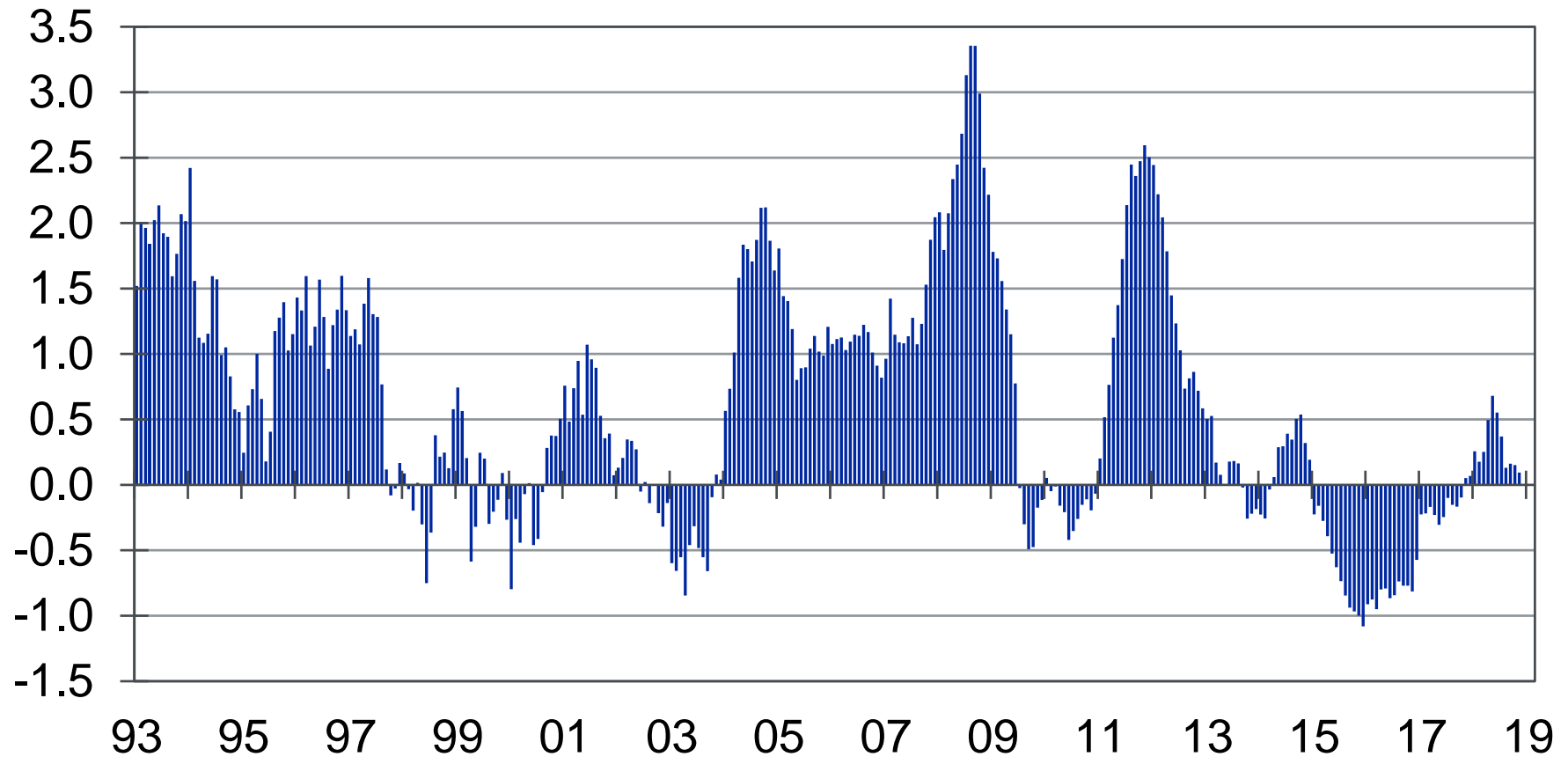
Consumer price indexes, % change yr ago



Sources: BLS, Moody's Analytics

# Retail Deflation Has Ended, Barely

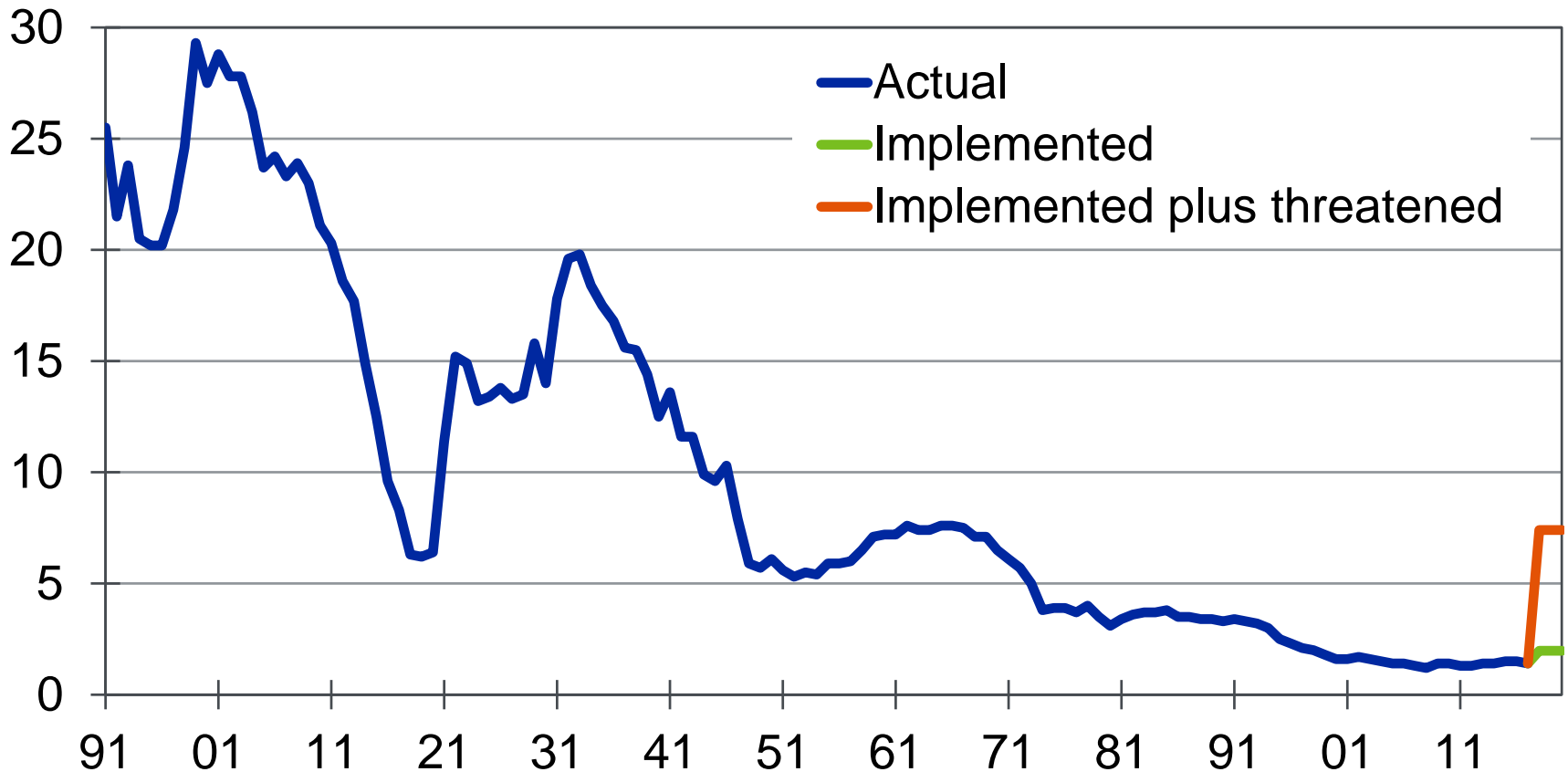
Retail sales deflator, ex auto & gasoline, % change yr ago



Sources: BEA, Moody's Analytics

# Trump's Trade War Is a Threat

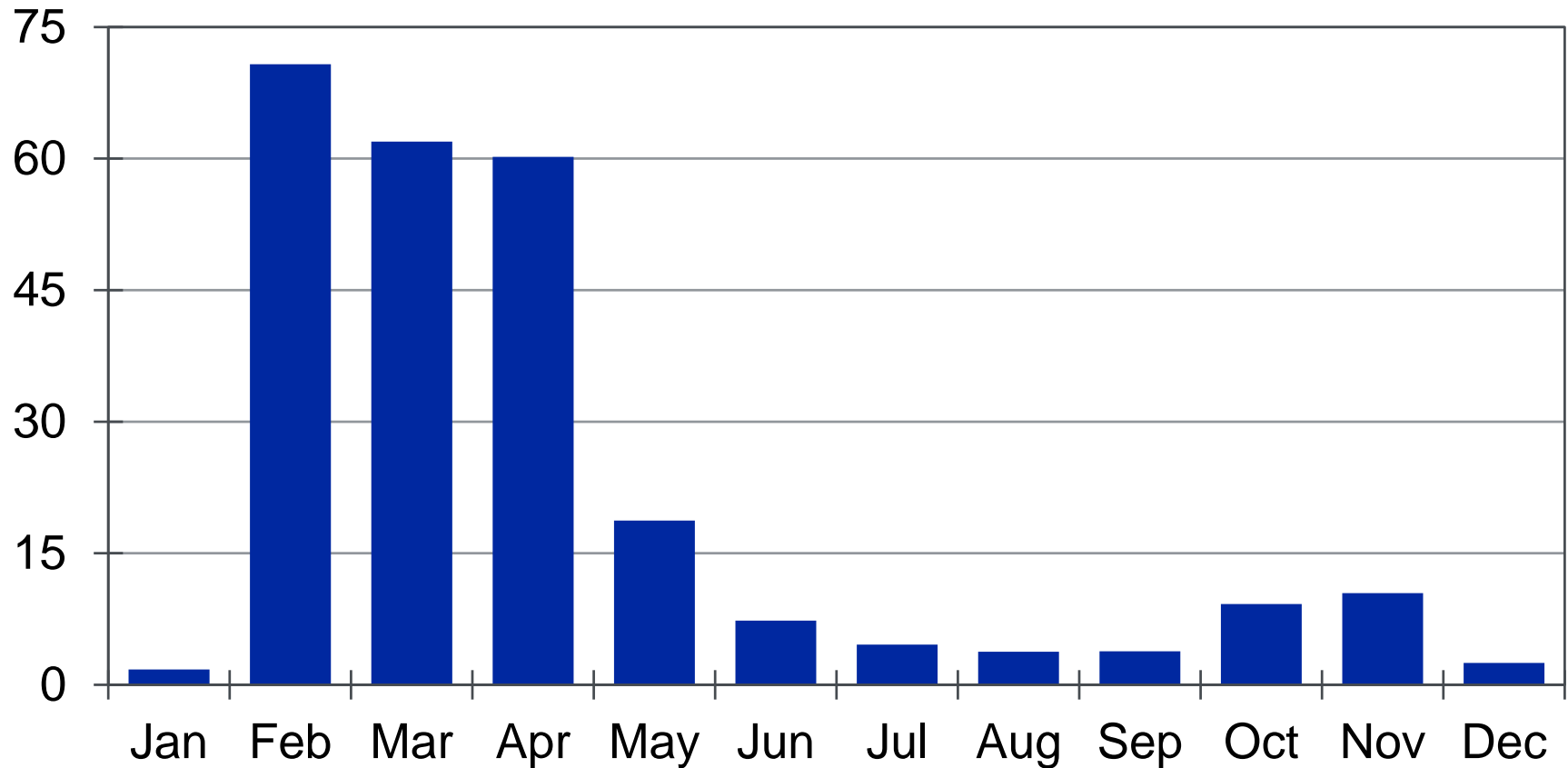
U.S. effective tariff rate, % (gross customs duties/total imports)



Sources: USITC, Moody's Analytics

# Refunds Support Early-Year Spending

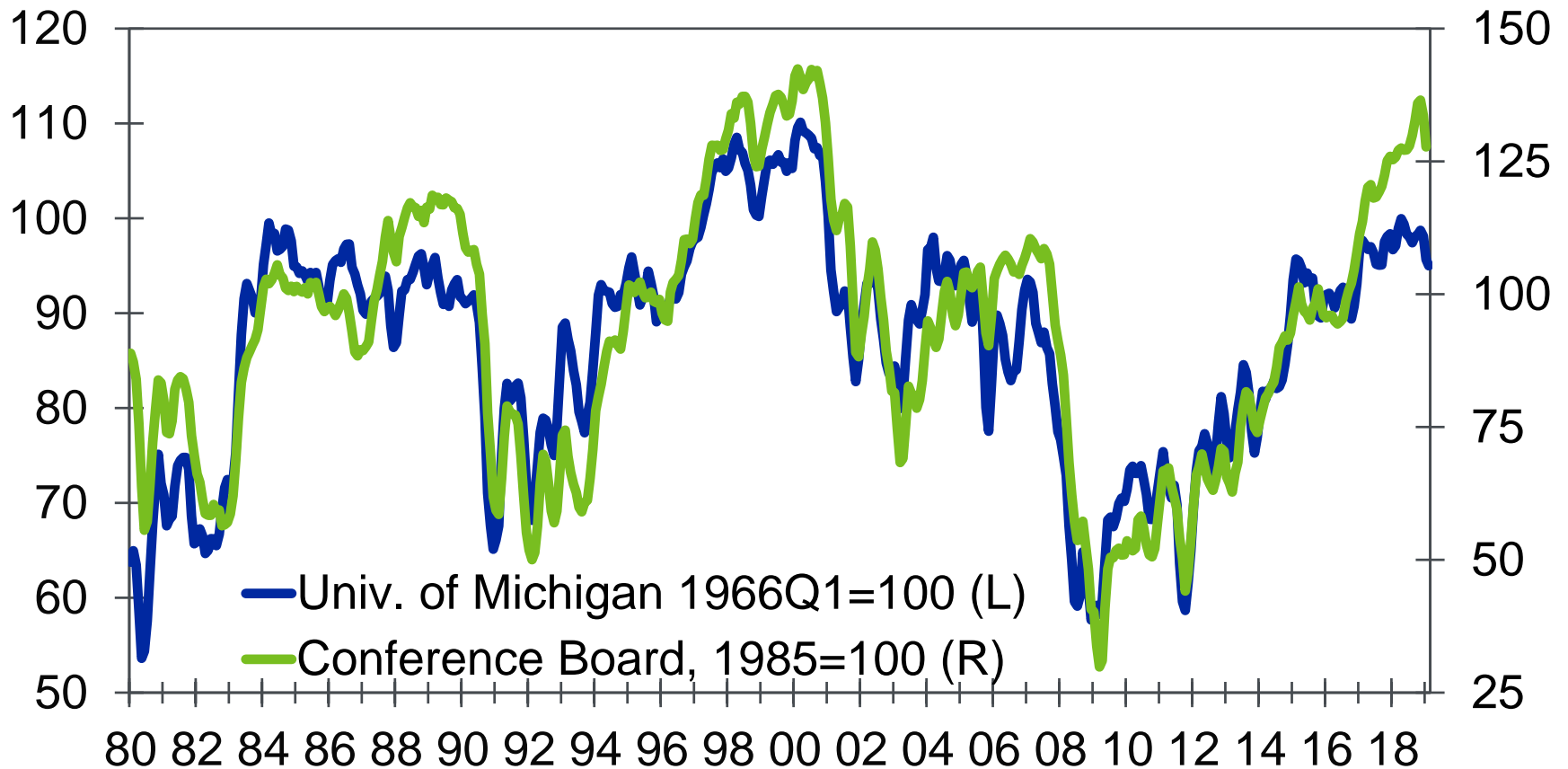
Avg tax refunds, \$ bil, 2015 to 2018



Sources: Treasury, Moody's Analytics

# Confidence Slipped Only Modestly

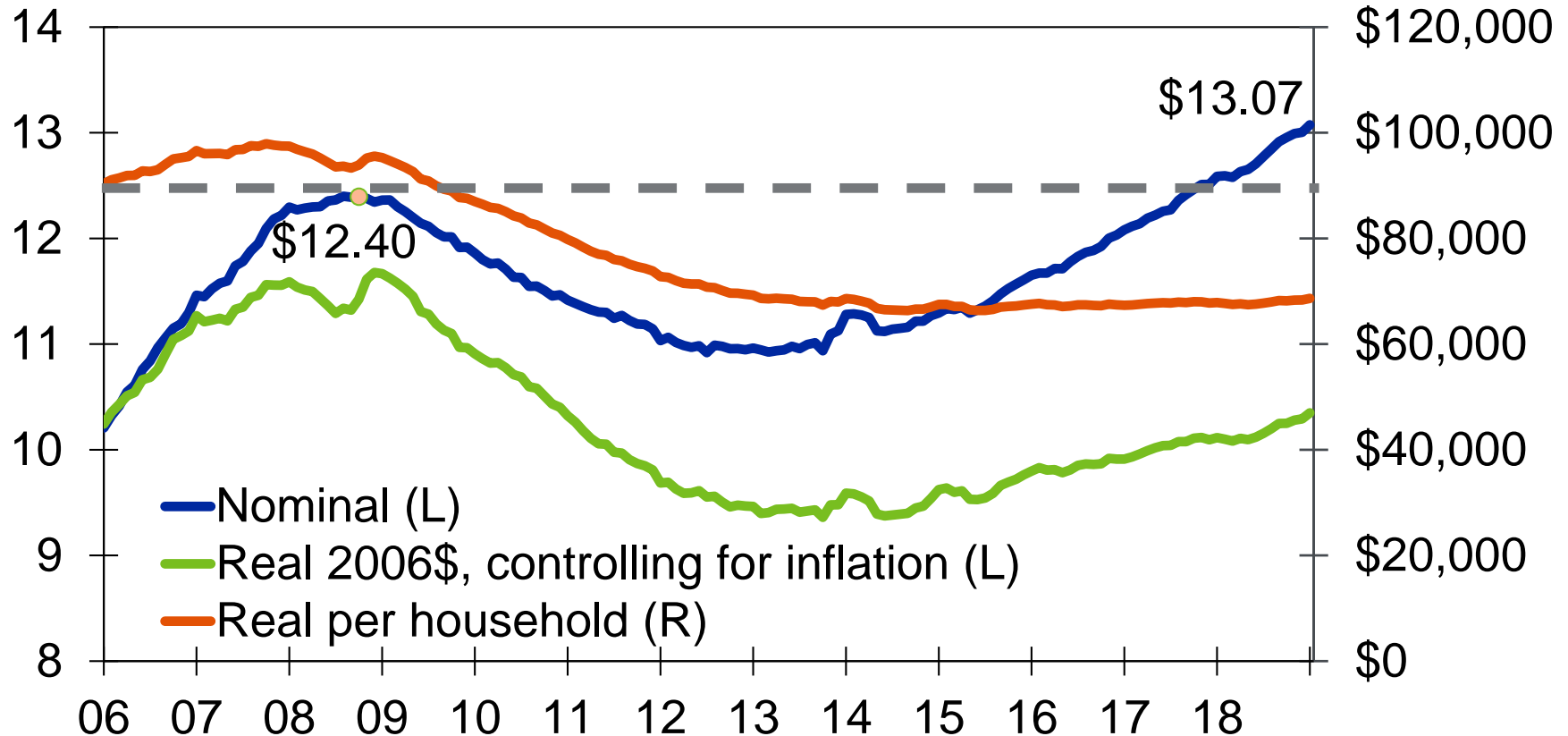
3-mo MA



Sources: The Conference Board, Univ. of Michigan, Moody's Analytics

# Nominal Household Debt Continues to Rise

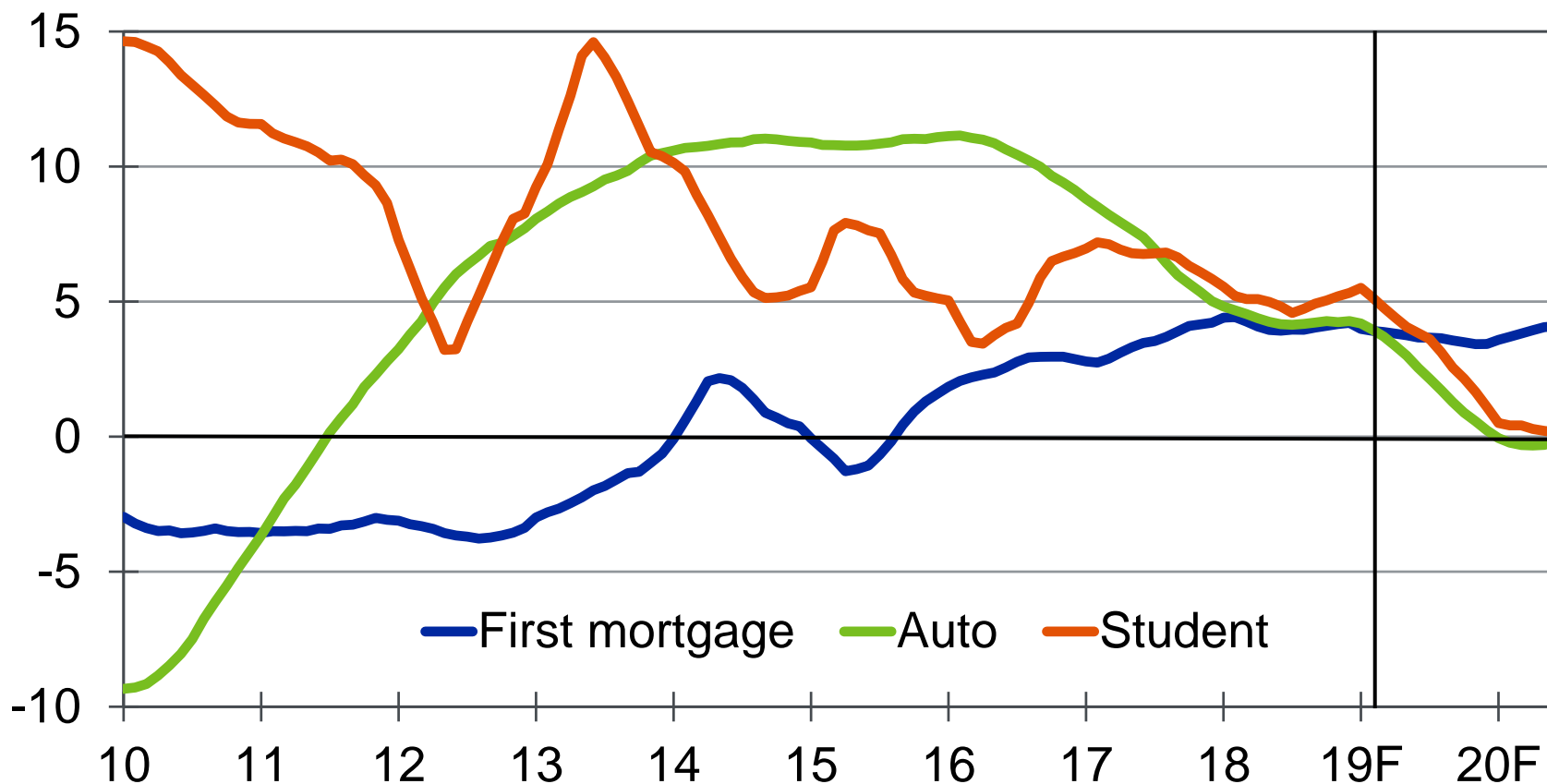
Total balance, \$ tril



Sources: CreditForecast.com, Moody's Analytics

# Growth to Be Mixed...

Balances on open accounts, % change yr ago, 6-mo MA

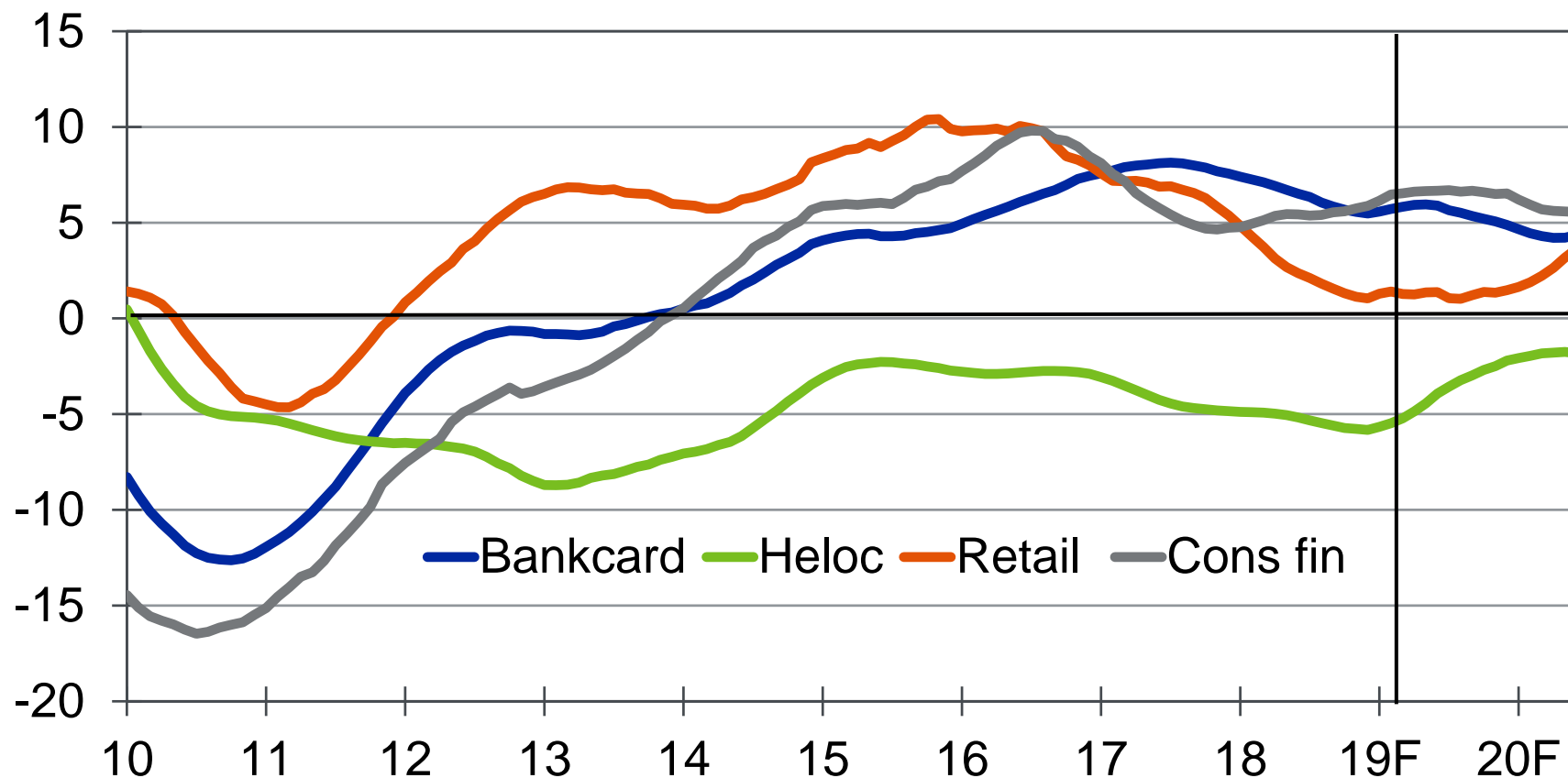


Sources: Equifax, Moody's Analytics



# ...Across Product Lines

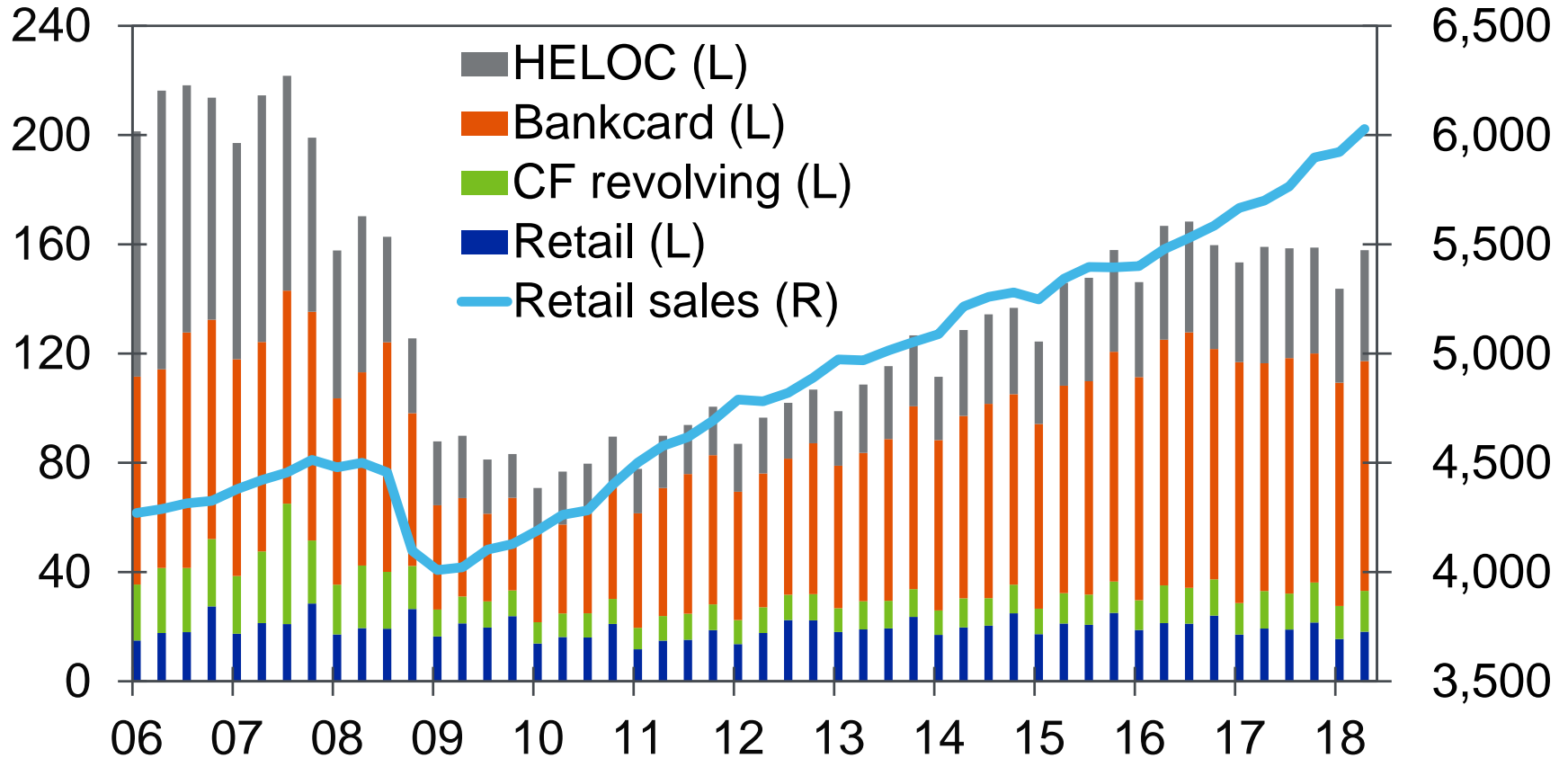
Balances on open accounts, % change yr ago, 6-mo MA



Sources: Equifax, Moody's Analytics

# Retail Sales Not Financed by Credit

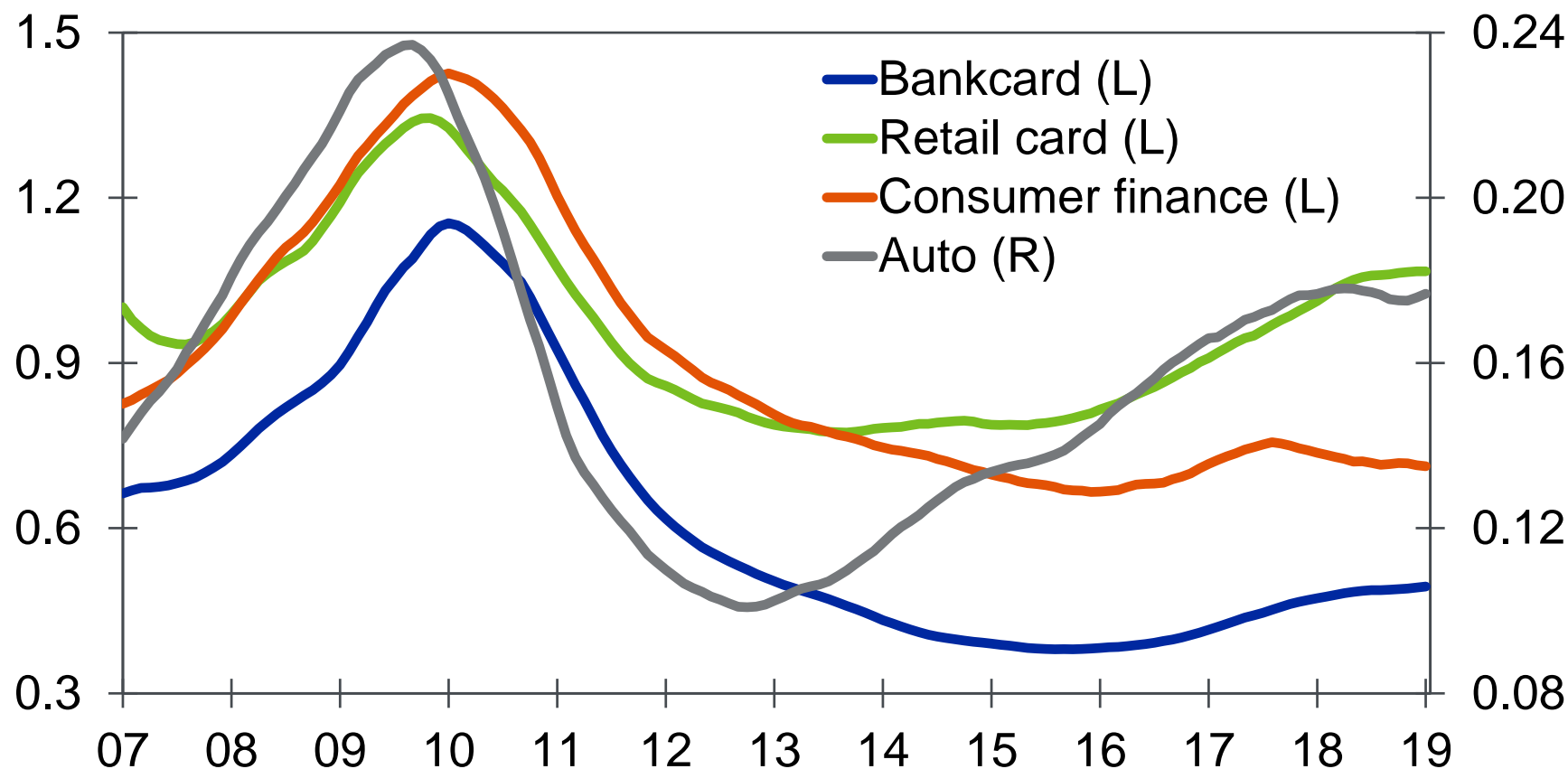
New credit issuance, \$ bil



Sources: Equifax, Census Bureau, Moody's Analytics

# Some Products Riskier...

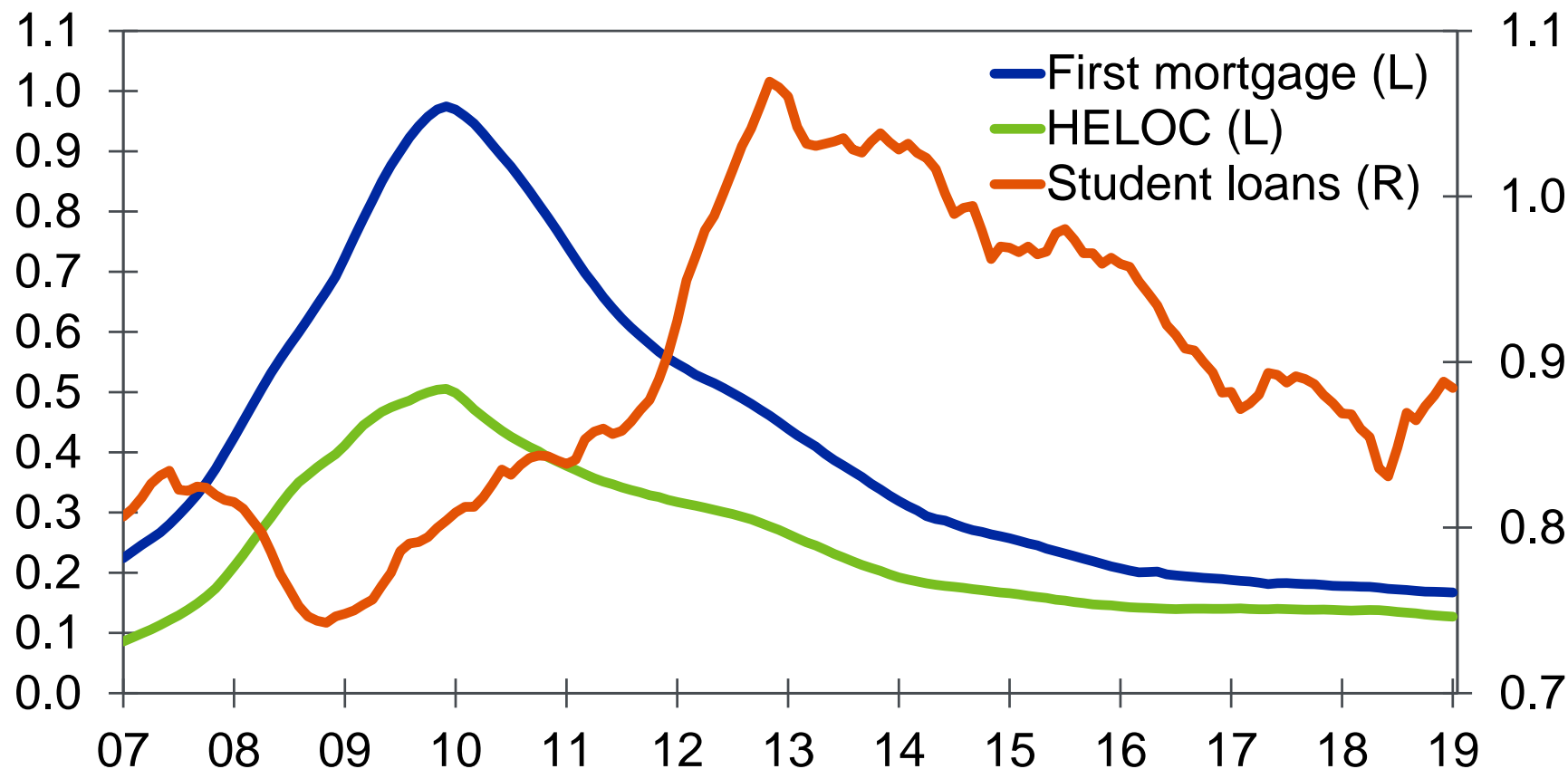
90-days delinquent, % of outstanding balance, 12-mo MA



Sources: Equifax, Moody's Analytics

# ...Than Others

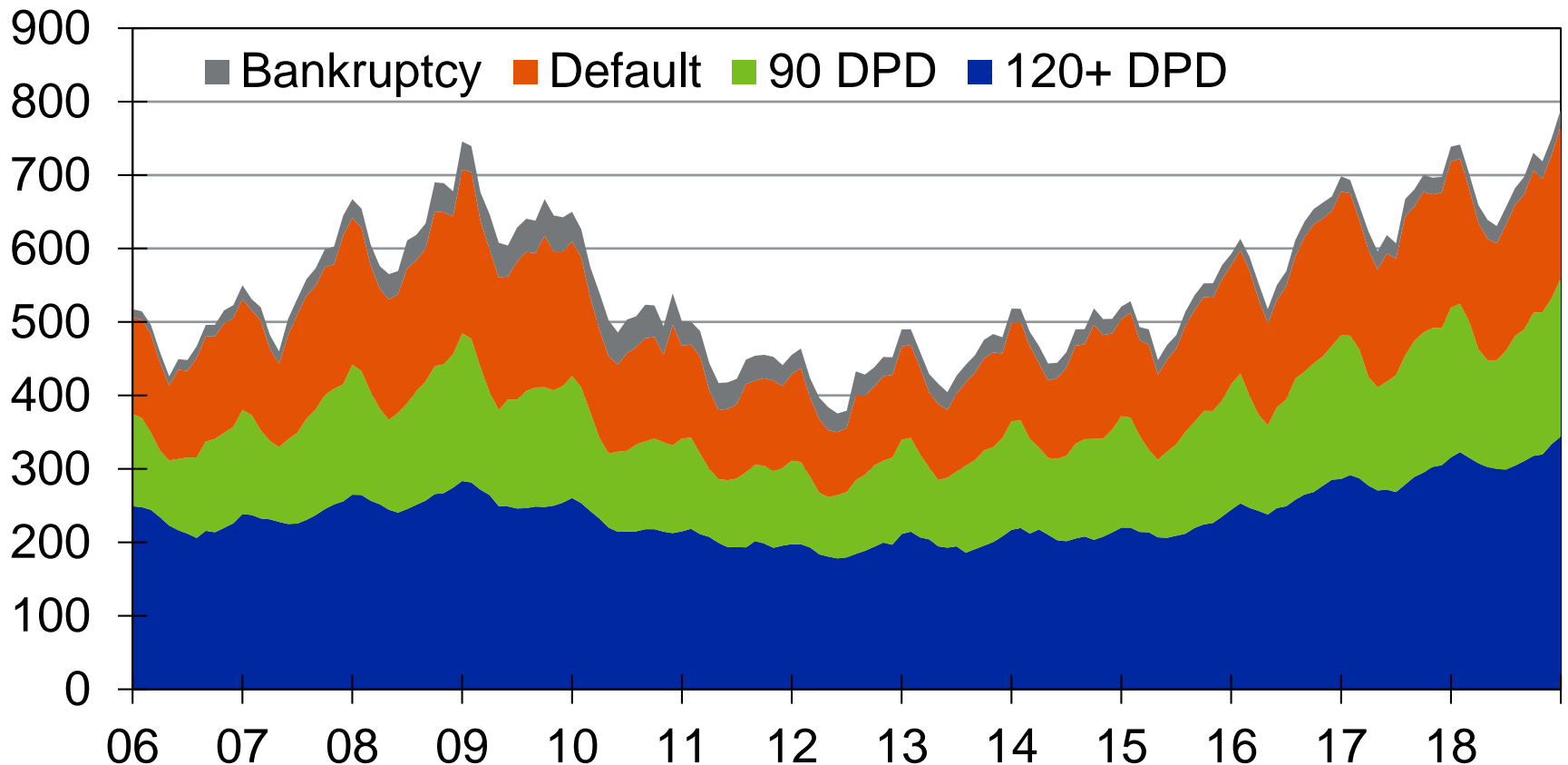
90-days delinquent, % of outstanding balance, 12-mo MA



Sources: Equifax, Moody's Analytics

# Are Auto Loan Borrowers in Trouble?

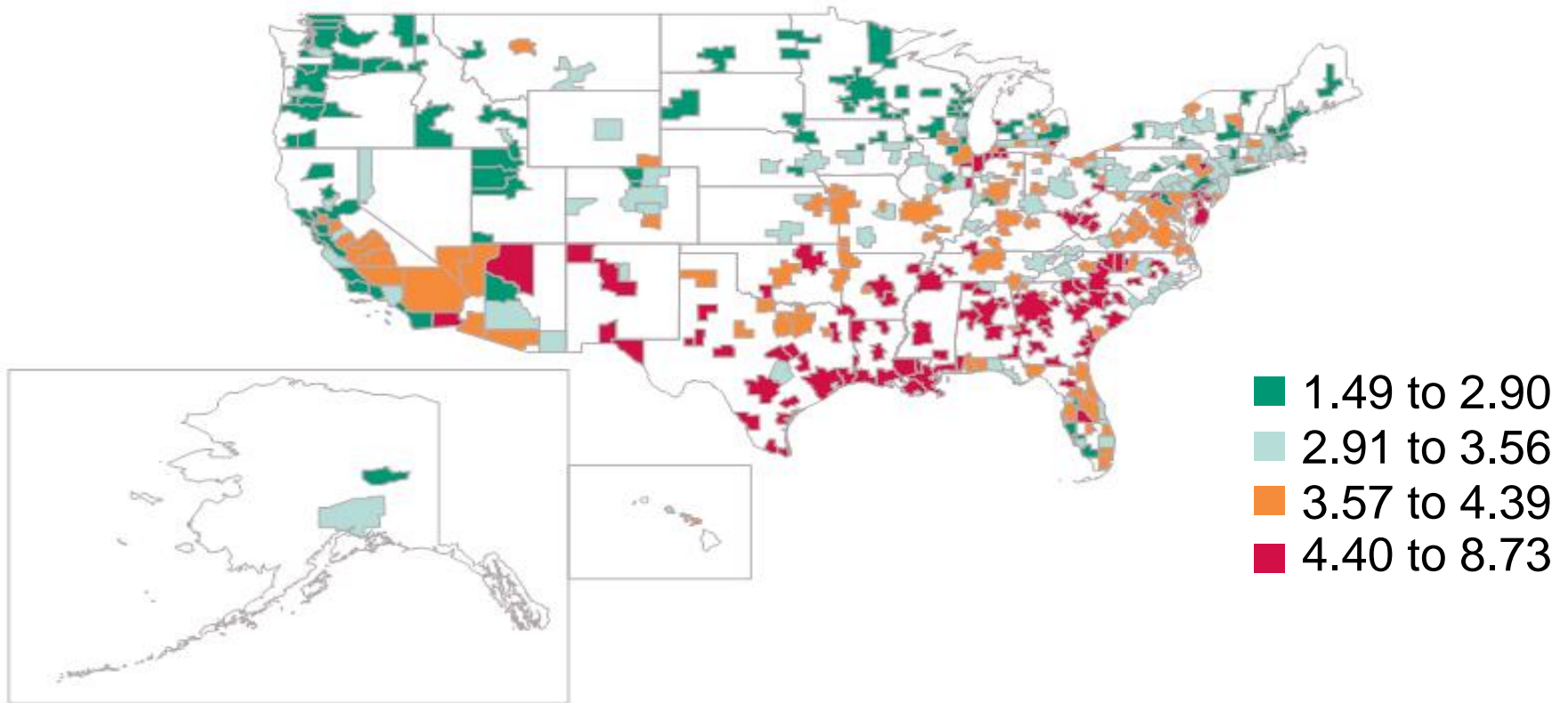
Total number of accounts, \$ ths



Sources: CreditForecast.com, Moody's Analytics

# Auto Delinquency Rates Best in North

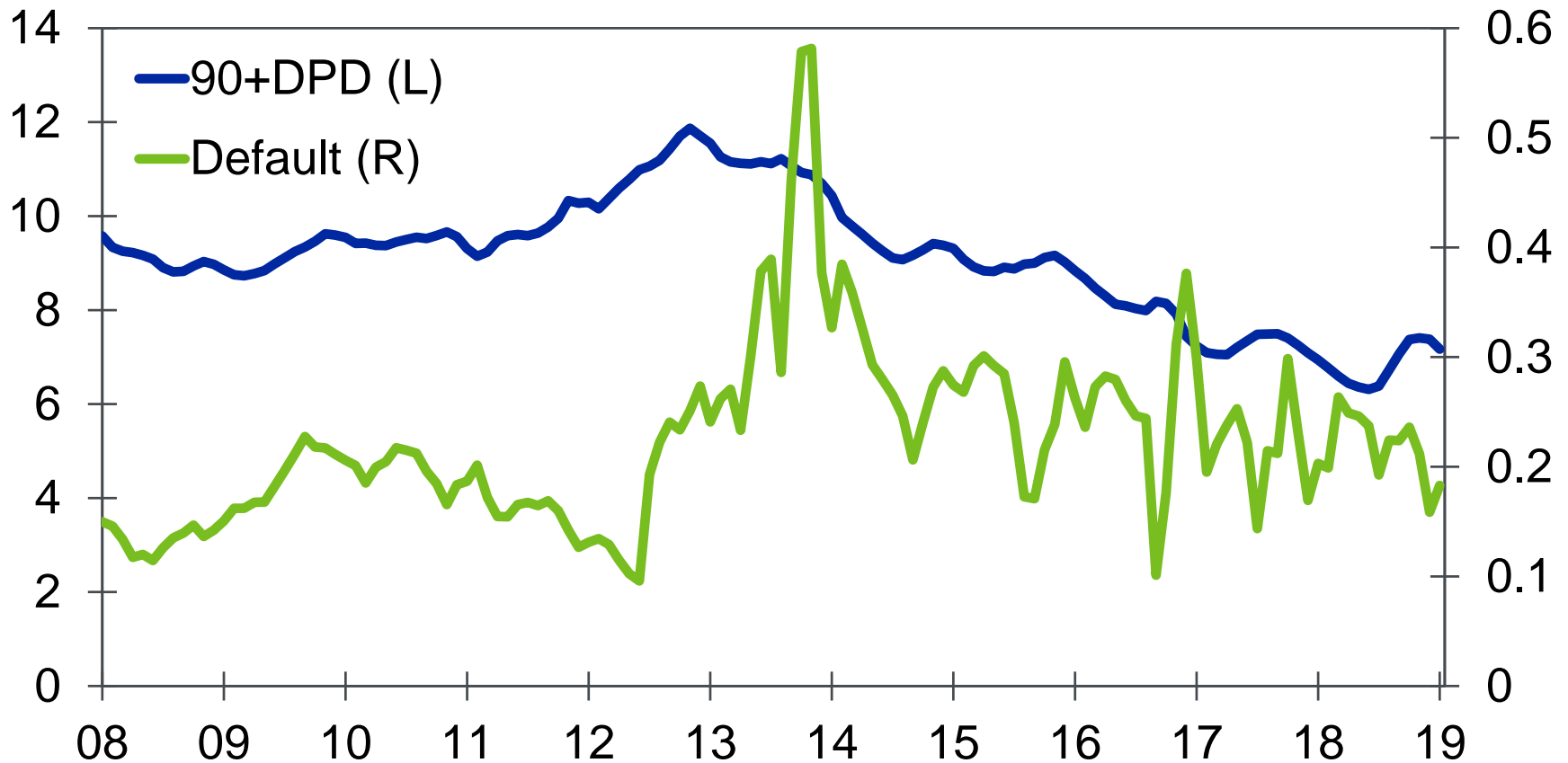
Total delinquency rates, % of outstanding accounts, 2019M1



Sources: Equifax, Moody's Analytics

# Student Loan Performance Is Improving

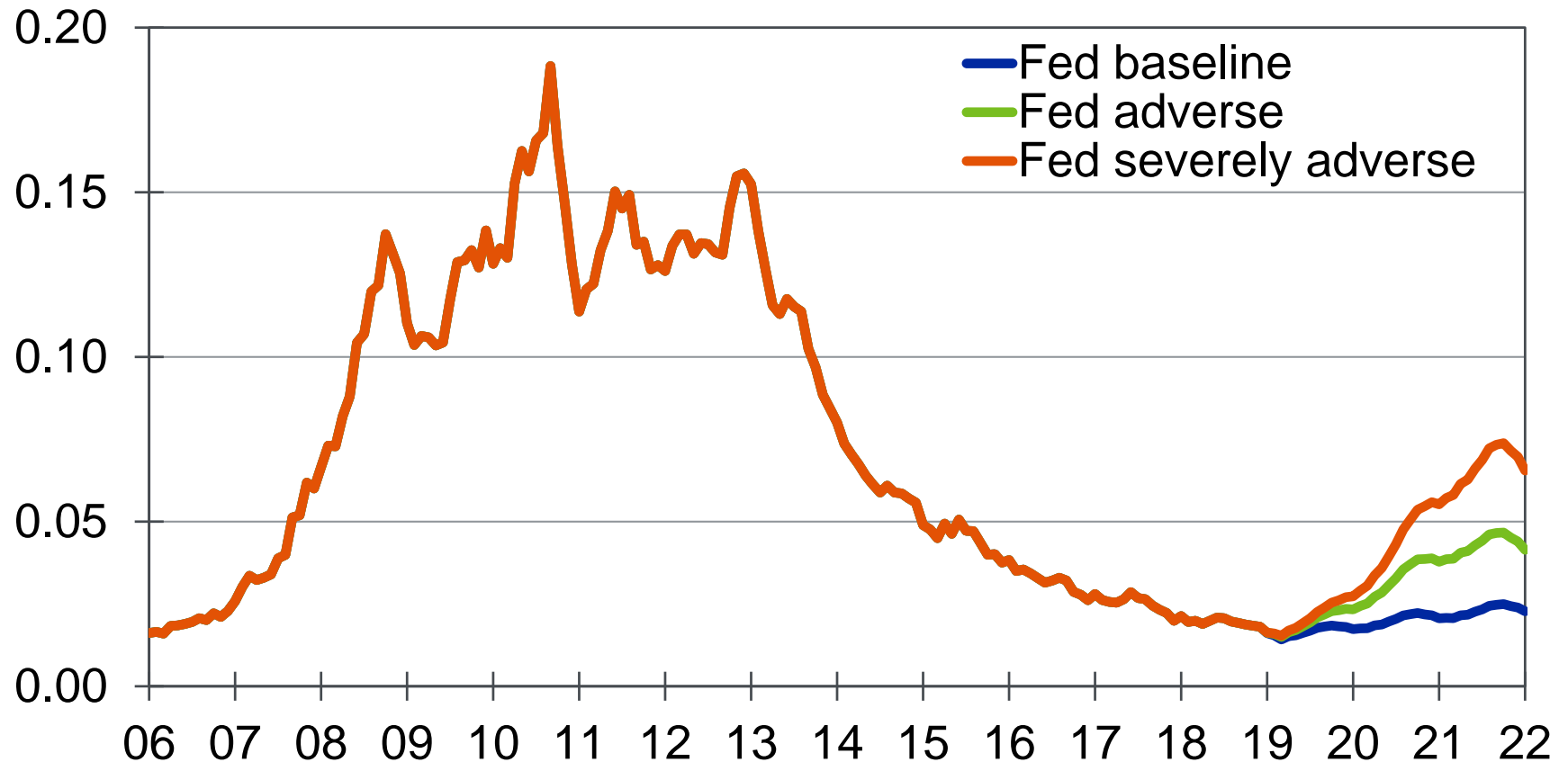
Non-deferred, % of outstanding balances, 3-mo MA



Sources: CreditForecast.com, Moody's Analytics

# Mortgages Safe Under Fed Scenarios

Defaults, % of \$ balances, 3-mo MA



Sources: Equifax, Moody's Analytics



# Q&A

Additional questions? Send an email to [help@economy.com](mailto:help@economy.com)

Visit [www.creditforecast.com](http://www.creditforecast.com)

## Upcoming Events

March 11 - D.C. Executive Roundtable

March 18 - Orange County Economic & Credit Outlook Conference

April 17 - Boston Economic & Credit Outlook Conference

April 23 - Toronto Executive Roundtable

April 30 - Columbus Executive Roundtable

May 22 - Dallas Economic & Credit Outlook Conference

May 28 - US Consumer Credit Outlook Webinar

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