



FEDERAL RESERVE

statistical release

FOR IMMEDIATE RELEASE
DECEMBER 7, 1978

G-19

CONSUMER INSTALMENT CREDIT - OCTOBER 1978

GROWTH IN CONSUMER INSTALMENT CREDIT OUTSTANDING SLOWED IN OCTOBER TO \$3.12 BILLION, FROM SEPTEMBER'S REVISED \$3.68 BILLION INCREASE. THE PREVIOUS PEAK GAIN WAS \$4.21 BILLION IN MAY, ACCORDING TO REVISIONS IN THE SERIES THAT ARE EXPLAINED IN THE ATTACHMENT. THE REDUCED OCTOBER EXPANSION REPRESENTED AN ANNUAL RATE OF GROWTH IN OUTSTANDINGS OF 14 PER CENT, COMPARED WITH 17 PER CENT IN SEPTEMBER AND THE THIRD QUARTER AS A WHOLE, AND A HIGH OF 21 PER CENT IN THE SECOND QUARTER.

INSTALMENT CREDIT NEWLY EXTENDED IN OCTOBER ADVANCED MODERATELY TO A NEW HIGH OF \$25.86 BILLION, BUT HAS EXPERIENCED LITTLE GROWTH ON BALANCE SINCE THE \$25.57 BILLION FIGURE IN JUNE. LIQUIDATIONS, MEANWHILE, ROSE SHARPLY TO \$22.73 BILLION IN OCTOBER FROM \$21.86 BILLION THE MONTH BEFORE, RESULTING IN THE SMALLER INCREASE IN CREDIT OUTSTANDING.

THE MODERATE SLACKENING OF GROWTH WAS EVIDENT IN ALL CREDIT TYPE COMPONENTS, BUT WAS MOST NOTICEABLE IN THE REDEFINED REVOLVING CREDIT CATEGORY, WHICH EXPERIENCED ITS SMALLEST ADVANCE OF THE YEAR.

(IN MILLIONS OF DOLLARS)

INSTALMENT CREDIT, TOTAL	OCT 1978 (SEASONALLY ADJ.)	SEPT 1978	OCT 1978 (NOT SEAS.ADJ.)	OCT 1977	LATEST 12 MONTHS (NOT SEAS.ADJ.)
AMOUNT EXTENDED:	25,855	25,537	25,397	21,311	292,020
AUTOMOBILE	7,511	7,542	7,413	6,224	87,392
REVOLVING (1)	8,846	9,006	8,815	7,491	101,655
MOBILE HOMES	604	494	598	471	6,007
OTHER	8,894	8,495	8,571	7,125	96,966
AMOUNT LIQUIDATED	22,732	21,857	23,187	19,052	248,296
NET CHANGE IN AMOUNT OUTSTANDING:	3,123	3,680	2,210	2,259	43,724 (3)
AUTOMOBILE	1,385	1,532	1,107	900	(4)
REVOLVING (1)	346	622	159	465	(4)
MOBILE HOMES	25	72	14	68	(4)
OTHER	1,367	1,454	930	826	(4)
AMOUNT OUTSTANDING, END OF MONTH	(2)	(2)	265,576	221,877	(2)

NOTE: THE BOARD'S SERIES COVERS MOST SHORT- AND INTERMEDIATE-TERM CREDIT EXTENDED TO INDIVIDUALS THROUGH REGULAR BUSINESS CHANNELS, USUALLY TO FINANCE THE PURCHASE OF CONSUMER GOODS AND SERVICES OR TO REFINANCE DEBTS INCURRED FOR SUCH PURPOSES, AND SCHEDULED TO BE REPAYED (OR WITH THE OPTION OF REPAYING) IN TWO OR MORE INSTALMENTS. FOR FURTHER EXPLANATION, SEE ATTACHMENT TO RELEASE. DETAILS MAY NOT ADD TO TOTALS DUE TO ROUNDING.

- (1) CREDIT CARDS AT RETAILERS, GASOLINE COMPANIES AND COMMERCIAL BANKS, AND CHECK CREDIT AT COMMERCIAL BANKS.
- (2) NOT APPLICABLE OR NOT AVAILABLE.
- (3) A VALUE FOR THE UNADJUSTED NET CHANGE IN OUTSTANDINGS APPEARS ALSO ON THE NEXT TO LAST COLUMN ON THE NEXT PAGE, BUT MAY VARY SLIGHTLY, DUE TO DIFFERENT AGGREGATION METHODS.
- (4) FOR VALUES SEE THE NEXT TO LAST COLUMN ON THE NEXT PAGE UNDER THE HEADING "CHANGE FROM END OF OCTOBER 1977 AMOUNT N.S.A."

CONSUMER INSTALMENT CREDIT BY HOLDER AND TYPE - OCT 1978

(IN MILLIONS OF DOLLARS)

INSTALMENT CREDIT, BY HOLDER AND TYPE	E X T E N D E D				L I Q U I D A T E D				NET CHG OCT 1978 S.A. (1)	O U T S T A N D I N G			
	OCT 1978 S.A.	SEPT 1978 S.A.	OCT 1977 S.A.	OCT 1978 N.S.A.	OCT 1978 S.A.	SEPT 1978 S.A.	OCT 1977 S.A.	OCT 1978 N.S.A.		END OF OCT 1978 N.S.A.	CHANGE OF AMOUNT N.S.A.	FROM END OF OCT 1977 N.S.A.	PER CENT
TOTAL	25,855	25,537	22,273	25,397	22,732	21,857	19,066	23,187	3123	265,576	43,699	20	
BY MAJOR HOLDER													
COMMERCIAL BANKS	11,953	12,123	10,551	11,875	10,565	10,409	8,833	10,812	1388	132,457	23,683	22	
FINANCE COMPANIES	4,605	4,372	3,620	4,509	3,742	3,525	3,073	3,805	863	51,984	8,716	20	
CREDIT UNIONS	3,401	3,360	2,981	3,130	2,757	2,721	2,444	2,820	644	44,635	8,058	22	
RETAILERS (2)	3,518	3,718	3,348	3,512	3,403	3,390	3,090	3,350	115	22,464	1,594	8	
SAVINGS AND LOANS	892	403	391	910	787	309	293	788	105	8,177	976	14	
GASOLINE COMPANIES	1,335	1,346	1,248	1,312	1,319	1,337	1,190	1,452	16	3,276	240	8	
MUTUAL SAVINGS BANKS	151	215	134	149	159	166	143	160	-8	2,583	432	20	
BY MAJOR CREDIT TYPE													
AUTOMOBILE	7,511	7,542	6,503	7,413	6,126	6,010	5,274	6,306	1385	100,159	19,412	24	
COMMERCIAL BANKS	4,355	4,479	4,069	4,354	3,586	3,631	3,239	3,651	769	59,778	11,367	23	
INDIRECT PAPER	2,384	2,519	2,233	2,401	2,030	2,002	1,790	2,053	354	33,415	6,680	25	
DIRECT LOANS	1,971	1,960	1,836	1,953	1,556	1,629	1,449	1,598	415	26,363	4,687	22	
CREDIT UNIONS	1,643	1,641	1,414	1,532	1,342	1,328	1,178	1,384	301	21,344	3,694	21	
FINANCE COMPANIES	1,513	1,422	1,020	1,527	1,198	1,051	857	1,271	315	19,037	4,351	30	
REVOLVING	8,846	9,006	7,666	8,815	8,500	8,384	6,999	8,656	346	42,579	7,539	22	
COMMERCIAL BANKS	4,475	4,457	3,523	4,473	4,138	4,077	3,116	4,243	337	22,165	5,536	33	
RETAILERS	3,036	3,203	2,895	3,030	3,043	2,970	2,693	2,961	-7	17,138	1,763	11	
GASOLINE COMPANIES	1,335	1,346	1,248	1,312	1,319	1,337	1,190	1,452	16	3,276	240	8	
MOBILE HOMES	604	494	478	598	579	422	402	584	25	15,925	853	6	
COMMERCIAL BANKS	352	297	304	341	377	266	264	385	-25	9,548	472	5	
FINANCE COMPANIES	73	77	59	82	75	71	56	69	-2	3,127	22	1	
SAVINGS AND LOANS	154	100	98	153	108	73	71	111	46	2,775	275	11	
CREDIT UNIONS	25	20	17	22	19	12	11	19	6	475	84	21	
OTHER	8,894	8,495	7,626	8,571	7,527	7,041	6,391	7,641	1367	106,913	15,895	17	
COMMERCIAL BANKS	2,771	2,890	2,655	2,707	2,464	2,435	2,214	2,533	307	40,966	6,308	18	
FINANCE COMPANIES	3,019	2,873	2,541	2,900	2,469	2,403	2,160	2,465	550	29,820	4,343	17	
CREDIT UNIONS	1,733	1,699	1,550	1,576	1,396	1,381	1,255	1,417	337	22,816	4,280	23	
RETAILERS	482	515	453	482	360	420	397	389	122	5,326	-169	-3	
SAVINGS AND LOANS	738	303	293	757	679	236	222	677	59	5,402	701	15	
MUTUAL SAVINGS BANKS	151	215	134	149	159	166	143	160	-8	2,583	432	20	

- (1) NET CHANGES FOR ALL MONTHS EQUAL EXTENSIONS MINUS LIQUIDATIONS (REPAYMENTS, CHARGEOFFS, AND OTHER CREDITS).
 (2) EXCLUDES 30-DAY CHARGE CREDIT HELD BY RETAILERS, GASOLINE COMPANIES, AND TRAVEL AND ENTERTAINMENT COMPANIES.
 (3) MUTUAL SAVINGS BANKS, SAVINGS AND LOAN ASSOCIATIONS, AND AUTO DEALERS.

NOTE: S.A. AND N.S.A. DENOTE SEASONALLY ADJUSTED AND NOT SEASONALLY ADJUSTED DATA, RESPECTIVELY.
 DETAILS MAY NOT ADD TO TOTALS DUE TO ROUNDING.

December 7, 1978

NOTICE OF MAJOR REVISIONS IN THE 421 (G.19) STATISTICAL RELEASE

This release differs in format from the version published earlier, and presents revised estimates adjusted to new bench marks and other changes.

Changes in Format

Some holders of certain types of credit are identified separately for the first time, partly as a result of new information that has become available. At the same time, several credit types--formerly shown separately--are combined into broader categories, reflecting the simplification of report forms to reduce reporting burden, and the blurring of distinctions among certain types of credit as a result of evolving market practices. The column-by-column presentation format in the "421" release remains unchanged.

1. Estimates for savings and loan associations and mutual savings banks, formerly included in an "all other" holder category, are shown separately for the first time. This change documents the increased participation of these types of institutions in consumer credit markets.

2. Retail store credit estimates formerly included wholly in an "all other" credit category, are disaggregated into the "revolving" credit category and the "other" category, corresponding to newly available Census Bureau information.

3. The "revolving" credit category has been expanded to include estimates of open-end credit held by the large petroleum marketing companies through gasoline credit cards used by individuals.

All gasoline company credit now included in the series was formerly treated as non-instalment credit and not reported in the "421" instalment credit release.

4. Commercial bank credit card and check credit estimates are combined into one item, rather than reported separately, owing in part to reporting difficulties and in part to changing market practices

5. The former "home improvement" credit category has been discontinued as a separate item, and merged with "other" credit. This change recognizes that funds borrowed to finance home improvements are raised through a variety of credit mechanisms--such as credit cards or personal cash loans--that cannot be segregated readily by loan purpose. Also, part of the amounts extended for home improvement loans may be used, in practice, for personal expenditures or debt repayment.

6. Notes to be published periodically with the "421" release describe the series in greater detail and inform the user about additional Federal Reserve sources of consumer credit statistics.

For the final month of each quarter, the "421" release will continue to include quarterly summary totals for credit extensions, credit liquidations, and net change in credit outstanding, with each total also shown as a percentage of disposable personal income.

Once annually, the "421" release, as in the recent past, will present a year-end estimate of aggregate consumer noninstalment credit outstanding.

Revisions in Estimates

All estimates in this issue of the "421" release incorporate revisions based on: (a) new bench mark information for all holder groups; (b) elimination of a previous arbitrary adjustment--affecting commercial banks, mutual savings banks, and savings and loan associations--that was designed to remove certain credit used by households for business or other nonconsumer purposes; (c) the addition--beginning in 1971--of open-end credit held by the large petroleum marketing companies through gasoline credit cards used by individuals, as noted earlier; and (d) the addition--beginning in 1977--of some retailer-held credit, formerly classified by the Census Bureau as noninstalment, that has been reclassified as instalment.

Revised monthly estimates, in the same format as in the "421" release, are available for the period January 1943 through September 1978. Contact Ms. Lois Lawrence, Mortgage and Consumer Finance Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, phone (202) 452-2458.

The net results of these revisions and additions on aggregate estimates for the calendar years 1976 and 1977 are indicated below:

	<u>1977</u>			<u>1976</u>		
	<u>Exten- sions</u>	<u>Liquida- tions</u>	<u>Net change in outstandings</u>	<u>Exten- sions</u>	<u>Liquida- tions</u>	<u>Net change in outstandings</u>
Revised	254.1	218.8	35.3	211.0	189.4	21.6
Former	225.7	194.6	31.1	193.3	172.8	20.5
Difference	28.4	24.2	4.2	17.7	6.6	1.1

Note: All figures are in billions of dollars.

CONSUMER INSTALMENT CREDIT

	SEASONALLY ADJUSTED			N. A.
	EX- TENSIONS	LIQUI- DATIONS	NET CHANGE	OUT- STANDINGS
1975-JAN...	13718.	13786.	-68.	162628.
-FEB...	14150.	13787.	363.	161527.
-MAR...	13828.	14133.	-305.	160053.
-APR...	14058.	14084.	-26.	160243.
-MAY...	14070.	14139.	-69.	160798.
-JUN...	14681.	14376.	305.	161995.
-JUL...	15431.	14175.	1256.	164110.
-AUG...	15520.	14584.	936.	166043.
-SEP...	15781.	14748.	1033.	167336.
-OCT...	15932.	14801.	1131.	168172.
-NOV...	16377.	15073.	1304.	169106.
-DEC...	16649.	14924.	1725.	172353.
1976-JAN...	16620.	15281.	1339.	171352.
-FEB...	17075.	15379.	1696.	171019.
-MAR...	16977.	15489.	1488.	171615.
-APR...	16775.	14879.	1896.	173926.
-MAY...	16944.	15267.	1677.	175944.
-JUN...	17353.	15762.	1591.	179104.
-JUL...	17277.	15703.	1574.	181571.
-AUG...	17594.	15935.	1659.	184384.
-SEP...	17904.	15927.	1977.	186791.
-OCT...	18117.	16128.	1989.	188016.
-NOV...	18316.	16503.	1813.	189700.
-DEC...	19027.	16661.	2366.	193977.
1977-JAN...	19379.	17272.	2107.	194751.
-FEB...	19927.	17566.	2361.	194984.
-MAR...	20802.	17434.	3368.	197585.
-APR...	20953.	17864.	3089.	200994.
-MAY...	20991.	18091.	2900.	204528.
-JUN...	20764.	18200.	2564.	208909.
-JUL...	20796.	18389.	2407.	211956.
-AUG...	21408.	18473.	2935.	216469.
-SEP...	21528.	18683.	2845.	219619.
-OCT...	22273.	19066.	3207.	221877.
-NOV...	22487.	18891.	3596.	225207.
-DEC...	23469.	19252.	4217.	230829.
1978-JAN...	21983.	19546.	2437.	230126.
-FEB...	22758.	19896.	2862.	230547.
-MAR...	23925.	19849.	4076.	233842.
-APR...	24682.	20576.	4106.	237855.
-MAY...	25104.	20824.	4280.	243371.
-JUN...	25565.	21358.	4207.	249865.
-JUL...	25022.	21556.	3466.	253897.
-AUG...	25669.	22037.	3632.	259614.
-SEP...	25537.	21857.	3680.	263387.
-OCT...	25855.	22732.	3123.	265576.