

BMT-IBT-4-Communications

Reading

Consumers using their Credit Cards again

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TOPIC: Consumers using their credit cards again

STEP 1 - Read the following article: [READING COMPREHENSION ARTICLE 10](#)

STEP 2 - Answer these questions (choose the best answer):

1. According to the article, the growth in consumer credit in March was _____ economists had predicted.
 - about the same as
 - slightly lower than
 - twice as much as
2. By using the word "anemic", the article wants to say that the current job growth numbers are _____.
 - average
 - poor
 - impressive
3. According to the article, does the increase in consumer credit mean that the economy is improving?
 - Not necessarily
 - Yes
 - No, just the opposite
4. How long had it been since the consumer credit numbers increased so much in one month?
 - A year
 - Over 10 years
 - About three years
5. According to the article, what played an important part in the economic growth at the beginning of this year (2012)?
 - A record-breaking drop in unemployment
 - A decrease in tax rates
 - New car production and sales

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Consumers went back to using their credit cards in March to keep spending while student and new-car loans shot up as the value of outstanding consumer credit jumped at the fastest rate since late 2001, data from the Federal Reserve showed on Monday.

Total consumer credit grew by \$21.36 billion - more than twice the \$9.8 billion rise that Wall Street economists surveyed by Reuters had forecast. That followed a revised \$9.27 billion increase in outstanding credit in February.

Analysts expressed some reservations whether the data reliably signaled a real pickup in demand, something that would normally fuel stronger growth, or just a need to rely more on credit in an economy generating anemic job growth.

"The optimistic read is that consumers' improved outlook on the economy and employment prospects led them to feel comfortable spending on credit, while a more downbeat interpretation is that credit is needed for consumers to keep up," Nomura Global Economics said in a note afterward.

The March rise in consumer credit was the strongest for any month since November 2001 when it soared by \$28 billion. That was shortly after the September 11, 2001 attacks when big automakers were offering zero-percent financing and other incentives to lure consumers back to their showrooms.

New-car sales and production were a key influence on the 2.2 percent annual rate of economic growth posted during the first three months this year. The government estimated that about half of that growth came from increased new car production.