

Consumer borrowing drags struggling economy

By Martin Crutsinger
ASSOCIATED PRESS WRITER

WASHINGTON — Consumer borrowing fell again in July as households cut back on their credit card use for a 23rd consecutive month, adding more drag on an economy struggling to mount a sustained rebound.

Borrowing dropped at an annual rate of \$3.6 billion in July, the Federal Reserve reported Wednesday. That marked the 17th drop in credit in the past 18 months.

Americans did boost borrowing for auto loans in July but this gain was offset by further reductions in the category that includes credit cards.

The latest drop in overall borrowing was slightly higher than economists' expectations and followed a \$1.02 billion decline in June, which was revised from an initial estimate that total credit had dropped by \$1.3 billion that month.

The July decrease represented a 1.8 percent decline in percentage terms and followed a 0.5 per-

cent drop in June. The only increase in credit that has occurred since January 2009 was a small 1 percent rise in January of this year.

Borrowing in the category that includes auto loans rose 0.6 percent in July after gains of 3.2 percent in June and 1.2 percent in May. The three monthly increases reflected a revival of auto sales this summer after automakers endured slumping sales during the recession.

Borrowing on credit cards fell by 6.3 percent in July after a big-

ger 7.5 percent June decline. This category has now fallen for a record 23 consecutive months as Americans have struggled to repair their household finances after the worst recession since the 1930s.

Households are borrowing less and saving more and that has acted as a drag on the overall economy by lowering consumer spending, which accounts for 70 percent of total economic activity.

Economists expect households will continue to cut back on borrowing as long as incomes and

employment don't show significant improvements.

The government reported Friday that the unemployment rate in August climbed to 9.6 percent in August, up from 9.5 percent in July as payroll jobs fell by 54,000. The jobless rate has shown scant improvement after hitting a high for this downturn of 10.1 percent last October. The long stretch of declining borrowing has left total consumer credit at an annual level of \$2.42 trillion, 6.3 percent below the peak set in July 2008 of \$2.58 trillion in credit.

Late Night at the Grill
Join Bill Filer at the Piano Bar
Thursday-Saturday
Kitchen Open Late
ALLEN STREET Grill

Oktoberfest
Celebrate with all your Zeno's Seasonal Favorites
OPEN TO 1:50 AM
Zeno's Bottle Shop
Good Brews - Quick

Discount Smokes
1/2 Price Off
Make Your Own Blend
Calder Convenience
213 East Calder Way
7am - Midnight
Next to the Gaff

THURSDAYS
1/2 PRICE STEAK BURGERS 3-10pm
BEST in Town! NOW ACCEPTING DEBIT CARDS
THE CORNER ROOM
Corner of College & Allen St.

BRAND NEW

THE PAPER PLATE
Dining Guide powered by StateCollege.com

Delivery



Take Out



Dine-In



GO TO PSUCOLLEGIAN.COM



OLLIE'S OUTLET

Bargain

"GOOD STUFF CHEAP"

ONE OF AMERICA'S LARGEST RETAILERS OF CLOSEOUTS, SALVAGE, AND SURPLUS MERCHANDISE

COLLEGIATE PARTYWARE

Official Licensed Collegiate products

GREAT FOR TAILGATING

CUP, PLATE, OR BOWL

\$2.99

theirs \$7.00

CHIP 'N' DIP

\$4.99

theirs \$7.99

PARTY BOWL

\$7.99

theirs \$16.00

SPORTS FOLDING CHAIR



\$7.99

theirs to \$14.99

- Easy to fold
- Perfect for to take to the soccer or football fields

DVD BUYOUT

Here are a few examples you may find:



STARTING AT \$2.99

Huge selection of DVD's from many well known studios such as Genius Entertainment, Universal, Liongate, Warner and more. Hundreds of titles to choose from. Savings to 68%. Selections will vary by store.

KOSS SPORTBUDS

• 2 pack
• For MP3, CD and DVD players

\$5.99

theirs \$15.00

CALCULATOR

Solar powered with battery backup



\$4.99

theirs \$10.00

UNIVERSAL REMOTE

• Digital ready
• Controls digital cable, satellite & HDTV



\$7.99

theirs \$20.00

• Master power-single button turns all components on & off

Snack Pack PUDDING SNACK PACKS

• 4 pack

\$1.89

theirs \$1.19

Post HONEY BUNCHES OF OATS

• 14.5 oz box Almond or Original
• 18 oz box Vanilla

\$1.50

theirs \$3.29

Peter Pan CREAMY PEANUT BUTTER

• 16.3 oz

\$1.49

theirs \$1.99



OLLIE'S OUTLET

Bargain

"GOOD STUFF CHEAP"

STATE COLLEGE
1919 South Atherton St.
814-272-1250

WE'RE OPEN:
DAILY 9:00 TO 9:00
SUNDAY 10:00 TO 7:00

WE GLADLY ACCEPT:
CHECKS (WITH PROPER ID)
CASH, & VISA

Visit our website www.ollies.us
Check out Ollie's 100% money back guarantee!

30 DAY NO HARD TIME GUARANTEE...
If not completely satisfied for any reason, you may return your purchase for a full refund. (Must have sales receipt)