

Appendix Table A1  
Summary Statistics: Credit Card Data

	Unmatched Sample		Matched Sample	
	Mean	Std Dev	Mean	Std Dev
<u>Overall Characteristics</u>				
Fico Score	729.57	69.20	673.44	67.61
Income	62258.29	244547.48	34115.48	100286.85
Number of CC Accounts	25.76	11.60	22.51	11.86
Open CC Accounts	3.67	3.41	3.19	3.01
Open CC with balance	2.14	2.37	2.63	2.50
Total Balance of CC	6625.79	11640.12	10917.41	15355.09
% Delinquent	5.45%	77.26%	13.85%	56.05%
<u>Issuer's Credit Card</u>				
Account Age (months)	93.33	81.44	62.27	54.26
Behavior Score	593.55	262.08	545.62	288.66
Credit Line	7521.94	3665.30	3240.29	3652.78
Current Balance	2968.02	2992.54	2479.44	2796.09
Chargeoff Amount	4867.48	3817.89	3773.32	3588.47
Purchases	256.42	744.62	240.49	75181.91
Number of Monthly Purchases	2.01	3.30	1.85	3.54
APR	17.57	5.71	18.23	6.37
Cycle Payments	319.94	864.28	209.79	644.13
Monthly Payments	340.08	908.27	343.59	96191.91
Debt	1933.10	2840.80	2120.30	3218.55
Cycle Cash Withdrawal	10.13	144.38	3.91	64.60
Cycle Purchases	259.01	749.69	146.78	510.37
<u>Other Accounts with this Issuer</u>				
Home Equity Balance	2531.58	12620.68	1669.09	7586.31
Mortgage Balance	43849.55	87776.67	31585.94	71495.08
Auto Balance	3944.08	7335.66	2632.25	8369.89
<u>Demographics</u>				
Female Applicant	30%	31%	18%	38%
Co-Applicant	11%	32%	22%	41%
Singles	32%	47%	33%	47%
Age	51.06	16.97	50.78	14.34
Number of Accounts	143,228		3090	

Appendix Table A2  
 Summary Statistics: Payday Loan Data

	Unmatched Sample		Matched Sample	
	Mean	Std Dev	Mean	Std Dev
Teletrack Score	626.09	166.36	424.65	282.88
<u>Income Variables</u>				
Paid Monthly	0.17	0.37	0.14	0.35
Paid Biweekly	0.52	0.50	0.34	0.47
Paid Weekly	0.15	0.36	0.09	0.29
Monthly Pay (\$)	1685.98	1074.02	1731.22	1048.40
Job Tenure (Years)	4.66	7.57	5.75	8.60
Garnishment from Paycheck	1.03	0.16	1.03	0.16
<u>Banking Variables and Demographics</u>				
Months at Residence	68.89	94.40	81.83	100.52
Bank Balance on Last Statement (\$)	257.39	546.21	222.09	510.21
NSF Count on Last Statement	1.00	2.62	1.04	2.61
Age	37.15	11.46	50.78	14.34
Female	0.63	0.48	0.60	0.49
Number of Accounts	102779		3090	

Appendix Table A3  
Credit Card Liquidity and APRs in the Matched Sample

<u>A: FICO Ranges</u>	<u>Variables</u>	<u>Mean</u>	<u>Std</u>	<u>N</u>
<500	liquidity	-554.45	701.95	41
	apr	24.48	3.22	41
500-550	liquidity	-356.49	927.11	93
	apr	23.66	5.43	93
550-600	liquidity	496.27	1698.95	216
	apr	21.32	7.37	216
600-650	liquidity	711.81	2967.09	834
	apr	20.39	6.95	834
650-700	liquidity	1099.00	3281.15	1153
	apr	17.53	6.23	1153
>700	liquidity	2050.20	3797.71	753
	apr	15.02	5.85	753
 <u>B: Revolvers/Transactors</u>				
Debt Revolvers	liquidity	613.93	3082.05	2264
	apr	19.05	6.71	2264
Transactors	liquidity	2498.54	3604.64	826
	apr	16.01	5.33	826
 <u>C: Single/Married</u>				
Married	liquidity	1315.66	2277.76	2069
	apr	18.24	6.32	2069
Single	liquidity	720.11	3006.74	1021
	apr	18.20	6.49	1021
 <u>D: Age Range</u>				
<30	liquidity	1091.01	4034.30	272
	apr	18.79	6.30	272
30-40	liquidity	976.99	4189.46	535
	apr	18.45	6.47	535
40-50	liquidity	896.28	4154.83	856
	apr	17.95	6.61	856
50-60	liquidity	963.12	4466.89	802
	apr	17.99	6.16	802
60-70	liquidity	1497.23	3908.58	334
	apr	18.42	6.45	334
>70	liquidity	2048.72	3585.83	291
	apr	18.53	5.85	291

Notes: Calculated by the authors from matched administrative data. "Liquidity" refers to credit card liquidity on the days individuals take out their first payday loans. Liquidity is calculated as the difference between the credit limit on the credit card and the amount of outstanding debt. The APR is the average over accounts within the group and is not debt weighted. "Transactors" are defined as credit card account holders who paid their credit card bills in full in the one month before taking out their first payday loans. Note that each partition contains the total of 3090 people in the matched sample.

Appendix Table A4  
Correlates of Interest Losses

Variables	Coeff Value	Std Err	t-stat
Constant	133.71	26.91	4.97
Ln(Income) (at T=1)	-1.55	0.35	-4.41
Gender (Female)	-7.03	6.90	-1.02
Marital Status	17.41	5.69	3.06
Age	-3.18	0.70	-4.52
Age Sq	5.13	0.92	5.59
FICO Scores (at T=1)	-0.99	0.07	-13.39
Fico Score Sq (at T=1)	-0.29	0.09	-3.29
Number of Obs	3090		
R Sq	0.08		

This Table reports the results of regressing *LOSS* on individual characteristics at the date of the credit card account holder's first payday loan.

Appendix Table A5  
 Predictors of Payday Borrowing and Default

Variables	Payday Loan Amount (\$)			Probability of Payday Loan Default			
	Coeff Val	Std Err	T-Stat	Coeff Val	Std Err	T-stat	Marg Eff.
<u>Credit Scores</u>							
FICO Score	-0.06331	0.01380	-4.58	-0.02697	0.00176	-15.32	-0.11%
Teletrack Score	0.07740	0.02597	2.98	-0.06006	0.00200	-30.03	-0.04%
<u>Credit Card Account Variables</u>							
Credit Line	-0.00530	0.00180	-2.94	-0.00056	0.00012	-4.66	-0.05%
APR	0.05200	0.00476	10.92	0.13210	0.02070	6.38	0.05%
Account Age	-0.08822	0.02700	-3.26	-0.03337	0.00332	-10.05	-0.17%
Payment Amount	0.03589	0.00700	5.12	-0.00793	0.00082	-9.67	0.05%
Purchase Amount	0.00600	0.00132	4.54	0.01340	0.00135	9.92	0.10%
Balance of Credit Card	0.00053	0.00025	2.13	0.00069	0.00001	69.01	0.01%
Overdue Minimum Payment (Dummy)	19.19370	1.09650	17.50	0.40539	0.03342	12.13	3.90%
Number of Days Overdue	4.34420	0.17660	24.59	0.14592	0.07100	2.05	0.66%
Number of Days Before the Due Date	-3.31410	0.61221	-5.41	0.06320	0.06469	0.97	0.28%
<u>Other CC Issuer Variables</u>							
Auto Balance	0.00019	0.00004	4.97	0.00703	0.00230	3.05	0.02%
Mortgage Balance	0.00003	0.00007	0.49	0.00083	0.00022	3.77	0.02%
<u>Income Variables</u>							
Paid Monthly	-5.26310	17.35700	-0.30	-0.09816	0.48640	-0.20	-0.01%
Paid Biweekly	0.43350	10.99200	0.03	-0.00317	0.28677	-0.01	-0.02%
Paid Weekly	-14.93060	6.33300	-2.35	-0.09075	0.24304	-0.37	-0.10%
Monthly Pay	0.02014	0.00310	6.49	-0.00003	0.00012	-0.26	-0.01%
Job Tenure	0.90007	0.28670	3.13	-0.04652	0.00732	-6.35	-0.02%
Garnishment from Paycheck	-14.43000	8.99580	-1.60	0.01516	0.02388	0.63	0.02%
<u>Banking Variables and Demographics</u>							
Months at Residence	-0.00200	0.04199	-0.04	-0.00430	0.00166	-2.59	-0.10%
Balance	1.31000	0.11800	11.10	0.00205	0.00027	7.59	0.02%
NSF Count	1.11130	0.36010	3.08	0.01110	0.00400	2.77	0.10%
Age	0.04168	0.02613	1.59	0.01854	0.00788	2.35	0.08%
Female	0.32060	0.13000	2.46	-0.07559	0.07219	-1.04	0.08%
Intercept	208.49400	37.18800	5.60	-0.04898	0.00491	-9.98	
Number of Obs	3090			3090			
R-Sq	0.3402			0.0627			

Appendix Table A6  
Credit Card Borrowing and Default

Variables	Credit Card Usage			Credit Card Default			
	Coef Val	Std Err	T-Stat	Coef Val	Std Err	T-Stat	Marg Eff.
<u>Credit Scores</u>							
FICO Score	-0.0075	0.0127	-0.59	-0.0085	0.0015	-5.78	-0.02%
Behavior Score	-0.0058	0.0032	-1.81	-0.0099	0.0011	-9.21	-0.04%
Teletrack Score	-0.0054	0.0028	-1.93				
<u>Payday Loan Account Variables</u>							
PDL Application Dummy	0.0694	0.0186	3.73	0.9238	0.1387	6.66	0.063425
Number of Days since PDL	0.0208	0.0079	2.63				
Payday Loan Size (\$)							
<u>Credit Card Account Variables</u>							
<u>Credit Line</u>							
APR	-0.0133	0.0015	-8.87	-0.0011	0.0002	-4.79	0.00%
Account Age	0.0080	0.0242	0.33	0.0230	0.0047	4.80	0.04%
Payment Amount				-0.0098	0.0055	-1.79	-0.01%
Purchase Amount				-0.0019	0.0009	-2.03	-0.01%
Balance of Credit Card				-0.0009	0.0002	-4.41	-0.01%
				0.0028	0.0005	5.79	0.02%
<u>Other CC Issuer Variables</u>							
Auto Balance	-0.0049	0.0020	-2.45	0.0002	0.0001	3.52	0.00%
Mortgage Balance	-0.0006	0.0001	-6.00	0.0000	0.0000	5.16	0.00%
<u>Income Variables</u>							
Paid Monthly	-0.0372	0.0187	-1.99				
Paid Biweekly	-0.0376	0.0152	-2.47				
Paid Weekly	-0.0304	0.0066	-4.61				
Monthly Pay	0.0122	0.0018	6.78				
Job Tenure	0.0046	0.0036	1.28				
Garnishment from Paycheck	0.6533	0.6286	1.04				
<u>Banking Variables and Demographics</u>							
Months at Residence	0.0008	0.0019	0.42				
Balance	-0.0013	0.0016	-0.81				
NSF Count	0.0575	0.0707	0.81				
Age	0.0349	0.0090	3.88				
Female	-0.1243	0.3448	-0.36				
Intercept	0.4181	0.0606	6.90	-1.9797	0.2463	-8.04	
Number of Obs	3090			215,927			
R-Sq	0.4808			0.1022			