

**Appendix Table A1. MPC Stratified by
Additional Variables**

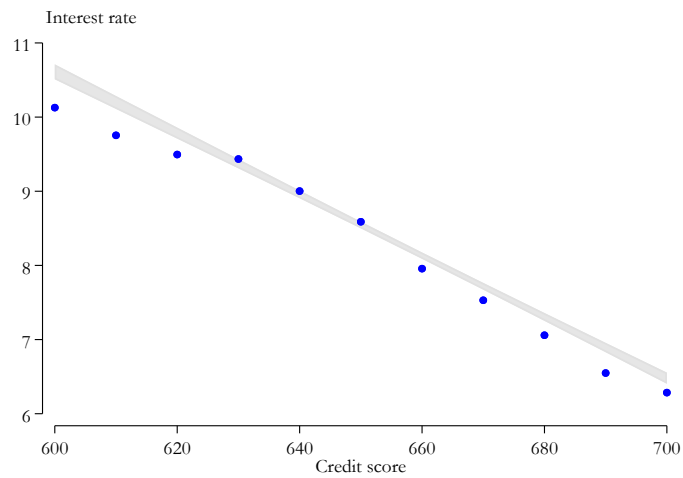
This table presents estimates of the MPC out of liquidity for groups of consumers stratified by whether they have low, medium, or high levels of credit card balance, limit, and credit line (limit minus balance). See notes to Table 4 for how MPC is calculated. Mean balance for the 3 groups in Panel A are: \$0, \$1,014, and \$8,069. Mean limits for the 3 groups in Panel B are: \$0.21, \$1,769, and \$14,705. Mean credit lines for the 3 groups in Panel C are: -\$365, \$213, and \$8,720.

	(1)	(2)	(3)
	Low	Medium	High
<u>A. Stratified by Balance</u>			
6-month effect	0.294 (0.038) [0.000]	0.351 (0.018) [0.000]	0.418 (0.017) [0.000]
12-month effect	0.318 (0.032) [0.000]	0.346 (0.016) [0.000]	0.420 (0.016) [0.000]
<u>B. Stratified by Limit</u>			
6-month effect	0.384 (0.039) [0.000]	0.387 (0.017) [0.000]	0.373 (0.015) [0.000]
12-month effect	0.372 (0.031) [0.000]	0.407 (0.016) [0.000]	0.367 (0.015) [0.000]
<u>C. Stratified by Credit Line</u>			
6-month effect	0.510 (0.115) [0.000]	0.440 (0.019) [0.000]	0.338 (0.015) [0.000]
12-month effect	0.532 (0.085) [0.000]	0.445 (0.017) [0.000]	0.336 (0.015) [0.000]

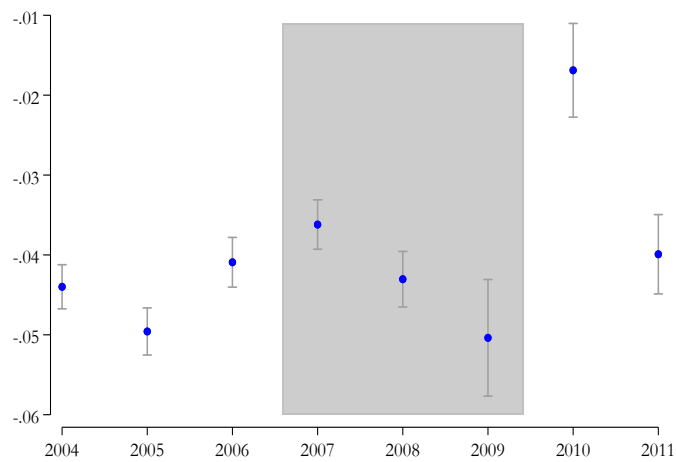
Appendix Figure A1. The Relationship Between Credit Score and Interest Rate

These figures describe the association between credit score and interest rate, overall and by year. The figures are based on data from Mintel Comperemedia. We restrict the sample to credit cards offered to consumers with credit scores between 600 and 700. We compute the interest rate as the weighted average of the introductory APR and regular APR, weighted by the fraction of the first year since account opening that each interest rate applies. Figure A plots the APR offered to consumers against their credit score. Figure B plots the slope of that relationship across years.

A. Pooled Years Between 2004 and 2011



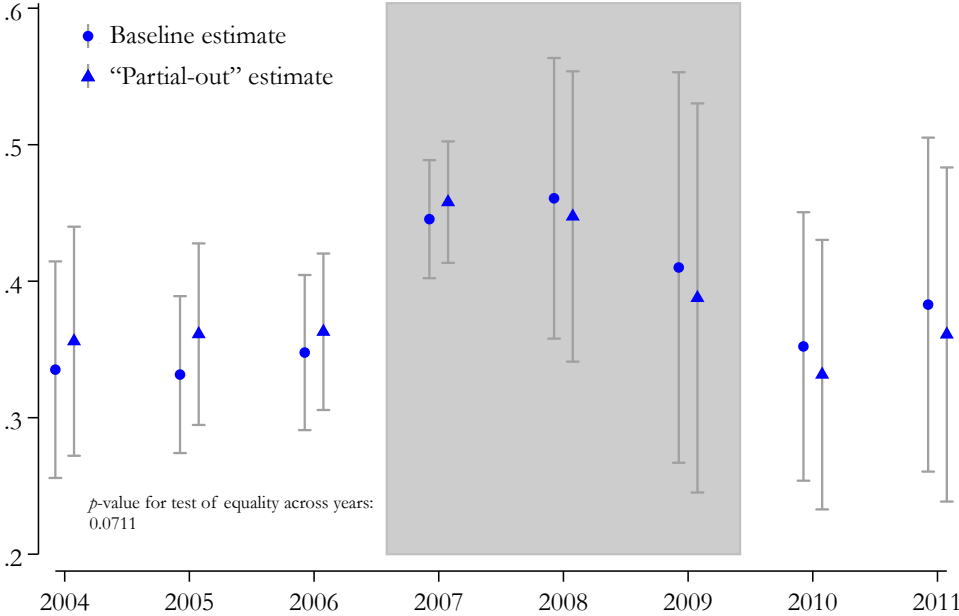
B. Separate Estimates by Year



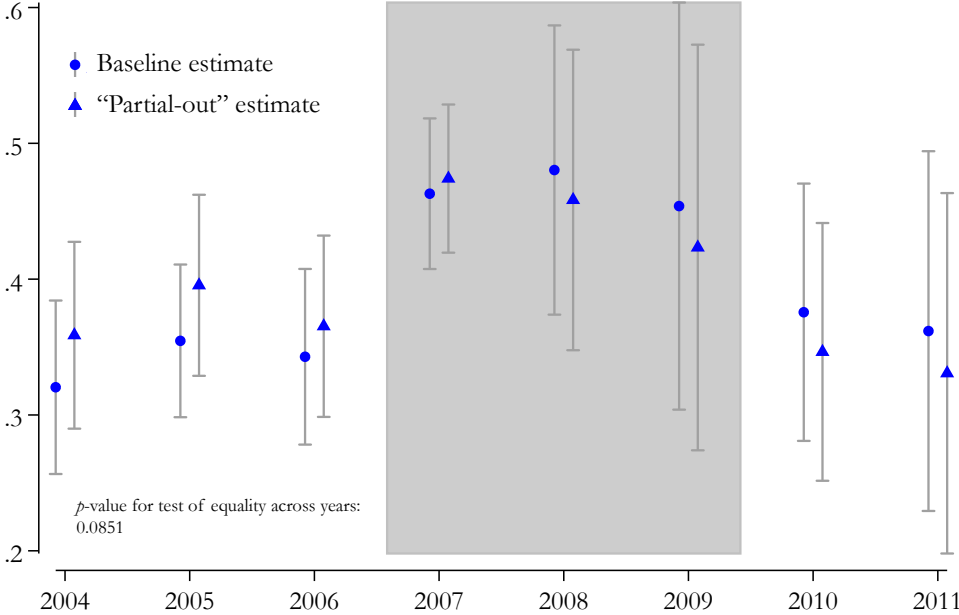
Appendix Figure A2. Robustness of the MPC to Partialling Out Credit Limits

These figures present estimated MPC out of liquidity by year, adjusting for changes over time in the effect of flag removal on credit limits. See Section 4.5 for details.

A. 6-Month Estimates



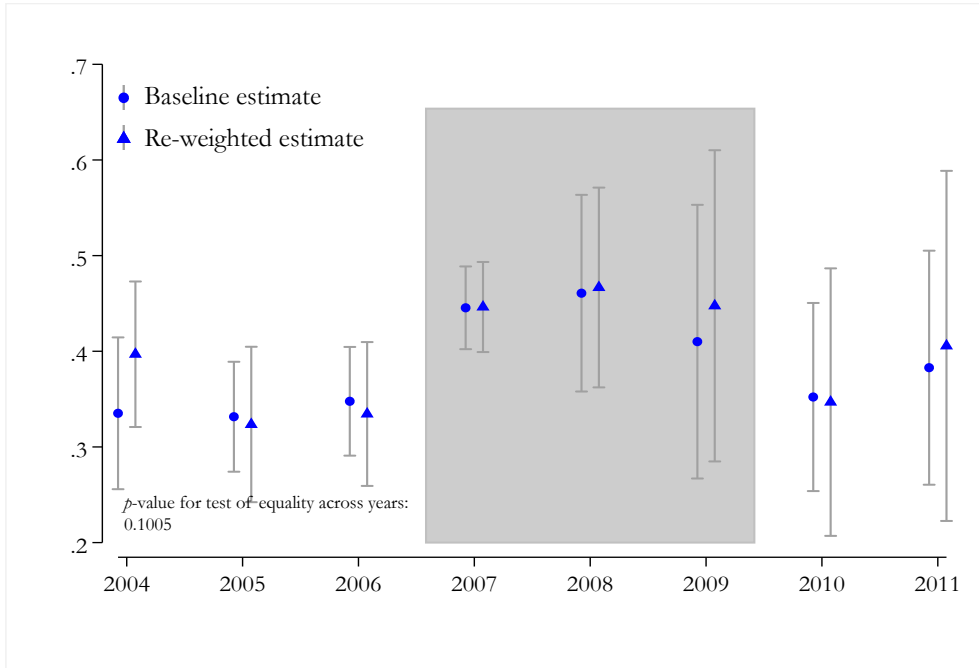
B. 12-Month Estimates



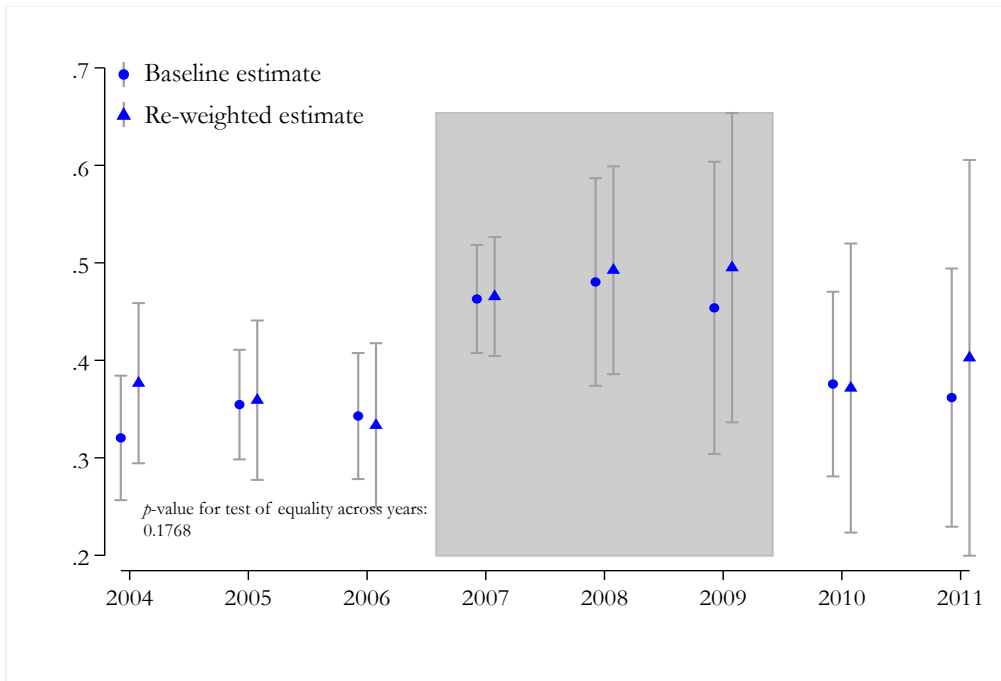
Appendix Figure A3. Re-weighting to Match 2008 Characteristics

These figures present estimated MPC out of liquidity by year once the sample each year has been re-weighted to match the financial characteristics of those who have bankruptcy flags removed in 2008. See Section 4.5 for details.

A. 6-Month Estimates



B. 12-Month Estimates



Appendix: Survey Questions

Thank you very much for participating in this survey.

Please be assured that all of your answers will be completely confidential, and will be used for research purposes only. Therefore, please try to answer these questions as openly and honestly as possible.

We would like to ask you several questions regarding your experience with the financial system and the bankruptcy system. Please do not look up answers to these questions elsewhere before you answer – we would like to see what you know right now.

[Click here to view the consent form, opens in new window]

I have read and understand the above consent form, I certify that I am 18 years old or older and, by clicking the submit button to enter the survey, I indicate my willingness voluntarily take part in the study.

[must click “yes” to continue]

1. What is your marital status?
 - [1] Single
 - [2] Married
 - [3] Have partner
2. What is your gender?
 - [1] Male
 - [2] Female
 - [3] Other
3. Which of the following best describes your race or ethnicity? Select all that apply.
 - [1] White
 - [2] Hispanic or Latino
 - [3] Black or African American.
 - [4] Native American or American Indian
 - [5] Asian / Pacific Islander.
 - [6] Other
4. What is the highest level of education that you have completed?
 - [1] Did not complete high school
 - [2] High school graduate
 - [3] Some college, no degree
 - [4] Associate’s degree
 - [5] Bachelor’s degree
 - [6] Post graduate degree
5. Which of the following best describes your current employment or work status?
 - [1] Self-employed
 - [2] Work part-time for an employer
 - [3] Work full-time for an employer
 - [4] Homemaker
 - [5] Full-time student
 - [6] Permanently sick, disabled, or unable to work

- [7] Unemployed or temporarily laid off
 - [8] Retired
6. What is your household's approximate annual income, including wages, tips, investment income, public assistance, income from retirement plans, etc.? Would you say it is...
- [1] Less than \$15,000
 - [2] At least \$15,000 but less than \$25,000
 - [3] At least \$25,000 but less than \$35,000
 - [4] At least \$35,000 but less than \$50,000
 - [5] At least \$50,000 but less than \$75,000
 - [6] At least \$75,000 but less than \$100,000
 - [7] At least \$100,000 but less than \$150,000
 - [8] \$150,000 or more
7. How many times have you filed for bankruptcy in the past?
- [1] Drop-down menu [0, 1, 2, more than 2]
8. Please enter the details of your most recent bankruptcy filing in questions 1 through 3 below.
- [1] What was the chapter of your most recent bankruptcy filing?
 - a) Chapter 7
 - b) Chapter 13
 - c) Other
 - d) Don't know
 - [2] What was the year of your most recent bankruptcy filing?
 - a) 2017, ..., 2000, before 2000, don't know
 - [3] In which state did you file your most recent bankruptcy?
 - a) Alabama, ..., Don't know
9. What would you say is your credit score?
- [1] Below 620
 - [2] 620-679
 - [3] 680-719
 - [4] 720-760
 - [5] Above 760
 - [6] Don't know
10. What is the last time you checked or learned about your credit score, or requested a copy of your credit report?
- [1] Less than a month ago
 - [2] Between one and 6 months ago
 - [3] Between 6 and 12 months ago
 - [4] Between 1 and 2 years ago
 - [5] More than 2 years ago
 - [6] I have never checked my credit score or credit report
11. In your opinion, how was your credit score affected by your bankruptcy?
- [1] My score increased by 1-50 points because of my bankruptcy
 - [2] My score increased by 50-100 points because of my bankruptcy
 - [3] My score increased by more than 100 points because of my bankruptcy
 - [4] My credit score was not affected by my bankruptcy
 - [5] My score decreased by 1-50 points because of my bankruptcy
 - [6] My score decreased by 50-100 points because of my bankruptcy
 - [7] My score decreased by more than 100 points because of my bankruptcy
 - [8] Don't know
12. When you apply for a new account, do you think that card companies and other lenders know about your past bankruptcy filing(s)?

- [1] Yes
 - [2] No
 - [3] I Don't Know
13. How long do you think lenders know about your past bankruptcy filing(s)?
- [1] Lenders never know about my past bankruptcy filing
 - [2] Lenders know for 1-6 years after the original bankruptcy filing
 - [3] Lenders know for 7-10 years after the original bankruptcy filing
 - [4] Lenders know for more than 10 years after the original bankruptcy filing, but not forever
 - [5] Lenders know about my past bankruptcy filing forever
 - [6] I don't know
14. Is there a record of your most recent bankruptcy on your credit report today?
- [1] Yes
 - [2] No
 - [3] Don't know
15. [If Y to #14] How many more years will your most recent bankruptcy remain on your credit report?
- [1] Dropdown menu [1-10, > 10]
 - [2] Forever
 - [3] Don't know
16. [If Y to #14] What do you think would happen to your credit score if your bankruptcy were no longer on your credit report?
- [1] My credit score would increase by 1-50 points
 - [2] My credit score would increase by more than 50 points
 - [3] My credit score would not change
 - [4] My credit score would decrease by 1-50 points
 - [5] My credit score would decrease by more than 50 points
 - [6] Don't know
- 17.[If Y to #14] What do you think would happen to your likelihood of getting approved for a new credit card if your bankruptcy were no longer on your credit report?
- [1] My likelihood of getting a new credit card would increase substantially
 - [2] My likelihood of getting a new credit card would increase a little
 - [3] My likelihood of getting a new credit card would not change
 - [4] My likelihood of getting a new credit card would decrease substantially
 - [5] My likelihood of getting a new credit card would decrease a little
 - [6] Don't know
18. If you needed to, do you think you would be legally allowed to file for Chapter 7 bankruptcy this year?
- [dropdown menu: yes, no, don't know]
19. If you needed to, do you think you would be legally allowed to file for Chapter 13 bankruptcy this year?
- [dropdown menu: yes, no, don't know]
20. During the last twelve months, did you do any of the following?

	Yes	No
Apply for a credit card	↓	↓
Apply for a mortgage or home-based loan	↓	↓

Apply for an auto loan	!	!
Request an increase in the credit limit of a credit card	!	!
Request an increase in the limit of an existing loan	!	!
Request to refinance your mortgage	!	!
Apply for a student loan	!	!

[If respondent says no to all options in the previous question go to the next question]

21. You just indicated that you did not apply for any new loans or credit cards over the past twelve months, nor did you make any request for an increase in limits, or refinancing. What is the reason for that?
- [1] I was satisfied with my current financial situation, and had no additional need
 - [2] Too time consuming, and not worth the benefits
 - [3] Borrowing rates were too high
 - [4] I do not know how to go about doing any of these
 - [5] I did not think I would get approved
22. On a scale from 1 to 7, where 1 means very low and 7 means very high, how would you assess your overall financial knowledge?
23. Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?
- [1] More than \$102
 - [2] Exactly \$102
 - [3] Less than \$102
 - [4] Don't know
24. Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, how much would you be able to buy with the money in this account?
- [1] More than today
 - [2] Exactly the same
 - [3] Less than today
 - [4] Don't know
25. If interest rates rise, what will typically happen to bond prices?
- [1] They will rise
 - [2] They will fall
 - [3] They will stay the same
 - [4] There is no relationship between bond prices and the interest rate
 - [5] Don't know
26. True or false: A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage, but the total interest over the life of the loan will be less.
- [1] True
 - [2] False
 - [3] Don't know

27. True or false: Buying a single company's stock usually provides a safer return than a stock mutual fund.

[1] True

[2] False

[3] Don't know

28. For data verification purposes we would like to ask your first and last name. Your name will be kept confidential, will only be used for research purposes, and will not be shared with any outside parties. Answering this question is optional.

First name:

Last name: