# Credit Health of Cities

## Technical Appendix

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# Data Sources and Methodology

This dataset contains information derived from a 2 percent nationally representative panel of deidentified, consumer-level records from a major credit bureau. The credit bureau data are from August 2010 to October 2020 and contain data on more than five million consumers. Data from 2010-2019 are collected annually in August. Data from 2020 were collected every two months starting in February. In 2020, we augment the credit bureau data with information on alternative financial service loans on the consumers in our panel from a Fair Credit Reporting Act-regulated agency whose unique data source is derived from a variety of financial service providers, including online small-dollar lenders, online installment lenders, storefront small-dollar lenders, and lenders providing single payment, line of credit, auto title, and rent-to-own products.

The credit bureau and alternative financial services data do not include information on race, so the racial and ethnic community metrics are based on the racial makeup of zip codes within the geographic area (US, state, city). Specifically, communities of color are based on credit records for people who live in zip codes where more than 60 percent of residents are people of color (African American, Hispanic, Asian American or Pacific Islander, American Indian or Alaska Native, another race other than white, or multiracial). In the same way, majority white, majority Black, majority Latino, and majority Native communities are zip-codes where more than 60 percent of residents are of the respective racial or ethnic group. Due to sample size constraints, race and ethnicity breakdowns in cities are limited to communities of color and majority white communities.

Estimates on Zip Code Tabulation Area (ZCTA) level racial composition are from summary tables of the US Census Bureau's American Community Survey (ACS) 5-year estimates. In the ACS data, majority-Hispanic communities are defined using the Census' Hispanic category, majority-Black communities are defined using the Census' African American category, and majority-Native communities are defined using the Census' American Indian or Alaska Native category. Below, we list the ACS 5-year estimates used for each year in our dataset.

| Year in credit bureau and alternative financial services data | ACS 5-year estimate |
| --- | --- |
| 2020 (all time periods) | 2014-2018 |
| 2019 | 2014-2018 |
| 2018 | 2014-2018 |
| 2017 | 2013-2017 |
| 2016 | 2012-2016 |
| 2015 | 2011-2015 |
| 2014 | 2010-2014 |
| 2013 | 2010-2014 |
| 2012 | 2010-2014 |
| 2011 | 2010-2014 |
| 2010 | 2010-2014 |

# Statistics Suppression

Credit bureau and alternative financial services metrics based on fewer than 50 people are not reported and are labeled with the code "n/a" in the data. In some cases, values for communities of color, majority-white, majority-Black, majority-Hispanic, and majority-Native communities are not reported because there are no zip codes where 60 percent or more of residents in the zip code identify as a specific race/ethnicity in the city or state. Variables that are unavailable in certain years are also coded as "n/a".

# Metric Definitions

Below we provide definitions for how variables are calculated using the credit bureau and alternative financial services data. [1]

- *Share with a subprime credit score:* Share of people with a credit bureau record with a subprime credit score (Vantage score equal or less than 600).

- *Share with any debt in collections:* Share of people with a credit bureau record with any debt in collections.

- *Average credit card utilization:* Average credit card utilization among consumers with a credit card. Credit card utilization refers to the percentage of available credit card limit used.

- *Student loan delinquency rate (60+ days):* Share of student loan holders with student loans 60 days or more past due or in default.

- *Credit card delinquency rate (30+ days):* Share of consumers with a credit/charge card who are 30 or more days delinquent. This variable is only available in 2018-2020.

- *Auto/retail loan delinquency rate (60+ days):* Share of people with an auto loan or lease or a retail installment loan who are 60 or more days delinquent.

- *Mortgage Delinquency Rate (30+ days):* Share of mortgage holders with mortgage 30 days or more past due. This variable is only available in 2018-2020.

- *Share with AFS credit:* Share of people with a credit bureau record with an alternative financial sector (AFS) loan. Alternative financial services include short-term loans (installment loans, nonprime credit cards, auto title loans, rent-to-own) and single-pay credit (pawn shops, payday loans) from non-banking institutions. This variable is only available in 2020.

- *AFS credit delinquency rate (30+ days):* Share of alternative financial sector (AFS) loan holders who are 30 days or more past due in their AFS loan. This variable is only available in 2020.

# Citation for Using Data

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# Note

[1] Please note that these definitions may differ from our Debt in America publication, which also releases national, state, and county-level credit data.

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