

Consumer Debt Types and Debt Payment Behavior

Jing Sun, University of Arizona¹
Jing Jian Xiao, University of Arizona²

Debt payment behavior, as a dependent variable, has three categories – “pay debt on time,” “pay debt late but no later than two months,” and “pay debt late for two or more months.” Debt amount and debt types (mortgage loan, credit card balance, and installment loan) are used as independent variables. We used data of 2004 Survey of Consumer Finances and run logistic regressions between total debt, debt types, and debt payment behavior. We found that the overall amount of debt is positively associated the late debt payment behavior. However, various debt types showed different effects. Holding mortgage loan is negatively while holding credit card balance and installment loan are positively associated with the late payment behavior.

Endnotes

¹ Graduate Student, Retailing and Consumer Science, University of Arizona.
² TCA Professor and Director, Take Charge America Institute for Consumer Financial Education and Research, University of Arizona.