

READ ME FILE

Title: Consumer Credit Card Choice: Costs, Benefits and Behavioural Biases

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Description

This 'read me' file describes the code and data used in RDP 2018-11.

Data Security

The 2016 Consumer Payments Survey and the Card Features Database are held in the Payments Policy Department of the Reserve Bank of Australia. The Consumer Payments Survey dataset contains unit record data. Survey participants were given assurances that their data would be kept confidential. It is therefore not possible to provide data to the public.

Contents

All .do files were run using Stata SE 13.0.

Analysis setup

'Setup.do' creates the data file 'CCholdingdata.dta', calling in the finalised dataset used in the 2017 'How Australians Pay: Evidence from the 2016 Consumer Payments Survey' RDP (RDP 2017-04), but adding more detailed credit card features and reassigning respondents' credit cards originally listed as 'other, please specify' to the card that most closely maps to the free text that the respondent entered (if one exists). This file is not included in the public release as the cleaning code contains information on specific cards held by individuals in the survey.

Using this new dataset, '*Preferred net benefit.do*' calculates my preferred measure of the net monetary benefit, which is used throughout the analysis.

'*Regression setup.do*' creates variables used in regression and other analysis, based on the preferred net benefit.

- It condenses demographic variables (e.g. education, employment status) into a smaller number of categories, and
- reassigns missing observations (coded as -5 in most variables) to actually missing (e.g. recode q2d -5=.) so that the regressions are run only on non-missing data.
- creates summary variables (e.g. reason for holding credit card, reason for not switching cards) used in Sections 6 and 7.

'*Sensitivity analysis.do*' calculates a range of alternatives to my preferred net benefit. Some of these alternatives are shown in Appendix C.

'*Variables – 2016.do*' defines variables that were also used in the 2017 'How Australians Pay' RDP.

Analysis

The '*Do everything.do*' file runs through all of the setup, data cleaning and formatting commands, and outputs excel files with all graph and table data used in the RDP.

- There is a separate .do file for each section in the RDP that requires analysis. Some sections have multiple files.

- The .do files produce tables and graph data, which are exported as Excel files to the 'Excel output' folder.

Data

Plotting data for all figures appearing in the RDP can be found in the Excel file 'rdp-2018-11-graph-data.xlsx'.