

# Debt Burdens Among Credit-Linked Consumers in the United States

Data Point

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# 1. Introduction

Households are the fundamental unit of the American economy.<sup>1</sup> Yet, despite the central role of households, recent research on consumer finance, including contributions by the Consumer Financial Protection Bureau (CFPB), often focuses on individuals. The reason is largely practical: some of the most comprehensive sources of credit information are based on de-identified, individual-level credit records from one of the nationwide consumer reporting agencies (NCRAs).<sup>2</sup> Credit record data can be an invaluable source of information for research, but they are designed to assess the risk of the individual (or individuals) listed on a credit application, not to capture the financial interactions of a household.

Researchers' focus on individuals may overlook important patterns that occur at the family or household level. In many states, both spouses are legally responsible for certain debts even if the debts are nominally in the name of only one spouse. More broadly, the impact of debts borne by a single member of the household will likely be felt by all household members, even where only one person is legally liable. For instance, if one member of a household has student loans, the cost of making payments on those loans will need to be factored into the budget of their household, even if their family members have no legal responsibility to repay the loans.

In this report, we describe our methodology for defining household-equivalent units in (otherwise individual) de-identified credit record data, a concept we call "credit-linked consumers." We describe the frequency of credit-linked consumers in the United States and what the credit profiles of these consumers look like, including what types of credit they formally share and what other information they have on their individual credit records. We then examine how the incidence of some types of credit record information such as student loans or medical collections would change if viewed from a credit-linked consumer perspective instead of an individual perspective. In future work we plan to examine the demographics of credit-linked consumers, and how a shock to one credit-linked consumer, such as delinquency on an individually held account or the appearance of a collections tradeline, spills over to other consumers with whom they share credit.

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<sup>1</sup> See e.g. Keith W. Bryant and Cathleen D. Zick, *The economic organization of the household*, Cambridge University Press (2005); John Y. Campbell, "Household Finance," *J. Finance*, Vol. 61, No. 4 (2006); Francisco Gomes, Michael Haliassos, and Tarun Ramadorai, "Household Finance," *J. of Econ Lit*, Vol. 59, No. 3 (2021).

<sup>2</sup> For more on consumer credit record data and its use in research, see Christa Gibbs, Benedict Guttman-Kenney, Donghoon Lee, Scott Nelson, Wilbert van der Klaauw and Jialan Wang, "Consumer Credit Reporting Data," *J. of Econ Lit*, Vol. 1, No. 2, June 2025, available at <https://www.aeaweb.org/articles?id=10.1257/jel.20241737>.

In this report we find:

- Based on our definition of a credit-linked consumer, a bit more than a third of consumers with a credit record are credit-linked consumers.<sup>3</sup> This proportion has been constant at about 38 percent for at least the past decade.
- About 52 percent of consumers with a mortgage are credit-linked consumers who share their mortgages,<sup>4</sup> compared to about a third of consumers with credit cards.
- Many credit-linked consumers share multiple types of credit. For instance, about two thirds of credit-linked consumers who share a mortgage also share at least one credit card.
- The burden of some types of credit on credit-linked consumers is more widespread than individual-level data would suggest, because the credit is technically in the name of only one consumer. About 13 percent of credit-linked consumers have student loans in their own name, but a much larger share, about 22 percent, have at least one student loan belonging to either themselves or the consumer they are linked to.
- Credit-linked consumers have more positive information on their credit records than consumers who are not credit-linked (unlinked consumers). Credit-linked consumers have higher credit scores, lower credit card utilization, and lower rates of delinquency on all types of credit compared to unlinked consumers. This relationship does not appear to be solely due to credit-linked consumers being more likely to have a mortgage, which typically requires a strong credit history. Credit-linked consumers who share a mortgage have higher credit scores and other positive characteristics than unlinked consumers who also have a mortgage.

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<sup>3</sup> In the Appendix, we discuss alternative approaches to defining a credit-linked consumer, and how this definition compares to other household definitions in other datasets.

<sup>4</sup> This is consistent with other sources. Data from the Home Mortgage Disclosure Act (HMDA) database indicates that about 48 percent of originated mortgages in June 2024 had a co-applicant.

## 2. Household Risk Sharing

Being part of a household, whether as a married couple or other household structure, enables individuals to pool their resources in a variety of ways.<sup>5</sup> Family can serve as an informal insurance policy: if one individual faces a shock to their income such as job loss, or an expenditure shock such as an unexpected medical bill, they can rely on a family members' income, ability to work, or savings to get past the difficulty.

Research shows that low-income couples in particular use the flexibility of their spouse's potential to work to smooth consumption in the event of negative shocks.<sup>6</sup> One study using Italian data finds that households are able to compensate for about 85 percent of a shock to the household head's earnings, through a mixture of self-insurance through savings and within-household risk sharing.<sup>7</sup>

With respect to household use of consumer credit, multiple studies have found that mortgages with a co-borrower have significantly lower default rates than mortgages with a single official borrower.<sup>8</sup> However, these studies have a similar limitation as in much work using administrative credit record data—if a couple shares finances but only lists one individual on a mortgage application, the data on that loan will indicate that it has a sole borrower.

The research on household risk sharing demonstrates the importance of identifying and measuring outcomes for consumers who are part of a multi-member household. This report aims to address this gap in existing research.

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<sup>5</sup> See e.g. Luigi Guiso and Paolo Sodini, "Household finance: An emerging field." *Handb. Econ Finance*, Vol. 2 (2013).

<sup>6</sup> See e.g. Salvador Ortigueira and Nawid Siassi, "How important is intra-household risk sharing for savings and labor supply?" *J. Monet Econ*, Vol. 60, No. 6 (2013).

<sup>7</sup> See Pierfederico Asdrubali, Simone Tedeschi, and Luigi Ventura. "Household risk-sharing channels," *Quant Econ* Vol. 11, No. 3 (2020).

<sup>8</sup> See e.g. Konstantinos Tzioumis, "Mortgage (mis)pricing: The case of co-borrowers," *J. Urban Econ*, Vol. 99 (2017); Eglė Jakučionytė, Swapnil Singh, "Bowling alone, buying alone: The decline of co-borrowers in the US mortgage market," *J. Hous Econ*, Vol. 58, Part B (2022).

# 3. Data

We use data from the CFPB’s Consumer Credit Information Panel (CCIP), a 1-in-50 nationally representative sample of deidentified credit records maintained by one of the three NCRA. The CCIP includes account-level information (“tradelines”) for all items that appear on each consumer’s credit report with the NCRA that provides the data. The CCIP data used in this report include quarterly snapshots of each consumer’s credit records from 2007 to 2013, and monthly snapshots from 2014 on. The CCIP also includes consumers’ credit scores and census tract of residence, although this information is only available quarterly before January 2020 and monthly thereafter. Finally, the CCIP includes each consumer’s year of birth.

Key to this report, in addition to the primary 1-in-50 sample, the CCIP includes full credit record data for all consumers who share a tradeline with a consumer in the primary sample. Associated borrower information is updated somewhat less often, with only quarterly updates between 2014 and 2019 and monthly data thereafter. Generally associated borrower information is included in the CCIP only for time periods when tradelines are shared; we discuss this further in the Appendix.

We exclude any record with a missing year of birth in all CCIP snapshots, and records from the primary sample that disappear prior to August 2022 (three years before the most recent snapshot at the time of analysis) without evidence that the consumer has died.<sup>9</sup>

As discussed above, we focus our attention on what we term credit-linked consumers, who appear to share finances with another person based on how they appear in the CCIP data. We define credit-linked consumers as members of a group of consumers who, at a given point in time:

1. Share at least one credit tradeline (i.e., not a collections tradeline or other non-credit information),
2. Reside in the same census tract, and

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<sup>9</sup> These exclusions are intended to eliminate records that appear to be fragmented files—credit records that are not initially matched to an existing record by the NCRA, and which are later merged or deleted as more complete information becomes available. We assume that if a record has disappeared for at least three years, the NCRA has determined that the record is a potential fragment, and thus should be dropped. However, if a flag indicates that the consumer has died, we do not exclude the consumer on account of disappearing prior to August 2022, although we do exclude these consumers from analysis in any periods where they are reported dead. Similarly, records that never have a birth year reported are more likely to be fragments, and so we exclude these records. In the June 2024 archive that is used for most of the analyses in this report, about 2.4 percent of credit records are dropped due to missing birth year (by definition, all such records do not disappear prior to August 2022). Excluding primary-sample credit records that disappear prior to August 2022 drops about 9.6 percent of records from the June 2019 archive, about 19.4 percent of records from the June 2014 archive and about 28.3 percent of records from the June 2009 archive.

3. Are within 10 years of age of each other.

In principle, this definition can include more than two individuals in a group, but about 97 percent of the credit-linked consumers we identify are linked with exactly one other consumer.

Although we use the “associated borrower” records in the CCIP to identify and characterize credit-linked consumers, we conduct all consumer-level analysis using only consumers in the primary CCIP sample. This ensures that our analysis is nationally representative.

This definition of credit-linked consumers does not capture all family units, but can be thought of as a married couple who actively share credit. We do not capture all couples, much less all families who share finances. We use this restrictive definition in our analysis to focus attention on consumers where we can be reasonably certain the consumers are truly sharing finances, and where the consumers are likely to be impacted by credit burdens and economic shocks that affect any member of their family. Our goal is to exclude cases where accounts are nominally shared, but consumers’ finances are not linked, such as parents who list their young adult children as authorized users on a credit card, but otherwise maintain separate finances. This does mean we exclude some common family relationships where consumers might share finances, such as parents who live with their adult children, or spouses with significant age differences. In the Appendix, we discuss the implications of alternate assumptions for defining credit-linked consumers and other data issues.

## 4. Credit-Linked Consumers in Credit Data

We begin by characterizing credit-linked consumers as they appear in the CCIP data. Figure 1 shows the share of CCIP consumers in the primary sample who were credit-linked-consumers in 2009, 2014, 2019 and 2024. The share of consumers with a credit record who are credit-linked consumers has been quite stable over time. About 36 percent of consumers in June 2009 were credit-linked consumers, and the share remained between 37 and 39 percent during the period 2014 to 2024. The share of credit-linked consumers is smaller than the share of consumers who report sharing finances in surveys such as the CFPB’s Making Ends Meet survey.<sup>10</sup>

Next we examine what types of accounts credit-linked consumers share. Figure 2 shows the percent of all consumers in the primary sample who are credit-linked consumers and share a credit card, mortgage, auto loan, or other type of credit. The Figure also shows the percent of all consumers with a credit record who have each type of credit, to provide a sense of scale. All of the statistics in Figure 2 are based on data as of June 2024, but these shares vary little over time.

Most consumers in the CCIP—over 80 percent—had at least one credit card in June 2024, while just under a quarter (24.7 percent) of consumers share a credit card. This means that just about 31 percent of consumers with a credit card are credit-linked consumers who shared at least one credit card.<sup>11</sup> Thirteen percent of consumers with a credit record had a mortgage that is shared.<sup>12</sup> However, mortgages are much less common than credit cards; only 25.1 percent of all consumers have a mortgage in the first place. This means that more than half of consumers with a mortgage, about 52 percent, are credit-linked consumers who share their mortgage.<sup>13</sup> Just under 32.2 percent of all consumers in the CCIP have an auto loan, while 8.3 percent of all consumers are credit-linked consumers who share an auto loan.

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<sup>10</sup> See the Appendix for more discussion of this difference, as well as comparisons the Federal Reserve Board’s Survey of Consumer Finances.

<sup>11</sup> This is 24.7 percent divided by 80.5 percent, or 30.7 percent.

<sup>12</sup> Almost all shared mortgages in the data are jointly held, rather than cosigned or some other relationship.

<sup>13</sup> This is 13 percent divided by 25.1 percent, or 51.8 percent.

FIGURE 1

## Percent of CCIP consumers who are credit-linked consumers

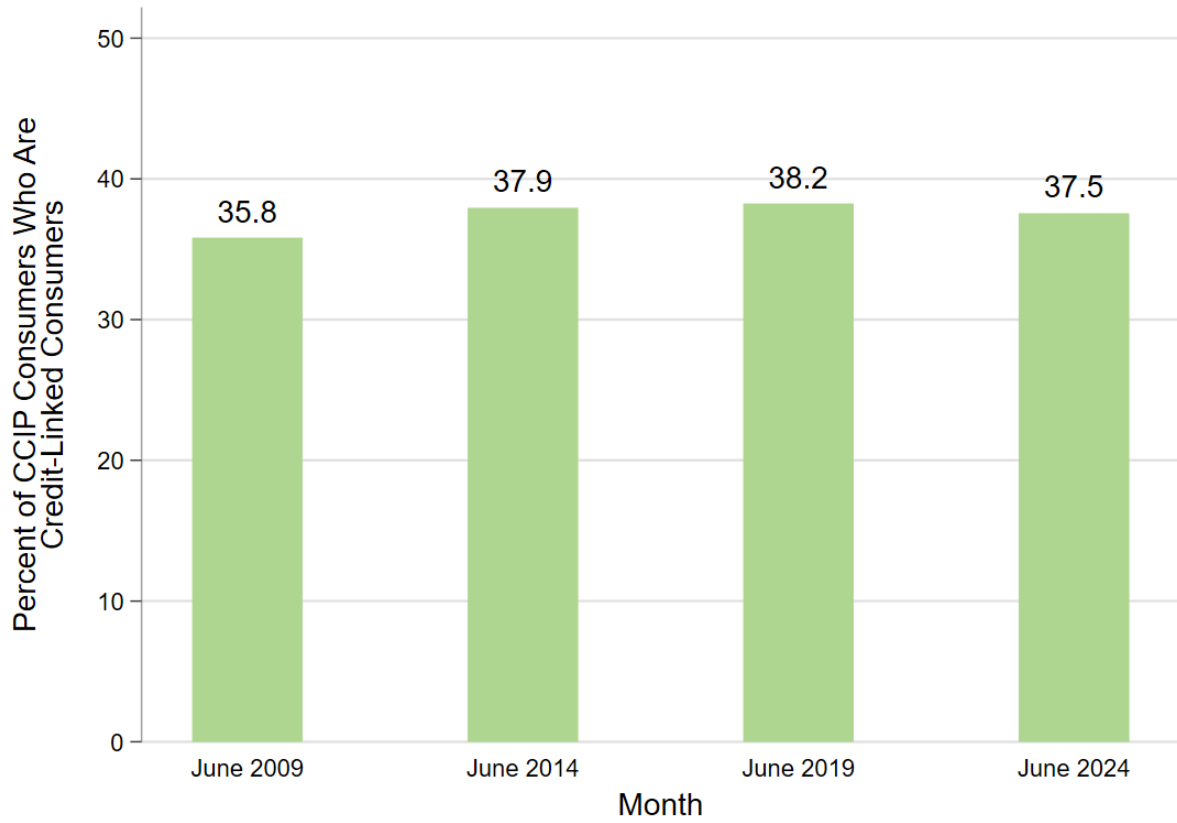
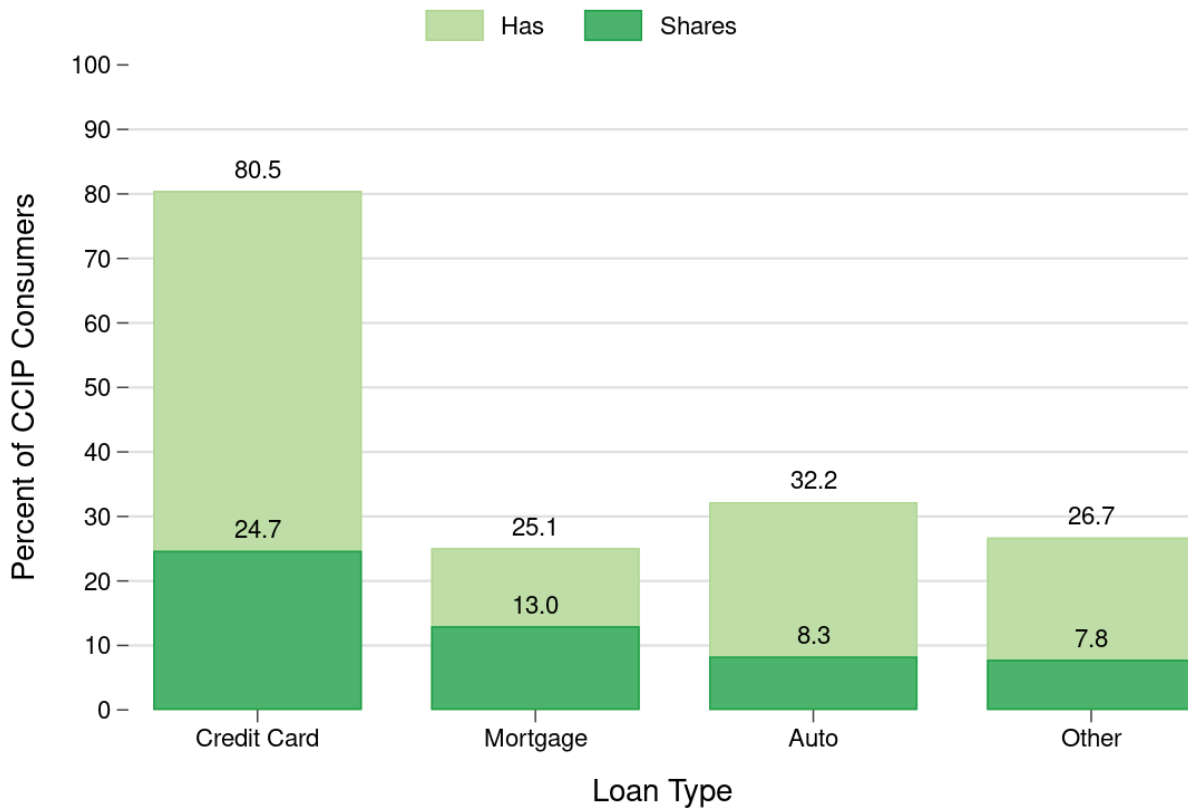


FIGURE 2

## Percent of CCIP consumers who are credit-linked consumers, by account type shared

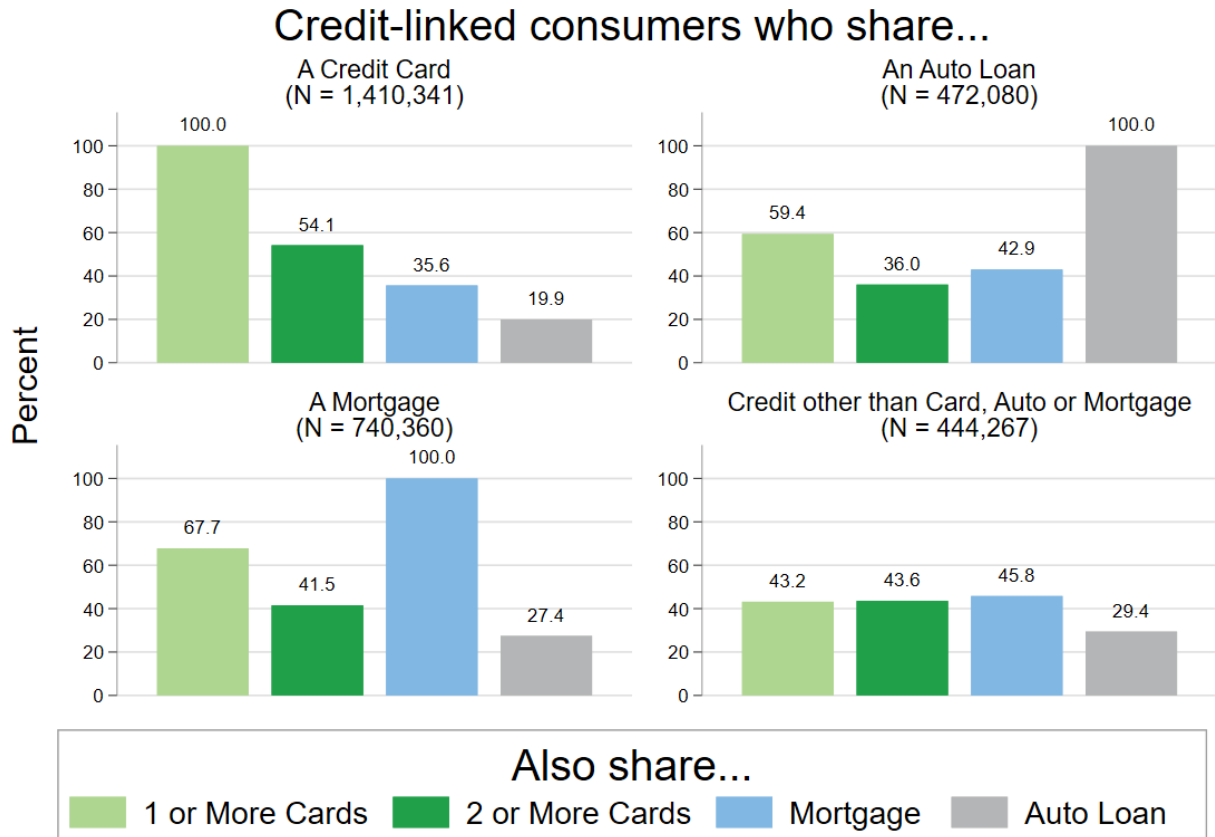


We also consider whether credit-linked consumers who share certain types of credit are more likely to share multiple types of credit products, implying that they may be more financially connected to each other than credit-linked consumers sharing other types of credit. Figure 3 reports the percent of credit-linked consumers who share a credit card, multiple credit cards, a mortgage, or an auto loan, split by the type of other credit they share. The top left panel focuses on credit-linked consumers who share at least one credit card, the top right panel focuses on credit-linked consumers who share an auto loan, the bottom-left panel focuses on credit-linked consumers who share a mortgage, and the bottom right panel focuses on credit-linked consumers who share another type of credit.

For credit-linked consumers who share a credit card, 54.1 percent also share at least one additional credit card, 35.6 percent share a mortgage, and 19.9 percent share an auto loan. Consumers who share a mortgage frequently also share at least one credit card, with more than two thirds having at least one credit card shared and about 42 percent sharing two or more credit cards. These results suggest that credit-linked consumers who share mortgages may be more deeply intertwined financially than credit-linked consumers that do not share a mortgage.

FIGURE 3

Percent of credit-linked consumers who share multiple credit accounts, by account type shared



# 5. What Do Individual Statistics Miss?

A family's debt burdens are ultimately faced by the entire family. When credit-linked consumers share finances, debts that legally belong to one family member will generally need to be paid out of the family's budget. This means that when we focus only on debts and other credit events belonging to individuals in the CCIP's primary sample we may be missing the incidence of some debts incurred by these individuals' family members. This will generally be the case for any analysis using de-identified credit record data similar to the CCIP to study the credit behavior of U.S. consumers. In this section we explore just how big the problem might be.

The first column of Table 1 reports the proportion of consumers in the CCIP primary sample who have various types of credit record information on their own credit report, including credit accounts and non-credit information such as collections and inquiries. The second column reports the proportion of consumers who have each type of credit record information either on their own credit report, or on the credit report the consumer they are linked to (if any). All the statistics in Table 1 are as of June 2024. For some types of credit, there are notable differences between what we observe for individuals and what belongs to credit-linked consumers as a group. For example, about 32 percent of CCIP consumers had an auto loan on their own credit record in June 2024, but over 37.2 percent had an auto loan when considering accounts held by linked consumers. We also observe 15.1 percent of individual consumers with a student loan, while about 18.3 percent have a student loan when we look at the credit-linked consumer level (about 21 percent more).

The differences between the individual-level statistics and the credit-linked consumer-level statistics are to some extent muted by the fact that not all consumers are credit-linked. Credit-linked consumers, as a proxy for married couples and similar household units, are themselves an important demographic, and it is important to understand the extent of debt burdens on these family units. Particularly given that our credit-linked consumer definition is intentionally restrictive, it makes sense to see how the individual-level and credit-linked consumer-level statistics diverge when focusing on credit-linked consumers. The third and fourth columns of Table 1 report the frequency of credit record information at the individual and credit-linked consumer-level with the sample limited to credit-linked consumers. Many of the comparisons are much starker in this group. For instance about 13.2 percent of credit-linked consumers have student loans on their own credit reports, but almost twice as many, 21.8 percent, have at least one student loan when considering the consumer they are linked to as well.

TABLE 1

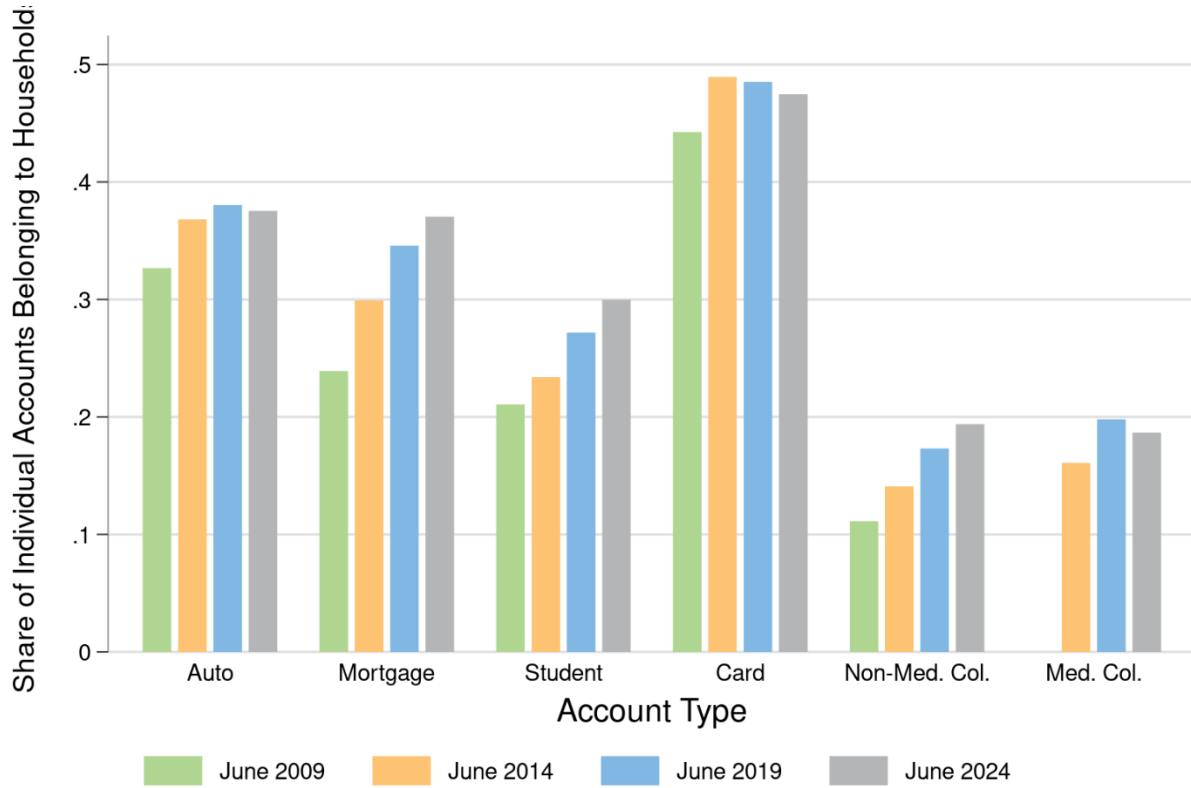
## Incidence of account types for individual consumers and for credit-linked consumers

Percent who have...	All Consumers, Individually	All Consumers, With Linked	Credit-Linked Consumers, Individually	Credit-Linked Consumers, With Linked
Auto Loans	32.2	37.2	40.3	53.6
Mortgage Loans	25.1	28.7	43.7	53.2
Student Loans	15.1	18.3	13.2	21.8
Credit Cards	80.5	82.1	92.7	97.0
Personal Loans	14.6	17.6	15.8	23.7
Business Loans	0.9	1.4	1.4	2.6
Medical Collections	4.2	5.0	2.3	4.3
Non-Medical Collections	14.6	16.2	7.4	11.7
Recent Inquiries	14.4	17.7	14.5	23.3
Bankruptcies	1.9	2.2	1.8	2.4
Observations	5,703,246	5,703,246	2,141,158	2,141,158

We can also examine the limitations of an individual focus at the account level. The CCIP data include a field that indicates the ownership status of each account and tradeline, for instance individually owned, joint, authorized user, or cosigner. Accounts that are nominally individual may belong to a credit-linked consumer, who likely in practice shares responsibility for repayment with the consumer they are linked to. Delinquencies or other shocks to these accounts may have spillover effects within the household, even though those shocks will only directly appear on one person's credit report. Figure 4 shows the share of nominally individual loans that belong to a credit-linked consumer. Around a third of individual auto loans, mortgages and student loans belong to credit-linked consumers, as do almost half of individual credit card accounts. The fact that so many individual accounts belong to credit-linked consumers means we are likely missing credit-linked consumers in cases where consumers share finances, but do not have any joint tradelines that would allow us to identify them as such. As such, this is likely an undercount of nominally individual accounts that are in practice shared.

FIGURE 4

### Share of individual accounts that belong to a credit-linked consumer, by account type



# 6. Credit Profiles of Credit-Linked Consumers

Credit-linked consumers likely share the burden of debts held by each linked consumer. On the other hand, the ability to share the burden of debts may make these consumers more able to handle those burdens. We saw some evidence of this in Table 1: comparing the individual credit records of credit-linked consumers to all consumers (the third column compared to the first), credit-linked consumers were more likely to have a mortgage and less likely to have student loans or collections tradelines on their credit reports. In this section we examine the credit profiles of credit-linked consumers compared to consumers who are not credit-linked (“unlinked” consumers).

In Table 2 we report several measures of credit health for credit-linked and unlinked consumers, including credit score, total credit card utilization rate, and delinquency history. We use data from June 2024, but the results are similar across other time periods (not shown).

**TABLE 2**

## Incidence of account types for individual consumers and for credit-linked consumers

Average...	Credit-Linked Consumers	Unlinked Consumers
Credit score	748.08	690.08
Credit card utilization	0.27	0.41
Any 60+ day delinquency history (60D)	0.15	0.31
Any auto 60D	0.07	0.19
Any mortgage 60D	0.01	0.04
Any credit card 60D	0.08	0.18
Observations	2,141,158	3,562,088

Note: Values for credit-linked consumers in each row are statistically different from the values for unlinked consumers with  $p < 0.01$ .

On every measure in the table, being a credit-linked consumer is associated with more positive credit history.<sup>14</sup> The average credit score of credit-linked consumers is almost 60 points higher than that of unlinked consumers, and average credit card utilization rates are 14 percentage points lower for credit-linked consumers. Credit-linked consumers are significantly less likely to be delinquent on any account, and less likely to be delinquent on each of auto loans, mortgages and credit cards specifically.

One concern with the comparison discussed above is that it may reflect the fact that sharing credit necessarily means having access to credit, and having more access to credit in turn requires having a good credit history, which tends to be correlated with income and education. For instance, credit-linked consumers are more likely to have a mortgage than unlinked consumers, and consumers with a mortgage must be homeowners. Homeowners, in turn, generally have higher income and education on average than renters.<sup>15</sup> In Table 3 we explore this further, comparing credit-linked consumers who share a particular type of credit to unlinked consumers who have at least one tradeline of the same credit type, and thus are more comparable in terms of what credit is available to them. The first two columns of the table show average measures for credit-linked consumers who share a mortgage and unlinked consumers who have a mortgage. The third and fourth columns compare credit-linked and unlinked consumers who share or have a credit card, the fifth and sixth columns compare credit-linked and unlinked consumers who share or have an auto loan, and the final two columns compare credit-linked and unlinked consumers who share or have any other type of tradeline besides a mortgage, credit card, or auto loan.

Table 3 shows credit-linked consumers have better financial outcomes than unlinked consumers, even when comparing credit-linked and unlinked consumers who have the same types of credit. Comparing credit-linked consumers who share a mortgage to unlinked consumers with a mortgage, we still see higher credit scores, lower credit card utilization, and lower delinquency rates for credit-linked consumers. We see the same pattern comparing credit-linked consumers who share a credit card to unlinked consumers with credit cards and similarly for consumers with auto loans.

We expect to study the credit profiles of credit-linked consumers in more detail in future work.

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<sup>14</sup> This is consistent with other research showing that married couples on average are more stable financially than singles. See e.g. J. Stavins, “Credit card borrowing, delinquency, and personal bankruptcy,” *N. Engl. Econ. Rev.* (2000); Experian, “Married Couples Have Higher Credit Scores and Debt Than Single Adults” available at <https://www.experian.com/blogs/ask-experian/research/married-couples-have-higher-credit-scores-and-debt-than-single-adults/>.

<sup>15</sup> See e.g. Phil Thompson, “Owning or Renting the American Dream,” U.S. Census Bureau, America Counts (Jun. 2023), available at <https://www.census.gov/library/stories/2023/06/owning-or-renting-the-american-dream.html>.

TABLE 3

## Credit characteristics of Credit-linked consumers and unlinked consumers by loan type

<b>Average...</b>	<b>Mortgage, Linked</b>	<b>Mortgage, Unlinked</b>	<b>Credit Card, Linked</b>	<b>Credit Card, Unlinked</b>
Credit score	770.16	739.96	766.77	698.35
Credit card utilization	0.25	0.31	0.22	0.41
Any 60+ day delinquency history (60D)	0.10	0.21	0.09	0.28
Any auto 60D	0.03	0.07	0.03	0.15
Any mortgage 60D	0.01	0.04	0.01	0.03
Any credit card 60D	0.05	0.11	0.04	0.18
N	740,245	495,175	1,407,273	2,602,240

<b>Average...</b>	<b>Auto Loan, Linked</b>	<b>Auto Loan, Unlinked</b>	<b>Other, Linked</b>	<b>Other, Unlinked</b>
Credit score	724.86	670.96	751.84	627.90
Credit card utilization	0.38	0.51	0.30	0.62
Any 60+ day delinquency history (60D)	0.24	0.42	0.16	0.65
Any auto 60D	0.08	0.19	0.05	0.27
Any mortgage 60D	0.02	0.04	0.01	0.07
Any credit card 60D	0.13	0.24	0.08	0.35
N	472,099	974,605	444,162	1,423,933

# 7. Conclusion

Households are a fundamental economic unit, but consumer finance research using credit record data often focuses on individuals. In this report we have described a method for identifying a household analogue in de-identified credit record data like the CCIP, and describe the credit records of consumers who belong to these groups. We find that credit-linked consumers are common, and frequently share multiple credit accounts. Focusing on individual credit reports can lead to under-reporting the household-level incidence of some types of credit, particularly student loans.

In the last section of this report we show that credit-linked consumers generally have better financial outcomes, such as credit score or delinquency history, than consumers who are not credit-linked, even when we compare consumers who have similar types of credit. In future work we plan to delve more deeply into this comparison, and to document the demographics of credit-linked consumers and how they compare to unlinked consumers.

# Appendix: Defining Credit-Linked Consumers

In this report we define a “credit-linked consumer” as a member of a group of consumers who, in a particular credit record snapshot:

1. Share at least one credit tradeline (i.e., not a collections tradeline or other non-credit information),
2. Reside in the same census tract, and
3. Are within 10 years of age of each other.

Each of these conditions could be relaxed to an extent, expanding our definition, at the cost of being more likely to classify groups of consumers who do not share finances in a meaningful way as being credit-linked consumers. Condition 1 could be relaxed by counting consumers as being credit-linked consumers if they recently or ever shared an account, even if they do not share in the current snapshot. Condition 2 can potentially be relaxed by counting consumers as being credit-linked consumers even though they do not reside in the same neighborhood.<sup>16</sup> We can also relax Condition 3 by allowing consumers to be considered credit-linked with larger age differences, or with any ages. While relaxing this would allow unusual age gaps between couples,<sup>17</sup> it might also include cases where parents share accounts with their children, but do not truly have mingled finances.

To get a sense of how restrictive our definition is and how changing our conditions could affect our results, we compare the share of credit-linked consumers by different definitions to evidence from survey data on the share of consumers who report sharing finances. We use data from Making Ends Meet (MEM), a survey conducted by the CFPB, with consumers sampled from the CCIP. Survey responses are de-identified, but can be linked to the de-identified credit record information in the CCIP. Survey waves are roughly annual beginning in 2019. MEM includes the question “Do you have a spouse or partner whom you share finances with?” Using this question

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<sup>16</sup> More precisely, relaxing this condition would be including consumers that do not reside in the same census tract according to the information on their credit records. One potential motivation for relaxing this condition is that the geography information in the CCIP, while generally reliable, may not always reflect consumers’ most recent address if they have not updated their information with their financial services providers, or that updated information has not been furnished to the NCRA that provides the CCIP.

<sup>17</sup> Data from the 2018-2023 waves of the American Community Survey indicate that more than 93 percent of couples are within 10 years of age of each other.

combined with the CCIP credit record information allows us to compare how our credit-linked consumer concept matches what consumers themselves report about sharing finances.

About 54 percent of consumers in the MEM sample report sharing finances with a spouse or partner, compared to only 44.9 percent of MEM respondents who are credit-linked consumers.<sup>18</sup> There are at least two categories of explanations for this difference. First, our definition may be too restrictive, that is, there are consumers who share finances with a spouse who is more than 10 years different in age or resides in a different census tract. This issue presents a tradeoff between accuracy and comprehensiveness. Second, it may be that consumers share finances by some means besides what we observe in the CCIP. This represents an inherent limitation to what we can measure with the available data and is unavoidable, but it is important to understand the extent of the limitation.

We begin by examining how relaxing our conditions would increase the number of credit-linked consumers. As of the June 2024 snapshot of the CCIP, 10.3 percent of consumers in the CCIP main sample were not credit-linked consumers by our definition, but shared a tradeline with a consumer who was within 10 years of age but resided in a different census tract. In the same snapshot, 10.0 percent of consumers in the CCIP main sample were not credit-linked consumers, but shared a tradeline with another person more than 10 years apart in age who resided in the same census tract. An additional 9.4 percent shared a tradeline with another consumer who did not meet either the age or geography conditions. In total, if we relaxed both the age and geography conditions, we would have 62.9 percent of consumers who were part of a family unit. This exceeds the fraction of consumers who report sharing finances in MEM, indicating that considering any consumers who share tradelines as a credit-linked consumer would be an over-inclusive definition.

Other evidence suggests that relaxing our conditions would also result in including some consumers who do not meaningfully share finances. By our definition, 82.4 percent of credit-linked consumers in the MEM sample report sharing finances with a partner or spouse. Among consumers in the MEM who share tradelines with another person but are not credit-linked consumers by our definition, only about 31.3 percent report sharing finances on the survey. This means that while our definition excludes many consumers who likely do share finances, relaxing our conditions would incorrectly include many consumers who do not share finances.

We next consider the inherent limitations in measuring household-like units in credit record data such as the CCIP. Consumers may share finances in ways that are not included in the data. This can occur on a few different levels.

First, consumers may have joint or shared credit accounts of the type that appear on credit records, but that do not happen to appear in the CCIP. This can occur for a variety of reasons—while we believe the CCIP to be generally reliable, it is ultimately derived from furnishing by

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<sup>18</sup> The percentage of MEM respondents who meet our credit-linked consumer definition is larger than the 37.5 percent of all CCIP consumers who meet our definition. This in turn suggests that the share of all CCIP consumers who share finances with a spouse or partner is smaller than the MEM percentage.

financial institutions, and is subject to error. For instance, if a furnisher erroneously reports a joint account as an individual account, that may lead us to miss a credit-linked consumer.<sup>19</sup> Similarly, birth year and geography information can be subject to error. Certain accounts are also suppressed from the CCIP for various other reasons, such as identity theft.

Second, consumers may have types of joint accounts that do not typically appear in credit record data. This could include consumers who share deposit accounts like savings or checking accounts, but not credit accounts. Joint bank accounts are relatively common, but do not fully explain the number of consumers who say they share finances. For data on this we turn to the Survey of Consumer Finances (SCF), a triennial survey administered by the Federal Reserve Board of Governors. The SCF includes questions asking both whether the respondents have savings and checking accounts, and whether they have a joint account shared with a spouse or partner. About 40 percent of respondents to the 2022 SCF (the most recent wave at the time of this writing) said they had a joint savings account or a joint checking account with their spouse. Some of these likely do not share tradelines, and so would not be counted as being credit-linked consumers, regardless of how we specify our conditions.

It is also possible that consumers think of themselves as sharing finances, and report as much on MEM and other surveys, but do not share any formal accounts. There are surely many consumers who have a joint bank account but not shared tradelines and vice-versa, but it seems unlikely that the overlap between the two types of sharing is so little that it would explain the full difference between the fraction of consumers who say they share finances, and the shares who have joint accounts or shared tradelines. Instead, part of the difference may be simply that survey respondents think of “sharing finances” as being broader than formally sharing accounts. For instance, sharing responsibility for household expenditures such as food, rent or childcare could be interpreted as “sharing finances” even if the payments are ultimately made from separate accounts. This type of sharing finances generally will not be feasible to detect in administrative data such as the CCIP.

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<sup>19</sup> We are also aware of at least one large credit card issuer that assigns separate account numbers for each cardholder. This practice has the effect of making it impossible to link consumers who share accounts from this issuer. To the extent that consumers who would otherwise be credit-linked consumers only share a credit card account from this issuer, we will not observe this.