

*Abstract*

This paper analyzes the effects of credit card use on broader economic indicators, specifically consumer credit, and consumer bankruptcy filings. Using aggregate nation-level data from Australia, Canada, Japan, the United Kingdom, and the United States, I find that credit card spending, lagged by 1-2 years, has a strong positive effect on consumer credit. Finally, I find a strong relation between credit card debt, lagged by 1-2 years, and bankruptcy, and a weaker relation between consumer credit, lagged by 1-2 years, and bankruptcy. The relations are robust across a variety of different lags and models that account for problems of multicollinearity and auto-correlation in the time series and include variables to control for the effects of economic cycles on bankruptcy and dummy variables to isolate nation-specific effects