

Gender and Access to Credit Cards*

Abstract

Using unique credit bureau data on first-time credit card borrowers across the U.S., we find that women are 30% more likely than men to open a retail credit card as opposed to a general-purpose credit card when they first access the credit card market. This difference is not explained by observable credit quality, the timing of credit card opening, location, and other observable individual characteristics. This gender difference in the propensity to open retail cards is smaller among consumers with more education and credit-related experience, and is driven by the relatively greater application rates for retail cards (as opposed to approval rates) by women. This initial gender difference in obtaining a retail card is further associated with a gender gap in future credit limits, balances, defaults, and credit scores. Overall, our findings highlight how individuals access the credit card market and who they bank with can have a lasting impact on their credit outcomes.

*The views expressed in the paper are our own and do not represent the views of the credit bureau and other data providers.