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**Microcredit Impacts:
Evidence from a Randomized Microcredit Program Placement Experiment
by Compartamos Banco**

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Abstract

We use a clustered randomized trial, and over 16,000 household surveys, to estimate impacts at the community level from a group lending expansion at 110 percent APR by the largest microlender in Mexico. We find no evidence of transformative impacts on 37 outcomes (although some estimates have large confidence intervals), measured at a mean of 27 months post-expansion, across six domains: microentrepreneurship, income, labor supply, expenditures, social status, and subjective well-being. We also examine distributional impacts using quantile regressions, given theory and evidence regarding negative impacts from borrowing at high interest rates, but do not find strong evidence for heterogeneity.

JEL Codes: D12; D22; G21; O12

Keywords: microcredit; microcredit impact; microentrepreneurship;
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