

Authors

Pascaline Dupas
Princeton University

Anthony Keats
Wesleyan University

Jonathan Robinson
University of California, Santa Cruz

The Effect of Savings Accounts on Interpersonal
Financial Relationships: Evidence from a Field
Experiment in Rural Kenya*

Pascaline Dupas¹ Anthony Keats² Jonathan Robinson³

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Abstract

The welfare impact of expanding access to bank accounts depends on whether accounts crowd out pre-existing financial relationships, or whether private gains from accounts are shared within social networks. In this experiment, we provided free bank accounts to a random subset of 885 households. Across households, we document positive spillovers: treatment households become less reliant on grown children and siblings living outside their village, and become more supportive of neighbors and friends within their village. Within households, we randomized which spouse was offered an account and find no evidence of negative spillovers.

JEL Codes: C90; D14; G21; O16

Keywords: financial access; spillovers; social insurance

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¹Stanford University, NBER and CEPR, email: pdupas@stanford.edu

²Wesleyan University, email: akeats@wesleyan.edu

³University of California, Santa Cruz and NBER, email: jrobert@ucsc.edu

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