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FINTECH AND HOUSEHOLD RESILIENCE TO SHOCKS:
EVIDENCE FROM DIGITAL LOANS IN KENYA

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Fintech and Household Resilience to Shocks: Evidence from Digital Loans in Kenya

Developing country lenders are taking advantage of fintech tools to create fully digital loans on mobile phones. Using administrative and survey data, we study the take up and impacts of one of the most popular digital loan products in the world, M-Shwari in Kenya. While 34% of those eligible for a loan take it, the loan does not substitute for other credit. The loans improve household resilience: households are 6.3 percentage points less likely to forego

expenses due to negative shocks. We conclude that while digital loans improve financial access and resilience, they are not a panacea for greater credit market failures.

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