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**Expanding Credit Access:
Using Randomized Supply Decisions to Estimate the Impacts**

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The Financial Access Initiative is a
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Expanding Credit Access: Using Randomized Supply Decisions To Estimate the Impacts

Expanding access to commercial credit is a key ingredient of development strategies worldwide. There is less consensus on the role of consumer credit, particularly when extended at high interest rates. Popular skepticism about “unproductive” and “usurious” lending is fueled by academic work highlighting behavioral biases that induce overborrowing. We estimate the impacts of expanding access to consumer credit at 200% APR using a field experiment and follow-up survey and administrative data. The randomly assigned marginal loans produced significant net benefits for borrowers across a wide range

of outcomes. There is also some evidence that the marginal loans were profitable.

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