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

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November 10, 2016

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

*We thank Sarah Goren for outstanding research management, Helen Crassey, Selma Fudloff, Kathy Nohia, and Kim Sigal for their dedicated field research assistance, and Siyu Li and Odysse Ng for their research assistance. We are very grateful to Simone Schreier for detailed comments. We thank seminar participants at the ASSA meetings, UCSC, and IPA for helpful comments. This study was implemented through IPA Kenya and funded through grants from the International Growth Center, the NBER Africa project, and the International Initiative for Impact Evaluation (3ie). The study is registered in the American Economic Association Registry for randomized control trials under Trial number AEARCTR-0000746. The research protocol was approved by the IRBs of UCSC, UCLA, Stanford and IPA Kenya. We have no financial interest in the issues studied in this paper.

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