Bank Access Across America

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Discussion by

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Summary

- Question
  - How does access to bank branches differ across income and racial lines?

- Approach
  - Estimate a gravity equation using censored data and MSM estimator

- Key Results
  - High Share of Low-Income Residents: Higher access and weaker demand
  - High Share of Black Residents: Lower access and no difference in demand
  - Rich variation in urban-rural divide, even within cities

- Comments
  - Data
  - Selection
  - Migration

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- What is policy relevance if mass use of mobile banking?
  - Need bank branches for larger forms of credit

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        - What are welfare implications?
        - Is this where FinTech is important? (HMDA)

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Dep. var.:	log(Expected no. of visitors)				Block group fixed effects			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
log(Income)	0.186	0.155	0.190	0.155	0.296	0.230	0.315	0.242
	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.005)	(0.005)
Black	-0.041	-0.056	-0.017	-0.039	0.041	-0.003	0.089	0.025
	(0.009)	(0.009)	(0.010)	(0.010)	(0.010)	(0.010)	(0.011)	(0.011)
Asian	0.238	0.241	0.227	0.224	-0.232	-0.197	-0.202	-0.174
	(0.020)	(0.020)	(0.020)	(0.019)	(0.023)	(0.022)	(0.023)	(0.022)
Other	0.034	0.041	0.009	0.016	0.010	0.020	-0.068	-0.058
	(0.028)	(0.029)	(0.038)	(0.039)	(0.033)	(0.033)	(0.046)	(0.046)
Hispanic	0.008	-0.016	0.021	-0.012	-0.038	-0.097	-0.000	-0.083
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  - Could use similar measures of rootedness above

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Conclusion

- Novel estimator and unique data

- Access to finance differs along race and income seperately

- Interested in more discussion on selection