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**BANKING THE POOR VIA SAVINGS ACCOUNTS:
EVIDENCE FROM A FIELD EXPERIMENT***

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Abstract

The majority of the poor lack access to bank accounts and have to use costly informal savings mechanisms. Using a field experiment, I randomly gave access to simple bank accounts with no fees at local bank branches to a large sample of female household heads in Nepal. Results show that there is untapped demand for savings accounts and that the poor do save. Access to the savings accounts increased monetary assets and total assets without crowding out other kinds of assets or savings institutions. Finally, financial access strongly increased households' investments in health and education.

JEL Codes: D14, O16, G21

Keywords: savings accounts, asset accumulation, investment in health and education

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Banking the Poor via Savings Accounts: Evidence from a Field Experiment

The majority of the poor lack access to bank accounts and have to use costly informal savings mechanisms. Using a field experiment, I randomly gave access to simple bank accounts with no fees at local bank branches to a large sample of female household heads in Nepal. Results show that there is untapped demand for savings accounts and that the poor do save. Access to the savings accounts increased monetary assets and total assets without crowding out other kinds of assets or savings institutions. Finally, financial access strongly increased households' investments in health and education.

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