

Delivering Conditional Cash Transfers Through Bank Accounts: An experimental Evaluation¹

Abhijit Banerjee
MIT

Claudia Martínez A.
PUC-Chile

Esteban Puentes
University of Chile

*Preliminary- Please do not circulate
This version: May, 2017*

Abstract

Financial access and formal savings can help lower income families face economic shocks, accumulate resources and have more control over their funds. Despite all of these potential benefits, evidence on facilitating financial access to the poor is still limited and mixed. In this context, we study the impact on offering beneficiaries of conditional cash transfer in Chile, the option to receive their subsidies in a bank account instead of a check. We randomly assigned individuals to treatment and control groups. Using survey data, we find that between two and three years after the offer was made there are no effects on savings, debt or subjective well-being.

¹ We are grateful to Francisca Acuña and Maite Decouvieres from BancoEstado for their close collaboration on program implementation, and Cecilia Vergara for her support. We are grateful for the support from Carolina Robino (IDRC), Carolina Trivelli and Johana Yancari (IEP). We also thank Trinidad Moreno, Gabriela Jorquera and Paula Espinoza for their essential support in the field work, and Cristian Jara for his excellent research assistance. The authors thank the financial support from IDRC, IPA and IEP. Martínez A. and Puentes are grateful for the funding provided by Fondecyt, project number 1140914.

1. INTRODUCTION

Financial inclusion and savings promotion are key aspects of social protection, raising the ability of lower income families to guard themselves against adverse economic shock. Particularly, formal savings can ease the accumulation of resources in the long run, improve the security of savings, allow account holders to have more control and better management of liquidity of his/her funds, and be of support against contingencies. Also, formal savings can generate interests and are protected against inflation (Banerjee and Duflo, 2006), helping households to have a buffer stock to face shocks, smooth consumption and accumulate resources for lumpy investments. Also, linking themselves to the formal financial world through savings is a first step towards accessing other financial instruments, such as formal credit and insurance, which might have important effects on business outcomes and household consumption.² However, there is still a substantial fraction of the population lacking access to the formal financial system. Only 24% of adults living with less than US\$2 a day have a bank account (Demirguc-Kunt and Klapper (2012)). In Latin America there is higher access to the formal financial sector, 60% of individuals have a bank account, however, only 10% use it for savings.

In line with the idea of increasing financial access to the poor, several Conditional Cash Transfer (CCT) programs have modified the way their monetary subsidies are paid. For example, programs such as “Oportunidades” in Mexico or “Juntos” in Peru pay their subsidies through savings accounts (Maldonado et al (2011)).³ Nonetheless, to date, there are only some quantitative and qualitative studies that report mixed evidence about the link between CCTs and financial inclusion, and there are no RCT evaluations in the region capable of attributing the increase in savings, to the fact that people are now receiving their subsidies in a bank account (Rosen 2010).

Given this lack of evidence, in 2011 we partnered with the Chilean Government and BancoEstado, a state-owned bank, to evaluate a governmental initiative (Ministry of Social Development (MDS) and the Solidarity and Social Investment Fund (FOSIS)) that changed how subsidies of the Chilean CCT program, Programa *Puente*, were paid. We randomly selected individuals from five municipalities in greater Santiago, to be offered the option to receive their subsidies in a bank account. This intervention is called *Chile Cuenta*. Individuals assigned to the control group were not offered this option, but could have asked to receive their subsidies in a bank account instead of in cash. The account corresponds to *Cuenta RUT*, which does not charge interest, and has no opening fee, but has some withdrawal fees. The pilot was conducted from November 2012 to October 2013, and involved more than 3,200 individuals.

In Chile, despite a remarkable economic growth and its relatively developed financial system, in 2011 only 19% of households had any type of savings, figure that decreases to

² Augsburg et al (2012) and Dupas and Robinson (2013)

³ Samaniego and Tejerina (2010) and Maldonado and Tejerina (2010) found little use of savings accounts among CCTs beneficiaries. On the other hand, Seira (2010) found a positive impact on formal savings of beneficiaries who received the benefits in savings accounts.

14.2% of households below the poverty line. The most common savings instrument for this group is a home savings account⁴, reaching 9.2% (MDS, 2011).

Being offered to receive subsidies in bank accounts, can increase savings and financial inclusion because it provides access to banking accounts that otherwise might not be available or are too expensive. More importantly, individuals in CCT programs receive a steady income flow for many months or years. There are several studies that have tested whether providing bank accounts affect savings, and evidence on this topic is mixed. On one hand, Dupas and Robinson (2013), show that providing an interest free bank account to self-employed individuals in rural Kenya, with substantial withdrawal fees, can increase savings and investment for women, but not for men. Similarly, Bachas et al (2016) finds that providing debit cards to beneficiaries of a CCT program in Mexico, increases overall savings in the medium run. Nonetheless, Dupas et al (2016) finds that offering bank accounts to individuals in Malawi, Uganda and Chile have small and mostly insignificant effects on savings or any other outcomes. In our sample and two years after the program ended, we observe that 75% of individuals in the control group had a Cuenta Rut, which indicates that most of the CCT beneficiaries have access to a bank account. Therefore, in most cases, we will identify the effect of receiving the subsidies in a bank account and not just having one.

Besides having access to a bank account and eventually the financial sector, the fact that the subsidies are deposited in a bank and not paid in cash could also increase savings in two ways: First, it could help to protect savings from the demand of family or friends, and second it could help to solve self-control problems. For instance, Dupas and Robinson (2013), argue that the increase in savings that they observe in women is consistent with women facing lower demands for money, which is in the bank instead of at home, and Bachas et al (2016) finds that offering debit cards decreased consumption of temptation goods, and using debit cards reduced self-control issues.

We evaluate the effects of Chile Cuenta using survey data that was collected between two and three years after the program was implemented. We find no differences between treatment and control groups on savings or debt. We also find no effect on subjective well-being or occupational choices. In future versions of the paper we will analyze the program impact on savings balance using administrative data from the partner bank.

The paper is divided in five sections. The first section is this introduction, the second is a description of the intervention, the third describes the data, the fourth presents the results and the fifth concludes.

2. EXPERIMENTAL DESIGN

Individuals were assigned to two groups: a pure control group that was not invited to the Chile Cuenta program, and a treatment group that was invited to Chile Cuenta. The

⁴ This type of bank account is requested for individuals to obtain a housing subsidy; individuals have to meet a minimum to be able to apply for the subsidy.

invitation consisted in the treatment group being offered the opportunity to have their monetary subsidies deposited in a bank account instead of receiving a check. A comparison between both groups provides the program's impact.

A. The Chile Cuenta program

The Chile Cuenta program targets households that received the *Programa Puente*, a social program targeted to the ultra poor in Chile. The Programa Puente lasts for 24 months, is dependent upon the Ministerio de Desarrollo Social-MDS (Ministry of Social Development), is implemented by the Fondo de Solidaridad e Inversión Social – FOSIS (Solidarity and Social Investment Fund) and provides psychosocial support as well as monetary subsidies. The psychosocial support is provided to families by a professional (*Apoyo Familiar*) that periodically visits the families in their homes. The Apoyo Familiar aims to become the link between the family and the private and public network of social promotion. The subsidies are equal to \$ 10.500 Chilean pesos the first 6 months (close to 16 US \$), \$8.000 Chilean pesos from month 7 to month 12 (close to 12 US \$), \$5.500 Chilean pesos from month 13 to month 18 (close to 9 US \$), and a Subsidio Unico Familiar –SUF (Family Subsidy) from months 19 to 24. The SUD in 2017 was \$10.844 Chilean pesos per month (close to 16 US \$). Families in the Programa Puente also have preferential access to other subsidies, and in general, the subsidies subject to transfers are larger than the minimum established by the Programa Puente.

The Chile Cuenta program offer Programa Puente beneficiaries the opportunity to receive their transfers in a bank account. Alternatively, they can receive them in a check and cash them at a bank branch.⁵ The program's objective was to increase access of the vulnerable population to the formal financial sector, with the purpose of improving their budgeting practices, savings, responsible indebtedness and investment. MDS has an agreement with Banco Estado,⁶ and all of these accounts will be held in a *Cuenta RUT*, a bank account with no interest or opening cost, but that has some transactional costs.⁷

B. Experimental Design

There is no application process for this intervention. The research team, FOSIS and MDS selected 5 municipalities (Conchalí, Maipú, Peñaflor, Puente Alto and San Bernardo) in

⁵ Subsidies had to be withdrawn from a branch of “Caja de Compensación Los Héroes”. The transfers were delivered by the Instituto de Previsión Social del Gobierno de Chile (IPS).

⁶ BancoEstado is the national bank, a financial institution which has the largest coverage in Chile, and specializes in banking low-income populations.

⁷ Cuenta RUT has a per transaction cost, that depends on the type/place of transaction. The fee structure is available here:

<http://www.bancoestado.cl/imagenes/personas/productos/cuentas/cuenta-rut.asp>. The government subsidized Ch\$700 (aprox. US\$1.5) per month to cover some of these transaction fees. The Cuenta Rut is also described in Dupas et al (2016) and in the appendix.

greater Santiago to perform the evaluation. They were selected because they have a minimum physical capacity in Banco Estado's branches (minimum number of branches to receive customers), and contain a sufficiently large number of families in the Programa Puente to perform the intervention. There were more eligible families/applicants than the number of beneficiaries the program could manage. This excess demand allowed us to evaluate the program using a randomized control trial (RCT) methodology.

In these municipalities, within the individuals that participated in the Puente Program, the research team randomly selected individuals to be invited to Chile Cuenta, whereas the control group was not invited to Chile Cuenta (although they could still obtain it on their own initiative). We stratified the sample to randomly assign participants to treatment and control groups. The stratification variables were (1) age of the beneficiary⁸, (2) score in the social security card⁹, (3) amount of time they had been participating in the program and (4) municipality.

Chile Cuenta was offered by the psychosocial professionals, who were working with the families of Puente program at the time of the intervention. These professionals only visited individuals who were randomly selected by the research team to receive Chile Cuenta in their home or workplace, with the purpose of explaining the program, the benefits of having a bank account and receiving the social subsidy in said account. During the visit the beneficiaries were asked to sign a consent form where they accepted the program Chile Cuenta, therefore authorizing to receive their social benefits in their bank account. Accounts were opened only if the beneficiary did not already have one at the time of the intervention and if he/she signed a consent to open a bank account. If the beneficiary already had an account, MDS would use the existing account to transfer the subsidy.

Once the bank received the bank form and opened the bank account, the individual would be informed and would have to go to the bank branch in order to pick up the bank account card and sign the final documents. Thus, the following month the individual received his/her subsidy in the bank account. The only time that clients had to go to the principal bank branch was when clients needed to activate and pick up the bank account card (tarjeta RUT).

The eligibility conditions for Chile Cuenta were: being in cohorts 104 to 125 of Programa Puente, being older than 18 years of age, presenting a copy of their identity card, signing a consent form and being in the active phase of the Puente Program.

The total number of participants was 3,232 individuals, of which 810 were part of the control group. We selected 1,624 individuals for an end line survey that included all 810 individuals in the control group, finally there were 814 individuals from the treatment group. As shown in Table 1, there is some contamination in the control group, where 38 individuals were offered the Chile Cuenta program (4.7%), and 34 accepted to participate

⁸ Three groups were defined: less than 30 years of age, between 20 and 44 years of age, and over 44 years of age.

⁹ The social security card is designed to measure the degree of a household's vulnerability and serves as a targeting mechanism for the Ministry of Social Development.

(4.2%). In the treatment group's case, participation in the program was offered to 753 individuals (92.5%), and 431 decided to enroll in Chile Cuenta, which implies a take-up rate of 53%.

3. Data

We conducted a household survey to evaluate the program, and we also have access to some administrative information at the baseline. In this section, we discuss attrition due to different survey response rates, the balance of the treatment arms, and the population under study.

A. Survey, Attrition and Balance

We conducted a follow-up survey between December 2015 and February 2016 at the participant's households, that is between two and three years after Chile Cuenta was offered. The survey includes several modules including information about: Savings, debt, expenditures, occupation, earnings and subjective well-being.

The take-up rate of the survey was 57% and there are no differences between treatment arms (see Table 2). We perform an attrition analysis to study if the response rate depended on some observable characteristics, also we interacted baseline characteristics with the treatment assignment and found that baseline characteristics and the interactions are not statistically significant (See Panel B and C of Table 3).

We report summary statistics and tests of balance in Table 4 using baseline administrative data. The Table shows that in all the administrative characteristics there is no imbalance between treatment groups. Also we can observe that most of the participants of the evaluation are women (close to 90%), live in a household with 3.7 members, and most of those members are children. Also, on average control and treatment groups are 36 years of age at the time of the intervention.

4. Results

Our empirical strategy relies on the random allocation of each eligible individual to a treatment group. The basic regression is based on the following equation:

$$Y_i = b_0 + b_1 T_i + S_{i,j} + \varepsilon_i \quad (1)$$

Where Y_i is the outcome of interest (savings, debt, well-being), T_i is a dummy for treatment, and $S_{i,j}$ are strata fixed-effects. We cluster the error term at the municipality level. In the paper, treatment is the invitation made to individuals to receive their subsidies in a bank account, and since the take-up rate was 52%, b_1 corresponds to an Intention to Treat parameter (ITT).

Next we study the effect of the program on several financial and non-financial outcomes: Savings, debt, occupational choice, business assets and well-being.

A. Impact Evaluation of Financial Outcomes

We first evaluate the effects of the program on savings. We collected information about formal and informal savings. Formal savings include: A regular savings account, household savings, and savings for social security.¹⁰ Informal savings include: Savings at home or in the business, savings held by a third person and savings in a ROSCA. We study the effect of the program on the probability of having formal, informal or some savings, and also on the amounts saved. All amounts are in December 2015 dollars.¹¹ We also evaluate the program on two additional variables; one is the number of weeks the family can live without receiving any income, and other one is the percentage of households that have a CuentaRut.

Table 5a reports the ITT parameter from equation (1). The last row shows the effect on the CuentaRut dummy, we observe that the program was able to increase the number of individuals with a CuentaRut, though the number of individuals with CuentaRut is very high, 76% at the time of the interview. This suggests that any potential effects of the program could be attributed to the change in the payment format and not to having a bank account. For the saving outcomes, we observe that the parameter is positive for total savings and formal savings, and negative for informal savings, but is never statistically significant. In terms of amount saved, the parameter is always negative, suggesting the program decreased savings, though not significantly. Also, consistent with the previous results, there are no differences between treatment and control groups in the number of weeks they could live without any income.

We also evaluate the effects of the program on debt, which includes: credit cards from banks, credit cards from retail stores, consumption loans, car loans, loans from micro-credit institutions, loans from friends and loans from money lenders. Additionally, we created two variables to study payment behavior, especially addressing unpaid debts. The first is a dummy variable equal to one if the individual is late paying some utility. The second is a dummy variable equal to one if the individual has not paid a loan or a credit card in the last 12 months.

Table 5b shows the ITT parameter for the debt variables. In all of the variables we observe that treated individuals tend to have more debt, and also are more likely to not pay debts, however, none of the parameters are statistically significant.

¹⁰ In Chile there are 401K type savings that provide a tax discount if are used to increase pensions. Regular savings accounts are mostly provided by commercial Banks.

¹¹ The average Exchange rate during December 2015 was 704 pesos per dollar.

Next, following Dupas et al (2016), we study if the program had effects on any downstream outcomes. Eventually, individuals might not have greater savings two or three years after the program started, but possibly did in the short term and used those savings afterwards. To test this possibility we compare if there are differences between control and treatment groups in the following variables: Being a home owner, moving to a different house, starting a new business and if individuals had a business that operated the whole year. Similarly, we tested whether treated individuals have a larger probability of being self-employed, have a larger self-employment income and business assets. Finally, we study if the program was useful as a mechanism to solve self-control problems, which could have decreased consumption on temptation goods (Bachas et al, 2016). Temptation goods are defined as expenses on Entertainment, Pubs or Liquor.

The parameters for the downstream outcomes are presented in Table 5c. We observe the individuals in the treatment group are more likely to be home owners and also more likely to move to a new house, in the above mentioned the result is significant at 9%. This is the only outcome where we find a significant result, which could be due to chance. For the outcomes related to self-employment, we observe that treated individuals are more likely to start a business, but less likely to be self-employed. Also the ITT indicates that the program could have increased assets, though decreasing income, however, none of the self-employed variables are statistically significant.

Overall, we find that the program had no effect on savings, debt and on downstream outcomes two to three years after Chile Cuenta was offered. These results are in line with Dupas et al (2016). We do not have the information to test if there were some short-term results, but in a future version of the paper we hope to include data from BancoEstado to study the effects of the program in the short and medium term.

B. Evaluation of Non-Financial Outcomes

The Chile Cuenta program might have had an effect on subjective outcomes, as discussed by Bachas et al (2016), providing a debit card can produce a higher trust of financial institutions, we found that Chile Cuenta had an effect on the trust in banks. Additionally, the change from receiving a check to having the subsidies deposited in a bank account implied several changes for individuals. For instance, there might have been a delay in the payment the first month due to bureaucratic reasons; this could reduce their trust in the government and the overall program. To evaluate this potential effect, we ask individuals to declare how much they trust the government and also to grade the overall subsidy system, using a grading scale that goes from 1 to 7.¹² Also, one of the potential benefits of the program is that now individuals might not need to carry cash with them, reducing a fear of theft. Finally, we also investigate if the program had an effect on economic satisfaction, satisfaction with spending and overall satisfaction. Well-being is measured by how satisfied you are with your life, with one being very unsatisfied and ten being very satisfied. Similarly for economic satisfaction, individuals are asked how satisfied they are with their

¹² This is the grading system used in the educational system in Chile.

economic situation, and satisfaction with spending is measured by how satisfied they are with the possibility to buy the things they want.

Table 5d shows that the ITT parameter is negative for trust in the government and bank institutions, though the program is better evaluated by treated individuals. Also, the ITT indicates a negative effect of the program on well-being and overall satisfaction, however all the parameters are statistically insignificant.

C. Heterogeneity

Finally, we study if there is some potential heterogeneity on the effects of the program that are not appropriately calculated using the whole sample. First, we separate the sample in two using information on SSC (Social Security Card), which is designed to measure the degree of vulnerability of each household. The sample was divided in two using the median score of the SSC as a reference. We also study if there are differences in the amount of time each household receives subsidies. As mentioned before, the Programa Puento lasts two years, and the participants in our evaluation could be starting in the Programa Puento, or they could be close to leaving it. We separate the sample in two, the first subsample includes individuals that received subsidies for at least twelve months, and the second subsample received subsidies for less than 12 months. Also, we divided the sample by age of the recipient, creating two groups, whether they are over 44 years of age or not. Finally, we divided the sample by the offering date of Chile Cuenta. We do this to study if there are some differences in the short or medium term. Individuals more recently invited are informative about short-term effects, and the individuals first invited to the program are informative about medium term effects.

The results of the heterogeneity analysis are presented in Tables A1, A2, A3 and A4 for vulnerability, cohort in the program, age and offering date, respectively. In all cases, we included an interaction term to study differential effects. The results indicate that there are no relevant differences by the group, and only in a few cases the interactions are significant, but with no discernible pattern.

5. CONCLUSIONS

Our paper investigates the effect of changing the way subsidies are delivered to individuals. Using a randomized control trial, we invited some individuals to change their payment method of their subsidies, from cash to direct deposit in a bank account. This invitation could generate changes in financial outcomes through two channels. One is access to a financial product, bank account that individuals did not have before the intervention. The other is more behavioral, if subsidies are directly deposited in a bank account, individuals might keep the money longer in accounts avoiding unnecessary expenditures caused by self-control issues or pressure from family members, while, at the same time, the savings safer.

We find that two years after the program Chile Cuenta was implemented, there are no effects on financial outcomes, such as savings or debt. Moreover, there are no changes on

well-being or occupational outcomes. These results are in line with the findings of Dupas et al 2016, where offering new accounts does not generate any relevant changes on savings.

Several hypotheses could explain our results. For instance, maybe the program had some short- term effects that we are not able to detect as the follow-up survey was made 2 years after the offering. Also, it is possible that the withdrawing fees of Cuenta Rut are too high for the population under study, and the best strategy is to withdraw all of the money once the subsidy is deposited, which in practice is similar to just receiving and cashing a check once a month. In future versions of the paper we will study this behavior using transactional data.

REFERENCES

Bachas, P., Gertler, P., Higgins, S. and Seira, E., 2016. Banking on Trust: How Debit Cards Help the Poor to Save More. Working Paper.

Banerjee, A.V. & Duflo, E. 2006. The Economic Lives of the Poor. The World Bank: Washington D.C.

Demirgüç-Kunt, A., Klapper, L.F. and Panos, G.A., 2011. Entrepreneurship in post-conflict transition. *Economics of Transition*, 19(1), pp.27-78.

Dupas, P., Karlan, D., Robinson, J. and Ubfal, D., 2016. Banking the Unbanked? Evidence from three countries (No. w22463). National Bureau of Economic Research.

Dupas, P. and Robinson, J., 2013. Savings constraints and microenterprise development: Evidence from a field experiment in Kenya. *American Economic Journal: Applied Economics*, 5(1), pp.163-192.

Maldonado, J. & Tejerina, L. 2010. "Investing in Large Scale Financial Inclusion: The Case of Colombia". Inter-American Development Bank, Social Protection and Health Division. Technical Notes No. IDB-TN-197.

Maldonado, J.H., 2011. Los programas de transferencias condicionadas: ¿ hacia la inclusión financiera de los pobres en América Latina? (Vol. 26). IDRC.

Rosen, Barbara. 2010. "The Experience of Participants in both an Incentivized Savings and CCT Program in Rural Peru". Proyecto Capital. Instituto de Estudios Peruanos Lima, Perú.

Samaniego, P. & Tejerina, L. 2010. Financial Inclusion through the Bono de Desarrollo Humano in Ecuador. Exploring options and beneficiary readiness. Inter-American Development Bank. Social Protection and Health Division. TECHNICAL NOTES No. IDB TN-206.

Seira, Enrique. 2010. "Electronic payments of cash transfer programs and financial inclusion".

Table 1: Take-up Rates

	[1]	[s]
Survey	Treatment	Control
Total assigned	814	810
Program offering	705	38
%	86.61	4.67
Accept Offer	431	34
%	52.95	4.20

Note: Column [1] reports the number of people in the 2013 preliminary data to which the treatment was offered and those who accepted to participate in the program. The percentages in column [1] were computed with respect to the total assigned. Columns [2] and [3] report statistics on the take-up of the program by treatment arm. The percentages of the program offering row in columns [2] and [3] were computed with respect to people assigned to the treatment group. While in the case of the percentages of the "accept offer" row in columns [2] and [3] were computed with respect to people assigned to the treatment and control group respectively.

Table 2: Survey Response Rate

Survey	[1]	[2]	[3]	[4]
		Treatment Arm		p-value
		Control	Treatment	Treatment-Control
2016 endline	924	58.02%	55.77%	0.390

Note: Column [1] reports the number of people in the 2013 preliminary data and in the endline. Columns [2] and [3] report statistics by treatment arm. The first row (2013 data) is the assigned sample, and the following one is the percentage of tracked individuals. The percentages are computed over the total sought. .

Table 3: Study of Attrition

	[1]
Dependent variable: Non completed survey	Follow-up
<i>Panel A:</i>	
Treatment	-0.051 (0.188)
<i>Panel B</i>	
Baseline characteristics	
p-value from test that baseline characteristics interacted are jointly 0	0.101
<i>Panel C</i>	
Baseline Characteristics Interacted with Treatment	
p-value from test that baseline characteristics interacted with the treatment are jointly 0	0.566
Observations	1,622
Attrition mean	0.431

Note: The dependent variable takes a value of 1 if the individual was not found. Column [1] presents results for the follow-up survey. The sample is all individuals originally sought. Panel A presents the differential attrition rate. Panel B reports the predictors of attrition. Panel C the results when baseline characteristics are interacted with the treatment. *** p<0.01, ** p<0.05, * p<0.1

Table 4: Balance using administrative data

Variables	[1] N obs	[2] Control	[3] Treatment	[4] T=C (P-Value)
Age	924	37,057	36,943	0.442
Gender (Male=1)	924	0.115	0.132	0.304
Head of household Gender (Male=1)	924	0.126	0.145	0.313
SSC Score	924	2514.009	2476.555	0.514
Children 0-5 years old	924	0.913	0.965	0.396
Children 6-13 years old	924	0.749	0.753	0.795
Children 14-19 years old	924	0.504	0.504	0.628
Adults 20-29 years old	924	0.615	0.570	0.995
Adults 30-45 years old	924	0.604	0.610	0.888
Adults 46-60 years old	924	0.234	0.2445	0.406
Adults older than 60 years of age	924	0.066	0.070	0.686
Household Size	924	3,711	3,731	0.249

Note: Column [1] shows the number of observations. Columns [2] and [3] show the mean value of the variable for the control group and the treatment group respectively. Column [4] reports the p-values of the regressions controlling by strata, where the null hypothesis is that Treatment=Control Group. Regressions include dummies for strata (defined by a socioeconomic index computed by the government using the Social Security Card score, municipality of residence, age ranges and cohort). SSC Score ranges from 2000 to 20000. Households whose score is less than 8500 belongs to the 20% more vulnerable population, and those who score less than 11734 belongs to the 40% more vulnerable population. All variables are from administrative data.

Table 5a: ITT effects on main outcomes (Savings)

	[1] Control	[2] Treatment	[3] P-value	[4] Sample Size
Savings (dummy variable)	0.340 (0.474)	0.016 (0.062)	0.806	922
Formal Savings (dummy variable)	0.286 (0.453)	0.037 (0.046)	0.467	922
Informal Savings (dummy variable)	0.091 (0.287)	-0.025 (0.029)	0.435	917
Amount Saved	233 (1176)	-48.96 (61.88)	0.473	922
Amount Saved: Formal Savings	229.9 (1184)	-53.26 (60.00)	0.425	907
Amount Saved: Informal Savings	35.42 (236)	-4.370 (15.94)	0.798	920
Live without incomes (in weeks)	1.439 (3.479)	0.057 (0.303)	0.860	915
Cuenta Rut (dummy variable)	0.755 (0.431)	0.088* (0.037)	0.078	923

Note: Column [1] reports the control mean group at the endline. Column [2] reports the intent-to-treat (ITT) estimate and standard error (in parenthesis) of program assignment at the endline. Column [3] reports the p-value of the null hypothesis that Treatment=Control. Regressions include dummies for strata (defined by a socioeconomic index computed by the government using the Social Security Card score, municipality of residence, age ranges and cohort). Standard errors are clustered by municipality. Sample size varies due to missing values. *** p<0.01, ** p<0.05, * p<0.1.

Table 5b: ITT effects on main outcomes (Debts)

	[1] Control	[2] Treatment	[3] P-value	[4] Sample Size
Debt (dummy variable)	0.591 (0.492)	0.018 (0.032)	0.612	923
Debt Amount	697.5 (1989)	186.4 (131.4)	0.229	890
Basic Services Debts	0.261 (0.439)	0.043 (0.032)	0.252	920
Do not pay Credit Card Debt	0.365 (0.482)	0.025 (0.044)	0.601	885

Note: Column [1] reports the control mean group at the endline. Column [2] reports the intent-to-treat (ITT) estimate and standard error (in parenthesis) of program assignment at the endline. Columns [3] reports the p-value of the null hypothesis that Treatment=Control. Regressions include dummies for strata (defined by a socioeconomic index computed by the government using the Social Security Card score, municipality of residence, age ranges and cohort). Standard errors are clustered by municipality. Sample size varies due to missing values. *** p<0.01, ** p<0.05, * p<0.1.

Table 5c: ITT effects on main outcomes (Downstream Outcomes)

	[1] Control	[2] Treatment	[3] P-value	[4] Sample Size
Owner of a house	0.315 (0.465)	0.029 (0.057)	0.365	914
Change of house	0.051 (0.221)	0.028* (0.010)	0.090	920
Self-Employed	0.270 0.445	-0.017 (0.026)	0.564	924
Start new business	0.887 (0.317)	0.014 (0.026)	0.615	924
Self-Employment Income	53.16 (181.7)	-2.278 (9.457)	0.821	908
Business Assets	110 (640.2)	71.17 (54.08)	0.259	924
Expenses (pubs, entertainment and liqueur)	5.786 (15.14)	-0.0390 (1.145)	0.968	902

Note: Column [1] reports the control mean group at the endline. Column [2] reports the intent-to-treat (ITT) estimate and standard error (in parenthesis) of program assignment at the endline. Columns [3] reports the p-value of the null hypothesis that Treatment=Control. Regressions include dummies for strata (defined by a socioeconomic index computed by the government using the Social Security Card score, municipality of residence, age ranges and cohort). Standard errors are clustered by municipality. Sample size varies due to missing values. *** p<0.01, ** p<0.05, * p<0.1.

Table 5d: ITT effects on main outcomes (Well-being and trust)

	[1]	[2]	[3]	[4]
	Control	Treatment	P-value	Sample Size
Well-Being Index	71.51 (19.070)	-0.679 (2.861)	0.824	924
Satisfaction	6.396 (2.258)	-0.186 (0.175)	0.349	924
Economic Satisfaction	4.774 (2.183)	-0.009 (0.196)	0.965	924
Confidence in banks and financial institutions	0.112 (0.316)	-0.001 (0.032)	0.976	754
Confidence in the government	0.037 (0.189)	-0.006 (0.015)	0.722	589
Reception of bonuses and subsidies system (grade)	5.951 (1.299)	0.114 (0.073)	0.195	924
Fear of theft	0.684 (0.465)	0.027 (0.025)	0.331	923

Note: Column [1] reports the control mean group at the endline. Column [2] reports the intent-to-treat (ITT) estimate and standard error (in parenthesis) of program assignment at the endline. Columns [3] reports the p-value of the null hypothesis that Treatment=Control. Regressions include dummies for strata (defined by a socioeconomic index computed by the government using the Social Security Card score, municipality of residence, age ranges and cohort). Standard errors are clustered by municipality. Sample size varies due to missing values. *** p<0.01, ** p<0.05, * p<0.1.

Appendix

Cuenta RUT description

CuentaRUT is a type of bank account only available from BancoEstado. CuentaRUT accounts can be opened online, but still require one visit to a branch for activating the ATM card, signing a contract and registering a signature. The account has no minimum balance requirements and no opening or monthly fees. Deposits and withdrawals can be made from a BancoEstado account or through a CajaVecina, which are local stores where CuentaRut holders can make deposits, payments or withdrawals. Deposits, purchases and payments are free of cost; withdrawals are charged \$0.5 per transaction if made at the CajaVecina or ATM, and \$1.00 if made at a branch of the bank. Moreover, the maximum balance allowed in the account is around \$6,000, and monthly deposits have a limit of around \$3,000. The balance in the account can be zero for up to two years without the Bank closing the account.

Table 1A: Heterogeneous effects on Vulnerability

	[1]	[2]	[3]	[4]
<i>Panel A: Savings</i>	Savings	Formal Savings	Informal Savings	Amount Saved
Treatment	-0.027 (0.073)	-0.001 (0.048)	-0.044 (0.039)	-15.30 (30.18)
<i>Interaction of treatment with Program's:</i>				
Vulnerability and Treatment	0.088 (0.062)	0.077 (0.048)	0.039 (0.032)	-68.90 (72.35)
Sample Size	922	922	917	922
	[5]	[6]	[7]	[8]
<i>Panel B: Savings</i>	Amount Saved: Formal Savings	Amount Saved: Informal Savings	Live without incomes (in weeks)	Cuenta Rut
Treatment	-20.05 (24.89)	-8.240 (19.61)	0.360 (0.505)	0.100 (0.065)
<i>Interaction of treatment with Program's:</i>				
Vulnerability and Treatment	-67.63 (80.37)	7.890 (18.60)	-0.637 (0.489)	-0.025 (0.070)
Sample Size	907	920	915	923
<i>Panel B: Debts</i>				
	[1]	[2]	[3]	[4]
	Debt	Debt Amount	Basic Services Debts	Do not pay Credit Card Debt
Treatment	0.039** (0.014)	100.6 (144.0)	0.056 (0.048)	0.0637** (0.0216)
<i>Interaction of treatment with Program's:</i>				
Vulnerability and Treatment	-0.044 (0.036)	185.3 (148.6)	-0.029 (0.040)	-0.081 (0.039)
Sample Size	923	890	920	885

Note: Columns [1] to [8] from Panel A report the intent-to-treat (ITT) estimate and standard error (in parenthesis) of program assignment in each endline on Savings, Formal Savings, Informal Savings, Total Amount Saved, Formal Savings Amounts, Informal Savings Amounts, Living without income (in weeks) and Cuenta rut possession. Columns [1] to [4] from Panel B report the intent-to-treat (ITT) estimate and standard error (in parenthesis) of program assignment in each endline on Debts, Debt Amounts, and Basic Services Debts and Do not pay credit card debt. Vulnerability is defined as people whose ssc score is less than the median. SSC Score ranges from 2000 to 20000. Households whose score is less than 8500 belong to the 20% more vulnerable population, and those who score less than 11734 belong to the 40% more vulnerable population. Regressions include dummies for strata (defined by a socioeconomic index computed by the government using the Social Security Card score, municipality of residence, age ranges and cohort). Standard errors are clustered at the municipality level. Sample size varies due to missing values. *** p<0.01, ** p<0.05, * p<0.1.

Table A2: Heterogeneous effects on Cohort

	[1]	[2]	[3]	[4]
<i>Panel A: Savings</i>	Savings	Formal Savings	Informal Savings	Amount Saved
Treatment	0.052 (0.082)	0.071 (0.087)	-0.029 (0.026)	-24.78 (20.55)
<i>Interaction of treatment with Program's:</i>				
Cohort and Treatment	-0.070 (0.051)	-0.067 (0.089)	0.008 (0.047)	-47.37 (135.0)
Sample Size	922	922	917	922
	[5]	[6]	[7]	[8]
<i>Panel b: Savings</i>	Amount Saved: Formal Savings	Amount Saved: Informal Savings	Live without incomes (in weeks)	Cuenta Rut
Treatment	-27.40 (22.15)	-0.930 (19.45)	-0.048 (0.215)	0.073 (0.051)
<i>Interaction of treatment with Program's:</i>				
Cohort and Treatment	-50.42 (133.1)	-6.733 (22.18)	0.207 (0.606)	0.029 (0.079)
Sample Size	907	920	915	923
<i>Panel C: Debts</i>	[1]	[2]	[3]	[4]
	Debt	Debt Amount	Basic Services Debts	Do not pay Credit Card Debt
Treatment	0.031 (0.058)	506.3 (278.1)	0.0105 (0.0403)	0.00749 (0.0410)
<i>Interaction of treatment with Program's:</i>				
Cohort and Treatment	-0.026 (0.079)	-640.0 (442.8)	0.062 (0.060)	0.034 (0.063)
Sample Size	923	890	920	885

Note: Columns [1] to [8] from Panel A report the intent-to-treat (ITT) estimate and standard error (in parenthesis) of program assignment in each endline on Savings, Formal Savings, Informal Savings, Total Amount Saved, Formal Savings Amounts, Informal Savings Amounts, Living without income (in weeks) and Cuenta rut possession. Columns [1] to [4] from Panel B report the intent-to-treat (ITT) estimate and standard error (in parenthesis) of program assignment in each endline on Debts, Debt Amounts, Basic Services Debts and Do not pay credit card debt. Cohort is a dummy variable that identifies the phase in which people receive more subsidies. Cohort takes the value 1 if the individual received the subsidy during the first 12 months and 0 in other cases. Regressions include dummies for strata (defined by a socioeconomic index computed by the government using the Social Security Card score, municipality of residence, age ranges and cohort). Standard errors are clustered at the municipality level. Sample size varies due to missing values. *** p<0.01, ** p<0.05, * p<0.1.

Table A3: Heterogeneous effects on Age (more than 44 years old)

	[1]	[2]	[3]	[4]
<i>Panel A: Savings</i>	Savings	Formal Savings	Informal Savings	Amount Saved
Treatment	-0.007 (0.056)	0.011 (0.044)	-0.033 (0.034)	-98.05 (64.59)
<i>Interaction of treatment with Program's:</i>				
More than 44 years old and Treatment	0.094 (0.083)	0.105 (0.083)	0.033 (0.039)	191.4 (95.00)
Sample Size	922	922	917	922
	[5]	[6]	[7]	[8]
<i>Panel B: Savings</i>	Amount Saved: Formal Savings	Amount Saved: Informal Savings	Live without incomes (in weeks)	Cuenta Rut
Treatment	-103.4 (64.56)	-8.291 (21.74)	-0.101 (0.272)	0.108** (0.034)
<i>Interaction of treatment with Program's:</i>				
More than 44 years old and Treatment	194.4 (94.74)	15.67 (25.15)	0.609 (0.342)	-0.075 (0.040)
Sample Size	907	920	915	923
<i>Panel C: Debts</i>				
	[1]	[2]	[3]	[4]
	Debt	Debt Amount	Basic Services Debts	Do not pay Credit Card Debt
Treatment	0.056 (0.045)	286.9 (231.1)	0.080 (0.041)	0.036 (0.048)
<i>Interaction of treatment with Program's:</i>				
More than 44 years old and Treatment	-0.150 (0.093)	-388.7 (379.4)	-0.149 (0.108)	-0.045 (0.069)
Sample Size	923	890	920	885

Note: Columns [1] to [8] from Panel A report the intent-to-treat (ITT) estimate and standard error (in parenthesis) of program assignment in each endline on Savings, Formal Savings, Informal Savings, Total Amount Saved, Formal Savings Amounts, Informal Savings Amounts, Living without income (in weeks) and Cuenta rut possession. Columns [1] to [4] from Panel B report the intent-to-treat (ITT) estimate and standard error (in parenthesis) of program assignment in each endline on Debts, Debt Amounts, Basic Services Debts and Do not pay credit card debt. More than 44 years of age is a dummy that identifies those people older than 44 years. Regressions include dummies for strata (defined by a socioeconomic index computed by the government using the Social Security Card score, municipality of residence, age ranges and cohort). Standard errors are clustered at the municipality level. Sample size varies due to missing values. *** p<0.01, ** p<0.05, * p<0.1.

Table A4: Heterogeneous effects on Offering date

	[1]	[2]	[3]	[4]
<i>Panel A: Savings</i>	Savings	Formal Savings	Informal Savings	Amount Saved
Treatment	-0.065 (0.092)	-0.042 (0.050)	-0.040 (0.066)	-155.9 (185.0)
<i>Interaction of treatment with Program's: Offering after March, 2013 and Treatment</i>				
	0.156 (0.091)	0.146** (0.040)	0.024 (0.071)	141.5 (208.8)
Sample Size	922	922	917	922
	[5]	[6]	[7]	[8]
<i>Panel B: Savings</i>	Amount Saved: Formal Savings	Amount Saved: Informal Savings	Live without incomes (in weeks)	Cuenta Rut
Treatment	-162.3 (191.5)	6.729 (21.01)	-0.305 (0.216)	0.064 (0.072)
<i>Interaction of treatment with Program's: Offering after March, 2013 and Treatment</i>				
	143.3 (222.0)	-19.55 (20.83)	0.492 (0.292)	0.034 (0.061)
Sample Size	907	920	915	923
<i>Panel C: Debts</i>				
	[1]	[2]	[3]	[4]
	Debt	Debt Amount	Basic Services Debts	Do not pay Credit Card Debt
Treatment	0.036 (0.056)	-99.10 (349.9)	0.080* (0.033)	0.038 (0.029)
<i>Interaction of treatment with Program's: Offerin aferte March, 2013 and Treatment</i>				
	0.002 (0.107)	451.2 (601.3)	-0.064* (0.028)	0.015 (0.101)
Sample Size	923	890	920	885

Note: Columns [1] to [8] from Panel A report the intent-to-treat (ITT) estimate and standard error (in parenthesis) of program assignment in each endline on Savings, Formal Savings, Informal Savings, Total Amount Saved, Formal Savings Amounts, Informal Savings Amounts, Living without income (in weeks) and Cuenta rut possession. Columns [1] to [4] from Panel B report the intent-to-treat (ITT) estimate and standard error (in parenthesis) of program assignment in each endline on Debts, Debt Amounts, Basic Services Debts and Do not pay credit card debt. Offering after March, 2013 is a dummy that takes the value 1 if the program was offered after March of 2013 and 0 in other case. In some cases the date was not available, so we impute the average date of the cohort. Regressions include dummies for strata (defined by a socioeconomic index computed by the government using the Social Security Card score, municipality of residence, age ranges and cohort). Standard errors are clustered at the municipality level. Sample size varies due to missing values. *** p<0.01, ** p<0.05, * p<0.1.

