



mea

Discussion:
Financial Literacy Externalities
By
M. Haliassos, T. Jansson, Y. Karabulut

Tabea Bucher-Koenen

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Summary

- Empirical study using Swedish administrative data to show spill-over effects of neighbors' financial literacy on migrant financial behavior
- Contributes to the literature
 - ... on financial literacy acquisition
 - ... on peer effects and financial behavior
- Main finding: Increase in neighbors' financial literacy increases probability to save for retirement and stock market participation among Swedish immigrants.
- Policy implications
 - ... for immigration policy (good environment pays off)
 - ... and financial education policy (potentially big multiplier effects)



Great Paper!

- Well motivated and explained
 - Very elaborate data work
 - Many sensitivity checks (a lot of tables and a long appendix)
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Critique

- More compact presentation of results (fewer tables), summarize main findings
- What is the size of the effect? How does it relate to the effects of the individual characteristics or effects found in the literature?
- Reduced form effect. Do you have a chance of estimating the multiplier?
- What happens if you move a migrant from the parish with the lowest fraction of knowledgeable neighbors to the parish with the best neighbors?
- Main effects on “highly educated men”
but: composition effects, can you do a four-way split?
Can you check what happens if you control for the share of women with business/economics knowledge?



Identification of the effect

- Relies on random allocation of migrants to electoral districts
- A bit hard to understand the regional structure: What are the electoral districts? What are the parishes? How do they fit into each other?
- Supply effects? Bank branches, agents? (Esp. for the last set of regressions with private retirement savings as indicator)
- Effect on probability to be employed in the financial sector
- Drop the Stockholm area? What happens?

Try to model the likelihood of interaction (rural vs. urban areas, population density)