Increasing Savings by Beneficiaries of Mexico’s Conditional Cash Transfer Program
Data Collection Summary

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Country: Mexico

Summary: Despite the huge bancarization potential and high implementation costs of using bank accounts to pay Conditional Cash Transfers (CCT), there has not been any effort to evaluate the likely effect this intervention could have on savings and account usage. This project non-experimentally evaluates the main features of the CCT intervention and tests several mechanisms to increase saving by the poor. Specifically, it looks at four aspects of the intervention: (1) the effect of paying beneficiaries of Mexico’s Conditional Cash Transfer Program, Oportunidades, through savings accounts as opposed to cash; (2) the effect of offering interest on savings through automatic participation in a lottery; (3) the effect of providing beneficiaries with ATM cards to be more able to more easily access savings; (4) the effect of reducing the distance to financial institutions; and (5) the effect of allowing beneficiaries to specify ex ante an amount that they would like to automatically save from each payment.

Survey Time Frame and Rounds:
- Round 1: Opening bank accounts and depositing OPORTUNIDADES recurrent CCT
- Round 2: Conducting lotteries of prizes as a function of savings to encourage savings
- Round 3: Offer a "commitment savings" product
- Round 4: Award of ATM cards with the account

Modules:
- Banks’ administrative records
- Bank lottery
- Survey of bank lottery participants
- Difference-in-difference of ATM card recipients’ and non-recipients’ savings behavior

Sample: Oportunidades beneficiaries

Survey size: 110 bank branches (40 bank branches in treatment group and 70 bank branches in control group); 3,000 lottery participants (1,500 winners and 1,500 losers).

Intervention: Randomization of 40 branches into a treatment group which implements lotteries and 70 branches into a control group with no lotteries. Treatment corresponds to putting a promotional campaign in place and having members participate in two monthly lotteries.