Banks and Inequality: Evidence from a Nationwide Branch Expansion Policy

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1 Online Appendix

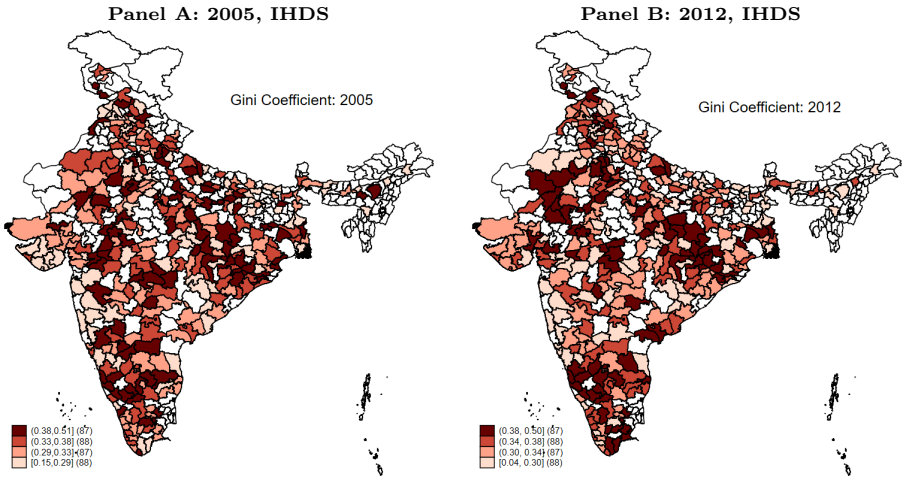


Figure A1: District Inequality in Consumption in India: 2005 and 2012

Notes: Authors' computations using IHDS (2005 and 2012), 371 districts.

Panel (A) and Panel (B) in Figure A1 show the district-level consumption inequality in India in 2005 and 2012, respectively. Northern regions exhibit higher inequality than southern regions, which aligns with the existing evidence on inequality in India. Panel (A) and (B) in Figure A1 are not directly comparable across time as the equal intervals used in legends differ slightly across time due to sample selection across the two IHDS survey waves.

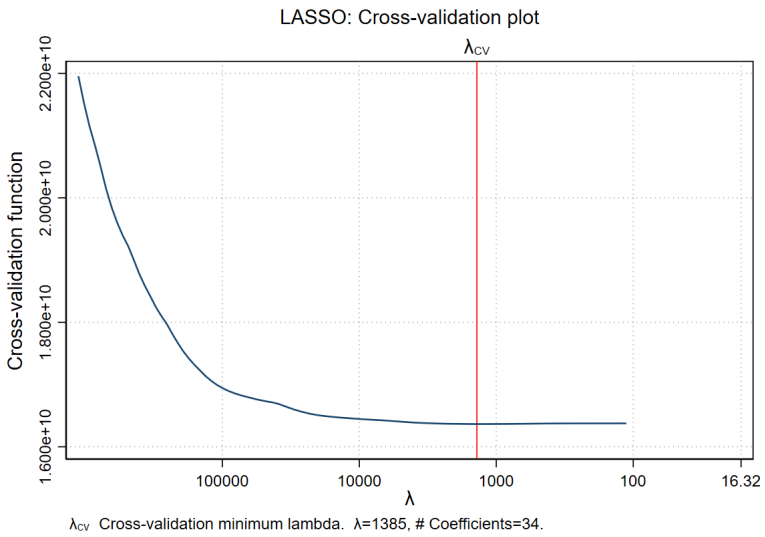


Figure A2: Cross Validation Plot for LASSO variable selection

Note: The output reveals that cross-validation (CV) selected a λ for which 34 of the 46 covariates used have nonzero coefficients. The CV function appears somewhat flat near the optimal λ, which implies that nearby values of λ would produce similar out-of-sample Mean Squared Errors. This constancy in λ yields the income variable from an adaptive selection model. The model uses 34 variables, as described in Table 7.

Table A1: LASSO Linear Model with Adaptive Selection

ID	Description	λ	No. of non-zero coef.	Out of sample R-squared	CV mean prediction error
89	first λ	1123790	0	0.0008	2.20E+10
160	λ before	1520.541	34	0.2552	1.64E+10
*161	selected λ	1385.461	34	0.2552	1.64E+10
162	λ after	1262.38	35	0.2552	1.64E+10
188	last λ	112.379	39	0.2547	1.64E+10

Notes: Table shows final adaptive step results with 36,305 number of observations from IHDS 1. No. of covariates is 46, and the number of LASSO steps is 2. CV is the default method of selecting the tuning parameters in the lasso command. CV finds the λ that minimizes the out-of-sample Mean Squared Error of the predictions. The mechanics of CV mimic the process using split samples to find the best out-of-sample predictor.

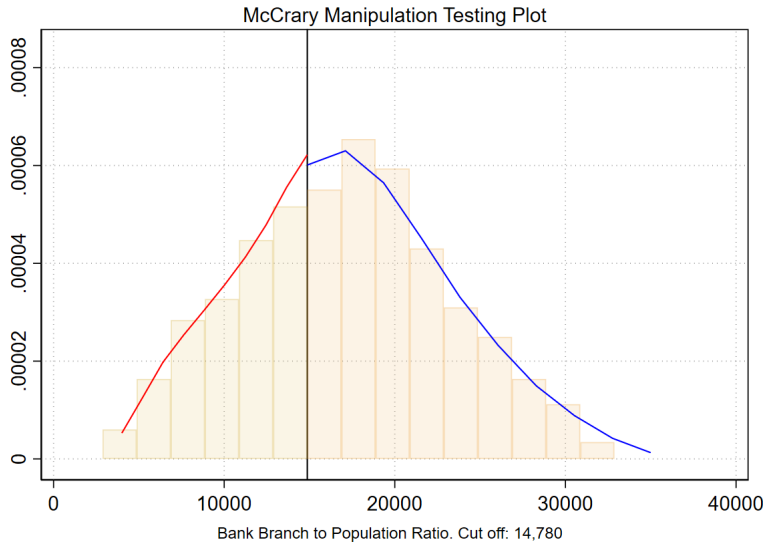


Figure A3: McCrary Density Plot and Histogram

Source: Authors' calculation, Data RBI MOF. Graph adapted from **?**. Number of observations left of the cut-off, 209, right of the cut-off, 372. Cut-off is set at 14,780. Efficient Observations left, 142, right, 193. Bandwidth: 5,726. Value of t statistics, 0.251, p-value, 0.801. The figure also shows the distribution of the running variable (district population to bank branch ratio) in the RD design.

Table A2: Descriptive Statistics Consumption and Inequality, NSS

	Banked		Underbanked		
Variable	Mean	SD	Mean	SD	t-test
National Sample Survey					
2004					
Gini Coefficient Consumption	0.254	0.035	0.212	0.048	***
Personal Consumption Exp. Rs.	895.6	169.4	714.1	124.8	***
2009					
Gini Coefficient Consumption	0.218	0.036	0.245	0.034	***
Personal Consumption Exp. Rs.	1342.5	213.1	1071.6	201.5	***
2011					
Gini Coefficient Consumption	0.161	0.046	0.214	0.041	***
Personal Consumption Exp. Rs.	1622.2	208.9	1325.3	221.6	***
Observations	202		373		
National Family Health Survey					
2015					
Gini Coefficient Living Standard	0.154	0.055	0.251	0.053	***
Living Standards (1-5)	3.657	0.587	2.615	0.623	***
Observations	206		374		
Population Census					
2001					
Migration from Other District	53280.39	81328.89	31879.35	76040.95	***
2011					
Migration from Other District	83441.29	141525.9	45847.19	116982.5	***
Observations	207		374		

Notes: Stars indicate a significant mean difference between the district-level average of households in banked and underbanked districts in a given year based on a t-test. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$. SD implies standard deviation. Variables in monetary terms are winsorized at 10 and 90%.

Table A3: Bank Presence and Per Capita Monthly Consumption Inequality: NSS and RBI

	(1)	(2)	(3)	(4)	(5)	(6)
	Pre		Post			
	Gini	Log Gini	Gini		Log Gini	
	2004	2004	2009	2011	2009	2011
Polynomial 1						
Treatment	0.004	0.018	-0.014	-0.013	-0.065	-0.083
	(0.015)	(0.068)	(0.011)	(0.015)	(0.047)	(0.085)
Untreated Mean	0.253	-1.38	0.218	-1.534	0.160	-1.873
Bandwidth	4,858	4,934	4,308	4,201	4,233	4,001
Observations	575	575	575	575	575	575
Polynomial 2						
Treatment	0.009	0.039	-0.016*	-0.017	-0.081*	-0.125*
	(0.017)	(0.078)	(0.011)	(0.016)	(0.052)	(0.090)
Observations	575	575	575	575	575	575

Notes: $*p < 0.1$, $**p < 0.05$,$***p < 0.01$ for RD robust p values. Standard errors in parentheses clustered at the district level. Data: Cross-Sectional, National Sample Survey, 2004, 2009, 2011 and MOF, RBI, district level data. Six districts, out of the 581 in RBI data are missed when using the NSS data due to the balancing of districts across time.

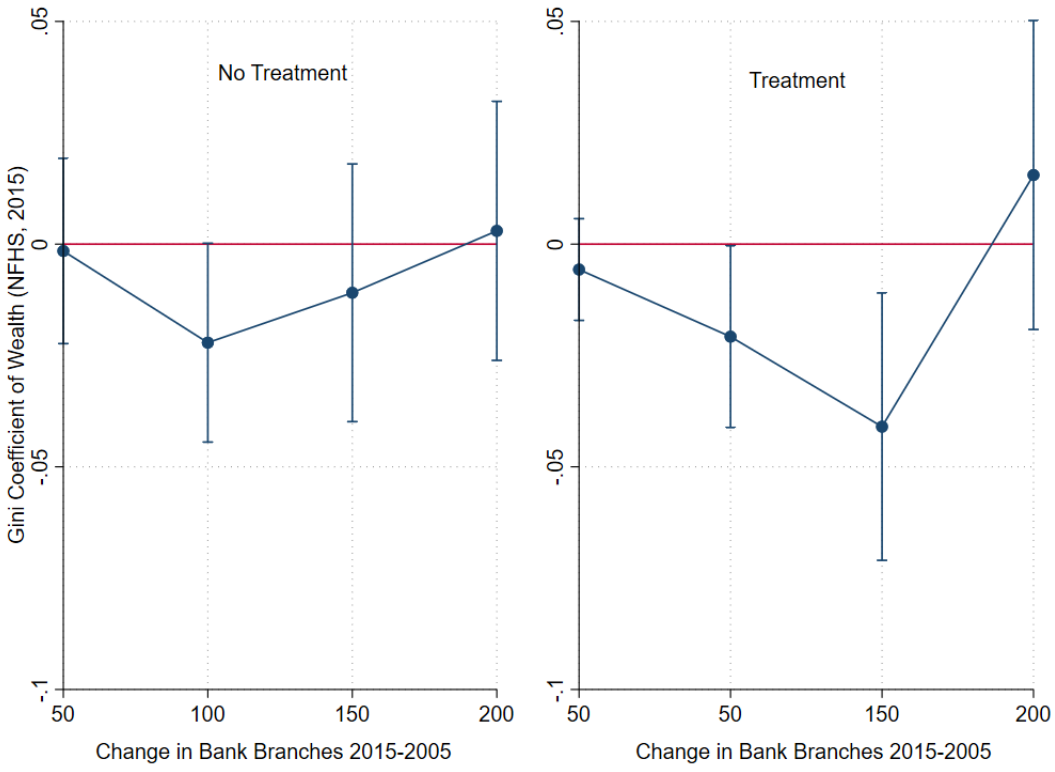


Figure A4: Bank Branch Expansion and Non-linearity in Wealth Inequality

Source: Authors' calculation, Data: RBI MOF and district-level data on wealth inequality NFHS-4, 2015/2016. 95% confidence intervals are used. The coefficients are calculated using an ordinary least squares regression with robust standard errors, separately for treated (Underbanked in 2005) and non-treated (Not underbanked in 2005) districts. Estimates are derived from differences in bank branches (x-axis) between 2015 and 2005. Y axis shows the Gini coefficient of the wealth index.

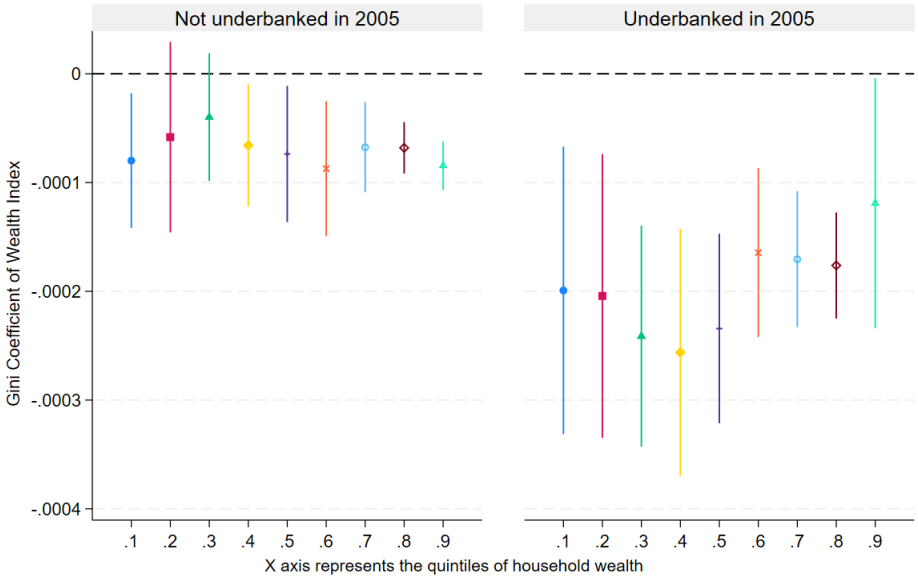


Figure A5: Bank Branch Expansion and Non-linearity in Wealth Inequality

Source: Authors' calculation, Data: RBI MOF and district-level data on wealth inequality NFHS-4, 2015/2016. The coefficients are calculated using quantile regression with robust standard errors, separately for treated (Underbanked in 2005) and non-treated (Not underbanked in 2005) districts. Point estimates are derived from individual quantile regressions, and show the impact of branch expansion on Gini of the wealth index.

Table A4: Bank Expansion and Consumption Inequality in Rural and Urban Areas, IHDS, 2012.

	(1) **Rural**	(2) **Urban**
Treatment Effects: Consumption Inequality	-0.010***	-0.052***
	(0.002)	(0.004)
Untreated Mean	0.352	0.337
Bandwidth	1,248	1,191
Observations	55,477	24,490

Notes: *** p<0.01. Standard errors are in parentheses. Observations are at the household level. The dependent variable in each column is the measure of consumption inequality in rural and urban areas. "Untreated Mean" represents the average level of consumption inequality in untreated districts. The bandwidth refers to the optimal neighborhood around the cutoff, as estimated using the method of **?**. Data: Reserve Bank of India (RBI), and India Human Development Survey (IHDS), 2012. Rural and urban classification follows the IHDS survey.

Table A5: Treatment Effects on Log Consumption and Log Income

	(1)	(2)	(3)	(4)
	Log Levels (DID)		Log Levels (Differences-in-Discontinuity)	
Variables	Log Consumption	Log Income	Log Consumption	Log Income
Treatment	1.984**	1.144**	2.726***	1.179*
	(0.854)	(0.536)	(0.986)	(0.621)
L. Log Consumption	0.167*		0.211**	
	(0.0858)		(0.0945)	
L. Log Income		0.283***		0.219***
		(0.0603)		(0.0631)
L. Log Consumption*Treatment	-0.173**		-0.239***	
	(0.0759)		(0.0875)	
L. Log Income*Treatment		-0.100**		-0.103*
		(0.0467)		(0.0543)
Observations	371	371	264	264
R-squared	0.778	0.866	0.769	0.841

Notes: Table A5 reports results from the DID and Differences-in-Discontinuity models examining the effects of treatment on log levels of consumption and income. $*p < 0.1$, $**p < 0.05$, $***p < 0.01$. Standard errors in parentheses are clustered at the district level. The dataset includes IHDS panel data (2005 and 2012) and MOF, RBI district-level data. Variables are winsorized at 10% and 90%. Additional district-level controls include (i) household poverty, (ii) consumption Gini, (iii) household wealth, and (iv) household head's education. Regional fixed effects are included for the seven major regions in India.

Table A6: DID and Difference-in-Discontinuity β-Convergence: IV model

	(1)	(2)	(3)	(4)
	DID β-Convergence		Differences-in-Discontinuity β-Convergence	
Variables	Growth Consumption	Growth Income	Growth Consumption	Growth Income
Treatment	3.390***	0.991*	4.009***	1.180*
	(1.036)	(0.572)	(1.058)	(0.624)
L.Log Consumption	-0.641***		-0.607***	
	(0.119)		(0.122)	
L.Log Income		-0.744***		-0.781***
		(0.0758)		(0.0779)
L.Log Consumption*Treatment	-0.298***		-0.353***	
	(0.0921)		(0.0939)	
L.Log Income*Treatment		-0.0872*		-0.103*
		(0.0498)		(0.0545)
Under identification Kleibergen-Paap rk LM statistic	47	59	32	52
Weak identification Cragg-Donald Wald F statistic	499	680	384	616
First stage	-22.441***	-37.513***	-22.766***	-40.267***
	(1.670)	(2.575)	(1.861)	(2.949)
Sanderson-Windmeijer F test excluded instrument	180	212	149	186
Observations	371	371	264	264
R-squared	0.530	0.633	0.558	0.680

Notes: Table A6 reports the results from β convergence DID model, the impact of RBI bank branch expansion policy (2005) on convergence in consumption and income in India. $*p < 0.1$, $**p < 0.05$,$***p < 0.01$. Standard errors in parentheses are clustered at the district level. Data: IHDS panel, 2005 and 2012, and MOF, RBI, district-level data. Both variables are winsorized at 10% and 90%. Here, β-convergence implies convergence in mean values of consumption and across districts. The baseline district level control variables include (i) household poverty (ii) consumption gini, (iii) household wealth, and (iv) household head's education. Additional regional fixed effects are included for the seven major regions in India. In columns (3) and (4), following **?**, we use the difference-in-discontinuity design, within the β-convergence framework. The choice of bandwidth for this model is taken from our main result on the Gini coefficient,$\pm 6,459$, as shown in column (3) of Table 2. *Instrumental Variables (IV)*: For consumption regressions, the IV is calculated as the logarithm of the mean consumption within a region-year, excluding the district's own value. For income regressions, the IV is the logarithm of the mean income within a region-year, similarly excluding the districts's own value. *Interpretation of Tests*: The Kleibergen-Paap rk LM statistic tests whether the model is under-identified, ensuring that the instruments are relevant for the endogenous variables. The Cragg-Donald Wald F statistic assesses weak identification, ensuring the instruments are strong enough for reliable inference. The first-stage coefficients and their standard errors indicate the strength and significance of the relationship between the instruments and endogenous variables. The Sanderson-Windmeijer F-test for excluded instruments evaluates the joint significance of the instruments in the first stage.

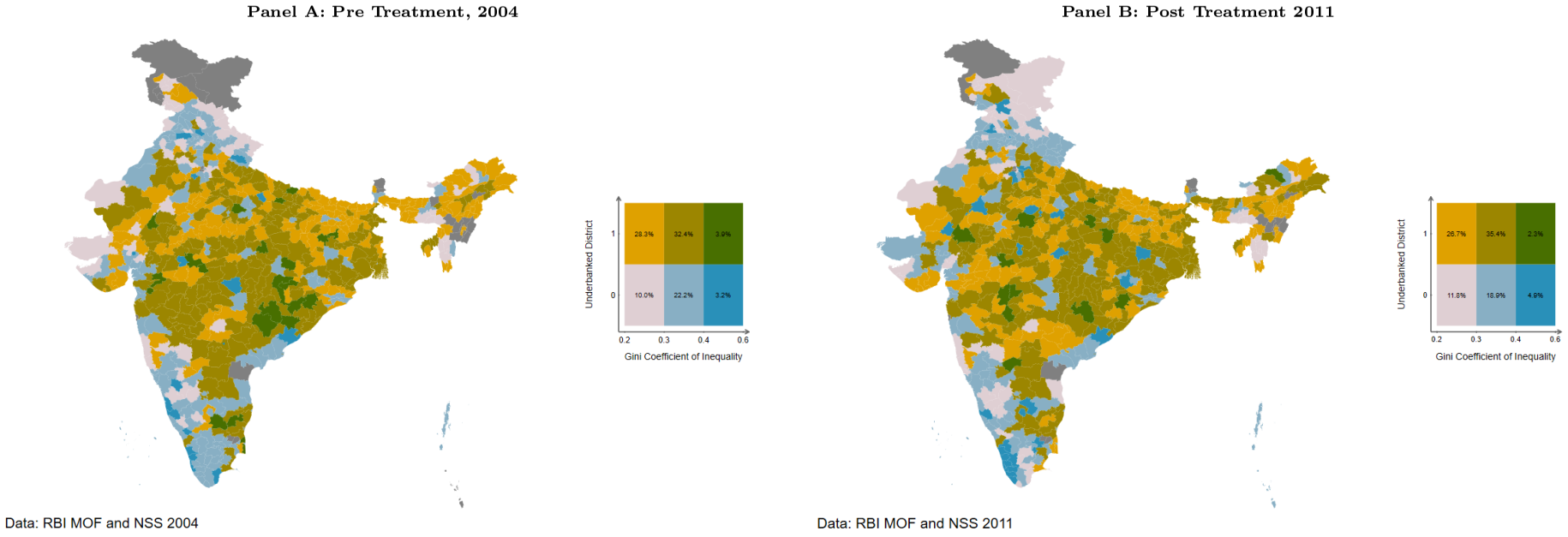


Figure A6: Gini coeff. of consumption inequality in India by underbankedness, district level.

Notes: Authors' computations using NSS (2004 and 2011), 575 districts. The figure shows a reduction in inequality in treated districts.

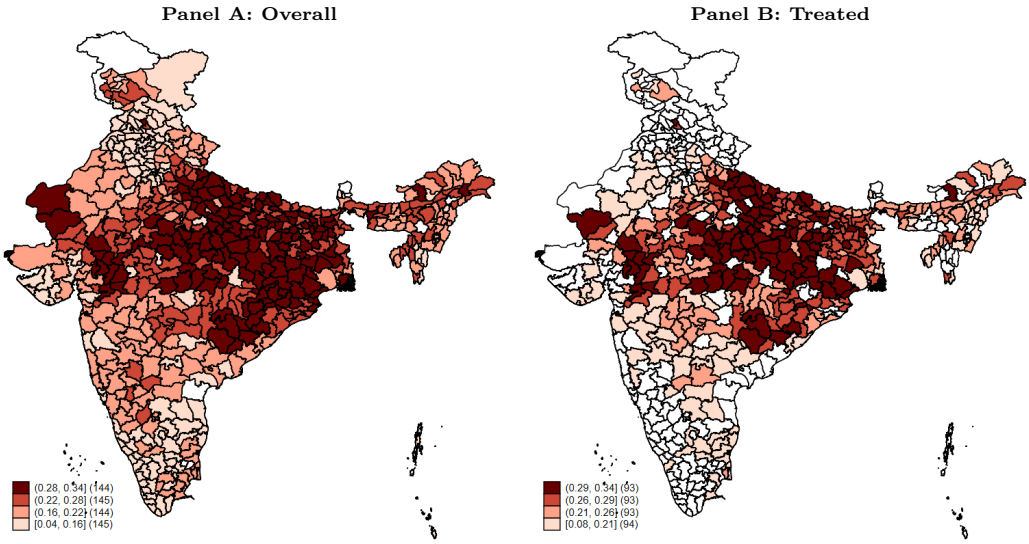


Figure A7: District Level Inequality in Living Standards in India.

Notes: Authors' computations using NFHS, 2014/2015. Panel (A) shows the inequality in living standards for the full sample of districts, 580 districts. Panel (B) shows the inequality in living standard for the districts that were treated with the Bank Branch Authorization Policy, 374 districts.

Figure A7 shows the district-level map of inequality in wealth in India. Panel (A) shows the overall inequality in living standards and Panel (B) shows the inequality in treated districts. As evident, there seems to be high inequality in living standards in the BIMARU states of India (Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh). In treated districts, we find a significantly lower level of inequality. However, in the BIMARU states, the impact of treatment on living standard inequality seems to be smaller.

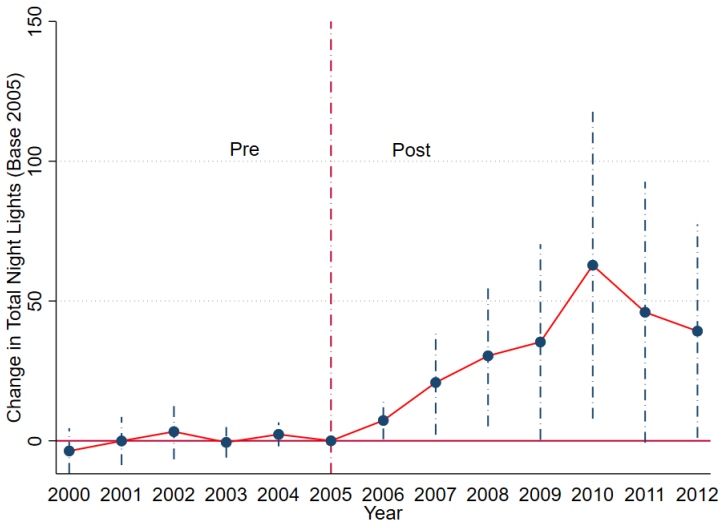


Figure A8: District level change in mean total night-lights luminosity for treated districts.

Source: Authors' calculation, SHRUG Data. Total light is the sum of the luminosity values (0-63) of all pixels in the unit of analysis (**?**). The base year is 2005.

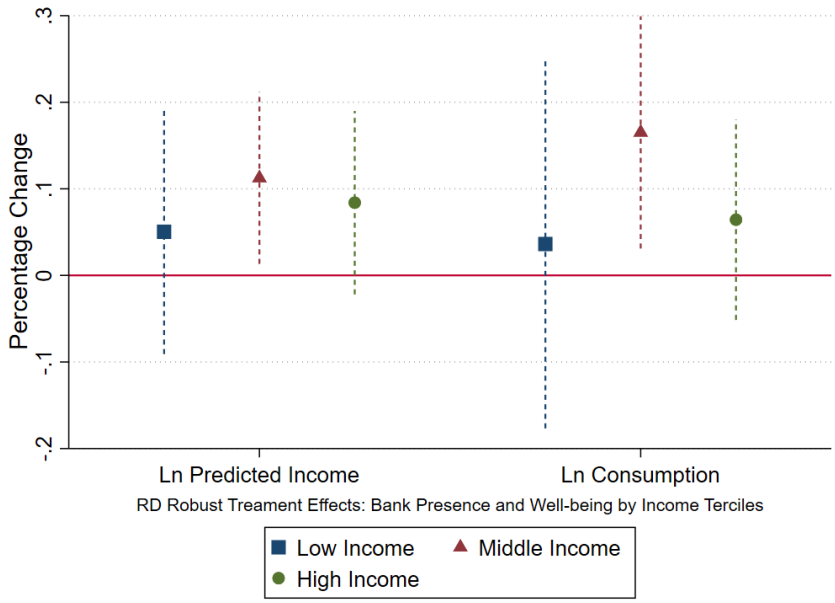
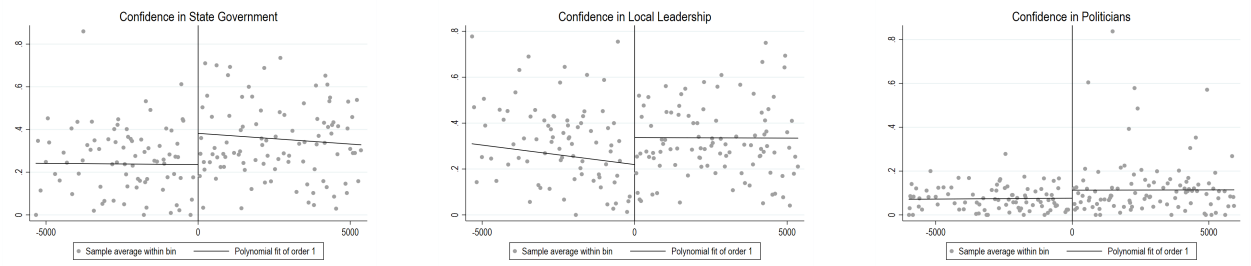


Figure A9: Bank Presence, Consumption and Income by Income Tercile

Source: Authors' calculation using IHDS household data, 2012, and RBI, MOF. Variables deflated using survey deflator and winsorized at 10th and 90th percentile.



(a) Confidence in State Govt. **(b)** Confidence in Local Leaders **(c)** Confidence in Pol. Parties

Figure A10: RD plot on Bank Presence and Confidence in Institutions

Source: Authors' calculation, RD plots, Data: IHDS, 2012, and RBI, MOF.

A0.1 Impact of Financial Access on Institutional Confidence

In this section, we examine if the bank expansion policy had broader societal effects in terms of household confidence in political institutions. Given the structural transitions in employment and increased economic opportunities in treated districts, it is interesting to examine if bank expansion could have broader social repercussions. To this extent, we examine if the policy led to higher confidence in government and local leadership. Central to our hypothesis is the idea that the expansion of banking services acts as a catalyst for substantial economic activity within these districts. Such economic enhancements are expected to bolster trust in governmental capabilities, especially in delivering necessary infrastructural developments. This expectation is supported by findings from **?**, who observed that even temporary participation in financial markets could significantly boost generalized trust among individuals. Therefore, we posit that similar increases in trust could arise from expanded banking services, which, like financial market exposure, involve entrusting assets to institutional frameworks perceived as capable and reliable. This potential increase in trust could lead to strengthened public confidence in governmental efforts, thereby promoting collaborative community initiatives and reducing local inequalities. Additionally, as economic growth and institutional effectiveness are intertwined, the anticipated outcomes suggest that the expansion of banking services will not only stimulate local economies but also reinforce public confidence in governmental efforts. As shown in Figure A10 and in columns 4, 5 and 6 of Table A7, we find that bank presence increased confidence in state government to look after people (14.4 percentage points), local leadership to implement public projects (11.5 percentage points) and politicians to fulfill their promises (6.2 percentage points). Columns 1, 2 and 3 of Table A7 show pre-policy smoothness in institutional confidence variables and provide robustness to the post-policy estimates. Panel (a) of Figure A10 shows the discontinuous jump in district-level aggregated confidence of households that the state takes care of people, panel (b) shows the discontinuous jump in the confidence that local leaders implement public projects properly, and panel (c) shows the discontinuous jump in the confidence that local politicians fulfill their promises. As banks establish themselves within a locality, residents may perceive an improvement in the capacity of the state government to attend to the welfare of its people. The accessibility of banking services often signifies economic development, fostering trust in local leadership to effectively implement public projects. Moreover, the financial infrastructure provided by banks can enhance the perceived reliability of politicians to fulfill their promises, as economic growth and stability become more tangible. This newfound confidence in the efficacy of governmental institutions and leaders can catalyze collaborative efforts, encouraging the equitable distribution of resources and opportunities across the community, and ultimately contributing to a reduction in local inequality.

Table A7: Bank Presence and Confidence in Institutions

	(1)	(2)	(3)	(4)	(5)	(6)
	Pre Policy			Post Policy		
Confidence	State	Local Leaders	Politicians	State	Local Leaders	Politicians
Treatment	0.073	-0.028	0.006	0.144**	0.115**	0.062*
	(0.058)	(0.068)	(0.030)	(0.061)	(0.059)	(0.032)
Untreated Mean	0.24	0.36	0.10	0.26	0.29	0.08
Bandwidth	6,692	6,303	6,861	5,753	5,485	6,128
Observations	371	371	371	371	371	371

Notes: Table A7 reports the results from the RD robust regression of the impact of RBI bank branch expansion policy (2005) on the confidence in local institutions in India. $*p < 0.1$, $**p < 0.05$,$***p < 0.01$. Standard errors in parentheses are clustered at the district level. Data: India Human Development Survey, 2005 and 2012, and MOF, RBI, district level data. We average the household-level dummy variables of their confidence in institutions at the district level to get the fraction of households in the district having confidence in the respective institutions, which we then use as outcome variables. For more details of the variable, see the data section on IHDS survey.

Table A8: Bank Presence and Change in Total Night-lights Luminosity (Base: 2005)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Post				Pre		
Variables	2012	2010	2008	2006	2004	2002	2000
Treatment	39.23*	62.80*	30.39**	7.277*	2.294	3.293	-3.628
	(23.21)	(33.37)	(15.34)	(4.091)	(2.606)	(6.034)	(4.963)
Untreated Mean	37.77	43.49	15.22	3.70	2.48	7.09	4.64
Bandwidth	2,436	2,526	2,446	2,710	2,552	2,497	2,951
Observations	575	575	575	575	575	575	575

Notes: $*p < 0.1$, $**p < 0.05$,$***p < 0.01$. Standard errors in parentheses clustered at the district level. Point estimate is shown in Figure A8. Post-policy estimates show a non-linear trend.

Table A9: Bank Presence: Household Consumption and Income by Income Tercile

	(1)	(2)	(3)	(4)	(5)	(6)
	Log Predicted Income			Log Consumption		
Variables	Low Income	Middle Income	High Income	Low Income	Middle Income	High Income
Treatment	0.050	0.112*	0.084	0.036	0.165**	0.064
	(0.085)	(0.060)	(0.064)	(0.129)	(0.081)	(0.070)
Untreated Mean	10.99	11.20	11.60	11.13	11.34	11.77
Bandwidth	3,868	4,137	5,551	3,902	4,091	4,896
Observations	11,598	13,474	14,253	11,814	13,678	14,502

Notes: $*p < 0.1$, $**p < 0.05$,$***p < 0.01$. Standard errors in parentheses clustered at the district level. Control Variables include log of district population in 2001, and commercial bank branches in 1997.

Table A10: RD Estimates of the Effects of Bank Expansion on Log Consumption, Rural and Urban Households by Income Class

	Rural			Urban		
Variables	Poor	Middle	Rich	Poor	Middle	Rich
Treat	-0.069	0.068*	-0.044	0.486***	0.199***	0.081
	(0.048)	(0.038)	(0.050)	(0.088)	(0.047)	(0.050)
Untreated Mean	10.42	10.68	11.20	10.54	10.88	11.42
Bandwidth	3,130	2,705	2,881	4,313	3,968	3,338
Observations	10,037	9,576	7,680	1,777	4,102	6,822

Notes: *** p<0.01, * p<0.1. Standard errors are in parentheses. The dependent variable is the log of household consumption. "Untreated Mean" represents the average level of log consumption for untreated households in each income group. Bandwidth refers to the optimal window around the RD cutoff, calculated following **?**. Observations denote the total number of units within each income class included in the estimation. Data sources: Reserve Bank of India's (RBI) Master Office File (MOF), and India Human Development Survey (IHDS), 2012.

Table A11: Income Terciles in Urban and Rural Areas, IHDS, 2012

Terciles of Income	**Observations**	**Percent (Urban)**	**Observations**	**Percent (Rural)**
1	10,047	36.79	1,782	14.02
2	9,578	35.07	4,105	32.30
3	7,683	28.13	6,823	53.68
Total	27,308	100.00	12,710	100.00

Notes: The table reports the distribution of households by income terciles across urban and rural areas. The "Percent" column shows the share of households in each income tercile as a percentage of the total sample for urban and rural areas, respectively. Data are sourced from the India Human Development Survey (IHDS), 2012.

Table A12: Bank Presence and Consumption Inequality in India: Polynomial 2

	(1)	(2)	(3)	(4)	(5)
	Pre		Post		
	Gini Coeff	Log Gini	Gini Coeff	Log Gini	Diff Gini
Treatment	-0.002	-0.043	-0.035**	-0.103*	-0.041**
	(0.023)	(0.086)	(0.016)	(0.060)	(0.0169)
Bandwidth	8,713	8,643	8,926	8,576	8,775
Observations	371	371	371	371	371

Notes: $*p < 0.1$, $**p < 0.05$,$***p < 0.01$. Standard errors in parentheses clustered at the district level. All other characteristics are similar to Table 2.

Table A13: RD Donut Hole Test: Bank Presence and Consumption Inequality in India

	(1)	(2)	(3)	(4)	(5)
	Pre		Post		
	Gini Coeff	Log Gini	Gini Coeff	Log Gini	Diff Gini
Treatment	0.003	-0.023	-0.025**	-0.097	-0.037**
	(0.019)	(0.078)	(0.012)	(0.066)	(0.018)
Bandwidth	4,703	4,624	4,779	4,610	4,095
Observations	367	367	367	367	367

Notes: $*p < 0.1$, $**p < 0.05$,$***p < 0.01$. Standard errors in parentheses clustered at the district level. Data: India Human Development Survey, 2005 and 2012, and MOF, RBI, district level data.

Table A14: Placebo Cutoffs: Main Results

	Placebo Cut-off Main Results				
	-3000	-1000	0	1000	3000
	(1)	(2)	(3)	(4)	(5)
Table (2) District Consumption Inequality					
Gini Coeff. Cons.	-0.146	0.110	-0.026**	-0.007	0.101
Difference in Gini Coeff. Cons.	51.87	0.102	-0.032***	-0.016	0.0732
Table (3) District Living Standards					
Gini Living Standard	0.002	0.062	-0.030	0.023	-0.016
Living standards Index	3.499	-73.17	0.311**	-0.319	-0.286
Table (4) Poverty					
District Poverty	-0.106	-0.011	-0.059*	2.051	-0.152
Table (5) District Income					
Income	115,839	-33,826	13,397**	31,322	-37,471
Difference in Income	634,760	6,085	8,479*	49,141	-6,526
Table (6) Agri. and Non-Agri. Employment					
Agricultural Employment	-0.175	-0.006	-0.061**	-0.212	-0.125
Non Agricultural Employment	-0.849	-0.051	0.055*	1.354	0.023
Table (7) Earnings from Employment					
Earnings Inequality	-145.0	-0.003	-0.032	0.161	-0.109
Total Work Earnings	132,906	446,773	6,416*	2,194	9,505

Notes: p-values of respective regressions with different (placebo) cutoffs are shown. For details of the regressions, refer to the respective main table. The structure of the table is drawn from Cramer (2020).

Table A15: Robustness to Different Bandwidth Multipliers: Main Results

	Bandwidth Multiplier				
	0.50x	**0.75x**	**1.00x**	**1.25x**	**1.50x**
	(1)	(2)	(3)	(4)	(5)
Table (2) District Consumption Inequality					
Gini Coeff. Cons.	-0.032*	-0.027**	-0.026**	-0.023**	-0.020**
	(0.016)	(0.013)	(0.011)	(0.010)	(0.009)
Difference in Gini Coeff. Cons.	-0.041**	-0.036**	-0.032***	-0.027***	-0.024***
	(0.018)	(0.014)	(0.012)	(0.010)	(0.010)
Table (3) District Living Standards					
Gini Living Standard	-0.046	-0.038	-0.029	-0.022*	-0.0159*
	(0.039)	(0.027)	(0.021)	(0.018)	(0.015)
Living standards Index	0.509***	0.422**	0.311**	0.235**	0.149**
	(0.258)	(0.198)	(0.163)	(0.140)	(0.124)
Table (4) Poverty					
District Poverty	-0.068	-0.069*	-0.058*	-0.049*	-0.040*
	(0.050)	(0.038)	(0.032)	(0.027)	(0.0255)
Table (5) District Income					
Income	20,229**	17,677**	13,398**	9,958**	7,334**
	(9,864)	(8,439)	(7,198)	(6,203)	(5,639)
Difference in Income	6,987	8,965	8,479*	7,229*	5,830*
	(6,818)	(5,623)	(4,738)	(3,998)	(3,608)
Table (6) Agri. and Non-Agri. Employment					
Agricultural Employment	-0.583*	-0.062*	-0.061**	-0.056**	-0.053**
	(0.316)	(0.036)	(0.029)	(0.024)	(0.0213)
Non Agricultural Employment	0.079	0.067*	0.055*	0.056**	0.0550**
	(0.052)	(0.040)	(0.033)	(0.029)	(0.026)
Table (7) Earnings from Employment					
Earnings Inequality	-0.045	-0.042	-0.032	-0.016*	-0.004
	(0.040)	(0.033)	(0.028)	(0.023)	(0.021)
Total Work Earnings	9,465*	7,635*	6,417*	3,870**	2,069*
	(5,237)	(4,579)	(4,227)	(3,924)	(3,555)

Notes: $*p < 0.1$, $**p < 0.05$, $***p < 0.01$. Standard errors in parentheses. For details of the regression, refer to the respective main table. The structure of the table is drawn from Cramer (2020).

Table A16: Robustness to Different Bandwidth Selectors: Main Results

Variables	MSE Optimal		CER Optimal	
	Common	Two-sided	Common	Two-sided
	(1)	(2)	(3)	(4)
Table (2) District Consumption Inequality				
Gini Coeff. Cons.	-0.026**	-0.034**	-0.027**	-0.039**
	(0.011)	(0.014)	(0.013)	(0.017)
Difference in Gini Coeff. Cons.	-0.032**	-0.040***	-0.036**	-0.046**
	(0.012)	(0.015)	(0.014)	(0.0183)
Table (3) District Living Standards				
Gini Living Standard	-0.030	-0.026	-0.038	-0.031
	(0.021)	(0.022)	(0.028)	(0.0285)
Living standards Index	0.311**	0.235*	0.433**	0.326*
	(0.163)	(0.176)	(0.202)	(0.217)
Table (4) Poverty				
District Poverty	-0.058*	-0.071*	-0.069*	-0.073
	(0.032)	(0.037)	(0.038)	(0.0460)
Table (5) District Income				
Income	13,397**	16,311**	17,751**	18,641**
	(7,176)	(7,259)	(8,422)	(8,533)
Difference in Income	8,479*	9,686*	8,938*	9,268
	(4,721)	(5,187)	(5,612)	(6,002)
Table (6) Agri. and Non-Agri. Employment				
Agricultural Employment	-0.061**	-0.056*	-0.062*	-0.061
	(0.029)	(0.035)	(0.036)	(0.043)
Non Agricultural Employment	0.055*	0.099**	0.067*	0.085
	(0.033)	(0.042)	(0.040)	(0.0589)
Table (7) Earnings from Employment				
Earnings Inequality	-0.032	-0.035	-0.043	-0.039
	(0.028)	(0.034)	(0.033)	(0.042)
Total Work Earnings	6,416*	10,085**	7,662*	15,281**
	(4,212)	(4,429)	(4,561)	(6,218)

Notes: $*p < 0.1$, $**p < 0.05$, $***p < 0.01$. Standard errors in parentheses. The first and second columns are MSE-optimal bandwidths, initially identical and then different to the left and right of the cutoff. The third and fourth columns indicate CER (Coverage Error Rate)-optimal bandwidths, first identical and then different to the left and right of the cutoff (Calonico et al., 2020, 2014). For details of the regression, refer to the respective tables. The structure of the table is drawn from Cramer (2020).

Table A17: Bank Presence and Consumption Inequality in India: Theil Index

	(1)	(2)	(3)	(4)	(5)
	Pre		Post		
	Theil Index	Log Theil Index	Theil Index	Log Theil Index	Diff. Theil Index
Treatment	-0.000	-0.001	-0.018*	-0.174**	-0.022**
	(0.012)	(0.143)	(0.009)	(0.082)	(0.011)
Untreated Mean	0.096	-2.435	0.131	-2.064	0.035
Bandwidth	6495	6573	6458	6436	6290
Observations	371	371	371	370	371

Notes: $*p < 0.1$, $**p < 0.05$,$***p < 0.01$. Standard errors in parentheses clustered at the district level. Data: India Human Development Survey, 2005 and 2012, and MOF, RBI, district level data. Untreated Mean is the average outcome value for the non-treated household in the optimal bandwidth. Covariates in pre-policy is the number of non-regional rural bank branches in the district in 1997, and in the post period, we additionally control for the district population as per the 2001 census, lag of the outcome variable and number of household assets in the pre-treatment period.