

Entropy*

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1 Introduction

Literature:

Muggleton et al. (2020) find that consumption entropy over categories correlates with financial distress.

Davenport et al. (2020) study the impact of COVID-19 on the spending and savings behaviour of MDB users.

Baker and Kueng (2021) summarises literature that uses mass financial transaction data to study household financial behaviour.

Becker (2017) finds that access to a fintech money management app increases first-time savings and savings account balances among 65,000 customers of a large European bank but that update is negatively correlated with financial sophistication.

Paper:

Independent variable: entropy over categories and others

Outcome variables: first-time saving, average monthly savings

References

- Baker, Scott R and Lorenz Kueng (2021). “Household Financial Transaction Data”. Tech. rep. National Bureau of Economic Research.
- Becker, G (2017). “Does fintech affect household saving behavior? findings from a natural field experiment”. Tech. rep. mimeo.
- Davenport, Alex, Robert Joyce, Imran Rasul, and Tom Waters (2020). “Spending and saving during the COVID-19 crisis: evidence from bank account data”. In: *Institute for Fiscal Studies, Briefing Note* 308.

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Muggleton, Naomi K, Edika G Quispe-Torreblanca, David Leake, John Gathergood, and Neil Stewart (2020). “Evidence from mass-transactional data that chaotic spending behaviour precedes consumer financial distress”. Tech. rep. DOI: [10.31234/osf.io/qabgm](https://doi.org/10.31234/osf.io/qabgm). URL: psyarxiv.com/qabgm.