Unemployment Insurance decreases bank deposits as it reduces households' precautionary savings as their income risk is lower

	Dependent Variable: $\Delta log(County\ Deposit)$				
	(1)	(2)	(3)	(4)	(5)
$\Delta log(UI\ Benefit)$,	-0.053***	-0.054***	-0.055***	-0.055***	-0.056***
State	(0.015)	(0.015)	(0.015)	(0.015)	(0.015)
$\Delta log(Income)$,			0.036**	0.035**	0.037**
County			(0.014)	(0.014)	(0.014)
Controls & Fixed Eff:					
Unemp.	N	N	N	Y	Y
cubic(Unemp.)	N	N	N	N	Y
Pair × Year FE	Y	Y	Y	Y	Y
County FE	N	Y	Y	Y	Y
Obs.	36,596	36,596	36,596	36,596	36,596
R^2	0.557	0.601	0.601	0.601	0.601

Hence, unemployment insurance reduces loan supply, especially SME lending

	Dependent Variable: *log*(*new lending*)			
	(1)	(2)	(3)	(4)
$\Delta log(UI\ Exposure)$,	-0.022**	-0.023**	-0.026**	-0.024***
Bank	(0.010)	(0.010)	(0.010)	(0.009)
Controls & Fixed Eff:				
Bank controls	N	N	Y	Y
Bank exposures	N	N	N	Y
Bank FE	Y	N	N	N
County × Year FE	Y	Y	Y	Y
County × Bank FE	N	Y	Y	Y
Obs.	364,643	364,643	364,643	364,643
R^2	0.396	0.645	0.650	0.654

This, in turn, increases unemployment and reduces wages in counties that are more exposed to unemployment insurance via the banking system

	log(*unemployment rate*)			Δ*log*(*average wage*)		
	(1) All	(2) County DEF Low	(3) County DEF High	(4) All	(5) County DEF Low	(6) County DEF High
Δ*log*(*UI Exposure*), County	0.038**	0.025	0.055**	-0.007*	-0.002	-0.012*
	(0.014)	(0.017)	(0.021)	(0.004)	(0.006)	(0.007)
Controls & Fixed Eff:						
State × Year FE	Y	Y	Y	Y	Y	Y
County FE	Y	Y	Y	Y	Y	Y
County bank exposures	Y	Y	Y	Y	Y	Y
County controls	Y	Y	Y	Y	Y	Y
Obs.	35,764	17,966	17,743	35,764	17,966	17,743
R^2	0.921	0.926	0.918	0.164	0.155	0.197