

Wear am I in your wallet? Cash Holdings of Mobile Payment Users

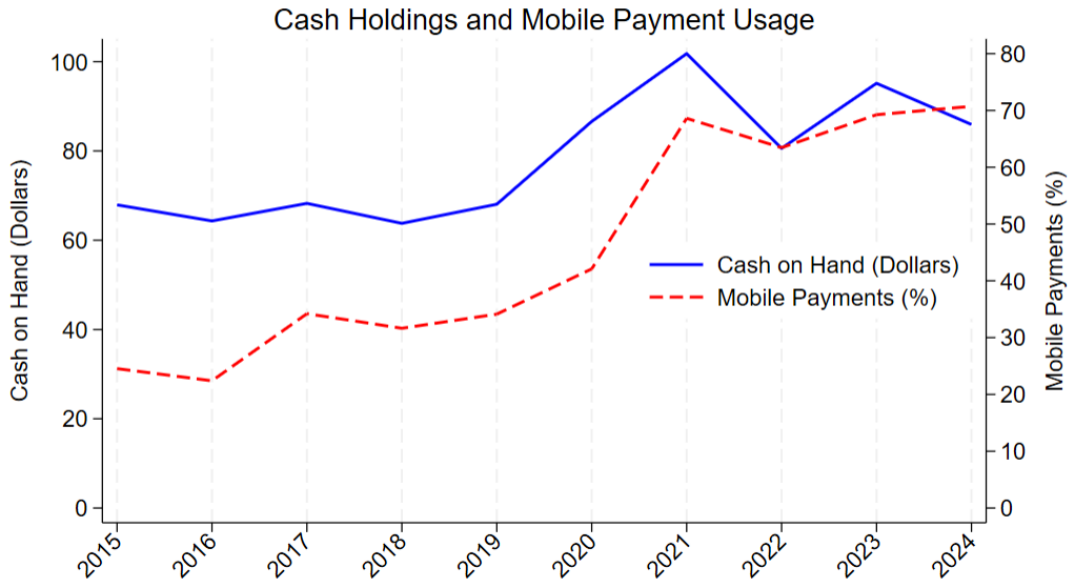
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Cash Holdings and Mobile Payment Usage



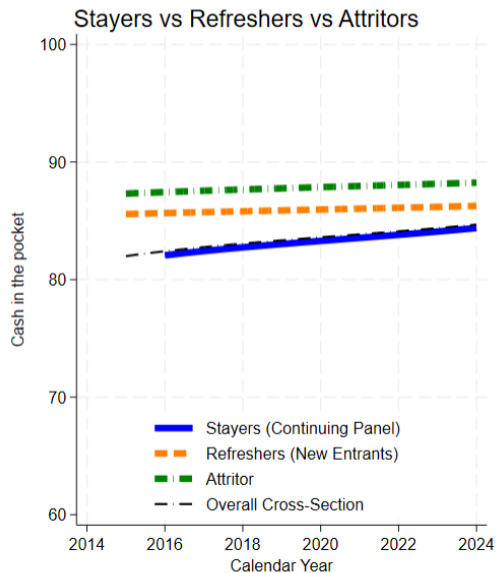
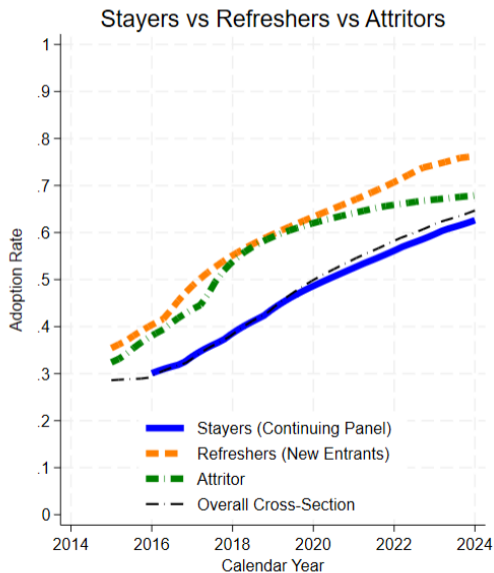
Panel Data: SCPC and DCPC

Table: Panel Composition by Year: Stayers, Attritors, and Refreshers

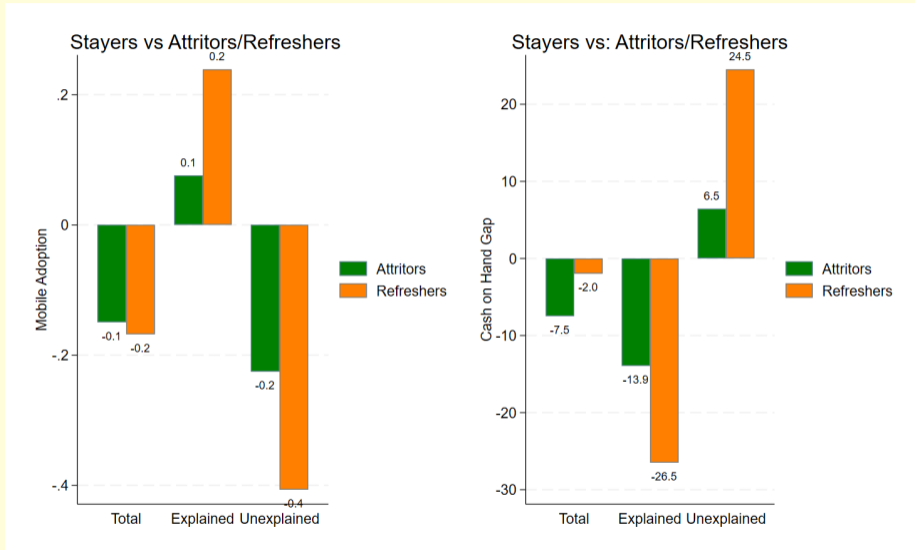
Year	Stayers	Attritors	Refreshers	Total
2015	1,392	—	1,392	2,784
2016	762	37	2,049	2,848
2017	2,120	173	500	2,793
2018	2,338	164	372	2,874
2019	2,351	274	367	2,992
2020	1,041	102	394	1,537
2021	2,586	385	1,898	4,869
2022	3,367	633	761	4,761
2023	3,116	516	947	4,579
2024	4,528	1,055	—	5,583
Total	17,681	6,812	9,735	34,228

Source: SCPC/DCPC panel data 2015–2024. Author's calculations.

Rise in mobile payments while cash holdings is steady

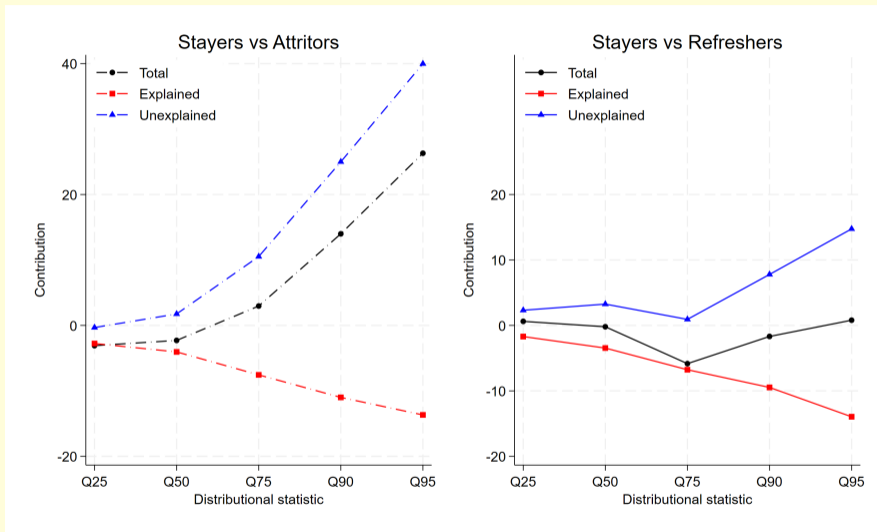


$\Delta(\text{Stayers} - \text{Attritors/Refreshers})$ due to Explained/Unexplained



Source: Author's calculations. This figure displays the gap between stayers versus attritor and refreshers using the Oaxaca-Blinder decomposition. The mobile adoption model was estimated using logit. The cash on hand model was estimated via Zero-inflated Negative Binomial.

Distribution of Cash Differences



Source: Author's calculations. This figure displays the gap between stayers versus attritor and refreshers using the Recentred Influence Function decomposition. The cash on hand model was estimated via a quantile regression.

To do list

- Use recentred influence function (RIF) regressions by Firpo et al. (2009) to conduct counterfactuals on demographic, consumer assessments of payment methods, and consumer assessment of merchant acceptance of payment methods.
- Disentangle transactions (cash on hand) versus store-of-value (other cash holdings).
- Estimate a causal inference panel data model to understand the S-curve on mobile adoption and the effect on cash holdings? What is the role of unobserved heterogeneity? See Chen et al. (2017).
- Implement Franguridi et al. (2025) to account for non-ignorable attrition using iterative raking method. Based on Hirano et al. (2001), Bhattacharya (2008), and Hoonhout and Ridder (2019).

Thanks/Merci!

References

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