



SEMINAR

Department of Public Health



University of Otago, Wellington | 23A Mein Street | Newtown | Wellington

The effect of payday lending restrictions on liquor sales

Harold Cuffe

We exploit a change in lending laws to estimate the causal effect of restricting access to payday loans on liquor sales. Leveraging lender- and liquor store-level data, we find that the changes reduce sales, with the largest decreases at stores located nearest to lenders. By focusing on states with state-run liquor monopolies, we account for supply side variables that are typically unobserved. Our results are the first to quantify how credit constraints affect spending on liquor, and suggest mechanisms underlying some loan usage. These results illustrate that the benefits of lending restrictions extend beyond personal finance and may be large.

Harold Cuffe is a lecturer of economics in the School of Economics and Finance at the Victoria Business School. Harold's research spans a variety of empirical microeconomic and labour topics including health, education, crime and credit access. An Oregon native, Harold received his Ph.D. in economics from the University of Oregon before moving to New Zealand in 2013. More information may be found on Harold's webpage: http://personal.victoria.ac.nz/Harold_Cuffe/

Friday 4 September 2015

12.30 to 1.30

Small Lecture Theatre

ALL WELCOME!