Income, Liquidity, and the Consumption Response to the 2020 Economic Stimulus Payments

Scott R. Baker, R.A. Farrokhnia, Steffen Meyer, Michaela Pagel, and Constantine Yannelis

NBER SI – Household Finance
July 2020
Leveraging Transaction Data for Rapid Policy Analysis

- Utilize personal finance app to observe income, balances, and spending of thousands of Americans in near-realtime
- Examine impact of CARES Act household stimulus program
Daily ‘Excess’ Spending Following Stimulus (MPC)
Variation in MPCs Across Income & Assets

Income Group MPCs

Liquidity Group MPCs