



The Home Economics of E-Money: Velocity, Cash Management, and Discount Rates of M-Pesa Users

Isaac Mbiti

David N. Weil

AMERICAN ECONOMIC REVIEW
VOL. 103, NO. 3, MAY 2013
(pp. 369-74)

[Download Full Text PDF](#)

Article Information

Abstract

We study the mobile phone-based money transfer system in Kenya. Based on aggregate data, we estimate that the velocity with which units of e-money are transferred among users is approximately four times per month, and that the average number of transfers undergone by a unit of e-money between its creation and destruction is approximately one. Most M-Pesa transactions are made by frequent users. Examination of data on withdrawals shows a high frequency of small withdrawals and no response to "notches" in the price schedule, indicating that many users seem to have high implicit discount rates.

Citation

Mbiti, Isaac, and David N. Weil. 2013. "The Home Economics of E-Money: Velocity, Cash Management, and Discount Rates of M-Pesa Users." *American Economic Review*, 103

This website uses cookies.

By clicking the "Accept" button or continuing to browse our site, you agree to first-party and session-only cookies being stored on your device to enhance site navigation and analyze site performance and traffic. For more information on our use of cookies, please see our [Privacy Policy](#).

Accept

Choose Format:



Additional Materials

[Author Disclosure Statement\(s\) \(48.21 KB\)](#)

JEL Classification

D14 Personal Finance

E42 Monetary Systems; Standards; Regimes; Government and the Monetary System; Payment Systems

O12 Microeconomic Analyses of Economic Development

O16 Economic Development: Financial Markets; Saving and Capital Investment; Corporate Finance and Governance

Find us on Facebook and X (formerly Twitter).



@AEAJournals



@AEAJournals



@AEAInformation



@ASSAMeeting



@JOE_listings

Copyright 2024 American Economic Association. All rights reserved.

[Terms of Use & Privacy Policy](#)

This website uses cookies.

By clicking the "Accept" button or continuing to browse our site, you agree to first-party and session-only cookies being stored on your device to enhance site navigation and analyze site performance and traffic. For more information on our use of cookies, please see our [Privacy Policy](#).

Accept