

"THE GREAT DEPRESSION BANK DEREGULATION WAVE"

SARAH QUINCY

Date: THURSDAY, APRIL 18, 2024

Time: 3:00pm - 4:30pm

Location: IRES Conference Room - 338 N. Glassell



ECONOMICS HISTORY SEMINAR

Join us for a talk with Sarah Quincy, economic historian working on macroeconomic and financial history, with particular emphasis on the distributional implications of financial crises. Her recent research analyzes the ways in which banking instability in the 1930s slowed local economies' recovery from the Great Depression using data on banking, housing, and labor markets.

Abstract: We demonstrate that one of the largest waves of bank deregulation in the United States occurred in the immediate aftermath of the Great Depression when states, for the first time in their histories, meaningfully relaxed limitations on bank branching. By the eve of the interstate branching deregulations of the 1970s, over 70% of banking offices were already part of a branch network. However, the overall prevalence of branching belies significant and persistent geographic heterogeneity as banking regulation had remained largely unchanged in the subsequent decades. Using a county border pair design, we show that this early wave of deregulation immediately improved financial and economic outcomes, and these gaps continued through the rest of the century.



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