

The Impact of Socio-Economic and Demographic Factors on the Use of Digital Access to Financial Services*

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Abstract

This paper investigates which socio-economic and demographic factors influence the demand for digital access to financial services. For this purpose, customer data from all public savings banks in Germany are linked with socio-economic and demographic data at regional level. As a result, attributes can be identified that promote a so-called informational divide. The risk of such a divide is comparatively high in rural, sparsely populated areas with a high average age of the population and in regions with a relatively low average formal education level. Here, people could lose access to basic financial services as a basis for economic and social participation as a result of ongoing digitisation.

JEL-Classification: G21, L32, L38, L86, O33, R12, R20, R51

Keywords: financial services, digitalisation, digital divide, informational divide, savings banks, regional comparison

I. Introduction

“Germany’s banks are increasing the pace of branch closures. In the past two years, 2,200 locations have been closed. A key driver is digitisation, which has fully gripped the banking market. New competitors, new technologies and changing customer requirements are shaping the change in competitive conditions” (Schwartz *et al.* 2017, p. 1).

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