Educational Characteristics in Armenians Utilizing Banking Services

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Abstract: This study investigate whether educated Armenians utilize more banking services (N=63,150).Our results suggest that more educated Armenian are more likely to utilize banking services. Quantitatively, an additional year of education in Armenia leads to a 4.2 percentage points rise in the probability of Armenian using banking services, completing primary schooling increases the probability of Armenian using banking services by 3.2percentage points, and completing secondary schooling increases the probability of Armenian using banking services by 19.5 percentage points.

Keywords: Education; Armenia; Banking Utilization

Introduction

Banks are important in Armenia for offering services to Armenian people. However, the banking utilization in Armenia is still very low. Hence, policymakers in Armenia are seeking ways to improve Armenian banking utilization.

This study investigate whether educated Armenians utilize more banking services (N=39,641). The data is taken from the Armenia Demographic and Health Surveys (DHS-ARM). Regression framework with DHS-ARM data is employed. The independent is Armenian education. The outcome is Armenian banking utilization. Focused on DHS-ARM sample of39,641 Armenians, we contribute to the literature concerning the Armenian banking-education relationship across Armenia.

Our results suggest that more educated Armenian are more likely to utilize banking services. Quantitatively, an additional year of education in Armenia leads to a 4.2 percentage points rise in the probability of Armenian using banking services, completing primary schooling increases the probability of Armenian using banking services by 3.2 percentage points, and completing secondary schooling increases the probability of Armenian using banking services by 19.5 percentage points.

Data

Using information from Armenia Demographic and Health Surveys(DHS-ARM), we investigate whether educated Armenians utilize more banking services. DHS-ARM records detailed data on Armenian population. Multiple Armenian attributes are provided in DHS-ARM. Regression framework with DHS-

ARM data is employed. The independent is Armenian education. The outcome is Armenian banking utilization.

Table 1: Armenian Descriptive Statistics

	Mean	SD	N
	(1)	(2)	(3)
Armenian Banking Utilization	0.365	0.481	39641
Armenian Primary School	0.982	0.134	39641
Armenian Secondary School	0.445	0.497	39641
Armenian Education	11.322	2.643	39641
Armenian Male	0.450	0.498	39641
Armenian Age	46.343	17.831	39641
Armenian in Rural Areas	0.370	0.483	39641
Armenian Currently Married	0.669	0.471	39641
Armenian Household Head	0.367	0.482	39641

Table 1 presents the descriptive statistics of our DHS-ARM sample. The sample includes around 39,641 Armenian respondents. The average share of Armenian using banking services is 0.365. The share of Armenian completing primary schooling in DHS-ARM is 0.982. The share of Armenian completing secondary schooling in DHS-ARM is 0.445. The average DHS-ARM educational attainment is 11.322 years. The Armenian male fraction is 0.450. The average age of Armenian respondents is 46.343. The fraction of Armenian living in rural areas is 0.370. The share of married Armenian is 0.669. The share of DHS-ARM respondents being household head is 0.367.

Empirical Design

To investigate whether educated Armenians utilize more banking services, we estimate the following regression(N=39,641),

$$Y_{ist} = \beta_0 + \beta_1 Edu_{ist} + X'_{ist}\Omega + \epsilon_{ist}$$

where i, s, and t refer to Armenian individuals, DHS-ARM residential cluster, and DHS-ARM survey date. Y_{ist} is Armenian banking utilization.

Edu_{ist} is Armenian educational year, Armenian completing primary schooling, and Armenian completing secondary schooling. X'_{ist} includes Armenian age, squared-age, gender, whether Armenian respondent is married, whether Armenian respondent is in rural areas, whether Armenian respondent is household head, Armenian birth year fixed effects, DHS-ARM residential cluster fixed effects, DHS-ARM survey date fixed effects. ϵ_{ist} is the error term.

The coefficient β_1 is the effects of education on Armenian banking utilization. Simply put, β_1 depicts the difference in banking utilization of Armenian living in the same neighborhood but differing in education.

Results

Armenian Education- The effects of Armenian education on banking utilization in DHS-ARM is in Table 2. Column 1, where only Armenian education is included, depicts the effects of Armenian education on

banking utilization in DHS-ARM. We find that an additional year of education in Armenia leads to a 4.9percentage points rise in the probability of Armenian using banking services.

This estimate is simply a correlation between banking utilization and Armenian education in DHS-ARM, while factors in DHS-ARM are not included. Hence, we include Armenian features and DHS-ARM temporal-spatial fixed effects. Evident from Column 3, we find that an additional year of education in Armenia leads to a 4.2 percentage points rise in the probability of Armenian using banking services.

Table 2: Armenian Education

	(1)	(2)	(3)
Armenian Education	0.049***	0.047***	0.042***
	(0.001)	(0.001)	(0.001)
Observations	39641	39641	39641
Cluster FE	.	.	X
Characteristics	.	X	X

Armenian Primary Schooling- The effects of Armenian primary education on banking utilization in DHS-ARM is in Table 3. Column 1, where only Armenian primary education is included, depicts the effects of Armenian primary education on banking utilization in DHS-ARM. We find that completing primary schooling increases the probability of Armenian using banking services by 17.6percentage points.

This estimate is simply a correlation between banking utilization and Armenian primary education in DHS-ARM, while factors in DHS-ARM are not included. Hence, we include Armenian features and DHS-ARM temporal-spatial fixed effects. Evident from Column 3, we find that completing primary schooling increases the probability of Armenian using banking services by 3.2percentage points.

Table 3: Armenian Primary Schooling

	(1)	(2)	(3)
Armenian Primary	0.176***	0.081***	0.032*
	(0.018)	(0.019)	(0.018)
Observations	39641	39641	39641
Cluster FE	.	.	X
Characteristics	.	X	X

Armenian Secondary Schooling - The effects of Armenian secondary education on banking utilization in DHS-ARM is in Table 4. Column 1, where only Armenian secondary education is included, depicts the effects of Armenian secondary education on banking utilization in DHS-ARM. We find that completing secondary schooling increases the probability of Armenian using banking services by 23.7percentage points.

This estimate is simply a correlation between banking utilization and Armenian secondary education in DHS-ARM, while factors in DHS-ARM are not included. Hence, we include Armenian features and DHS-ARM temporal-spatial fixed effects. Evident from Column 3, we find that completing secondary schooling increases the probability of Armenian using banking services 19.5percentage points.

Table 4: Armenian Secondary Schooling

	(1)	(2)	(3)
Armenian Secondary	0.237***	0.219***	0.195***
	(0.005)	(0.005)	(0.005)
Observations	39641	39641	39641
Cluster FE	.	.	X
Characteristics	.	X	X

Conclusion

Banks are important in Armenia for offering services to Armenian people. However, the banking utilization in Armenia is still very low. Hence, policymakers in Armenia are seeking ways to improve Armenian banking utilization. This study investigate whether educated Armenians utilize more banking services (N=39,641). The data is taken from the Armenia Demographic and Health Surveys (DHS-ARM). Regression framework with DHS-ARM data is employed. The independent is Armenian education. The outcome is Armenian banking utilization. Focused on DHS-ARM sample of 39,641Armenians, we contribute to the literature concerning the Armenian banking-education relationship across Armenia.

Our results suggest that more educated Armenian are more likely to utilize banking services. Quantitatively, an additional year of education in Armenia leads to a 4.2 percentage points rise in the probability of Armenian using banking services, completing primary schooling increases the probability of Armenian using banking services by 3.2 percentage points, and completing secondary schooling increases the probability of Armenian using banking services by 19.5 percentage points.

The results are related to research on factors affecting Armenian well-being. For example, food shortage and violence in Armenia cause to poor survival rates; extreme temperature and precipitation in Armenia worsen living standard; education, nutrition, and land programs improve Armenian wellbeing; measures to diseases in Armenia also affect wellbeing (Hang et al., 2020a, 2020b; Le, 2020a, 2020b,2020c).

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