

# **What Makes Depositors Tick? Bank Data Insights into Households' Liquid Asset Allocation**

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## **Abstract :**

This paper provides a comprehensive analysis of depositor behavior using a unique panel of high-frequency individual bank account holdings and transactions, combined with survey data from bank customers. We examine who moves deposits, what triggers these movements, and where funds are allocated. Our findings reveal persistent heterogeneity in portfolio allocations and returns, with financial literacy, education, and wealth influencing these differences. Using both expected and unexpected income and expense shocks, we show that fluctuations in individual wealth shape portfolio adjustments. Finally, we demonstrate that wealthier individuals are more likely to reallocate funds toward higher-return assets during periods of policy tightening.