

Peer-To-Peer Lending and Macroeconomics: Searching for a Link

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Abstract : It has been a decade when the crowdfunding and P2P lending opportunities were created. Today, the market of these modern alternative investments is becoming increasingly complex to navigate. There are overwhelming amount of peer-to-peer lending platforms both in developed and emerging economies. This study looks into this market via the cross country empirical study. In this respect, it tests the effect of various macroeconomic factors on P2P loan lending. Based on the existing literature that largely lacks empirical investigations, it builds regression model that aims to explore the relationship between economy and P2P lending. Though the author found it extremely difficult to compare the findings with earlier studies, this paper had identified certain tendencies in the data and had certain policy implications. However, the paper could not find any significant effect of economic variables on P2P lending. The paper can be considered as a starting point in empirical investigation of P2P lending and highlights room further research based on limitations of the study.

Keywords : peer-to-peer lending, crowdfunding, marketplace lending, alternative finance, fintech

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