

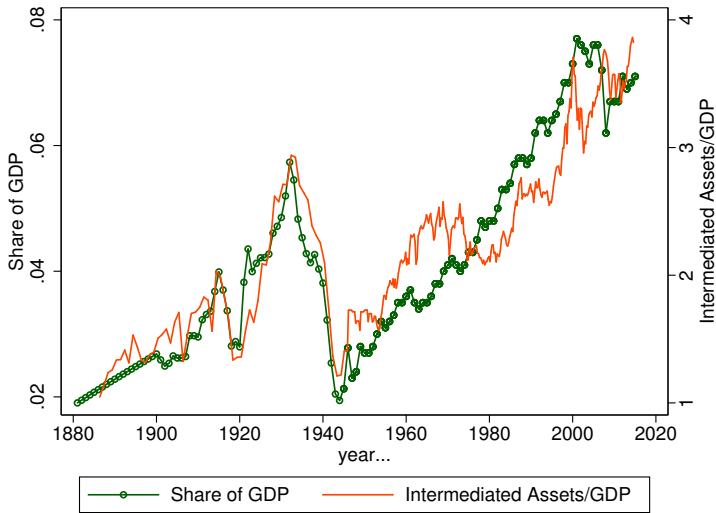
FinTech, Regulation, and the Future of Finance

Thomas Philippon

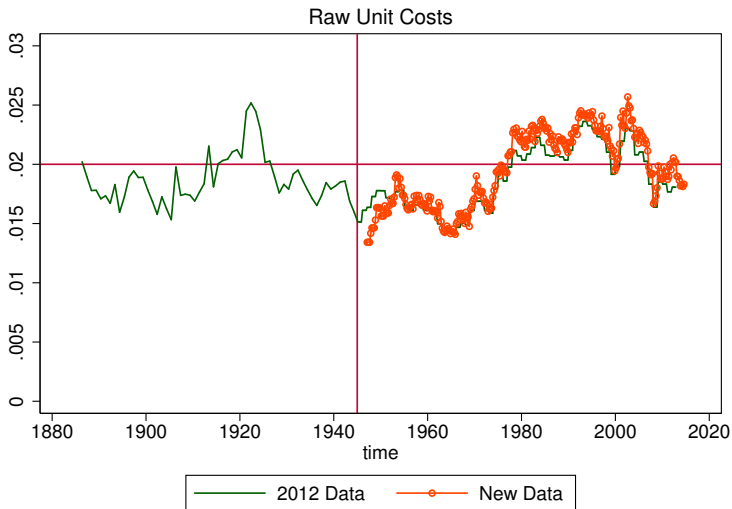
New York University, NBER, CEPR

March 2017

Financial Intermediation (in the U.S.)



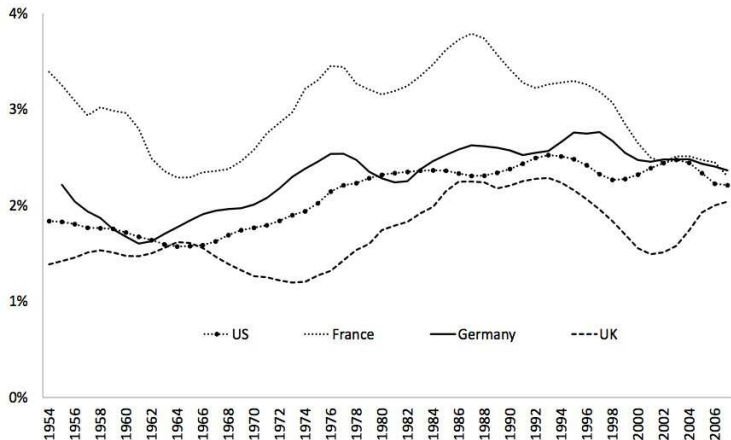
Unit Cost in the U.S.



This is why FinTech is happening!

Unit Costs, Global Comparison

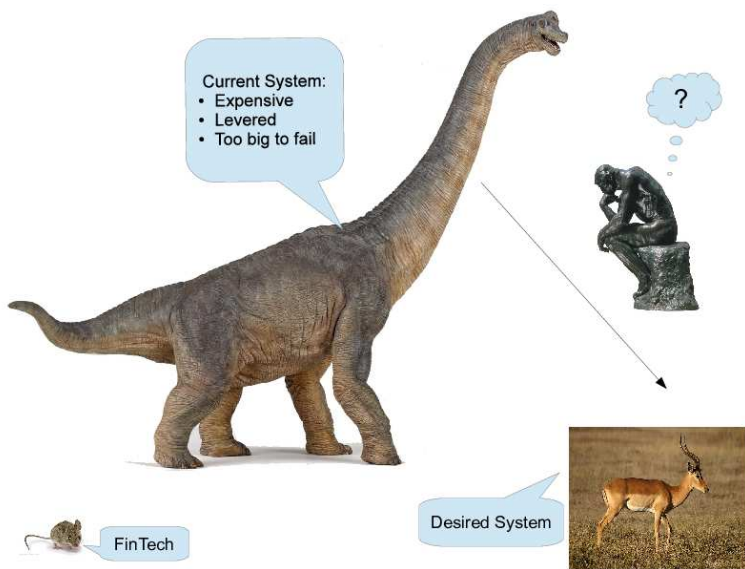
Figure 2.5.1: National unit cost (4-year moving average)



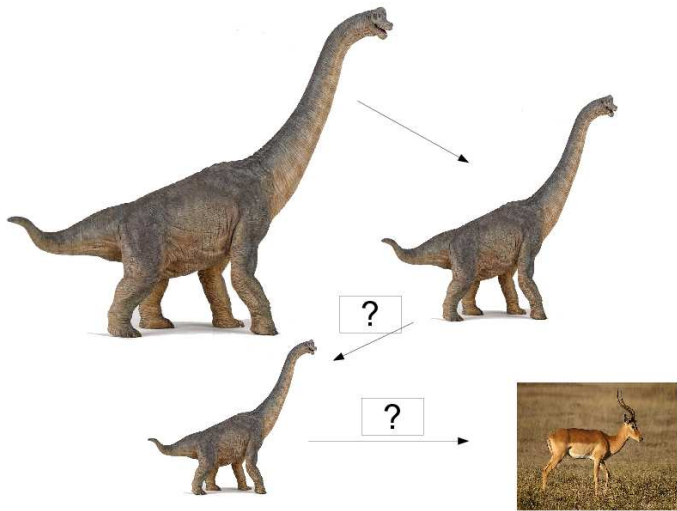
Note: US unit cost from Philippon (2012), level estimation. The US series does not use bank capital gains. Unit costs calculation details for Germany, France and the UK are provided in the preceding paragraphs of this section.

Source: Bazot (2013)

Summary: Where We Are, Where We Want To Be

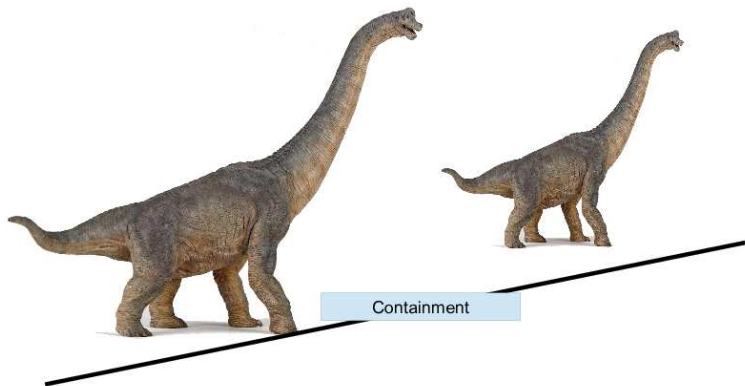


Current Strategy Has Run Its Course

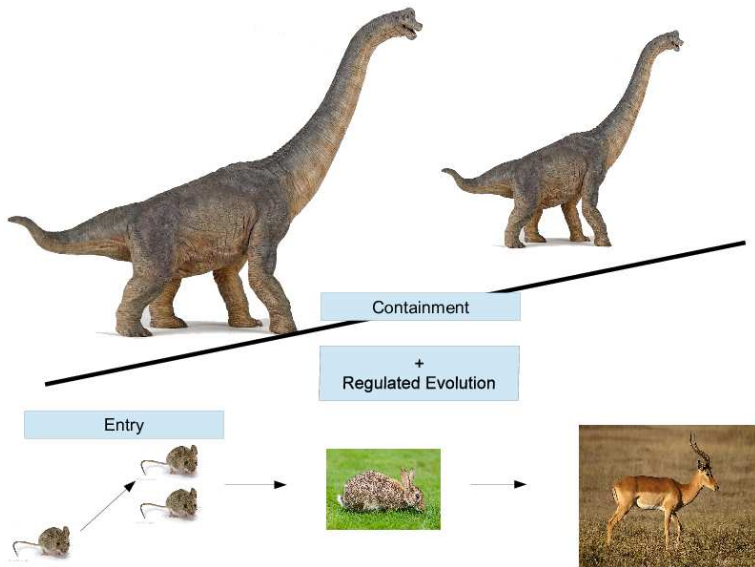


Will not work: entrenched interests, coordination costs, intractable design problem

My Proposal: Strategy 2



My Proposal: Strategy 2



This Will Not Happen Automatically



Lack of Strategic Regulation

Entry



This Will Not Happen Automatically

