Rate Channeling Through Deposit Menus

Uniform Anchors, Local Competition, and Menu Rotation

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Abstract

Using proprietary weekly deposit menus used by banks for competitive benchmarking, I study how monetary-policy transmission varies with local concentration under largely uniform network pricing. Banks choose how much to pay, which menu prices adjust, and when selective offers operate; local bank representation determines the alternatives available to depositors. A 100-basis-point policy increase moves the standard no-action rate by 8–16 basis points and special-offer CD rates by 31–35. The focal bank's same-contract response changes little with concentration, while the highest same-product rival rate transmits 3–6 basis points less in more concentrated markets. Comparable-bank count explains most of the best-CD gradient; bank identity, active offers, and rankings explain the remainder. Weekly changes mostly reflect repricing and changes in which continuing bank leads. Selective activation often raises the highest local rate and is followed by higher funding costs. When banks price uniformly, concentration operates through the composition and rotation of depositors' outside options.

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1 Introduction

A central result in the deposits-channel literature is that banks pass through less of a policy-rate increase in more concentrated local markets. When policy rates rise, deposit spreads widen more and deposit quantities respond more strongly where local banking markets are concentrated. This finding places local competition at the center of monetary transmission through bank funding.[1] A parallel literature documents a different organizational fact. Banks operating across many markets commonly administer the same contract price across their networks, and their geographic footprints reflect differences in expansion strategy, technology, services, and depositor preferences.[2] The two findings are individually persuasive and jointly unresolved. If a bank generally carries the same contract price across its network, where does local concentration enter the transmission of monetary policy to depositors?

The answer is not obvious. The familiar pass-through question is scalar: *how much* of a policy-rate increase reaches a deposit rate? When policy rates rise, a bank manages both an installed deposit book and a changing need for additional funding. Both sides of that funding problem shape its pass-through decision. Some depositors remain inactive or renew, while others search, move funds, or qualify for a different offer as outside yields rise. The bank can preserve the price attached to balances likely to remain while paying more for responsive funding it seeks to attract or retain.[3] The pass-through question therefore has both a *where* and a *when*: which posted price carries the adjustment, and when a higher-paying offer enters or leaves operation. This allocation lets policy move coexisting deposit prices differently even when each price is administered uniformly.

[1] Drechsler et al. (2017) establish the policy-rate, spread, and deposit-flow result. Berger and Hannan (1989) study rate levels, while Hannan and Berger (1991) and Neumark and Sharpe (1992) document rigidity and asymmetric repricing.

[2] Evidence on broad price administration appears in Radecki (1998), Park and Pennacchi (2009), Begenau and Stafford (2025), and Granja and Paixão (2026). Begenau and Stafford (2025) studies strategic branch expansion under uniform rate setting; d'Avernas et al. (2023) links bank size and endogenous location to liquidity services and depositor preferences.

[3] Egan et al. (2025) develop the dynamic invest-versus-harvest tradeoff between active and sleepy depositors; Egan et al. (2017) and Wang et al. (2022) model differentiated deposit demand; Benetton et al. (2026) document targeted acquisition through bonuses, mail, and new-customer offers.

Uniform network pricing narrows the ways local competition can enter. It leaves little room for concentration to change the price of a given contract county by county. It leaves open whether a selective contract is on the shelf locally and which other banks' schedules a depositor can access. Depositors in different local markets can therefore face different active offers and different bank-wide prices. At any date, the rates a bank uses to attract funding can be compared with the eligible rates available from other locally represented banks. Observing every active contract rate and its eligibility conditions allows me to measure both sides at the same time.

Answering the question requires a source that records the bank's full vector of posted contract prices and access conditions, the weeks in which selective offers are active, the same bank across local markets, and comparable offers from other institutions inside each market. The histories must also be frequent and long enough to span tightening, easing, and sustained high-rate regimes. U.S. bank pricing teams use a commercial competitive-benchmarking platform to monitor competitors and revise their own offers. I use the platform's proprietary weekly deposit menus because its records preserve the contract distinctions that regulatory averages, survey responses, and ex post portfolio yields combine. Reconstructing these schedules starts from 1.30 billion CD and non-savings money-market source records and yields a 2015–2024 contract-menu panel covering 9.16 million bank–county–weeks for 2,177 banks across 3,025 counties; nationally available quotes are identified separately. To my knowledge, this is the first academic use of the platform's complete weekly contract menu and eligibility-state histories. Figure 1 shows that the standard 12-month price moves little with policy and that within-bank geographic dispersion is small for both standard and selective prices.

I move from the bank's menu to the depositor's alternatives. I first compare coexisting prices for the same bank, product, maturity, balance, and policy periods to measure where a common policy movement appears. I then follow each selected price and its availability across the bank's local markets to determine whether that choice is locally tailored or administered

uniformly. I next hold the focal bank fixed and construct the best comparable price posted by another bank in each local market, separating the bank's own pricing choice from the outside option surrounding its depositors. I hold the identities of locally available banks fixed to ask how much of the gradient remains among the same banks, and I trace each weekly change in the highest rate to continuing-bank repricing, a change in which bank leads, selective-offer activation, or bank and product turnover. Finally, I follow selective offers as they enter and leave operation and relate those transitions to local posted rates and subsequent bank funding costs. The concentration estimates describe equilibrium differences across local markets.

I document four main findings. First, banks channel policy unevenly across coexisting prices. A 100-basis-point policy increase moves the standard 12-month price by only 8–16 basis points and special-offer CD prices by 31–35 basis points. Public account agreements commonly associate automatic renewal with the bank's regular, same-term, or comparable price, supporting the standard price's interpretation as the posted no-action anchor.[4] Active promoted and new-money CD prices stand roughly 220–280 basis points above the same bank's standard price in 2024. Most of that premium is already present when the selective offer first appears in the observed history; subsequent differential repricing widens it. Banks preserve a sluggish posted price for passive rollover and open a much higher-paying lane for selected funding actions.

Second, banks usually carry each chosen price across geography. Standard prices are identical across the bank's reported markets in more than nine of ten multi-market bank-weeks, and selective prices show nearly the same degree of uniformity. Once a selective offer operates, the bank usually makes it available throughout the counties in which it reports offering the underlying product, maturity, and balance. Across the matched products, a one-standard-deviation difference in concentration changes the focal bank's estimated same-contract pass-through by less than one-eighth of a basis point, and none of the differences is statistically reliable after adjustment across the four matched-contract comparisons. A

[4]Section 4 and Online Appendix Section A.1 report the contract construction, sampling frame, and coding.

contract can respond materially to policy and still carry essentially the same response across the bank's markets. Selective offers are usually available throughout a bank's network; during rate increases, high-balance relationship CDs and new-money MMAs are less likely to be available in counties with higher total deposit concentration.

Third, local competition shapes the return available outside the focal bank. For the same underlying deposit terms, the best comparable price posted by another bank transmits 3–6 basis points less when local concentration is one standard deviation higher. The focal bank's same-contract response barely changes. Because banks price uniformly, the concentration gradient appears in the quality of the depositor's best comparable other-bank offer.

The decomposition shows what the concentration statistic combines. For the best $10,000 CD, comparable-bank count accounts for 4.34 of the 6.30-basis-point gradient. A statistically significant 1.96-basis-point difference remains because markets with the same number of comparable banks can contain different banks, active offers, policy sensitivities, and rate rankings. In a narrower full-period panel that holds each county's 2021Q4 product-offering roster fixed, the retail-CD gradient is close to zero even though the included banks' prices, selective offers, and deposit shares continue to evolve. Within that restricted sample, deposit-share differences among the same named banks generate little gradient. The weekly transition accounting asks a different question: which event changes the highest observed rate? A continuing bank overtakes the leader in 46 percent of best-rate movement in the least concentrated markets and 20 percent in the most concentrated. HHI combines the division of deposit shares with the banks, active offers, and pricing paths that constitute the local set.

Fourth, banks change the set of active menu prices by introducing and withdrawing selective offers. Selective-offer deployment is state dependent: activation is concentrated in high-rate environments and, during rapid tightening, among banks with greater funding need. A newly activated promotion raises the best comparable local price by roughly 30–40 basis points and frequently becomes the leading local offer. At the bank level, the first activation of a promoted or new-money CD offer is followed by a 2–4-basis-point increase in average

deposit funding cost. The total-deposit stock also rises, with wider statistical uncertainty. The timing of selective pricing changes the return available locally and the price the activating bank subsequently pays for funding.

These findings can coexist because each bank allocates policy adjustment across its contract prices, while depositors in different local markets face different sets of bank-wide offers and different highest rates. Banks decide how much policy to transmit, which contract receives the adjustment, and when a higher-paying selective offer is active. They usually administer each chosen price across their networks. Depositors in different local markets therefore encounter different bank-wide offers and different leaders. Policy reaches depositors through the allocation and timing of prices inside bank menus and through the quality of the outside options surrounding them. Together, these pricing, availability, and leadership choices explain concentration-dependent pass-through under uniform network pricing.

2 Related Literature

The paper begins with the deposits channel. Drechsler et al. (2017) show that deposit spreads widen and deposits leave banks when policy rates rise, with stronger responses in concentrated markets. Berger and Hannan (1989) relate concentration to deposit-rate levels, while Hannan and Berger (1991) and Neumark and Sharpe (1992) document concentration-dependent rigidity and asymmetric adjustment. Drechsler et al. (2021) show that banks match insensitive deposit expense with similarly insensitive income from long-duration assets, so maturity transformation hedges the deposit franchise. Wang et al. (2022) estimate a dynamic structural model in which imperfect competition shapes banks' joint pass-through to depositors and borrowers, and Enkhbold (2026) documents that wholesale-funding reliance conditions the relation between deposit-market concentration and monetary-policy pass-through to mortgage rates. Together, these studies link concentration and imperfect competition to deposit pricing and to monetary-policy transmission through bank balance sheets. Because

the data report every contract offered by the focal bank and its competitors, I can estimate the focal bank's contract beta separately from pass-through in the best comparable other-bank rate.

A second strand explains why banks may quote several prices for deposits with the same underlying terms. Egan et al. (2025) document low account turnover and develop a dynamic invest-versus-harvest problem in which banks pay more to attract active depositors while harvesting sleepy balances at lower rates; their pricing extension distinguishes regular and promotional CD rates for new and incumbent depositors. Egan et al. (2017) and Wang et al. (2022) estimate differentiated deposit demand, and Benetton et al. (2026) document acquisition through bonuses, direct mail, and new-customer targeting. Basten and Juelsrud (2026) show that deposit relationships generate future loan business and enter deposit pricing. In a separate monetary-policy paper, Basten and Juelsrud (2025) show that cross-selling value shapes deposit spreads and subsequent deposit and loan growth. Using bank balance sheets, selected premium and relationship quotes, and hand-collected rate schedules, Usenko (2026) identifies large deposits as the responsive funding segment, with higher policy sensitivity and the dominant share of aggregate deposit outflows. These papers establish how inactivity, acquisition value, cross-selling, and balance size shape bank demand for deposits. Weekly observations of these contract prices show how banks respond through coexisting standard, promoted, new-money, relationship, liquidity, and balance schedules and through repeated activation decisions.

A third strand studies the geographic organization of deposit pricing. Radecki (1998) documents pricing areas broader than individual local markets. Park and Pennacchi (2009) develop a multimarket competition model with uniform large-bank rates and provide supporting deposit-rate evidence. Begenau and Stafford (2025) document network-wide rate administration and strategic branch expansion, while Granja and Paixão (2026) document post-merger convergence toward acquirer rates and estimate a structural model in which uniform pricing accounts for that convergence. d'Avernas et al. (2023) connect large- and

small-bank deposit businesses to services, customer preferences, uniform pricing, and endogenous geographic footprints. This work establishes broad price administration and endogenous network choice. I extend this work by measuring which coexisting schedules each locally represented bank operates, how each schedule responds to policy, and when another bank-wide schedule becomes the highest local rate.

Depositor search and product comparability determine the economic content of the local alternative. Search frictions can sustain dispersion among financially similar products (Hortaçsu and Syverson, 2004). Yankov (2024) uses weekly retail-CD quotes to document dispersion, asymmetric adjustment, synchronization, and changes in rate rankings, and Ahn and Brei (2025) document stronger responses to competitors' deposit rates during the global financial crisis. Online banking can lower search costs and expand the geographic scope of deposit competition (Erel et al., 2023). I construct the local outside option only after matching product, maturity, balance, and reported access conditions. The resulting maximum is the highest comparable posted rate in the platform's local set. A separate national-rate exercise studies a common posted-access benchmark.

I observe bank pricing, contract availability, and local competitive conditions at weekly frequency. For the same bank and deposit terms, the data identify coexisting standard and selective schedules, each schedule's policy sensitivity and network deployment, the comparable schedules supplied by local competitors, and the selective offers entering and leaving operation. These observations allow me to distinguish how banks allocate monetary-policy adjustment across contracts, how locally represented banks determine the best comparable posted rate, and how selective activation changes that rate and is followed by higher funding costs.

3 Deposit Menus and Local Competition

Banks post several contract rates to meet their funding needs, and depositors compare the eligible rates offered by locally represented banks. The bank chooses how much of a policy

movement to transmit, where in its menu to place that adjustment, and when selective offers operate. Depositors choose among the eligible offers supplied by the banks represented locally. Banks usually carry each chosen price across geography, while depositors in different local markets encounter different collections of those bank-wide offers.

3.1 The bank chooses how much, where, and when to pay

A bank enters a policy cycle with an installed deposit book and a changing demand for additional funding. The standard price applies to balances that can remain or renew without a new funding action. Selective prices reward actions the bank currently values, such as bringing outside funds or establishing a broader relationship. The bank can also turn those offers on and off as its funding position changes. By keeping the standard price low while activating higher selective prices, the bank can preserve the price attached to installed balances while competing more strongly for actively sought funding.

Let $s \in \mathcal{S}$ index the schedules attached to a fixed product, maturity, and balance. In week w, bank i's posted menu is

$$M_{iw} = \{(r^s_{iw}, a^s_{iw})\}_{s \in \mathcal{S}}, \qquad a^s_{iw} \in \{0, 1\},$$

where $a^s_{iw} = 1$ when the bank posts schedule s in at least one local market in which the source reports the offer. For an operating schedule, let r^s_{iq} denote the quarterly rate construction defined in Section 4. Its contract-specific policy response is

$$\beta^s_i = \frac{\partial r^s_{iq}}{\partial FFR_q}.$$

Differences across s record where the bank places a policy movement, while changes in a^s_{iw} record when a selective price becomes available. A bank-level funding cost subsequently combines operating prices, balances, and depositor take-up.

Uniform pricing concerns the geographic administration of each active menu price. For

local market c, write

$$r^s_{icq} = \bar{r}^s_{iq} + \eta^s_{icq}, \tag{1}$$

where $\bar{r}^s_{iq}$ is the bank-wide price and η^s_{icq} is the local departure. Small values of η^s_{icq} indicate that the bank carries the chosen price across its markets. The bank can still post substantially different rates across contracts s. A bank can therefore differentiate sharply across depositor actions while applying each chosen price uniformly across geography.

3.2 Depositors compare bank-wide offers locally

The depositor's local choice set combines the bank-wide prices supplied by the institutions represented in the market. Let $\mathcal{Q}_{cq}$ denote the banks for which the benchmarking platform reports a comparable quote in local market c and quarter q. For focal bank i and contract k, define

$$L^k_{icq} = \max_{j \in \mathcal{Q}_{cq},\, j \neq i} r^k_{jcq}. \tag{2}$$

I first fix the product, maturity, balance, and reported access conditions and then select the highest price posted by another bank. The resulting maximum is the best comparable posted alternative in the platform's local set.

A simple example shows how concentration can matter under uniform pricing. Suppose one local market contains four banks whose matched prices rise by 10, 20, 35, and 45 basis points after the same policy increase, while another contains only the first two. Every bank can carry its own price uniformly across markets. The four-bank market still produces a faster-moving best alternative and more opportunities for another bank to take the lead. Two markets with the same number of banks can also differ because the represented institutions carry different menus and different policy responses.

The Herfindahl–Hirschman index summarizes deposit shares in one scalar. That scalar can vary because shares differ among the same institutions or because the set of institutions itself differs. Both sources enter Equation (2) through the best comparable price. I therefore

study the focal bank's price, the represented other-bank set, and changes in which offer leads.

4 Data and Empirical Design

4.1 Weekly deposit menus, activation, and local alternatives

To observe a bank's menu and its depositors' local alternatives at the same frequency, I use proprietary weekly records from a competitive-benchmarking platform used by U.S. bank pricing teams. The county-reported sample spans 2015–2024 and contains 9,159,956 bank–county–week observations for 2,177 banks across 3,025 counties. Nationally available quotes are analyzed separately; including them brings the complete menu panel to 9,189,723 bank–geography–weeks for 2,216 banks. The underlying records identify the bank, deposit product, maturity, balance interval, posted price, reported access conditions, offer status, and the counties in which the quote is reported. The same fields describe the focal bank and the other banks in its local comparison set. Table 1 describes variation in posted menus, local competitors, and bank funding positions. Selective schedules operate in only a minority of observed weeks, while comparable-bank counts differ substantially across markets. The matched comparisons distinguish price differences within banks from differences in the alternatives available around them.

The source's county field records the geography presented to subscribing pricing teams. I use that field as the baseline definition of the local deposit market. FDIC Summary of Deposits records provide annual county deposit shares and a narrower physical-branch geography. The main results are also estimated after requiring an exact-county branch. Call Reports provide bank-level funding costs, deposits, and balance-sheet measures for the activation analysis.

I construct prices within product, maturity, balance, and reported access conditions. The posted no-action renewal anchor is the plain fixed-rate, fixed-maturity schedule without an observed new-money, relationship, or promotional condition. Selective offers attach another

quote to a stated eligibility condition or promotion and retain the contract features attached to the offer as posted. Promotion can overlap new-money or relationship eligibility, so the main offer categories remain overlapping and mutually exclusive combinations appear in supporting analyses. Missing contracts remain missing.

I validate the no-action interpretation with a prespecified review of public deposit agreements. I draw 20 institutions from 1,186 banks with at least 26 weekly standard-rate observations in 2024; three institutions that later became inactive remain in the denominator. Among the 17 active banks, five agreements map automatic renewal directly to a current regular, standard, or comparable rate and two specify same-term renewal without a complete pricing formula. None maps passive renewal to a selective offer. A separate 12-bank document review provides qualitative corroboration. On this evidence, I interpret the standard schedule as the posted no-action renewal anchor. The empirical object is posted supply: contract prices, stated conditions, whether each offer is operating, and same-contract quotes posted by other local banks. Household awareness, private retention offers, individual qualification, negotiation, transactions, contract balances, and realized take-up are account-level outcomes. Online Appendix Section A.1 reports the full sampling and coding record.

CDs are newly originated fixed-rate contracts and can reprice several times within a quarter. I measure quarterly CD repricing by adding linked week-to-week changes in the same quoted contract. Money-market and savings accounts are standing variable-rate prices, so I compare their average posted rates in adjacent quarters. Online Appendix Sections A.1–A.2 document the contract hierarchy, agreement review, and alternative quarterly constructions.

4.2 Comparing coexisting prices and geographic administration

Selective and standard schedules observed for the same bank and policy periods face a common monetary-policy path. For selective offer s and standard offer 0, I estimate

$$\Delta r_{iq}^{k} = \alpha_i + \beta_k \Delta FFR_q + \varepsilon_{iq}^{k}, \qquad k \in \{0, s\}. \tag{3}$$

The difference $\beta_s - \beta_0$ measures how much more of the same policy movement the bank places in the selective price. The comparison includes only bank-quarters in which both prices are observed, keeping the institution and policy periods identical across the two estimates. Rates enter in percentage points, and the tables report basis points of posted-rate adjustment for a 100-basis-point policy change. Bank and quarter clustering allows common shocks within institutions and policy periods. Figure 2 reports descriptive bank-specific slopes; Table 3 reports the formal matched comparisons.

I measure the geographic administration of price and availability separately. In each multi-county bank-week, exact price uniformity records whether every reported county receives the same numerical quote for the contract. Availability coverage records the share of the bank's reported product network—the counties in which the source reports that bank offering the product, maturity, and balance—where a selective offer operates. For selective offer s, let A^s_{icw} equal one when bank i operates the offer in county c and week w. This county-level indicator is the local counterpart of the bank-level activation state a^s_{iw}. Conditional on operation somewhere in that product network, I estimate

$$A^s_{icw} = \alpha_{iw} + \delta_{ic} + \gamma_{g(c)w} + \theta_s zHHI_{cq(w)} + \beta_s\Big(\Delta FFR_{q(w)} \times zHHI_{cq(w)}\Big) + e^s_{icw}. \qquad (4)$$

Bank-by-week effects compare the bank's own counties under one contemporaneous institution-level policy. Bank-by-county effects absorb persistent local differences, and state-by-week effects absorb common regional conditions. I use the descriptive coverage measures to establish how broadly offers operate and equation (4) to test whether the nonuniform minority follows a common concentration pattern.

4.3 The focal bank and the best comparable other-bank price

I estimate the same concentration specification for two outcomes: the focal bank's own matched price and the best comparable price posted by another bank in the same local

market. For each outcome,

$$\Delta y^{k}_{icq} = \alpha_{iq} + \gamma_{mq} + \delta_{ic} + \theta z HHI_{cq} + \beta\Big(\Delta FFR_{q} \times z HHI_{cq}\Big) + u^{k}_{icq}. \tag{5}$$

Here α_{iq} is a bank-by-quarter effect, γ_{mq} a banking-market-by-quarter effect, and δ_{ic} a bank-by-county effect. The banking market is the metropolitan area for urban counties and the state for rural counties; high-balance specifications use metropolitan counties. HHI is lagged, time varying, and standardized. Lagged annual shares place concentration before the quarter's repricing. HHI remains an equilibrium outcome of entry, branching, bank identity, and deposit allocation, so β is a conditional concentration gradient.

The fixed effects give the two outcomes different economic meanings. For the focal price, bank-by-quarter effects absorb the institution's common funding condition and bank-wide repricing, so the interaction measures a local departure from that common path. For the other-bank maximum, I exclude the focal institution and retain the same comparison frame. The maximum can change with the number and identity of represented banks, the selective offers they operate, their repricing, and which offer leads. The paired outcomes therefore distinguish local variation in one bank's contract beta from local variation in the alternatives available around it.

Because the other-bank outcome is a maximum, its HHI coefficient can reflect both the number of comparable banks and the identity, prices, and active offers among them. In the expected-maximum accounting, I hold the weekly cross-bank price distribution fixed and vary the number of draws.

For the fixed-bank-set comparison, I retain counties with identical product-offering bank rosters in 2021Q4 and different deposit concentration. These rosters remain fixed over the full 2015Q2–2024Q4 period; the included banks' prices, selective offers, and deposit shares may evolve. Roster-by-quarter effects replace geographic-market-by-quarter effects and absorb quarterly movements shared by counties containing the same banks. Bank-by-quarter and

bank-by-county effects remain in place.

In the weekly transition accounting, I assign each actual change in the observed leader to a bank beginning or ceasing to quote locally, product availability, selective activation or withdrawal, another continuing bank taking the lead, or repricing by the current leader. The expected-maximum and transition exercises answer different counterfactuals, and the components in each exercise exhaust the quantity being decomposed.

For a direct joint specification, I also estimate

$$\begin{aligned}\Delta L^k_{icq} = \alpha_{iq} + \gamma_{mq} + \delta_{ic} + \theta_H z HHI_{cq} + \theta_N z N^k_{icq} \\ + \beta_H\Big(\Delta FFR_q \times z HHI_{cq}\Big) + \beta_N\Big(\Delta FFR_q \times z N^k_{icq}\Big) + u^k_{icq},\end{aligned} \tag{6}$$

where N^k_{icq} is the number of comparable other-bank quotes. This regression measures the conditional associations of HHI and bank count within the same equilibrium local markets.

4.4 Selective-offer timing and funding outcomes

Selective schedules allow the best local posted price to change without bank entry. The weekly records identify their repeated activation and withdrawal. An activation begins when a sustained inactive period gives way to at least eight consecutive active weeks; withdrawal is defined symmetrically. Each transition requires at least 26 observed prior weeks, and missing weeks never create withdrawal. A bank can activate, withdraw, and later reactivate the same offer.

For bank–offer type if, I estimate

$$A^e_{ifq} = \alpha_{if} + \beta_{1e} FFR_q + \beta_{2e}\Delta_4 FFR_q + \kappa_{s(q)} + \rho_{d(ifq)} + \varepsilon^e_{ifq}, \qquad e \in \{\text{on}, \text{off}\}. \tag{7}$$

The policy-rate level captures the high-rate environment, while the four-quarter change measures the speed of tightening. Bank-by-offer-type effects compare each selective schedule with its own usual propensity to enter or leave operation; seasonal effects absorb recurring

calendar patterns; and time in the current state accounts for the fact that an offer's switching probability can depend on how long it has already been available or unavailable. A separate specification compares banks within the same calendar quarter using predetermined core-deposit outflow, the loan-to-deposit ratio, loan growth relative to deposit growth, and rollover exposure.

I connect activation to local prices and bank funding with two comparisons. The first records whether a newly active promoted price becomes the best comparable local offer and how far the best posted price rises. The second follows short-maturity and large time deposits and average deposit funding cost around each bank's first promoted or new-money CD offer that remains active for at least eight consecutive weeks; total deposits are reported in the Online Appendix. Each activating bank is matched to five eligible comparison banks observed in the same event quarter whose first activation occurs after $q + 4$ or never occurs, using pre-event funding conditions, deposit stocks, and outcome trends. Matching reduces the median absolute standardized difference across nine covariates from 0.255 to 0.082; the Online Appendix reports the full balance diagnostics. Bank-by-activation-cohort and activation-cohort-by-calendar-quarter effects compare banks within the same event quarter. The local comparison measures the discrete change in posted supply; the matched bank panel measures the funding outcomes that follow it.

5 Uniform Anchors

5.1 Policy moves selective prices more than the no-action anchor

Figure 1, Panel A, follows the standard 12-month anchor through the policy cycle. It moves with policy but absorbs only a small share of each tightening. A review of public contract terms links this schedule to no-action renewal. Table 3 then compares it with selective offers at the same bank, maturity, balance, and policy periods.

For a $10,000 12-month CD, promoted and new-money prices transmit 31.15 and 35.26

basis points of a 100-basis-point policy increase, while their matched standard prices transmit 10.84 and 7.68 basis points. Relationship schedules also transmit more than their matched standard prices, with smaller estimated differences. Higher-balance CDs and money-market accounts show the same selective-versus-standard pattern. All nine differences are positive and statistically reliable; for fixed-term acquisition offers, they amount to roughly 20–28 basis points.

Figure 2 plots promoted and new-money slopes to the right of the standard-price distribution at both CD balances, with relationship prices between them. Sampling error contributes to their width, so the matched estimates carry the formal inference. The broad shift across banks complements the within-bank average contrast.

The same separation is visible in rate levels. In 2024, active promoted and new-money CD prices stand 224–278 basis points above the same bank's standard price. The historical premium paths in Online Appendix Figure A1 rise in both positive-rate cycles and widen sharply after the 2022 liftoff. Qualifying 12-month CD acquisition activations in 2023–2024 begin about 287–303 basis points above the standard price. Among acquisition offers operating in 2024, most of the premium is already present in the first observed active week; later differential repricing adds roughly 26–39 basis points. The full-period beta difference measures average sensitivity, whereas the conditional premium records the relative price of schedules that are operating.

Selective offers operate at different institutions and times. Pairing each one with the same bank's standard anchor before aggregation keeps that composition out of the slope contrast, and the estimates remain precise when standard errors aggregate estimation scores to the 39 policy quarters and allow four-quarter serial dependence. Banks preserve a low-response posted anchor for passive rollover while directing substantially more policy adjustment to selected funding actions. Main-table stars report ordinary clustered p-values. The Online Appendix reports Benjamini–Hochberg-adjusted q-values for the prespecified families of related tests.

5.2 Each chosen price is usually administered uniformly across the network

Large rate differences inside a bank need not imply local pricing discretion. The standard and best same-bank 12-month prices are identical across reported counties in 94.1 and 93.6 percent of observed multi-county bank-weeks (Table 2 and Figure 1, Panel B). Exact uniformity rises from about 91 percent in 2015 to about 96 percent in 2024.

Selective prices are somewhat less uniform but remain predominantly bank-wide. New-money, relationship, and promoted prices are identical across counties in 89.4, 90.9, and 91.7 percent of observed multi-county bank-weeks. Conditional on operation somewhere in the bank's reported product network, banks deploy selective offers throughout that network in 88–94 percent of bank-weeks; average coverage is 94–97 percent and median coverage is complete in every product-by-selective-offer category reported in Table 2, Panel C. Both the quoted price and the decision to operate the offer usually extend across the network.

Online Appendix Figure A2 makes the scale of this organization concrete. On September 13, 2024, Bank of America posted a 0.03-percent standard 12-month CD price in all 1,127 reported counties. Its simultaneous promotion was 3.93 percent in 1,097 counties and 4.03 percent in 30. The two schedules differed by 390–400 basis points inside the bank while geographic dispersion within each schedule was zero or 10 basis points.

Price and availability are separate choices: a bank can carry one price wherever an offer appears while making that offer available in only part of its network. Table 2, Panel D, compares counties served by the same bank in the same week, net of persistent bank–county differences and conditions shared by counties in the same state. As policy rates rise, high-balance relationship CDs and new-money MMAs become less available in counties with higher total HHI. Across counties one standard deviation apart in HHI, a 100-basis-point policy increase is associated with 0.063 percentage point lower availability for the relationship CD and 0.305 point lower availability for the new-money MMA. Promoted high-balance CDs show no systematic difference, while promoted MMA availability falls by 0.164 point with

weaker statistical precision. The other selective schedules show no conventional difference. The concentration gradient therefore extends to whether selected schedules are offered, within a deployment rule that remains predominantly network-wide. Online Appendix Table A7 reports the complete battery and inference adjusted across the prespecified related contract comparisons.

The size of a contract beta and its geographic variation therefore answer different questions. The standard anchor transmits 8–16 basis points of a 100-basis-point policy increase, and selective offers transmit much more. Across the four matched contracts, a one-standard-deviation difference in concentration changes the focal bank's estimated same-contract pass-through by between -0.12 and 0.02 basis point, and none of the differences survives adjustment across those four comparisons. If concentration matters locally, it must operate principally through the bank-wide schedules present around the focal institution, with a narrower role for the local availability of selected contracts.

6 Local Competition

6.1 The best comparable other-bank price carries the concentration gradient

Table 4 estimates both outcomes on the same bank–county panel. One is the focal bank's own price; the other is the best comparable price posted by another bank. Product, maturity, balance, reported access conditions, and the estimation frame are identical. The regressions compare counties served by the same bank in the same quarter, net of conditions common to the surrounding banking market and persistent differences between each bank and county. The focal-price interaction asks whether the same bank departs from its common contract path in a more concentrated local market; the other-bank interaction asks how the best comparable posted alternative moves around that bank.

For the focal bank, the four estimates range from -0.12 to 0.02 basis point. The MMA

estimate is statistically significant under ordinary bank-and-county-clustered inference, but none of the four survives the prespecified multiple-testing adjustment. These economically negligible coefficients measure geographic variation in a fixed contract's beta; the contract betas themselves range from roughly 8 to 35 basis points in Section 5.

The best comparable other-bank price, by contrast, moves much less in concentrated markets. The gradient is -4.64 basis points for the standard \$10,000 CD, -6.30 for the best \$10,000 CD, -5.98 for the higher-balance CD, and -3.21 for the MMA. Requiring the other bank to have a branch in that county in the FDIC Summary of Deposits leaves the headline retail-CD estimate almost unchanged. The familiar concentration gradient is therefore present in the bank-wide schedules assembled around the focal institution, not in county-specific repricing of its own contract.

The maturity profile reinforces that interpretation. The other-bank gradient is largest at standard six- and twelve-month terms and much smaller at other, less commonly quoted maturities outside 3, 6, 12, and 60 months. Local structure matters most where products are transparent enough for rival schedules to be compared directly. Online Appendix Table A5 reports the full maturity grid.

6.2 HHI combines deposit shares with the number and identity of comparable banks

The number of comparable suppliers has a familiar order-statistic effect on the level of the highest quote. Let $r_j(F)$ denote bank j's matched quote at policy rate F, and let $L_S(F) = \max_{j \in S} r_j(F)$ denote the highest quote among a fixed set of suppliers S. The level theorem and the pass-through comparison are

$$\begin{aligned} S \subset T \quad &\Longrightarrow \quad L_T(F) \geq L_S(F), \\ \Delta_{T,S} \quad &\equiv \quad \Big[L_T(F_1) - L_T(F_0)\Big] - \Big[L_S(F_1) - L_S(F_0)\Big]. \end{aligned}$$

The first line holds at every given policy rate. The second line is the difference in pass-through in the highest comparable rate and has no sign restriction. A larger supplier set can leave the policy sensitivity of that highest rate unchanged, raise it, or lower it, depending on the relative quote paths and on which bank leads at each policy state. If all bank-wide quotes shifted in parallel and matched supplier counts remained fixed, expected-maximum levels would differ across counts while pass-through in those expected maxima would be identical.

The expected-maximum accounting in Table 5 uses the weekly cross-bank quote distribution as a count-only benchmark. It attributes 4.34 of the 6.30-basis-point best-retail-CD gradient to the number of comparable banks. A statistically significant 1.96 basis points remains because markets with the same number of comparable banks can contain different banks, active offers, policy sensitivities, and rate rankings. Count explains most of the gradient without exhausting it: which banks are represented, which selective offers operate, and how their prices rank also matter.

Counties served by the same named banks face largely the same bank-wide pricing paths even when deposit shares differ. Panel B holds the pre-tightening bank roster fixed while allowing prices and selective offers to evolve. After absorbing roster-by-quarter movements, the best-retail-CD interaction is 0.01 basis point with annual HHI and -0.06 with fixed 2021Q4 HHI, with a standard error of 0.15 basis point in each specification. These are tightly estimated retail-CD nulls; the higher-balance CD estimates are less precise. Within this narrower matched sample, different deposit shares among the same banks are associated with little additional difference in pass-through. The unrestricted maximum additionally reflects which bank-wide pricing paths are present.

The joint HHI–count regressions retain a negative HHI coefficient after comparable-bank count enters (Table 5, Panel C). Markets with the same number of suppliers can therefore support different local pricing paths.

Table 6 asks how those posted alternatives actually change. Its weekly transition accounting decomposes the full best-retail-CD gradient: another continuing bank taking the

lead contributes −4.46 basis points, while repricing by the current leader contributes −1.33. Banks beginning or ceasing to quote locally contribute little at weekly frequency. Bank representation determines which prices can compete, but most observed adjustment occurs through prices and rankings among banks already present.

A continuing bank overtakes the leader in 46.3 percent of best-rate movement in the least concentrated quartile and 19.8 percent in the most concentrated. Current-leader repricing accounts for 41.9 and 68.8 percent, respectively. Competitive markets offer more opportunities for one bank-wide schedule to displace another; concentrated markets leave the best posted alternative more dependent on its incumbent leader.

The two accounting exercises use different counterfactuals. Expected maxima vary the number of draws from a fixed weekly rate distribution; transitions assign actual changes to the event that moved the leader. Within each exercise, the reported components sum to the corresponding total. The first quantifies how the number of comparable banks posting the contract changes the expected maximum. The second classifies the events that move the observed weekly leader; repricing and leadership turnover among continuing banks account for most of that movement.

7 Menu Rotation and Bank Funding

7.1 Policy conditions change which selective offers operate

A continuing bank can take the lead without entering the market by activating a selective schedule. Such offers enter and leave the local comparison set repeatedly. Entry is estimated among offers that are currently unavailable; withdrawal is estimated among offers that are currently available. Bank-by-offer-type fixed effects compare each bank's current decision with its usual use of the same schedule. Quarter-of-year effects absorb recurring seasonal campaigns, and the time already spent in the current availability state allows switching probabilities to depend on how long an offer has been on or off. The baseline probabilities

report how often each transition normally occurs in a quarter, providing the scale for the percentage-point estimates. A one-percentage-point higher funds rate is associated with activation probabilities higher by 0.08 percentage point for new-money CDs and 0.42 point for promoted CDs. Policy-level activation is concentrated in promoted and selected new-money schedules (Table 7, Panel A).

The same bank example shows the supply action directly (Online Appendix Figure A3). Its promotion was absent throughout the 1,127-county footprint on May 19, 2023 and active throughout it one week later at 1.69 percent, while the standard schedule remained at 0.03 percent. Activation changes which bank-wide price can contest the best local posted rate.

Policy speed enters primarily through new-money activation. A one-percentage-point faster four-quarter increase is associated with activation probabilities higher by approximately 0.10 percentage point for new-money CDs and 0.14 point for new-money MMAs. The association with tightening speed is concentrated in selective-offer entry.

Withdrawal determines which existing selective prices remain available (Table 7, Panel B). Higher policy-rate levels are associated with less withdrawal of new-money and promoted MMAs, while relationship CDs are more likely to be withdrawn. Other withdrawal associations are less precisely estimated. Entry and persistence thus both shape the selective prices available to depositors.

During rapid tightening, deployment also varies with funding need. The bank-by-offer-type and time-in-state controls continue to hold fixed persistent deployment differences and predictable spell duration. Calendar-quarter effects then compare banks facing the same aggregate policy and funding environment, asking whether those with greater lagged funding need activate more often. In Table 7, Panel C, greater funding pressure is associated with more new-money and promoted entry in both CDs and MMAs; the relationship-offer coefficients are not precisely distinguished from zero. The loan-to-deposit ratio provides the most stable individual association in the supporting component specifications, and predetermined rollover exposure contributes for acquisition CDs. Promotions that enter after the required inactive

period begin at higher premia when funding pressure is greater. These equilibrium associations link selective-offer supply most clearly to banks' demand for additional funding.

7.2 Activation changes local prices and subsequent funding costs

Activating a promotion can raise the best local rate without adding another bank. Holding every other contemporaneous quote fixed, the highest comparable local rate is 33–44 basis points above the maximum excluding the new promotion. For the average activation, the promotion becomes the highest local rate in 52–56 percent of the counties it reaches. The highest local rate is also 29–39 basis points above its last value observed within the preceding 21 days (Table 9). The first comparison isolates the promotion's contribution to the observed quote set; the second includes other rate changes between the two dates. These conditional-event gains can be large even when activation contributes modestly to average weekly adjustment: activation is an occasional addition to posted supply, whereas the HHI gradient summarizes policy-related adjustment across all observed periods.

The promotion prices one offer; the bank's average funding cost reflects its deposit portfolio. Activation is followed by more term funding at a higher average price. The event study compares activating banks with matched nonactivators from the same activation cohort, defined by the quarter in which the first sustained activation begins. Bank-by-cohort effects absorb each bank's average outcome within that matched group, so the estimates use changes within the same bank rather than cross-sectional differences in funding levels. Cohort-by-calendar-quarter effects absorb the time path shared by activating and comparison banks in the same matched cohort.

One to two quarters after a bank activates an acquisition schedule, time deposits at or below $250,000 that mature within one year are roughly 5–6 log percentage points higher than at matched nonactivators, and large time deposits are roughly 8–9 log percentage points higher. Average deposit funding cost rises by 1.95 basis points after one quarter and 3.64 basis points after two, with significance after adjustment across the prespecified funding-cost

estimates (Figure 3 and Table 8). The under-$250,000 series is lower at the earliest displayed lead, four quarters before activation, while its two adjacent leads are small; the joint pre-event p-value is .053. Quarter-clustered joint tests do not reject pre-event differences for large time deposits or funding cost.

Total deposits rise more modestly, while core non-time deposits remain approximately flat (Online Appendix Table A13). The composition points to a broader term-funding campaign. The regulatory categories measure bank-level funding composition; their balance thresholds and maturity buckets do not assign deposits to the advertised $10,000 and $100,000 offers.

8 National Online Rates and Local Competition

National online prices provide the same posted alternative across local markets. I add the same dated, contract-matched quotes from nationally accessible banks to every county and estimate county-only and expanded maxima on identical observations. The national rate is the highest available rate in 99.1 percent of standard-CD weeks, 97.6 percent of best-retail-CD weeks, 97.0 percent of high-balance-CD weeks, and 85.3 percent of MMA weeks. Once that common rate is highest, every county-HHI interaction is economically zero.

The national quote is identical across counties. Once it becomes the highest rate, the best posted alternative no longer varies locally, so county HHI has no cross-county variation in that outcome to explain. I interpret the exercise as an upper bound on common posted access; household awareness, eligibility, and take-up remain separate choices. The main analysis retains the local set observed by bank pricing teams. Online Appendix Section A.10 and Tables A15–A16 report contract-specific national-bank counts, the comparison estimated on the same observations, and the frequency with which the national rate is highest.

9 Conclusion

Concentration-dependent pass-through and network-wide deposit pricing are both first-order facts of deposit markets. The deposit-menu view offers one empirically grounded account of how they can coexist by treating bank pricing as a vector of coexisting contract schedules. Banks allocate monetary-policy adjustment across those schedules, carry most contract-specific prices across their networks, and decide when selective offers operate. Local markets assemble the resulting bank-wide price paths into the alternatives available to depositors.

The evidence shows how this organization gives local competition a distinct role. Banks preserve a sluggish no-action anchor while directing more policy adjustment toward selective funding offers, yet they usually administer each chosen price broadly. The concentration gradient is nearly absent from the focal bank's same-contract response and instead appears in the highest comparable rate posted by another local bank. Comparable-supplier count explains much of that gradient, while the identities of represented banks, the schedules they operate, and the ranking of their prices account for what remains. Weekly histories show that the gradient is realized mainly when another continuing bank displaces the leader. Selective activation provides a separate, episodic way to raise the leading rate without bank entry and is followed by higher funding costs. The empirical role of local competition lies principally in which bank-wide price paths meet locally and which one leads.

This distinction has a direct implication for competition policy. Market assessments should combine deposit-share HHI with the product-matched offers posted in the relevant market: the number of comparable suppliers, their identities and policy sensitivities, the conditions attached to their offers, and the ordering of their prices. Together, these measures show both how the installed deposit stock is distributed and which institutions actively compete for the next deposit dollar.

The findings also open a broader research agenda connecting posted supply to realized household and bank choices. Combining contemporaneous schedules with secure, deidentified account histories can relate the offers banks make to passive renewal, selective-offer eligibility

and take-up, balance migration across contracts, and switching across institutions. Joining these data to bank balance sheets can show how realized deposit choices reshape the full liability mix and propagate into lending and asset allocation.

Finally, retail deposit pricing is but one component of a bank's broader portfolio problem. The broader deposits channel emerges from household portfolio choices and banks' joint decisions over funding, lending, and asset allocation. This paper isolates its pricing layer—the point at which banks allocate monetary-policy adjustment across deposit contracts and local markets assemble those contracts into the alternatives available to depositors.

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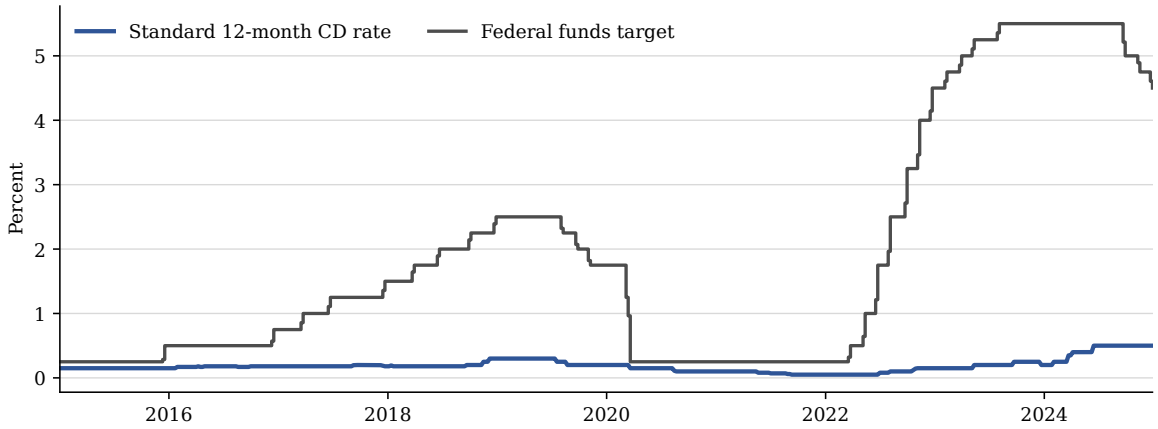
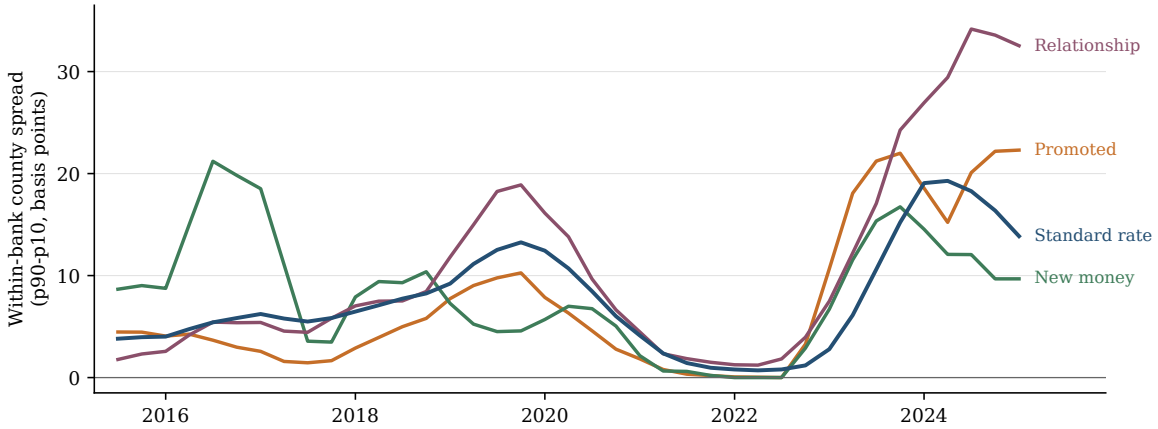


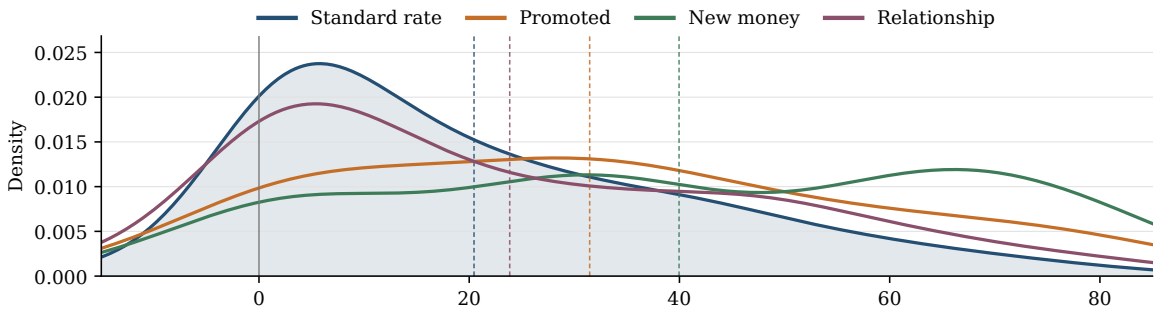
(a) Posted renewal anchor and the policy rate



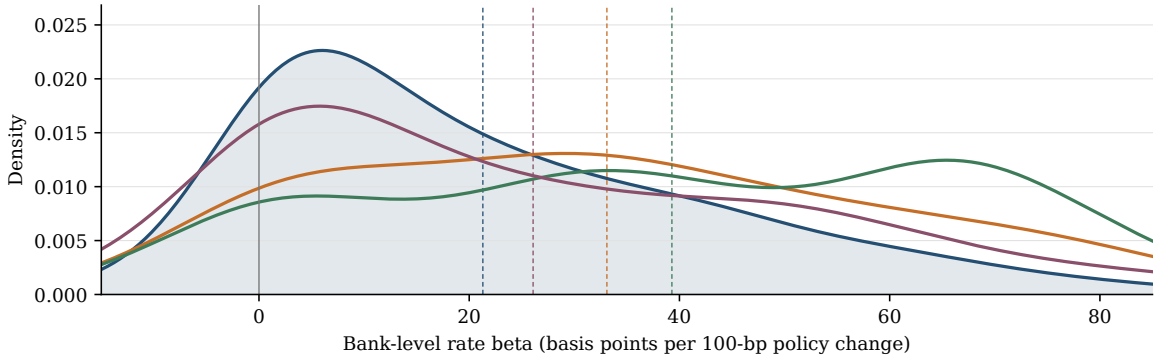
(b) Within-bank county dispersion among large multi-county banks

Figure 1: The posted renewal anchor and uniform pricing

Notes: Panel A plots the median standard 12-month CD quote across the observed bank–county quotes in each week, together with the upper end of the federal funds target range. It is the aggregate median of posted quotes; individual-bank paths and balance-weighted realized rates are different quantities. Panel B measures county dispersion within the same bank and contract. For banks reporting in at least 25 counties, it plots the difference between the 90th- and 10th-percentile county rates as a four-quarter moving average using the current and three preceding quarters; the beginning of each series requires at least two quarterly observations. The standard schedule has no promotion or observed new-money or relationship condition; new money and relationship are eligibility conditions; promotion is a marketing status. Missing contracts remain missing.



(a) CDs available at $10,000



(b) CDs available at $100,000

Figure 2: How strongly different deposit contracts respond across banks

Notes: The figure plots descriptive distributions of estimated bank-level CD rate responses at the $10,000 and $100,000 balances. A bank enters a density with at least 12 quarters with an observed contract quote spanning at least 16 quarters and at least four nonzero policy changes. The numbers of banks at $10,000 are 1,274 standard, 194 promoted, 31 new-money, and 152 relationship; at $100,000 they are 1,273, 199, 39, and 151. Each bank receives equal weight within a contract, and dashed lines mark means. Unequal histories and estimation error contribute to the width. Table 3 provides the formal selective-versus-standard comparison on identical bank-quarter observations.

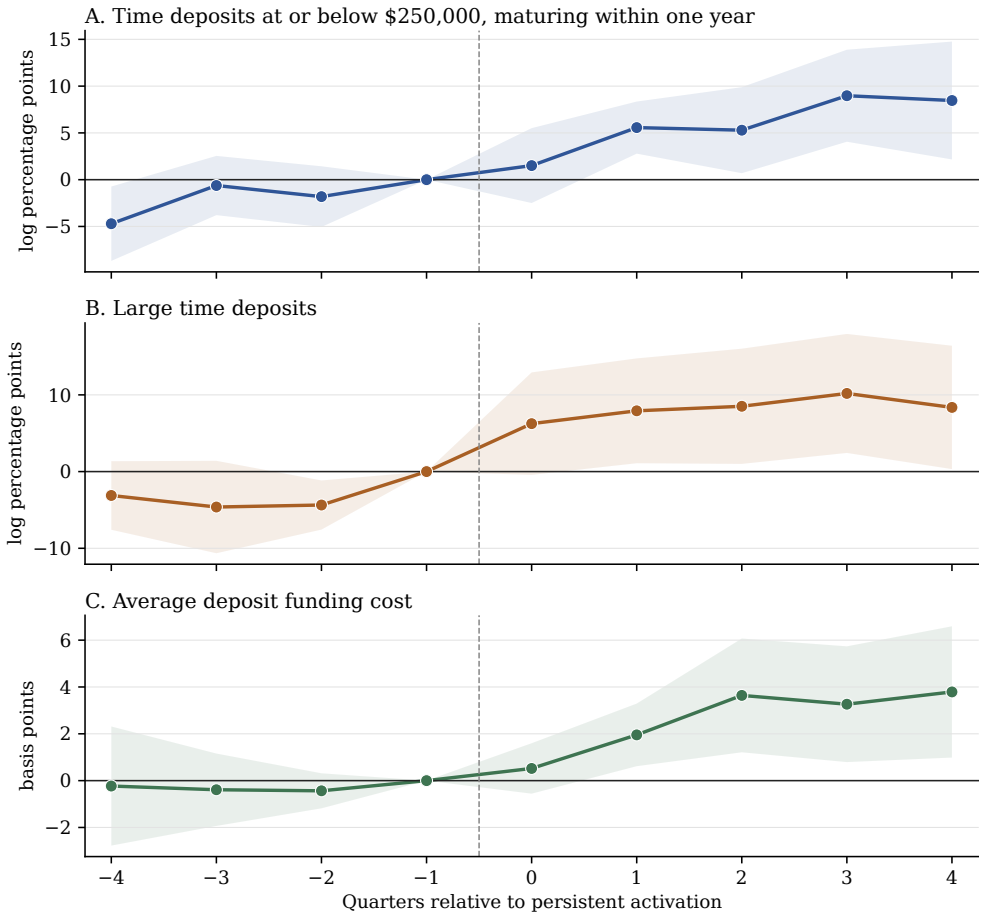


Figure 3: Term funding after selective-rate activation

Notes: The figure compares each bank's first activation of a promoted or new-money 12-month CD offer that remains active for at least eight consecutive weeks with five eligible comparison banks observed in the same event quarter whose first activation occurs after $q+4$ or never occurs. The 17 activation cohorts cover 2016Q1–2019Q1 and 2023Q1–2023Q4, the activation quarters with complete event windows in the two policy cycles. CD acquisition combines new-money and promoted 12-month CD offers at the $10,000 and $100,000 balances. Panels A and B use $Y_{iq} = 100 \ln(1 + X_{iq})$, where X_{iq} is the quarter-end deposit stock in thousands of dollars. Panel A uses reported time deposits at or below $250,000 with remaining maturity of one year or less. Panel B sums the reported large-time-deposit categories across remaining maturities. Panel C reports average deposit funding cost, $40{,}000E_{iq}/[(D_{iq} + D_{i,q-1})/2]$, in annualized basis points, where E_{iq} is quarterly deposit interest expense and D_{iq} is total deposits; this outcome is winsorized within calendar quarter at the first and ninety-ninth percentiles. Matching uses pre-event deposit stocks, outcome trends, and funding conditions; missing matching covariates are replaced by the comparison-bank median within each activation cohort. Bank-quarters with negative quarterly deposit interest expense are excluded (32 of 42,741 source observations). The estimation absorbs bank-by-activation-cohort and activation-cohort-by-calendar-quarter effects. Each coefficient is the activating-bank-minus-matched-bank difference relative to that difference at $q = -1$; $q = 0$ is the activation quarter. Shaded bands are 95-percent confidence intervals using bank-and-quarter two-way standard errors. The three-lead two-way covariance matrices are nonpositive, so joint pre-event tests use quarter clustering. Their p-values are .053, .472, and .940 in Panels A, B, and C, respectively; in Panel A, the earliest displayed lead is largest and the next two are small. The panels contain 244 activating banks and 762 banks overall; observations are 12,231, 12,227, and 12,225, respectively. Table 8 reports the principal horizons, and Online Appendix Table A13 reports total-deposit and additional composition outcomes.

Table 1: Posted Deposit Menus, Local Markets, and Bank Funding: Summary Statistics

Panels A–D report, respectively, bank–quarter prices and balance sheets, bank–county–quarter local markets, calendar-quarter policy, and bank–offer–quarter selective-schedule availability and entry.

Variable	Mean	SD	P10	Median	P90	N
Panel A. Bank-quarter prices and balance sheets						
Plain standard 12-month CD, $10,000	0.75	0.93	0.13	0.40	1.90	50,633
Best 12-month CD, $10,000	0.89	1.08	0.15	0.45	2.38	51,988
Best 12-month CD, $100,000	0.94	1.11	0.15	0.48	2.48	51,939
New-money 12-month CD, $10,000	2.00	1.51	0.28	1.55	4.45	1,661
Relationship 12-month CD, $10,000	0.85	1.05	0.10	0.40	2.23	5,868
Promoted 12-month CD, $10,000	1.62	1.53	0.15	1.04	4.27	7,875
Best money-market account, $25,000	0.42	0.68	0.05	0.18	1.04	44,963
Counties in bank network	16.17	70.39	2	5	23	33,410
Deposits ($ millions)	9,691	89,483	210	808	6,403	42,741
Core-deposit share (percent)	90.67	8.61	80.82	92.99	98.25	42,741
Brokered-deposit share (percent)	3.88	6.91	0	0.76	11.30	42,741
Average deposit funding cost (basis points)	79.63	72.46	17.06	55.09	186.02	42,709
Panel B. Bank–county–quarter local markets for comparable $10,000 CDs						
Total deposit HHI (0–100)	18.95	12.81	8.39	15.05	33.66	650,019
Other banks posting a comparable CD	10.57	9.62	2	8	22	650,019
Panel C. Calendar-quarter monetary-policy environment (percentage points)						
Federal funds target	1.98	1.90	0.25	1.38	5.28	40
Quarterly change in federal funds target	0.11	0.49	−0.30	0.00	0.39	39

Table 1: Posted Deposit Menus, Local Markets, and Bank Funding: Summary Statistics (continued)

Availability is the average share of observed weeks in which the offer operates. Entry is measured only in quarters when the offer is absent at the beginning.

Panel D. Bank–offer–quarter selective-schedule availability and entry

Offer	Observed weeks available (%)	Bank–offer quarters	Entry probability when absent (%)	Entry events / eligible quarters
Relationship	10.36	144,946	0.38	499 / 129,928
New money	4.46	144,946	0.64	882 / 138,560
Promoted	12.45	144,937	1.49	1,899 / 127,143

Notes: Nationally available quotes are identified separately and excluded from county comparisons. Panel A averages county-week quotes within each bank and quarter; Panel B retains the bank–county–quarter estimation grain. Selective-rate means condition on the indicated schedule operating; activation conditions on an inactive schedule at quarter entry. Total HHI uses lagged county deposit shares, and comparable suppliers count other banks posting the matched contract. Average deposit funding cost is annualized quarterly deposit interest expense divided by average adjacent-quarter deposits. The plain standard CD is fixed rate and fixed maturity; option-bearing specialty forms and alternative placement channels are excluded. Rates are annual percentage points; HHI and shares use a 0–100 scale; missing contract states remain missing.

Table 2: Uniform Administration of Posted Deposit Prices and Selective Offers

Panels A and B ask whether a bank posts the same numerical price for a given contract across the counties in which it reports that product. The standard price is the plain fixed-rate, fixed-maturity exact-12-month CD quote without promotion or an observed new-money or relationship condition; option-bearing specialty forms and alternative placement channels are excluded. The best price is the highest schedule at the stated balance. Panel B applies the same comparison to selective schedules.

Panel A. Standard and best 12-month CD prices

Year	Standard price identical across counties (%)	Best price identical across counties (%)
2015	90.9	90.8
2018	93.3	92.8
2021	95.9	95.7
2024	95.9	94.8
2015–2024	94.0	93.6

Panel B. Selective 12-month CD prices, $10,000

Selective offer	Identical across counties (%)	Multi-county bank-weeks
New money	89.4	15,174
Relationship	90.9	68,873
Promoted	91.7	79,876

Table 2: Uniform Administration of Posted Deposit Prices and Selective Offers (continued)

Panel C describes where a selective schedule is available within a bank's reported product network—the counties in which the source reports that bank offering the underlying product, maturity, and balance. Each entry is the range across the $10,000 and $100,000 12-month CDs and the $25,000 MMA. The first statistic is the share of bank-weeks in which every network county receives the selective offer; the second is the average percentage of network counties receiving it. The final statistic is the median length of a consecutive run in which the offer is available in some, but not all, counties in that product network. In Panel D, the dependent variable equals one when the bank makes the selective schedule available in a county-week. The reported coefficient is the percentage-point difference in the policy-related change in availability between counties one standard deviation apart in total deposit HHI, for a 100-basis-point policy-rate change. For Panel D, standard errors are shown in parentheses and are clustered by bank and county.

Panel C. Where selective offers are available within the bank's product network

Selective offer	Every network county receives offer (%)	Average network coverage (%)	Median consecutive weeks offered in part of network
New money	87.6–90.4	94.8–95.6	10–17
Promoted	87.5–89.8	93.8–94.7	13–14
Relationship	92.4–93.5	96.9–97.1	22–34

Panel D. Total concentration and county-level availability of selective offers

	CD, $100,000			MMA, $25,000		
	New money	Promoted	Relationship	New money	Promoted	Relationship
	(1)	(2)	(3)	(4)	(5)	(6)
HHI × policy-rate change	0.026	0.039	-0.063^{**}	-0.305^{***}	-0.164^{*}	−0.020
	(0.028)	(0.032)	(0.028)	(0.112)	(0.091)	(0.025)
HHI level	Yes	Yes	Yes	Yes	Yes	Yes
Bank × week FE	Yes	Yes	Yes	Yes	Yes	Yes
Bank × county FE	Yes	Yes	Yes	Yes	Yes	Yes
State × week FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	241,826	1,592,569	2,028,923	1,725,137	2,149,938	2,661,340
Adj. R^2	0.931	0.874	0.919	0.882	0.873	0.879

Notes: Promotion can overlap new-money or relationship eligibility. Stars denote raw two-way p-values: $^{*}p < .10$, $^{**}p < .05$, and $^{***}p < .01$. Online Appendix Sections A.1 and A.6 report the review of publicly available deposit agreements, all nine product-by-offer comparisons including the $10,000 CD, and Benjamini–Hochberg-adjusted q-values for the prespecified groups of related contracts.

Table 3: Policy Adjustment Across Coexisting Deposit Prices

The table shows how the same bank allocates monetary-policy adjustment across coexisting prices for the same maturity and balance. The standard schedule is a plain fixed-rate, fixed-maturity exact-12-month CD with no recorded promotion, new-money requirement, or relationship condition; option-bearing specialty forms and alternative placement channels are excluded. The selective schedule carries the condition named above each column. Panel A compares their policy sensitivities in the same bank-quarters. Panels B and C, on the continuation page, report their posted levels and within-bank differences in 2024. The policy-sensitivity difference measures how the two prices respond to policy; the posted-rate difference measures how far apart they stand when both are available. For Panel A, standard errors are shown in parentheses and are clustered by bank and calendar quarter.

Panel A. Contract-specific policy sensitivities

	CD, $10,000			CD, $100,000			MMA, $25,000		
	Promoted	New money	Relationship	Promoted	New money	Relationship	Promoted	New money	Relationship
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Policy sensitivity: standard price	10.69	7.67	15.22	11.44	9.41	16.41	2.98	2.92	3.49
	(1.86)	(2.06)	(3.11)	(1.85)	(2.05)	(3.41)	(0.98)	(0.97)	(1.15)
Policy sensitivity: selective price	31.06	35.27	21.82	31.95	35.45	23.40	15.29	13.08	9.98
	(4.70)	(6.97)	(4.44)	(4.33)	(5.16)	(4.99)	(4.22)	(3.27)	(3.00)
Selective minus standard	20.37 ***	27.60 ***	6.60 ***	20.51 ***	26.03 ***	6.99 ***	12.31 ***	10.16 ***	6.49 ***
	(3.60)	(5.33)	(1.75)	(3.24)	(4.20)	(2.08)	(3.43)	(2.59)	(2.05)
Bank FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Calendar quarters represented	39	39	39	39	39	39	39	39	39
Banks	548	198	306	580	230	307	386	295	270
Observations	5,959	1,462	5,535	6,220	1,740	5,466	4,318	3,170	4,171
Within $R^{2\ddagger}$	0.040	0.076	0.009	0.040	0.073	0.010	0.032	0.026	0.022

Notes: Selective and standard prices are paired on identical bank–county–weeks before quarterly changes are constructed. CDs aggregate linked weekly repricing; MMAs use adjacent quarterly-average changes. Policy sensitivities are basis points per 100-basis-point policy change. The row marked ‡ reports within R^2, the share of variation in the selective-minus-standard rate change explained by the policy-rate change after removing bank fixed effects. The conventional adjusted R^2 is reduced by the degrees of freedom absorbed by the bank effects and is negative in several CD specifications. Stars mark raw significance: $^{***}p < .01$, $^{**}p < .05$, and $^{*}p < .10$; every difference survives adjustment within product and balance. Promotion may overlap new-money or relationship eligibility.

Table 3: Policy Adjustment Across Coexisting Deposit Prices (continued)

Panels B and C quantify the level difference between coexisting prices. Panel B reports the standard and selective rates when both are posted in 2024. Panel C reports the selective-rate premium over the same bank's standard rate for the identical product, maturity, and balance.

Panel B. Posted-rate levels in 2024, conditional on the selective offer operating

	CD, $10,000			CD, $100,000			MMA, $25,000		
	Promoted	New money	Relation-ship	Promoted	New money	Relation-ship	Promoted	New money	Relation-ship
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Standard rate (percentage points)	1.26	1.19	1.42	1.33	1.22	1.49	0.49	0.44	0.43
Selective rate (percentage points)	3.49	3.94	1.92	3.60	4.00	2.05	2.62	2.51	1.42

Panel C. Selective-rate premia in 2024, conditional on the selective offer operating

	CD, $10,000			CD, $100,000			MMA, $25,000		
	Promoted	New money	Relation-ship	Promoted	New money	Relation-ship	Promoted	New money	Relation-ship
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Mean premium (basis points)	223.5	274.3	50.2	226.6	277.7	56.1	213.3	206.9	98.3
Median premium (basis points)	269.0	322.2	10.0	268.2	322.2	10.0	222.0	223.6	25.2
Selective rate above standard (%)	82.9	91.8	83.1	83.3	93.5	84.2	85.6	84.1	77.1
Observations	8,025	2,391	5,841	8,955	2,856	5,897	9,437	5,724	5,820

Notes: Panel B reports percentage-point rate levels. Panel C reports the selective rate minus the standard rate in basis points and the share of paired observations in which the selective rate is higher. Selective and standard prices are paired on identical bank–county–weeks. Promotion may overlap new-money or relationship eligibility.

Table 4: Local Concentration, the Bank's Own Price, and the Highest Comparable Rate from Another Bank

The table separates two ways local concentration can be associated with deposit pass-through. Panel A follows the bank whose posted rate is being measured and asks whether that bank changes the policy sensitivity of a given contract across the counties it serves. Panel B measures the highest rate posted locally by any other bank for the same product, maturity, balance, and reported access conditions. Comparing the panels reveals whether the concentration gradient resides in county-specific repricing by the measured bank or in the deposit outside option supplied by the other banks represented locally. The standard CD is the plain fixed-rate, fixed-maturity exact-12-month quote; option-bearing specialty forms and alternative placement channels are excluded. Standard errors are shown in parentheses and are clustered by bank and county.

	Standard CD	Best CD	Higher-balance CD	MMA
	\$10,000	\$10,000	\$100,000	\$25,000
	(1)	(2)	(3)	(4)
Panel A. Bank's own posted price				
HHI ×ΔFFR	−0.01	−0.02	0.02	−0.12 **
	(0.01)	(0.02)	(0.02)	(0.06)
Adj. R^2	0.930	0.936	0.930	0.874
Panel B. Highest same-contract rate posted locally by another bank				
HHI ×ΔFFR	−4.64 ***	−6.30 ***	−5.98 ***	−3.21 ***
	(0.39)	(0.37)	(0.61)	(0.29)
Adj. R^2	0.548	0.616	0.742	0.711
Time-varying HHI level	Yes	Yes	Yes	Yes
Bank × quarter FE	Yes	Yes	Yes	Yes
Market × quarter FE	Yes	Yes	Yes	Yes
Bank × county FE	Yes	Yes	Yes	Yes
Observations	616,258	650,019	424,332	499,021

Notes: CD changes aggregate linked weekly repricing; MMA changes compare quarterly average prices. Lagged annual HHI is joined by county and year. A banking market is the metropolitan area for urban counties and the state for rural counties; high-balance specifications use metropolitan counties. Coefficients are basis points for a 100-basis-point policy-rate increase and a one-standard-deviation HHI difference. Stars mark ordinary bank-and-county-clustered p-values: $^{*}p < .10$, $^{**}p < .05$, and $^{***}p < .01$.

Table 5: The Number and Identity of Comparable Banks

Panel A asks how much of the weaker adjustment in the highest same-product rate posted by other locally represented banks is associated with the number of comparable banks. It separates the total HHI-related difference into the portion associated with that supplier count and the remainder associated with which banks are present, which offers are active, and how their rates are ordered. The unrounded portions sum exactly to the total. The standard CD is the plain fixed-rate, fixed-maturity exact-12-month quote; option-bearing specialty forms and alternative placement channels are excluded. Standard errors are shown in parentheses and are clustered by bank and county.

	Dependent variable: quarterly change in the highest rate posted by another local bank for the same product			
	12-month CDs			Money-market account
	(1) Standard CD $10,000	(2) Best CD $10,000	(3) Higher-balance CD $100,000	(4) MMA $25,000
Panel A. Accounting for the number of comparable banks				
Total HHI-related difference	-4.64^{***}	-6.30^{***}	-5.98^{***}	-3.21^{***}
	(0.39)	(0.37)	(0.61)	(0.29)
Bank-count component	-4.19^{***}	-4.34^{***}	-3.95^{***}	-2.36^{***}
	(0.24)	(0.25)	(0.44)	(0.18)
Composition component	-0.45^{*}	-1.96^{***}	-2.03^{***}	-0.85^{***}
	(0.26)	(0.24)	(0.33)	(0.22)
HHI level	Yes	Yes	Yes	Yes
Bank × quarter FE	Yes	Yes	Yes	Yes
Market × quarter FE	Yes	Yes	Yes	Yes
Bank × county FE	Yes	Yes	Yes	Yes
Observations	616,258	650,019	424,332	499,021
Adj. R^2: total	0.548	0.616	0.742	0.711
Adj. R^2: bank count	0.972	0.979	0.986	0.952
Adj. R^2: remainder	0.413	0.359	0.482	0.494

Table 5: The Number and Identity of Comparable Banks (continued)

Panel B compares counties with identical product-offering bank rosters in 2021Q4. Each roster is held fixed over the full 2015Q2–2024Q4 period; the included banks' prices, selective-offer availability, and deposit shares may change, but banks outside that roster do not enter. Roster-by-quarter effects absorb movements shared by counties containing the same banks. Standard errors are shown in parentheses and are clustered by bank and county.

	Dependent variable: quarterly change in the highest rate posted by another local bank for the same product			
	12-month CDs			Money-market account
	(1) Standard CD $10,000	(2) Best CD $10,000	(3) Higher-balance CD $100,000	(4) MMA $25,000
Panel B. Counties with the same pre-tightening set of product-offering banks				
Annual HHI specification				
Annual HHI × ΔFFR	−0.03†	0.01	0.38	−0.22†
	(0.03)	(0.15)	(1.10)	(0.14)
HHI level	Yes	Yes	Yes	Yes
Bank × quarter FE	Yes	Yes	Yes	Yes
Roster × quarter FE	Yes	Yes	Yes	Yes
Bank × county FE	Yes	Yes	Yes	Yes
Observations	37,312	38,173	6,704	46,585
Adj. R^2	0.959	0.895	0.881	0.837
2021Q4 HHI specification				
2021Q4 HHI × ΔFFR	−0.02†	−0.06	0.15	−0.22†
	(0.03)	(0.15)	(1.22)	(0.15)
HHI level	Absorbed	Absorbed	Absorbed	Absorbed
Bank × quarter FE	Yes	Yes	Yes	Yes
Roster × quarter FE	Yes	Yes	Yes	Yes
Bank × county FE	Yes	Yes	Yes	Yes
Observations	37,333	38,194	6,704	46,599
Adj. R^2	0.959	0.895	0.881	0.837

Table 5: The Number and Identity of Comparable Banks (continued)

Panel C asks whether HHI remains associated with pass-through after holding fixed the number of comparable banks in the market. Standard errors are shown in parentheses and are clustered by bank and county.

Panel C. HHI and the number of comparable banks entered jointly

	Dependent variable: quarterly change in the highest rate posted by another local bank for the same product	
	(1) Standard CD, $10,000	(2) Best CD, $10,000
HHI × ΔFFR	-3.05^{***}	-5.41^{***}
	(0.39)	(0.35)
Comparable-bank count × ΔFFR	12.35^{***}	7.14^{***}
	(1.24)	(0.85)
HHI level	Yes	Yes
Comparable-bank-count level	Yes	Yes
Bank × quarter FE	Yes	Yes
Market × quarter FE	Yes	Yes
Bank × county FE	Yes	Yes
Observations	616,258	650,019
Adj. R^2	0.553	0.617

Notes: The dependent variable is the quarterly change in the highest rate for the same product and balance posted by another bank available in the county. Coefficients are basis points for a 100-basis-point increase in the federal funds rate and a one-standard-deviation difference in HHI. In Panel B's fixed-HHI specification, the HHI level is absorbed by the bank-by-county effects. For cells marked † in Panel B, the two-way covariance estimate is nonpositive, so the larger valid one-way bank- or county-clustered standard error is reported. Stars mark ordinary clustered p-values: $^{*}p < 0.10$, $^{**}p < 0.05$, and $^{***}p < 0.01$.

Table 6: How the Best Comparable CD Price Changes

Panel A shows how the difference in policy-rate pass-through associated with HHI in the highest same-product CD rate posted by another local bank is generated week by week. Each change is assigned to one of five mutually exclusive events: a bank begins or ceases quoting in the county, a bank begins or ceases offering the 12-month product, a selective offer begins or ends, another continuing bank becomes the highest payer, or the bank already paying the highest rate changes its rate. The unrounded rows sum exactly to the total. Panel B reports the percentage of total absolute week-to-week rate change attributable to each event in low- and high-HHI counties. For Panel A, standard errors are shown in parentheses and are clustered by bank and county.

	Dependent variable: contribution to the quarterly change in the highest same-product CD rate posted by another local bank	
	(1) Best CD $10,000	(2) Higher-balance CD $100,000
Panel A. How weekly events contribute to the HHI-related difference		
Bank starts or stops quoting locally	−0.07	−0.02
	(0.07)	(0.12)
12-month CD offer begins or ends	−0.06	0.03*
	(0.04)	(0.02)
Selective offer begins or ends	−0.38***	−0.51**
	(0.11)	(0.21)
Continuing bank takes the lead	−4.46***	−4.97***
	(0.31)	(0.55)
Current leader reprices	−1.33***	−0.50
	(0.30)	(0.46)
Total HHI-related difference	−6.30***	−5.98***
	(0.37)	(0.61)
HHI level	Yes	Yes
Bank × quarter FE	Yes	Yes
Market × quarter FE	Yes	Yes
Bank × county FE	Yes	Yes
Observations	650,019	424,332
Adj. R^2: local quoting	0.209	0.310
Adj. R^2: CD availability	0.422	0.611
Adj. R^2: selective availability	0.311	0.442
Adj. R^2: leadership change	0.520	0.600
Adj. R^2: leader repricing	0.433	0.576
Adj. R^2: total	0.616	0.742

Table 6: How the Best Comparable CD Price Changes (continued)

Panel B reports the percentage of total absolute week-to-week change in the highest $10,000 CD rate attributable to each event, separately for counties in the lowest and highest HHI quartiles.

Panel B. Sources of week-to-week changes in the highest $10,000 CD rate

	(1) Lowest-HHI quartile	(2) Highest-HHI quartile
Current leader reprices	41.9	68.8
Continuing bank takes the lead	46.3	19.8
Selective offer begins or ends	10.8	10.3
Other bank or product changes	1.0	1.0

Notes: In Panel A, coefficients are basis points for a 100-basis-point increase in the federal funds rate and a one-standard-deviation difference in HHI. Stars mark ordinary bank-and-county-clustered p-values: $^{*}p < 0.10$, $^{**}p < 0.05$, and $^{***}p < 0.01$. Panel B reports percentages and no statistical inference.

Table 7: Policy and Funding Conditions in Selective-Offer Entry and Withdrawal

The table asks when banks place selective deposit offers into operation and when they withdraw them. Panels A and B include the federal funds rate level and its four-quarter change jointly; Panel C relates entry during rapid tightening to lagged funding need. The regressions account for how long the offer had already remained available or unavailable when the quarter began. Standard errors are shown in parentheses and are clustered by bank and calendar quarter.

	12-month CD, $10,000			MMA, $25,000		
	Relationship	New money	Promoted	Relationship	New money	Promoted
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A. Entry of a selective offer						
Federal funds rate level	−0.023	0.077***	0.418***	0.048*	0.077	0.254***
	(0.020)	(0.027)	(0.071)	(0.025)	(0.052)	(0.063)
Four-quarter policy-rate change	0.028	0.095***	0.024	−0.002	0.136***	0.085
	(0.022)	(0.032)	(0.074)	(0.028)	(0.046)	(0.057)
Baseline entry probability (%)	0.36	0.49	1.57	0.41	0.85	1.22
Bank × offer-type FE	Yes	Yes	Yes	Yes	Yes	Yes
Quarter-of-year FE	Yes	Yes	Yes	Yes	Yes	Yes
Time in state at quarter start	Yes	Yes	Yes	Yes	Yes	Yes
Observations	41,143	44,734	40,026	41,163	42,267	40,702
Adj. R^2	0.084	0.048	0.059	0.066	0.063	0.066

Notes: Each observation is one bank, offer type, and quarter in which the offer can enter or leave operation. An offer is counted as entering only after at least 26 prior observed weeks and then eight consecutive active weeks; withdrawal is defined symmetrically using eight consecutive inactive weeks. Time in the current availability state is measured at the first observed week of the quarter. Coefficients and standard errors are percentage-point changes in quarterly entry or withdrawal probability for a one-percentage-point policy movement. Stars mark ordinary bank-and-calendar-quarter-clustered p-values: $^{*}p < .10$, $^{**}p < .05$, and $^{***}p < .01$.

Table 7: Policy and Funding Conditions in Selective-Offer Entry and Withdrawal (continued)

Panel B asks when a bank withdraws a selective offer that is currently available. The federal funds rate level and its four-quarter change enter jointly, so each coefficient holds the other policy dimension fixed. Standard errors are shown in parentheses and are clustered by bank and calendar quarter.

	12-month CD, $10,000			MMA, $25,000		
	Relationship	New money	Promoted	Relationship	New money	Promoted
	(1)	(2)	(3)	(4)	(5)	(6)
Panel B. Withdrawal of a selective offer						
Federal funds rate level	0.509***	0.566	−0.460	0.279*	−0.947**	−1.037***
	(0.179)	(0.932)	(0.438)	(0.145)	(0.423)	(0.368)
Four-quarter policy-rate change	−0.514*	−1.778	−0.130	−0.441*	−0.118	−0.019
	(0.288)	(1.106)	(0.816)	(0.220)	(0.551)	(0.354)
Baseline withdrawal probability (%)	2.98	13.36	8.17	2.74	7.18	6.16
Bank × offer-type FE	Yes	Yes	Yes	Yes	Yes	Yes
Quarter-of-year FE	Yes	Yes	Yes	Yes	Yes	Yes
Time in state at quarter start	Yes	Yes	Yes	Yes	Yes	Yes
Observations	4,731	1,138	5,802	4,716	3,593	5,134
Adj. R^2	0.138	0.198	0.128	0.088	0.138	0.104

Notes: Each observation is one bank, offer type, and quarter in which the offer can enter or leave operation. An offer is counted as entering only after at least 26 prior observed weeks and then eight consecutive active weeks; withdrawal is defined symmetrically using eight consecutive inactive weeks. Time in the current availability state is measured at the first observed week of the quarter. Coefficients and standard errors are percentage-point changes in quarterly entry or withdrawal probability for a one-percentage-point policy movement. Stars mark ordinary bank-and-calendar-quarter-clustered p-values: $^{*}p < .10$, $^{**}p < .05$, and $^{***}p < .01$.

Table 7: Policy and Funding Conditions in Selective-Offer Entry and Withdrawal (continued)

Panel C asks whether banks with greater lagged funding need activate selective offers more intensively during rapid tightening. The interaction combines the four-quarter policy change with a standardized index of lagged core-deposit outflow, the loan-to-deposit ratio, loan growth relative to deposit growth, and the share of time deposits approaching repricing based on the bank's maturity structure measured before the policy cycle. Standard errors are shown in parentheses and are clustered by bank and calendar quarter.

	12-month CD, $10,000			MMA, $25,000		
	Relationship	New money	Promoted	Relationship	New money	Promoted
	(1)	(2)	(3)	(4)	(5)	(6)
Panel C. Funding need and selective-offer entry during rapid tightening						
Funding need × policy speed	−0.020	0.063**	0.136***	0.034	0.109***	0.138**
	(0.017)	(0.028)	(0.050)	(0.027)	(0.033)	(0.052)
Bank × offer-type FE	Yes	Yes	Yes	Yes	Yes	Yes
Calendar-quarter FE	Yes	Yes	Yes	Yes	Yes	Yes
Time in state at quarter start	Yes	Yes	Yes	Yes	Yes	Yes
Observations	36,814	40,202	36,627	36,848	37,926	36,649
Adj. R^2	0.078	0.057	0.060	0.068	0.074	0.073

Notes: Each observation is one bank, offer type, and quarter in which the offer can enter or leave operation. An offer is counted as entering only after at least 26 prior observed weeks and then eight consecutive active weeks; withdrawal is defined symmetrically using eight consecutive inactive weeks. Time in the current availability state is measured at the first observed week of the quarter. Coefficients and standard errors are percentage-point changes in quarterly entry or withdrawal probability for a one-percentage-point policy movement. Stars mark ordinary bank-and-calendar-quarter-clustered p-values: $^{*}p < .10$, $^{**}p < .05$, and $^{***}p < .01$.

Table 8: Term Funding after Activation of Higher-Paying CD Offers

The table asks whether activating a higher-paying CD offer is followed by a shift toward term funding and a higher bank-wide average funding cost. The sample pools new-money and promoted 12-month CD offers at the $10,000 and $100,000 balances. The design compares each bank's first sustained activation with five comparison banks observed in the same event quarter whose first corresponding activation occurs after $q + 4$ or never occurs, matched on pre-event deposit stocks, outcome trends, and funding conditions. The 17 activation cohorts are defined by event quarter; each cohort contains the activating banks and their matched comparisons for that quarter. Standard errors are shown in parentheses and are clustered by bank and calendar quarter.

	Deposit quantities		Funding cost
	Time deposits ≤ $250,000, maturing within one year	Large time deposits	Average deposit funding cost
	(1)	(2)	(3)
	Log points	Log points	Basis points
One quarter after activation	5.57 ***	7.92 **	1.95 ***
	(1.42)	(3.49)	(0.68)
Two quarters after activation	5.29 **	8.51 **	3.64 ***
	(2.35)	(3.83)	(1.24)
Bank × cohort FE	Yes	Yes	Yes
Cohort × calendar-quarter FE	Yes	Yes	Yes
Activating banks	244	244	244
Activation cohorts	17	17	17
Joint pre-event p-value†	0.053	0.472	0.940
Observations	12,231	12,227	12,225
Adj. R^2	0.968	0.954	0.942

Notes: Sustained activation is the first week of an eight-week active run. Event quarter zero is activation, quarter minus one is omitted, and the reported cohorts have complete event windows in 2016–2019 and 2023. Deposit quantities equal $100 \ln(1 + X)$, with X in thousands of dollars. Average funding cost is quarterly deposit interest expense divided by average deposits and expressed in annualized basis points; negative expense is excluded and the outcome is winsorized by quarter at the first and ninety-ninth percentiles. Stars mark raw two-way p-values: $^{*}p < .10$, $^{**}p < .05$, and $^{***}p < .01$. The row marked † jointly tests event quarters minus four through minus two using quarter clustering because the corresponding joint two-way covariance matrices are nonpositive.

Table 9: How a Newly Activated Promotion Changes the Highest Comparable Rate Available Locally

A bank can raise the best comparable local rate by activating a promotion without entering the market. Using weekly county quote sets from 2015 through 2024, the table compares the observed highest local rate with the same-date maximum excluding the new promotion and holding every other quote fixed. It also reports whether the promotion becomes the highest local rate and how much the observed highest rate changes from its latest value during the preceding 21 days.

	CD, $10,000	CD, $100,000	MMA, $25,000
	(1)	(2)	(3)
Activation events	479	532	476
Increase relative to same-date maximum excluding promotion (bp)	36.9	33.2	44.3
Average county share in which promotion becomes highest rate (%)	56.4	53.0	51.9
Change from latest highest local rate in prior 21 days (bp)	31.3	29.0	39.1
Average county coverage of prior local rate (%)	100.0	100.0	99.7

Notes: Rate changes are basis points. For each activation, the leadership row is the percentage of reached counties in which the promotion becomes highest; the reported value gives each activation equal weight. The prior-rate coverage row is computed analogously from counties with a highest local rate observed during the preceding 21 days.