

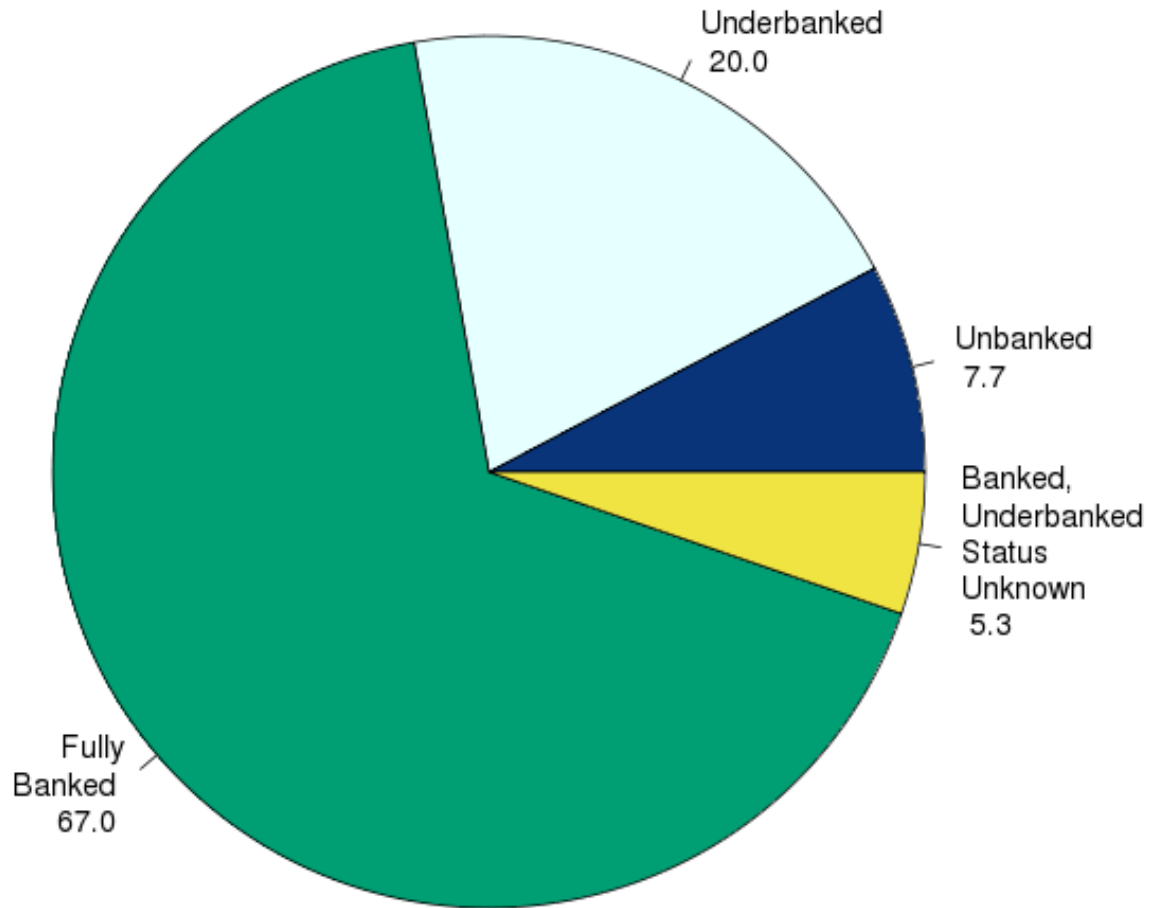
# 2013 FDIC National Survey of Unbanked and Underbanked Households

FDIC Committee on Economic Inclusion  
October 29, 2014

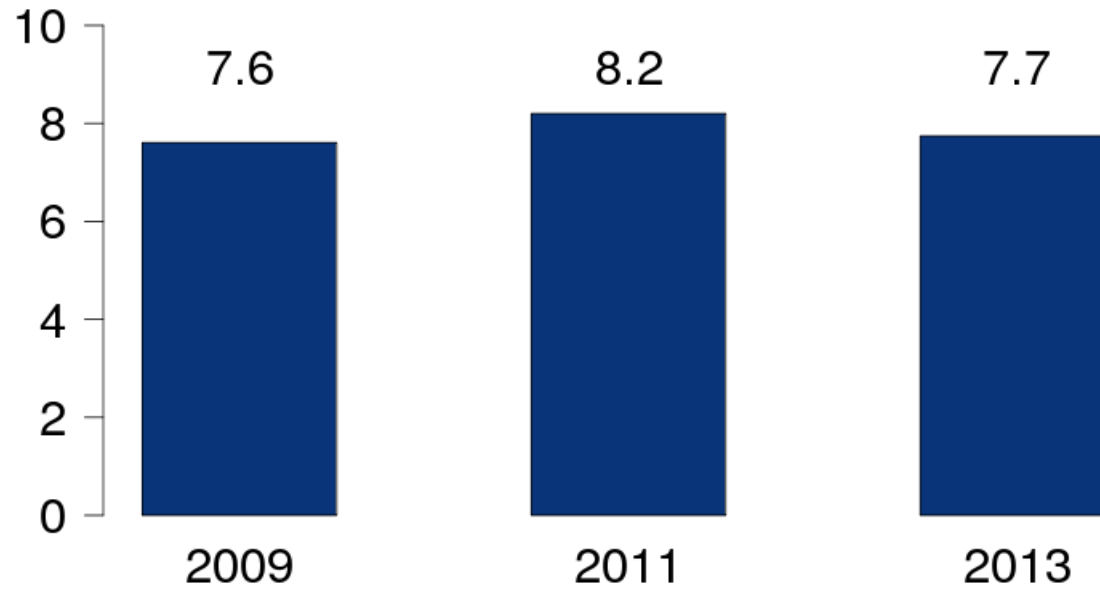
# Agenda

1. **Unbanked and Underbanked Estimates**
2. **Household Banking Status Transitions**
3. **Checking and Savings Account Ownership, and Direct Deposit**
4. **Prepaid Cards**
5. **Non-bank Alternative Financial Services Use**
6. **Technology and Banking Methods**
7. **[economicinclusion.gov](http://economicinclusion.gov)**
8. **Implications**

## 2013 Unbanked and Underbanked Rates



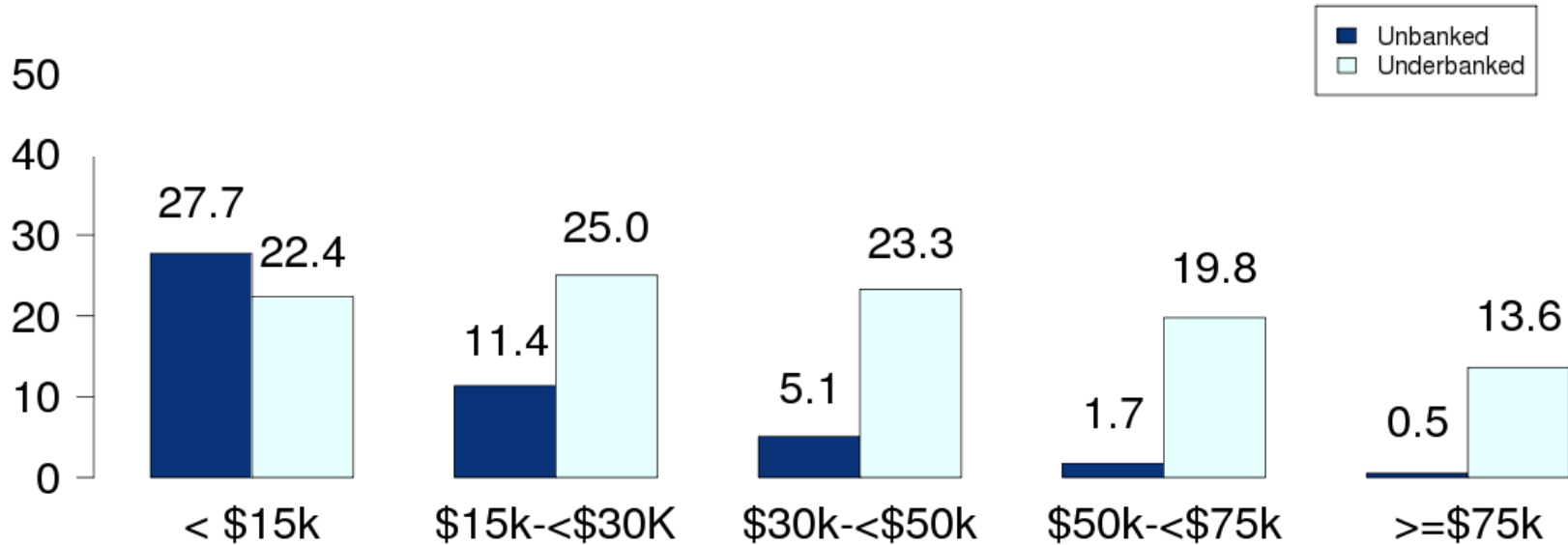
## Unbanked Rate by Year



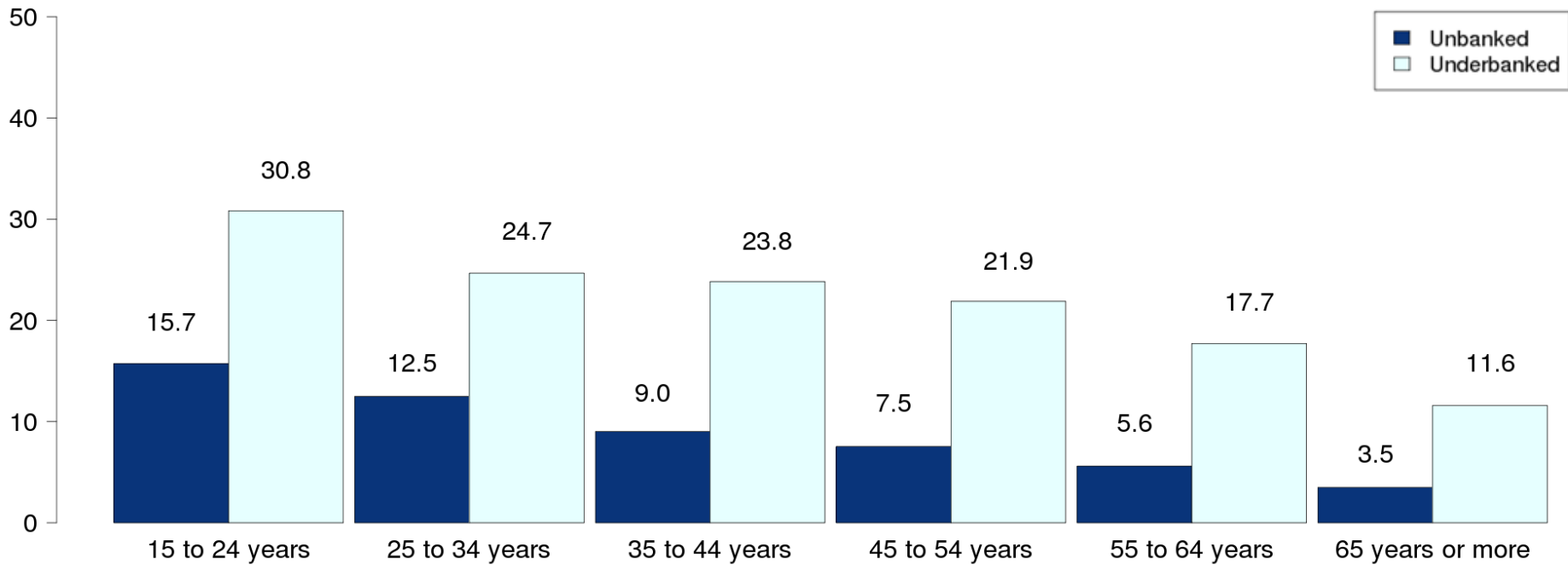
## Revised Underbanked Definition

Non-bank AFS Product	Survey Year		
	2013	2011	2009
Money Order	Used in the Last Year	Used in the Last Year	Used at least once or twice a year
Check Cashing			
Payday Loan			
Pawn Shop			
Rent-to-Own			Used in past 5 yrs
RALs			Not Included
International Remittance			
Auto Title Loan		Not Included	

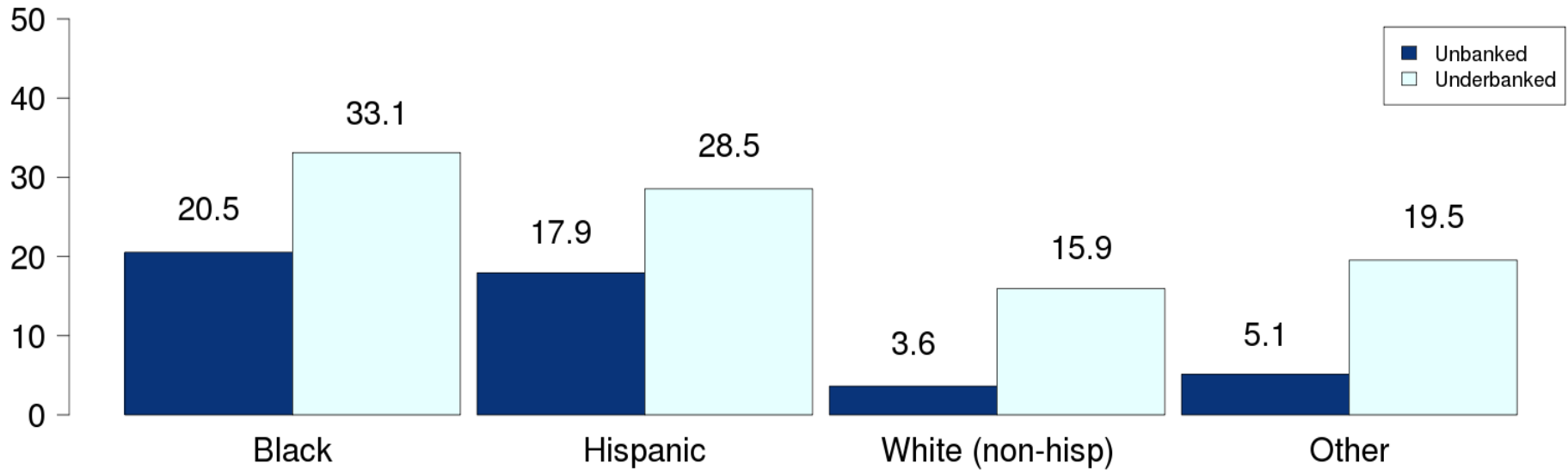
## 2013 Unbanked and Underbanked Rates by Family Income



## 2013 Unbanked and Underbanked Rates by Age

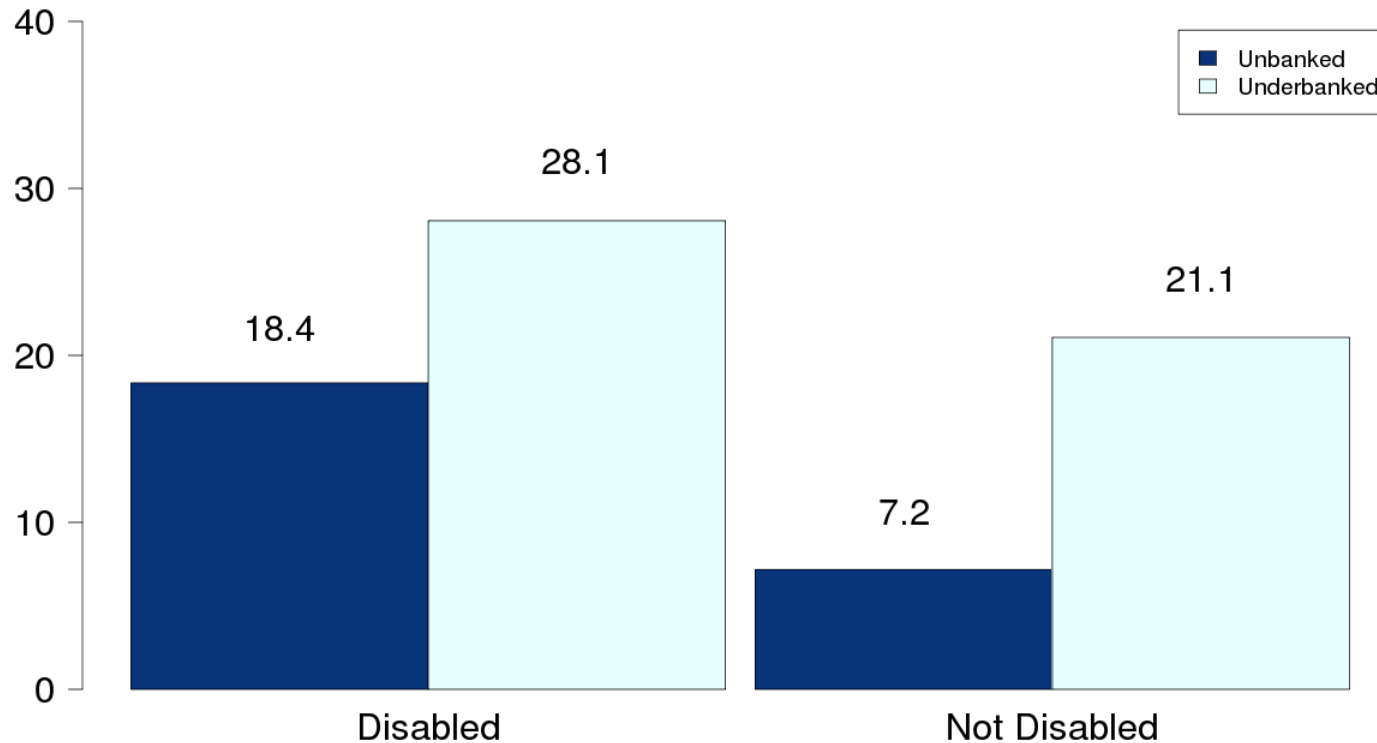


## 2013 Unbanked and Underbanked Rates by Race and Ethnicity



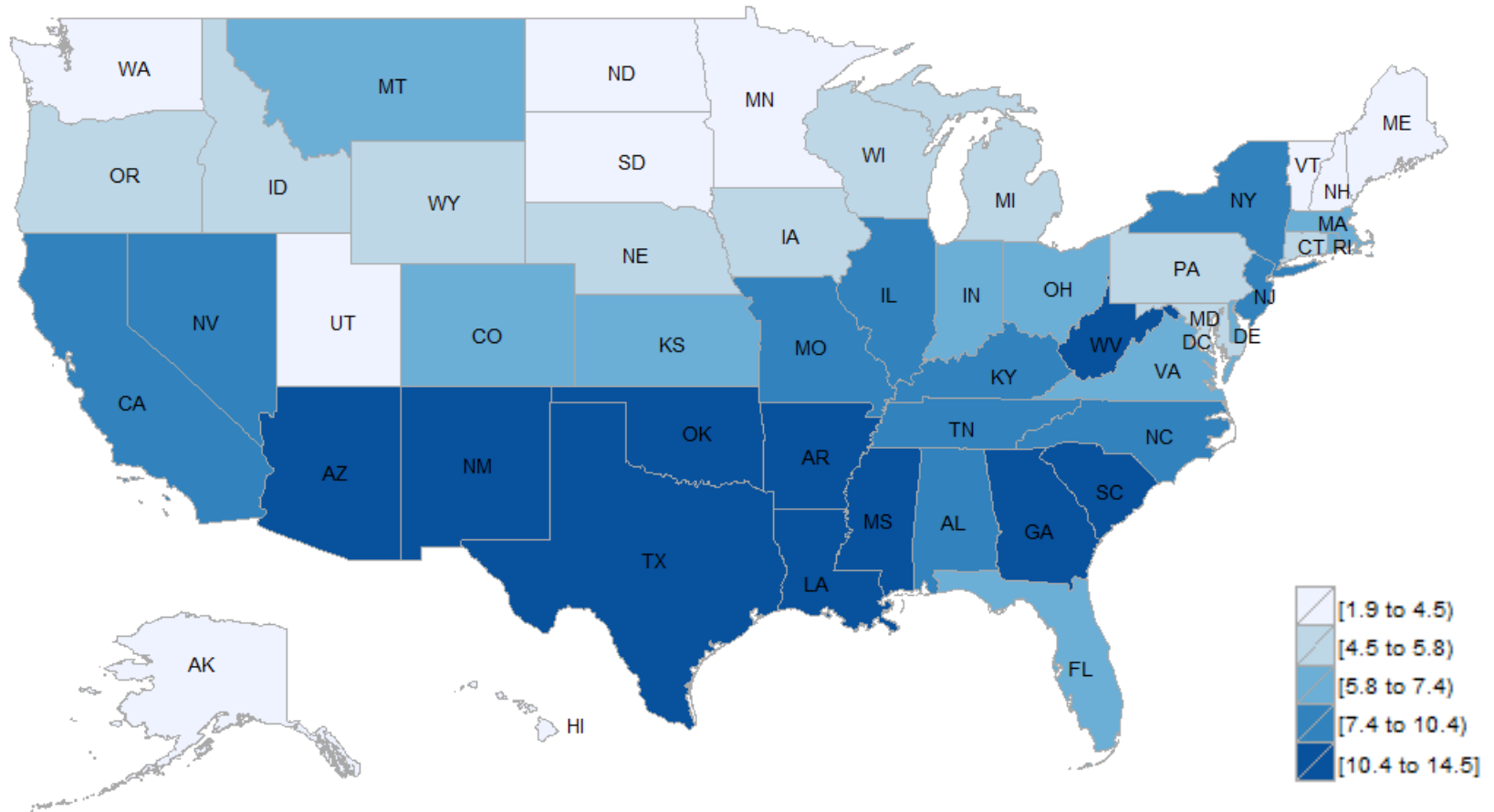


## Unbanked and Underbanked Rates by Disability Status

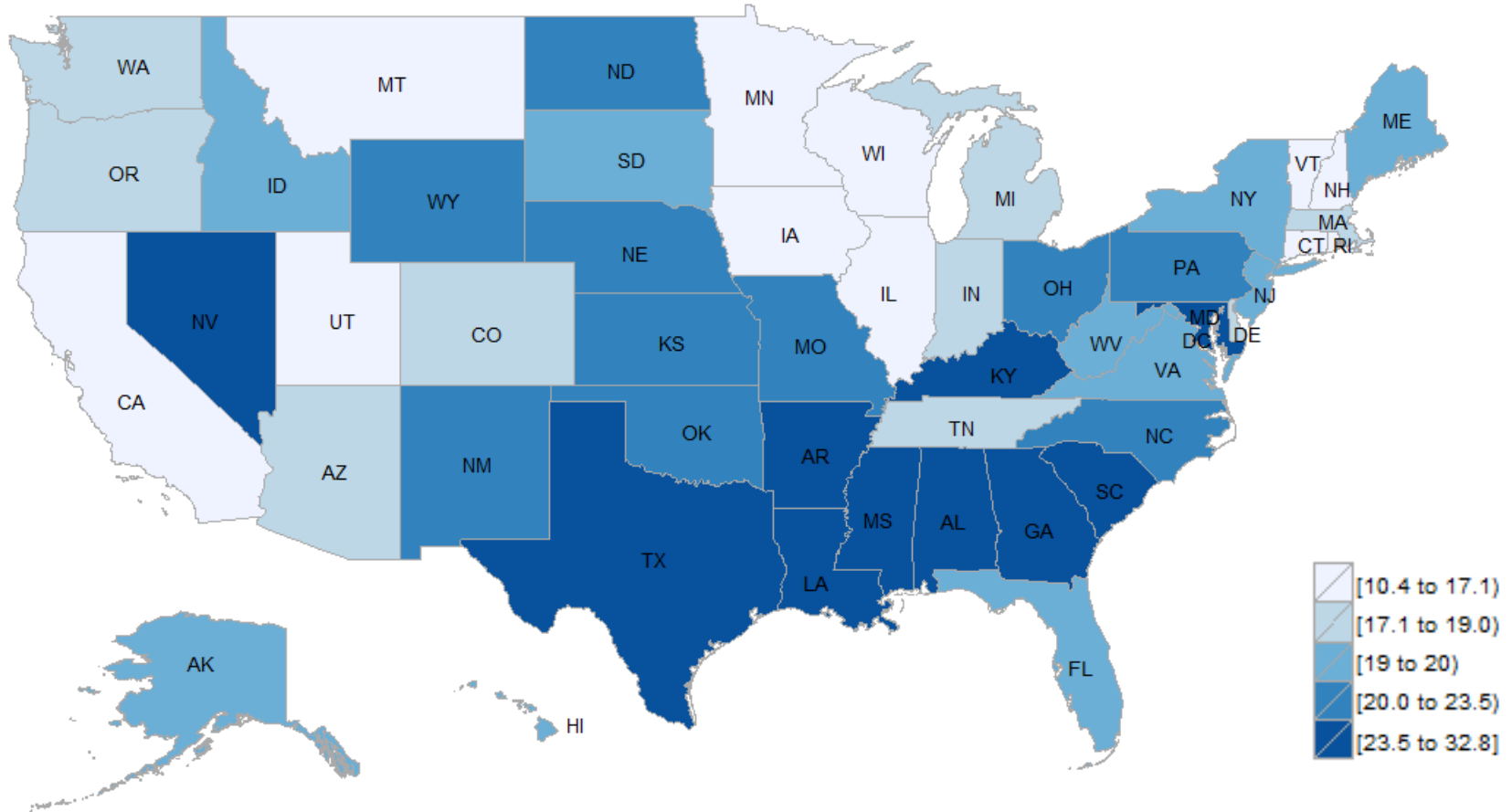


Note: Estimates by Disability Status are based on working-age households (ages 25 to 64) only.

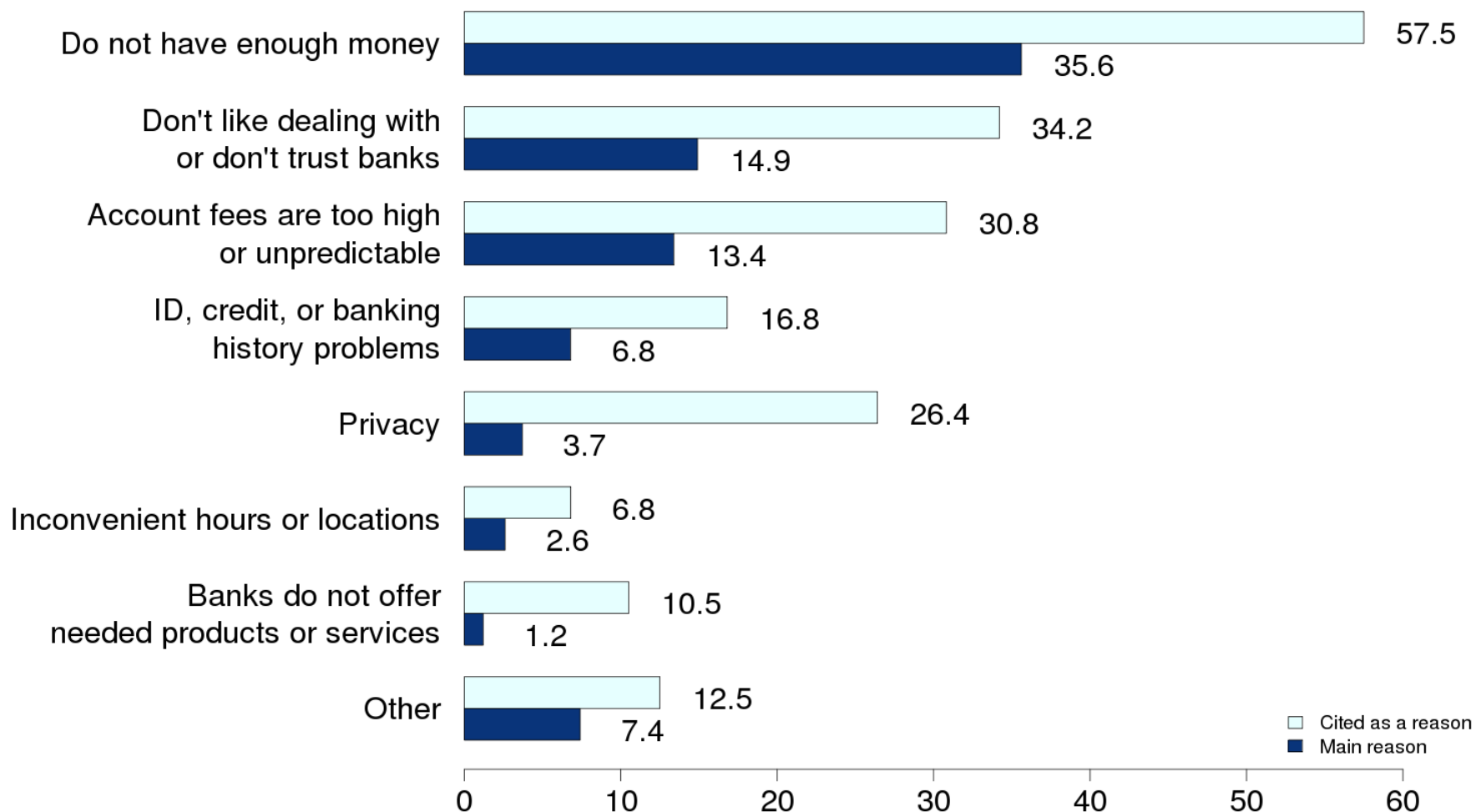
# 2013 Unbanked Rates by State



# 2013 Underbanked Rates by State



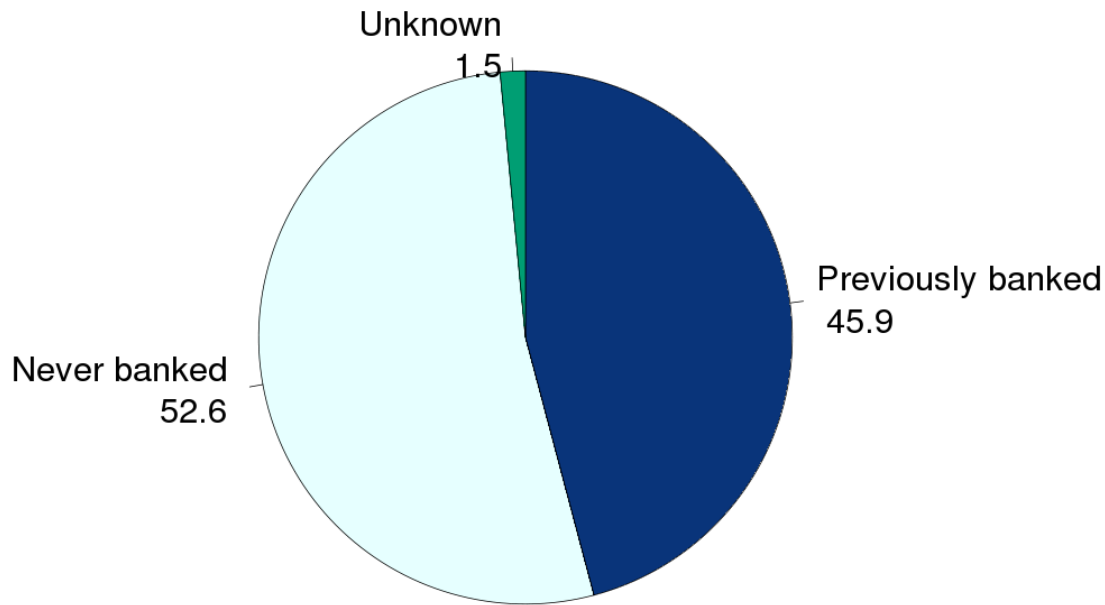
## Reasons for being Unbanked



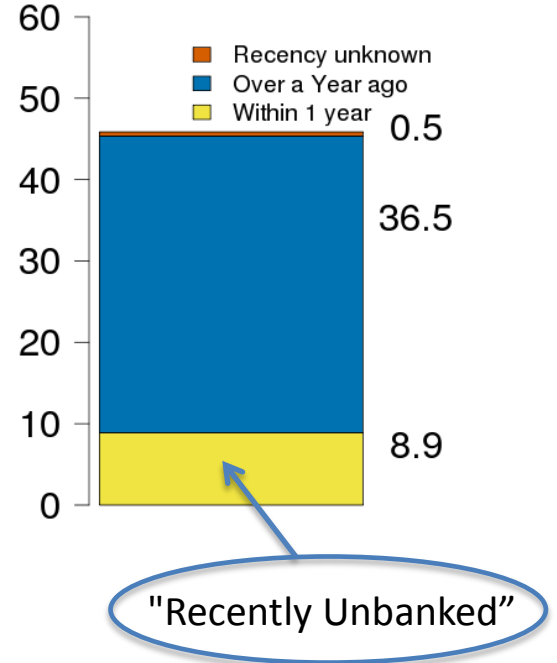
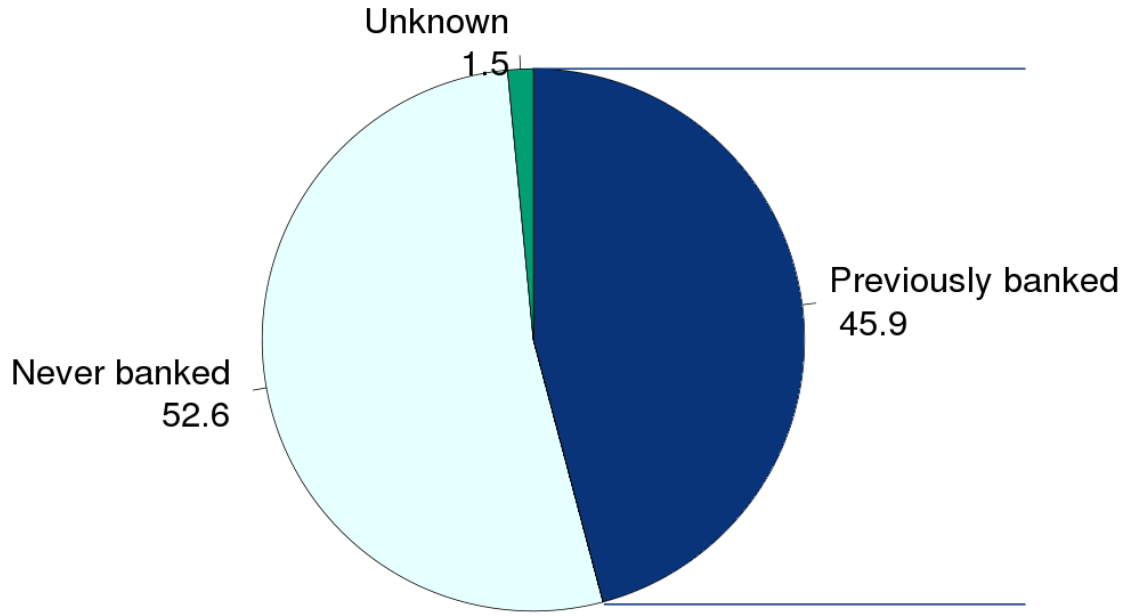
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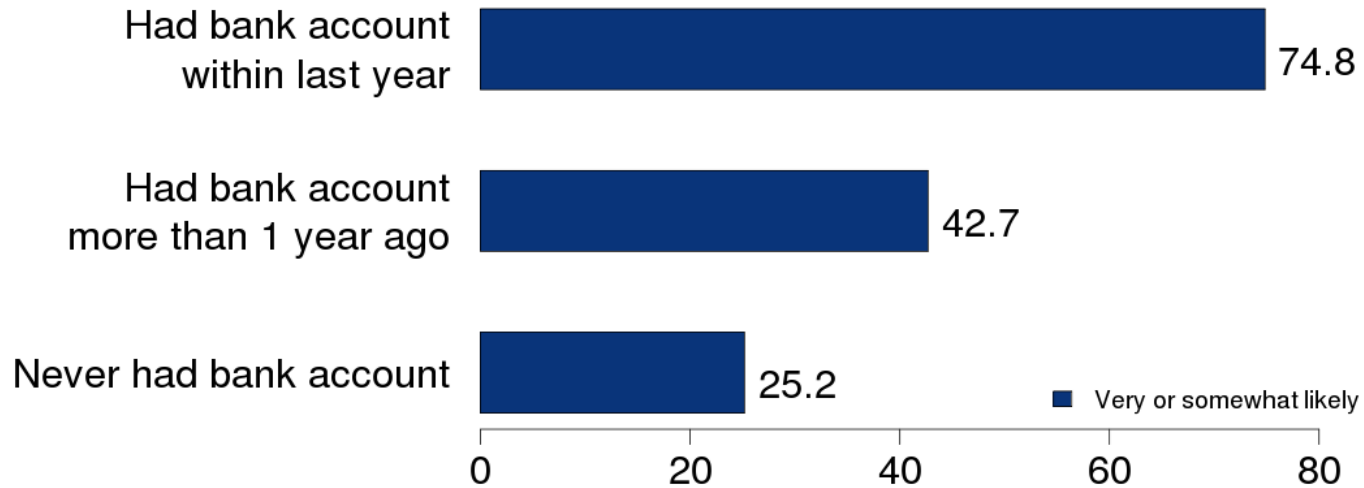
## Unbanked Households: Previous Banking Status



# Unbanked Households: Previous Banking Status



## Likelihood of Opening an Account, Unbanked Households by Previous Banking Status





## Household Banking Status Transitions

	All	Longer-term Unbanked	Recently Unbanked	Recently Banked	Longer-term Banked
Number of Households (1000s)	115,893	7,973	811	1,816	105,292
Percent of Households	100.0	6.9	0.7	1.6	90.9

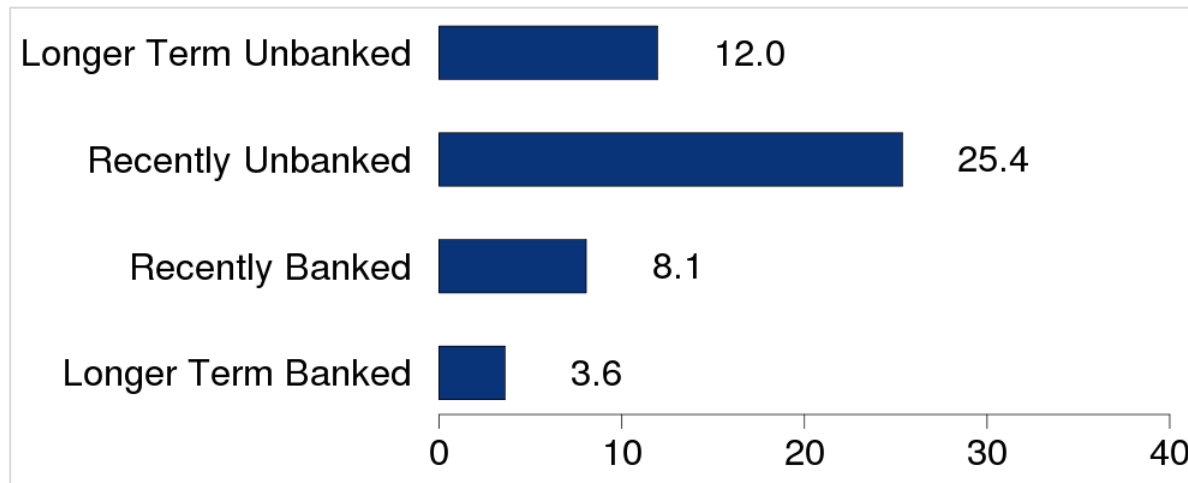
Note: “Recently Unbanked” indicates that the household became unbanked within the last year, while “Recently Banked” indicates that the household became banked within the past year. Excludes households with missing information on recent bank status or incidence of life events.

- The 2013 survey includes a new question about recent entrances into the banking system, allowing us to categorize households by banking status over the past year
- A non-trivial number of households either entered or exited the mainstream banking system in the past year

## Household Characteristics by Banking Status Transitions

- Relative to the longer-term banked, a higher proportion of recently unbanked and recently banked households had characteristics associated with being unbanked (e.g. lower income and educational attainment)
- Certain characteristics are disproportionately represented among recently unbanked households

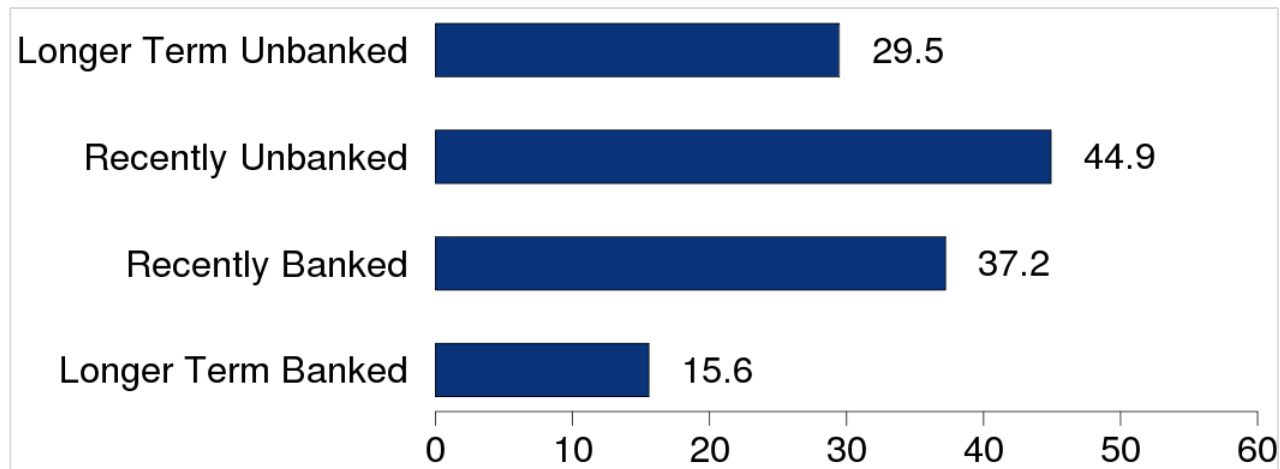
### Household Unemployment % by Banking Status Transitions



## Banking Status Transitions: Incidence of Life Events

- The 2013 survey asked new questions about major life events and how these may have contributed to households' changes in banking status
- Certain financial life events occurred disproportionately among the recently unbanked and recently banked in the last 12 months, indicating that such households face greater economic volatility

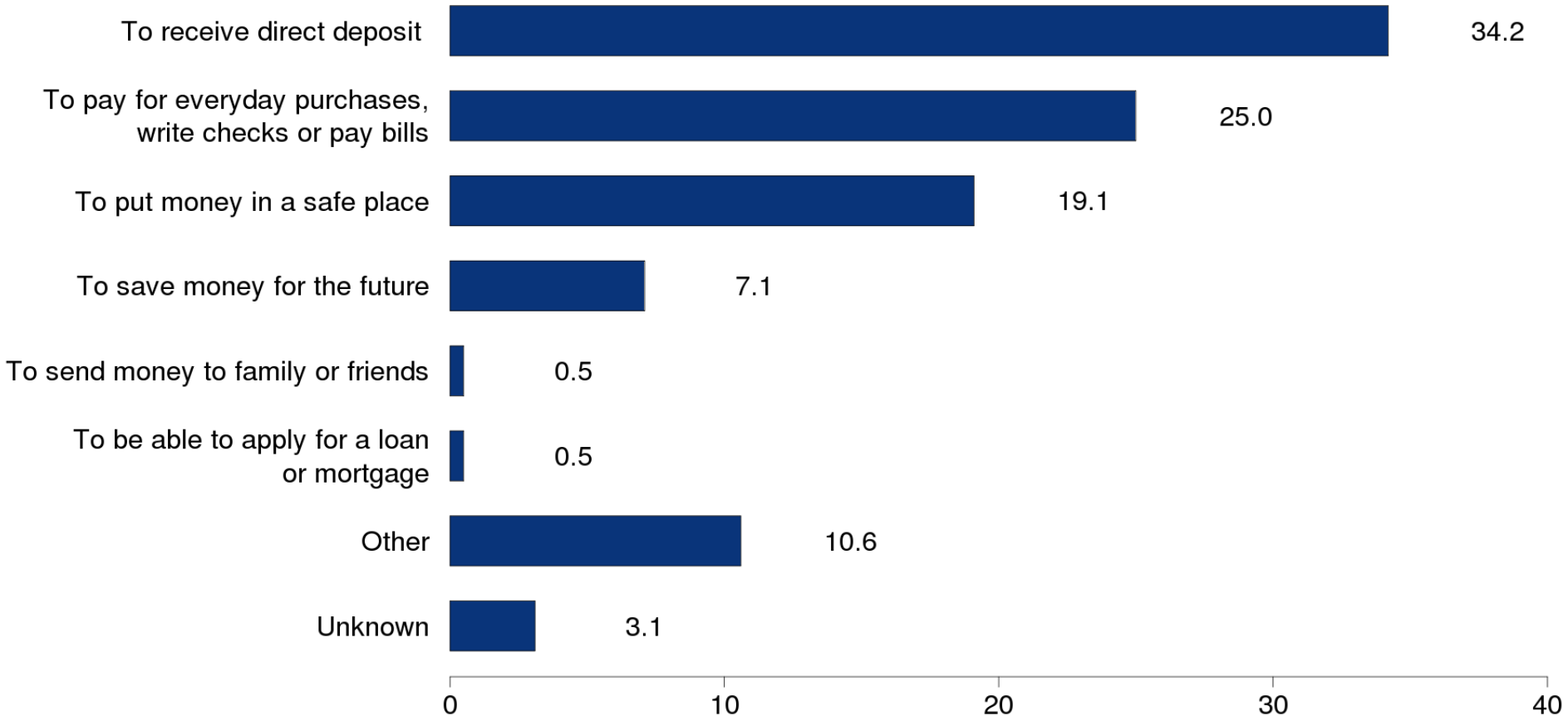
### Incidence of Significant Income or Job Loss



## Changes in Banking Status and Incidence of Selected Life Events

- Most households that experienced a major financial life event did not change banking status
- But among households that did change banking status, financial life events were commonly cited as a contributing factor
  - Among households that recently became unbanked, 34 percent experienced either a significant income loss or a job loss that they said contributed to the account closing
  - Among households that recently became banked, 19 percent reported that the new job contributed to their account opening

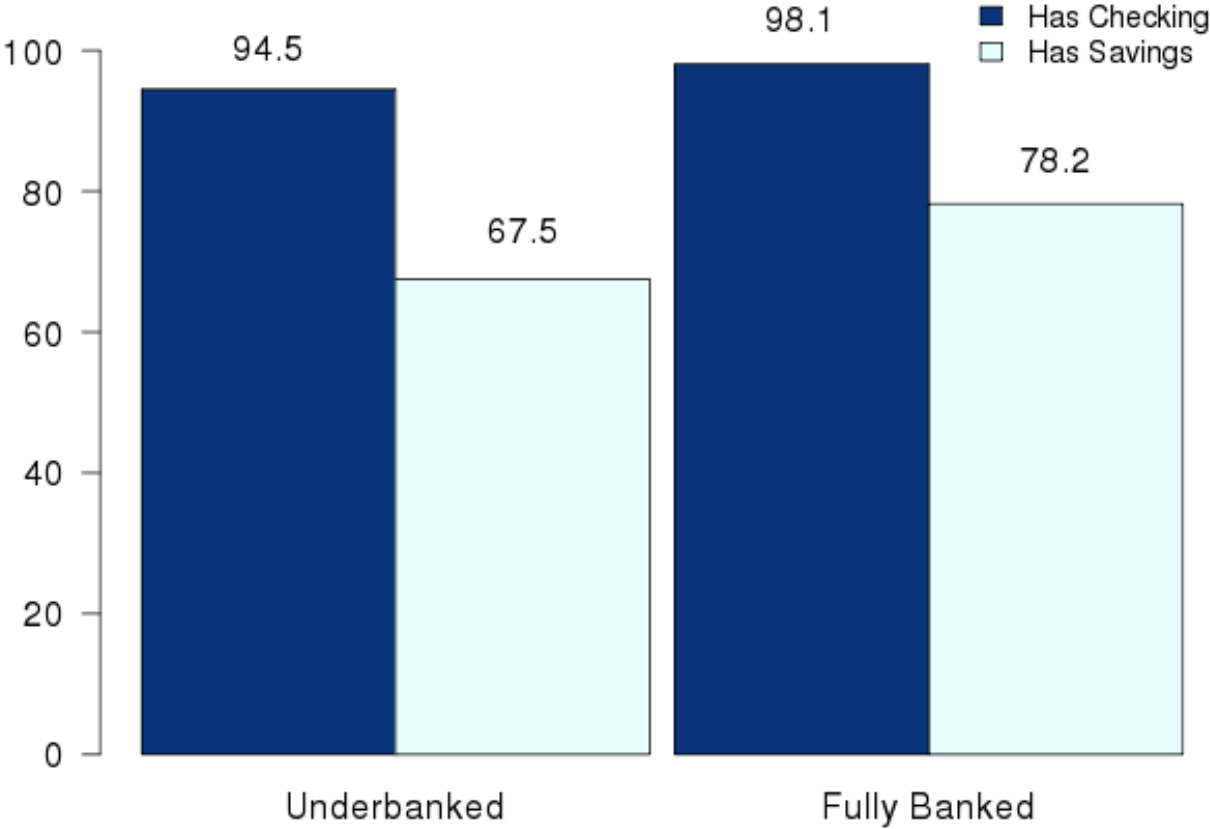
## Recently Banked: Main Reason for Opening the Account



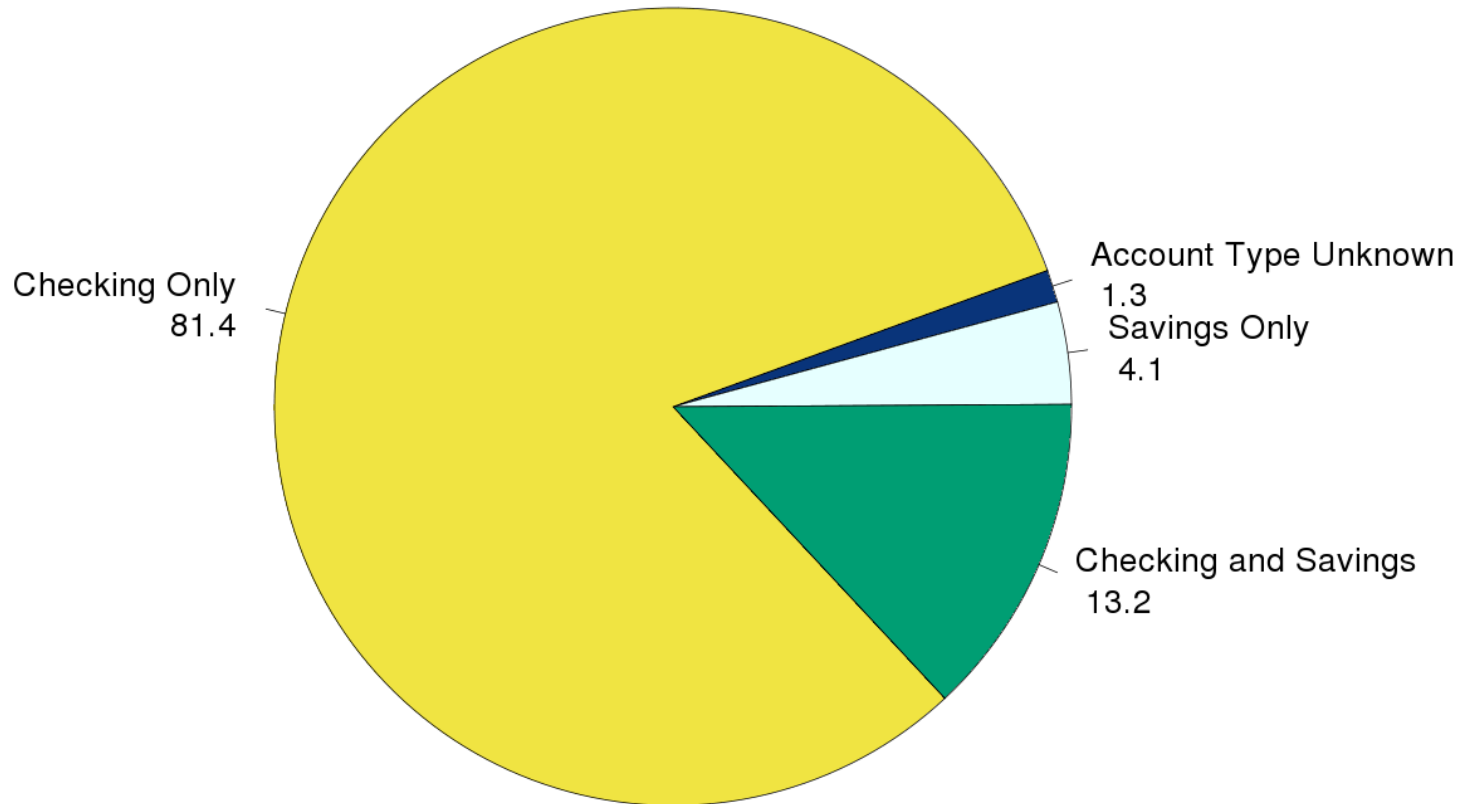
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# Bank Account Type by Banking Status



## Direct Deposit - Bank Account Types for Households with Direct Deposit or Automatic Transfers





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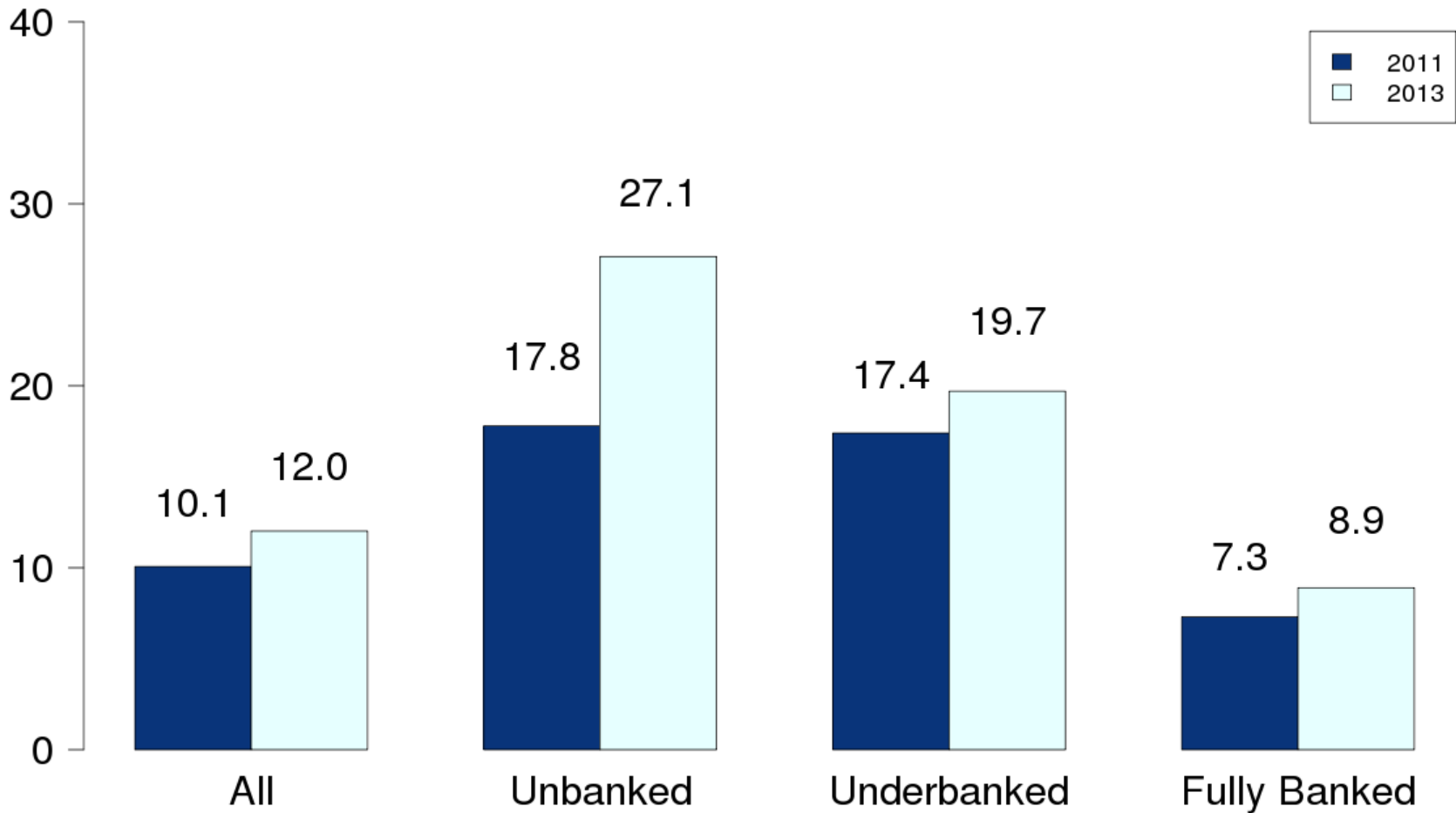
## Prepaid Debit Cards

General-purpose prepaid debit cards can be used to withdraw cash at ATMs, deposit checks, and receive direct deposits. Users can keep adding money onto the cards and use them to make purchases and pay bills anywhere credit cards are accepted.

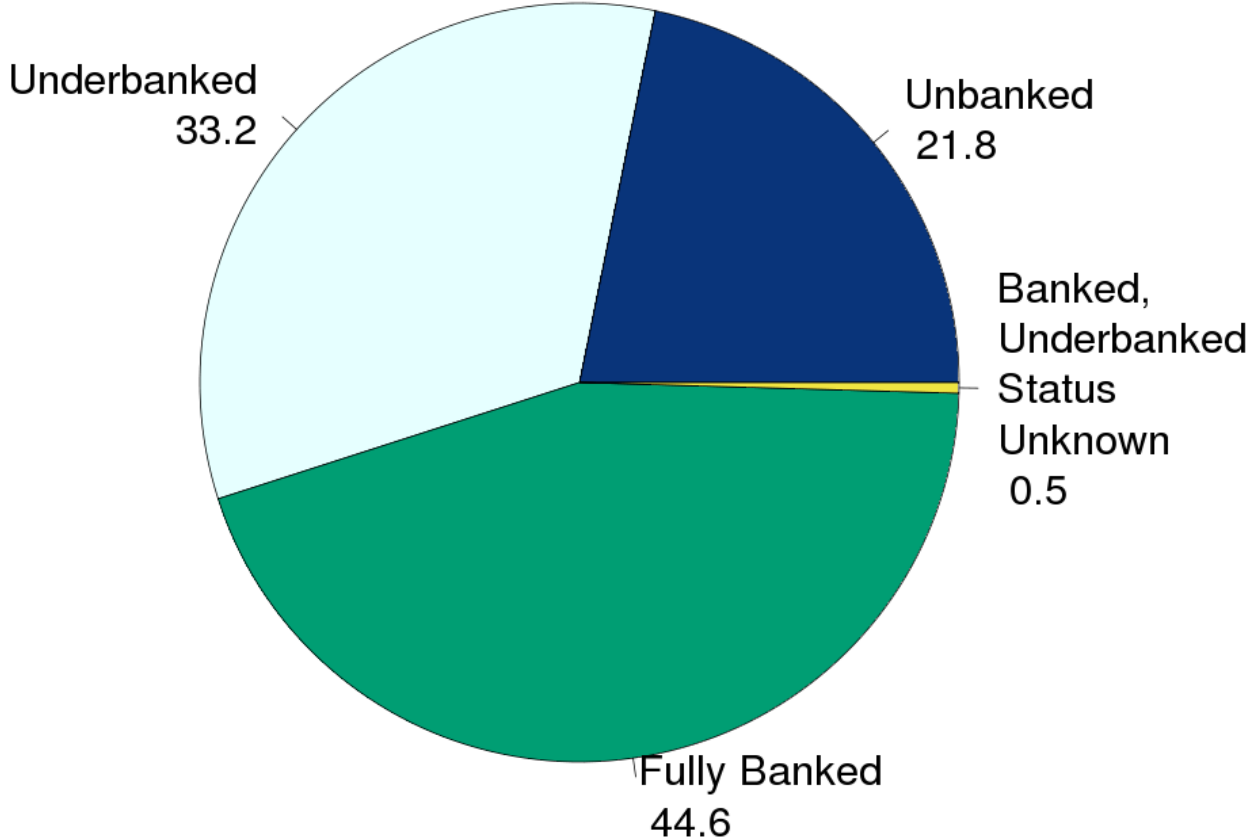
They are not linked to a checking or savings account and may have logos such as MasterCard, VISA, Discover, or American Express.

They do not include phone cards, gift cards for a particular store or service, or cards that you cannot add more funds onto.

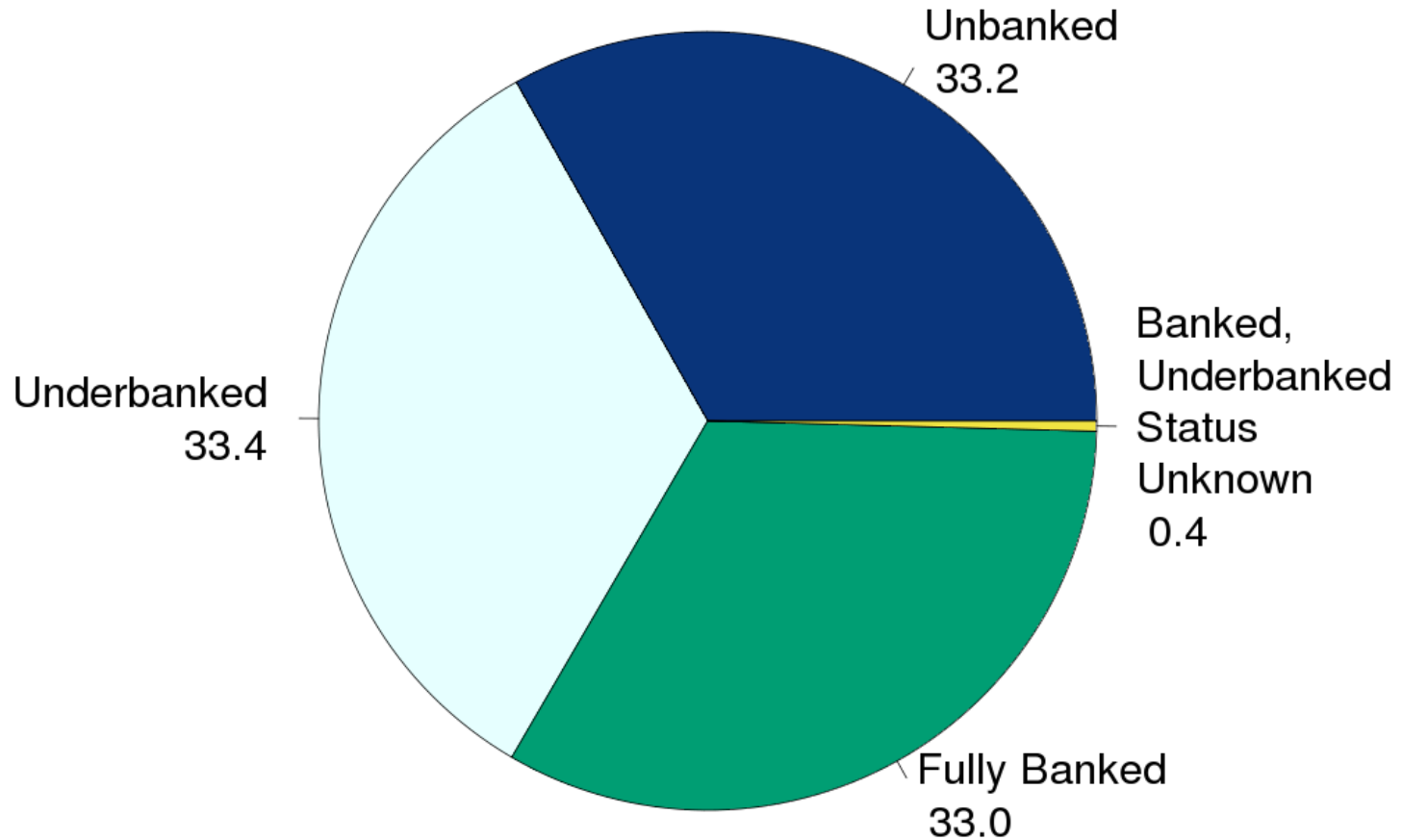
# Households that Had Ever Used Prepaid Cards by Banking Status and Year



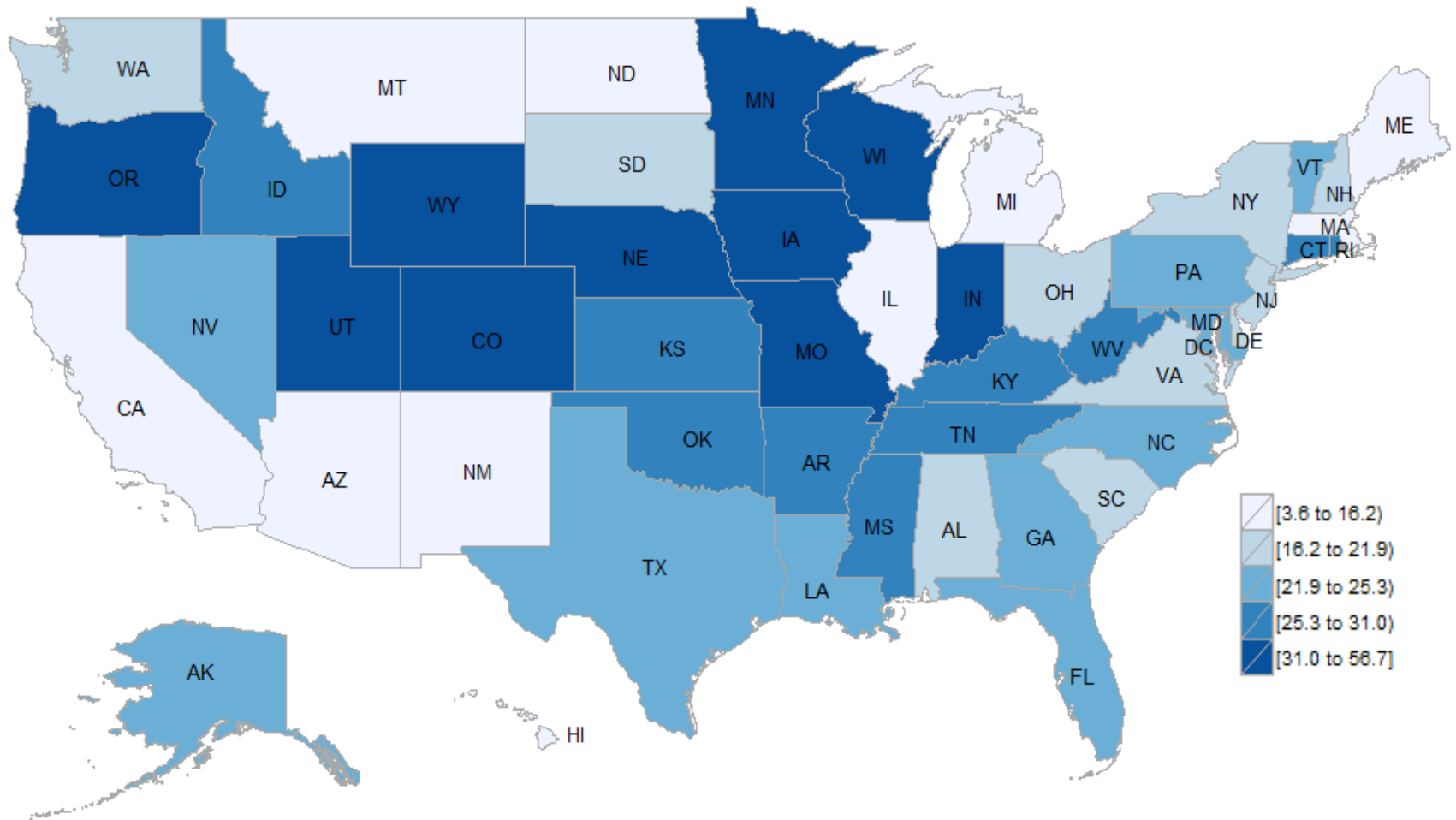
# Banking Status of Households that Used Prepaid Cards - Last 12 Months



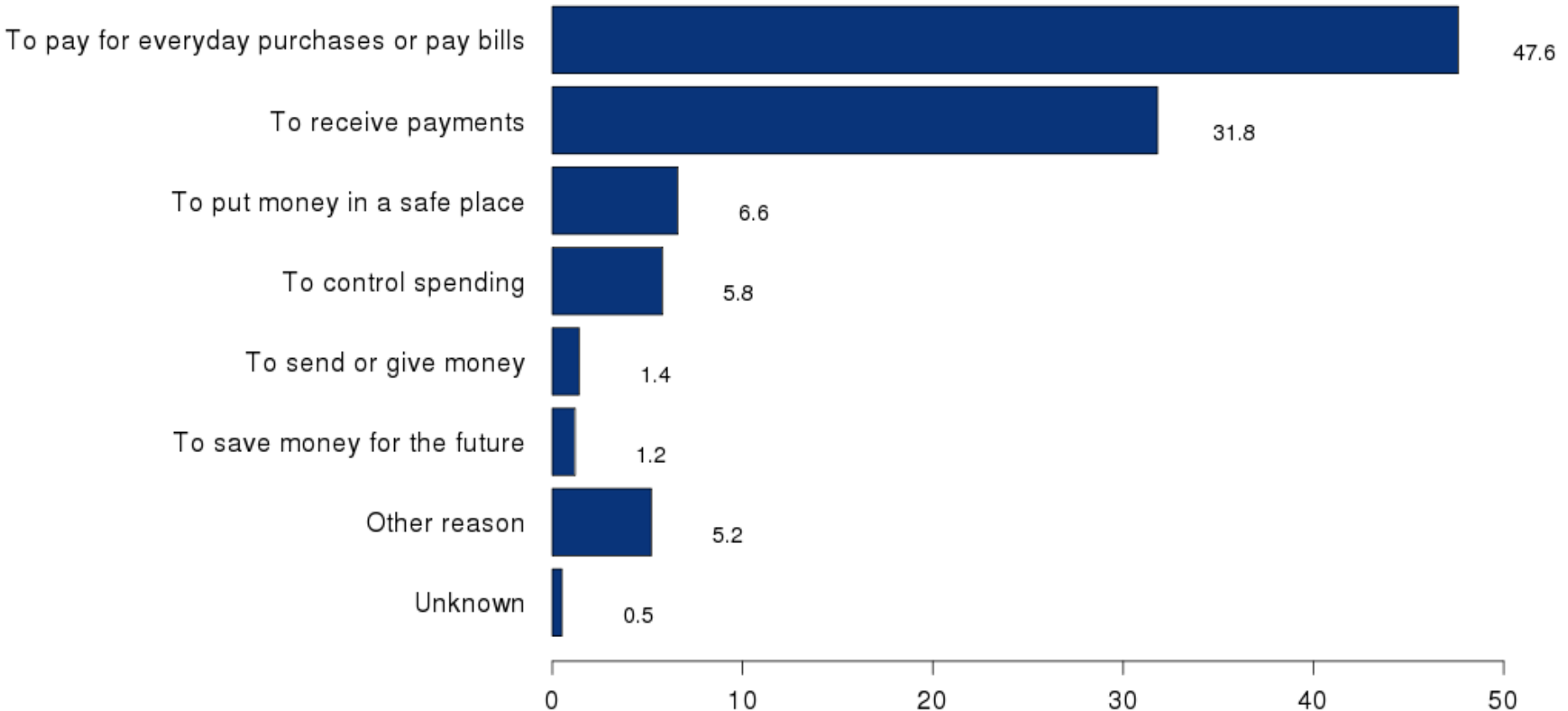
# Banking Status of Households that Used Prepaid Cards - Last 30 Days



# Share of Unbanked Households that Used Prepaid Cards in the Last 12 Months

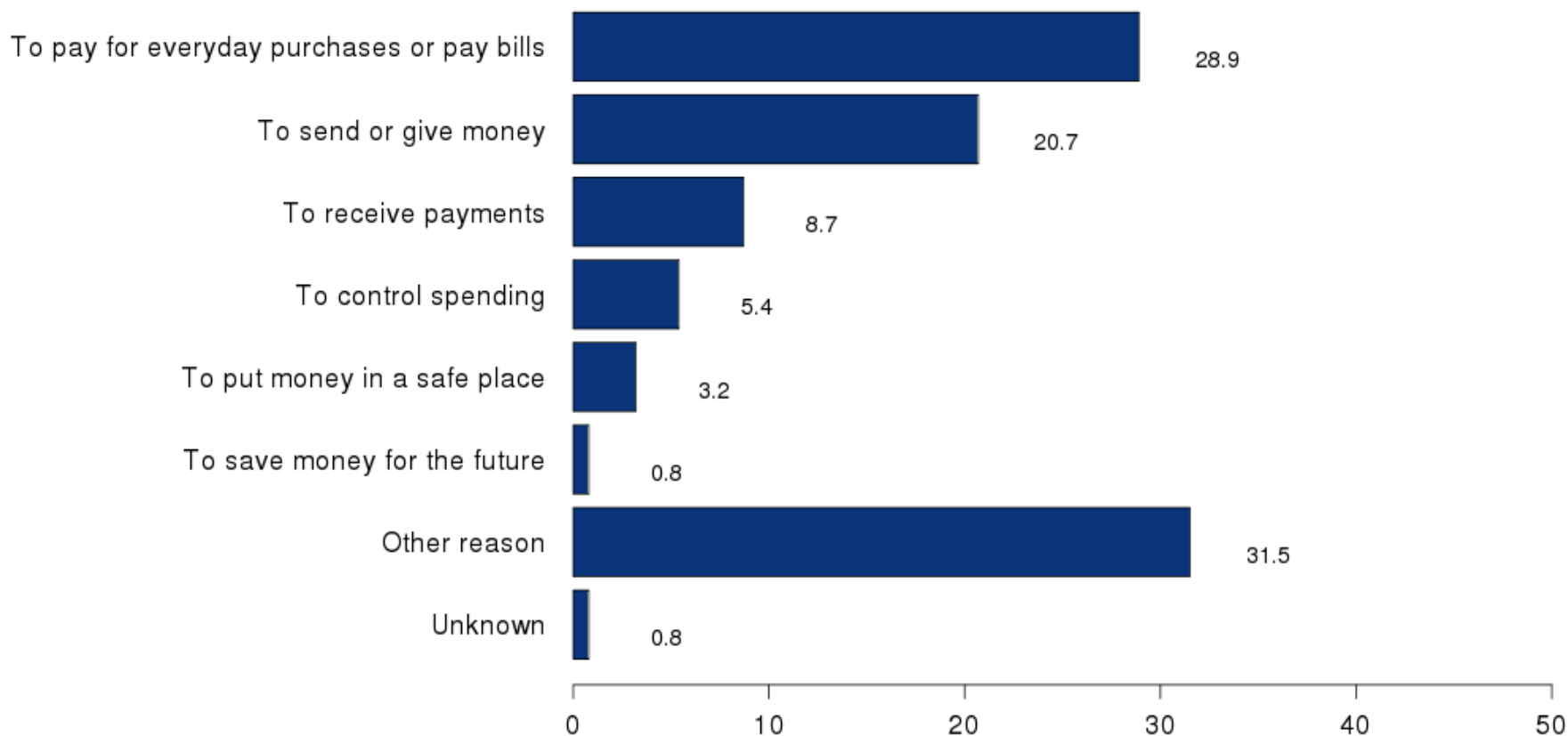


## Main Reason Households Used Prepaid Cards in the Last 12 Months Unbanked



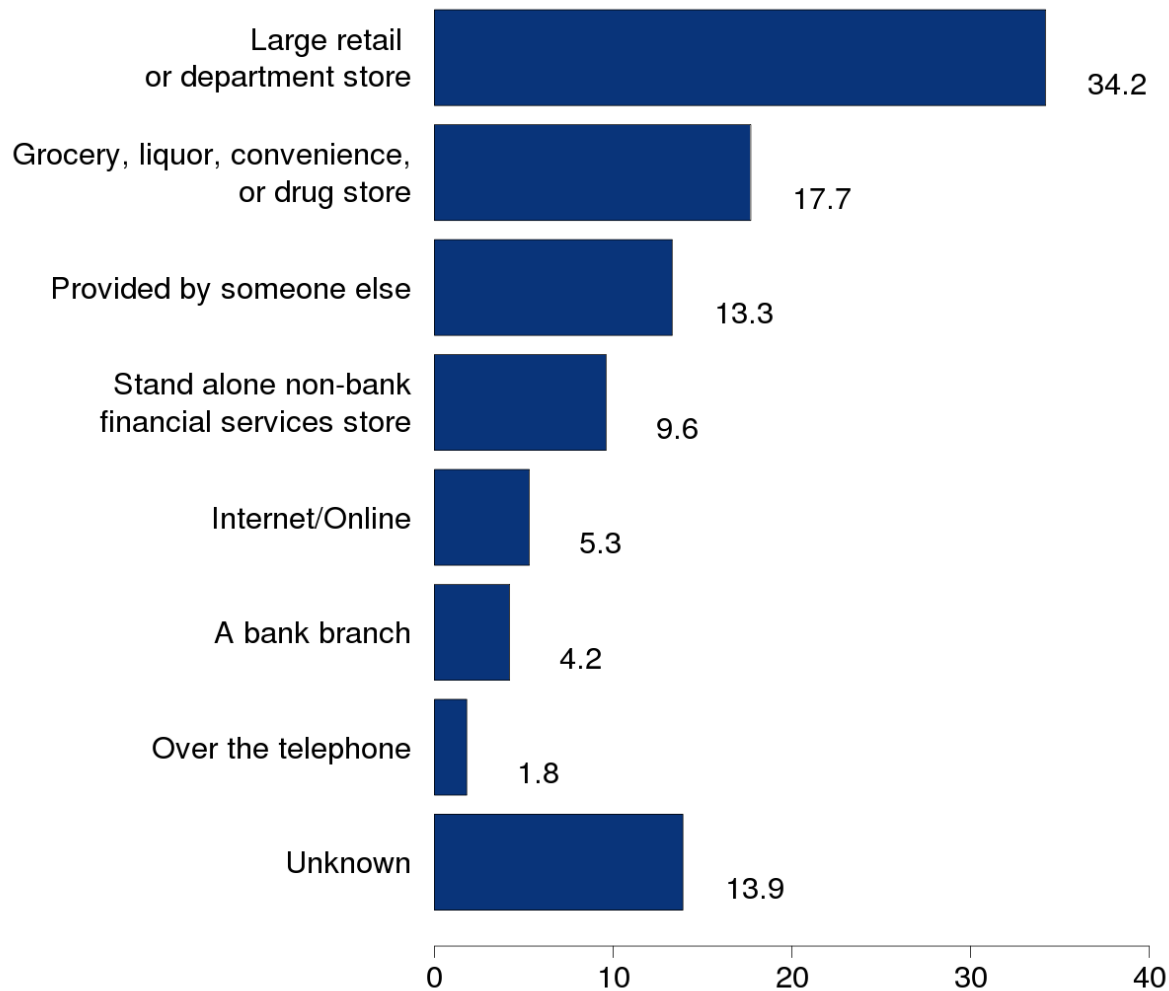
## Main Reason Fully Banked Households Used Prepaid Cards in the Last 12 Months

### Fully Banked

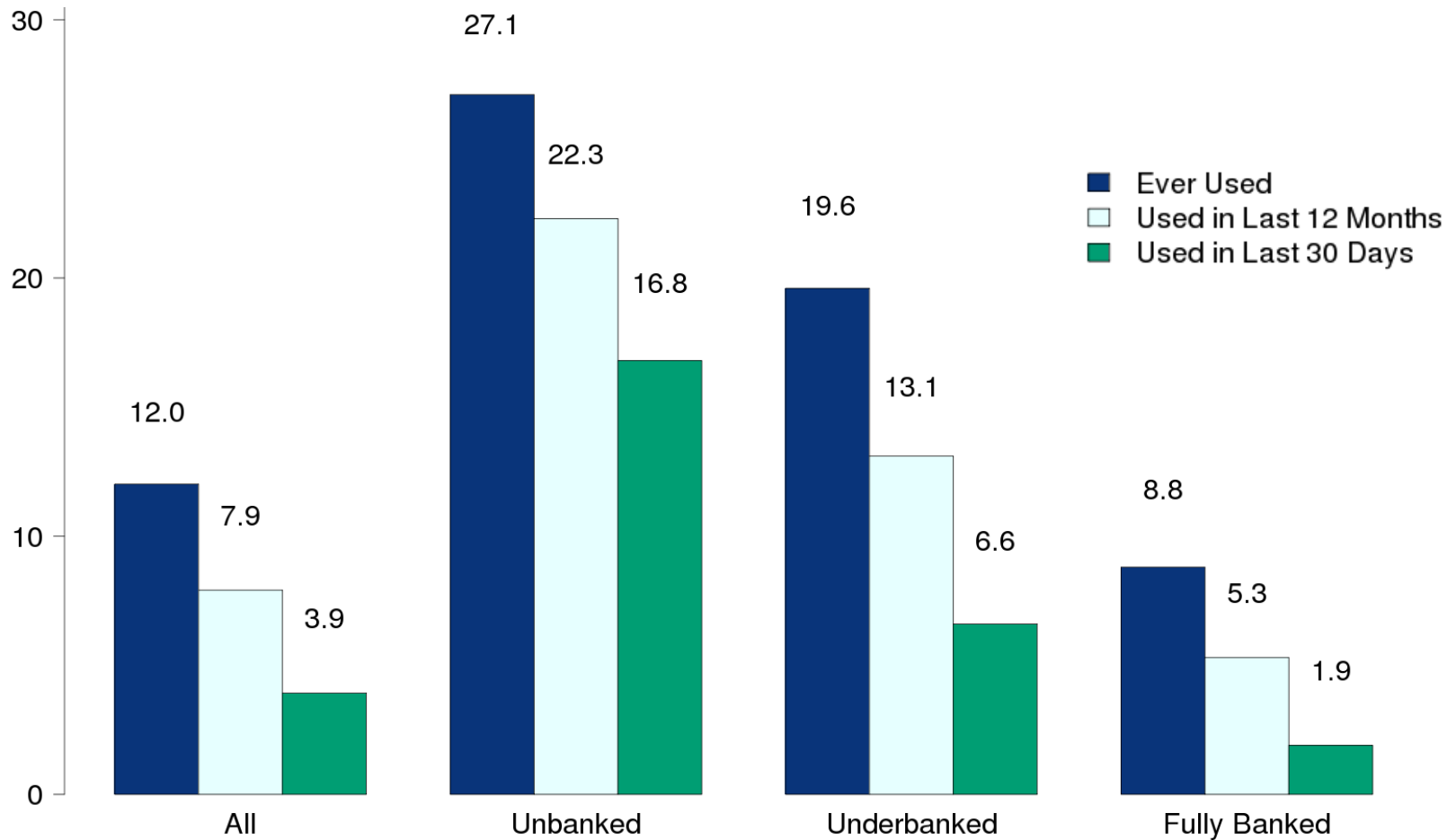




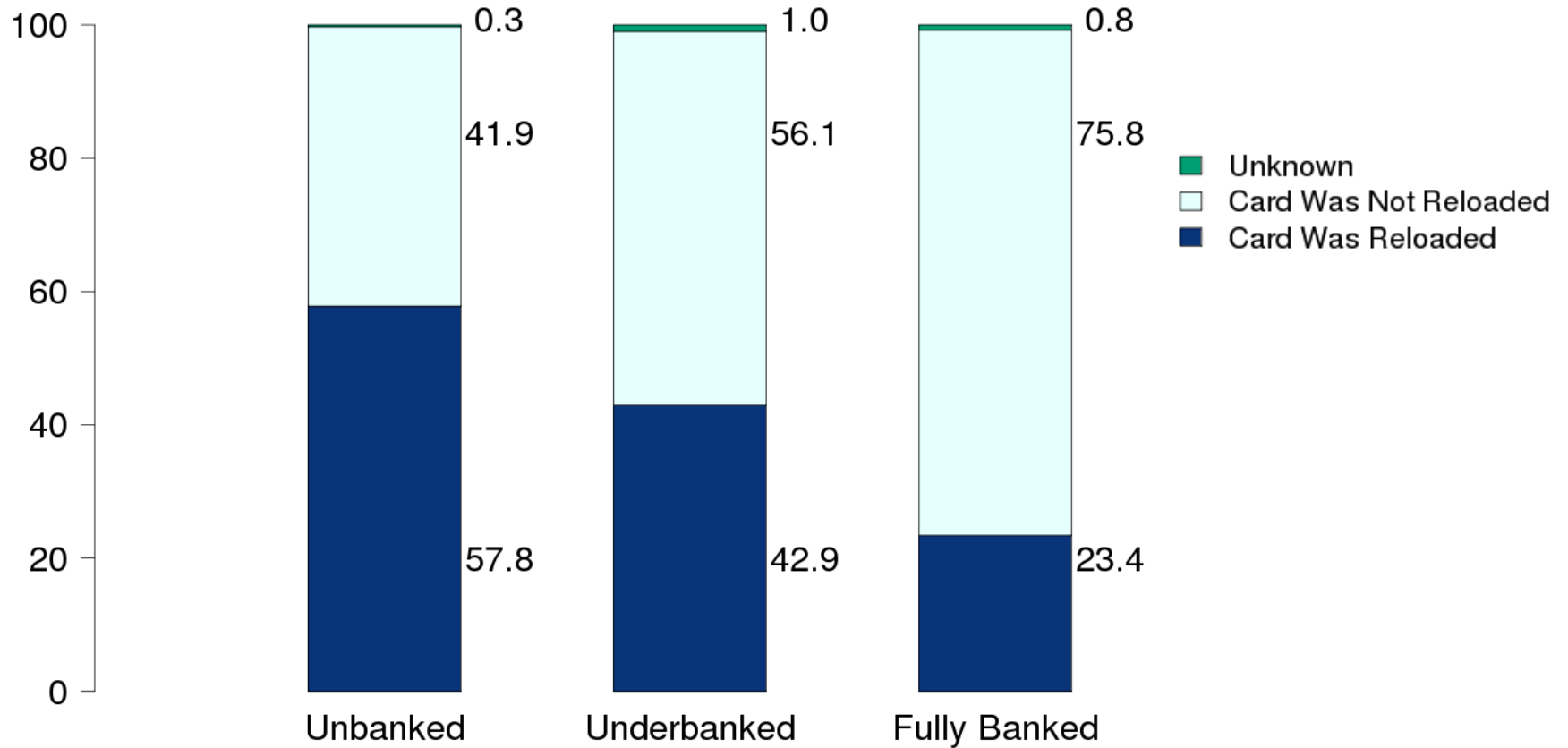
## Sources of Prepaid Cards - Unbanked Households



## Recency of Prepaid Card Use by Banking Status and Year



## Share of Prepaid Cards Reloaded in Last 12 Months by Banking Status



## Unbanked Prepaid Card Users – Bank Account Usage

- More than two thirds (68%) of Unbanked Prepaid Card Users had a bank account in the past
- Almost half (47%) of Unbanked Prepaid Card Users report that they are very likely or somewhat likely to open a bank account in the future

## Use of Prepaid Cards and Alternative Financial Services (AFS)

- 76 percent of Unbanked Prepaid Card Users have also used transaction AFS in the last 12 months.
- One third of Unbanked Prepaid Card Users have also used credit AFS in the last 12 months

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# Household Use of Alternative Financial Services

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## Products or Services Obtained from Non-Bank Alternative Financial Services Providers

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Money Orders

Check Cashing

Remittances

Transaction AFS

Payday Loans

Pawn Shop

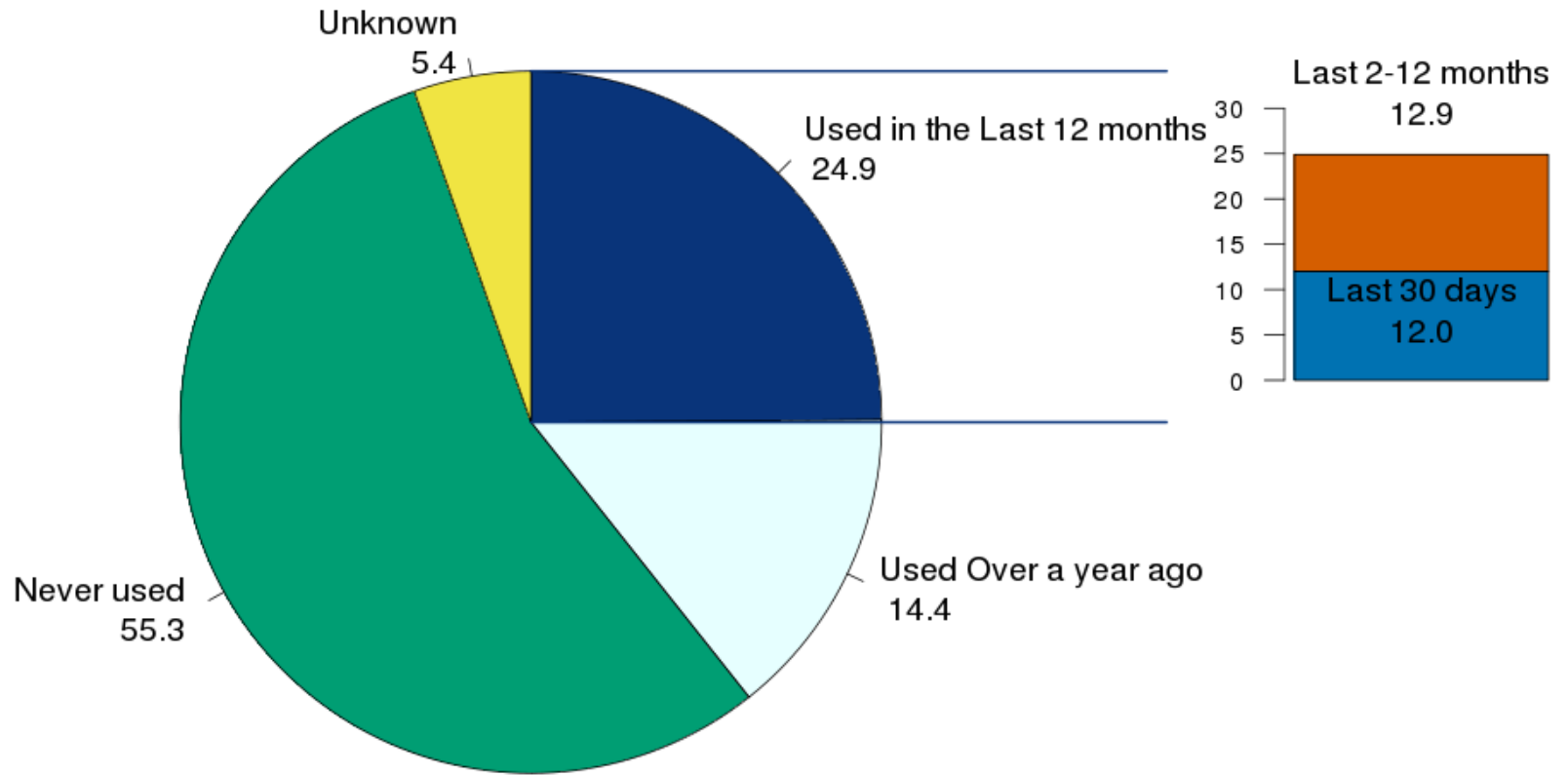
Rent-To-Own

Refund Anticipation Loans

[Auto Title Loans](#)

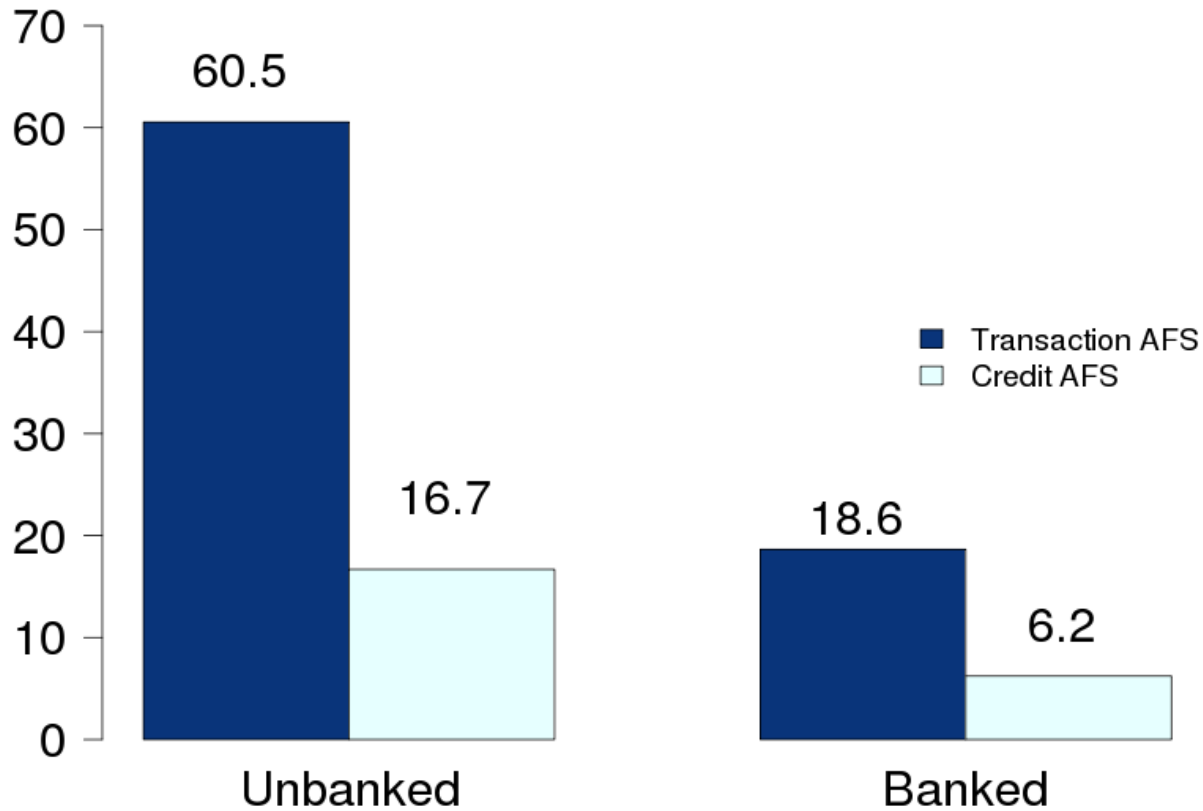
AFS Credit

# Recency of Household AFS Use, 2013





## Household Use of Transaction and Credit AFS in the Last 12 Months



## Locations From Which Households Obtained Transaction AFS

- Most common locations:
  - Grocery, liquor, convenience and drug stores
- Relatively large proportions also obtained transaction AFS from large retail/department stores
- Larger proportions of unbanked households, compared with underbanked households, obtained their transaction AFS from stand-alone AFS providers

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# Methods Used To Access Bank Account In Last 12 Months

## Methods

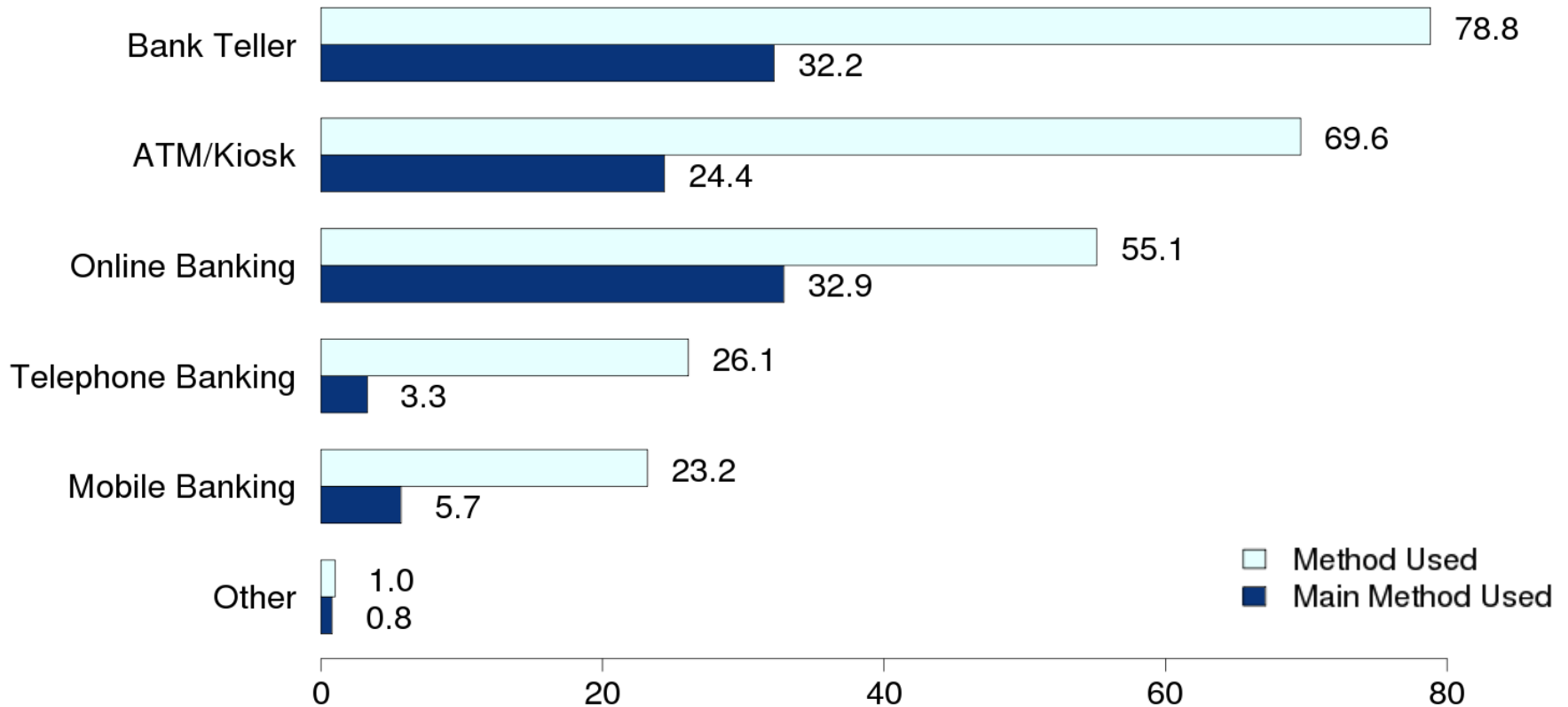
- Bank Teller
- ATM/Kiosk
- Online Banking
- Telephone Banking
- Mobile Banking
  
- All methods used
- Primary (most commonly used) method

## Banking Methods

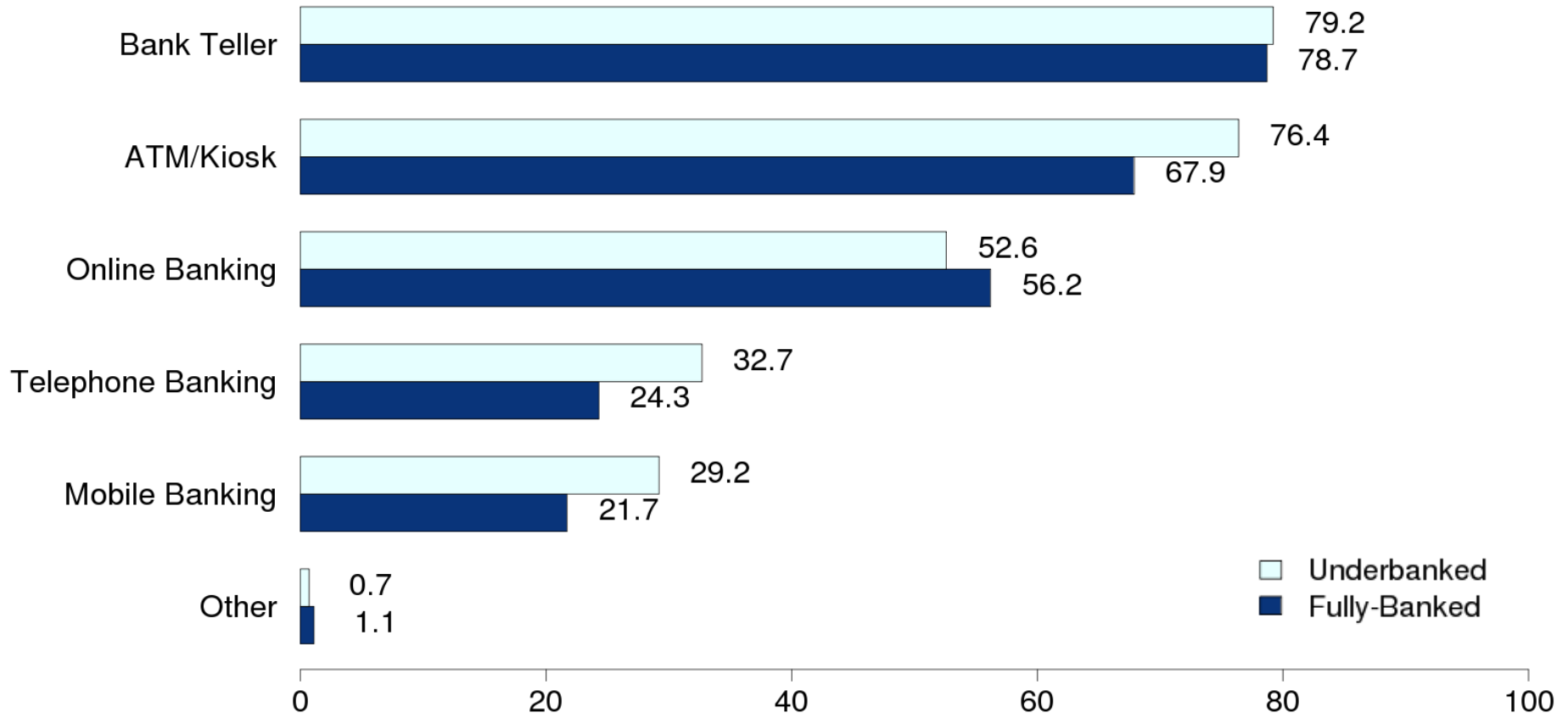
- Most banked households used multiple methods to access their bank accounts
  - 71.1 percent used 2 or more methods
  - 47.9 percent used 3 or more methods

## Banking Methods

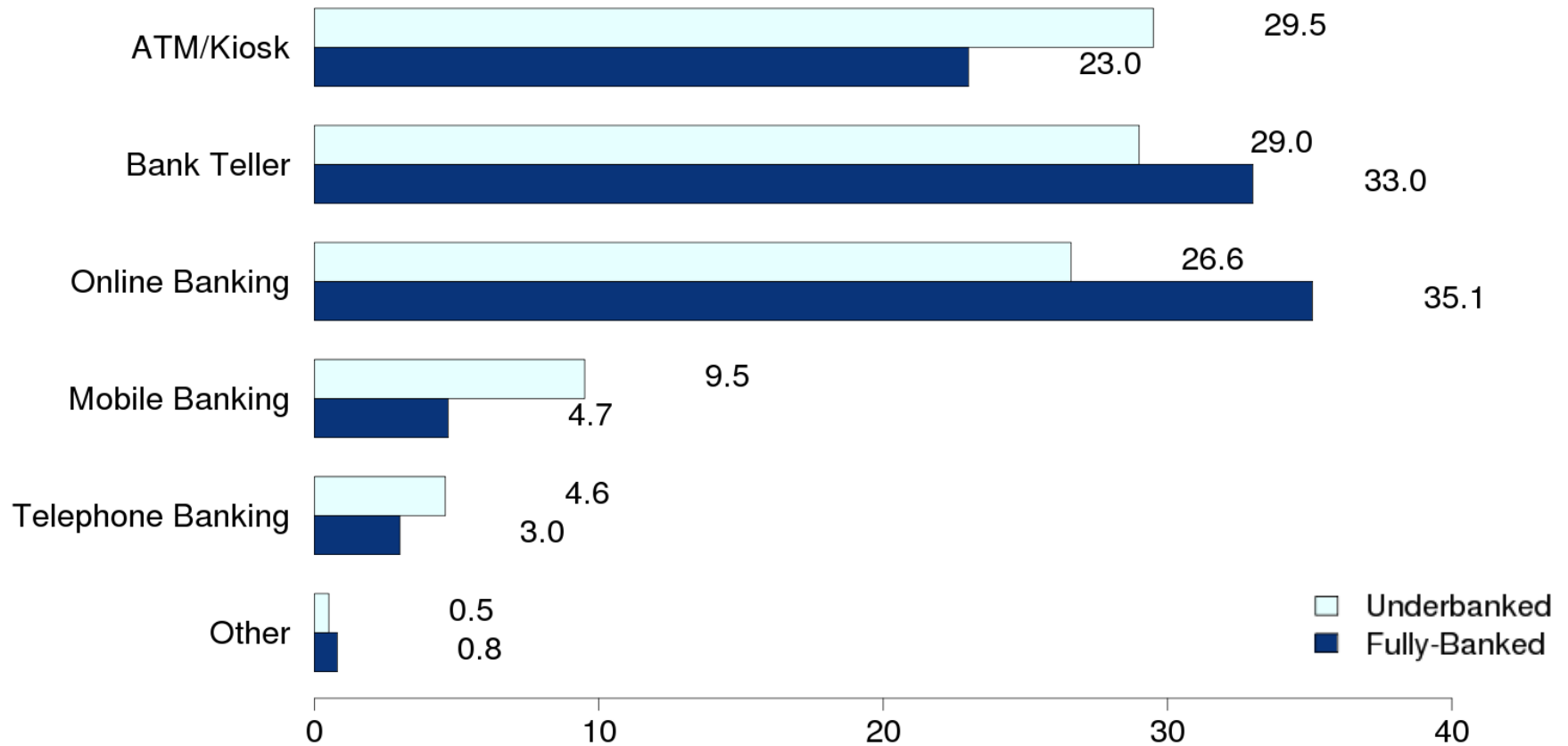
- Most banked households used multiple methods to access their bank accounts
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  - 47.9 percent used 3 or more methods



## All Methods Used To Access Bank Account

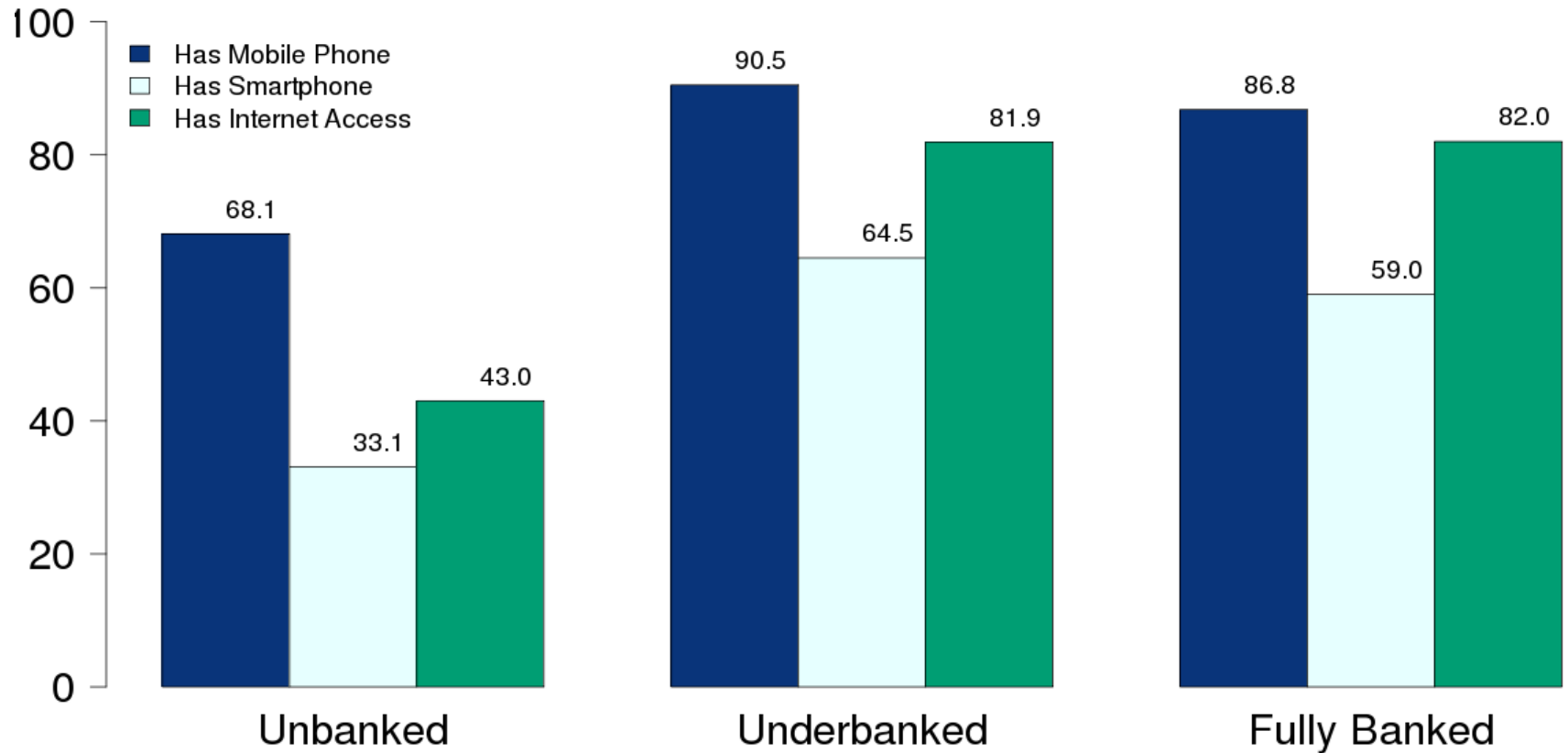


## Primary Method Used To Access Bank Account

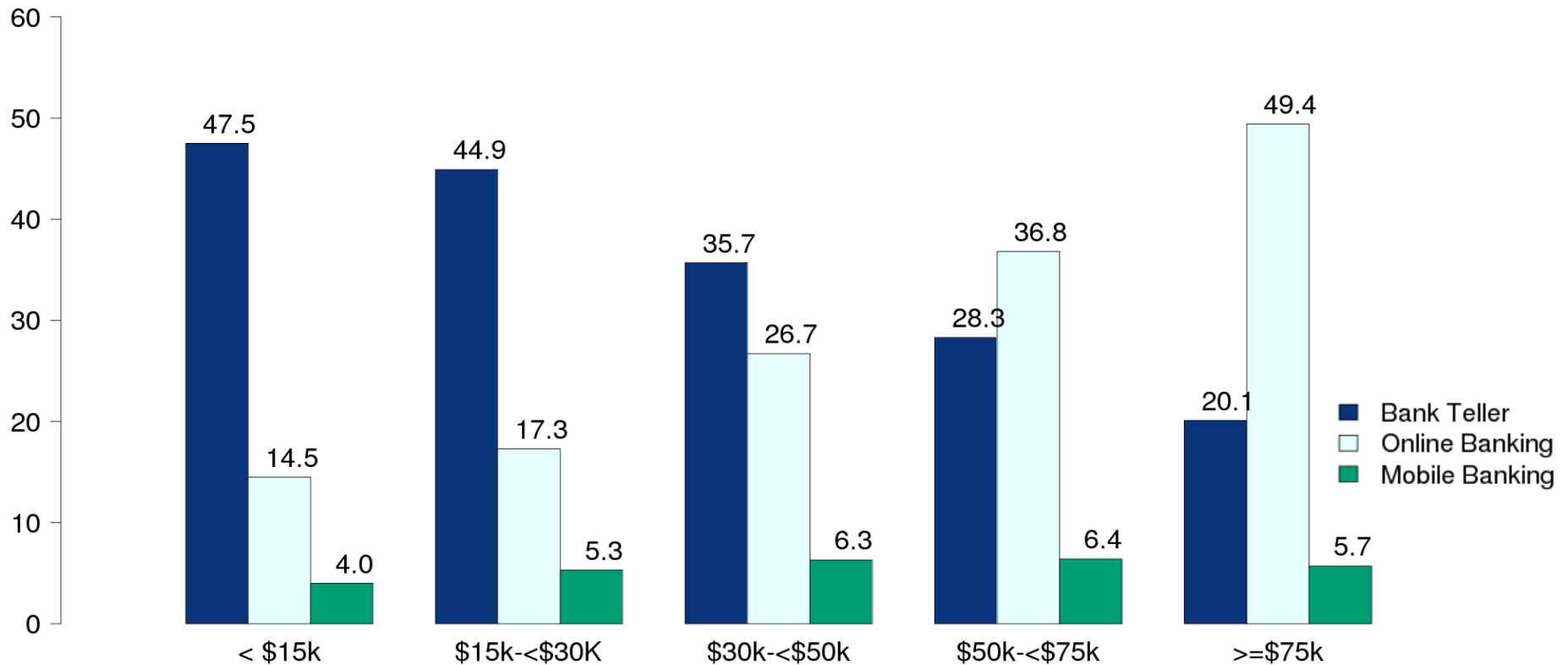




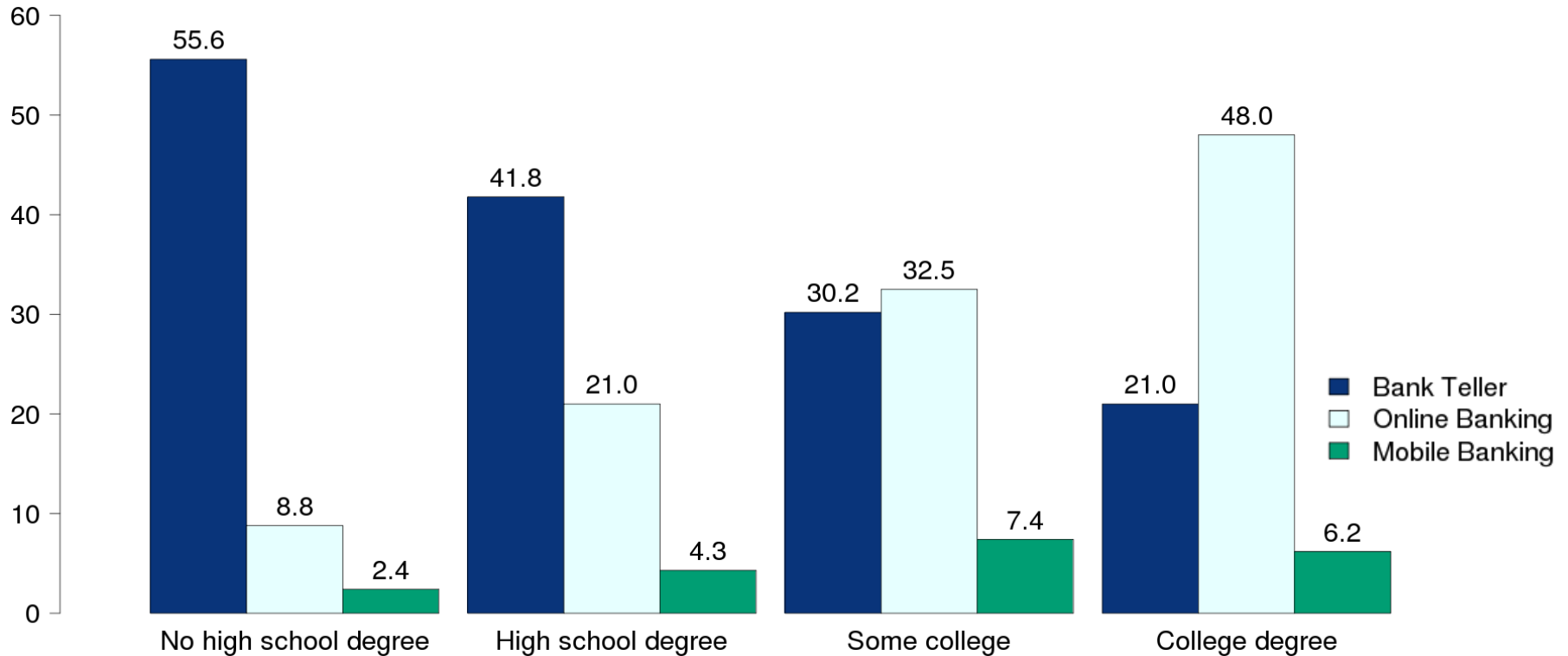
## Access to Mobile Phones, Smartphones, And The Internet



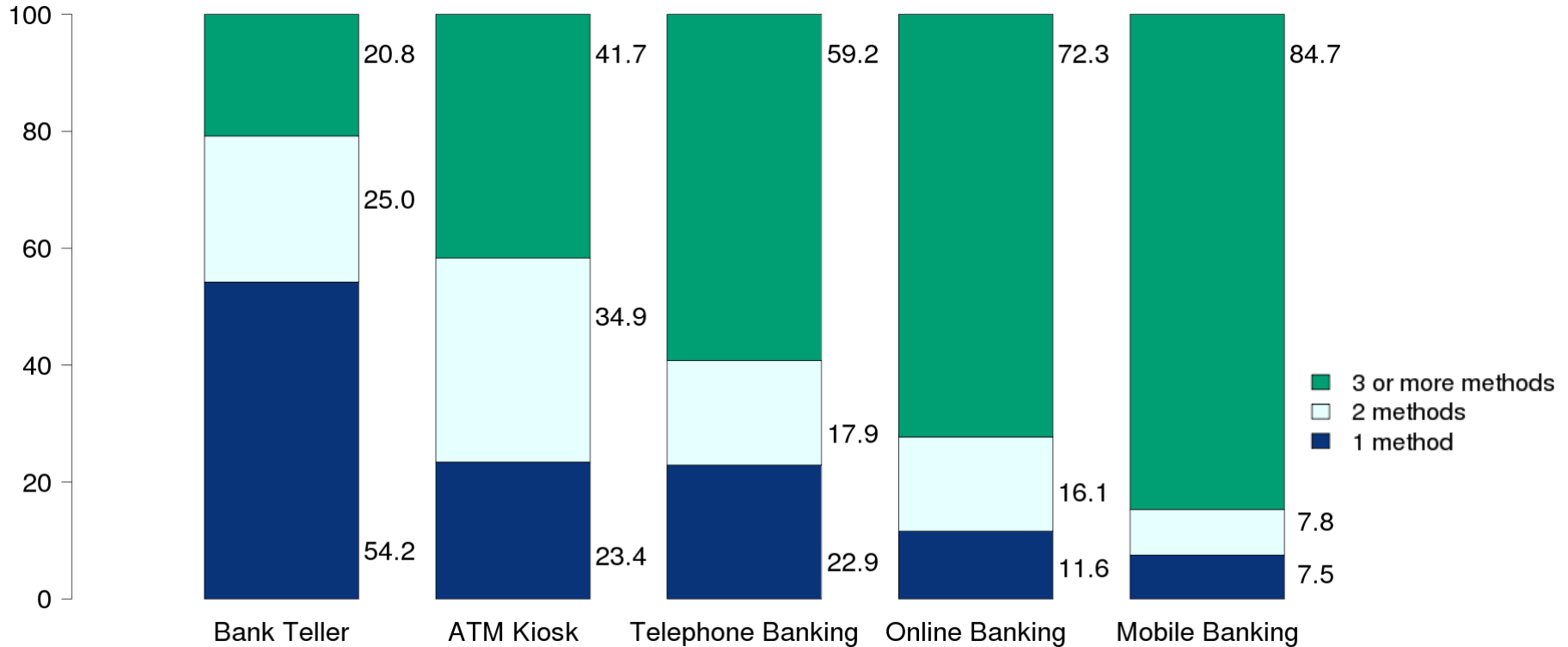
# Primary Use of Bank Tellers, Online Banking and Mobile Banking By Income



# Primary Use of Bank Tellers, Online Banking and Mobile Banking By Education



# Number of Different Banking Methods Used By Households' Primary Method



# Use of One Banking Method and Use of Multiple Methods

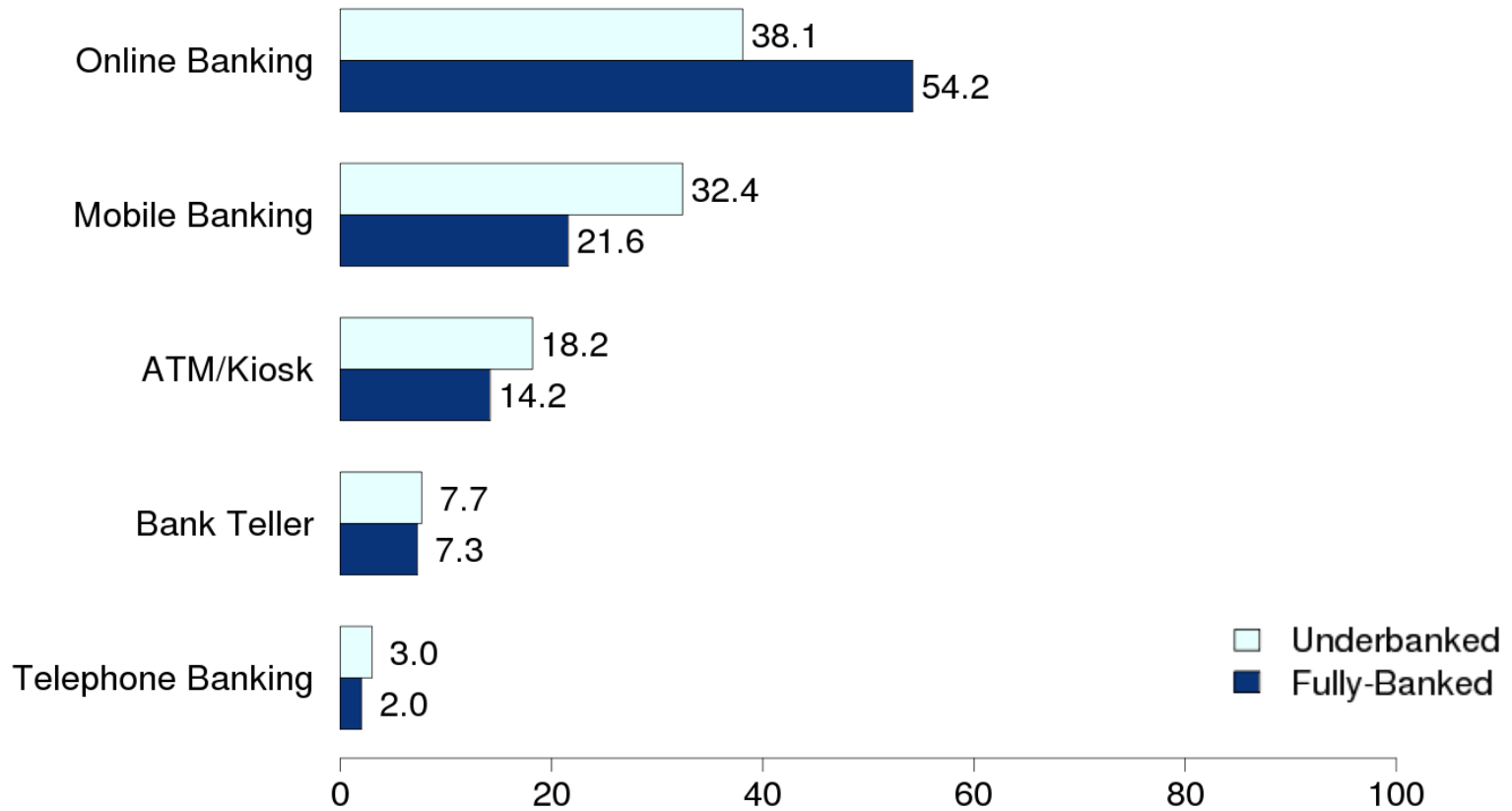
## Use of Bank Tellers Only

- More likely to be age 65 or above
- More likely to have income under \$30,000
- More likely to have lower levels of education

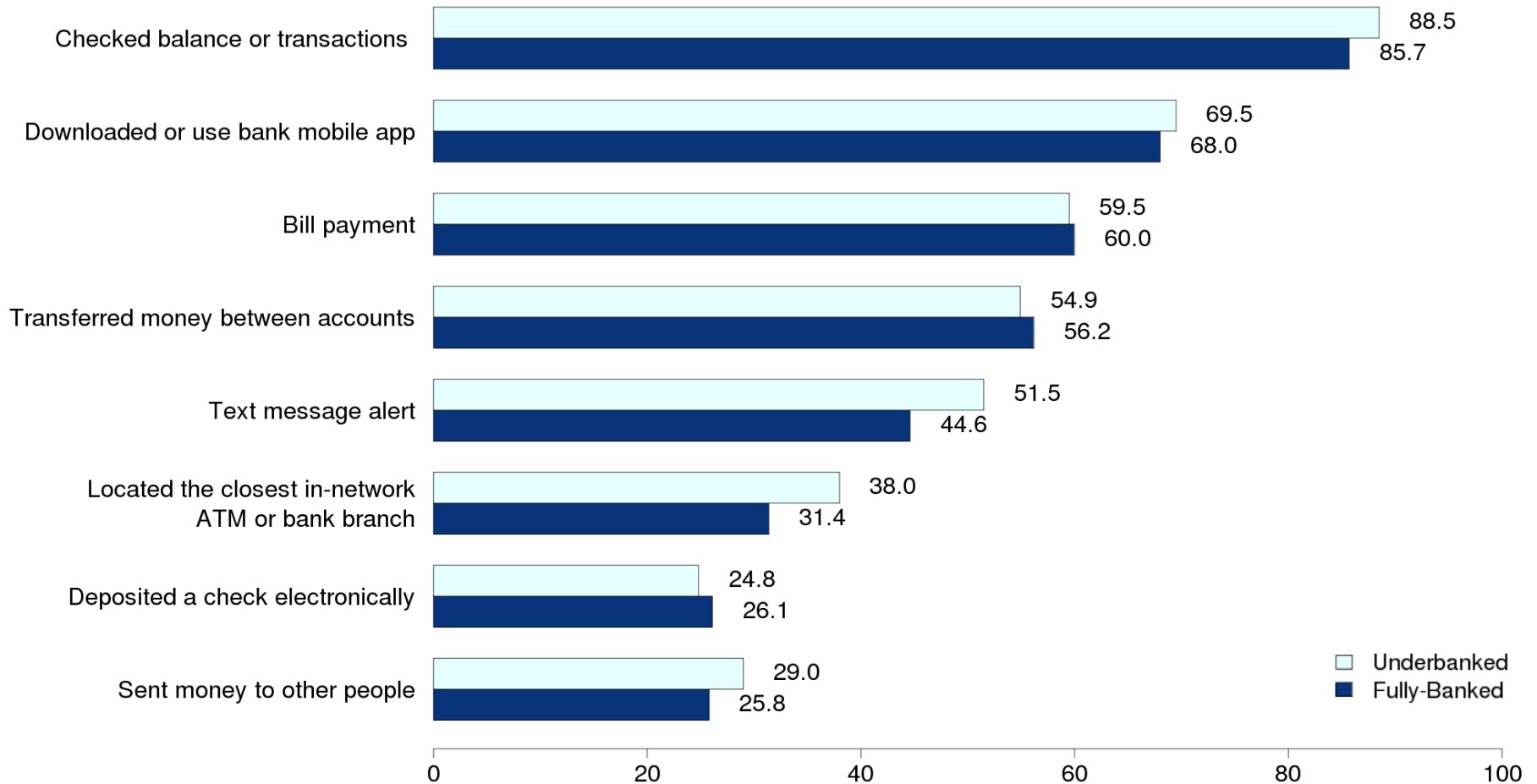
## Households That Primarily Used Online Banking or Mobile Banking

- More than 7 in 10 of these households also used a bank teller in the last year

# Households That Used Mobile Banking: Primary Banking Method



## Types of Mobile Banking Activity By Banking Status



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# www.economicinclusion.gov

The screenshot shows the website interface for the 2013 FDIC National Survey of Unbanked and Underbanked Households. At the top, there is a navigation bar with links for 'WHAT IS ECONOMIC INCLUSION?', 'SURVEYS & DATA', 'INITIATIVES', 'RESOURCES', and 'NEWS AND UPDATES'. The main content area features a map of the United States with blue dots indicating survey locations. To the right of the map, the title '2013 FDIC National Survey of Unbanked and Underbanked Households' is displayed, followed by a brief description of the survey's purpose and a link to 'EXPLORE 2013 SURVEY'. Below the map, there are interactive elements: 'SELECT GEOGRAPHY' buttons for 'NATION', 'REGION', 'STATE', and 'MSA'; a 'VIEW MSA DATA' section with a dropdown menu and a 'VIEW' button; and a 'COMPARE AREAS' section with a 'COMPARE DIFFERENT AREAS' button. At the bottom, there are three columns: 'CREATE CUSTOM DATA TABLES' with a 'CREATE CUSTOM DATA TABLE' link; '2013 SURVEY RESULTS' with a link to '2013 Executive Summary - PDF (PDF Help)'; and 'RELATED RESEARCH' with a link to 'READ THE WHITE PAPER'. The footer contains contact information and a 'SUBSCRIBE TO FDIC UPDATES' button.

- Tools
  - Custom Data Tool
  - Compare Tool
- Data Page
  - Datasets (yearly and multiyear)
  - Data Documentation
- Subscribe to FDIC Update

Home / Custom Data Table Tool

## Custom Data Table Tool

To assess the inclusiveness of the banking systems, and in partial fulfillment of a statutory responsibility, the FDIC conducts biennial surveys of households to estimate the proportion of households that do not fully participate in the banking system.

You can use this tool to explore the data from all National Household surveys conducted.

[CUSTOM DATA TABLE TOOL INSTRUCTIONS](#)

[FREQUENTLY ASKED QUESTIONS](#)

### 1. Select Geography

State

California

### 2. Select Year

2013

### 3. Select Analysis Variable

See frequently used variables  See all variables

First Select Topic:

Then Select Variable:

To generate a table with your selected variable by Demographics, press the Get Table button below. You can customize the row variables and filter the data further after the table has been generated.

[CLEAR](#)

[GET TABLE](#) 