



PRESS RELEASE

Federal Deposit Insurance Corporation • Each depositor insured to at least \$250,000

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Share of U.S. Households without a Bank Account Drops *Unbanked Rate Declines to 7 Percent in 2015*

The number of U.S. households without a bank account fell significantly in 2015, according to the National Survey of Unbanked and Underbanked Households released by the Federal Deposit Insurance Corporation (FDIC) on Thursday.

Seven percent of U.S. households were unbanked in 2015. That was the lowest share in the survey's history and a decrease from 7.7 percent in 2013 and 8.2 percent in 2011. While improving economic conditions during the two years through the 2015 survey account for part of the drop in the unbanked rate, the rate fell further than expected based on economic factors alone.

The decline in the share of unbanked households was broad based. Unbanked rates among black and Hispanic households, for example, fell about 10 percent. The unbanked rate for black households dropped from 20.6 percent to 18.2 percent, and for Hispanic households it fell from 17.9 percent to 16.2 percent. Households with very low incomes (i.e., less than \$15,000 per year) and households headed by individuals without any college education also saw their unbanked rates fall significantly.

Still, not all demographic groups saw decreases. Notably, unbanked rates for Asian households increased during the two-year period from 2.2 percent to 4 percent.

"Developing a relationship with a bank helps consumers build assets and create wealth, makes them less susceptible to discriminatory or predatory lending practices, and can provide a financial safety net against unforeseen circumstances," FDIC Chairman Martin Gruenberg said. "The decline in the share of households who do not have a banking relationship is a positive development, and the FDIC will continue working to help ensure households have access to safe, secure, and affordable banking services."

The survey results illustrate the consequences of being unbanked in the United States. More than one-fifth of unbanked households reported saving for unexpected expenses or emergencies in the past 12 months. Of those who were unbanked and saved, 67.8 percent reported keeping emergency savings in the home, or with family or friends. This contrasts sharply with the 88.2 percent of fully banked households that deposited their emergency



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. The FDIC insures deposits at the nation's banks and savings associations, 6,058 as of June 30, 2016. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars—insured financial institutions fund its operations.

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savings in a bank account, where the funds are secure, guaranteed against loss, have the potential to generate earnings, and may be used for other purposes, such as securing access to mainstream credit.

The FDIC survey began in 2009 and is conducted every other year in partnership with the U.S. Census Bureau. It provides detailed national, state, and local data to inform understanding of access to banking and to support economic inclusion efforts. The survey measures the share of households that are unbanked, meaning no one in the household has a bank account. It also measures how many households are underbanked, meaning they have a bank account but look outside the banking system to meet transaction or credit needs.

Taken together, 27 percent of U.S. households were unbanked or underbanked last year.

Use of online and mobile banking to access accounts increased substantially from 2013 to 2015. Some 36.9 percent reported online banking as their primary method for accessing a bank account compared to 28.2 percent relying on bank tellers. Although teller use decreased between 2013 and 2015, it remains a popular mode of access, particularly among segments of the population that had higher unbanked and underbanked rates. Use of bank tellers was especially prevalent for lower-income households, less-educated households, older households, and households located in rural areas.

Use of smartphones to engage in banking activities continues to grow at a rapid pace. Some 9.5 percent of households reported relying on mobile banking as their primary method for accessing a bank account, up sharply from 5.7 percent in 2013. Consistent with the 2013 survey, this growth presents promising opportunities to increase economic inclusion.

For the first time, the survey provides insight into the challenges facing households with incomes that varied greatly from month to month. These households were more likely to be unbanked and more likely to use alternative financial services, taking into account household income and other factors.

Other key findings in the survey include:

- Overall, 56.3 percent of households saved; that is, they set aside money in the previous 12 months that could be used for unexpected expenses or emergencies, even if the funds were later spent.
- Examining consumer credit use in the past 12 months, including credit cards, personal loans, and personal lines of credit, the survey reveals that 63.8 percent of households held credit only from bank sources, 4.1 percent held credit only from non-bank sources, 4 percent held credit from both bank and non-bank sources, and 28 percent had no credit from any source.
- Some 13.7 percent of households exhibited potential demand for consumer credit from banks, and half of these households indicated that they had stayed current on bills in the prior 12 months. Households that applied for, but were denied, bank credit; refrained from applying for credit because they thought they might not qualify; or relied on alternative financial service providers for credit were considered to have potential demand for bank credit. This is the first time this information was collected in the survey.

- Between 2013 and 2015, the proportion of households that used a prepaid card in the past 12 months increased from 7.9 percent to 9.8 percent. This growth occurred broadly across socioeconomic and demographic groups. Consistent with results from the 2013 survey, prepaid card use in 2015 was higher among lower-income households, less-educated households, younger households, black households, and working-age disabled households.
- The majority of unbanked households said they think that banks have no interest in serving households like theirs, and a significant share of unbanked households said they do not trust banks.

Go to economicinclusion.gov for additional survey findings, to generate custom tables, and to download information from all four years of survey data. Data also is available for metropolitan areas and states.

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