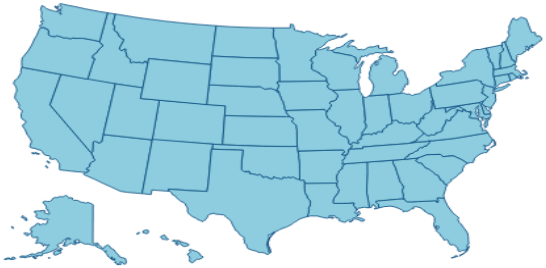
FDIC Economic Inclusion Research

Keith Ernst

Economic Inclusion Summit:
Strategies to Bring Consumers into the Financial Mainstream

April 26, 2017
Arlington, VA

FDIC



SELECT GEOGRAPHY: NATION | REGION | STATE | MSA

VIEW STATE DATA

Please Select One VIEW

COMPARE AREAS

COMPARE DIFFERENT AREAS

2015 FDIC National Survey of Unbanked and Underbanked Households

To assess the inclusiveness of the banking system, 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.

The 2015 FDIC National Survey of Unbanked and Underbanked Households presents new data and insights on the size of unbanked and underbanked markets at the national, regional, state, and large metropolitan statistical area (MSA) levels. This is the fourth installment of the report.

EXPLORE 2015 SURVEY —

CREATE CUSTOM DATA TABLES

Explore the full data set for the FDIC National Survey of Unbanked and Underbanked Households. Create custom tables based on year, geography, topic and other variable filters.

CREATE CUSTOM DATA TABLE —

2015 SURVEY RESULTS

In 2015, the FDIC conducted the fourth biennial survey of unbanked and underbanked household and the efforts of banks to serve these populations. See the full findings here.

- 2015 Executive Summary - PDF (PDF Help)
- 2015 Report - PDF (PDF Help)
- 2015 Appendix Tables - PDF (PDF Help)
- 2015 Technical Notes and Survey Revisions - PDF (PDF Help)
- 2015 Instrument - PDF (PDF Help)

RELATED RESEARCH

NEW! The FDIC conducted qualitative research regarding mobile financial services.

READ THE REPORT —

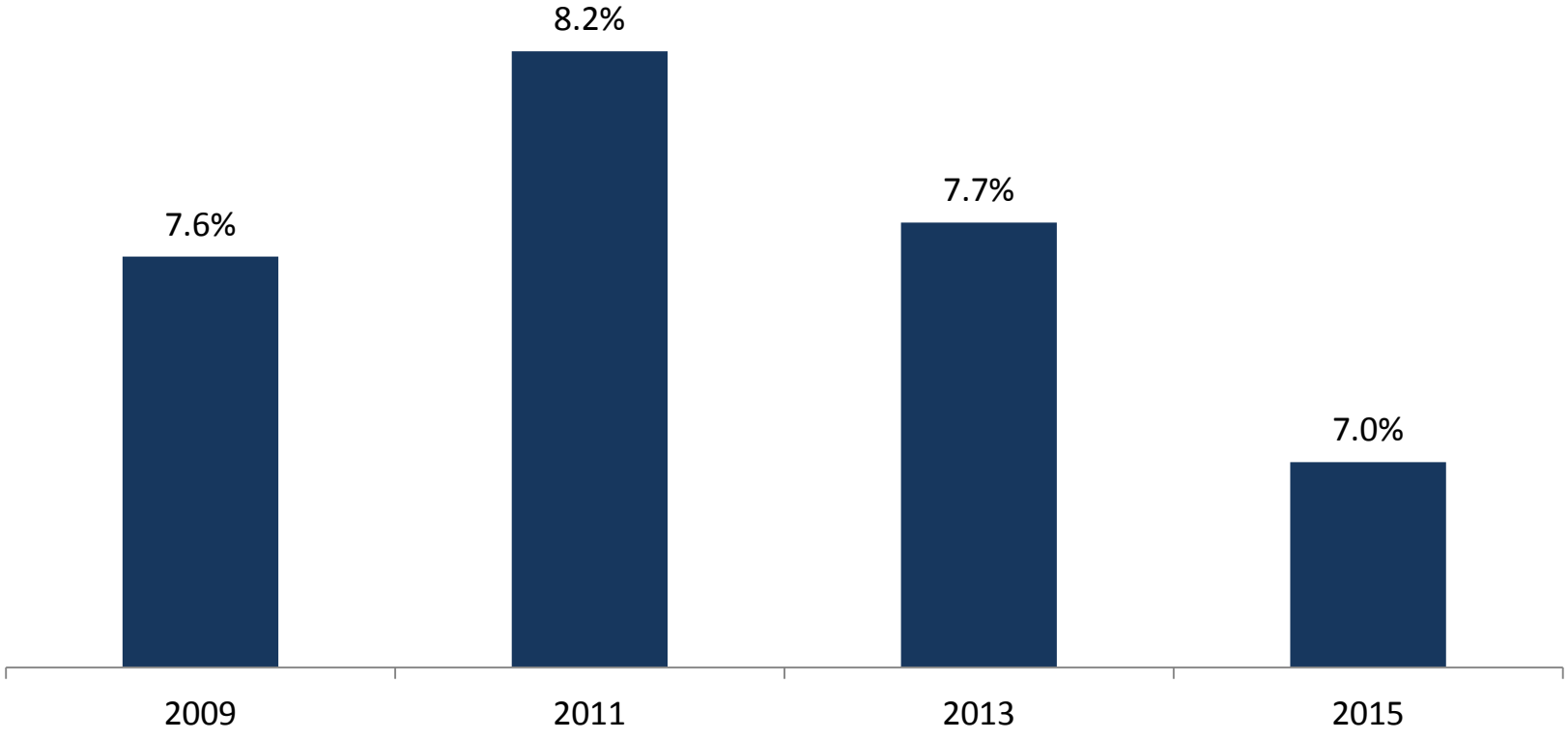
NEW! The FDIC conducted qualitative research regarding bank efforts to increase financial inclusion.

READ THE REPORT —

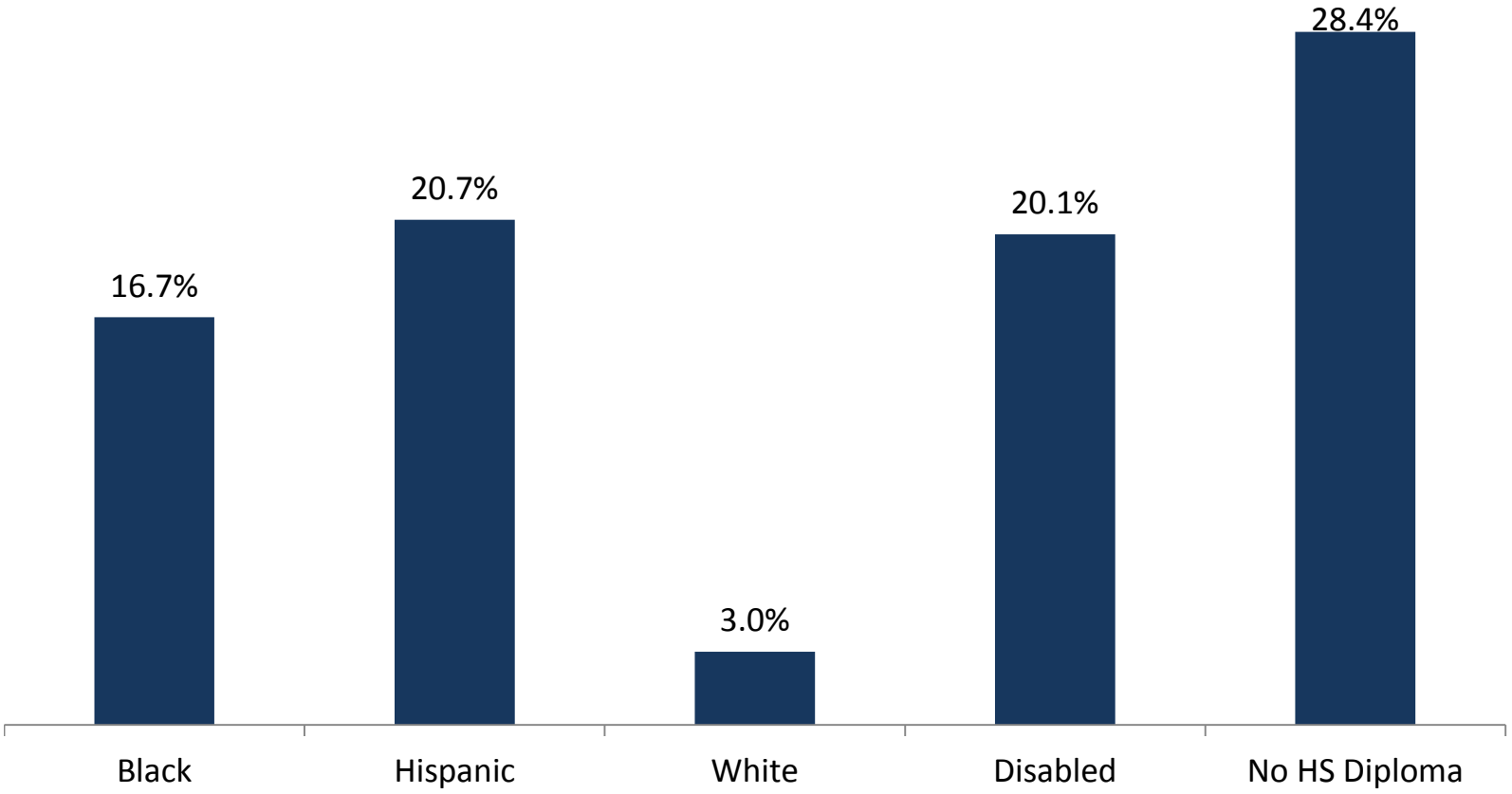
The FDIC released a white paper assessing the economic inclusion potential of mobile financial services.

READ THE WHITE PAPER —

U.S. Unbanked Rates, 2009-2015



NY State Unbanked Rates, 2015



Bank Efforts Research

“Things like language barriers … general distrust … a misconception of the kinds of documentation that you need to open an account, all of these can be … dealt with … when you have a simple and transparent product. But then more importantly pairing it up with a community intermediary that can provide the assurance, the advice, … and employing cultural competency.” – Bank Executive

“ I think [there are] a couple of learnings that we pulled out of our check-cashing experience . . . one is the bank is not necessarily the trusted source. In most cases, it’s the last place people are going to go. So as a banker, you do have to get over your ego, and it took us a while to understand that people would rather go to a check casher than a bank, most every day of the week.” – Bank Executive

Mobile Financial Services Research

Consumer Need	Consumer Perception: Banking Services	Consumer Perception: MFS relative to other channels
Long-Term Financial Management	Very Strong	Superior
Control	Weak	Superior
Convenience	Weak	Superior
Affordability	Weak	Superior
Security	Strong	Inferior
Customer Service	Strong	Inferior
Access to Money	Very Weak	Similar

- Increase control through greater access to account information (record keeping, balance alerts, etc.)
- MFS gives consumers anytime, anyplace access physical branches currently lack
- Greater and more timely access to account information can help consumers avoid fees that lead to the perception of banks being expensive

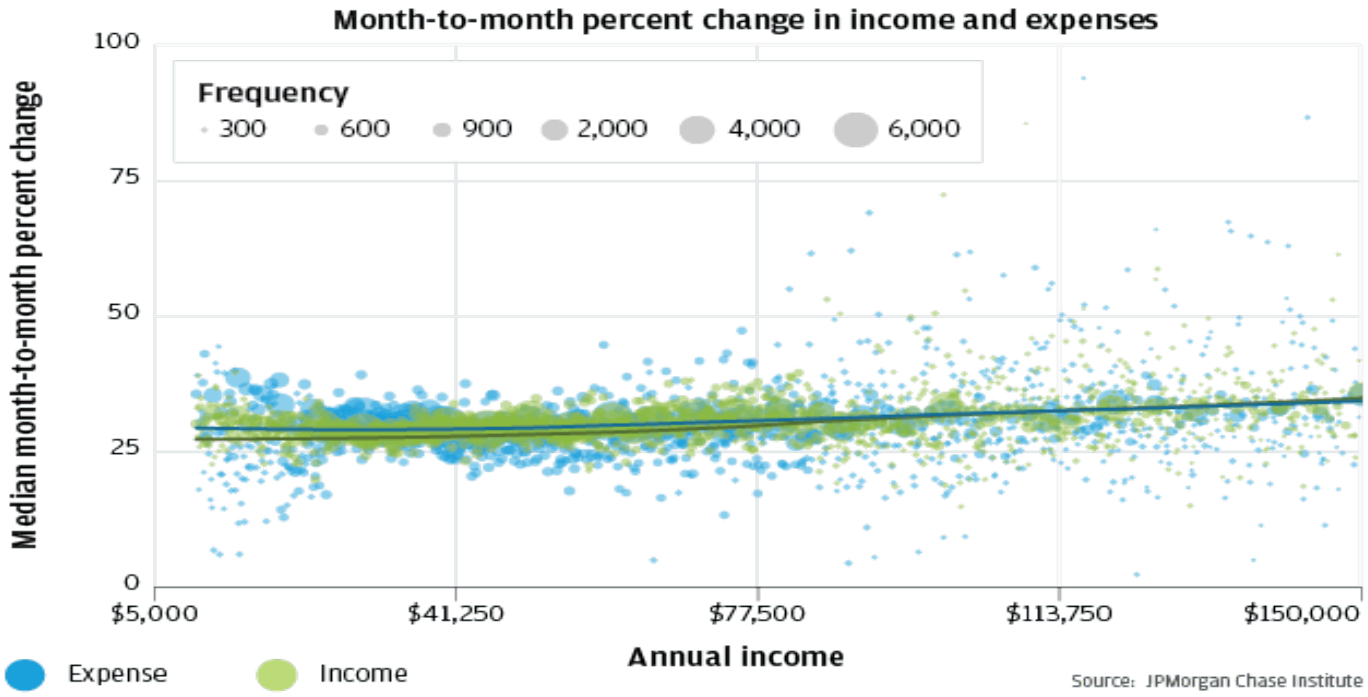
A GLOBAL THINK TANK DEDICATED TO DELIVERING DATA-RICH ANALYSES AND EXPERT INSIGHTS FOR THE PUBLIC GOOD

JPMorgan Chase & Co.

INSTITUTE

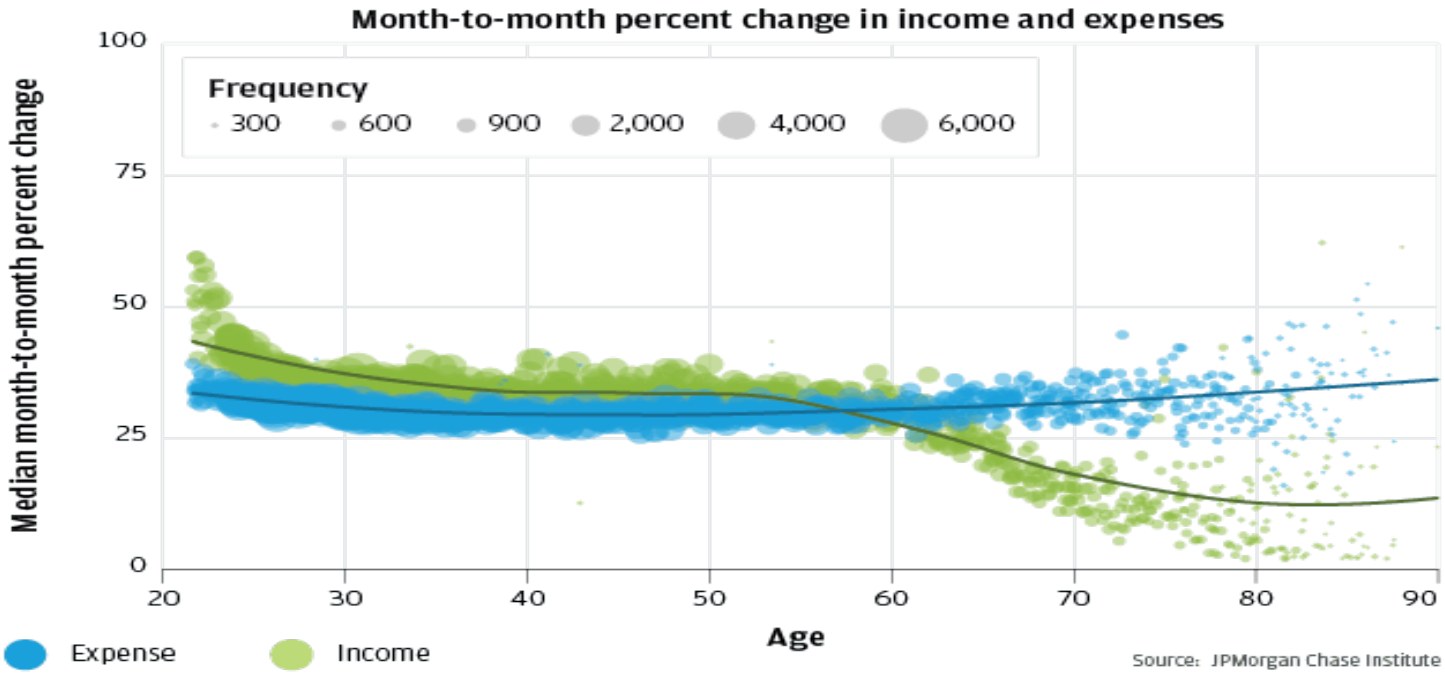
Key Insight

Income and expense volatility was high across the income spectrum.



Key Insight

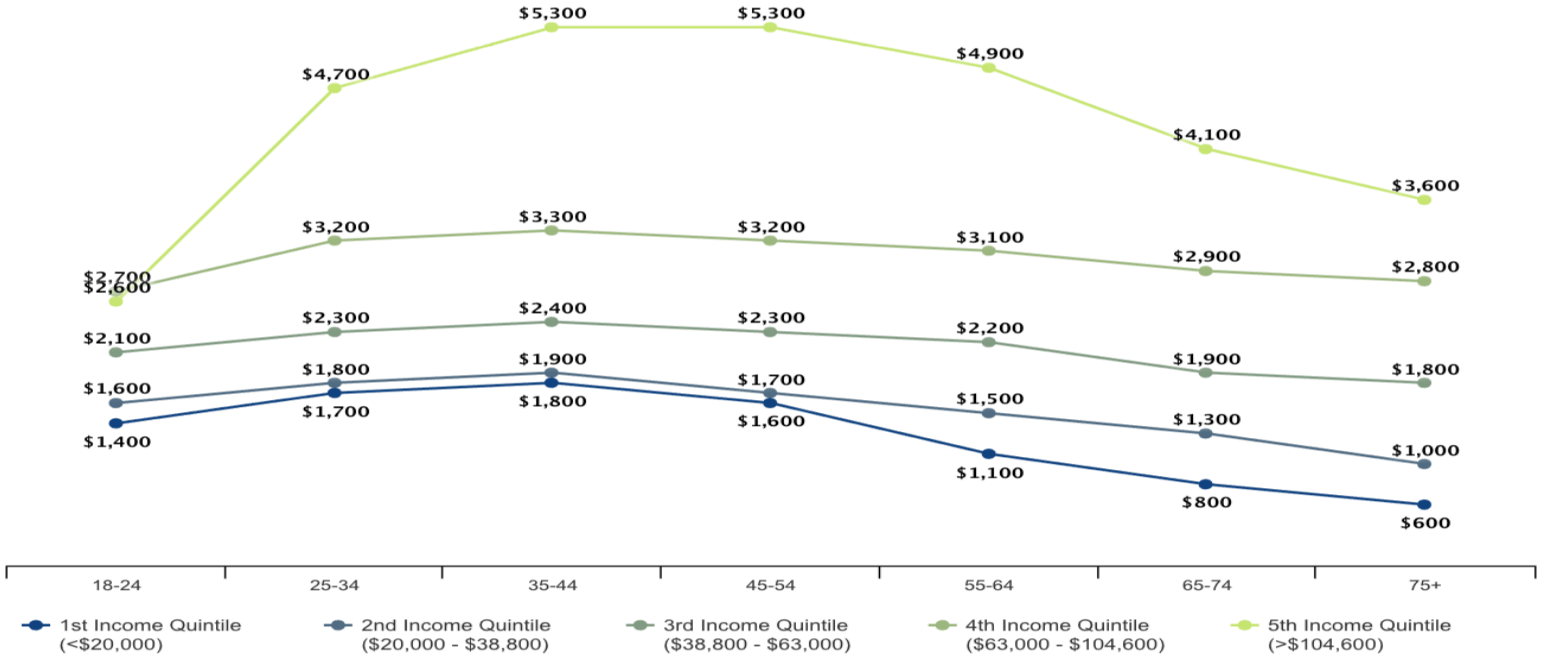
While older families typically had less volatile incomes, they exhibited a larger range of income and expense volatility



Key Insight

The everyday cash buffer necessary to weather typical levels of monthly income and spending volatility peaks at age 35-44 at $2,400 for middle-income families

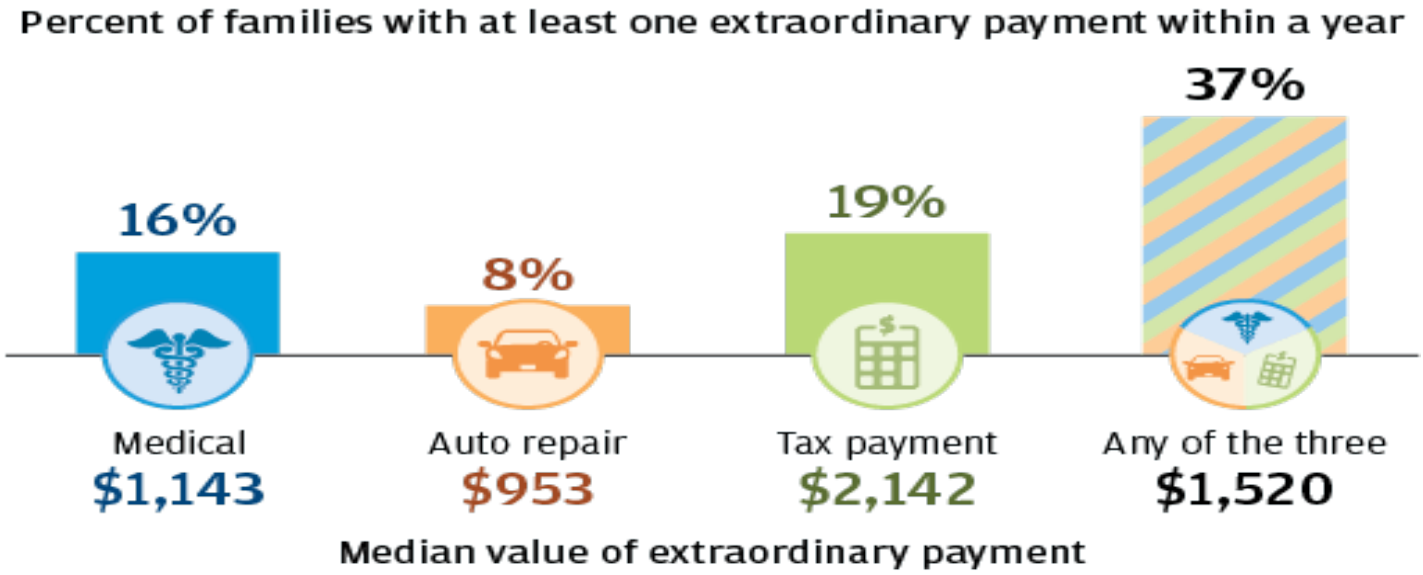
Sum of the absolute value of median income and spending fluctuations by income quintile and age



Source: JPMorgan Chase Institute

Key Insight

Almost four in ten families per year made an extraordinary payment over $1,500 related to medical services, auto repair, or taxes

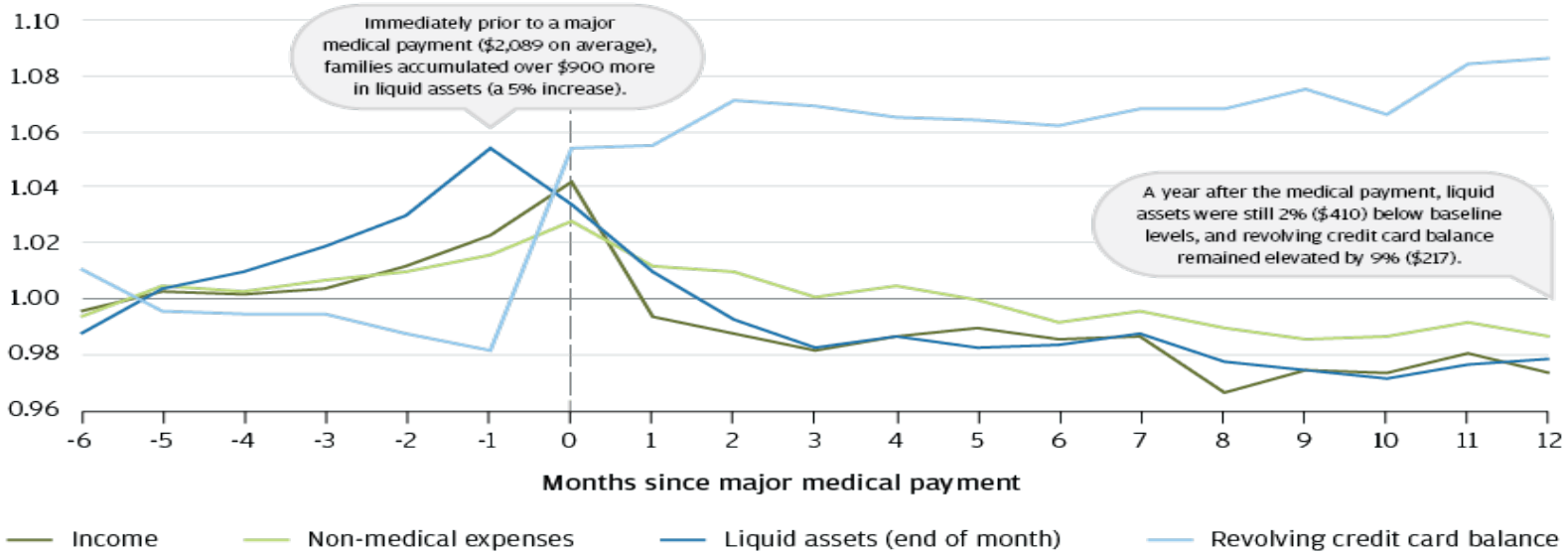


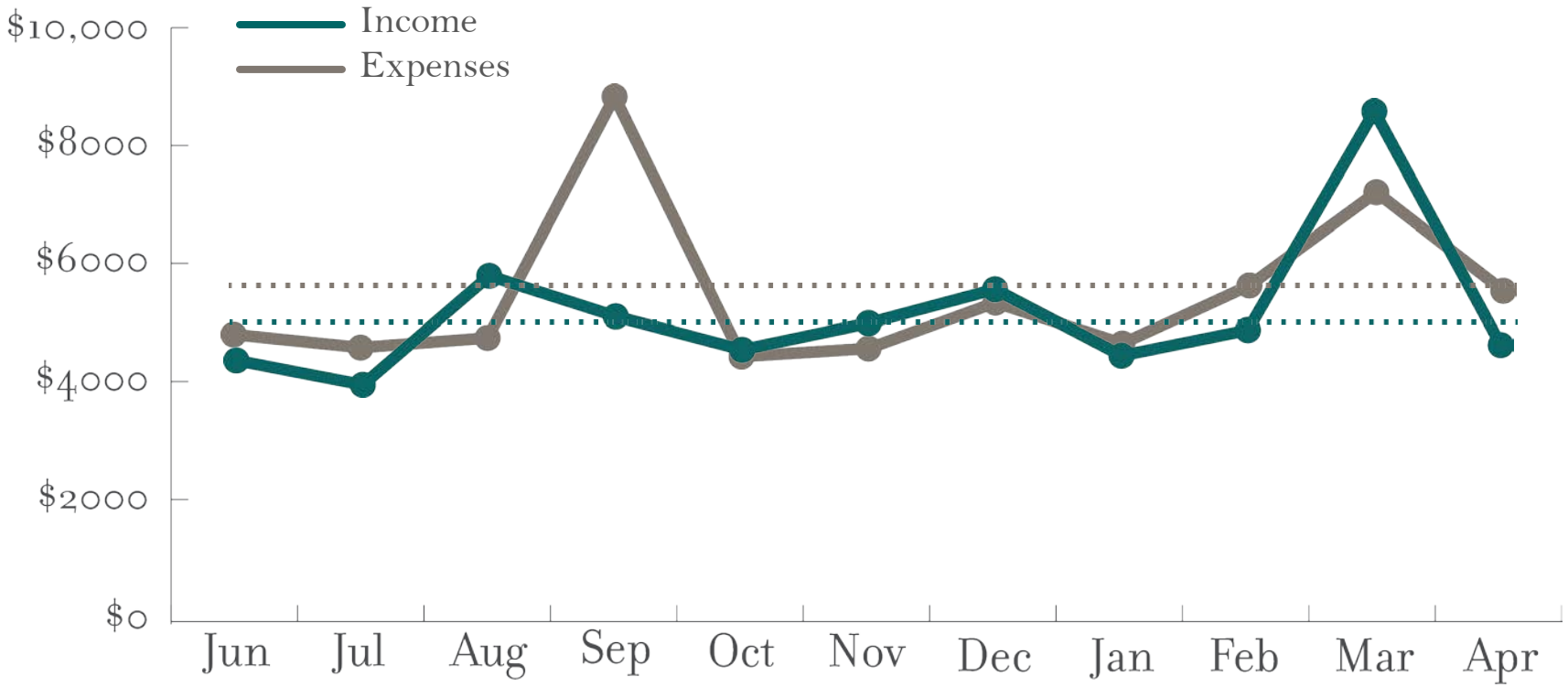
Key Insight

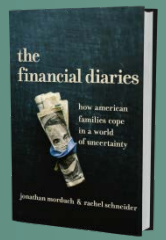
Major medical payments coincided with spikes in liquid assets and income, but families did not recover financially within 12 months after the payment

Major medical payments coincided with short-term improvements in income, assets, and liabilities **but lasting negative changes** in not just assets and liabilities but also income and expenses

Ratio of income, non-medical expenses, liquid assets, and revolving credit card balance before and after major medical payment relative to baseline*

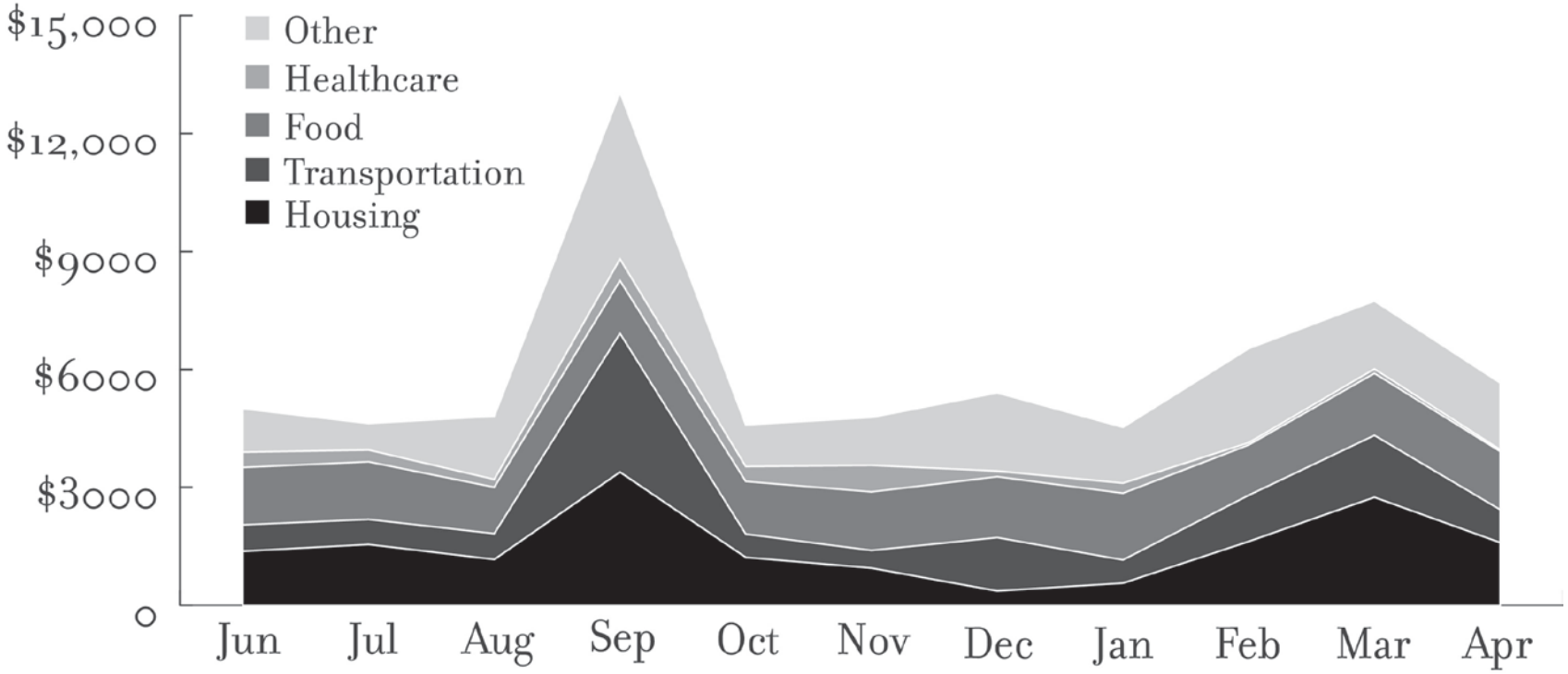


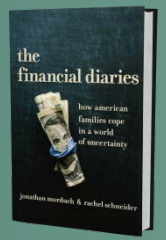




Mismatch – The Johnsons

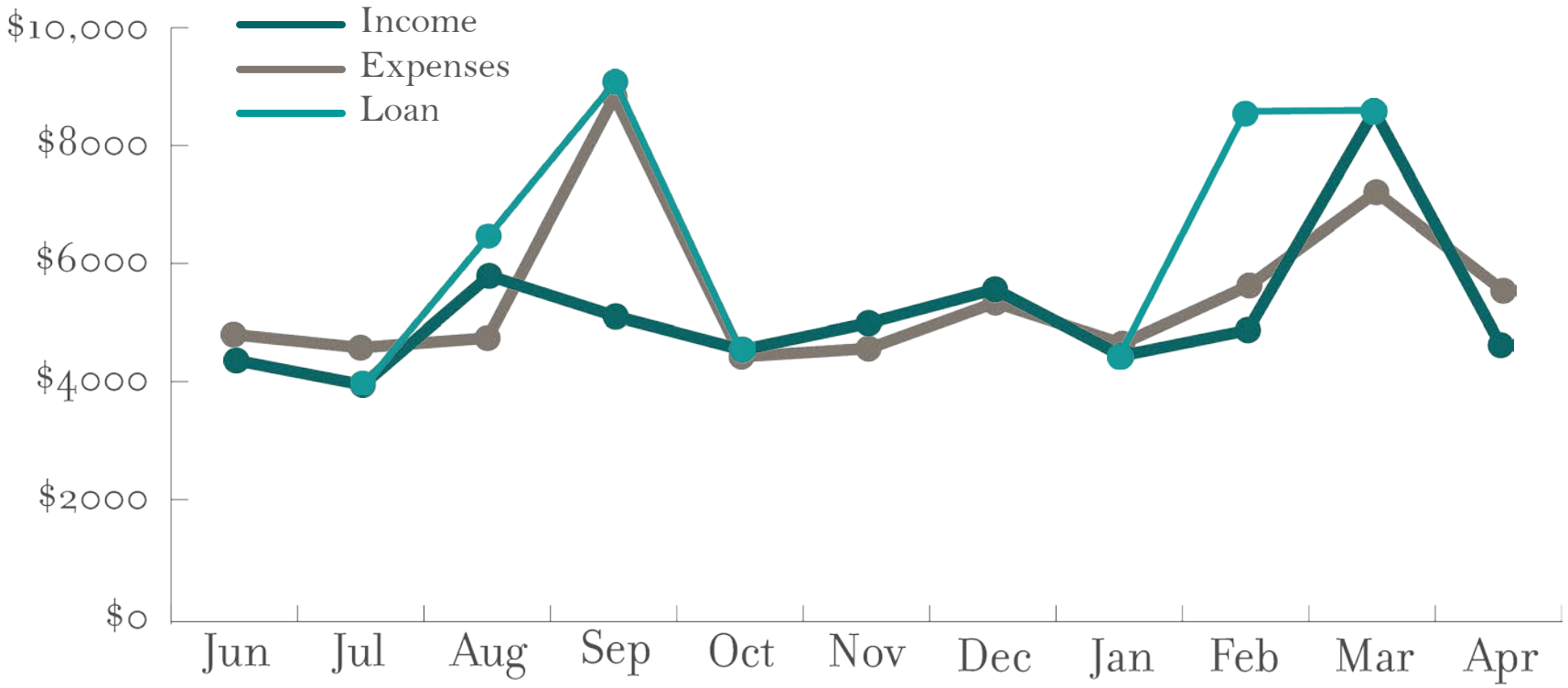
U.S. Financial Diaries

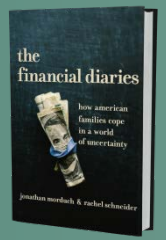




The Johnsons' Expenses

U.S. Financial Diaries





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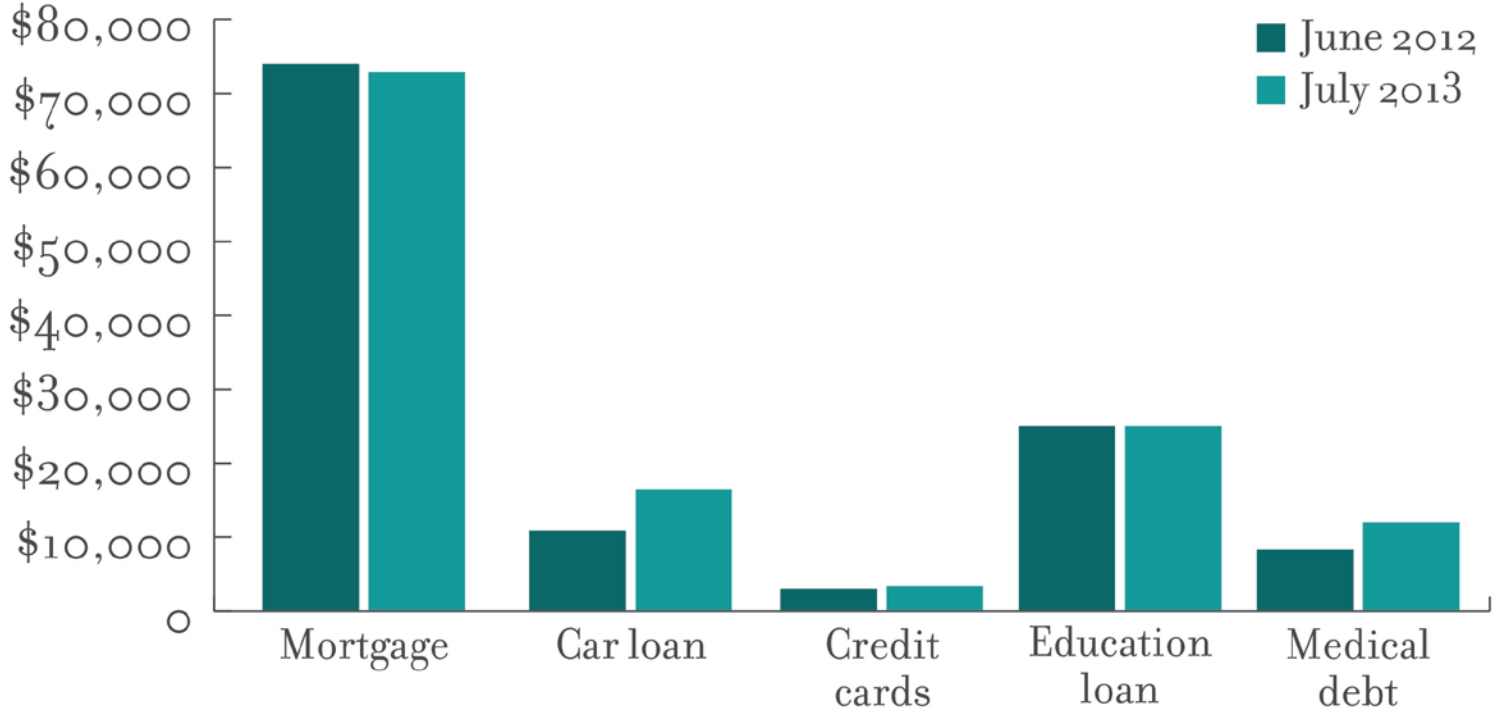

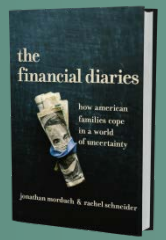

The Johnsons' Debt

U.S. Financial Diaries