

FEDERAL DEPOSIT INSURANCE CORPORATION

2021

FDIC National Survey of
Unbanked and Underbanked
Households



FDIC 

Acknowledgments

This report presents results from the *2021 FDIC National Survey of Unbanked and Underbanked Households*. The survey has been conducted biennially since 2009 in partnership with the U.S. Census Bureau.

The report was conducted under the careful direction of Karyen Chu of the FDIC's Division of Insurance and Research. The primary authors of the report were Mark Kutzbach, Joyce Northwood, and Jeffrey Weinstein. Susan Burhouse and Yazmin Osaki authored the Implications and Conclusions section.

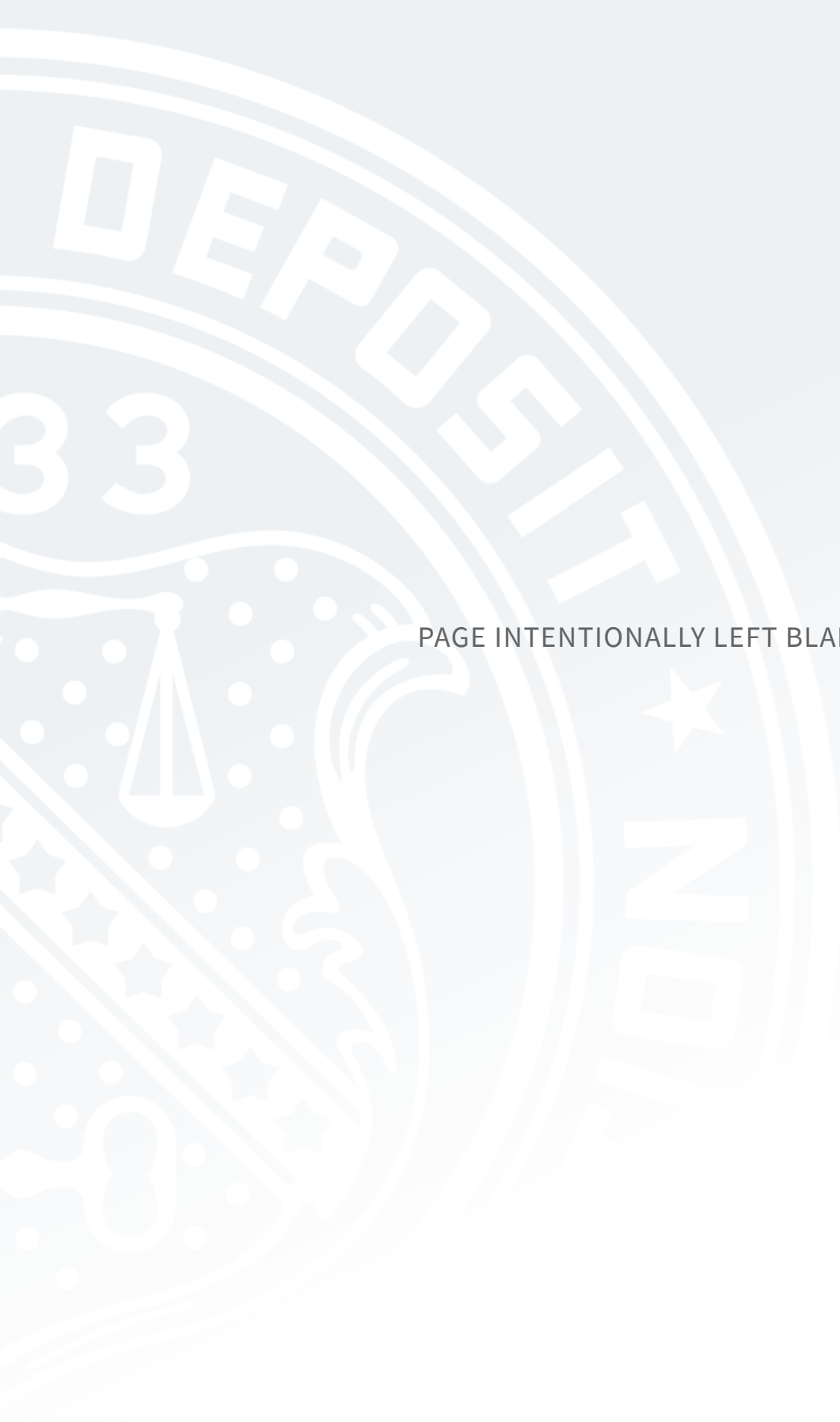
I would like to thank the many FDIC senior officials and staff who provided valuable feedback, analytical support, research assistance, website development, and publication

support, including Neeta Allagh, Hunter Brazal, Alys Brown, Keith Ernst, Richard Foley, David Friedman, Ryan Goodstein, Jonathan Miller, Lynne Montgomery, Dhruv Sharma, Donna Vogel, Lauren Whitaker, and Kathy Zeidler.

Finally, we thank the staff of the Current Population Survey (CPS) at the U.S. Census Bureau who worked closely with the FDIC to ensure successful execution of survey data collection and processing.

Mark Pearce
Director, Division of Depositor and Consumer Protection

Recommended citation: Federal Deposit Insurance Corporation (FDIC), *2021 FDIC National Survey of Unbanked and Underbanked Households* (October 2022).



PAGE INTENTIONALLY LEFT BLANK

Table of Contents

Acknowledgments I

1. Executive Summary 1

2. About the Survey 11

3. Bank Account Ownership: Unbanked Households.....13

4. COVID-19 Pandemic and Transitions in Bank Account Ownership21

5. Bank Account Ownership: Banked Households..... 25

6. Prepaid Cards and Nonbank Online Payment Services 30

7. Nonbank Money Orders, Check Cashing, and Money Transfer Services..... 37

8. Banked Households: Conducting Financial Transactions..... 47

9. Unbanked Households: Conducting Financial Transactions..... 57

10. Bank and Nonbank Credit..... 65

11. Underbanked Households..... 75

12. Implications and Conclusions 81

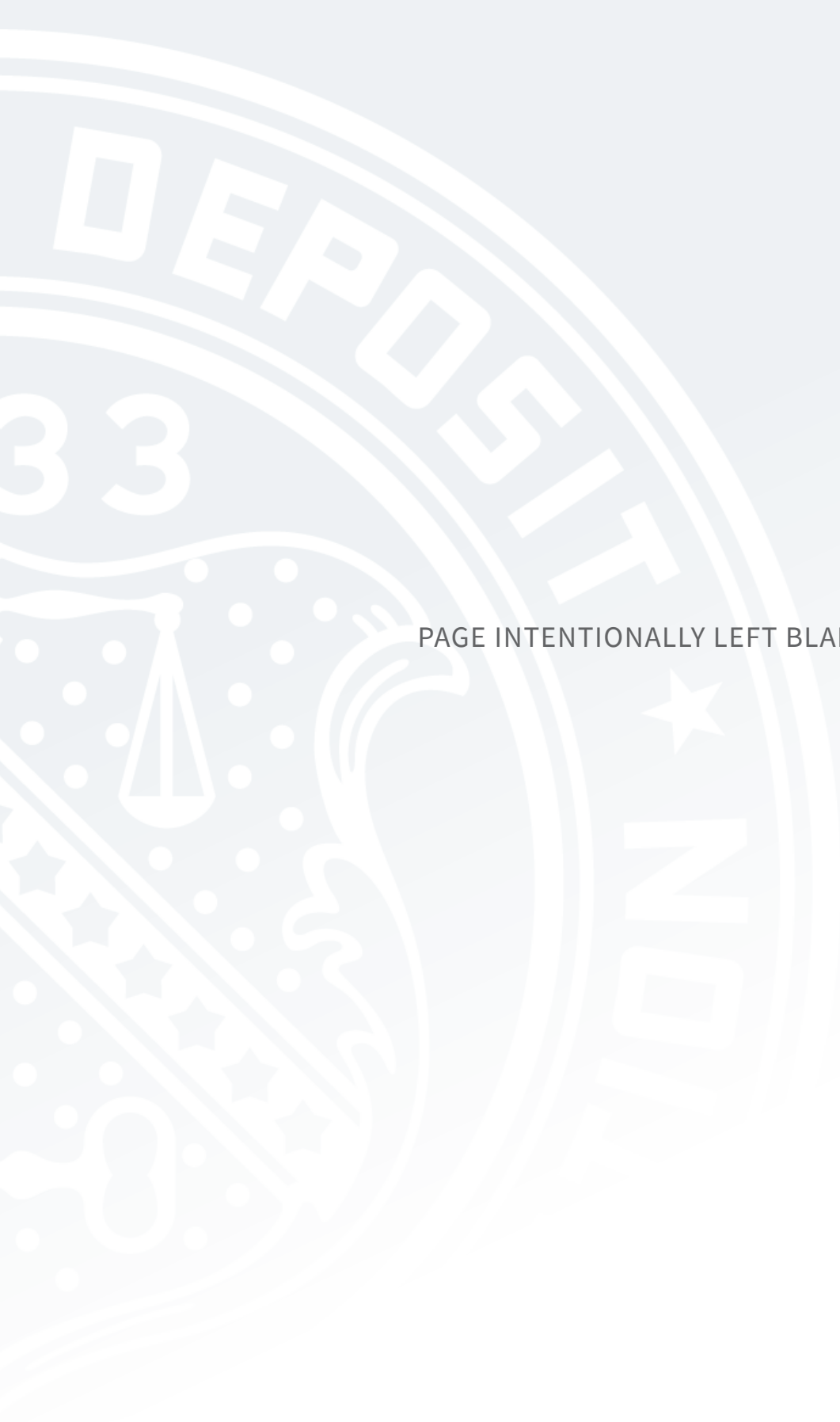
Appendix 1. FDIC Technical Notes..... 85

Appendix 2. 2021 Revisions to the *FDIC National Survey of Unbanked and Underbanked Households*90

Appendix 3. 2021 Survey Instrument94

Appendix Tables A–G (published separately on fdic.gov/analysis/household-survey)

This and previous reports are available at fdic.gov/analysis/household-survey, which also provides the ability to generate custom data tables and charts, obtain five-year estimates of unbanked rates, and download the raw survey data.



PAGE INTENTIONALLY LEFT BLANK

1. Executive Summary

The FDIC is committed to expanding Americans’ access to safe, secure, and affordable banking services, which is integral to the FDIC’s mission of maintaining the stability of and public confidence in the U.S. financial system. The *FDIC National Survey of Unbanked and Underbanked Households*, conducted biennially since 2009 in partnership with the U.S. Census Bureau, is one contribution to this end. The most recent survey was conducted in June 2021, collecting responses from more than 30,000 households.

This executive summary presents key results from the survey, covering bank account ownership; use of prepaid cards and nonbank online payment services; use of nonbank money orders, check cashing, and money transfer services; and use of bank and nonbank credit. The executive summary also summarizes the implications of these results for policymakers, financial institutions, and other stakeholders who are working to improve access to safe, secure, and affordable banking services.

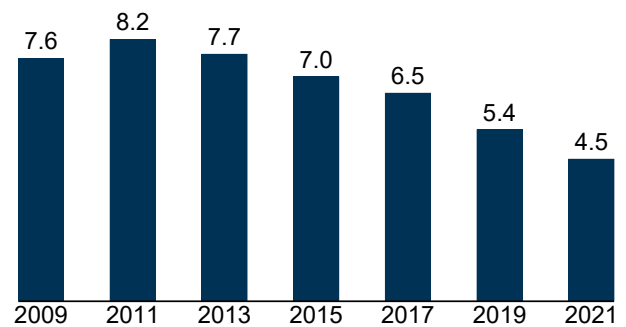
National Unbanked Rate

- An estimated 4.5 percent of U.S. households were “unbanked” in 2021, meaning that no one in the household had a checking or savings account at a bank or credit union (i.e., bank). This proportion represents approximately 5.9 million U.S. households. Conversely, 95.5 percent of U.S. households were “banked” in 2021, meaning that at least one member of the household had a checking or savings account at a bank. This proportion represents approximately 126.6 million U.S. households.
- The proportion of U.S. households that were unbanked (i.e., the unbanked rate) in 2021—4.5 percent—was the lowest since the survey began in 2009, as shown in Figure ES.1. Between 2019 and 2021, the unbanked rate

fell 0.9 percentage points, corresponding to an increase of approximately 1.2 million banked households.¹

- » About one-third of the decline in the unbanked rate between 2019 and 2021 was associated with changes in the socioeconomic circumstances of U.S. households over this period, particularly increases in income and educational attainment.²
- Between 2011—when the unbanked rate was at its highest level since the survey began—and 2021, the unbanked rate fell 3.7 percentage points, corresponding to an increase of approximately 5.0 million banked households.
 - » About half of the decline in the unbanked rate between 2011 and 2021 was associated with changes in the socioeconomic circumstances of U.S. households over this period.

Figure ES.1 National Estimates, Household Unbanked Rate, 2009–2021 (Percent)



Unbanked Rates by Household Characteristics

- Consistent with the results of previous surveys, unbanked rates in 2021 varied considerably across the U.S. population. For example, unbanked rates were higher among lower-income households, less-educated households, Black households, Hispanic house-

¹ All differences discussed in the text are statistically significant at the 10 percent level unless noted otherwise. In other words, there is a 10 percent or lower probability that an observed difference between two groups of households is due to random sampling.

² Even after the changes in socioeconomic characteristics were accounted for, the remainder of the decline in the unbanked rate across years was statistically significant.

holds, working-age households with a disability, and single-mother households.³

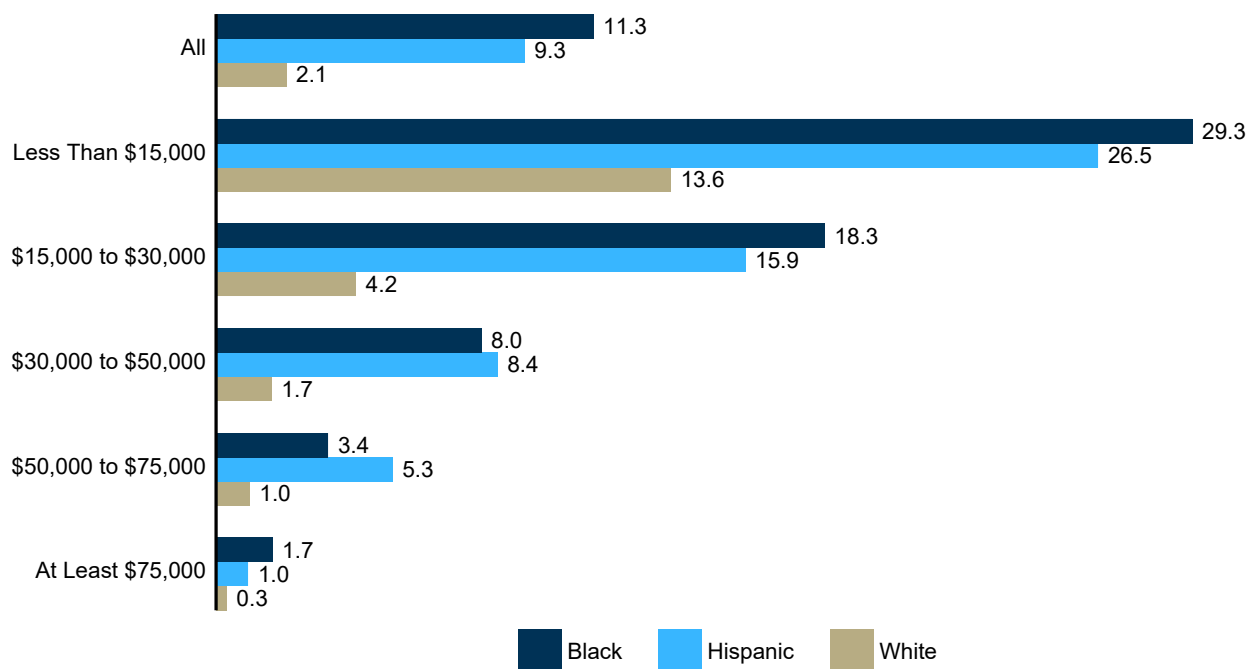
- » Differences in unbanked rates between Black and White households and between Hispanic and White households in 2021 were present at every income level, as shown in Figure ES.2. For example, among households with income between \$30,000 and \$50,000, 8.0 percent of Black households and 8.4 percent of Hispanic households were unbanked, compared with 1.7 percent of White households.
- » For working-age households with a disability, the unbanked rate in 2021 was 14.8 percent, much higher than the unbanked rate among working-age households without a disability (3.7 percent).
- » For single-mother households, the unbanked rate in 2021 was 15.9 percent, much higher than the unbanked rate among married couple households (1.8 percent).

Unbanked Households: Reasons for Not Having a Bank Account

As in previous years, the 2021 survey asked unbanked households about their reasons for not having a bank account.

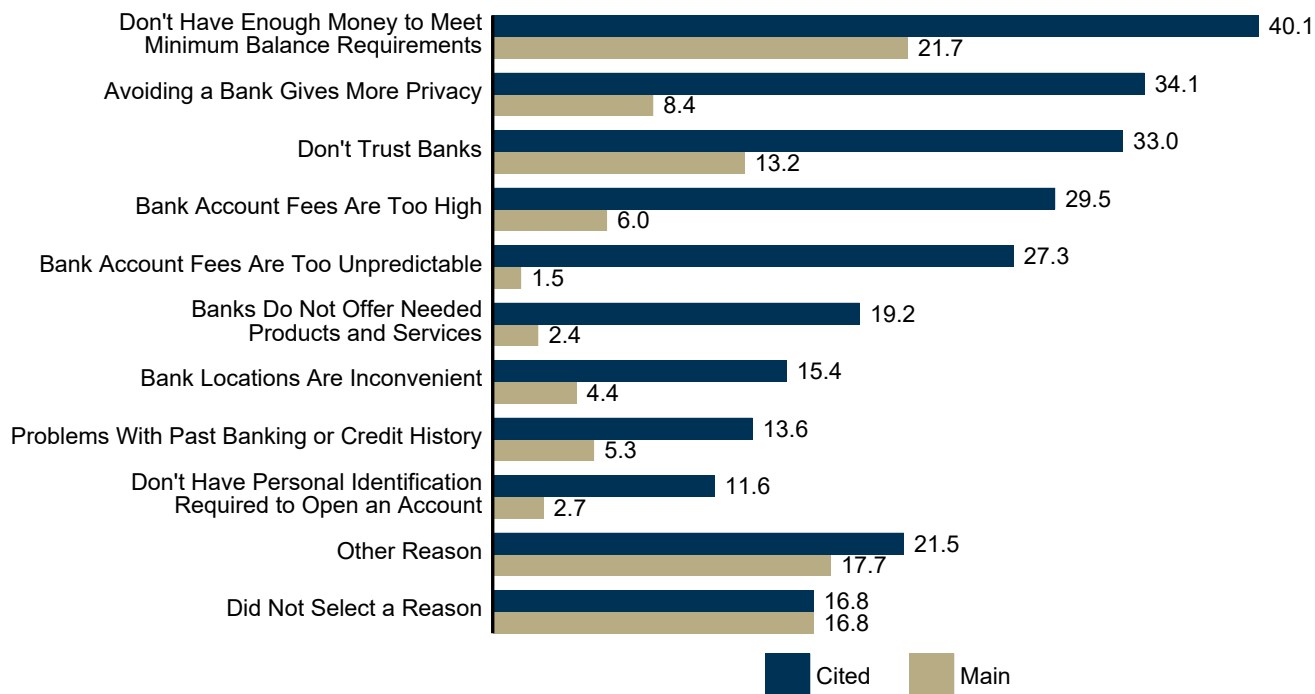
- As illustrated in Figure ES.3, “Don’t have enough money to meet minimum balance requirements” was the most cited reason and was also the most cited *main* reason by unbanked households for not having an account in 2021. The proportion of unbanked households that cited this reason as the main reason for not having an account decreased between 2019 (29.0 percent) and 2021 (21.7 percent).
- “Don’t trust banks” was the second-most cited main reason for not having an account in 2021, and “Avoiding a bank gives more privacy” was the third-most cited main reason.
- Almost three in ten unbanked households in 2021 (29.2 percent) cited a reason related to fees or a minimum balance—“Bank account fees are too high,” “Bank account fees are too unpredictable,” or “Don’t have enough money to meet minimum balance requirements”—as the main reason for not having an account, down from 38.0 percent in 2019.

Figure ES.2 Unbanked Rates by Income Level and Race and Ethnicity, 2021 (Percent)



³ For person-level characteristics, such as race, age, and education, the characteristics of the householder (generally the person or one of the people in whose name the home is owned or rented) are used to represent the household. For convenience, abbreviated language is used in referring to certain household characteristics. For example, the term “Hispanic household” refers to a household for which the householder identifies as Hispanic or Latino regardless of race, and the term “Black household” refers to a household for which the householder identifies as Black or African American alone and not Hispanic or Latino. The term “working-age household with a disability” refers to a household for which the householder has a disability and is between the ages of 25 and 64. The term “single-mother household” refers to a family household with an unmarried female householder, no other adults, and one or more children. See Appendix 1 for additional details.

Figure ES.3 Unbanked Households' Reasons for Not Having a Bank Account, 2021 (Percent)



COVID-19 Pandemic and Transitions in Bank Account Ownership

The survey took place in June 2021, 15 months after the COVID-19 pandemic began. New questions asked households whether they experienced economic changes since the start of the pandemic in March 2020 and whether those changes contributed to the closing or opening of households' bank accounts.⁴

- Table ES.1 classifies households into one of four categories based on whether the household experienced a recent change to its bank account ownership. In 2021, 4.0 percent of all households were longer-term unbanked, 0.5 percent were recently unbanked, 4.2 percent were recently banked, and 91.4 percent were longer-term banked.
 - » Longer-term unbanked households did not have a bank account at the time of the survey (in June 2021) or at any point in the 12 months before (between June 2020 and June 2021), while recently unbanked households did not have a bank account at the time of the survey but did at some point in the 12 months before. Recently banked households had a bank account at the time of the survey but did not at some point in the 15 months before (between March 2020 and June 2021), while longer-term banked households had a bank account at the time of the survey and continually during the 15 months before.

Table ES.1 Transitions in Bank Account Ownership, 2021
All Households, Row Percent

	Longer-Term Unbanked	Recently Unbanked	Recently Banked	Longer-Term Banked
Category as Share of All Households	4.0	0.5	4.2	91.4

- About one-third of recently banked households (34.9 percent) reported that receiving a government benefit payment (for example, unemployment benefits or a pandemic stimulus payment) contributed to opening a bank account since March 2020. In other words, among the 77.9 percent of recently banked households that received a government benefit payment, almost half (44.8 percent)—representing approximately 1.9 million households—said that the payment contributed to opening an account.
- In addition, 6.3 percent of recently banked households reported that starting a new job contributed to opening a bank account since March 2020. That is, among the 19.0 percent of recently banked households that reported starting a new job, one-third (33.1 percent) indicated that the change in employment contributed to opening an account.

⁴ For bank account closures, households might have closed their own accounts, or banks might have closed the accounts.

- Recently banked households were substantially less likely to report that a significant increase in income contributed to opening a bank account (0.9 percent), compared with receiving a government benefit payment or starting a new job.
- About one in five recently unbanked households (21.1 percent) reported that losing or quitting a job, being furloughed, having reduced hours, or having a significant loss of income contributed to closing a bank account since March 2020.

Banked Households: Primary Method Used to Access Bank Accounts

As in previous years, the 2021 survey asked banked households about the primary (i.e., most common) method they used to access their bank accounts in the past 12 months: visiting a bank teller; using an ATM or bank kiosk; calling the bank (i.e., telephone banking); using a computer or tablet (i.e., online banking); using an app, text messaging, or internet browser on a mobile phone (i.e., mobile banking); or using some other method (i.e., other).

- As shown in Table ES.2, use of mobile banking increased sharply between 2017 and 2021 and remained the most prevalent primary method of account access.⁵
- Use of a bank teller declined considerably but remained prevalent among certain segments of the population, including lower-income households, less-educated households, older households, and households that did not live in a metropolitan area.⁶

Prepaid Cards and Nonbank Online Payment Services

As in previous years, the 2021 survey asked all households about their use of general purpose reloadable prepaid

cards. New questions in the 2021 survey asked all households about their use of nonbank online payment services “with an account feature that allows you to receive and store money in the account.” Examples of nonbank online payment services are PayPal, Venmo, and Cash App.⁷ Unless otherwise stated, all online payment services discussed in this executive summary are from nonbank providers.

- As shown in Figure ES.4, in 2021, 6.9 percent of all households were using prepaid cards at the time of the survey, and almost half of all households (46.4 percent) were using online payment services at the time of the survey.⁸ Use of prepaid cards was much higher and use of online payment services was much lower among unbanked households than among banked households.
- Households can link their online payment service account to one or more bank accounts, credit cards, prepaid cards, or other services.⁹ Almost three-quarters of banked households with online payment services in 2021 (74.1 percent) linked their online payment

Figure ES.4 Use of Prepaid Cards and Nonbank Online Payment Services by Bank Account Ownership, 2021 (Percent)

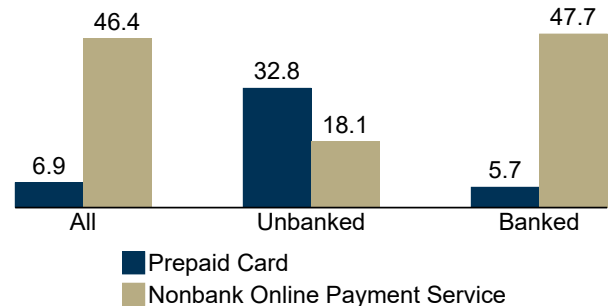


Table ES.2 Primary Method of Bank Account Access, 2017–2021

Banked Households That Accessed Their Account in the Past 12 Months, Row Percent

Year	Bank Teller	ATM/Kiosk	Telephone Banking	Online Banking	Mobile Banking	Other	Bank Teller or ATM/Kiosk
2017	24.8	19.5	2.9	37.0	15.1	0.7	44.3
2019	21.0	19.5	2.4	22.8	34.0	0.3	40.5
2021	14.9	16.0	2.9	22.0	43.5	0.7	31.0

⁵ The 2017 estimates published in this report may differ from the 2017 estimates published in previous reports because this report addresses item nonresponse in the 2017 data through imputation, while previous reports addressed item nonresponse in the 2017 data in other ways; see Appendix 1 for details.

⁶ While the 2021 survey did not include questions on the impact of the COVID-19 pandemic on the methods that banked households used to access their accounts, the decline in the use of a bank teller and the increase in the use of mobile banking between 2019 and 2021 are consistent with difficulties that households may have experienced in visiting a bank branch since the onset of the COVID-19 pandemic. For example, the social distancing guidelines instituted in response to the pandemic may have made bank branch visits more challenging.

⁷ The survey questions on nonbank online payment services instructed households not to consider Zelle, which is a service provided by banks.

⁸ In previous surveys, households were asked whether they used prepaid cards in the past 12 months. As a result, the share of households that used prepaid cards in 2021 is not directly comparable to the shares in previous years.

⁹ For example, some online payment services can be linked to certain gift cards or other online payment services.

service account to their bank account. One in ten banked households (10.0 percent) and more than half of unbanked households (54.9 percent) with online payment services did not link any other types of accounts to their online payment service account.¹⁰

- The 2021 survey also asked households about the types of transactions they conducted using prepaid cards and online payment services over the past 12 months. Specifically, households with prepaid cards or online payment services were asked whether they used their prepaid cards or online payment services to pay monthly bills like rent, mortgage, utilities, or child care (i.e., pay bills); receive money from work, retirement, or a government agency (i.e., receive income); build savings or keep money in a safe place (i.e., save or keep money safe); send money to or receive money from family or friends (i.e., send or receive money); make purchases in person; make purchases online; and for some other use.
 - » Unbanked households were more likely to use prepaid cards to conduct multiple types of transactions. Almost half of unbanked households with prepaid cards (47.6 percent) used them to conduct four or more types of transactions in the past 12 months, among the six specific types of transactions in the survey (i.e., excluding “some other use”), almost twice the share of banked households with prepaid cards (24.7 percent).
 - » Unbanked households were also more likely to use online payment services to conduct multiple types of transactions. Almost half of unbanked households with online payment services (47.4 percent) used them to conduct four or more types of transactions in the past 12 months, more than twice the share of banked households with online payment services (19.9 percent). About one in seven unbanked households with online payment services (14.9 percent) used them to conduct all six specific types of transactions in the survey.

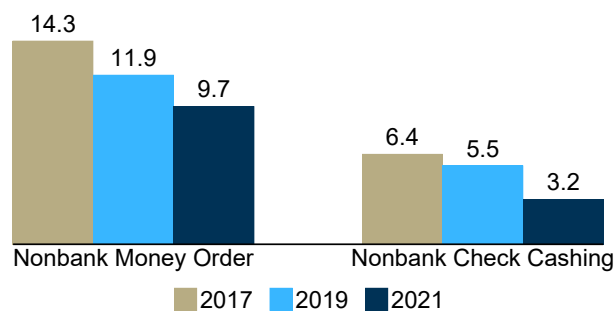
Nonbank Money Orders, Check Cashing, and Money Transfer Services

As in previous years, the 2021 survey asked all households about their use of nonbank money orders and nonbank check cashing in the past 12 months. A new question in the 2021 survey asked all households about their use of nonbank money transfer services in the past 12 months from companies like Western Union, MoneyGram, Walmart

Money Center, or Ria Money Transfer. Unless otherwise stated, all money orders, check cashing, and money transfer services discussed in this executive summary are from nonbank providers.

- Use of money orders and check cashing declined steadily between 2017 and 2021 (see Figure ES.5). In 2021, 9.7 percent of all households used money orders, and 3.2 percent of all households used check cashing. In addition, 7.0 percent of all households used money transfer services in 2021.
- Use of money orders, check cashing, and money transfer services in 2021 were more common among unbanked households. Almost one-third of unbanked households (32.3 percent) used money orders, compared with 8.7 percent of banked households. Unbanked households were almost ten times as likely to use check cashing (21.8 percent) as banked households (2.3 percent). About one in seven unbanked households (15.5 percent) used money transfer services, more than double the share of banked households (6.6 percent).

Figure ES.5 Use of Nonbank Money Orders and Check Cashing, 2017–2021 (Percent)



How Households Pay Bills or Receive Income

Paying bills and receiving income are core financial transactions that most households conduct regularly. The 2021 survey included new questions that asked households about their use of bank accounts, online payment services, prepaid cards, money orders, and money transfer services to pay monthly bills like rent, mortgage, utilities, or child care (i.e., pay bills) over the past 12 months. In addition, the 2021 survey included new questions that asked households about their use of bank accounts, online payment services, prepaid cards, and check cashing to receive money from work, retirement, or a government agency (i.e., receive income) over the past 12 months.

¹⁰ Households can use online payment services without having them linked to another account. For example, online payment services can be used to send or receive money between family, friends, or businesses. Some of these services offer direct deposit, remote deposit, or both. Some also offer check cashing using remote deposit.

- Almost all banked households (97.1 percent) used their bank accounts to pay bills or receive income in 2021, and three in four banked households (75.2 percent) exclusively used their bank accounts to conduct these transactions. One in seven banked households (14.7 percent) used online payment services, alone or in combination with other methods, to pay bills or receive income.
 - » Households with less than \$15,000 in income, households with no high school diploma, households aged 34 or younger, Black and Hispanic households, working-age households with a disability, and unemployed households were the least likely to exclusively use their bank accounts to pay bills or receive income. However, roughly two in three banked households in each of these population segments exclusively used their bank accounts to conduct these transactions.
- About half of unbanked households (56.4 percent) used at least one of the methods included in the survey to pay bills or receive income. Specifically, three in ten unbanked households (28.9 percent) used prepaid cards to pay bills or receive income, and a similar share (29.6 percent) used money orders to pay bills. Smaller percentages of unbanked households used online payment services, check cashing, or money transfer services to pay bills or receive income. Other methods that unbanked households could have used to pay bills or receive income that were not included in the 2021 survey are cash and credit cards.
- In 2021, 71.5 percent of households had a credit card, similar to the proportion in 2019 (71.3 percent) and above the 2017 level (68.5 percent). The share of households that had a bank personal loan decreased from 10.8 percent in 2019 to 8.0 percent in 2021. Altogether, 72.5 percent of households in 2019 and 72.3 percent of households in 2021 had a credit card or bank personal loan. In addition, 2.8 percent of households had a non-bank personal loan in 2021.
- Differences by race and ethnicity in the likelihood of having a credit card or bank personal loan were present at every income level, as shown in Figure ES.6. For example, even among households with income between \$50,000 and \$75,000, 64.8 percent of Black households and 71.2 percent of Hispanic households had a credit card or bank personal loan, whereas 81.3 percent of White households did so.
- Use of rent-to-own services and payday, pawn shop, tax refund anticipation, and auto title loans all decreased between 2017 and 2021. About 1 percent of households in 2021 used each product or service. The proportion of households that used at least one of the five products or services declined sharply from 7.4 percent in 2017, to 4.8 percent in 2019, and to 4.4 percent in 2021.
- As shown in Figure ES.7, the proportion of unbanked households that used a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan decreased substantially between 2017 and 2021. Despite this decline, use of these nonbank credit products or services in 2021 continued to be more prevalent among unbanked households than among banked households.¹³
- The 2021 survey included new questions on loan amounts. Specifically, households that had a bank personal loan in the past 12 months were asked whether their most recent bank personal loan was for \$1,000 or less or for more than \$1,000. Likewise, households that had a nonbank personal loan in the past 12 months were asked whether their most recent nonbank personal loan was for \$1,000 or less or for more than \$1,000. For most households that had a bank or non-bank personal loan, the amount of the most recent loan was more than \$1,000.

Bank and Nonbank Credit

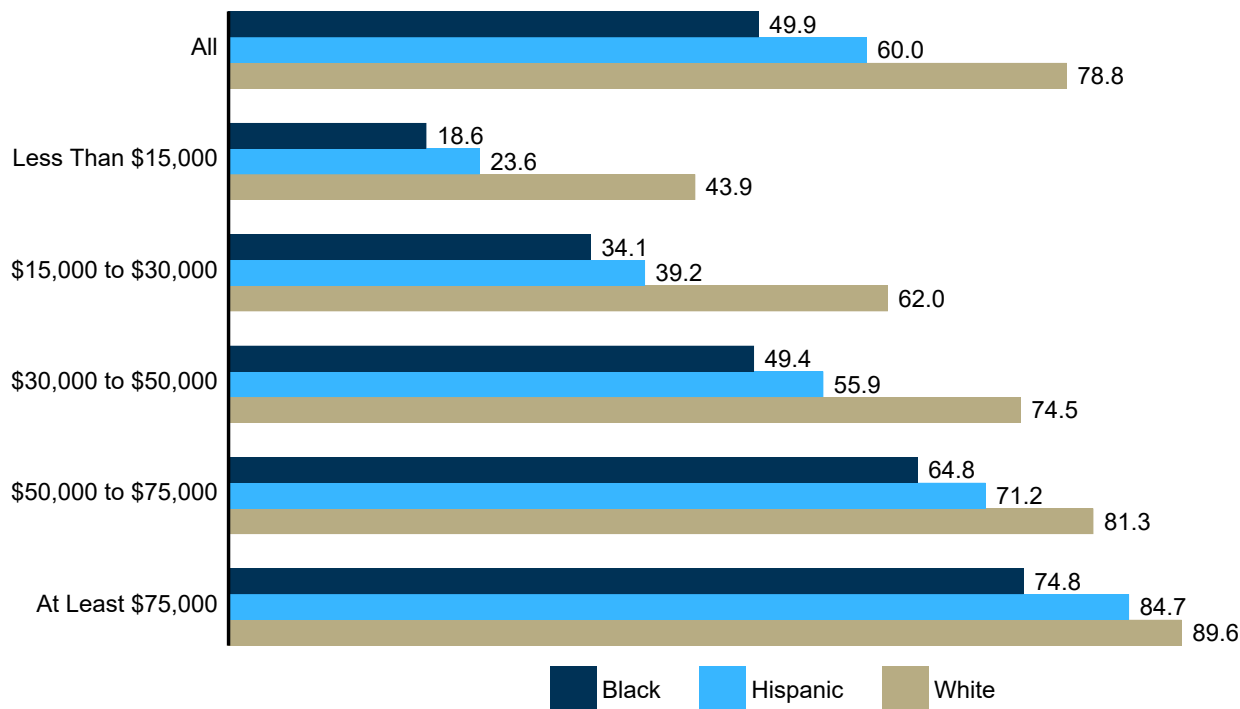
The 2021 survey examines household use of credit, focusing on products that households may use to address cash-flow imbalances, unexpected expenses, or temporary income shortfalls.¹¹ Households were asked whether, in the past 12 months, they had a Visa, MasterCard, American Express, or Discover credit card (i.e., a credit card); a personal loan or line of credit from a bank (i.e., a bank personal loan); or a personal loan or line of credit from a company other than a bank (i.e., a nonbank personal loan).¹² Households were also asked whether they used, in the past 12 months, the following nonbank credit: rent-to-own services or payday, pawn shop, tax refund anticipation, or auto title loans.

¹¹ The 2021 survey did not collect information on mortgages, auto loans, and student loans.

¹² Personal loans or lines of credit from companies other than banks include loans or lines of credit offered online or through storefront locations by nonbank finance companies. These loans or lines of credit may be marketed to prime or subprime borrowers. Payday, pawn shop, and auto title loans are not included in this category of credit.

¹³ The difference in the likelihood of using a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan in 2021 between unbanked and banked households was associated primarily with differences in income and other characteristics of U.S. households. This difference by bank account ownership was no longer statistically significant after differences in the household characteristics shown in Table 3.6 were accounted for.

Figure ES.6 Use of a Credit Card or Bank Personal Loan by Income Level and Race and Ethnicity, 2021 (Percent)

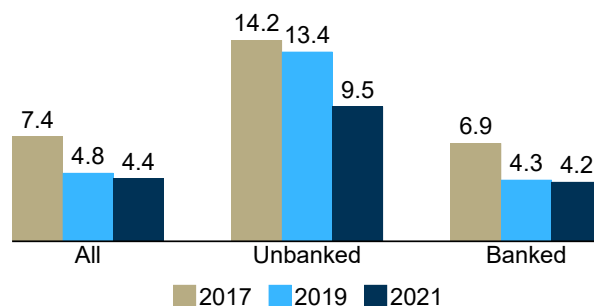


- One in four households (25.5 percent) did not use any of the credit products included in the 2021 survey, as shown in Table ES.3. Among households with less than \$30,000 in income, half did not use any of the credit products included in the survey, almost triple the percentage among households with income of \$30,000 or more (18.2 percent). Nearly half of households with less than \$30,000 in income (43.7 percent) had a credit card in 2021, by far the most prevalent type of credit among the credit products included in the survey.
- For households with less than \$30,000 in income that did not have a credit card, the vast majority (88.8 percent) did not use any of the credit products included in the 2021 survey (see Table ES.4).¹⁴ One in twelve households with less than \$30,000 in income that did not have a credit card (8.3 percent) used a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan. Much smaller percentages—1.1 percent or less—had each of the four types of bank and nonbank personal loans.

Underbanked Households

- An estimated 14.1 percent of U.S. households—representing approximately 18.7 million households—were “underbanked” in 2021, meaning that the household

Figure ES.7 Use of a Rent-to-Own Service or a Payday, Pawn Shop, Tax Refund Anticipation, or Auto Title Loan by Bank Account Ownership, 2017–2021 (Percent)



was banked and in the past 12 months used at least one of the following nonbank transaction or credit products or services that are disproportionately used by unbanked households to meet their transaction and credit needs:

- » Money orders, check cashing, or international remittances (i.e., nonbank transactions) or
- » Rent-to-own services or payday, pawn shop, tax refund anticipation, or auto title loans (i.e., nonbank credit).¹⁵

¹⁴ In 2021, 23.0 percent of all households had less than \$30,000 in income. Of these households, 56.3 percent (or 12.9 percent of all households) did not have a credit card and 43.7 percent (or 10.0 percent of all households) had a credit card.

¹⁵ International remittances consist of money transfer services to send money to or receive money from family or friends outside the United States.

Table ES.3 Use of Credit by Income Level, 2021

All Households, Row Percent

	Credit Card	Bank Personal Loan, Most Recent Loan \$1,000 or Less	Bank Personal Loan, Most Recent Loan More Than \$1,000	Nonbank Personal Loan, Most Recent Loan \$1,000 or Less	Nonbank Personal Loan, Most Recent Loan More Than \$1,000	Rent-to-Own Service or Payday, Pawn Shop, Tax Refund Anticipation, or Auto Title Loan	No Credit
All	71.5	1.3	6.7	0.6	2.2	4.4	25.5
Family Income							
Less Than \$30,000	43.7	1.0	2.4	0.9	1.2	6.9	50.0
At Least \$30,000	79.8	1.3	8.0	0.5	2.4	3.7	18.2

Note: Households may have used credit products that were not included in the 2021 survey.

Table ES.4 Use of Credit Among Households With Less Than \$30,000 in Income by Credit Card Ownership, 2021

Households With Less Than \$30,000 in Income, Row Percent

	Bank Personal Loan, Most Recent Loan \$1,000 or Less	Bank Personal Loan, Most Recent Loan More Than \$1,000	Nonbank Personal Loan, Most Recent Loan \$1,000 or Less	Nonbank Personal Loan, Most Recent Loan More Than \$1,000	Rent-to-Own Service or Payday, Pawn Shop, Tax Refund Anticipation, or Auto Title Loan	No Credit
All	1.0	2.4	0.9	1.2	6.9	50.0
Credit Card Ownership						
Does Not Have Credit Card	0.6	1.1	1.1	0.8	8.3	88.8
Has Credit Card	1.6	4.2	0.7	1.7	5.1	0.0

Note: Households may have used credit products that were not included in the 2021 survey.

- An estimated 81.5 percent of U.S. households—representing approximately 107.9 million households—were “fully banked” in 2021, meaning that the household was banked and in the past 12 months did not use any of the above nonbank transactions and credit.¹⁶
- Underbanked households can be segmented into three groups—nonbank transactions only, nonbank credit only, and nonbank transactions and credit—based on their use of the above nonbank transactions and credit. Among underbanked households in 2021, 71.6 percent used only nonbank transactions, 18.0 percent used only nonbank credit, and 10.3 percent used both nonbank transactions and credit.¹⁷
- As the primary method of bank account access, use of mobile banking was higher among underbanked households (48.8 percent) than among fully banked households (42.5 percent). Use of mobile banking as the primary method of account access was higher in all three underbanked segments, compared with fully banked households, and was highest among underbanked households that used both nonbank transactions and credit (53.1 percent).

¹⁶ Underbanked and fully banked rates in 2021 are not directly comparable to underbanked and fully banked rates in previous years because of changes to the questions on international remittances. See Appendix 2 for details. Excluding the use of international remittances, the underbanked rate would have been 12.3 percent in 2021, 14.6 percent in 2019, and 18.1 percent in 2017. The decline between 2017 and 2021 was statistically significant.

¹⁷ Underbanked households in the three segments may have used nonbank transactions or credit not included in the categorization of underbanked households, such as online payment services, money transfer services for transactions other than sending or receiving international remittances, or nonbank personal loans.

- Use of online banking as the primary method of account access was much lower among underbanked households (11.6 percent) than among fully banked households (23.8 percent). Among the three underbanked segments, underbanked households that used both nonbank transactions and credit had the lowest use of online banking as the primary method of account access (4.2 percent).
- Similar proportions of underbanked households (15.0 percent) and fully banked households (14.9 percent) used a bank teller as the primary method of account access.
- As shown in Table ES.5, almost all underbanked households (96.1 percent) and fully banked households (97.3 percent) used their bank accounts to pay bills or receive income. However, while 81.6 percent of fully banked households exclusively used their bank accounts to conduct these transactions, only 38.1 percent of underbanked households did so.
- The share of underbanked households that exclusively used their bank accounts to pay bills or receive income varied widely across the three underbanked segments. Among underbanked households that used only nonbank credit, roughly two-thirds (68.0 percent) exclusively used their bank accounts to pay bills or receive income, compared with 33.9 percent of underbanked households that used only nonbank transactions and 14.7 percent of underbanked households that used both nonbank transactions and credit.
- Underbanked households were less likely to have a credit card and were more likely to have both bank and nonbank personal loans than fully banked households in 2021. For example, 62.4 percent of underbanked households had a credit card, compared with 76.6 percent of fully banked households. One in ten underbanked households (10.0 percent) had a bank personal

loan, compared with 8.0 percent of fully banked households. And 5.6 percent of underbanked households had a nonbank personal loan, compared with 2.4 percent of fully banked households.

Implications

The financial disruptions due to the COVID-19 pandemic created unique opportunities and challenges for economic inclusion, some of which may be temporary, while others may be longer lasting. The importance of quickly receiving income from Economic Impact Payments or other government relief programs created a unique bankable moment, and consumers benefited from enhanced online and mobile account opening technologies and the greater availability of safe and affordable bank accounts. This combination of factors resulted in meaningful gains in connecting households to the banking system.

Health and safety concerns regarding in-person interactions during the pandemic may have accelerated the long-term trend of increasing use of mobile and online channels to access financial products and services, such as mobile banking and online payment services. As the pandemic wanes, it will be important to carefully monitor whether the shift from in-person activity continues, stabilizes, or subsides.

Beyond impacts directly tied to the pandemic, the financial services marketplace continues to become more disaggregated, and consumers are bundling services and providers (bank and nonbank) in new and interesting ways. This disaggregation may provide greater choices for consumers but also may make it more difficult for consumers to clearly distinguish differences between bank and nonbank products and to understand the protections available, such as deposit insurance. The economic inclusion implications of disaggregation on different

Table ES.5 Methods Used to Pay Bills or Receive Income Among Underbanked and Fully Banked Households, 2021

Underbanked and Fully Banked Households, Row Percent

	Any Method	Bank Account	Bank Account Only	Nonbank Online Payment Service	Prepaid Card	Nonbank Money Order	Nonbank Check Cashing	Nonbank Money Transfer Service
Underbanked	98.5	96.1	38.1	18.8	6.5	40.4	9.9	6.2
<i>Underbanked, Nonbank Transactions Only</i>	98.7	96.5	33.9	16.8	5.1	47.5	10.5	6.5
<i>Underbanked, Nonbank Credit Only</i>	97.1	96.3	68.0	23.3	6.8	0.0	0.0	2.1
<i>Underbanked, Nonbank Transactions and Credit</i>	99.1	93.2	14.7	24.4	16.3	61.2	23.5	11.3
Fully Banked	97.6	97.3	81.6	14.0	1.9	0.0	0.0	0.7

segments of the population bear further research and highlight the need to learn more about how consumers are navigating the choices presented to them by the evolving marketplace.

1. Despite economic challenges posed by the pandemic, more consumers became banked and sustained their banking relationship through financial distress. The importance of quickly receiving government payments contributed to decisions by many unbanked consumers to open bank accounts. Focusing on opportunities to connect consumers to safe and affordable bank accounts when they are receiving income and other government payments continues to be a promising economic inclusion strategy. Enhancements to online account opening technology deployed during the pandemic and the increased availability of low-cost accounts in recent years also may facilitate these banking efforts. Disruptions in income had a smaller impact in exits from the banking system than previous survey results might suggest, and further research is needed to explore the reasons for this smaller than expected impact, including strategies banks used to assist low- and moderate-income (LMI) consumers navigate short-term financial shocks.
2. Household use of some nonbank financial services, such as check cashing and certain consumer credit products, has declined significantly over the past decade. A combination of factors may be driving these trends, including reduced demand from changing needs, increased participation in the banking system, or the increasing supply of other, new nonbank products and services, many of which can be found online or through mobile applications. Much remains to be learned about consumer choices and the factors that are motivating them. Additional research into these choices and motivations is vital to ensuring that economic inclusion efforts evolve to address consumers' changing needs and preferences.
3. While many banked households appear to use nonbank online payment services such as PayPal, Venmo, and Cash App to complement banking products, unbanked households may be using them as substitutes for banking or other financial services. These use cases have different economic inclusion implications but highlight that it is important for all consumers to understand limits and applicability of consumer protections, especially deposit insurance.

2. About the Survey

Background

Deposit accounts at federally insured depository institutions are covered by deposit insurance and other consumer protections. Ownership of an account at a federally insured depository institution provides households with a safe place to keep deposits and to save for emergency and long-term needs, and it facilitates households' financial transactions. Having a bank account and a banking relationship can also facilitate households' access to responsible, affordable credit, and such access can help households build their credit history.

Despite these benefits, some households—referred to in this report as “unbanked”—do not have an account at a federally insured depository institution. Other households—referred to in this report as “underbanked”—have an account and also use nonbank products or services that are disproportionately used by unbanked households to meet their transaction and credit needs. Households that go outside the banking system to meet their financial needs present banks with an opportunity to expand access to their products and services.

The FDIC is committed to expanding economic inclusion, which is integral to the FDIC's mission of maintaining the stability of and public confidence in the U.S. financial system. The *FDIC National Survey of Unbanked and Underbanked Households* is one contribution to this end. Conducted biennially and partly in response to a statutory mandate, the survey collects information on bank account ownership; use of prepaid cards and nonbank online payment services; use of nonbank money orders, check cashing, and money transfer services; and use of bank and nonbank credit.¹⁸

The FDIC conducts the household survey in partnership with the U.S. Census Bureau. Specifically, the FDIC sponsors a survey data collection that is a supplement to the Census Bureau's Current Population Survey (CPS).

The first survey was conducted in January 2009, and subsequent surveys were conducted in June 2011, June 2013, June 2015, June 2017, June 2019, and June 2021.¹⁹ Results from these surveys are available at fdic.gov/analysis/household-survey, which also provides the ability to query and download the data.

This report presents the results of the *2021 FDIC National Survey of Unbanked and Underbanked Households*. The survey collected responses from 30,434 households. Nonresponse to individual survey questions (i.e., item nonresponse) in the 2021 survey was addressed through imputation, consistent with the Census Bureau's treatment of missing values in the CPS. For a given question, item nonresponse occurred when a household refused to answer the question, responded “don't know,” or dropped out of the survey before the question was administered (i.e., the household broke off). Imputing missing values can help correct estimation bias due to item nonresponse. See Appendix 1 (FDIC Technical Notes) for additional details.

What's New

Where appropriate, this report discusses trends in survey results over time, primarily between 2017 and 2021. The 2019 estimates published in this report are identical to those published in the previous report. However, the 2017 estimates published in this report may differ from the 2017 estimates published in previous reports because this report addresses item nonresponse in the 2017 data through imputation, while previous reports addressed item nonresponse in the 2017 data in other ways; see Appendix 1 for details.

A number of changes were made to the 2021 survey instrument, details of which are provided in Appendix 2. The notable changes, summarized below, fall into five main areas.

¹⁸ Section 7 of the Federal Deposit Insurance Reform Conforming Amendments Act of 2005 (Pub. L. 109–173) calls for the FDIC to conduct ongoing surveys “on efforts by insured depository institutions to bring those individuals and families who have rarely, if ever, held a checking account, a savings account or other type of transaction or check cashing account at an insured depository institution [‘unbanked’] into the conventional finance system.” Section 7 further instructs the FDIC to consider several factors when conducting the surveys, including estimating the size and worth of the unbanked market in the United States and identifying the primary issues that prevent unbanked individuals from establishing conventional accounts.

¹⁹ The 2019 survey was named *FDIC Survey of Household Use of Banking and Financial Services*.

First, as in previous years, the 2021 survey asked unbanked households about their reasons for not having a bank account. For the 2021 survey, revisions were made to two of the response options. “Because bank hours are inconvenient” was removed as a response option, and “Because you cannot open an account due to personal identification, credit, or former bank account problems” was split into two response options: “Because you don’t have the personal identification required to open an account” and “Because you cannot open an account due to problems with past banking or credit history.”

Second, to explore possible effects of the COVID-19 pandemic on households with recent exits from or entrances into the banking system, the 2021 survey included new questions on whether households experienced economic changes since the start of the pandemic in March 2020 and whether those changes contributed to the closing or opening of households’ bank accounts. The following economic events were included in the survey: losing or quitting a job, being furloughed, or having reduced hours; having a significant loss of income; starting a new job; having a significant increase in income; and receiving a government benefit payment, for example, unemployment benefits or a pandemic stimulus payment.

Third, the 2021 survey included new questions on the use of nonbank money transfer services and nonbank online payment services, complementing existing questions on the use of prepaid cards, nonbank money orders, and nonbank check cashing.²⁰ Specifically, the 2021 survey asked all households whether, in the past 12 months, they used nonbank money transfer services from companies like Western Union, MoneyGram, Walmart Money Center, or Ria Money Transfer. Additionally, all households were asked whether they were using, at the time of the survey, nonbank online payment services “with an account feature that allows you to receive and store money in the account.” Examples of nonbank online payment services are PayPal, Venmo, and Cash App.²¹ Households that used nonbank online payment services were asked a follow-up question on whether their nonbank online payment service accounts were linked to other transaction and credit accounts, such as bank accounts, credit cards, and prepaid cards.

Fourth, the 2021 survey included new questions on the types of financial transactions that households conducted

over the past 12 months. Specifically, banked households were asked whether they used their bank accounts to pay monthly bills like rent, mortgage, utilities, or child care; receive money from work, retirement, or a government agency; build savings or keep money in a safe place; send money to or receive money from family or friends; make purchases in person; make purchases online; and for some other use. The same types of transactions were asked of households that used prepaid cards or nonbank online payment services. Households that used nonbank money orders were asked whether they used nonbank money orders to pay monthly bills like rent, mortgage, utilities, or child care; send money to family or friends; make purchases; and for some other use. Households that used nonbank check cashing were asked whether they cashed a check from work, retirement, or a government agency using nonbank check cashing. Households that used nonbank money transfer services were asked whether they used nonbank money transfer services to pay monthly bills like rent, mortgage, utilities, or child care; send money to or receive money from family or friends in the United States; send money to or receive money from family or friends outside the United States; and for some other use. The follow-up question on the use of nonbank money transfer services to pay monthly bills like rent, mortgage, utilities, or child care replaced a question on paying bills through a service like Western Union or MoneyGram in the past 12 months (i.e., use of nonbank bill payment services). The follow-up question on the use of nonbank money transfer services to send money to or receive money from family or friends outside the United States (i.e., send or receive nonbank international remittances) replaced a question on the use of a nonbank service to send money to family or friends outside the United States in the past 12 months (i.e., send nonbank international remittances).

Finally, the 2021 survey included new questions on household credit use. Complementing an existing question on whether households had a personal loan or line of credit from a bank in the past 12 months, the 2021 survey asked all households whether they had a personal loan or line of credit from a company other than a bank in the past 12 months. Households that had a personal loan or line of credit from a bank or from a company other than a bank were asked new, follow-up questions on whether their most recent loan was for \$1,000 or less or for more than \$1,000.

²⁰ In the 2021 survey, households were asked whether they were using prepaid cards at the time of the survey. In previous surveys, households were asked whether they used prepaid cards in the past 12 months.

²¹ The survey questions on nonbank online payment services instructed households not to consider Zelle, which is a service provided by banks.

3. Bank Account Ownership: Unbanked Households

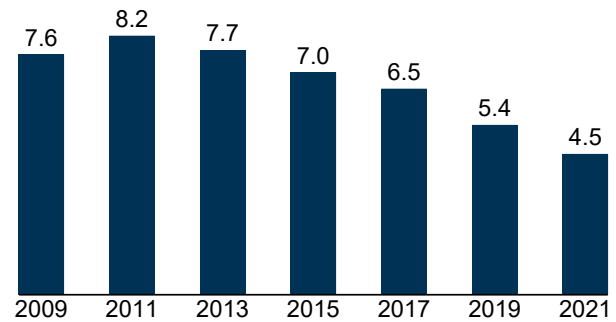
National Unbanked Rate

An estimated 4.5 percent of U.S. households were “unbanked” in 2021, meaning that no one in the household had a checking or savings account at a bank or credit union (i.e., bank). This proportion represents approximately 5.9 million U.S. households. Conversely, 95.5 percent of U.S. households were “banked” in 2021, meaning that at least one member of the household had a checking or savings account at a bank. This proportion represents approximately 126.6 million U.S. households.

The proportion of U.S. households that were unbanked (i.e., the unbanked rate) in 2021—4.5 percent—was the lowest since the survey began in 2009, as shown in Figure 3.1. Between 2019 and 2021, the unbanked rate fell 0.9 percentage points, corresponding to an increase of approximately 1.2 million banked households.²² About one-third of the decline in the unbanked rate between 2019 and 2021 was associated with changes in the socioeconomic circumstances of U.S. households over this period, particularly increases in income and educational attainment (see Table 3.6). Even after the changes in socioeconomic characteristics were accounted for, the remainder of the decline in the unbanked rate across years was statistically significant.²³

Between 2011—when the unbanked rate was at its highest level since the survey began—and 2021, the unbanked rate fell 3.7 percentage points, corresponding to an increase of approximately 5.0 million banked households. About half of the decline in the unbanked rate between 2011 and 2021 was associated with changes in the socioeconomic circumstances of U.S. households over this period.

Figure 3.1 National Estimates, Household Unbanked Rate, 2009–2021 (Percent)



Unbanked Rates by Household Characteristics

Consistent with the results of previous surveys, unbanked rates in 2021 varied considerably across the U.S. population. For example, as shown in Table 3.1, unbanked rates were higher among lower-income households, less-educated households, Black households, Hispanic households, and working-age households with a disability.²⁴

Unbanked rates in 2021 were lower than or similar to unbanked rates in recent years for most segments of the population, as illustrated in Table 3.1. For example, among households with less than \$15,000 in income, the unbanked rate in 2021 was 19.8 percent, down from 23.3 percent in 2019 and 25.7 percent in 2017. The unbanked rate also decreased for households with income between \$15,000 and \$30,000. Among working-age households with a disability, the unbanked rate declined from 18.1 percent in 2017 to 16.2 percent in 2019 and 14.8 percent in 2021.

²² All differences discussed in the text are statistically significant at the 10 percent level unless noted otherwise. In other words, there is a 10 percent or lower probability that an observed difference between two groups of households is due to random sampling.

²³ For example, as shown in Table 3.6, the proportion of households with income of \$75,000 or more increased from 37.9 percent in 2019 to 39.9 percent in 2021, and the proportion with less than \$15,000 in income decreased from 10.7 percent in 2019 to 9.5 percent in 2021. Because unbanked rates were lower among higher-income households as shown in Table 3.1, part of the decline in the overall unbanked rate between 2019 and 2021 was associated with the increase in household income over this period. More generally, a linear probability model was estimated to account for changes between 2019 and 2021 in the distribution of households across the household characteristics shown in Table 3.6. Taken together, changes between 2019 and 2021 in the socioeconomic characteristics of households—income, educational attainment, homeownership status, and employment status—were associated with about one-third of the difference in the unbanked rate over this period. Adding controls for the remaining demographic characteristics shown in Table 3.6 had little effect on the remainder of the difference in the unbanked rate.

²⁴ For person-level characteristics, such as race, age, and education, the characteristics of the householder (generally the person or one of the people in whose name the home is owned or rented) are used to represent the household. For convenience, abbreviated language is used in referring to certain household characteristics. For example, the term “Hispanic household” refers to a household for which the householder identifies as Hispanic or Latino regardless of race, and the term “Black household” refers to a household for which the householder identifies as Black or African American alone and not Hispanic or Latino. The term “working-age household with a disability” refers to a household for which the householder has a disability and is between the ages of 25 and 64. See Appendix 1 for additional details.

Table 3.1 Unbanked Rates by Selected Household Characteristics, 2017–2021

All Households, Row Percent

Characteristics	2017	2019	2021	Difference (2021–2019)
All	6.5	5.4	4.5	-0.9*
Family Income				
Less Than \$15,000	25.7	23.3	19.8	-3.5*
\$15,000 to \$30,000	12.3	10.4	9.2	-1.3*
\$30,000 to \$50,000	5.1	4.6	4.0	-0.6
\$50,000 to \$75,000	1.5	1.7	2.1	0.3
At Least \$75,000	0.6	0.6	0.6	0.0
Education				
No High School Diploma	22.4	21.4	19.2	-2.2
High School Diploma	9.4	8.1	6.8	-1.3*
Some College	5.1	4.3	3.3	-1.0*
College Degree	1.3	0.8	0.9	0.1
Age Group				
15 to 24 Years	10.0	8.8	5.8	-3.0*
25 to 34 Years	8.5	6.9	5.1	-1.8*
35 to 44 Years	7.8	6.3	5.1	-1.1*
45 to 54 Years	6.9	5.1	5.2	0.1
55 to 64 Years	5.9	5.5	4.8	-0.7
65 Years or More	3.9	3.3	2.7	-0.6*
Race/Ethnicity				
Black	16.8	13.8	11.3	-2.5*
Hispanic	14.4	12.2	9.3	-2.9*
Asian	2.6	1.7	2.9	1.3*
American Indian or Alaska Native	18.0	16.3	6.9	-9.4*
Native Hawaiian or Other Pacific Islander	2.8	NA	NA	NA
White	3.0	2.5	2.1	-0.4*
Two or More Races	8.5	4.9	5.0	0.1
Disability Status				
Disabled, Aged 25 to 64	18.1	16.2	14.8	-1.4
Not Disabled, Aged 25 to 64	5.7	4.5	3.7	-0.8*

Note: Asterisk indicates differences that are statistically significant at the 10 percent level. NA indicates that the sample size is too small to produce a precise estimate. See Appendix Table A.2 for estimates by other household characteristics and for selected confidence intervals.

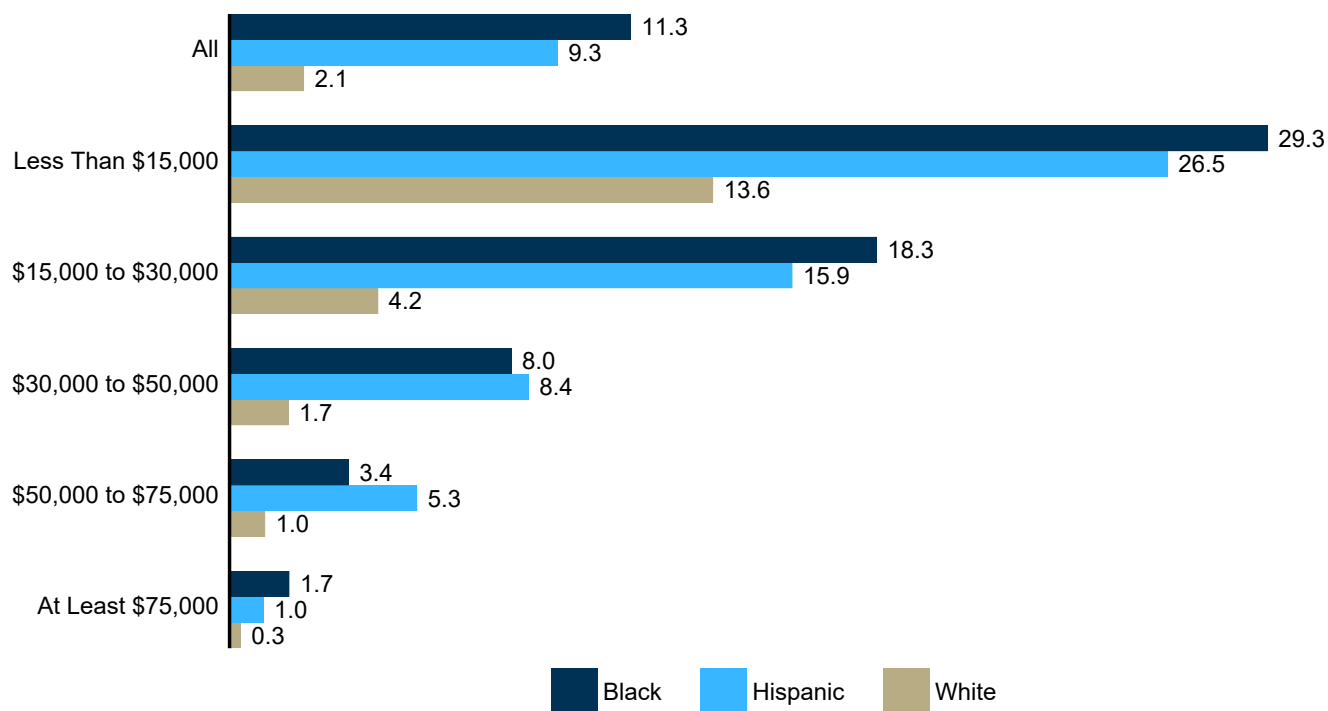
Recent declines in unbanked rates have been particularly sharp for Black, Hispanic, and American Indian or Alaska Native households. Specifically, 11.3 percent of Black households were unbanked in 2021, down from 13.8 percent in 2019 and 16.8 percent in 2017. Among Hispanic households, 9.3 percent were unbanked in 2021, down from 12.2 percent in 2019 and 14.4 percent in 2017. Among American Indian or Alaska Native households, 6.9 percent were unbanked in 2021, down from 16.3 percent in 2019 and 18.0 percent in 2017.²⁵

Despite the improvements in unbanked rates for Black and Hispanic households, unbanked rates in 2021 for these households remained substantially above the unbanked rate for White households (2.1 percent). Likewise, households with less than \$15,000 in income and households

with income between \$15,000 and \$30,000 continued to have much higher unbanked rates in 2021 than households with greater incomes, and working-age households with a disability continued to have a much higher unbanked rate in 2021 than working-age households without a disability (3.7 percent).²⁶

Differences in unbanked rates between Black and White households and between Hispanic and White households in 2021 were present at every income level, as shown in Figure 3.2. For example, among households with income between \$30,000 and \$50,000, 8.0 percent of Black households and 8.4 percent of Hispanic households were unbanked, compared with 1.7 percent of White households.

Figure 3.2 Unbanked Rates by Income Level and Race and Ethnicity, 2021 (Percent)



²⁵ About 25 percent of the decline in the unbanked rate for Black households, approximately 40 percent of the decline in the unbanked rate for Hispanic households, and roughly 25 percent of the decline in the unbanked rate for American Indian or Alaska Native households between 2017 and 2021 were associated with changes in income and other household characteristics shown in Table 3.6. Even after these changes were accounted for, the remainder of the declines in unbanked rates for Black, Hispanic, and American Indian or Alaska Native households across years were statistically significant.

²⁶ While Black and Hispanic households comprised 27.4 percent of the overall household population in 2021 as shown in Table 3.6, they made up 62.8 percent of the unbanked. Households with less than \$30,000 in income comprised 23.0 percent of the overall household population but 69.7 percent of the unbanked. Working-age households with a disability comprised 8.2 percent of the overall household population but 27.3 percent of the unbanked.

Unbanked Rates Among Single-Mother Households

The U.S. Census Bureau classifies households into different household types. For example, unmarried female-householder family households have a female householder who is unmarried and resides with one or more non-spouse relatives of any age.²⁷ In 2021, 9.2 percent of unmarried female-householder family households were unbanked, much higher than the unbanked rate among married couple households (1.8 percent).

Unmarried female-householder family households are composed of varying numbers of individuals of all ages. Within this classification, households that consisted of one adult and one or more children (i.e., single-mother households) had an unbanked rate of 15.9 percent in 2021.²⁸

Table 3.2 shows variation in unbanked rates by household characteristics among single-mother households. For example, 21.4 percent of Black single-mother households and 21.1 percent of Hispanic single-mother households were unbanked in 2021, compared with 8.0 percent of White single-mother households.

Table 3.2 Unbanked Rates Among Single-Mother Households by Selected Household Characteristics, 2021
Single-Mother Households, Row Percent

Characteristics	Unbanked
All	15.9
Family Income	
Less Than \$15,000	35.4
\$15,000 to \$30,000	16.4
\$30,000 to \$50,000	5.8
\$50,000 to \$75,000	4.8
At Least \$75,000	2.7
Education	
High School Diploma or Less+	29.6
Some College	10.3
College Degree	2.1
Age Group	
15 to 34 Years+	21.2
35 to 44 Years	12.8
45 Years or More+	11.1
Race/Ethnicity	
Black	21.4
Hispanic	21.1
White	8.0
Disability Status	
Disabled, Aged 25 to 64	22.7
Not Disabled, Aged 25 to 64	13.1

Note: The plus symbol indicates instances in which categorical groups typically used in this report have been combined to increase the sample size.

Unbanked Rates by Geography

The unbanked rate in 2021 was 4.1 percent in the Northeast, 4.2 percent in the Midwest, 4.9 percent in the South, and 4.2 percent in the West. The differences in unbanked rates between the South and the other regions have narrowed substantially. In 2017, the unbanked rate in the South (7.7 percent) was 1.9 percentage points higher than the combined unbanked rate of the other three regions (5.8 percent). In 2021, the unbanked rate in the South (4.9 percent) was 0.7 percentage points higher than the combined unbanked rate of the other three regions (4.2 percent)—less than half the gap in unbanked rates from 2017. (See Appendix Table A.2 for unbanked rates by region and for selected confidence intervals.)

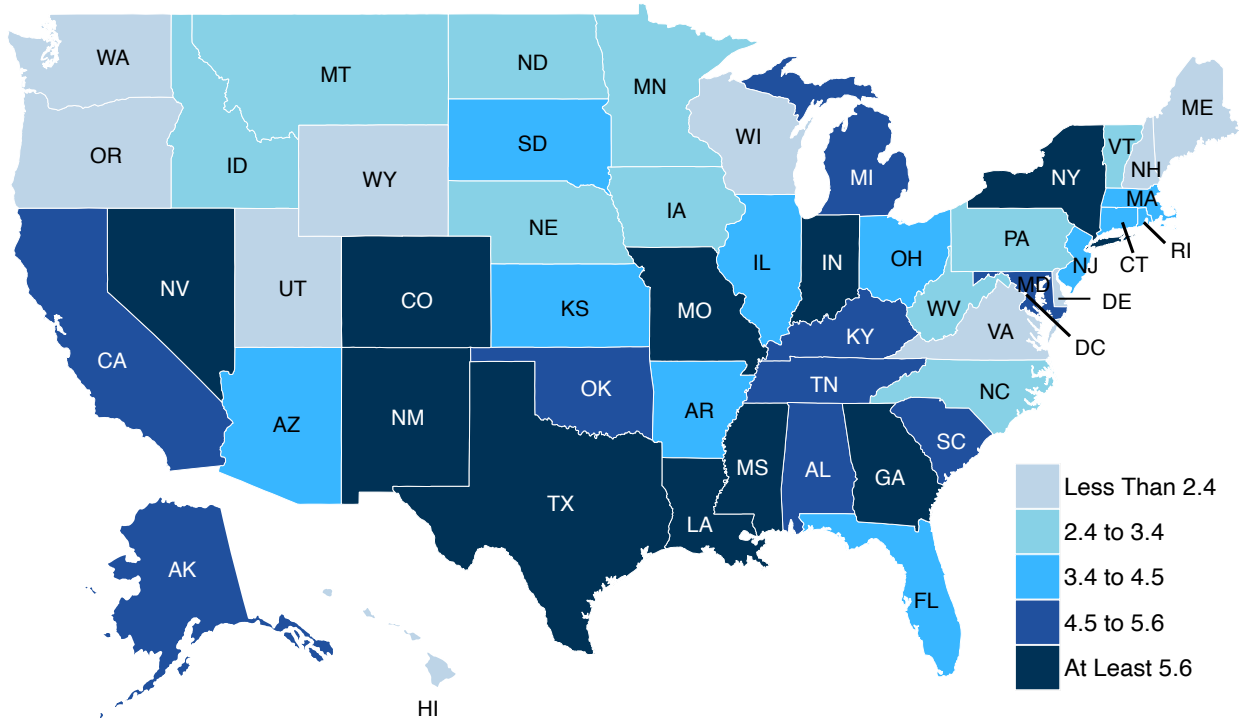
Unbanked rates in 2021 varied widely across states, as illustrated in Figure 3.3. Unbanked rates ranged from 1.2 percent (Utah) to 11.1 percent (Mississippi). Some states saw large decreases in unbanked rates in recent years. For example, the unbanked rate in Texas was 5.6 percent in 2021, down from 7.7 percent in 2019 and 9.5 percent in 2017, and the unbanked rate in West Virginia was 3.0 percent in 2021, down from 4.7 percent in 2019 and 7.8 percent in 2017. (See Appendix Tables A.3 and A.4 for detailed estimates of unbanked rates by state and metropolitan statistical area [MSA] and for selected confidence intervals.)²⁹

²⁷ The householder is generally the person or one of the people in whose name the home is owned or rented. In an unmarried female-householder family household, the householder is widowed, divorced, never married, or married but the spouse is absent (including separated). In addition to the householder, one or more non-spouse relatives of any age, such as a householder's own child, sibling, parent, or grandchild, must reside in the household. One or more nonrelatives of the householder of any age, such as an unmarried partner, foster child, or roommate, may also reside in the household. Detailed definitions regarding household types can be found in the technical documentation on the U.S. Census Bureau's Current Population Survey website at [census.gov/programs-surveys/cps/technical-documentation/subject-definitions.html](https://www.census.gov/programs-surveys/cps/technical-documentation/subject-definitions.html).

²⁸ For the purposes of this analysis, "children" are individuals aged 17 or younger that reside in the household (i.e., including a householder's own children), and "adults" are individuals aged 18 or older that reside in the household. In 2021, 7.4 percent of unmarried male-householder family households—households with a male householder who is unmarried and resides with one or more non-spouse relatives of any age—were unbanked. Within this classification, households that consisted of one adult and one or more children (i.e., single-father households) had an unbanked rate of 10.7 percent in 2021.

²⁹ See household-survey.fdic.gov/five-year for five-year estimates of unbanked rates at the state and MSA levels and for confidence intervals.

Figure 3.3 Unbanked Rates by State, 2021 (Percent)



Previous and Recent Bank Account Ownership

As discussed in previous reports, bank account ownership is not static. Table 3.3 shows that among unbanked households in 2021, roughly half (48.8 percent) had had a bank account at some point in the past (i.e., had previously been banked), similar to previous years.³⁰

As further evidence of the dynamic nature of bank account ownership, Table 3.4 segments unbanked households by whether they had a bank account in the past 12 months. Among unbanked households in 2021, 10.7 percent had a bank account at some point in the past 12 months (i.e., were recently unbanked), and 89.3 percent did not have an account at any point in the past 12 months (i.e., were longer-term unbanked). These percentages are similar to those from previous years.

The information in Tables 3.3 and 3.4 together reveals that among unbanked households in 2021, 10.7 percent last had a bank account in the past 12 months, 38.1 percent last had an account more than 12 months ago, and 51.2 percent never had an account.

Table 3.3 Previous Bank Account Ownership, 2017–2021
Unbanked Households, Row Percent

Year	Previously Banked	Never Banked
2017	46.8	53.2
2019	50.4	49.6
2021	48.8	51.2

Table 3.4 Recent Bank Account Ownership, 2017–2021
Unbanked Households, Row Percent

Year	Recently Unbanked	Longer-Term Unbanked
2017	9.7	90.3
2019	10.4	89.6
2021	10.7	89.3

Note: Recently unbanked households last had a bank account in the past 12 months. Longer-term unbanked households either last had an account more than 12 months ago or never had an account.

³⁰ The 2017 estimates published in this report may differ from the 2017 estimates published in previous reports because this report addresses item nonresponse in the 2017 data through imputation, while previous reports addressed item nonresponse in the 2017 data in other ways; see Appendix 1 for details.

Interest in Having a Bank Account

As in the 2019 survey, the 2021 survey asked unbanked households how interested they were in having a bank account: very interested, somewhat interested, not very interested, or not at all interested. Table 3.5 shows that, in 2021, about half of unbanked households (53.6 percent) were not at all interested in having a bank account, while 27.3 percent were very or somewhat interested. These estimates are similar to those from 2019.

Interest in having a bank account was higher among certain segments of the unbanked population. For example, as displayed in Figure 3.4, 32.3 percent of unbanked households that had previously been banked were very or somewhat interested in having an account in 2021, compared with 22.5 percent of unbanked households that had never been banked.

Among unbanked households that had previously been banked, interest in having a bank account was higher among households with more recent account ownership. Specifically, among unbanked households that last had an account in the past 12 months, 51.7 percent were very or somewhat interested in having an account in 2021, higher

Table 3.5 Unbanked Households’ Interest in Having a Bank Account, 2019–2021

Unbanked Households, Row Percent

Year	Very Interested	Somewhat Interested	Not Very Interested	Not at All Interested
2019	7.8	17.0	18.9	56.2
2021	10.7	16.5	19.1	53.6

than the proportion among unbanked households that last had an account more than 12 months ago (26.9 percent).

Interest in having a bank account was also higher among Black unbanked households (32.0 percent were very or somewhat interested in having an account in 2021) than among White unbanked households (20.2 percent were very or somewhat interested in having an account). (See Appendix Table A.5 for detailed estimates of interest in having a bank account by household characteristics.)

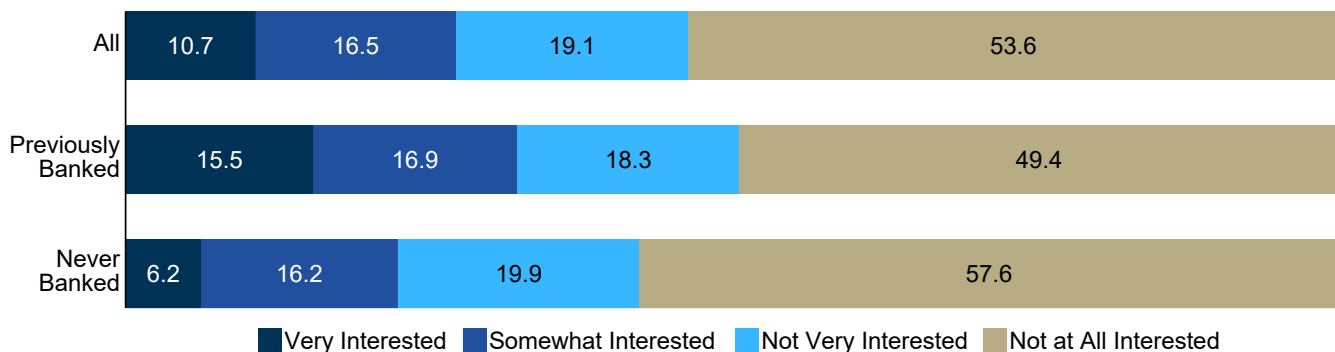
Reasons for Not Having a Bank Account

As in previous years, the 2021 survey asked unbanked households about their reasons for not having a bank account.³¹

As illustrated in Figure 3.5, 40.1 percent of unbanked households in 2021 cited “Don’t have enough money to meet minimum balance requirements” as a reason for not having an account—the most cited reason. This reason was also the most cited *main* reason for not having an account in 2021 (21.7 percent). The share of unbanked households that cited “Don’t have enough money to meet minimum balance requirements” as a reason for not having an account decreased between 2019 (48.9 percent) and 2021. The proportion of unbanked households that cited this reason as the main reason for not having an account also decreased between 2019 (29.0 percent) and 2021.

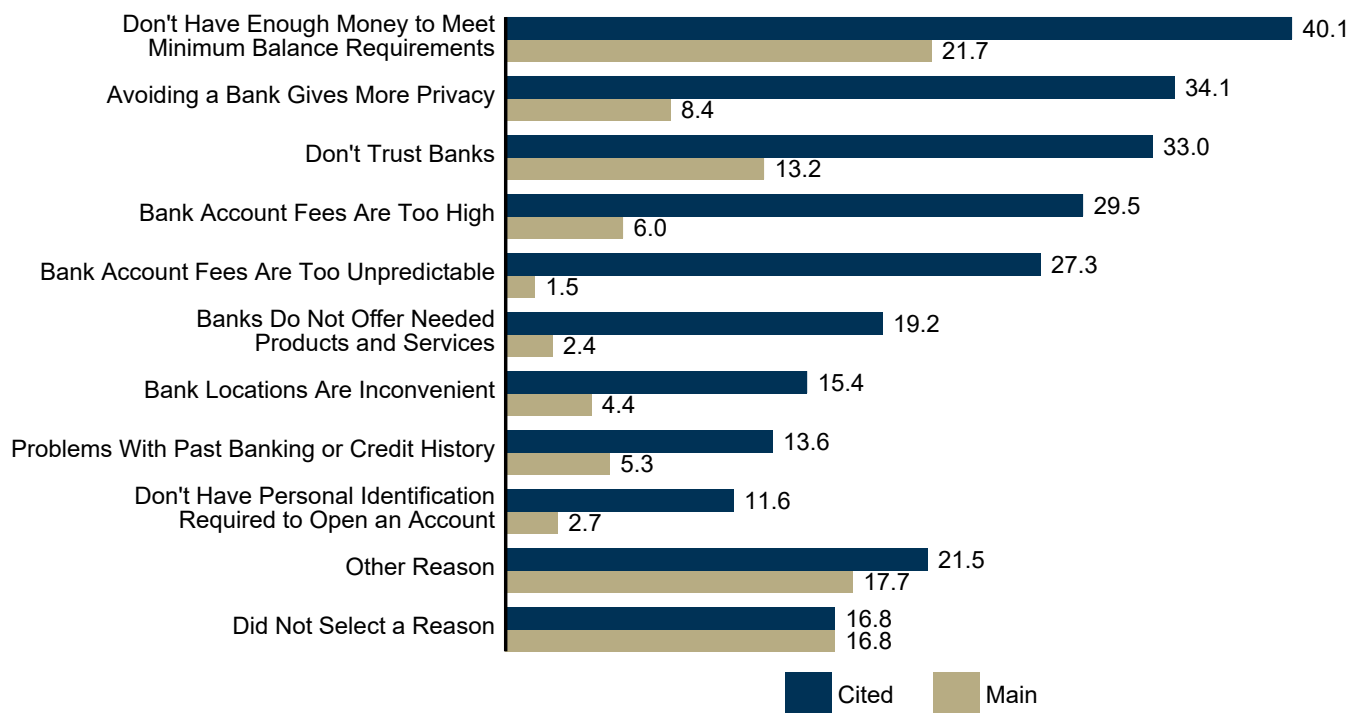
Other commonly cited reasons for not having a bank account, each cited by approximately three in ten unbanked households in 2021, were “Avoiding a bank gives more privacy,” “Don’t trust banks,” “Bank account fees are too

Figure 3.4 Unbanked Households’ Interest in Having a Bank Account by Previous Bank Account Ownership, 2021 (Percent)



³¹ For the 2021 survey, revisions were made to two of the response options. “Because bank hours are inconvenient” was removed as a response option, and “Because you cannot open an account due to personal identification, credit, or former bank account problems” was split into two response options: “Because you don’t have the personal identification required to open an account” and “Because you cannot open an account due to problems with past banking or credit history.”

Figure 3.5 Unbanked Households’ Reasons for Not Having a Bank Account, 2021 (Percent)



high,” and “Bank account fees are too unpredictable.” Among these reasons, “Don’t trust banks” and “Avoiding a bank gives more privacy” were cited as main reasons most often in 2021 (13.2 percent and 8.4 percent, respectively—the second- and third-most cited main reasons overall).

Almost three in ten unbanked households in 2021 (29.2 percent) cited a reason related to fees or a minimum balance—“Bank account fees are too high,” “Bank account fees are too unpredictable,” or “Don’t have enough money to meet minimum balance requirements”—as the main reason for not having an account, down from 38.0 percent in 2019.

Reasons for not having an account were generally similar across unbanked households in 2021, regardless of whether they had previously been banked or were interested in having an account. A few exceptions are worth noting.

A higher proportion of unbanked households that had previously been banked cited “Problems with past banking

or credit history” (17.6 percent), compared with unbanked households that had never been banked (9.8 percent).

A higher proportion of unbanked households that were very or somewhat interested in having an account cited “Problems with past banking or credit history” (17.0 percent), compared with unbanked households that were not very or not at all interested in having an account (12.3 percent). In contrast, a smaller proportion of unbanked households that were very or somewhat interested in having an account cited “Don’t trust banks” (21.2 percent), compared with unbanked households that were not very or not at all interested in having an account (37.4 percent). Similarly, a smaller proportion of unbanked households that were very or somewhat interested in having an account cited “Avoiding a bank gives more privacy” (29.0 percent), compared with unbanked households that were not very or not at all interested in having an account (36.0 percent). (See Appendix Tables A.6–A.9 for cited and main reasons for not having an account by previous bank account ownership and interest in having an account.)

Table 3.6 Distributions of Household Characteristics, 2017–2021

All Households, Column Percent

Characteristics	2017	2019	2021
Family Income			
Less Than \$15,000	12.4	10.7	9.5
\$15,000 to \$30,000	15.3	14.4	13.5
\$30,000 to \$50,000	19.8	18.8	18.6
\$50,000 to \$75,000	18.4	18.2	18.5
At Least \$75,000	34.1	37.9	39.9
Education			
No High School Diploma	9.6	8.7	7.9
High School Diploma	25.8	24.9	24.3
Some College	28.9	28.3	27.8
College Degree	35.7	38.1	39.9
Age Group			
15 to 24 Years	5.1	4.8	4.4
25 to 34 Years	16.2	16.3	16.2
35 to 44 Years	16.7	17.0	17.1
45 to 54 Years	18.0	17.0	16.8
55 to 64 Years	18.9	18.6	18.6
65 Years or More	25.0	26.2	26.9
Race/Ethnicity			
Black	12.8	12.7	12.8
Hispanic	13.8	14.0	14.6
Asian	5.0	5.3	5.3
American Indian or Alaska Native	0.8	0.7	0.7
Native Hawaiian or Other Pacific Islander	0.3	0.2	0.3
White	66.2	65.6	64.9
Two or More Races	1.2	1.3	1.4
Disability Status			
Disabled, Aged 25 to 64	8.7	8.1	8.2
Not Disabled, Aged 25 to 64	61.1	60.9	60.5
Not Applicable (Not Aged 25 to 64)	30.2	31.0	31.3

Characteristics	2017	2019	2021
Employment Status			
Employed	61.4	62.1	60.5
Unemployed	2.7	2.2	3.7
Not in Labor Force	35.9	35.7	35.8
Homeownership			
Homeowner	63.6	64.5	65.0
Non-Homeowner	36.4	35.5	35.0
Household Type			
Married Couple	47.3	46.5	46.0
Unmarried Female-Householder Family	11.7	11.6	11.9
Unmarried Male-Householder Family	5.1	5.0	5.3
Female-Householder Nonfamily	18.8	19.0	19.1
Male-Householder Nonfamily	16.8	17.7	17.5
Other	0.3	0.2	0.1
Citizenship and Place of Birth			
U.S.-Born	85.3	85.1	85.2
Foreign-Born Citizen	7.8	8.6	8.6
Foreign-Born Noncitizen	6.9	6.3	6.2
Metropolitan and Nonmetropolitan Status			
Metropolitan Area	85.7	86.2	85.9
Not in Metropolitan Area	13.4	13.0	13.3
Not Identified	0.9	0.8	0.8
Geographic Region			
Northeast	17.6	17.2	17.0
Midwest	21.4	21.6	21.3
South	38.2	38.3	38.8
West	22.8	22.9	23.0

4. COVID-19 Pandemic and Transitions in Bank Account Ownership

The survey took place in June 2021, 15 months after the COVID-19 pandemic began. New questions asked households whether they experienced economic changes since the start of the pandemic in March 2020 and whether those changes contributed to the closing or opening of households' bank accounts.³²

Transitions in Bank Account Ownership

Table 4.1 classifies households into one of four categories based on whether the household experienced a recent change to its bank account ownership. In 2021, 4.0 percent of all households were longer-term unbanked, 0.5 percent were recently unbanked, 4.2 percent were recently banked, and 91.4 percent were longer-term banked.

As discussed in section 3, longer-term unbanked households did not have a bank account at the time of the survey (in June 2021) or at any point in the 12 months before (between June 2020 and June 2021), while recently unbanked households did not have a bank account at the time of the survey but did at some point in the 12 months before.³³ Recently banked households had a bank account at the time of the survey but did not at some point in the 15 months before (between March 2020 and June 2021), while longer-term banked households had a bank account at the time of the survey and continually during the 15 months before.³⁴

Table 4.1 Transitions in Bank Account Ownership, 2021

All Households, Row Percent

	Longer-Term Unbanked	Recently Unbanked	Recently Banked	Longer-Term Banked
Category as Share of All Households	4.0	0.5	4.2	91.4

Table 4.2 shows distributions of household characteristics in 2021 among all households and among the longer-term unbanked, recently unbanked, recently banked, and longer-term banked. Certain household characteristics were disproportionately represented among the recently unbanked. For example, while Black households comprised 12.8 percent of the overall household population, they made up 41.1 percent of the recently unbanked. In addition, unemployed households comprised 3.7 percent of the overall household population but more than one in ten (11.5 percent) of the recently unbanked. Similarly, certain household characteristics were disproportionately represented among the recently banked. For example, while Hispanic households comprised 14.6 percent of the overall household population, they made up 23.1 percent of the recently banked.

Incidence of Economic Events

All households were asked about certain negative economic events that may have occurred since March 2020, including (a) losing or quitting a job, being furloughed, or having reduced hours and (b) having a significant loss of income. In addition, all households were asked about certain positive economic events that may have occurred since March 2020, including (a) starting a new job, (b) having a significant increase in income, and (c) receiving a government benefit payment, for example, unemployment benefits or a pandemic stimulus payment.

As displayed in Table 4.3, 28.7 percent of all households reported that someone in the household lost or quit a job, was furloughed, or had reduced hours, and 22.9 percent of all households had a significant loss of income. Across the four bank account ownership transition categories, these negative economic events were most common among recently unbanked households, with 42.4 percent of recently unbanked households' having reported that someone in the household lost or quit a job, was furloughed,

³² For bank account closures, households might have closed their own accounts, or banks might have closed the accounts.

³³ The estimates of the shares of households in 2021 that were longer-term unbanked or recently unbanked in Table 4.1 differ from those in Table 3.4 because Table 4.1 presents estimates as shares of all households, while Table 3.4 presents estimates as shares of unbanked households only.

³⁴ As shares of all banked households in 2021, 4.3 percent were recently banked and 95.7 percent were longer-term banked. The 2013 survey included similar questions on transitions in bank account ownership and circumstances affecting those transitions. Households were asked about economic events, such as a new job, a job loss, retirement, and a significant increase in income, and about changes in household structure, such as divorce, marriage, birth, and a move or relocation. Households with recent exits from or entrances into the banking system were asked whether these events contributed to the closing or opening of households' bank accounts. See Federal Deposit Insurance Corporation, *2013 FDIC National Survey of Unbanked and Underbanked Households*, October 2014, www.fdic.gov/analysis/household-survey/2013/2013report.pdf. Because of differences in the specific events included in the 2013 and 2021 surveys and differences in the reference timeframe for having experienced an event and for having opened a bank account (the past 12 months versus the past 15 months), findings are not comparable across the two surveys. See Appendix 2 for details.

Table 4.2 Distributions of Selected Household Characteristics by Transitions in Bank Account Ownership, 2021

All Households, Column Percent

Characteristics	All	Longer-Term Unbanked	Recently Unbanked	Recently Banked	Longer-Term Banked
Family Income					
Less Than \$15,000	9.5	44.1	24.1	13.5	7.7
\$15,000 to \$30,000	13.5	28.0	25.6	16.9	12.7
\$30,000 to \$50,000	18.6	15.0	29.6	19.8	18.6
\$50,000 to \$75,000	18.5	7.7	15.7	16.6	19.1
At Least \$75,000	39.9	5.2	5.0	33.2	41.9
Education					
No High School Diploma	7.9	35.4	23.3	13.1	6.4
High School Diploma	24.3	37.8	31.6	27.7	23.5
Some College	27.8	18.7	33.6	26.9	28.2
College Degree	39.9	8.1	11.5	32.2	41.8
Age Group					
15 to 24 Years	4.4	4.7	15.5	6.3	4.3
25 to 34 Years	16.2	19.1	13.6	16.0	16.1
35 to 44 Years	17.1	20.6	11.9	18.1	16.9
45 to 54 Years	16.8	19.4	23.3	18.0	16.6
55 to 64 Years	18.6	20.4	15.1	18.1	18.5
65 Years or More	26.9	15.9	20.6	23.5	27.5
Race/Ethnicity					
Black	12.8	31.4	41.1	14.9	11.7
Hispanic	14.6	31.1	23.9	23.1	13.5
Asian	5.3	3.5	3.3	5.0	5.4
American Indian or Alaska Native	0.7	1.1	1.4	1.1	0.7
Native Hawaiian or Other Pacific Islander	0.3	0.2	2.3	-	0.3
White	64.9	31.0	27.2	54.1	67.1
Two or More Races	1.4	1.7	0.7	1.8	1.4
Disability Status					
Disabled, Aged 25 to 64	8.2	28.8	14.6	9.4	7.2
Not Disabled, Aged 25 to 64	60.5	50.6	49.3	60.7	60.9
Not Applicable (Not Aged 25 to 64)	31.3	20.5	36.1	29.8	31.8
Employment Status					
Employed	60.5	35.0	39.2	60.1	61.7
Unemployed	3.7	9.6	11.5	4.9	3.3
Not in Labor Force	35.8	55.4	49.3	35.0	34.9

Note: The dash symbol indicates an estimate of zero; the population proportion may be slightly greater than zero. See Appendix Table B.1 for distributions of other household characteristics.

Table 4.3 Incidence of Economic Events by Transitions in Bank Account Ownership, 2021

All Households, Column Percent

Economic Events	All	Longer-Term Unbanked	Recently Unbanked	Recently Banked	Longer-Term Banked
Lost or Quit Job, Furloughed, or Reduced Hours	28.7	30.5	42.4	30.8	28.5
Had Significant Loss of Income	22.9	30.8	40.2	28.4	22.2
Started New Job	15.4	10.7	17.4	19.0	15.4
Had Significant Increase in Income	8.4	4.0	6.1	9.1	8.6
Received Government Benefit Payment	81.5	64.3	76.9	77.9	82.4

Table 4.4 Contribution of Economic Events to Bank Account Closing and Opening, 2021

All Households, Column Percent

Economic Events	Recently Unbanked		Recently Banked	
	Event Occurred	Event Occurred and Contributed to Account Closing	Event Occurred	Event Occurred and Contributed to Account Opening
Lost or Quit Job, Furloughed, or Reduced Hours	42.4	14.0	30.8	
Had Significant Loss of Income	40.2	11.0	28.4	
Started New Job	17.4		19.0	6.3
Had Significant Increase in Income	6.1		9.1	0.9
Received Government Benefit Payment	76.9		77.9	34.9

Note: Recently unbanked households that experienced one or more of the positive economic events were not asked whether those events contributed to account closing. Recently banked households that experienced one or more of the negative economic events were not asked whether those events contributed to account opening.

or had reduced hours and 40.2 percent of recently unbanked households' having had a significant loss of income.

For the positive economic events, 15.4 percent of all households reported that someone in the household started a new job, 8.4 percent of all households had a significant increase in income, and 81.5 percent of all households received a government benefit payment. The incidence of starting a new job was higher among recently banked households (19.0 percent) than among longer-term banked households (15.4 percent). The proportion of households that had a significant increase in income was similar among the recently banked (9.1 percent) and the longer-term banked (8.6 percent). A slightly smaller proportion of recently banked households received a government benefit payment (77.9 percent), compared with longer-term banked households (82.4 percent). Across the four bank account ownership transition categories, the incidence of receiving a government benefit payment was lowest among longer-term unbanked households (64.3 percent).

Contribution of Economic Events to Bank Account Closing and Opening

To explore possible effects of the COVID-19 pandemic on households with recent exits from or entrances into the banking system, the survey asked recently unbanked households that experienced one or more of the negative economic events whether those events contributed to the closing of households' bank accounts since March 2020. Likewise, the survey asked recently banked households that experienced one or more of the positive economic events whether those events contributed to the opening of households' bank accounts since March 2020.

As shown in Table 4.4, 14.0 percent of recently unbanked households reported that losing or quitting a job, being furloughed, or having reduced hours contributed to closing a bank account since March 2020. Moreover, 11.0 percent of recently unbanked households reported that having a significant loss of income contributed to closing an account since March 2020.³⁵ About one in five recently unbanked households (21.1 percent) reported that at least one of these negative economic events contributed to closing an account since March 2020.

³⁵ For recently unbanked households that lost or quit a job, were furloughed, or had reduced hours (or that had a significant loss of income), the sample size was too small to produce an estimate of the likelihood that this event contributed to account closing, as a share of households that experienced the event.

About one-third of recently banked households (34.9 percent) reported that receiving a government benefit payment contributed to opening a bank account since March 2020. In other words, among the 77.9 percent of recently banked households that received a government benefit payment, almost half (44.8 percent)—representing approximately 1.9 million households—said that the payment contributed to opening an account.

In addition, 6.3 percent of recently banked households reported that starting a new job contributed to opening a bank account since March 2020. That is, among the 19.0 percent of recently banked households that reported starting a new job, one-third (33.1 percent) indicated that the change in employment contributed to opening an account.

5. Bank Account Ownership: Banked Households

Primary Method Used to Access Bank Accounts

Knowing how households access their bank accounts can help inform discussions about how best to serve different groups of consumers. As in previous years, the 2021 survey asked banked households about the primary (i.e., most common) method they used to access their bank accounts in the past 12 months: visiting a bank teller; using an ATM or bank kiosk; calling the bank (i.e., telephone banking); using a computer or tablet (i.e., online banking); using an app, text messaging, or internet browser on a mobile phone (i.e., mobile banking); or using some other method (i.e., other).³⁶

As shown in Table 5.1, use of mobile banking increased sharply between 2017 and 2021 (from 15.1 percent in 2017 and 34.0 percent in 2019 to 43.5 percent in 2021) and remained the most prevalent primary method of account access. Use of online banking was similar in 2019 (22.8 percent) and 2021 (22.0 percent) after having decreased substantially from 2017 (37.0 percent). Online banking continued to be the second-most prevalent primary method of account access.

Use of a bank teller declined considerably (from 24.8 percent in 2017 and 21.0 percent in 2019 to 14.9 percent in 2021), and use of an ATM or bank kiosk decreased modestly (from 19.5 percent in 2017 and 2019 to 16.0 percent in 2021).³⁷ About one in three banked households in 2021 (31.0 percent) used a physical channel—a bank teller or an ATM or bank kiosk—as the primary method of account access, down from 40.5 percent in 2019 and 44.3 percent in 2017.

The changes in account access between 2017 and 2021 occurred broadly across different segments of the population. These trends are consistent with households’ switching from bank tellers, ATMs or bank kiosks, and online banking to mobile banking as the primary method of account access.

While use of bank tellers as the primary method of account access declined across the board, this method remained prevalent among certain segments of the population, including lower-income households, less-educated households, older households, and households that did not live in a metropolitan area (see Table 5.2). For example, 33.4 percent of households without a high school diploma and 30.5 percent of households aged 65 or older used bank tellers as their primary method of account access in 2021. Use of bank tellers continued to be the most prevalent primary method of account access among households without a high school diploma and among households aged 65 or older.

Many segments of the population with lower use of mobile banking, such as older households and households that did not live in a metropolitan area, exhibited large increases between 2019 and 2021 in use of mobile banking as the primary method of account access. Among households aged 65 or older, 15.3 percent used mobile banking as the primary method in 2021, almost double the percentage in 2019 (8.3 percent). Among households that did not live in a metropolitan area, 35.3 percent used mobile banking as the primary method in 2021, up from 24.3 percent in 2019, and mobile banking has overtaken bank tellers as the most prevalent primary method of account access.

Table 5.1 Primary Method of Bank Account Access, 2017–2021

Banked Households That Accessed Their Account in the Past 12 Months, Row Percent

Year	Bank Teller	ATM/Kiosk	Telephone Banking	Online Banking	Mobile Banking	Other	Bank Teller or ATM/Kiosk
2017	24.8	19.5	2.9	37.0	15.1	0.7	44.3
2019	21.0	19.5	2.4	22.8	34.0	0.3	40.5
2021	14.9	16.0	2.9	22.0	43.5	0.7	31.0

³⁶ The primary method of account access does not necessarily reflect how often a household uses that method. For example, a household that uses online banking as its primary method of account access may use online banking once a month (if it does not need to access its account very often) or may use online banking each day.

³⁷ While the 2021 survey did not include questions on the impact of the COVID-19 pandemic on the methods that banked households used to access their accounts, the decline in the use of a bank teller and the increase in the use of mobile banking between 2019 and 2021 are consistent with difficulties that households may have experienced in visiting a bank branch since the onset of the COVID-19 pandemic. For example, the social distancing guidelines instituted in response to the pandemic may have made bank branch visits more challenging.

Table 5.2 Bank Teller, Online Banking, and Mobile Banking as Primary Method of Bank Account Access by Selected Household Characteristics, 2019–2021

Banked Households That Accessed Their Account in the Past 12 Months, Row Percent

Characteristics	Bank Teller			Online Banking			Mobile Banking		
	2019	2021	Difference (2021–2019)	2019	2021	Difference (2021–2019)	2019	2021	Difference (2021–2019)
All	21.0	14.9	-6.0*	22.8	22.0	-0.8*	34.0	43.5	9.5*
Family Income									
Less Than \$15,000	35.9	24.9	-10.9*	9.9	9.9	0.0	23.5	33.9	10.4*
\$15,000 to \$30,000	31.7	24.8	-6.9*	12.7	13.0	0.4	25.9	33.4	7.5*
\$30,000 to \$50,000	24.7	19.5	-5.2*	17.1	17.4	0.3	33.2	39.4	6.2*
\$50,000 to \$75,000	20.3	14.5	-5.8*	21.2	20.3	-0.9	35.9	44.9	9.1*
At Least \$75,000	13.1	8.3	-4.8*	32.1	29.7	-2.5*	38.1	49.3	11.2*
Education									
No High School Diploma	39.6	33.4	-6.2*	5.8	6.5	0.8	19.2	24.3	5.1*
High School Diploma	30.3	22.0	-8.3*	14.6	13.6	-1.0	27.3	38.0	10.7*
Some College	20.3	14.5	-5.9*	20.6	19.8	-0.7	36.5	45.6	9.2*
College Degree	12.9	8.4	-4.4*	32.1	30.5	-1.6*	38.6	48.0	9.4*
Age Group									
15 to 24 Years	10.2	4.1	-6.1*	7.2	6.3	-1.0	62.9	74.1	11.2*
25 to 34 Years	8.0	4.8	-3.2*	14.4	12.9	-1.5*	61.7	69.4	7.7*
35 to 44 Years	10.6	6.3	-4.3*	20.1	18.4	-1.7	49.8	60.5	10.6*
45 to 54 Years	15.5	9.9	-5.5*	26.6	22.8	-3.8*	36.3	49.1	12.7*
55 to 64 Years	24.3	16.5	-7.8*	29.3	27.3	-1.9*	21.3	33.2	11.9*
65 Years or More	39.2	30.5	-8.7*	25.7	28.2	2.5*	8.3	15.3	6.9*
Race/Ethnicity									
Black	20.6	15.6	-5.0*	12.0	12.1	0.1	37.2	45.4	8.2*
Hispanic	20.9	14.8	-6.1*	11.1	11.6	0.5	41.3	49.6	8.2*
Asian	18.4	12.0	-6.4*	25.7	25.7	-0.1	39.3	48.6	9.3*
American Indian or Alaska Native	23.2	11.1	-12.2*	17.0	13.3	-3.7	30.5	50.6	20.1*
Native Hawaiian or Other Pacific Islander	NA	NA	NA	NA	NA	NA	NA	NA	NA
White	21.4	15.3	-6.1*	26.7	25.8	-0.9*	31.4	41.1	9.7*
Two or More Races	14.0	8.7	-5.4*	24.1	20.6	-3.6	45.5	52.3	6.8
Disability Status									
Disabled, Aged 25 to 64	23.3	16.1	-7.2*	17.2	14.2	-3.0*	29.8	42.3	12.6*
Not Disabled, Aged 25 to 64	13.9	8.8	-5.1*	23.5	21.3	-2.1*	42.9	53.7	10.7*
Metropolitan and Nonmetropolitan Status									
Metropolitan Area	19.1	13.3	-5.7*	23.5	22.8	-0.7*	35.4	44.7	9.3*
Not in Metropolitan Area	33.4	25.5	-7.9*	18.5	16.9	-1.7*	24.3	35.3	11.0*
Not Identified	28.1	15.8	-12.3*	17.3	16.1	-1.2	33.4	40.9	7.6*

Note: Asterisk indicates differences that are statistically significant at the 10 percent level. NA indicates that the sample size is too small to produce a precise estimate. See Appendix Tables C.1–C.3 for estimates by other household characteristics and for selected confidence intervals.

All Methods Used to Access Bank Accounts

In addition to the primary method of bank account access, the survey collected data on whether banked households used a particular method at least once in the past 12 months to access their accounts. As shown in Figure 5.1, about two-thirds of banked households in 2021 (63.4 percent) used a bank teller at least once in the past 12 months to access their accounts, a decline from 76.4 percent in 2019. Four in five banked households in 2021 (79.6 percent) used an ATM or bank kiosk at least once in the past 12 months to access their accounts, a higher proportion than any other method but down slightly from 82.3 percent in 2019.

Almost all banked households used a physical channel at least once in the past 12 months to access their accounts. Specifically, 91.6 percent of banked households in 2021 and 95.9 percent of banked households in 2019 used a bank teller or an ATM or bank kiosk at least once in the past 12 months to access their accounts.

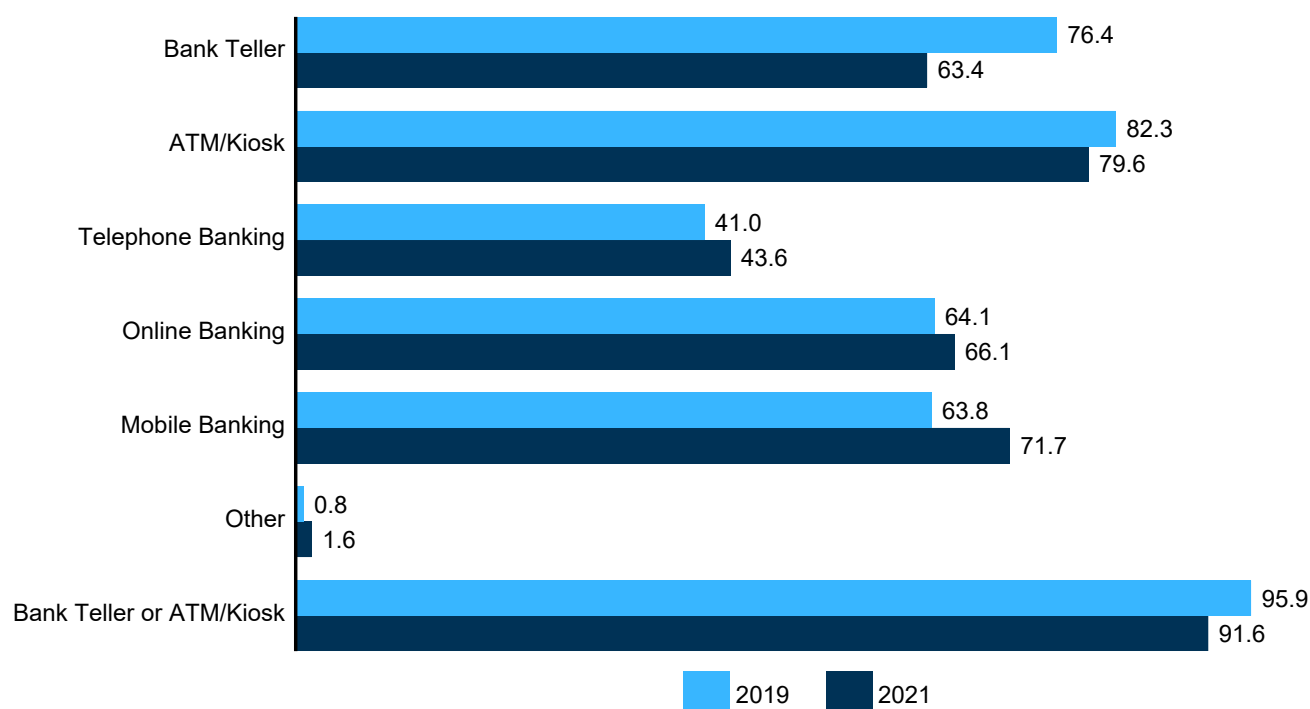
For telephone banking and online banking, the proportion of banked households that used each method at least once in the past 12 months to access their accounts increased slightly between 2019 and 2021. For mobile banking, 71.7 percent of banked households in 2021 used this method at least once in the past 12 months to access their accounts, up from 63.8 percent in 2019.

Almost all banked households used multiple methods in the past 12 months to access their accounts. In 2021, 90.6 percent of banked households used two or more methods and 72.2 percent of banked households used three or more methods. These estimates are similar to 2019, when 89.4 percent of banked households used two or more methods and 72.3 percent of banked households used three or more methods.

Approximately one in ten banked households in 2021 (9.4 percent) used only one method in the past 12 months to access their accounts. Specifically, 3.9 percent of banked households in 2021 used only bank tellers, 2.3 percent used only ATMs or bank kiosks, 1.5 percent used only mobile banking, 0.8 percent used only online banking, 0.7 percent used only telephone banking, and 0.3 percent used only other methods.

Consistent with the decrease between 2019 and 2021 in the share of banked households that used a bank teller at least once in the past 12 months to access their accounts, the share of banked households that used bank tellers as the only method of account access declined between 2019 (5.7 percent) and 2021 (3.9 percent). This decline occurred broadly across different segments of the population. (See Appendix Table C.5 for detailed estimates of use

Figure 5.1 All Methods Used to Access Bank Accounts, 2019–2021 (Percent)



Note: Bars sum to more than 100 percent because households could select more than one bank account access method.

of bank tellers as the only method of account access by household characteristics and year.)

The population segments that more commonly used bank tellers as the primary method of account access, including lower-income households, less-educated households, older households, and households that did not live in a metropolitan area, also tended to have higher rates of use of bank tellers as the only method of account access. For example, 11.7 percent of banked households without a high school diploma used bank tellers as the only method of account access in 2021, compared with 1.6 percent of households with a college degree. One in ten banked households aged 65 or older (10.2 percent) used bank tellers as the only method of account access in 2021, compared with 1.5 percent of banked households aged 64 or younger.³⁸

Transactions Conducted Using Bank Accounts

The 2021 survey included new questions that asked households about the types of transactions they conducted using their bank accounts over the past 12 months. Specifically, banked households were asked

whether they used their bank accounts to pay monthly bills like rent, mortgage, utilities, or child care (i.e., pay bills); receive money from work, retirement, or a government agency (i.e., receive income); build savings or keep money in a safe place (i.e., save or keep money safe); send money to or receive money from family or friends (i.e., send or receive money); make purchases in person; make purchases online; and for some other use.

As shown in Table 5.3, the vast majority of banked households used their bank accounts to pay bills (94.1 percent) or receive income (88.5 percent). Almost all banked households (97.1 percent) used their bank accounts for at least one of these transactions. In addition, a large majority of banked households used their bank accounts to save or keep money safe (83.0 percent), make purchases in person (80.6 percent), and make purchases online (71.2 percent). Using a bank account to send or receive money was less common (36.1 percent). Across these six types of transactions, banked households conducted a median of five types of transactions using their bank accounts.

Bank Branch Visits Among Unbanked Households

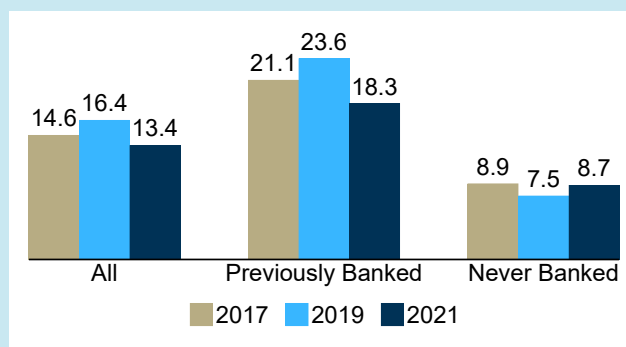
Households—unbanked and banked—may visit a bank branch for activities other than accessing an account, such as asking about products or services. As in earlier surveys, the 2021 survey asked unbanked households whether they spoke with a teller or other employee in person at a bank branch (i.e., visited a bank branch) in the past 12 months.³⁹

Figure 5.2 shows that, in 2021, 13.4 percent of unbanked households visited a bank branch in the past 12 months, compared with 16.4 percent in 2019 and 14.6 percent in 2017.

The likelihood of visiting a bank branch was higher among unbanked households that had previously been banked. In 2021, 18.3 percent of unbanked-

households that had previously been banked visited a bank branch, compared with 8.7 percent of unbanked households that had never been banked.

Figure 5.2 Unbanked Households' Likelihood of Visiting a Bank Branch by Previous Bank Account Ownership, 2017–2021 (Percent)



³⁸ In 2021, 9.9 percent of banked households used only physical channels in the past 12 months to access their accounts, down from 14.8 percent in 2019. The population segments that more commonly used a physical channel as the primary method of account access, including lower-income households, less-educated households, older households, and households that did not live in a metropolitan area, also tended to have higher rates of use of physical channels as the only methods of account access. See Appendix Table C.6 for detailed estimates of use of physical channels as the only methods of account access by household characteristics and year.

³⁹ The 2017 and 2019 surveys asked all households whether they visited a bank branch in the past 12 months. In addition, a follow-up question on the frequency of bank branch visits was not repeated in the 2021 survey. See Appendix 2 for details.

Slightly lower shares of households with less than \$15,000 in income and households without a high school diploma used their bank accounts to pay bills or receive

income, compared with higher-income households and households with higher levels of education.

Table 5.3 Types of Transactions Conducted Using Bank Accounts by Selected Household Characteristics, 2021
Banked Households, Row Percent

Characteristics	Pay Bills	Receive Income	Save or Keep Money Safe	Send or Receive Money	Make Purchases in Person	Make Purchases Online	Some Other Use	None Selected
All	94.1	88.5	83.0	36.1	80.6	71.2	1.4	0.7
Family Income								
Less Than \$15,000	88.0	79.4	68.4	25.8	73.8	49.6	0.9	1.7
\$15,000 to \$30,000	91.5	85.5	74.4	25.9	78.1	55.3	1.2	0.8
\$30,000 to \$50,000	93.1	86.3	80.1	30.5	80.1	66.4	1.1	1.1
\$50,000 to \$75,000	94.7	89.5	84.0	35.1	83.4	75.6	1.1	0.5
At Least \$75,000	96.2	91.7	89.2	44.2	81.7	80.5	1.9	0.3
Education								
No High School Diploma	87.9	78.9	70.3	21.5	74.7	42.6	0.6	2.0
High School Diploma	92.8	85.6	79.0	27.0	80.9	63.8	0.7	0.8
Some College	94.2	88.7	82.0	34.4	83.8	75.4	1.3	0.6
College Degree	95.7	91.6	87.9	44.9	79.3	77.3	2.1	0.4
Age Group								
15 to 24 Years	92.5	83.4	85.8	53.6	88.6	88.2	0.8	1.0
25 to 34 Years	94.2	86.7	84.9	47.1	84.2	84.2	1.2	0.6
35 to 44 Years	94.9	87.5	84.5	42.5	83.6	82.0	1.5	0.6
45 to 54 Years	94.8	86.3	83.8	40.3	83.7	77.6	1.5	0.7
55 to 64 Years	94.5	87.5	82.0	31.1	80.8	69.7	1.3	0.6
65 Years or More	93.0	93.0	80.6	23.7	73.5	51.4	1.6	0.7
Race/Ethnicity								
Black	91.6	86.7	76.5	37.1	80.7	70.7	1.5	0.9
Hispanic	91.6	81.0	78.2	38.6	83.1	69.0	0.8	1.2
Asian	95.2	86.1	82.7	49.8	70.6	70.2	2.2	0.4
American Indian or Alaska Native	92.9	87.9	77.1	35.6	82.9	68.2	-	1.6
Native Hawaiian or Other Pacific Islander	NA	NA	NA	NA	NA	NA	NA	NA
White	95.0	90.6	85.2	34.3	80.9	71.8	1.5	0.5
Two or More Races	92.5	89.4	83.7	37.7	80.3	74.6	1.9	0.5
Disability Status								
Disabled, Aged 25 to 64	93.1	86.9	73.3	29.5	80.6	65.1	1.3	0.9
Not Disabled, Aged 25 to 64	94.8	87.1	85.0	41.2	83.3	79.7	1.4	0.6

Note: Row percentages sum to more than 100 because households could select more than one type of transaction. NA indicates that the sample size is too small to produce a precise estimate. The dash symbol indicates an estimate of zero; the population proportion may be slightly greater than zero. See Appendix Table C.7 for estimates by other household characteristics.

6. Prepaid Cards and Nonbank Online Payment Services

As in previous years, the 2021 survey asked all households about their use of general purpose reloadable prepaid cards. Consumers can obtain prepaid cards from banks, retail stores, websites, employers, government agencies, and other sources.⁴⁰ Many prepaid cards store funds in accounts eligible for federal deposit insurance.⁴¹

New questions in the 2021 survey asked all households about their use of nonbank online payment services “with an account feature that allows you to receive and store money in the account.” Examples of nonbank online payment services are PayPal, Venmo, and Cash App.⁴² Use of nonbank online payment services relies on the user’s having access to the internet with either a smartphone or a computer. Unless otherwise stated, all online payment services discussed in this section are from nonbank providers.

Some households use prepaid cards and online payment services to conduct financial transactions. Banked households often use these products together with their bank accounts. Unbanked households may use them to conduct many of the same types of transactions that banked households conduct using bank accounts, such as paying bills and receiving income.

Prepaid Card Use

In the 2021 survey, households were asked whether they were using prepaid cards at the time of the survey. In previous surveys, households were asked whether they used prepaid cards in the past 12 months.⁴³ As a result, the share of households that used prepaid cards in 2021 is not directly comparable to the shares in previous years.

In 2021, 6.9 percent of all households were using prepaid cards at the time of the survey.

Prepaid Card Use by Household Characteristics and Bank Account Ownership

Prepaid card use differed across households in different population segments. For example, as shown in Table 6.1, prepaid card use was higher among lower-income households, households with no high school diploma, Black households, and working-age households with a disability.⁴⁴

Use of prepaid cards in 2021 was more prevalent among unbanked households. About one in three unbanked households (32.8 percent) used prepaid cards, compared with 5.7 percent of banked households. Unbanked households that had previously been banked were more likely to use prepaid cards (41.1 percent) than those that had never been banked (25.0 percent).

Unbanked households that used prepaid cards were more interested in having a bank account than unbanked households that did not use prepaid cards. In 2021, 31.6 percent of unbanked households that used prepaid cards were very or somewhat interested in having a bank account, compared with 25.1 percent of unbanked households that did not use prepaid cards.⁴⁵

Transactions Conducted Using Prepaid Cards

The 2021 survey included new questions that asked households about the types of transactions they conducted using their prepaid cards over the past 12 months. Specifically, households with prepaid cards were asked whether they used their prepaid cards to pay monthly bills like rent, mortgage, utilities, or child care (i.e., pay bills); receive money from work, retirement, or a government agency (i.e., receive income); build savings or keep money in a safe place (i.e., save or keep money safe); send money to or receive money from family or friends (i.e., send or receive money);

⁴⁰ The survey questions on prepaid cards instructed households not to consider gift cards.

⁴¹ FDIC deposit insurance applies only to banks and savings associations. In some instances, nonbanks deposit funds at FDIC-insured banks with the intent that pass-through coverage will apply, meaning that the funds would be insured as if deposited at the bank in the name of the consumer. If specific regulatory requirements are satisfied, each consumer’s funds are separately insured up to \$250,000 in the event of the bank’s failure.

⁴² The survey questions on nonbank online payment services instructed households not to consider Zelle, which is a service provided by banks.

⁴³ Because of the change in the reference timeframe for having used prepaid cards, the 2021 survey does not capture prepaid card use among households that did not use prepaid cards at the time of the survey but did at some point in the 12 months before. See Appendix 2 for changes that the 2021 survey made to the introductory description of prepaid cards.

⁴⁴ Differences in prepaid card use by education were no longer statistically significant after differences in the other household characteristics shown in Table 3.6 and bank account ownership were accounted for.

⁴⁵ The difference by prepaid card use in the likelihood of being very or somewhat interested in having a bank account was no longer statistically significant after differences in the household characteristics shown in Table 3.6 were accounted for.

make purchases in person; make purchases online; and for some other use.

As shown in Table 6.2, among households with prepaid cards, almost two in three (65.4 percent) used them to make purchases in person, and half (50.5 percent) used them to make purchases online. About two in five (41.1 percent) used their prepaid cards to pay bills, and the same share used their prepaid cards to receive income.

More than three in four unbanked households with prepaid cards (77.8 percent) used them to pay bills, and 64.1 percent used them to receive income. Almost nine in ten unbanked households with prepaid cards (88.1 percent) used them to pay bills or receive income, core financial transactions that most households conduct regularly. In addition, 41.6 percent of unbanked households with prepaid cards used them to save or keep money safe.

About one in three banked households with prepaid cards (31.2 percent) used them to pay bills, and a similar share (34.9 percent) used them to receive income; 46.1 percent of banked households with prepaid cards used them to do either or both transactions.

Households with lower income and those with less education were more likely to use prepaid cards to pay bills or receive income.⁴⁶

Unbanked households were more likely to use prepaid cards to conduct multiple types of transactions, as shown in Table 6.3. Almost half of unbanked households with prepaid cards (47.6 percent) used them to conduct four or more types of transactions in the past 12 months, among the six specific types of transactions in the survey, almost twice the share of banked households with prepaid cards (24.7 percent).

Unbanked households with prepaid cards conducted a median of three types of transactions using their prepaid cards. Banked households with prepaid cards conducted a median of two types of transactions using their prepaid cards.

Table 6.1 Use of Prepaid Cards by Bank Account Ownership and Selected Household Characteristics, 2021
All Households, Row Percent

Characteristics	Prepaid Card
All	6.9
Bank Account Ownership	
Unbanked	32.8
Banked	5.7
Family Income	
Less Than \$15,000	13.4
\$15,000 to \$30,000	8.8
\$30,000 to \$50,000	7.6
\$50,000 to \$75,000	6.2
At Least \$75,000	4.7
Education	
No High School Diploma	11.8
High School Diploma	8.5
Some College	7.2
College Degree	4.7
Age Group	
15 to 24 Years	9.1
25 to 34 Years	7.4
35 to 44 Years	8.0
45 to 54 Years	8.0
55 to 64 Years	7.1
65 Years or More	4.6
Race/Ethnicity	
Black	12.6
Hispanic	7.3
Asian	4.6
American Indian or Alaska Native	11.0
Native Hawaiian or Other Pacific Islander	NA
White	5.8
Two or More Races	9.5
Disability Status	
Disabled, Aged 25 to 64	13.6
Not Disabled, Aged 25 to 64	6.8
Note: NA indicates that the sample size is too small to produce a precise estimate. See Appendix Table D.1 for estimates by other household characteristics.	

⁴⁶ Some of the differences by household income in the likelihood of using prepaid cards to pay bills or receive income were associated with differences in bank account ownership and the other household characteristics shown in Table 3.6.

Table 6.2 Types of Transactions Conducted Using Prepaid Cards by Bank Account Ownership and Selected Household Characteristics, 2021

Households Currently Using Prepaid Cards, Row Percent

Characteristics	Pay Bills	Receive Income	Save or Keep Money Safe	Send or Receive Money	Make Purchases in Person	Make Purchases Online	Some Other Use	None Selected
All	41.1	41.1	29.5	25.4	65.4	50.5	2.5	12.3
Bank Account Ownership								
Unbanked	77.8	64.1	41.6	26.5	76.4	53.4	2.0	4.1
Banked	31.2	34.9	26.2	25.1	62.4	49.7	2.6	14.4
Family Income								
Less Than \$15,000	64.1	51.4	33.7	24.0	69.0	44.7	1.3	7.4
\$15,000 to \$30,000	50.7	48.5	32.4	27.0	64.7	49.4	2.7	11.2
\$30,000 to \$50,000	39.9	40.5	32.6	24.6	64.8	52.2	1.5	13.1
\$50,000 to \$75,000	36.4	36.4	23.9	27.9	66.8	56.2	3.0	13.0
At Least \$75,000	23.3	32.7	25.7	24.6	62.9	50.4	3.5	15.1
Education								
No High School Diploma	57.6	56.0	35.4	24.3	69.9	42.1	1.6	9.4
High School Diploma	49.2	44.1	32.3	26.6	64.2	50.1	1.8	10.6
Some College	40.7	42.6	29.9	27.1	67.6	57.4	1.6	11.2
College Degree	24.6	28.9	23.0	22.9	62.0	47.7	4.5	16.5
Age Group								
15 to 24 Years	NA	NA	NA	NA	NA	NA	NA	NA
25 to 34 Years	47.8	44.5	35.2	29.5	68.6	61.9	1.8	12.2
35 to 44 Years	43.2	41.3	32.4	26.6	68.1	56.2	2.3	10.8
45 to 54 Years	40.1	40.9	31.2	26.8	64.7	51.9	2.6	12.7
55 to 64 Years	40.7	43.4	25.1	23.3	65.4	45.2	1.2	10.9
65 Years or More	32.9	35.9	23.6	18.4	59.5	33.0	4.5	15.1
Race/Ethnicity								
Black	58.7	46.5	38.0	31.2	67.3	54.2	2.0	11.4
Hispanic	41.4	45.7	30.9	22.9	66.1	51.1	1.8	15.2
Asian	NA	NA	NA	NA	NA	NA	NA	NA
American Indian or Alaska Native	NA	NA	NA	NA	NA	NA	NA	NA
Native Hawaiian or Other Pacific Islander	NA	NA	NA	NA	NA	NA	NA	NA
White	34.4	38.8	25.9	24.2	64.7	49.3	2.6	11.3
Two or More Races	NA	NA	NA	NA	NA	NA	NA	NA
Disability Status								
Disabled, Aged 25 to 64	54.8	53.4	31.6	21.5	67.1	46.0	1.8	7.3
Not Disabled, Aged 25 to 64	39.6	39.5	30.8	27.9	66.6	55.7	2.0	12.8

Note: Row percentages sum to more than 100 because households could select more than one type of transaction. NA indicates that the sample size is too small to produce a precise estimate. See Appendix Table D.4 for estimates by other household characteristics.

Table 6.3 Number of Types of Transactions Conducted Using Prepaid Cards by Bank Account Ownership, 2021

Households Currently Using Prepaid Cards, Row Percent

	0 Types	1 Type	2 Types	3 Types	4 or More Types
All	13.0	19.7	19.7	18.0	29.6
Bank Account Ownership					
Unbanked	4.1	9.7	13.1	25.5	47.6
Banked	15.4	22.5	21.4	16.0	24.7

Note: Number of types of transactions is among the six specific types of transactions in the survey—pay bills, receive income, save or keep money safe, send or receive money, make purchases in person, and make purchases online—and excludes some other use.

Nonbank Online Payment Service Use

In 2021, almost half of all households (46.4 percent) were using online payment services at the time of the survey.

Nonbank Online Payment Service Use by Household Characteristics and Bank Account Ownership

Higher-income households were more likely to use online payment services than lower-income households (see Table 6.4). For example, 26.5 percent of households with less than \$15,000 in income used these services, compared with 62.1 percent of households with income of \$75,000 or more.

Use also varied by education and age. For example, while 18.3 percent of households with no high school diploma used online payment services, 60.6 percent of households with a college degree did so. Two-thirds of households aged 25 to 34 (66.1 percent) used online payment services, compared with 22.9 percent of households aged 65 or older.

A higher share of banked households used online payment services (47.7 percent), compared with unbanked households (18.1 percent).

Linking Nonbank Online Payment Service Accounts to Other Transaction and Credit Accounts

Households can link their online payment service account to one or more bank accounts, credit cards, prepaid cards, or other services.⁴⁷ Linking a bank account enables households to transfer funds between their online payment service account and their bank account and to make payments from the bank account using the online payment service.

As shown in Table 6.5, almost three-quarters of banked households with online payment services in 2021 (74.1 percent) linked their online payment service account to their bank account. One in ten banked households (10.0 percent) did not link any other types of accounts to their online payment service account.⁴⁸

More than half of unbanked households with online payment services (54.9 percent) did not link any other types of accounts to their online payment service account. Another 21.3 percent of unbanked households with online payment services linked their online payment service account to a prepaid card only, and 14.1 percent linked their online payment service account to a credit card only.

Table 6.4 Use of Nonbank Online Payment Services by Bank Account Ownership and Selected Household Characteristics, 2021

All Households, Row Percent

Characteristics	Nonbank Online Payment Service
All	46.4
Bank Account Ownership	
Unbanked	18.1
Banked	47.7
Family Income	
Less Than \$15,000	26.5
\$15,000 to \$30,000	28.5
\$30,000 to \$50,000	35.8
\$50,000 to \$75,000	46.4
At Least \$75,000	62.1
Education	
No High School Diploma	18.3
High School Diploma	32.5
Some College	46.3
College Degree	60.6
Age Group	
15 to 24 Years	65.5
25 to 34 Years	66.1
35 to 44 Years	60.1
45 to 54 Years	53.2
55 to 64 Years	39.9
65 Years or More	22.9
Race/Ethnicity	
Black	43.4
Hispanic	39.7
Asian	53.6
American Indian or Alaska Native	42.1
Native Hawaiian or Other Pacific Islander	NA
White	47.7
Two or More Races	56.6
Disability Status	
Disabled, Aged 25 to 64	35.3
Not Disabled, Aged 25 to 64	57.0

Note: NA indicates that the sample size is too small to produce a precise estimate. See Appendix Table D.1 for estimates by other household characteristics.

⁴⁷ For example, some online payment services can be linked to certain gift cards or other online payment services.

⁴⁸ Households can use online payment services without having them linked to another account. For example, online payment services can be used to send or receive money between family, friends, or businesses. Some of these services offer direct deposit, remote deposit, or both. Some also offer check cashing using remote deposit.

Table 6.5 Linkage of Other Transaction and Credit Accounts to Nonbank Online Payment Service Accounts by Bank Account Ownership, 2021

Households Currently Using Nonbank Online Payment Services, Row Percent

	Credit Card	Bank Account	Prepaid Card	Other Account	Not Linked to Any Account
All	32.8	72.8	1.2	0.6	10.8
Bank Account Ownership					
Unbanked	17.4		24.6	6.4	54.9
Banked	33.1	74.1	0.8	0.4	10.0

Note: Unbanked households that used online payment services were not asked whether their online payment service accounts were linked to a bank account. Row percentages sum to more than 100 because households could select more than one linked account.

Transactions Conducted Using Nonbank Online Payment Services

The same types of transactions that were asked of households with prepaid cards were asked of households with online payment services. As shown in Table 6.6, more than one in four households with online payment services (27.8 percent) used them to pay bills and close to one in five (19.0 percent) used them to receive income.

Banked and unbanked households used online payment services differently. For example, among unbanked households that used these services, 64.0 percent used them to pay bills compared with 27.2 percent of banked households, 40.8 percent used them to receive income compared with 18.7 percent of banked households, and 56.9 percent used them to make purchases in person compared with 30.0 percent of banked households.⁴⁹

More than two-thirds of unbanked households that used online payment services (68.8 percent) used them to pay bills or receive income, more than twice the share among banked households that used online payment services (30.7 percent).

Unbanked households were more likely to use online payment services to conduct multiple types of transactions, as shown in Table 6.7. Almost half of unbanked households with online payment services (47.4 percent) used them to conduct four or more types of transactions in the past 12 months, more than twice the share of banked households with online payment services (19.9 percent).

Unbanked households with online payment services conducted a median of three types of transactions using online payment services. Banked households with online payment

Table 6.6 Types of Transactions Conducted Using Nonbank Online Payment Services by Bank Account Ownership and Selected Household Characteristics, 2021

Households Currently Using Nonbank Online Payment Services, Row Percent

Characteristics	Pay Bills	Receive Income	Save or Keep Money Safe	Send or Receive Money	Make Purchases in Person	Make Purchases Online	Some Other Use	None Selected
All	27.8	19.0	22.4	58.2	30.4	63.9	1.8	9.3
Bank Account Ownership								
Unbanked	64.0	40.8	32.4	62.6	56.9	66.2	1.9	8.7
Banked	27.2	18.7	22.2	58.1	30.0	63.8	1.8	9.3
Family Income								
Less Than \$15,000	37.2	24.2	27.2	57.7	36.9	55.7	0.8	12.3
\$15,000 to \$30,000	33.1	22.7	25.0	54.0	31.7	59.2	1.6	12.6
\$30,000 to \$50,000	31.2	21.1	25.3	52.5	33.3	63.6	1.5	10.4
\$50,000 to \$75,000	27.6	19.0	23.2	53.4	32.0	65.8	2.1	9.9
At Least \$75,000	25.2	17.4	20.4	62.1	28.3	64.8	2.0	8.0

⁴⁹ Online payment services may enable users to make purchases in person using a smartphone or with an associated debit card.

Table 6.6 Types of Transactions Conducted Using Nonbank Online Payment Services by Bank Account Ownership and Selected Household Characteristics, 2021 (continued)

Households Currently Using Nonbank Online Payment Services, Row Percent

Characteristics	Pay Bills	Receive Income	Save or Keep Money Safe	Send or Receive Money	Make Purchases in Person	Make Purchases Online	Some Other Use	None Selected
Education								
No High School Diploma	39.0	26.7	31.0	53.3	37.4	54.8	1.8	14.0
High School Diploma	31.7	20.1	23.7	50.2	33.8	63.7	1.0	11.1
Some College	29.3	20.5	22.6	54.7	31.5	64.0	1.3	9.6
College Degree	25.1	17.5	21.3	63.0	28.4	64.4	2.4	8.3
Age Group								
15 to 24 Years	34.0	18.3	26.7	72.5	35.7	58.1	1.6	6.5
25 to 34 Years	30.8	19.2	24.8	69.3	31.9	60.5	1.4	6.6
35 to 44 Years	27.9	18.4	22.2	62.7	31.8	65.6	2.4	9.1
45 to 54 Years	26.1	18.9	22.3	58.5	30.3	65.2	1.9	9.3
55 to 64 Years	25.4	20.3	20.3	49.9	29.1	63.9	1.8	11.2
65 Years or More	25.0	18.9	19.1	34.1	25.1	67.5	1.8	13.6
Race/Ethnicity								
Black	35.4	24.7	30.4	63.1	37.7	57.4	1.7	11.0
Hispanic	34.2	21.0	25.3	58.0	35.9	61.1	1.1	11.2
Asian	25.5	16.6	19.0	59.4	30.3	66.2	1.6	10.5
American Indian or Alaska Native	NA	NA	NA	NA	NA	NA	NA	NA
Native Hawaiian or Other Pacific Islander	NA	NA	NA	NA	NA	NA	NA	NA
White	25.5	17.8	20.5	57.1	28.0	65.1	2.0	8.6
Two or More Races	25.3	22.6	27.5	62.0	31.1	68.6	3.1	9.2
Disability Status								
Disabled, Aged 25 to 64	32.2	22.8	23.8	57.2	36.1	65.6	3.0	10.4
Not Disabled, Aged 25 to 64	27.5	18.8	22.5	61.4	30.5	63.6	1.8	8.7

Note: Row percentages sum to more than 100 because households could select more than one type of transaction. NA indicates that the sample size is too small to produce a precise estimate. See Appendix Table D.5 for estimates by other household characteristics.

Table 6.7 Number of Types of Transactions Conducted Using Nonbank Online Payment Services by Bank Account Ownership, 2021

Households Currently Using Nonbank Online Payment Services, Row Percent

	0 Types	1 Type	2 Types	3 Types	4 or More Types
All	9.6	31.9	25.2	13.0	20.4
Bank Account Ownership					
Unbanked	8.7	15.1	11.7	17.1	47.4
Banked	9.6	32.1	25.5	12.9	19.9

Note: Number of types of transactions is among the six specific types of transactions in the survey—pay bills, receive income, save or keep money safe, send or receive money, make purchases in person, and make purchases online—and excludes some other use.

services conducted a median of two types of transactions using online payment services.

Table 6.8 orders by frequency of use the types of transactions, alone or in combination, that unbanked and banked households conducted using online payment services. For unbanked households with online payment services in 2021, about one in seven (14.9 percent) used them to conduct all six specific types of transactions in the survey.

Seven of the ten most common combinations of transaction types for which unbanked households used online payment services included paying bills. For banked households with online payment services in 2021, about four in ten (43.5 percent) used online payment services only to send or receive money or to make purchases online (15.5 percent send or receive money only, 13.8 percent make purchases online only, and 14.2 percent send or receive money and make purchases online only).

Table 6.8 Types of Transactions, Alone or in Combination, Conducted Using Nonbank Online Payment Services by Bank Account Ownership, 2021

Households Currently Using Nonbank Online Payment Services, Column Percent

A. Unbanked Households							
Bundle	Pay Bills	Receive Income	Save or Keep Money Safe	Send or Receive Money	Make Purchases in Person	Make Purchases Online	Percent
1	X	X	X	X	X	X	14.9
2				X			7.1
3	X	X		X	X	X	5.9
4	X	X			X	X	5.2
5	X		X	X	X	X	4.6
6	X	X		X		X	4.3
7	X				X	X	4.1
8	X			X		X	4.0
9						X	3.9
10				X		X	3.6
Some Other Use (Alone)							–
Other Combinations of Transaction Types							33.7
None Selected							8.7
B. Banked Households							
Bundle	Pay Bills	Receive Income	Save or Keep Money Safe	Send or Receive Money	Make Purchases in Person	Make Purchases Online	Percent
1				X			15.5
2				X		X	14.2
3						X	13.8
4	X	X	X	X	X	X	6.0
5				X	X	X	4.4
6	X	X	X		X	X	3.2
7					X	X	2.9
8	X			X		X	2.3
9			X	X		X	1.5
10				X	X		1.5
Some Other Use (Alone)							0.2
Other Combinations of Transaction Types							25.0
None Selected							9.3
<p>Note: Each bundle includes the checked types of transactions only or the checked types of transactions in combination with some other use. “Some Other Use (Alone)” includes households that did not choose any of the six specific types of transactions in the survey—pay bills, receive income, save or keep money safe, send or receive money, make purchases in person, and make purchases online—but indicated some other use. “None Selected” includes households that did not choose any of the six specific types of transactions in the survey and also did not indicate some other use. The dash symbol indicates an estimate of zero; the population proportion may be slightly greater than zero.</p>							

7. Nonbank Money Orders, Check Cashing, and Money Transfer Services

As in previous years, the 2021 survey asked all households about their use of nonbank money orders and nonbank check cashing in the past 12 months. A new question in the 2021 survey asked all households about their use of nonbank money transfer services in the past 12 months from companies like Western Union, MoneyGram, Walmart Money Center, or Ria Money Transfer. These companies allow customers to pay with cash at physical locations, either stores or kiosks, or by using a company website. The question differentiated nonbank money transfer services from services a customer might access through a bank or from online payment services such as PayPal, Venmo, or Cash App. Unless otherwise stated, all money orders, check cashing, and money transfer services discussed in this section are from nonbank providers.

For households that used each of the three nonbank financial transaction services—money orders, check cashing, and money transfer services—in 2021, the survey asked follow-up questions about the types of transactions the household conducted with these services. Households that used money orders were asked whether they used them to pay monthly bills like rent, mortgage, utilities, or child care (i.e., pay bills); send money to family or friends (i.e., send money); make purchases; and for some other use. Households that cashed checks at a place other than a bank were asked whether any of the checks were from work, retirement, or a government agency. Households that used money transfer services were asked whether they used them to pay bills, send money to or receive money from family or friends in the United States (i.e., send or receive money in the United States), send money to or receive money from family or friends outside the United States (i.e., send or receive international remittances), and for some other use.

Use of Nonbank Money Orders and Check Cashing

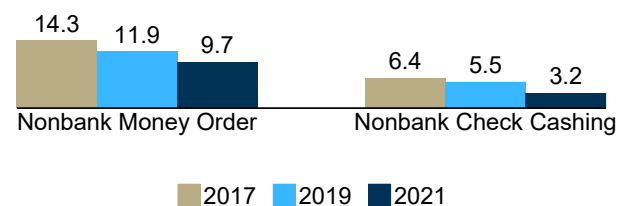
Use of money orders and check cashing declined steadily between 2017 and 2021 (see Figure 7.1). Use of money orders fell from 14.3 percent in 2017 to 11.9 percent in 2019, and fell again to 9.7 percent in 2021. Use of check cashing fell from

6.4 percent in 2017 to 5.5 percent in 2019, and fell again to 3.2 percent in 2021.⁵⁰

In 2021, the population segments that were more likely to use money orders were households with less than \$15,000 in income; households with no high school diploma; Black, Hispanic, and American Indian or Alaska Native households; and working-age households with a disability (see Table 7.1). For example, almost one in five (19.4 percent) households with less than \$15,000 in income used money orders in 2021, compared with 8.5 percent of households with income between \$50,000 and \$75,000. More than one in five (21.6 percent) Black households and nearly one in five American Indian or Alaska Native (18.8 percent) and Hispanic (17.2 percent) households used money orders in 2021, compared with 5.8 percent of White households. Between 2019 and 2021, use of money orders fell for almost every population segment reported in Table 7.1 and did not increase for any population segment.

The population segments that were more likely to use check cashing in 2021 were households with less than \$15,000 in income; households with no high school diploma; and Black, Hispanic, and American Indian or Alaska Native households.⁵¹ For example, almost one in ten (9.2 percent) households with no high school diploma used check cashing in 2021, compared with 3.1 percent of households with some college education. Between 2019 and 2021, use of check cashing fell for almost every population segment reported in Table 7.1.

Figure 7.1 Use of Nonbank Money Orders and Check Cashing, 2017–2021 (Percent)



⁵⁰ Around 10 percent of the declines in the use of money orders and check cashing between 2017 and 2021 were associated with changes in income and the other household characteristics shown in Table 3.6. Even after these changes were accounted for, the remainder of the declines in the use of money orders and check cashing across years were statistically significant.

⁵¹ The difference in the use of check cashing between American Indian or Alaska Native households and White households was no longer statistically significant after differences in the other household characteristics shown in Table 3.6 were accounted for.

Table 7.1 Use of Nonbank Money Orders and Check Cashing by Selected Household Characteristics, 2019–2021

All Households, Row Percent

Characteristics	Money Order			Check Cashing		
	2019	2021	Difference (2021–2019)	2019	2021	Difference (2021–2019)
All	11.9	9.7	-2.2*	5.5	3.2	-2.4*
Family Income						
Less Than \$15,000	23.0	19.4	-3.6*	11.0	6.9	-4.1*
\$15,000 to \$30,000	18.2	15.4	-2.8*	9.0	6.0	-3.0*
\$30,000 to \$50,000	15.2	11.9	-3.3*	7.4	3.8	-3.7*
\$50,000 to \$75,000	9.6	8.5	-1.1*	4.3	2.4	-1.9*
At Least \$75,000	6.0	5.1	-0.9*	2.4	1.4	-1.0*
Education						
No High School Diploma	23.3	21.5	-1.9	14.6	9.2	-5.5*
High School Diploma	14.6	12.4	-2.3*	7.1	4.4	-2.7*
Some College	12.9	10.4	-2.5*	5.8	3.1	-2.7*
College Degree	6.8	5.3	-1.5*	2.3	1.3	-0.9*
Age Group						
15 to 24 Years	20.2	15.5	-4.7*	9.8	5.8	-4.0*
25 to 34 Years	16.4	11.8	-4.6*	7.0	3.7	-3.3*
35 to 44 Years	13.1	11.1	-2.0*	7.0	4.2	-2.8*
45 to 54 Years	12.5	9.5	-3.0*	5.3	3.6	-1.8*
55 to 64 Years	11.0	10.0	-1.1*	4.7	2.6	-2.0*
65 Years or More	7.1	6.6	-0.5	3.7	1.9	-1.8*
Race/Ethnicity						
Black	27.2	21.6	-5.6*	9.6	6.3	-3.3*
Hispanic	20.8	17.2	-3.6*	10.6	5.9	-4.6*
Asian	6.9	6.7	-0.2	2.4	1.9	-0.5
American Indian or Alaska Native	21.0	18.8	-2.1	11.4	6.1	-5.3*
Native Hawaiian or Other Pacific Islander	NA	NA	NA	NA	NA	NA
White	7.3	5.8	-1.5*	3.9	2.0	-1.9*
Two or More Races	14.2	12.7	-1.5	3.7	5.6	1.9
Disability Status						
Disabled, Aged 25 to 64	21.1	18.7	-2.4*	9.3	5.6	-3.7*
Not Disabled, Aged 25 to 64	12.1	9.5	-2.7*	5.5	3.2	-2.3*

Note: Asterisk indicates differences that are statistically significant at the 10 percent level. NA indicates that the sample size is too small to produce a precise estimate. See Appendix Tables E.1 and E.3 for estimates by other household characteristics and for selected confidence intervals.

Use of money orders and check cashing were lower in 2021 than in 2019 or 2017 for both unbanked and banked households, as shown in Figures 7.2 and 7.3.⁵² Almost one-third of unbanked households (32.3 percent) used money orders in 2021, compared with 8.7 percent of banked households. Unbanked households were almost ten times as likely to use check cashing (21.8 percent) in 2021 as banked households (2.3 percent).

Transactions Conducted Using Nonbank Money Orders

For households that used money orders in 2021, Figure 7.4 reports the share of households that used money orders to pay bills, send money, make purchases, or for some other use. Nearly three in four households (72.1 percent) that used money orders in 2021 used them to pay bills—the most common type of transaction conducted with money orders.⁵³ In 2019, almost nine in ten households (87.1 percent) that sometimes or often used money orders used them to pay bills.⁵⁴

Figure 7.2 Unbanked Households’ Use of Nonbank Money Orders and Check Cashing, 2017–2021 (Percent)

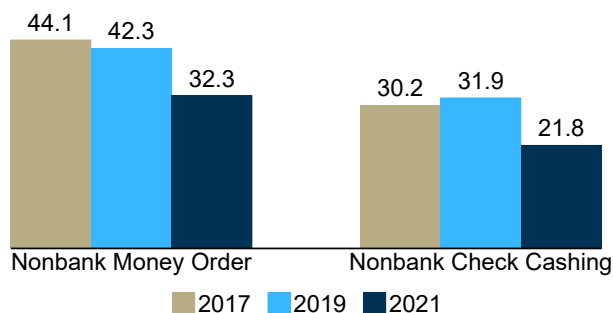
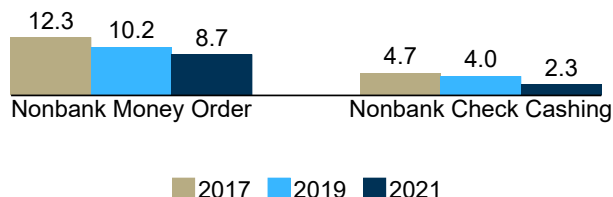


Figure 7.3 Banked Households’ Use of Nonbank Money Orders and Check Cashing, 2017–2021 (Percent)



A household could have used money orders to conduct only one type of transaction or to conduct several different types of transactions. For households that used money orders in 2021, Table 7.2 orders by frequency of use the types of transactions, alone or in combination, that unbanked and banked households conducted using money orders.

Table 7.2 Types of Transactions, Alone or in Combination, Conducted Using Nonbank Money Orders by Bank Account Ownership, 2021

Households That Used Nonbank Money Orders in the Past 12 Months, Column Percent

A. Unbanked Households				
Bundle	Pay Bills	Send Money	Make Purchases	Percent
1	X			85.7
2		X		5.0
3	X	X		4.3
4	X		X	1.0
5	X	X	X	0.7
6			X	0.5
Some Other Use (Alone)				2.8
Other Combinations of Transaction Types				0.0
B. Banked Households				
Bundle	Pay Bills	Send Money	Make Purchases	Percent
1	X			65.3
2		X		11.3
3			X	7.3
4	X	X		1.8
5	X	X	X	0.8
6	X		X	0.7
7		X	X	0.5
Some Other Use (Alone)				12.3
Other Combinations of Transaction Types				0.0
Note: Each bundle includes the checked types of transactions only or the checked types of transactions in combination with some other use. “Some Other Use (Alone)” includes households that did not choose any of the three specific types of transactions in the survey—pay bills, send money, and make purchases—but indicated some other use.				

⁵² For unbanked and banked households, less than 10 percent of the declines in the use of money orders and check cashing between 2017 and 2021 were associated with changes in income and the other household characteristics shown in Table 3.6. Even after these changes were accounted for, the remainder of the declines in the use of money orders and check cashing across years were statistically significant.

⁵³ About one in ten households (11.8 percent) that used money orders in 2021 indicated “some other use” (either alone or in combination with one or more of the specific transaction types in the survey). Although not tabulated, common verbatim responses provided by households that indicated “some other use” of money orders included alimony or child support payments, bills, deposits, donations, and various fees and taxes.

⁵⁴ In the 2019 survey, a different question about using money orders to pay bills was asked only of households that used money orders sometimes or often in the past 12 months. Households that used money orders rarely were not asked about using money orders to pay bills.

Almost all unbanked households that used money orders (91.3 percent) used them to conduct only one of the three specific types of transactions in the survey. Of the remaining unbanked households, 6.0 percent used money orders to conduct a combination of transactions, and 2.8 percent did not use money orders to conduct any of the three specific types of transactions in the survey and instead indicated some other use.

Similarly, almost all banked households that used money orders (83.9 percent) used them to conduct only one of the three specific types of transactions in the survey. Of the remaining banked households, 3.9 percent used money orders to conduct a combination of transactions, and 12.3 percent did not use money orders to conduct any of the three specific types of transactions in the survey and instead indicated some other use.

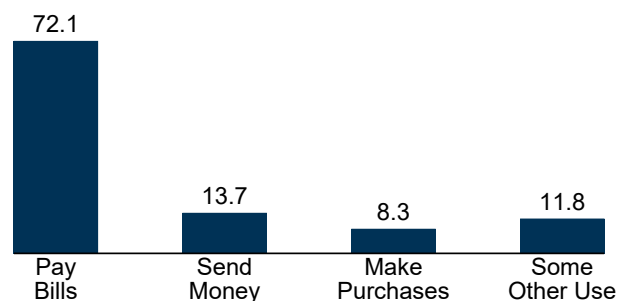
For households that used money orders in 2021, Table 7.3 reports, by household characteristics, the types of transactions conducted using money orders. Households with less than \$15,000 in income, households with no high school diploma, Black households, and working-age households with a disability were among the households most likely to use money orders to pay bills.⁵⁵

As shown in Figure 7.5, paying bills was the most common type of transaction among both unbanked households (91.7 percent) and banked households (68.6 percent) that used money orders. Sending money was the second-most common transaction, conducted by 10.0 percent of unbanked households and 14.4 percent of banked households.

Cashing Checks From Work, Retirement, or a Government Agency

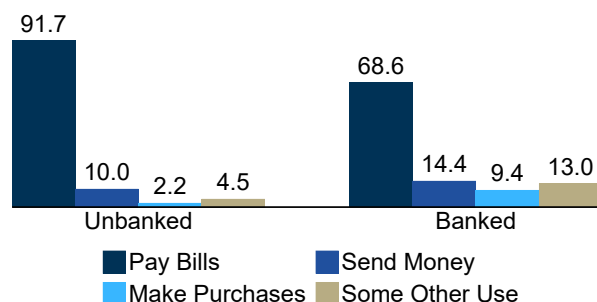
Among households that used check cashing in 2021, more than two-thirds (68.4 percent) cashed a check from work, retirement, or a government agency (see Table 7.4). Households with less than \$15,000 in income (82.0 percent), households with no high school diploma (74.9 percent), and households aged 34 or younger (79.1 percent) were more likely than other segments of the population to cash a check from work, retirement, or a government agency.

Figure 7.4 Types of Transactions Conducted Using Nonbank Money Orders Among Households That Used Nonbank Money Orders, 2021 (Percent)



Note: Bars sum to more than 100 percent because households could select more than one type of transaction.

Figure 7.5 Types of Transactions Conducted Using Nonbank Money Orders Among Households That Used Nonbank Money Orders by Bank Account Ownership, 2021 (Percent)



Note: Bars sum to more than 100 percent because households could select more than one type of transaction.

Four in five unbanked households (80.0 percent) that used check cashing cashed a check from work, retirement, or a government agency, as did about two in three banked households (63.3 percent).

Use of Nonbank Money Transfer Services

In 2021, 7.0 percent of all households used money transfer services from companies like Western Union, MoneyGram, Walmart Money Center, or Ria Money Transfer (see Table 7.5).

⁵⁵ The difference in the use of money orders to pay bills between working-age households with a disability and working-age households without a disability was no longer statistically significant after differences in the other household characteristics shown in Table 3.6 were accounted for.

Table 7.3 Types of Transactions Conducted Using Nonbank Money Orders by Selected Household Characteristics, 2021

Households That Used Nonbank Money Orders in the Past 12 Months, Row Percent

Characteristics	Pay Bills	Send Money	Make Purchases	Some Other Use
All	72.1	13.7	8.3	11.8
Family Income				
Less Than \$15,000	88.3	5.0	4.1	6.9
\$15,000 to \$30,000	82.7	10.2	6.3	7.4
\$30,000 to \$50,000	77.5	15.6	4.9	7.9
\$50,000 to \$75,000	64.7	18.7	7.6	15.1
At Least \$75,000	46.3	19.4	18.6	22.4
Education				
No High School Diploma	86.0	12.5	3.6	5.6
High School Diploma	79.8	10.4	5.8	8.9
Some College	72.1	15.0	8.2	10.3
College Degree	49.9	17.6	15.8	22.8
Age Group				
15 to 24 Years	79.9	6.3	7.2	8.8
25 to 34 Years	71.7	12.8	9.5	13.4
35 to 44 Years	73.4	13.0	8.8	11.6
45 to 54 Years	71.8	14.6	6.8	12.8
55 to 64 Years	70.7	14.2	7.3	12.8
65 Years or More	69.6	17.2	9.4	9.5
Race/Ethnicity				
Black	80.6	12.1	4.8	9.1
Hispanic	76.0	15.7	6.4	10.0
Asian	NA	NA	NA	NA
American Indian or Alaska Native	NA	NA	NA	NA
Native Hawaiian or Other Pacific Islander	NA	NA	NA	NA
White	65.5	12.1	11.5	15.1
Two or More Races	NA	NA	NA	NA
Disability Status				
Disabled, Aged 25 to 64	81.9	10.2	4.7	9.2
Not Disabled, Aged 25 to 64	69.2	14.5	9.1	13.5

Note: Row percentages sum to more than 100 because households could select more than one type of transaction. NA indicates that the sample size is too small to produce a precise estimate. See Appendix Table E.2 for estimates by other household characteristics.

Table 7.4 Cashing Checks From Work, Retirement, or a Government Agency Using Nonbank Check Cashing by Bank Account Ownership and Selected Household Characteristics, 2021

Households That Used Nonbank Check Cashing in the Past 12 Months, Row Percent

Characteristics	Cash Checks From Work, Retirement, or a Government Agency
All	68.4
Bank Account Ownership	
Unbanked	80.0
Banked	63.3
Family Income	
Less Than \$15,000	82.0
\$15,000 to \$30,000	73.4
\$30,000 to \$50,000	69.0
\$50,000 to \$75,000	58.1
At Least \$75,000	52.9
Education	
No High School Diploma	74.9
High School Diploma	78.2
Some College	65.0
College Degree	45.3
Age Group	
15 to 24 Years	NA
25 to 34 Years	79.9
35 to 44 Years	70.9
45 to 54 Years	69.8
55 to 64 Years	60.7
65 Years or More	52.7
Race/Ethnicity	
Black	75.1
Hispanic	71.4
Asian	NA
American Indian or Alaska Native	NA
Native Hawaiian or Other Pacific Islander	NA
White	63.1
Two or More Races	NA
Disability Status	
Disabled, Aged 25 to 64	71.7
Not Disabled, Aged 25 to 64	70.6

Note: NA indicates that the sample size is too small to produce a precise estimate. See Appendix Table E.4 for estimates by other household characteristics.

Table 7.5 Use of Nonbank Money Transfer Services by Bank Account Ownership and Selected Household Characteristics, 2021

All Households, Row Percent

Characteristics	Nonbank Money Transfer Service
All	7.0
Bank Account Ownership	
Unbanked	15.5
Banked	6.6
Family Income	
Less Than \$15,000	9.8
\$15,000 to \$30,000	9.0
\$30,000 to \$50,000	8.1
\$50,000 to \$75,000	6.6
At Least \$75,000	5.3
Education	
No High School Diploma	13.8
High School Diploma	7.2
Some College	6.6
College Degree	5.8
Age Group	
15 to 24 Years	9.5
25 to 34 Years	8.9
35 to 44 Years	8.7
45 to 54 Years	8.8
55 to 64 Years	6.5
65 Years or More	3.5
Race/Ethnicity	
Black	12.5
Hispanic	15.4
Asian	12.0
American Indian or Alaska Native	15.6
Native Hawaiian or Other Pacific Islander	NA
White	3.5
Two or More Races	7.7
Disability Status	
Disabled, Aged 25 to 64	8.7
Not Disabled, Aged 25 to 64	8.1
Citizenship and Place of Birth	
U.S.-Born	4.7
Foreign-Born Citizen	15.5
Foreign-Born Noncitizen	25.7

Note: NA indicates that the sample size is too small to produce a precise estimate. See Appendix Table E.5 for estimates by other household characteristics.

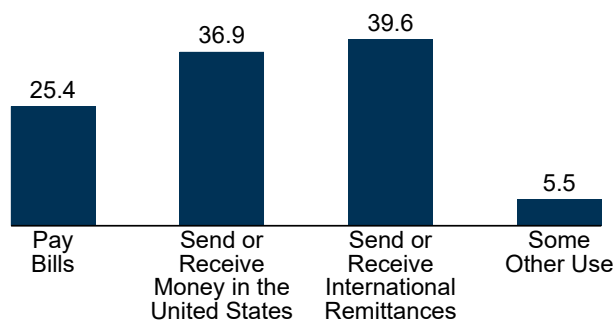
One in four foreign-born noncitizen households (25.7 percent) used money transfer services in 2021. Other population segments that were more likely to use money transfer services were households with no high school diploma; Black, Hispanic, Asian, and American Indian or Alaska Native households; and foreign-born citizen households.⁵⁶ About one in seven unbanked households (15.5 percent) used money transfer services in 2021, more than double the share of banked households (6.6 percent).

Transactions Conducted Using Nonbank Money Transfer Services

Among households that used money transfer services in 2021, the most common transactions conducted were sending or receiving international remittances (39.6 percent) and sending or receiving money in the United States (36.9 percent) (see Figure 7.6). One in four households that used money transfer services (25.4 percent) used them to pay bills.⁵⁷

A household could have used money transfer services to conduct only one type of transaction or to conduct several different types of transactions. For households that used money transfer services in 2021, Table 7.6 orders by frequency of use the types of transactions, alone or in combination, that unbanked and banked households conducted using money transfer services.

Figure 7.6 Types of Transactions Conducted Using Nonbank Money Transfer Services Among Households That Used Nonbank Money Transfer Services, 2021 (Percent)



Note: Bars sum to more than 100 percent because households could select more than one type of transaction.

Almost all unbanked households that used money transfer services (87.5 percent) used them to conduct only one of the three specific types of transactions in the survey. Of the remaining unbanked households, 12.0 percent used money transfer services to conduct a combination of transactions, and 0.5 percent did not use money transfer services to con-

Table 7.6 Types of Transactions, Alone or in Combination, Conducted Using Nonbank Money Transfer Services by Bank Account Ownership, 2021

Households That Used Nonbank Money Transfer Services in the Past 12 Months, Column Percent

A. Unbanked Households				
Bundle	Pay Bills	Send or Receive Money in the United States	Send or Receive International Remittances	Percent
1	X			37.2
2		X		26.6
3			X	23.7
4	X	X		5.6
5	X	X	X	2.6
6	X		X	2.4
7		X	X	1.4
Some Other Use (Alone)				0.5
Other Combinations of Transaction Types				0.0
B. Banked Households				
Bundle	Pay Bills	Send or Receive Money in the United States	Send or Receive International Remittances	Percent
1			X	36.0
2		X		31.6
3	X			20.4
4		X	X	3.5
5	X	X		1.4
6	X		X	0.6
7	X	X	X	0.5
Some Other Use (Alone)				5.9
Other Combinations of Transaction Types				0.0
Note: Each bundle includes the checked types of transactions only or the checked types of transactions in combination with some other use. "Some Other Use (Alone)" includes households that did not choose any of the three specific types of transactions in the survey—pay bills, send or receive money in the United States, and send or receive international remittances—but indicated some other use.				

⁵⁶ Differences in the use of money transfer services between Asian households and White households and between households with no high school diploma and households with a college degree were no longer statistically significant after differences in the other household characteristics shown in Table 3.6 were accounted for.

⁵⁷ About one in twenty households (5.5 percent) that used money transfer services in 2021 indicated "some other use" (either alone or in combination with one or more of the specific transaction types in the survey). Although not tabulated, common verbatim responses provided by households that indicated "some other use" of money transfer services included payments and purchases, sending money to others, donations, and transfers between accounts.

duct any of the three specific types of transactions in the survey and instead indicated some other use.

Similarly, almost all banked households that used money transfer services (88.0 percent) used them to conduct only one of the three specific types of transactions in the survey. Of the remaining banked households, 6.0 percent used money transfer services to conduct a combination of transactions, and 5.9 percent did not use money transfer services to conduct any of the three specific types of

transactions in the survey and instead indicated some other use.

For households that used money transfer services in 2021, Table 7.7 reports, by household characteristics, the types of transactions conducted using money transfer services. Use of money transfer services to pay bills, for example, was higher among lower-income households, and use of money transfer services to send or receive money in the United States was higher among older households.

Table 7.7 Types of Transactions Conducted Using Nonbank Money Transfer Services by Selected Household Characteristics, 2021

Households That Used Nonbank Money Transfer Services in the Past 12 Months, Row Percent

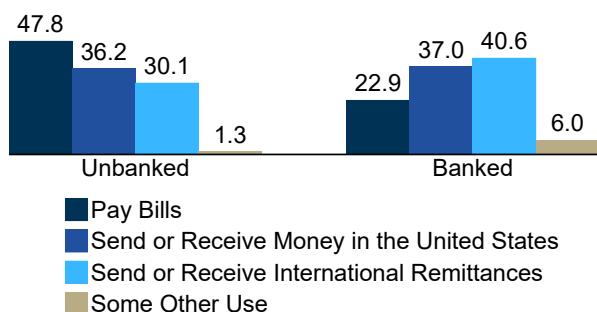
Characteristics	Pay Bills	Send or Receive Money in the United States	Send or Receive International Remittances	Some Other Use
All	25.4	36.9	39.6	5.5
Family Income				
Less Than \$15,000	39.8	34.1	29.2	3.4
\$15,000 to \$30,000	28.1	40.2	35.5	3.1
\$30,000 to \$50,000	29.6	34.8	39.3	4.9
\$50,000 to \$75,000	23.7	35.8	42.0	7.1
At Least \$75,000	15.3	38.6	45.3	7.5
Education				
No High School Diploma	23.6	37.6	49.1	3.3
High School Diploma	30.8	36.6	37.4	3.0
Some College	29.7	41.9	28.1	6.9
College Degree	18.6	32.9	45.9	7.5
Age Group				
15 to 24 Years	NA	NA	NA	NA
25 to 34 Years	26.8	32.0	41.1	7.8
35 to 44 Years	21.6	35.2	48.6	3.5
45 to 54 Years	26.7	36.6	40.3	3.5
55 to 64 Years	22.4	39.1	39.3	6.9
65 Years or More	22.9	48.7	27.3	7.0
Race/Ethnicity				
Black	31.7	46.9	26.2	3.8
Hispanic	21.9	25.9	57.4	3.8
Asian	9.8	18.7	79.0	3.8
American Indian or Alaska Native	NA	NA	NA	NA
Native Hawaiian or Other Pacific Islander	NA	NA	NA	NA
White	28.4	46.1	20.6	9.0
Two or More Races	NA	NA	NA	NA
Disability Status				
Disabled, Aged 25 to 64	35.8	48.4	23.0	4.9
Not Disabled, Aged 25 to 64	22.8	33.7	45.3	5.4
Citizenship and Place of Birth				
U.S.-Born	32.6	46.4	19.2	7.7
Foreign-Born Citizen	13.0	30.1	62.5	3.0
Foreign-Born Noncitizen	17.5	18.7	71.9	2.3

Note: Row percentages sum to more than 100 because households could select more than one type of transaction. NA indicates that the sample size is too small to produce a precise estimate. See Appendix Table E.6 for estimates by other household characteristics.

Asian households, Hispanic households, and foreign-born (citizen and noncitizen) households were more likely to use money transfer services to send or receive international remittances.

As shown in Figure 7.7, paying bills was the most common type of transaction among unbanked households (47.8 percent) that used money transfer services in 2021, followed by sending or receiving money in the United States (36.2 percent), and sending or receiving international remittances (30.1 percent). Among banked households that used money transfer services in 2021, the most common type of transaction was sending or receiving international remittances (40.6 percent), followed by sending or receiving money in the United States (37.0 percent), and paying bills (22.9 percent).

Figure 7.7 Types of Transactions Conducted Using Nonbank Money Transfer Services Among Households That Used Nonbank Money Transfer Services by Bank Account Ownership, 2021 (Percent)



Note: Bars sum to more than 100 percent because households could select more than one type of transaction.

Nonbank International Remittances

As discussed earlier, in the 2021 survey, households that used money transfer services in the past 12 months were asked follow-up questions including whether they used these services to send money to or receive money from family or friends outside the United States (i.e., send or receive international remittances). In 2021, 2.8 percent of all households sent or received international remittances.⁵⁸ In 2017 and 2019, households were asked whether they used a nonbank service to send money to family or friends outside the United States in the past 12 months (i.e., send international remittances), with the questions phrased differently in 2017 and 2019.⁵⁹ In 2017, 3.7 percent of all households sent international remittances, and in 2019, the share was 5.5 percent. Because of differences in question wording between the 2021 survey and the 2017 and 2019 surveys, the share of households that sent or received international remittances in 2021 is not directly comparable to the shares of households that sent international remittances in 2017 and 2019.⁶⁰

The population segments that were more likely to send international remittances in 2017 and 2019 (see Table 7.8) were similar to the population segments that were more likely to send or receive international remittances in 2021 (see Table 7.9).

⁵⁸ The percentages displayed in Table 7.7 are among households that used money transfer services in the past 12 months. Table 7.7 reports that, among households that used money transfer services, four in ten (39.6 percent) used them to send or receive international remittances. As a percentage of all households in 2021, 2.8 percent sent or received international remittances.

⁵⁹ In 2019, the question was, “In the past 12 months, did you or anyone in your household send money to family or friends living outside of the U.S. through a service that is not a bank?” In 2017, the question consisted of two parts. The first part was, “In the last 12 months, that is since June 2016, did you or someone else in your household send money to family or friends living outside of the U.S.?” The second part was, “When sending money abroad in the last 12 months, did you or someone else in your household use... (Mark all that apply.) A bank? A place other than a bank? Other (Specify).”

⁶⁰ Specifically, the question in the 2021 survey was about sending or receiving international remittances, while the questions in the 2017 and 2019 surveys were about sending international remittances only. The United States is a net sender of international remittances and has many times greater outflows of international remittances than inflows, so it is likely that including inflows would not substantially increase the reported rate of using international remittances in 2017 and 2019.

Table 7.8 Sending Nonbank International Remittances by Bank Account Ownership and Selected Household Characteristics, 2017–2019

All Households, Row Percent

Characteristics	2017	2019
All	3.7	5.5
Bank Account Ownership		
Unbanked	6.4	9.4
Banked	3.5	5.3
Family Income		
Less Than \$15,000	3.9	4.8
\$15,000 to \$30,000	4.9	6.3
\$30,000 to \$50,000	5.1	7.0
\$50,000 to \$75,000	3.6	6.2
At Least \$75,000	2.4	4.4
Education		
No High School Diploma	11.3	14.7
High School Diploma	3.4	5.5
Some College	2.5	4.1
College Degree	3.0	4.5
Age Group		
15 to 24 Years	3.2	7.1
25 to 34 Years	4.9	7.2
35 to 44 Years	6.2	8.5
45 to 54 Years	4.8	6.6
55 to 64 Years	2.9	4.4
65 Years or More	1.3	2.5
Race/Ethnicity		
Black	4.2	6.1
Hispanic	15.6	20.2
Asian	8.7	13.3
American Indian or Alaska Native	1.3	0.3
Native Hawaiian or Other Pacific Islander	NA	NA
White	0.9	1.7
Two or More Races	1.4	3.1
Disability Status		
Disabled, Aged 25 to 64	2.5	3.3
Not Disabled, Aged 25 to 64	5.0	7.0
Citizenship and Place of Birth		
U.S.-Born	1.2	2.0
Foreign-Born Citizen	13.4	20.6
Foreign-Born Noncitizen	24.3	32.6

Note: NA indicates that the sample size is too small to produce a precise estimate.

Table 7.9 Sending or Receiving Nonbank International Remittances by Bank Account Ownership and Selected Household Characteristics, 2021

All Households, Row Percent

Characteristics	Send or Receive International Remittances
All	2.8
Bank Account Ownership	
Unbanked	4.7
Banked	2.7
Family Income	
Less Than \$15,000	2.9
\$15,000 to \$30,000	3.2
\$30,000 to \$50,000	3.2
\$50,000 to \$75,000	2.8
At Least \$75,000	2.4
Education	
No High School Diploma	6.8
High School Diploma	2.7
Some College	1.9
College Degree	2.6
Age Group	
15 to 24 Years	2.7
25 to 34 Years	3.7
35 to 44 Years	4.2
45 to 54 Years	3.6
55 to 64 Years	2.5
65 Years or More	1.0
Race/Ethnicity	
Black	3.3
Hispanic	8.9
Asian	9.5
American Indian or Alaska Native	4.1
Native Hawaiian or Other Pacific Islander	NA
White	0.7
Two or More Races	3.5
Disability Status	
Disabled, Aged 25 to 64	2.0
Not Disabled, Aged 25 to 64	3.7
Citizenship and Place of Birth	
U.S.-Born	0.9
Foreign-Born Citizen	9.7
Foreign-Born Noncitizen	18.5

Note: NA indicates that the sample size is too small to produce a precise estimate. See Appendix Table E.7 for estimates by other household characteristics.

8. Banked Households: Conducting Financial Transactions

The three previous sections separately examined household use of bank accounts (section 5); prepaid cards and nonbank online payment services (section 6); and nonbank money orders, check cashing, and money transfer services (section 7). This section examines the joint use of these six products and services by banked households to meet a range of financial transaction needs. Unless otherwise stated, all money orders, check cashing, money transfer services, and online payment services discussed in this section are from nonbank providers.

Pay Bills or Receive Income

Paying bills and receiving income are core financial transactions that most households conduct regularly. In 2021, almost all banked households (97.1 percent) used their bank accounts to pay monthly bills like rent, mortgage, utilities, or child care (i.e., pay bills) or receive money from work, retirement, or a government agency (i.e., receive income), and three in four banked households (75.2 percent) exclusively used their bank accounts to conduct these transactions (see Table 8.1). Households with less than \$15,000 in income, households with no high school diploma, households aged 34 or younger, Black and Hispanic households, working-age households with a disability, and unemployed households were the least likely to exclusively use their bank accounts to pay bills or receive income. However, roughly two in three banked households in each of these population segments exclusively used their bank accounts to conduct these transactions.

One in seven banked households (14.7 percent) used online payment services to pay bills or receive income. Among the population segments most likely to do so were households with income of \$75,000 or more and households aged 44 or younger (and especially those aged 34 or younger).

About 3 percent of banked households used prepaid cards to pay bills or receive income, while 5.9 percent and 1.5 percent, respectively, used money orders and money transfer services to pay bills. And 1.5 percent of banked households used check cashing to receive income.

Households that primarily used mobile banking to access their bank accounts were less likely to rely exclusively on their bank accounts to pay bills or receive income than households that accessed their bank accounts using other methods (see Table 8.2). Households that primarily used mobile banking were more likely to use online payment services for these transactions than households that primarily used other access methods. Households that primarily used an ATM or bank kiosk to access their bank accounts were more likely to use prepaid cards, money orders, or money transfer services to pay bills or receive income than households that primarily accessed their bank accounts using a bank teller, online banking, or mobile banking.

Table 8.1 Methods Banked Households Used to Pay Bills or Receive Income by Selected Household Characteristics, 2021

Banked Households, Row Percent

Characteristics	Any Method	Bank Account	Bank Account Only	Nonbank Online Payment Service	Prepaid Card	Nonbank Money Order	Nonbank Check Cashing	Nonbank Money Transfer Service
All	97.7	97.1	75.2	14.7	2.6	5.9	1.5	1.5
Family Income								
Less Than \$15,000	95.3	94.0	67.0	11.3	4.2	14.3	2.9	3.3
\$15,000 to \$30,000	97.1	96.3	73.9	10.3	3.4	10.6	2.9	1.8
\$30,000 to \$50,000	97.4	96.6	74.7	12.6	3.0	8.3	1.8	2.1
\$50,000 to \$75,000	98.1	97.5	76.3	14.4	2.7	5.0	1.2	1.5
At Least \$75,000	98.3	98.0	76.9	17.7	1.8	2.3	0.7	0.8

Table 8.1 Methods Banked Households Used to Pay Bills or Receive Income by Selected Household Characteristics, 2021

(continued)

Banked Households, Row Percent

Characteristics	Any Method	Bank Account	Bank Account Only	Nonbank Online Payment Service	Prepaid Card	Nonbank Money Order	Nonbank Check Cashing	Nonbank Money Transfer Service
Education								
No High School Diploma	95.7	93.9	67.8	8.5	4.4	16.1	4.1	2.7
High School Diploma	97.4	96.7	75.5	11.1	3.2	8.4	2.4	1.7
Some College	97.7	97.3	74.2	15.2	3.0	6.6	1.4	1.7
College Degree	98.2	97.8	76.9	17.3	1.7	2.5	0.5	1.0
Age Group								
15 to 24 Years	96.1	95.0	59.1	23.4	3.2	11.4	3.4	4.1
25 to 34 Years	97.5	96.8	66.0	22.8	2.9	7.3	2.0	2.1
35 to 44 Years	97.7	96.9	70.4	18.9	2.9	7.1	2.1	1.6
45 to 54 Years	97.8	97.1	73.6	16.3	3.1	5.3	1.5	1.9
55 to 64 Years	97.7	97.2	77.7	12.0	2.9	5.7	0.9	1.1
65 Years or More	98.0	97.7	85.5	6.7	1.7	4.1	0.7	0.7
Race/Ethnicity								
Black	97.3	96.1	63.4	16.8	4.6	15.5	2.9	3.6
Hispanic	96.0	94.6	66.8	15.7	3.2	11.1	2.8	2.7
Asian	98.1	97.5	77.5	15.8	1.4	3.6	0.6	1.1
American Indian or Alaska Native	96.2	95.7	68.6	14.3	3.7	10.9	3.0	3.9
Native Hawaiian or Other Pacific Islander	NA	NA	NA	NA	NA	NA	NA	NA
White	98.1	97.8	79.1	13.9	2.2	3.3	1.0	0.9
Two or More Races	97.8	97.2	70.0	18.0	3.5	7.0	2.6	1.5
Disability Status								
Disabled, Aged 25 to 64	97.3	96.5	68.7	13.5	5.2	12.8	2.2	2.7
Not Disabled, Aged 25 to 64	97.7	97.1	72.5	17.8	2.7	5.5	1.6	1.5
Employment Status								
Employed	97.8	97.3	72.4	18.1	2.5	5.6	1.6	1.6
Unemployed	97.1	95.6	65.0	17.2	6.6	11.0	3.7	2.2
Not in Labor Force	97.5	97.1	81.1	8.4	2.5	6.1	1.0	1.2

Note: NA indicates that the sample size is too small to produce a precise estimate.

Table 8.2 Methods Banked Households Used to Pay Bills or Receive Income by Primary Method of Bank Account Access, 2021

Banked Households, Row Percent

	Any Method	Bank Account	Bank Account Only	Nonbank Online Payment Service	Prepaid Card	Nonbank Money Order	Nonbank Check Cashing	Nonbank Money Transfer Service
All	97.7	97.1	75.2	14.7	2.6	5.9	1.5	1.5
Primary Method of Bank Account Access								
Bank Teller	97.2	96.3	82.1	5.5	2.2	7.5	1.8	1.3
ATM/Kiosk	97.0	96.3	73.8	11.5	3.5	9.0	1.9	2.3
Telephone Banking	98.3	97.8	80.0	7.7	3.1	7.6	1.7	2.0
Online Banking	98.0	97.7	80.3	14.1	1.9	2.0	0.4	0.7
Mobile Banking	98.2	97.7	70.4	20.2	2.8	6.2	1.7	1.6
Other	96.3	96.3	74.7	9.5	2.6	8.8	4.0	2.7
Did Not Access Bank Account	91.0	89.2	77.9	5.0	1.6	6.1	0.6	1.3

A household could have used one or more of the six methods in the survey to pay bills or receive income. For all banked households, Table 8.3 orders by frequency of use, alone or in combination, the methods that banked households used to conduct either transaction in 2021. The vast majority of banked households (75.2 percent) exclusively used their bank accounts to pay bills or receive income in 2021. Most of the remaining households—18.9 percent overall—used their bank accounts in combination with exactly one other method. For example, 12.6 percent used their bank accounts in combination with online payment

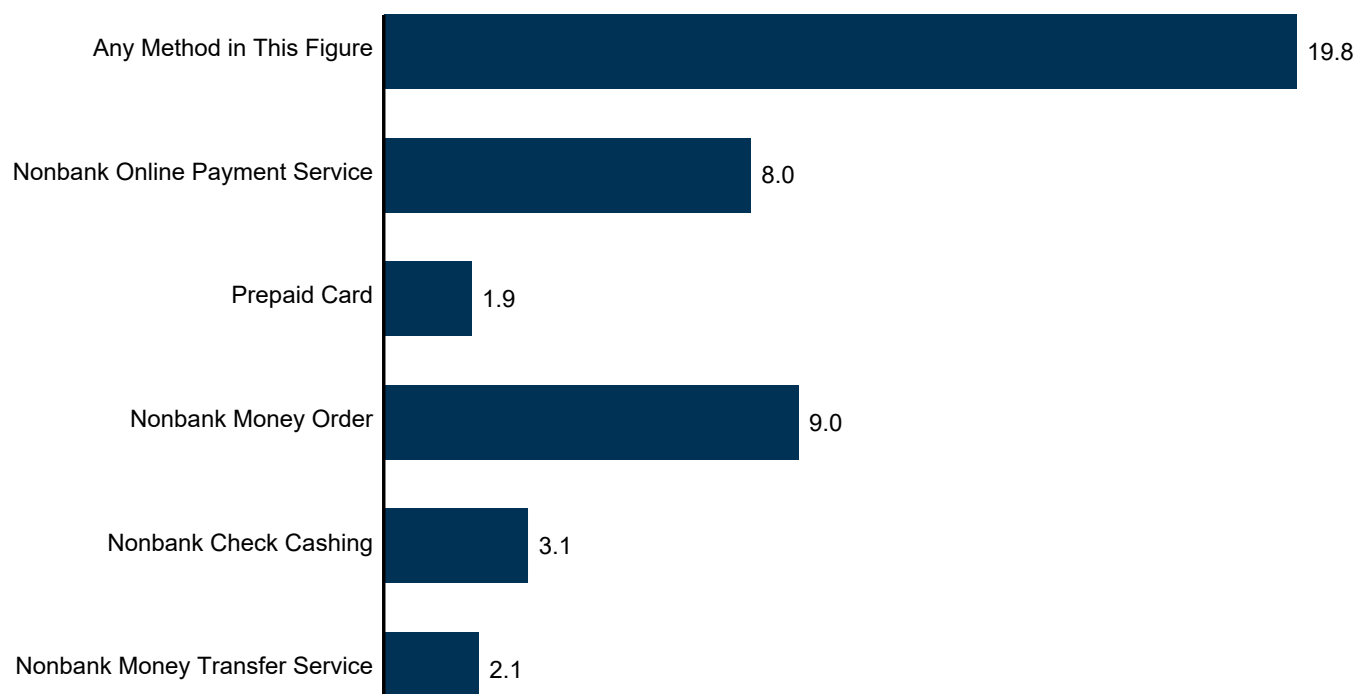
services, the most frequent combination. And 3.7 percent used their bank accounts and money orders, the second-most frequent combination.

Figure 8.1 shows the methods used to pay bills or receive income in 2021 among the 2.9 percent of banked households that did not use their bank accounts to conduct these transactions. The most frequently used methods were money orders, used by 9.0 percent of these households, and online payment services, used by 8.0 percent of these households.

Table 8.3 Methods Banked Households Used, Alone or in Combination, to Pay Bills or Receive Income, 2021
Banked Households, Column Percent

Bundle	Bank Account	Nonbank Online Payment Service	Prepaid Card	Nonbank Money Order	Nonbank Check Cashing	Nonbank Money Transfer Service	Percent
1	X						75.2
2	X	X					12.6
3	X			X			3.7
4	X		X				1.5
5	X	X		X			0.7
6	X				X		0.6
7	X	X	X				0.5
8	X					X	0.5
9	X			X		X	0.4
10	X		X	X			0.2
Other Combinations of Methods							1.7
Did Not Use Any of These Methods							2.3

Figure 8.1 Methods Used to Pay Bills or Receive Income Among Banked Households That Did Not Use Their Bank Accounts to Pay Bills or Receive Income, 2021 (Percent)



Make Purchases in Person or Online

The 2021 survey asked households about their use of bank accounts, online payment services, prepaid cards, and money orders to make purchases in person and online. Nine in ten banked households (89.6 percent) made purchases in person or online in 2021 using at least one of these four methods (see Table 8.4). Other methods that banked households could have used to make purchases that were not included in the 2021 survey are cash and credit cards. The vast majority of banked households used

bank accounts for in-person purchases (80.6 percent) and for online purchases (71.2 percent).

Compared with higher-income households, households with less than \$15,000 in income were less likely to use their bank accounts to make purchases in person (73.8 percent) or online (49.6 percent) and were also less likely to use online payment services to make online purchases (15.7 percent). Compared with older households, households aged 24 or younger were more likely

Table 8.4 Methods Banked Households Used to Make Purchases in Person or Online by Selected Household Characteristics, 2021

Banked Households, Row Percent

Characteristics	Any Method	Bank Account, in Person	Bank Account, Online	Nonbank Online Payment Service, in Person	Nonbank Online Payment Service, Online	Prepaid Card, in Person	Prepaid Card, Online	Nonbank Money Order
All	89.6	80.6	71.2	14.3	30.5	3.5	2.8	0.8
Family Income								
Less Than \$15,000	81.2	73.8	49.6	10.0	15.7	5.0	3.4	0.8
\$15,000 to \$30,000	84.9	78.1	55.3	8.8	17.3	3.7	2.9	0.9
\$30,000 to \$50,000	88.3	80.1	66.4	12.0	23.2	4.1	3.3	0.6
\$50,000 to \$75,000	91.3	83.4	75.6	14.9	30.9	3.7	3.2	0.6
At Least \$75,000	92.5	81.7	80.5	17.6	40.4	2.9	2.3	0.9
Education								
No High School Diploma	79.8	74.7	42.6	7.1	11.1	5.2	3.3	0.7
High School Diploma	87.8	80.9	63.8	10.9	21.2	3.8	3.0	0.7
Some College	91.3	83.8	75.4	14.5	30.0	3.9	3.4	0.8
College Degree	91.0	79.3	77.3	17.3	39.3	2.8	2.2	0.8
Age Group								
15 to 24 Years	95.6	88.6	88.2	23.3	38.2	4.4	4.4	1.2
25 to 34 Years	93.8	84.2	84.2	21.3	41.1	3.7	3.4	1.2
35 to 44 Years	93.4	83.6	82.0	19.4	40.7	4.2	3.7	1.0
45 to 54 Years	92.1	83.7	77.6	16.5	36.2	4.1	3.4	0.6
55 to 64 Years	89.8	80.8	69.7	11.9	26.4	3.7	2.7	0.7
65 Years or More	82.2	73.5	51.4	5.9	15.9	2.5	1.5	0.6
Race/Ethnicity								
Black	88.6	80.7	70.7	16.7	26.1	5.5	4.7	1.1
Hispanic	89.6	83.1	69.0	15.1	26.2	4.0	3.2	1.2
Asian	87.1	70.6	70.2	16.7	36.4	2.7	1.7	0.8
American Indian or Alaska Native	91.8	82.9	68.2	15.7	29.2	6.1	3.6	1.8
Native Hawaiian or Other Pacific Islander	NA	NA	NA	NA	NA	NA	NA	NA
White	89.9	80.9	71.8	13.4	31.5	3.1	2.4	0.7
Two or More Races	94.4	80.3	74.6	17.0	38.9	4.7	5.5	2.2
Disability Status								
Disabled, Aged 25 to 64	88.9	80.6	65.1	13.6	25.3	5.6	4.2	0.8
Not Disabled, Aged 25 to 64	92.6	83.3	79.7	17.5	37.1	3.7	3.2	0.9

Note: NA indicates that the sample size is too small to produce a precise estimate.

to use their bank accounts to make purchases in person (88.6 percent) or online (88.2 percent) and to use online payment services to make purchases in person (23.3 percent) or online (38.2 percent).

A household could have used one or more methods to make purchases. For all banked households, Table 8.5 orders by frequency of use, alone or in combination, the methods that banked households used to make purchases in 2021. Half of banked households (54.9 percent) exclusively used their bank accounts to make purchases in 2021, and 27.9 percent used both bank accounts and online payment services but did not use any other method to make purchases.⁶¹

Figures 8.2 and 8.3 show the methods used to make purchases in person and to make purchases online, respectively, for banked households that did not use their bank accounts for those transactions. The 19.4 percent of households that did not use their bank accounts to make purchases in person were more likely to use online payment services than prepaid cards to make in-person purchases.⁶² Likewise, the 28.8 percent of households that did not use their bank accounts to make online purchases were more likely to use online payment services than prepaid cards to make online purchases.

Send or Receive Money

The 2021 survey asked households about their use of bank accounts, online payment services, and prepaid cards to send money to or receive money from family or friends (i.e., send or receive money); money orders to send money to family or friends (i.e., send money); and money transfer services to send money to or receive money from family or friends in the United States (i.e., send or receive money in the United States) and outside the United States (i.e., send or receive international remittances). About half of banked households (48.0 percent) used at least one of these five methods to send or receive money in 2021 (see Table 8.6). Some banked households may not have sent or received money in 2021, while others could have sent or received money using methods not included in the survey, such as cash.

Two in three banked households aged 34 or younger (65.7 percent) used at least one of the five methods in the survey to send or receive money in 2021, a higher share than older households. About half of banked households aged 34 or younger (48.5 percent) used bank accounts, and a similar share used online payment services (47.5 percent).

Table 8.5 Methods Banked Households Used, Alone or in Combination, to Make Purchases in Person or Online, 2021
Banked Households, Column Percent

Bundle	Bank Account, in Person	Bank Account, Online	Nonbank Online Payment Service, in Person	Nonbank Online Payment Service, Online	Prepaid Card, in Person	Prepaid Card, Online	Nonbank Money Order	Percent
1	X	X						37.3
2	X							13.6
3	X	X		X				12.5
4	X	X	X	X				10.3
5		X						4.0
6		X		X				1.7
7				X				1.6
8	X	X	X					1.1
9	X			X				1.1
10	X	X			X	X		0.9
Other Combinations of Methods								5.7
Did Not Use Any of These Methods								10.4

⁶¹ Banked households that used both bank accounts and online payment services but did not use any other method to make purchases include households that used the combinations of methods described in bundles 3, 4, 6, 8, and 9 in Table 8.5, as well as certain other combinations of methods that are not shown in Table 8.5.

⁶² Online payment services may enable users to make purchases in person using a smartphone or with an associated debit card.

Three in five Asian banked households (61.8 percent) used at least one of the five methods to send or receive money in 2021, a higher share than households of other races and ethnicities. Half of Asian banked households (49.8 percent) used bank accounts and one in three (32.6 percent) used online payment services, while one in ten (9.6 percent) used money transfer services to send or receive international remittances.

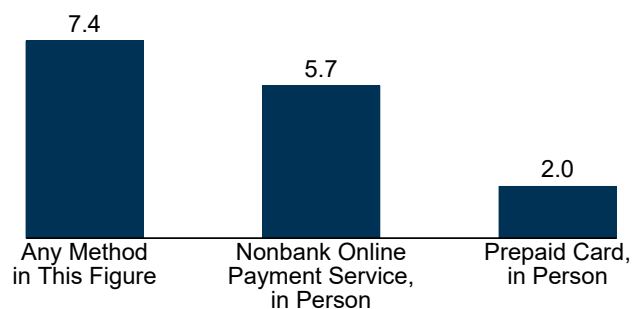
A household could have used one or more methods to send or receive money. For all banked households, Table 8.7 orders by frequency of use, alone or in combination, the methods that banked households used to send or receive money in 2021. About one in six banked households (16.0 percent) exclusively used their bank accounts, another one in six (16.2 percent) used both their bank accounts and online payment services but did not use any other method, and one in eleven (9.0 percent) exclusively used online payment services.

Figure 8.4 shows the methods used to send or receive money among the 63.9 percent of banked households that did not use their bank accounts to conduct these transactions in 2021. The most frequently used method was online payment services, used by 15.0 percent of these households.

Save or Keep Money Safe

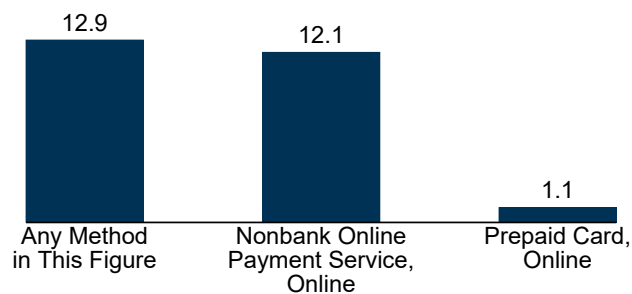
The 2021 survey asked households about their use of bank accounts, online payment services, and prepaid cards to build savings or keep money in a safe place (i.e., save or keep money safe). Five in six banked households (83.8 percent) used at least one of these three methods to save or keep money safe in 2021 (see Table 8.8). Some banked households may not have saved in 2021. Others could have

Figure 8.2 Methods Used to Make Purchases in Person Among Banked Households That Did Not Use Their Bank Accounts to Make Purchases in Person, 2021 (Percent)



Note: Among banked households that did not use their bank accounts to make purchases in person, 0.9 percent used nonbank money orders to make purchases; however, the survey did not ask whether purchases made with money orders were in person or online.

Figure 8.3 Methods Used to Make Purchases Online Among Banked Households That Did Not Use Their Bank Accounts to Make Purchases Online, 2021 (Percent)



Note: Among banked households that did not use their bank accounts to make purchases online, 0.7 percent used nonbank money orders to make purchases; however, the survey did not ask whether purchases made with money orders were in person or online.

Table 8.6 Methods Banked Households Used to Send or Receive Money by Selected Household Characteristics, 2021
Banked Households, Row Percent

Characteristics	Any Method	Bank Account	Nonbank Online Payment Service	Prepaid Card	Nonbank Money Order	Nonbank Money Transfer Service, in the United States	Nonbank Money Transfer Service, International Remittances
All	48.0	36.1	27.7	1.4	1.2	2.4	2.7
Family Income							
Less Than \$15,000	34.0	25.8	16.5	1.9	0.9	3.2	2.7
\$15,000 to \$30,000	35.6	25.9	16.0	1.8	1.4	3.2	3.1
\$30,000 to \$50,000	40.3	30.5	19.0	1.5	1.7	2.7	3.1
\$50,000 to \$75,000	46.0	35.1	25.0	1.5	1.5	2.3	2.6
At Least \$75,000	58.9	44.2	38.7	1.1	1.0	2.0	2.4

Table 8.6 Methods Banked Households Used to Send or Receive Money by Selected Household Characteristics, 2021

(continued)

Banked Households, Row Percent

Characteristics	Any Method	Bank Account	Nonbank Online Payment Service	Prepaid Card	Nonbank Money Order	Nonbank Money Transfer Service, in the United States	Nonbank Money Transfer Service, International Remittances
Education							
No High School Diploma	32.0	21.5	10.8	2.3	2.4	5.2	6.6
High School Diploma	35.6	27.0	16.5	1.7	1.2	2.4	2.6
Some College	46.1	34.4	25.6	1.5	1.4	2.6	1.9
College Degree	59.0	44.9	38.4	1.1	0.9	1.9	2.7
Age Group							
15 to 24 Years	67.7	53.6	48.5	2.6	0.4	2.4	2.5
25 to 34 Years	65.2	47.1	47.2	1.6	1.5	2.6	3.8
35 to 44 Years	58.9	42.5	38.9	1.6	1.4	2.8	4.0
45 to 54 Years	53.9	40.3	32.3	1.8	1.1	3.1	3.3
55 to 64 Years	41.2	31.1	20.7	1.4	1.4	2.5	2.5
65 Years or More	28.9	23.7	8.0	0.8	1.1	1.7	0.9
Race/Ethnicity							
Black	49.3	37.1	28.5	2.8	2.4	5.8	3.5
Hispanic	51.0	38.6	24.7	1.4	2.5	3.8	8.5
Asian	61.8	49.8	32.6	0.7	1.1	2.2	9.6
American Indian or Alaska Native	48.4	35.6	27.1	2.8	5.3	5.1	4.4
Native Hawaiian or Other Pacific Islander	NA	NA	NA	NA	NA	NA	NA
White	45.8	34.3	27.6	1.2	0.7	1.5	0.7
Two or More Races	56.2	37.7	36.7	2.4	3.7	3.0	3.7
Disability Status							
Disabled, Aged 25 to 64	40.6	29.5	22.2	2.1	1.8	4.3	2.0
Not Disabled, Aged 25 to 64	56.0	41.2	35.8	1.6	1.3	2.6	3.6

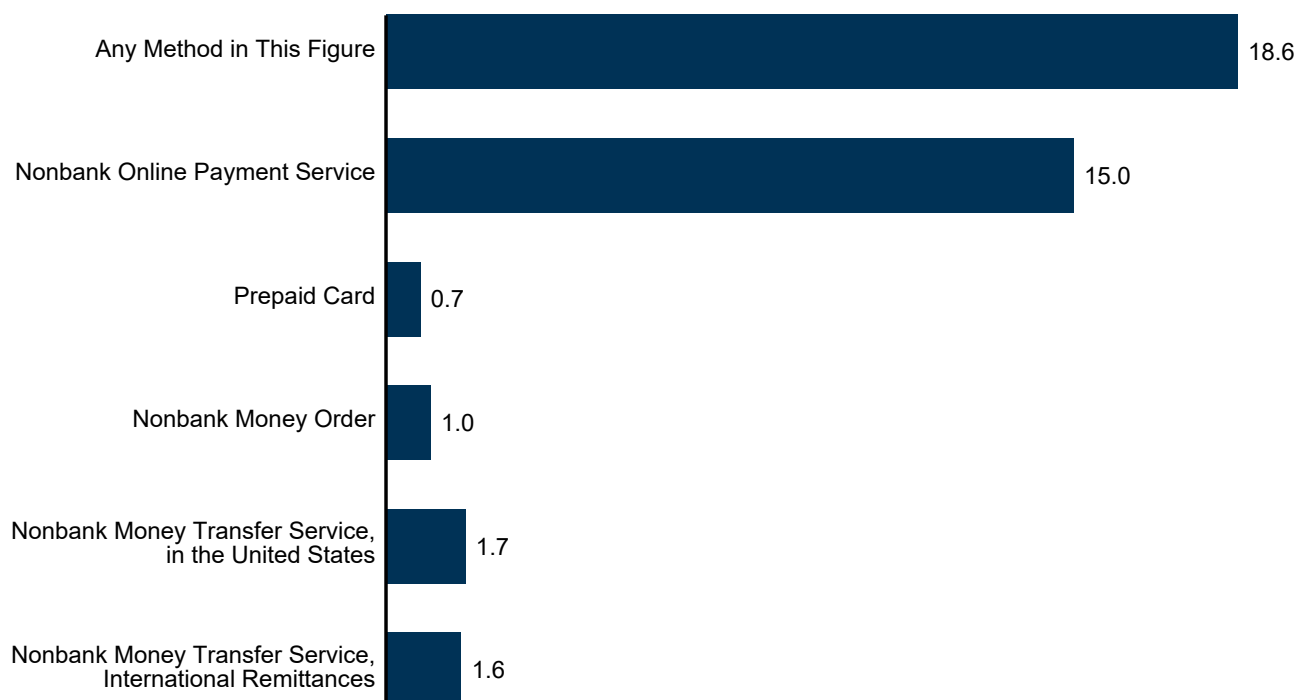
Note: NA indicates that the sample size is too small to produce a precise estimate.

Table 8.7 Methods Banked Households Used, Alone or in Combination, to Send or Receive Money, 2021

Banked Households, Column Percent

Bundle	Bank Account	Nonbank Online Payment Service	Prepaid Card	Nonbank Money Order	Nonbank Money Transfer Service, in the United States	Nonbank Money Transfer Service, International Remittances	Percent
1	X	X					16.2
2	X						16.0
3		X					9.0
4						X	0.8
5	X					X	0.8
6					X		0.7
7	X	X				X	0.5
8	X	X	X				0.5
9	X				X		0.5
10	X	X			X		0.5
Other Combinations of Methods							2.6
Did Not Use Any of These Methods							52.0

Figure 8.4 Methods Used to Send or Receive Money Among Banked Households That Did Not Use Their Bank Accounts to Send or Receive Money, 2021 (Percent)



saved using methods not included in the survey, such as keeping savings in the home or with family and friends.

Five in six banked households (83.0 percent) used bank accounts to save or keep money safe in 2021; one in ten (10.6 percent) used online payment services, and 1.5 percent used prepaid cards. About three in four banked households (72.2 percent) exclusively used their bank accounts to save or keep money safe in 2021.

Seven in ten households with less than \$15,000 in income (69.2 percent) saved or kept money safe using at least one of the three methods, a lower share than among higher-income households. Two in three banked households aged 34 or younger (68.1 percent) exclusively used their bank accounts to save or keep money safe in 2021. One in six banked households aged 34 or younger (16.9 percent) used online payment services to save or keep money safe, and 1.9 percent used prepaid cards.

Table 8.8 Methods Banked Households Used to Save or Keep Money Safe by Selected Household Characteristics, 2021
Banked Households, Row Percent

Characteristics	Any Method	Bank Account	Bank Account Only	Nonbank Online Payment Service	Prepaid Card
All	83.8	83.0	72.2	10.6	1.5
Family Income					
Less Than \$15,000	69.2	68.4	59.7	7.6	2.9
\$15,000 to \$30,000	75.3	74.4	66.7	7.3	1.8
\$30,000 to \$50,000	81.2	80.1	70.8	9.2	1.7
\$50,000 to \$75,000	85.1	84.0	73.5	10.8	1.2
At Least \$75,000	89.9	89.2	76.4	12.7	1.1
Education					
No High School Diploma	71.7	70.3	64.0	5.9	2.5
High School Diploma	79.9	79.0	70.9	7.8	1.8
Some College	82.9	82.0	71.3	10.5	1.6
College Degree	88.7	87.9	74.9	13.0	1.0
Age Group					
15 to 24 Years	87.2	85.8	67.9	17.9	1.9
25 to 34 Years	85.9	84.9	68.1	16.7	1.8
35 to 44 Years	85.7	84.5	70.9	13.7	1.8
45 to 54 Years	84.8	83.8	71.3	12.2	1.7
55 to 64 Years	82.8	82.0	73.4	8.3	1.4
65 Years or More	81.0	80.6	75.9	4.5	1.0
Race/Ethnicity					
Black	77.9	76.5	62.4	13.7	2.9
Hispanic	79.2	78.2	67.3	10.8	1.7
Asian	83.7	82.7	73.0	10.4	0.6
American Indian or Alaska Native	77.8	77.1	61.4	13.5	3.1
Native Hawaiian or Other Pacific Islander	NA	NA	NA	NA	NA
White	85.9	85.2	75.1	9.9	1.2
Two or More Races	83.9	83.7	67.0	15.9	2.4
Disability Status					
Disabled, Aged 25 to 64	74.3	73.3	64.0	8.7	2.4
Not Disabled, Aged 25 to 64	86.0	85.0	71.9	13.1	1.6
Note: NA indicates that the sample size is too small to produce a precise estimate.					

Three in four Black banked households (76.5 percent) used bank accounts to save or keep money safe, a lower share than among households of other races and ethnicities. For example, 85.2 percent of White banked households saved or kept money safe using bank accounts in 2021. Almost one in seven Black banked households (13.7 percent) saved or kept money safe using online payment services compared with 9.9 percent of White households, and 2.9 percent of Black banked households saved or kept money safe using prepaid cards compared with 1.2 percent of White banked households.

A household could have used one or more methods to save or keep money safe. For all banked households, Table 8.9 orders by frequency of use, alone or in combination, the methods that banked households used to save or keep money safe in 2021. About three in four banked households (72.2 percent) exclusively used their bank accounts. About one in ten banked households (9.4 percent) used their bank accounts and online payment services but not prepaid cards.

Figure 8.5 shows the use of online payment services or prepaid cards to save or keep money safe among the 17.0 percent of banked households that did not use their bank accounts to save or keep money safe in 2021. The most frequently used method was online payment services, used by 4.6 percent of these households.

Figure 8.5 Methods Used to Save or Keep Money Safe Among Banked Households That Did Not Use Their Bank Accounts to Save or Keep Money Safe, 2021 (Percent)

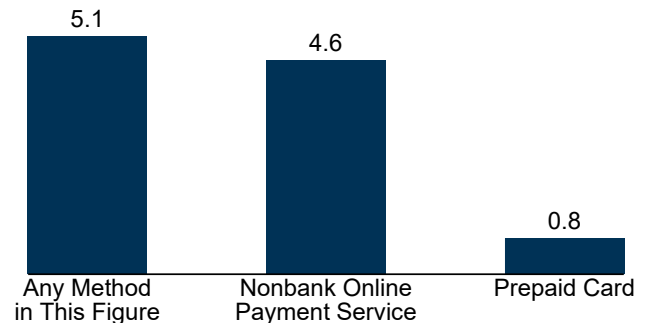


Table 8.9 Methods Banked Households Used, Alone or in Combination, to Save or Keep Money Safe, 2021
Banked Households, Column Percent

Bundle	Bank Account	Nonbank Online Payment Service	Prepaid Card	Percent
1	X			72.2
2	X	X		9.4
3	X		X	0.9
4		X		0.7
5	X	X	X	0.4
6			X	0.1
7		X	X	-
Other Combinations of Methods				0.0
Did Not Use Any of These Methods				16.2

Note: The dash symbol indicates an estimate of zero; the population proportion may be slightly greater than zero.

9. Unbanked Households: Conducting Financial Transactions

The previous section examined the joint use of bank accounts, prepaid cards, nonbank online payment services, nonbank money orders, nonbank check cashing, and nonbank money transfer services by banked households. This section examines the joint use of these products and services, except bank accounts, by unbanked households to meet a range of financial transaction needs. Unless otherwise stated, all money orders, check cashing, money transfer services, and online payment services discussed in this section are from nonbank providers.

Pay Bills or Receive Income

Paying bills and receiving income are core financial transactions that most households conduct regularly. As shown in Table 9.1, about half of unbanked households (56.4 percent) used at least one of the five methods in the survey—prepaid cards, online payment services, money orders, check cashing, and money transfer services—to pay monthly bills like rent, mortgage, utilities, or child care (i.e., pay bills) or receive money from work, retirement, or a government agency (i.e., receive income). Other methods that unbanked households could have used to pay bills or

receive income that were not included in the 2021 survey are cash and credit cards.⁶³

The population segments of unbanked households least likely to have used any of the methods in the survey to pay bills or receive income in 2021 were households with income of \$50,000 or more (40.9 percent), households with a college degree (38.3 percent), households aged 55 or older (48.0 percent), Hispanic households (47.7 percent), and households not in the labor force (51.1 percent).⁶⁴

Three in ten unbanked households (28.9 percent) used prepaid cards to pay bills or receive income, and a similar share (29.6 percent) used money orders to pay bills. Prepaid cards and money orders were the two most prevalent methods used to conduct these transactions across almost all population segments of unbanked households, except Hispanic households. One in three Hispanic households (31.6 percent) used money orders to pay bills, 18.6 percent used check cashing to receive income, and 15.7 percent used prepaid cards to pay bills or receive income.

Table 9.1 Methods Unbanked Households Used to Pay Bills or Receive Income by Selected Household Characteristics, 2021

Unbanked Households, Row Percent

Characteristics	Any Method	Nonbank Online Payment Service	Prepaid Card	Nonbank Money Order	Nonbank Check Cashing	Nonbank Money Transfer Service
All	56.4	12.5	28.9	29.6	17.5	7.4
Family Income						
Less Than \$15,000	59.2	11.2	32.1	28.3	17.1	6.3
\$15,000 to \$30,000	59.4	14.4	28.2	34.2	19.0	9.4
\$30,000 to \$50,000	57.2	12.9	30.6	30.7	21.3	8.9
At Least \$50,000+	40.9	11.9	18.8	23.2	11.0	4.7

⁶³ The 2017 survey included questions on methods used to pay bills and receive income in a typical month. In 2017, 67.0 percent of unbanked households used cash—the most prevalent method—to pay bills in a typical month, and 8.4 percent used credit cards. In addition, 26.3 percent of unbanked households received income in cash in a typical month. In 2021, among unbanked households that did not use any of the five methods in the 2021 survey to pay bills or receive income, 5.8 percent had a credit card.

⁶⁴ Household income categories and household age group categories have been combined to increase the sample size. The difference in the likelihood of using any of the methods in the survey to pay bills or receive income between households aged 55 or older and younger households was no longer statistically significant after differences in the other household characteristics shown in Table 3.6 were accounted for.

Table 9.1 Methods Unbanked Households Used to Pay Bills or Receive Income by Selected Household Characteristics, 2021 (continued)

Unbanked Households, Row Percent

Characteristics	Any Method	Nonbank Online Payment Service	Prepaid Card	Nonbank Money Order	Nonbank Check Cashing	Nonbank Money Transfer Service
Education						
No High School Diploma	54.4	6.8	26.1	28.2	18.7	5.5
High School Diploma	59.1	14.6	32.7	30.4	18.1	8.8
Some College	62.4	18.5	33.4	35.9	18.4	8.8
College Degree	38.3	11.7	13.7	17.2	7.9	5.3
Age Group						
15 to 34 Years+	62.5	22.5	34.3	29.8	20.6	7.4
35 to 54 Years+	60.4	13.5	32.6	30.8	19.2	8.8
55 Years or More+	48.0	4.7	21.4	28.3	13.5	5.9
Race/Ethnicity						
Black	64.8	17.9	38.2	32.8	18.8	6.4
Hispanic	47.7	5.3	15.7	31.6	18.6	10.0
Asian	NA	NA	NA	NA	NA	NA
American Indian or Alaska Native	NA	NA	NA	NA	NA	NA
Native Hawaiian or Other Pacific Islander	NA	NA	NA	NA	NA	NA
White	56.5	12.6	33.2	26.6	14.4	5.7
Two or More Races	NA	NA	NA	NA	NA	NA
Disability Status						
Disabled, Aged 25 to 64	59.6	10.0	35.5	29.6	14.1	5.8
Not Disabled, Aged 25 to 64	59.0	14.8	28.4	32.6	20.9	9.9
Employment Status						
Employed	62.0	16.0	30.6	33.5	22.6	8.3
Unemployed	65.8	17.2	42.1	30.6	22.6	15.0
Not in Labor Force	51.1	9.3	25.6	27.0	13.3	5.5

Note: The plus symbol indicates instances in which categorical groups typically used in this report have been combined to increase the sample size. NA indicates that the sample size is too small to produce a precise estimate.

As shown in Table 9.2, among unbanked households whose main reason for not having a bank account was related to convenience or access, two in three (65.0 percent) used at least one of the five methods to pay bills or receive income in 2021.⁶⁵ Households whose main reason for not having a bank account was related to convenience or access were more likely to use money orders to pay bills than households whose main reason for not having a bank account was related to fees or minimum balance. Those households citing reasons related to convenience or access were also more likely to use money transfer

services to pay bills than households whose main reason for not having a bank account was related to trust or privacy.

A household could have used one or more of the five methods in the survey to pay bills or receive income. For all unbanked households, Table 9.3 orders by frequency of use, alone or in combination, the methods that unbanked households used to conduct either transaction in 2021. One in four unbanked households (28.2 percent) exclusively used one method to pay bills or receive income, the most

⁶⁵ For Table 9.2, unbanked households' main reasons for not having a bank account were combined to increase the sample size: "Fees or minimum balance" includes the reasons, "Bank account fees are too high," "Bank account fees are too unpredictable," and "Don't have enough money to meet minimum balance requirements;" "Trust or privacy" includes the reasons, "Don't trust banks" and "Avoiding a bank gives more privacy;" and "Convenience or access" includes the reasons, "Bank locations are inconvenient," "Banks do not offer needed products and services," "Don't have personal identification required to open an account," and "Problems with past banking or credit history."

Table 9.2 Methods Unbanked Households Used to Pay Bills or Receive Income by Main Reason for Not Having a Bank Account, 2021

Unbanked Households, Row Percent

	Any Method	Nonbank Online Payment Service	Prepaid Card	Nonbank Money Order	Nonbank Check Cashing	Nonbank Money Transfer Service
All	56.4	12.5	28.9	29.6	17.5	7.4
Main Reason for Not Having a Bank Account						
Fees or Minimum Balance+	59.1	12.8	28.5	29.9	18.3	7.8
Trust or Privacy+	58.9	12.5	31.5	30.8	18.7	4.7
Convenience or Access+	65.0	18.2	33.0	39.6	19.6	12.5
Other Reason	57.3	11.8	27.8	33.7	19.4	10.3
Did Not Select a Reason	40.0	7.5	24.3	14.6	10.7	2.8

Note: The plus symbol indicates instances in which categorical groups typically used in this report have been combined to increase the sample size.

Table 9.3 Methods Unbanked Households Used, Alone or in Combination, to Pay Bills or Receive Income, 2021

Unbanked Households, Column Percent

Bundle	Nonbank Online Payment Service	Prepaid Card	Nonbank Money Order	Nonbank Check Cashing	Nonbank Money Transfer Service	Percent
1		X				11.4
2			X			9.4
3			X	X		5.4
4		X	X			4.8
5	X	X				3.9
6				X		3.9
7	X					2.4
8			X		X	1.6
9		X		X		1.4
10		X	X	X		1.4
Other Combinations of Methods						10.8
Did Not Use Any of These Methods						43.6

prevalent of which was prepaid cards, used by one in ten unbanked households (11.4 percent).⁶⁶

In 2021, 71.1 percent of unbanked households did not use prepaid cards to pay bills or receive income. Of these households, 27.0 percent used money orders to pay bills, and 16.4 percent used check cashing to receive income—the most frequent methods (see Figure 9.1).

Make Purchases in Person or Online

The 2021 survey asked households about their use of online payment services, prepaid cards, and money orders to make

purchases in person and online. One in three unbanked households (33.5 percent) made purchases using at least one of these three methods (see Table 9.4). Other methods that unbanked households could have used to make purchases that were not included in the 2021 survey are cash and credit cards.

Fewer than one in five Hispanic unbanked households (18.5 percent) used at least one of the three methods, a much lower share than among Black unbanked households (42.9 percent) and White unbanked households (39.3 percent). Almost half of unbanked households aged 34 or

⁶⁶ Not shown in Table 9.3 is the percentage of unbanked households that exclusively used money transfer services to pay bills (1.1 percent).

Table 9.4 Methods Unbanked Households Used to Make Purchases in Person or Online by Selected Household Characteristics, 2021

Unbanked Households, Row Percent

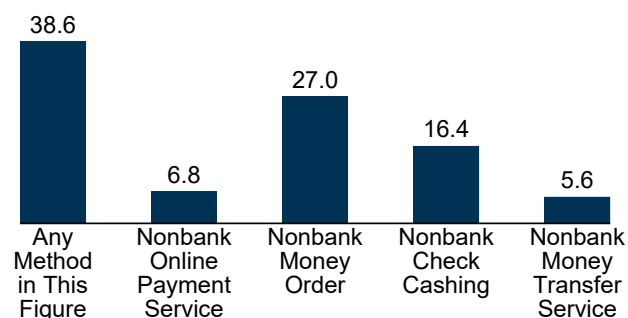
Characteristics	Any Method	Nonbank Online Payment Service, in Person	Nonbank Online Payment Service, Online	Prepaid Card, in Person	Prepaid Card, Online	Nonbank Money Order
All	33.5	10.3	12.0	25.1	17.6	0.7
Family Income						
Less Than \$15,000	35.2	9.1	11.0	26.6	16.6	0.7
\$15,000 to \$30,000	32.5	11.7	12.1	25.6	18.4	1.3
\$30,000 to \$50,000	35.9	11.5	13.0	26.4	20.4	0.2
At Least \$50,000+	28.0	9.9	13.8	17.9	15.3	0.4
Education						
No High School Diploma	25.5	5.7	5.8	21.1	11.9	0.9
High School Diploma	36.6	12.2	14.5	27.6	20.9	0.4
Some College	45.7	16.7	18.8	32.2	25.9	1.0
College Degree	23.5	5.1	10.1	13.5	5.3	0.9
Age Group						
15 to 34 Years+	46.5	19.4	22.5	32.3	27.3	0.2
35 to 54 Years+	36.6	10.8	12.5	27.3	19.3	0.7
55 Years or More+	21.6	3.7	4.4	17.9	9.1	1.1
Race/Ethnicity						
Black	42.9	13.7	16.1	31.8	23.2	0.9
Hispanic	18.5	6.1	5.6	13.3	8.8	0.2
Asian	NA	NA	NA	NA	NA	NA
American Indian or Alaska Native	NA	NA	NA	NA	NA	NA
Native Hawaiian or Other Pacific Islander	NA	NA	NA	NA	NA	NA
White	39.3	10.0	12.3	31.2	21.7	1.2
Two or More Races	NA	NA	NA	NA	NA	NA
Disability Status						
Disabled, Aged 25 to 64	35.8	8.0	10.4	29.3	17.7	1.2
Not Disabled, Aged 25 to 64	35.3	12.9	13.7	25.9	20.6	0.4

Note: The plus symbol indicates instances in which categorical groups typically used in this report have been combined to increase the sample size. NA indicates that the sample size is too small to produce a precise estimate.

younger (46.5 percent) used at least one of the three methods to make purchases, a higher share than among older unbanked households.

Use of prepaid cards was higher than use of online payment services for both types of purchases, and for almost every segment of unbanked households, prepaid cards were the most prevalent method for both in-person and online purchases. For example, among unbanked households aged 34 or younger, prepaid cards were the most prevalent method for in-person purchases (32.3 percent). One in five unbanked households aged 34 or younger (19.4 percent) used online payment services to make in-person purchases, a much higher share than among older

Figure 9.1 Methods Used to Pay Bills or Receive Income Among Unbanked Households That Did Not Use Prepaid Cards to Pay Bills or Receive Income, 2021 (Percent)



unbanked households.⁶⁷ For online purchases, 27.3 percent of unbanked households aged 34 or younger used prepaid cards, slightly higher than the 22.5 percent that used online payment services.

A household could have used one or more methods to make purchases. For all unbanked households, Table 9.5 orders by frequency of use, alone or in combination, the methods that unbanked households used to make purchases in 2021. As previously noted, one in three unbanked households used at least one of the three methods to make purchases; 66.5 percent did not use any of these methods. Among households that used at least one of these three methods, the vast majority exclusively used one method to make purchases in person or online. One in five unbanked households (19.0 percent) exclusively used prepaid cards (8.5 percent in person only, 1.1 percent online only, and 9.4 percent in person and online), and 6.3 percent exclusively used online payment services (1.1 percent in person only, 2.1 percent online only, and 3.1 percent in person and online).⁶⁸

Send or Receive Money

The 2021 survey asked households about their use of online payment services and prepaid cards to send money to or receive money from family or friends (i.e., send or receive money); money orders to send money to family or friends (i.e., send money); and money transfer services to

send money to or receive money from family or friends in the United States (i.e., send or receive money in the United States) and outside the United States (i.e., send or receive international remittances). Fewer than one in four unbanked households (23.1 percent) used at least one of these four methods to send or receive money in 2021 (see Table 9.6). Some unbanked households may not have sent or received money in 2021, while others could have sent or received money using methods not included in the survey, such as cash.

The population segments of unbanked households that were less likely to use at least one of the four methods to send or receive money were households aged 55 or older (12.4 percent) compared with younger households, and White households (17.8 percent) compared with Black (28.1 percent) and Hispanic (23.7 percent) households.

Online payment services were the most prevalent method used by unbanked households to send or receive money (11.4 percent), followed by prepaid cards (8.7 percent). Online payment services and prepaid cards were the two most prevalent methods used to conduct these types of transactions across almost all population segments of unbanked households. One exception was households with no high school diploma, which were equally likely to use online payment services (5.5 percent), prepaid cards (5.3 percent), and money transfer services to send or receive

Table 9.5 Methods Unbanked Households Used, Alone or in Combination, to Make Purchases in Person or Online, 2021

Unbanked Households, Column Percent

Bundle	Nonbank Online Payment Service, in Person	Nonbank Online Payment Service, Online	Prepaid Card, in Person	Prepaid Card, Online	Nonbank Money Order	Percent
1			X	X		9.4
2			X			8.5
3	X	X	X	X		4.8
4	X	X				3.1
5		X				2.1
6				X		1.1
7	X					1.1
8		X	X	X		0.9
9	X		X	X		0.5
10		X		X		0.4
Other Combinations of Methods						1.7
Did Not Use Any of These Methods						66.5

⁶⁷ Online payment services may enable users to make purchases in person using a smartphone or with an associated debit card.

⁶⁸ Not shown in Table 9.3 is the percentage of unbanked households that exclusively used money orders to make purchases (0.4 percent).

Table 9.6 Methods Unbanked Households Used to Send or Receive Money by Selected Household Characteristics, 2021

Unbanked Households, Row Percent

Characteristics	Any Method	Nonbank Online Payment Service	Prepaid Card	Nonbank Money Order	Nonbank Money Transfer Service, in the United States	Nonbank Money Transfer Service, International Remittances
All	23.1	11.4	8.7	3.2	5.6	4.7
Family Income						
Less Than \$15,000	19.1	10.7	8.4	1.4	4.1	3.5
\$15,000 to \$30,000	22.7	9.1	7.8	3.1	8.0	4.0
\$30,000 to \$50,000	30.9	15.2	11.8	5.6	6.6	5.4
At Least \$50,000+	26.9	13.4	7.9	6.2	4.1	8.7
Education						
No High School Diploma	18.9	5.5	5.3	4.0	5.3	7.6
High School Diploma	24.9	14.0	10.1	2.0	5.8	4.3
Some College	29.9	16.8	15.0	5.1	6.8	1.7
College Degree	15.4	10.0	1.0	0.9	3.3	1.2
Age Group						
15 to 34 Years+	32.1	22.2	12.2	4.1	8.7	2.6
35 to 54 Years+	27.3	12.3	9.9	3.7	6.5	7.9
55 Years or More+	12.4	3.1	5.1	2.1	2.6	2.5
Race/Ethnicity						
Black	28.1	18.5	12.9	4.1	6.5	1.2
Hispanic	23.7	6.2	4.2	4.2	5.9	12.3
Asian	NA	NA	NA	NA	NA	NA
American Indian or Alaska Native	NA	NA	NA	NA	NA	NA
Native Hawaiian or Other Pacific Islander	NA	NA	NA	NA	NA	NA
White	17.8	9.3	9.9	1.5	4.7	1.2
Two or More Races	NA	NA	NA	NA	NA	NA
Disability Status						
Disabled, Aged 25 to 64	17.3	8.5	7.5	2.5	4.0	2.2
Not Disabled, Aged 25 to 64	28.2	14.1	10.8	3.2	7.0	6.7

Note: The plus symbol indicates instances in which categorical groups typically used in this report have been combined to increase the sample size. NA indicates that the sample size is too small to produce a precise estimate.

money in the United States (5.3 percent); 7.6 percent of households with no high school diploma used money transfer services to send or receive international remittances. Another exception was Hispanic households. The most prevalent methods used by Hispanic households to send or receive money were online payment services (6.2 percent) and money transfer services (5.9 percent for sending or receiving money in the United States and 12.3 percent for sending or receiving international remittances). Identical shares of Hispanic households used prepaid cards (4.2 percent) and money orders (4.2 percent) to conduct these types of transactions in 2021.

A household could have used one or more methods to send or receive money. For all unbanked households, Table 9.7 orders by frequency of use, alone or in combination, the methods that unbanked households used to send or receive money in 2021. Three in four unbanked households (76.9 percent) did not use any of the four methods to send or receive money in 2021. One in twenty unbanked households (5.3 percent) exclusively used online payment services to send or receive money, and 3.6 percent used both online payment services and prepaid cards but did not use any other method.

Save or Keep Money Safe

The 2021 survey asked households about their use of online payment services and prepaid cards to build

savings or keep money in a safe place (i.e., save or keep money safe). One in six unbanked households (16.0 percent) used at least one of these two methods to save or keep money safe in 2021 (see Table 9.8). Some unbanked households may not have saved in 2021. Others could have saved using methods not included in the survey, such as keeping savings in the home or with family and friends.

About one in eight unbanked households (13.7 percent) saved or kept money safe using prepaid cards, and a much lower share (5.9 percent) used online payment services. One in nine unbanked households aged 34 or younger (11.4 percent) used online payment services to save or keep money safe in 2021, much higher than the rates of use among older unbanked households.

A household could have used one or more methods to save or keep money safe. For all unbanked households, Table 9.9 orders by frequency of use, alone or in combination, the methods that unbanked households used to save or keep money safe in 2021. One in ten unbanked households (10.1 percent) exclusively used prepaid cards, 2.3 percent exclusively used online payment services, and 3.6 percent used both.

Table 9.7 Methods Unbanked Households Used, Alone or in Combination, to Send or Receive Money, 2021

Unbanked Households, Column Percent

Bundle	Nonbank Online Payment Service	Prepaid Card	Nonbank Money Order	Nonbank Money Transfer Service, in the United States	Nonbank Money Transfer Service, International Remittances	Percent
1	X					5.3
2	X	X				3.6
3					X	2.9
4		X				2.6
5				X		2.6
6	X	X		X		1.2
7			X			1.2
8			X		X	0.8
9	X			X		0.5
10	X		X			0.4
Other Combinations of Methods						2.0
Did Not Use Any of These Methods						76.9

Table 9.8 Methods Unbanked Households Used to Save or Keep Money Safe by Selected Household Characteristics, 2021

Unbanked Households, Row Percent

Characteristics	Any Method	Nonbank Online Payment Service	Prepaid Card
All	16.0	5.9	13.7
Family Income			
Less Than \$15,000	13.8	5.6	11.3
\$15,000 to \$30,000	14.7	5.5	13.3
\$30,000 to \$50,000	23.2	5.4	20.3
At Least \$50,000+	16.2	7.9	13.6
Education			
No High School Diploma	12.3	4.7	11.1
High School Diploma	17.8	5.8	15.6
Some College	21.4	9.4	17.1
College Degree	9.3	2.5	7.0
Age Group			
15 to 34 Years+	20.3	11.4	16.3
35 to 54 Years+	19.8	6.0	17.4
55 Years or More+	8.8	2.1	7.8
Race/Ethnicity			
Black	24.0	9.6	19.5
Hispanic	7.7	2.6	7.3
Asian	NA	NA	NA
American Indian or Alaska Native	NA	NA	NA
Native Hawaiian or Other Pacific Islander	NA	NA	NA
White	15.0	4.5	13.9
Two or More Races	NA	NA	NA
Disability Status			
Disabled, Aged 25 to 64	17.8	6.6	15.3
Not Disabled, Aged 25 to 64	17.5	6.5	15.2

Note: The plus symbol indicates instances in which categorical groups typically used in this report have been combined to increase the sample size. NA indicates that the sample size is too small to produce a precise estimate.

Table 9.9 Methods Unbanked Households Used, Alone or in Combination, to Save or Keep Money Safe, 2021

Unbanked Households, Column Percent

Bundle	Nonbank Online Payment Service	Prepaid Card	Percent
1		X	10.1
2	X	X	3.6
3	X		2.3
Other Combinations of Methods			0.0
Did Not Use Any of These Methods			84.0

10. Bank and Nonbank Credit

Recognizing the importance of credit to households and communities, policymakers have had a longstanding interest in not only ensuring equal access to credit but also in expanding access to credit, as evidenced by the Equal Credit Opportunity Act, the Community Reinvestment Act, and the creation of the Community Development Financial Institutions Fund.⁶⁹ In March 2020, the FDIC, Board of Governors of the Federal Reserve System (FRB), Consumer Financial Protection Bureau (CFPB), National Credit Union Administration (NCUA), and Office of the Comptroller of the Currency (OCC) issued a statement encouraging financial institutions to offer responsible small-dollar loans to consumers and small businesses in response to the COVID-19 pandemic.⁷⁰ In May 2020, the FDIC, FRB, NCUA, and OCC issued inter-agency guidance to clarify regulatory expectations in a manner that encourages financial institutions to offer responsible small-dollar loans.⁷¹

This section examines household use of credit, focusing on products that households may use to address cash-flow imbalances, unexpected expenses, or temporary income shortfalls.⁷² Households were asked whether, in the past 12 months, they had a Visa, MasterCard, American Express, or Discover credit card (i.e., a credit card); a personal loan or line of credit from a bank (i.e., a bank personal loan); or a personal loan or line of credit from a company other than a bank (i.e., a nonbank personal loan).⁷³ Households were also asked whether they used, in the past 12 months, the following nonbank credit: rent-to-own services or payday, pawn shop, tax refund anticipation, or auto title loans.

The 2021 survey included new questions on loan amounts. Specifically, households that had a bank personal loan in

the past 12 months were asked whether their most recent bank personal loan was for \$1,000 or less or for more than \$1,000. Likewise, households that had a nonbank personal loan in the past 12 months were asked whether their most recent nonbank personal loan was for \$1,000 or less or for more than \$1,000.

Credit Use

As shown in Table 10.1, among all households, 71.5 percent had a credit card in 2021, similar to the proportion in 2019 (71.3 percent) and above the 2017 level (68.5 percent). The share of households that had a bank personal loan decreased from 10.8 percent in 2019 to 8.0 percent in 2021. Altogether, 72.5 percent of households in 2019 and 72.3 percent of households in 2021 had a credit card or bank personal loan. In addition, 2.8 percent of households had a nonbank personal loan in 2021.⁷⁴

Use of rent-to-own services and payday, pawn shop, tax refund anticipation, and auto title loans all decreased between 2017 and 2021. About 1 percent of households in 2021 used each product or service. The proportion of households that used at least one of the five products or services declined sharply from 7.4 percent in 2017, to 4.8 percent in 2019, and to 4.4 percent in 2021.

Use of a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan was associated with a lower likelihood of having a credit card or bank personal loan. Among households that used a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan in 2021, 59.1 percent also had a credit card or bank personal loan. In contrast, among households that did not use a rent-to-own service or a payday, pawn shop, tax refund

⁶⁹ See [fdic.gov/regulations/laws/rules/6000-1200.html](https://www.fdic.gov/regulations/laws/rules/6000-1200.html) (Equal Credit Opportunity Act), [ffiec.gov/cra/history.htm](https://www.fdic.gov/cra/history.htm) (Community Reinvestment Act), and [cdfifund.gov/about/Pages/default.aspx](https://www.cdfifund.gov/about/Pages/default.aspx) (Community Development Financial Institutions Fund).

⁷⁰ See Board of Governors of the Federal Reserve System, Consumer Financial Protection Bureau, Federal Deposit Insurance Corporation, National Credit Union Administration, and Office of the Comptroller of the Currency, *Statement Encouraging Responsible Small-Dollar Lending to Consumers and Small Businesses in Response to COVID-19*, March 26, 2020, [fdic.gov/news/financial-institution-letters/2020/fil20026.html](https://www.fdic.gov/news/financial-institution-letters/2020/fil20026.html).

⁷¹ See Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration, and Office of the Comptroller of the Currency, *Interagency Guidance for Responsible Small-Dollar Loans*, May 20, 2020, [fdic.gov/news/financial-institution-letters/2020/fil20058.html](https://www.fdic.gov/news/financial-institution-letters/2020/fil20058.html).

⁷² The 2021 survey did not collect information on mortgages, auto loans, and student loans.

⁷³ Personal loans or lines of credit from companies other than banks include loans or lines of credit offered online or through storefront locations by nonbank finance companies. These loans or lines of credit may be marketed to prime or subprime borrowers. Payday, pawn shop, and auto title loans are not included in this category of credit.

⁷⁴ The 2019 survey did not ask households about their use of nonbank personal loans. While the 2017 survey asked households about their use of bank and nonbank personal loans, estimates for 2017 are not comparable to estimates for 2019 or 2021 because of changes in the wording of the survey instrument. See Appendix 2 for details.

Table 10.1 Use of Credit by Bank Account Ownership, 2017–2021

All Households, Row Percent

Credit Products	2017	2019	2021	Difference (2021–2019)
A. All Households				
Credit Card	68.5	71.3	71.5	0.2
Bank Personal Loan		10.8	8.0	-2.8*
Credit Card or Bank Personal Loan		72.5	72.3	-0.2
Nonbank Personal Loan			2.8	
Rent-to-Own Service	1.6	1.2	1.2	0.0
Payday Loan	1.8	1.5	1.1	-0.4*
Pawn Shop Loan	1.5	1.3	1.0	-0.3*
Tax Refund Anticipation Loan	2.5	0.8	1.0	0.2*
Auto Title Loan	1.5	0.9	0.9	0.0
Rent-to-Own Service or Payday, Pawn Shop, Tax Refund Anticipation, or Auto Title Loan	7.4	4.8	4.4	-0.4*
B. Unbanked Households				
Credit Card	7.0	8.0	8.3	0.3
Bank Personal Loan		1.0	0.8	-0.2
Credit Card or Bank Personal Loan		8.5	8.7	0.1
Nonbank Personal Loan			1.0	
Rent-to-Own Service	4.3	4.0	2.9	-1.1*
Payday Loan	3.4	2.6	1.7	-0.8
Pawn Shop Loan	4.9	5.6	3.9	-1.7*
Tax Refund Anticipation Loan	4.0	2.5	2.1	-0.4
Auto Title Loan	2.7	1.8	1.2	-0.6
Rent-to-Own Service or Payday, Pawn Shop, Tax Refund Anticipation, or Auto Title Loan	14.2	13.4	9.5	-3.9*
C. Banked Households				
Credit Card	72.7	74.9	74.5	-0.4
Bank Personal Loan		11.3	8.3	-3.0*
Credit Card or Bank Personal Loan		76.1	75.2	-0.9*
Nonbank Personal Loan			2.9	
Rent-to-Own Service	1.4	1.1	1.1	0.1
Payday Loan	1.7	1.5	1.1	-0.4*
Pawn Shop Loan	1.3	1.1	0.8	-0.2*
Tax Refund Anticipation Loan	2.4	0.7	0.9	0.2*
Auto Title Loan	1.4	0.8	0.9	0.0
Rent-to-Own Service or Payday, Pawn Shop, Tax Refund Anticipation, or Auto Title Loan	6.9	4.3	4.2	-0.2

Note: The 2019 survey did not ask households about their use of nonbank personal loans. While the 2017 survey asked households about their use of bank and nonbank personal loans, estimates for 2017 are not comparable to estimates for 2019 or 2021 because of changes in the wording of the survey instrument. Asterisk indicates differences that are statistically significant at the 10 percent level. See Appendix Tables F.7–F.9 for estimates of ownership of credit cards; use of bank personal loans; and use of a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan over time by household characteristics and for selected confidence intervals.

anticipation, or auto title loan in 2021, 72.9 percent had a credit card or bank personal loan.⁷⁵

Conversely, use of a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan was associated with a higher likelihood of having a nonbank personal loan. Among households that used a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan in 2021, 9.6 percent also had a nonbank personal loan. In contrast, among households that did not use a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan in 2021, 2.5 percent had a nonbank personal loan.

Credit Use by Bank Account Ownership

Unbanked households were much less likely to have a credit card, bank personal loan, or nonbank personal loan than banked households (see Table 10.1). For example, in 2021, 8.7 percent of unbanked households had a credit card or bank personal loan, compared with 75.2 percent of banked households.

The proportion of unbanked households that used a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan decreased substantially between 2017 (14.2 percent) and 2021 (9.5 percent). Despite this decline, use of these nonbank credit products or services in 2021 continued to be more prevalent among unbanked households than among banked households (4.2 percent).⁷⁶

Credit Use by Household Characteristics

As shown in Table 10.2, the likelihood of having a credit card in 2021 was lower among lower-income households, less-educated households, Black households, Hispanic households, American Indian or Alaska Native households, and working-age households with a disability. Patterns were generally similar for bank personal loans.⁷⁷

Differences by education and income in the likelihood of having a credit card or bank personal loan were especially pronounced. For example, only 37.9 percent of households without a high school diploma had a credit card or bank personal loan in 2021, compared with 86.2 percent of households with a college degree. Similarly, only 33.9 percent of households with less than \$15,000 in income had a credit card or bank personal loan in 2021, compared with 87.9 percent of households with income of \$75,000 or more.

Differences by race and ethnicity and by disability status in the likelihood of having a credit card or bank personal loan were also large. In 2021, 49.9 percent of Black households, 60.0 percent of Hispanic households, and 54.4 percent of American Indian or Alaska Native households had a credit card or bank personal loan, compared with 78.8 percent of White households. About half of working-age households with a disability (48.4 percent) had a credit card or bank personal loan in 2021, compared with 75.7 percent of working-age households without a disability.

Differences by race and ethnicity in the likelihood of having a credit card or bank personal loan were present at every income level, as shown in Figure 10.1. For example, even among households with income between \$50,000 and \$75,000, 64.8 percent of Black households and 71.2 percent of Hispanic households had a credit card or bank personal loan, whereas 81.3 percent of White households did so. Among American Indian or Alaska Native households, 36.2 percent of households with less than \$50,000 in income and 78.4 percent of households with income of \$50,000 or more had a credit card or bank personal loan.⁷⁸ Only some of the racial and ethnic differences in the likelihood of having a credit card or bank personal loan were associated with racial and ethnic differences in bank account ownership and socioeconomic and demographic characteristics beyond income.⁷⁹

⁷⁵ The difference in the likelihood of having a credit card or bank personal loan in 2021 between households that used a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan and households that did not use these nonbank credit products or services was associated primarily with differences in income and other characteristics of U.S. households. This difference in the likelihood of having a credit card or bank personal loan was no longer statistically significant after differences in the household characteristics shown in Table 3.6 were accounted for.

⁷⁶ The difference in the likelihood of using a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan in 2021 between unbanked and banked households was associated primarily with differences in income and other characteristics of U.S. households. This difference by bank account ownership was no longer statistically significant after differences in the household characteristics shown in Table 3.6 were accounted for.

⁷⁷ One exception is American Indian or Alaska Native households, for which the likelihood of having a bank personal loan (10.3 percent) was similar to that of White households (8.7 percent). Differences in the likelihood of having a bank personal loan by educational attainment and differences in the likelihood of having a bank personal loan between Black and White households were no longer statistically significant after differences in the other household characteristics shown in Table 3.6 were accounted for.

⁷⁸ The sample size for American Indian or Alaska Native households was too small to disaggregate by finer income categories.

⁷⁹ Using the 2015 survey data, Goodstein et al. (2021) found that differences in the likelihood of having a credit card or bank personal loan between Black and White households and between Hispanic and White households remained statistically and economically significant after accounting for bank account ownership, subjective attitudes about banks, income and other household characteristics, geographic proximity to financial providers, and neighborhood population characteristics. See Ryan M. Goodstein, Alicia Lloro, Sherrie L. W. Rhine, and Jeffrey M. Weinstein, "What Accounts for Racial and Ethnic Differences in Credit Use?" *Journal of Consumer Affairs* 55, no. 2 (2021): 389–416, doi.org/10.1111/joca.12343.

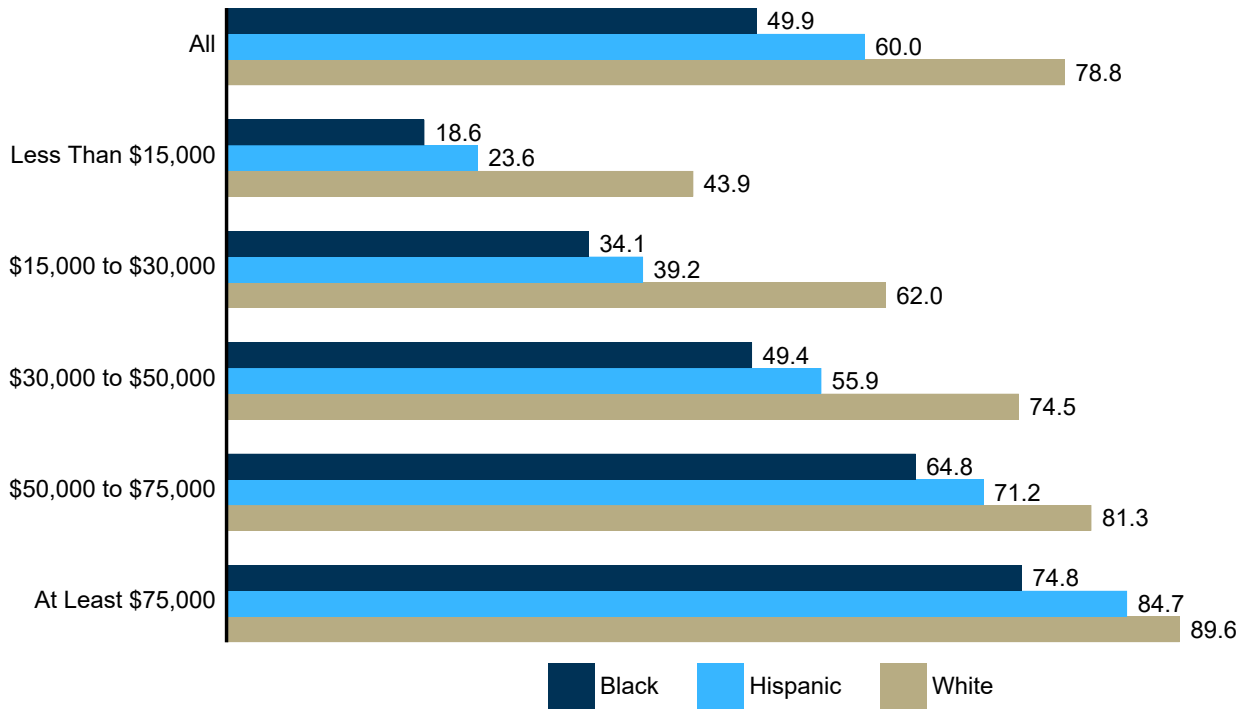
Table 10.2 Use of Credit by Selected Household Characteristics, 2021

All Households, Row Percent

Characteristics	Credit Card	Bank Personal Loan	Credit Card or Bank Personal Loan	Nonbank Personal Loan	Rent-to-Own Service or Payday, Pawn Shop, Tax Refund Anticipation, or Auto Title Loan
All	71.5	8.0	72.3	2.8	4.4
Family Income					
Less Than \$15,000	32.9	2.7	33.9	1.6	7.0
\$15,000 to \$30,000	51.3	4.1	52.2	2.5	6.9
\$30,000 to \$50,000	66.2	6.5	67.1	2.8	6.1
\$50,000 to \$75,000	77.0	8.8	77.8	3.2	4.3
At Least \$75,000	87.5	10.9	87.9	3.0	2.3
Education					
No High School Diploma	36.5	4.1	37.9	2.3	7.8
High School Diploma	59.5	6.7	60.7	2.5	5.9
Some College	71.6	8.3	72.2	3.4	5.2
College Degree	85.7	9.3	86.2	2.6	2.3
Age Group					
15 to 24 Years	61.3	6.8	62.6	3.8	6.8
25 to 34 Years	70.8	9.1	71.9	3.6	7.0
35 to 44 Years	73.1	8.8	73.7	3.2	5.3
45 to 54 Years	72.3	9.2	73.1	3.0	5.0
55 to 64 Years	70.3	8.3	71.1	2.8	3.7
65 Years or More	73.0	5.9	73.4	1.7	2.1
Race/Ethnicity					
Black	48.8	5.9	49.9	3.3	7.6
Hispanic	59.5	6.1	60.0	2.8	6.4
Asian	81.6	7.9	81.9	1.8	2.2
American Indian or Alaska Native	50.4	10.3	54.4	5.7	10.5
Native Hawaiian or Other Pacific Islander	NA	NA	NA	NA	NA
White	78.1	8.7	78.8	2.7	3.3
Two or More Races	72.7	8.5	73.1	3.9	8.2
Disability Status					
Disabled, Aged 25 to 64	47.4	6.9	48.4	3.5	7.9
Not Disabled, Aged 25 to 64	74.9	9.1	75.7	3.1	4.8

Note: NA indicates that the sample size is too small to produce a precise estimate. See Appendix Tables F.1 and F.4 for estimates by other household characteristics.

Figure 10.1 Use of a Credit Card or Bank Personal Loan by Income Level and Race and Ethnicity, 2021 (Percent)



Differences by disability status in the likelihood of having a credit card or bank personal loan were also present at every income level, as shown in Figure 10.2. For example, among households with income between \$50,000 and \$75,000, 67.1 percent of working-age households with a disability had a credit card or bank personal loan, whereas 76.9 percent of working-age households without a disability did so.

Turning to nonbank personal loans, Table 10.2 shows some differences in the likelihood of having these loans in 2021 by income and age. For example, 3.2 percent of households with income between \$50,000 and \$75,000 had a nonbank personal loan, double the percentage among households with less than \$15,000 in income (1.6 percent). In addition, households aged 34 or younger were more than twice as likely to have a nonbank personal loan as households aged 65 or older.

The patterns for the use of a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan by household characteristics were generally opposite the

patterns for the use of a credit card or bank personal loan, as displayed in Table 10.2. Use of a rent-to-own service or payday, pawn shop, tax refund anticipation, or auto title loan in 2021 was higher among lower-income households, less-educated households, Black households, Hispanic households, American Indian or Alaska Native households, and working-age households with a disability.

Differences by race and ethnicity in the likelihood of using a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan were present at every income level, as shown in Figure 10.3. For example, among households with income between \$30,000 and \$50,000, 8.6 percent of Black households and 8.4 percent of Hispanic households used a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan, compared with 4.6 percent of White households. Among American Indian or Alaska Native households, 15.1 percent of households with less than \$50,000 in income and 4.6 percent of households with income of \$50,000 or more used a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan.

Figure 10.2 Use of a Credit Card or Bank Personal Loan by Income Level and Disability Status, 2021 (Percent)

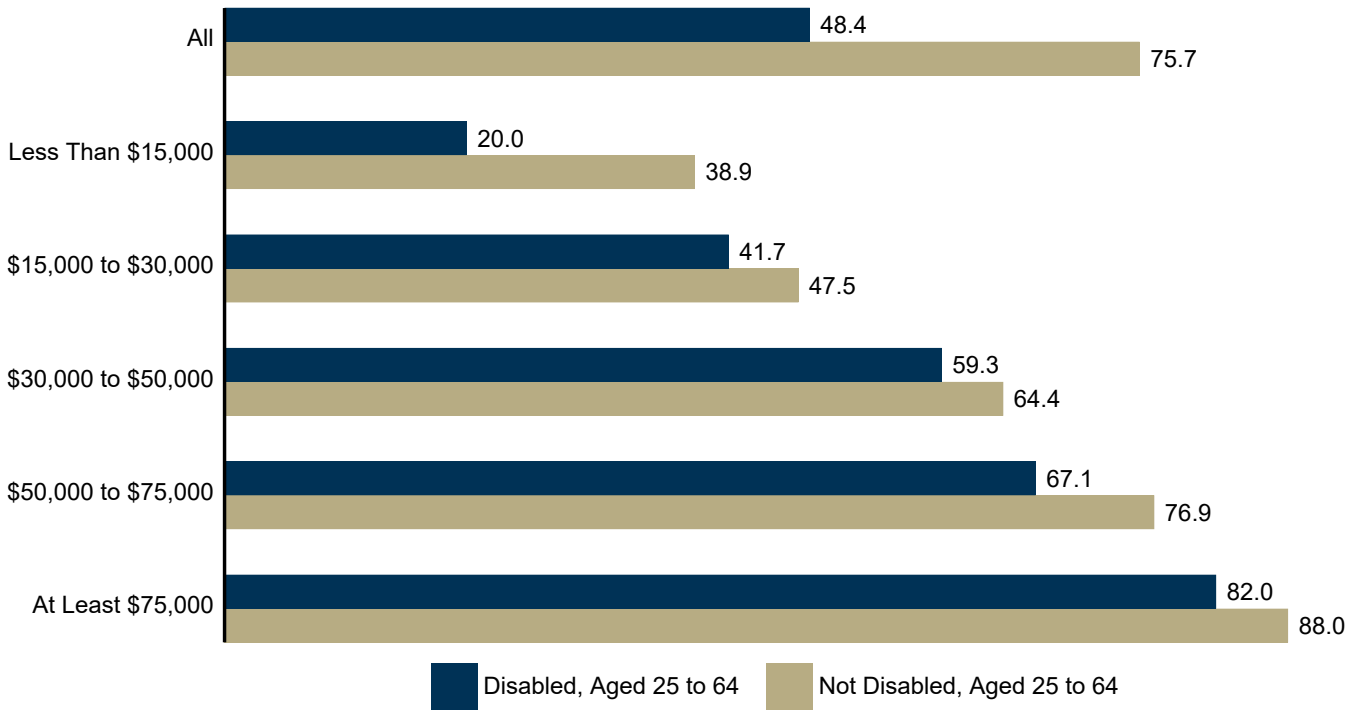
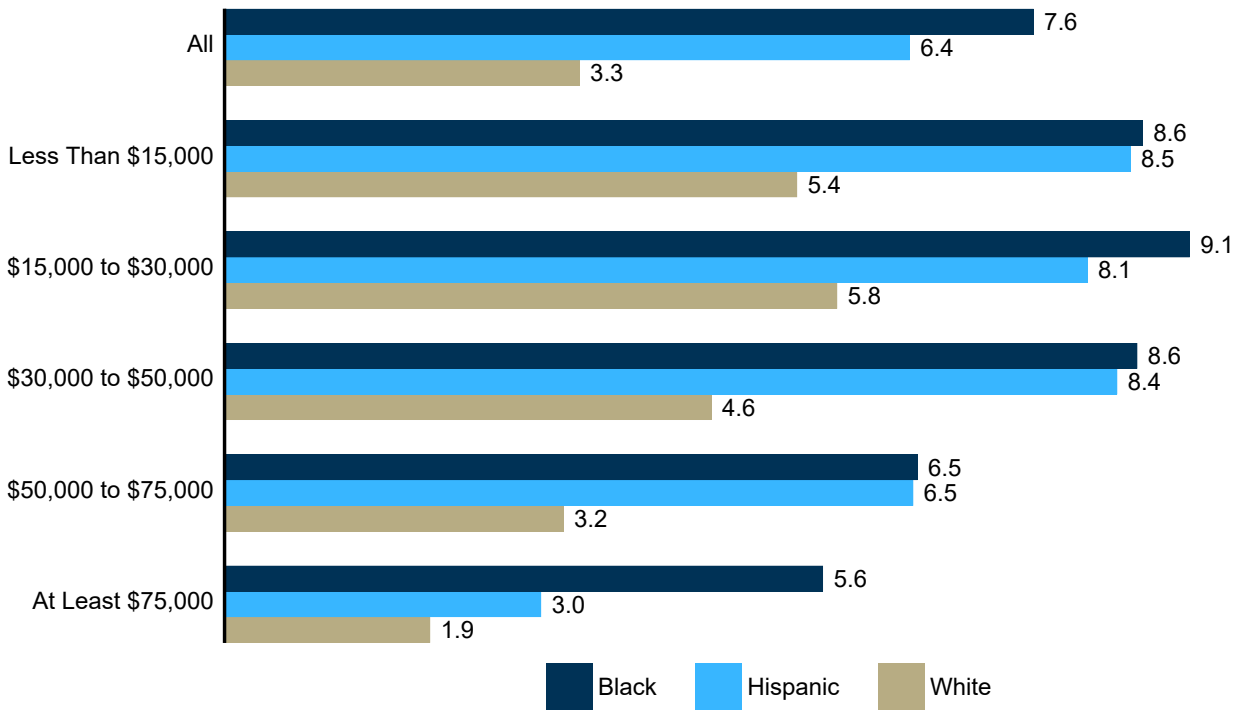


Figure 10.3 Use of a Rent-to-Own Service or a Payday, Pawn Shop, Tax Refund Anticipation, or Auto Title Loan by Income Level and Race and Ethnicity, 2021 (Percent)



Credit Use by Geography

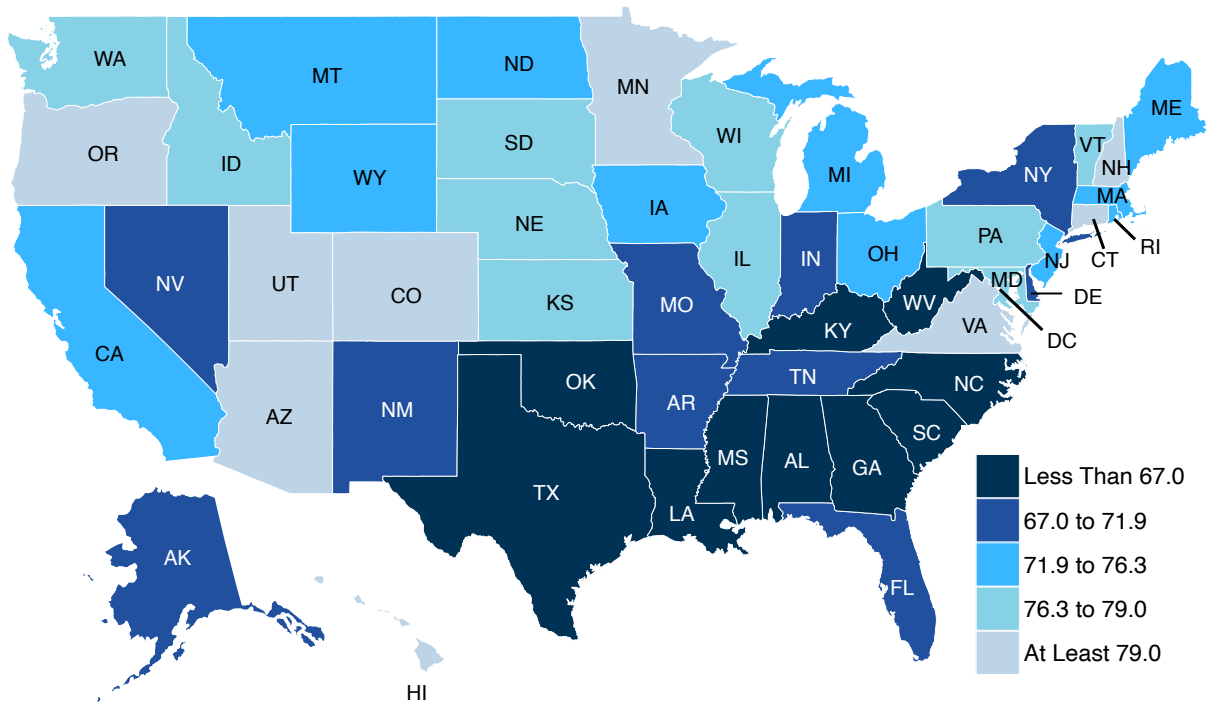
Credit use varied across regions of the United States. In 2021, 67.3 percent of households in the South had a credit card or bank personal loan, compared with 74.8 percent in the Northeast, 75.2 percent in the Midwest, and 76.0 percent in the West. The proportion of households that had a nonbank personal loan in 2021 was lowest in the Northeast (1.7 percent) and similar in the other three regions (2.8 percent in the Midwest, 3.0 percent in the West, and 3.1 percent in the South). Use of a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan in 2021 was highest in the South (5.6 percent), followed by the Midwest (4.2 percent), the Northeast (3.6 percent), and the West (3.2 percent).

Figures 10.4 and 10.5 show that credit use varied widely across states. In 2021, 83.9 percent of households in Minnesota had a credit card or bank personal loan, compared with 50.8 percent of households in Mississippi.⁸⁰ Use of a

rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan was highest in Oklahoma (10.6 percent) and lowest in Washington, DC (1.3 percent). (See Appendix Tables F.1–F.6 for detailed estimates of credit use by region, state, and MSA.)

With regard to metropolitan status, 65.3 percent of households that did not live in a metropolitan area had a credit card or bank personal loan in 2021, compared with 73.4 percent of households that lived in a metropolitan area. For nonbank personal loans, the likelihood of having these loans in 2021 was similar for households that did not live in a metropolitan area (3.1 percent) and households that lived in a metropolitan area (2.7 percent). Finally, households that did not live in a metropolitan area were more likely to use a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan in 2021 (5.2 percent), compared with households that lived in a metropolitan area (4.3 percent).⁸¹

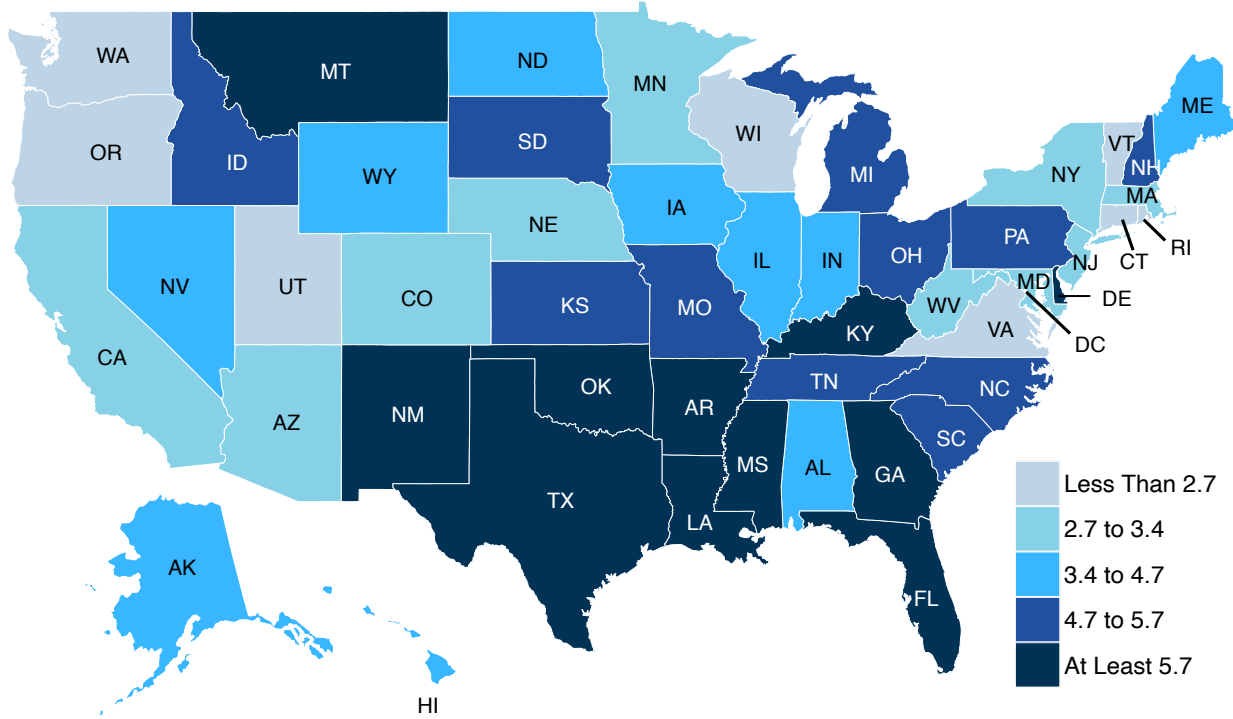
Figure 10.4 Use of a Credit Card or Bank Personal Loan by State, 2021 (Percent)



⁸⁰ The likelihood of having a nonbank personal loan in 2021 ranged from 0.9 percent in New York to 5.7 percent in Mississippi.

⁸¹ The difference in the likelihood of using a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan in 2021 across metropolitan status was associated primarily with differences in income and other characteristics of U.S. households. This geographical difference was no longer statistically significant after differences in the other household characteristics shown in Table 3.6 were accounted for.

Figure 10.5 Use of a Rent-to-Own Service or a Payday, Pawn Shop, Tax Refund Anticipation, or Auto Title Loan by State, 2021 (Percent)



Loan Amounts for Bank and Nonbank Personal Loans

For most households that had a bank or nonbank personal loan, the amount of the most recent loan was more than \$1,000. As shown in Figure 10.6, for 84.2 percent of households that had a bank personal loan in 2021, the amount of the most recent loan was more than \$1,000. Similarly, as shown in Figure 10.7, for 77.4 percent of households that had a nonbank personal loan in 2021, the amount of the most recent loan was more than \$1,000.

Differences by income in the likelihood of having a personal loan and in the amount of the most recent loan were especially pronounced. For example, 3.5 percent of households with less than \$30,000 in income had a bank personal loan in 2021, compared with 9.3 percent of households with

income of \$30,000 or more. Likewise, 2.1 percent of households with less than \$30,000 in income had a nonbank personal loan in 2021, compared with 3.0 percent of households with income of \$30,000 or more.

For households that had a bank or nonbank personal loan, the amount of the most recent loan tended to be smaller among lower-income households. For example, as displayed in Figure 10.6, among households that had a bank personal loan in 2021, the amount of the most recent loan was \$1,000 or less for 30.0 percent of households with less than \$30,000 in income but 14.2 percent of households with income of \$30,000 or more.⁸²

⁸² See Appendix Tables F.10 and F.11 for estimates of the amount of the most recent bank personal loan or nonbank personal loan by other household characteristics.

Figure 10.6 Amount of Most Recent Bank Personal Loan Among Households That Had a Bank Personal Loan by Income Level, 2021 (Percent)

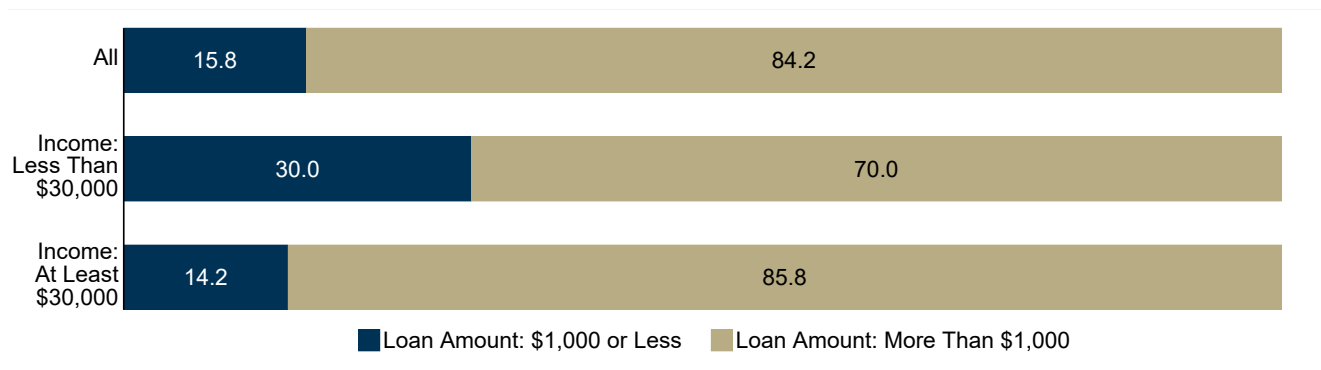
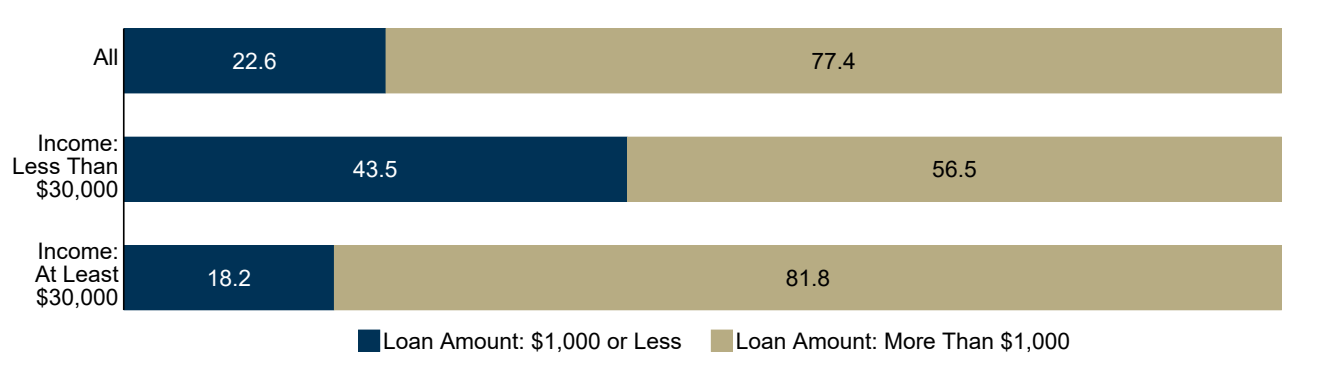


Figure 10.7 Amount of Most Recent Nonbank Personal Loan Among Households That Had a Nonbank Personal Loan by Income Level, 2021 (Percent)



One in four households (25.5 percent) did not use any of the credit products included in the 2021 survey, as shown in Table 10.3.⁸³ Among households with less than \$30,000 in income, half did not use any of the credit products included in the survey, almost triple the percentage among households with income of \$30,000 or more (18.2 percent). Nearly half of households with less than \$30,000 in income (43.7 percent) had a credit card in 2021, by far the most prevalent type of credit among the credit products included in the survey.

For households with less than \$30,000 in income that did not have a credit card, the vast majority (88.8 percent) did not use any of the credit products included in the 2021 survey (see Table 10.4).⁸⁴ One in twelve households with less than \$30,000 in income that did not have a credit card (8.3 percent) used a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan. Much smaller percentages—1.1 percent or less—had each of the four types of bank and nonbank personal loans.

⁸³ In Tables 10.3 and 10.4, the estimates of the shares of households in 2021 that had a bank or nonbank personal loan, by the amount of the most recent loan, differ from those in Figures 10.6 and 10.7 because Tables 10.3 and 10.4 present estimates as shares of all households, while Figures 10.6 and 10.7 present estimates as shares of households that had a bank personal loan or a nonbank personal loan only.

⁸⁴ In 2021, 23.0 percent of all households had less than \$30,000 in income. Of these households, 56.3 percent (or 12.9 percent of all households) did not have a credit card and 43.7 percent (or 10.0 percent of all households) had a credit card.

Table 10.3 Use of Credit by Income Level, 2021

All Households, Row Percent

	Credit Card	Bank Personal Loan, Most Recent Loan \$1,000 or Less	Bank Personal Loan, Most Recent Loan More Than \$1,000	Nonbank Personal Loan, Most Recent Loan \$1,000 or Less	Nonbank Personal Loan, Most Recent Loan More Than \$1,000	Rent-to-Own Service or Payday, Pawn Shop, Tax Refund Anticipation, or Auto Title Loan	No Credit
All Family Income	71.5	1.3	6.7	0.6	2.2	4.4	25.5
Less Than \$30,000	43.7	1.0	2.4	0.9	1.2	6.9	50.0
At Least \$30,000	79.8	1.3	8.0	0.5	2.4	3.7	18.2

Note: Households may have used credit products that were not included in the 2021 survey.

Table 10.4 Use of Credit Among Households With Less Than \$30,000 in Income by Credit Card Ownership, 2021

Households With Less Than \$30,000 in Income, Row Percent

	Bank Personal Loan, Most Recent Loan \$1,000 or Less	Bank Personal Loan, Most Recent Loan More Than \$1,000	Nonbank Personal Loan, Most Recent Loan \$1,000 or Less	Nonbank Personal Loan, Most Recent Loan More Than \$1,000	Rent-to-Own Service or Payday, Pawn Shop, Tax Refund Anticipation, or Auto Title Loan	No Credit
All Credit Card Ownership	1.0	2.4	0.9	1.2	6.9	50.0
Does Not Have Credit Card	0.6	1.1	1.1	0.8	8.3	88.8
Has Credit Card	1.6	4.2	0.7	1.7	5.1	0.0

Note: Households may have used credit products that were not included in the 2021 survey.

11. Underbanked Households

Underbanked households are banked households that used financial products or services outside of the banking system. Specifically, a household is classified as “underbanked” in 2021 if it had a checking or savings account at a bank or credit union and in the past 12 months used at least one of the following products or services from a nonbank provider: money orders, check cashing, international remittances, rent-to-own services, payday loans, pawn shop loans, tax refund anticipation loans, or auto title loans. These nonbank transaction and credit products and services are disproportionately used by unbanked households to meet their transaction and credit needs, as discussed in sections 7 and 10. Households that had a checking or savings account at a bank or credit union and in the past 12 months did not use any of the above nonbank transaction and credit products and services are classified as “fully banked.” The remaining households—those in which no one in the household had a checking or savings account at a bank or credit union—are classified as “unbanked.” Unless otherwise stated, all money orders, check cashing, money transfer services (which includes international remittances), and online payment services discussed in this section are from nonbank providers.

In 2021, 14.1 percent of U.S. households—representing approximately 18.7 million households—were underbanked. In addition, 81.5 percent of U.S. households—representing approximately 107.9 million households—were fully banked, and 4.5 percent of U.S. households—representing approximately 5.9 million households—were unbanked. Underbanked and fully banked rates in 2021 are not directly comparable to underbanked and fully banked rates in previous years because of changes to the questions on international remittances.⁸⁵

Underbanked, Fully Banked, and Unbanked Rates by Household Characteristics

Consistent with the results of previous surveys, underbanked rates in 2021 varied considerably across the U.S. population. As shown in Table 11.1, underbanked rates were higher among households with less than \$15,000 in income; households with no high school diploma; households aged 24 or younger; and Black, Hispanic, and American Indian or Alaska Native households. About one in four Black, Hispanic, and American Indian or Alaska Native households were underbanked, compared with about one in ten White households.

Table 11.1 Underbanked, Fully Banked, and Unbanked Rates by Selected Household Characteristics, 2021

All Households, Row Percent

Characteristics	Underbanked	Fully Banked	Unbanked
All	14.1	81.5	4.5
Family Income			
Less Than \$15,000	19.2	61.0	19.8
\$15,000 to \$30,000	18.9	71.9	9.2
\$30,000 to \$50,000	17.3	78.7	4.0
\$50,000 to \$75,000	14.0	83.9	2.1
At Least \$75,000	9.7	89.7	0.6

⁸⁵ As discussed in section 7, in the 2021 survey, households were asked whether they used money transfer services in the past 12 months. Households that used money transfer services were asked follow-up questions including whether they used these services to send money to or receive money from family or friends outside the United States (i.e., send or receive international remittances). The 2019 and 2017 surveys asked about sending international remittances. Specifically, in 2019, the question was, “In the past 12 months, did you or anyone in your household send money to family or friends living outside of the U.S. through a service that is not a bank?” In 2017, the question consisted of two parts. The first part was, “In the last 12 months, that is since June 2016, did you or someone else in your household send money to family or friends living outside of the U.S.?” The second part was, “When sending money abroad in the last 12 months, did you or someone else in your household use... (Mark all that apply.) A bank? A place other than a bank? Other (Specify).” Excluding the use of international remittances, the underbanked rate would have been 12.3 percent in 2021, 14.6 percent in 2019, and 18.1 percent in 2017. The decline between 2017 and 2021 was statistically significant.

Table 11.1 Underbanked, Fully Banked, and Unbanked Rates by Selected Household Characteristics, 2021 *(continued)*

All Households, Row Percent

Characteristics	Underbanked	Fully Banked	Unbanked
Education			
No High School Diploma	24.1	56.7	19.2
High School Diploma	16.7	76.5	6.8
Some College	14.9	81.8	3.3
College Degree	9.9	89.2	0.9
Age Group			
15 to 24 Years	21.9	72.2	5.8
25 to 34 Years	17.7	77.3	5.1
35 to 44 Years	16.9	77.9	5.1
45 to 54 Years	14.5	80.3	5.2
55 to 64 Years	13.4	81.9	4.8
65 Years or More	9.1	88.2	2.7
Race/Ethnicity			
Black	24.7	64.0	11.3
Hispanic	24.1	66.7	9.3
Asian	16.5	80.5	2.9
American Indian or Alaska Native	25.1	68.0	6.9
Native Hawaiian or Other Pacific Islander	NA	NA	NA
White	9.3	88.6	2.1
Two or More Races	20.6	74.4	5.0
Disability Status			
Disabled, Aged 25 to 64	20.5	64.7	14.8
Not Disabled, Aged 25 to 64	14.9	81.4	3.7
Note: NA indicates that the sample size is too small to produce a precise estimate. See Appendix Table G.1 for estimates by other household characteristics.			

Underbanked Households’ Use of Nonbank Transactions and Credit

Households classified as underbanked are a fairly diverse group, with a variety of experiences and levels of engagement with the banking system. To better understand the financial behaviors of underbanked households and their engagement with the banking system, the remainder of this section segments underbanked households into three groups based on their use of nonbank transaction and credit products and services:

- **Underbanked, nonbank transactions only segment.** This group comprises banked households that used at least one of the three nonbank transactions (money orders, check cashing, or international remittances) but

none of the five nonbank credit (rent-to-own services or payday, pawn shop, tax refund anticipation, or auto title loans).

- **Underbanked, nonbank credit only segment.** This group comprises banked households that used at least one of the five nonbank credit but none of the three nonbank transactions.
- **Underbanked, nonbank transactions and credit segment.** This group comprises banked households that used at least one of the three nonbank transactions and at least one of the five nonbank credit.

In 2021, underbanked households that only used nonbank transactions comprised 10.1 percent of all households (see Table 11.2). These households made up almost three in four underbanked households (71.6 percent), while 18.0 percent of underbanked households (or 2.5 percent of all households) only used nonbank credit, and 10.3 percent of underbanked households (or 1.5 percent of all households) used both nonbank transactions and credit.⁸⁶

Underbanked Household Segments by Household Characteristics

Compared with fully banked households, a higher proportion of underbanked households overall and in each of the underbanked segments had less than \$15,000 in income, did not have a high school diploma, were aged 34 or younger, were Black or Hispanic, and were working-age households with a disability (see Table 11.3). More than half of underbanked households (53.9 percent) had less than \$50,000 in income, compared with 37.0 percent of fully banked households.

The characteristics of underbanked households that used both nonbank transactions and credit differed in many ways from the characteristics of underbanked households that used only nonbank transactions or only nonbank credit. A lower proportion of underbanked households that used both nonbank transactions and credit had income of \$75,000 or more and a lower propor-

tion had a college degree, compared with underbanked households that used only nonbank transactions or only nonbank credit. A higher proportion of underbanked households that used both nonbank transactions and credit were aged 34 or younger, were Black, and were working-age households with a disability, compared with underbanked households that used only nonbank transactions or only nonbank credit. For example, 13.8 percent of underbanked households that used both nonbank transactions and credit had income of \$75,000 or more, compared with 29.7 percent of underbanked households that used only nonbank transactions and 27.5 percent of underbanked households that used only nonbank

Table 11.2 Distribution of Underbanked, Fully Banked, and Unbanked Households, 2021

All Households, Column Percent

	Category as Share of All Households
Underbanked	14.1
<i>Underbanked, Nonbank Transactions Only</i>	10.1
<i>Underbanked, Nonbank Credit Only</i>	2.5
<i>Underbanked, Nonbank Transactions and Credit</i>	1.5
Fully Banked	81.5
Unbanked	4.5

Table 11.3 Distributions of Selected Household Characteristics Among Underbanked, Fully Banked, and Unbanked Households, 2021

All Households, Column Percent

Characteristics	All	Underbanked	Underbanked, Nonbank Transactions Only	Underbanked, Nonbank Credit Only	Underbanked, Nonbank Transactions and Credit	Fully Banked	Unbanked
Family Income							
Less Than \$15,000	9.5	12.9	13.4	9.6	15.7	7.1	42.0
\$15,000 to \$30,000	13.5	18.2	17.5	18.3	22.8	11.9	27.7
\$30,000 to \$50,000	18.6	22.8	21.3	24.3	30.2	18.0	16.6
\$50,000 to \$75,000	18.5	18.5	18.2	20.4	17.5	19.1	8.5
At Least \$75,000	39.9	27.6	29.7	27.5	13.8	43.9	5.1
Education							
No High School Diploma	7.9	13.6	14.1	9.6	16.4	5.5	34.1
High School Diploma	24.3	28.9	27.5	29.9	36.8	22.8	37.1
Some College	27.8	29.5	27.8	33.2	34.9	28.0	20.3
College Degree	39.9	28.0	30.5	27.2	11.9	43.7	8.5

⁸⁶ Underbanked households in the three segments may have used nonbank transactions or credit not included in the categorization of underbanked households, such as online payment services, money transfer services for transactions other than sending or receiving international remittances, or nonbank personal loans.

Table 11.3 Distributions of Selected Household Characteristics Among Underbanked, Fully Banked, and Unbanked Households, 2021 *(continued)*

All Households, Column Percent

Characteristics	All	Underbanked	Underbanked, Nonbank Transactions Only	Underbanked, Nonbank Credit Only	Underbanked, Nonbank Transactions and Credit	Fully Banked	Unbanked
Age Group							
15 to 24 Years	4.4	6.9	7.0	7.1	5.8	3.9	5.8
25 to 34 Years	16.2	20.4	18.4	22.8	30.0	15.4	18.5
35 to 44 Years	17.1	20.6	20.6	19.1	23.0	16.4	19.7
45 to 54 Years	16.8	17.3	16.6	20.2	16.6	16.5	19.8
55 to 64 Years	18.6	17.6	18.4	16.0	15.2	18.6	19.8
65 Years or More	26.9	17.3	19.0	14.9	9.5	29.1	16.4
Race/Ethnicity							
Black	12.8	22.4	22.8	15.7	31.0	10.0	32.4
Hispanic	14.6	25.0	26.7	19.1	23.8	12.0	30.4
Asian	5.3	6.2	7.6	2.3	3.7	5.3	3.5
American Indian or Alaska Native	0.7	1.3	1.2	1.2	2.5	0.6	1.1
Native Hawaiian or Other Pacific Islander	0.3	0.3	0.2	0.4	0.7	0.2	0.4
White	64.9	42.8	39.7	59.7	34.3	70.6	30.6
Two or More Races	1.4	2.0	1.8	1.7	4.0	1.3	1.6
Disability Status							
Disabled, Aged 25 to 64	8.2	11.9	11.3	11.8	16.5	6.5	27.3
Not Disabled, Aged 25 to 64	60.5	63.9	62.6	66.2	68.3	60.4	50.5
Not Applicable (Not Aged 25 to 64)	31.3	24.2	26.1	22.0	15.3	33.1	22.2

Note: See Appendix Table G.4 for distributions of other household characteristics.

credit. And 31.0 percent of underbanked households that used both nonbank transactions and credit were Black, compared with 22.8 percent of underbanked households that used only nonbank transactions and 15.7 percent of underbanked households that used only nonbank credit.

Primary Method Used to Access Bank Accounts

As the primary method of bank account access, use of mobile banking was higher among underbanked households (48.8 percent) than among fully banked households (42.5 percent), as shown in Table 11.4. Use of mobile banking as the primary method of account access was higher in all three underbanked segments, compared with fully banked households, and was highest among underbanked households that used both nonbank transactions and credit (53.1 percent).

Fully banked households were more likely to use online banking (23.8 percent) than to use either a bank teller (14.9 percent) or an ATM or bank kiosk (15.2 percent) as the primary method of account access, while the reverse

was true for underbanked households overall: 11.6 percent used online banking, 15.0 percent used a bank teller, and 20.6 percent used an ATM or bank kiosk as the primary method of account access. Underbanked households that used both nonbank transactions and credit were less likely to use online banking (4.2 percent) and more likely to use telephone banking (5.4 percent) as the primary method of account access, compared with the other two underbanked segments and with fully banked households.

Pay Bills or Receive Income

Paying bills and receiving income are core financial transactions that most households conduct regularly. As shown in Table 11.5, almost all fully banked and underbanked households used their bank accounts to pay bills or receive income, whether or not they also used another method. For example, 97.3 percent of fully banked households used their bank accounts for these transactions, as did 96.1 percent of underbanked households.

Table 11.4 Primary Method of Bank Account Access Among Underbanked and Fully Banked Households, 2021

Underbanked and Fully Banked Households That Accessed Their Account in the Past 12 Months, Row Percent

	Bank Teller	ATM/ Kiosk	Telephone Banking	Online Banking	Mobile Banking	Other	Bank Teller or ATM/Kiosk
Underbanked	15.0	20.6	3.3	11.6	48.8	0.6	35.6
<i>Underbanked, Nonbank Transactions Only</i>	16.4	20.0	3.1	12.4	47.4	0.6	36.4
<i>Underbanked, Nonbank Credit Only</i>	11.2	21.4	2.8	12.6	51.7	0.3	32.6
<i>Underbanked, Nonbank Transactions and Credit</i>	11.9	24.0	5.4	4.2	53.1	1.3	35.9
Fully Banked	14.9	15.2	2.9	23.8	42.5	0.7	30.2

Table 11.5 Methods Used to Pay Bills or Receive Income Among Underbanked and Fully Banked Households, 2021

Underbanked and Fully Banked Households, Row Percent

	Any Method	Bank Account	Bank Account Only	Nonbank Online Payment Service	Prepaid Card	Nonbank Money Order	Nonbank Check Cashing	Nonbank Money Transfer Service
Underbanked	98.5	96.1	38.1	18.8	6.5	40.4	9.9	6.2
<i>Underbanked, Nonbank Transactions Only</i>	98.7	96.5	33.9	16.8	5.1	47.5	10.5	6.5
<i>Underbanked, Nonbank Credit Only</i>	97.1	96.3	68.0	23.3	6.8	0.0	0.0	2.1
<i>Underbanked, Nonbank Transactions and Credit</i>	99.1	93.2	14.7	24.4	16.3	61.2	23.5	11.3
Fully Banked	97.6	97.3	81.6	14.0	1.9	0.0	0.0	0.7

The share of households that exclusively used their bank accounts to pay bills or receive income was much higher among fully banked households, compared with the three underbanked segments. Four in five fully banked households (81.6 percent) exclusively used their bank accounts. Among underbanked households that used only nonbank credit, roughly two-thirds (68.0 percent) exclusively used their bank accounts to pay bills or receive income, compared with 33.9 percent of underbanked households that used only nonbank transactions and 14.7 percent of underbanked households that used both nonbank transactions and credit.

Underbanked households were substantially more likely to use money transfer services to pay bills (6.2 percent), compared with fully banked households (0.7 percent). Underbanked households were also more likely to use prepaid cards to pay bills or receive income (6.5 percent), compared with fully banked households (1.9 percent).

Among underbanked households that used both nonbank transactions and credit, a higher share used money orders or money transfer services to pay bills and a higher share

used check cashing to receive income, compared with underbanked households that used only nonbank transactions. For example, three in five underbanked households that used both nonbank transactions and credit (61.2 percent) used money orders to pay bills, compared with 47.5 percent of underbanked households that used only nonbank transactions.

Use of Credit Cards and Personal Loans

Underbanked households were less likely to have a credit card and were more likely to have both bank and nonbank personal loans than fully banked households in 2021 (see Table 11.6). For example, 62.4 percent of underbanked households had a credit card, compared with 76.6 percent of fully banked households. One in ten underbanked households (10.0 percent) had a bank personal loan, compared with 8.0 percent of fully banked households. And 5.6 percent of underbanked households had a nonbank personal loan, compared with 2.4 percent of fully banked households.

The underbanked segment that used both nonbank transactions and credit was less likely to have a credit card and

more likely to have a nonbank personal loan than the other two underbanked segments. For example, 53.1 percent of underbanked households that used both nonbank transactions and credit had a credit card, compared with 65.6 percent of underbanked households that used only nonbank credit and 62.9 percent of underbanked households that used only nonbank transactions.

Use of Rent-to-Own Services and Payday, Pawn Shop, Tax Refund Anticipation, and Auto Title Loans

Underbanked households that used both nonbank transactions and credit were more likely to use rent-to-own services, payday loans, and pawn shop loans in 2021 than underbanked households that used only nonbank credit

(see Table 11.7). For example, 26.8 percent of underbanked households that used both nonbank transactions and credit used a pawn shop loan, compared with 15.5 percent of underbanked households that used only nonbank credit.

Underbanked households that used both nonbank transactions and credit were less likely to use tax refund anticipation loans and auto title loans in 2021 than underbanked households that used only nonbank credit. For example, 16.0 percent of underbanked households that used both nonbank transactions and credit used an auto title loan, compared with 24.0 percent of underbanked households that used only nonbank credit.

Table 11.6 Use of Credit Cards, Bank Personal Loans, and Nonbank Personal Loans Among Underbanked and Fully Banked Households, 2021

Underbanked and Fully Banked Households, Row Percent

	Credit Card	Bank Personal Loan	Credit Card or Bank Personal Loan	Nonbank Personal Loan
Underbanked	62.4	10.0	64.0	5.6
<i>Underbanked, Nonbank Transactions Only</i>	62.9	9.2	64.1	3.7
<i>Underbanked, Nonbank Credit Only</i>	65.6	12.6	67.9	9.0
<i>Underbanked, Nonbank Transactions and Credit</i>	53.1	10.8	56.6	13.2
Fully Banked	76.6	8.0	77.2	2.4

Table 11.7 Use of Rent-to-Own Services and Payday, Pawn Shop, Tax Refund Anticipation, and Auto Title Loans Among Underbanked and Fully Banked Households, 2021

Underbanked and Fully Banked Households, Row Percent

	Rent-to-Own Service	Payday Loan	Pawn Shop Loan	Tax Refund Anticipation Loan	Auto Title Loan	Rent-to-Own Service or Payday, Pawn Shop, Tax Refund Anticipation, or Auto Title Loan
Underbanked	7.7	7.2	5.6	6.3	6.0	28.4
<i>Underbanked, Nonbank Transactions Only</i>	0.0	0.0	0.0	0.0	0.0	0.0
<i>Underbanked, Nonbank Credit Only</i>	24.8	22.8	15.5	25.1	24.0	100.0
<i>Underbanked, Nonbank Transactions and Credit</i>	31.0	29.9	26.8	17.0	16.0	100.0
Fully Banked	0.0	0.0	0.0	0.0	0.0	0.0

12. Implications and Conclusions

The financial disruptions due to the COVID-19 pandemic created unique opportunities and challenges for economic inclusion, some of which may be temporary, while others may be longer lasting. The importance of quickly receiving income from Economic Impact Payments or other government relief programs created a unique bankable moment, and consumers benefited from enhanced online and mobile account opening technologies and the greater availability of safe and affordable bank accounts. This combination of factors resulted in meaningful gains in connecting households to the banking system.

Health and safety concerns regarding in-person interactions during the pandemic may have accelerated the long-term trend of increasing use of mobile and online channels to access financial products and services, such as mobile banking and online payment services. As the pandemic wanes, it will be important to carefully monitor whether the shift from in-person activity continues, stabilizes, or subsides.

Beyond impacts directly tied to the pandemic, the financial services marketplace continues to become more disaggregated, and consumers are bundling services and providers (bank and nonbank) in new and interesting ways. This disaggregation may provide greater choices for consumers but also may make it more difficult for consumers to clearly distinguish differences between bank and nonbank products and to understand the protections available, such as deposit insurance. The economic inclusion implications of disaggregation on different segments of the population bear further research and highlight the need to learn more about how consumers are navigating the choices presented to them by the evolving marketplace.

- 1. Despite economic challenges posed by the pandemic, more consumers became banked and sustained their banking relationship through financial distress. The importance of quickly receiving government payments contributed to decisions by many unbanked consumers to open bank accounts. Focusing on opportunities to connect consumers to safe and affordable bank accounts when they are receiving income and other government payments continues to be a promising economic inclusion strategy.**

Enhancements to online account opening technology deployed during the pandemic and the increased availability of low-cost accounts in recent years also may facilitate these banking efforts. Disruptions in income had a smaller impact in exits from the banking system than previous survey results might suggest, and further research is needed to explore the reasons for this smaller than expected impact, including strategies banks used to assist low- and moderate-income (LMI) consumers navigate short-term financial shocks.

The pandemic highlighted the need for consumers to quickly respond to economic shocks, particularly to ensure that they were able to receive and access relief funds and other benefits. Community organizations, policymakers, and bankers raised awareness about Economic Impact Payments and connected consumers to bank accounts. For example, the FDIC launched a national #GetBanked consumer education campaign and collaborated with the U.S. Department of the Treasury to help consumers connect to banks that offered online opening of safe and affordable accounts so that they could establish a banking relationship and receive stimulus payments more quickly and securely.

The 2021 survey provides strong evidence that receipt of income, such as stimulus payments, unemployment benefits, and employment income, was an important motivator for account openings. Among recently banked households that received a government benefit payment, almost half said that the payment contributed to opening an account. And among recently banked households that started a new job, one in three said that the new job contributed to opening an account. These results are consistent with 2013 findings that showed that the most common reason recently banked households opened an account was to receive direct deposit. Together, these findings provide compelling evidence of the effectiveness of focusing on bringing people into the financial mainstream when they are receiving funds.

Economic inclusion efforts should continue to focus on connecting consumers with safe and affordable accounts at a variety of bankable moments, for example, with receipt of new employment income, tax refunds, and government benefits and transfers. While initiatives to bank consumers

at opportune moments have existed for some time (e.g., Bank On, Volunteer Income Tax Assistance site banking efforts), more options are available today than in the past to connect consumers with safe and affordable bank accounts. As of September 2022, over 250 banks and credit unions offer an account that meets Bank On National Account Standards. In addition, mobile and online account opening options are more accessible. Restrictions on in-person activities during the pandemic led many banks to enhance their digital account opening technologies to make it easier and quicker for consumers to open accounts remotely through online and mobile banking. At the same time, consumer comfort and familiarity with financial technology increased as many consumers used online and mobile methods for shopping or handling their finances.⁸⁷ Public awareness campaigns timed with bankable moments highlighting account opening options could be helpful for bringing consumers into banking.

In addition to expanding access to banking, maintaining sustainable banking relations is a key economic inclusion consideration. The pandemic tested the sustainability of banking relationships when labor market disruptions reduced or curtailed many household income streams. In 2021, about one in five recently unbanked households (21.1 percent) reported that losing or quitting a job, being furloughed, having reduced hours, or having a significant loss of income contributed to closing a bank account in the prior 15 months. As sizable as this share is, it is much lower than results reported in a past FDIC survey. Although not directly comparable, in 2013, one-third (33.9 percent) of recently unbanked households experienced a significant income loss or a job loss that they said contributed to the household becoming unbanked. Government aid and financial system flexibilities during the pandemic likely played a role in mitigating consumer financial distress, particularly in helping consumers meet their credit obligations. But it would be beneficial to identify lessons learned regarding communication strategies, staff training, or bank policies that were particularly effective in helping consumers and financial institutions navigate financial disruptions. For example, at the start of the pandemic, regulators encouraged financial institutions to work with consumers, especially LMI consumers, and to consider measures to reduce the financial impact of the pandemic, such as waiving early withdrawal penalties for time deposits or ATM fees.⁸⁸ It is important to explore whether these

or other efforts were effective and could be continued to help LMI consumers cope with short-term financial shocks without becoming unbanked.

2. Household use of some nonbank financial services, such as check cashing and certain consumer credit products, has declined significantly over the past decade. A combination of factors may be driving these trends, including reduced demand from changing needs, increased participation in the banking system, or the increasing supply of other, new nonbank products and services, many of which can be found online or through mobile applications. Much remains to be learned about consumer choices and the factors that are motivating them. Additional research into these choices and motivations is vital to ensuring that economic inclusion efforts evolve to address consumers' changing needs and preferences.

An example of how consumer use of financial providers has been shifting over time is the long-term trend of declining use of the nonbank financial products and services covered by the survey. For the most commonly used nonbank financial transaction services, usage has fallen significantly. In 2021, the share of households that used nonbank money orders and nonbank check cashing in the past year was half of what it had been in 2011. Check cashing use fell from 7.9 percent in 2011 to 3.2 percent in 2021, while money order use fell from 18.8 percent to 9.7 percent.

These declines have persisted across bank account ownership and demographic groups. Significant drops have been seen among both the highest- and lowest-income households. For example, the use of nonbank money orders among households with less than \$15,000 in income dropped from 30.8 percent to 19.4 percent between 2011 and 2021, while it fell from 10.2 percent to 5.1 percent among households with income of \$75,000 or more. Among some groups, use of nonbank financial services declined considerably between 2019 and 2021; for example, unbanked households' use of nonbank check cashing fell from 39.9 percent in 2011 to 31.9 percent in 2019, and dropped to 21.8 percent in 2021. Impacts from the pandemic may have played a role in accelerating changes in consumer financial services choices.

⁸⁷ In addition to FDIC survey results that show increased use of digital channels (e.g., mobile banking) and products (e.g., online payment services) across broad demographic segments, other surveys like the *2020 Diary of Consumer Payment Choice* reports that “online or mobile purchases of goods and services increased from 17 percent of all purchases in 2019 to 24 percent in 2020 (as a share of both in-person and not-in-person purchases).” See www.atlantafed.org/banking-and-payments/consumer-payments/diary-of-consumer-payment-choice.

⁸⁸ See Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, *Joint Statement on CRA Consideration for Activities in Response to COVID-19*, March 19, 2020, www.fdic.gov/news/financial-institution-letters/2020/fil20019.html.

Similarly, nonbank credit use has also declined. In 2013, 75 percent of households used at least one of the nonbank credit products tracked by the survey at that time: rent-to-own services and payday, pawn shop, tax refund anticipation, and auto title loans. But in 2021, the share of households using those same products fell by 40 percent to 4.4 percent. The decline was particularly pronounced among unbanked households; nearly one in five unbanked households (18.2 percent) used at least one of these nonbank credit products in 2013, but fewer than one in ten (9.5 percent) did so in 2021.

Decreasing use of these nonbank services, especially through a period of declining unbanked rates, could imply that a growing number of households is fulfilling financial services needs within the banking system and benefiting from the consumer protections and opportunities that the system provides. However, to understand whether the decline in observed use of nonbank financial services correlates with greater inclusion in banking, more information is needed about whether and how households have replaced nonbank products and services like money orders and check cashing. It is also important to think about household attitudes, characteristics, and usage patterns when assessing how and why financial habits are changing. For example, while it may be reasonable to consider that unbanked households that were using nonbank services but were very interested in having a bank account may have curtailed their use of nonbanks in favor of banks, a significant portion of unbanked households do not trust banks, and it is less likely that these households are shifting from nonbanks to banks.

The declines in observed nonbank financial service use may also reflect a change in demand among consumers driven by changing needs. In some cases, consumers may simply no longer need a service. For example, the overall decline in the use of paper checks has been well documented and could explain why some households no longer use check cashing services. Potential drivers of the long-term decline in demand for nonbank credit are less clear, but it is likely that changes in economic conditions, policy changes, and shifts in prevailing attitudes about the nonbank credit products mentioned in the survey affected demand.

On the supply side, the rapidly changing marketplace has led to a proliferation of new nonbank financial products, and some households may be turning to these new products as they become available. Providers like nonbank fintechs and online payment services offer new ways to conduct core financial transactions such as receiving

income (e.g., new ways to cash checks virtually), while emerging credit options such as buy now, pay later products provide new alternatives to existing credit offerings inside and outside of the banking system. To the extent that households have replaced existing nonbank financial services with new nonbank products, there may be consumer protection concerns. Also, banks may need to better target their economic inclusion strategies to align with changes in consumer behavior.

Learning more about how households use new and existing bank and nonbank services will help clarify the true extent to which consumers are transacting within or outside of the banking system. As the diversity of options available in the marketplace grows, financial services are becoming more disaggregated as banked and unbanked households alike may increasingly turn to separate providers to meet different needs. As households combine bank and nonbank products in new ways, banks may need to work harder to distinguish themselves from nonbank providers and demonstrate the unique value and protections they offer consumers. The research community, including the *FDIC National Survey of Unbanked and Underbanked Households*, should strive to ensure adequate coverage of emerging products and to better understand how consumers are evaluating their options. Knowing more about the full range of services that households are using and the reasons motivating their choices will also allow economic inclusion stakeholders to better gauge the status of their efforts to develop, promote, and connect consumers to appealing banking products and can inform ways to evolve this work going forward.

3. While many banked households appear to use nonbank online payment services such as PayPal, Venmo, and Cash App to complement banking products, unbanked households may be using them as substitutes for banking or other financial services. These use cases have different economic inclusion implications but highlight that it is important for all consumers to understand limits and applicability of consumer protections, especially deposit insurance.

Nonbank online payment services have quickly become a common tool for many households, particularly younger households, to conduct financial transactions. Nearly half of all households (46.4 percent) used nonbank online payment services in 2021, including two-thirds of households aged 34 or younger. A similar (although not directly comparable and somewhat narrower) result from the 2019 survey found that less than one-third of households

(31.1 percent) were using nonbank person-to-person (P2P) payment services at that time.⁸⁹

Unlike some of the other nonbank services included in the survey, nonbank online payment services are not disproportionately used by unbanked households. Nearly half of banked households (47.7 percent) used nonbank online payment services in 2021, compared with less than one in five unbanked households (18.1 percent). User characteristics differ greatly from those of households that use other nonbank financial services; in general, households that use nonbank online payment services tend to be higher income and more educated than households that do not use these services.

Banked households appear to use nonbank online payment services in conjunction with banking products by linking them to credit cards or bank accounts, and they use them for a limited set of transactions. Most banked households that use nonbank online payment services use them to make purchases online and to send money to or receive money from family or friends. Banked households do not commonly use nonbank online payment services for core financial transactions; fewer than one in five (18.7 percent) used them to receive income, and 27.2 percent used them to pay bills. These findings suggest that banked households might be disaggregating their use of financial services and that they are turning to other providers to meet some needs while continuing to rely on bank products for core transactions.

Unbanked households use nonbank online payment services quite differently than banked households.

Unbanked users frequently use them to conduct both core and secondary types of transactions, and the majority of unbanked households use them as stand-alone services not linked to a prepaid card or other type of account. These findings suggest that some unbanked households are using nonbank online payment services in place of bank accounts, consistent with prior qualitative research. Focus groups conducted by the FDIC in 2015 highlighted that some unbanked households felt that nonbank P2P payment services could function like bank accounts and were effective substitutes.⁹⁰

Banked and unbanked households' different use cases prompt different economic inclusion considerations. Among unbanked households, those using nonbank online payment services are demonstrating that they need ways to conduct core financial transactions. But their choice to use nonbank services implies that they do not view banks or banking products as appropriate for their needs, so inclusion efforts responsive to these use cases might be helpful. Banked households, which have not commonly used nonbank financial services such as nonbank money orders, check cashing, or money transfer services, are often not the main focus of inclusion efforts. Yet banked households may not understand the implications of including a nonbank provider in the transaction process. Consequently, both banked and unbanked households may benefit from public awareness and education efforts to clarify consumer protections and the applicability of deposit insurance, distinguish between types of providers, and demonstrate the benefits and opportunities afforded by the banking system.

⁸⁹ The 2019 survey asked households about their use of a website or app to send or receive money inside the United States (examples are PayPal, Venmo, and Cash App). This service is known as a nonbank person-to-person (P2P) payment service.

⁹⁰ See *Opportunities for Mobile Financial Services to Engage Underserved Consumers Qualitative Research Findings*, May 25, 2016, www.fdic.gov/consumers/community/mobile/MFS_Qualitative_Research_Report.pdf.

Appendix 1. FDIC Technical Notes

The data for this report were collected through an FDIC-sponsored supplement (Supplement) to the Current Population Survey (CPS) for June 2021. The CPS, conducted by the U.S. Census Bureau for the Bureau of Labor Statistics (BLS), is a monthly survey with about 58,000 households selected for interview each month. The survey is based on a scientific sample that is representative of the U.S. civilian noninstitutional population, aged 15 or older.

The CPS is the primary source of information on the labor force characteristics of the U.S. population, including employment, unemployment, and earnings statistics. It also collects data on a variety of demographic characteristics, such as age, sex, race, marital status, and educational attainment. Additional information about the CPS is provided on the Census Bureau's website.¹

The CPS sample consists of independent samples in each state and the District of Columbia.² The sample size for each state is set to meet specific precision requirements for the unemployment rate estimate.³

2021 Supplement

The seventh Supplement was conducted in June 2021. Previous Supplements were conducted in January 2009, June 2011, June 2013, June 2015, June 2017, and June 2019. A primary purpose of the Supplement is to estimate the percentage of U.S. households that are unbanked and to identify the reasons why. The Supplement has also collected information since 2009 on household use of a variety of bank and nonbank financial transaction services and credit products. The Supplement survey instrument used in 2021, attached as Appendix 3, included approximately 70 questions designed to elicit this information.

The 2021 instrument was developed in conjunction with experts from a nationally recognized survey research firm and underwent two rounds of cognitive testing. For a detailed description of the 2021 revisions, see Appendix 2. Because of changes in the questionnaire, direct comparisons between 2021 and prior-year estimates are not possible in some cases.

Eligibility and Exclusions

All households that participated in the June 2021 CPS were eligible to participate in the Supplement. However, only CPS respondents that specified they had some level of participation in their household finances *and* that responded “yes” or “no” to whether someone in their household had a checking or savings account (question B20) were considered Supplement respondents.⁴

CPS Response Rate and Coverage Ratio

For the June 2021 CPS, a statistical sample of 58,320 survey-eligible households was selected from the sampling frame.⁵ Of these households, 44,524 participated in the CPS, resulting in a 76 percent response rate. There were 13,796 nonrespondent eligible households, most of which refused to participate (83 percent). The remaining 17 percent consisted of households where (a) no one was home at the time of the interview, (b) the household respondent was temporarily absent, (c) the household could not be located, (d) language barriers prevented the interview, or (e) other reasons. Because of the availability of translators for many languages, only 1 percent of nonrespondents (136 households) did not participate as a result of language barriers.

Coverage ratios for the CPS measure the percentage of persons in the target universe (the U.S. civilian noninstitutional population, aged 15 or older) that are included

¹ See, for example, U.S. Census Bureau, *Current Population Survey: Design and Methodology, Technical Paper 77*, October 2019, [census.gov/programs-surveys/cps/methodology/CPS-Tech-Paper-77.pdf](https://www.census.gov/programs-surveys/cps/methodology/CPS-Tech-Paper-77.pdf).

² California and New York State are each divided into two areas that have independent sample designs: Los Angeles County and the remainder of California, and New York City (five boroughs) and the remainder of New York State.

³ The precision targets that are the basis for the sample design of the CPS are provided in Chapter 2-2 of U.S. Census Bureau, *Current Population Survey: Design and Methodology, Technical Paper 77*.

⁴ CPS respondents involved in their household finances include respondents in households where adults had separate finances or where the respondent was the only adult in the household. For households where adults shared finances or had a mix of shared and separate finances, respondents were asked to specify how much they participated in their household financial decisions. Only those that reported having at least some level of participation were considered to be involved in their household finances.

⁵ For details on the sampling frame, refer to the technical documentation for the June 2021 Supplement, available at [census.gov/programs-surveys/cps/technical-documentation/complete.html](https://www.census.gov/programs-surveys/cps/technical-documentation/complete.html).

in the sampling frame.⁶ The overall coverage ratio for the June 2021 CPS was 90 percent. The missing 10 percent (i.e., undercoverage) consists of three groups: (a) persons residing in households that are not in the CPS sampling frame, (b) noninstitutional persons not residing in households at the time the CPS was conducted, and (c) household residents that were not listed as household members for the CPS for various reasons. The coverage ratios varied across demographic groups. For example, among women aged 15 or older, the coverage ratio was 93 percent for Whites, 82 percent for Blacks, and 83 percent for Hispanics.

Supplement Response Rate

Of the 44,524 households that participated in the CPS, 30,434 (68 percent) also participated in the Supplement (i.e., were Supplement respondents). Taking into account the nonresponse to the CPS, the overall response rate for the Supplement was 52 percent.

CPS and Supplement Weights

The weights calculated by the Census Bureau for the CPS and the Supplement were adjusted to account for both nonresponse and undercoverage. These adjustments help correct any biases in estimates because of nonresponse and undercoverage, so that results are representative of the U.S. civilian noninstitutional population, aged 15 or older.⁷

Supplement Item Nonresponse and Imputation

In the 2021 Supplement, nonresponse to individual survey questions (i.e., item nonresponse) was addressed through imputation, consistent with the Census Bureau's treatment of missing values in the CPS.⁸ For a given Supplement question, item nonresponse occurred when a Supplement

respondent refused to answer the question, responded "don't know," or dropped out of the Supplement before the question was administered (i.e., the household broke off).⁹ Breakoffs were the most common source of item nonresponse.

The Census Bureau implemented "hot deck" allocation for nearly all missing values in the Supplement. For a household with a missing value to a given question, hot deck allocation replaced the missing value with a response to the same question provided by a household with similar characteristics, known as the donor household. In general, the characteristics used to identify donor households should be associated with the outcome variable, *Y*, and with the indicator variable for whether *Y* is missing. Identifying donors according to these criteria reduces both the bias and the variance of household estimates.¹⁰ Examples of variables used to select donor households in the 2021 Supplement included household bank account ownership, household income, metropolitan status, and the average age of adults in the household.¹¹

Where appropriate, this report discusses trends in survey results over time, primarily between 2017 and 2021. The 2019 estimates published in this report are identical to those published in the 2019 report because both reports address item nonresponse in the 2019 Supplement through imputation.¹² However, the 2017 estimates published in this report may differ from the 2017 estimates published in the 2019 and 2017 reports because this report addresses item nonresponse in the 2017 Supplement through imputation, while the 2019 and 2017 reports addressed item nonresponse in the 2017 Supplement in other ways.¹³ In the 2019 report, for which only missing values in the 2019

⁶ The coverage ratio is the weighted number of persons in a demographic group (after weights are adjusted to account for household nonresponse) divided by an independent count of persons in that demographic group (obtained from the 2010 Census and updated with data on the components of population change, including births, deaths, and net migration).

⁷ For details on the weighting procedure, refer to the technical documentation for the June 2021 Supplement, available at [census.gov/programs-surveys/cps/technical-documentation/complete.html](https://www.census.gov/programs-surveys/cps/technical-documentation/complete.html). The household weight is usually the weight of the householder; however, if the householder is a married male, the spouse's weight is used. The householder (or reference person) is generally the person or one of the people in whose name the home is owned or rented.

⁸ A description of the methodology used by the Census Bureau to impute missing values in the CPS is provided in Chapter 3–4 of U.S. Census Bureau, *Current Population Survey: Design and Methodology, Technical Paper 77*.

⁹ As mentioned earlier, 68 percent of the households that participated in the CPS were Supplement respondents. The remaining households (i.e., Supplement nonrespondents) had missing values for all Supplement questions. These households, which were not assigned a Supplement weight, did not have missing values imputed.

¹⁰ See Rebecca R. Andridge and Roderick J. A. Little, "A Review of Hot Deck Imputation for Survey Non-response," *International Statistical Review* 78, no. 1 (2010): 40–64, [dx.doi.org/10.1111%2Fj.1751-5823.2010.00103.x](https://doi.org/10.1111%2Fj.1751-5823.2010.00103.x).

¹¹ The raw dataset, available at [census.gov/programs-surveys/cps/data.html](https://www.census.gov/programs-surveys/cps/data.html), contains an allocation flag for each Supplement question. For example, HXPSUSE10 is the allocation flag for question PSUSE10. In the 2021 Supplement, the allocation flag for each question equals -1 if the household is not in the universe for the question, 1 if the household has an allocated value (i.e., a missing value was imputed), or 0 if the household does not have an allocated value (i.e., no missing value).

¹² For more information about the imputation of missing values in the 2019 Supplement and about the treatment of missing values in the 2019 report, see Appendix 1 of the 2019 report, available at [fdic.gov/analysis/household-survey/2019report.pdf](https://www.fdic.gov/analysis/household-survey/2019report.pdf). In the 2019 Supplement, the allocation flag for each question equals -1 if the household is not in the universe for the question, 1 if the household has an allocated value, or 2 if the household does not have an allocated value. As discussed above, the allocation flag in the 2021 Supplement equals 0 (not 2) if the household does not have an allocated value.

¹³ As in the 2021 Supplement, the allocation flag for each question in the 2017 Supplement equals -1 if the household is not in the universe for the question, 1 if the household has an allocated value, or 0 if the household does not have an allocated value.

Supplement were imputed, missing values in the 2017 and earlier Supplements were dropped from the analysis to avoid bias in estimating changes in outcome variables over time. In the 2017 report, for which missing values were not imputed in any Supplement, missing values in all Supplements either were dropped when computing an estimate, or they were retained and reported as “unknown.”

Analysis of Supplement Survey Results

Estimating the Share and Number of Unbanked and Underbanked Households

Using Supplement survey results, households were classified as “unbanked” if they responded “no” to question B20, “Do you or anyone else in your household have a checking or savings account now?” Households that answered “yes” to this question were classified as “underbanked” if in the past 12 months they used at least one of the following nonbank products or services that are disproportionately used by unbanked households to meet their transaction and credit needs: money orders, check cashing, international remittances, rent-to-own services, payday loans, pawn shop loans, tax refund anticipation loans, or auto title loans.

The proportion of U.S. households that were unbanked was estimated by dividing the sum of the weights of the household respondents that were identified as being unbanked by the sum of the weights of all household respondents. The same formula was used to estimate the proportion of U.S. households that were underbanked. For estimated proportions of unbanked or underbanked households for demographic subgroups, the same computational approach was used and applied to respondent households in the subgroup.

In addition to presenting estimated proportions, the report includes estimated numbers of households (e.g., unbanked households or underbanked households). The number of households for a given category is estimated as the sum of the weights of the sample households

in that category. For the entire Supplement sample of 30,434 respondent households, the sum of the household weights is roughly 132.5 million, which would be an estimate of all U.S. households as of June 2021. The *Housing Vacancy Survey*, another survey related to the CPS that uses household controls to produce household weights, provided an estimate of 126.5 million as the number of households in June 2021.¹⁴ This difference (132.5 million versus 126.5 million) is because household weights prepared by the Census Bureau for the CPS and for the Supplement are generally householder weights and are not adjusted to align with household count controls. Household count controls were not used to adjust household weights because the CPS is a person-level survey rather than a household-level survey; therefore, population controls were used only in the preparation of person weights. As a result, the sum of household weights for a category tends to be somewhat higher than the actual household count for the category.

Assigning Household Characteristics

This report also contains a number of tables for which unbanked rates and other household statistics are computed for subgroups defined by a particular socioeconomic or demographic characteristic. The household classification of a socioeconomic or demographic variable that is defined at the person level rather than the household level (e.g., race/ethnicity, education, or employment status) is based on the socioeconomic or demographic classification of the householder.¹⁵

The Census Bureau classifies households into different household types. For instance, a family household is a household that includes two or more people related by birth, marriage, or adoption and residing together, along with any unrelated people that may be residing there. Detailed definitions regarding household types can be found in the technical documentation on the CPS website.¹⁶

¹⁴ See U.S. Census Bureau, *Current Population Survey/Housing Vacancy Survey Table 13a Monthly Household Estimates: 2000 to Present, Vintage 2021*, August 2, 2022, [census.gov/housing/hvs/data/hist_tab_13a_v2021.xlsx](https://www.census.gov/housing/hvs/data/hist_tab_13a_v2021.xlsx).

¹⁵ In a few cases, the householder is classified as an ineligible respondent for the CPS, but another eligible household resident participated in the CPS and in the Supplement. In these cases, we use the attributes of the eligible respondent to characterize the household.

¹⁶ See [census.gov/programs-surveys/cps/technical-documentation/subject-definitions.html](https://www.census.gov/programs-surveys/cps/technical-documentation/subject-definitions.html).

Classifying Household Race and Ethnicity

Consistent with U.S. Office of Management and Budget (OMB) standards for the classification of race and ethnicity and with CPS tabulations of race and ethnicity, households are classified into the following racial and ethnic categories:¹⁷

- “Hispanic household” refers to a household for which the householder identifies as Hispanic or Latino regardless of race.
- “Black household” refers to a household for which the householder identifies as Black or African American alone and not Hispanic or Latino.
- “Asian household” refers to a household for which the householder identifies as Asian alone and not Hispanic or Latino.
- “American Indian or Alaska Native household” refers to a household for which the householder identifies as American Indian or Alaska Native alone and not Hispanic or Latino.
- “Native Hawaiian or Other Pacific Islander household” refers to a household for which the householder identifies as Native Hawaiian or Other Pacific Islander alone and not Hispanic or Latino.
- “White household” refers to a household for which the householder identifies as White alone and not Hispanic or Latino.
- “Two or More Races household” refers to a household for which the householder identifies as two or more races and not Hispanic or Latino.

Classifying Working-Age Households With Disabilities

This report provides unbanked and other estimates for the population of households with disabilities. As in the 2013 report (the first time these estimates were presented) and later reports, households are categorized as follows: if the householder is between the ages of 25 and 64 and either (a) indicates “yes” to any of the six-question

disability sequence in the CPS or (b) is classified as “not in labor force – disabled,” the household is classified as “disabled, aged 25 to 64.”¹⁸ If the householder is between the ages of 25 and 64 and neither condition (a) nor (b) above is met, the household is classified as “not disabled, aged 25 to 64.” If the householder is not between the ages of 25 and 64, the household is classified as “not applicable (not aged 25 to 64).”¹⁹

Metropolitan Statistical Area Definitions

This report presents estimates of unbanked rates and other outcomes of interest for larger metropolitan statistical areas (MSAs). MSA delineations are established by OMB. OMB published a revised set of MSA delineations in February 2013, based on data from the 2010 Census and the 2006–2010 American Community Surveys. The 2013 delineations superseded the earlier delineations based on 2000 Census data, first established by OMB in June 2003.²⁰

As discussed in the technical documentation to the June 2015 Supplement, the Census Bureau phased the 2013 MSA delineations into the CPS (and phased out the 2003 delineations) over the period May 2014 to July 2015.²¹ Housing units first included in the CPS before May 2014 were assigned metropolitan area codes based on the 2003 delineations. These metropolitan area codes consisted of metropolitan New England city and town area (NECTA) codes for New England states (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont) and MSA codes for other states.²² Housing units first included in the CPS in May 2014 or later were assigned metropolitan area codes based on the 2013 delineations. These metropolitan area codes consisted only of MSA codes, as housing units in New England were given MSA codes as part of the phase-in of the 2013 delineations.

For the 2017–2021 survey data, all housing units were assigned metropolitan area codes based on the 2013

¹⁷ For the OMB standards for the classification of race and ethnicity, see “Revisions to the Standards for the Classification of Federal Data on Race and Ethnicity,” *Federal Register* 62, no. 210, October 30, 1997: 58782–58790, [govinfo.gov/content/pkg/FR-1997-10-30/pdf/97-28653.pdf](https://www.govinfo.gov/content/pkg/FR-1997-10-30/pdf/97-28653.pdf). For information on CPS tabulations of race and ethnicity, see [bls.gov/cps/definitions.htm](https://www.bls.gov/cps/definitions.htm). All estimates presented in the 2021 and 2019 reports, including 2017 and earlier estimates provided for comparative purposes, use these racial and ethnic categories. Estimates presented in the 2009–2017 reports used different racial and ethnic categories; see Appendix 1 of the 2017 report, available at [fdic.gov/analysis/household-survey/2017/2017report.pdf](https://www.fdic.gov/analysis/household-survey/2017/2017report.pdf).

¹⁸ Specifically, we use the variable PEMLR (monthly labor force recode) to determine if the respondent is not in the labor force because of a disability. Refer to the CPS Data Dictionary for detail on the six-question disability sequence, available at [census.gov/data/datasets/time-series/demo/cps/cps-basic.html](https://www.census.gov/data/datasets/time-series/demo/cps/cps-basic.html).

¹⁹ A universally accepted method to identify the population with disabilities does not exist. Key estimates from the Supplement, such as the unbanked rate among disabled households, are qualitatively similar using alternative disability measures. For more information, see Appendix I of the 2013 report, available at [fdic.gov/analysis/household-survey/2013/2013appendix.pdf](https://www.fdic.gov/analysis/household-survey/2013/2013appendix.pdf).

²⁰ For the February 2013 delineations, see Office of Management and Budget, *OMB Bulletin Number 13-01*, February 28, 2013, [whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/bulletins/2013/b13-01.pdf](https://www.whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/bulletins/2013/b13-01.pdf). For the June 2003 delineations, see Office of Management and Budget, *OMB Bulletin Number 03-04*, June 6, 2003, [whitehouse.gov/wp-content/uploads/2017/11/bulletins_b03-04.pdf](https://www.whitehouse.gov/wp-content/uploads/2017/11/bulletins_b03-04.pdf). In each year between 2003 and 2009, OMB published minor revisions to the MSA delineations, based on the Census Bureau’s annual population estimates.

²¹ The technical documentation for the June 2015 Supplement is available at [census.gov/programs-surveys/cps/technical-documentation/complete.html](https://www.census.gov/programs-surveys/cps/technical-documentation/complete.html).

²² Unlike MSAs, which are composed of one or more full counties or county equivalents, NECTAs are composed of cities and towns and often do not follow county boundaries.

delineations. For the 2015 survey data, approximately three-quarters of housing units were assigned metropolitan area codes based on the 2013 delineations, while the remaining housing units were assigned metropolitan area codes based on the 2003 delineations. To facilitate MSA-level estimates using the 2015 survey data, a housing unit with an obsolete 2003 MSA code was assigned the corresponding 2013 MSA code.²³ A housing unit with a NECTA code was assigned the 2013 MSA code that comprised the majority of the NECTA population.²⁴ Overall, less than three percent of housing units in the 2015 survey data were affected by these adjustments.

For the 2013 and earlier survey data, all housing units were assigned metropolitan area codes based on the 2003 delineations. For these survey years, metropolitan area estimates are based on the 2003 delineations. Because of changes in geographic boundaries (e.g., the addition or subtraction of a county), some metropolitan area estimates that use 2015–2021 survey data are not directly comparable to the corresponding metropolitan area estimates that use 2013 and earlier survey data. In the appendix tables (published separately on [fdic.gov/analysis/household-survey/](https://www.fdic.gov/analysis/household-survey/)), a tilde (~) next to an MSA name indicates that the MSA was affected by a geographic boundary change. All MSA names in the tables, however, reflect the 2013 delineations.

Statistical Precision of Estimates

To indicate the precision of certain estimates, standard errors were calculated based on the variation of the esti-

mates across a set of 160 sample replicates provided by the Census Bureau. Details of the calculation of standard errors based on sample replicates (and on the CPS methodology in general) are available from the Census Bureau.²⁵

Estimated differences discussed in this report are significant at the 10 percent level, unless noted otherwise. That is, if the population difference were zero, then the probability of obtaining estimates having the observed difference or a larger difference would be no more than 10 percent and could be considerably less. For example, the estimated difference in the proportions of U.S. households that were unbanked between 2021 (4.5 percent) and 2019 (5.4 percent) is -0.9 percentage points. The estimated standard error of this difference (computed using the 160 replicates as described above) is 0.2 percentage points. Under the assumption that the true difference in the unbanked rate between 2021 and 2019 is zero, the probability of observing the -0.9 percentage point difference in our sample data is less than 0.1 percent (the p-value reported by statistical software is 0.000).

Certain 2021 report appendix tables include 90 percent confidence intervals in addition to point estimates. The confidence interval is one way to describe the uncertainty surrounding the estimate. For example, as shown in Appendix Table A.2, the estimated proportion of U.S. households that were unbanked in 2021 is 4.5 percent, and the 90 percent confidence interval around this estimate ranges from 4.2 to 4.7 percent.

²³ In the 2015 survey data, some housing units were located in counties populous enough to be identified, but no MSA code was assigned because these counties were not in an MSA based on the 2003 delineations (all of these housing units were first included in the CPS before May 2014). Because some of these counties were in an MSA based on the 2013 delineations, a 2013 MSA code was assigned to housing units located in such counties.

²⁴ For example, housing units with a NECTA code for Boston-Cambridge-Quincy, MA-NH, were assigned the MSA code for Boston-Cambridge-Newton, MA-NH. For each NECTA code in the 2015 survey data, at least 80 percent of the 2010 Census NECTA population (and the estimated July 1, 2015, NECTA population) resided within the corresponding MSA, and for the majority of the NECTAs this number was at least 90 percent.

²⁵ For a detailed description of the methodology used to calculate standard errors based on sample replicates, see Chapter 2-4, of U.S. Census Bureau, *Current Population Survey: Design and Methodology, Technical Paper 77*.

Appendix 2. 2021 Revisions to the *FDIC National Survey of Unbanked and Underbanked Households*

The FDIC revised the survey instrument based on lessons learned from the administration of the 2019 survey, feedback received in response to the 2019 survey results, and an interest in topics not covered in past surveys. For example, the 2021 survey included new questions on the effects of the COVID-19 pandemic on households with recent exits from or entrances into the banking system; the use of nonbank online payment services and nonbank money transfer services; the types of financial transactions that households conducted using bank accounts, nonbank online payment services, prepaid cards, nonbank money orders, nonbank check cashing, and nonbank money transfer services; and dollar amounts of personal loans or lines of credit from banks and from companies other than banks.

To accommodate new questions in the 2021 survey, several questions from the 2019 survey were dropped. For example, the 2021 survey did not include questions on which adults in a household had a bank account; frequency of use of nonbank money orders, nonbank check cashing, nonbank bill payment services, and nonbank international remittances; satisfaction with banks; clarity of banks' communications about account fees; measures of the demand for bank credit; saving for unexpected expenses or emergencies; monthly income volatility; and mobile phone, smartphone, and home internet access.

Specific revisions to the 2021 survey are described below.

Bank Account Ownership, Interest in Having a Bank Account, and Reasons for Not Having a Bank Account

A question on which adults in the household had a bank account (2019 B30) was dropped.

The 2021 survey retained questions on previous bank account ownership (2019 and 2021 UB10), interest in having a bank account (2019 and 2021 UB50), and reasons for not having a bank account (2019 and 2021 UB55). However, in the 2021 survey these questions were asked of all unbanked households, while in the 2019 survey these questions were asked only of unbanked households that did not use a bank prepaid card at the time of the survey.

The following changes were made to the response options on reasons for not having a bank account:

- “Because bank hours are inconvenient” was removed as a response option.
- “Because you cannot open an account due to personal identification, credit, or former bank account problems” was split into two response options: “Because you don't have the personal identification required to open an account” and “Because you cannot open an account due to problems with past banking or credit history.”

Response options on the main reason for not having a bank account (2019 and 2021 UB60) were revised to be consistent with 2021 UB55.

Bank Account Access Methods and Bank Branch Visits

The 2021 survey retained questions on methods used to access bank accounts in the past 12 months (2019 and 2021 BA10). However, in the 2021 survey these questions were asked of all banked households, while in the 2019 survey these questions were asked of all banked households, all unbanked households that used a bank prepaid card at the time of the survey, and all unbanked households that had a bank account at some point in the past 12 months. Additionally, the response option, “Using a mobile phone, including an app,” was changed to “Using an app, text messaging, or internet browser on a mobile phone.” The change to this response option was also applied to the main bank account access method (2019 and 2021 BA15).

The 2021 survey retained a question that asked households whether they spoke with a teller or other employee in person at a bank branch in the past 12 months (2019 BR10 and 2021 UB70). However, in the 2021 survey this question was asked of all unbanked households, while in the 2019 survey this question was asked of all households that had not previously indicated that they accessed a bank account using a bank teller in the past 12 months. The latter group, based on the skip patterns in the 2019 survey instrument, included almost all unbanked households and some banked households.

For households that visited a bank branch in the past 12 months (i.e., households that answered “yes” to 2019

BR10 or to the bank teller option in 2019 BA10), a follow-up question on how often households spoke with a teller or other employee in person at a bank branch in the past 12 months (2019 BR15) was dropped.

Nonbank Online Payment Services

The 2021 survey included a new question that asked all households whether they were using, at the time of the survey, nonbank online payment services “with an account feature that allows you to receive and store money in the account” (2021 PSUSE10). Examples of nonbank online payment services are PayPal, Venmo, and Cash App. The survey question instructed households not to consider Zelle.

For households that used nonbank online payment services, a follow-up question asked whether their nonbank online payment service accounts were linked to a credit card, bank account, or prepaid card (2021 PSUSE30). Households could select one or more types of linked accounts. The response option on bank accounts was asked only of banked households, and the response option on prepaid cards was asked only of households that used prepaid cards. Households could also indicate that their nonbank online payment service account was linked to another type of account or not linked to any account.

Households that used nonbank online payment services were also asked about the types of financial transactions they conducted using these services, details of which are described below.

Prepaid Cards

The 2021 survey retained a question on prepaid card use (2019 P10 and 2021 PUSE10). However, in the 2021 survey all households were asked whether they used prepaid cards at the time of the survey, while in the 2019 survey all households were asked whether they used prepaid cards in the past 12 months.

The last sentence of the introductory description of prepaid cards, “I am not asking about gift cards,” was changed to:

- “I am not asking about gift cards or debit cards linked to a checking account” for households that did not use nonbank online payment services.
- “I am not asking about gift cards or debit cards linked to a checking account or online payment service”

for households that used nonbank online payment services.

Follow-up questions on sources of prepaid cards (2019 PW10) and on the use of bank prepaid cards at the time of the survey (2019 PBUSE) were dropped.

Households that used prepaid cards were also asked about the types of financial transactions they conducted using their prepaid cards, details of which are described below.

Nonbank Money Orders, Check Cashing, and Money Transfer Services

The 2021 survey retained questions on the use of nonbank money orders (2019 and 2021 NBMO10) and nonbank check cashing (2019 and 2021 NBCC10) in the past 12 months. The 2021 survey included a new question that asked all households whether they used nonbank money transfer services from companies like Western Union, MoneyGram, Walmart Money Center, or Ria Money Transfer in the past 12 months (2021 NBMT10). The survey question instructed households not to include services from a bank and, for households that used nonbank online payment services, not to include online services such as PayPal, Venmo, or Cash App.

Transactions Conducted Using Bank Accounts, Nonbank Online Payment Services, Prepaid Cards, Nonbank Money Orders, Nonbank Check Cashing, and Nonbank Money Transfer Services

The 2021 survey included new questions on the types of financial transactions that households conducted over the past 12 months. Banked households were asked whether they used their bank accounts for the following types of transactions (2021 BUSE20):²⁶

- Pay monthly bills like rent, mortgage, utilities, or child care
- Receive money from work, retirement, or a government agency
- Build savings or keep money in a safe place
- Send money to or receive money from family or friends
- Make purchases in person
- Make purchases online
- Some other use

²⁶ When asked about the types of transactions conducted using bank accounts, banked households that used nonbank online payment services were instructed not to consider these services.

The same types of transactions were asked of households that used nonbank online payment services (2021 PSUSE20) or prepaid cards (2021 PUSE20).

Households that used nonbank money orders were asked whether they used nonbank money orders for the following types of transactions (2021 NBMO20):

- Pay monthly bills like rent, mortgage, utilities, or child care
- Send money to family or friends
- Make purchases
- Some other use

Households that used nonbank check cashing were asked whether they cashed a check from work, retirement, or a government agency using nonbank check cashing (2021 NBCC20).

Households that used nonbank money transfer services were asked whether they used nonbank money transfer services for the following types of transactions (2021 NBMT20):

- Pay monthly bills like rent, mortgage, utilities, or child care
- Send money to or receive money from family or friends in the United States
- Send money to or receive money from family or friends outside the United States
- Some other use

The follow-up question on the use of nonbank money transfer services to pay monthly bills like rent, mortgage, utilities, or child care replaced a question in the 2019 survey that asked all households whether they paid bills through a service like Western Union or MoneyGram in the past 12 months (i.e., use of nonbank bill payment services) (2019 NBBP10). The follow-up question on the use of nonbank money transfer services to send money to or receive money from family or friends outside the United States (i.e., send or receive nonbank international remittances) replaced a question in the 2019 survey that asked all households whether they sent money to family or friends living outside of the United States through a service that is not a bank (i.e., send nonbank international remittances) (2019 NBRM10).²⁷

For households that used nonbank money orders, nonbank check cashing, nonbank bill payment services, or nonbank international remittances in the past 12 months, follow-up questions on whether those services were used often, sometimes, or rarely (2019 NBMO15, 2019 NBCC15, 2019 NBBP15, and 2019 NBRM15) were dropped. For households that used nonbank money orders often or sometimes, a follow-up question on whether the money orders were used to pay bills (2019 NBMO16) was also dropped.

A question on the use of a website or an app that is not a bank to send or receive money within the United States (i.e., nonbank peer-to-peer or person-to-person [P2P] payment services such as PayPal, Venmo, or Cash App) in the past 12 months (2019 NBP2P) was dropped.

Bank and Nonbank Credit

The 2021 survey retained a question that asked all households whether they had a personal loan or line of credit from a bank in the past 12 months (2019 and 2021 CPL10). The 2021 survey included a new question that asked all households whether they had a personal loan or line of credit from a company other than a bank in the past 12 months (2021 CNBPL10). The survey question instructed households not to include student loans or loans taken out to make major purchases like a house or car and, for households that used payday loans (2019 and 2021 CNBPD), pawn shop loans (2019 and 2021 CNBPWN), or auto title loans (2019 and 2021 CNBATL) in the past 12 months, not to include such loans.²⁸

For households that had a personal loan or line of credit from a bank, a new, follow-up question asked for the amount of the most recent loan (2021 CPL20). Similarly, for households that had a personal loan or line of credit from a company other than a bank, a new, follow-up question asked for the amount of the most recent loan (2021 CNBPL20). The response options for both follow-up questions were \$1,000 or less and more than \$1,000.

Questions on measures of the demand for bank credit—whether households applied for a new credit card or a personal loan or line of credit at a bank (2019 CA10), were turned down or not given as much credit as applied for (2019 CA15), and thought about applying but did not because of concerns about being turned down (2019 CA20)—were dropped.

²⁷ Earlier surveys also included questions on sending nonbank international remittances (e.g., 2017 Q130 and Q135).

²⁸ The 2017 survey included a series of questions on household use of credit products that are likely reported to the nationwide credit reporting agencies (2017 Q1600). At the end of the series of questions, households were asked whether they had other personal loans or lines of credit from a bank or from a company other than a bank.

COVID-19 Pandemic and Transitions in Bank Account Ownership

The 2021 survey included new questions that asked households whether they experienced economic changes since the start of the COVID-19 pandemic in March 2020 and whether those changes contributed to the closing or opening of households' bank accounts.

Banked households were asked whether they did not have an account at some point since March 2020 (2021 LE10).

All households were asked whether they experienced any of the following economic events since March 2020 (2021 LE20):

- Lost or quit a job, furloughed, or reduced hours
- Started a new job
- Had a significant loss of income
- Had a significant increase in income
- Received a government benefit payment (for example, unemployment benefits or a pandemic stimulus payment)

Unbanked households that had previously been banked (i.e., answered "yes" to 2021 UB10) and that had experienced the first or third events in the list above were asked a follow-up question on whether those events contributed to the clos-

ing of households' bank accounts since March 2020 (2021 LE30). Banked households that were recently banked (i.e., answered "yes" to 2021 LE10) and that had experienced the second, fourth, or fifth events in the list above were asked a follow-up question on whether those events contributed to the opening of households' bank accounts since March 2020 (2021 LE40).

The 2013 survey included similar questions on transitions in bank account ownership and circumstances affecting those transitions. Households were asked about economic events, such as a new job, a job loss, retirement, and a significant increase in income, and about changes in household structure, such as divorce, marriage, birth, and a move or relocation. Households with recent exits from or entrances into the banking system were asked whether these events contributed to the closing or opening of households' bank accounts.²⁹

Satisfaction and Clarity; Saving for Unexpected Expenses or Emergencies; Monthly Income Volatility; and Mobile Phone, Smartphone, and Home Internet Access

Questions on satisfaction with banks (2019 A20), clarity of banks' communications about account fees (2019 A40), saving for unexpected expenses or emergencies (2019 S10), monthly income volatility (2019 H10), mobile phone access (2019 H20), smartphone access (2019 H30), and home internet access (2019 H40) were dropped.

²⁹ For the complete list of events included in the 2013 survey, see the 2013 survey instrument, available at fdic.gov/analysis/household-survey/data-downloads/instrument-2013.pdf. Because of differences in the specific events included in the 2013 and 2021 surveys and differences in the reference timeframe for having experienced an event and for having opened a bank account (the past 12 months versus the past 15 months), findings are not comparable across the two surveys.

Appendix 3. 2021 Survey Instrument

This month we are asking some additional questions about household finances.

[B10 is asked only of households with more than one adult.] (PRESUP=1 and HUNUMHOU15>1)

B10. Which of the following best describes how adults in your household handle finances?

- Share all finances [CONTINUE]
- Share some finances [CONTINUE]
- Share no finances at all [GO TO B20]
- I AM THE ONLY ADULT IN THE HOUSEHOLD (VOLUNTEERED) [GO TO B20]
- DK/REFUSE [CONTINUE]

[B15 is asked only of households with adults that share all or some finances.] (B10=1,2)

B15. How much do you participate in making financial decisions for your household?

- A lot [CONTINUE]
- Some [CONTINUE]
- Not at all [TERMINATE]
- DK/REFUSE [TERMINATE]

Now I'm going to ask some questions about accounts that you (IF OTHERS AGE≥15 FILL: or anyone in your household) might have at banks, including credit unions.

[B20 is asked of all households.]

B20. Do you (IF OTHERS AGE≥15 FILL: or anyone else in your household) have a checking or savings account now?

- YES [CONTINUE]
- NO [GO TO UB10]
- DK/REFUSE [TERMINATE]

[BA10 is asked only of banked households.] (B20=1)

BA10. In the past 12 months, did you (IF OTHERS AGE≥15 FILL: or anyone in your household) access an account in any of the following ways?

A. Visiting a bank teller?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

B. Using an ATM or bank kiosk?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

C. Calling the bank?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

D. Using an app, text messaging, or Internet browser on a mobile phone?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

E. Using a computer or tablet?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

F. Did you (IF OTHERS AGE≥15 FILL: or anyone in your household) access an account in any other way?

- YES (Specify) [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

[BA15 is asked only of households that selected more than one access method in BA10A–F.]

BA15. What was the most common way that you (IF OTHERS AGE≥15 FILL: or anyone in your household) accessed an account?
(Read only answers marked in BA10A–F. Mark only one.)

- Visiting a bank teller? [GO TO PSUSE10]
- Using an ATM or bank kiosk? [GO TO PSUSE10]
- Calling the bank? [GO TO PSUSE10]
- Using an app, text messaging, or Internet browser on a mobile phone? [GO TO PSUSE10]
- Using a computer or tablet? [GO TO PSUSE10]
- Other (Specify) [GO TO PSUSE10]
- DK/REFUSE [GO TO PSUSE10]

[UB10 is asked only of unbanked households.] (B20=2)

UB10. Have you (IF OTHERS AGE≥15 FILL: or anyone else in your household) ever had a bank account?

- YES [CONTINUE]
- NO [GO TO UB50]
- DK/REFUSE [GO TO UB50]

[UB15 is asked only of unbanked households that had a bank account at some point in the past.] (UB10=1)

UB15. In the past 12 months, that is since June 2020, have you (IF OTHERS AGE≥15 FILL: or anyone in your household) had a bank account?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

[UB50 is asked only of unbanked households.] (B20=2)

UB50. How interested are you (IF OTHERS AGE≥15 FILL: or anyone in your household) in having a bank account?

- Very interested [CONTINUE]
- Somewhat interested [CONTINUE]
- Not very interested [CONTINUE]
- Not at all interested [CONTINUE]
- DK/REFUSE [CONTINUE]

[UB55 is asked only of unbanked households.] (B20=2)

UB55. There are different reasons people might not have a checking or savings account. Do any of the following reasons apply to you (IF OTHERS AGE≥15 FILL: or others in your household)? Do you not have an account...

A2. Because bank locations are inconvenient?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

B1. Because bank account fees are too high?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

B2. Because bank account fees are too unpredictable?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

C. Because banks do not offer products and services you need?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

D. Because you don't trust banks?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

E. Because you don't have enough money to meet minimum balance requirements?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

F. Because avoiding a bank gives more privacy?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

G1. Because you don't have the personal identification required to open an account?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

G2. Because you cannot open an account due to problems with past banking or credit history?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

H. Because of some other reason?

- YES (Specify) [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

[UB60 is asked only of households that selected more than one reason in UB55A2–H.]

UB60. What is the main reason why no one in your household has an account? (Read only answers marked in UB55A2–H. Mark only one.)

- Bank locations are inconvenient [CONTINUE]
- Bank account fees are too high [CONTINUE]
- Bank account fees are too unpredictable [CONTINUE]
- Banks do not offer products and services you need [CONTINUE]
- Don't trust banks [CONTINUE]
- Don't have enough money to meet minimum balance requirements [CONTINUE]
- Avoiding a bank gives more privacy [CONTINUE]
- Don't have the personal identification required to open an account [CONTINUE]
- Cannot open an account due to problems with past banking or credit history [CONTINUE]
- Some other reason (Specify) [CONTINUE]
- DK/REFUSE [CONTINUE]

[UB70 is asked only of unbanked households.] (B20=2)

UB70. Even though you don't currently have an account with a bank, in the past 12 months, have you (IF OTHERS AGE≥15 FILL: or others in your household) spoken with a teller or other employee in person at a bank branch?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

[PSUSE10 is asked of all households.]

PSUSE10. Do you (IF OTHERS AGE≥15 FILL: or anyone else in your household) use any online payment services with an account feature that allows you to receive and store money in the account? Examples are PayPal, Venmo, or Cash App. I am not asking about Zelle.

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

Now I have a question about prepaid cards. Prepaid cards allow you or others, like relatives, an employer, or a government agency, to load or reload funds that can later be spent. Prepaid cards also allow you to withdraw cash from ATMs. I am not asking about gift cards or debit cards linked to a checking account (IF PSUSE10=1 FILL: or online payment service).

[PUSE10 is asked of all households.]

PUSE10. Do you (IF OTHERS AGE≥15 FILL: or anyone else in your household) use any prepaid cards now?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

[Read only for households that are banked, use an online payment service, or use a prepaid card.] (B20=1 OR PSUSE10=1 OR PUSE10=1)

The next few questions are about how your household uses its accounts to handle its finances.

[BUSE20 is asked only of banked households.] (B20=2)

BUSE20. Think about the ways you (IF OTHERS AGE≥15 FILL: or others in your household) used your bank accounts in the past 12 months. (IF PSUSE10=1 FILL: I'm not asking about how you use online payment services like PayPal, Venmo, or Cash App.) Did you use bank accounts to...

A. Build savings or keep money in a safe place?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

B. Pay monthly bills like rent, mortgage, utilities, or child care?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

C. Receive money from work, retirement, or a government agency?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

D. Send or receive money from family or friends?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

E. Make purchases in person?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

F. Make purchases online?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

G. Are there any other ways you used bank accounts?

- YES (Specify) [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

[PSUSE20 is asked only of households that use an online payment service.] (PSUSE10=1)

PSUSE20. Think about the ways you (IF OTHERS AGE≥15 FILL: or others in your household) used your accounts with online payment services like PayPal, Venmo, or Cash App in the past 12 months. Did you use those accounts to...

A. Build savings or keep money in a safe place?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

B. Pay monthly bills like rent, mortgage, utilities, or child care?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

C. Receive money from work, retirement, or a government agency?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

D. Send or receive money from family or friends?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

E. Make purchases in person?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

F. Make purchases online?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

G. Are there any other ways you used online payment services?

- YES (Specify) [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

[PSUSE30 is asked only of households that use an online payment service.] (PSUSE10=1)

PSUSE30. Thinking about your (IF OTHERS AGE≥15 FILL: household's) accounts with online payment services like PayPal, Venmo, or Cash App, are any of those accounts linked to a... (Mark all that apply.)

- Credit card [CONTINUE]
- (Read only if B20=1) Bank account [CONTINUE]
- (Read only if PUSE10=1) Prepaid card [CONTINUE]
- OTHER ACCOUNT (Specify) (VOLUNTEERED) [CONTINUE]
- NOT LINKED TO ANY ACCOUNTS (VOLUNTEERED) [CONTINUE]
- DK/REFUSE [CONTINUE]

[PUSE20 is asked only of households that use a prepaid card.] (PUSE10=1)

PUSE20. Think about the ways you (IF OTHERS AGE≥15 FILL: or others in your household) used your prepaid cards in the past 12 months. Did you use prepaid cards to...

A. Build savings or keep money in a safe place?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

B. Pay monthly bills like rent, mortgage, utilities, or child care?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

C. Receive money from work, retirement, or a government agency?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

D. Send or receive money from family or friends?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

E. Make purchases in person?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

F. Make purchases online?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

G. Are there any other ways you used prepaid cards?

- YES (Specify) [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

The next few questions are about other financial products or services that you might have used in the past 12 months.

[NBMO10 is asked of all households.]

NBMO10. In the past 12 months, did you (IF OTHERS AGE≥15 FILL: or anyone in your household) go to some place other than a bank to purchase a money order?

- YES [CONTINUE]
- NO [GO TO NBMT10]
- DK/REFUSE [GO TO NBMT10]

[NBMO20 is asked only of households that purchased a nonbank money order in the past 12 months.] (NBMO10=1)

NBMO20. What were those money orders used for? To... (Mark all that apply.)

- Pay monthly bills like rent, mortgage, utilities, or child care [CONTINUE]
- Send money to family or friends [CONTINUE]
- Make purchases [CONTINUE]
- Some other use (Specify) [CONTINUE]
- DK/REFUSE [CONTINUE]

[NBMT10 is asked of all households.]

NBMT10. In the past 12 months, did you (IF OTHERS AGE≥15 FILL: or anyone in your household) use money transfer services from a company like Western Union, MoneyGram, Walmart Money Center, or Ria Money Transfer? Do not include services from a bank (IF PSUSE10=1 FILL: or online services such as PayPal, Venmo, or Cash App).

- YES [CONTINUE]
- NO [GO TO NBCC10]
- DK/REFUSE [GO TO NBCC10]

[NBMT20 is asked only of households that used a nonbank money transfer service in the past 12 months.] (NBMT10=1)

NBMT20. What were those money transfer services used for? To... (Mark all that apply.)

- Pay monthly bills like rent, mortgage, utilities, or child care [CONTINUE]
- Send or receive money from family or friends in the U.S. [CONTINUE]
- Send or receive money from family or friends outside the U.S. [CONTINUE]
- Some other use (Specify) [CONTINUE]
- DK/REFUSE [CONTINUE]

[NBCC10 is asked of all households.]

NBCC10. In the past 12 months, did you (IF OTHERS AGE≥15 FILL: or anyone in your household) go to some place other than a bank to cash a check?

- YES [CONTINUE]
- NO [GO TO CNBPD L]
- DK/REFUSE [GO TO CNBPD L]

[NBCC20 is asked only of households that used a nonbank check casher in the past 12 months.] (NBCC10=1)

NBCC20. Were any of those checks from work, retirement, or a government agency?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

The next questions are about how people borrow money or purchase items on credit.

[CNBPD L is asked of all households.]

CNBPD L. In the past 12 months, did you (IF OTHERS AGE≥15 FILL: or anyone in your household) take out a payday loan or payday advance from a provider other than a bank?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

[CNBPWN is asked of all households.]

CNBPWN. In the past 12 months, did you (IF OTHERS AGE≥15 FILL: or anyone in your household) pawn an item at a pawn shop? Do not include selling an unwanted item to a pawn shop.

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

[CNBTAX is asked of all households.]

CNBTAX. In the past 12 months, that is since June 2020, did you (IF OTHERS AGE≥15 FILL: or anyone in your household) take out a tax refund anticipation loan? This is a way to receive your tax refund faster than the IRS would provide it.

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

[CNBATL is asked of all households.]

CNBATL. Auto title loans use a car title to borrow money for a short period of time. They are NOT loans used to purchase a car. In the past 12 months, did you (IF OTHERS AGE≥15 FILL: or anyone in your household) take out an auto title loan?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

[CNBRTO is asked of all households.]

CNBRTO. Some stores allow people to rent to own items such as furniture or appliances. We do not mean stores that offer installment plans or layaway plans. In the past 12 months, did you (IF OTHERS AGE≥15 FILL: or anyone in your household) rent anything from a rent-to-own store because it couldn't be financed any other way?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

[CCC10 is asked of all households.]

CCC10. In the past 12 months, have you (IF OTHERS AGE≥15 FILL: or anyone in your household) had a credit card from Visa, MasterCard, American Express, or Discover? Please do not include debit cards.

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

[CPL10 is asked of all households.]

CPL10. In the past 12 months, have you (IF OTHERS AGE≥15 FILL: or anyone in your household) had a personal loan or line of credit from a bank? Do not include student loans, or loans taken out to make major purchases like a house or car.

- YES [CONTINUE]
- NO [GO TO CNBPL10]
- DK/REFUSE [GO TO CNBPL10]

[CPL20 is asked only of households that had a bank personal loan or line of credit in the past 12 months.] (CPL10=1)

CPL20. Thinking of the most recent personal loan or line of credit from a bank, about how much was it for?

- \$1,000 or less [CONTINUE]
- More than \$1,000 [CONTINUE]
- DK/REFUSE [CONTINUE]

[CNBPL10 is asked of all households.]

CNBPL10. In the past 12 months, have you (IF OTHERS AGE≥15 FILL: or anyone in your household) had a personal loan or line of credit from a company other than a bank? Do not include student loans, or loans taken out to make major purchases like a house or car (IF CNBPDL=1 OR CNBPWN=1 OR CNBATL=1 FILL: or payday, pawn, or auto title loans).

- YES [CONTINUE]
- NO [GO TO LE10]
- DK/REFUSE [GO TO LE10]

[CNBPL20 is asked only of households that had a nonbank personal loan or line of credit in the past 12 months.] (CNBPL10=1)

CNBPL20. Thinking of the most recent loan or line of credit from a company other than a bank, about how much was it for?

- \$1,000 or less [CONTINUE]
- More than \$1,000 [CONTINUE]
- DK/REFUSE [CONTINUE]

The last few questions ask about things that might have happened since March 2020, when the Coronavirus pandemic began widely affecting the U.S.

[LE10 is asked only of banked households.] (B20=1)

LE10. Was there ever a time since March of 2020 when (IF NOT(OTHERS AGE≥15) FILL: you did not have) (IF OTHERS AGE≥15 FILL: no one in your household had) a bank account?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

[LE20 is asked of all households.]

LE20. Did you (IF OTHERS AGE≥15 FILL: or others in your household) experience any of the following events since March 2020?

A. Lost or quit a job, furloughed, or reduced hours?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

B. Started a new job?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

C. Had a significant loss of income?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

D. Had a significant increase in income?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

E. Received a government benefit payment, for example unemployment benefits or a Coronavirus stimulus payment?

- YES [CONTINUE]
- NO [CONTINUE]
- DK/REFUSE [CONTINUE]

[LE30 is asked only of unbanked households that (1) had a bank account at some point in the past and (2) experienced at least one life event in LE20A or LE20C.] (UB10=1 AND (LE20A=1 OR LE20C=1))

LE30. Earlier you mentioned that you (IF OTHERS AGE≥15 FILL: or someone else in your household) had a bank account in the past. Did any of these events contribute to your bank accounts being closed since March 2020? (Read only answers marked in LE20A and LE20C. Mark all that apply.)

- Lost or quit a job, furloughed, or reduced hours [CONTINUE]
- Had a significant loss of income [CONTINUE]
- NONE OF THE ABOVE [CONTINUE]
- DK/REFUSE [CONTINUE]

[LE40 is asked only of banked households that (1) did not have a bank account at some point since March 2020 and (2) experienced at least one life event in LE20B, LE20D, or LE20E.] (LE10=1 AND (LE20B=1 OR LE20D=1 OR LE20E=1))

LE40. Did any of these events contribute to a bank account being opened since March 2020? (Read only answers marked in LE20B, LE20D, and LE20E. Mark all that apply.)

- Started a new job [CONTINUE]
- Had a significant increase in income [CONTINUE]
- Received a government benefit payment, for example unemployment benefits or a Coronavirus stimulus payment [CONTINUE]
- NONE OF THE ABOVE [CONTINUE]
- DK/REFUSE [CONTINUE]

<END>

