
Joint Release

**Federal Deposit Insurance Corporation
Board of Governors of the Federal Reserve
System**

FOR IMMEDIATE RELEASE

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**Consumer Confidence in Banking Y2K Preparation Rises Sharply,
Gallup Poll Reports**

WASHINGTON, D.C. - Current figures indicate nine out of ten U.S. bank customers believe that their banks are ready for the Year 2000-or Y2K-according to a new survey by the Gallup Organization. By comparison, a March survey found that an estimated 76 percent of bank customers were confident that their banks would solve the Y2K problem.

Both surveys were sponsored by federal financial institution regulatory agencies. The Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation (FDIC) sponsored the current survey, which was delivered to the agencies on November 15, 1999. The results, which are based on about 1,400 completed interviews, are from an ongoing survey of adult Americans who have bank accounts.

"The survey underscores growing consumer confidence that banks are prepared for Y2K and that it will be business as usual for bank customers on January 1, 2000 and thereafter," said FDIC Chairman Donna Tanoue.

The most recent Gallup report indicates that financial institutions have been informing their customers about their Year 2000 readiness. The percentage of American adult depositors who have received information about Y2K readiness from their financial institutions has significantly increased over the last seven months: an estimated 70 percent now report receiving information from their financial institution, compared with 23 percent in March. Additionally, in March, 52 percent of respondents reported having seen or heard a great deal about the Y2K issue, but that percentage is now up to 68 percent.

Only about 5 percent of bank customers currently indicate that they are very concerned about the Y2K issue, down from 11 percent in the March report. The November findings support the notion that a decreased level of concern about the likely impact of the century date change on computers is related to increased information about the Y2K issue. Consumer confidence in their own financial institutions has also increased. Over 90 percent of those surveyed expressed confidence in their own banks, with the proportion of those saying they would definitely or probably take extra cash declining from 62 to 39 percent in the period between the March and October surveys. A majority of those who plan to withdraw extra cash say they will take less than \$500.

The survey results also indicate that the public is increasingly confident that basic payment systems will work properly during the century date change. Most American adult depositors believe that they will have access to their money; that checks will continue to be processed accurately; and that automatic teller machines, credit card systems, and electronic direct deposits will function normally.

"From the beginning of our preparations for Y2K we said that there were two challenges facing us -- the technical challenge and the challenge of public confidence. I believe we've met the technical challenge and these data indicate we've made good progress in ensuring Americans know we are ready for the century rollover, " said Edward W. Kelley, Jr., a member of the Board of Governors of the Federal Reserve System.

Over the past three years, FDIC-insured financial institutions have been identifying and overhauling systems to make them Year 2000-ready. At the same time, the regulatory agencies have been closely monitoring their efforts. As of today, the regulators have assigned a "Satisfactory" rating, the highest possible rating, to 99.9 percent of FDIC-insured financial institutions.

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Attachment: Attitudes and Prospective Behavior of Banking Consumers Concerning Y2K

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PDF Format (20 Kb - PDF help or hard copy)

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