



PRESS RELEASE

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

FOR IMMEDIATE RELEASE
February 5, 2009

Media Contact:
Andrew Gray (202-898-7192)

FDIC Releases First National Survey of Banks' Efforts to Serve the Unbanked and Underbanked Banks Offer Products and Services for the Unbanked and Underbanked; Opportunities for Improvement Remain

In the first national survey of banks' efforts to serve unbanked and underbanked individuals and families in their market areas, released today, the FDIC found that improvement may be possible in the areas of focus, outreach and commitment. The majority of banks – 63 percent - offer basic financial education materials, but fewer participate in the types of outreach efforts that are viewed by the industry as most effective to attract and maintain unbanked and underbanked individuals as long-term customers.

The bank survey, which was voluntary, was administered in 2008 to a nationally representative random sample of about 1,300 FDIC-insured banks and thrifts; 685 completed surveys were returned, representing a 54 percent response rate. Case studies were also developed for 16 banks that are employing innovative ways of serving unbanked and/or underbanked individuals.

"Access to a basic bank account and to financial services is a starting point for economic opportunity," said Martin J. Gruenberg, FDIC Vice Chairman. "Unfortunately, millions of Americans lack access to insured financial institutions. The FDIC survey shows that most banks are aware that significant unbanked and underbanked populations exist in their areas, but more can be done to reach out to this significant market. Government and industry need to work together to increase these individuals' access to the mainstream banking system."

Among other key findings of the study are:

- While most banks offer basic checking accounts to all customers, few offer deposit, payment, credit and electronically based products that address the



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

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-15-2009

unique needs of unbanked and underbanked customers.

- Banks are concerned about the profitability of doing business with unbanked and underbanked individuals as well as perceived regulatory issues related to anti-money laundering laws and regulations.

Among the findings regarding banks' efforts to improve access through retail branch operations and strategies are:

- Over half of banks offer limited extended hours and foreign language capabilities at their retail branches.
- Almost two-thirds (64 percent) of banks report that they have modified their retail operations in the last five years to make the bank more appealing or convenient for unbanked and/or underbanked customers.

The study recommends defining a national shared government-industry goal to lower the number of unbanked and/or underbanked individuals and households in the U.S. and the creation of a national task force to provide oversight and guidance for the achievement of the shared goal to encourage banks to offer products and services designed to increase access of unbanked and/or underbanked individuals to the mainstream banking system.

This survey was mandated by Section 7 of the Federal Deposit Insurance Reform Conforming Amendments Act of 2005. The Reform Act requires that the FDIC conduct biennial surveys of insured depository institutions' efforts to bring 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 into the conventional finance system.

Attached is the "FDIC Survey of Banks' Efforts to Serve the Unbanked and Underbanked,

Executive Summary of Findings and Recommendations, February, 2009."

###

Attachment: FDIC Survey of Banks' Efforts to Serve the Unbanked and Underbanked: Executive Summary of Survey Findings and Recommendations, February, 2009 - PDF 351k (PDF help)

Additional information regarding the FDIC's unbanked survey efforts can be found at <http://www.fdic.gov/unbankedsurveys>.