2023

FDIC National Survey of Unbanked and Underbanked Households

FDIC
FEDERAL DEPOSIT INSURANCE CORPORATION

ACKNOWLEDGMENTS

This report presents results from the *2023 FDIC National Survey of Unbanked and Underbanked Households*. This nationally representative survey has been conducted biennially since 2009 in partnership with the U.S. Census Bureau.

The report was written under the careful direction of Yan Lee of the FDIC's Division of Depositor and Consumer Protection. The main report was ably prepared by the primary authors Garret Christensen, Jonathan Presler, and Jeffrey Weinstein. Susan Burhouse and Yazmin Osaki authored implications that aid economic inclusion efforts.

The survey questionnaire was developed by Garret Christensen, Ryan Goodstein, Yosh Halberstam, and Dhruv Sharma, with leadership from Karyen Chu.

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This report as well as previous reports are available at https://www.fdic.gov/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.

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EXECUTIVE SUMMARY

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*, a nationally representative survey conducted biennially since 2009 to inform economic inclusion initiatives and in response to a statutory mandate, is one contribution to this end. The most recent survey was conducted in June 2023, collecting responses from almost 30,000 households.

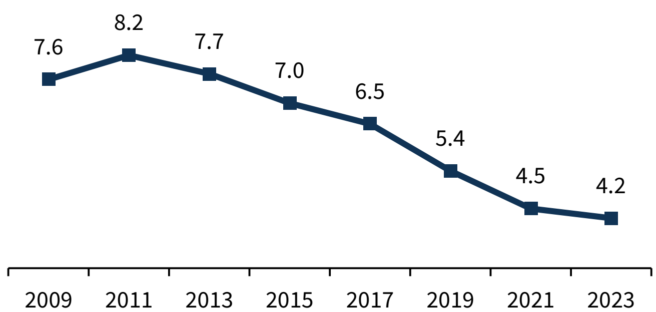
This executive summary presents key results from the survey, covering bank account ownership; the use of nonbank online payment services and prepaid cards; the use of nonbank money orders, check cashing, and money transfer services; the use of credit; and the use of crypto. The executive summary also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

National Unbanked Rate

A household is unbanked if no one in the household had a checking or savings account at a bank or credit union (hereafter, bank).

- **In 2023, 4.2 percent of U.S. households—representing about 5.6 million households—were unbanked.** Conversely, 95.8 percent of U.S. households—representing about 128.0 million households—were banked in 2023, meaning at least one member of the household had a checking or savings account at a bank.
- **The proportion of U.S. households that were unbanked—the unbanked rate—changed little between 2021 (4.5 percent) and 2023 (4.2 percent).** The difference in the unbanked rate over this period was not statistically significant.[1]
- **However, between 2011—when the unbanked rate was at its highest level since the survey began in 2009—and 2023, the unbanked rate fell by almost half, corresponding to an additional 5.3 million banked households in 2023.** About two-thirds of the decline in the unbanked rate between 2011 and 2023 shown in Figure ES.1 was associated with changes in the socioeconomic circumstances of households over this period, particularly increases in income and educational attainment.[2]

FIGURE ES.1 National Unbanked Rate, 2009–2023 (Percent)



[1] All estimated differences discussed in the text are statistically 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 10 percent or less.

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

Unbanked Rates by Household Characteristics

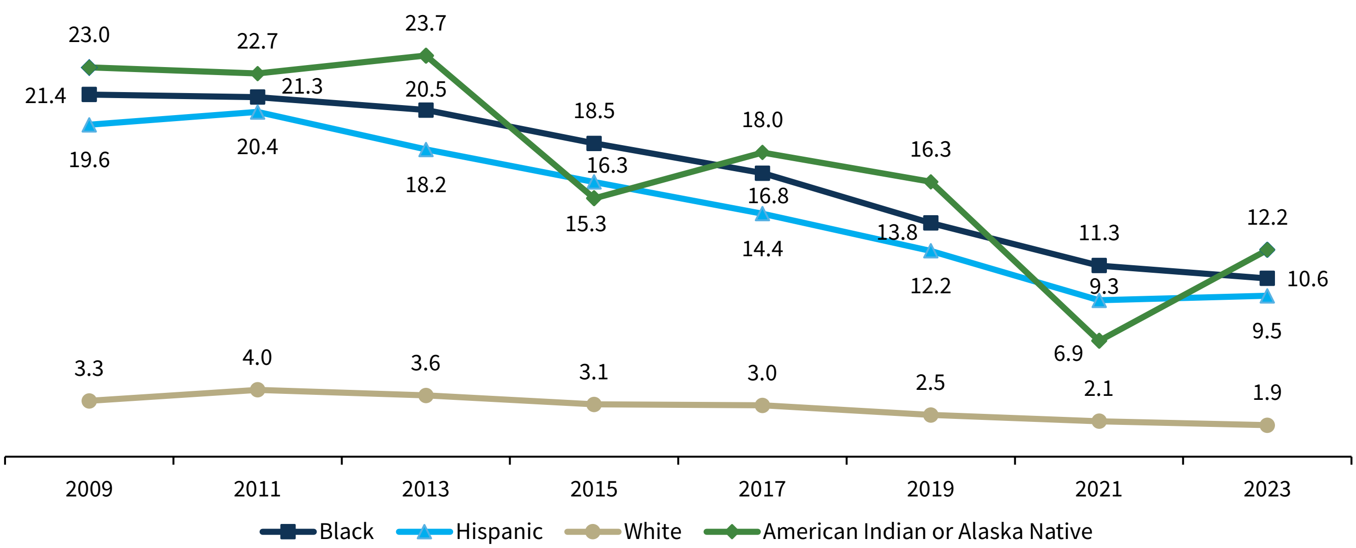
As in previous years, unbanked rates in 2023 varied considerably across household characteristics.

- **Unbanked rates were higher among lower-income households; less-educated households; Black, Hispanic, and American Indian or Alaska Native households; working-age households with a disability; households with income that varied a lot from month to month; and single-parent households.**[3]
    - For working-age households with a disability, the unbanked rate in 2023 was 11.2 percent, three times as high as the unbanked rate among working-age households without a disability (3.7 percent).
    - For single-parent households, the unbanked rate in 2023 was 12.3 percent, much higher than the unbanked rate among married-couple households with one or more children (2.3 percent).
    - Differences in unbanked rates between Black and White households and between Hispanic and White households in 2023 were present at every income level. For example, among households with income between $50,000 and $75,000, 3.5 percent of Black households and 4.5 percent of Hispanic households were unbanked, compared with 0.8 percent of White households.

However, unbanked rates declined significantly since 2009 for some household groups.

- **Unbanked rates among Black, Hispanic, and American Indian or Alaska Native households fell by about half between 2009 and 2023.** Nonetheless, unbanked rates among these households in 2023 remained several times higher than the unbanked rate among White households (see Figure ES.2).[4]

FIGURE ES.2 Unbanked Rates by Race and Ethnicity, 2009–2023 (Percent)



[3] For person-level characteristics, such as race, age, and educational attainment, 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 (that is, indicates "*yes*" to any of the six-question disability sequence in the Current Population Survey or is not in the labor force because of a disability) and is aged 25 to 64. The term "single-parent household" refers to a family household with an unmarried female or male householder, one or more children, and no other adults. See Appendix 1 for additional details. For monthly income volatility, all households were asked whether their income over the past 12 months was about the same each month, varied somewhat from month to month, or varied a lot from month to month.

[4] The sample size for American Indian or Alaska Native households in each year was much smaller than the sample sizes for Black, Hispanic, and White households. Because smaller sample sizes increase the variance of the estimates, the estimates for American Indian or Alaska Native households are more variable from year to year than for households identified based on more prevalent demographic characteristics, as can be observed in Figure ES.2.

Unbanked Households: Reasons for Not Having a Bank Account

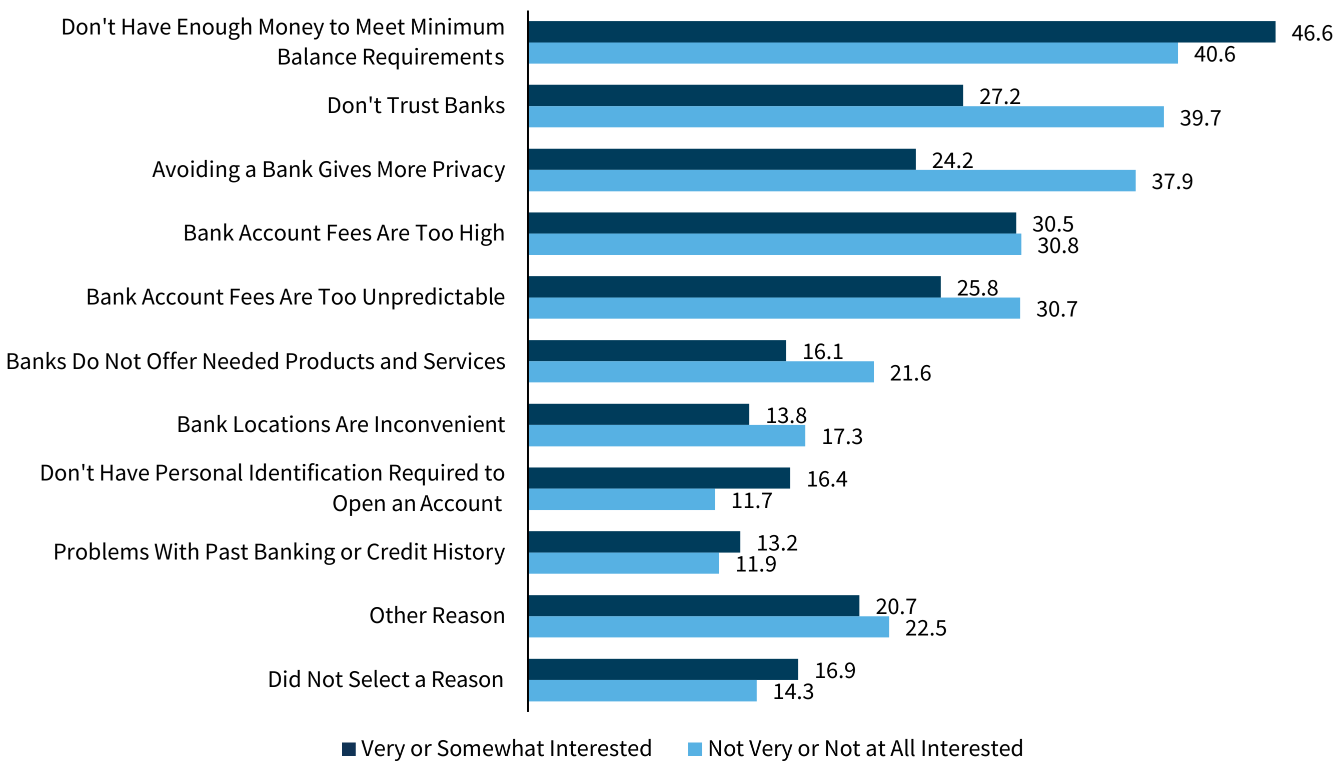
As in previous surveys, the 2023 survey asked unbanked households about their reasons for not having a bank account.

- **"*Don't have enough money to meet minimum balance requirements*" was the most cited reason (42.3 percent) and was also the most cited main reason (23.3 percent) for not having an account in 2023.** The share of unbanked households that cited this reason as the main reason for not having an account in 2023 was similar to the share in 2021 (21.7 percent), having decreased from 2019 (29.0 percent).
- **"*Don't trust banks*" was the second-most cited main reason for not having an account in 2023 (15.7 percent).** This reason was also the second-most cited main reason for not having an account in 2021 (13.2 percent) and 2019 (16.1 percent).
- **One-third of unbanked households in 2023 (33.4 percent) cited a reason related to fees or a minimum balance as the main reason for not having an account.** These reasons include "*Bank account fees are too high*," "*Bank account fees are too unpredictable*," and "*Don't have enough money to meet minimum balance requirements*." The share increased from 29.2 percent in 2021 but decreased from 38.0 percent in 2019.

Several reasons for not having a bank account in 2023 were significantly different between unbanked households that were not very or not at all interested in having an account and those that were very or somewhat interested.[5]

- **Much higher proportions of unbanked households that were not very or not at all interested in having a bank account cited "*Don't trust banks*" or "*Avoiding a bank gives more privacy*," as reasons for not having an account, compared with unbanked households that were very or somewhat interested.** In addition, Figure ES.3 shows that "*Banks do not offer needed products and services*" was more commonly cited among unbanked households that were not very or not at all interested in having an account. In contrast, "*Don't have personal identification required to open an account*" was more frequently cited among unbanked households that were very or somewhat interested.

FIGURE ES.3 Unbanked Households' Cited Reasons for Not Having a Bank Account by Interest in Having a Bank Account, 2023 (Percent)



Note: Bars sum to more than 100 percent because households could select more than one reason for not having a bank account.

[5] The 2023 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. Three in ten unbanked households (29.1 percent) were very or somewhat interested in having an account, while 70.9 percent were not very or not at all interested.

Banked Households: Primary Method of Bank Account Access

Knowing how households access their bank accounts can help inform discussions about how best to serve different groups of consumers. As in previous surveys, the 2023 survey asked banked households about the primary (that is, most common) method they had used to access their bank accounts in the past 12 months: using an automated teller machine or bank kiosk (hereafter, ATM); visiting a bank teller; using an app, text messaging, or internet browser on a mobile phone (hereafter, mobile banking); using a computer or tablet (hereafter, online banking); calling the bank (hereafter, telephone banking); or using some other method (hereafter, other).

- **In 2023, almost half of banked households (48.3 percent) used mobile banking as their primary method of account access.** Among banked households, 70.5 percent used an off-site channel—mobile, online, or telephone banking—as the primary method of account access. In contrast, only 28.9 percent of banked households used an in-person channel—ATMs or bank tellers—as the primary method of account access.
- **Over the past decade, the use of mobile banking as the primary method of account access increased almost ninefold.** Figure ES.4 shows that, in comparison, the use of bank tellers fell by more than half, and the use of online banking declined by more than one-third. Since 2019, mobile banking has been the most prevalent primary method of account access.
- **Over the past decade, the use of mobile banking as the primary method of account access increased sharply for all age groups.** For example, Figure ES.5 shows that the use of mobile banking as the primary method of account access increased almost sixfold among households aged 25 to 34 and more than 30-fold among households aged 65 or older.
- **The decline in the use of bank tellers as the primary method of account access was widespread across household characteristics.** However, this method continued to be more prevalent among certain groups, including lower-income households, less-educated households, older households, and households that did not live in a metropolitan area. Nevertheless, almost all banked households used an in-person channel—ATMs or bank tellers—at least once in 2023 to access their accounts.

FIGURE ES.4 Bank Teller, Mobile Banking, and Online Banking as Primary Method of Bank Account Access, 2013–2023 (Percent)

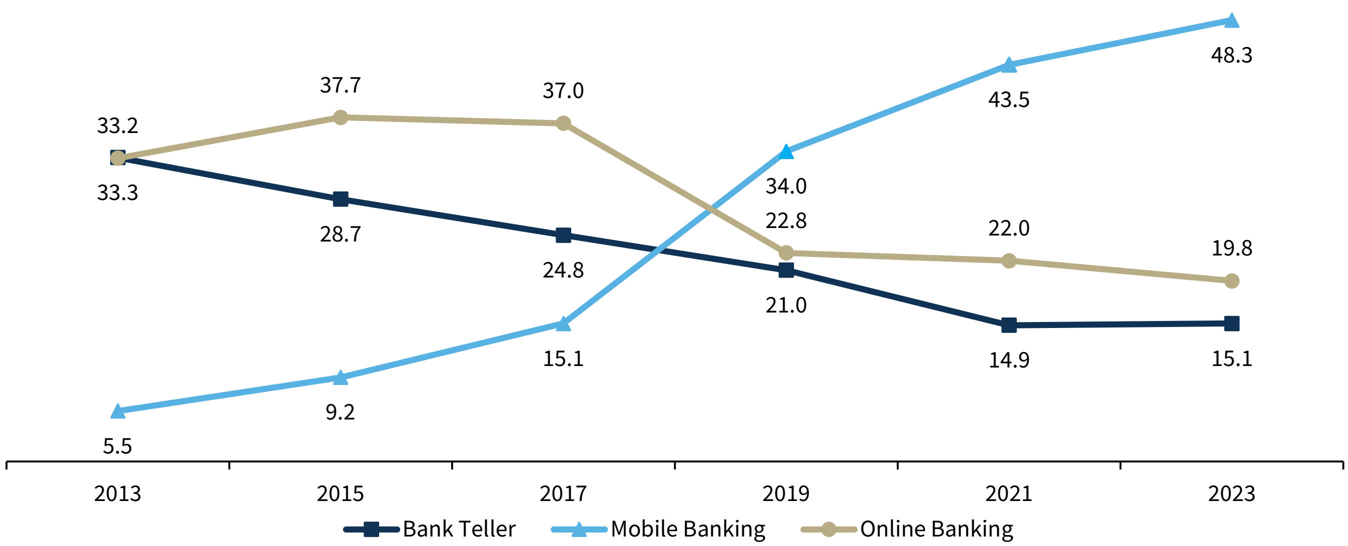
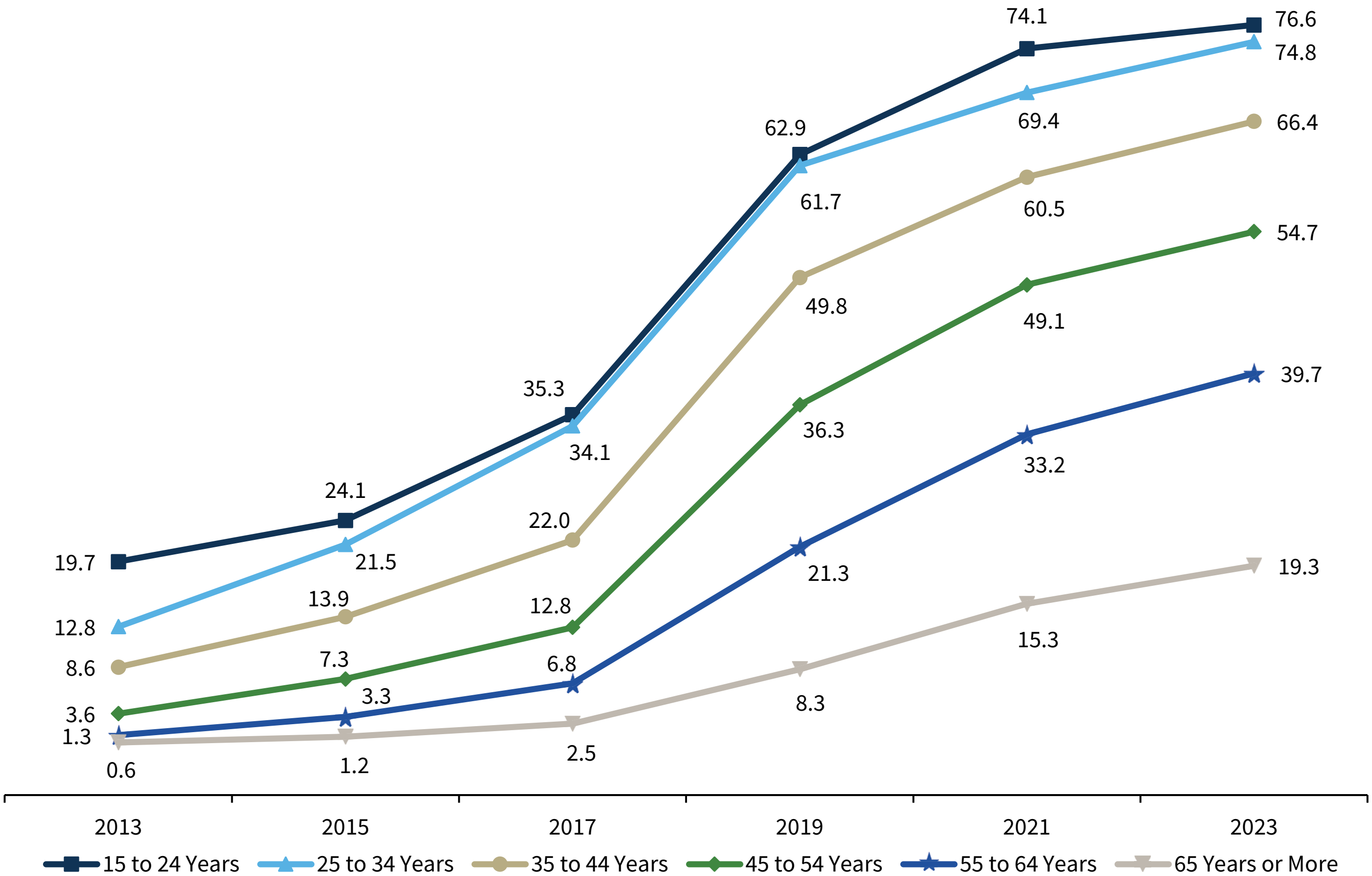


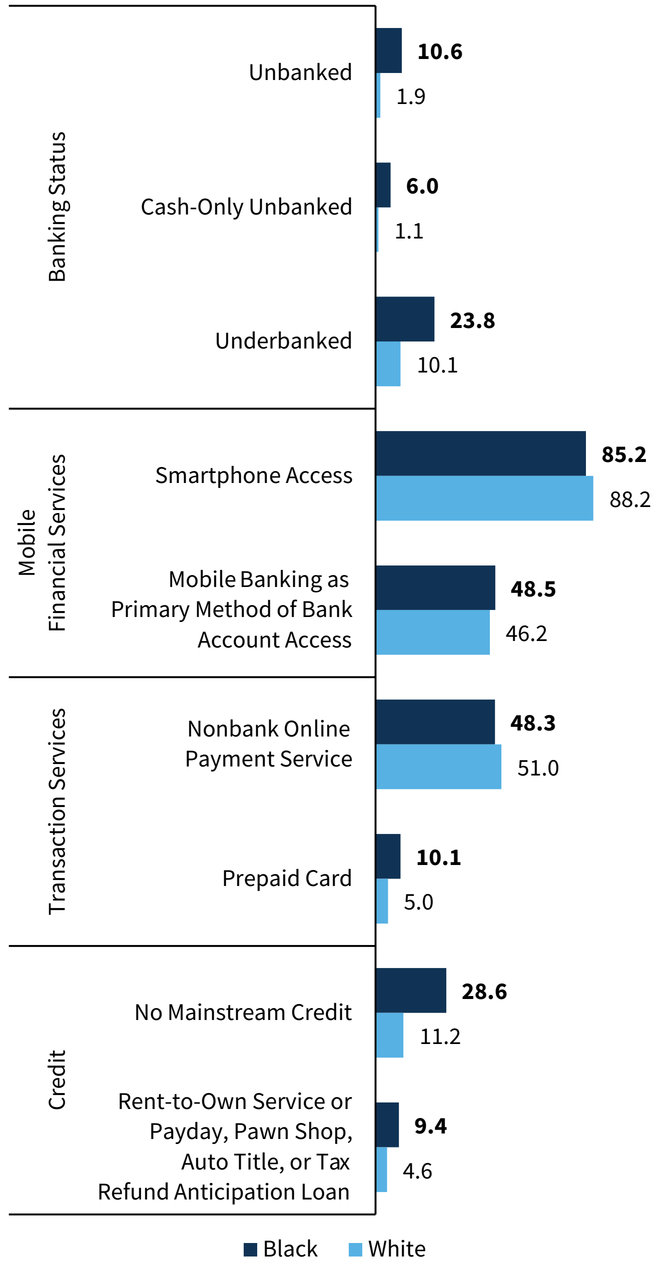
FIGURE ES.5 Mobile Banking as Primary Method of Bank Account Access by Age Group, 2013–2023 (Percent)



Spotlight: Black Households

- **Between 2009 and 2023, the unbanked rate among Black households decreased from 21.4 percent to 10.6 percent.** Nonetheless, Black households remained overrepresented among unbanked households, comprising 12.9 percent of households overall but 32.3 percent of the unbanked in 2023.
- **In 2023, Black and White households exhibited substantial differences in their use of financial services.** For example, Figure ES.6 shows that compared with White households, Black households were
    - more than five times as likely to be unbanked,
    - more than twice as likely to be underbanked,
    - twice as likely to use prepaid cards, and
    - more than twice as likely not to have mainstream credit.

FIGURE ES.6 Use of Selected Financial Services Among Black and White Households, 2023 (Percent)



Note: Bolded estimate indicates statistical significance at the 10 percent level from the corresponding estimate for White households. The percentage of households in a demographic group that used mobile banking as the primary method of bank account access is among banked households that had accessed their account in the past 12 months. All other percentages are among all households in the demographic group.

Conducting Transactions: Nonbank Online Payment Services and Prepaid Cards

Nonbank online payment services and general purpose reloadable prepaid cards (hereafter, prepaid cards) allow consumers to store money and to make and receive payments. Examples of nonbank online payment services are PayPal, Venmo, and Cash App, but not Zelle, which is a service provided by banks that does not allow storing money outside a bank account. All online payment services discussed in this executive summary are from nonbank providers.

- **In 2023, half of all households (49.7 percent) were using online payment services at the time of the survey, up from 46.4 percent in 2021.** The use of online payment services in 2023 continued to be more common among banked households (51.0 percent) than among unbanked households (20.1 percent). Between 2021 and 2023, the use of online payment services increased among banked households, from 47.7 percent in 2021.[6]
- **In 2023, 5.9 percent of all households were using prepaid cards at the time of the survey, down from 6.9 percent in 2021.** Unbanked households' use of prepaid cards in 2023 continued to be disproportionate (21.6 percent) when compared with banked households' use of prepaid cards (5.2 percent). However, between 2021 and 2023, the use of prepaid cards fell by about one-third among unbanked households, from 32.8 percent in 2021, but only one-tenth among banked households, from 5.7 percent in 2021.

Households with online payment services or prepaid cards were asked whether they used them to pay bills like rent, mortgage, utilities, or child care (hereafter, pay bills); receive money from work, retirement, or a government agency (hereafter, receive income); build savings or keep money in a safe place (hereafter, save or keep money safe); send money to or receive money from family or friends (hereafter, send or receive money); make purchases in person; make purchases online; or for some other use.

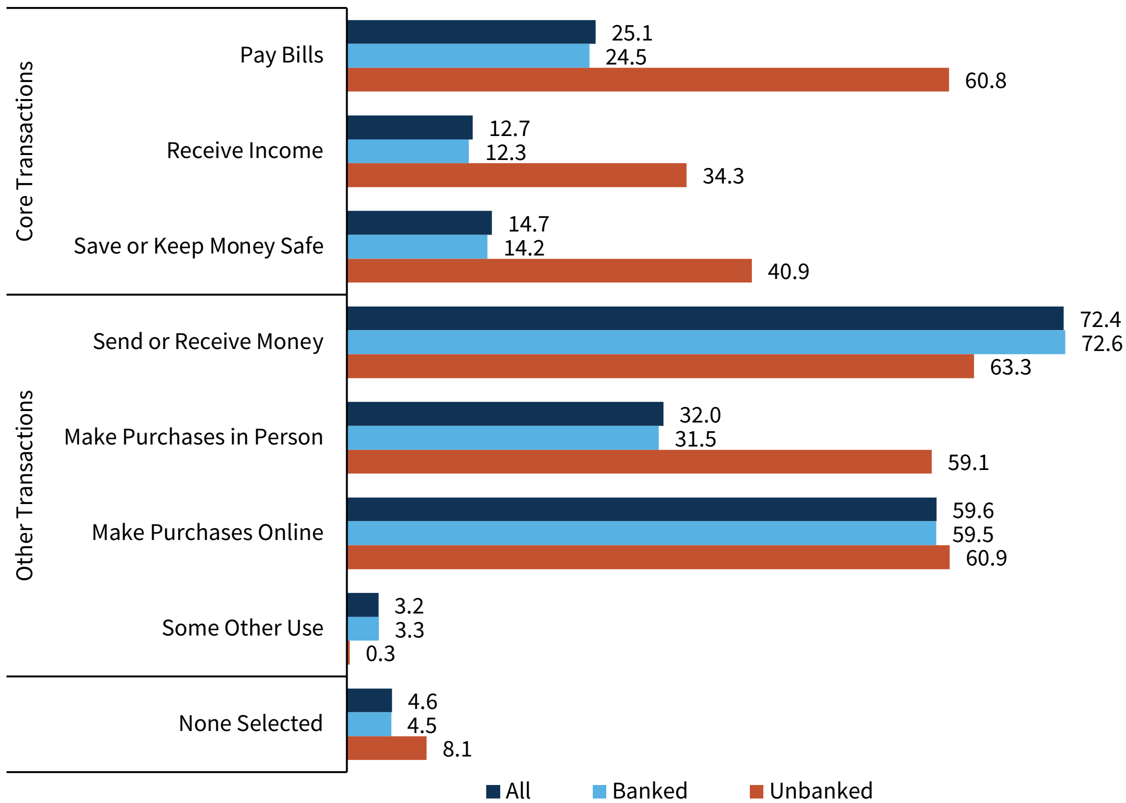
- **Compared with banked households, substantially higher shares of unbanked households used online payment services and prepaid cards in ways that substitute for some of the core financial transactions that can be conducted using a bank account.**
    - Among unbanked households with online payment services, 60.8 percent used them to pay bills compared with 24.5 percent of banked households, 34.3 percent used them to receive income compared with 12.3 percent of banked households, and 40.9 percent used them to save or keep money safe compared with 14.2 percent of banked households (see Figure ES.7).
    - Altogether, seven in ten unbanked households with online payment services (71.5 percent) used them for at least one of these three core transactions, more than twice the percentage among banked households (33.5 percent).
    - Among unbanked households with prepaid cards, 73.9 percent used them to pay bills compared with 28.3 percent of banked households, 59.0 percent used them to receive income compared with 28.6 percent of banked households, and 44.8 percent used them to save or keep money safe compared with 19.2 percent of banked households (see Figure ES.8).
    - In total, nine in ten unbanked households with prepaid cards (90.7 percent) used them for at least one of these three core transactions, almost twice the percentage among banked households (46.0 percent).

Unbanked households that used neither online payment services nor prepaid cards may be considered "cash only," presumably relying primarily on cash and other paper-based instruments, such as nonbank money orders, to conduct their financial transactions.

- **In 2023, 66.2 percent of unbanked households were cash only.**
- **As a share of all households in 2023, 2.8 percent were cash-only unbanked.** However, this share varied considerably across household characteristics. Cash-only unbanked rates were higher among lower-income households; less-educated households; Black, Hispanic, and American Indian or Alaska Native households; working-age households with a disability; and households with income that varied a lot from month to month.

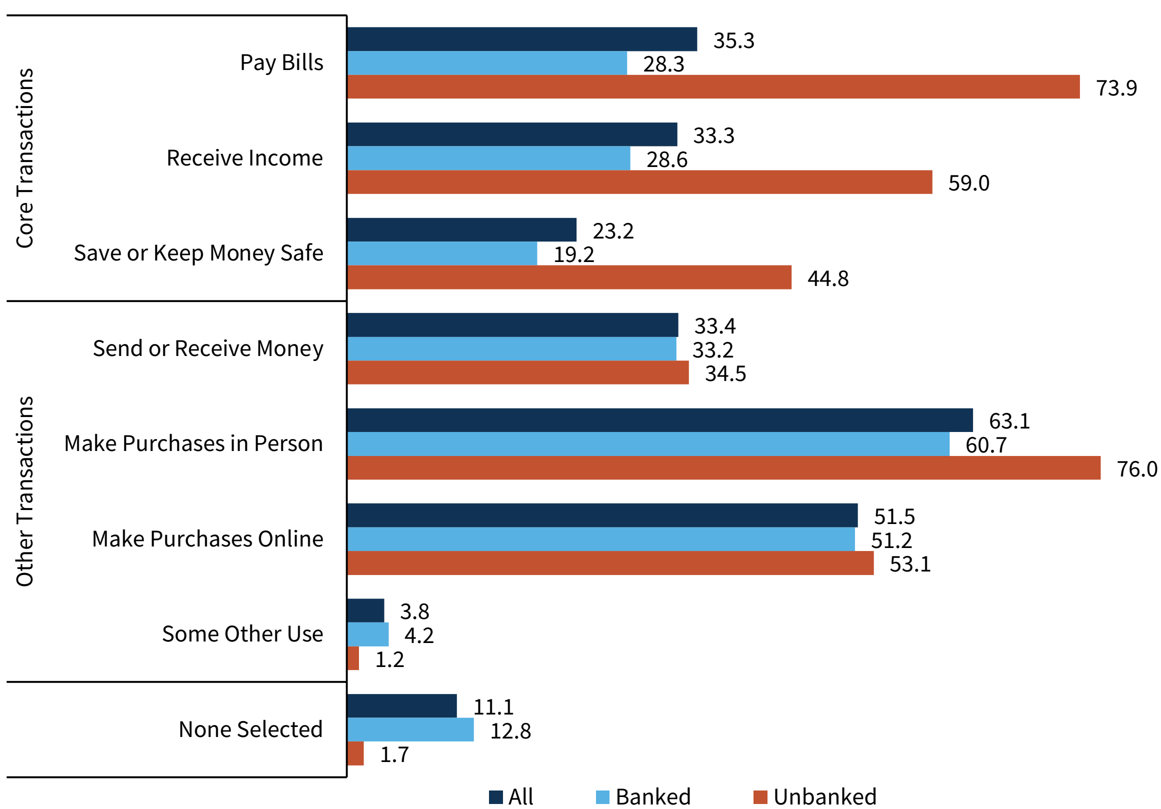
[6] Among unbanked households, the difference in the use of online payment services between 2021 (18.1 percent) and 2023 was not statistically significant.

FIGURE ES.7 Types of Transactions Conducted Using Nonbank Online Payment Services Among Households Currently Using Nonbank Online Payment Services by Bank Account Ownership, 2023 (Percent)



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

FIGURE ES.8 Types of Transactions Conducted Using Prepaid Cards Among Households Currently Using Prepaid Cards by Bank Account Ownership, 2023 (Percent)



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

Conducting Transactions: Nonbank Money Orders, Check Cashing, and Money Transfer Services

Some households—especially unbanked households—use nonbank money orders, check cashing, and money transfer services to conduct their financial transactions, such as paying bills and receiving income.[7] All money orders, check cashing, and money transfer services discussed in this executive summary are from nonbank providers.

- **Over the past decade, the use of money orders among all households fell sharply from 18.2 percent in 2013 to 8.0 percent in 2023.** The use of money orders in 2023 continued to be much more common among unbanked households than among banked households (see Figure ES.9). However, the share of unbanked households that used money orders fell by almost half over the past decade.
- **Over the past decade, the use of check cashing among all households fell substantially from 6.9 percent in 2013 to 2.7 percent in 2023.** As with money orders, the use of check cashing in 2023 continued to be much more common among unbanked households than among banked households (see Figure ES.10). However, the share of unbanked households that used check cashing fell by more than half over the past decade.
- **The use of money transfer services among all households was similar in 2023 (6.6 percent) and 2021 (7.0 percent).[8]** As with money orders and check cashing, the use of money transfer services in 2023 continued to be much more common among unbanked households (14.4 percent) than among banked households (6.3 percent).

Compared with banked households, higher shares of unbanked households used money orders, check cashing, and money transfer services for the core transactions of paying bills and receiving income.

- **Among unbanked households that used money orders in 2023, 93.8 percent did so to pay bills.** This share was larger than the share among banked households that used money orders (70.5 percent).
- **Three in four unbanked households that used check cashing in 2023 (74.5 percent) cashed a check from work, retirement, or a government agency.** Cashing checks from these income sources may indicate regular use of check cashing. In contrast, about half of banked households that used check cashing (53.0 percent) cashed a check from these sources.
- **Among unbanked households that used money transfer services in 2023, paying bills was the most common type of transaction (50.3 percent).** On the other hand, among banked households that used money transfer services in 2023, sending or receiving international remittances (42.2 percent) and sending or receiving money in the United States (38.0 percent) were the most common types of transactions.

FIGURE ES.9 Use of Nonbank Money Orders by Bank Account Ownership, 2013–2023 (Percent)

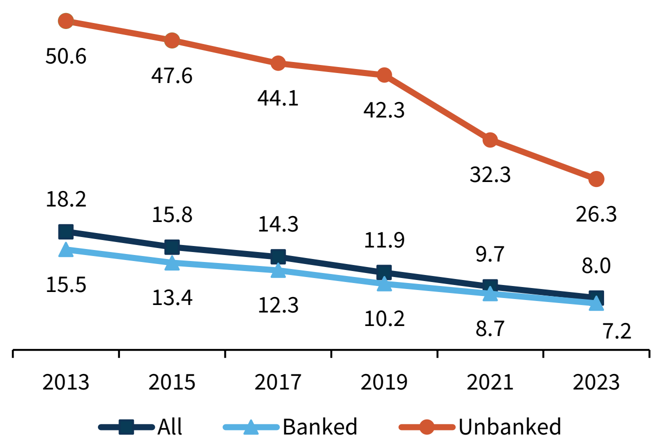
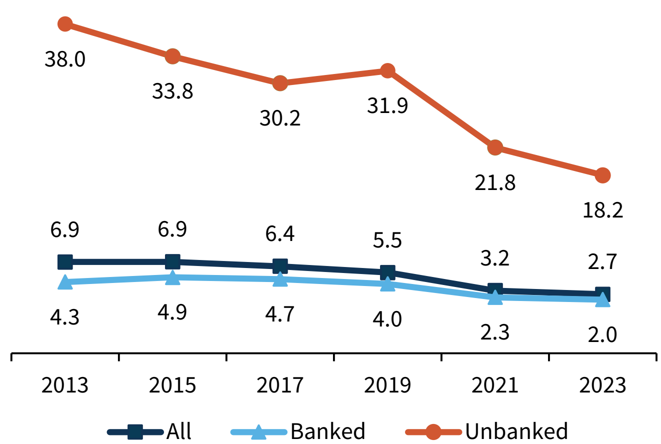


FIGURE ES.10 Use of Nonbank Check Cashing by Bank Account Ownership, 2013–2023 (Percent)



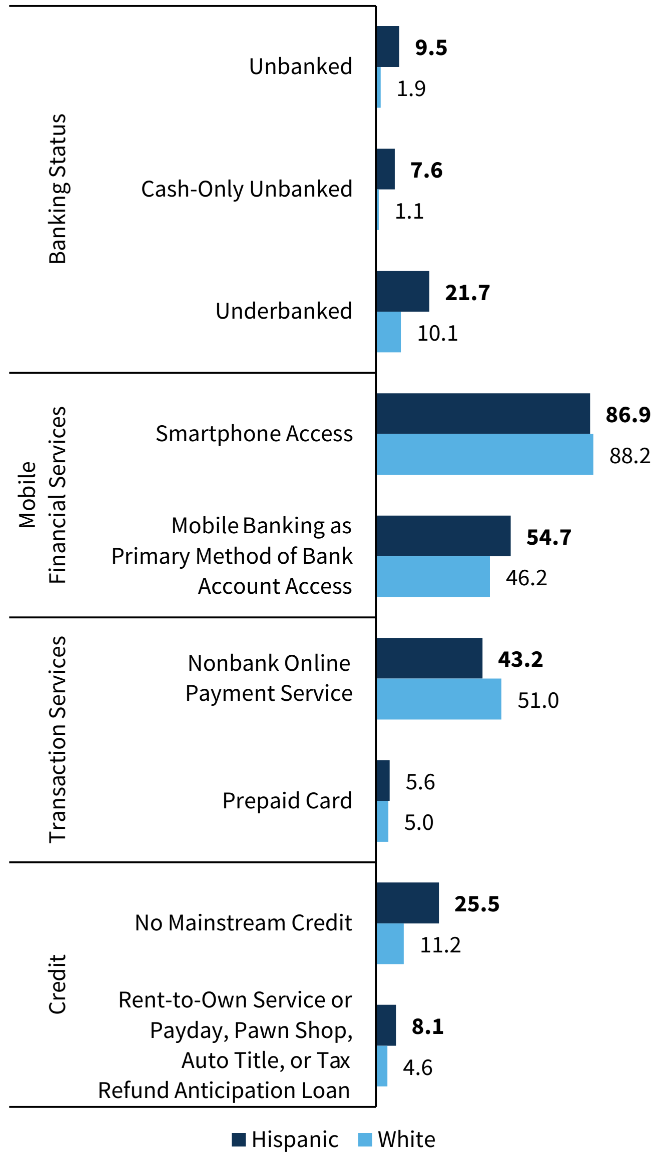
[7] Nonbank money transfer services are from companies like Western Union, MoneyGram, Walmart Money Center, or Ria Money Transfer.

[8] The 2021 survey was the first survey that asked households about their use of money transfer services.

Spotlight: Hispanic Households

- **Between 2009 and 2023, the unbanked rate among Hispanic households decreased from 19.6 percent to 9.5 percent.** However, while Hispanic households in 2023 comprised 14.8 percent of households overall, they made up 33.4 percent of the unbanked.
- **In 2023, Hispanic and White households exhibited substantial differences in their use of financial services.** For example, Figure ES.11 shows that compared with White households, Hispanic households were
  - five times as likely to be unbanked,
  - seven times as likely to be cash-only unbanked,
  - twice as likely to be underbanked, and
  - more than twice as likely not to have mainstream credit.

FIGURE ES.11 Use of Selected Financial Services Among Hispanic and White Households, 2023 (Percent)



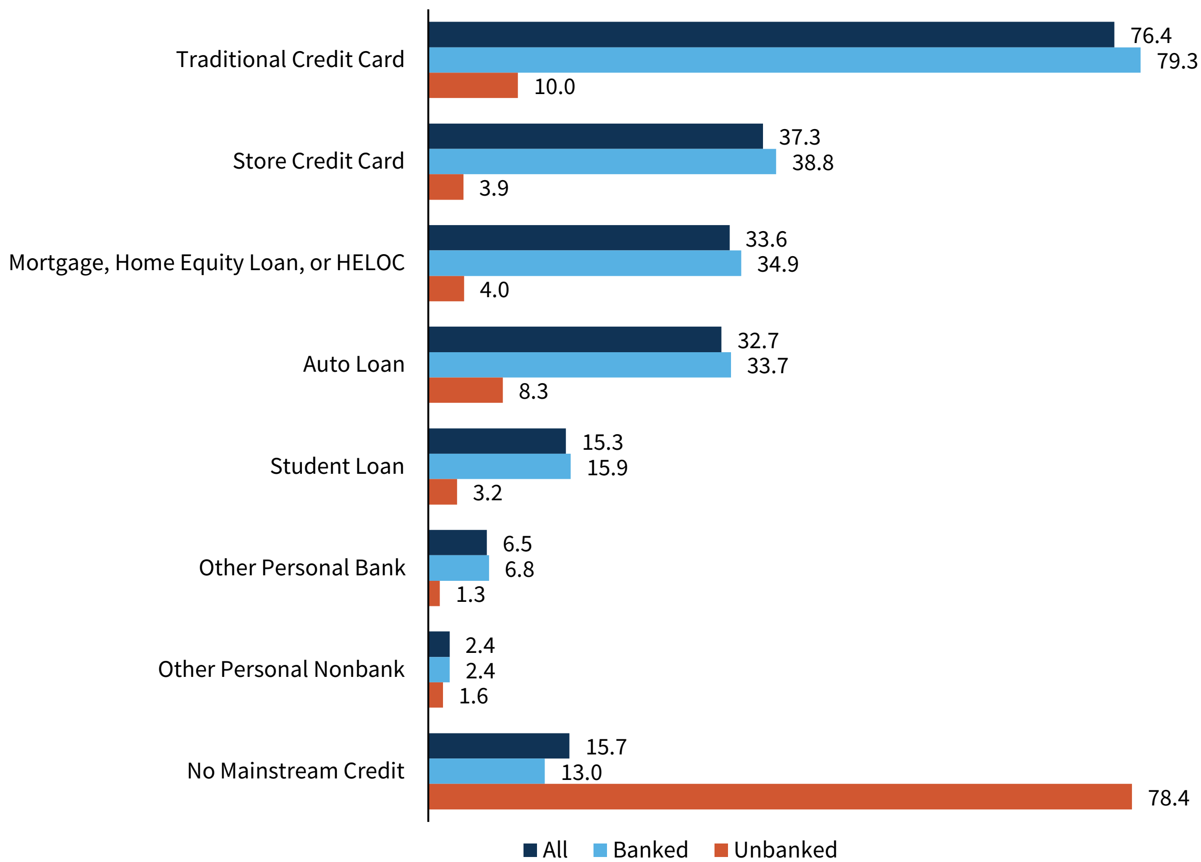
Note: Bolded estimate indicates statistical significance at the 10 percent level from the corresponding estimate for White households. The percentage of households in a demographic group that used mobile banking as the primary method of bank account access is among banked households that had accessed their account in the past 12 months. All other percentages are among all households in the demographic group.

Mainstream Credit

The 2023 survey included a series of questions that likely captures the full range of credit products reflected on credit records with the nationwide credit reporting agencies (NCRAs) (hereafter, mainstream credit). All households were asked whether, in the past 12 months, they had a Visa, MasterCard, American Express, or Discover credit card (hereafter, traditional credit card); a store credit card; an auto loan; a student loan; a mortgage, home equity loan, or home equity line of credit (HELOC); other personal loans or lines of credit from a bank (hereafter, other personal bank credit); or other personal loans or lines of credit from a company other than a bank (hereafter, other personal nonbank credit).[9] A household is considered to have used mainstream credit if it had used any of the above credit products in the past 12 months.

- **Among all households, credit cards were the most common mainstream credit product in 2023.** As illustrated in Figure ES.12**,** 76.4 percent had a traditional credit card, and 37.3 percent had a store credit card. One in three households had a mortgage, home equity loan, or HELOC, and a similar share had an auto loan. Student loans, other personal bank credit, and other personal nonbank credit were much less common.
- **The use of each mainstream credit product in 2023 (except for other personal nonbank credit) was much lower among unbanked households than among banked households.** For example, only 10.0 percent of unbanked households had a traditional credit card, compared with 79.3 percent of banked households.

FIGURE ES.12 Use of Mainstream Credit Products by Bank Account Ownership, 2023 (Percent)



[9] Households that had previously indicated that they took out a payday, pawn shop, or auto title loan were told not to include such loans when answering the question on other personal nonbank credit.

Households with no mainstream credit in the past 12 months likely did not have a credit score with the NCRAs, which could make it more difficult to obtain mainstream credit should a credit need arise.

- **About one in six households in 2023 (15.7 percent) had no mainstream credit, down from 20.0 percent in 2017.** Almost eight in ten unbanked households in 2023 (78.4 percent) had no mainstream credit, compared with 13.0 percent of banked households.
- **The share of households with no mainstream credit in 2023 was higher among lower-income households; less-educated households; Black, Hispanic, and American Indian or Alaska Native households; and working-age households with a disability.** Differences by race and ethnicity in the likelihood of not having mainstream credit were present at every income level. For example, among households with income between $50,000 and $75,000, 17.7 percent of Black households and 15.7 percent of Hispanic households had no mainstream credit in 2023, compared with 8.3 percent of White households.

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

The 2023 survey included questions on the use of the following nonbank alternatives to mainstream credit. All households were asked whether, in the past 12 months, they had rented something from a rent-to-own store because the item could not be financed any other way (hereafter, rent-to-own service); taken out a payday loan or payday advance (hereafter, payday loan); pawned an item at a pawn shop (hereafter, pawn shop loan); taken out an auto title loan; or paid a fee to get their tax refund faster than the Internal Revenue Service would provide it, such as a refund anticipation loan or refund advance (hereafter, tax refund anticipation loan).

- **Rent-to-own services and payday, pawn shop, and auto title loans were each used by about 1 percent of all households in 2023.** These percentages are similar to the percentages in 2019 and 2021. The use of tax refund anticipation loans in 2023 (2.5 percent) was more prevalent than the use of the other four products in that year.[10]
- **Altogether, 5.8 percent of households in 2023 used a rent-to-own service or a payday, pawn shop, auto title, or tax refund anticipation loan.** The use of a rent-to-own service or a payday, pawn shop, auto title, or tax refund anticipation loan in 2023 was more common among unbanked households (9.2 percent) than among banked households (5.7 percent).

Buy Now, Pay Later

The 2023 survey included new questions on Buy Now, Pay Later (BNPL), a short-term loan that allows consumers to split their payments on purchases over time, often without interest. Little data exist on its use and on the incidence of missed or late payments. All households were asked, "*In the past 12 months, did you or anyone in your household pay for something making one payment every two weeks? This is sometimes called Buy Now, Pay Later or Pay-in-4.*"

- **In 2023, 3.9 percent of all households had used BNPL in the past 12 months.**
    - The use of BNPL was higher among banked households (4.0 percent) than among unbanked households (1.6 percent).
    - The use of BNPL also varied by income level and monthly income volatility. A larger share of households with income between $30,000 and $50,000 (4.7 percent) or between $50,000 and $75,000 (4.8 percent) used BNPL, compared with households with higher or lower income levels. Additionally, households with income that varied somewhat from month to month (6.8 percent) or a lot from month to month (4.6 percent) used BNPL at a higher rate than households with income that was about the same each month (3.2 percent).
    - Finally, higher shares of younger households, Black and Hispanic households, and working-age households with a disability used BNPL.
- **The use of BNPL in 2023 was more than twice as high among households with mainstream credit (4.3 percent) as among households with no mainstream credit (1.6 percent).** Additionally, the use of BNPL was more than four times as high among households that used a rent-to-own service or a payday, pawn shop, auto title, or tax refund anticipation loan (14.0 percent) as among households that did not (3.2 percent).

[10] The share of households that used tax refund anticipation loans in 2023 is not directly comparable to the shares in 2019 and 2021 because the question on tax refund anticipation loans was broadened to better match credit products available on the market. See Appendix 2 for details.

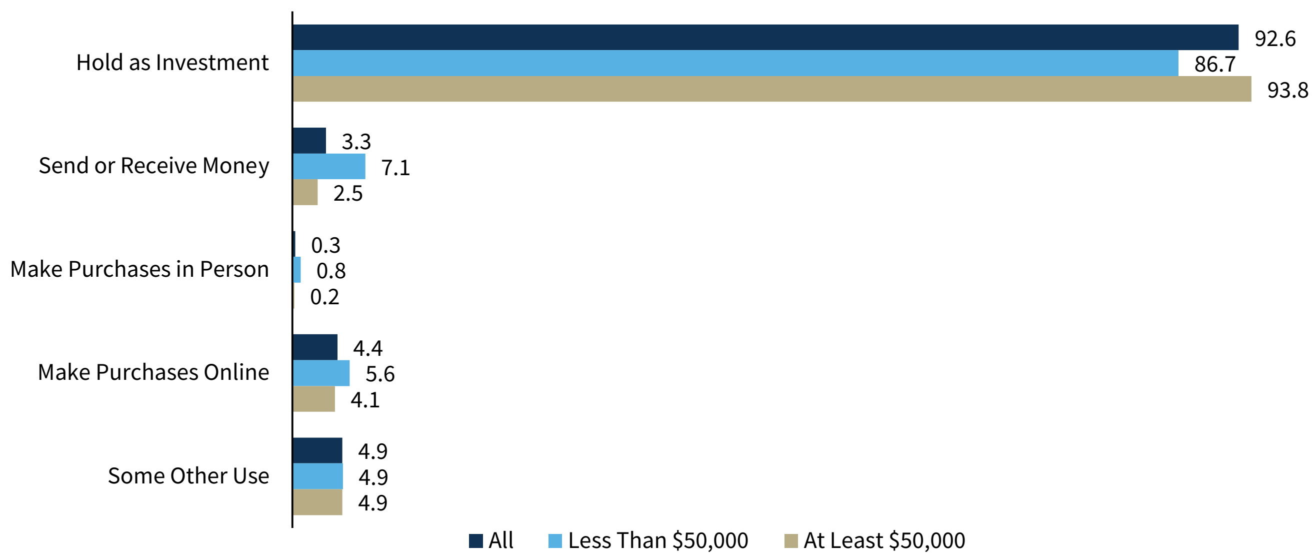
- **One in eight households that used BNPL (12.8 percent) missed or made a late payment on at least one of their BNPL purchases.** Among households that used BNPL, those with lower income levels and those with volatile income had higher rates of missed or late payments. For example, among households with less than $30,000 in income that used BNPL, 21.4 percent missed or made a late payment, compared with 9.4 percent of households with income of $75,000 or more that used BNPL.

Crypto

The 2023 survey included new questions on crypto, a largely unregulated new technology that uses encryption and a public ledger—the blockchain—as a means outside banks and credit unions of storing and transferring value. Few representative surveys have provided information on how widespread crypto use is among households and how households use crypto.

- **In 2023, 4.8 percent of all households had in the past 12 months owned or used crypto, such as Bitcoin or Ether (hereafter, used crypto).**
    - The use of crypto was higher among banked households (5.0 percent) than among unbanked households (1.2 percent).
    - The use of crypto also varied by household characteristics and was higher among higher-income households, more-educated households, younger households, Asian and White households, working-age households without a disability, and households with higher monthly income volatility.
    - Differences by income level and monthly income volatility were especially pronounced. For example, 7.3 percent of households with income of $75,000 or more used crypto, compared with 1.1 percent of households with less than $15,000 in income. One in ten households with income that varied a lot from month to month (9.7 percent) and 7.1 percent of households with income that varied somewhat from month to month used crypto, compared with 4.2 percent of households with income that was about the same each month.
- **Among all households that used crypto, the vast majority held crypto as an investment (92.6 percent).** Holding crypto as an investment was more prevalent among households with income of $50,000 or more that used crypto, while using crypto to send or receive money was more common among households with less than $50,000 in income that used crypto (see Figure ES.13). For both groups, however, holding crypto as an investment was by far the most common use of crypto.

FIGURE ES.13 Specific Uses of Crypto Among Households That Used Crypto by Income Level, 2023 (Percent)

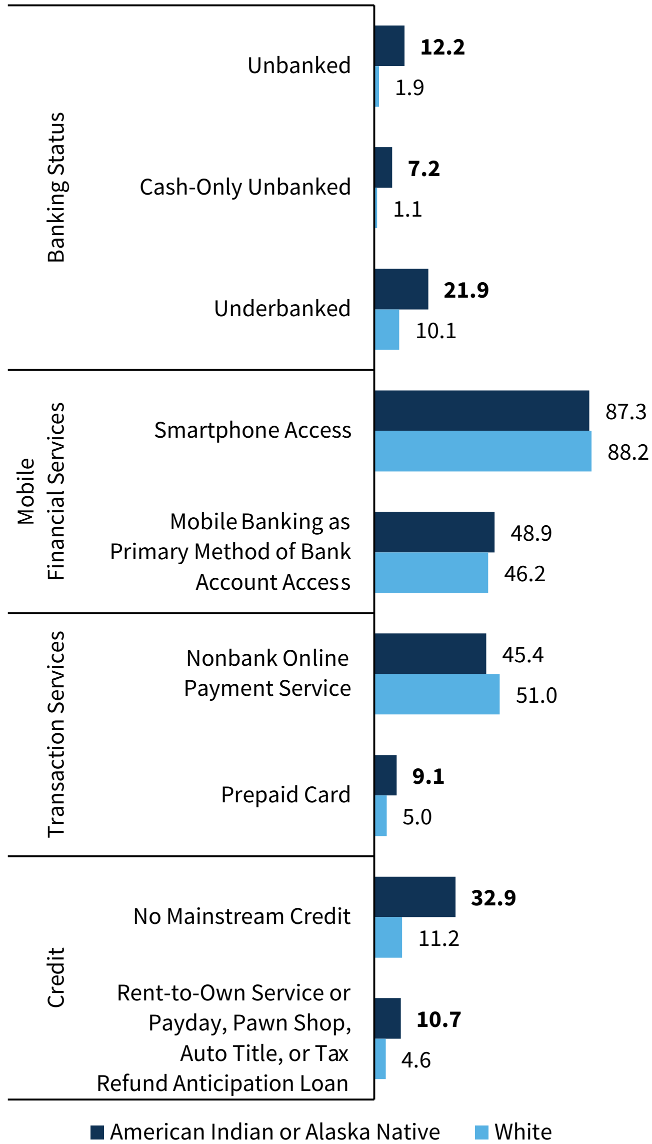


Note: Bars sum to more than 100 percent because households could select more than one specific use.

Spotlight: American Indian or Alaska Native Households

- **Between 2009 and 2023, the unbanked rate among American Indian or Alaska Native households decreased from 23.0 percent to 12.2 percent.** Nevertheless, American Indian or Alaska Native households comprised 0.7 percent of households overall but 2.0 percent of the unbanked in 2023.
- **In 2023, American Indian or Alaska Native and White households exhibited substantial differences in their use of financial services.** For example, Figure ES.14 shows that compared with White households, American Indian or Alaska Native households were
  - more than six times as likely to be unbanked,
  - twice as likely to be underbanked,
  - three times as likely not to have mainstream credit, and
  - more than twice as likely to use a rent-to-own service or a payday, pawn shop, auto title, or tax refund anticipation loan.

FIGURE ES.14 Use of Selected Financial Services Among American Indian or Alaska Native and White Households, 2023 (Percent)



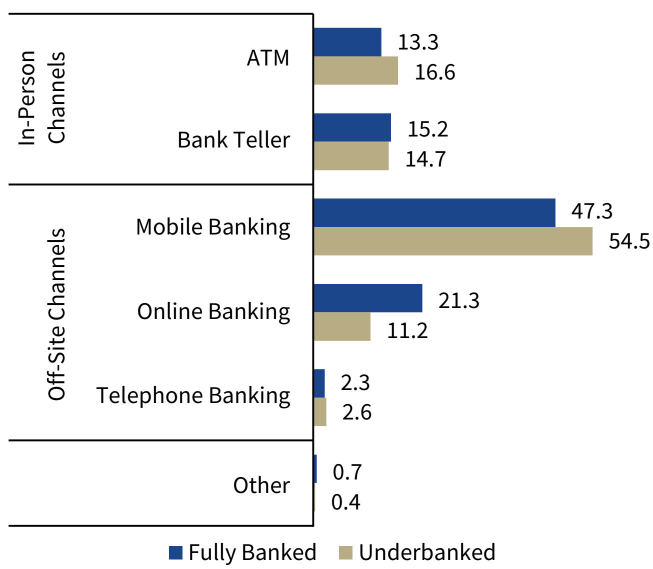
Note: Bolded estimate indicates statistical significance at the 10 percent level from the corresponding estimate for White households. The percentage of households in a demographic group that used mobile banking as the primary method of bank account access is among banked households that had accessed their account in the past 12 months. All other percentages are among all households in the demographic group.

Underbanked Households

A household is considered underbanked if it had a checking or savings account at a bank or credit union but in the past 12 months had used at least one of eight nonbank financial services (NBFSs). These NBFSs include three transaction services (nonbank money orders, check cashing, and international remittances) and five alternatives to mainstream credit (rent-to-own services and payday, pawn shop, auto title, and tax refund anticipation loans). Such NBFSs historically have been used disproportionately by unbanked households to meet their transaction or credit needs.

- **In 2023, 14.2 percent of U.S. households—representing about 19.0 million households—were considered underbanked.** In contrast, 81.6 percent of U.S. households in 2023—representing about 109.1 million households—were considered fully banked, meaning the household had a checking or savings account at a bank or credit union but in the past 12 months had not used any of the above NBFSs.[11] The remaining 4.2 percent of U.S. households in 2023—representing about 5.6 million households—were unbanked, meaning no one in the household had a checking or savings account at a bank or credit union.
- **As in previous years, underbanked rates in 2023 varied considerably across household characteristics.** Differences by educational attainment and race and ethnicity were especially pronounced.
  - Nearly one in four households without a high school diploma (23.1 percent) were underbanked, compared with one in ten households with a college degree (10.4 percent).
  - More than one in five Black, Hispanic, American Indian or Alaska Native, and Native Hawaiian or Other Pacific Islander households were underbanked, compared with one in ten White households (10.1 percent).
- **Underbanked and fully banked households exhibited some differences in the primary method they used to access their bank accounts.**
  - As displayed in Figure ES.15, the use of mobile banking was by far the most prevalent primary method of account access among underbanked and fully banked households but was more common among underbanked households (54.5 percent) than among fully banked households (47.3 percent).
  - On the other hand, a higher share of fully banked households primarily used online banking (21.3 percent) than did underbanked households (11.2 percent).
  - The use of ATMs was more common among underbanked households than among fully banked households, while the use of bank tellers was similar across these households.
- **Compared with fully banked households, higher shares of underbanked households used online payment services and prepaid cards in ways that substitute for some of the core financial transactions that can be conducted using a bank account, including paying bills, receiving income, and saving or keeping money safe.**
  - More than two in five underbanked households with online payment services (44.2 percent) used them to conduct at least one of these three core transactions, compared with less than one in three fully banked households (31.4 percent) and seven in ten unbanked households (71.5 percent).
  - Almost three in five underbanked households with prepaid cards (58.8 percent) used them to conduct at least one of these three core transactions, compared with two in five fully banked households (39.7 percent) and nine in ten unbanked households (90.7 percent).

FIGURE ES.15 Primary Method of Bank Account Access Among Fully Banked and Underbanked Households, 2023 (Percent)

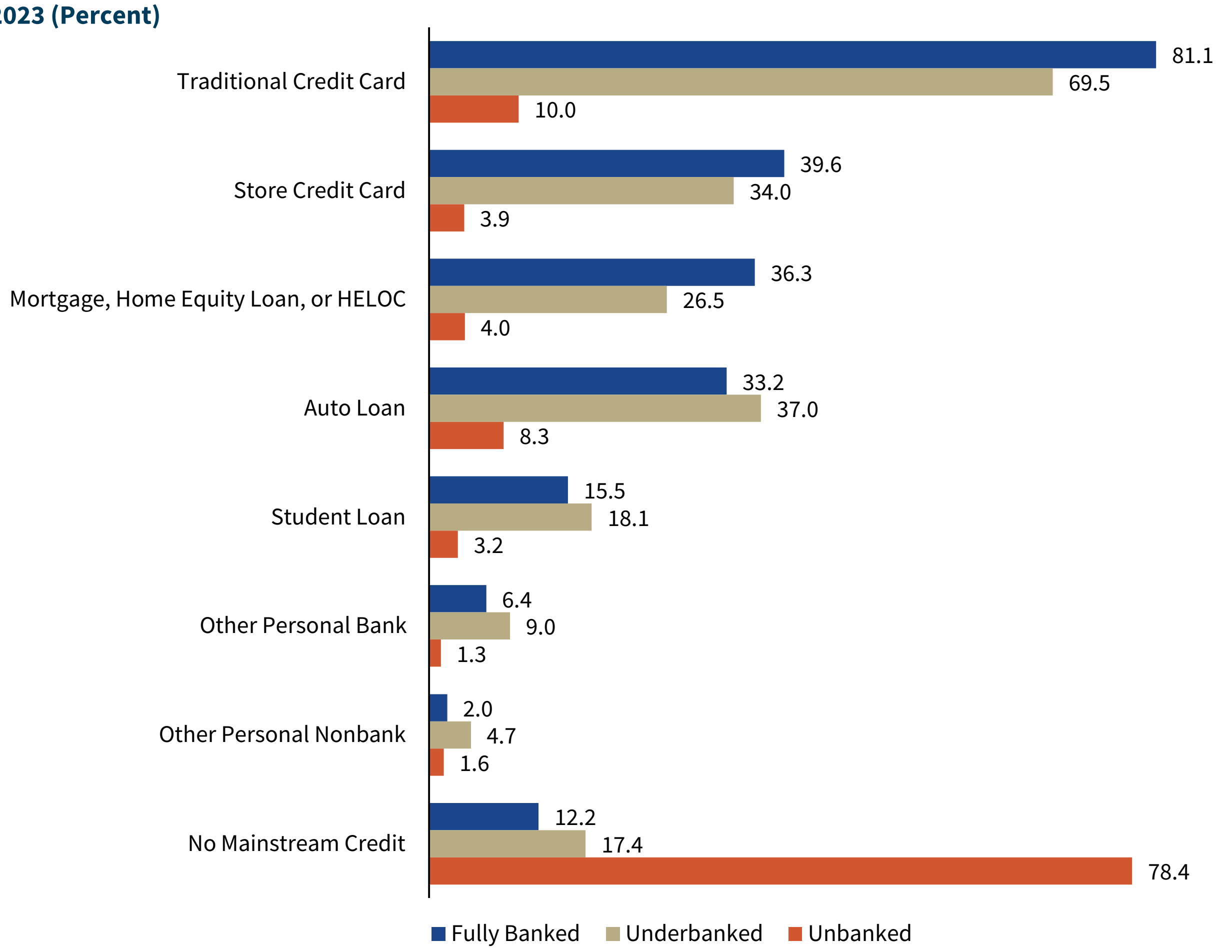


Note: Bars sum to 100 percent.

[11] Underbanked and fully banked rates in 2023 are not directly comparable to those in 2021 because the question on tax refund anticipation loans was broadened to better match credit products available on the market. See Appendix 2 for details. Excluding the use of tax refund anticipation loans, the underbanked rate would have been 13.6 percent in 2021 and 12.7 percent in 2023. The decline between 2021 and 2023 was statistically significant.

- **Fully banked, underbanked, and unbanked households exhibited differences in their use of mainstream credit products in 2023.**
  - As shown in Figure ES.16, compared with fully banked households, the share of underbanked households that had an auto loan, student loan, other personal bank credit, or other personal nonbank credit was higher, while the share that had a traditional credit card; store credit card; or mortgage, home equity loan, or HELOC was lower.
  - The shares of underbanked and fully banked households that used each mainstream credit product were, in general, much higher than the share among unbanked households. For example, seven in ten underbanked households (69.5 percent) and more than eight in ten fully banked households (81.1 percent) had a traditional credit card, compared with only 10.0 percent of unbanked households.
  - The proportion of households with no mainstream credit in 2023 was higher among underbanked households (17.4 percent) than among fully banked households (12.2 percent) but was much lower than the proportion among unbanked households (78.4 percent).
- **The use of BNPL in 2023 was much higher among underbanked households (9.7 percent) than among fully banked households (3.0 percent) and unbanked households (1.6 percent).** Further, one in five underbanked households that used BNPL (20.8 percent) missed or made a late payment on at least one of their BNPL purchases, more than twice the proportion among fully banked households that used BNPL (8.1 percent).
- **The use of crypto in 2023 was more common among underbanked households (6.2 percent) than among fully banked households (4.8 percent) and unbanked households (1.2 percent).** As with fully banked households that used crypto, the vast majority of underbanked households that used crypto held it as an investment.

FIGURE ES.16 Use of Mainstream Credit Products Among Fully Banked, Underbanked, and Unbanked Households, 2023 (Percent)



Implications

Since its inception, the *FDIC National Survey of Unbanked and Underbanked Households* has evolved to reflect the changing financial services marketplace and allow deeper analysis of the diverse and nuanced needs of different groups of consumers. These implications take a closer look at unbanked households, households with rapid increases in technology access, and households that do not use mainstream credit. Exploring the ways in which these groups' demographics and financial behaviors have changed reveals specific opportunities to increase economic inclusion. With more households participating in the financial mainstream, it is becoming increasingly difficult, but ever more important, to develop safe and affordable products and outreach strategies to reach households that do not participate in the insured banking system. Examining distinct groups with unique characteristics highlights the potential value of more targeted approaches to increasing access, sustainability, and growth in the banking system.

1. The Changing Composition of Unbanked Households

The composition of unbanked households has changed significantly over the years. The age distribution of unbanked households is now less disproportionately young. And while some unbanked households may be more tech savvy, still others rely primarily on cash. As a result, economic inclusion strategies that may have worked in the past may not be as compelling today. Gaining a more nuanced understanding of the current composition of unbanked households can help economic inclusion efforts evolve and better meet the needs of today's unbanked households.

2. Technology for Sustaining and Growing Banking Relationships

Technology is changing how consumers interact with banks and reshaping the financial services industry by increasing options for using technology to conduct financial transactions and develop business relationships. Smartphones are ubiquitous among banked consumers, but many are not using them to improve their banking experience. Significant untapped potential exists for banks to engage these consumers and help them use technology to sustain and grow banking relationships. Late adopters might be ready to use more technology for banking, but they are at risk of being left behind if they are not considered part of banks' technology strategies.

3. Credit Building

Gaining access to credit and establishing a credit history allow households to smooth consumption, build wealth, and weather financial shocks. In recent years, the share of households using mainstream credit has increased and the share using nonbank alternatives to mainstream credit has decreased, indicating that more consumers are able to access mainstream credit. However, large numbers of households do not use mainstream credit, and efforts to increase access to safe and affordable credit remain important. And as more consumers gain access to mainstream credit, targeted outreach and education about managing and building credit may be valuable to support successful use of credit. In addition, lenders and consumers alike would benefit from more detailed and transparent information about the impact of timing and types of credit use on credit history and scores.

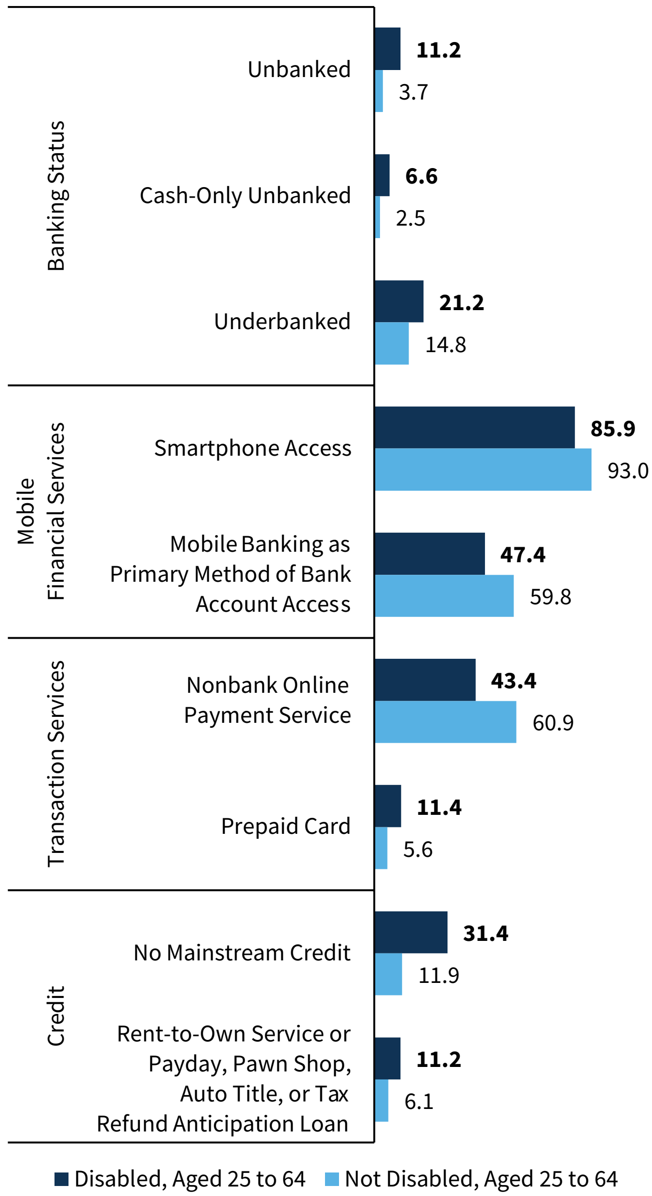
Spotlight: Working-Age Households With a Disability

- **Between 2009 and 2023, the unbanked rate among working-age households with a disability decreased from 18.3 percent to 11.2 percent.** However, while working-age households with a disability in 2023 comprised 8.1 percent of households overall, they made up 21.5 percent of the unbanked.

- **In 2023, working-age households with and without a disability exhibited substantial differences in their use of financial services.** For example, Figure ES.17 shows that compared with working-age households without a disability, working-age households with a disability were

  - three times as likely to be unbanked,
  - two-fifths more likely to be underbanked,
  - one-fifth less likely to use mobile banking as the primary method of bank account access, and
  - more than twice as likely not to have mainstream credit.

FIGURE ES.17 Use of Selected Financial Services by Disability Status, 2023 (Percent)



Note: Bolded estimate indicates statistical significance at the 10 percent level from the corresponding estimate for working-age households without a disability. The percentage of households in a demographic group that used mobile banking as the primary method of bank account access is among banked households that had accessed their account in the past 12 months. All other percentages are among all households in the demographic group.

ABOUT THE SURVEY

Background

Checking and savings accounts at federally insured depository institutions are covered by deposit insurance and other consumer protections. Ownership of an account at a federally insured institution provides households with a safe place to keep deposits and to save for short- and long-term needs as well as facilitates households' core financial transactions, such as paying bills and receiving income. Having a bank account and a banking relationship can also provide households with opportunities to establish and build a credit history, which may facilitate access to responsible, affordable credit.

Despite these benefits, some households—referred to in this report as unbanked households—do not have an account at a federally insured institution. Other households—referred to in this report as underbanked households—have an account but also use nonbank financial services that historically have been used disproportionately by unbanked households to meet their transaction or credit needs. Households that go outside the banking system to meet their core 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 to inform economic inclusion initiatives and in response to a statutory mandate, this nationally representative survey provides estimates of unbanked and underbanked households.[12] The survey also seeks to offer insights for community-based organizations, financial institutions, policymakers, and other stakeholders that are working to improve access to safe, secure, and affordable banking services.

The FDIC conducts the 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 *FDIC National Survey of Unbanked and Underbanked Households* was conducted in January 2009, and subsequent surveys were conducted in June of odd-numbered years from 2011 through 2023.[13] Results from these surveys are available at https://www.fdic.gov/household-survey, which also provides the ability to query and download the data.

This report presents results of the *2023 FDIC National Survey of Unbanked and Underbanked Households*. The survey collected responses from 29,483 households, covering bank account ownership; the use of nonbank online payment services and prepaid cards; the use of nonbank money orders, check cashing, and money transfer services; the use of credit; and the use of crypto. In the 2023 survey data, item nonresponse (that is, nonresponse to individual survey questions) 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. Imputing missing values can help correct estimation bias due to item nonresponse. See Appendix 1 (FDIC Technical Notes) for additional details.

What's New

Several changes were made to the 2023 survey instrument; the details of these changes are provided in Appendix 2. The notable changes, summarized below, fall into three main areas.

First, to approximate the share of households that do not have a credit score, the 2023 survey included a series of questions that likely captures the full range of credit products reflected on credit records with the nationwide credit reporting agencies (hereafter, mainstream credit). All households were asked whether, in the past 12 months, they had a Visa, MasterCard, American Express, or Discover credit card; a store credit card; an auto loan; a student

[12] Section 7 of the Federal Deposit Insurance Reform Conforming Amendments Act of 2005 (Pub. L. 109–173, 119 Stat. 3609) added a new section 49 to the Federal Deposit Insurance Act (12 U.S.C. 1831z) that 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.

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

loan; a mortgage, home equity loan, or home equity line of credit; other personal loans or lines of credit from a bank; or other personal loans or lines of credit from a company other than a bank. This series of questions had previously been included in the 2017 survey.

Second, the 2023 survey included new questions on household use of Buy Now, Pay Later (BNPL), a short-term loan that allows consumers to split their payments on purchases over time, often without interest. A common payment model is four equal payments over six weeks, with the first payment made at the time of purchase and subsequent payments due every two weeks. The 2023 survey focused on this particular payment model. Consumers have long used credit cards, installment loans, and other forms of credit to finance their purchases. The specific product offering of BNPL has emerged in recent years and has experienced rapidly increased use, with consumers taking up BNPL to finance a diverse range of products and services. However, little data exist on its use and on the incidence of missed or late payments. In the 2023 survey, all households were asked, "*In the past 12 months, did you or anyone in your household pay for something making one payment every two weeks? This is sometimes called Buy Now, Pay Later or Pay-in-4.*" Households that had used BNPL in the past 12 months were asked three follow-up questions: how frequently they had used BNPL in the past 12 months (one time, two to ten times, or more than ten times), whether any of their BNPL purchases were online or in person, and whether they missed or made a late payment on any of their BNPL purchases.

Finally, the 2023 survey included new questions on household use of crypto, a largely unregulated new technology that uses encryption and a public ledger—the blockchain—as a means outside banks and credit unions of storing and transferring value. Crypto has received attention from policymakers, especially during periods of volatility that expose vulnerabilities in the crypto sector. However, few representative surveys have provided information on how widespread crypto use is among households and how households use crypto. In the 2023 survey, all households were asked whether, in the past 12 months, they had owned or used crypto, such as Bitcoin or Ether. Households that owned or used crypto were asked a follow-up question on whether they used crypto to hold as an investment, send money to or receive money from family or friends, buy items in person, buy items online, or for some other use.

1. UNBANKED HOUSEHOLDS

Summary

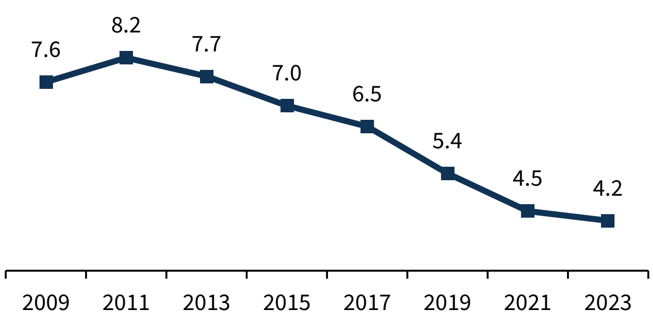
In 2023, 4.2 percent of U.S. households—representing about 5.6 million households—were unbanked, meaning no one in the household had a checking or savings account at a bank or credit union. The unbanked rate changed little from 2021 (4.5 percent). Between 2011—when the unbanked rate was at its highest level since the survey began in 2009—and 2023, the unbanked rate fell by almost half. Similarly, unbanked rates among Black, Hispanic, and American Indian or Alaska Native households fell by about half. However, unbanked rates among these households remained several times higher than the unbanked rate among White households. As in previous years, among all unbanked households, "*Don't have enough money to meet minimum balance requirements*" was the most cited main reason and "*Don't trust banks*" was the second-most cited main reason for not having a bank account.

National Unbanked Rate

In 2023, 4.2 percent of U.S. households—representing about 5.6 million households—were unbanked, meaning no one in the household had a checking or savings account at a bank or credit union (hereafter, bank). Conversely, 95.8 percent of U.S. households—representing about 128.0 million households—were banked in 2023, meaning at least one member of the household had a checking or savings account at a bank.

The proportion of U.S. households that were unbanked—the unbanked rate—changed little between 2021 (4.5 percent) and 2023 (4.2 percent). The difference in the unbanked rate over this period was not statistically significant.[14] However, between 2011—when the unbanked rate was at its highest level since the survey began in 2009—and 2023, the unbanked rate fell by almost half (see Figure 1.1). This decrease in the unbanked rate corresponded to an additional 5.3 million banked households in 2023. About two-thirds of the decline in the unbanked rate between 2011 and 2023 was associated with changes in the socioeconomic circumstances of households over this period, particularly increases in income and educational attainment. Even after the changes in socioeconomic characteristics were accounted for, however, the remainder of the decline in the unbanked rate across years was statistically significant.[15]

FIGURE 1.1 National Unbanked Rate, 2009–2023 (Percent)



[14] All estimated differences discussed in the text are statistically 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 10 percent or less.

[15] For example, the proportion of households without a high school diploma decreased from 11.9 percent in 2011 to 7.4 percent in 2023, while the proportion with a college degree increased from 31.2 percent in 2011 to 40.9 percent in 2023. (Appendix Table A.1 contains distributions of household characteristics in 2019, 2021, and 2023.) Because unbanked rates were higher among less-educated households as shown in Table 1.1, part of the decline in the overall unbanked rate between 2011 and 2023 was associated with the increase in educational attainment over this period. More generally, a linear probability model was estimated to account for changes between 2011 and 2023 in the distribution of households across the household characteristics shown in Appendix Table A.1 (excluding monthly income volatility, which is not available for 2011). Taken together, changes between 2011 and 2023 in the socioeconomic characteristics of households—income, educational attainment, homeownership status, and employment status—were associated with about two-thirds of the difference in the unbanked rate over this period. Adding controls for the remaining demographic characteristics shown in Appendix Table A.1 had little effect on the remainder of the difference in the unbanked rate.

Unbanked Rates by Household Characteristics

As in previous years, unbanked rates in 2023 varied considerably across household characteristics. For example, as shown in Table 1.1, unbanked rates were higher among lower-income households; less-educated households; Black, Hispanic, and American Indian or Alaska Native households; working-age households with a disability; and households with income that varied a lot from month to month.[16]

As illustrated in Table 1.1, for most household groups unbanked rates were similar in 2021 and 2023. For example, the unbanked rate among households without a high school diploma changed little between 2021 (19.2 percent) and 2023 (19.7 percent), as did unbanked rates among households with higher educational attainment.

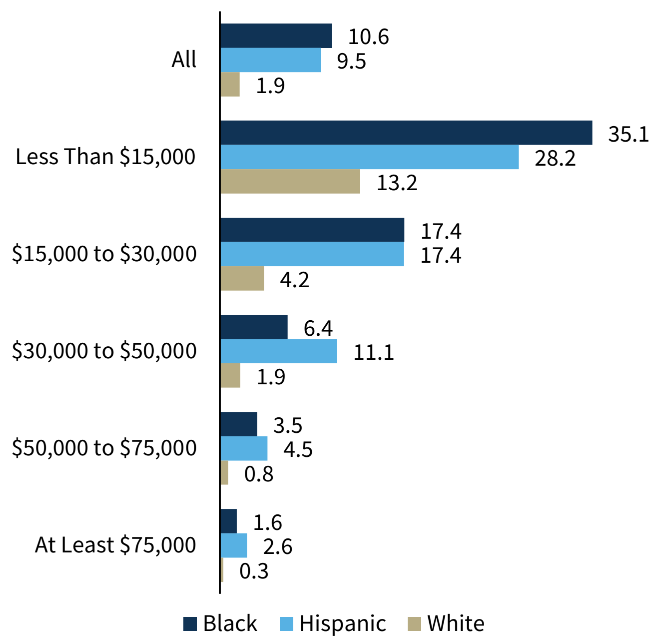
Between 2019 and 2023, unbanked rates declined substantially for several household groups. In particular, the unbanked rate among working-age households with a disability decreased sharply between 2019 (16.2 percent) and 2023 (11.2 percent). Despite this improvement, the unbanked rate among working-age households with a disability in 2023 remained three times as high as the unbanked rate among working-age households without a disability (3.7 percent).[17]

Unbanked rates among Black and Hispanic households also decreased between 2019 and 2023. Among Black households, 10.6 percent were unbanked in 2023, down from 13.8 percent in 2019, and among Hispanic households, 9.5 percent were unbanked in 2023, down from 12.2 percent in 2019. However, unbanked rates among Black and Hispanic households in 2023 remained several times higher than the unbanked rate among White households (1.9 percent).[18]

Among American Indian or Alaska Native households, the unbanked rate increased between 2021 (6.9 percent) and 2023 (12.2 percent), having decreased from 2019 (16.3 percent).[19] The sample size for American Indian or Alaska Native households in each year was much smaller than the sample sizes for Black, Hispanic, and White households.[20] Because smaller sample sizes increase the variance of the estimates, the estimates for American Indian or Alaska Native households are more variable from year to year than for households identified based on more prevalent demographic characteristics, as can be observed in Figure 1.4.

Additionally, differences in unbanked rates between Black and White households and between Hispanic and White households in 2023 were present at every income level, as shown in Figure 1.2. For example, among households with income between $50,000 and $75,000, 3.5 percent of Black households and 4.5 percent of Hispanic households were unbanked, compared with 0.8 percent of White households. Among American Indian or Alaska Native households, 21.4 percent of households with less than $50,000 in income and 2.8 percent of households with income of $50,000 or more were unbanked.[21]

FIGURE 1.2 Unbanked Rates by Income Level and Race and Ethnicity, 2023 (Percent)



[16] For person-level characteristics, such as race, age, and educational attainment, 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 (that is, indicates "*yes*" to any of the six-question disability sequence in the Current Population Survey or is not in the labor force because of a disability) and is aged 25 to 64. See Appendix 1 for additional details. For monthly income volatility, all households were asked whether their income over the past 12 months was about the same each month, varied somewhat from month to month, or varied a lot from month to month.

[17] In 2023, working-age households with a disability comprised 8.1 percent of households overall but 21.5 percent of the unbanked.

[18] In 2023, Black households comprised 12.9 percent of households overall but 32.3 percent of the unbanked. Hispanic households comprised 14.8 percent of households overall but 33.4 percent of the unbanked.

[19] In 2023, American Indian or Alaska Native households comprised 0.7 percent of households overall but 2.0 percent of the unbanked.

[20] For example, as shown in Appendix Table A.1, American Indian or Alaska Native households comprised 0.7 percent of households overall in 2023, compared with 12.9 percent for Black households, 14.8 percent for Hispanic households, and 64.3 percent for White households.

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

TABLE 1.1 Unbanked Rates by Selected Household Characteristics, 2019–2023
All Households, Row Percent

Characteristic	2019	2021	2023	Difference (2023–2021)
All	5.4	4.5	4.2	-0.2
Family Income				
Less Than $15,000	23.3	19.8	21.8	2.0
$15,000 to $30,000	10.4	9.2	9.0	-0.2
$30,000 to $50,000	4.6	4.0	4.5	0.5
$50,000 to $75,000	1.7	2.1	1.8	-0.3
At Least $75,000	0.6	0.6	0.7	0.2
Education				
No High School Diploma	21.4	19.2	19.7	0.5
High School Diploma	8.1	6.8	6.5	-0.3
Some College	4.3	3.3	3.0	-0.2
College Degree	0.8	0.9	0.8	-0.1
Age Group				
15 to 24 Years	8.8	5.8	5.9	0.1
25 to 34 Years	6.9	5.1	5.2	0.1
35 to 44 Years	6.3	5.1	4.7	-0.4
45 to 54 Years	5.1	5.2	4.3	-0.9*
55 to 64 Years	5.5	4.8	4.4	-0.4
65 Years or More	3.3	2.7	2.9	0.2
Race/Ethnicity				
Black	13.8	11.3	10.6	-0.8
Hispanic	12.2	9.3	9.5	0.3
Asian	1.7	2.9	2.0	-0.9
American Indian or Alaska Native	16.3	6.9	12.2	5.4*
Native Hawaiian or Other Pacific Islander	NA	NA	4.8	NA
White	2.5	2.1	1.9	-0.2
Two or More Races	4.9	5.0	2.5	-2.5
Disability Status				
Disabled, Aged 25 to 64	16.2	14.8	11.2	-3.6*
Not Disabled, Aged 25 to 64	4.5	3.7	3.7	0.0
Monthly Income Volatility				
Income Was About the Same Each Month	4.9		4.0	
Income Varied Somewhat From Month to Month	6.4		4.6	
Income Varied a Lot From Month to Month	10.7		8.3	

Note: Monthly income volatility is not available for 2021. 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 as well as selected confidence intervals.

The changes between 2019 and 2023 in unbanked rates among working-age households with a disability and among Black, Hispanic, and American Indian or Alaska Native households reflect longer-term trends. As shown in Figure 1.3, unbanked rates among working-age households with a disability declined by more than one-third between 2009 and 2023. Over the same period, as indicated in Figure 1.4, unbanked rates among Black, Hispanic, and American Indian or Alaska Native households fell by about half. For example, 10.6 percent of Black households were unbanked in 2023, down from 21.4 percent in 2009.

FIGURE 1.3 Unbanked Rates by Disability Status, 2009–2023 (Percent)

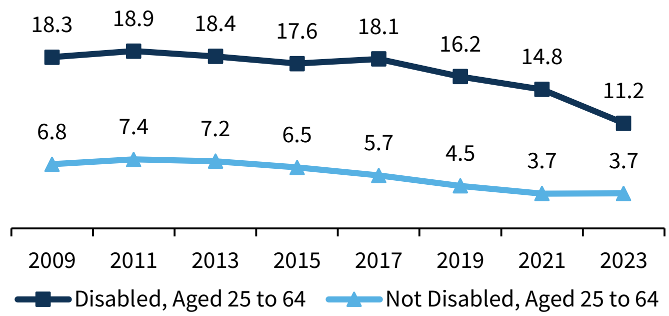
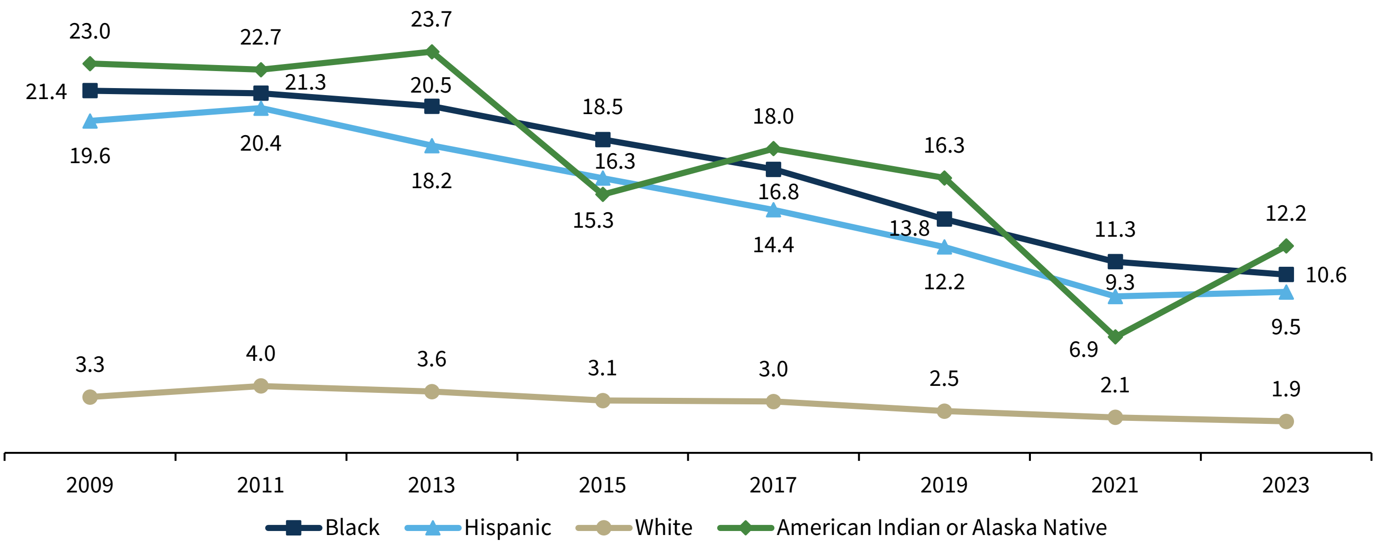


FIGURE 1.4 Unbanked Rates by Race and Ethnicity, 2009–2023 (Percent)



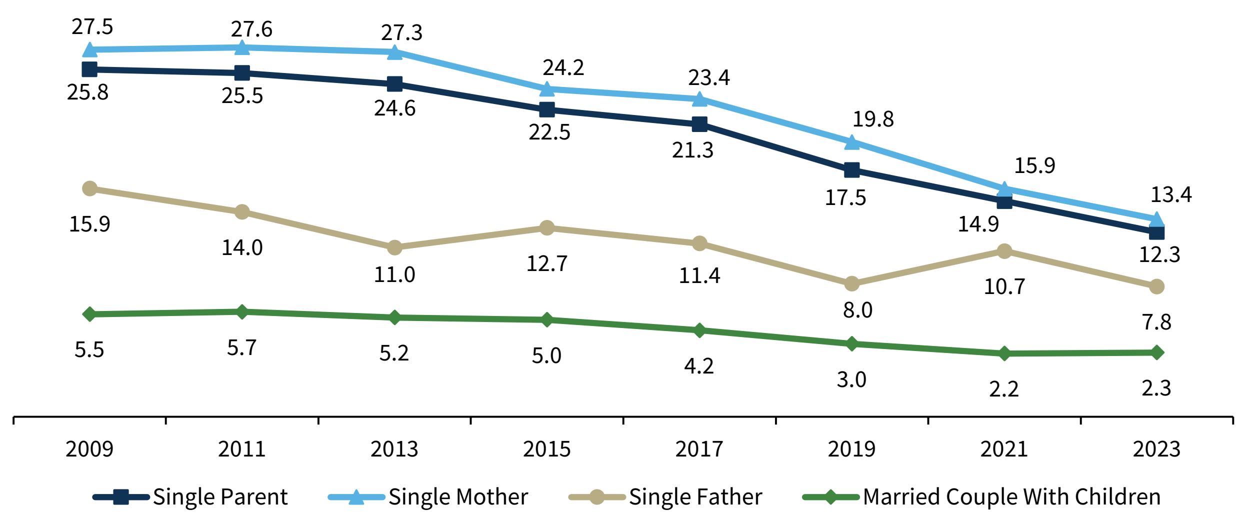
Spotlight: Unbanked Rates Among Single-Parent Households

Single-parent households—family households with an unmarried female or male householder, one or more children, and no other adults—had an unbanked rate of 12.3 percent in 2023, much higher than the unbanked rate among married-couple households with one or more children (2.3 percent).[22]

In 2023, four in five single-parent households (80.7 percent) were single-mother households—single-parent households with an unmarried female householder. The remaining single-parent households (19.3 percent) were single-father households—single-parent households with an unmarried male householder. Single-mother households had an unbanked rate of 13.4 percent in 2023, higher than the unbanked rate among single-father households (7.8 percent).

Unbanked rates among single-parent, single-mother, and single-father households declined by about half between 2009 and 2023 (see Figure 1.5). For example, 25.8 percent of single-parent households were unbanked in 2009, decreasing to 12.3 percent in 2023.

FIGURE 1.5 Unbanked Rates Among Households With Children, 2009–2023 (Percent)



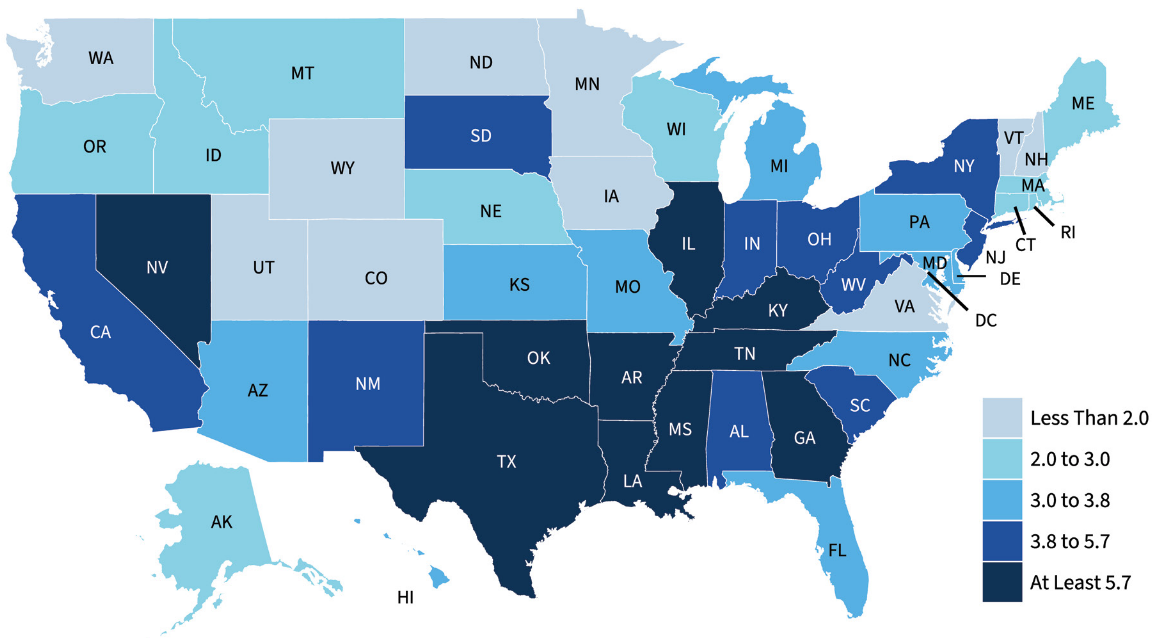
[22] Family households with an unmarried female or male householder, as classified by the U.S. Census Bureau, are households for which the householder (that is, generally the person or one of the people in whose name the home is owned or rented) is an unmarried female or male (that is, widowed, divorced, never married, or married but the spouse is absent [including separated]) who resides with one or more non-spouse relatives, such as the householder's own child, sibling, parent, or grandchild. An unmarried partner, foster child, roommate, or other nonrelative of the householder may also reside in the household. Family households with an unmarried female or male householder are composed of varying numbers of individuals of all ages; single-parent households, for the purposes of this analysis, are those households with one or more children aged 17 or younger (typically the householder's own children but possibly other individuals, such as younger siblings or grandchildren) and only one adult aged 18 or older.

Unbanked Rates by Geography

Regional variation in the unbanked rate in 2023 was similar to previous years, with the unbanked rate highest in the South. The unbanked rate in the South in 2023 was 5.1 percent, compared with 3.9 percent in the Northeast, 3.8 percent in the Midwest, and 3.4 percent in the West. The unbanked rate in the South in 2023 was similar to 2021 (4.9 percent), having decreased from 2019 (6.2 percent). (See Appendix Table A.2 for unbanked rates over time by region as well as selected confidence intervals.)

Unbanked rates in 2023 varied widely across states, as illustrated in Figure 1.6. Reflecting the regional variation described above and similar to previous years, unbanked rates were generally higher among states in the South. Unbanked rates ranged from 0.9 percent in Virginia and Vermont to 9.4 percent in Mississippi. (See Appendix Tables A.3 and A.4 for unbanked rates over time by state and Metropolitan Statistical Area [MSA] as well as selected confidence intervals.)[23]

FIGURE 1.6 Unbanked Rates by State, 2023 (Percent)



[23] For five-year estimates of unbanked rates by state and MSA as well as confidence intervals, see FDIC, "Five-Year Estimates Table Tool," https://household-survey.fdic.gov/five-year.

Transitions in Bank Account Ownership

As discussed in previous reports, bank account ownership is not static. Table 1.2 segments all households in 2023 into one of four categories based on whether the household had experienced a change to its bank account ownership within the past 12 months.

TABLE 1.2 Transitions in Bank Account Ownership, 2023
All Households, Column Percent

Category	All
Longer-Term Unbanked	3.7
Recently Unbanked	0.5
Recently Banked	5.9
Longer-Term Banked	89.9
Note: Column percentages sum to 100.	

In 2023, 3.7 percent of households were longer-term unbanked, meaning they did not have a bank account at the time of the survey (in June 2023) or at any point in the 12 months before (between June 2022 and June 2023).[24] A small proportion of households, 0.5 percent, were recently unbanked, meaning they did not have a bank account at the time of the survey but did at some point in the 12 months before.[25]

Another 5.9 percent of households were recently banked, meaning they had a bank account at the time of the survey but did not at some point in the 12 months before. The remaining 89.9 percent of households were longer-term banked, meaning they had a bank account at the time of the survey and continually during the 12 months before.[26]

Previous Bank Account Ownership and Interest in Having a Bank Account

Looking beyond one-year transitions in bank account ownership further supports the notion that bank account ownership is dynamic. Table 1.3 shows that among unbanked households in 2023, roughly half (47.4 percent) had had a bank account at some point in the past (that is, had previously been banked), similar to previous years.

TABLE 1.3 Previous Bank Account Ownership, 2019–2023
Unbanked Households, Row Percent

Year	Previously Banked	Never Banked
2019	50.4	49.6
2021	48.8	51.2
2023	47.4	52.6
Note: Row percentages sum to 100.		

Further, some households that did not have a bank account at the time of the survey were interested in having one. As in previous surveys, the 2023 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 1.4 shows that, in 2023, three in ten unbanked households (29.1 percent) were very or somewhat interested in having an account, while 70.9 percent were not very or not at all interested. Between 2019 and 2023, the proportion of unbanked households that were very interested in having an account increased, while the proportion that were not at all interested decreased.

TABLE 1.4 Unbanked Households' Interest in Having a Bank Account, 2019–2023
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
2023	11.5	17.6	19.7	51.2
Note: Row percentages sum to 100.				

Interest in having a bank account was higher among certain segments of unbanked households. For example, as displayed in Figure 1.7, among unbanked households that had previously been banked, 34.7 percent were very or somewhat interested in having an account in 2023, compared with 24.0 percent of unbanked households that had never been banked.

Within unbanked households that had previously been banked, interest in having a bank account was higher among households with more recent account ownership, as measured by when the household had most recently had an account. Specifically, among unbanked households that had most recently had an account in the past 12 months, 63.7 percent were very or somewhat interested in having an account in 2023, more than twice the proportion among unbanked households that had most recently had an account more than 12 months ago (25.7 percent).

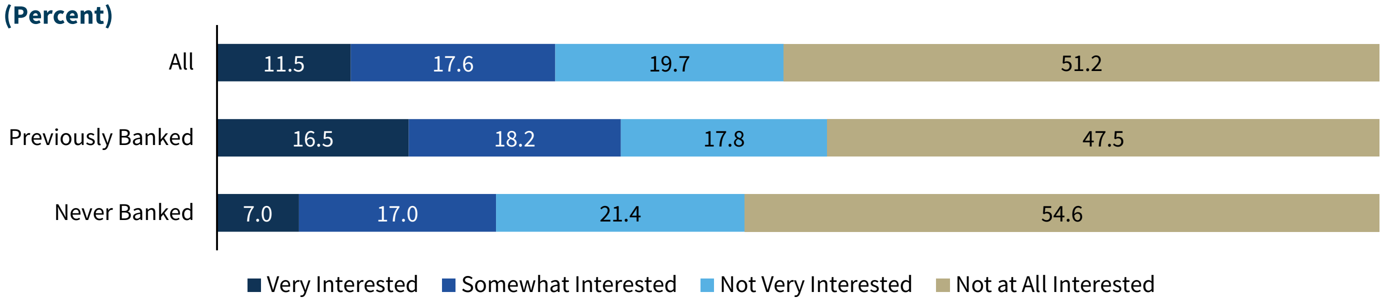
Interest in having a bank account also varied by age. For example, 38.0 percent of unbanked households aged 25 to 34 were very or somewhat interested in having an

[24] Longer-term unbanked households may never have had an account, or they may have had an account at some point more than 12 months before the survey.

[25] As shares of all unbanked households in 2023, 11.3 percent were recently unbanked and 88.7 percent were longer-term unbanked. These shares are similar to the shares in 2021, when 10.7 percent of all unbanked households were recently unbanked and 89.3 percent were longer-term unbanked.

[26] As shares of all banked households in 2023, 6.2 percent were recently banked and 93.8 percent were longer-term banked. These shares are not comparable to the shares in 2021 because of differences in the reference timeframe for having opened a bank account—the past 12 months (2023 survey) versus the past 15 months (2021 survey). See Appendix 2 for details.

FIGURE 1.7 Unbanked Households' Interest in Having a Bank Account by Previous Bank Account Ownership, 2023 (Percent)



account in 2023, compared with 13.9 percent of unbanked households aged 65 or older. (See Appendix Table A.5 for interest in having a bank account in 2023 by household characteristics.)

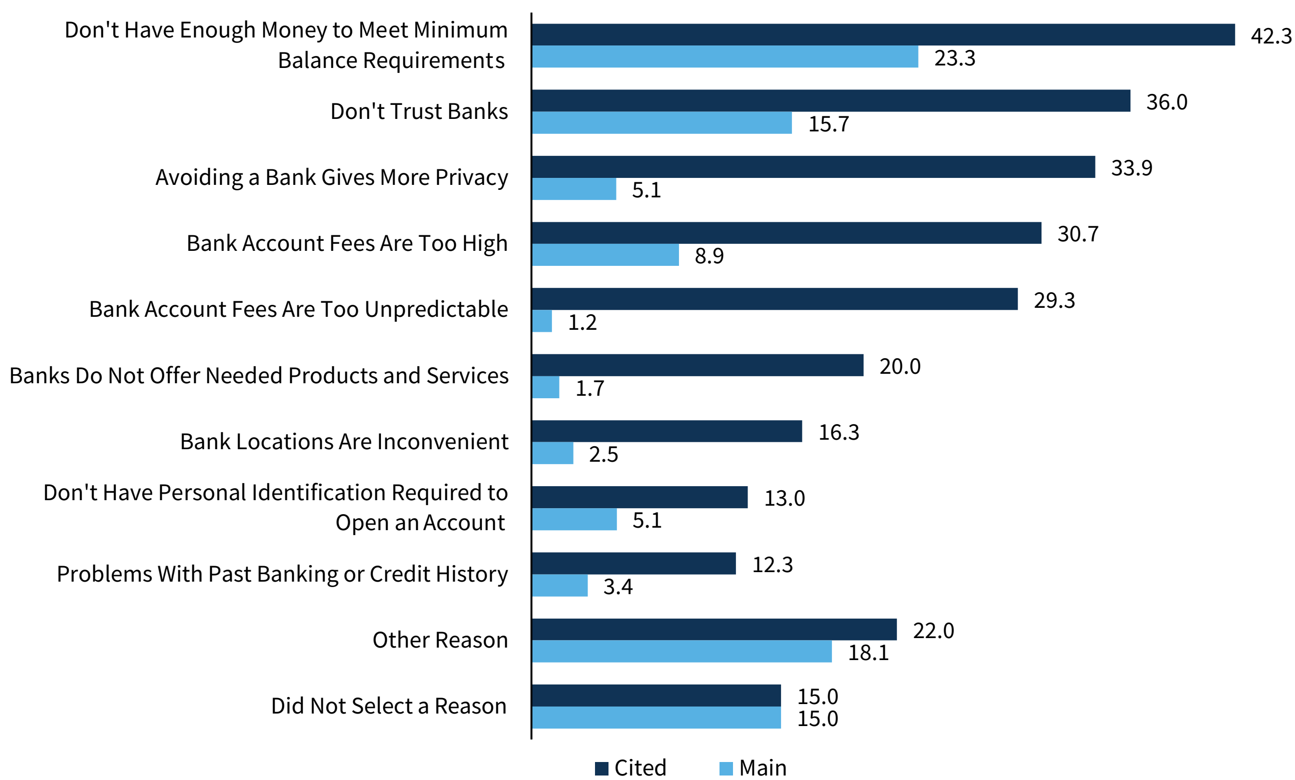
Reasons for Not Having a Bank Account

As in previous surveys, the 2023 survey asked unbanked households about their reasons for not having a bank account.

Figure 1.8 illustrates that 42.3 percent of unbanked households in 2023 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 2023 (23.3 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 in 2023 was similar to the share in 2021 (40.1 percent) but lower than in 2019 (48.9 percent). The share of unbanked households that cited this reason as the main reason for not having an account in 2023 also was similar to the share in 2021 (21.7 percent), having decreased from 2019 (29.0 percent).

Other commonly cited reasons for not having a bank account, each cited by about three in ten unbanked households in 2023, were "*Don't trust banks*," "*Avoiding a bank gives more privacy*," "*Bank account fees are too high*,"

FIGURE 1.8 Unbanked Households' Cited and Main Reasons for Not Having a Bank Account, 2023 (Percent)



Note: Bars for cited reasons sum to more than 100 percent because households could select more than one reason for not having a bank account. Bars for main reason sum to 100 percent.

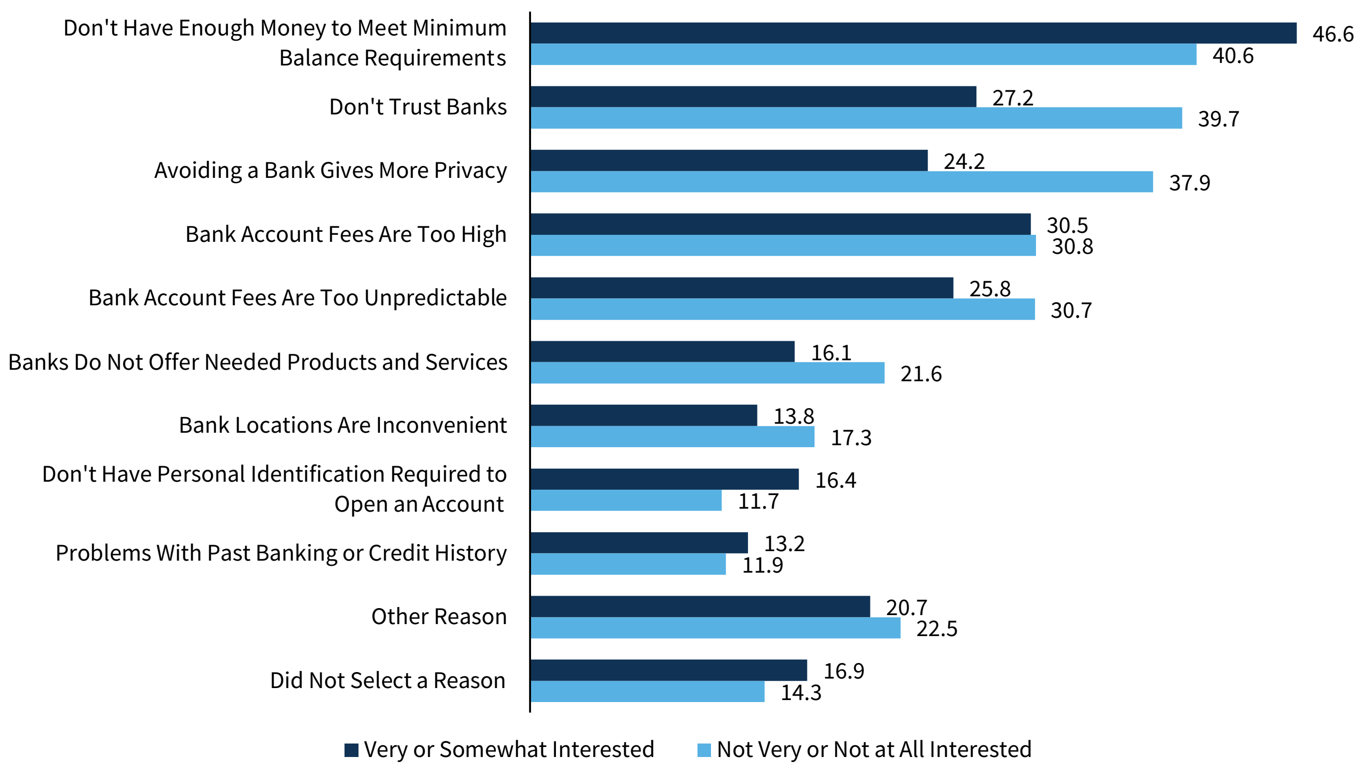
and "*Bank account fees are too unpredictable*." As in 2021 (13.2 percent) and 2019 (16.1 percent), "*Don't trust banks*" was the second-most cited main reason overall in 2023 (15.7 percent).

One-third of unbanked households in 2023 (33.4 percent) cited a reason related to fees or a minimum balance as the main reason for not having an account. These reasons include "*Bank account fees are too high*," "*Bank account fees are too unpredictable*," and "*Don't have enough money to meet minimum balance requirements*." The share increased from 29.2 percent in 2021 but decreased from 38.0 percent in 2019.

Several reasons for not having a bank account in 2023 were significantly different between unbanked households that were not very or not at all interested in having an account and those that were very or somewhat interested. For example, among unbanked households that were not very or not at all interested in having an account, 37.9 percent cited "*Avoiding a bank gives more privacy,*" as a reason for not having an account, compared with 24.2 percent of unbanked households that were very or somewhat interested (see Figure 1.9). Further, "*Don't trust banks*" and "*Banks do not offer needed products and services*" were more commonly cited among unbanked households that were not very or not at all interested in having an account. In contrast, "*Don't have personal identification required to open an account*" was more frequently cited among unbanked households that were very or somewhat interested. (See Appendix Tables A.6 and A.7 for cited and main reasons for not having an account in 2023 by interest in having an account.)

Reasons for not having a bank account in 2023 were similar between unbanked households that had previously been banked and those that had never been banked, with one exception. A much higher proportion of unbanked households that had never been banked cited "*Don't have personal identification required to open an account,*" as a reason for not having an account (20.4 percent), compared with unbanked households that had previously been banked (4.8 percent). (See Appendix Tables A.8 and A.9 for cited and main reasons for not having an account in 2023 by previous bank account ownership.)

FIGURE 1.9 Unbanked Households' Cited Reasons for Not Having a Bank Account by Interest in Having a Bank Account, 2023 (Percent)



Note: Bars sum to more than 100 percent because households could select more than one reason for not having a bank account.

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2. METHODS BANKED HOUSEHOLDS USED TO ACCESS BANK ACCOUNTS

Summary

In 2023, almost half of banked households used mobile banking as their primary method of bank account access. Over the past decade, the use of mobile banking as the primary method of account access increased almost ninefold, while the use of bank tellers fell by more than half, and the use of online banking declined by more than one-third. The increase in the use of mobile banking as the primary method of account access was widespread across household characteristics, in particular across all age groups. The decline in the use of bank tellers as the primary method of account access was also widespread across household characteristics; however, this method continued to be more prevalent among certain groups, including lower-income households, less-educated households, older households, and households that did not live in a metropolitan area. Nevertheless, almost all banked households used an in-person channel—ATMs or bank tellers—at least once in 2023 to access their accounts.

Primary Method of Bank Account Access

Knowing how households access their bank accounts can help inform discussions about how best to serve different groups of consumers. As in previous surveys, the 2023 survey asked banked households about the primary (that is, most common) method they had used to access their bank accounts in the past 12 months: using an automated teller machine or bank kiosk (hereafter, ATM); visiting a bank teller; using an app, text messaging, or internet browser on a mobile phone (hereafter, mobile banking); using a computer or tablet (hereafter, online banking); calling the bank (hereafter, telephone banking); or using some other method (hereafter, other).[27] ATMs and bank tellers are considered in-person channels, while mobile, online, and telephone banking are considered off-site channels.

As shown in Table 2.1, among off-site channels, the use of mobile banking increased sharply, from 34.0 percent in 2019 and 43.5 percent in 2021 to 48.3 percent in 2023. Since 2019, mobile banking has been the most prevalent primary method of account access. Online banking continued to be the second-most prevalent primary method of account access, though the use of this method was somewhat lower in 2023 than in 2021 and 2019. Only 2.3 percent of banked households used telephone banking as the primary method of account access in 2023. In total, 70.5 percent of banked households in 2023 used an off-site channel as the primary method of account access, up from 68.4 percent in 2021 and 59.2 percent in 2019.

On the other hand, altogether, 28.9 percent of banked households in 2023 used an in-person channel as the primary method of account access, down from 31.0 percent in 2021 and 40.5 percent in 2019. The use of ATMs as the primary method of account access decreased between 2019 (19.5 percent) and 2023 (13.8 percent), while the use of bank tellers was similar in 2021 (14.9 percent) and 2023 (15.1 percent), having declined considerably from 2019 (21.0 percent).[28]

TABLE 2.1 Primary Method of Bank Account Access, 2019–2023

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

Year	In-Person Channels		Off-Site Channels			Other
	ATM	Bank Teller	Mobile Banking	Online Banking	Telephone Banking	
2019	19.5	21.0	34.0	22.8	2.4	0.3
2021	16.0	14.9	43.5	22.0	2.9	0.7
2023	13.8	15.1	48.3	19.8	2.3	0.7

Note: Row percentages sum to 100.

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

[28] While the 2021 and 2023 surveys 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 bank tellers and the increase in the use of mobile banking as the primary method of account access between 2019 and 2023 are consistent with difficulties that households might have experienced in visiting a bank branch during the COVID-19 pandemic. For example, the social distancing guidelines instituted in response to the pandemic might have made bank branch visits more challenging. (Before the COVID-19 pandemic, the use of bank tellers as the primary method of account access had been trending downward and the use of mobile banking had been trending upward; see Figure 2.1.)

The changes between 2019 and 2023 in the use of mobile banking, bank tellers, and online banking as the primary method of account access reflect longer-term trends. Over the past decade, the use of mobile banking as the primary method of account access increased almost ninefold (see Figure 2.1). In comparison, the use of bank tellers fell by more than half, and the use of online banking declined by more than one-third.

The decline in the use of bank tellers as the primary method of account access was widespread across household characteristics. However, this method continued to be more prevalent among certain groups, including lower-income households, less-educated households, older households, and households that did not live in a metropolitan area (see Table 2.2). For example, almost one-third of households without a high school diploma (32.4 percent) and a similar percentage of households aged 65 or older (30.4 percent) used bank tellers as their primary method of account access in 2023.

Likewise, the increase in the use of mobile banking as the primary method of account access was widespread across household characteristics. In particular, many groups with relatively lower use of mobile banking in 2019, such as households that did not live in a metropolitan area and older households, exhibited large increases between 2019 and 2023 in their use of mobile banking as the primary method of account access. Among households that did not live in a metropolitan area, 39.0 percent used mobile banking as the primary method in 2023, higher than in 2019 (24.3 percent) and 2021 (35.3 percent). Mobile banking continued to be the most prevalent primary method of account access for households that did not live in a metropolitan area, having overtaken bank tellers in 2021. Among households aged 65 or older, 19.3 percent used mobile banking as the primary method in 2023, up sharply from 8.3 percent in 2019 and 15.3 percent in 2021. Despite this increase, bank tellers continued to be the most prevalent primary method of account access for households aged 65 or older. (See Appendix Table B.1 for the primary method of bank account access in 2023 by household characteristics.)

FIGURE 2.1 Bank Teller, Mobile Banking, and Online Banking as Primary Method of Bank Account Access, 2013–2023 (Percent)

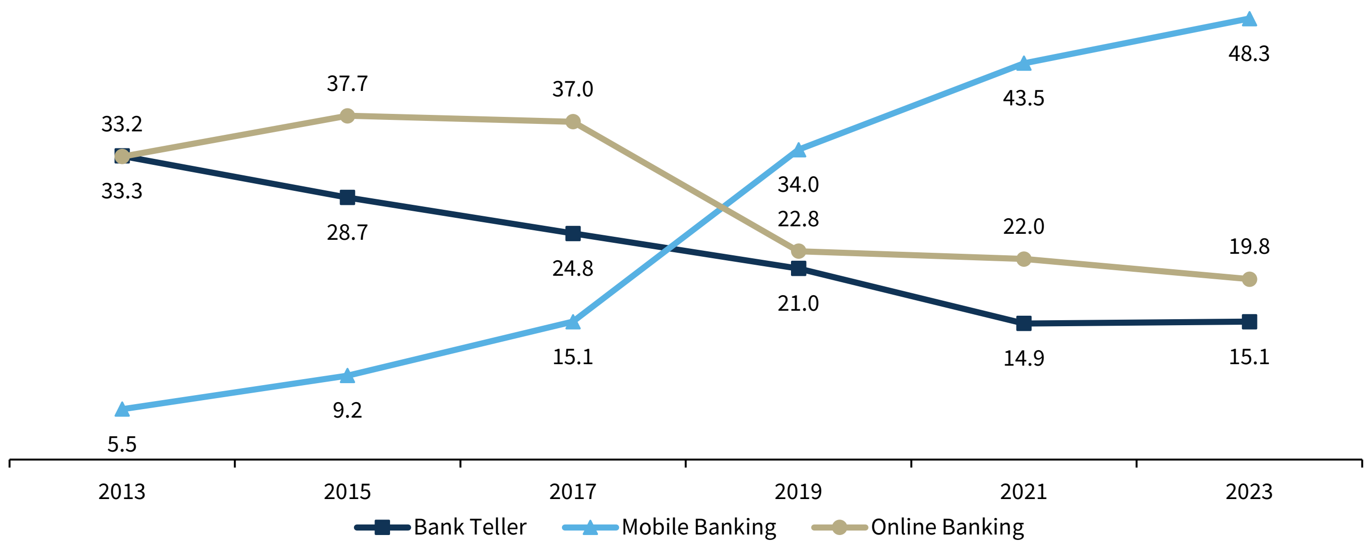


TABLE 2.2 Bank Teller and Mobile Banking as Primary Method of Bank Account Access by Selected Household Characteristics, 2019–2023

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

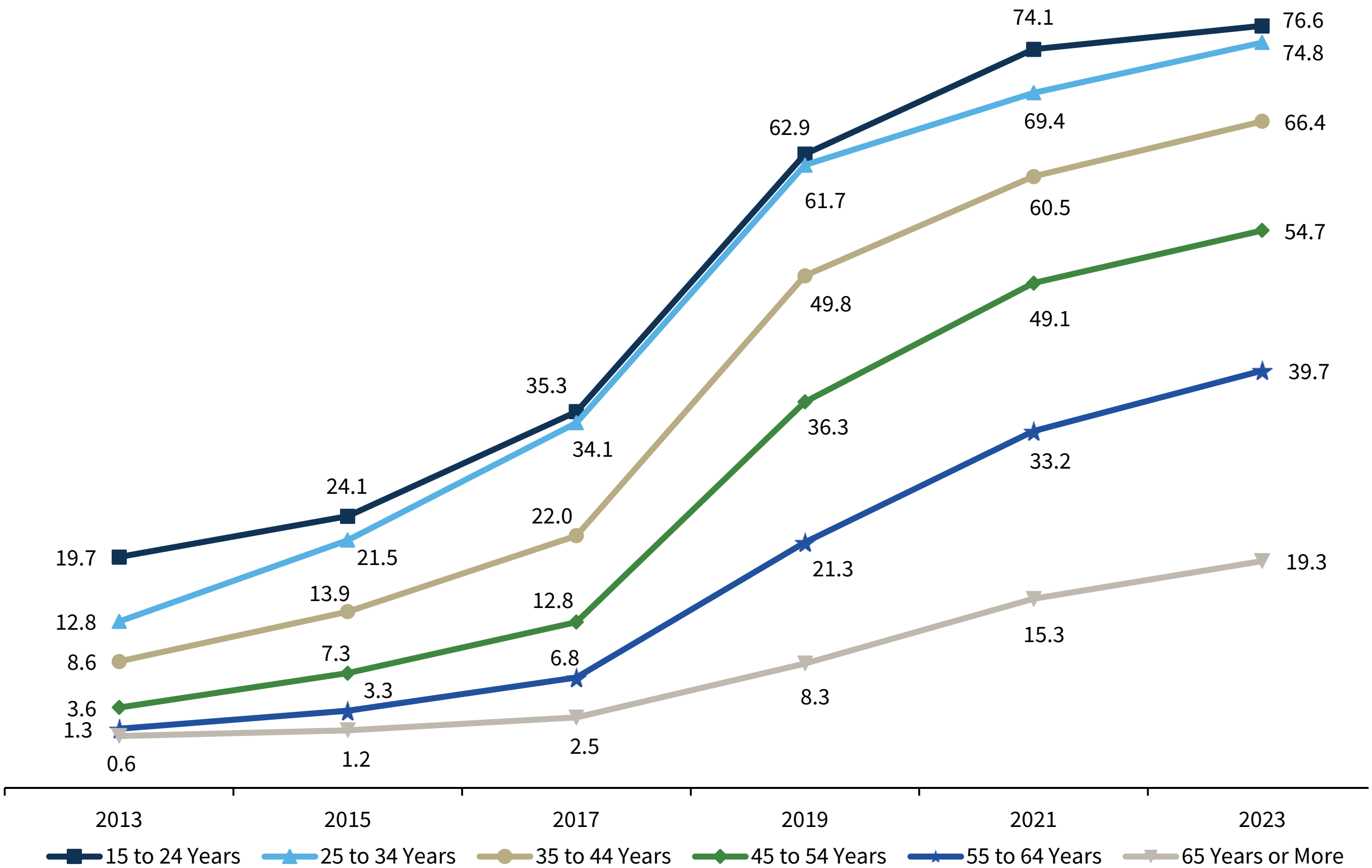
Characteristic	Bank Teller				Mobile Banking			
	2019	2021	2023	Difference (2023–2021)	2019	2021	2023	Difference (2023–2021)
All	21.0	14.9	15.1	0.2	34.0	43.5	48.3	4.9*
Family Income								
Less Than $15,000	35.9	24.9	27.4	2.4	23.5	33.9	35.1	1.2
$15,000 to $30,000	31.7	24.8	27.8	3.0*	25.9	33.4	31.9	-1.5
$30,000 to $50,000	24.7	19.5	21.4	1.9*	33.2	39.4	42.8	3.4*
$50,000 to $75,000	20.3	14.5	15.7	1.2	35.9	44.9	48.8	3.9*
At Least $75,000	13.1	8.3	8.2	-0.1	38.1	49.3	55.6	6.2*
Education								
No High School Diploma	39.6	33.4	32.4	-1.0	19.2	24.3	31.5	7.2*
High School Diploma	30.3	22.0	22.1	0.1	27.3	38.0	42.3	4.3*
Some College	20.3	14.5	15.2	0.7	36.5	45.6	49.2	3.6*
College Degree	12.9	8.4	8.8	0.4	38.6	48.0	53.5	5.5*
Age Group								
15 to 24 Years	10.2	4.1	5.5	1.4	62.9	74.1	76.6	2.5
25 to 34 Years	8.0	4.8	4.6	-0.1	61.7	69.4	74.8	5.4*
35 to 44 Years	10.6	6.3	6.4	0.1	49.8	60.5	66.4	5.9*
45 to 54 Years	15.5	9.9	10.3	0.3	36.3	49.1	54.7	5.6*
55 to 64 Years	24.3	16.5	15.8	-0.7	21.3	33.2	39.7	6.5*
65 Years or More	39.2	30.5	30.4	0.0	8.3	15.3	19.3	4.0*
Race/Ethnicity								
Black	20.6	15.6	16.5	1.0	37.2	45.4	48.5	3.0*
Hispanic	20.9	14.8	14.6	-0.1	41.3	49.6	54.7	5.1*
Asian	18.4	12.0	11.1	-0.9	39.3	48.6	54.3	5.7*
American Indian or Alaska Native	23.2	11.1	12.7	1.6	30.5	50.6	48.9	-1.7
Native Hawaiian or Other Pacific Islander	NA	NA	14.2	NA	NA	NA	57.2	NA
White	21.4	15.3	15.4	0.2	31.4	41.1	46.2	5.1*
Two or More Races	14.0	8.7	10.4	1.8	45.5	52.3	57.7	5.4
Disability Status								
Disabled, Aged 25 to 64	23.3	16.1	18.4	2.3	29.8	42.3	47.4	5.0*
Not Disabled, Aged 25 to 64	13.9	8.8	8.3	-0.5	42.9	53.7	59.8	6.1*
Monthly Income Volatility								
Income Was About the Same Each Month	21.8		16.0		32.0		45.9	
Income Varied Somewhat From Month to Month	17.5		10.9		40.8		58.5	
Income Varied a Lot From Month to Month	21.5		13.3		40.6		56.6	
Metropolitan and Nonmetropolitan Status								
Metropolitan Area	19.1	13.3	13.8	0.5	35.4	44.7	49.8	5.0*
Not in Metropolitan Area	33.4	25.5	24.0	-1.6	24.3	35.3	39.0	3.7*

Note: Monthly income volatility is not available for 2021. 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 B.2 and B.3 for estimates by other household characteristics as well as selected confidence intervals.

The changes between 2019 and 2023 in the use of mobile banking as the primary method of account access by age reflect longer-term trends. Over the past decade, the use of mobile banking as the primary method of account access increased sharply for all age groups (see Figure 2.2). For example, the use of mobile banking as the primary method of account access increased almost sixfold among households aged 25 to 34 and more than 30-fold among households aged 65 or older.

Households with volatile income may have a need to monitor account balances closely, and mobile banking may help these households manage their financial inflows and outflows.[29] Table 2.2 indicates that the use of mobile banking as the primary method of account access was higher among households with volatile income. Specifically, 58.5 percent of households with income that varied somewhat from month to month and 56.6 percent of households with income that varied a lot from month to month used mobile banking as the primary method of account access in 2023, compared with 45.9 percent of households with income that was about the same each month.

FIGURE 2.2 Mobile Banking as Primary Method of Bank Account Access by Age Group, 2013–2023 (Percent)



[29] In focus groups conducted by the FDIC in 2015, some consumers who used mobile financial services reported that mobile alerts and monitoring tools had helped them reduce fees, track their finances better, and improve on-the-spot decision-making. Mobile bill payments and peer-to-peer payments had also helped participants manage payments conveniently and quickly. See FDIC, "Opportunities for Mobile Financial Services to Engage Underserved Consumers: Qualitative Research Findings," May 25, 2016, https://www.fdic.gov/system/files/2024-07/mfs_qualitative_research_report.pdf.

All Methods of Bank Account Access

In addition to the primary method of bank account access, the survey collected data on whether banked households had used a particular method at least once in the past 12 months to access their accounts. As shown in Table 2.3, four in five banked households (79.2 percent) used ATMs at least once in 2023 to access their accounts, a higher proportion than any other method but down slightly from 82.3 percent in 2019. Two-thirds of banked households (67.9 percent) used bank tellers at least once in 2023 to access their accounts, a decline from 76.4 percent in 2019 but higher than in 2021 (63.4 percent).

TABLE 2.3 All Methods of Bank Account Access, 2019–2023
Banked Households That Accessed Their Account in the Past 12 Months, Row Percent

Year	In-Person Channels		Off-Site Channels			Other
	ATM	Bank Teller	Mobile Banking	Online Banking	Telephone Banking	
2019	82.3	76.4	63.8	64.1	41.0	0.8
2021	79.6	63.4	71.7	66.1	43.6	1.6
2023	79.2	67.9	74.9	65.1	44.9	1.5

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

Almost all banked households used an in-person channel at least once to access their accounts. Specifically, 91.8 percent of banked households used ATMs or bank tellers at least once in 2023 to access their accounts, similar to the percentage in 2021 (91.6 percent) but down from 2019 (95.9 percent).

For mobile banking, 74.9 percent of banked households used this method at least once in 2023 to access their accounts, up from 63.8 percent in 2019. From 2019 to 2023, about two in three banked households used online banking, and about four in ten banked households used telephone banking, at least once to access their accounts.

As with in-person channels, the vast majority of banked households used an off-site channel at least once to access their accounts. Specifically, 90.7 percent of banked households used mobile, online, or telephone banking at least once in 2023 to access their accounts, up from 89.7 percent in 2021 and 85.0 percent in 2019.

Almost all banked households used multiple methods to access their accounts. In 2023, 91.2 percent of banked households used two or more methods and 73.8 percent of banked households used three or more methods. These percentages are similar to the percentages in 2021 and 2019; in 2021, for example, 90.6 percent of banked households used two or more methods and 72.2 percent of banked households used three or more methods.

About one in ten banked households in 2023 (8.8 percent) used only one method to access their accounts. Specifically, 3.6 percent of banked households in 2023 used only bank tellers, 2.0 percent used only mobile banking, 1.7 percent used only ATMs, 0.7 percent used only online banking, 0.5 percent used only telephone banking, and 0.3 percent used only other methods.

The share of banked households that used bank tellers as the only method of account access was similar in 2021 (3.9 percent) and 2023 (3.6 percent), having declined from 2019 (5.7 percent). The household groups 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, 11.3 percent of banked households without a high school diploma used bank tellers as the only method of account access in 2023, compared with 1.5 percent of households with a college degree. About one in ten banked households aged 65 or older (9.1 percent) used bank tellers as the only method of account access in 2023, compared with 1.5 percent of banked households aged 64 or younger. (See Appendix Table B.5 for the use of bank tellers as the only method of account access over time by household characteristics as well as selected confidence intervals.)

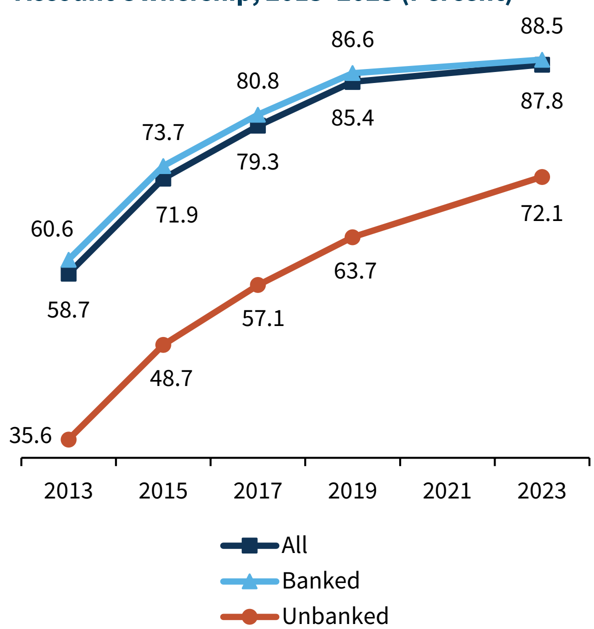
Spotlight: Smartphone Access

Financial institutions—banks and nonbanks—are seeking to interact with their customers through the internet and mobile phones, especially smartphones.[30] As in previous surveys, the 2023 survey asked all households whether they owned or had regular access to a smartphone (hereafter, smartphone access).[31] Over the past decade, smartphone access among all households increased from 58.7 percent in 2013 to 87.8 percent in 2023.

Smartphone access continued to be lower among unbanked households than among banked households (see Figure 2.3). However, among unbanked households, the proportion with smartphone access doubled between 2013 (35.6 percent) and 2023 (72.1 percent).

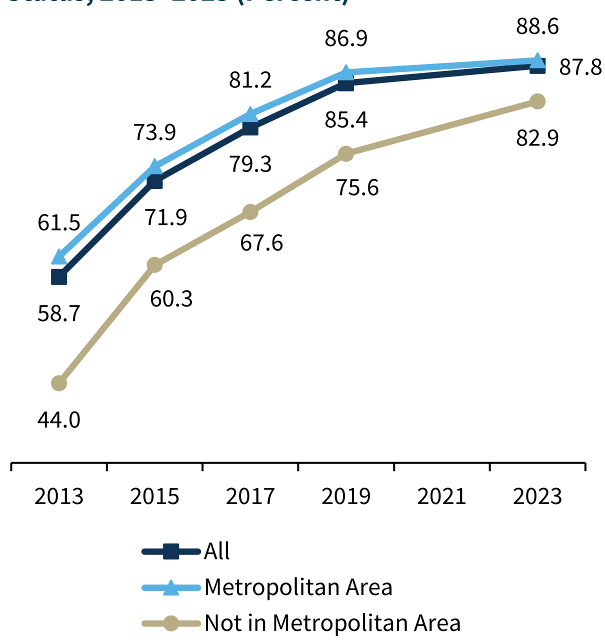
Additionally, smartphone access continued to be lower among households that did not live in a metropolitan area than among households that lived in a metropolitan area (see Figure 2.4). Nevertheless, among households that did not live in a metropolitan area, the proportion with smartphone access almost doubled between 2013 (44.0 percent) and 2023 (82.9 percent).[32]

FIGURE 2.3 Smartphone Access by Bank Account Ownership, 2013–2023 (Percent)



Note: The 2021 survey did not ask households about smartphone access.

FIGURE 2.4 Smartphone Access by Metropolitan Status, 2013–2023 (Percent)



Note: The 2021 survey did not ask households about smartphone access.

[30] Focus groups conducted by the FDIC in 2015 examined the potential for mobile financial services to improve banks' access to underserved (including unbanked) consumers and the potential for mobile financial services to help banks sustain and grow banking relationships with this same group; the research was also intended to allow an understanding of the factors limiting this potential. See FDIC, "Opportunities for Mobile Financial Services to Engage Underserved Consumers: Qualitative Research Findings."

[31] The 2021 survey did not ask households about smartphone access.

[32] See Appendix Table B.6 for estimates of smartphone access in 2023 by other household characteristics.

3. CONDUCTING TRANSACTIONS: NONBANK ONLINE PAYMENT SERVICES AND PREPAID CARDS

Summary

In 2023, half of all households (49.7 percent) were using nonbank online payment services, such as PayPal, Venmo, or Cash App, at the time of the survey, up from 46.4 percent in 2021. The use of these services continued to be more common among banked households than among unbanked households. In 2023, 5.9 percent of all households were using prepaid cards at the time of the survey, down from 6.9 percent in 2021. Unbanked households' use of prepaid cards continued to be disproportionate when compared with banked households' use of prepaid cards. However, between 2021 and 2023, the use of prepaid cards fell by about one-third among unbanked households but only one-tenth among banked households. Compared with banked households, substantially higher shares of unbanked households used online payment services and prepaid cards in ways that substitute for some of the core financial transactions that can be conducted using a bank account, including paying bills, receiving income, and saving or keeping money safe.

Nonbank online payment services and general purpose reloadable prepaid cards (hereafter, prepaid cards) allow consumers to store money and to make and receive payments. Banked households may use nonbank online payment services and prepaid cards alongside use of their bank accounts. Unbanked households, on the other hand, may use nonbank online payment services and prepaid cards to conduct many of the same types of core financial transactions that banked households conduct using their bank accounts, such as paying bills and receiving income.

As in the 2021 survey, the 2023 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, but not Zelle, which is a service provided by banks that does not allow storing money outside a bank account. All online payment services discussed in this section are from nonbank providers.

In addition, the survey continued to ask households about their use of prepaid cards. Prepaid cards can be obtained from banks, retail stores, websites, employers, government agencies, and other sources.[33] Many prepaid cards store funds in accounts eligible for federal deposit insurance.[34]

Households were asked follow-up questions on the types of transactions conducted using online payment services and prepaid cards. Households with online payment services or prepaid cards were asked whether they used them to pay bills like rent, mortgage, utilities, or child care (hereafter, pay bills); receive money from work, retirement, or a government agency (hereafter, receive income); build savings or keep money in a safe place (hereafter, save or keep money safe); send money to or receive money from family or friends (hereafter, send or receive money); make purchases in person; make purchases online; or for some other use.

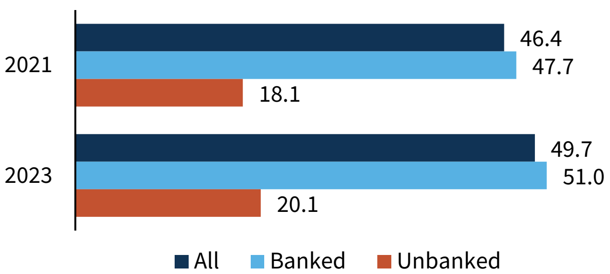
[33] The survey questions on prepaid cards instructed households not to consider gift cards.

[34] FDIC deposit insurance applies only to deposits at FDIC-insured banks and savings associations. In some instances, nonbanks and issuers of prepaid cards can deposit consumers' funds at FDIC-insured banks with the intent that pass-through coverage will be available, meaning the funds would be insured as if they had been deposited at the bank in the name of the consumer. If certain requirements are satisfied, then each consumer's funds are separately insured in the event of the bank's failure.

Use by Bank Account Ownership

In 2023, half of all households (49.7 percent) were using online payment services at the time of the survey, up from 46.4 percent in 2021 (see Figure 3.1). The use of online payment services in 2023 continued to be more common among banked households than among unbanked households. Between 2021 and 2023, the use of online payment services increased among banked households. Among unbanked households, the difference in the use of online payment services between 2021 and 2023 was not statistically significant.

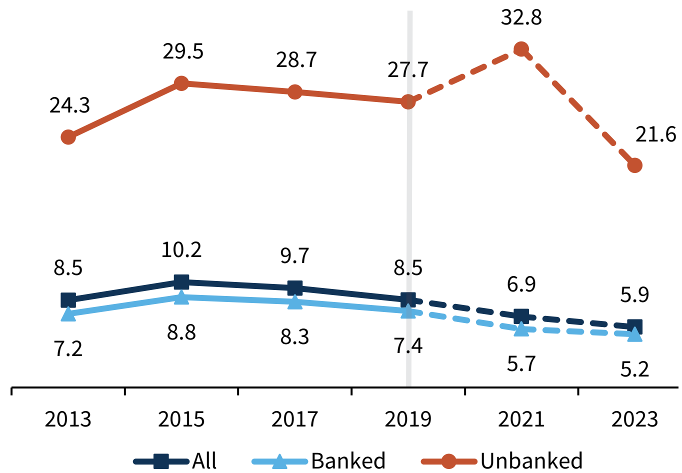
FIGURE 3.1 Use of Nonbank Online Payment Services by Bank Account Ownership, 2021–2023 (Percent)



In 2023, 5.9 percent of all households were using prepaid cards at the time of the survey, down from 6.9 percent in 2021 (see Figure 3.2). Unbanked households' use of prepaid cards in 2023 continued to be disproportionate when compared with banked households' use of prepaid cards. However, between 2021 and 2023, the use of prepaid cards fell by about one-third among unbanked households but only one-tenth among banked households.[35]

Between 2013 and 2019, the share of all households that used prepaid cards ranged from 8.5 percent in 2013 and 2019 to 10.2 percent in 2015. Because of a change in the reference timeframe for having used prepaid cards, the shares of households that used prepaid cards in 2021 and 2023 are not directly comparable to the shares between 2013 and 2019, as indicated by the dotted portions of the lines in Figure 3.2. In the 2013 to 2019 surveys, households were asked whether they had used prepaid cards in the past 12 months, instead of at the time of the survey.

FIGURE 3.2 Use of Prepaid Cards by Bank Account Ownership, 2013–2023 (Percent)



Note: Because of a change in the reference timeframe for having used prepaid cards, the shares of households that used prepaid cards in 2021 and 2023 are not directly comparable to the shares between 2013 and 2019, as indicated by the dotted portions of the lines. In the 2013 to 2019 surveys, households were asked whether they had used prepaid cards in the past 12 months, instead of at the time of the survey.

Use by Household Characteristics

As in 2021, the use of online payment services in 2023 was less prevalent among certain household groups, including lower-income households, less-educated households, older households, Hispanic households, and working-age households with a disability (see Table 3.1). For example, 27.1 percent of households with less than $15,000 in income used online payment services in 2023, compared with 63.7 percent of households with income of $75,000 or more. One-quarter of households aged 65 or older (25.1 percent) used online payment services in 2023, compared with two-thirds of households aged 25 to 34 (68.5 percent). And a smaller share of Hispanic households used online payment services (43.2 percent) than did Asian households (53.4 percent) and White households (51.0 percent).

The use of online payment services was higher among households with volatile income. Specifically, 59.6 percent of households with income that varied a lot from month to month and 58.8 percent of households with income that varied somewhat from month to month used online payment services in 2023, compared with 47.5 percent of households with income that was about the same each month.

[35] In addition, the use of prepaid cards in 2023 was higher among unbanked households that had previously been banked (26.5 percent) than among unbanked households that had never been banked (17.2 percent).

For most household groups in Table 3.1, the share that used online payment services in 2023 was higher than or similar to the share in 2021. For example, even among groups with relatively lower use of online payment services in 2021, such as households without a high school diploma, households aged 55 to 64, and working-age households with a disability, the use of online payment services increased substantially between 2021 and 2023.

As with online payment services, the use of prepaid cards differed across household characteristics. For example, as displayed in Table 3.1, the use of prepaid cards in 2023 was higher among lower-income households, less-educated households, Black households, American Indian or Alaska Native households, working-age households with a disability, and households with higher monthly income volatility. Differences by monthly income volatility were especially pronounced. For instance, 10.1 percent of households with income that varied a lot from month to month used prepaid cards in 2023, almost twice the share among households with income that was about the same each month (5.3 percent).

For most household groups in Table 3.1, the share that used prepaid cards in 2023 was lower than or similar to the share in 2021. For example, even among groups with relatively higher use of prepaid cards in 2021, such as households with less than $15,000 in income and households without a high school diploma, the use of prepaid cards declined substantially between 2021 and 2023.

TABLE 3.1 Use of Nonbank Online Payment Services and Prepaid Cards by Selected Household Characteristics, 2021–2023
All Households, Row Percent

Characteristic	Nonbank Online Payment Service			Prepaid Card		
	2021	2023	Difference (2023–2021)	2021	2023	Difference (2023–2021)
All	46.4	49.7	3.3*	6.9	5.9	-1.0*
Family Income						
Less Than $15,000	26.5	27.1	0.5	13.4	8.9	-4.5*
$15,000 to $30,000	28.5	30.4	1.9	8.8	8.7	-0.1
$30,000 to $50,000	35.8	39.6	3.7*	7.6	6.7	-1.0*
$50,000 to $75,000	46.4	46.6	0.2	6.2	5.3	-0.9*
At Least $75,000	62.1	63.7	1.5*	4.7	4.6	-0.1
Education						
No High School Diploma	18.3	23.9	5.6*	11.8	8.4	-3.4*
High School Diploma	32.5	36.2	3.7*	8.5	6.3	-2.2*
Some College	46.3	48.3	2.0*	7.2	6.8	-0.4
College Degree	60.6	63.4	2.8*	4.7	4.5	-0.2
Age Group						
15 to 24 Years	65.5	66.2	0.7	9.1	7.6	-1.5
25 to 34 Years	66.1	68.5	2.4*	7.4	6.1	-1.4*
35 to 44 Years	60.1	64.4	4.3*	8.0	6.4	-1.7*
45 to 54 Years	53.2	57.9	4.7*	8.0	6.5	-1.6*
55 to 64 Years	39.9	45.6	5.7*	7.1	6.3	-0.8
65 Years or More	22.9	25.1	2.1*	4.6	4.5	-0.1
Race/Ethnicity						
Black	43.4	48.3	4.9*	12.6	10.1	-2.5*
Hispanic	39.7	43.2	3.6*	7.3	5.6	-1.7*
Asian	53.6	53.4	-0.2	4.6	4.7	0.1
American Indian or Alaska Native	42.1	45.4	3.4	11.0	9.1	-2.0
Native Hawaiian or Other Pacific Islander	NA	48.8	NA	NA	9.6	NA
White	47.7	51.0	3.2*	5.8	5.0	-0.7*
Two or More Races	56.6	62.7	6.0	9.5	9.9	0.4
Disability Status						
Disabled, Aged 25 to 64	35.3	43.4	8.2*	13.6	11.4	-2.1*
Not Disabled, Aged 25 to 64	57.0	60.9	4.0*	6.8	5.6	-1.2*
Monthly Income Volatility						
Income Was About the Same Each Month		47.5			5.3	
Income Varied Somewhat From Month to Month		58.8			7.7	
Income Varied a Lot From Month to Month		59.6			10.1	

Note: Monthly income volatility is not available for 2021. 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 and C.2 for estimates by other household characteristics as well as selected confidence intervals.

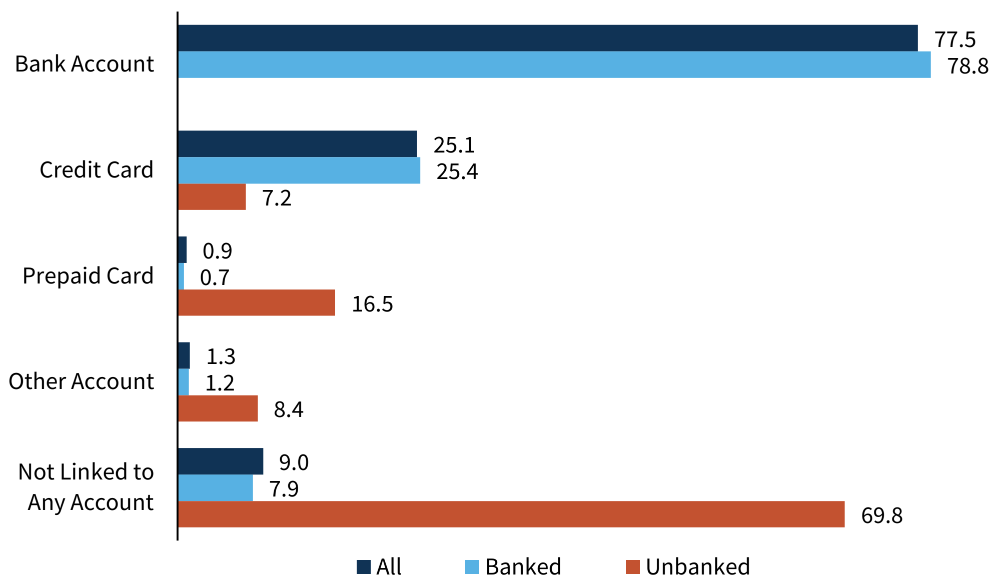
Spotlight: Linking Nonbank Online Payment Service Accounts to Other Transaction and Credit Accounts

Households can link their online payment service account to one or more bank accounts, credit cards, prepaid cards, or other services.[36] 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. In addition, 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.

More than three-quarters of banked households with online payment services in 2023 (78.8 percent) linked their online payment service account to their bank account, and 25.4 percent linked their online payment service account to a credit card (see Figure 3.3). Almost one in ten banked households in 2023 (7.9 percent) did not link any other types of accounts to their online payment service account.

More than two-thirds of unbanked households with online payment services (69.8 percent) did not link any other types of accounts to their online payment service account. Linking an online payment service account to a prepaid card was more common among unbanked households. In contrast, linking an online payment service account to a credit card was more common among banked households.

FIGURE 3.3 Linkage of Other Transaction and Credit Accounts to Nonbank Online Payment Service Accounts Among Households Currently Using Nonbank Online Payment Services by Bank Account Ownership, 2023 (Percent)



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

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

Transactions Conducted Using Nonbank Online Payment Services

Among all households with online payment services in 2023, sending or receiving money (72.4 percent), making purchases online (59.6 percent), and making purchases in person (32.0 percent) were the three most common types of transactions conducted using online payment services (see Figure 3.4).[37]

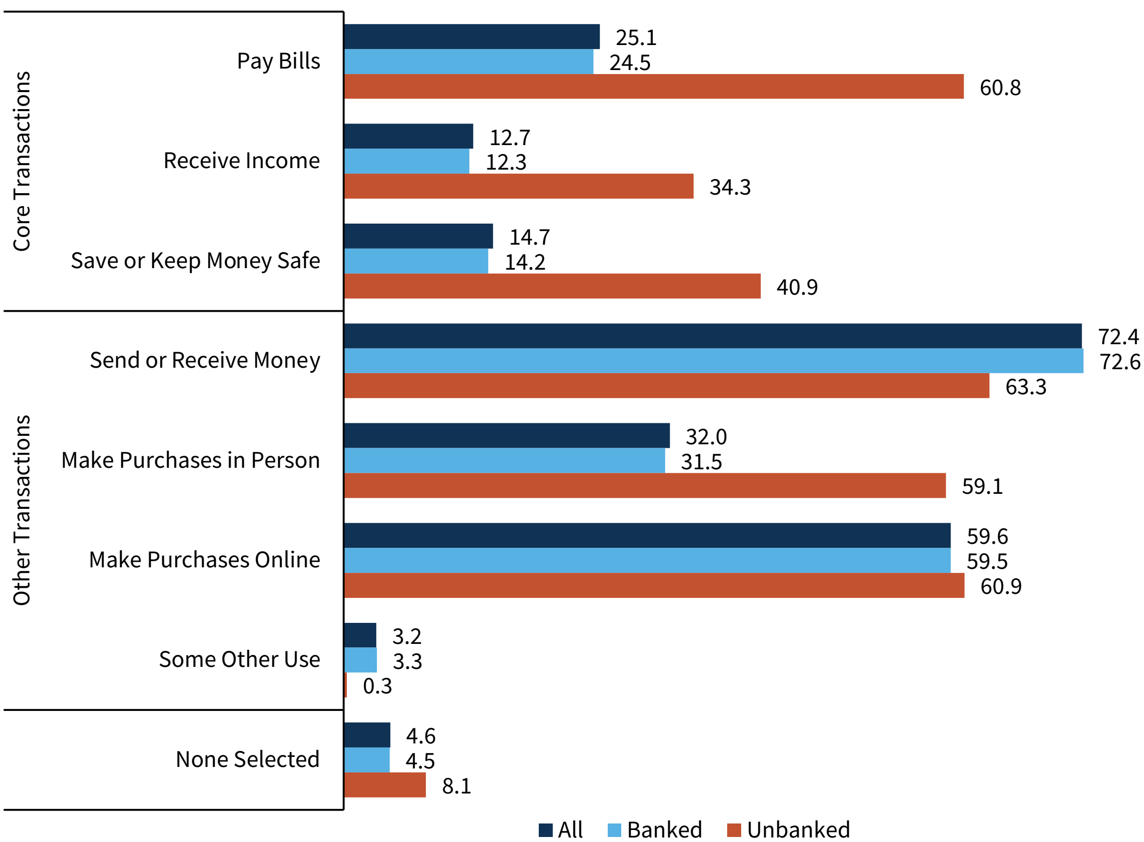
Compared with banked households, substantially higher shares of unbanked households used online payment services in ways that substitute for some of the core financial transactions that can be conducted using a bank account. Specifically, among unbanked households with online payment services, 60.8 percent used them to pay bills compared with 24.5 percent of banked households, 34.3 percent used them to receive income compared with 12.3 percent of banked households, and 40.9 percent used them to save or keep money safe compared with 14.2 percent of banked households. Altogether, seven in ten unbanked households with online payment services (71.5 percent) used them for at least one of these three core transactions, more than twice the percentage among banked households (33.5 percent).[38]

Unbanked households with online payment services used them to conduct an average of 3.2 types of transactions, while banked households with online payment services used them to conduct an average of 2.2 types of transactions.

Transactions Conducted Using Prepaid Cards

Among all households with prepaid cards in 2023, making purchases in person (63.1 percent) and making purchases online (51.5 percent) were the two most common types of transactions conducted using prepaid cards (see Figure 3.5). About one-third of all households with prepaid cards used their prepaid cards to pay bills (35.3 percent), and similar shares used their prepaid cards to send or receive money (33.4 percent) or receive income (33.3 percent).

FIGURE 3.4 Types of Transactions Conducted Using Nonbank Online Payment Services Among Households Currently Using Nonbank Online Payment Services by Bank Account Ownership, 2023 (Percent)



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

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

[38] See Appendix Table C.3 for types of transactions conducted using online payment services by household characteristics.

Compared with banked households, substantially higher shares of unbanked households used prepaid cards in ways that substitute for some of the core financial transactions that can be conducted using a bank account. Specifically, among unbanked households with prepaid cards, 73.9 percent used them to pay bills compared with 28.3 percent of banked households, 59.0 percent used them to receive income compared with 28.6 percent of banked households, and 44.8 percent used them to save or keep money safe compared with 19.2 percent of banked households. In total, nine in ten unbanked households with prepaid cards (90.7 percent) used them for at least one of these three core transactions, almost twice the percentage among banked households (46.0 percent).[39]

Unbanked households with prepaid cards used them to conduct an average of 3.4 types of transactions, while banked households with prepaid cards used them to conduct an average of 2.3 types of transactions.

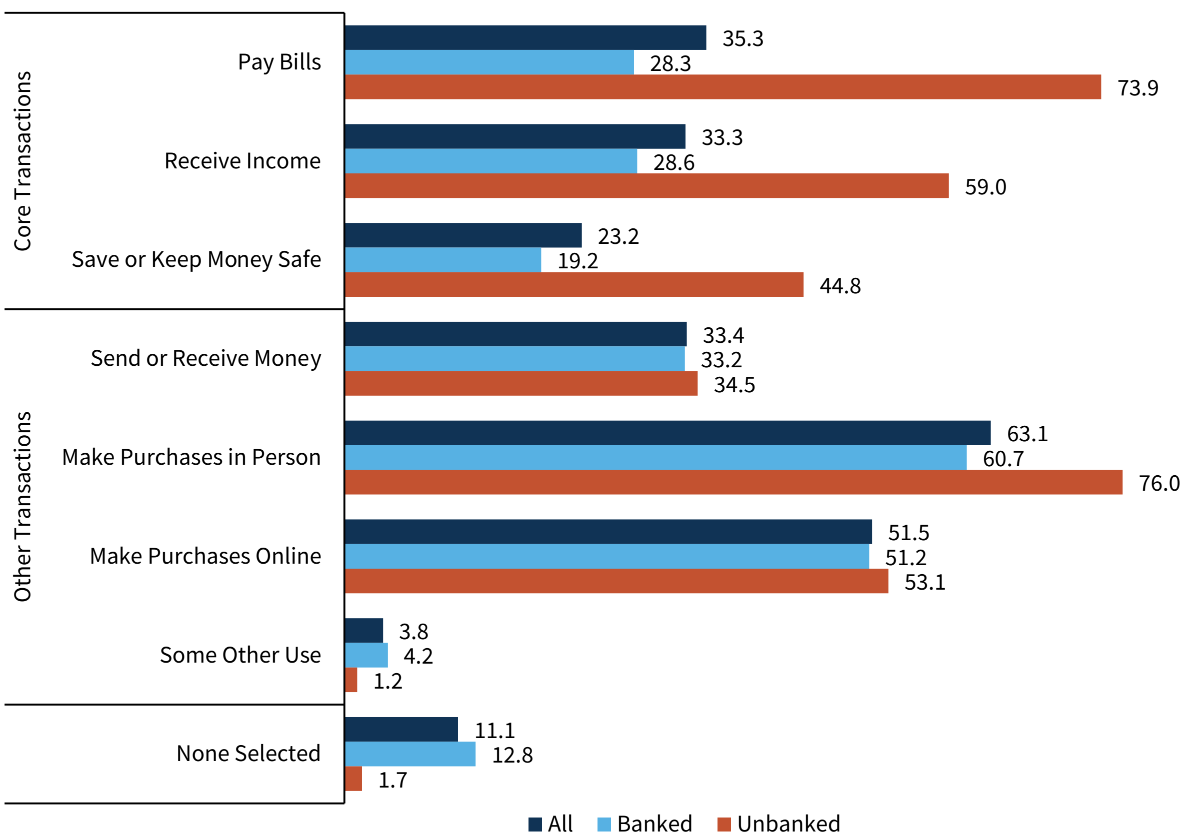
Cash-Only Unbanked Households

Unbanked households that used online payment services or prepaid cards often did so to handle core financial transactions that can be conducted using a bank account (see Figures 3.4 and 3.5). However, a large share of unbanked households in 2023 used neither online payment services nor prepaid cards. Table 3.2 segments all unbanked households in 2023 into one of four categories based on whether the household used online payment services or prepaid cards. One in 13 unbanked households (7.8 percent) used both online payment services and

TABLE 3.2 Use of Nonbank Online Payment Services and Prepaid Cards, 2023
Unbanked Households, Column Percent

Category	All
Both	7.8
Only Nonbank Online Payment Services	12.3
Only Prepaid Cards	13.8
Neither (Cash Only)	66.2
Note: Column percentages sum to 100.	

FIGURE 3.5 Types of Transactions Conducted Using Prepaid Cards Among Households Currently Using Prepaid Cards by Bank Account Ownership, 2023 (Percent)



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

[39] See Appendix Table C.4 for types of transactions conducted using prepaid cards by household characteristics.

prepaid cards. One in 8 unbanked households (12.3 percent) used online payment services but not prepaid cards, and a similar share (13.8 percent) used prepaid cards but not online payment services. The remaining unbanked households (66.2 percent) used neither online payment services nor prepaid cards. These households may be considered "cash only," presumably relying primarily on cash and other paper-based instruments, such as nonbank money orders, to conduct their financial transactions.[40] By using online payment services or prepaid cards to conduct their financial transactions, unbanked households gain direct access to electronic payment networks from which cash-only unbanked households are likely to be excluded.

Cash-only unbanked households differed in important ways from unbanked households that used online payment services, prepaid cards, or both. In particular, previous bank account ownership was lower among cash-only unbanked households, as was interest in having a bank account. In 2023, 41.0 percent of cash-only unbanked households had previously been banked, compared with 59.8 percent of unbanked households that used online payment services, prepaid cards, or both. And 25.0 percent of cash-only unbanked households in 2023 were very or somewhat interested in having an account, compared with 37.1 percent of unbanked households that used online payment services, prepaid cards, or both.

As a share of all households in 2023, 2.8 percent were cash-only unbanked. However, this share varied considerably across household characteristics. As shown in Table 3.3, cash-only unbanked rates were higher among lower-income households; less-educated households; Black, Hispanic, and American Indian or Alaska Native households; working-age households with a disability; and households with income that varied a lot from month to month. For example, 6.0 percent of Black households, 7.6 percent of Hispanic households, and 7.2 percent of American Indian or Alaska Native households were cash-only unbanked, compared with 1.1 percent of White households.[41] In general, the household groups that had higher (overall) unbanked rates in 2023 also had higher cash-only unbanked rates.[42]

TABLE 3.3 Unbanked and Cash-Only Unbanked Rates by Selected Household Characteristics, 2023

All Households, Row Percent

Characteristic	Unbanked	Cash-Only Unbanked
All	4.2	2.8
Family Income		
Less Than $15,000	21.8	14.7
$15,000 to $30,000	9.0	5.8
$30,000 to $50,000	4.5	2.9
$50,000 to $75,000	1.8	1.2
At Least $75,000	0.7	0.5
Education		
No High School Diploma	19.7	14.8
High School Diploma	6.5	4.1
Some College	3.0	1.8
College Degree	0.8	0.6
Age Group		
15 to 24 Years	5.9	3.7
25 to 34 Years	5.2	3.1
35 to 44 Years	4.7	2.8
45 to 54 Years	4.3	2.9
55 to 64 Years	4.4	3.0
65 Years or More	2.9	2.2
Race/Ethnicity		
Black	10.6	6.0
Hispanic	9.5	7.6
Asian	2.0	1.5
American Indian or Alaska Native	12.2	7.2
Native Hawaiian or Other Pacific Islander	4.8	4.4
White	1.9	1.1
Two or More Races	2.5	1.3
Disability Status		
Disabled, Aged 25 to 64	11.2	6.6
Not Disabled, Aged 25 to 64	3.7	2.5
Monthly Income Volatility		
Income Was About the Same Each Month	4.0	2.7
Income Varied Somewhat From Month to Month	4.6	3.0
Income Varied a Lot From Month to Month	8.3	4.9

Note: See Appendix Table C.5 for estimates of cash-only unbanked rates by other household characteristics as well as selected confidence intervals.

[40] The 2015 and 2017 surveys, which asked households how they paid bills and received income in a typical month, showed that unbanked households relied heavily on cash and other paper-based instruments for these transactions. In 2017, for example, about two-thirds of unbanked households used cash to pay bills, and one-quarter received income in cash. Further, about four in ten unbanked households used nonbank money orders to pay bills, and a similar share received income by paper check or money order. About half of the unbanked households that received income by paper check or money order used a nonbank check casher to get the funds. See FDIC, "2017 FDIC National Survey of Unbanked and Underbanked Households," October 2018, https://www.fdic.gov/system/files/2024-07/2017report.pdf. For information on the use of nonbank money orders, check cashing, and money transfer services in 2023, see section 4.

[41] As shares of all unbanked households in 2023, 57.0 percent of Black households, 79.9 percent of Hispanic households, and 60.3 percent of White households were cash only (the sample size for American Indian or Alaska Native unbanked households was too small to compute this share). This pattern follows from Hispanic unbanked households' lower propensity to use online payment services and prepaid cards, compared with Black and White unbanked households. In 2023, 11.0 percent of Hispanic unbanked households used online payment services, whereas 28.4 percent of Black unbanked households and 22.9 percent of White unbanked households did so, and 12.3 percent of Hispanic unbanked households used prepaid cards, whereas 28.8 percent of Black unbanked households and 24.1 percent of White unbanked households did so.

[42] For an in-depth analysis of the characteristics and attitudes of cash-only unbanked households using data from the 2021 survey, see Ryan Goodstein, "A Closer Look at the Unbanked: Cash-Only Households Versus Those That Use Prepaid Cards or Nonbank Payment Apps," Consumer Research Perspectives, FDIC, July 2024, https://www.fdic.gov/system/files/2024-08/cash-only.pdf.

4. CONDUCTING TRANSACTIONS: NONBANK MONEY ORDERS, CHECK CASHING, AND MONEY TRANSFER SERVICES

Summary

In 2023, 8.0 percent of all households used nonbank money orders and 2.7 percent used nonbank check cashing. Over the past decade, the use of money orders and check cashing among all households fell by more than half. While the use of these services continued to be much more common among unbanked households than among banked households, both unbanked and banked households experienced substantial declines in their use of these services. In 2023, 6.6 percent of all households used nonbank money transfer services from companies like Western Union, MoneyGram, Walmart Money Center, or Ria Money Transfer, similar to the percentage in 2021 (7.0 percent). The use of these services was more than twice as prevalent among unbanked households as among banked households. Compared with banked households, higher shares of unbanked households used money orders, check cashing, and money transfer services for the core transactions of paying bills and receiving income. More than nine in ten unbanked households that used money orders did so to pay bills; three in four unbanked households that used check cashing cashed a check from work, retirement, or a government agency; and half of unbanked households that used money transfer services did so to pay bills.

Some households—especially unbanked households—use nonbank money orders, check cashing, and money transfer services to conduct their financial transactions, such as paying bills and receiving income. Understanding differences across household characteristics in the use of these nonbank financial transaction services, along with the types of transactions conducted using the services, can help stakeholders better target their economic inclusion efforts to households that might benefit from conducting a greater share of their financial transactions within the banking system.

As in previous surveys, the 2023 survey asked all households whether, in the past 12 months, they had gone to some place other than a bank to purchase a money order or to cash a check. In addition to these questions on the use of nonbank money orders and nonbank check cashing, the survey asked all households whether, in the past 12 months, they had used nonbank money transfer services from companies like Western Union, MoneyGram, Walmart Money Center, or Ria Money Transfer. Such companies allow customers to make and receive payments in person at stores or kiosks, or online through a company website or app. The question differentiated nonbank money transfer services from services a household might access through a bank or from online payment services, such as PayPal, Venmo, or Cash App. All money orders, check cashing, and money transfer services discussed in this section are from nonbank providers.

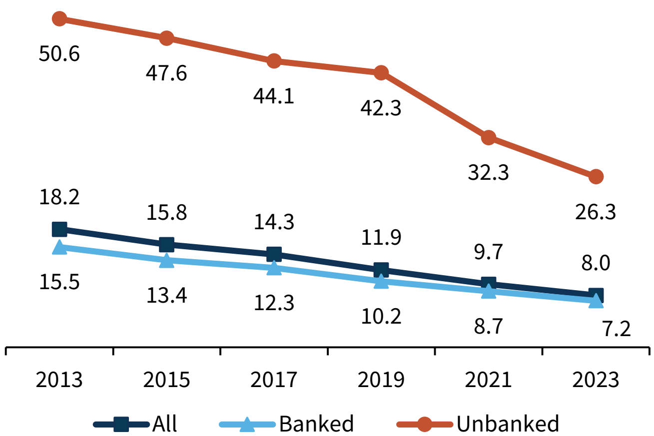
Households were asked follow-up questions on the types of transactions conducted using money orders, check cashing, and money transfer services. Households that used money orders were asked whether they did so to pay bills like rent, mortgage, utilities, or child care (hereafter, pay bills), send money to family or friends (hereafter, send money), make purchases, or for some other use. Households that used check cashing were asked whether any of the checks were from work, retirement, or a government agency.[43] Households that used money transfer services were asked whether they did so to pay bills, send money to or receive money from family or friends in the United States (hereafter, send or receive money in the United States), send money to or receive money from family or friends outside the United States (hereafter, send or receive international remittances), or for some other use.

[43] Cashing checks from these income sources may indicate regular use of check cashing.

Use by Bank Account Ownership

Over the past decade, the use of money orders among all households fell sharply from 18.2 percent in 2013 to 8.0 percent in 2023 (see Figure 4.1). The use of money orders in 2023 continued to be much more common among unbanked households than among banked households. However, the share of unbanked households that used money orders fell by almost half over the past decade.

FIGURE 4.1 Use of Nonbank Money Orders by Bank Account Ownership, 2013–2023 (Percent)



Over the past decade, the use of check cashing among all households fell substantially from 6.9 percent in 2013 to 2.7 percent in 2023 (see Figure 4.2). As with money orders, the use of check cashing in 2023 continued to be much more common among unbanked households than among banked households. However, the share of unbanked households that used check cashing fell by more than half over the past decade.[44]

Figure 4.3 shows that the use of money transfer services among all households was similar in 2023 (6.6 percent) and 2021 (7.0 percent).[45] As with money orders and check cashing, the use of money transfer services in 2023 continued to be much more common among unbanked households than among banked households. The share of unbanked households that used money transfer services was similar in 2021 and 2023, and likewise for banked households.

FIGURE 4.2 Use of Nonbank Check Cashing by Bank Account Ownership, 2013–2023 (Percent)

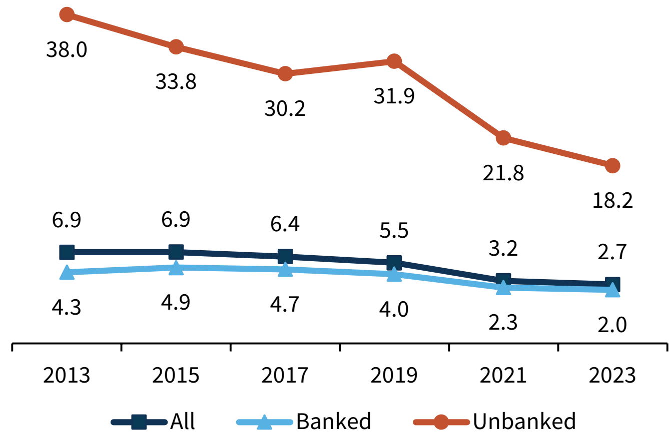
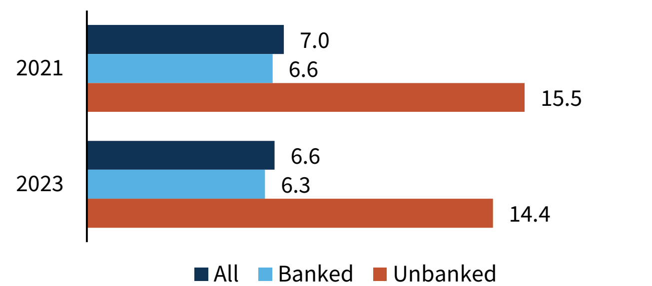


FIGURE 4.3 Use of Nonbank Money Transfer Services by Bank Account Ownership, 2021–2023 (Percent)



Use by Household Characteristics

As in 2021, the use of money orders in 2023 was more prevalent among certain household groups, including lower-income households; less-educated households; younger households; Black, Hispanic, and American Indian or Alaska Native households; and working-age households with a disability (see Table 4.1). For example, 15.8 percent of households with less than $15,000 in income used money orders in 2023, compared with 7.9 percent of households with income between $50,000 and $75,000. More than one in six Black households (17.8 percent) and nearly one in five American Indian or Alaska Native

[44] The second implication from the 2021 report suggested that a combination of factors may be driving the decline in the use of money orders and check cashing, including lower demand for these services driven by changing consumer needs, such as a reduction in the use of paper checks; lower unbanked rates such that a growing number of households is fulfilling financial services needs within the banking system; or the introduction of new nonbank products and services, many of which can be found online or through mobile applications. The triennial *Federal Reserve Payments Study* showed a substantial decline between 2000 and 2021 in the number of check payments among consumers, businesses, and governments in the United States. Over the same period, other noncash payment methods, such as automated clearinghouse transfers and credit cards, increased substantially. The *2023 Survey and Diary of Consumer Payment Choice* found that the share of consumers who indicated they most preferred to pay bills using checks declined from 16.0 percent in 2015 to 7.6 percent in 2023, and the share who indicated they most preferred to pay bills using cash declined from 7.5 percent in 2015 to 4.5 percent in 2023. The share who indicated they most preferred to pay bills using money orders was small, ranging from 0.6 percent to 1.6 percent between 2015 and 2023. See FDIC, "2021 FDIC National Survey of Unbanked and Underbanked Households," October 2022, https://www.fdic.gov/sites/default/files/2024-03/2021report.pdf; Board of Governors of the Federal Reserve System, "The Federal Reserve Payments Study: 2022 Triennial Initial Data Release," June 24, 2024, https://www.federalreserve.gov/paymentsystems/fr-payments-study.htm; and Kevin Foster, Claire Greene, and Joanna Stavins, "2023 Survey and Diary of Consumer Payment Choice: Summary Results," Federal Reserve Bank of Atlanta Research Data Report no. 24–1, June 3, 2024, https://www.atlantafed.org/-/media/documents/banking/consumer-payments/survey-diary-consumer-payment-choice/2023/sdcpc_2023_report.pdf.

[45] The 2021 survey was the first survey that asked households about their use of money transfer services.

TABLE 4.1 Use of Nonbank Money Orders, Check Cashing, and Money Transfer Services by Selected Household Characteristics, 2021–2023
All Households, Row Percent

Characteristic	Money Order			Check Cashing			Money Transfer Service		
	2021	2023	Difference (2023–2021)	2021	2023	Difference (2023–2021)	2021	2023	Difference (2023–2021)
All	9.7	8.0	-1.7*	3.2	2.7	-0.5*	7.0	6.6	-0.3
Family Income									
Less Than $15,000	19.4	15.8	-3.5*	6.9	5.9	-1.0	9.8	7.2	-2.6*
$15,000 to $30,000	15.4	13.3	-2.1*	6.0	5.2	-0.7	9.0	8.6	-0.3
$30,000 to $50,000	11.9	10.4	-1.5*	3.8	3.5	-0.3	8.1	8.4	0.3
$50,000 to $75,000	8.5	7.9	-0.6	2.4	2.3	-0.1	6.6	6.4	-0.2
At Least $75,000	5.1	4.4	-0.6*	1.4	1.3	-0.1	5.3	5.5	0.2
Education									
No High School Diploma	21.5	17.9	-3.6*	9.2	7.8	-1.4	13.8	14.2	0.3
High School Diploma	12.4	9.8	-2.5*	4.4	3.3	-1.1*	7.2	7.0	-0.2
Some College	10.4	8.8	-1.6*	3.1	2.8	-0.2	6.6	6.3	-0.3
College Degree	5.3	4.6	-0.7*	1.3	1.3	0.0	5.8	5.3	-0.4
Age Group									
15 to 24 Years	15.5	11.1	-4.4*	5.8	4.7	-1.1	9.5	8.8	-0.7
25 to 34 Years	11.8	10.2	-1.6*	3.7	4.2	0.5	8.9	7.8	-1.2
35 to 44 Years	11.1	8.4	-2.8*	4.2	3.0	-1.2*	8.7	7.5	-1.2*
45 to 54 Years	9.5	8.4	-1.0	3.6	2.6	-1.0*	8.8	7.9	-0.9
55 to 64 Years	10.0	8.1	-1.9*	2.6	2.2	-0.5	6.5	6.4	0.0
65 Years or More	6.6	5.7	-0.9*	1.9	1.7	-0.2	3.5	4.5	1.0*
Race/Ethnicity									
Black	21.6	17.8	-3.8*	6.3	5.1	-1.2	12.5	11.7	-0.7
Hispanic	17.2	13.2	-4.0*	5.9	4.8	-1.2*	15.4	14.9	-0.6
Asian	6.7	4.7	-2.1*	1.9	1.4	-0.4	12.0	12.2	0.2
American Indian or Alaska Native	18.8	18.9	0.1	6.1	5.1	-1.0	15.6	7.6	-8.0*
Native Hawaiian or Other Pacific Islander	NA	12.8	NA	NA	10.9	NA	NA	15.1	NA
White	5.8	4.9	-0.9*	2.0	1.8	-0.2	3.5	3.3	-0.2
Two or More Races	12.7	11.3	-1.4	5.6	4.1	-1.6	7.7	4.9	-2.8
Disability Status									
Disabled, Aged 25 to 64	18.7	14.5	-4.2*	5.6	4.9	-0.6	8.7	7.1	-1.7*
Not Disabled, Aged 25 to 64	9.5	8.0	-1.5*	3.2	2.7	-0.5*	8.1	7.4	-0.7*
Monthly Income Volatility									
Income Was About the Same Each Month		7.2			2.3			5.8	
Income Varied Somewhat From Month to Month		10.7			3.9			10.0	
Income Varied a Lot From Month to Month		13.3			6.1			11.1	

Note: Monthly income volatility is not available for 2021. 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 D.1–D.3 for estimates by other household characteristics as well as selected confidence intervals.

households (18.9 percent) used money orders in 2023, compared with 4.9 percent of White households. The use of money orders was also higher among households with volatile income. Specifically, 13.3 percent of households with income that varied a lot from month to month and 10.7 percent of households with income that varied somewhat from month to month used money orders in 2023, compared with 7.2 percent of households with income that was about the same each month.

Between 2021 and 2023, the use of money orders fell for almost every household group reported in Table 4.1. Over the past decade, the decline in the use of money orders among all households was widespread across household characteristics.

Patterns in the use of check cashing in 2023 were similar to those for money orders. For example, more than twice as many households with less than $15,000 in income (5.9 percent) used check cashing in 2023 as did households with income between $50,000 and $75,000 (2.3 percent). About 5 percent of Black and Hispanic households used check cashing in 2023, compared with 1.8 percent of White households.

For most household groups in Table 4.1, the share that used check cashing in 2023 was lower than or similar to the share in 2021. Over the past decade, the decline in the use of check cashing among all households was widespread across household characteristics.

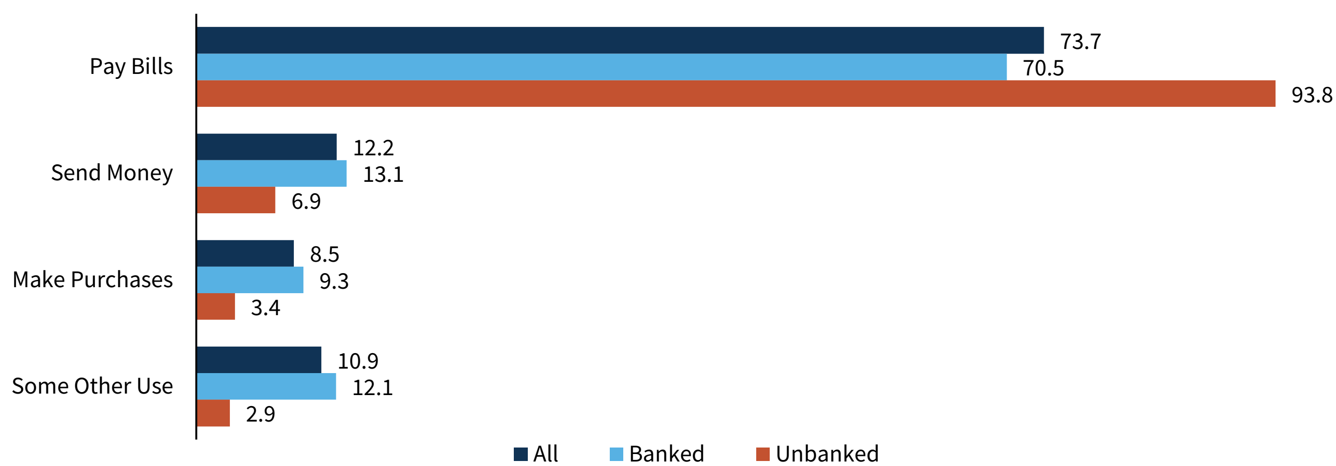
In 2023, the use of money transfer services was highest among households without a high school diploma; Black, Hispanic, Asian, and Native Hawaiian or Other Pacific Islander households; and households with higher monthly income volatility. For example, among households without a high school diploma, 14.2 percent used money transfer services in 2023, compared with 5.3 percent of households with a college degree. About one in seven Hispanic households (14.9 percent) and one in eight Asian households (12.2 percent) used money transfer services in 2023, compared with 3.3 percent of White households.

For most household groups in Table 4.1, the share that used money transfer services in 2023 was lower than or similar to the share in 2021.

Transactions Conducted Using Nonbank Money Orders

Among all households that used money orders in 2023, nearly three in four (73.7 percent) did so to conduct the core transaction of paying bills—the most common type of transaction conducted using money orders (see Figure 4.4). Among unbanked households that used money orders, 93.8 percent did so to pay bills, larger than the share among banked households that used money orders (70.5 percent).

FIGURE 4.4 Types of Transactions Conducted Using Nonbank Money Orders Among Households That Used Nonbank Money Orders by Bank Account Ownership, 2023 (Percent)



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

Sending money or making purchases using money orders was much less common than paying bills, overall and among unbanked and banked households. For example, unbanked households that used money orders were almost 14 times as likely to do so to pay bills as to send money (6.9 percent).[46]

Households that used money orders could use them for multiple types of transactions, but the vast majority of unbanked households (95.2 percent) and banked households (95.8 percent) used them for only one type of transaction.

Cashing Checks From Work, Retirement, or a Government Agency

Work, retirement, and government agencies may provide important sources of regular income for households. When a household uses a nonbank check casher to cash checks from these sources, it may indicate regular use of check cashing as opposed to infrequent use.

Among households that used check cashing in 2023, almost three in five (59.1 percent) cashed a check from work, retirement, or a government agency. Three in four unbanked households that used check cashing (74.5 percent) cashed a check from these income sources. In contrast, about half of banked households that used check cashing (53.0 percent) cashed a check from these sources.[47]

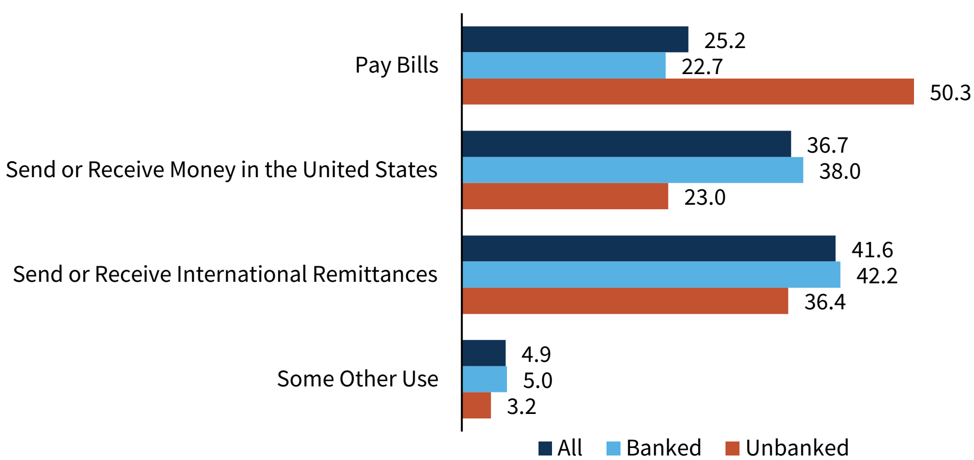
Transactions Conducted Using Nonbank Money Transfer Services

Among all households that used money transfer services in 2023, one in four (25.2 percent) did so to conduct the core transaction of paying bills (see Figure 4.5). Sending or receiving money in the United States (36.7 percent) and sending or receiving international remittances (41.6 percent) were more common types of transactions among all households that used money transfer services.

Among unbanked households that used money transfer services, paying bills was the most common type of transaction (50.3 percent), followed by sending or receiving international remittances (36.4 percent) and sending or receiving money in the United States (23.0 percent). On the other hand, among banked households that used money transfer services, sending or receiving international remittances (42.2 percent) and sending or receiving money in the United States (38.0 percent) were the most common types of transactions, while paying bills (22.7 percent) was much less prevalent.[48]

Households that used money transfer services could use them for multiple types of transactions, but the vast majority of unbanked households (87.6 percent) and banked households (92.8 percent) used them for only one type of transaction.

FIGURE 4.5 Types of Transactions Conducted Using Nonbank Money Transfer Services Among Households That Used Nonbank Money Transfer Services by Bank Account Ownership, 2023 (Percent)



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

[46] See Appendix Table D.4 for types of transactions conducted using money orders by household characteristics.

[47] See Appendix Table D.5 for the use of check cashing to cash checks from work, retirement, or a government agency by household characteristics.

[48] See Appendix Table D.6 for types of transactions conducted using money transfer services by household characteristics.

Spotlight: Nonbank International Remittances

As shown in Figure 4.5, 41.6 percent of households that used money transfer services in 2023 did so to send or receive international remittances—the most common type of transaction conducted using money transfer services.

As a share of all households in 2023, 2.8 percent sent or received international remittances, but this share varied considerably across household characteristics. For example, as shown in Table 4.2, unbanked households were almost twice as likely to send or receive international remittances (5.2 percent) as banked households (2.7 percent).[49] In addition, much higher shares of Hispanic and Asian households and foreign-born citizen and noncitizen households sent or received international remittances. In particular, foreign-born citizen and noncitizen households were more than ten times as likely to send or receive international remittances as U.S.-born households.

TABLE 4.2 Sending or Receiving Nonbank International Remittances by Bank Account Ownership and Selected Household Characteristics, 2023
All Households, Row Percent

Characteristic	Send or Receive International Remittances
All	2.8
Bank Account Ownership	
Banked	2.7
Unbanked	5.2
Race/Ethnicity	
Black	4.0
Hispanic	7.5
Asian	9.2
American Indian or Alaska Native	0.2
Native Hawaiian or Other Pacific Islander	3.9
White	0.9
Two or More Races	1.5
Citizenship and Place of Birth	
U.S.-Born	1.0
Foreign-Born Citizen	10.3
Foreign-Born Noncitizen	16.1

Note: See Appendix Table D.7 for estimates by other household characteristics as well as selected confidence intervals.

[49] The shares in Table 4.2 differ from the shares in Figure 4.5 because the shares in Figure 4.5 are among households that had used money transfer services in the past 12 months, while the shares in Table 4.2 are among all households.

5. CREDIT

Summary

In 2023, about one in six households (15.7 percent) had no mainstream credit, down from 20.0 percent in 2017. These households did not have a credit card, auto loan, or other credit product that is likely reflected on credit records with the nationwide credit reporting agencies (NCRAs). Such households therefore likely did not have a credit score, which could make it more difficult to obtain mainstream credit should a credit need arise. Almost eight in ten unbanked households in 2023 (78.4 percent) had no mainstream credit, compared with 13.0 percent of banked households. In addition, 5.8 percent of all households used at least one of the following nonbank alternatives to mainstream credit: a rent-to-own service or a payday, pawn shop, auto title, or tax refund anticipation loan. Finally, 3.9 percent of all households used Buy Now, Pay Later (BNPL), a short-term loan that allows consumers to split their payments on purchases over time, often without interest, with four equal payments over six weeks. One in eight households that used BNPL missed or made a late payment on at least one of their BNPL purchases.

Recognizing the importance of credit to households and communities, policymakers have had a longstanding interest not only in ensuring equal access to credit but also in expanding access to credit, as evidenced by the Equal Credit Opportunity Act of 1974, the Community Reinvestment Act of 1977, and the creation of the Community Development Financial Institutions Fund in 1994.[50] More recently, at the onset of the COVID-19 pandemic 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 pandemic.[51] In May 2020, the FDIC, FRB, NCUA, and OCC issued interagency guidance to clarify regulatory expectations in a manner that encourages financial institutions to offer responsible small-dollar loans.[52]

This section examines household use of credit. The 2023 survey included a series of questions that likely captures the full range of credit products reflected on credit records with the NCRAs (hereafter, mainstream credit). All households were asked whether, in the past 12 months, they had a Visa, MasterCard, American Express, or Discover credit card (hereafter, traditional credit card); a store credit card; an auto loan; a student loan; a mortgage, home equity loan, or home equity line of credit (HELOC); other personal loans or lines of credit from a bank (hereafter, other personal bank credit); or other personal loans or lines of credit from a company other than a bank (hereafter, other personal nonbank credit).[53] A household is considered to have used mainstream credit if it had used any of the above credit products in the past 12 months. Households with no mainstream credit in the past 12 months likely did not have a credit score with the NCRAs, which could make it more difficult to obtain mainstream credit should a credit need arise.

The 2023 survey also included questions on the following nonbank alternatives to mainstream credit. All households were asked whether, in the past 12 months, they had rented something from a rent-to-own store because the item could not be financed any other way (hereafter, rent-to-own service); taken out a payday loan or payday advance (hereafter, payday loan); pawned an item at a pawn shop (hereafter, pawn shop loan); taken out an auto

[50] See FRB, "Federal Fair Lending Regulations and Statutes: Equal Credit Opportunity (Regulation B)," Consumer Compliance Handbook, January 2006, https://www.federalreserve.gov/boarddocs/supmanual/cch/fair_lend_reg_b.pdf; Federal Financial Institutions Examination Council, "Community Reinvestment Act: Background & Purpose," September 6, 2018, https://www.ffiec.gov/cra/history.htm; and U.S. Department of the Treasury, Community Development Financial Institutions Fund, "About Us," https://www.cdfifund.gov/about. See also 12 U.S.C. 4703 with respect to the Community Development Financial Institutions Fund.

[51] See FRB, CFPB, FDIC, NCUA, and OCC, "Statement Encouraging Responsible Small-Dollar Lending to Consumers and Small Businesses in Response to COVID-19," Financial Institution Letter FIL–26–2020, March 26, 2020, https://www.fdic.gov/news/financial-institution-letters/2020/fil20026.html.

[52] See FRB, FDIC, NCUA, and OCC, "Interagency Guidance for Responsible Small-Dollar Loans," Financial Institution Letter FIL–58–2020, May 20, 2020, https://www.fdic.gov/news/financial-institution-letters/2020/fil20058.html.

[53] Households that had previously indicated that they took out a payday, pawn shop, or auto title loan were told not to include such loans when answering the question on other personal nonbank credit.

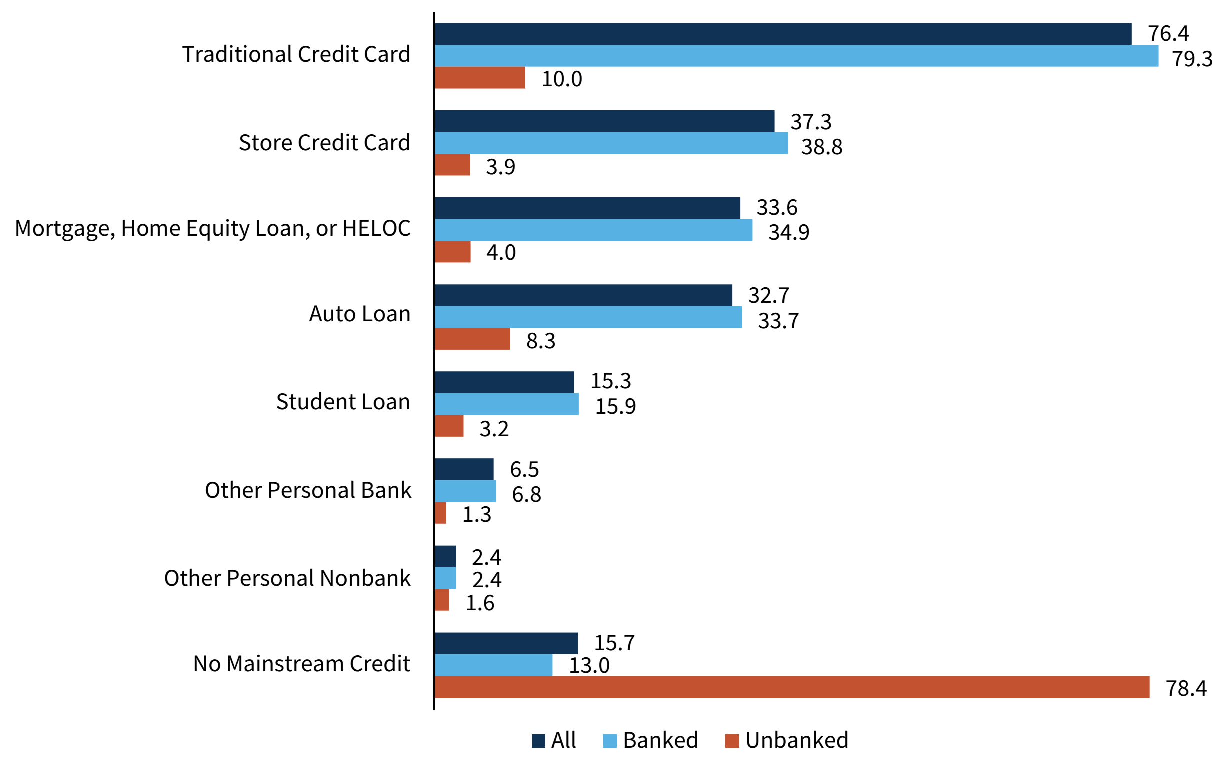
title loan; or paid a fee to get their tax refund faster than the Internal Revenue Service (IRS) would provide it, such as a refund anticipation loan or refund advance (hereafter, tax refund anticipation loan).

Finally, the 2023 survey included new questions on BNPL, a short-term loan that allows consumers to split their payments on purchases over time, often without interest. A common payment model is four equal payments over six weeks, with the first payment made at the time of purchase and subsequent payments due every two weeks. The 2023 survey focused on this particular payment model. Consumers have long used credit cards, installment loans, and other forms of credit to finance their purchases. The specific product offering of BNPL has emerged in recent years and has experienced rapidly increased use, with consumers taking up BNPL to finance a diverse range of products and services.[54] However, little data exist on its use and on the incidence of missed or late payments. In the 2023 survey, all households were asked, "*In the past 12 months, did you or anyone in your household pay for something making one payment every two weeks? This is sometimes called Buy Now, Pay Later or Pay-in-4.*" Households that had used BNPL in the past 12 months were asked three follow-up questions: how frequently they had used BNPL in the past 12 months (one time, two to ten times, or more than ten times), whether any of their BNPL purchases were online or in person, and whether they missed or made a late payment on any of their BNPL purchases.[55]

Use of Mainstream Credit Products by Bank Account Ownership and Household Characteristics

As illustrated in Figure 5.1, among all households, credit cards were the most common mainstream credit product in 2023: 76.4 percent had a traditional credit card, and 37.3 percent had a store credit card. One in three households had a mortgage, home equity loan, or HELOC, and a similar share had an auto loan. Student loans, other personal bank credit, and other personal nonbank credit were much less common.

FIGURE 5.1 Use of Mainstream Credit Products by Bank Account Ownership, 2023 (Percent)



[54] Using data from five BNPL providers in the United States, the CFPB found that these providers originated $24.2 billion in BNPL loans in 2021, up from $2.0 billion in 2019. Apparel and beauty merchants comprised 58.6 percent of total BNPL dollar originations in 2021, down from 80.1 percent in 2019. On the other hand, electronics, jewelry, and other personal effects merchants made up 11.2 percent of total BNPL dollar originations in 2021, up from 4.5 percent in 2019. For additional information, including trends in other categories of merchants, see Martin Kleinbard, Jack Sollows, and Laura Udis, "Buy Now, Pay Later: Market Trends and Consumer Impacts," CFPB, September 2022, https://files.consumerfinance.gov/f/documents/cfpb_buy-now-pay-later-market-trends-consumer-impacts_report_2022-09.pdf.

[55] In this report, BNPL is not included as a component of mainstream credit. In December 2023, the OCC issued a bulletin stating that the NCRAs "announced they would begin including BNPL transactions in their reporting, but it could take some time before BNPL activity is consistently reflected in credit scores." See OCC, "Retail Lending: Risk Management of 'Buy Now, Pay Later' Lending," OCC Bulletin 2023–37, December 6, 2023, https://www.occ.gov/news-issuances/bulletins/2023/bulletin-2023-37.html. Had BNPL been included as a component of mainstream credit, the share of all households with no mainstream credit in 2023 would have been 15.5 percent, instead of 15.7 percent (see Figure 5.1). Because 93.5 percent of all households that used BNPL in 2023 also had at least one of the seven types of mainstream credit in Figure 5.1, including BNPL as a component of mainstream credit has little effect on the calculated share of households with no mainstream credit.

Additionally, the use of each mainstream credit product in 2023 (except for other personal nonbank credit) was much lower among unbanked households than among banked households. For example, only 10.0 percent of unbanked households had a traditional credit card, compared with 79.3 percent of banked households.

As shown in Table 5.1, the use of mainstream credit products varied widely by household characteristics. In general, the use of most mainstream credit products was lower among lower-income households; less-educated households; Black, Hispanic, and American Indian or Alaska Native households; and working-age households with a disability.

Patterns in the use of mainstream credit by age varied by product type. For example, student loans were more common among households aged 34 or younger, while store credit cards were more common among households aged 35 or older. Mortgages, home equity loans, and HELOCs were more prevalent among households aged 35 to 64, compared with younger and older households.

No Mainstream Credit by Bank Account Ownership and Household Characteristics

A positive credit history can promote financial resiliency and overall financial health as well as facilitate large purchases that may not be feasible without credit, such as a house or car. Households with an insufficient credit history, however, likely face substantially reduced access to mainstream credit. The lack of a credit history may also affect employment and rental housing opportunities, as prospective employers and landlords often rely on credit reports as part of the application process.

As shown in Figure 5.1, about one in six households in 2023 (15.7 percent) had no mainstream credit in the past 12 months. The percentage of households with no mainstream credit was down from 20.0 percent in 2017, when the survey had previously included a series of questions on mainstream credit products. Households with no mainstream credit likely did not have a credit score with the NCRAs. Households without a credit score may be credit invisible, meaning no one in the household has a credit record with the NCRAs. Alternatively, a household member may be unscorable, meaning the household member has a credit record, but the record does not contain sufficient credit activity for the NCRAs to generate a credit score.[56] Having little or no recent credit activity can cause an individual to be unscorable; at least one active trade line in the past six months is generally required to generate a credit score.[57] Traditional credit cards are the most common way individuals initiate a credit record with the NCRAs and eventually become scorable.[58] Without a credit score, a household may have to meet its credit needs with forms of credit that are typically more expensive than mainstream credit, such as payday or pawn shop loans.

Differences in the share of households with no mainstream credit by bank account ownership were striking (see Figure 5.1). Almost eight in ten unbanked households in 2023 (78.4 percent) had no mainstream credit, compared with 13.0 percent of banked households.

As shown in Table 5.1, the share of households with no mainstream credit in 2023 also varied substantially across household characteristics and was higher among lower-income households; less-educated households; Black, Hispanic, and American Indian or Alaska Native households; and working-age households with a disability. Differences by income, educational attainment, and disability status were especially pronounced. For example, 53.2 percent of households with less than $15,000 in income had no mainstream credit, compared with only 4.6 percent of households with income of $75,000 or more. Similarly, 46.7 percent of households without a high school diploma had no mainstream credit, compared with only 5.3 percent of households with a college degree. Among working-age households with a disability, 31.4 percent had no mainstream credit, compared with 11.9 percent of working-age households without a disability.

Differences by race and ethnicity were also sizable. About three in ten Black households (28.6 percent), 25.5 percent of Hispanic households, and 32.9 percent of American Indian or Alaska Native households had no mainstream

[56] See Kenneth P. Brevoort, Philipp Grimm, and Michelle Kambara, "Data Point: Credit Invisibles," CFPB, May 2015, https://files.consumerfinance.gov/f/201505_cfpb_data-point-credit-invisibles.pdf; Kenneth P. Brevoort and Michelle Kambara, "CFPB Data Point: Becoming Credit Visible," CFPB, June 2017, https://files.consumerfinance.gov/f/documents/BecomingCreditVisible_Data_Point_Final.pdf; and Kenneth Brevoort, Jasper Clarkberg, Michelle Kambara, and Benjamin Litwin, "Data Point: The Geography of Credit Invisibility," CFPB, September 2018, https://files.consumerfinance.gov/f/documents/bcfp_data-point_the-geography-of-credit-invisibility.pdf.

[57] See, for example, Fair Isaac Corporation, "What Are the Minimum Requirements for a FICO Score?" https://www.myfico.com/credit-education/faq/scores/fico-score-requirements. Between March 13, 2020, and September 1, 2023, the U.S. federal government paused payments and interest accrual on eligible federal student loans; see U.S. Department of Education, Office of Federal Student Aid, "COVID-19 Emergency Relief and Federal Student Aid," https://studentaid.gov/announcements-events/covid-19. This period encompassed the fielding of the 2023 survey in June 2023. Excluding student loans as a component of mainstream credit, the share of all households with no mainstream credit in 2023 would have been 16.5 percent. Because 95.1 percent of all households with a student loan in 2023 also had at least one of the six other types of mainstream credit in Figure 5.1 (including 88.3 percent of households aged 15 to 24 and 94.8 percent of households aged 25 to 34), excluding student loans as a component of mainstream credit has little effect on the calculated share of households with no mainstream credit.

[58] See Brevoort and Kambara, "CFPB Data Point: Becoming Credit Visible."

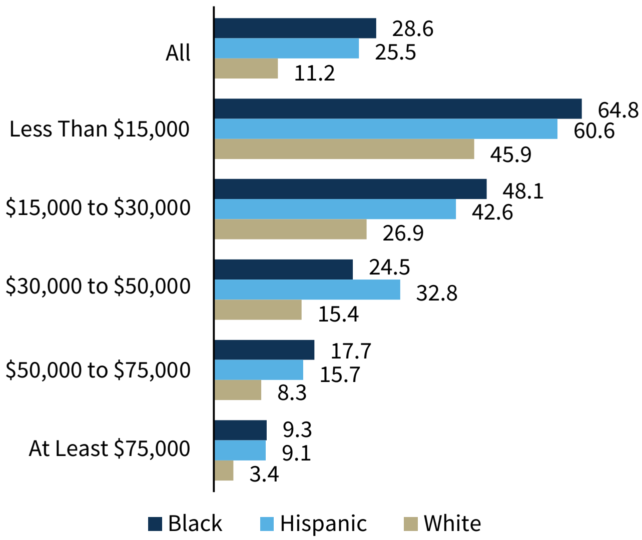
TABLE 5.1 Use of Mainstream Credit Products by Selected Household Characteristics, 2023
All Households, Row Percent

Characteristic	Traditional Credit Card	Store Credit Card	Mortgage, Home Equity Loan, or HELOC	Auto Loan	Student Loan	Other Personal Bank	Other Personal Nonbank	No Mainstream Credit
All	76.4	37.3	33.6	32.7	15.3	6.5	2.4	15.7
Family Income								
Less Than $15,000	38.2	14.7	6.4	8.9	5.8	2.2	1.3	53.2
$15,000 to $30,000	55.1	22.6	11.6	14.9	6.9	3.0	1.5	33.9
$30,000 to $50,000	68.0	31.0	18.2	24.5	11.2	4.7	1.7	20.4
$50,000 to $75,000	80.0	39.9	29.9	33.3	14.9	6.1	2.6	11.0
At Least $75,000	90.4	46.4	51.1	44.2	20.9	9.1	3.0	4.6
Education								
No High School Diploma	42.2	18.4	12.5	16.4	3.0	3.2	1.5	46.7
High School Diploma	64.6	32.1	25.0	28.9	6.4	5.6	2.3	25.0
Some College	75.4	38.1	31.3	34.6	15.0	6.9	2.7	14.8
College Degree	90.3	43.2	44.0	36.5	23.1	7.5	2.4	5.3
Age Group								
15 to 24 Years	65.8	20.0	12.0	29.6	27.2	4.5	1.1	21.5
25 to 34 Years	75.6	28.9	31.1	41.6	30.4	7.9	3.4	14.2
35 to 44 Years	77.7	37.2	43.7	43.3	21.9	8.8	2.6	13.9
45 to 54 Years	77.9	42.5	45.2	41.5	17.2	7.7	2.8	13.6
55 to 64 Years	77.3	41.7	39.4	32.2	10.3	7.1	2.4	15.1
65 Years or More	76.5	39.2	21.8	16.7	2.8	3.7	1.6	18.5
Race/Ethnicity								
Black	59.4	26.6	22.2	29.0	17.4	5.8	2.5	28.6
Hispanic	65.0	31.6	24.6	29.8	13.3	4.6	2.2	25.5
Asian	86.9	38.1	37.1	26.5	13.4	4.5	1.5	9.5
American Indian or Alaska Native	57.0	19.6	22.7	27.0	11.1	9.3	3.5	32.9
Native Hawaiian or Other Pacific Islander	73.3	29.8	29.0	40.0	8.2	8.1	1.9	17.2
White	81.9	41.1	37.9	34.6	15.5	7.3	2.5	11.2
Two or More Races	72.5	28.3	26.1	34.3	20.2	7.2	2.1	15.9
Disability Status								
Disabled, Aged 25 to 64	56.6	26.5	24.7	26.5	12.7	7.1	3.7	31.4
Not Disabled, Aged 25 to 64	79.9	39.2	42.0	41.3	20.7	8.0	2.7	11.9
Monthly Income Volatility								
Income Was About the Same Each Month	76.5	37.3	33.5	31.4	14.4	5.9	2.2	16.1
Income Varied Somewhat From Month to Month	77.3	37.9	33.9	38.5	19.5	9.3	3.2	13.7
Income Varied a Lot From Month to Month	71.6	35.3	32.6	33.7	16.8	8.1	3.2	17.4

Note: See Appendix Table E.1 for estimates by other household characteristics.

credit, compared with 11.2 percent of White households. These differences were present at every income level. For example, as shown in Figure 5.2, among households with income between $50,000 and $75,000, 17.7 percent of Black households and 15.7 percent of Hispanic households had no mainstream credit in 2023, compared with 8.3 percent of White households. Among American Indian or Alaska Native households, 48.8 percent of households with less than $50,000 in income and 16.6 percent of households with income of $50,000 or more had no mainstream credit.[59]

FIGURE 5.2 No Mainstream Credit by Income Level and Race and Ethnicity, 2023 (Percent)

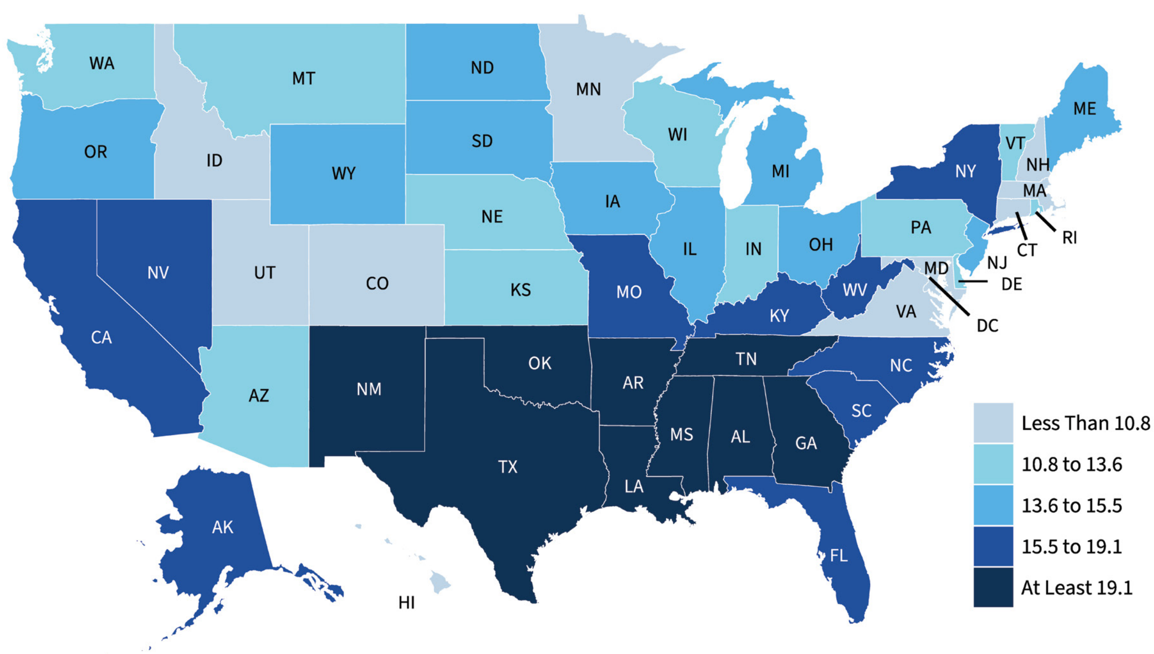


No Mainstream Credit by Geography

The share of households with no mainstream credit varied across regions of the United States, with the highest share in the South. In 2023, nearly one in five households in the South (19.0 percent) had no mainstream credit, compared with 14.4 percent in the West, 13.5 percent in the Northeast, and 13.1 percent in the Midwest. Figure 5.3 shows that the share of households with no mainstream credit varied widely across states, ranging from 6.3 percent in Minnesota to 29.8 percent in Louisiana. (See Appendix Tables E.1–E.3 for the likelihood of not having mainstream credit by region, state, and MSA.)

The share of households with no mainstream credit in 2023 was higher among households that did not live in a metropolitan area (20.2 percent) than among households that lived in a metropolitan area (15.0 percent).

FIGURE 5.3 No Mainstream Credit by State, 2023 (Percent)



[59] The sample size for American Indian or Alaska Native households was too small to disaggregate by finer income categories. Using the 2015 survey data, Goodstein et al. (2021) found that differences in the likelihood of having a traditional credit card or a personal loan or line of credit from a bank 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, https://www.doi.org/10.1111/joca.12343.

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

As shown in Table 5.2, rent-to-own services and payday, pawn shop, and auto title loans were each used by about 1 percent of all households in 2023. These percentages are similar to the percentages in 2019 and 2021. The use of tax refund anticipation loans in 2023 (2.5 percent) was more prevalent than the use of the other four products in that year. The share of households that used tax refund anticipation loans in 2023 is not directly comparable to the shares in 2019 and 2021 because the question on tax refund anticipation loans was broadened to better match credit products available on the market.[60]

TABLE 5.2 Use of Rent-to-Own Services and Payday, Pawn Shop, Auto Title, and Tax Refund Anticipation Loans by Bank Account Ownership, 2019–2023
All Households, Row Percent

Credit Product	2019	2021	2023	Difference (2023–2021)
A. All Households				
Rent-to-Own Service	1.2	1.2	1.1	-0.1
Payday Loan	1.5	1.1	1.1	0.0
Pawn Shop Loan	1.3	1.0	1.0	0.0
Auto Title Loan	0.9	0.9	1.2	0.3*
Tax Refund Anticipation Loan			2.5	
Any of the Above			5.8	
B. Banked Households				
Rent-to-Own Service	1.1	1.1	1.1	0.0
Payday Loan	1.5	1.1	1.1	0.0
Pawn Shop Loan	1.1	0.8	0.8	0.0
Auto Title Loan	0.8	0.9	1.2	0.3*
Tax Refund Anticipation Loan			2.4	
Any of the Above			5.7	
C. Unbanked Households				
Rent-to-Own Service	4.0	2.9	2.3	-0.5
Payday Loan	2.6	1.7	1.1	-0.7
Pawn Shop Loan	5.6	3.9	3.5	-0.4
Auto Title Loan	1.8	1.2	1.5	0.3
Tax Refund Anticipation Loan			3.3	
Any of the Above			9.2	

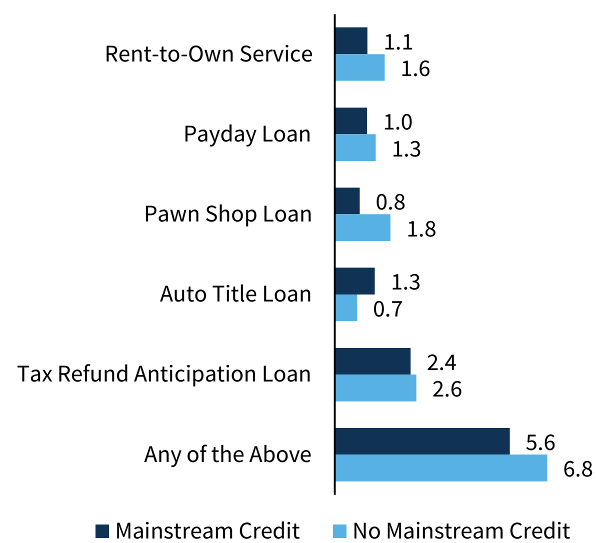
Note: While the 2019 and 2021 surveys asked households about their use of tax refund anticipation loans, estimates for 2019 and 2021 are not directly comparable to estimates for 2023 because of differences in question wording. Asterisk indicates differences that are statistically significant at the 10 percent level.

Altogether, 5.8 percent of households in 2023 used a rent-to-own service or a payday, pawn shop, auto title, or tax refund anticipation loan, with use more common among unbanked households (9.2 percent) than among banked households (5.7 percent). Between 2019 and 2023, the use of rent-to-own services, payday loans, and pawn shop loans decreased substantially among unbanked households, while the use of auto title loans changed little.

The use of rent-to-own services and pawn shop loans in 2023 was less prevalent, and the use of auto title loans was more prevalent, among households with mainstream credit (see Figure 5.4). The use of payday and tax refund anticipation loans was similar across households with and without mainstream credit. Altogether, 5.6 percent of households with mainstream credit used a rent-to-own service or a payday, pawn shop, auto title, or tax refund anticipation loan, smaller than the share among households with no mainstream credit (6.8 percent).

The share of households that used a rent-to-own service or a payday, pawn shop, auto title, or tax refund anticipation loan in 2023 varied across household characteristics and was higher among lower-income households; less-educated households; younger households;

FIGURE 5.4 Use of Rent-to-Own Services and Payday, Pawn Shop, Auto Title, and Tax Refund Anticipation Loans by Use of Mainstream Credit, 2023 (Percent)



[60] The 2023 survey asked, "*In the past 12 months, did you or anyone in your household pay a fee to get your tax refund faster than the IRS would provide it? This includes products like refund anticipation loans and refund advances*," while the 2019 and 2021 surveys asked, "*In the past 12 months, that is since June 2018 [2020], did you 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.*" The use of tax refund anticipation loans was 0.8 percent in 2019 and 1.0 percent in 2021. Excluding tax refund anticipation loans, the share of households that used at least one of the other four products in Table 5.2 was 4.2 percent in 2019, 3.6 percent in 2021, and 3.8 percent in 2023.

Black, Hispanic, and American Indian or Alaska Native households; working-age households with a disability; and households with higher monthly income volatility (see Table 5.3). For example, 9.0 percent of households without a high school diploma used a rent-to-own service or a payday, pawn shop, auto title, or tax refund anticipation loan, whereas 3.6 percent of households with a college degree did so.

Use of Buy Now, Pay Later

As shown in Table 5.4, 3.9 percent of all households in 2023 had used BNPL in the past 12 months.[61] The use of BNPL was higher among banked households (4.0 percent) than among unbanked households (1.6 percent). The use of BNPL also varied by income level and monthly income volatility. A larger share of households with income between $30,000 and $50,000 (4.7 percent) or between $50,000 and $75,000 (4.8 percent) used BNPL, compared with households with higher or lower income levels. Additionally, households with income that varied somewhat from month to month (6.8 percent) or a lot from month to month (4.6 percent) used BNPL at a higher rate than households with income that was about the same each month (3.2 percent). Finally, higher shares of younger households, Black and Hispanic households, and working-age households with a disability used BNPL. For example, 7.7 percent of households aged 25 to 34 used BNPL, compared with 1.1 percent of households aged 65 or older.

The use of BNPL in 2023 was more than twice as high among households with mainstream credit (4.3 percent) as among households with no mainstream credit (1.6 percent). Additionally, the use of BNPL was more than four times as high among households that used a rent-to-own service or a payday, pawn shop, auto title, or tax refund anticipation loan (14.0 percent) as among households that did not (3.2 percent).

Among all households that used BNPL, the largest share (59.2 percent) used BNPL two to ten times. About one in four households that used BNPL (26.6 percent) did so once, and one in seven (14.2 percent) did so more than ten times.[62] This pattern was similar across household characteristics. For example, 59.4 percent of Hispanic households that used BNPL did so two to ten times, 28.9

TABLE 5.3 Use of a Rent-to-Own Service or a Payday, Pawn Shop, Auto Title, or Tax Refund Anticipation Loan by Selected Household Characteristics, 2023
All Households, Row Percent

Characteristic	Rent-to-Own Service or Payday, Pawn Shop, Auto Title, or Tax Refund Anticipation Loan
All	5.8
Family Income	
Less Than $15,000	7.6
$15,000 to $30,000	7.0
$30,000 to $50,000	7.8
$50,000 to $75,000	6.7
At Least $75,000	4.1
Education	
No High School Diploma	9.0
High School Diploma	7.2
Some College	7.0
College Degree	3.6
Age Group	
15 to 24 Years	8.5
25 to 34 Years	6.8
35 to 44 Years	7.4
45 to 54 Years	7.0
55 to 64 Years	5.6
65 Years or More	3.2
Race/Ethnicity	
Black	9.4
Hispanic	8.1
Asian	4.3
American Indian or Alaska Native	10.7
Native Hawaiian or Other Pacific Islander	5.8
White	4.6
Two or More Races	7.0
Disability Status	
Disabled, Aged 25 to 64	11.2
Not Disabled, Aged 25 to 64	6.1
Monthly Income Volatility	
Income Was About the Same Each Month	4.9
Income Varied Somewhat From Month to Month	8.9
Income Varied a Lot From Month to Month	11.4

Note: See Appendix Table E.4 for estimates by other household characteristics.

[61] The CFPB; FRB; and Federal Reserve Banks of Atlanta, Boston, New York, Philadelphia, and San Francisco have fielded surveys with questions on the use of BNPL. Reported rates of use of BNPL in the past 12 months from recent surveys vary widely, from 14 percent of adults in the *2023 Survey of Household Economics and Decisionmaking* (up from 12 percent in 2022) to 31 percent of respondents in a 2021 survey fielded by the Federal Reserve Bank of Philadelphia. See FRB, "Economic Well-Being of U.S. Households in 2023," May 2024, https://www.federalreserve.gov/publications/files/2023-report-economic-well-being-us-households-202405.pdf; and Tom Akana, "Buy Now, Pay Later: Survey Evidence of Consumer Adoption and Attitudes," Federal Reserve Bank of Philadelphia Discussion Paper no. 22–02, June 2022, https://doi.org/10.21799/frbp.dp.2022.02. The wide range in reported rates of use of BNPL could be due to a lack of clarity in the definition because "Buy Now, Pay Later" as a general term could apply to many types of installment loans or store credit, rather than the four payments in six weeks model that has become popular recently. For more discussion on this issue, see Akana, "Buy Now, Pay Later: Survey Evidence of Consumer Adoption and Attitudes."

[62] As shares of all households in 2023, 1.0 percent used BNPL once, 2.3 percent used BNPL two to ten times, and 0.5 percent used BNPL more than ten times.

percent did so once, and 11.7 percent did so more than ten times. (See Appendix Table E.6 for the frequency of use of BNPL by household characteristics.)

The use of BNPL was much more common for online purchases than for in-person purchases. Among all households that used BNPL, 84.9 percent made an online purchase, and 20.9 percent made an in-person purchase.[63] This pattern was similar across household characteristics. For example, among households aged 45 to 54 that used BNPL, 88.4 percent made an online purchase, and 18.8 percent made an in-person purchase. While online purchases were less prevalent among households aged 65 or older that used BNPL (65.6 percent), this share was still more than twice that of in-person purchases (30.4 percent). (See Appendix Table E.7 for online and in-person BNPL purchases by household characteristics.)

As shown in Table 5.5, one in eight households that used BNPL (12.8 percent) missed or made a late payment on at least one of their BNPL purchases.[64] Among households that used BNPL, those with lower income levels and those with volatile income had higher rates of missed or late payments. For example, among households with less than $30,000 in income that used BNPL, 21.4 percent missed or made a late payment, compared with 9.4 percent of households with income of $75,000 or more that used BNPL. Among working-age households with a disability that used BNPL, almost three in ten (28.9 percent) missed or made a late payment, compared with one in ten (9.9 percent) working-age households without a disability that used BNPL.

[63] The shares sum to more than 100 because households could indicate that they made online and in-person purchases.

[64] The *2023 Survey of Household Economics and Decisionmaking* found that 18 percent of adults who used BNPL in 2023 had made a late payment in the past 12 months, up from 17 percent in 2022. See FRB, "Economic Well-Being of U.S. Households in 2023." For additional context, the *2023 Making Ends Meet* survey found that 23.1 percent of consumers with a credit card in 2023 had incurred a late fee in the past 12 months. See Scott Fulford, Eric Wilson, Zoe Kruse, Emma Kalish, and Isaac Cotter, "Making Ends Meet in 2023: Insights From the Making Ends Meet Survey," CFPB Office of Research Publication no. 2023–8, December 2023, https://files.consumerfinance.gov/f/documents/cfpb_making-ends-meet-in-2023_report_2023-12.pdf.

TABLE 5.4 Use of Buy Now, Pay Later by Bank Account Ownership and Selected Household Characteristics, 2023
All Households, Row Percent

Characteristic	Buy Now, Pay Later
All	3.9
Bank Account Ownership	
Banked	4.0
Unbanked	1.6
Family Income	
Less Than $15,000	2.5
$15,000 to $30,000	3.4
$30,000 to $50,000	4.7
$50,000 to $75,000	4.8
At Least $75,000	3.5
Education	
No High School Diploma	4.1
High School Diploma	3.7
Some College	4.4
College Degree	3.6
Age Group	
15 to 24 Years	7.3
25 to 34 Years	7.7
35 to 44 Years	5.1
45 to 54 Years	4.1
55 to 64 Years	2.4
65 Years or More	1.1
Race/Ethnicity	
Black	6.1
Hispanic	5.3
Asian	2.7
American Indian or Alaska Native	3.6
Native Hawaiian or Other Pacific Islander	1.9
White	3.1
Two or More Races	6.7
Disability Status	
Disabled, Aged 25 to 64	5.9
Not Disabled, Aged 25 to 64	4.6
Monthly Income Volatility	
Income Was About the Same Each Month	3.2
Income Varied Somewhat From Month to Month	6.8
Income Varied a Lot From Month to Month	4.6

Note: See Appendix Table E.5 for estimates by other household characteristics.

TABLE 5.5 Missed or Late Buy Now, Pay Later Payments by Bank Account Ownership and Selected Household Characteristics, 2023
Households That Used Buy Now, Pay Later in the Past 12 Months, Row Percent

Characteristic	Missed or Late Buy Now, Pay Later Payment
All	12.8
Bank Account Ownership	
Banked	12.7
Unbanked	NA
Family Income	
Less Than $30,000+	21.4
$30,000 to $50,000	12.7
$50,000 to $75,000	13.4
At Least $75,000	9.4
Education	
High School Diploma or Less+	12.8
Some College	15.4
College Degree	10.5
Age Group	
15 to 34 Years+	12.2
35 to 44 Years	13.0
45 to 54 Years	14.9
55 to 64 Years	10.6
65 Years or More	13.7
Race/Ethnicity	
Black	13.9
Hispanic	13.8
Asian	NA
American Indian or Alaska Native	NA
Native Hawaiian or Other Pacific Islander	NA
White	11.4
Two or More Races	NA
Disability Status	
Disabled, Aged 25 to 64	28.9
Not Disabled, Aged 25 to 64	9.9
Monthly Income Volatility	
Income Was About the Same Each Month	10.9
Income Varied Somewhat or a Lot From Month to Month+	16.7

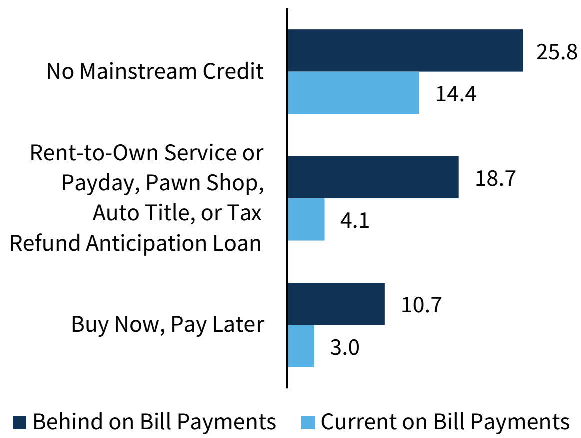
Note: The plus symbol indicates instances in which categorical groups typically used in this report have been combined to increase the sample size. NA indicates that the sample size is too small to produce a precise estimate. See Appendix Table E.8 for estimates by other household characteristics.

Spotlight: Falling Behind on Bill Payments and Use of Credit

Falling behind on bill payments is a potential indicator of creditworthiness, providing insight into a household's ability to satisfy its financial obligations and access different forms of credit. The 2023 survey asked all households whether they had fallen behind on their bill payments at any time in the past 12 months. About one in ten households (11.7 percent) fell behind on their bill payments in 2023.[65] Among unbanked households, 29.6 percent fell behind on their bill payments, whereas 10.9 percent of banked households did so.

The use of the credit products included in the survey differed by whether households fell behind on their bill payments. As shown in Figure 5.5, one in four households that fell behind on their bill payments in 2023 (25.8 percent) had no mainstream credit, larger than the proportion among households that were current on their bill payments (14.4 percent). Additionally, the share of households that used a rent-to-own service or a payday, pawn shop, auto title, or tax refund anticipation loan was much higher among households that fell behind on their bill payments, as was the share that used BNPL.

FIGURE 5.5 Use of Credit Among Households That Fell Behind or Were Current on Their Bill Payments, 2023 (Percent)



[65] The percentage was higher in 2017 (14.6 percent), when the survey had most recently included the question on whether households fell behind on their bill payments.

6. CRYPTO

Summary

In 2023, 4.8 percent of all households owned or used crypto, such as Bitcoin or Ether. The use of crypto was higher among banked households (5.0 percent) than among unbanked households (1.2 percent). The use of crypto also varied by household characteristics and was higher among higher-income households, more-educated households, younger households, Asian and White households, working-age households without a disability, and households with higher monthly income volatility. Differences by income level were especially pronounced: 7.3 percent of households with income of $75,000 or more used crypto, compared with 1.1 percent of households with less than $15,000 in income. Among all households that used crypto, the vast majority held crypto as an investment (92.6 percent). Far fewer households used crypto in another way; for example, only 4.4 percent of households that used crypto did so to make purchases online.

The 2023 survey included new questions on crypto, a largely unregulated new technology that uses encryption and a public ledger—the blockchain—as a means outside banks and credit unions of storing and transferring value. Crypto has received attention from policymakers, especially during periods of volatility that expose vulnerabilities in the crypto sector.[66] However, few representative surveys have provided information on how widespread crypto use is among households and how households use crypto.

In the 2023 survey, all households were asked whether, in the past 12 months, they had owned or used crypto, such as Bitcoin or Ether (hereafter, used crypto). Households that used crypto were asked a follow-up question on whether they used crypto to hold as an investment, send money to or receive money from family or friends (hereafter, send or receive money), buy items in person (hereafter, make purchases in person), buy items online (hereafter, make purchases online), or for some other use.

[66] In January 2023, three federal financial regulatory agencies, including the FDIC, issued a statement on crypto risks to banking organizations, highlighting several risks associated with crypto and crypto sector participants of which banking organizations should be aware. See Board of Governors of the Federal Reserve System (FRB), FDIC, and Office of the Comptroller of the Currency, "Joint Statement on Crypto-Asset Risks to Banking Organizations," Financial Institution Letter FIL–1–2023, January 5, 2023, https://www.fdic.gov/news/financial-institution-letters/2023/fil23001.html.

Use of Crypto by Bank Account Ownership and Household Characteristics

In 2023, 4.8 percent of all households had used crypto in the past 12 months (see Table 6.1).[67] The use of crypto was higher among banked households (5.0 percent) than among unbanked households (1.2 percent). The use of crypto also varied by household characteristics and was higher among higher-income households, more-educated households, younger households, Asian and White households, working-age households without a disability, and households with higher monthly income volatility.

Differences by income level and monthly income volatility were especially pronounced. For example, 7.3 percent of households with income of $75,000 or more used crypto, compared with 1.1 percent of households with less than $15,000 in income. One in ten households with income that varied a lot from month to month (9.7 percent) and 7.1 percent of households with income that varied somewhat from month to month used crypto, compared with 4.2 percent of households with income that was about the same each month.

The use of crypto also varied widely by age and race and ethnicity. For instance, 9.8 percent of households aged 25 to 34 used crypto, compared with 1.2 percent of households aged 65 or older. Moreover, the use of crypto was more than twice as high among Asian households (7.5 percent) as among Black households (3.2 percent) and Hispanic households (3.5 percent). The share of Asian households that used crypto was also larger than the share among White households (5.2 percent).

TABLE 6.1 Use of Crypto by Bank Account Ownership and Selected Household Characteristics, 2023
All Households, Row Percent

Characteristic	Crypto
All	4.8
Bank Account Ownership	
Banked	5.0
Unbanked	1.2
Family Income	
Less Than $15,000	1.1
$15,000 to $30,000	1.7
$30,000 to $50,000	3.3
$50,000 to $75,000	3.8
At Least $75,000	7.3
Education	
No High School Diploma	1.4
High School Diploma	2.5
Some College	4.5
College Degree	7.1
Age Group	
15 to 24 Years	6.5
25 to 34 Years	9.8
35 to 44 Years	7.1
45 to 54 Years	5.8
55 to 64 Years	2.7
65 Years or More	1.2
Race/Ethnicity	
Black	3.2
Hispanic	3.5
Asian	7.5
American Indian or Alaska Native	4.1
Native Hawaiian or Other Pacific Islander	4.8
White	5.2
Two or More Races	10.3
Disability Status	
Disabled, Aged 25 to 64	4.7
Not Disabled, Aged 25 to 64	6.5
Monthly Income Volatility	
Income Was About the Same Each Month	4.2
Income Varied Somewhat From Month to Month	7.1
Income Varied a Lot From Month to Month	9.7

Note: See Appendix Table F.1 for estimates by other household characteristics.

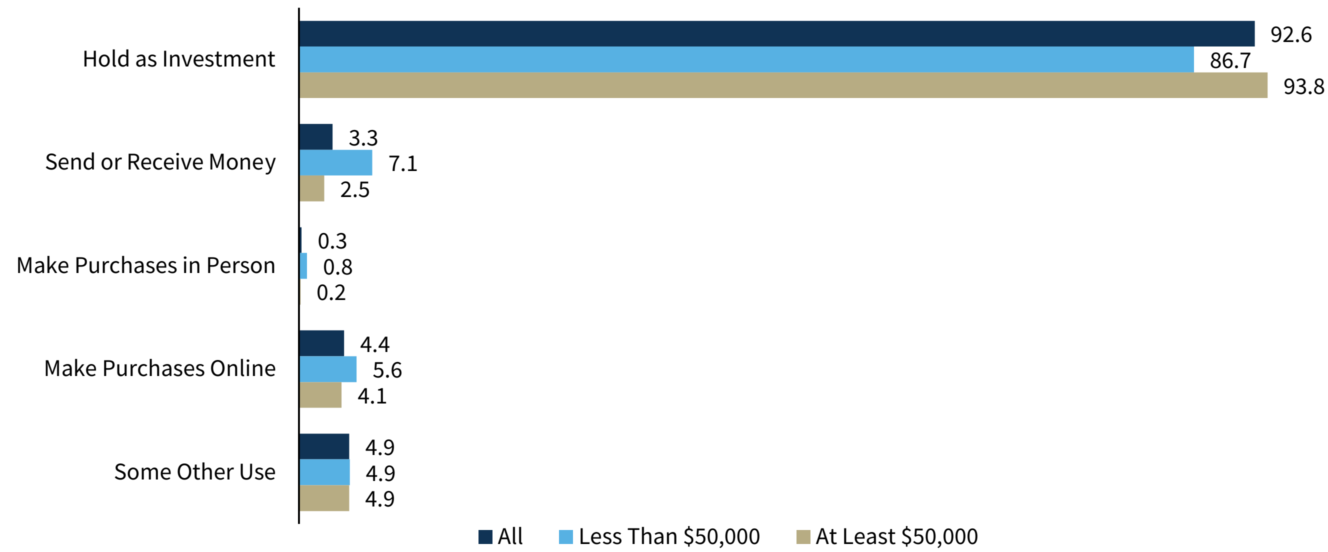
[67] As mentioned earlier, few representative surveys have provided estimates of household use of crypto. One example is the *2023 Survey of Household Economics and Decisionmaking*, which found that 7 percent of adults held or used crypto in 2023, down from 10 percent in 2022 and 12 percent in 2021. Among adults who held or used crypto in 2023, the vast majority bought or held crypto as an investment. The *2023 Survey and Diary of Consumer Payment Choice* found that 8.6 percent of consumers owned crypto in 2023, similar to the percentages in 2022 (9.6 percent) and 2021 (9.1 percent) but up sharply from 2020 (4.0 percent). About two-thirds of consumers who owned crypto cited investment as their primary reason for doing so. See FRB, "Economic Well-Being of U.S. Households in 2023," May 2024, https://www.federalreserve.gov/publications/files/2023-report-economic-well-being-us-households-202405.pdf; and Kevin Foster, Claire Greene, and Joanna Stavins, "2023 Survey and Diary of Consumer Payment Choice: Summary Results," Federal Reserve Bank of Atlanta Research Data Report no. 24–1, June 3, 2024, https://www.atlantafed.org/-/media/documents/banking/consumer-payments/survey-diary-consumer-payment-choice/2023/sdcpc_2023_report.pdf.

Specific Uses of Crypto

As shown in Figure 6.1, among all households that used crypto, the vast majority held crypto as an investment (92.6 percent). Far fewer households used crypto in another way; for example, only 4.4 percent of households that used crypto did so to make purchases online.

Holding crypto as an investment was more prevalent among higher-income households that used crypto, while using crypto to send or receive money was more common among lower-income households that used crypto.[68] For both groups, however, holding crypto as an investment was by far the most common use of crypto.[69] Specifically, among households that used crypto, 86.7 percent of households with less than $50,000 in income held crypto as an investment, compared with 93.8 percent of households with income of $50,000 or more. On the other hand, 7.1 percent of households with less than $50,000 in income that used crypto did so to send or receive money, compared with 2.5 percent of households with income of $50,000 or more that used crypto. The use of crypto to make purchases in person or online was similar across the two income categories.

FIGURE 6.1 Specific Uses of Crypto Among Households That Used Crypto by Income Level, 2023 (Percent)



Note: Bars sum to more than 100 percent because households could select more than one specific use.

[68] See Appendix Table F.2 for specific uses of crypto by other household characteristics.

[69] The sample size for households that used crypto was too small to disaggregate by finer income categories.

7. UNDERBANKED HOUSEHOLDS

Summary

In 2023, 14.2 percent of U.S. households—representing about 19.0 million households—were considered underbanked. In contrast, 81.6 percent of U.S. households—representing about 109.1 million households—were considered fully banked. Nearly one in four households without a high school diploma (23.1 percent) were underbanked, compared with 10.4 percent of households with a college degree. More than one in five Black, Hispanic, American Indian or Alaska Native, and Native Hawaiian or Other Pacific Islander households were underbanked, compared with one in ten White households. Underbanked and fully banked households exhibited some differences in the primary method they used to access their bank accounts, with the use of mobile banking more common and the use of online banking less common among underbanked households. Compared with fully banked households, higher shares of underbanked households used online payment services and prepaid cards in ways that substitute for some of the core financial transactions that can be conducted using a bank account, including paying bills, receiving income, and saving or keeping money safe.

Underbanked households are banked households that use nonbank products to meet their core financial needs. As in 2021, a household is considered underbanked in 2023 if it had a checking or savings account at a bank or credit union but in the past 12 months had used at least one of eight nonbank financial services (NBFSs). These NBFSs include three transaction services (nonbank money orders, check cashing, and international remittances) and five alternatives to mainstream credit (rent-to-own services and payday, pawn shop, auto title, and tax refund anticipation loans). Such NBFSs historically have been used disproportionately by unbanked households to meet their transaction or credit needs. Sections 4 and 5 discuss the use of each NBFS among unbanked and banked households.

Households that had a checking or savings account at a bank or credit union but in the past 12 months had not used any of the above NBFSs are considered 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 unbanked (see section 1). 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 2023, 14.2 percent of U.S. households—representing about 19.0 million households—were underbanked. In contrast, 81.6 percent of U.S. households—representing about 109.1 million households—were fully banked. The remaining 4.2 percent of U.S. households—representing about 5.6 million households—were unbanked. Underbanked and fully banked rates in 2023 are not directly comparable to those in 2021 because the question on tax refund anticipation loans was broadened to better match credit products available on the market.[70]

Within underbanked households, the use of each NBFS varied considerably. Almost half of underbanked households (48.6 percent) used money orders, the most common NBFS among those used to classify a household as underbanked. In total, about seven in ten underbanked households (71.6 percent) used one or more of the aforementioned three transaction services, while a smaller proportion of underbanked households (38.2 percent) used one or more of the aforementioned five alternatives to mainstream credit.

[70] The 2023 survey asked, "*In the past 12 months, did you or anyone in your household pay a fee to get your tax refund faster than the IRS would provide it? This includes products like refund anticipation loans and refund advances,*" while the 2021 survey asked, "*In the past 12 months, that is since June 2020, did you 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.*" Excluding the use of tax refund anticipation loans, the underbanked rate would have been 13.6 percent in 2021 and 12.7 percent in 2023. The decline between 2021 and 2023 was statistically significant.

Fully Banked, Underbanked, and Unbanked Rates by Household Characteristics

As in previous years, underbanked rates in 2023 varied considerably across household characteristics. For example, as shown in Table 7.1, underbanked rates were higher among households without a high school diploma; households aged 15 to 24; Black, Hispanic, American Indian or Alaska Native, and Native Hawaiian or Other Pacific Islander households; working-age households with a disability; and households with higher monthly income volatility. These groups typically had higher unbanked rates, as well.

Differences by educational attainment and race and ethnicity were especially pronounced. Nearly one in four households without a high school diploma (23.1 percent) were underbanked, compared with one in ten households with a college degree (10.4 percent). More than one in five Black, Hispanic, American Indian or Alaska Native, and Native Hawaiian or Other Pacific Islander households were underbanked, compared with one in ten White households (10.1 percent).

About one in five households with income that varied somewhat or a lot from month to month were underbanked, compared with one in eight households with income that was about the same each month.

To better understand underbanked households' experiences and levels of engagement with banks and nonbank financial providers, the remainder of this section compares the characteristics and financial behaviors of underbanked households with those of unbanked and fully banked households, highlighting similarities and differences across these households.

Characteristics of Fully Banked, Underbanked, and Unbanked Households

Understanding the socioeconomic and demographic characteristics of underbanked households is important for effectively targeting efforts aimed at improving economic inclusion. Table 7.2 shows distributions of household characteristics in 2023 among all households and among fully banked, underbanked, and unbanked households. Compared with fully banked households, underbanked households in 2023 tended to have lower income levels, higher monthly income volatility, and lower educational attainment. Additionally, a greater proportion of underbanked households were aged 34 or younger, Black or Hispanic, and working-age households with a disability. However, the characteristics of underbanked households often differed substantially from those of unbanked households.

For example, 9.8 percent of underbanked households had less than $15,000 in income, higher than the share

TABLE 7.1 Fully Banked, Underbanked, and Unbanked Rates by Selected Household Characteristics, 2023
All Households, Row Percent

Characteristic	Fully Banked	Underbanked	Unbanked
All	81.6	14.2	4.2
Family Income			
Less Than $15,000	61.3	16.9	21.8
$15,000 to $30,000	72.2	18.8	9.0
$30,000 to $50,000	77.7	17.8	4.5
$50,000 to $75,000	82.8	15.4	1.8
At Least $75,000	88.6	10.7	0.7
Education			
No High School Diploma	57.2	23.1	19.7
High School Diploma	77.4	16.0	6.5
Some College	81.2	15.7	3.0
College Degree	88.7	10.4	0.8
Age Group			
15 to 24 Years	73.3	20.8	5.9
25 to 34 Years	77.2	17.6	5.2
35 to 44 Years	79.9	15.4	4.7
45 to 54 Years	79.9	15.8	4.3
55 to 64 Years	82.0	13.6	4.4
65 Years or More	87.3	9.8	2.9
Race/Ethnicity			
Black	65.6	23.8	10.6
Hispanic	68.8	21.7	9.5
Asian	81.2	16.8	2.0
American Indian or Alaska Native	65.9	21.9	12.2
Native Hawaiian or Other Pacific Islander	68.2	27.0	4.8
White	88.1	10.1	1.9
Two or More Races	80.7	16.8	2.5
Disability Status			
Disabled, Aged 25 to 64	67.6	21.2	11.2
Not Disabled, Aged 25 to 64	81.5	14.8	3.7
Monthly Income Volatility			
Income Was About the Same Each Month	83.3	12.8	4.0
Income Varied Somewhat From Month to Month	76.1	19.2	4.6
Income Varied a Lot From Month to Month	69.5	22.2	8.3

Note: Row percentages sum to 100. See Appendix Table G.1 for estimates by other household characteristics.

TABLE 7.2 Distributions of Selected Household Characteristics Among Fully Banked, Underbanked, and Unbanked Households, 2023
All Households, Column Percent

Characteristic	All	Fully Banked	Underbanked	Unbanked
Family Income				
Less Than $15,000	8.2	6.2	9.8	42.5
$15,000 to $30,000	11.4	10.1	15.1	24.3
$30,000 to $50,000	17.0	16.2	21.3	18.0
$50,000 to $75,000	17.9	18.1	19.4	7.5
At Least $75,000	45.5	49.4	34.3	7.9
Education				
No High School Diploma	7.4	5.2	12.0	34.6
High School Diploma	24.2	23.0	27.4	37.5
Some College	27.5	27.3	30.4	19.8
College Degree	40.9	44.5	30.1	8.0
Age Group				
15 to 24 Years	4.7	4.2	6.8	6.6
25 to 34 Years	15.9	15.0	19.7	19.4
35 to 44 Years	17.4	17.0	18.9	19.5
45 to 54 Years	16.2	15.9	18.0	16.6
55 to 64 Years	17.9	17.9	17.2	18.5
65 Years or More	28.0	29.9	19.3	19.4
Race/Ethnicity				
Black	12.9	10.4	21.7	32.3
Hispanic	14.8	12.5	22.6	33.4
Asian	5.5	5.4	6.5	2.6
American Indian or Alaska Native	0.7	0.6	1.1	2.0
Native Hawaiian or Other Pacific Islander	0.3	0.3	0.6	0.4
White	64.3	69.4	45.7	28.4
Two or More Races	1.5	1.5	1.8	0.9
Disability Status				
Disabled, Aged 25 to 64	8.1	6.7	12.1	21.5
Not Disabled, Aged 25 to 64	59.3	59.2	61.8	52.5
Not Applicable (Not Aged 25 to 64)	32.6	34.1	26.1	26.0
Monthly Income Volatility				
Income Was About the Same Each Month	80.2	81.8	72.3	75.1
Income Varied Somewhat From Month to Month	16.2	15.1	21.9	17.7
Income Varied a Lot From Month to Month	3.7	3.1	5.8	7.2

Note: Column percentages for each household characteristic sum to 100. See Appendix Table G.4 for distributions of other household characteristics.

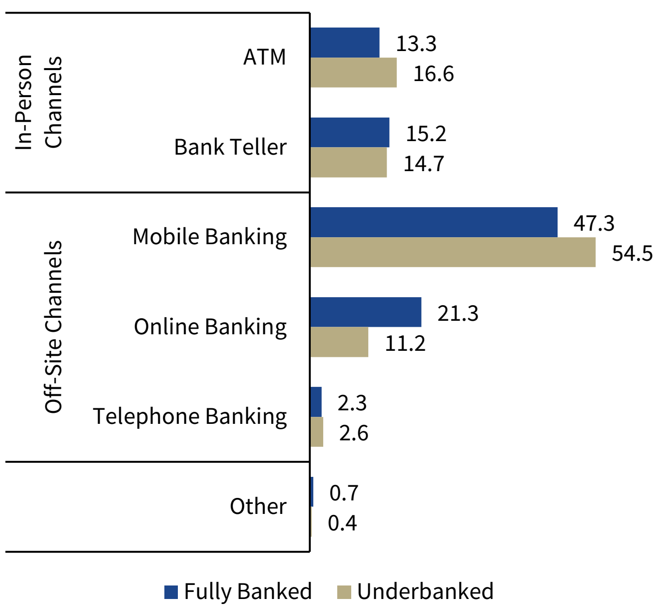
among fully banked households (6.2 percent) but much smaller than the share among unbanked households (42.5 percent). Conversely, 34.3 percent of underbanked households had income of $75,000 or more, compared with 49.4 percent of fully banked households and only 7.9 percent of unbanked households. Nearly one in eight underbanked households (12.0 percent) had no high school diploma, compared with 5.2 percent of fully banked households and 34.6 percent of unbanked households.

On the other hand, 30.1 percent of underbanked households had a college degree, compared with 44.5 percent of fully banked households and only 8.0 percent of unbanked households. More than two in five underbanked households (44.3 percent) were Black or Hispanic, almost twice the proportion among fully banked households (22.8 percent) but much lower than the proportion among unbanked households (65.7 percent).

Primary Method of Bank Account Access

Underbanked and fully banked households exhibited some differences in the primary method they used to access their bank accounts. As displayed in Figure 7.1, the use of mobile banking was by far the most prevalent primary method of account access among underbanked and fully banked households but was more common among underbanked households (54.5 percent) than among fully banked households (47.3 percent). On the other hand, a higher share of fully banked households primarily used online banking (21.3 percent) than did underbanked households (11.2 percent). The use of ATMs was more common among underbanked households than among fully banked households, while the use of bank tellers was similar across these households.

FIGURE 7.1 Primary Method of Bank Account Access Among Fully Banked and Underbanked Households, 2023 (Percent)

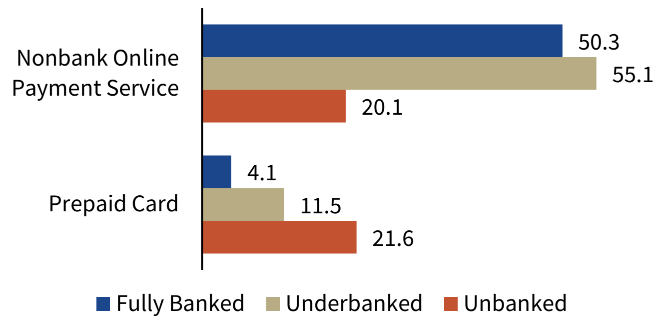


Note: Bars sum to 100 percent.

Use of Nonbank Online Payment Services and Prepaid Cards

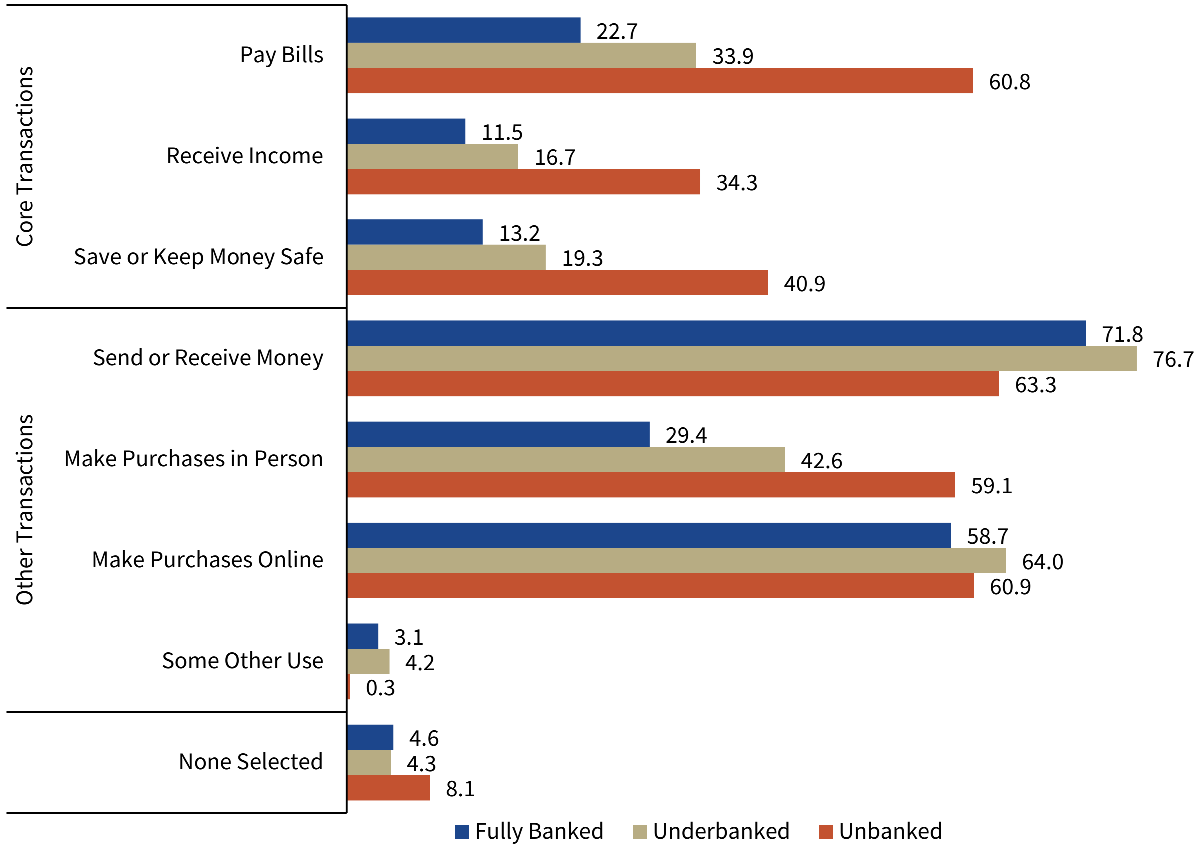
Figure 7.2 shows that the use of online payment services in 2023 was more common among underbanked households (55.1 percent) than among fully banked households (50.3 percent) and unbanked households (20.1 percent).

FIGURE 7.2 Use of Nonbank Online Payment Services and Prepaid Cards Among Fully Banked, Underbanked, and Unbanked Households, 2023 (Percent)



Compared with fully banked households, higher shares of underbanked households used online payment services in ways that substitute for some of the core financial transactions that can be conducted using a bank account. Specifically, as shown in Figure 7.3, among underbanked households with online payment services, 33.9 percent used them to pay bills compared with 22.7 percent of fully banked households, 16.7 percent used them to receive income compared with 11.5 percent of fully banked households, and 19.3 percent used them to save or keep money safe compared with 13.2 percent of fully banked households. Altogether, more than two in five underbanked households with online payment services (44.2 percent) used them to conduct at least one of these three core transactions, compared with less than one in three fully banked households (31.4 percent) and seven in ten unbanked households (71.5 percent).

FIGURE 7.3 Types of Transactions Conducted Using Nonbank Online Payment Services Among Fully Banked, Underbanked, and Unbanked Households Currently Using Nonbank Online Payment Services, 2023 (Percent)



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

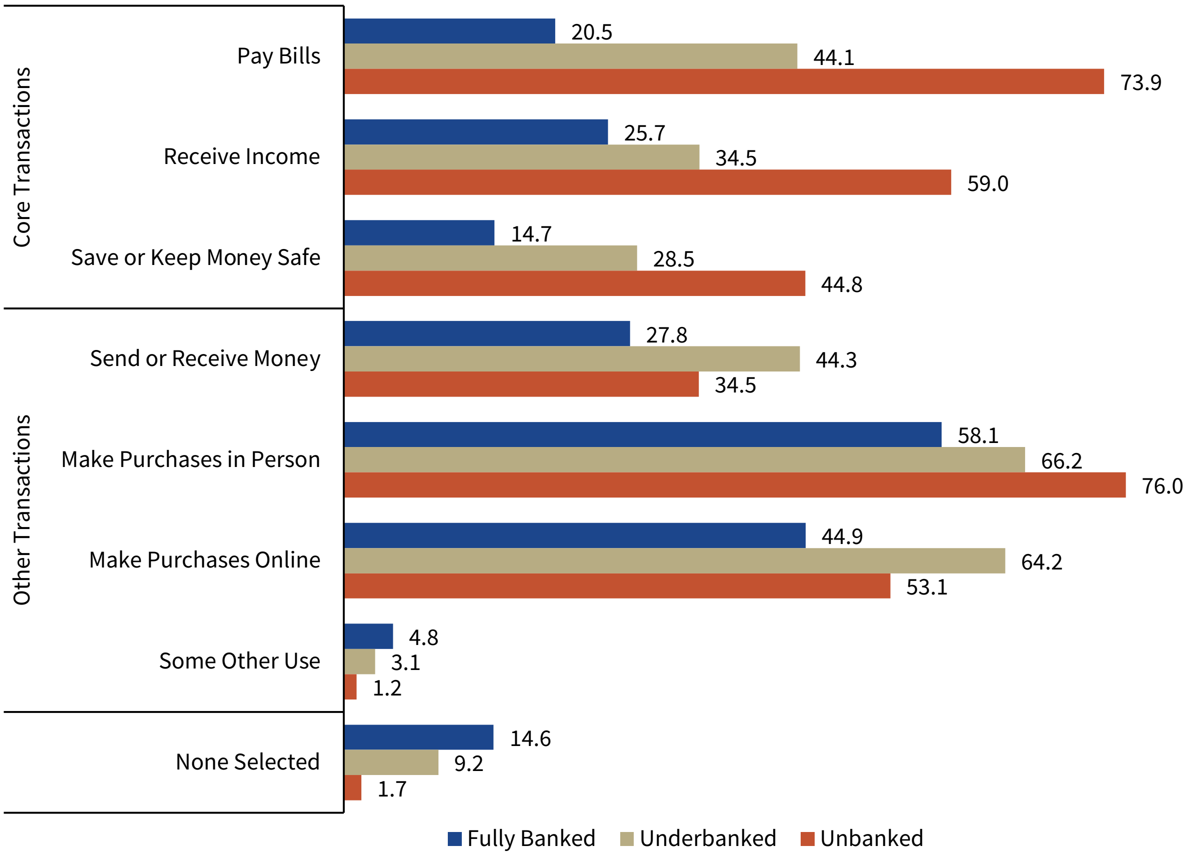
Overall, underbanked households used online payment services to conduct more types of transactions than fully banked households but fewer than unbanked households. Underbanked households with online payment services used them to conduct an average of 2.6 types of transactions, while fully banked households with online payment services used them to conduct an average of 2.1 types of transactions and unbanked households with online payment services used them to conduct an average of 3.2 types of transactions.

As shown in Figure 7.2, the use of prepaid cards in 2023 among underbanked households (11.5 percent) was nearly three times as prevalent as among fully banked households (4.1 percent) but was about half as prevalent as among unbanked households (21.6 percent).

As with online payment services, higher shares of underbanked households used prepaid cards for the three core transactions than did fully banked households. Specifically, among underbanked households with prepaid cards, 44.1 percent used them to pay bills compared with 20.5 percent of fully banked households, 34.5 percent used them to receive income compared with 25.7 percent of fully banked households, and 28.5 percent used them to save or keep money safe compared with 14.7 percent of fully banked households (see Figure 7.4). In total, almost three in five underbanked households with prepaid cards (58.8 percent) used them to conduct at least one of these three core transactions, compared with two in five fully banked households (39.7 percent) and nine in ten unbanked households (90.7 percent).

Overall, underbanked households used prepaid cards to conduct more types of transactions than fully banked households but fewer than unbanked households. Underbanked households with prepaid cards used them to conduct an average of 2.8 types of transactions, while fully banked households with prepaid cards used them to conduct an average of 2.0 types of transactions and unbanked households with prepaid cards used them to conduct an average of 3.4 types of transactions.

FIGURE 7.4 Types of Transactions Conducted Using Prepaid Cards Among Fully Banked, Underbanked, and Unbanked Households Currently Using Prepaid Cards, 2023 (Percent)



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

These findings suggest that underbanked households rely more on online payment services and prepaid cards than fully banked households for financial transactions that could possibly be conducted within the banking system.[71]

Use of Mainstream Credit and Buy Now, Pay Later

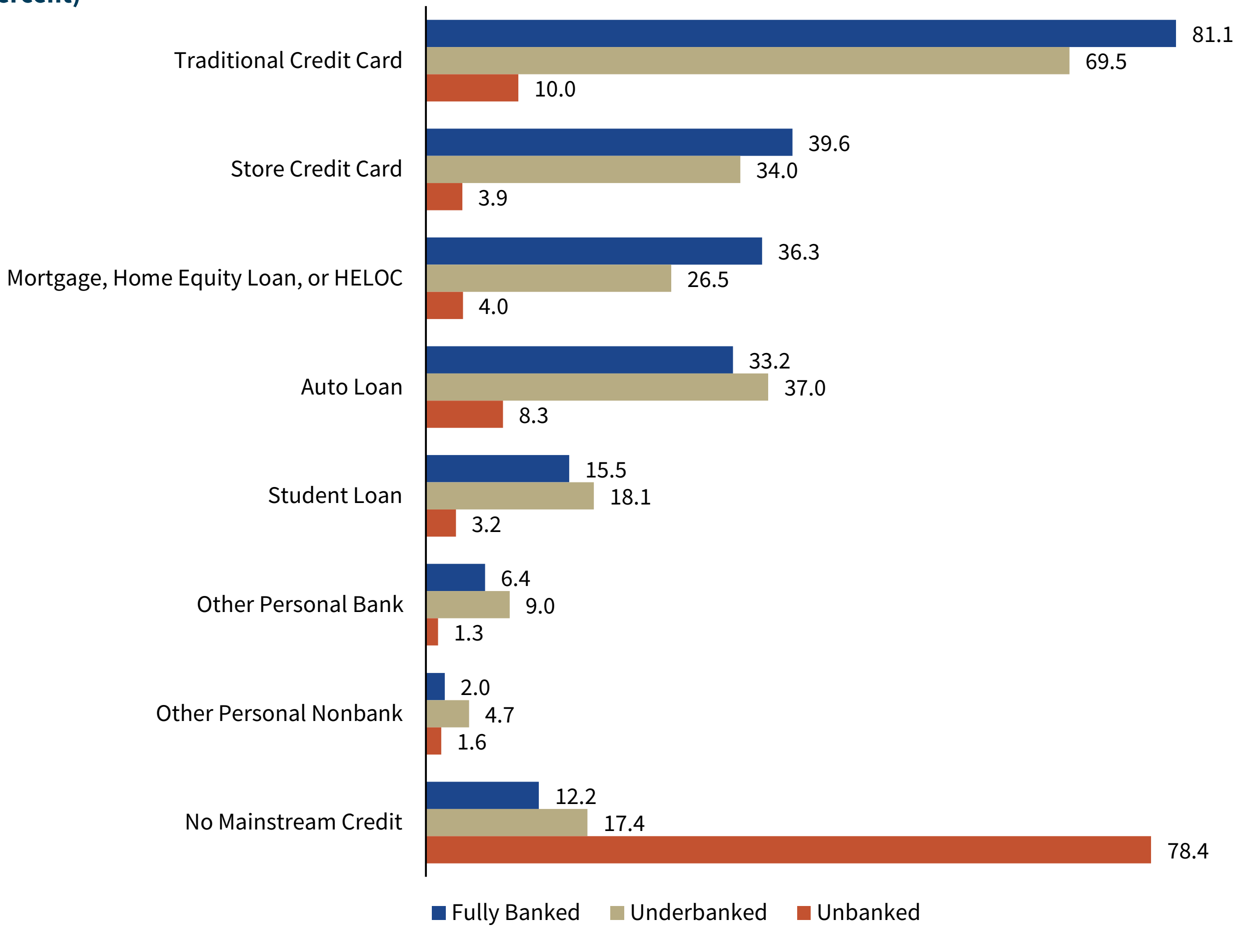
Figure 7.5 shows that fully banked, underbanked, and unbanked households exhibited differences in their use of mainstream credit products in 2023. Compared with fully banked households, the share of underbanked households that had an auto loan, student loan, other personal bank credit, or other personal nonbank credit was higher, while the share that had a traditional credit card; store credit card; or mortgage, home equity loan, or home equity line of credit (HELOC) was lower. The shares of underbanked and fully banked households that used each mainstream credit product were, in general, much higher than the share among unbanked households. For example, seven in ten underbanked households (69.5 percent) and more than eight in ten fully banked households (81.1 percent) had a traditional credit card, compared with only 10.0 percent of unbanked households.

As discussed in section 5, households with no mainstream credit in the past 12 months likely did not have a credit score with the nationwide credit reporting agencies, which could make it more difficult to obtain mainstream credit should a credit need arise. The proportion of households with no mainstream credit in 2023 was higher among underbanked households (17.4 percent) than among fully banked households (12.2 percent) but was much lower than the proportion among unbanked households (78.4 percent).

As shown in Figure 7.6, the use of Buy Now, Pay Later (BNPL) in 2023 was much higher among underbanked households (9.7 percent) than among fully banked households (3.0 percent) and unbanked households (1.6 percent). Further, one in five underbanked households that

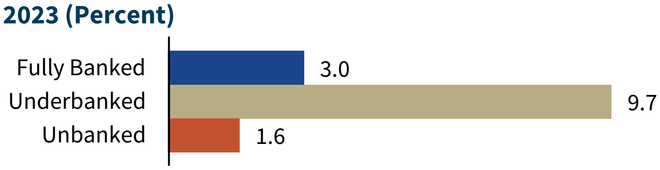
[71] Results from the 2021 survey further demonstrate these differences across underbanked and fully banked households. Specifically, while almost all underbanked and fully banked households in 2021 used their bank accounts to pay bills or receive income (96.1 percent of underbanked households and 97.3 percent of fully banked households), regardless of whether they also used another method, the share of households that exclusively used their bank accounts to pay bills or receive income was much higher among fully banked households (81.6 percent) than among underbanked households (38.1 percent). As discussed in Appendix 2, the 2021 survey question on the types of transactions that banked households conducted using their bank accounts was not repeated in the 2023 survey.

FIGURE 7.5 Use of Mainstream Credit Products Among Fully Banked, Underbanked, and Unbanked Households, 2023 (Percent)



used BNPL (20.8 percent) missed or made a late payment on at least one of their BNPL purchases, more than twice the proportion among fully banked households that used BNPL (8.1 percent).[72]

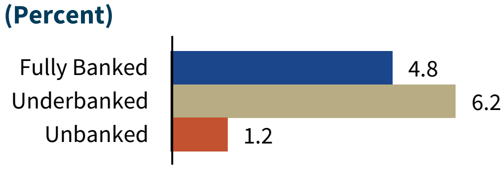
FIGURE 7.6 Use of Buy Now, Pay Later Among Fully Banked, Underbanked, and Unbanked Households, 2023 (Percent)



Use of Crypto

As presented in Figure 7.7, the use of crypto in 2023 was more common among underbanked households (6.2 percent) than among fully banked households (4.8 percent) and unbanked households (1.2 percent). As with fully banked households that used crypto, the vast majority of underbanked households that used crypto held it as an investment. However, holding crypto as an investment was less prevalent among underbanked households (87.7 percent) than among fully banked households (94.2 percent).[73]

FIGURE 7.7 Use of Crypto Among Fully Banked, Underbanked, and Unbanked Households, 2023 (Percent)



[72] The sample size for unbanked households that used BNPL was too small to compute the share that missed or made a late payment.

[73] The sample size for unbanked households that used crypto was too small to compute the share that held crypto as an investment.

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8. IMPLICATIONS

Since its inception, the *FDIC National Survey of Unbanked and Underbanked Households* has evolved to reflect the changing financial services marketplace and allow deeper analysis of the diverse and nuanced needs of different groups of consumers. These implications take a closer look at unbanked households, households with rapid increases in technology access, and households that do not use mainstream credit. Exploring the ways in which these groups' demographics and financial behaviors have changed reveals specific opportunities to increase economic inclusion. With more households participating in the financial mainstream, it is becoming increasingly difficult, but ever more important, to develop safe and affordable products and outreach strategies to reach households that do not participate in the insured banking system. Examining distinct groups with unique characteristics highlights the potential value of more targeted approaches to increasing access, sustainability, and growth in the banking system.

1. The Changing Composition of Unbanked Households

The composition of unbanked households has changed significantly over the years. The age distribution of unbanked households is now less disproportionately young. And while some unbanked households may be more tech savvy, still others rely primarily on cash. As a result, economic inclusion strategies that may have worked in the past may not be as compelling today. Gaining a more nuanced understanding of the current composition of unbanked households can help economic inclusion efforts evolve and better meet the needs of today's unbanked households.

Unbanked rates have decreased significantly over the past decade, with many of the largest declines in unbanked rates among groups that historically have had the highest unbanked rates. For example, between 2013 and 2023, the unbanked rate fell from 27.7 percent to 21.8 percent for households with less than $15,000 in income, 25.1 percent to 19.7 percent for households without a high school diploma, and 13.2 percent to 5.3 percent for households aged 34 or younger. While some groups have experienced large decreases in unbanked rates, unbanked rates have only slightly declined or remained fairly constant among other groups. These uneven changes in unbanked rates, along with underlying changes in the demographic composition of U.S. households overall, have led to changes in the demographic composition of unbanked households. As a result, in 2023, higher-income households, older households, and more-educated households made up a larger share of unbanked households than they did a decade earlier.

One of the most notable changes has been in the age distribution of unbanked households, with younger households now making up a smaller proportion of the unbanked. In 2013, 36.9 percent of unbanked households were aged 34 or younger; however, this percentage decreased to 26.0 percent in 2023.[74] Several reasons might explain the sharp declines in unbanked rates among younger households and the resulting changes in the age composition of unbanked households. Economic inclusion programs for youth and young adults, such as school banking programs, financial literacy efforts, targeted marketing of banking products, and the continuing evolution of technologies like mobile banking may all have contributed to increased access to the banking system among younger households. Notably, as the unbanked rate among younger households has decreased considerably and as older households have made up a larger proportion of households overall, older households have comprised a larger share of unbanked households.[75] While households aged 65 or older continued to have the lowest unbanked rate of any age group, they made up 19.4 percent of unbanked households in 2023, up from 10.3 percent in 2013.

As differences in unbanked rates across age groups shrink, stakeholders would benefit from recognizing that the unbanked consumers they are seeking to serve have changed. For example, messaging campaigns with youth-centric themes may need to be supplemented with messaging aimed at a broader range of age groups. And it may be useful to target more specific groups, such as young adults who are just entering the workforce or establishing their first home or apartment. More generally, it will be important to continue to monitor the long-term

[74] In contrast, the share of households overall that were aged 34 or younger only decreased from 21.6 percent in 2013 to 20.6 percent in 2023.

[75] The proportion of households overall that were aged 65 or older increased from 22.9 percent in 2013 to 28.0 percent in 2023.

changes in unbanked rates and the resulting distribution of unbanked households to best inform efforts to improve banking access.

Another marked shift among unbanked households can be seen in their use of technology. Unbanked households are much more connected to technology than they were ten years ago. Smartphone access among unbanked households doubled over the past decade, from 35.6 percent in 2013 to 72.1 percent in 2023, rising from 63.7 percent since 2019. One in five unbanked households used nonbank online payment services in 2023, and a substantial share used those technology-based providers with the intent to pay bills, receive income, or save or keep money safe, indicating that they were comfortable using technology to meet their core financial needs. At the same time, the use of paper-based nonbank services like check cashing and money orders has been declining. These findings suggest that certain unbanked consumers may benefit from learning about banks' mobile offerings and can be reached by technology-based efforts to connect them to bank accounts. And, as noted in the *2021 FDIC National Survey of Unbanked and Underbanked Households* report, the increased use of bank and nonbank technology-based solutions also highlights the importance of consumers' understanding the limits and applicability of consumer protections when deciding whether and how to use different types of financial providers.[76]

While a growing number of unbanked consumers has access to technology and uses it for financial services, other unbanked consumers have very different financial behaviors. An increasing majority of the unbanked do not use electronic payments from nonbank online payment services or prepaid cards, dealing primarily in cash; this group has grown from 59.3 percent of unbanked households in 2021 to 66.2 percent in 2023. These cash-only unbanked households were disproportionately aged 55 or older, more likely to be Hispanic, and less likely to be Black, compared with unbanked households that used nonbank online payment services, prepaid cards, or both. Cash-only unbanked households were also less likely to have previously been banked and to have been interested in having a bank account. In these ways, cash-only unbanked households have very different attributes from the remaining, tech-enabled unbanked households, and messaging, product development, and other inclusion efforts may account for these important differences in demographic characteristics and attitudes.

Unbanked households do not seek or engage with financial services the same way that they did ten years ago. Changes in demographic profiles, preferences for cash, and access to technology have led to shifts in the composition of unbanked households, and different groups of unbanked households may need to be served by distinct targeted outreach strategies and products to meet the characteristics and needs of these different groups. For example, for unbanked households that rely on nonbank online payment services for storing and managing money, increasing awareness of robust mobile banking apps and bank-based peer-to-peer capabilities, like Zelle, might be effective. However, for unbanked households that primarily use cash, targeted messaging aimed at increasing trust in banking; messaging in Spanish; and materials that provide clear, simple instructions for opening and managing a bank account may be the most relevant. In all cases, it is important to remember that bank account ownership is not permanent, and even among groups where unbanked rates have declined, efforts to sustain and grow banking engagement should continue. Ongoing research to understand the evolving characteristics of banked and unbanked households will continue to be critical for informing economic inclusion work.

2. Technology for Sustaining and Growing Banking Relationships

Technology is changing how consumers interact with banks and reshaping the financial services industry by increasing options for using technology to conduct financial transactions and develop business relationships. Smartphones are ubiquitous among banked consumers, but many are not using them to improve their banking experience. Significant untapped potential exists for banks to engage these consumers and help them use technology to sustain and grow banking relationships. Late adopters might be ready to use more technology for banking, but they are at risk of being left behind if they are not considered part of banks' technology strategies.

The vast majority of U.S. households—nearly 90 percent—now have access to smartphones, and even those that were not early technology adopters have rapidly increased their use of smartphones. As technology has become more widespread, households have quickly changed their banking behaviors, increasingly turning to mobile banking for accessing their bank accounts. Notably, levels and growth rates of technology access are not consistent across demographic groups. In addition, increases in smartphone access do not always translate quickly into mobile banking adoption.

[76] See FDIC, "2021 FDIC National Survey of Unbanked and Underbanked Households," October 2022, https://www.fdic.gov/sites/default/files/2024-03/2021report.pdf.

Smartphone access and the use of mobile banking have grown significantly in recent years, particularly among households that historically had reduced access to smartphones and lower use of mobile banking. While, overall, the share of households that owned or had regular access to a smartphone between 2019 and 2023 increased only modestly from 85.4 percent to 87.8 percent, growth was sizable among lower-income households, older households, less-educated households, and households that did not live in a metropolitan area. For example, smartphone access among households with less than $15,000 in income rose from 63.3 percent in 2019 to 73.9 percent in 2023, while smartphone access among households aged 65 or older increased from 66.4 percent to 76.3 percent. The use of mobile banking has also grown among these groups, but disparities exist between smartphone access and the use of mobile banking. Overall, in 2023, 79.5 percent of banked households with smartphone access had used mobile banking at least once in the past 12 months. But among some household groups with smartphone access, the use of mobile banking was much lower. Among banked households with smartphone access in 2023, only 55.7 percent of households aged 65 or older had used mobile banking at least once in the past 12 months, while 65.7 percent of households with less than $30,000 in income had used mobile banking at least once in the past 12 months. In these cases, opportunities may exist for banks to engage newly tech-enabled groups of consumers.

Groups such as lower-income households and older households were often not early technology adopters and were not necessarily identified by banks as leading candidates for emerging financial technology products and outreach. But household access to and use of technology has changed dramatically in recent years. New technology users might need additional support, dedicated outreach, and targeted education to increase their awareness of and comfort with mobile banking tools. While many of these households are already banked, they may become disengaged if they are perceived to be unwilling or unable to keep up with technological advancements in banking. And it may be particularly beneficial to demonstrate the value of using technology for banking among a wider range of households, including those that previously may have had limited technology access. Introducing these households to low-risk mobile banking features, such as receiving low-balance alerts and checking balances, might be good starting points to demonstrate the convenience of mobile banking. Mobile banking can both increase convenience and provide access to account information and customer service for households that face challenges, such as households with nontraditional work hours, limited English proficiency, or mobility constraints.

Continuing to focus technology and messaging primarily on early adopters could facilitate digital exclusion among certain groups who are newly ready and able to use technology and mobile banking to sustain and enhance their banking relationships.

3. Credit Building

Gaining access to credit and establishing a credit history allow households to smooth consumption, build wealth, and weather financial shocks. In recent years, the share of households using mainstream credit has increased and the share using nonbank alternatives to mainstream credit has decreased, indicating that more consumers are able to access mainstream credit. However, large numbers of households do not use mainstream credit, and efforts to increase access to safe and affordable credit remain important. And as more consumers gain access to mainstream credit, targeted outreach and education about managing and building credit may be valuable to support successful use of credit. In addition, lenders and consumers alike would benefit from more detailed and transparent information about the impact of timing and types of credit use on credit history and scores.

The use of mainstream credit, particularly credit cards, has increased in recent years. Between 2017, when the survey had previously included a series of questions on mainstream credit products, and 2023, the share of households that used mainstream credit increased from 80.0 percent to 84.3 percent, and the share that had a traditional credit card increased from 68.5 percent to 76.4 percent. In many cases, these increases have been driven by groups that had the lowest levels of mainstream credit use in 2017, such as Black and Hispanic households. In fact, the share of Black households that had a traditional credit card increased from 47.1 percent in 2017 to 59.4 percent in 2023, and the share of Hispanic households that had a traditional credit card increased from 54.0 percent in 2017 to 64.5 percent in 2023.

Still, 15.7 percent of U.S. households had no mainstream credit in 2023, and Black and Hispanic households continued to be disproportionately represented among households with no mainstream credit. Although Black and Hispanic households in 2023 comprised 27.7 percent of households overall, they made up 47.4 percent of households with no mainstream credit. In addition, less-educated households and working-age households with a disability were overrepresented among households with no mainstream credit. These findings suggest that efforts to promote access to credit among these groups need to continue. Developments in responsible data sharing and cashflow underwriting could potentially help consumers access credit based on their record of routine financial transactions. For example, the Consumer Financial Protection Bureau (CFPB) found that regularly saving and paying bills on time might be good predictors of serious delinquency.[77] In addition, establishing deposit accounts and records of inflows and outflows may increasingly be an additional way to access certain forms of mainstream credit.

Understanding the composition of households that face challenges accessing mainstream credit can help stakeholders build strategies to reach these households and facilitate credit building. Households with no mainstream credit are distinctive in their educational attainment, financial fragility, and their use of technology. About one in five unbanked households with no mainstream credit in 2023 (22.0 percent) had no high school diploma, and an additional 38.5 percent had a high school diploma (but no college education). This finding highlights the need for product structures that are clear and accompanied by consumer-friendly communications and outreach aimed at helping consumers build a successful credit history. In addition, many households that are not accessing mainstream credit may be financially vulnerable. Just over half of households with no mainstream credit in 2023 had less than $30,000 in income, and about one in five fell behind on their bill payments. These results suggest a financially fragile group of households that may be best served by being matched with the credit-building products that minimize the risks of financial harm. Finally, a sizable minority of households without mainstream credit, 30.9 percent, did not have smartphone access. Products and messaging dependent on technology may not reach these households, so multichannel strategies might be more effective and inclusive than tech-first credit solutions.

Credit is an important component of financial well-being, but simply having access to credit does not guarantee long-term financial resilience—households need to build a positive credit history. Credit problems that result in negative credit history can hurt consumers' ability to access credit when they need it. Therefore, stakeholders may consider whether their strategies to connect consumers with credit products also address safe credit building and assess that borrowers can repay credit before it is granted. With an increasing number of credit products being introduced by banks and nonbanks, it is important for consumers, lenders, and other stakeholders to understand the implications of this influx for building credit. For example, some loans originated by nonbanks are not reported to the nationwide credit reporting agencies, so these loans will not help consumers build their credit history. In other cases, it is not clear how the timing and types of credit being used will affect different consumer groups' credit scores and histories. Often, both lenders and consumers lack clarity on how the sporadic use of short-term, small-dollar credit products affects credit scores or how credit that is not used for long periods of time will change scores. More transparency on these issues would help stakeholders better understand the short- and long-term consequences of credit use. In addition, as credit underwriting evolves and considers more data sources, including consumer cashflow data, consumers and other stakeholders may want to be aware of the potential positive or negative impact that the broader set of financial information can have on consumers' credit standings. Indeed, such transparency would be beneficial for both consumers as they seek to build their credit history and lenders as they work through product design and delivery strategies.

[77] See Alexei Alexandrov, Alyssa Brown, and Samyak Jain, "Looking at Credit Scores Only Tells Part of the Story—Cashflow Data May Tell Another Part," CFPB, July 26, 2023, https://www.consumerfinance.gov/about-us/blog/credit-scores-only-tells-part-of-the-story-cashflow-data/.

APPENDIX 1. FDIC TECHNICAL NOTES

The data for this report were collected through the FDIC-sponsored Unbanked/Underbanked Supplement (hereafter, Supplement) to the Current Population Survey (CPS) for June 2023. The CPS, conducted by the U.S. Census Bureau for the Bureau of Labor Statistics (BLS), is a monthly survey with about 60,000 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 on the CPS is provided on the Census Bureau's website.[78]

The CPS sample consists of independent samples in each state and the District of Columbia.[79] The sample size for each state is set to meet specific precision requirements for the unemployment rate estimate.[80]

2023 Supplement

The eighth Supplement was conducted in June 2023. Previous Supplements were conducted in January 2009 and in June of odd-numbered years from 2011 through 2021. 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 services. The Supplement survey instrument used in 2023, attached as Appendix 3, included about 70 questions designed to elicit this information.

The 2023 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 2023 revisions, see Appendix 2. Because of changes in the questionnaire, direct comparisons between 2023 and prior-year estimates are not possible in some cases.

Eligibility and Exclusions

All households that participated in the June 2023 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.[81]

CPS Response Rate and Coverage Ratio

For the June 2023 CPS, a statistical sample of 60,107 survey-eligible households was selected from the sampling frame.[82] Of these households, 42,083 participated in the CPS, resulting in a 70 percent response rate. There were 18,024 nonrespondent eligible households, consisting of households where (a) the household refused to participate, (b) no one was home at the time of the interview, (c) the household respondent was temporarily absent, (d) the household could not be located, (e) language barriers prevented the interview, or (f) other reasons. Because of the availability of translators for many languages, only 1 percent of nonrespondent eligible households (160 households) did not participate as a result of language barriers.

[78] For example, see U.S. Census Bureau, "Current Population Survey: Design and Methodology," Technical Paper 77, October 2019, https://www2.census.gov/programs-surveys/cps/methodology/CPS-Tech-Paper-77.pdf.

[79] 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.

[80] 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."

[81] 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.

[82] For details on the sampling frame, see U.S. Census Bureau, "June 2023 Unbanked/Underbanked Supplement Technical Documentation," November 2024, https://www.census.gov/programs-surveys/cps/technical-documentation/complete.html.

The CPS target population is the U.S. civilian noninstitutional population, aged 15 or older. However, not all persons in the CPS target population are included in the CPS sampling frame. For the June 2023 CPS, the overall coverage ratio—the percentage of all persons in the target population that are included in the sampling frame—was 92 percent.[83] The missing 8 percent (that is, 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 are not listed as household members for the CPS for various reasons. Coverage ratios varied across demographic groups. For example, among women aged 15 or older, the coverage ratio was 97 percent for Whites, 80 percent for Blacks, and 89 percent for Hispanics.

Supplement Response Rate

Of the 42,083 households that participated in the CPS, 29,483 (70 percent) also participated in the Supplement (that is, were Supplement respondents). Taking into account the nonresponse to the CPS, the overall response rate for the Supplement was 49 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.[84]

Supplement Item Nonresponse and Imputation

In the 2023 Supplement, item nonresponse (that is, nonresponse to individual survey questions) was addressed through imputation, consistent with the Census Bureau's treatment of missing values in the CPS.[85] 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.[86] Supplement dropout was 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.[87] Examples of variables used to select donor households in the 2023 Supplement included household bank account ownership, household income, metropolitan status, and the average age of adults in the household.[88]

Where appropriate, the 2023 report discusses trends in survey results over time, primarily between 2013 and 2023. However, some estimates published in the 2023 report may differ from those published in previous reports. Specifically, estimates for 2013–2017 published in the 2023 report may differ from those published in the 2013–2017 reports because the imputation of missing values in the 2013–2017 Supplements occurred subsequent to the release of the associated reports. In other words, while the 2023 report addresses item nonresponse in the 2013–2017 Supplements through imputation, the 2013–2017 reports addressed item nonresponse in the 2013–2017 Supplements in other ways. In the 2013–2017 reports, missing values either were dropped when computing an estimate, or they were retained and reported as "unknown." In contrast, the 2019 and 2021 estimates published in the 2023 report are identical to those published in the 2019 and 2021 reports.

[83] 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 2020 Census and updated with data on the components of population change, including births, deaths, and net migration).

[84] For details on the weighting procedure, see Chapter 2–3 of U.S. Census Bureau, "Current Population Survey: Design and Methodology."

[85] For details on the imputation of missing values in the CPS, see Chapter 3–4 of U.S. Census Bureau, "Current Population Survey: Design and Methodology."

[86] As mentioned earlier, 70 percent of the households that participated in the CPS were Supplement respondents. The remaining households had missing values for all Supplement questions. These households, which were not assigned a Supplement weight, did not have missing values imputed.

[87] 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, https://www.doi.org/10.1111/j.1751-5823.2010.00103.x.

[88] The survey data contain an allocation flag for each Supplement question. For example, HXPSUSE10 is the allocation flag for question PSUSE10. In the 2023 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 (that is, a missing value was imputed), or 0 if the household does not have an allocated value (that is, no missing value).

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 had used at least one of eight nonbank financial services (NBFSs). These NBFSs include three transaction services (nonbank money orders, check cashing, and international remittances) and five alternatives to mainstream credit (rent-to-own services and payday, pawn shop, auto title, and tax refund anticipation loans). Such NBFSs historically have been used disproportionately by unbanked households to meet their transaction or credit needs.

The proportion of U.S. households that were unbanked—the unbanked rate—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 underbanked rate. For estimated unbanked or underbanked rates for socioeconomic or demographic subgroups, the same computational approach was used and applied to household respondents in the subgroup.

In addition to presenting estimated proportions, the report includes estimated numbers of households (e.g., unbanked 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 29,483 household respondents, the sum of the household weights is 133.7 million, which would be an estimate of all U.S. households as of June 2023. The *Housing Vacancy Survey*, another survey related to the CPS that uses household controls to produce household weights, provided an estimate of 130.1 million as the number of households in June 2023.[89] This difference—133.7 million versus 130.1 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.[90] 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 defined at the person level rather than the household level (e.g., race and ethnicity, educational attainment, or employment status) is based on the socioeconomic or demographic classification of the householder.[91]

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.[92]

Classifying Household Race and Ethnicity

Consistent with the 1997 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:[93]

- "Hispanic household" refers to a household for which the householder identifies as Hispanic or Latino regardless of race.

[89] See U.S. Census Bureau, "Current Population Survey/Housing Vacancy Survey Table 13a Monthly Household Estimates: 2000 to Present, Vintage 2023," July 30, 2024, https://www.census.gov/housing/hvs/data/hist_tab_13a_v2023.xlsx.

[90] The householder (or reference person) is generally the person or one of the people in whose name the home is owned or rented.

[91] 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, the attributes of the eligible respondent are used to characterize the household.

[92] See U.S. Census Bureau, "Subject Definitions," May 15, 2024, https://www.census.gov/programs-surveys/cps/technical-documentation/subject-definitions.html.

[93] For the 1997 OMB standards for the classification of race and ethnicity, see OMB, "Revisions to the Standards for the Classification of Federal Data on Race and Ethnicity," *Federal Register* 62, no. 210 (October 30, 1997): 58782–58790, 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, "Concepts and Definitions (CPS)," November 28, 2023, https://www.bls.gov/cps/definitions.htm. All estimates presented in the 2019–2023 reports, including 2009–2017 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 FDIC, "2017 FDIC National Survey of Unbanked and Underbanked Households," October 2018, https://www.fdic.gov/system/files/2024-07/2017report.pdf. In March 2024, OMB published new standards for the classification of race and ethnicity; see OMB, "Revisions to OMB's Statistical Policy Directive No. 15: Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity," *Federal Register* 89, no. 62 (March 29, 2024): 22182–22196, https://www.govinfo.gov/content/pkg/FR-2024-03-29/pdf/2024-06469.pdf. As the new standards are implemented in the CPS, subsequent reports may use different racial and ethnic categories.

- "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 a Disability

This report provides unbanked and other estimates for working-age households with a disability. As in the 2013 report (the first time these estimates were presented) and later reports, households are categorized as follows: if the householder is aged 25 to 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*," then the household is classified as "disabled, aged 25 to 64."[94] If the householder is aged 25 to 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 aged 25 to 64, the household is classified as "not applicable (not aged 25 to 64)."[95]

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 2010 Census and 2006–2010 American Community Survey data. The 2013 delineations superseded the earlier delineations based on 2000 Census data, first established by OMB in June 2003.[96]

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.[97] 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.[98] 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 2017–2023 survey data, all housing units were assigned metropolitan area codes based on the 2013 delineations. For the 2015 survey data, about 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.[99] A housing unit with a NECTA code was assigned the 2013 MSA code that

[94] For details on the six-question disability sequence, see BLS, "Frequently Asked Questions About Disability Data," August 26, 2015, https://www.bls.gov/cps/cpsdisability_faq.htm. The variable PEMLR (monthly labor force recode) is used to determine if the respondent is not in the labor force because of a disability.

[95] A universally accepted method to identify the population with disabilities does not exist. Key estimates from the Supplement, such as the unbanked rate among working-age households with a disability, are qualitatively similar using alternative disability measures. For more information, see Appendix I of FDIC, "2013 FDIC National Survey of Unbanked and Underbanked Households Appendices," October 2014, https://www.fdic.gov/system/files/2024-07/2013appendix.pdf.

[96] For the February 2013 delineations, see OMB, "Revised Delineations of Metropolitan Statistical Areas, Micropolitan Statistical Areas, and Combined Statistical Areas, and Guidance on Uses of the Delineations of These Areas," OMB Bulletin no. 13–01, February 28, 2013, https://www.whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/bulletins/2013/b13-01.pdf. For the June 2003 delineations, see OMB, "Revised Definitions of Metropolitan Statistical Areas, New Definitions of Micropolitan Statistical Areas and Combined Statistical Areas, and Guidance on Uses of the Statistical Definitions of These Areas," OMB Bulletin no. 03–04, June 6, 2003, 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.

[97] See U.S. Census Bureau, "June 2015 Unbanked/Underbanked Supplement Technical Documentation," October 2016, https://www.census.gov/programs-surveys/cps/technical-documentation/complete.html.

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

[99] 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.

comprised the majority of the NECTA population.[100] Overall, less than 3 percent of housing units in the 2015 survey data were affected by these adjustments.

For the 2009–2013 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 2015–2023 survey data are not directly comparable to the corresponding metropolitan area estimates that use 2009–2013 survey data. In the appendix tables (published separately on https://www.fdic.gov/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 estimates 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.[101]

All estimated differences discussed in this report are statistically 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 10 percent or less. For example, the estimated difference in the unbanked rate between 2023 (4.2 percent) and 2011 (8.2 percent) is -4.0 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 population difference in the unbanked rate between 2023 and 2011 is zero, then the probability of observing the -4.0 percentage point difference or a larger difference in our sample data is less than 0.1 percent (the p-value reported by statistical software is 0.000).

Certain 2023 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 unbanked rate in 2023 is 4.2 percent, and the 90 percent confidence interval around this estimate ranges from 4.0 percent to 4.5 percent.

[100] 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.

[101] 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."

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APPENDIX 2. 2023 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 2021 survey, feedback received in response to the 2021 survey results, and an interest in topics not covered in past surveys. For example, the 2023 survey included new questions on household use of Buy Now, Pay Later (BNPL) and crypto. The 2023 survey also included a series of questions on mainstream credit products, which had previously been included in the 2017 survey.

To accommodate new questions in the 2023 survey, several questions from the 2021 survey were dropped. For example, the 2023 survey did not include questions on the types of transactions conducted using bank accounts, dollar amounts for personal loans or lines of credit from a bank or from a company other than a bank, and the effects of the COVID-19 pandemic on households with recent exits from or entrances into the banking system.

Specific revisions to the 2023 survey are described below.

Bank Account Ownership and Bank Branch Visits

The 2023 survey asked banked households whether they did not have an account at some point in the past 12 months (2023 B40). This question had most recently been included in the 2017 survey (2017 Q2e). In the 2021 survey, banked households were asked whether they did not have an account at some point in the past *15 months* (2021 LE10) as part of a series of questions on transitions in bank account ownership in the 15 months after the COVID-19 pandemic began in March 2020. As discussed later, this series of questions was dropped for the 2023 survey.

A question that asked unbanked households whether they had spoken with a teller or other employee in person at a bank branch in the past 12 months (2021 UB70) was dropped.

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

A question on the types of transactions conducted using bank accounts (2021 BUSE20) was dropped.

The 2023 survey retained questions on the types of transactions conducted using nonbank online payment services (2021 and 2023 PSUS20), prepaid cards (2021 and 2023 PUSE20), nonbank money orders (2021 and 2023 NBMO20), and nonbank money transfer services (2021 and 2023 NBMT20). However, for each question, "*monthly*" was dropped from the "*Pay monthly bills like rent, mortgage, utilities, or child care*" response option to broaden the types of bills households considered when answering the question.

Tax Refund Anticipation Loans

The 2023 survey retained a question on services that a household might have used to get its tax refund faster than the Internal Revenue Service (IRS) would provide it (2021 and 2023 CNBTAX). However, the question was broadened to better match credit products available on the market. The 2023 survey asked, "*In the past 12 months, did you or anyone in your household pay a fee to get your tax refund faster than the IRS would provide it? This includes products like refund anticipation loans and refund advances,*" while the 2021 survey asked, "*In the past 12 months, that is since June 2020, did you 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.*"

Buy Now, Pay Later

The 2023 survey included new questions on BNPL. All households were asked, "*In the past 12 months, did you or anyone in your household pay for something making one payment every two weeks? This is sometimes called Buy Now, Pay Later or Pay-in-4*" (2023 BNPL10). Households that had used BNPL in the past 12 months were asked three follow-up questions: how frequently they had used BNPL in the past 12 months (one time, two to ten times, or more than ten times) (2023 BNPL20), whether any of their BNPL purchases were online or in person (2023 BNPL30), and whether they missed or made a late payment on any of their BNPL purchases (2023 BNPL40).[102]

Mainstream Credit

The 2023 survey included a series of questions on mainstream credit products. All households were asked whether, in the past 12 months, they had a Visa, MasterCard, American Express, or Discover credit card (2023 CCC10); a store credit card (2023 CSC10); an auto loan (2023 CAL10); a mortgage, home equity loan, or home equity line of credit (2023 CHMLN10); a student loan (2023 CSL10); other personal loans or lines of credit from a bank (2023 CPL10); or other personal loans or lines of credit from a company other than a bank (2023 CNBPL10).[103] This series of questions had previously been included in the 2017 survey (2017 Q1600).

The 2021 survey included questions on three of the above mainstream credit products: Visa, MasterCard, American Express, or Discover credit cards (2021 CCC10), personal loans or lines of credit from a bank (2021 CPL10), and personal loans or lines of credit from a company other than a bank (2021 CNBPL10). However, the wording and placement of these three questions in the 2021 survey changed somewhat in the 2023 survey to accommodate the questions on the remaining mainstream credit products.

Questions on dollar amounts for personal loans or lines of credit from a bank (2021 CPL20) and from a company other than a bank (2021 CNBPL20) were dropped.

Crypto

The 2023 survey included new questions on crypto. All households were asked whether, in the past 12 months, they had owned or used crypto, such as Bitcoin or Ether (2023 CRYP10). Households that owned or used crypto were asked a follow-up question on whether they used crypto to hold as an investment, send money to or receive money from family or friends, buy items online, buy items in person, or for some other use (2023 CRYP20).

Monthly Income Volatility, Falling Behind on Bill Payments, and Smartphone Access

The 2023 survey asked all households whether their income over the past 12 months was about the same each month, varied somewhat from month to month, or varied a lot from month to month (2023 H10). This question had most recently been included in the 2019 survey (2019 H10).

In addition, the 2023 survey asked all households whether they had fallen behind on their bill payments at any time in the past 12 months (2023 H15). This question had most recently been included in the 2017 survey (2017 Q181).

Finally, the 2023 survey asked all households whether they owned or had regular access to a smartphone (2023 H30). Smartphone access had most recently been included in the 2019 survey as a two-part question: whether households owned or had regular access to a mobile phone (2019 H20) and, if so, whether any of the mobile phones were smartphones (2019 H30).

COVID-19 Pandemic and Transitions in Bank Account Ownership

Questions on whether households had experienced economic changes in the 15 months after the COVID-19 pandemic began in March 2020 (2021 LE20) and whether those changes contributed to the closing of households' bank accounts (2021 LE30) or to the opening of households' bank accounts (2021 LE40) were dropped.

[102] For BNPL30, households could also volunteer that they made a BNPL purchase in a way other than online or in person.

[103] For CAL10, households that had previously indicated that they took out an auto title loan (2023 CNBATL) were told that an auto loan is different from an auto title loan. For CNBPL10, households that had previously indicated that they took out a payday loan (2023 CNBPDL), pawn shop loan (2023 CNBPWN), or auto title loan were told not to include such loans when answering CNBPL10.

APPENDIX 3. 2023 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 who 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]

[B40 is asked only of banked households.] (B20=1)
B40. In the past 12 months, that is since June 2022, was there any time when (IF NOT(OTHERS AGE≥15) FILL: you did not have) (IF OTHERS AGE≥15 FILL: no one in your household had) an account?

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

[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 2022, 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]

[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 use an online payment service or use a prepaid card.] (PSUSE10=1 OR PUSE10=1)
The next few questions are about how your household uses its accounts to handle its finances.

[PSUS20 is asked only of households that use an online payment service.] (PSUSE10=1)
PSUS20. 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 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]

[PSUS30 is asked only of households that use an online payment service.] (PSUSE10=1)
PSUS30. 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]
- ☐ Some other account (Specify) [CONTINUE]
- ☐ Or are they not linked to any accounts? [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 <u>prepaid cards</u> 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 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 <u>other than a bank</u> to purchase a money order?

☐ YES	[CONTINUE]
☐ NO	[GO TO NBMT10]
☐ DK/REFUSE	[GO TO NBMT10]

[NBMO20 is asked only of households that had 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 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 had 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 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 <u>other than a bank</u> to cash a check?

- ☐ YES [CONTINUE]
- ☐ NO [GO TO CNBPDL]
- ☐ DK/REFUSE [GO TO CNBPDL]

[NBCC20 is asked only of households that had 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.

[CNBPDL is asked of all households.]

CNBPDL. 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 <u>other than a bank</u>?

- ☐ 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, did you (IF OTHERS AGE≥15 FILL: or anyone in your household) pay a fee to get your tax refund faster than the IRS would provide it? This includes products like refund anticipation loans and refund advances.

- ☐ 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]

[BNPL10 is asked of all households.]

BNPL10. In the past 12 months, did you (IF OTHERS AGE≥15 FILL: or anyone in your household) pay for something making one payment every two weeks? This is sometimes called Buy Now, Pay Later or Pay-in-4.

- ☐ YES [CONTINUE]
- ☐ NO [GO TO CCC10]
- ☐ DK/REFUSE [GO TO CCC10]

[BNPL20 is asked only of households that had used Buy Now, Pay Later in the past 12 months.] (BNPL10=1)

BNPL20. In the past 12 months, how many times did you (IF OTHERS AGE≥15 FILL: or anyone in your household) pay for something by making one payment every two weeks?

- ☐ 1 [CONTINUE]
- ☐ 2 to 10 [CONTINUE]
- ☐ More than 10 [CONTINUE]
- ☐ DK/REFUSE [CONTINUE]

[BNPL30 is asked only of households that had used Buy Now, Pay Later in the past 12 months.] (BNPL10=1)

BNPL30. Did you (IF OTHERS AGE≥15 FILL: or anyone in your household) make any of these purchases…
(Mark all that apply.)

- ☐ Online [CONTINUE]
- ☐ In person [CONTINUE]
- ☐ OTHER (Specify) (VOLUNTEERED) [CONTINUE]
- ☐ DK/REFUSE [CONTINUE]

[BNPL40 is asked only of households that had used Buy Now, Pay Later in the past 12 months.] (BNPL10=1)

BNPL40. In the past 12 months, did you (IF OTHERS AGE≥15 FILL: or anyone in your household) miss or make a late payment on any of these purchases?

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

[CCC10 through CNBPL10 are asked of all households.]

In the past 12 months, have you (IF OTHERS AGE≥15 FILL: or anyone else in your household) had any of the following?

CCC10. A credit card from Visa, MasterCard, American Express, or Discover? Please do not include debit cards.

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

CSC10. A store credit card that can only be used at that store? Do not include gift cards.

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

CAL10. In the past 12 months, have you (IF OTHERS AGE≥15 FILL: or anyone else in your household) had an auto loan? (IF CNBATL=1 FILL: This is different from an auto title loan.)

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

CHMLN10. A mortgage or home equity loan or home equity line of credit?

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

CSL10. In the past 12 months, have you (IF OTHERS AGE≥15 FILL: or anyone else in your household) had a student loan?

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

CPL10. Other personal loans or lines of credit from a bank?

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

CNBPL10. Other personal loans or lines of credit from a company other than a bank? (IF CNBPDL=1 OR CNBPWN=1 OR CNBATL=1 FILL: Do not include payday, pawn, or auto title loans).

☐ YES (Specify who provided the loan)	[CONTINUE]
☐ NO	[CONTINUE]
☐ DK/REFUSE	[CONTINUE]

Now I have a few final questions.

[CRYP10 is asked of all households.]
CRYP10. In the past 12 months, did you (IF OTHERS AGE≥15 FILL: or anyone in your household) own or use any crypto such as Bitcoin or Ether?

☐ YES	[CONTINUE]
☐ NO	[GO TO H10]
☐ DK/REFUSE	[GO TO H10]

[CRYP20 is asked only of households that had owned or used crypto in the past 12 months.] (CRYP10=1)
CRYP20. How did you (IF OTHERS AGE≥15 FILL: or others in your household) use crypto? Was it to… *(Mark all that apply.)*

☐ Hold as an investment	[CONTINUE]
☐ Send or receive money from friends or family	[CONTINUE]
☐ Buy items online	[CONTINUE]
☐ Buy items in person	[CONTINUE]
☐ Some other use (Specify)	[CONTINUE]
☐ DK/REFUSE	[CONTINUE]

[H10 is asked of all households.]

H10. Which best describes your (IF OTHERS AGE≥15 FILL: household's) income over the past 12 months?

- ☐ Income is about the same each month [CONTINUE]
- ☐ Income varies somewhat from month to month [CONTINUE]
- ☐ Income varies a lot from month to month [CONTINUE]
- ☐ DK/REFUSE [CONTINUE]

[H15 is asked of all households.]

H15. Often times, households find that they are not able to keep up with their bills. Over the past 12 months, was there a time when you (IF OTHERS AGE≥15 FILL: or someone else in your household) fell behind on bill payments?

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

[H30 is asked of all households.]

H30. Do you (IF OTHERS AGE≥15 FILL: or anyone else in your household) currently own or have regular access to a smartphone with features to access the Internet, send emails, and download apps?

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

<END>

FEDERAL DEPOSIT INSURANCE CORPORATION

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