FEDERAL DEPOSIT INSURANCE CORPORATION

2021

FDIC National Survey of Unbanked and Underbanked Households

FDIC

Acknowledgments

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

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

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

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1. Executive Summary

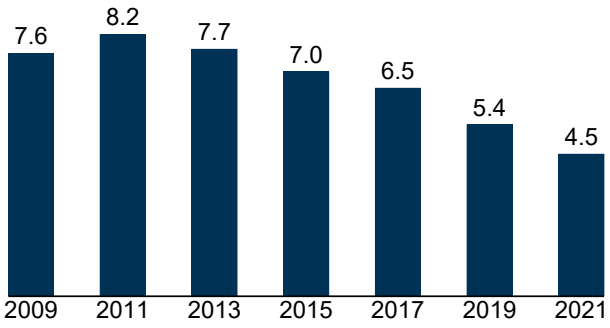
The FDIC is committed to expanding Americans' access to safe, secure, and affordable banking services, which is integral to the FDIC's mission of maintaining the stability of and public confidence in the U.S. financial system. The *FDIC National Survey of Unbanked and Underbanked Households*, conducted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

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

National Unbanked Rate

- An estimated 4.5 percent of U.S. households were "unbanked" in 2021, meaning that no one in the household had a checking or savings account at a bank or credit union (i.e., bank). This proportion represents approximately 5.9 million U.S. households. Conversely, 95.5 percent of U.S. households were "banked" in 2021, meaning that at least one member of the household had a checking or savings account at a bank. This proportion represents approximately 126.6 million U.S. households.
- The proportion of U.S. households that were unbanked (i.e., the unbanked rate) in 2021—4.5 percent—was the lowest since the survey began in 2009, as shown in Figure ES.1. Between 2019 and 2021, the unbanked rate fell 0.9 percentage points, corresponding to an increase of approximately 1.2 million banked households.[1]
  - » About one-third of the decline in the unbanked rate between 2019 and 2021 was associated with changes in the socioeconomic circumstances of U.S. households over this period, particularly increases in income and educational attainment.[2]
- Between 2011—when the unbanked rate was at its highest level since the survey began—and 2021, the unbanked rate fell 3.7 percentage points, corresponding to an increase of approximately 5.0 million banked households.
  - » About half of the decline in the unbanked rate between 2011 and 2021 was associated with changes in the socioeconomic circumstances of U.S. households over this period.

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



Unbanked Rates by Household Characteristics

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

[1] All differences discussed in the text are statistically significant at the 10 percent level unless noted otherwise. In other words, there is a 10 percent or lower probability that an observed difference between two groups of households is due to random sampling.
[2] Even after the changes in socioeconomic characteristics were accounted for, the remainder of the decline in the unbanked rate across years was statistically significant.

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

» Differences in unbanked rates between Black and White households and between Hispanic and White households in 2021 were present at every income level, as shown in Figure ES.2. For example, among households with income between $30,000 and $50,000, 8.0 percent of Black households and 8.4 percent of Hispanic households were unbanked, compared with 1.7 percent of White households.

» For working-age households with a disability, the unbanked rate in 2021 was 14.8 percent, much higher than the unbanked rate among working-age households without a disability (3.7 percent).

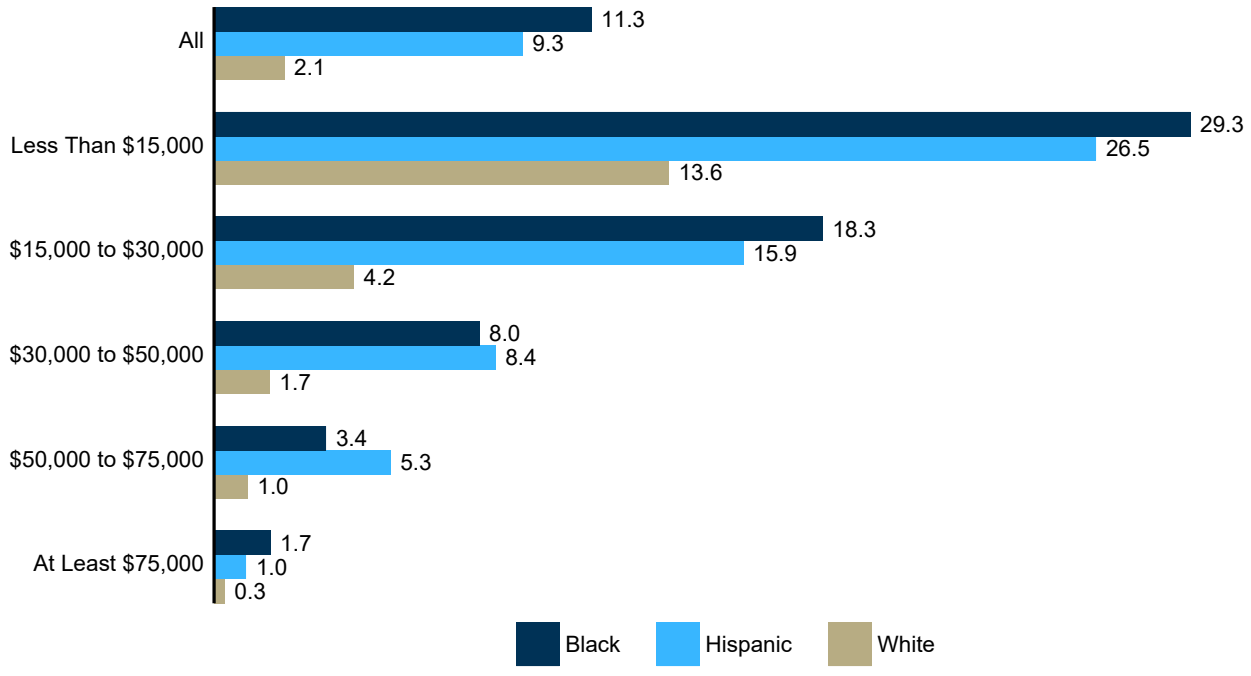
» For single-mother households, the unbanked rate in 2021 was 15.9 percent, much higher than the unbanked rate among married couple households (1.8 percent).

Unbanked Households: Reasons for Not Having a Bank Account

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

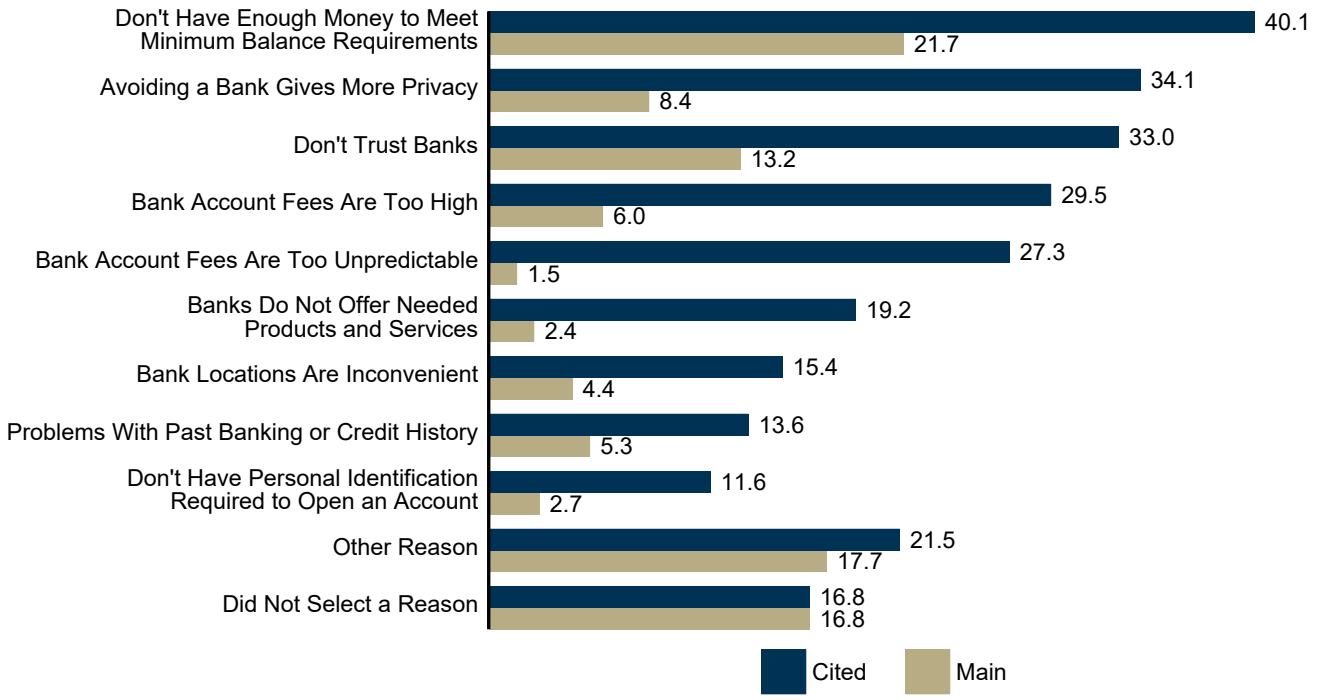
- As illustrated in Figure ES.3, "Don't have enough money to meet minimum balance requirements" was the most cited reason and was also the most cited *main* reason by unbanked households for not having an account in 2021. The proportion of unbanked households that cited this reason as the main reason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

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



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

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



COVID-19 Pandemic and Transitions in Bank Account Ownership

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

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

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

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

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

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

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

Banked Households: Primary Method Used to Access Bank Accounts

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

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

Prepaid Cards and Nonbank Online Payment Services

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

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

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

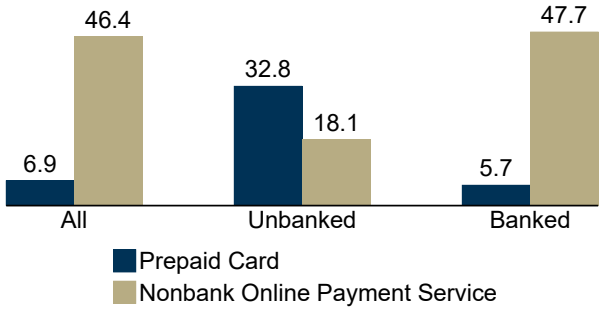


Table ES.2 Primary Method of Bank Account Access, 2017–2021

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

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

[5] The 2017 estimates published in this report may differ from the 2017 estimates published in previous reports because this report addresses item nonresponse in the 2017 data through imputation, while previous reports addressed item nonresponse in the 2017 data in other ways; see Appendix 1 for details.
[6] While the 2021 survey did not include questions on the impact of the COVID-19 pandemic on the methods that banked households used to access their accounts, the decline in the use of a bank teller and the increase in the use of mobile banking between 2019 and 2021 are consistent with difficulties that households may have experienced in visiting a bank branch since the onset of the COVID-19 pandemic. For example, the social distancing guidelines instituted in response to the pandemic may have made bank branch visits more challenging.
[7] The survey questions on nonbank online payment services instructed households not to consider Zelle, which is a service provided by banks.
[8] In previous surveys, households were asked whether they used prepaid cards in the past 12 months. As a result, the share of households that used prepaid cards in 2021 is not directly comparable to the shares in previous years.
[9] For example, some online payment services can be linked to certain gift cards or other online payment services.

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

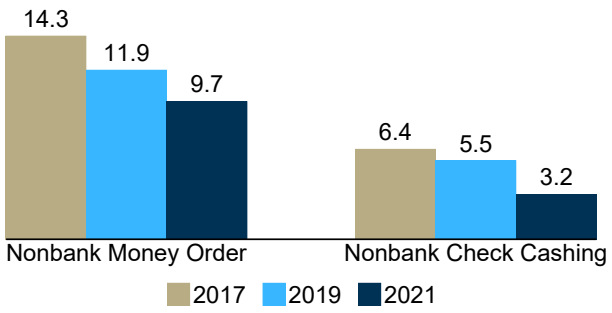
- The 2021 survey also asked households about the types of transactions they conducted using prepaid cards and online payment services over the past 12 months. Specifically, households with prepaid cards or online payment services were asked whether they used their prepaid cards or online payment services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

Nonbank Money Orders, Check Cashing, and Money Transfer Services

As in previous years, the 2021 survey asked all households about their use of nonbank money orders and nonbank check cashing in the past 12 months. A new question in the 2021 survey asked all households about their use of nonbank money transfer services in the past 12 months from companies like Western Union, MoneyGram, Walmart Money Center, or Ria Money Transfer. Unless otherwise stated, all money orders, check cashing, and money transfer services discussed in this executive summary are from nonbank providers.

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

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



How Households Pay Bills or Receive Income

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

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

- Almost all banked households (97.1 percent) used their bank accounts to pay bills or receive income in 2021, and three in four banked households (75.2 percent) exclusively used their bank accounts to conduct these transactions. One in seven banked households (14.7 percent) used online payment services, alone or in combination with other methods, to pay bills or receive income.
  - » Households with less than $15,000 in income, households with no high school diploma, households aged 34 or younger, Black and Hispanic households, working-age households with a disability, and unemployed households were the least likely to exclusively use their bank accounts to pay bills or receive income. However, roughly two in three banked households in each of these population segments exclusively used their bank accounts to conduct these transactions.
- About half of unbanked households (56.4 percent) used at least one of the methods included in the survey to pay bills or receive income. Specifically, three in ten unbanked households (28.9 percent) used prepaid cards to pay bills or receive income, and a similar share (29.6 percent) used money orders to pay bills. Smaller percentages of unbanked households used online payment services, check cashing, or money transfer services to pay bills or receive income. Other methods that unbanked households could have used to pay bills or receive income that were not included in the 2021 survey are cash and credit cards.

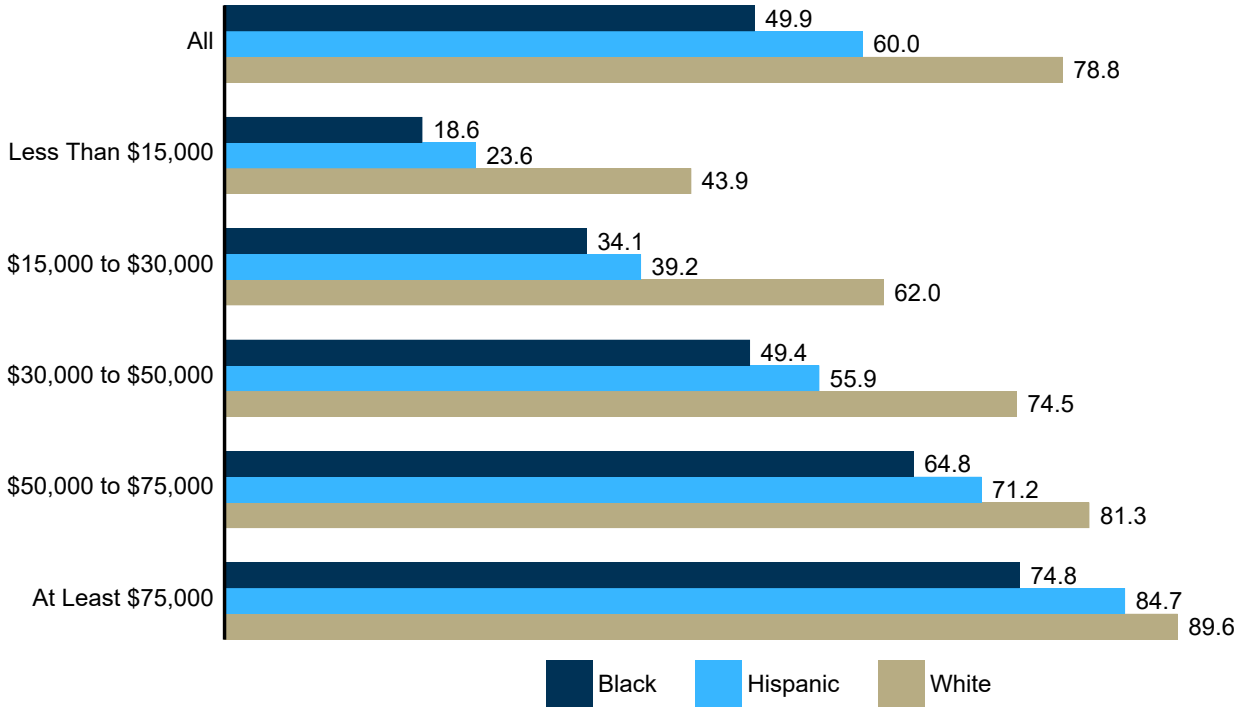
Bank and Nonbank Credit

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

- In 2021, 71.5 percent of households had a credit card, similar to the proportion in 2019 (71.3 percent) and above the 2017 level (68.5 percent). The share of households that had a bank personal loan decreased from 10.8 percent in 2019 to 8.0 percent in 2021. Altogether, 72.5 percent of households in 2019 and 72.3 percent of households in 2021 had a credit card or bank personal loan. In addition, 2.8 percent of households had a nonbank personal loan in 2021.
- Differences by race and ethnicity in the likelihood of having a credit card or bank personal loan were present at every income level, as shown in Figure ES.6. For example, even among households with income between $50,000 and $75,000, 64.8 percent of Black households and 71.2 percent of Hispanic households had a credit card or bank personal loan, whereas 81.3 percent of White households did so.
- Use of rent-to-own services and payday, pawn shop, tax refund anticipation, and auto title loans all decreased between 2017 and 2021. About 1 percent of households in 2021 used each product or service. The proportion of households that used at least one of the five products or services declined sharply from 7.4 percent in 2017, to 4.8 percent in 2019, and to 4.4 percent in 2021.
- As shown in Figure ES.7, the proportion of unbanked households that used a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan decreased substantially between 2017 and 2021. Despite this decline, use of these nonbank credit products or services in 2021 continued to be more prevalent among unbanked households than among banked households.[13]
- The 2021 survey included new questions on loan amounts. Specifically, households that had a bank personal loan in the past 12 months were asked whether their most recent bank personal loan was for $1,000 or less or for more than $1,000. Likewise, households that had a nonbank personal loan in the past 12 months were asked whether their most recent nonbank personal loan was for $1,000 or less or for more than $1,000. For most households that had a bank or nonbank personal loan, the amount of the most recent loan was more than $1,000.

[11] The 2021 survey did not collect information on mortgages, auto loans, and student loans.
[12] Personal loans or lines of credit from companies other than banks include loans or lines of credit offered online or through storefront locations by nonbank finance companies. These loans or lines of credit may be marketed to prime or subprime borrowers. Payday, pawn shop, and auto title loans are not included in this category of credit.
[13] The difference in the likelihood of using a rent-to-own service or a payday, pawn shop, tax refund anticipation, or auto title loan in 2021 between unbanked and banked households was associated primarily with differences in income and other characteristics of U.S. households. This difference by bank account ownership was no longer statistically significant after differences in the household characteristics shown in Table 3.6 were accounted for.

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

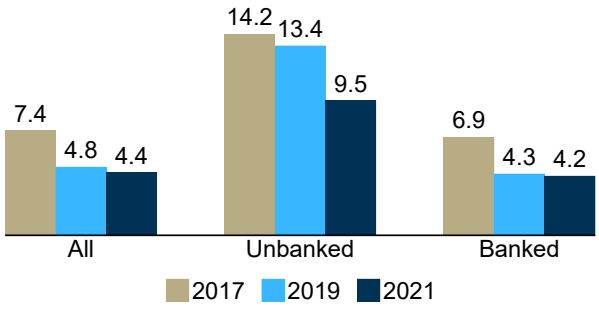


- One in four households (25.5 percent) did not use any of the credit products included in the 2021 survey, as shown in Table ES.3. Among households with less than $30,000 in income, half did not use any of the credit products included in the survey, almost triple the percentage among households with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

Underbanked Households

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

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



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

» Money orders, check cashing, or international remittances (i.e., nonbank transactions) or

» Rent-to-own services or payday, pawn shop, tax refund anticipation, or auto title loans (i.e., nonbank credit).[15]

[14] In 2021, 23.0 percent of all households had less than $30,000 in income. Of these households, 56.3 percent (or 12.9 percent of all households) did not have a credit card and 43.7 percent (or 10.0 percent of all households) had a credit card.
[15] International remittances consist of money transfer services to send money to or receive money from family or friends outside the United States.

Table ES.3 Use of Credit by Income Level, 2021
All Households, Row Percent

	Credit Card	Bank Personal Loan, Most Recent Loan $1,000 or Less	Bank Personal Loan, Most Recent Loan More Than $1,000	Nonbank Personal Loan, Most Recent Loan $1,000 or Less	Nonbank Personal Loan, Most Recent Loan More Than $1,000	Rent-to-Own Service or Payday, Pawn Shop, Tax Refund Anticipation, or Auto Title Loan	No Credit
All	71.5	1.3	6.7	0.6	2.2	4.4	25.5
Family Income							
Less Than $30,000	43.7	1.0	2.4	0.9	1.2	6.9	50.0
At Least $30,000	79.8	1.3	8.0	0.5	2.4	3.7	18.2
Note: Households may have used credit products that were not included in the 2021 survey.							

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

	Bank Personal Loan, Most Recent Loan $1,000 or Less	Bank Personal Loan, Most Recent Loan More Than $1,000	Nonbank Personal Loan, Most Recent Loan $1,000 or Less	Nonbank Personal Loan, Most Recent Loan More Than $1,000	Rent-to-Own Service or Payday, Pawn Shop, Tax Refund Anticipation, or Auto Title Loan	No Credit
All	1.0	2.4	0.9	1.2	6.9	50.0
Credit Card Ownership						
Does Not Have Credit Card	0.6	1.1	1.1	0.8	8.3	88.8
Has Credit Card	1.6	4.2	0.7	1.7	5.1	0.0
Note: Households may have used credit products that were not included in the 2021 survey.						

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

[16] Underbanked and fully banked rates in 2021 are not directly comparable to underbanked and fully banked rates in previous years because of changes to the questions on international remittances. See Appendix 2 for details. Excluding the use of international remittances, the underbanked rate would have been 12.3 percent in 2021, 14.6 percent in 2019, and 18.1 percent in 2017. The decline between 2017 and 2021 was statistically significant.
[17] Underbanked households in the three segments may have used nonbank transactions or credit not included in the categorization of underbanked households, such as online payment services, money transfer services for transactions other than sending or receiving international remittances, or nonbank personal loans.

- Use of online banking as the primary method of account access was much lower among underbanked households (11.6 percent) than among fully banked households (23.8 percent). Among the three underbanked segments, underbanked households that used both nonbank transactions and credit had the lowest use of online banking as the primary method of account access (4.2 percent).
- Similar proportions of underbanked households (15.0 percent) and fully banked households (14.9 percent) used a bank teller as the primary method of account access.
- As shown in Table ES.5, almost all underbanked households (96.1 percent) and fully banked households (97.3 percent) used their bank accounts to pay bills or receive income. However, while 81.6 percent of fully banked households exclusively used their bank accounts to conduct these transactions, only 38.1 percent of underbanked households did so.
- The share of underbanked households that exclusively used their bank accounts to pay bills or receive income varied widely across the three underbanked segments. Among underbanked households that used only nonbank credit, roughly two-thirds (68.0 percent) exclusively used their bank accounts to pay bills or receive income, compared with 33.9 percent of underbanked households that used only nonbank transactions and 14.7 percent of underbanked households that used both nonbank transactions and credit.
- Underbanked households were less likely to have a credit card and were more likely to have both bank and nonbank personal loans than fully banked households in 2021. For example, 62.4 percent of underbanked households had a credit card, compared with 76.6 percent of fully banked households. One in ten underbanked households (10.0 percent) had a bank personal loan, compared with 8.0 percent of fully banked households. And 5.6 percent of underbanked households had a nonbank personal loan, compared with 2.4 percent of fully banked households.

Implications

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

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

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

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

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

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

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

2. About the Survey

Background

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

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

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

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

The first survey was conducted in January 2009, and subsequent surveys were conducted in June 2011, June 2013, June 2015, June 2017, June 2019, and June 2021.[19] Results from these surveys are available at fdic.gov/analysis/household-survey, which also provides the ability to query and download the data.

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

What's New

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

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

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

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

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

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

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

Fourth, the 2021 survey included new questions on the types of financial transactions that households conducted over the past 12 months. Specifically, banked households were asked whether they used their bank accounts to pay monthly bills like rent, mortgage, utilities, or child care; receive money from work, retirement, or a government agency; build savings or keep money in a safe place; send money to or receive money from family or friends; make purchases in person; make purchases online; and for some other use. The same types of transactions were asked of households that used prepaid cards or nonbank online payment services. Households that used nonbank money orders were asked whether they used nonbank money orders to pay monthly bills like rent, mortgage, utilities, or child care; send money to family or friends; make purchases; and for some other use. Households that used nonbank check cashing were asked whether they cashed a check from work, retirement, or a government agency using nonbank check cashing. Households that used nonbank money transfer services were asked whether they used nonbank money transfer services to pay monthly bills like rent, mortgage, utilities, or child care; send money to or receive money from family or friends in the United States; send money to or receive money from family or friends outside the United States; and for some other use. The follow-up question on the use of nonbank money transfer services to pay monthly bills like rent, mortgage, utilities, or child care replaced a question on paying bills through a service like Western Union or MoneyGram in the past 12 months (i.e., use of nonbank bill payment services). The follow-up question on the use of nonbank money transfer services to send money to or receive money from family or friends outside the United States (i.e., send or receive nonbank international remittances) replaced a question on the use of a nonbank service to send money to family or friends outside the United States in the past 12 months (i.e., send nonbank international remittances).

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

[20] In the 2021 survey, households were asked whether they were using prepaid cards at the time of the survey. In previous surveys, households were asked whether they used prepaid cards in the past 12 months.
[21] The survey questions on nonbank online payment services instructed households not to consider Zelle, which is a service provided by banks.

3. Bank Account Ownership: Unbanked Households

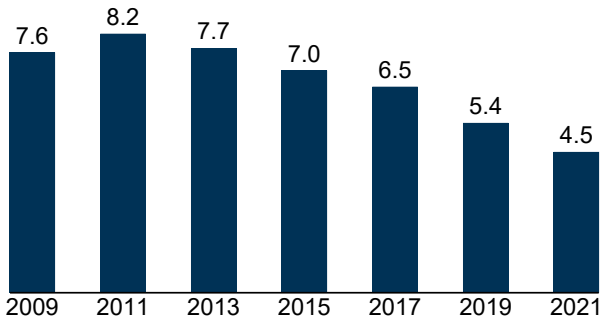
National Unbanked Rate

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

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

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

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



Unbanked Rates by Household Characteristics

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

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

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

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

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

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

All Households, Row Percent

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

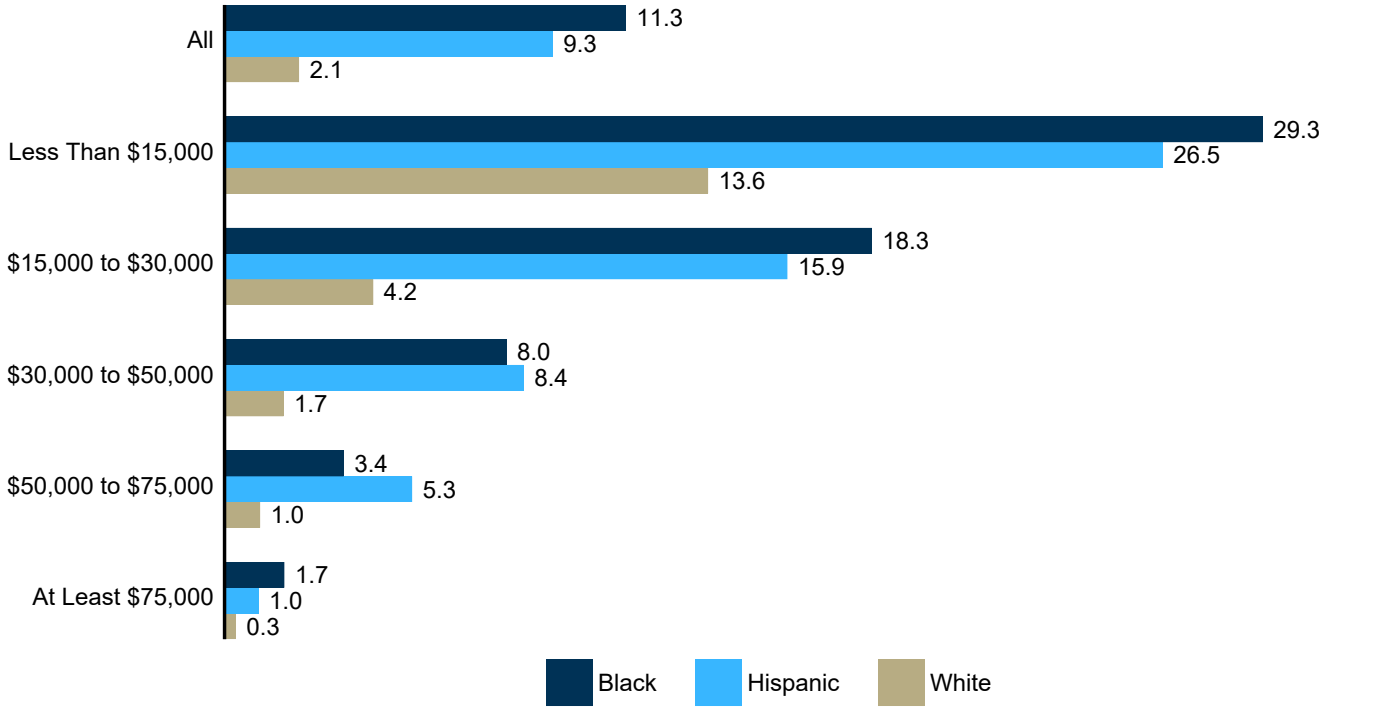
Note: Asterisk indicates differences that are statistically significant at the 10 percent level. NA indicates that the sample size is too small to produce a precise estimate. See Appendix Table A.2 for estimates by other household characteristics and for selected confidence intervals.

Recent declines in unbanked rates have been particularly sharp for Black, Hispanic, and American Indian or Alaska Native households. Specifically, 11.3 percent of Black households were unbanked in 2021, down from 13.8 percent in 2019 and 16.8 percent in 2017. Among Hispanic households, 9.3 percent were unbanked in 2021, down from 12.2 percent in 2019 and 14.4 percent in 2017. Among American Indian or Alaska Native households, 6.9 percent were unbanked in 2021, down from 16.3 percent in 2019 and 18.0 percent in 2017.[25]

Despite the improvements in unbanked rates for Black and Hispanic households, unbanked rates in 2021 for these households remained substantially above the unbanked rate for White households (2.1 percent). Likewise, households with less than $15,000 in income and households with income between $15,000 and $30,000 continued to have much higher unbanked rates in 2021 than households with greater incomes, and working-age households with a disability continued to have a much higher unbanked rate in 2021 than working-age households without a disability (3.7 percent).[26]

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

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



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

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

Unbanked Rates Among Single-Mother Households

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

Unmarried female-householder family households are composed of varying numbers of individuals of all ages. Within this classification, households that consisted of one adult and one or more children (i.e., single-mother households) had an unbanked rate of 15.9 percent in 2021.[28]

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

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

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

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

Unbanked Rates by Geography

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

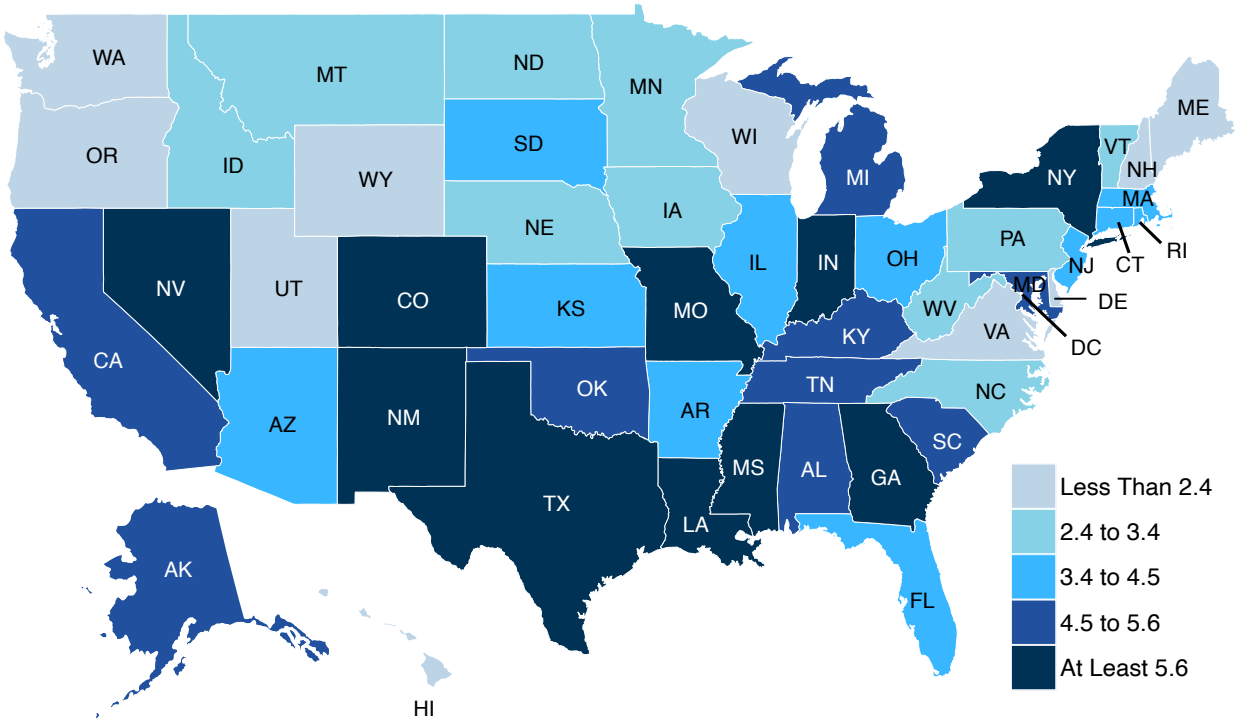
Unbanked rates in 2021 varied widely across states, as illustrated in Figure 3.3. Unbanked rates ranged from 1.2 percent (Utah) to 11.1 percent (Mississippi). Some states saw large decreases in unbanked rates in recent years. For example, the unbanked rate in Texas was 5.6 percent in 2021, down from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

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

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

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

Figure 3.3 Unbanked Rates by State, 2021 (Percent)



Previous and Recent Bank Account Ownership

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

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

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

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

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

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

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

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

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

Interest in Having a Bank Account

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

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

Among unbanked households that had previously been banked, interest in having a bank account was higher among households with more recent account ownership. Specifically, among unbanked households that last had an account in the past 12 months, 51.7 percent were very or somewhat interested in having an account in 2021, higher than the proportion among unbanked households that last had an account more than 12 months ago (26.9 percent).

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

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

Unbanked Households, Row Percent

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

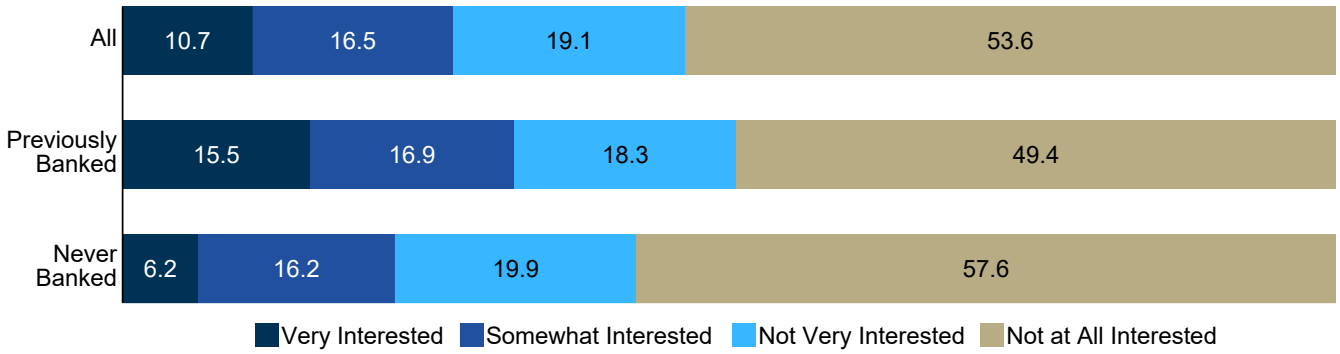
Reasons for Not Having a Bank Account

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

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

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

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



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