

## Community Investments Vol 15, Issue 3 CI Notebook: What Do You Know About the Unbanked?

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What many of us in community development know is that there are reportedly 10 million unbanked households in the U.S. What remains somewhat unknown is how to meaningfully reach these households and appropriately transition them into profitable bank customers. This issue of *Community Investments* looks at some of the successful ways this market is being reached and served.

Before you roll your eyes at reading yet another article about unbanked and underserved markets, take a moment to answer the following questions. These questions are intended to illustrate some methods for identifying characteristics of populations that are more likely to be unbanked and the market opportunity they represent. Your responses may help you realize if you know as much as you think about this significant population that has the potential to increase your institution's market share.

- What is the most common reason cited among unbanked households for not having a checking account?<sup>a</sup>
- Where can you obtain information about the banking habits and financial characteristics of U.S. families?<sup>b</sup>
- At what rate per day is the number of immigrants growing?<sup>c</sup>

- What is the estimated annual fee revenue on foreign remittance transactions?<sup>d</sup>
- Where can you find data about the number of non-English speaking households by city?<sup>e</sup>
- What is the income cutoff for a family of four to receive the Earned Income Tax Credit?<sup>f</sup>

In the pages that follow and on our website we have compiled interesting stories about products, services and programs targeted to unbanked and underserved consumers. We hope that these stories will reveal the rewards that can come from providing the right services to the right markets and will refresh your interest in banking the unbanked.

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<sup>a</sup>Do not write enough checks

<sup>b</sup>The Survey of Consumer Finances produced triennially by the Federal Reserve Board

<sup>c</sup>3,000

<sup>d</sup>Approximately \$12 billion

<sup>e</sup>American Factfinder section of the U.S. Census Bureau

<sup>f</sup>\$33,178