## Understanding the Unbanked and Underbanked

## How many are there?



#### Unbanked

Households which don't have a checking or savings account.





#### Underbanked

Households have a banking account but also obtained financial services and products outside of the banking system.

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20% or of U.S. million households<sup>1</sup> U.S. households

## Who are they?



## Why are they unbanked/underbanked?

Most commonly cited reasons for being unbanked/underbanked





"Don't have enough money to keep in an account."

10.9%

"Don't trust banks"



"Bank account fees are too high"

Other commonly cited reasons: "Avoiding a bank gives more privacy," "Bank account fees are unpredictable."

### How can you reach them?

#### 1. Mobile

Underbanked consumers make comparatively heavy use of both mobile banking and mobile payments

Unbanked

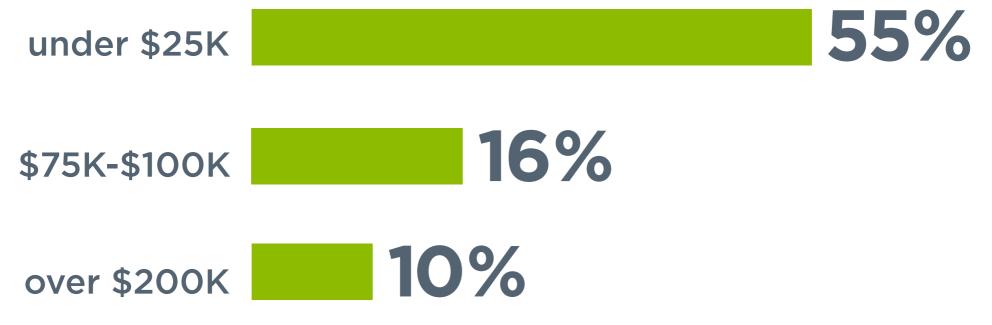
63% have a mobile phone<sup>3</sup> Underbanked have a mobile phone<sup>3</sup>

#### 2. In-Person Payment Solutions

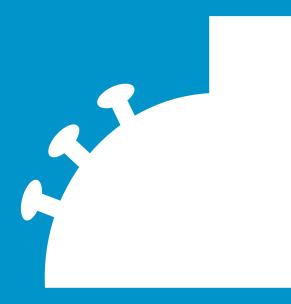
Many unbanked or underbanked customers prefer to pay with cash at alternative financial service providers.

#### Who Prefers Cash?<sup>4</sup>

By household income



#### Walk-in Cash Payments



#### 17,000

retail partner locations can accept cash payments including 7-Eleven, Family Dollar and more<sup>5</sup> — many of which are open 24 hours a day, seven days a week<sup>6</sup>

#### **Self-Service Kiosks**

#### **30% to 40%**

55%

of walk-in customers adopt the kiosk channel within a few monthly billing cycles<sup>3</sup>

increase in kiosk usage can be seen

after introducing an outdoor kiosk<sup>3</sup>



# **KUBRA**

- 1. https://www.fdic.gov/householdsurvey/2015/2015execsumm.pdf
- 2. http://business.time.com/2012/11/20/why-so-many-americans-dont-have-bank-accounts/
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- 5. http://venturebeat.com/2014/02/06/paynearme-nabs-20m-to-bring-cash-lovers-into-the-digital-economy/
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