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 households¹ 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

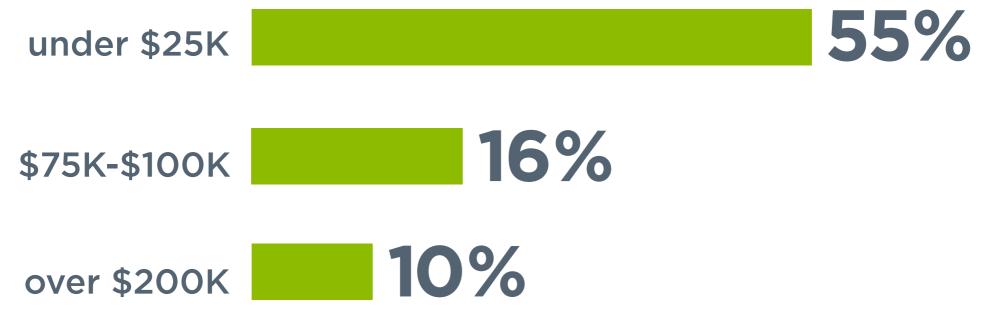
63% have a mobile phone³ Underbanked have a mobile phone³

2. In-Person Payment Solutions

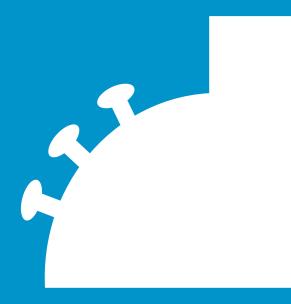
Many unbanked or underbanked customers prefer to pay with cash at alternative financial service providers.

Who Prefers Cash?⁴

By household income



Walk-in Cash Payments



17,000

retail partner locations can accept cash payments including 7-Eleven, Family Dollar and more⁵ — many of which are open 24 hours a day, seven days a week⁶

Self-Service Kiosks

30% to 40%

55%

of walk-in customers adopt the kiosk channel within a few monthly billing cycles³

increase in kiosk usage can be seen

after introducing an outdoor kiosk³



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- 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/
- 3. http://www.federalreserve.gov/Pubs/Bulletin/2012/pdf/mobile_financial_services_201209.pdf
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- 6. http://www.marketwatch.com/story/utilities-companies-gain-streamlined-cash-payment-collection-throughbill2pay-and-paynearme-partnership-2014-10-27