

Understanding the Unbanked and Underbanked

How Many Are There?



Unbanked

Households without a checking or savings account

4.2% of U.S. households

5.6 million U.S. households

or



Underbanked

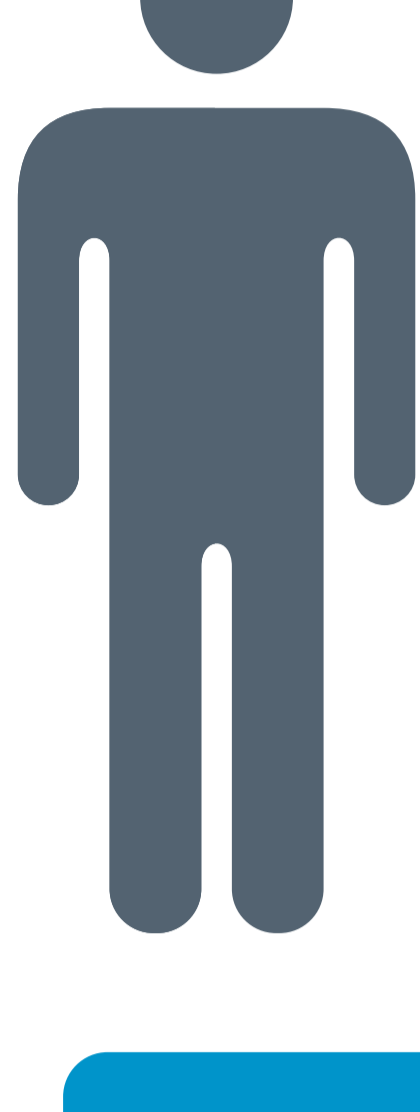
Households have a bank account but also use financial services outside traditional banks.

14.2% of U.S. households

19 million U.S. households

or

Who Are They?



Unbanked and underbanked rates were higher among:

- Lower-income households
- Less-educated households
- Younger households
- Black and Hispanic households
- Working-age disabled households

21.8% of households with annual incomes of less than \$15,000 a year have no bank account¹

66.2% of unbanked households were cash only¹

The 5 Most Unbanked States Are¹:

1. Mississippi - 9.4%
2. Louisiana - 8%
3. Georgia - 7%
4. Illinois - 6.6%
5. Texas - 6.5%



Why Are They Unbanked/Underbanked?

Most commonly cited reasons for being unbanked/underbanked



42.3%

"Don't have enough money to meet minimum balance requirements"¹



36%

"Don't trust banks"¹



30.7%

"Bank account fees are too high"¹

Other commonly cited reasons:

"Avoiding a bank gives more privacy"

"Bank locations are inconvenient"

How Can You Reach Them?

Mobile

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

Unbanked households

72%

have a mobile phone¹

Underbanked households

54%

use mobile banking¹

In-Person Payment Solutions

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

Who Prefers Cash?

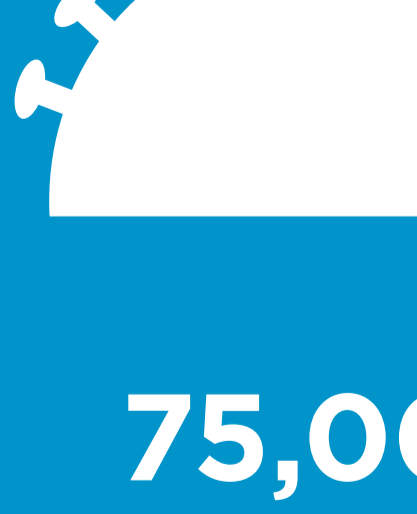
By household income

Under \$25K **32%**²

\$50K-\$99K **15%**²

Over \$150K **10%**²

Retail Cash Payments With KUBRA

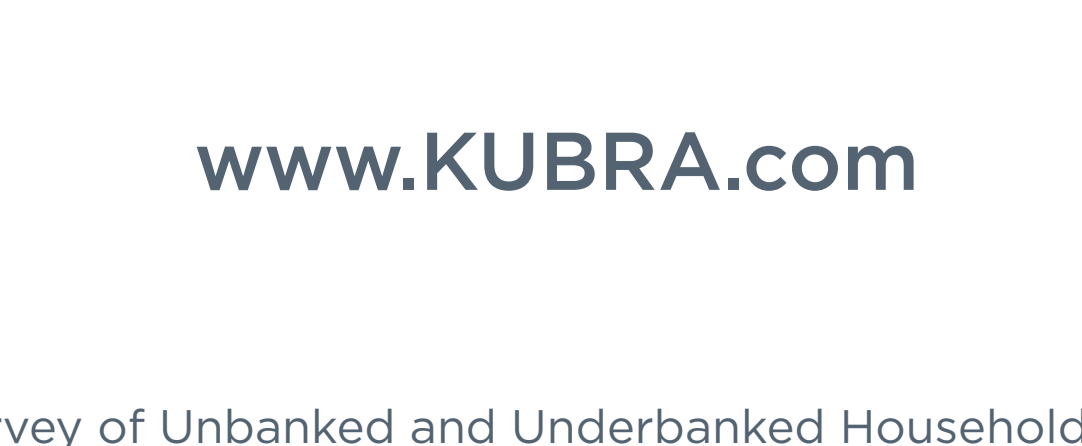


Support bill payments in cash at top-tier retailers throughout the U.S., extending walk-in payment acceptance beyond regular business hours.

75,000+ locations across the U.S.

20+ retailers including Walmart, 7-Eleven, and Kroger

3 simple ways to pay a bill with cash



www.KUBRA.com

1. FDIC National Survey of Unbanked and Underbanked Households. FDIC, 2023.

2. Findings from the Diary of Consumer Payment Choice, The Federal Reserve, 2024.