

Key Findings from the Federal Reserve Board's *Consumers and Mobile Financial Services 2015 Report*

May 14, 2015

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Division of Consumer and Community Affairs

Organized by the Board of Governors of the Federal Reserve System

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In connection with this session, you can find a variety of additional resources on this topic, available at www.fedcommunities.org. We encourage you to browse through this site and to contact your regional office if you would like additional information on any of these items.

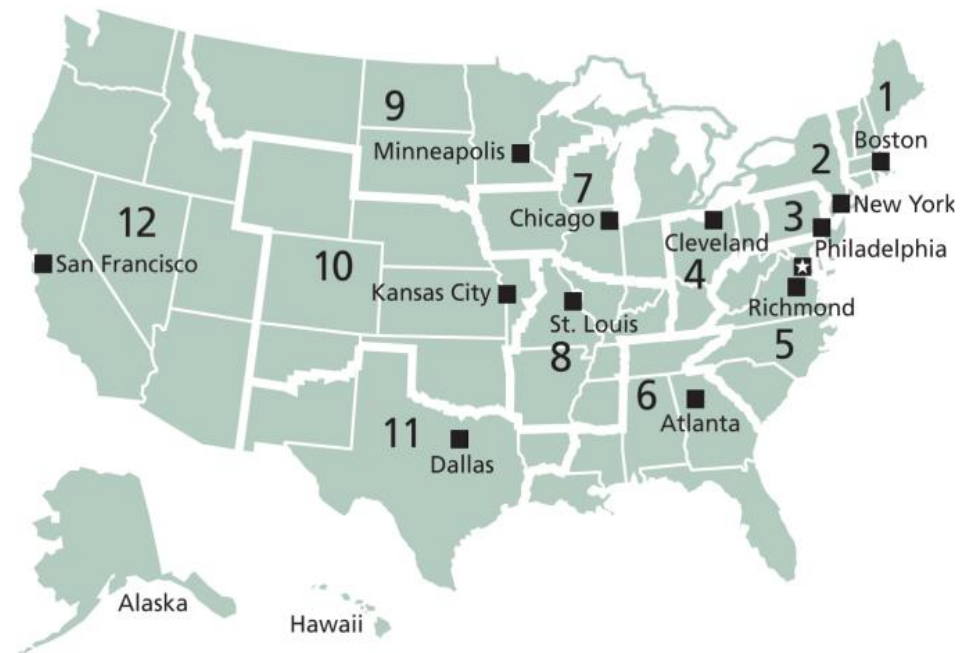
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Community Development

The Community Development (CD) function within the Federal Reserve System – consisting of individual departments at each of the twelve Federal Reserve Banks as well as at the Board of Governors – promotes economic growth and financial stability for low- and moderate-income (LMI) communities and individuals through a range of activities, including:

- **Convening stakeholders**, including practitioners, financial institutions, nonprofits, governmental agencies, and the philanthropic and private sectors,
- **Conducting and sharing research** to examine economic challenges facing low- and moderate-income communities and attendant policy implications; and,
- **Identifying emerging issues.**



Today's Presenters

From the Division of Consumer and Community Affairs at the Board of Governors of the Federal Reserve System:

- Anna Alvarez Boyd, Senior Associate Director
- Ellen A. Merry, Senior Economist
- Arturo Gonzalez, Manager, Consumer & Community Development Research
- Alexandra Brown, Project Manager

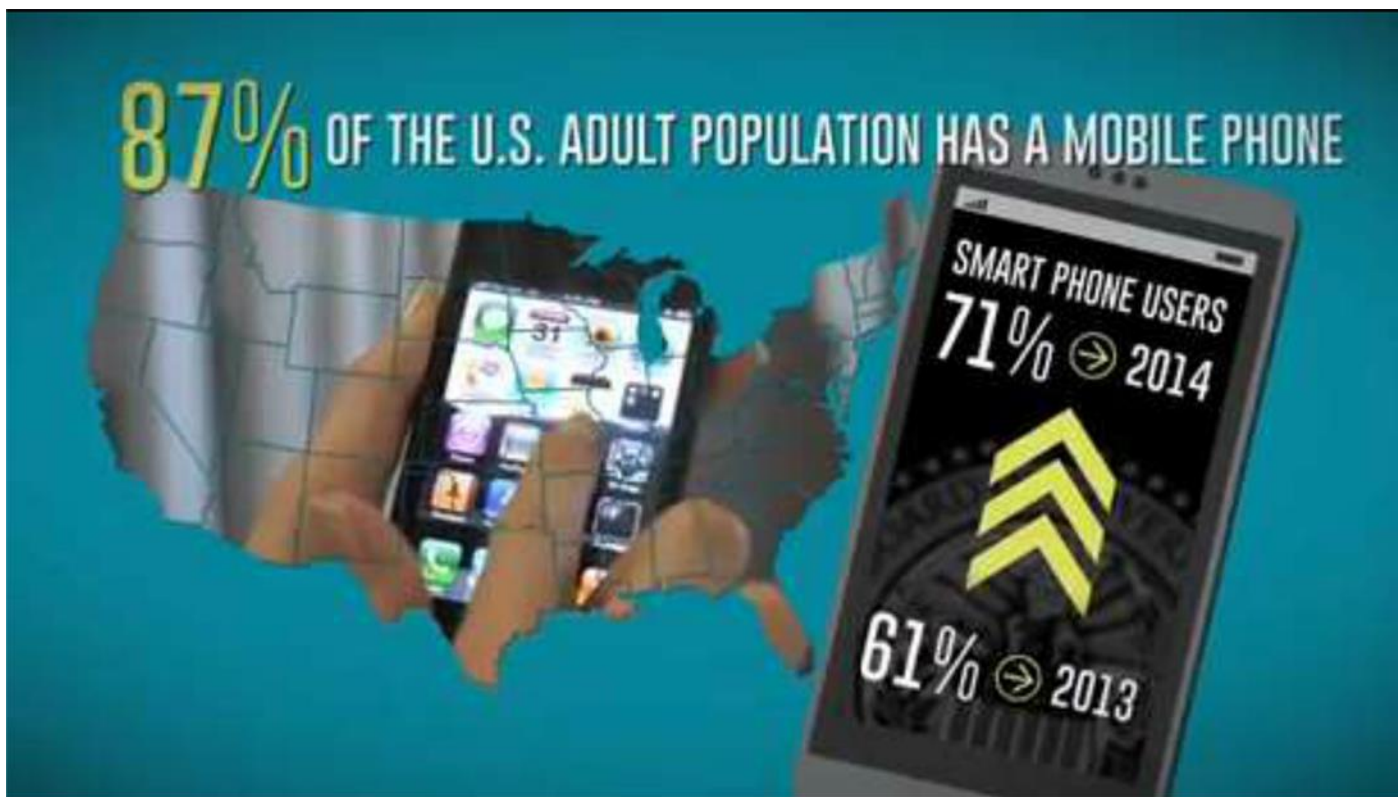
Motivation for Report

- Board conducted 2014 mobile survey to monitor developments in mobile finance, and assess consumer perceptions and expectations
- Rapid increase in use of mobile banking and mobile payments in only a few years
- These changes have the potential to affect consumer finances and consumer behavior
- May provide a means of promoting economic inclusion and expanding financial access to the unbanked or underbanked

Today's Agenda

- Report Highlights and Survey Background
- Use of Mobile Banking
- Use of Mobile Payments
- Perceived Security of Mobile Banking and Payments
- Mobile Technology, Shopping, and Consumer Behavior
- Key Takeaways

Report Highlights



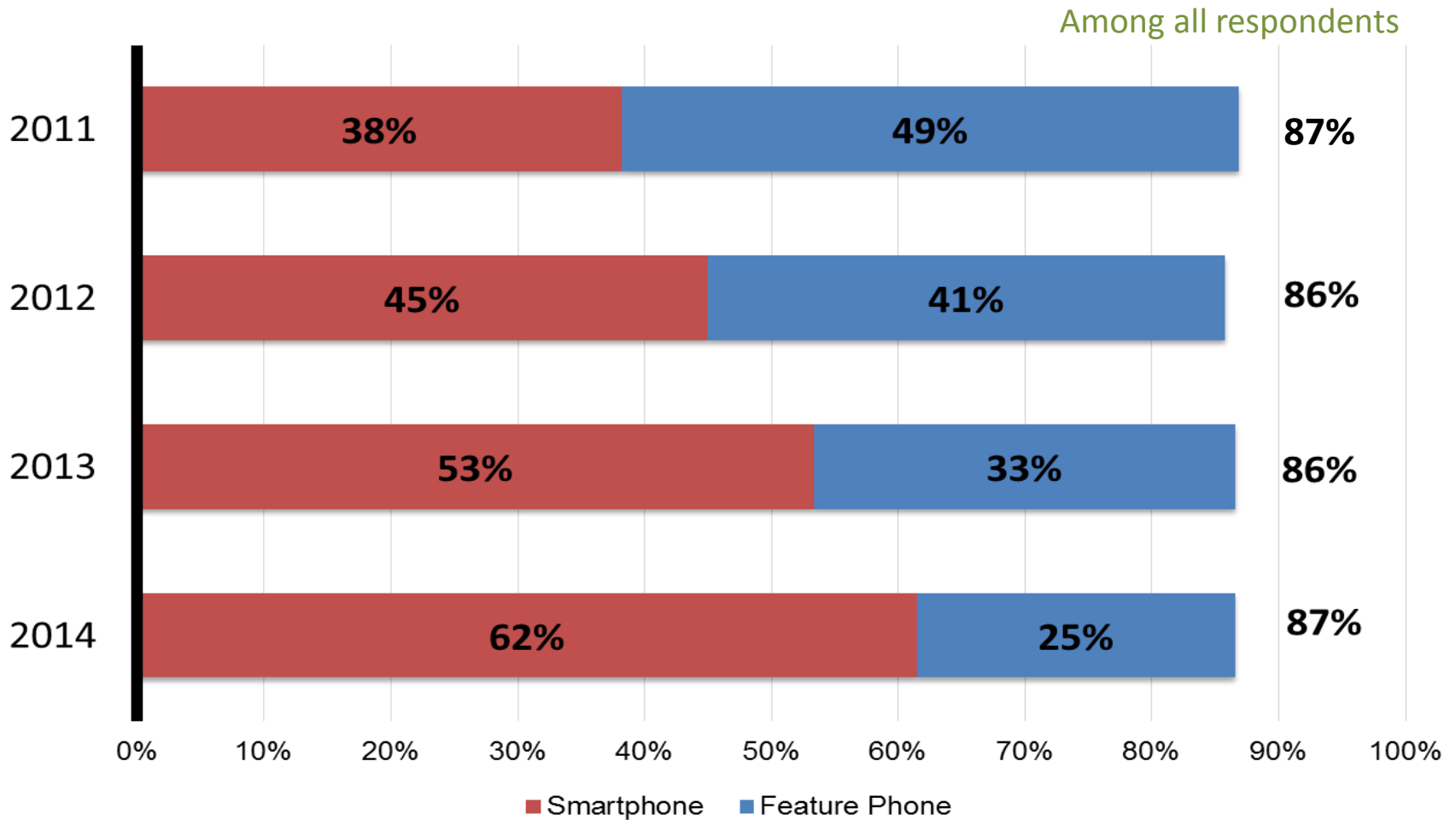
Report and video available at:

http://www.federalreserve.gov/communitydev/mobile_finance.htm

2014 Mobile Survey Background

- Board conducted three previous surveys (2011-2013)
- Nationally representative probability-based online panel of respondents from GfK's KnowledgePanel®
 - Data collection from December 5th - 21st, 2014
 - 2,925 respondents for main survey: 1,436 new & 1,489 from 2013 survey
 - 1,298 respondents were part of a rural oversample (analyzed separately)
- [Report released March 26, 2015](#)

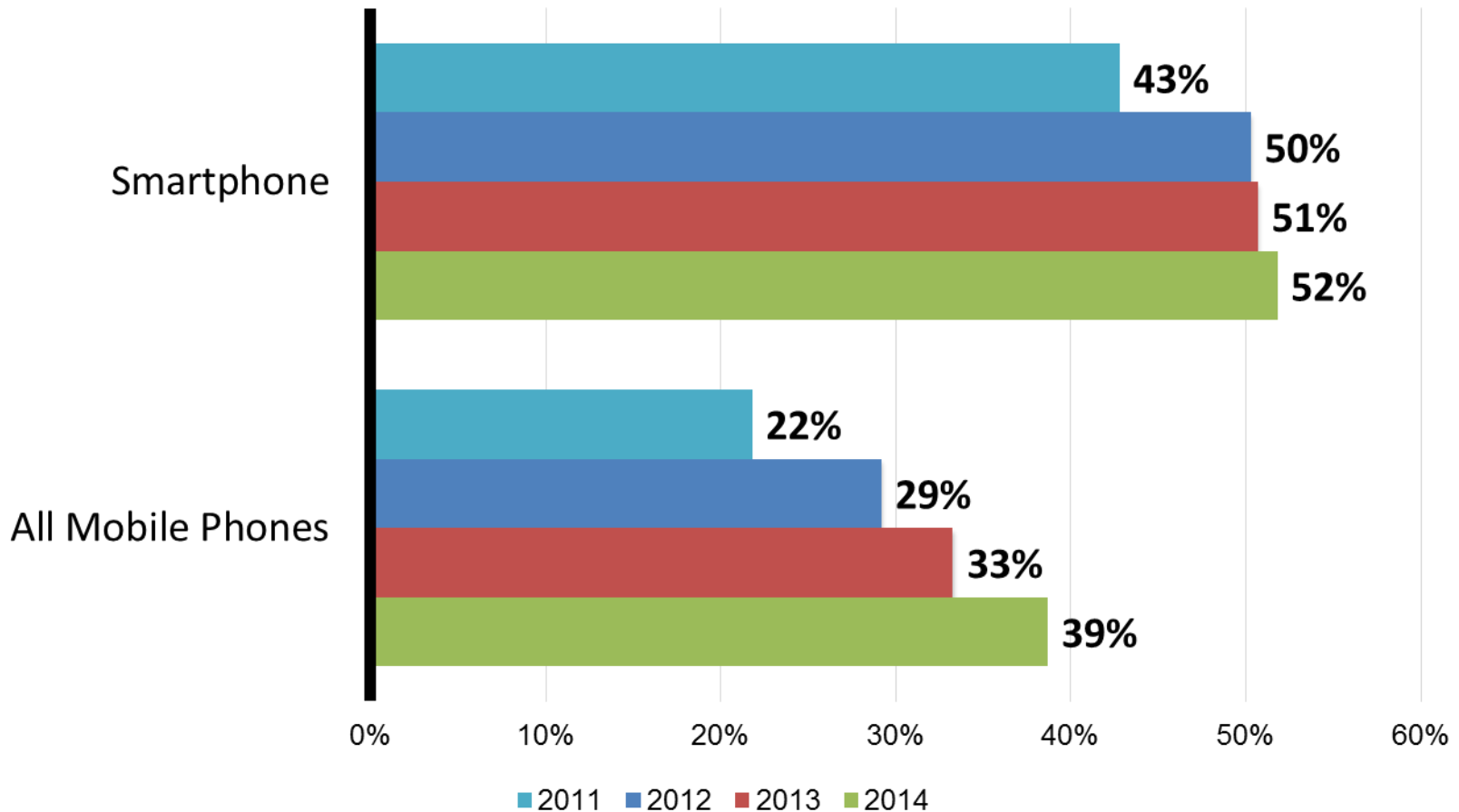
Mobile Phone Use: 2011-14



Use of Mobile Banking

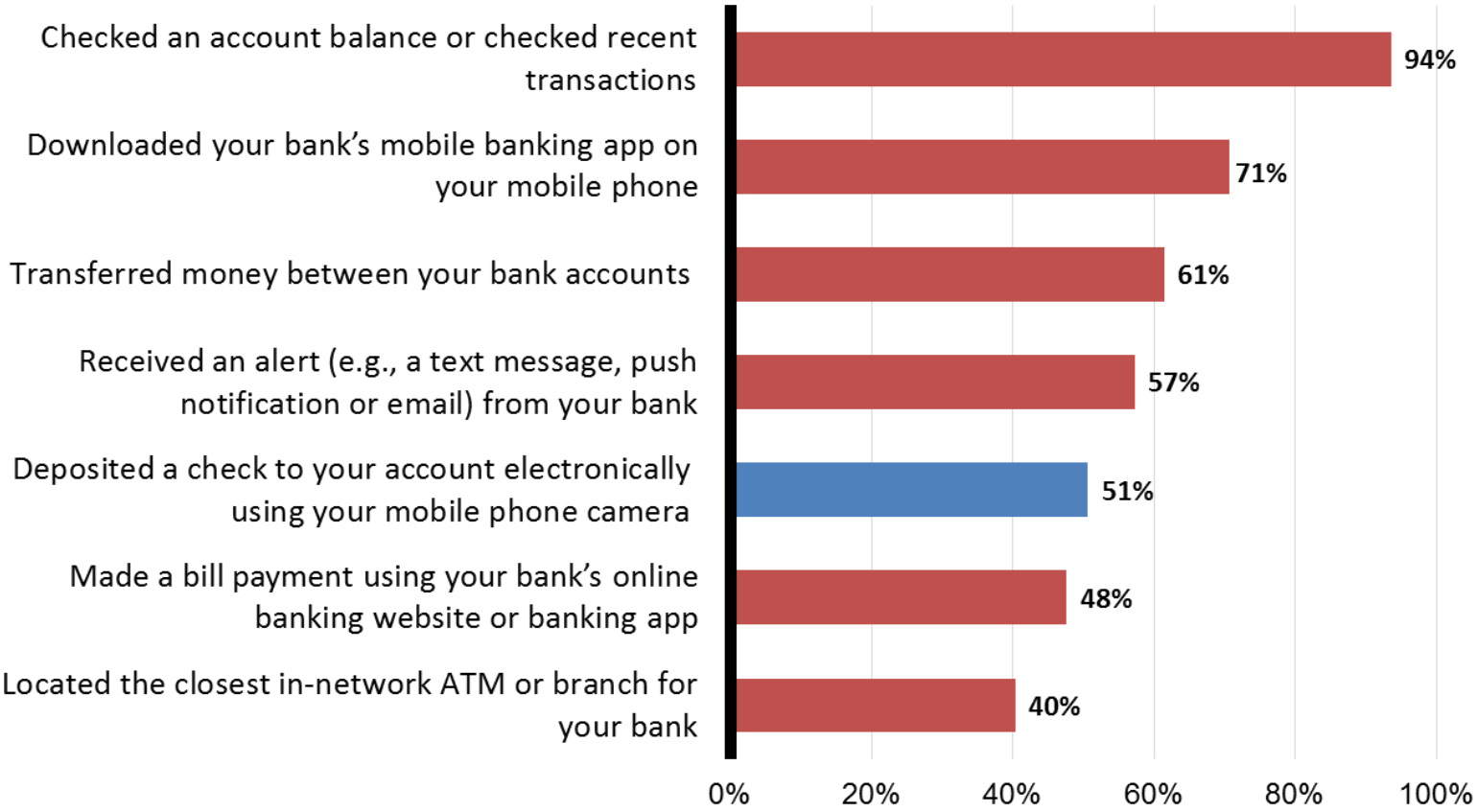
Mobile Banking Use: 2011-14

Among respondents with bank account, by phone type



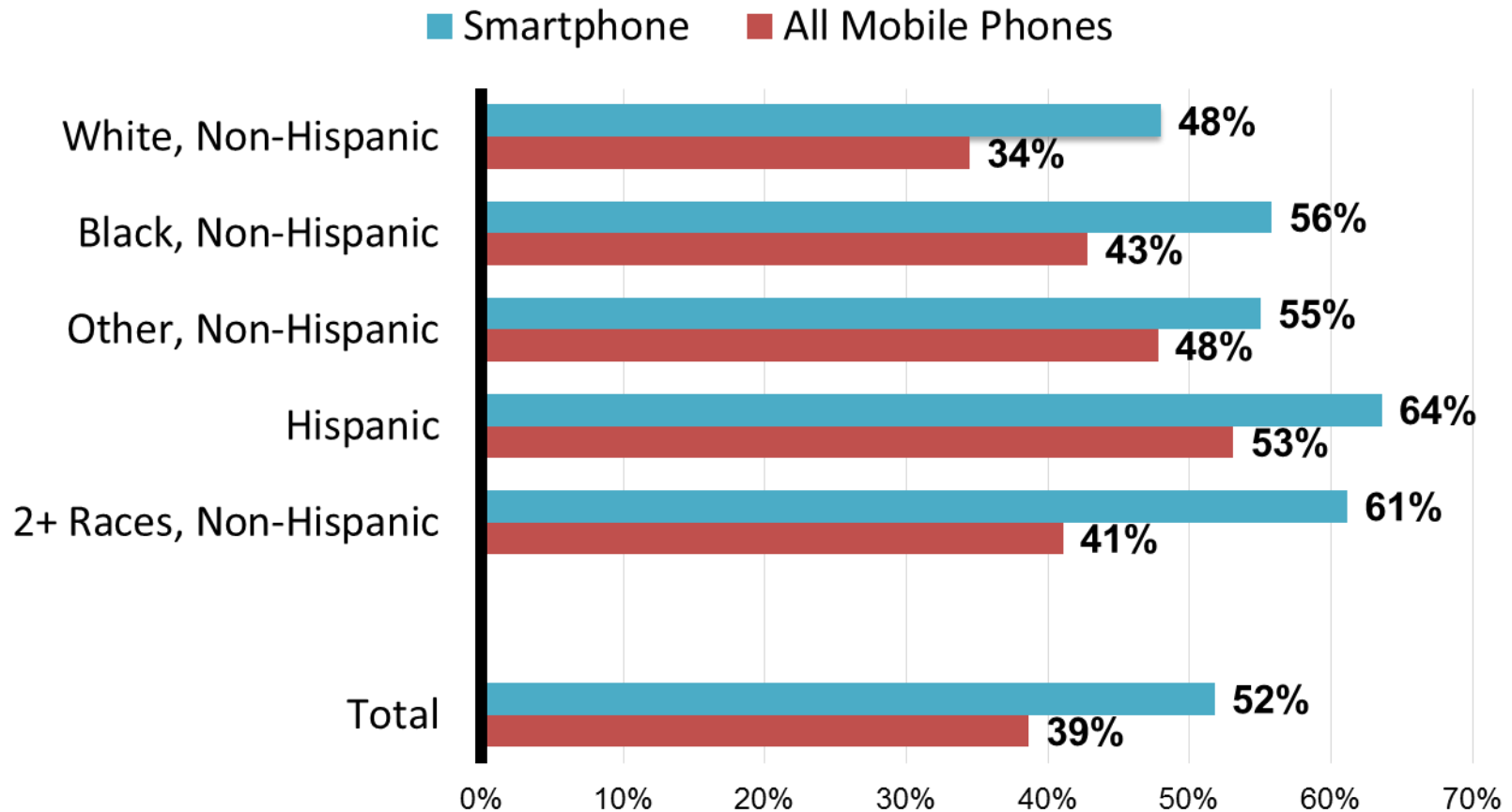
Mobile Banking Usage

Using your mobile phone, have you done each of the following in the past 12 months?
Among mobile banking users with any phone



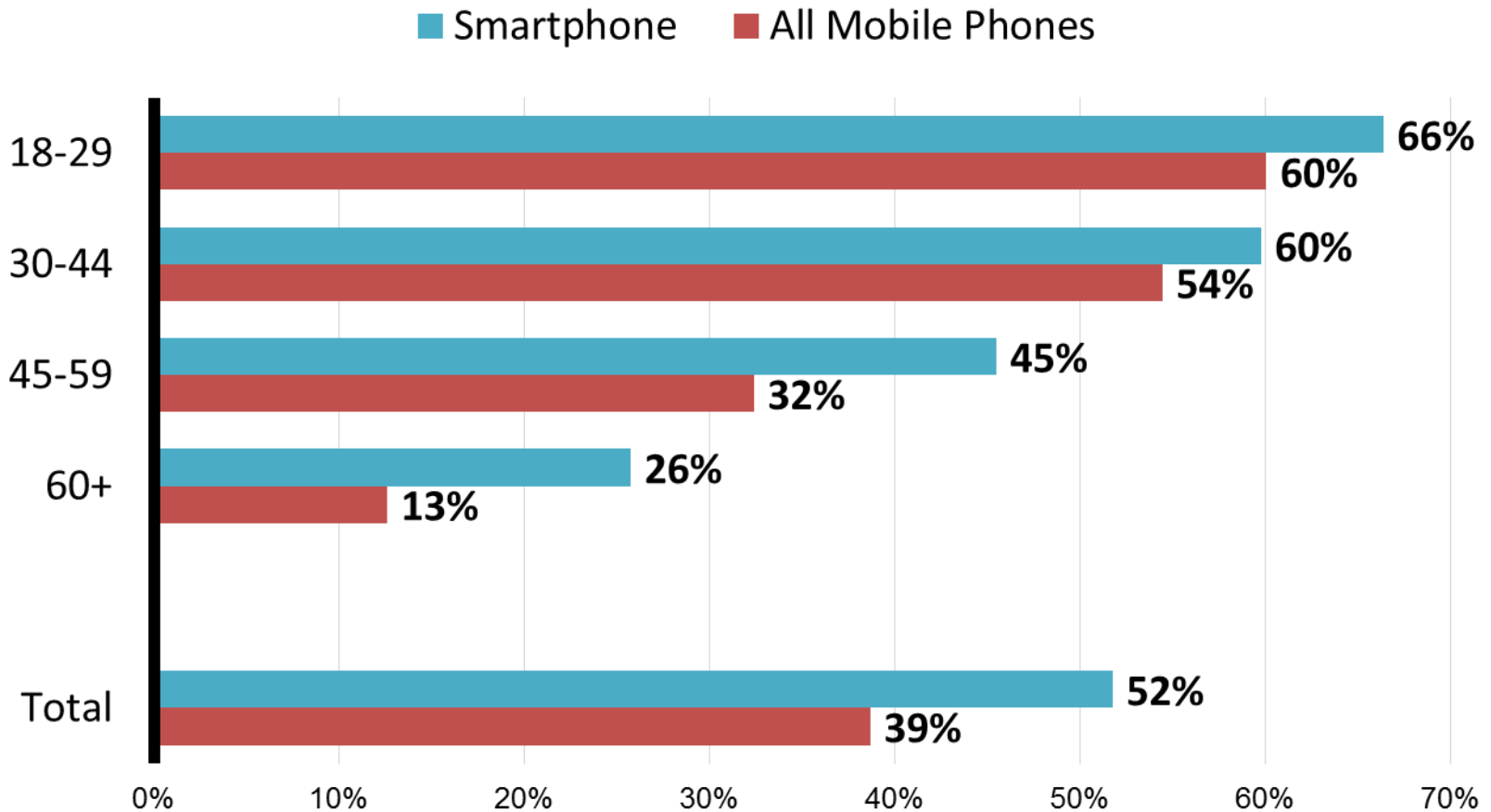
Mobile Banking by Race/Ethnicity

Among respondents with bank account, by phone type



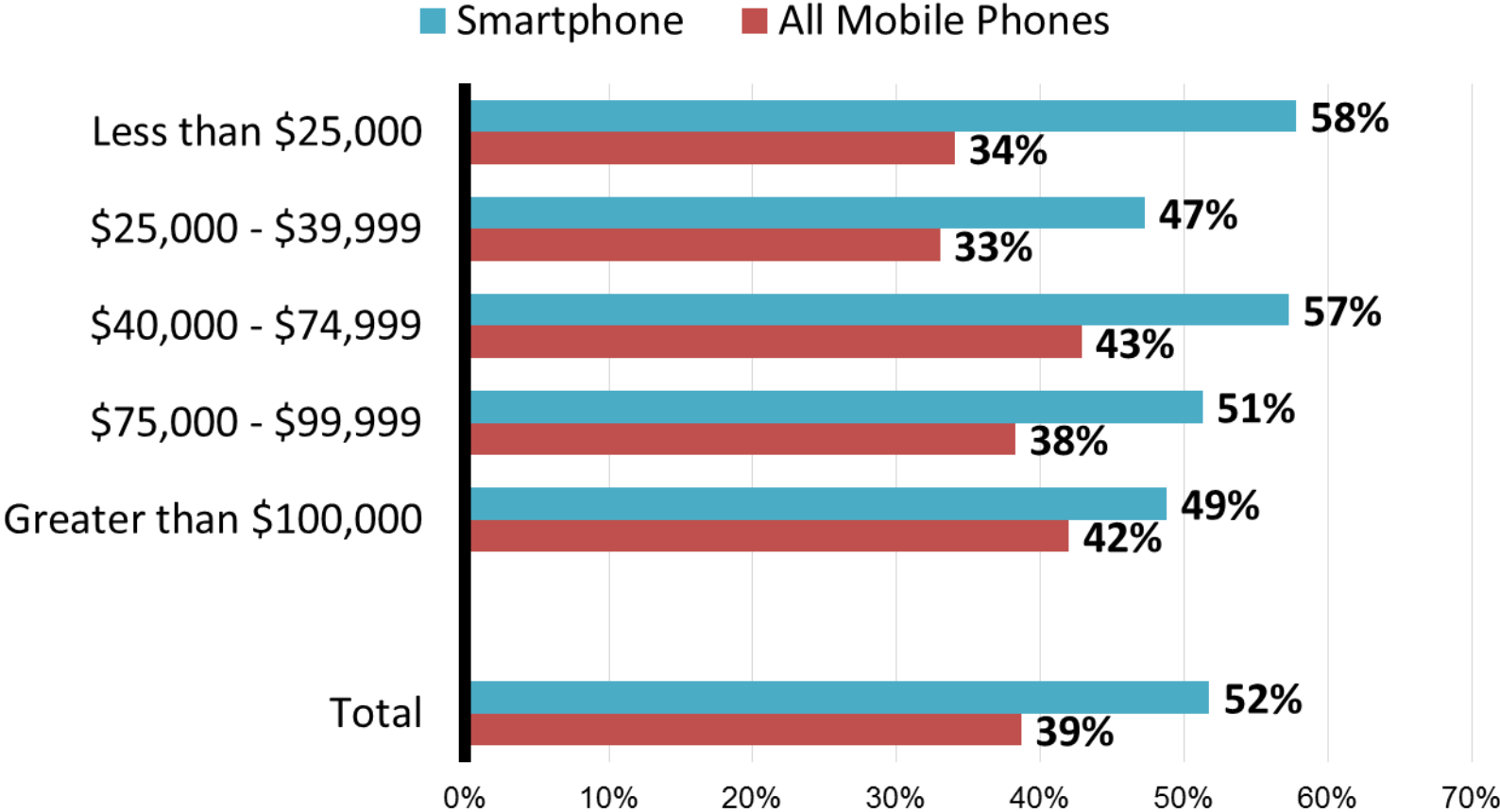
Mobile Banking by Age

Among respondents with bank account, by phone type



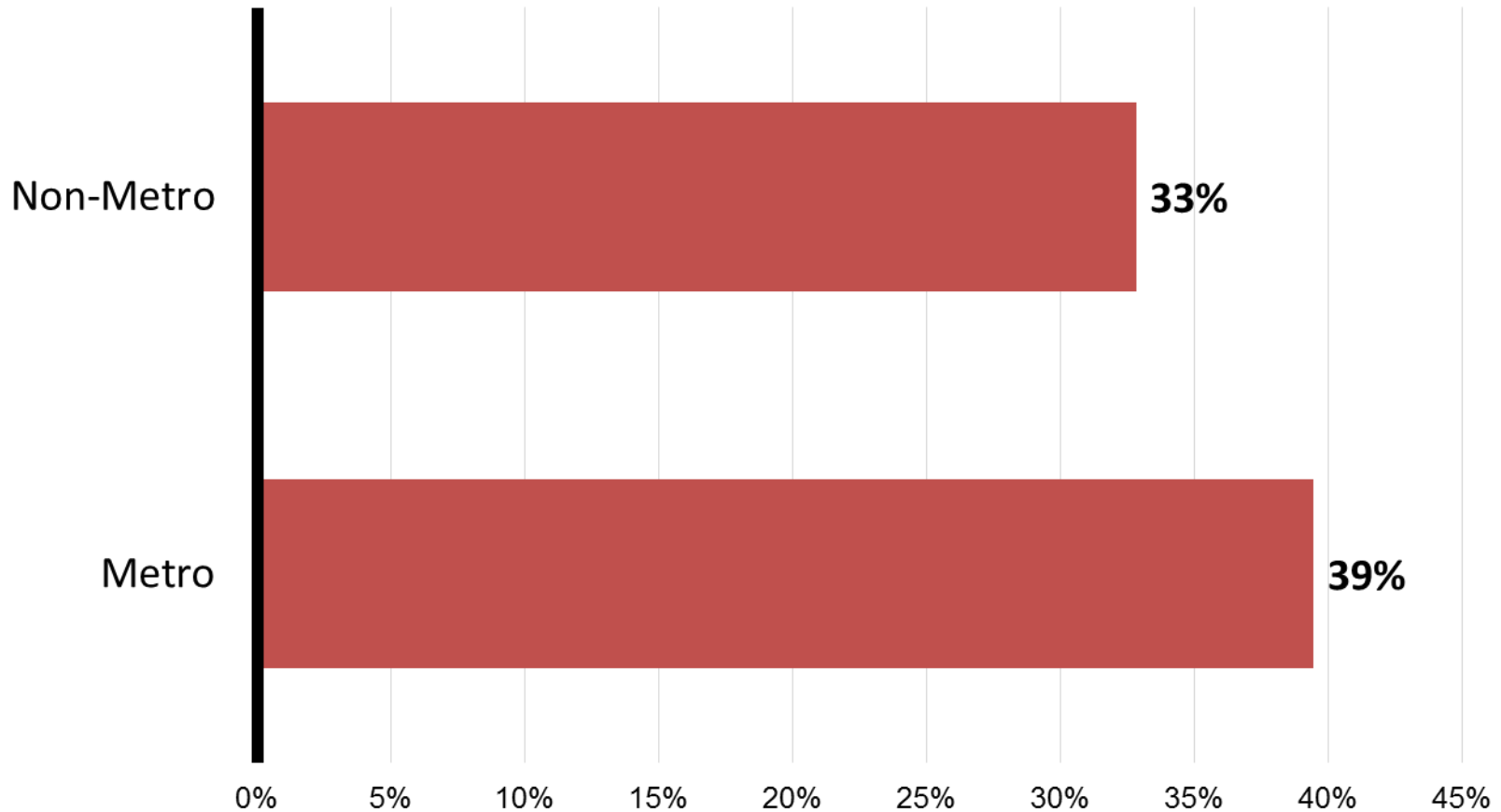
Mobile Banking by Income

Among respondents with bank account, by phone type



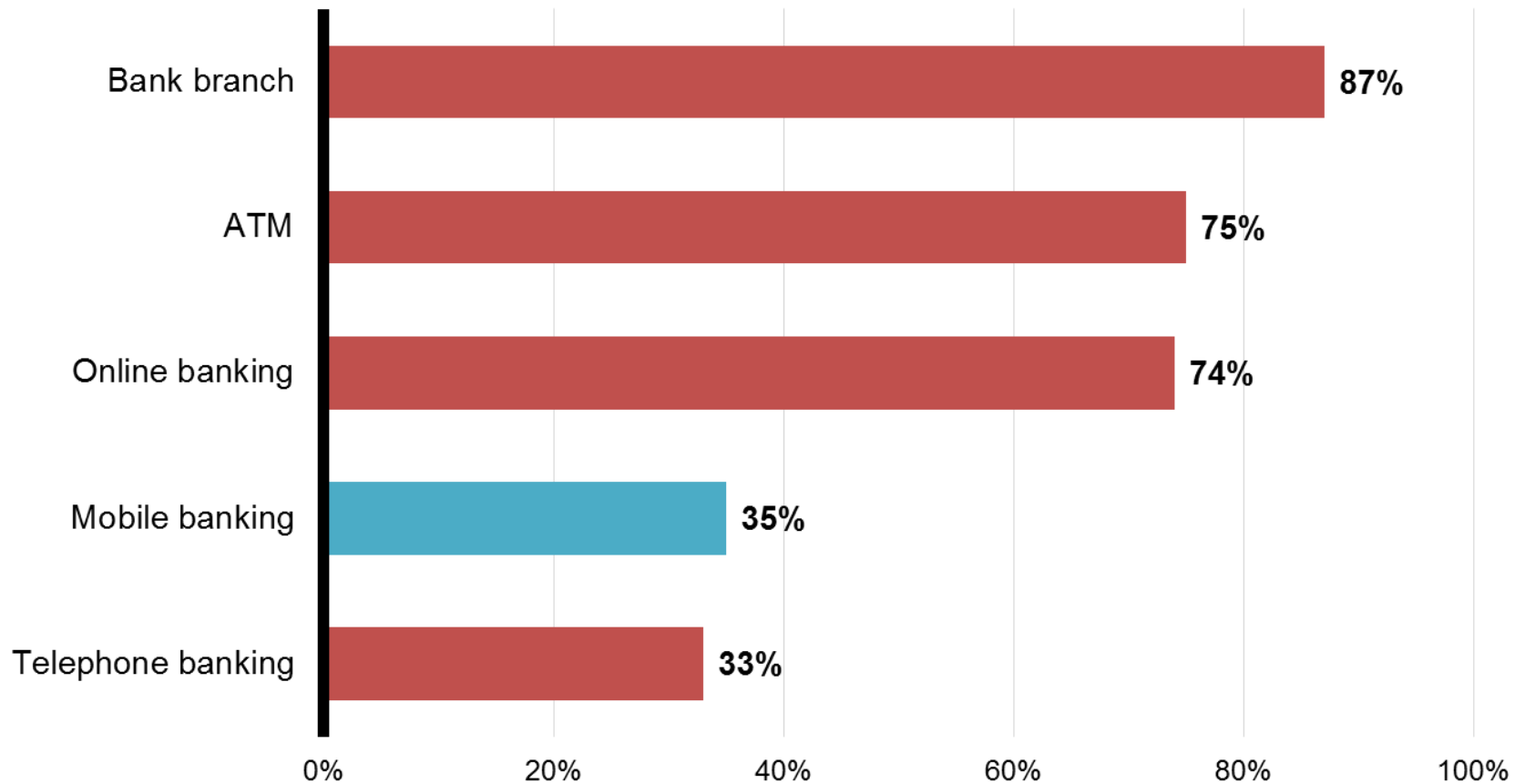
Mobile Banking by Geography

Among respondents with bank account and mobile phone

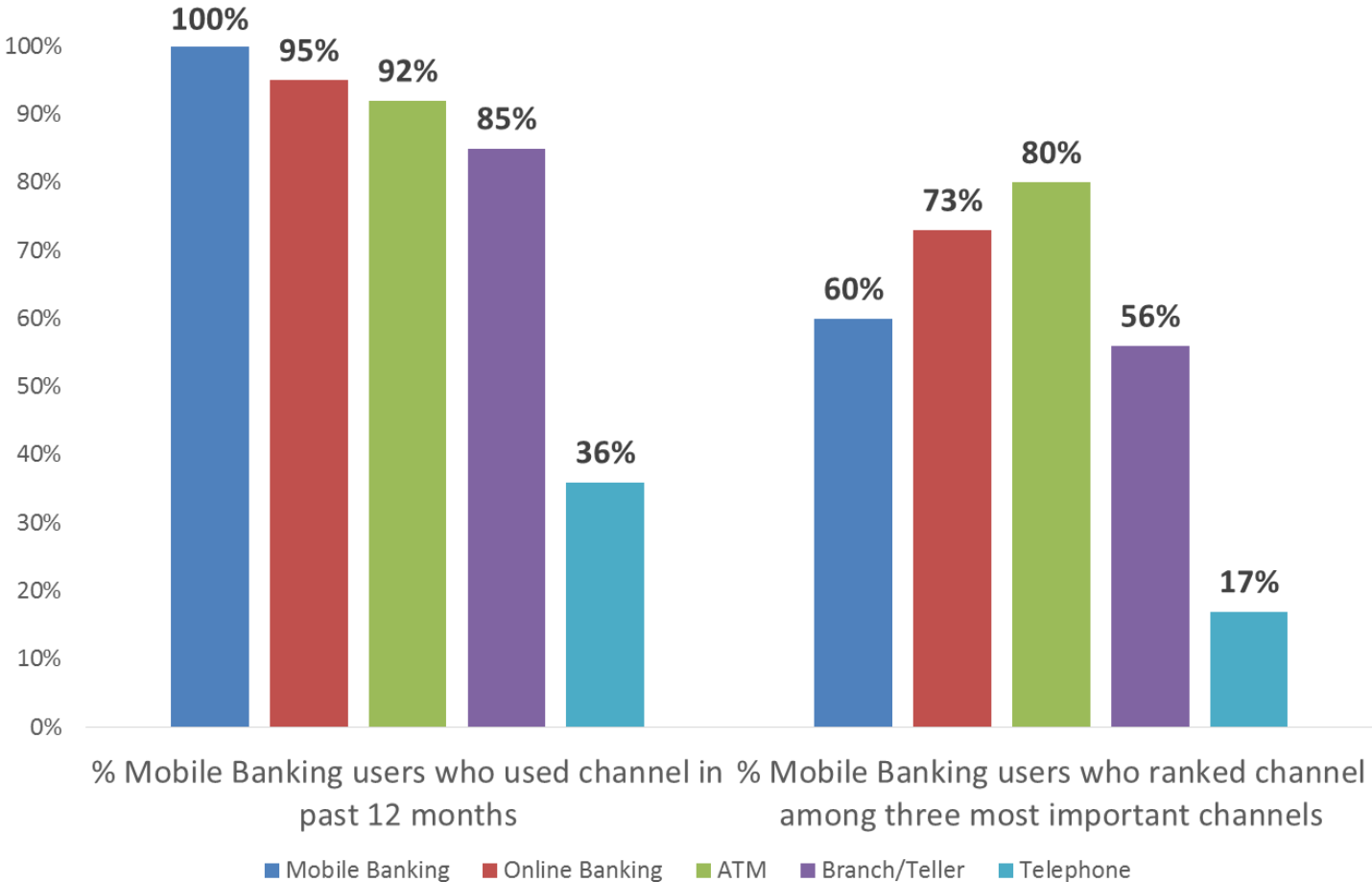


Means of Accessing Banking Services

Among those with a bank account

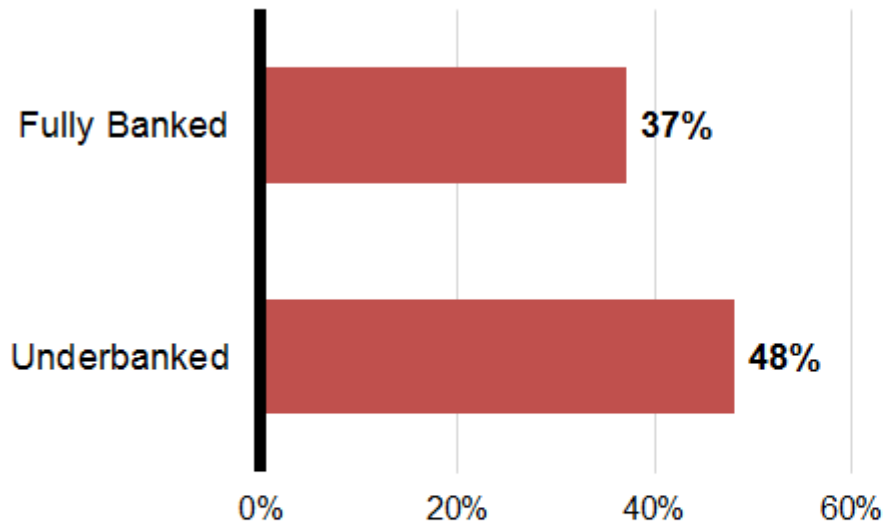


Mobile Banking Users' Access of Banking Services

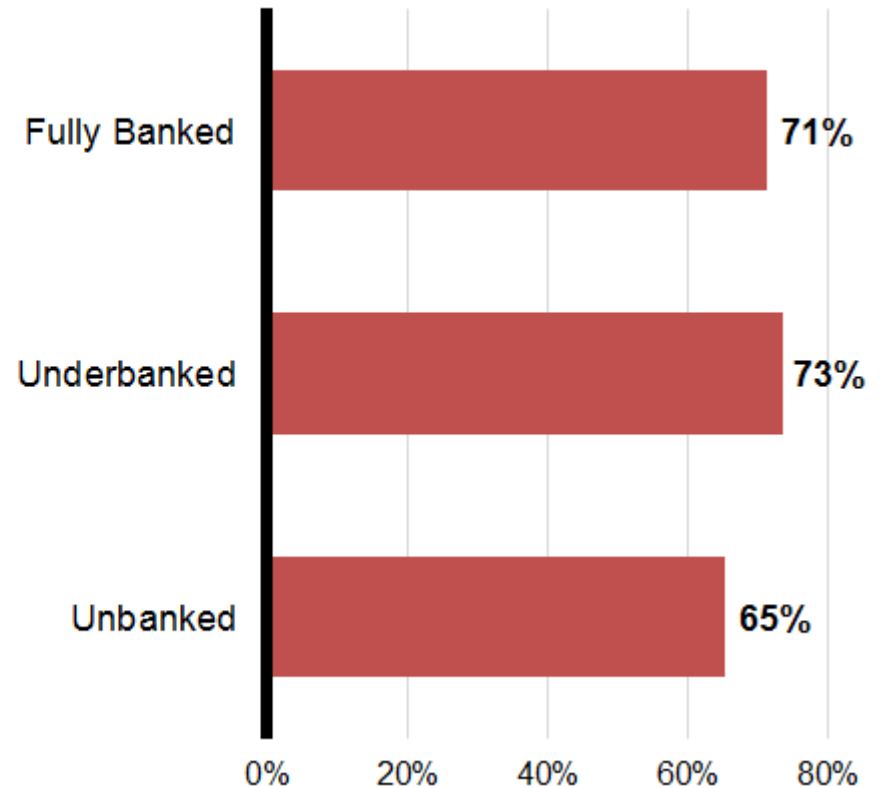


Mobile Banking and Smartphone Use

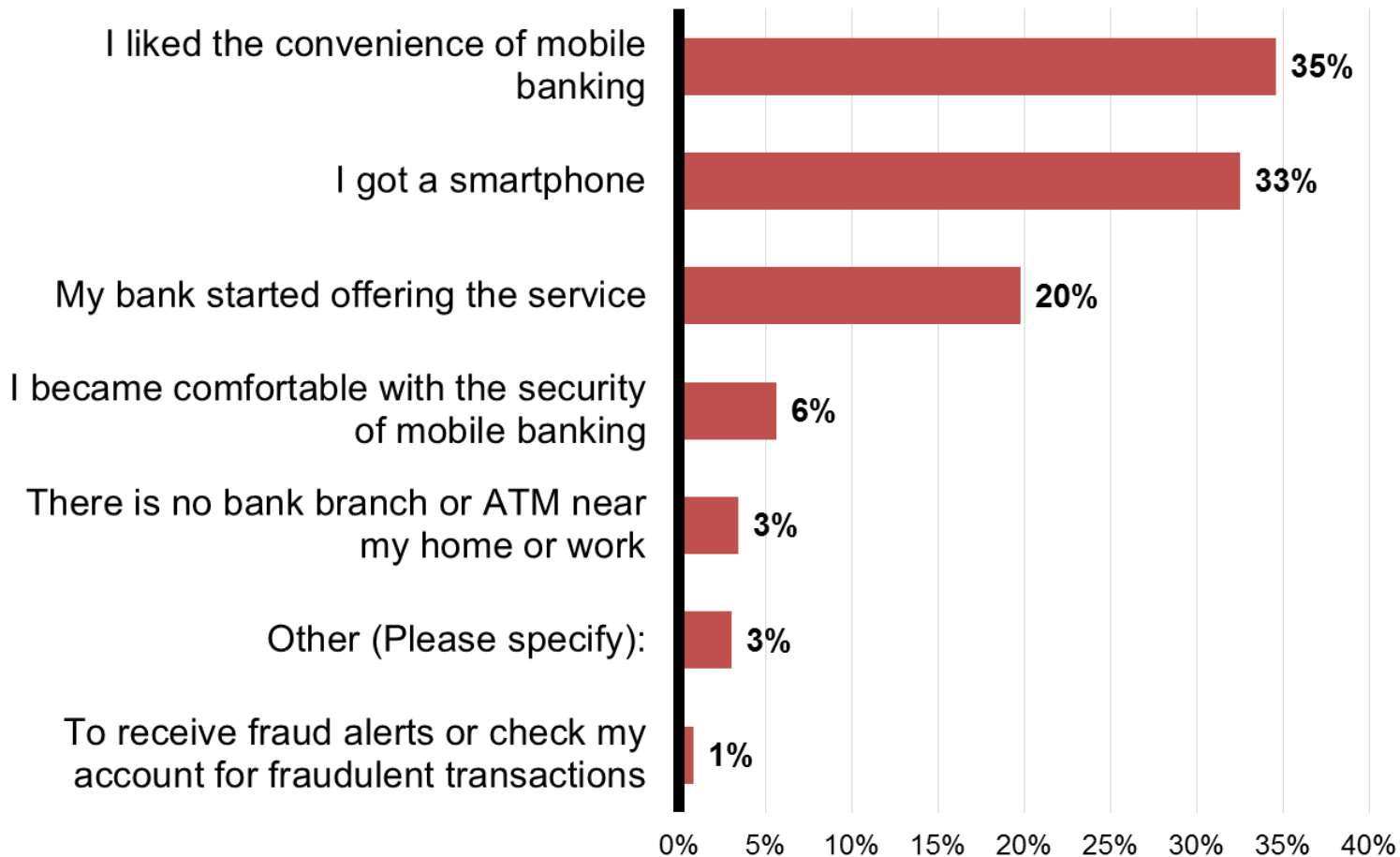
Mobile Banking Use



Smartphone Use

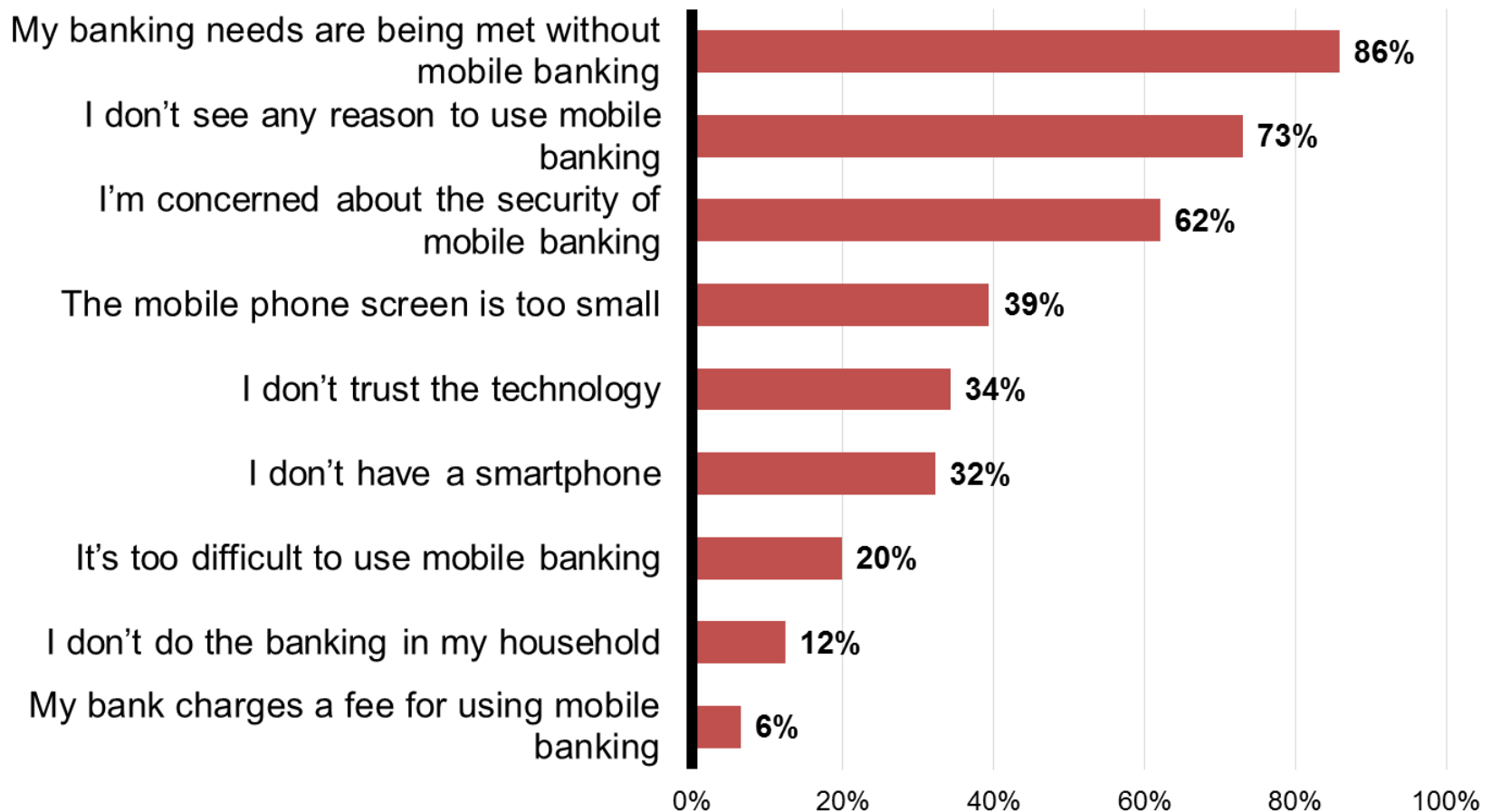


What Was the Main Reason You Started Using Mobile Banking When You Did?



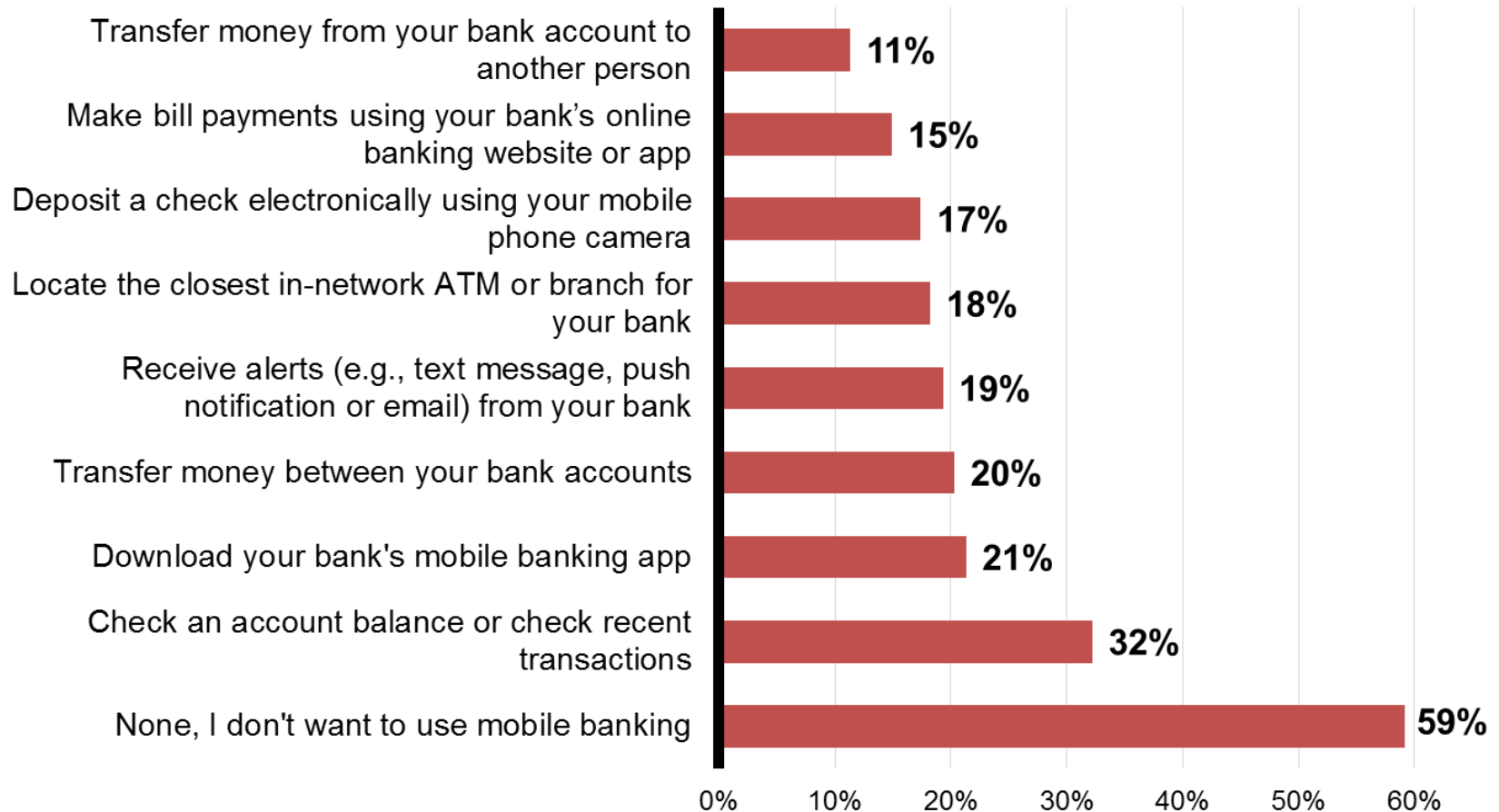
Reasons for Not Using Mobile Banking

Please tell us if each of the reasons below are why you do not use mobile banking



Mobile Banking Areas of Interest

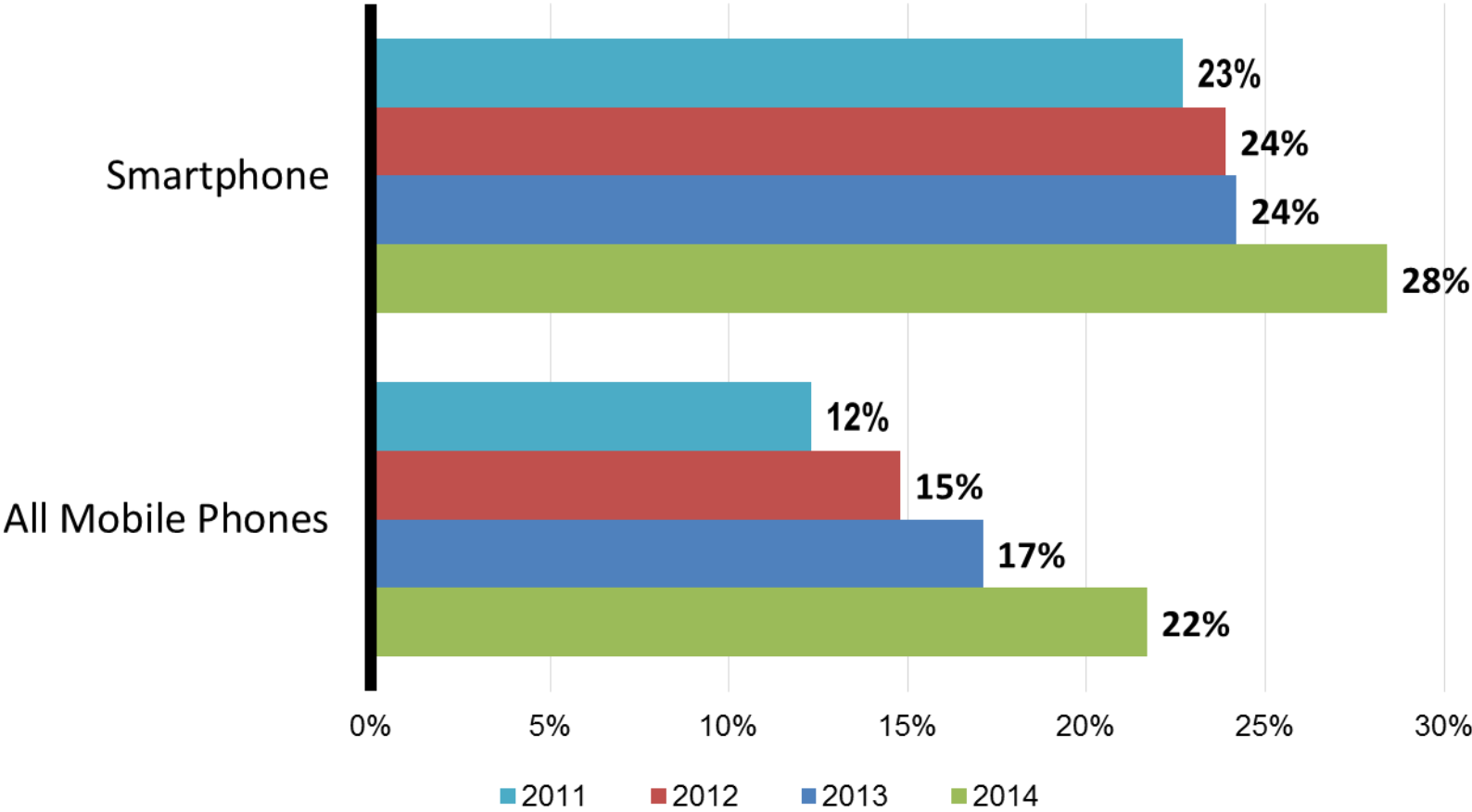
Assuming that the concerns that you have about using mobile banking were addressed, would you be interested in doing any of the following activities with your mobile phone?



Use of Mobile Payments

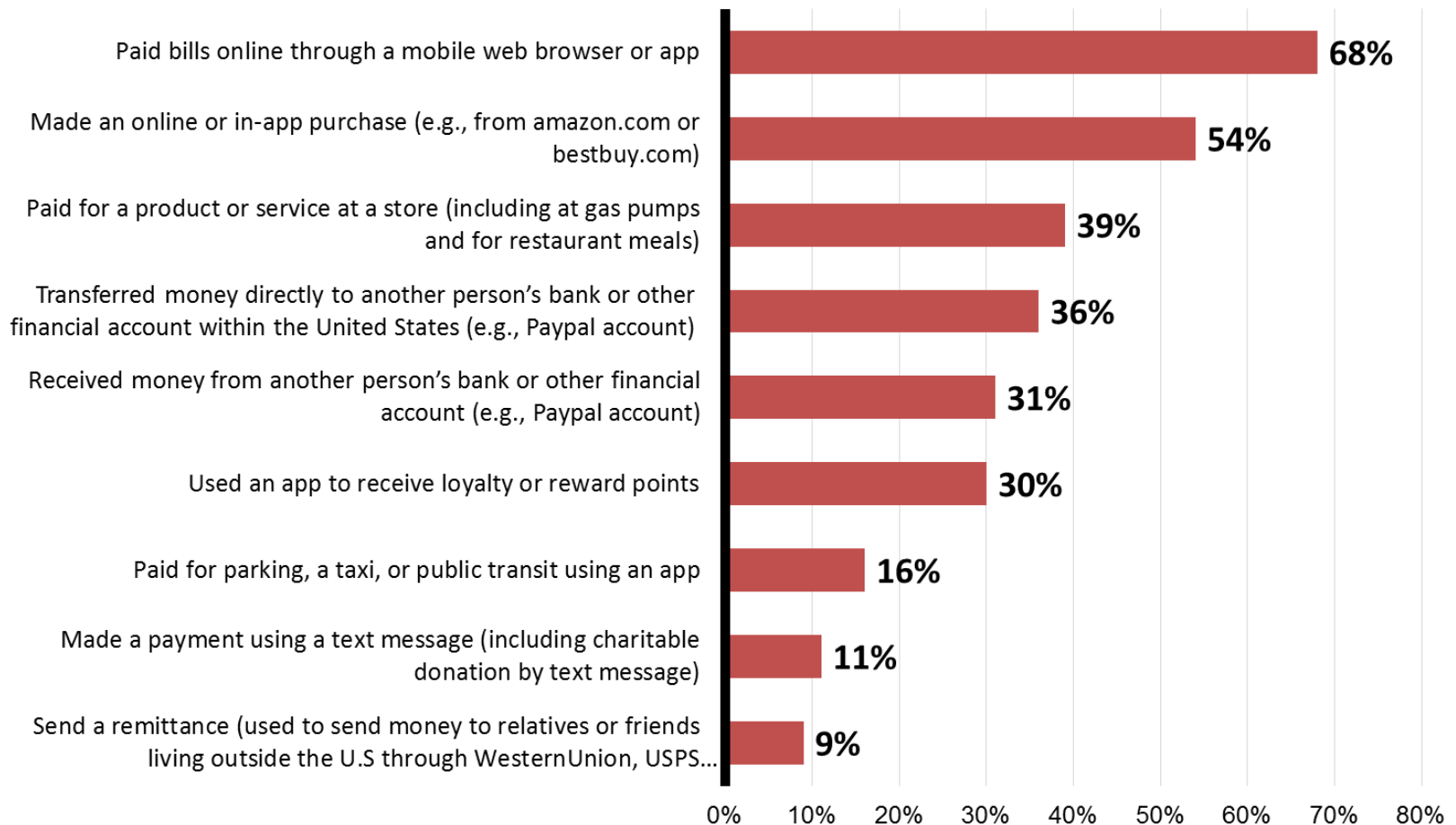
Mobile Payments Use: 2011-14

Among all respondents, by phone type



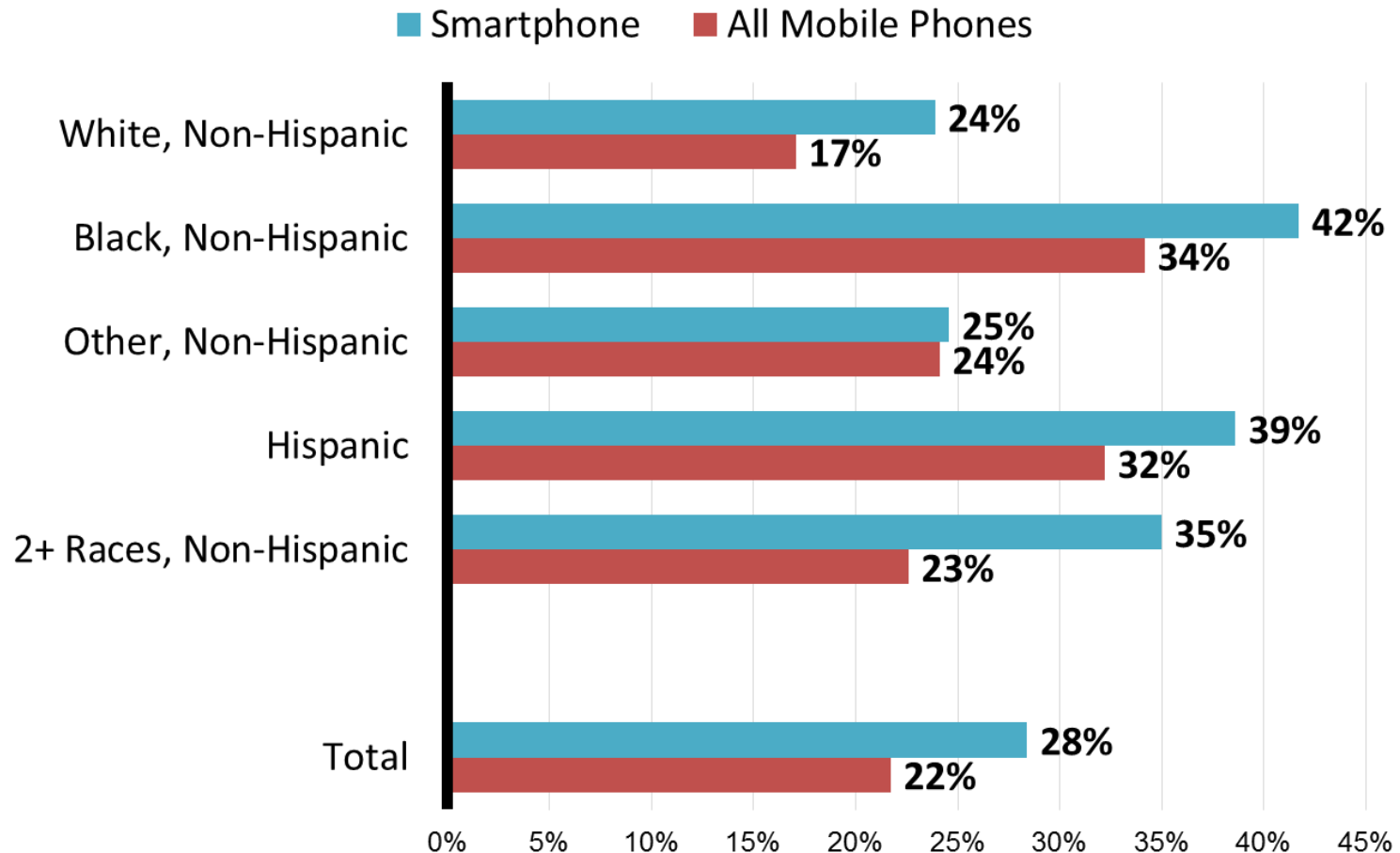
Mobile Payments Usage

Using your mobile phone, have you done each of these in the past 12 months?
Among mobile payments users with a smartphone



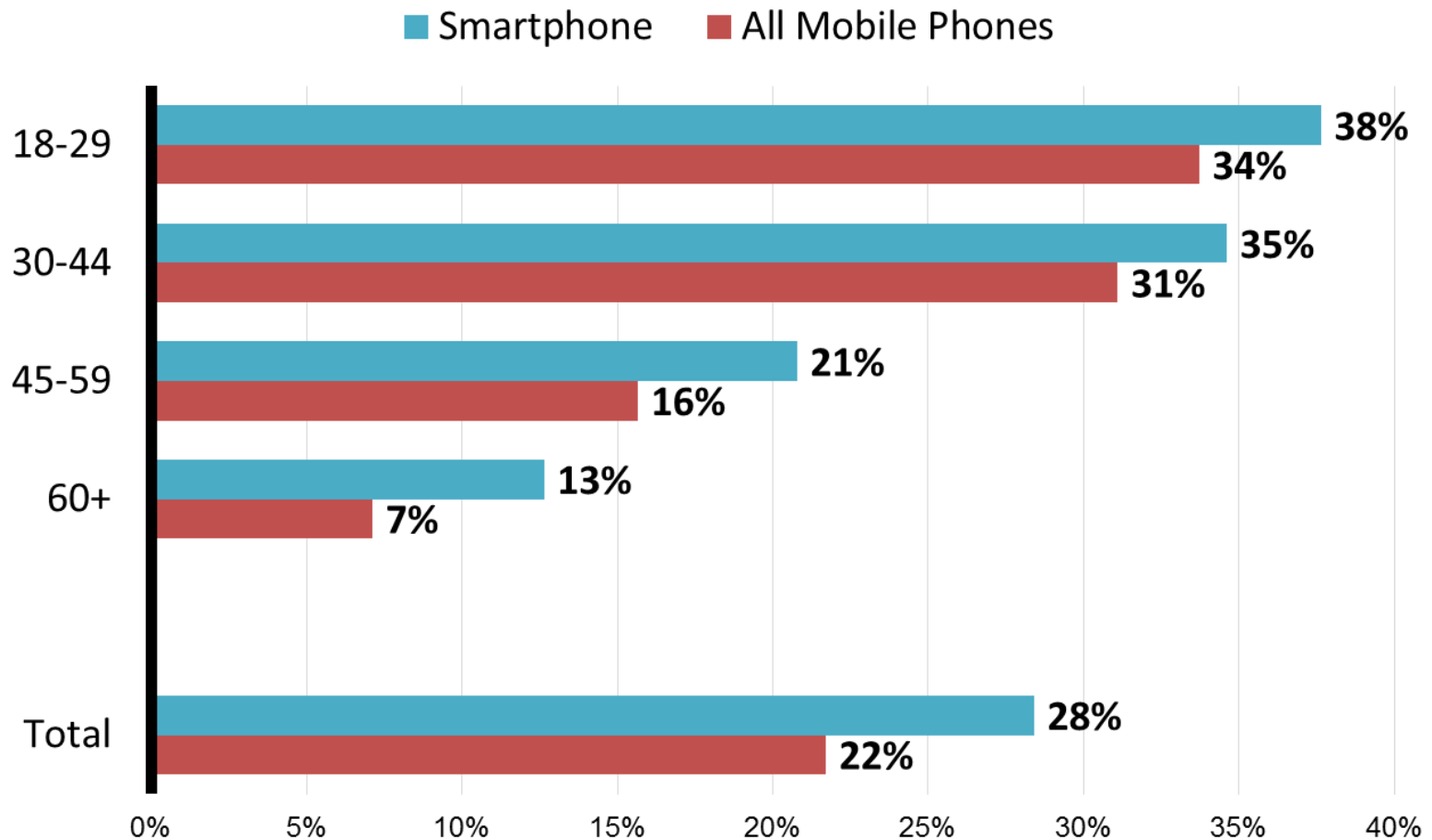
Mobile Payments by Race/Ethnicity

By phone type



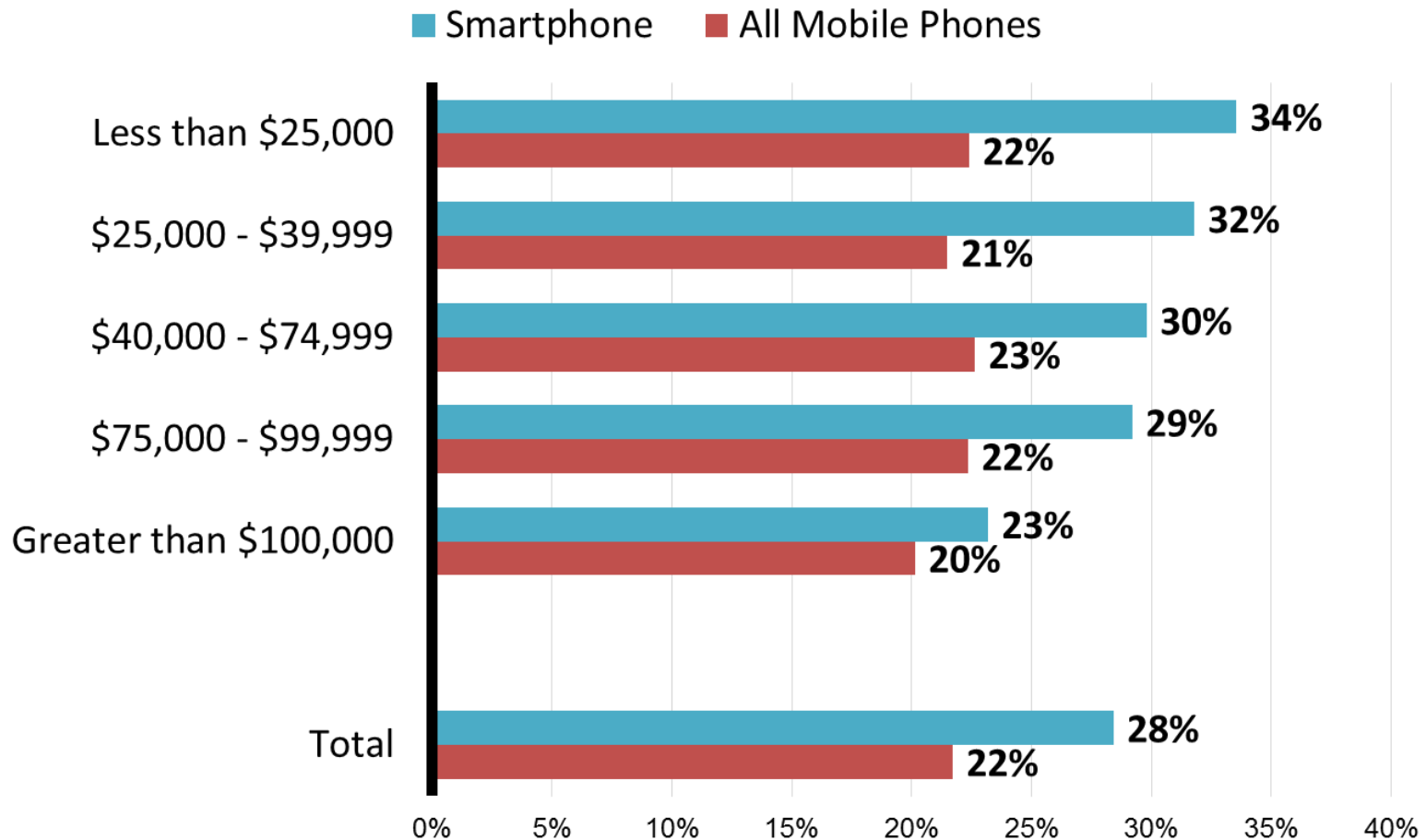
Mobile Payments by Age

By phone type



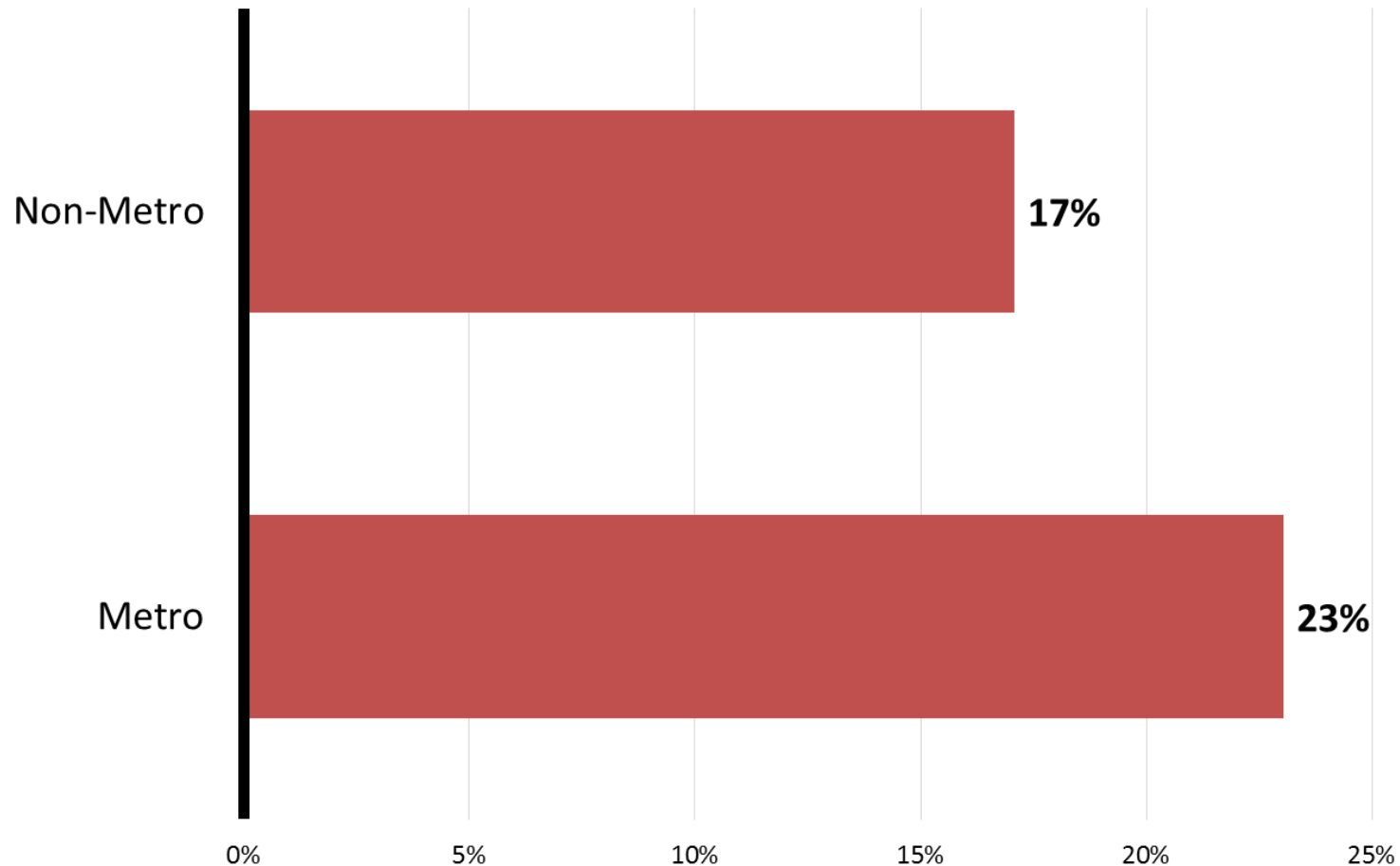
Mobile Payments by Income

By phone type

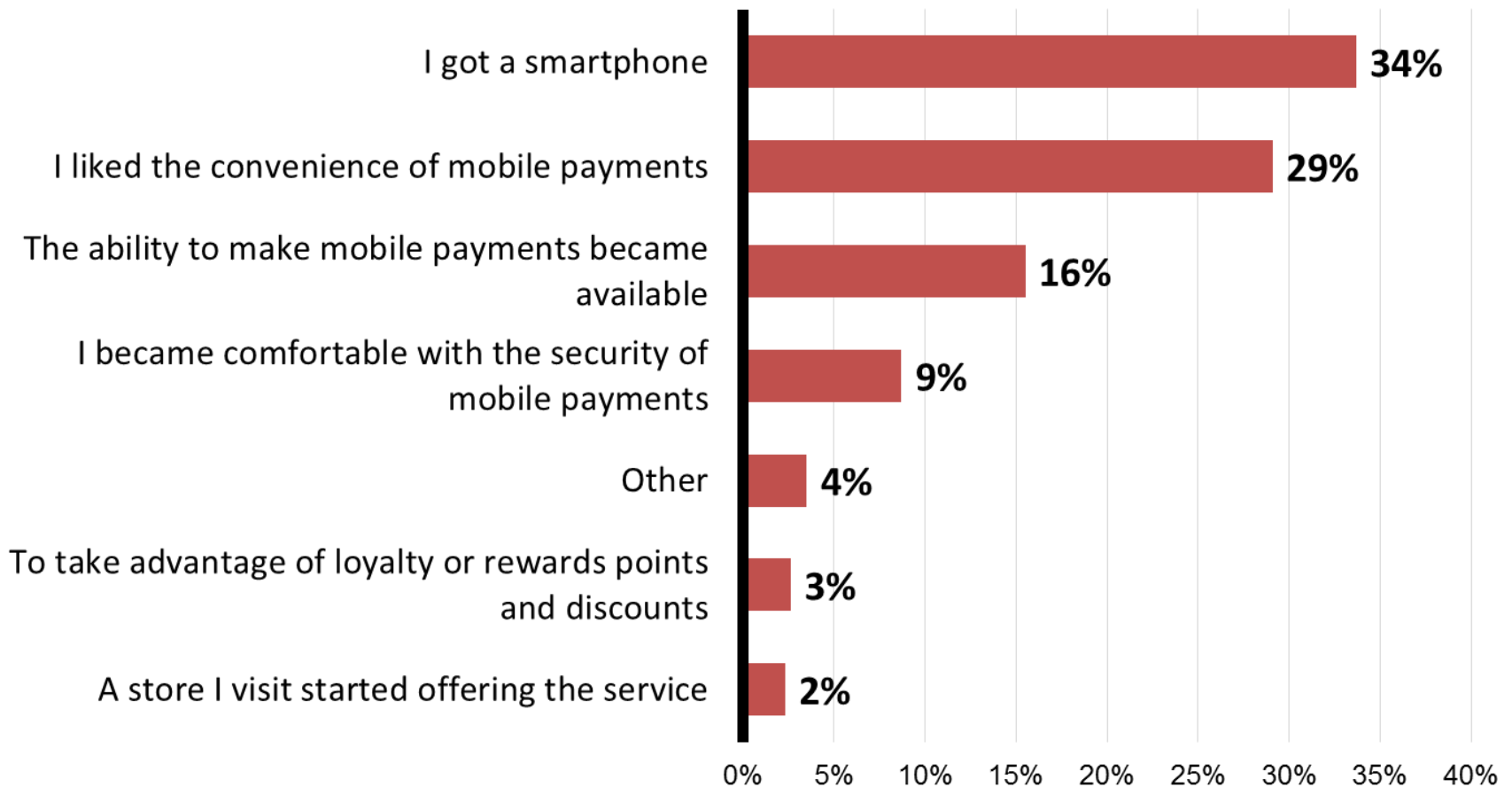


Mobile Payments by Geography

Among mobile phone users

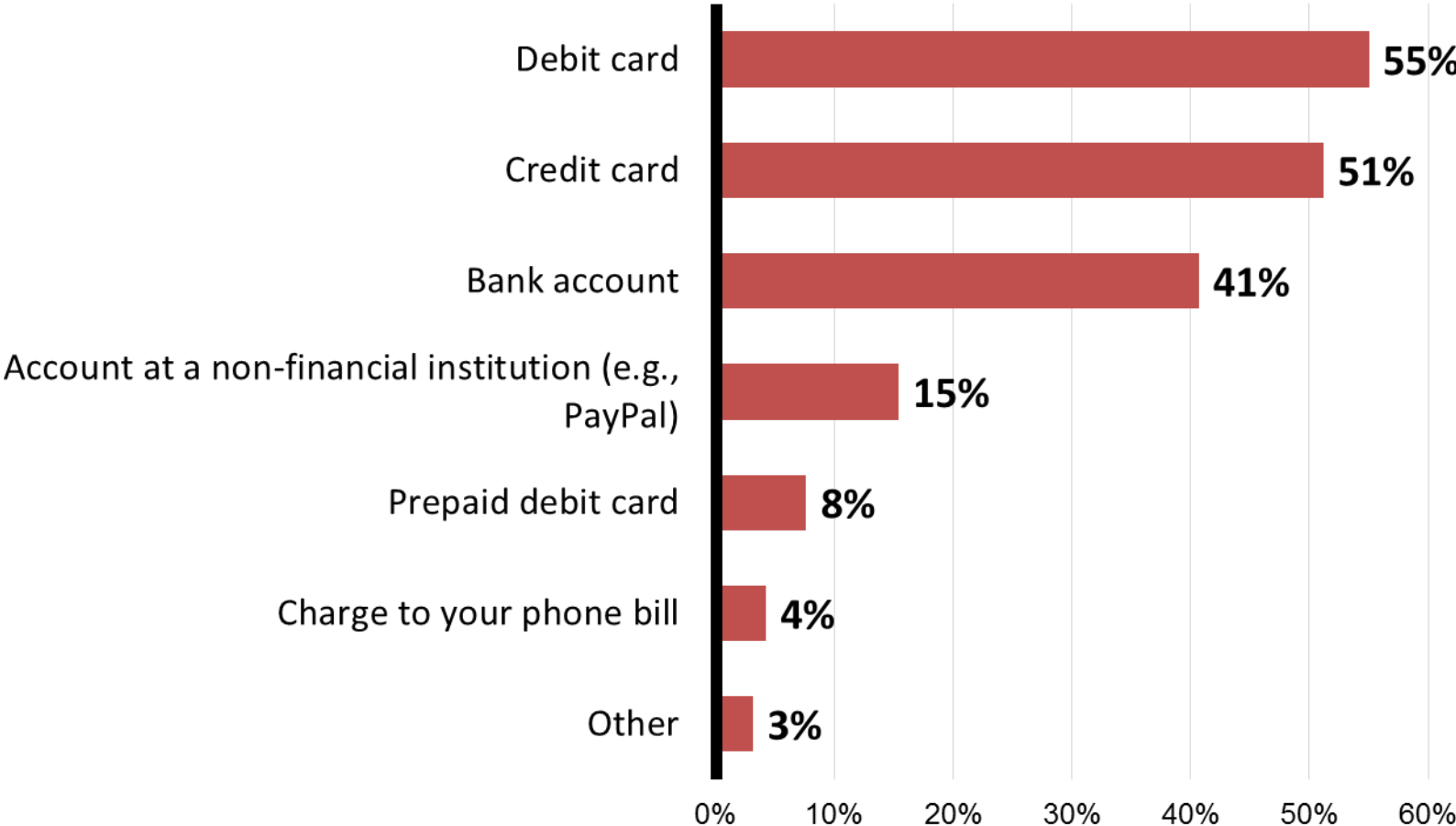


What Was The Main Reason You Started Using Mobile Payments When You Did?



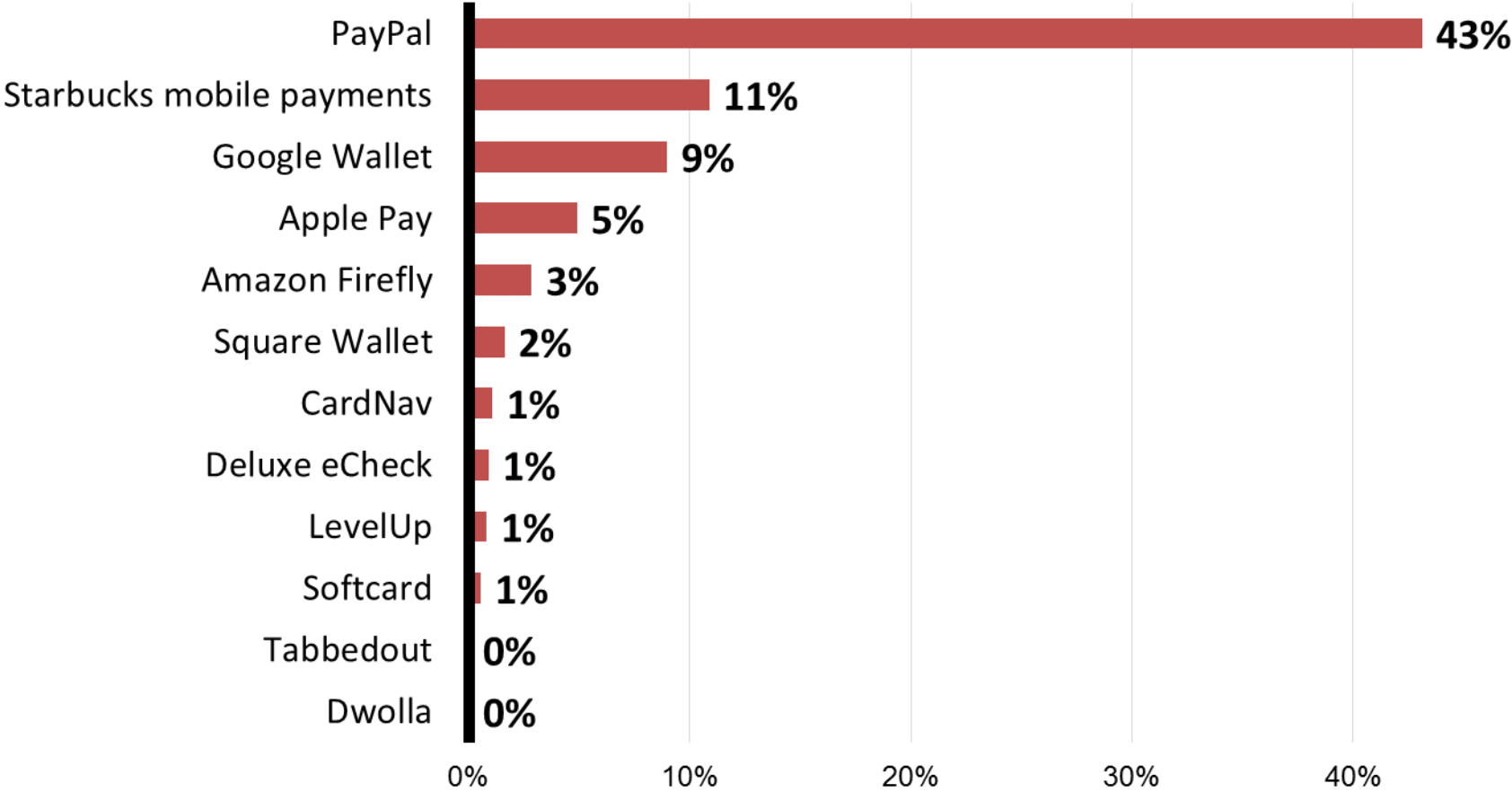
Payment Methods

When making mobile payments, which of the following payment methods do you use?



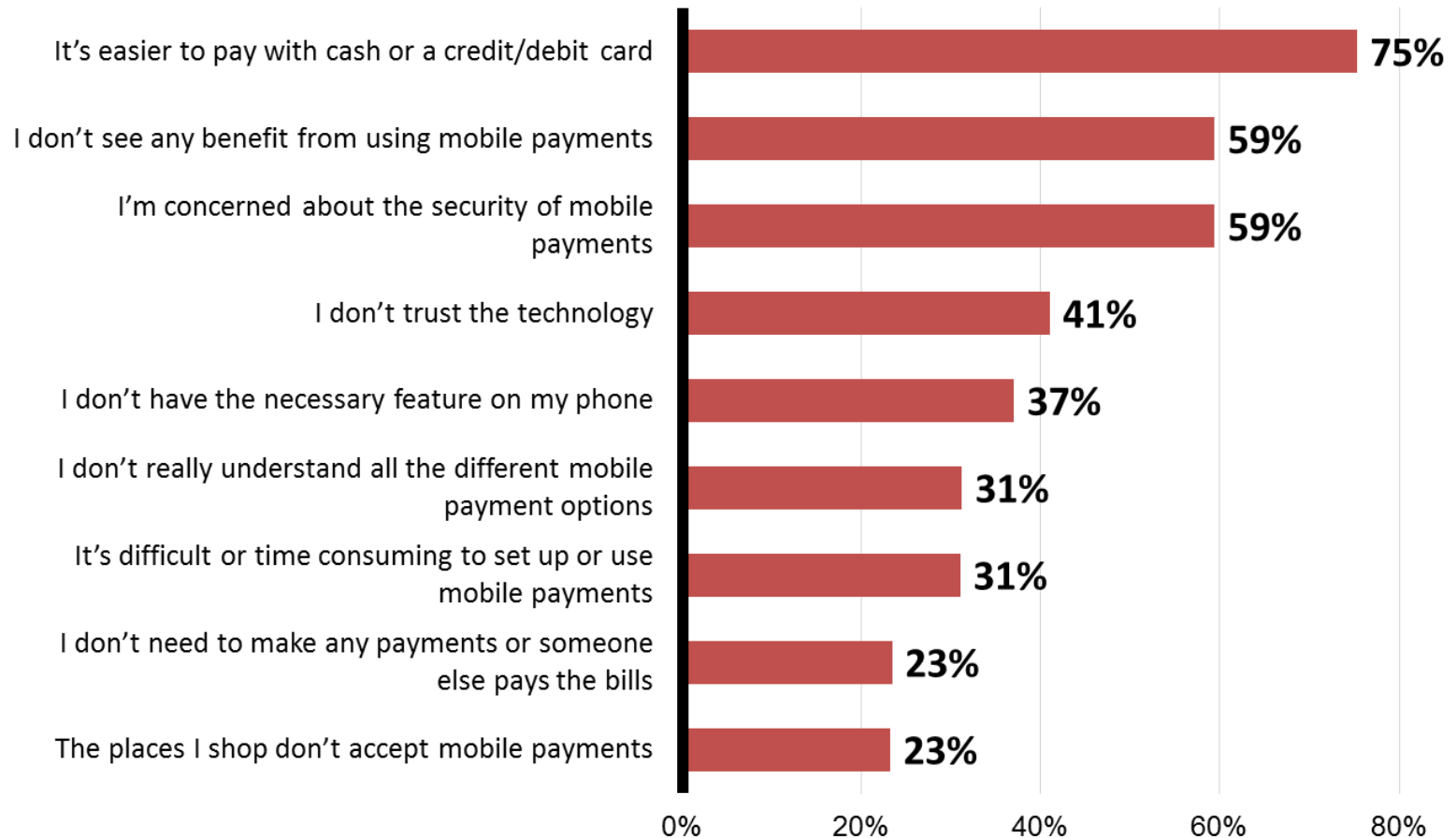
Mobile Payment Services

Have you used any of the following mobile payment services in the past 12 months?
Among those who made a mobile payment and own a smartphone



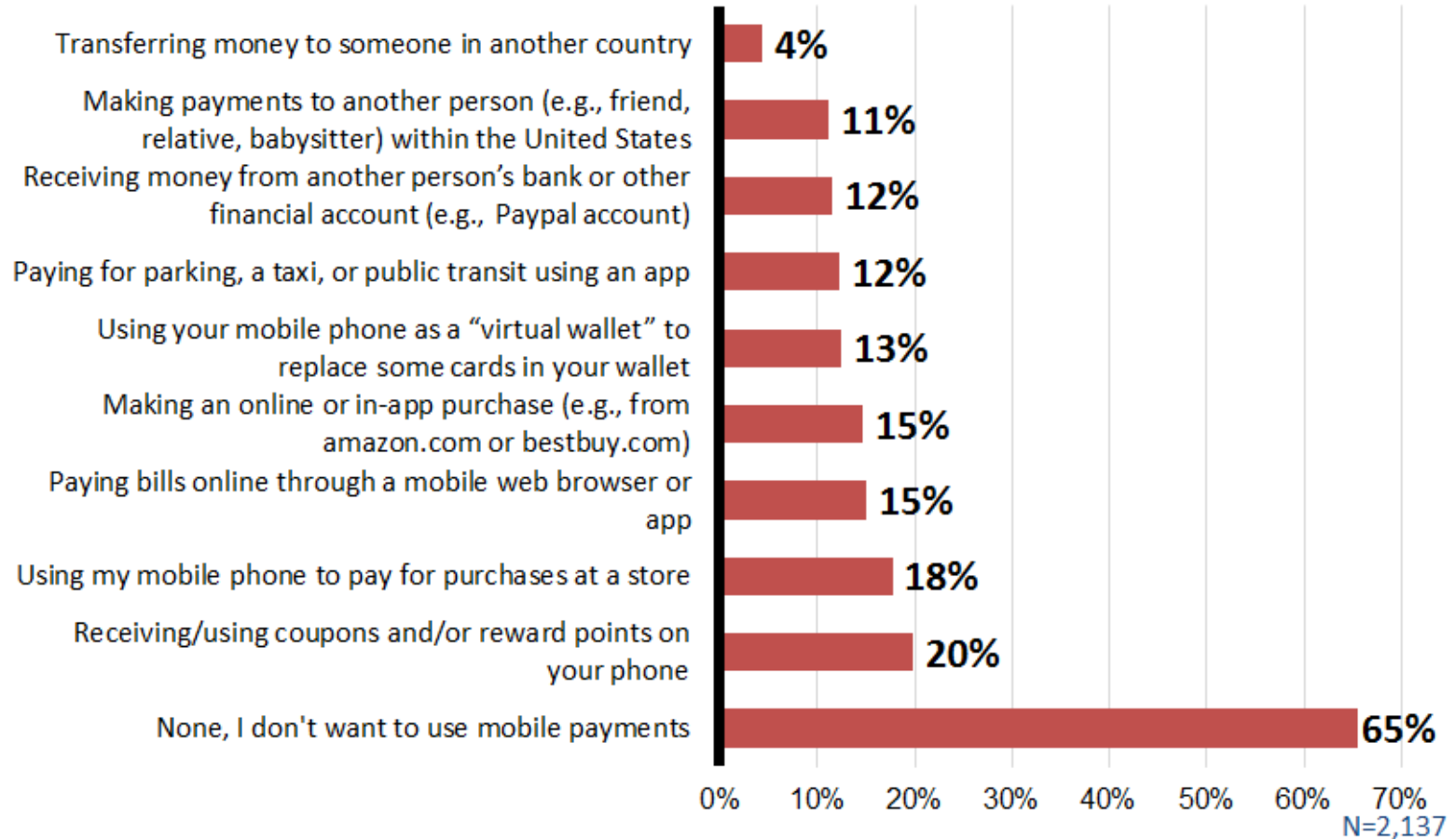
Reasons for Not Using Mobile Payments

Please tell us if any of the reasons below are why you do not use mobile payments.



Mobile Payments Areas of Interest

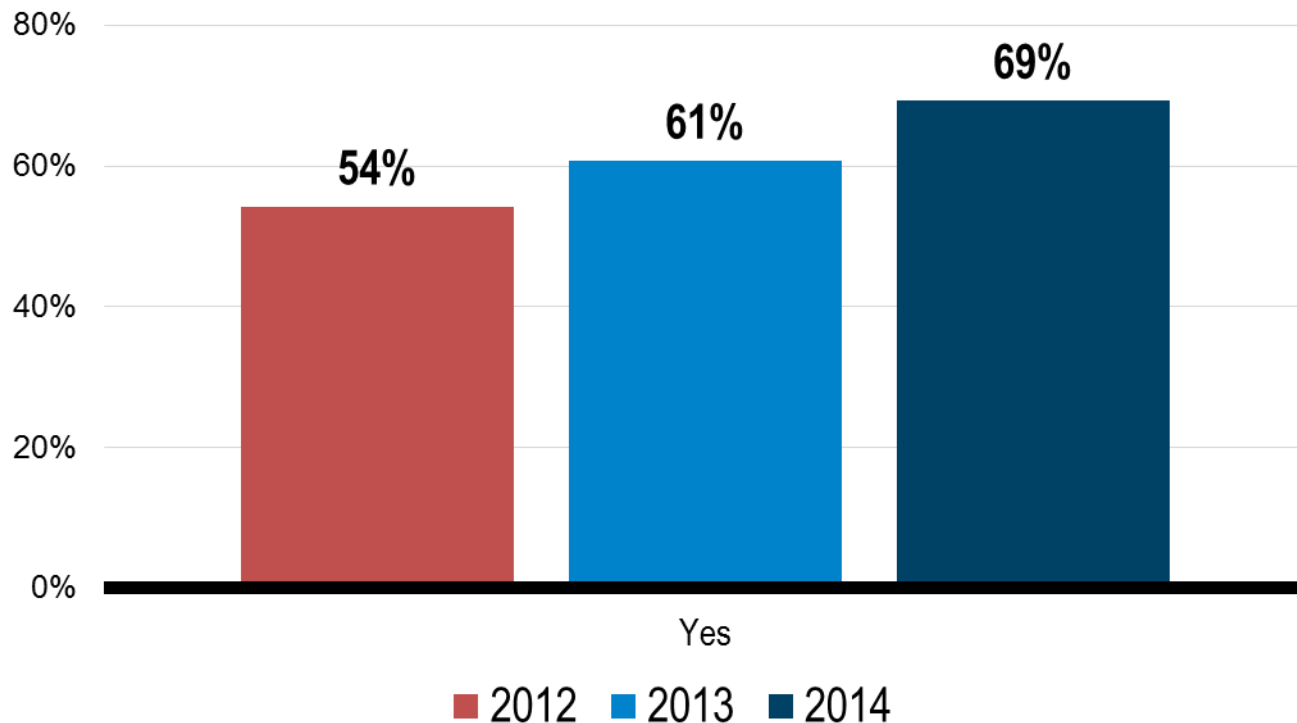
Assuming that the reason(s) why you do not currently use mobile payments was addressed, would you be interested in doing any of the following activities with your mobile phone?



Perceived Security of Mobile Banking and Payments

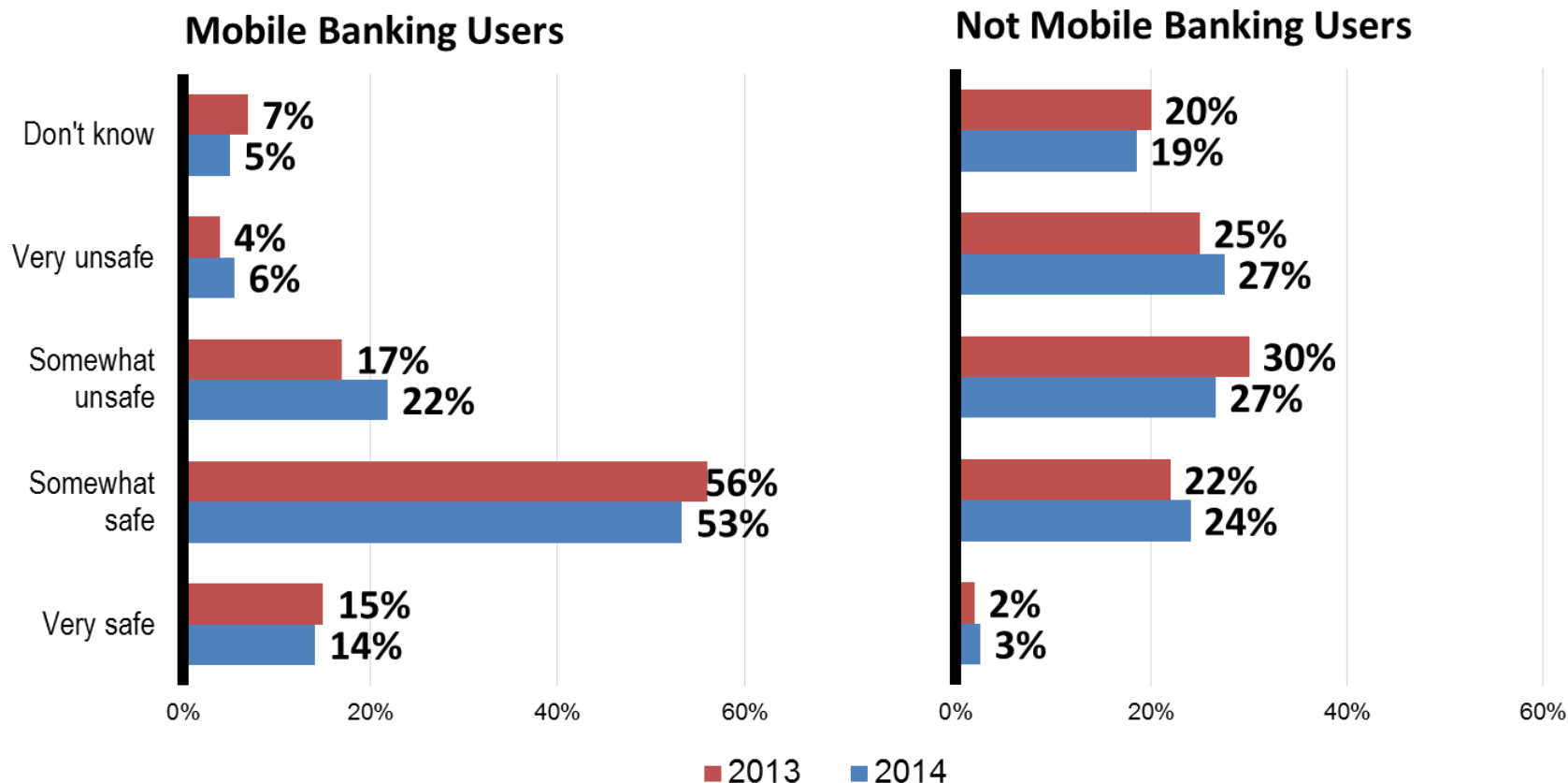
Mobile Banking Safety

Do you password protect your smartphone?



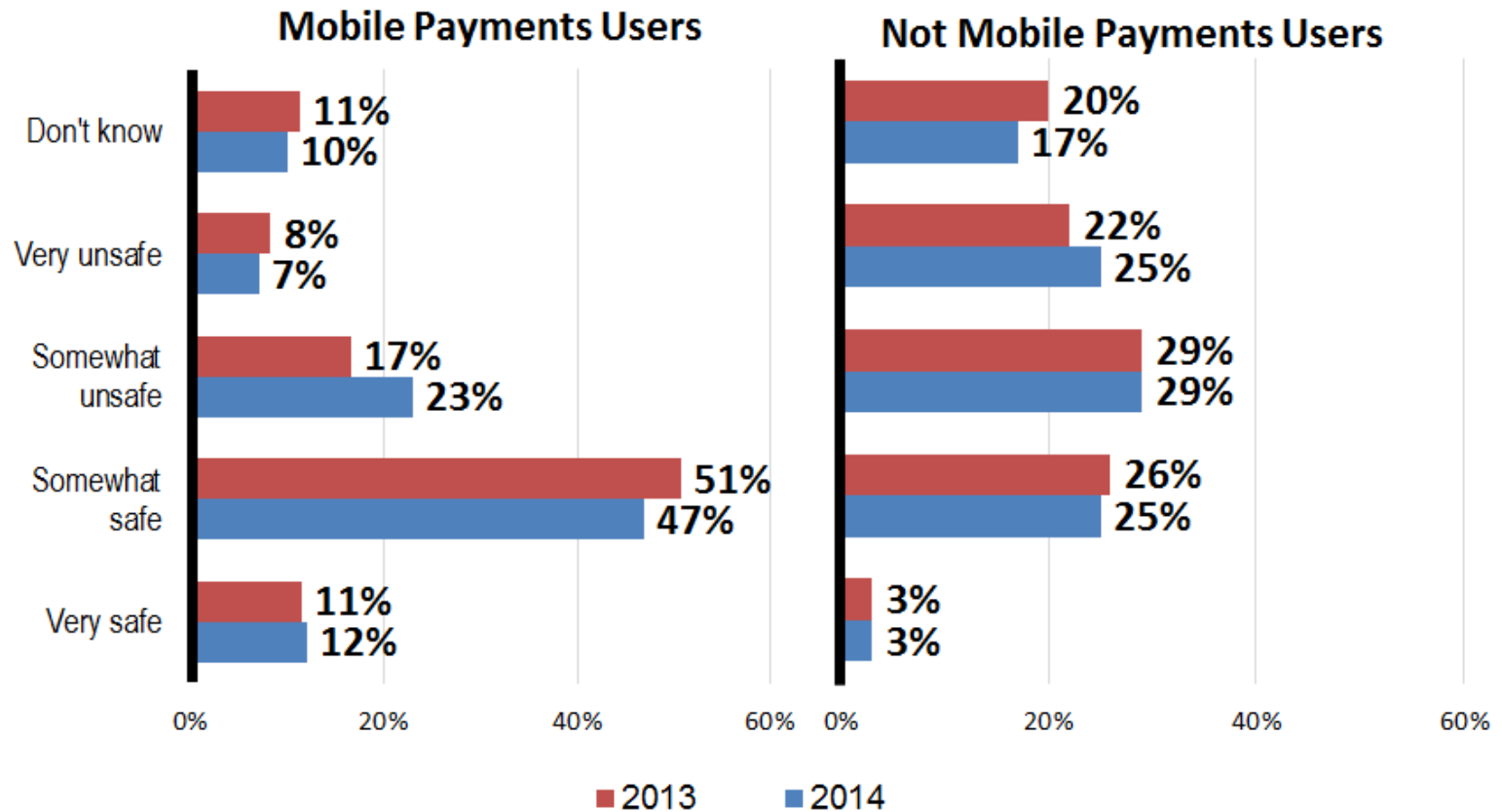
Mobile Banking Safety, continued

How safe do you believe people's personal information is when they use mobile banking?



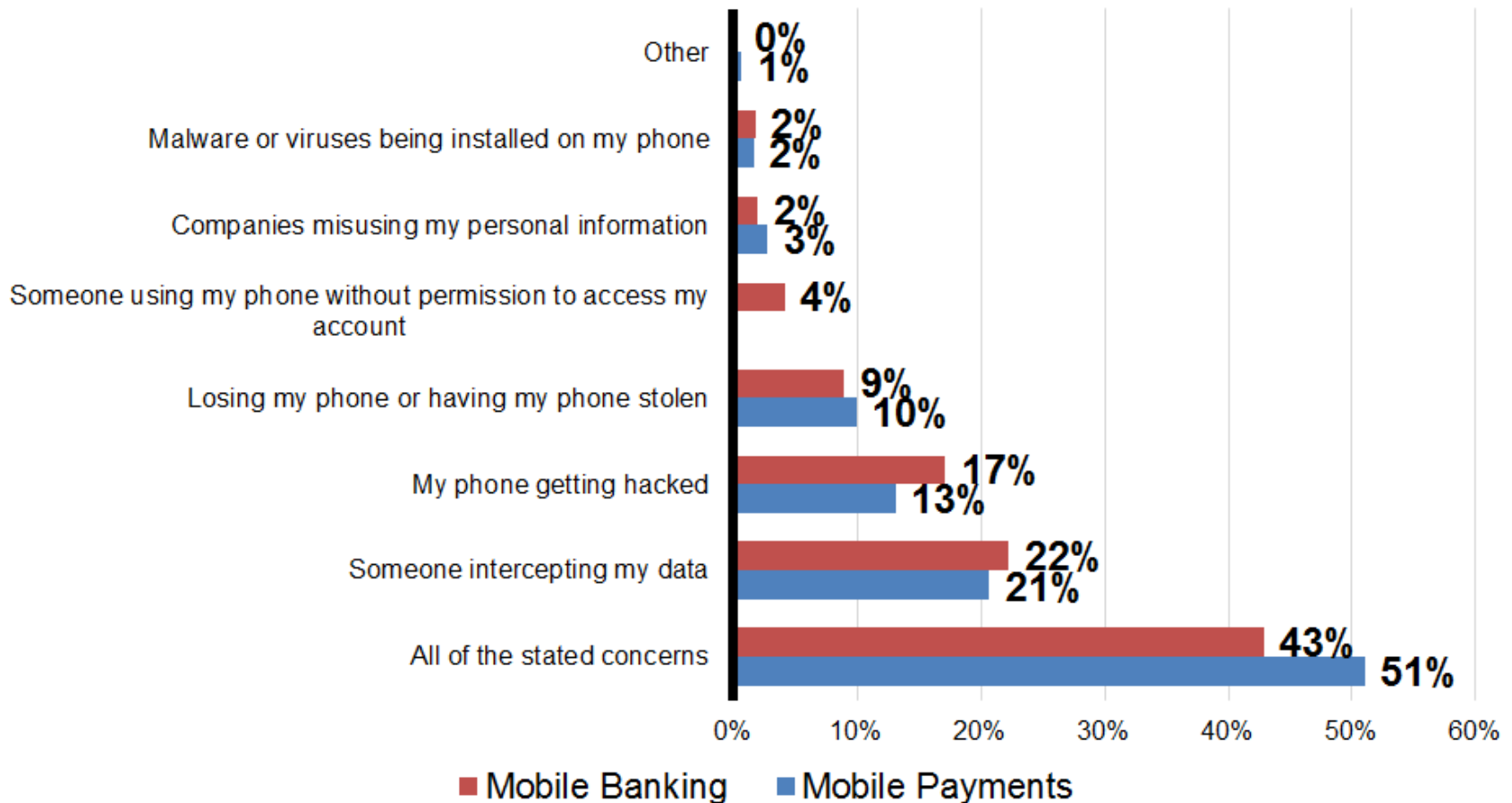
Mobile Payments Safety

How safe do you believe people's personal information is when they use a mobile phone to pay for a purchase at a store?



Specific Mobile Banking and Payments Security Concerns

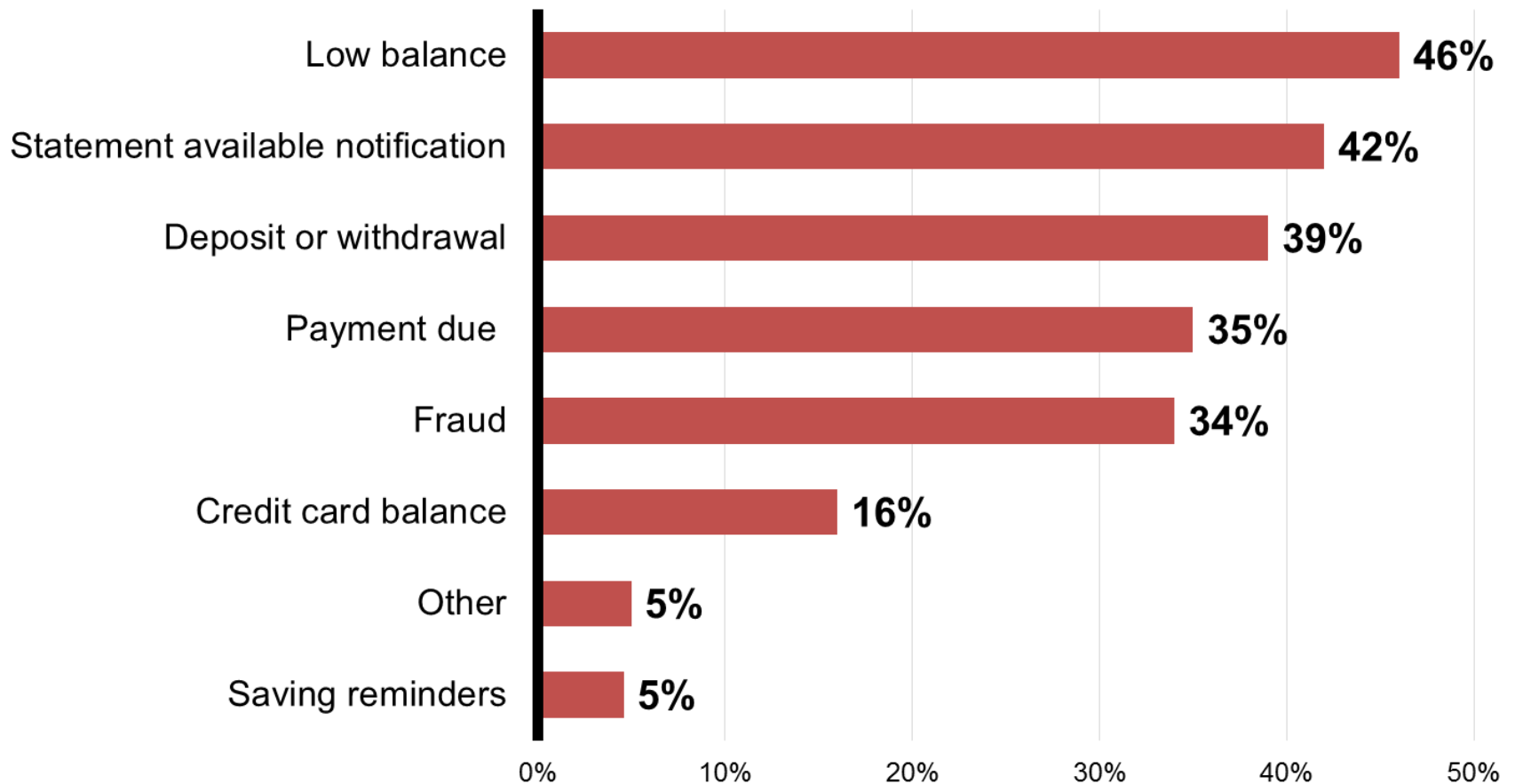
Among those who expressed a concern about security



Mobile Technology, Shopping, and Consumer Behavior

Do You Receive Each of the Following Kinds of Alerts?

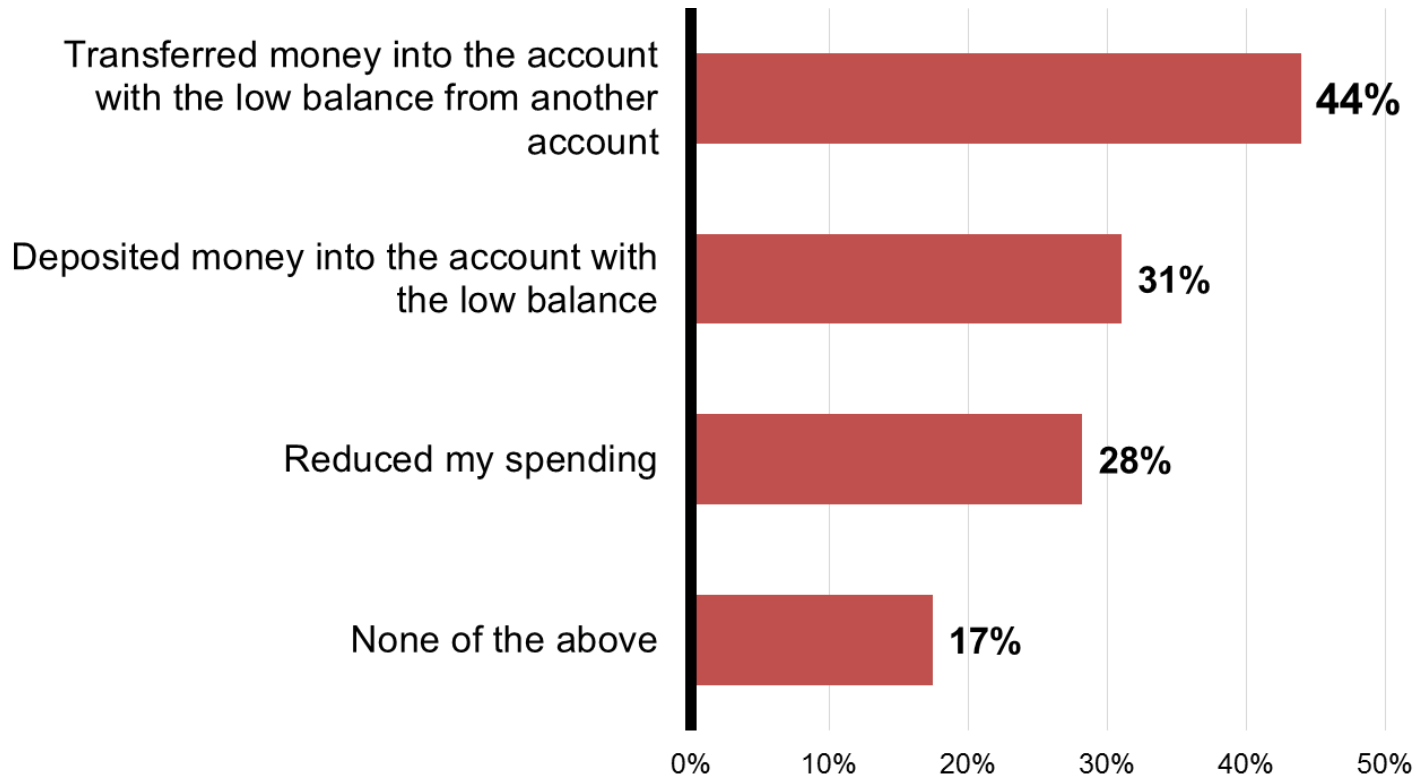
Among mobile banking users who receive alerts



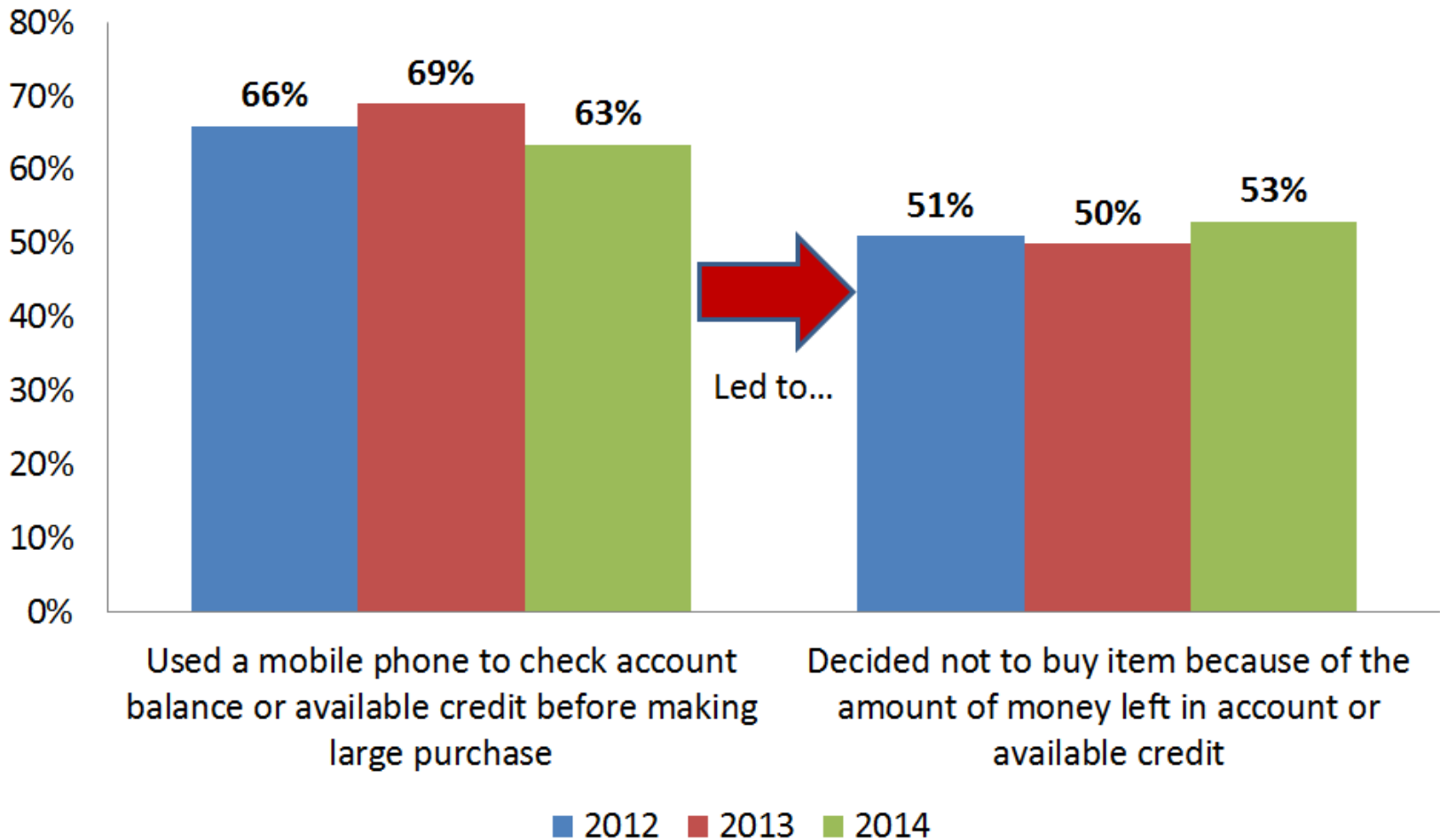
Reactions to Low-Balance Alerts

Thinking of the most recent low-balance alert you received, which of the following actions did you take after receiving the alert?

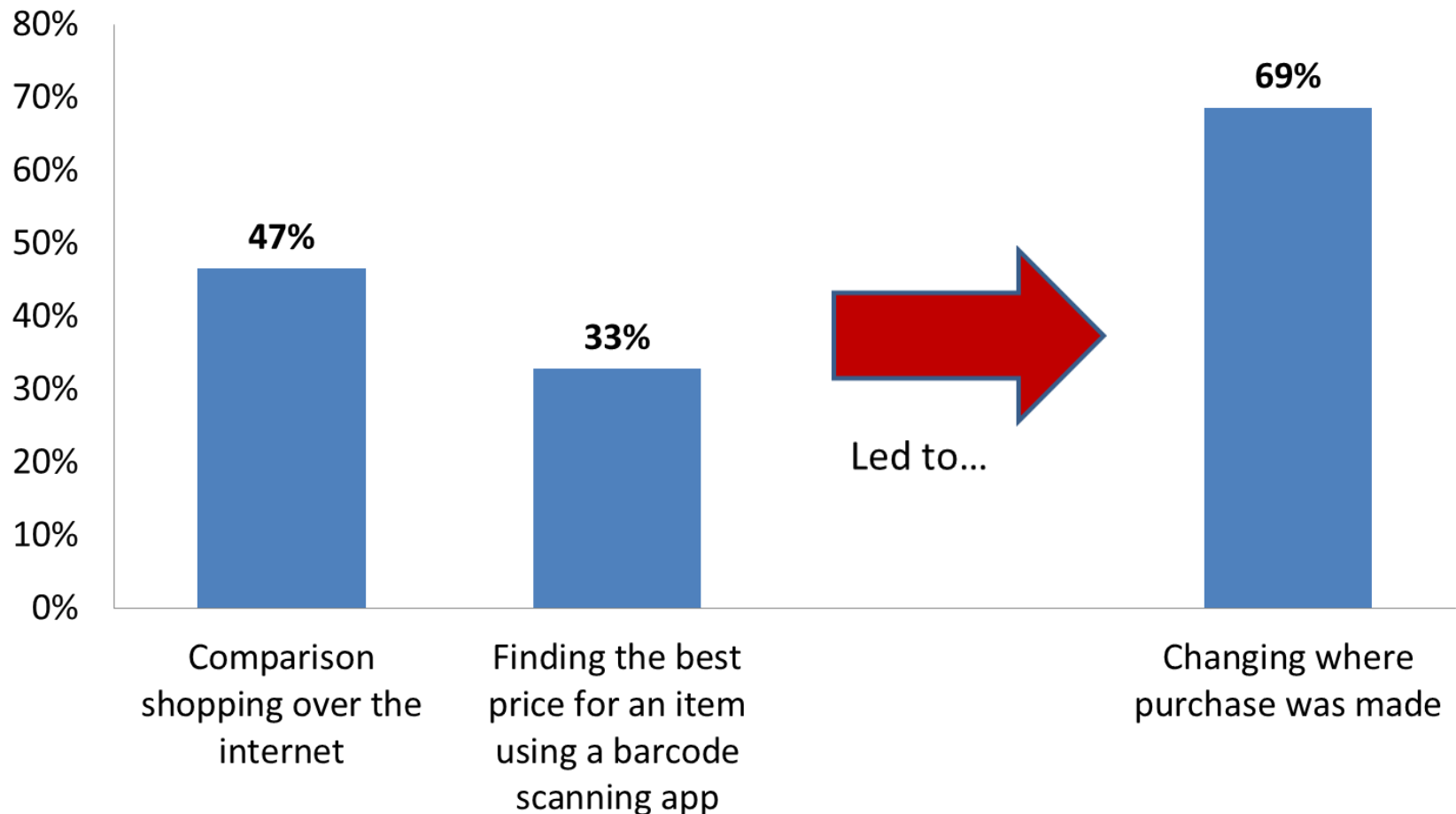
Among mobile banking users who received low balance alerts



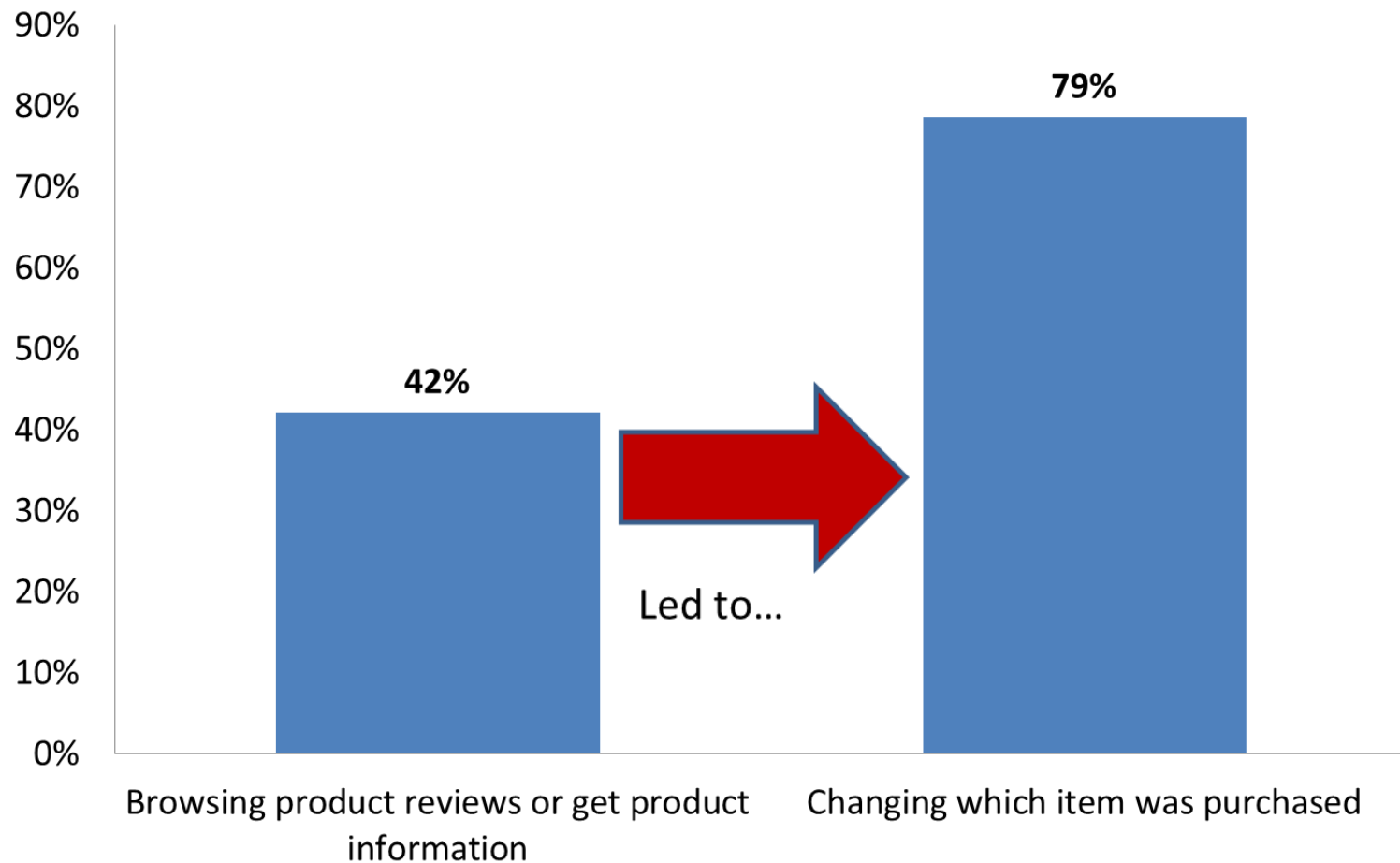
Using Just-In-Time Financial Information While Shopping



Used a Smartphone to Compare Prices in a Retail Store



Used a Smartphone to Get Product Information While Shopping



Key Takeaways

- Use of mobile banking continues to increase
 - Most common mobile banking activities are checking account balances/recent transactions, transferring money between accounts, and receiving alerts from financial institution.
 - Remote deposit capture continues to increase.
- Use of mobile payments broadly defined has risen
 - Most common mobile payment activities are paying bills, making online or in-app purchases, and paying for a product or service at a store.
- Major drivers of adoption
 - Convenience
 - Smartphone ownership – higher rates of use among smartphone users imply that as smartphone adoption grows so too will use of mobile commerce

Key Takeaways, continued

- Use of mobile banking and mobile payments varies across groups:
 - Younger persons continue to be more likely to use mobile banking and mobile payments than older persons
 - Hispanics and non-Hispanic blacks continue to be more likely to use mobile banking and mobile payments than non-Hispanic whites
- Access to “just-in-time” information via mobile phone (e.g. bank alerts) has altered choices for many mobile phone users
- Main impediments to adoption
 - Preference for other methods of banking and payments
 - Concerns about security

Questions?

You have two options to ask questions today:

1. Email us at: communities@stls.frb.org.
2. Type your question into the chat box of the webinar.

Wrap-Up/Closing

Thank you to today's presenters and to all participants for joining this session.

Next steps:

- All session materials are available on our web site and in the next few days we will be posting an audio file of today's session.
- If you have topical suggestions for future sessions, or any questions about this program, please feel free to contact us at communities@stls.frb.org
- Information about future sessions will be posted on our website along with archived materials from past sessions:
www.stlouisfed.org/connectingcommunities/

Related Resources



In connection with this session, you can find a variety of additional resources on this topic , available at **www.fedcommunities.org**.

It provides an array of practical resources to help you in your role as a community development professional, whether your work involves supporting people, places, the practice of community development, or small business development.