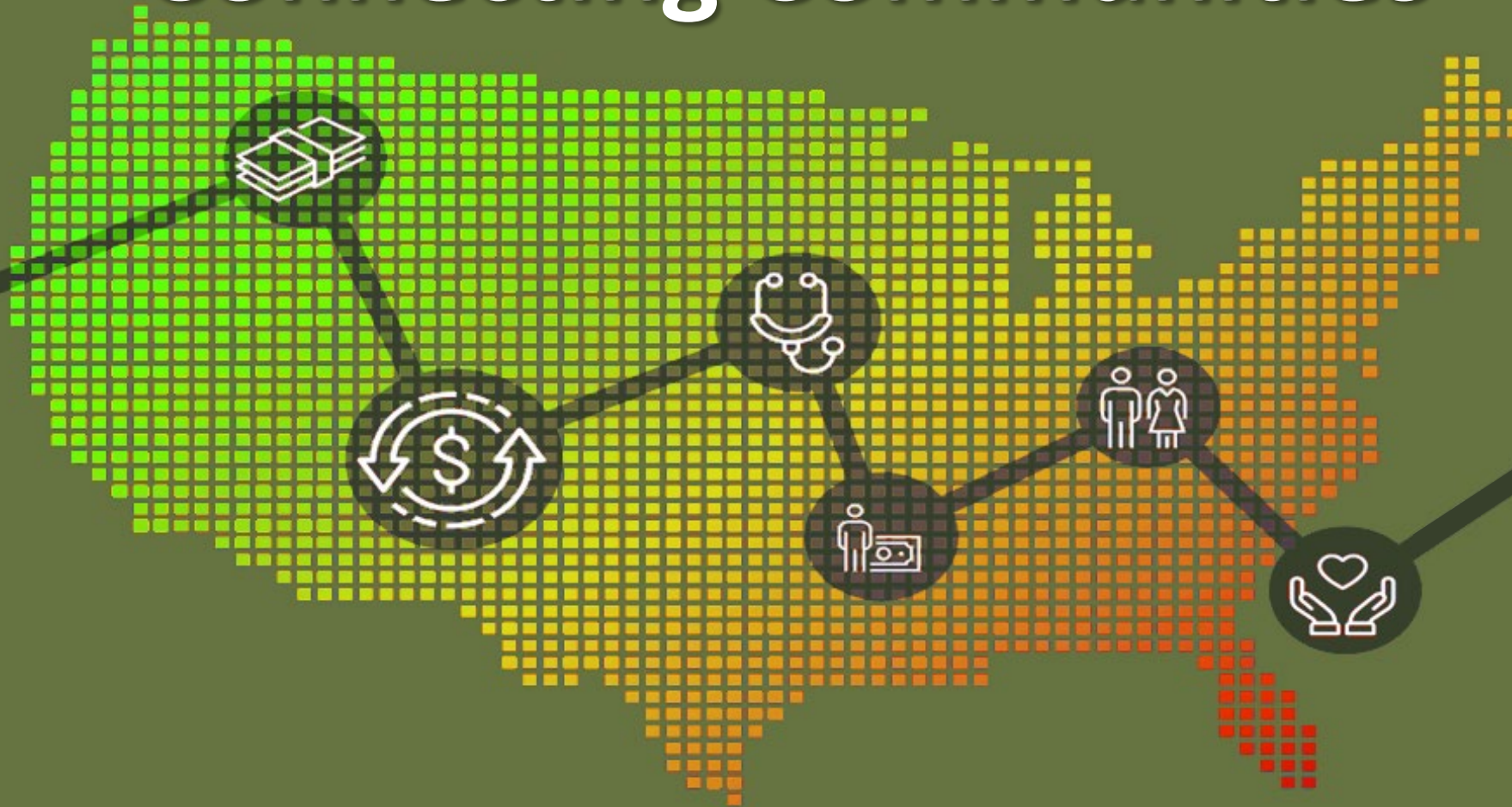


# Connecting Communities



## Findings from the 2020 Bank On National Data Hub Report

February 10, 2022

*Organized by the Federal Reserve Bank of St. Louis*

# Welcome

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**Amelia Erwit**  
Cities for Financial  
Empowerment Fund, Inc.



**Violeta Gutkowski**  
Federal Reserve Bank  
of St. Louis



**Poonam Chawla**  
Wells Fargo



**Melinda Hunze**  
Federal Reserve Bank  
of St. Louis

## Agenda for this webinar

Banking Access and  
the National Bank  
On Movement



Bank On National  
Data Hub Report



Financial Institution  
Perspectives



Financial Institution  
Perspectives and  
Data Submission

Join

- Call-in number **888-625-5230**
- Conference Code: **434 134 74#**
- Webinar link: <https://www.webcaster4.com/Webcast/Page/584/44471>

Questions

- Email us at: [communities@stls.frb.org](mailto:communities@stls.frb.org).
- Type your question into the chat box of the webinar.

Website

- Please visit <https://bsr.stlouisfed.org/connectingCommunities>.

Fed  
Communities

- Additional resources on this topic are available at [www.fedcommunities.org](http://www.fedcommunities.org).
- We encourage you to browse through this site and contact your regional office.

The **Connecting Communities**<sup>®</sup> audio conference series is a Federal Reserve System initiative intended to provide timely information on emerging and important community and economic development topics with a national audience. The audio conference series complements existing Federal Reserve Community Development outreach initiatives that are conducted through our regional Reserve Bank offices and at the Federal Reserve Board of Governors in Washington, D.C.

# Legal Notices and Disclaimer

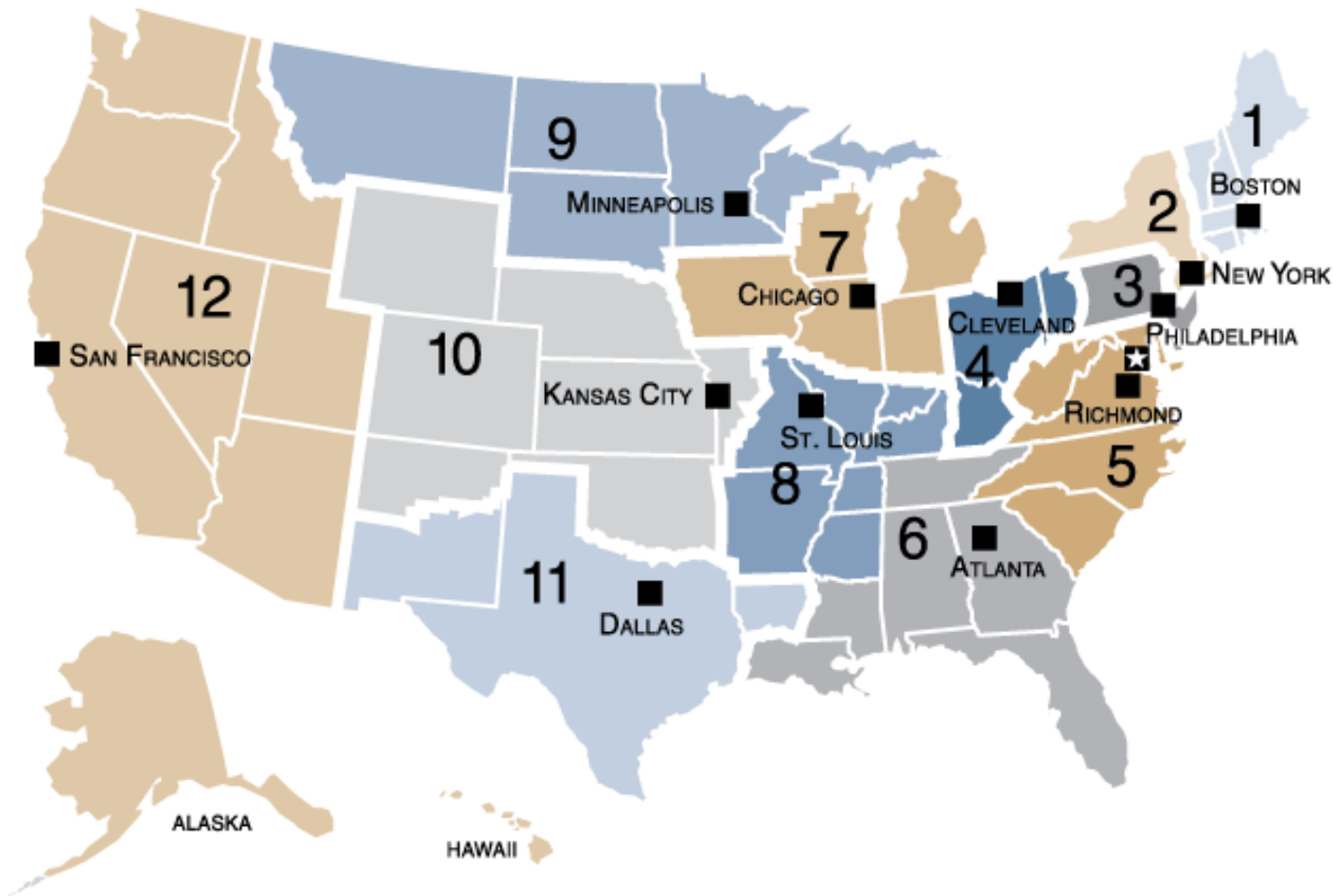
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The information, analyses, and conclusion set forth are those of the presenters and do not necessarily indicate concurrence by the Board of Governors of the Federal Reserve System, the Federal Reserve Banks, or members of their staffs.

# Community Development

The mission of the Federal Reserve's community development function is to promote the economic resilience and mobility of low- to moderate-income and underserved individuals and communities.



# Banking Access and the National Bank On Movement



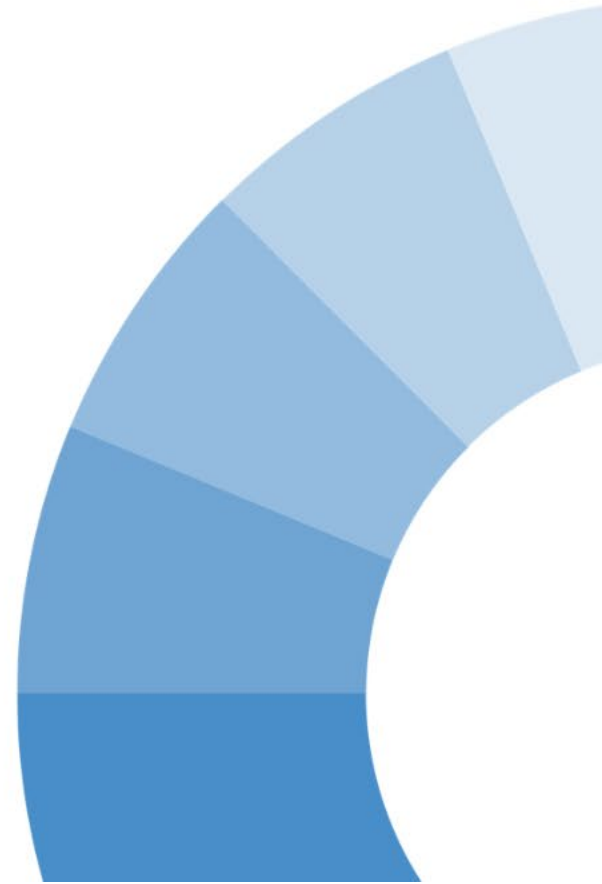
**Amelia Erwitt**  
Managing Director



**Cities for  
FINANCIAL  
EMPOWERMENT  
Fund**

# Banking Access and the National Bank On Movement

February 2022



# Banking Access Matters

Bank On is a national movement to increase access to safe and affordable bank and credit union accounts.



The average unbanked person spends 10% of his/her income on alternative financial services fees. This can amount to **\$40,000 over a lifetime.**



Unbanked financial counseling clients were:

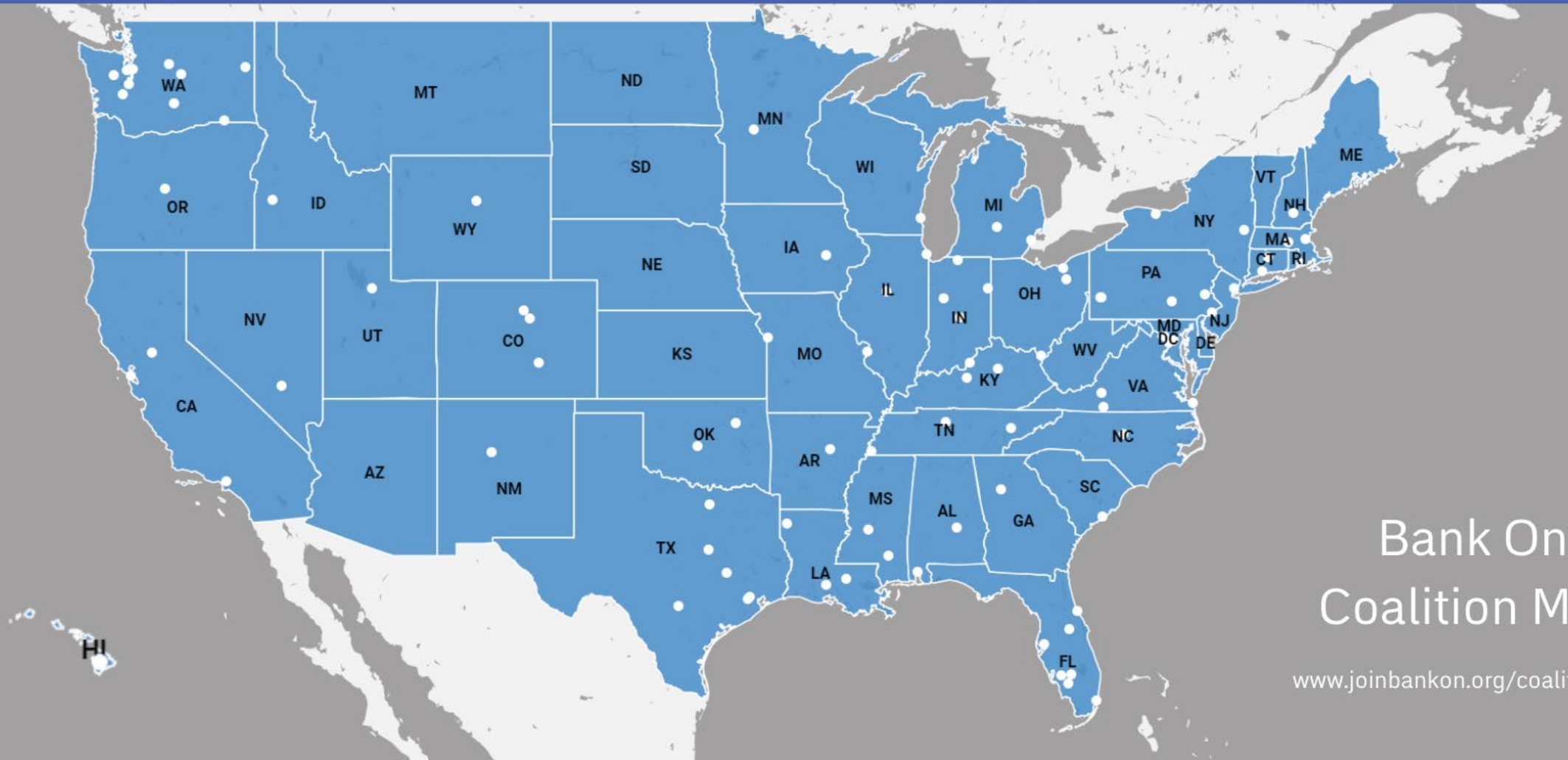
- **Half as likely** to increase savings
- **Over a third less likely** to establish a new credit score



Unbanked clients who became banked during counseling were almost eight **times more likely** to increase their savings relative to those who never became banked.



191 Certified Accounts | Available in almost 40,000 branches | 91 locally-led Bank On Coalitions



Bank On  
Coalition Map

[www.joinbankon.org/coalitionmap](http://www.joinbankon.org/coalitionmap)

# The Bank On Equation



# What is a Bank On Coalition?



**Financial  
Institutions**



**Community  
Organizations**



**Local  
Governments**



**Federal  
Regulators**

# Bank On National Account Standards = Comprehensive + Designed with Consumers in Mind

The Cities for Financial Empowerment Fund's (CFE Fund) Bank On National Account Standards provide local programs with a benchmark for account partnerships with financial institutions.



## Safe

No overdraft, non-sufficient funds, or dormancy fees



## Affordable

Monthly fees of \$5 or less with a low minimum opening deposit



## Functional

Pay bills, make deposits and withdrawals, and transfer money

TERMS	STANDARDS
<b>Cheer Postcards</b>	
Transaction Account at insured Depository Institution	Checking account (including checkless checking) or bank or credit union offered program
Yearly Card	Bank year refresh (e.g., Visa, Mastercard, Discover) for point-of-sale point-of-purchase fee
Minimum Opening Deposit	\$25 or less
Monthly Maintenance Fee	If not available: \$0 or less If available: \$5 or less, offer at least two options to waive the fee with a single transaction (e.g., direct deposit with no minimum deposit, or two \$25 pay or debit card payments)
Overdraft or Non-Sufficient Funds (NSF) Fees	None
Account Activation, Closure, Dormancy, Inactivity, and Late Balance Fees	None
<b>Customer Service</b>	
Branch Access	For financial institutions with branches: the institution that the financial institution without branches: access to free ATM (network and fee schedule details)
Telephone Banking (including Live Support)	Free and password-protected
ATM Access	Free and password-protected \$3.00 or less out-of-network fee, or up to \$2.00 if also provide free access to a partner ATM network
<b>Functionality</b>	
Deposit Capability	Free cash and checks to branch and/or ATM (where available) and direct deposit
Bill Pay	Free by financial institution if available; otherwise at least four free money orders and/or cashier checks per month
Check Cashing for Checks Issued by Third Institution	Free
Online Banking, Mobile Banking, Banking Alerts	Free (if offered)
Monthly Statements	Free electronic; \$1 or less for mailed paper (if offered)
Account Access Options	Required by FDIC or NCUA
<b>Strongly Recommended Features</b>	
Account Portability (e.g., Checkbook, Early Warning Services)	Only if the institution is good (Provision of actual card)
Alternative Dispute Resolution, Complaints, etc.	Accept alternative Dis
Online Account Opening and Requests	Free at financial institutions with branches
Linked Savings Accounts	Free savings accounts and automatic transfers
Funds Availability	Immediate availability for instant customer banking services, payroll, or direct deposit from the financial institution
Money Orders	\$1.00 or less (up to \$1,000); \$1.00 or less (if offered)
Remittance Information (AIA)	Comprehensively provided by issuing institution (if offered)
Credit-Building Product Offerings	Secured credit card or secured personal loan, etc.

# Certification Benefits for Financial Institutions



## Community Opportunities:

- Local and national recognition
- Connectivity to local programs
- Certification seal for marketing efforts

## Sustainable Customer Base:

- Bring new customers into the financial mainstream
- Deliver product with in-demand features
- Sell product through public and community banking access programming

## Community Reinvestment Act (CRA) Credit:

- Products certified as meeting the Standards support CRA service test examinations

# Banking Access Can Be Integrated into a Variety of Programs and Services



## Payments

- Summer youth employment programs
- Workforce development
- College financial aid
- Earned Income Tax Credit (EITC) refund at tax-preparation sites
- Housing/utility reimbursement
- Government benefits



## Intensive Wraparound Services

- Youth aging out of foster care
- Domestic violence survivors
- First-generation college students

# Bank On National Data Hub



## Reporting Process

- Data-share agreement and credentialing with the Federal Reserve Bank of St. Louis (FRBSTL)
- Single annual report submitted securely to the FRBSTL
- Data reported at the aggregate level by month by ZIP Code



## Metrics

- Developed in partnership with the FRBSTL, Federal Deposit Insurance Corporation (FDIC), pilot Financial Institutions (FIs) and Bank On Coalitions
- Describe the popularity and vibrancy of the Bank On market
- Accounts opened, usage and take-up of key features
- All data shared with the public is reported in aggregate by Zip Code; no individual FI results are shared



## Benefits of Reporting

- Benchmarking account performance among peer institutions
- Support CRA examination submission
- Contribute to the demonstration of the success of Bank On

# Bank On National Data Hub Report



**Violeta Gutkowski**  
Lead Analyst



**Institute for Economic Equity**

FEDERAL RESERVE BANK *of* ST. LOUIS

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Advancing an Economy Where All Can Thrive



# Geography Represented

	2018	2019	2020
Total Number of Reported ZIP Codes with Bank On Accounts	27,305 (65% of U.S. ZIP Codes)	31,496 (75% of U.S. ZIP Codes)	<b>33,695 (80% of U.S. ZIP Codes)</b>
Total Number of Reported ZIP Codes with Three or More Reporting Institutions	11,321 (27% of U.S. ZIP Codes)	15,652 (37% of U.S. ZIP Codes)	19,935 (47% of U.S. ZIP Codes)

- Data from 17 participating institutions
- 80 percent of U.S. ZIP Codes reporting

# Account Openings

	2018	2019	2020
Total Number of Accounts Ever Opened	3.4 million	5.8 million	<b>8.4 million</b>
Total Number of Accounts Currently Open	1.3 million	2.6 million	<b>3.9 million</b>
Total Number of Accounts Opened during Reporting Year	< 1 million	1.9 million	<b>2.2 million</b>
Customers New to Financial Institution	75%	86%	<b>82%</b>
Accounts Closed during Reporting Year	31%	30%	<b>26%</b>

- Substantial increase in opened accounts
- Increase in participants and opened accounts
- Almost 1.8 million NEW customers in 2020
- Supports Bank On scale and impact

# Account Usage and Consistency

	Debit	Deposit	Withdrawal
% Account Holders	75%	72%	80%
Number of Transactions p/month (Million)	64	14	75
Value of Transaction p/month (usd Billion)	\$2.4	\$3.5	\$5.0
Number of Transactions p/month p/acct	26	6	29
Average Value of Transaction p/month p/account	\$28	\$273	\$72

- Average account balance: \$826
- Account holders widely use accounts and their features.

# Online Usage

	2020
Account Holders Digitally Active	79%
Average Number of Digitally Active Accounts	2.5 million
Account Holders Using Bill Pay	3%
Average Number of Bill Pays Per Month Per Account	2
Average Bill Pay Amount	\$215
Account Holders Using P2P	31%
Average Number of P2P Transactions Per Month	5.8 million
Average Amount of P2P Transaction	\$179

# Summary

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- 17 financial institutions
- 80 percent of U.S. ZIP Codes
- More than 2 million new accounts
- Majority use account and features—debit, deposits, and withdrawals—and are digitally active.
- Approx. \$43 billion was deposited into Bank On accounts in 2020.
- One-third of account holders use direct deposit.
- Average monthly balance: \$826
- Data available: [Interactive data tool](#)

## Financial Institution Perspectives



**Poonam Chawla**  
**Senior Vice President**



# Accelerating Financial Inclusion in the United States



## Banking Inclusion Initiative

Connecting more people to banking

Wells Fargo's **Banking Inclusion Initiative** is a sustained multi-year effort to **accelerate unbanked individuals' access to affordable mainstream accounts** and help unbanked communities have easier access to low-cost banking.



“Through our Initiative, we will organize our resources under one umbrella and work with a broad and diverse group of stakeholders on a sustained multi-year effort to accelerate financial inclusion.”

Charlie Scharf, CEO, Wells Fargo

# Our Commitment in Action

A 10-year commitment to help more people who are unbanked gain access to affordable, mainstream, digitally enabled transactional accounts and easier access to low-cost banking products





# Financial Institution Perspectives and Data Submission



**Melinda Hunze**  
**Senior Statistical Analyst**



# What We Hear from Financial Institutions

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*“Dollar Bank is always looking for opportunities to partner with community-based organizations in order to provide access to affordable bank products for the unbanked and underbanked. We believe it’s important to collaborate with organizations like Bank On in order to improve the financial stability of low- and moderate-income households. By submitting our data, we can gain a larger understanding of how individuals are utilizing their accounts and, therefore, ensure that we’re offering a checking product that most meets their needs. I believe that as years go on, we’ll only have a growing number of banks that participate in this and, the more that participate, the more insight we can gain.”*

**Marcia Elliston**

Assistant Vice President, Marketing  
Dollar Bank

# What We Hear from Financial Institutions

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*“First Bank decided to participate with Bank On because our Thrive Checking Product met most of the criteria and we saw this as a great opportunity to get our product out there to serve the largest segment of people possible. Sharing data through BOND hub was the next logical step. Getting set up on BOND Hub and submitting data was a quick and easy process. Having our Thrive Checking product included in this nationwide list of national Bank On qualified accounts allowed us to share and market our product to a wide variety of possible customers through the Bank On website. We are delighted to be part of the Bank On family and look forward to our second year of data reporting in BOND Hub.”*

**Jesse Wise**

Vice President – Corporate CRA Officer

First Bank

# What We Ask from Financial Institutions

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- **Data-Sharing Agreement**
  - Prior to submitting any data, we need to have an agreement in place.
- **Credentialing**
  - All institutions must be credentialed with the Federal Reserve to submit their data through our reporting central system.
  - This is the same portal where regulatory reports are submitted by your institution.
- **Data Submission**
  - We share a list of metrics and definitions for the collection and meet with institutions to make the process seamless.

# Questions

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# Next Steps

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- All session materials are available on our website, and in the next few days, we will post 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](mailto:communities@stls.frb.org).
- Information about future sessions will be posted on our website along with archived materials from past sessions:  
<https://bsr.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](http://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 policy, and practice of community development or small business development.