Findings from the 2020 Bank On National Data Hub Report

February 10, 2022

Organized by the Federal Reserve Bank of St. Louis
Welcome

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
• Call-in number **888-625-5230**
• Conference Code: **434 134 74#**
• Webinar link: [https://www.webcaster4.com/Webcast/Page/584/44471](https://www.webcaster4.com/Webcast/Page/584/44471)

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

• Please visit [https://bsr.stlouisfed.org/connectingCommunities](https://bsr.stlouisfed.org/connectingCommunities).

• 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®** 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.
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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.
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.
The Bank On Equation

Certified Accounts + Coalitions + Research and Data + Program Payment Streams

Partnerships
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
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

- 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 credentialling 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
## Geography Represented

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

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

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

- 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

<table>
<thead>
<tr>
<th></th>
<th>Debit</th>
<th>Deposit</th>
<th>Withdrawal</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Account Holders</td>
<td>75%</td>
<td>72%</td>
<td>80%</td>
</tr>
<tr>
<td><strong>Number of Transactions p/month</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Million)</td>
<td>64</td>
<td>14</td>
<td>75</td>
</tr>
<tr>
<td><strong>Value of Transaction p/month</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(usd Billion)</td>
<td>$2.4</td>
<td>$3.5</td>
<td>$5.0</td>
</tr>
<tr>
<td><strong>Number of Transactions p/month p/acct</strong></td>
<td>26</td>
<td>6</td>
<td>29</td>
</tr>
<tr>
<td><strong>Average Value of Transaction p/month p/account</strong></td>
<td>$28</td>
<td>$273</td>
<td>$72</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Holders Digitally Active</td>
<td>79%</td>
</tr>
<tr>
<td>Average Number of Digitally Active Accounts</td>
<td>2.5 million</td>
</tr>
<tr>
<td>Account Holders Using Bill Pay</td>
<td>3%</td>
</tr>
<tr>
<td>Average Number of Bill Pays Per Month Per Account</td>
<td>2</td>
</tr>
<tr>
<td>Average Bill Pay Amount</td>
<td>$215</td>
</tr>
<tr>
<td>Account Holders Using P2P</td>
<td>31%</td>
</tr>
<tr>
<td>Average Number of P2P Transactions Per Month</td>
<td>5.8 million</td>
</tr>
<tr>
<td>Average Amount of P2P Transaction</td>
<td>$179</td>
</tr>
</tbody>
</table>
Summary

• 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

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

“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

“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

• **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

**Email**
communities@stls.frb.org

**Chat**
Type your question into the chat box of the webinar.
Next Steps

• 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.
• 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.
• 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.