


Pathways to Financial Access: Helping Families Connect with Banking Services

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Why don't households have checking accounts?

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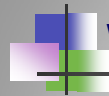
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Why is having a bank account important?

- Financial identity
- Financial management
- Keep money secure
- Consumer protection
- Other benefits
 - Use direct deposit/automated savings
 - Exposure to other financial products & services

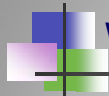
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Who doesn't have an account?

- ~10% of households
 - ~233,600 Indiana households
 - ~591,000 Indianans
- Higher proportions of
 - Lower income
 - Minorities & immigrants
 - Single females
- ½ previously had accounts
 - Generally "invited" to leave as a bank customer

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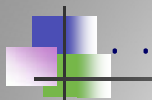


Why don't people have accounts?

- | | |
|---|---|
| <ul style="list-style-type: none">■ Account features (49%)<ul style="list-style-type: none">■ Minimum balance■ Service charges/fees■ Don't write enough checks to make it worthwhile■ Human capital (9%)<ul style="list-style-type: none">■ Can't manage■ Credit problems | <ul style="list-style-type: none">■ Lack motivation (23%)<ul style="list-style-type: none">■ Don't have enough money■ Don't need/want one■ Haven't gotten around to it■ Institutional constraints (19%)<ul style="list-style-type: none">■ Don't like dealing with banks■ No convenient location (1%) |
|---|---|

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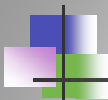
Even if you have an account .



- Some consumers still use non-bank financial service providers
 - The under-banked
- 1 out of 5 do not use
 - ATMs or debit cards
 - Phone banking or online banking
 - Automatic bill payment

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What are consumers' attitudes?



- Why have an account?
 - Pay bills
- Where do you prefer to go for financial transactions?
 - Banks & credit unions (43%)
 - Supermarkets/grocery stores (24%)
- Where do you actually go?
 - Supermarket/grocery (46%)
 - Bank or credit union (41%)

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Where do they go for financial services?

- Alternative financial sector
 - Check cashers
 - Payday lenders
 - Pawn & title pawn
- Regulations?
 - State level protections

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What does all this mean?

- Product design
 - All-electronic transaction accounts with no overdraft options
- Education
 - Account management
 - How banks operate
- Access to basic banking accounts

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Beyond transactions

- Savings accounts
 - Emergencies
- Longer term goals
 - Retirement
 - College funds
- Bumping up against asset restrictions
- Gaining access to credit

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