



ADDRESSING THE ECONOMIC CHALLENGES OF AMERICANS WITH DISABILITIES

**FINDINGS FROM THE 2013 FDIC
NATIONAL SURVEY OF UNBANKED AND
UNDERBANKED HOUSEHOLDS**



National Disability Institute

A national research and development organization with the mission to promote income preservation and asset development for persons with disabilities and to build a better economic future for Americans with disabilities.



Survey Supplement

- June 2013 Unbanked/Underbanked - Current Population Survey (CPS)
 - Representative of U.S. civilian population
 - Non-institutionalized population, 15+ years old
 - Participation in household finances
- Householder: person who owns or rents home

Methodology

“Households headed by working-age persons with disability” (12.2%)

- **Disability:** Working-age *householder* has disability
 - “Yes” to 6-question CPS disability sequence and/or
 - Classified “not in labor force-disabled”
- **Working-age:** 25-64 years of age

Findings (highlights)

1. Banking status
2. Checking and savings account ownership, and automatic transfers
3. Prepaid debit cards
4. Alternative financial services
5. Banking methods

1. Banking status

- Households headed by working-age persons with disability

Household Characteristics

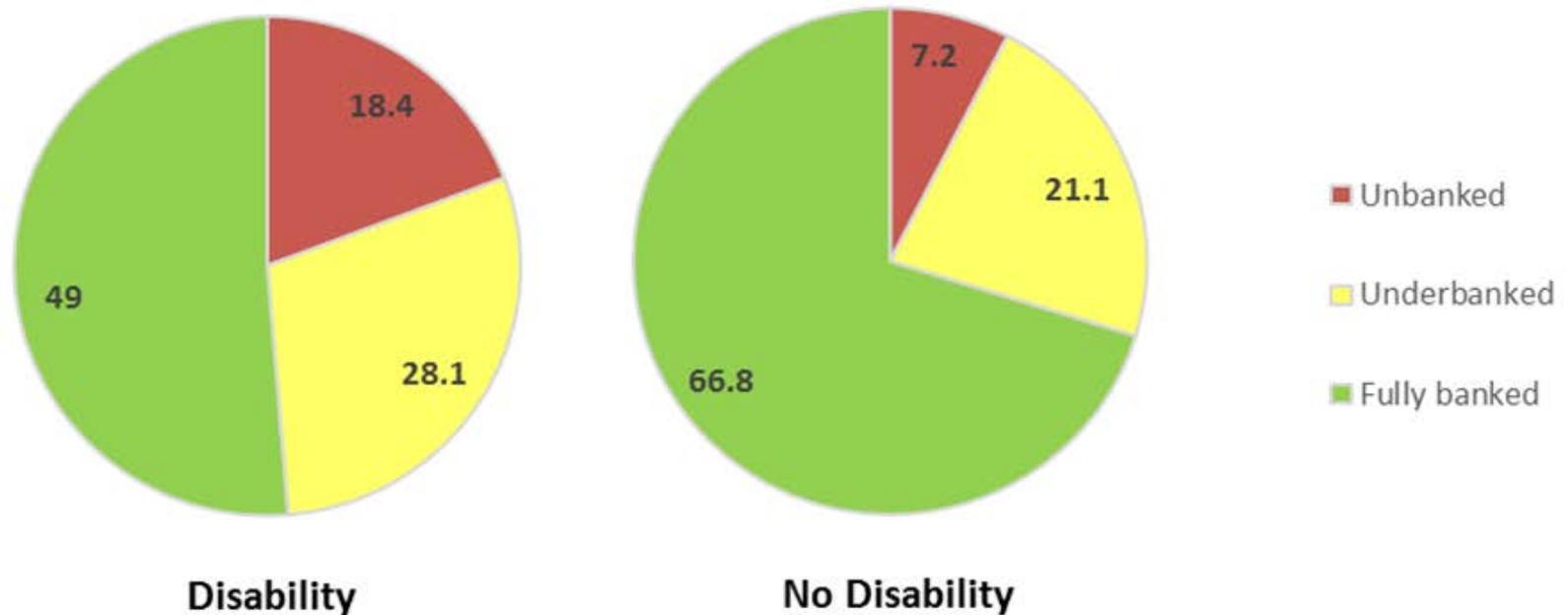
Households with disabilities:

- Less likely to:
 - Be married
 - Be Hispanic/Latino or Asian
 - Have college degree
 - Be employed
 - Earn > \$30,000/year
 - Own home
- More likely to:
 - Be unmarried or live alone
 - Be female
 - Be African American or Native American/Alaskan Native
 - Be 55 to 64 years old
 - Have high school degree or less
 - Not be in labor force
 - Earn < \$30,000/year

Banking Status

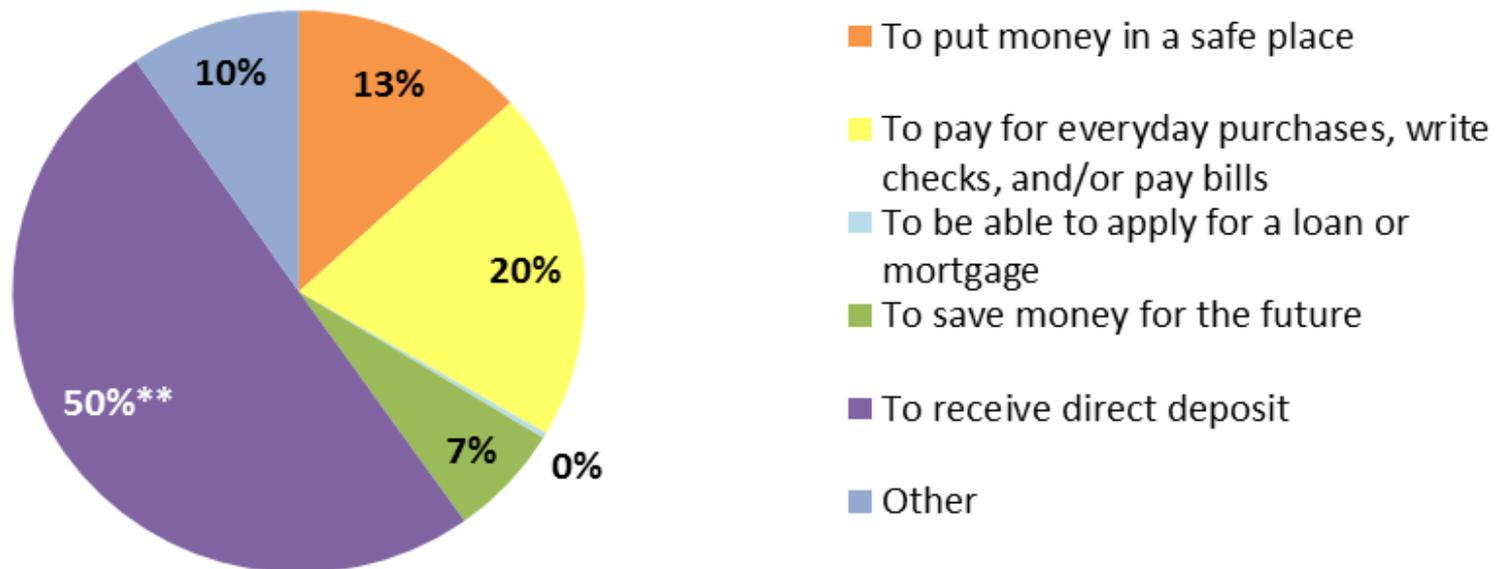
- **Banked:**
 - **Fully banked:** Someone in household currently has an account and did not use *alternative financial services* (AFS) in last 12 months
 - **Underbanked:** Someone in household has an account, but used (AFS) at least once in last 12 months
- **Unbanked:** Nobody in household has checking or savings account

Household Banking Status by Disability Status (%)

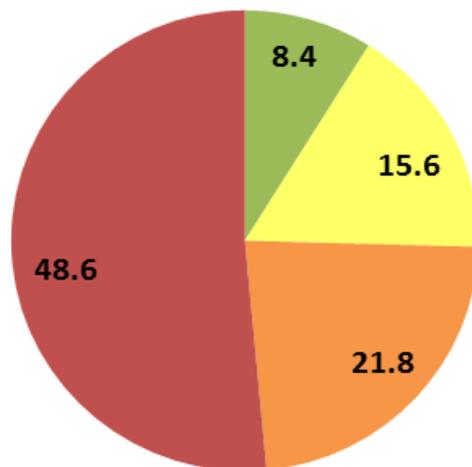


More likely to be longer-term unbanked

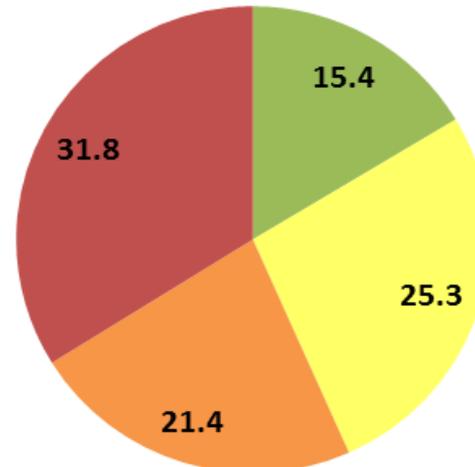
Reasons for Opening an Account (Disability)*



Future Banking Plans by Disability Status (%) *



Disability



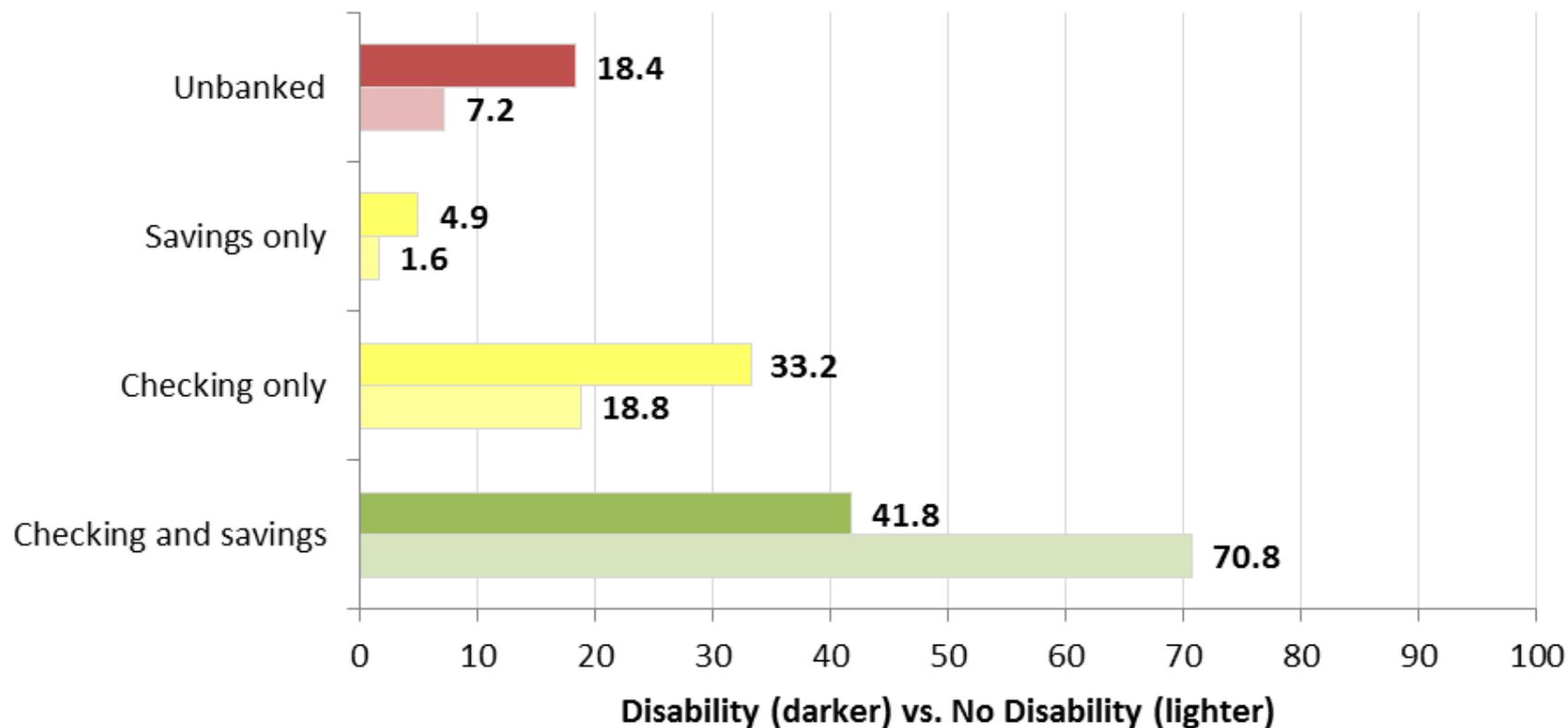
No Disability

- Very likely
- Somewhat likely
- Not too likely
- Not likely at all

2. Checking and savings account ownership, and automatic transfers

- Households headed by working-age persons with disability

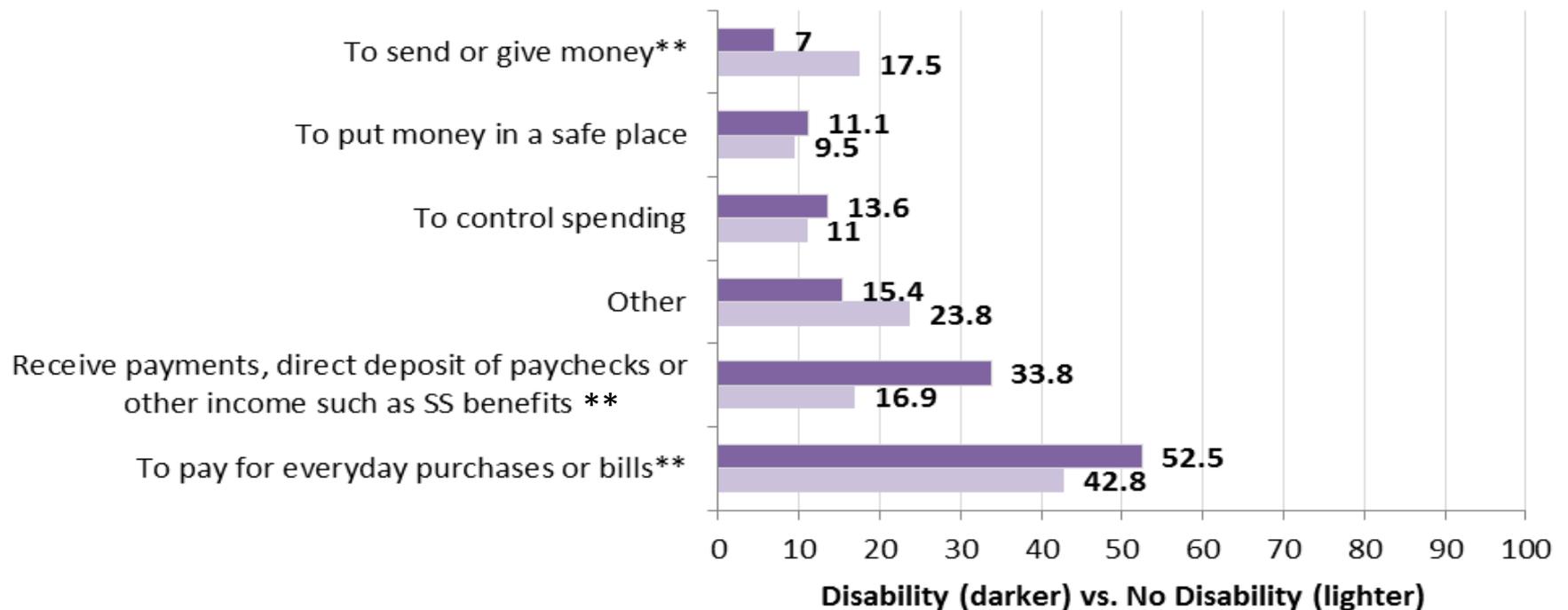
Bank Account Type by Disability Status (%)*



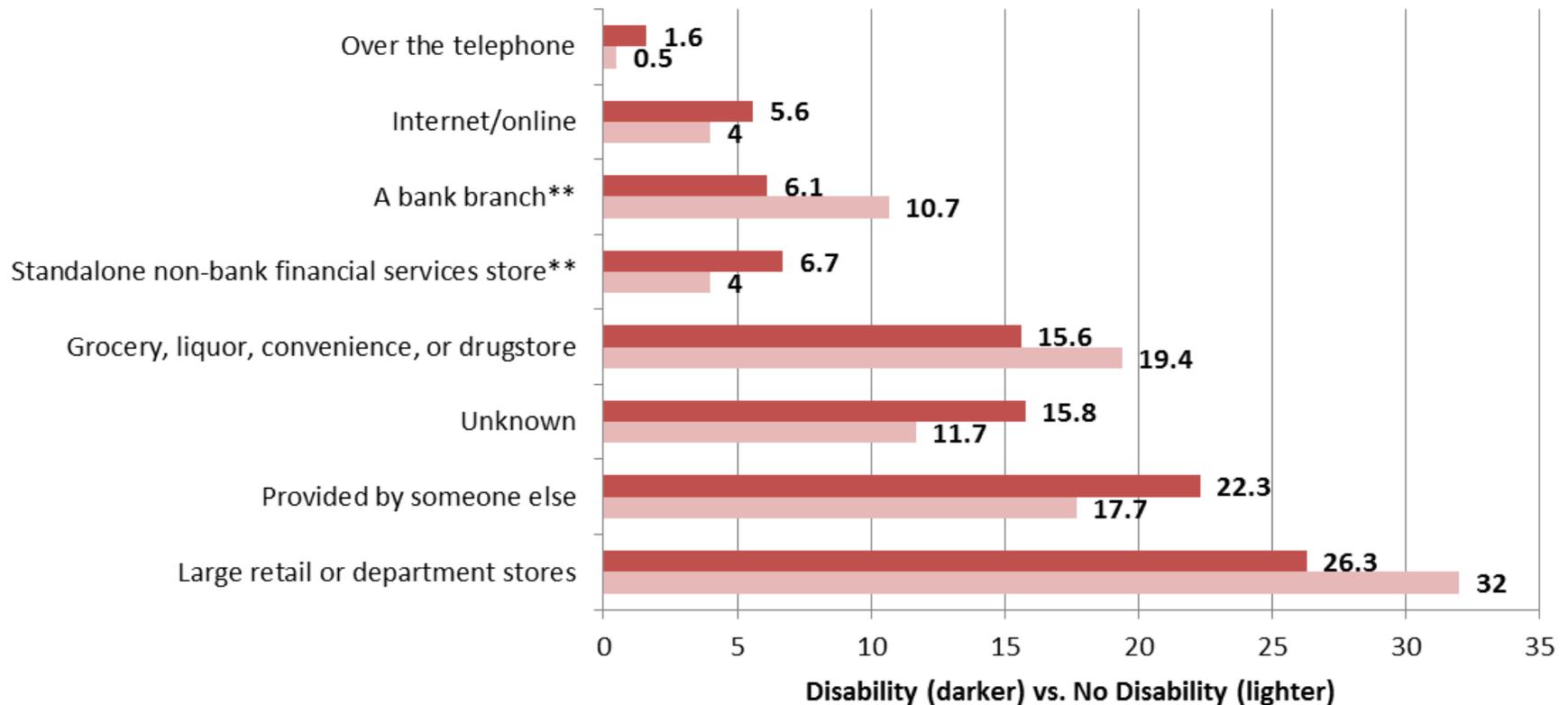
3. Prepaid debit cards

- Households headed by working-age persons with disability

Reasons for Using Prepaid Cards by Disability Status (%) [^] *



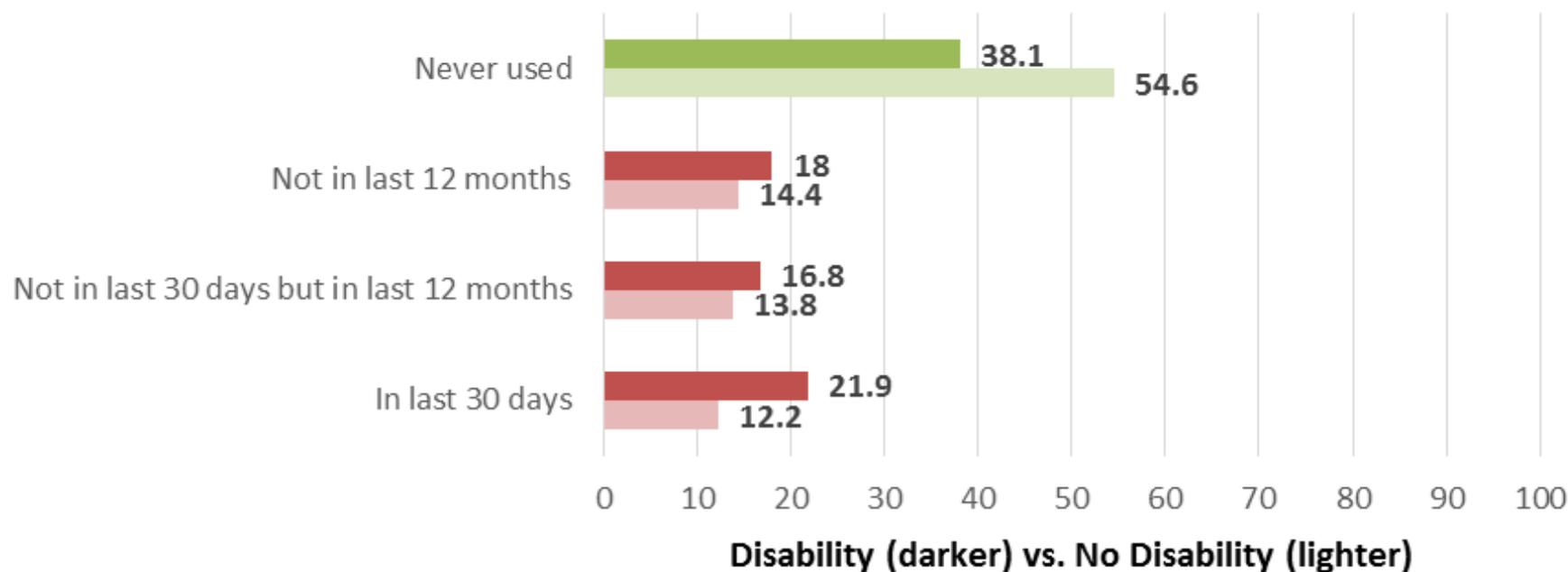
Sources of Prepaid Cards by Disability Status (%)[^] *



4. Alternative financial services

- Households headed by working-age persons with disability

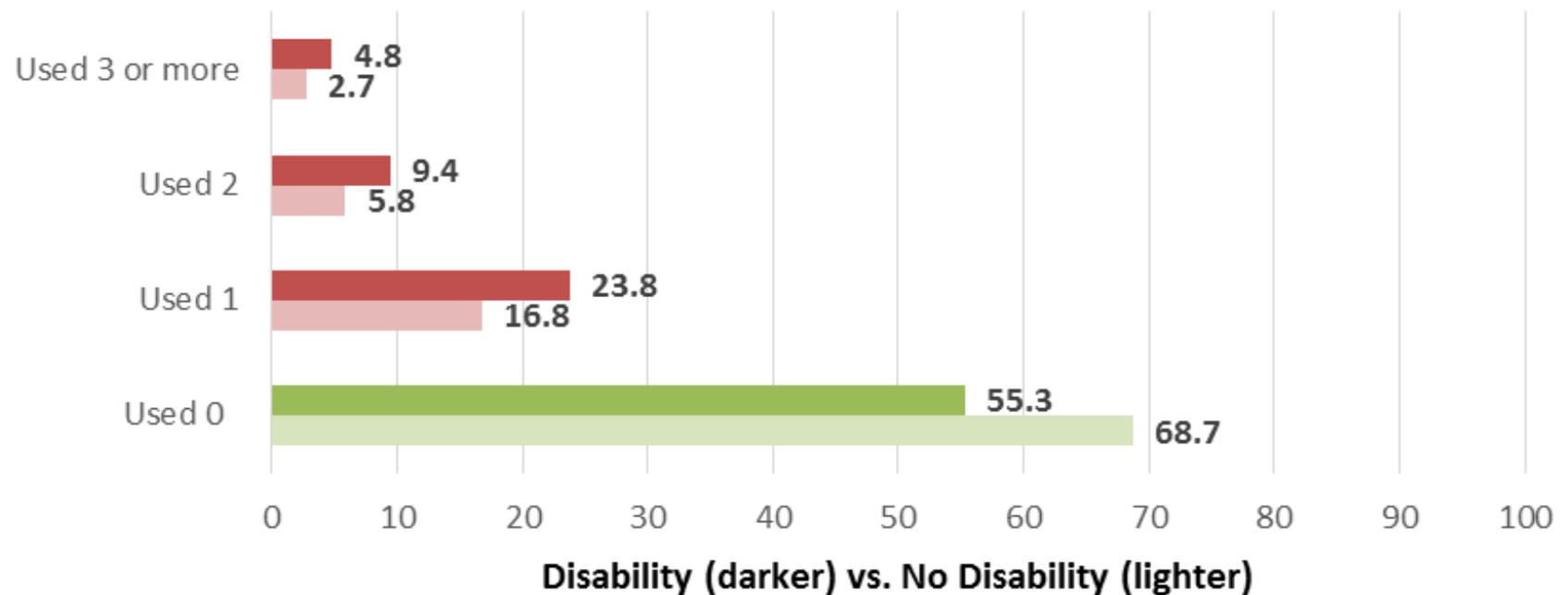
Alternative Financial Services Recency of Use by Disability Status (%) *



Types of Alternative Financial Services

	Disability	No Disability
Transaction Services	32.8%	22.7%
Credit Services	14.5%	7.4%

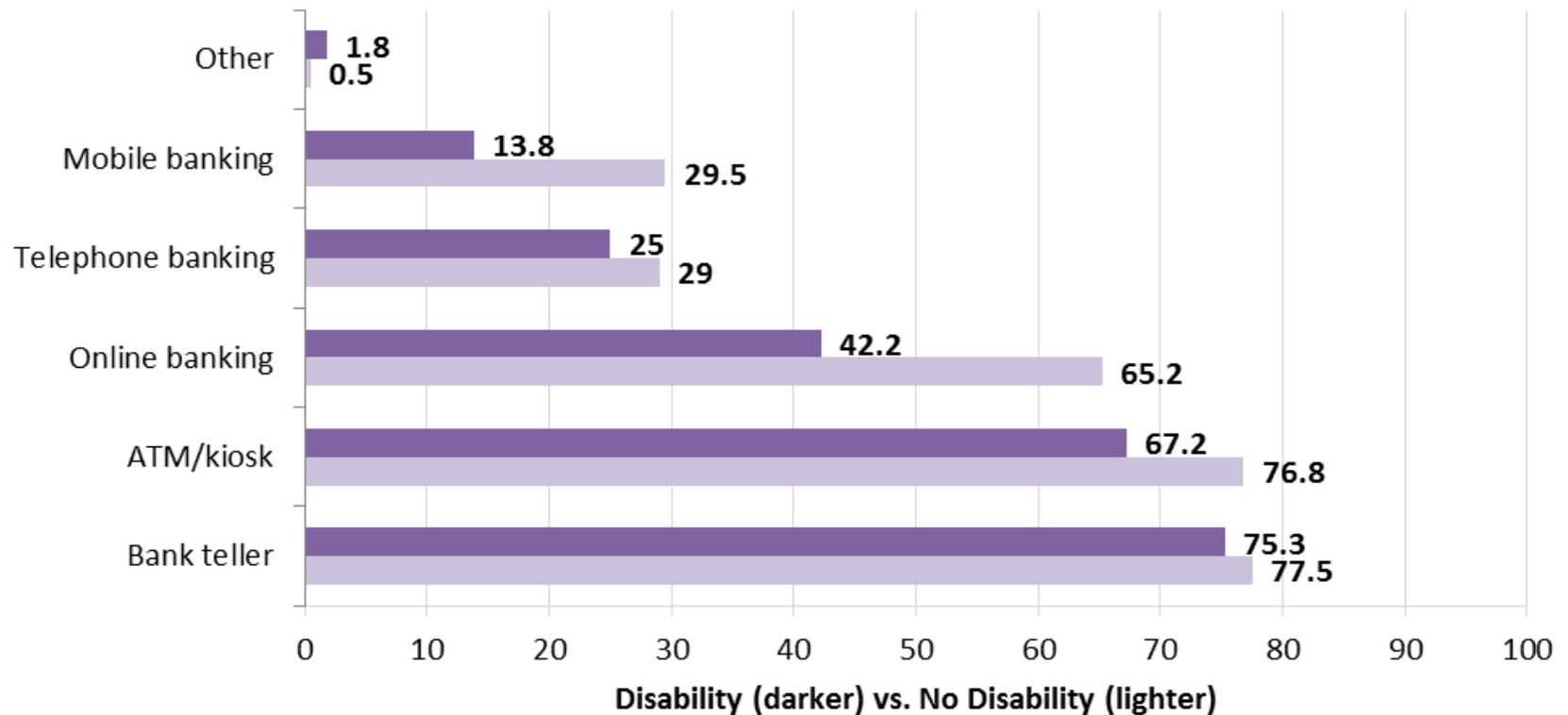
Number of Alternative Financial Services by Disability Status (%)*



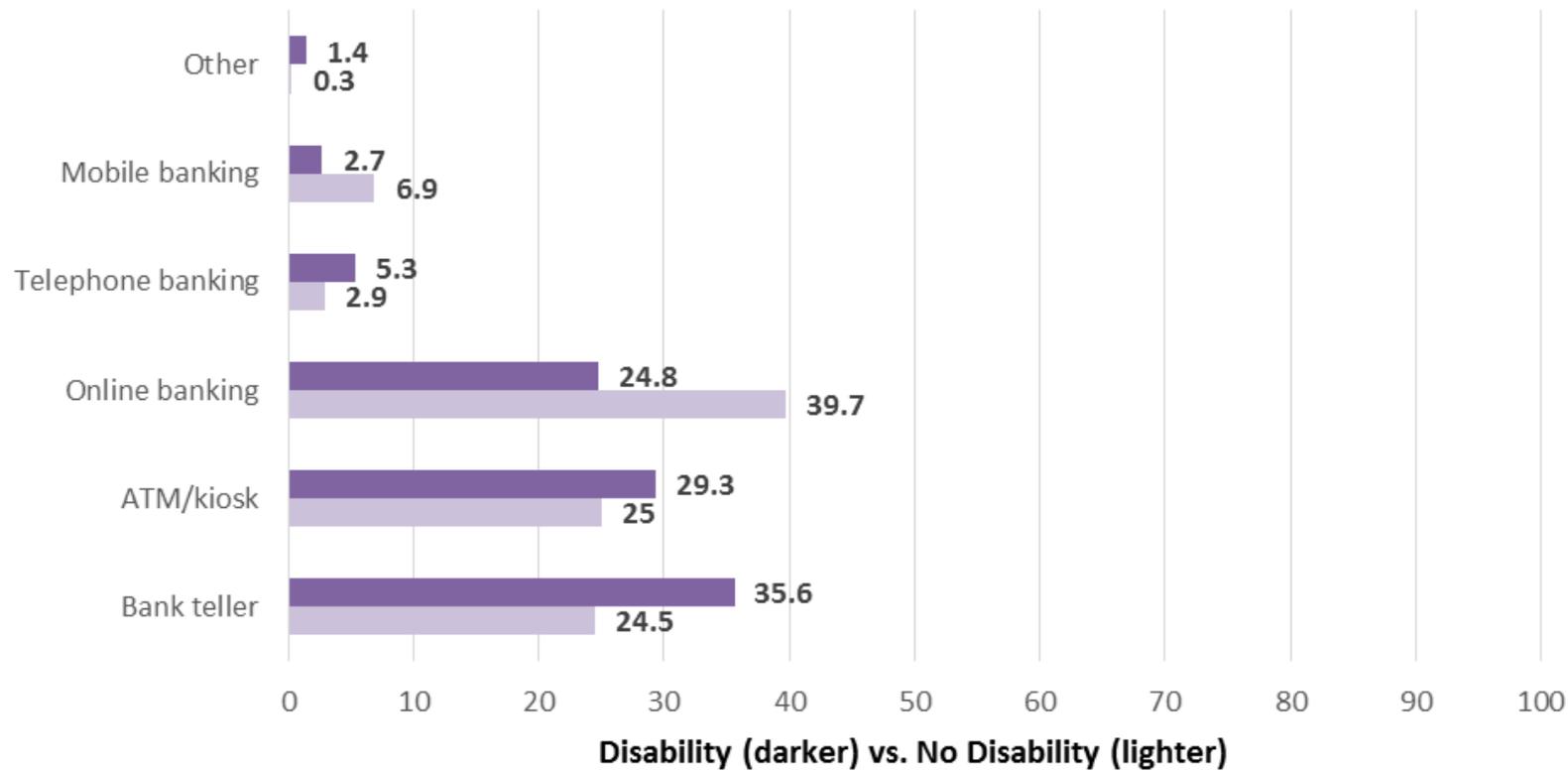
5. Banking methods

- Households headed by working-age persons with disability

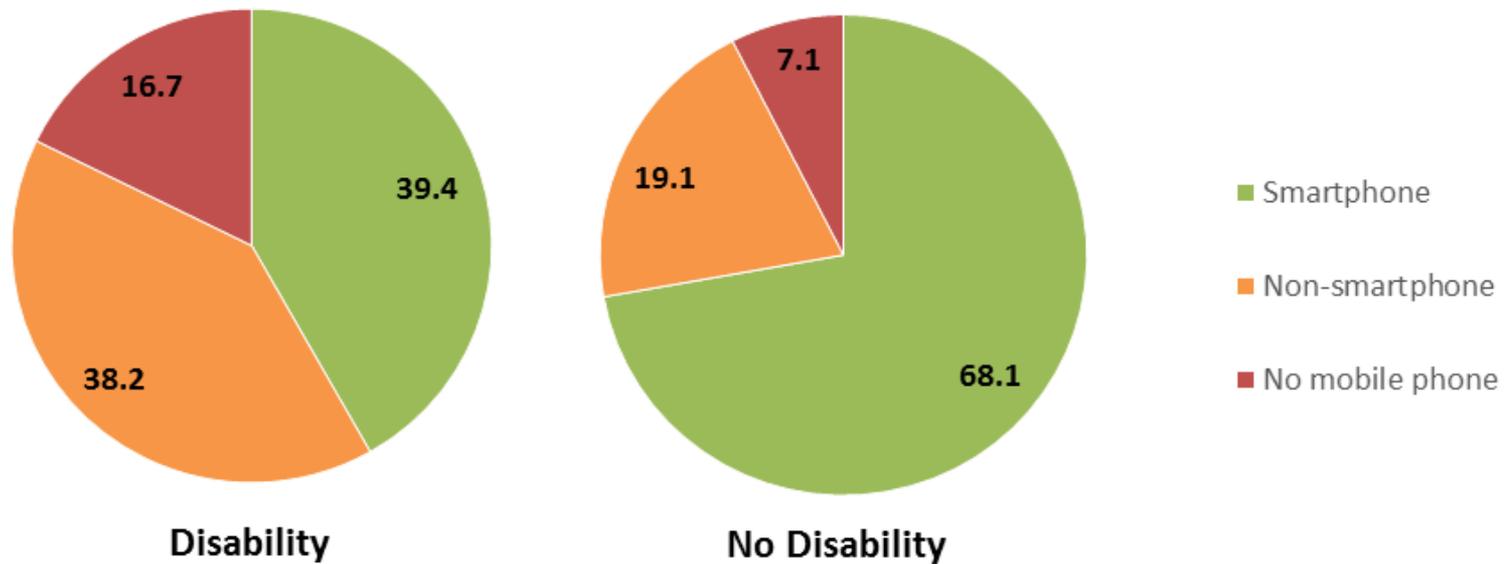
Methods Used to Access Accounts by Disability Status (%)*



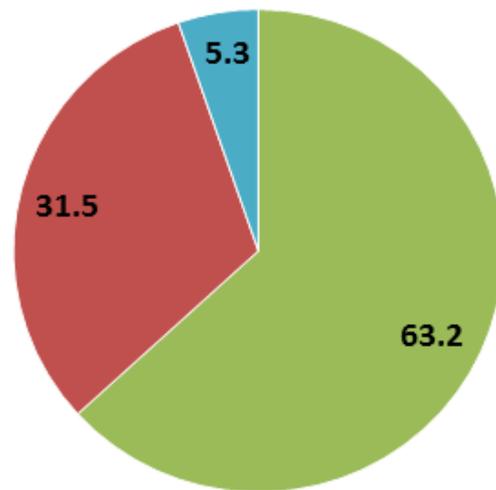
Primary Method for Accessing Bank Account by Disability Status (%)*



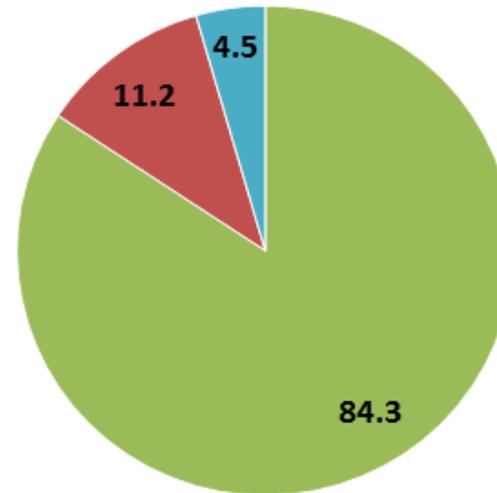
Smartphone Access by Disability Status (%)*



Internet Access by Disability Status (%)*



Disability



No Disability

- Has access
- Does not have access
- Unknown

What does this tell us?

- Less likely to use online and mobile banking
- Disability and transportation limitations reduce ability to access banks, yet cannot easily access “anytime, anywhere” financial services technologies

ADDITIONAL INFORMATION IS AVAILABLE IN THE REPORT



http://www.realeconomicimpact.org/data/files/reports/ndi_banking_status_financial_behaviors_report_2015.pdf

RECOMMENDATIONS

Framework to Evaluate Economic Inclusion

Access
Sustainability
Growth



Access: Draw Consumers with Disabilities into Mainstream Financial Services

Recommendation #1

Create the ADA@25 FDIC Financial Toolkit to help Financial Institutions bring people with disabilities into the economic mainstream

Approach

- Dedicate meeting of FDIC Advisory Committee on Economic Inclusion
- Create time limited work group to identify best practices
- Create the ADA@25 Financial Toolkit
- Disseminate to banks and disability community

Access: Draw Consumers with Disabilities into Mainstream Financial Services

Recommendation #2

Lead by Example: Financial Institutions as Model Employers

Approach

- Meet Section 503 federal contractor obligations with 7% utilization goal for hiring of qualified individuals with disabilities
- Make public commitment to increase recruitment, hiring, accommodation, and advancement of target population
- Engage disability and career service offices on college campuses to expand recruitment
- Expand internship opportunities
- Create central pool of funds to affirmatively support accommodation needs



Sustainability: Keep Consumers with Disabilities in the Banking System

Recommendation #1

Integrate Financial Capability Skills Building within the
Workforce Development Service Delivery System

Approach

- Seize the opportunity of WIOA focus on financial literacy with collaboration of FDIC and USDOL at federal level
- Bring Money Smart and financial counseling/coaching into American Job Centers (AJCs) through collaboration of banks and local Workforce Development Boards (WDBs)
- Improve ability of jobseekers to make informed financial decisions and enhance financial well-being

Sustainability: Keep Consumers with Disabilities in the Banking System

Recommendation #2

Foster ABLE accounts for down payments on financial inclusion

Approach

- Initiate conversations with Treasury to help define and support secure savings and disbursement options with ABLE accounts
- Identify needs of eligible population for ABLE sensitive products and services through dialogue with disabilities community
- Create and market ABLE sensitive products and services as new pathway to mainstream financial inclusion



Growth: Deepen Banking Relationships with Customers with Disabilities

Recommendation #1

Target the Economic Inclusion Potential of Mobile Financial Services

Approach

- Identify and solve accessibility challenges of mobile and Internet financial products and services
- Target younger age groups for marketing and outreach in the disability community to educate about value proposition of mobile banking (time, convenience, cost)
- Build collaboration between the FDIC and FCC, at federal level, and banks and communication carriers, equipment manufacturers, and software developers to improve the affordability and accessibility of products and high speed Internet to improve pathway to economic inclusion

Growth: Deepen Banking Relationships with Customers with Disabilities

Recommendation #2

Generate new financial knowledge about people with disabilities to inform pathways to economic inclusion

Approach

- Expand CPS (Current Population Survey) and FDIC data collection regarding (a) other members of household with disabilities, and (b) other data that separates direct deposits from public benefits and other sources of income
- Analyze “other” data by disability status to capture unique findings
- Conduct new research about the accessibility of different types of financial products and services and their possible impact on use
- Conduct additional smaller scale qualitative research with people with disabilities to complement FDIC survey data

Conclusion

- When federally insured depository institutions effectively serve their broadest possible set of consumers, public confidence is strengthened in the banking system which ultimately benefits everyone

QUESTIONS?



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