

The Unbanked and Underbanked - US - June 2016

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"Un- and underbanked Americans are underserved by traditional financial institutions because many don't have the identification or money to qualify to open accounts.

Instead, they are increasingly serviced by alternative financial services companies and are often limited to products that are more restrictive and have higher fees."

- Robyn Kaiserman, Senior Financial Services Analyst

This report looks at the following areas:

- Young people are most likely to be un- and underbanked
- Underbanked are not necessarily low income
- Unbanked consumers believe they don't need an account
- Use of alternative financial products and services

While some of these consumers will voluntarily remain outside the banking mainstream, many will ultimately decide – and qualify – to enter it. Mainstream institutions need to focus marketing efforts on these customers as they begin to explore their banking options, paying special attention to their technology preferences and working toward dislodging the relationships many already have with alternative companies.

For the purposes of this Report, Mintel has used the following definitions:

- Unbanked: consumers who have no account at a traditional bank or credit union
- Underbanked: consumers who have one account at a traditional bank or credit union but who have also used an alternative financial service in the past year
- Banked: consumers who have an account at a traditional bank or credit union and who have not used alternative forms of credit/service in the past year

The Report covers the use of banking products and services only by these various customer segments and does not cover investment attitudes or behaviors.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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- Continued growth of online disruptors
- Push to allow USPS offer basic banking services

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- Coin Cloud
- Financial literacy is a problem
- Startups are beginning to focus on underbanked

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