


# MASTER YOUR CARD

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## THE HIGH COSTS OF BEING UNDERSERVED

Financially underserved individuals pay a price for managing their money outside of the modern economy. Unbanked households do not hold any type of checking or savings account, while underbanked households have either checking or savings accounts, but still rely upon alternative financial services. Here is what being underserved costs our community:

**47.3%** of all African American households are underserved.<sup>1</sup>

**16.9%** are unbanked and **30.4%** are underbanked. That's approximately 8,609,073 African American households that are underserved.<sup>1</sup>

More than **50%** of unbanked households and over **45%** of underbanked households use alternative financial institutions for basic everyday needs.<sup>1</sup>

**9.5%** of the average underserved household's income is spent on interest and fees for alternative financial services. **That's the same percentage that the average household spends on food each year.**<sup>2</sup>

**\$25,500** is the average underserved household income. **\$2,412** of this is spent just on interest and fees for alternative financial services.<sup>2</sup> This means:

Underserved African Americans spend an estimated **\$20.8 billion** each year on fees and interest for alternative financial services.\*

<sup>1</sup> Federal Deposit Insurance Company (FDIC). (2018). 2017 FDIC National Survey of Unbanked and Underbanked Households. [www.fdic.gov/householdsurvey/](http://www.fdic.gov/householdsurvey/)

<sup>2</sup> U.S. Postal Service, Office of Inspector General. (2014). Providing non-bank financial services for the underserved (RARC-WP-14-007). <https://www.uspsaig.gov/document/providing-non-bank-financial-services-underserved>

\* Calculated based on average money spent by underserved households on interest and fees for alternative financial services (USPS) times the estimated number of unbanked and underbanked African American households in the U.S. (FDIC)