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A community empowerment program brought to you by 

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. The number of underserved households has risen in recent years, with more households reporting greater reliance on alternative financial services since 2009.¹ Here is what being underserved costs our community:

49% of all Latino households are underserved.¹

20% are unbanked and **29%** are underbanked. That's approximately 6,689,000 Latino households that are underserved.¹

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

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.**²

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

Underserved Latino households spend an estimated **\$16.1 billion** each year on fees and interest for alternative financial services.*

¹ Federal Deposit Insurance Company (FDIC). (2012). 2011 FDIC National Survey of Unbanked and Underbanked Households. www.fdic.gov/householdsurvey/

² U.S. Postal Service, Office of Inspector General. (2014). Providing non-bank financial services for the underserved (RARC-WP-14-007). <http://www.uspsig.gov/sites/default/files/document-library-files/2014/rarc-wp-14-007.pdf>

* 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 Americans in the U.S. (FDIC)