

MetroEdge Financial Services Survey

- 21 low- and moderate-income census tracts in each of Los Angeles, Chicago and Washington DC
- 1532 respondents, 48% response rate
- Survey available in English and Spanish, and 10% took it in Spanish
- One-third conducted in person and two-thirds by phone
- Field work done between September 2003 and January 2004

Banked/Unbanked Dichotomy Is Incomplete

Almost two-thirds of the banked survey respondents use non-bank services as well

Banked (70.4%)

20.2% receive income in cash

38.1% of those with checking accounts pay rent with cash or by money order

25.9% of those who cashed checks did so at a non-bank

Fully banked (30.1%)

User of non-bank services (60.9%)

Half the unbanked respondents were formerly banked

Unbanked (29.6%)

47.8% have had a checking or savings account in the past

25.5% of those who cashed a check did so at a bank

Formerly Banked (47.8%)

Never banked (52.2%)

Those that use non-bank services are: foreign-born, less-educated, households with more kids, and younger, black and Hispanic respondents

Savers are Asset Builders

| | Percent of Savers | Percent of Non-Savers |
|-------------------------|-------------------|-----------------------|
| Have a Savings Account | 90% | 11% |
| Have a Checking Account | 80% | 43% |
| Have a Credit Card | 70% | 27% |
| Own a Car | 73% | 41% |
| Own Their Home | 44% | 17% |

Key Findings

- Banked/Unbanked dichotomy incomplete
- Informal networks important for payments and credit; substantial savings in cash and other non-formal forms
- Apparent debt-aversion, and limited use of alternative credit sources
- Saving matters—savers have more assets, asset-based debt, more insurance and seem to save in the face of life setbacks