

Where Are the Unbanked and Underbanked in NYC? Updated Findings (2017 Data)

In 2015, the Department of Consumer and Worker Protection (formerly Consumer Affairs) Office of Financial Empowerment commissioned the brief, [Where Are the Unbanked and Underbanked in New York City](#).¹ This sheet shows our updated findings using 2017 data.

Findings

1. In NYC, 11.2 percent of households have no bank account (*unbanked*) and another 21.8 percent have a bank account but use alternative financial products for some banking needs (*underbanked*)².

- Approximately 354,100 households are unbanked and another 689,000 households are underbanked.
- NYC households are considerably more likely than households nationally to be unbanked (11.2 percent versus 6.5 percent) and underbanked (21.8 percent versus 20 percent)³.
- Compared to 2013, the percent of unbanked households (11.2 versus 11.7) and underbanked households (21.8 versus 25.1) went down slightly.
- Bronx households have greater unbanked (1.7x greater) and underbanked (1.4x greater) rates than the NYC rates.

Estimated Unbanked and Underbanked Households by Borough

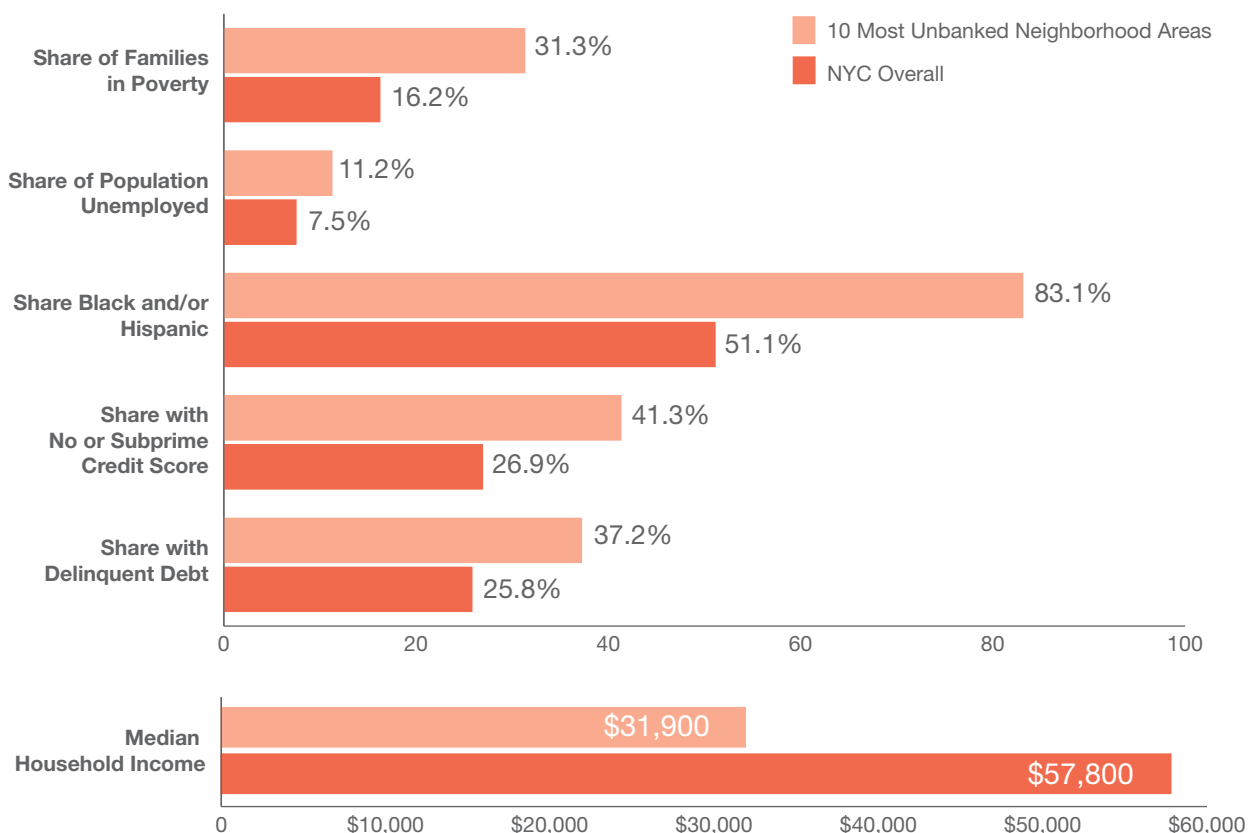
	Unbanked		Underbanked	
	# of households	% of households	# of households	% of households
The Bronx	97,200	19.3%	150,800	29.9%
Brooklyn	105,200	11.0%	217,000	22.7%
Manhattan	76,400	10.0%	133,200	17.4%
Queens	66,800	8.7%	160,800	20.9%
Staten Island	8,600	5.2%	27,300	16.4%
New York City	354,100	11.2%	689,000	21.8%

Note: All numbers rounded to the nearest hundred. Due to rounding, the sum of borough numbers does not match precisely the total for New York City.

2. NYC's unbanked households are highly concentrated in neighborhoods that have higher rates of vulnerable⁴ residents and residents struggling in other areas of financial health.

- Ten NYC neighborhoods account for nearly 35 percent of unbanked households.⁵
- Residents of these 10 neighborhoods are predominantly Black or Latino/a; have higher rates of unemployment; are in poverty at higher rates; and have a lower median household income compared to the city as a whole.
- Residents of these 10 neighborhoods are more likely to have no credit score or a subprime credit score and hold delinquent debt.

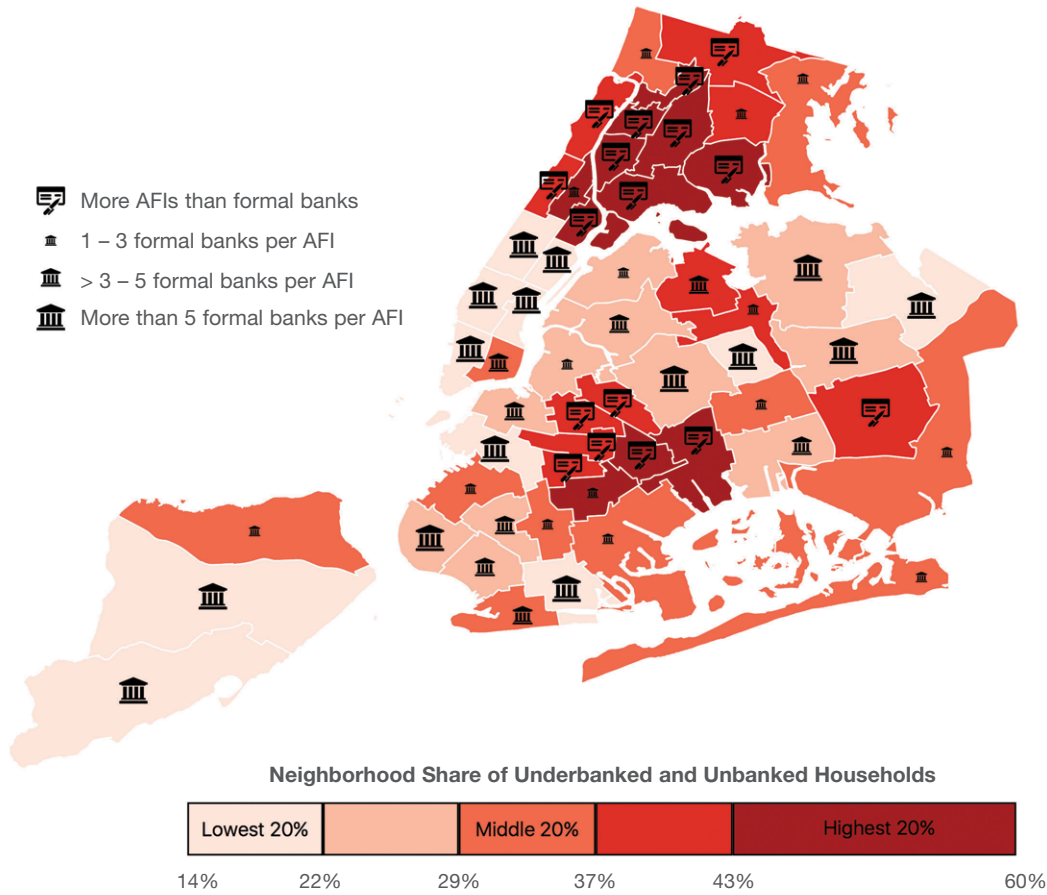
Characteristics of the 10 Most Unbanked Neighborhood Areas Compared to NYC Overall



3. In neighborhoods with high rates of unbanked and underbanked households, more alternative financial institutions (AFIs) are present than banks or credit unions.⁶

- In 17 NYC neighborhoods, AFIs outnumber banks.
- In these 17 neighborhoods, 37 percent or more of households are either unbanked or underbanked.
- In neighborhoods with the lowest rates of unbanked and underbanked households (< 22 percent), there are five (5) or more banks or credit unions per AFI.

Unbanked and Underbanked Households and the Ratio of Banks and Credit Unions per Alternative Financial Institution



Data Sources

- Unbanked and underbanked rates are estimates generated from a prediction model developed by Urban Institute using 2017 data; see [Where Are the Unbanked and Underbanked in New York City](#).
- Neighborhood socioeconomic demographics are population weighted estimates using PUMA-level data from U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates.
- Neighborhood credit data are population weighted estimates using PUMA-level data from Urban Institute tabulations from a major credit bureau (2018).
- Bank data is from Federal Deposit Insurance Corporation (FDIC) Summary of Deposits as of June 30, 2018.
- Bank locations derived from a combination of geocoded locations and ZIP code crosswalking⁷.
- Check Casher data sourced from New York State [Who We Supervise](#) portal.
- Pawn Shop data sourced from [NYC Open Data Legally Operating Businesses data set](#).

¹ The 2015 brief used data from the 2013 FDIC National Survey of Unbanked and Underbanked Households.
² FDIC definition: A household is categorized as *underbanked* if it had a checking or savings account and used one of the following products or services from an alternative financial services provider in the past 12 months: money orders, check cashing, international remittances, payday loans, refund anticipation loans, rent-to-own services, pawn shop loans, or auto title loans.
³ National rates sourced from <https://www.fdic.gov/householdsurvey/2017/2017execsumm.pdf>.
⁴ In general, residents are categorized as *vulnerable* if, due to their demographics, they are more likely to be taken advantage of and/or experience adverse effects to their financial health. For example, residents with low incomes, high levels of debt distress, unemployment, etc. Also, certain racial and ethnic groups are vulnerable because of systemic patterns of oppression and racism that greatly harm financial health.
⁵ Neighborhoods include: *In The Bronx*: Bedford Park, Fordham North, and Norwood; Morris Heights, Fordham South, and Mount Hope; Belmont, Crotona Park East, and East Tremont; Castle Hill, Clason Point, and Parkchester; Concourse, Highbridge, and Mount Eden; Hunts Point, Longwood, and Melrose; *In Brooklyn*: Brownsville and Ocean Hill; Bushwick; *In Manhattan*: Chinatown and Lower East Side; East Harlem.
⁶ This is likely an underestimate, as AFI totals only include the number of check cashers and pawn shops located in the neighborhoods.
⁷ For data that arrived in a geography that did not suit, we “crosswalked,” a formula that allowed the data to translate across to another geography.