



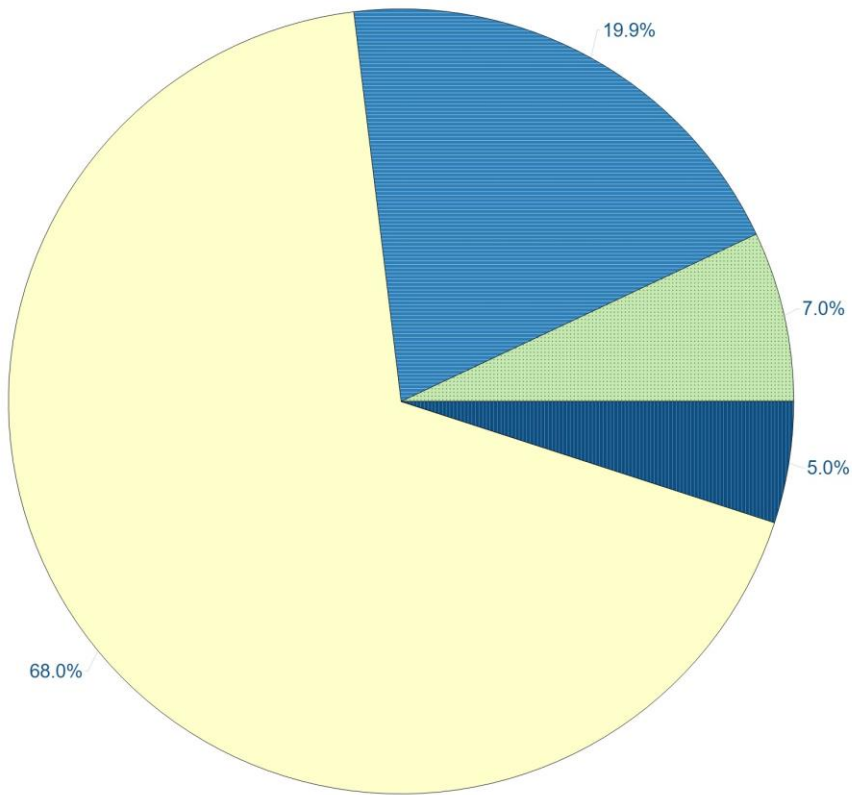
Cities for
**FINANCIAL
EMPOWERMENT**
Fund



The “What” of Banking Relationships
Florida Prosperity Partnership, 2018

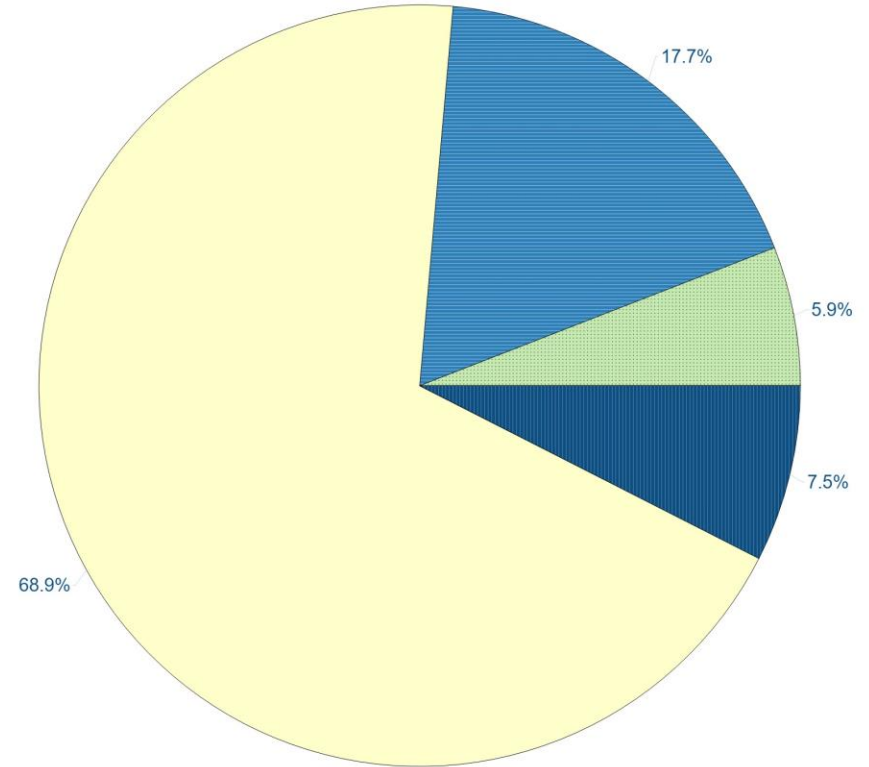


Unbanked and Underbanked for Nation, 2015
All Households



• Source: 2015 FDIC National Survey of Unbanked and Underbanked Households.
 • Underbanked definition is based on the following AFS: check cashing, money order, remittance, payday loan, rent-to-own service, pawn shop loan, refund anticipation loan, and auto title loan.

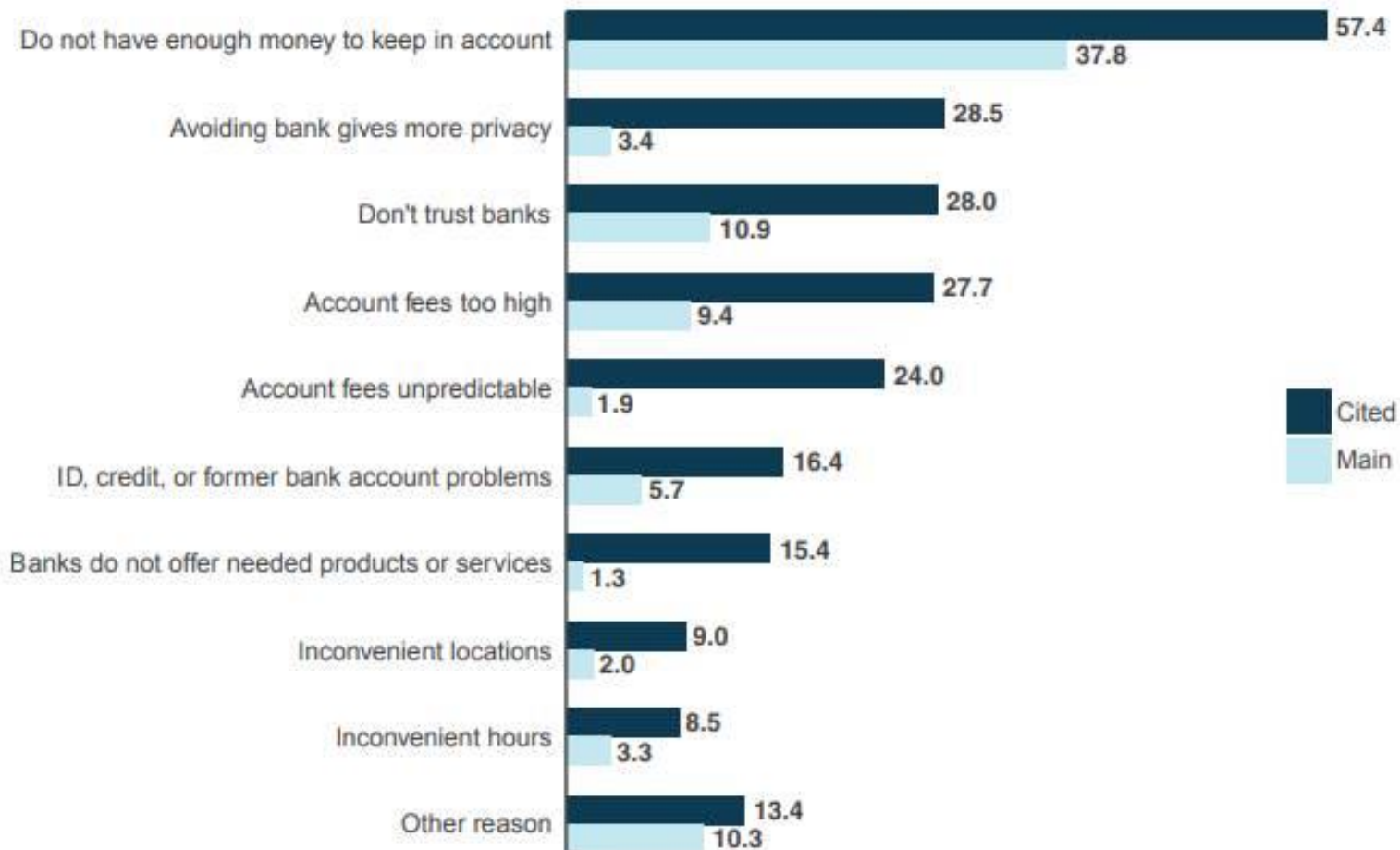
Unbanked and Underbanked for Florida, 2015
All Households



• Source: 2015 FDIC National Survey of Unbanked and Underbanked Households.
 • Underbanked definition is based on the following AFS: check cashing, money order, remittance, payday loan, rent-to-own service, pawn shop loan, refund anticipation loan, and auto title loan.

The FDIC Unbanked Survey Shows Barriers

Figure ES.2 Reasons for Not Having a Bank Account, Unbanked Households, 2015 (Percent)



Understanding Behavior

SEVEN BIGGIES IN INTENTION-ACTION GAP

- **HASSLE FACTORS**
- **OVERCONFIDENCE**
- **INATTENTION**
- **PROCRASTINATION**
- **SELF-CONTROL**
- **SCARCITY**
- **PROSPECTIVE MEMORY**

Understanding Behavior

- Structuring choices matter!





Account Challenges

- Varying fee structures (not consistent or predictable)
- High minimum deposits to open (discourages switching accounts)
- Penalties for using branches or paying bills through bill pay
- Free checking that isn't really free



Societal Challenges

- ALICE Report
- Stagnant wages
- Negative past experiences with accounts and banks
- Banking deserts

Most successful behavioral interventions

- Anchoring 401k retirement plans
 - Increased savings with new default levels (see next slide)
- Tax savings through Turbo Tax Software/Intuit
 - Framing through pop-up messages
 - “The average family saves 25% of their tax refund for emergency purposes, how much would you like to save?”

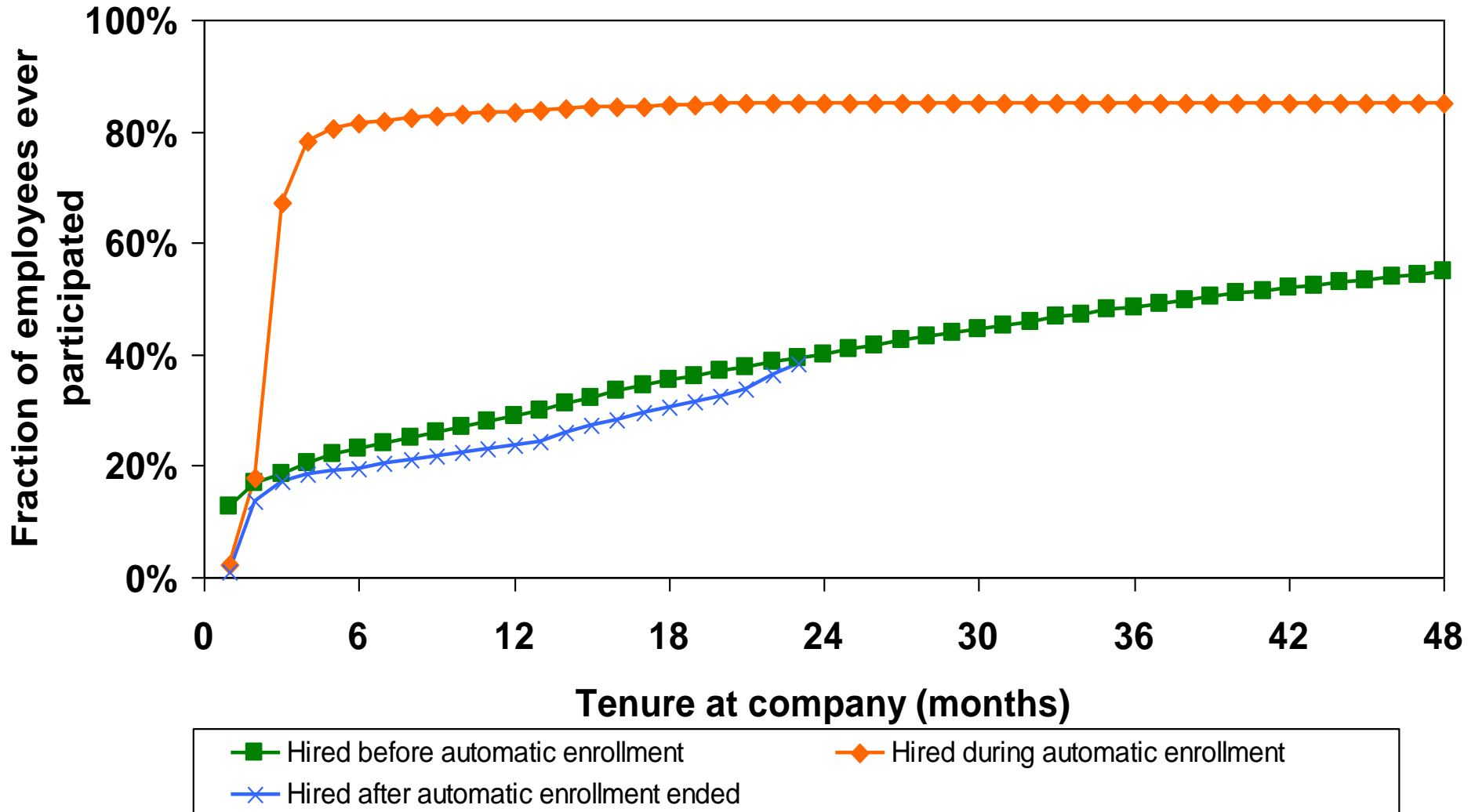
The screenshot displays the TurboTax Freedom Edition interface. At the top, a navigation bar includes 'Home', 'Personal Info', 'Federal Taxes', 'State Taxes', 'Review', and 'File'. A sidebar on the left shows 'Federal Refund \$1,300' and 'My Return' options. The main content area features a 'Motivational Prompt' in a red box: 'Do you have enough money for an emergency?' followed by a Harvard study reference and a piggy bank icon. Below this is an 'Anchor' in a blue box: 'We suggest saving at least 25% (\$350)'. The interface includes a 'Amount to save' field set to \$350, a 'Recalculate' button, and radio buttons for 'An existing savings account' and 'A U.S. Series 1 Savings Bond'. At the bottom, there are buttons for 'Go Back', 'I don't need to save', and 'Continue'. The total federal refund is shown as \$1,300.

Motivational Prompt

Anchor

Understanding Behavior

401(k) participation by tenure at firm





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