

Engaging Unbanked People Around Bank Accounts

The Cities for Financial Empowerment Fund conducted intensive focus groups and thorough quantitative message research in multiple cities to reach new insights on how to more effectively engage unbanked people to opening bank accounts.

Which unbanked people are most persuadable to open or reopen an account?

- Across the board, unbanked people are surprisingly persuadable to open or reopen an account; the **most persuadable** people **have had accounts in the past and** tend to be female, younger, and Latino, less educated, and unemployed or a homemaker.
- Only 15% said they were “not at all” interested in learning more about getting a bank account after seeing the messages.



Almost two-thirds of respondents said they were interested in learning more about banks and opening an account after exposure to messaging

What do unbanked people think about banking?

- The most common reasons that unbanked people cited for not having a bank account was “**not having enough money to keep in an account**” (43%), “**bank fees are too high**” (32%), and “**I don’t trust banks**” (30%).
- Many of those who were previously banked had closed their account within the past five years (49%); they cited overdraft fees (29%), loss of direct deposit (27%), and minimum balance fees (22%) as the main reason for closing the account.
- In focus groups, unbanked respondents generally indicated that they felt they were managing their finances effectively without a bank account; some viewed the claim that “having an account is a sign you’re on the right track” to be insulting.



What People Find Most Compelling About Bank Accounts

Bank On certified accounts have no ability to overdraft, low minimum balance requirements, and robust functionality like bill pay. Bank or credit union accounts are validated as meeting the Bank On National Account Standards by the independent National Consumer Law Center.

- **Protection from losing money was the top-rated benefit.** Customers welcome any feature that ensures their cash is secure.
 - *Benefit to highlight: lack of overdraft and minimum balance fees.* There are no penalty fees on these accounts, so customers won't see any money taken out of these accounts unless the customer chooses to spend it.
- **Unbanked people find the traditional, basic benefits of a bank account to be the most important,** such as having a debit card and the ability to direct deposit. Messaging around the fundamental conveniences of a bank account also performed well.
 - *Benefits to highlight: debit card, low balance alerts, smartphone apps, direct deposit.*
 - **Spanish speakers and 18-29 year olds** were especially drawn to benefits and messaging that highlighted how banks provide tools to manage money and track spending.
- **Security of personal information and safety of money** (including not losing money to fees) continue to be of high importance to unbanked people. The ability to lock a stolen debit card was a top-ranking benefit among the persuadable unbanked.
 - *Benefits to highlight: fraud protection, debit cards that lock if they are lost.*
 - **Spanish speakers** show a higher concern for security of their personal information, ranking a security-oriented message that emphasized the availability of fraud protection the highest.
 - **English speakers** were more drawn to messaging and benefits that addressed their concern over overdraft and "surprise" fees.



"No surprise fees" performed much better than "low cost" – the fear of fees must be addressed directly.

Which financial goals are most compelling to unbanked people when they think about becoming banked?

- **Building savings and building an emergency fund** are the most important financial goals in the near-term for both Spanish and English-speaking unbanked people.
- English and Spanish speakers view **improving credit** as an important goal, but less important than **building savings**.
- Overall, respondents indicated that it was important to establish solid financial footholds and take care of basic financial needs first, before thinking about longer-term aspirations.



Fully, 60% of Spanish speakers and 40% of English speakers rated building savings as a very important financial goal.



Messaging Framework for Engaging Unbanked People

Survey respondents rated these message frames as both credible and motivating to open an account. We recommend using the following messaging themes as a starting point for engaging unbanked people to learn more about the benefits of opening a bank account.

“Banks Provide Tools for Easy Banking”: Reinforce how direct deposit and the ability to deposit cash, branch access, low balance alerts, and new tools to manage and track money, make banking an easier, less stressful experience. Emphasize no-hassle banking with improved conveniences and new tools.

“Bank On Accounts Allow You to Maintain Control Over Your Balance”: Have peace of mind knowing that your bank balance stays put and your money and information is safe. Emphasize that you can now avoid overdraft fees while maintaining fraud protection to help keep more of your own money.

“Bank Accounts Help You Achieve Your Financial Goals”: Make it clear that banking is a critical first step now on the path toward long-term goals, helping you where you are now to save and build strong credit so you can reach your financial goals down the road.

“Banks Can Benefit Everyone”: Let people know that banks cater to all types of customers, no matter how much money they make or who they are – and support that message by emphasizing banks’ most compelling benefits: convenient money tracking tools, saving with low or no fees, and building credit.

Talking Points for Engaging Unbanked People

The most effective messages address key attitudes about banking, the benefits that unbanked people highlighted as important, and how Bank On certified accounts offer the right solution:

“Banks now offer new services that minimize the cost, the hassle, and the uncertainty of banking ... and are the right first step to meet your financial goals. **Certified Bank On bank accounts** cost a flat fee of \$5 or less per month, never have overdraft or minimum balance fees, and they protect your money with fraud protection, debit cards in your control that you can lock if they are lost, and even low balance alerts.”
Note: for some consumers, especially those who are especially cost-sensitive, our research found that first highlighting the benefits of certified accounts, demonstrating their value, and then talking about cost, was most effective.

“**These bank accounts are user-friendly:** Direct deposit, low balance alerts, branch access, smartphone apps and other tools to help you manage and track money, make banking an easier, less stressful experience.”

“**You’re in the driver’s seat:** you won’t have to worry about overdraft fees and you also get fraud protection to help you stay in control of your own money.”

“**Bank accounts help you achieve your financial goals:** Banking is the right first step on the path toward your financial goals [like building an emergency fund or saving].”

“**These bank accounts are for everyone.** Banks who offer certified accounts want your business, and want you to have an account that’s designed for you to succeed with features like convenient money tracking tools, no overdraft, and fraud protection.” *Note: The “banks are for everyone” message, itself, was motivating but not believable – unbanked respondents said that if true, it would motivate them to open an account, but needed more proof points. Coupling this message with examples of how banks have designed accounts to work for people like them makes the message more compelling and believable.*

What messaging is *not* effective at engaging unbanked people to become banked?

*The **least compelling** messages tested were:*

- Banks need customers to succeed and provide better service than they used to. *This message didn’t seem credible, and it didn’t motivate people to consider opening an account.*
- Starting a new phase of your life – like getting a new job or getting married – is a good opportunity to open a bank account. *This message emphasizes long-term goals; these goals felt too far away for respondents, and they didn’t necessarily connect them with opening an account.*
- Many bank accounts cost \$5 or less/month and have no additional or hidden fees. *Respondents first need to be convinced of the value of an account before they are ready to think about price.*
- Credit unions that emphasize customer service are a great alternative to traditional banks. *People generally appear not to know enough about credit unions to respond positively to this message.*

Effectively Answering Questions to Engage Clients Towards Banking

Why should I get a bank account, since I'm happy using cash?

Certified Bank On bank accounts provide convenient tools for managing and tracking your money, while making sure your money is safe and secure. These accounts never have overdraft or minimum balance penalties, and banks can alert you when your balance is low. If you lose your debit card, you can lock the card remotely to make sure no one uses it without your permission.

What if I don't have enough money to get a bank account?

Certified Bank On accounts are designed to work well for customers like you. They require no more than \$25 to open, have no minimum balances penalties, and they never allow or charge for overdraft. Bank accounts also give you convenient tools for managing and tracking your money. Getting a bank account is a positive step on the path toward getting out of debt and building your savings.

Why should I get a bank account when I don't I trust banks?

Trust matters ... which is another reason why certified Bank On bank accounts help you conveniently manage and track your money, but also protect your cash in many ways. You will never get hit with an overdraft or low minimum penalty, and you can freeze your debit card if it gets lost or stolen.

Why should I get a bank account, since fees make bank accounts a burden?

Certified Bank On bank accounts never have overdraft or minimum balance penalties, and can send you an alert when your account balance is low. They also provide easy and free ways of spending, managing, and protecting your money, all for a total of \$5 a month or less. Getting a bank account is the right first step on the path toward the important financial goals that matter most to you – like getting out of debt and building your savings.