

Qualitative Research on Bank Efforts

Phase 4 Focus Group Research Questions

In Phase 4, we will conduct focus groups with unbanked and underbanked consumers. This phase explores the methods and providers currently used by these consumers to meet their financial transactions needs and explores their knowledge of, and reactions to, the specific bank products/programs/strategies that were the focus of Phases 1 and 2 of this project. In particular, the focus will be on whether consumers feel these products/programs/strategies would be effective in overcoming any barriers that they have to opening and maintaining a bank account. In addition, these focus group discussions will seek to identify ways in which banks can increase the engagement and trust with these consumers.

I. Current Use and perceptions of financial services providers

1. What methods do consumers currently use to make and receive payments?
 - a. Discuss: ownership of checking and savings accounts, use of cash, check cashing services, money orders, general purpose reloadable prepaid cards (not gift cards).
2. What types of financial service providers do consumers currently utilize to make and receive payments?
 - a. Discuss: banks, credit unions, check cashers, nonbank prepaid card providers, money wire transfer providers (e.g. Western Union). Important to also ask about whether consumers use bank-issued prepaid cards such as JPMorgan Chase's Liquid prepaid card.
3. What are consumers' perceptions of the benefits and drawbacks of their current financial transactions methods and providers?
 - a. Discuss: what are the benefits and drawbacks of each type of method discussed?
 - b. Discuss: what are the benefits and drawbacks of each type of provider discussed?
4. How relevant are banks to consumers for making and receiving payments? Do consumers consider banks when they need to make or receive payments? Why/Why not?
5. How do consumers view alternative (nonbank) financial services providers such as check cashers, money wire transfer businesses, and payday lenders?
 - a. Discuss: trust, "fit", reservations about, and past experiences with nonbank financial service providers.

6. How do consumers view banks?
 - a. Discuss: trust, “fit”, reservations about, and past experiences with banks.
7. How can banks further develop consumer engagement and foster trust?
 - a. Discuss: collaborations with community partners, as trusted advisors of consumers, use of social media channels, personalized customer service, and tailored outreach.

II. Value of Bank Accounts

8. For consumers with current or past bank accounts: what do they consider to be the major advantages of having a bank account?
 - a. Discuss: do consumers value having a relationship with a bank? What do consumers “want” in this relationship? (e.g., personal financial advisor, positive interaction at branch, and interaction with banks through social media)
9. For never-banked consumers: what, if anything, do they consider to be the major advantages of having a bank account?
 - a. Discuss: do consumers value having a relationship with a bank?
10. For consumers currently without bank accounts: what are the reasons that they do not have bank accounts?
 - a. Discuss: not enough money, fees (amount and transparency), speed of access to funds, distrust of banks, don’t need an account, lack of acceptable identification, bank closed the account, and unable to open an account because of previous account problems (e.g., ChexSystems).
 - b. Follow-up: what steps can banks take to help consumers address these reasons or barriers to being banked?
11. For all but never-banked consumers: what challenges, if any, have consumers faced in keeping their bank accounts open?
 - a. Discuss: loss of job or income, inability to maintain minimum monthly balance, overdraft fees, or drain on funds caused by unexpected expenses or emergencies
 - b. Follow-up: what steps can banks take to help consumers keep their bank accounts open?

12. For unbanked consumers: are they interested in opening a bank account in the near future? Why/Why not?

III. Interest in Low- or No-Fee Transaction Accounts

Features of a low- or no-fee transaction account may include: a zero or low monthly maintenance fee, small or no opening or monthly minimum balance requirement, and often no overdraft fees, especially when there are no paper checks written on the account. Bills can be paid online and purchases can be paid with a debit card. Funds can be directly deposited into the account, at ATMS, or with branch tellers; while money can be withdrawn through branch tellers or through the bank's ATM network.

13. Are unbanked consumers aware of any such offerings in their local area? Which banks offer such accounts?
14. Do any consumers have such an account? Why/Why not? If so, at which banks?
15. Are unbanked consumers interested in opening such an account at a bank if it is conveniently located to their home or work? Why/Why not?
16. In addition to the features described above, are there other features that consumers would want included in or excluded from a low- or no-fee account that would make the account more attractive and feasible for them to open and/or retain?

Discuss: does overdraft coverage affect the attractiveness and feasibility of opening low- or no-fee accounts for these consumers?

17. How can banks most effectively communicate to consumers that they offer low- or no-fee accounts?

Discuss: collaborate with organizations trusted by consumers, effective word of mouth among members of the community, and active bank presence in the community.

18. What else, other than offering specific products, services or account features, can banks do to increase the likelihood that consumers will open and retain low- or no-fee accounts?

IV. General Purpose Reloadable (GPR) Prepaid Cards

GPR prepaid cards are network branded (e.g., Visa or MasterCard logo) cards that are used to store money, pay bills, and make purchases. Funds can be loaded onto the card and cash can be withdrawn using ATMs. I am not asking about gift cards or debit cards linked to a checking account. Do not include prepaid cards that you received from a government agency.

19. Are consumers aware of any banks that offer prepaid cards in their area? Which banks offer this product?
20. Do any consumers use prepaid cards offered by banks such as the JP Morgan Chase Liquid prepaid card? Why/Why not?
21. For those consumers using prepaid cards, are they using these cards together with having bank accounts or instead having bank accounts? Why is that?
22. Some banks now offer prepaid cards as an alternative to or instead of low- or no-fee bank account. Do consumers consider prepaid cards offered by banks equivalent to basic checking accounts in making and receiving payments? Why/Why not?
23. What would consumers say are the benefits and drawbacks of using prepaid cards offered by banks rather than having only bank accounts?
24. How would consumers compare the benefits and drawbacks of prepaid cards issued by nonbanks such as NetSpend, Green Dot, etc. with prepaid cards issued by banks?

Discuss: do consumers see a difference between prepaid cards offered by banks and prepaid cards offered by nonbanks? Why/Why not?
25. Do consumers' perceptions about opportunities to develop relationships with banks depend on the type of transaction product they have with the bank such as a prepaid card relative to a conventional bank account? Why/Why not?

V. Bank-Provided Check Cashing

26. Are consumers aware of any banks that offer check cashing services (or money orders, bill pay and wire transfers) to consumers who do not have an account at the bank? Which banks?
27. Do any consumers use these services? Why/Why not? Which services and from which banks? How did they learn that the banks offer these services?

28. Would consumers open bank accounts if banks offered check cashing services (or money orders, bill pay and wire transfers) in addition to offering a low- or no-fee account? Why/Why not?
29. What can banks do to encourage check cashing customers (or users of or money orders, bill pay and wire transfers services) to open a low- no-fee account?

VI. Access to Small Dollar Loans

Some banks offer unsecured personal small dollar loans that consumers can use instead of getting payday loans and other higher cost forms of short-term small loans.

30. Are consumers aware of banks that offer affordable small dollar loans in their area? Which banks offer this product? How did consumers learn that these banks offer small dollar loans?
31. Have any consumers taken out a small dollar loan from a bank in their local area? Why/Why not? Which banks?
32. Would consumers be encouraged to open a low- or no-fee account from a bank that also offered an affordable small dollar credit product? Why/Why not?
33. Are consumers with access to affordable small dollar credit products from their bank better able to retain their existing bank accounts? (e.g., helping to prevent overdrafts.)
34. What can banks do to persuade consumers to use their small dollar credit product instead of going to a payday lender or other more expensive alternative such as an auto title lenders?

Some banks offer low- or no-fee checking accounts or prepaid cards in conjunction with other financial services that are targeted to meet a variety of needs of lower-income consumers, such as affordable small dollar loans and check-cashing services. These services are offered as a suite of products and services to consumers.

35. Do consumers know of any banks in their area that offer this sort of suite of products and services aimed at meeting a variety of needs of lower-income consumers or first-time bank customers? If so, which ones?
36. Does offering products (such as small dollar loans) in a suite with a low- or no-fee checking account or low-fee prepaid card account increase the accessibility of the other products for consumers? Why/why not?

37. Are consumers more likely to be aware of a group of products marketed together than individual products marketed individually?

38. Does offering a suite of products to meet a range of consumer needs make opening a bank account more attractive to consumers?

VII. Tax-time savings

Tax-time savings programs are generally partnerships between nonprofit organizations and banks, through which consumers are offered free tax filing assistance, and bank personnel are on hand to facilitate opening a low- or no-fee bank account that the consumer can use to save all or a portion of their tax refund in a savings account. Some of these programs include providing match dollars to encourage consumers to keep their savings in their accounts for a specific length of time.

39. Do any consumers participate in a tax-time savings program offered by banks and/or local nonprofit organizations? Which banks? Which nonprofit organizations?

40. Have any consumers who participated in tax-time savings programs opened accounts to deposit their tax refunds? Why/Why not? How did consumers learn about these programs?

Discuss: ask consumers how long they kept their accounts open, whether they benefited from having savings in a bank, and whether they would again participate in a tax-time savings program.

41. Do consumers consider these programs an effective way to learn more about bank accounts and the banks that offer them? Why/Why not? What could banks do to make this type of outreach work better?

Discuss: ask consumers to discuss how, if at all, tax-time savings programs have positively influenced their perception and trust of banks that participate.

VIII. Relationship Building

42. What else can banks do to make consumers feel more comfortable or welcome at the branch?

- a. Discuss: ask consumers about whether branch staff cultural affinity, branch location and/or décor, hours and days of operation, and community engagement are important factors for creating a positive banking experience.
- b. Discuss: what do consumers suggest are most effective ways banks can reach consumers?