

2019 FDIC Survey of Unbanked and Underbanked Households

Phase I Exploratory Research: MODERATOR GUIDE

I. Introduction [5 minutes]

Thanks for joining us today. I'm _____, and this is my colleague _____. We're from Westat, a private research company based in Rockville, MD. We have been contracted by the Federal Deposit Insurance Corporation, often called FDIC, to conduct discussions in two different cities. The focus of our discussion today is how consumers like yourselves receive income, pay bills, and use basic credit such as credit cards, personal loans or lines of credit. We're particularly interested in any experiences you've had with banks and why you do – or do not – currently use banks for these kinds of financial activities. Your insights are very important to us, and your time today is appreciated. We will have about 90 minutes for our discussion.

Before we get started there are a few things I need to mention. I know when you all came into the facility they had you read and sign an informed consent form, but I would like to review the key elements in that form.

- First, your **participation is voluntary**. You don't have to answer any of our questions that may make you uncomfortable, and you can leave at any point in the discussion. There's no penalty to you for doing so.
- Having said that, we **do not think there are any risks** to you for participating in today's discussion. We're going to ask you about different strategies you use for your finances and the degree to which banks are one of your strategies. There are **no particular benefits** to your participation, either, although you will be contributing to the FDIC's understanding of how American consumers use banks in their daily lives. You will receive a token of appreciation of [\$XX] at the end of the discussion as a "thank you" for taking the time to join us today.
- Next, **your identity will be kept private** to the extent provided by law, which means that we will never use your name in anything we write about the project. When preparing our report for the FDIC, we might **use a quote** from someone in the group, but we would only say, "A participant in [CITY] said."
- We are also **audio- and video-recording today's discussion**. This is so when we get back to our office in Rockville we have an accurate record of what was said when we do our analysis. The files are stored on secure servers at Westat and are only available to members of the project team at Westat and the FDIC. These files will be destroyed once the project is completed.
- We also have some **observers** today from the project team at the FDIC. They may have some additional questions at the end of our discussion today. You should know that all staff who are observing have had to complete a training on the protection of research participants, which includes requirements for maintaining your privacy.

Do you have any questions? [ANSWER ALL QUESTIONS]

Great! Let me tell you just a couple of rules to make sure our discussion flows smoothly today.

- Please **speak one at a time**. This will ensure that I can hear everybody and that everyone's perspective can be included in our study.
- Also, there are **no wrong answers** to any of the questions I ask. Feel free to express an opinion that's different from others in the room – we want to hear the full range of views on this topic.
 - I'm **not invested** in your responses – I'm an independent contractor for the FDIC whose job is to hear your thoughts and opinions.
 - I'm also **not an expert**. If you have questions about the financial topics of today's discussion, ask. By you asking the question, it will help the FDIC to understand in what areas people want more information. But just know that I won't be able to answer those types of questions.
- Finally, if **you need to step out** for any reason, please feel free to do so. The restrooms are [DESCRIBE LOCATION]. But I would ask that not everyone decide to go at the same time!

Any questions? [ANSWER ALL QUESTIONS]

Let's get started!

II. Warm-up [5 minutes]

Let's go around the room and please tell us just your first name and then some interesting fact about yourself – maybe an interesting hobby, someone famous that you met, some great place to which you've traveled. [MODERATOR GO FIRST; MAKE SURE YOUR NOTE-TAKER/CO-MODERATOR DOES NOT GET LEFT OUT OF THIS EXERCISE.]

III. Bank Views and Experiences [15 minutes]

I'd like to start off by hearing about your views and experiences with banks. [MODERATOR GO TO FLIP CHART AND REVEAL THE PHRASE: "I feel banks are..."] So we've got this partial sentence here, and I'd like to hear what word or couple of words come to mind when you see this. [MODERATOR WRITE DOWN PARTICIPANTS' ANSWERS ON THE FLIP CHART.]

You all have generated a really good list, thank you! Let's look at each/some of these – if you agree with one of these words or phrases, I'd like you to tell me about an experience you may have had that led you to feel this way. [MODERATOR – DON'T LET PARTICIPANTS GO TOO LONG, BUT YOU WANT TO ELICIT PERSONAL STORIES ABOUT ENCOUNTERS PARTICIPANTS HAVE HAD WITH BANKS/BANK BRANCHES. IF THE CONCEPT OF "TRUST" COMES UP, EXPLORE WHAT THIS MEANS. ADDITIONALLY, IF NOT OBVIOUS FROM A PARTICIPANT'S COMMENT, ASK IF THE PERSON'S NEGATIVE EXPERIENCE HAS ADVERSELY AFFECTED HIS/HER WILLINGNESS TO ENGAGE WITH BANKS.]

IV. Use of Banks in Past Year [20 minutes]

As I mentioned, one thing we're interested in learning is how people feel about some of the specific things they might use banks for. Over the past year, think about any time you may have used a bank for

any reason, whether you have some sort of account or relationship with a bank or not. Tell me about one of those times. MODERATOR: The BULLETED LIST (NEXT PAGE) OFFERS The MOST COMMON – AND FOR FDIC, IMPORTANT BANK USES OF INTEREST. USE YOUR JUDGMENT ON FOLLOWING UP WITH A PARTICIPANT WHO MENTIONS SOMETHING OTHER THAN ONE OF The ONES BELOW (I.E., DO NOT FOLLOW-UP WITH SOMETHING THAT SEEMS IDIOSYNCRATIC:

- Who else in the group has [USED A BANK AS DESCRIBED]? What did you like about that experience? What, if anything, didn't you like about it?
- For those of you who haven't [USED THE BANK AS DESCRIBED], tell me a little about why you have not.

The FOLLOWING ARE The CRITICAL TRANSACTIONS IN WHICH FDIC IS INTERESTED. PROBE ANY THAT DO NOT COME UP SPONTANEOUSLY. USE SAME SEQUENCE OF QUESTIONS – LIKED? DIDN'T LIKE? IF NOT USED, WHY NOT?

- Checking account
 - **PROBE:** Has anyone had the experience of overdrawing your bank account and getting hit with overdraft fees or having money drawn from a line of credit? IF YES – Tell us a little about that experience. How, if at all, has that affected your decision to have or not have a checking account?
- Savings account
- Bank loan (home, car, or other purchase)
 - Has anyone gotten credit or a loan from somewhere other than a bank?
 - [IF YES] What did you like about the service you used for the loan? What didn't you like about it? Did you consider going to a bank for the loan? Why or why not?
 - Is there anyone here who has no credit or loans?
 - IF YES: Could you say a little bit about why not? For example, do you not need credit? [Other possibilities: Do you not want credit, and if not, why not? Can't get it? Don't think you're eligible? Worried about being able to pay back the loan?]
- Bank-issued credit card
- Bank website (ask why participants went to the site)
- Bank branch (ask what participants did at the bricks-and-mortar branch and why they chose to do it there)
- ATM

V. Financial Transactions [20 minutes]

We're also interested in understanding how people go about taking care of various financial activities, particularly why you might **not** use a bank for any of them.

Receiving Income

Let's start with what's really a foundation for the discussion, which is how you receive your income. That income can be from a variety of different sources – work; financial assistance because of a disability or a rough financial period; or money for retirement, such as a pension, retirement account, or Social Security.

DIRECT DEPOSIT

Does anyone here receive their income through **direct deposit at a bank**?

- o What do you like about direct deposit? What, if anything, don't you like about it?

CHECK

Does anyone get your income through an actual, **paper check**?

- What do you like about getting your income this way? What, if anything, don't you like about it?

PREPAID CARDS

Does any of you receive income through a **prepaid card**?

- What do you like about getting your income this way? What, if anything, don't you like about it?

SOME OTHER WAY

Do any of you get your money **some other way** than what we've already talked about?

- IF YES – How do you receive your income? What do you like about getting your income this way? What, if anything, don't you like about it?

WOULD PREFER AN ALTERNATIVE

We've talked about the ways you all currently receive your income. Would any of you prefer to receive your income in a **different way** than you currently do? Tell me about that. [IF NEEDED: Why would that be preferable? MAKE SURE YOU KNOW R's CURRENT INCOME MODALITY]

MODERATOR: IF NOT OBVIOUS FROM PARTICIPANTS' RESPONSES, ASK:

Do any of you receive income in more than one of the ways we've talked about? IF SO: Describe. Which would you say is **the most typical way** you get your income? Tell me why you selected that option.

- **Cashing a check.** You can get checks to receive your income, but also for a ton of different things, from your aunt sending you a check for your birthday to getting a rebate for a purchase you made at a store. **Typically**, what do you do with a check when you get it?
 - FOR ANYONE WHO DOES **NOT** DEPOSIT OR CASH A CHECK AT A BANK:
 - i. [PARTICIPANT], you mentioned that you use [ALT FIN SERVICE RESPONSE]. What do you like about that service? In the past 12 months, have you cashed a check at a bank?
 1. IF YES – How does check cashing at a bank compare to using [SERVICE]?
 2. IF NO – Can you say a little about why you haven't cashed a check at a bank? IF NEEDED – What don't you like about using a bank for this?
- **Paying bills.** Now let's talk about paying bills, which can be anything from an electric bill to a rental or mortgage payment. **Typically**, how do you pay your bills? [MODERATOR – AGAIN, TRY TO GET ONE PARTICIPANT TO VOLUNTEER HIS/HER EXPERIENCES. ELICIT THAT INDIVIDUAL'S NARRATIVE, THEN USE THAT TO SPUR DISCUSSION AMONG OTHERS]
 - What do you like about paying your bills this way? What, if anything, don't you like about it?
 - Have you paid bills in any other way?
 - IF NOT MENTIONED: Are there any differences in what you do if you have a big bill, or an urgent bill that needs to be paid right away? Are there situations in which bills can only be paid in certain ways (e.g., money order)?
 - IF NOT MENTIONED: Does anybody use services like Western Union, or Walmart to pay their bills?
 - FOR ANYONE WHO USES NON BANK MONEY ORDER OR USES BILL PAY SERVICES LIKE WESTERN UNION, OR WALMART :
 - i. [PARTICIPANT], you mentioned that you [ALT FIN SERVICE RESPONSE]. What do you like about that way of paying bills? Have you considered either getting a money order from a bank or [FOR BANKED: using other methods (e.g., online banking, or writing checks)]?
 1. IF YES – What do you like about the idea of using a bank instead? What don't you like about the idea of using a bank such that you're still using [ALT FIN SERVICE]?

2. IF NO – Can you say a little about why a bank wasn't a consideration for you?

- **Financial Technology:** What financial activities do you do online or on your phone using companies that are **not** banks, like PayPal, venmo, Apple Pay, Google wallet, Xoom, or mint.com. IF USED, – Tell us what you have used, for what financial activities, and why you decided to use [COMPANY/SERVICE]. What do you like about [COMPANY/SERVICE]? What don't you like?

VI. Bank Improvements [15 minutes]

We've talked about a lot of different financial activities today, using banks for some, and using other kinds of places for some. For those of you who **do not** typically use banking services, what are the most important changes banks could make that might affect your willingness to use their services?

- PROBES [IF NEEDED]:
 - i. More convenient locations?
 - ii. Greater transparency in fee schedule?
 - iii. Greater transparency in other aspects (e.g., how long transactions take to process, predictability/dependability of the service)?
 - iv. Amount, or timing of the information provided to customers about their account and their transactions when they need it?
 - v. Better customer service?
 - vi. Lower fees or more affordable banking? [MODERATOR – EXPLORE THE MEANING OF “AFFORDABILITY”]

For those of you **who do have** bank accounts, have you **ever considered closing** your account for any of these reasons or other reasons not already mentioned? What would you say is the most **important reason you continue** to use banking services?

VII. False Close [5 minutes]

MODERATOR – CHECK FOR QUESTIONS FROM OBSERVERS, ASK AS APPROPRIATE.

Actual Close

Those are all the questions we have for you today. Is there anything else about banks and financial services that I didn't ask, but that you think is important for me to know?

Thank you!