

SUPPORTING STATEMENT
FDIC National Survey of Unbanked and Underbanked Households
3064-0215

The Federal Deposit Insurance Corporation (FDIC) is requesting approval from the Office of Management and Budget (OMB) to revise the “FDIC National Survey of Unbanked and Underbanked Households”, hereinafter referred to as the “Household Survey.” The Household Survey is a key component of the FDIC’s efforts to comply with a Congressional mandate and supports FDIC mission of maintaining confidence in the financial system, as described below. The Household Survey is the only nationally- and state-representative survey of its type for the United States.

A. JUSTIFICATION

1. Circumstances and Need

The Household Survey supports the FDIC’s mission of maintaining public confidence in the U.S. financial system. It has been conducted every two years since 2009 as a supplement to the U.S. Census Bureau’s Current Population Survey (CPS). The 2009 through 2019 surveys were approved under OMB Control No. 3064-0167. The FDIC is requesting approval from OMB to continue the collection of information approved under OMB Control No. 3064-0215 by conducting the Household Survey scheduled to be administered by the U.S. Census Bureau as part of the June 2025 CPS, and expects to revise and repeat the survey every two years.

The Household Survey is one avenue by which the FDIC responds to a Congressional mandate contained in section 7 of the Federal Deposit Insurance Reform Conforming Amendments Act of 2005 (“the Act”), Pub. L. 109-173, which requires the FDIC to conduct biennial surveys on “efforts by insured financial institutions to bring those individuals and families who have rarely, if ever, held a checking account, a savings account, or other type of transaction or check cashing account at an insured depository institution (the “unbanked”) into the conventional finance system.” The mandate further requires the FDIC to consider various factors and questions including the size and worth of the unbanked market in the United States and the cultural, language and identification issues and transaction costs that prevent unbanked individuals from establishing conventional accounts.

The Household Survey has yielded nationally-representative data on the size and characteristics of the unbanked population, the reasons that unbanked households do not have an account, and the use of bank and nonbank financial services and credit by banked and unbanked households. The Household Survey is the only population-representative survey conducted at the national level that provides state-level estimates of the size and characteristics of unbanked households for all 50 states and the District of Columbia. An executive summary of the results of the previous Household Surveys, the full reports, the survey instruments, and the survey data are available at: <https://www.fdic.gov/household-survey>.

Based on past survey experience, feedback received in response to the ongoing survey effort, and reflecting ongoing developments in markets for financial products and services, the FDIC has revised the Household Survey for 2025. The revised survey preserves many elements of past survey questionnaires, including collecting household-level information about bank account ownership and use of an array of transaction and credit products from bank and non-bank providers. The 2025 survey adds new questions on households': opinions about banks, use of transaction accounts other than bank accounts (e.g., reloadable prepaid cards or accounts with payment apps or virtual banking apps), and ways of receiving income, paying bills, and storing funds. The 2025 survey also includes questions about person-level bank account ownership and in-person visits to bank branches that were included in earlier iterations of the survey (e.g., in 2019).

In order to keep the survey instrument within U.S. Census Bureau time requirements and accommodate the new questions, a number of questions were dropped from the survey. Revisions made to the survey can be found in Attachment A2.

2. Use of Information Collected

The FDIC uses the information collected from the survey to report on the number and the characteristics of households that do not have a bank account, the reasons that these households are unbanked, and banked and unbanked households' use of bank and nonbank financial products and services. The results are published and used to inform policymaking on issues related to economic inclusion and also to infer information about as well as inform bank efforts to serve the unbanked. The survey results and corresponding data are publicly available at <https://www.fdic.gov/household-survey>.

3. Use of Technology to Reduce Burden

The Census Bureau collects CPS data using computer-assisted methods. Specifically, it uses computer-assisted personal interviewing (CAPI) for conducting in-person interviews and computer-assisted telephone interviewing (CATI) for conducting telephone interviews.

4. Efforts to Identify Duplication

Other than the Household Survey, there is currently no single source of national, state-level or metropolitan data for the United States on the number of unbanked households, their characteristics, and the factors preventing or limiting their use of financial services offered by insured depositories. While a number of studies and surveys have been conducted on the general topic of unbanked households, these studies have focused on either narrow geographic areas within the United States,

often including limited subsets of the unbanked population, or extremely broad, nationally aggregated survey data measures for the unbanked population.

5. Minimizing the Burden on Small Entities

The collection of information does not involve small businesses or other small entities.

6. Consequences of Less Frequent Collection

FDIC's statutory mandate requires the conduct of surveys every two years.

7. Special Circumstances

There are no special circumstances.

8. Consultation with Persons Outside the FDIC

On October 25, 2024 (89 FR 85211), the FDIC issued an initial request for comment on possible revisions to the Household Survey. The FDIC received no comments related to this survey effort.

9. Payment or Gift to Respondents

No payments or gifts will be given to respondents.

10. Assurance of Confidentiality

The Census Bureau will collect data in compliance with the Privacy Act of 1974 and the OMB Circular A-130. Each sample household receives an advance letter approximately one week before the start of CPS interviewing (see Attachment B). The letter includes the information required by the Privacy Act of 1974, explains the voluntary nature of the survey, and states the estimated time required for participating in the survey. Interviewers must ask if the respondent received the letter and, if not, provide a copy and allow the respondent sufficient time to read the contents. Also, interviewers provide households with the pamphlet, The U.S. Census Bureau Respects Your Privacy and Protects Your Personal Information and Fact Sheet for the Current Population Survey (see Attachments C1 and C2). All information given by respondents to Census Bureau employees is held in strict confidence under Title 13, United States Code, Section 9. Every Census Bureau employee has taken an oath to that effect and is subject to a jail penalty and/or substantial fine if they disclose any information given to them.

The FDIC will receive a microdata file containing the full labor force and demographic data from the basic CPS, along with data from the supplemental survey. The actual identities of survey respondents will not be included in the data

file received by the FDIC. Per the Federal Cybersecurity Enhancement Act of 2015, all data is protected from cybersecurity risks through screening of the systems that transmit the data.

11. Information of a Sensitive Nature

The study conforms to privacy rules and Census Bureau criteria and does not request any information of a sensitive nature.

12. Estimate of Annual Burden

Frequency of Response: Once.

Affected Public: U.S. Households.

Estimated Number of Respondents: 40,000.

Average time per response: 9 minutes (0.15 hours) per respondent.

Estimated Total Annual Burden: 6,000 hours.

Estimated Dollar Value of Burden Hours

Using the total estimated hour burden and the hourly cost estimate, the total estimated cost burden for the IC is:

$$6,000 \text{ hours} \times \$37.01/\text{hr} = \$222,060$$

Wage Estimate:

Calculating a dollar value for the estimated time it will take respondents to complete the survey is difficult as it will vary from person to person depending on their propensity for leisure and work, their subjective value for engaging in the survey, and their profession. To proxy for the dollar value of the estimated time it will take respondents to complete the survey, we use the 75th percentile wage rate for all occupations from the National Industry-Specific Occupational Employment and Wage Estimates published by the Bureau of Labor Statistics (BLS). As of May 2023, the estimated 75th percentile wage for all occupations is \$37.01 per hour. Therefore, we assume the dollar value for the estimated time it will take respondents to complete the survey cost is \$37.01 per hour.

13. Capital, Start-up, and Operating Costs

There are no anticipated capital, start-up, or operating costs.

14. Estimates of Annualized Cost to the Federal Government

The estimated cost to the FDIC is approximately \$1,080,000, which includes programming, administration and testing of the survey over two years. This results in an annual cost of \$540,000.

15. Change in Burden

We estimate that the revisions made in the 2025 survey instrument did not impact the average response time. The average time of 9 minutes for the survey burden estimate reflects the actual average time spent by 2023 survey respondents, of 8 minutes with a cushion of 1 minute to be conservative. In addition, the number of survey respondents is consistent with 2023 results.

16. Publication

The findings of this survey will be published by the FDIC.

17. Request to Not Display Expiration Date

The FDIC has been advised that the Census Bureau has requested a waiver of the requirement to display the expiration for the CPS because the respondents' length of participation in the CPS is not likely to coincide with the expiration date of this clearance. To avoid confusion that may arise from this fact and given that the CPS has been in place for over 50 years and the basic CPS interview has remained relatively unchanged over the past 10 years, we request a waiver of the requirement to display the expiration date.

18. Exceptions to Certification

None.

ATTACHMENTS

- A1. 2025 FDIC National Survey of Unbanked and Underbanked Households
- A2. Redlined version of the survey instrument highlighting differences relative to the 2023 survey
- A3. 2023 FDIC Survey of Unbanked and Underbanked Households Report
- A4. 2023 FDIC Survey of Unbanked and Underbanked Households Report - Appendices
- B. Current Population Survey – Advance Letter and Frequently Asked Questions
- C1. Current Population Survey Confidentiality Brochure
- C2. Fact Sheet for the Current Population Survey
- D. Current Population Survey Design and Methodology, October 2019 (available at the following link: <https://www2.census.gov/programs-surveys/cps/methodology/CPS-Tech-Paper-77.pdf>)