

DISABILITY, RACE AND ETHNICITY

Inequality in Bank Account Ownership

Highlights from the 2019 FDIC Survey of Household Use of Banking and Financial Services



The recent social movement that denounced the systemic racism and discrimination of Americans who are Black, Indigenous and People of Color (BIPOC) ushered the U.S. into a time in which institutions are actively working to redress the unequal treatment of all

historically marginalized groups. Unfortunately, too many times these efforts fall short in recognizing and intentionally targeting the discrimination faced by the 41.1 million Americans living with disabilities today. Public forums on the topic of equity may barely, if at all, discuss the barriers persons with disabilities face: programs made available to BIPOC individuals may not be tailored to persons with disabilities and data collected to assess financial well-being may fail to ask whether the respondent has a disability.

Using data from the 2019 FDIC Survey of Household Use of Banking and Financial Services, this factsheet calls attention to the inequalities in bank account ownership experienced by persons with disabilities. Recognizing the impact of intersectionality, the findings highlight the disproportionate financial barriers faced by BIPOC persons with disabilities. The data was collected in June 2019 prior to the economic impact of COVID-19. Therefore, analysis of these data can help (1) characterize how households with disabilities were financially positioned to withstand the pandemic and (2) investigate the impact of the pandemic on households with disabilities by providing a comparative benchmark for the 2021 survey.

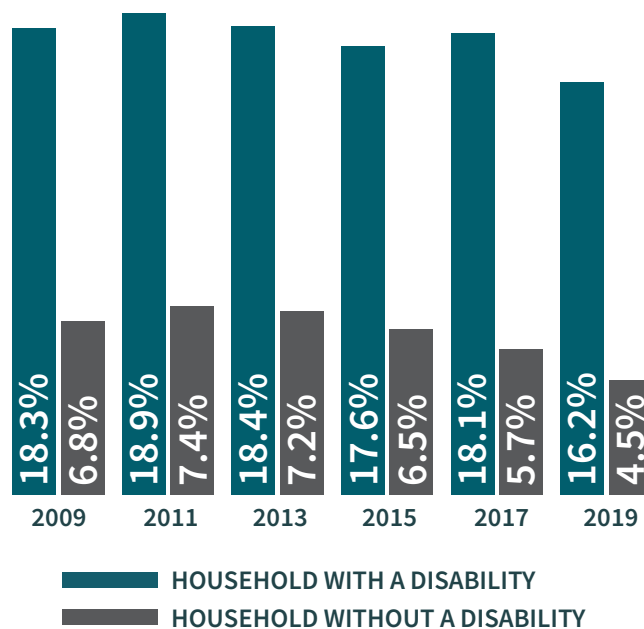
A household is classified as “unbanked” if no one in the household has a checking or savings account at a bank or credit union. A household is considered “banked” if at least one member of the household has a checking or savings account.

- There is a data gap affecting persons with disabilities who are American Indian/Alaska Native, Hawaiian Native/Other Pacific islander or Asian. The survey data does not have enough respondents from these groups to produce precise estimates, which puts affected

groups at risk of being overlooked in public policy and programming. Therefore, it is critical for researchers to obtain data that describes the financial barriers faced by persons with disabilities who are members of these races.

- Black households have the highest percentage of householders with disabilities.
 - 17.8% of Black households have a householder with disabilities (White: 11.9%, Latinx: 8.7%).

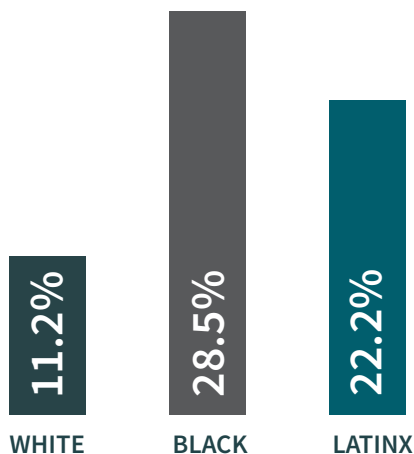
PERCENTAGE OF UNBANKED HOUSEHOLDS OVER THE YEARS OF DATA COLLECTION



- Between 2009 and 2017, the percentage of unbanked households with a disability was in the range of 18% to 19%. In 2019, the percentage of unbanked households fell below that range for the first time to 16.2%, representing a decrease of 1.9 percent points from 2017.
- In 2019, the percentage of unbanked households was more than three times higher in households with a disability.
 - With a disability: 16.2%; Without a disability: 4.5%

- Irrespective of race/ethnicity higher percentages of households with a disability are unbanked.
 - Black with a disability: 28.5%; Black without a disability: 11.1%
 - Latinx with a disability: 22.2%; Latinx without a disability: 11.6%
 - White with a disability: 11.2%; White without a disability: 1.6%

PERCENTAGE OF UNBANKED HOUSEHOLDS WITH A DISABILITY



- The percentage of unbanked households is two and a half times higher in Black households with a disability compared to White.
- The percentage of unbanked households is almost twice as high in Latinx households with a disability compared to White.
 - Black with a disability: 28.5%; Latinx with a disability: 22.2%; White with a disability: 11.2%
- It is likely that American Indian/Alaska Native households with a disability face inequalities in bank account ownership similar to the ones found in Black and Latinx households with a disability. For instance, in households without a disability, the races/ethnicity with the highest percentages of unbanked households are American Indian/Alaska Native (16%), Black (11.1%) and Latinx (11.6%). Data also show that the percentage of unbanked households is even higher in Black and Latinx households with a disability. Therefore, it is likely that the percentage of unbanked households with a disability that are American Indian/Alaska Native is as high or worse than the rate found in those that are Black or Latinx.

METHODOLOGY

The race/ethnicity of the householder was used to classify the household. For example, “Black household with a disability” refers to a household for which the householder identifies as Black alone and not Latinx. The associations between income bracket and group membership based on disability status and race/ethnicity described in this document are significant at the .05 alpha level.

NDI thanks the FDIC for their continued commitment to gather data on disability status and to advance the financial inclusion of persons with disabilities and other economically vulnerable populations. It is our hope that other economic surveys start to collect disability data (e.g., Annual Business Survey, Consumer Expenditure Survey, Federal Reserve Board Survey of Household Economics and Decision-making Survey).

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