

DISABILITY, RACE AND ETHNICITY

Inequality in Bank Account Ownership

Highlights from the 2021 FDIC Survey of Household Use of Banking and Financial Services



Disability justice is economic justice, and economic justice must consider how the intersecting identities of race, ethnicity and gender affect the socio-economic mobility of individuals living with disabilities. While many institutions are actively seeking to amplify the voices of historically

marginalized groups, including Black, Indigenous and other people of color (BIPOC), these efforts continue to prove inadequate in understanding and deliberately addressing the discrimination faced by the more than 41 million Americans living with disabilities. Economic equity as a point of discussion seldom addresses the barriers to inclusion and financial independence that many individuals with disabilities face. By extension, programs are not tailored to meet the needs of BIPOC individuals with disabilities, and financial well-being data often do not ask or document whether participants have a disability.

Using data from the 2021 FDIC Survey of Household Use of Banking and Financial Services, this factsheet illustrates the inequities 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 were collected in June 2021 and are useful for describing post-COVID-19 conditions, as households readjust to a changed world. The analysis of these data can: (1) help characterize the financial positioning of households with a disability post-pandemic and (2) provide a comparative benchmark for the upcoming 2023 survey.

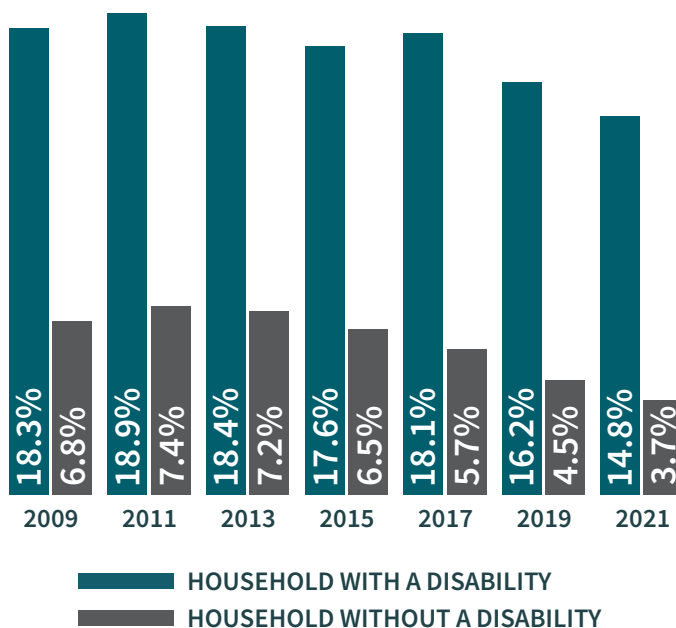
A household is classified as “unbanked” if no one in the household has a checking or savings account at a bank or credit union. A household is considered “banked” if at least one member of the household has a checking or savings account.

- 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 and ethnic groups.

- Black households have the highest percentage of householders with a disability.
 - 12.8% of Black households have a householder with a disability (White: 7.6%, Latinx: 8.3%).

PERCENTAGE OF UNBANKED HOUSEHOLDS 2009-2021



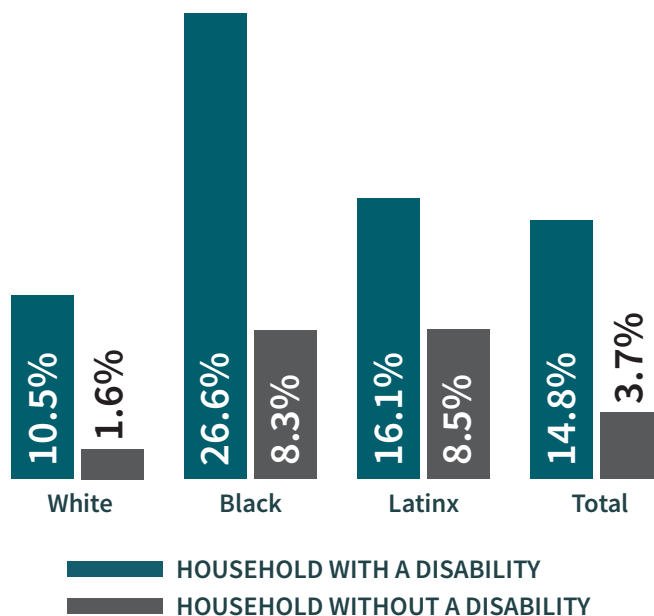
- In 2021, the percentage of unbanked households with a disability continued to decline and was 14.8%. This represents a decrease of 1.4 percent points from 2019.
- In 2021, the percentage of unbanked households was more than four times higher in households with a dis-

ability. This represents a widening of the gap between unbanked households with a disability and households without a disability.

- With a disability: 14.8%; Without a disability: 3.7%
- Regardless of race, higher percentages of households with a disability are unbanked.
 - Black households with a disability: 26.6%; Black households without a disability: 8.3%
 - Latinx households with a disability: 16.1%; Latinx households without a disability: 8.5%
 - White households with a disability: 10.5%; White households without a disability: 1.6%
- The percentage of unbanked households is two and a half times higher in Black households with a disability compared to White households with a disability.
- The percentage of unbanked households is almost twice as high in Latinx households with a disability compared to White households with a disability.
 - Black households with a disability: 26.6%; Latinx households with a disability: 16.1%; White households with a disability: 10.5%
- 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. Data trends indicate that

the percentage of unbanked households is highest among households of color 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 even higher than the rate found in those that are Black or Latinx.

PERCENTAGE OF UNBANKED HOUSEHOLDS BY RACE



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. Latinx households identify as having Latino(a) heritage and may be part of any of the racial groups represented in the sample. 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.

National Disability Institute (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 follow suit to collect disability data (e.g., Annual Business Survey, Consumer Expenditure Survey, Federal Reserve Board Survey of Household Economics and Decision-making Survey).

This research was made possible through the generous support of JPMorgan Chase & Co.