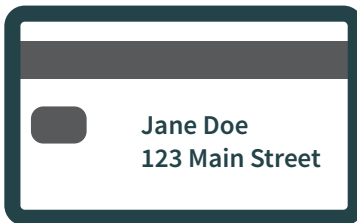


DISABILITY, RACE AND ETHNICITY

Inequality in Access to Bank Credit

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 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.

Unbanked households use nonbank credit for various reasons including bank location, lack of trust in financial institutions, and challenges with accessing mainstream credit and maintaining positive credit history. A household that uses nonbank credit products uses products and services such as the following: payday loans, pawn shop loans, rent-to-own services, refund anticipation loans, and auto title loans.

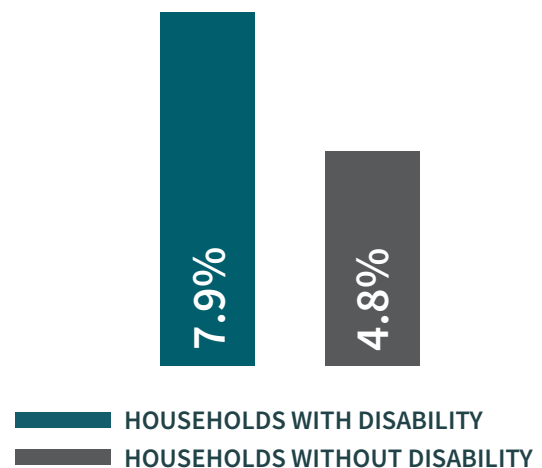
The percentage of households that are unbanked due to problems with past banking or credit history is 1.4 times greater than in households with disabilities than in households without disability.

- Households with disability 7.1%; Households without disability 5.2%

The percentage of households that use nonbank credit is almost 1.7 times greater in households with a disability than those without a disability.

- Households with disability 7.9%; Households without disability 4.8%

PERCENTAGE OF HOUSEHOLDS THAT USE NONBANK CREDIT



In households with a disability, a marginally higher percentage of Black households with a disability use nonbank credit services compared to White¹ households with a disability.

- Black 10.8%; White 7.6%; Latinx 5.0%

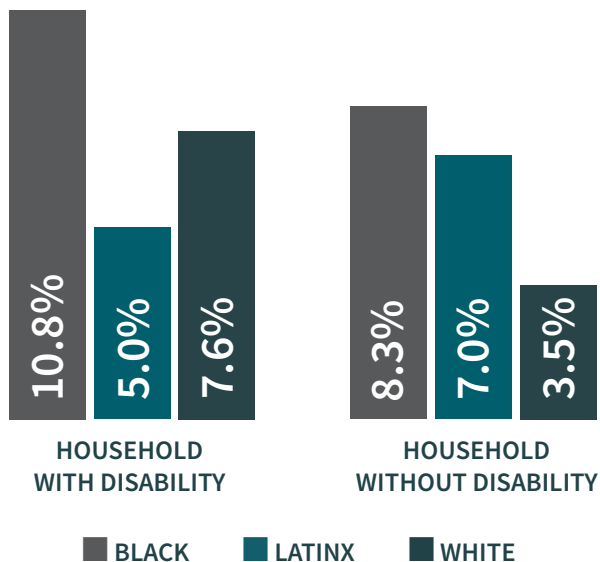
¹ The difference in the percentage of households that use nonbank credit was statistically significant at 0.05 and 0.1 alpha levels.

Higher percentages of households with a disability use nonbank credit services in Black and White households:

- Black with a disability: 10.8%; Black without a disability: 8.3%
- White with a disability: 7.6%; White without a disability: 3.5%

In households with a disability, the use of nonbank credit services among Black households is marginally higher.

PERCENTAGE OF HOUSEHOLDS THAT USE NONBANK CREDIT



A higher percentage of Black households with a disability use nonbank credit services compared to White households.²

- Black households with a disability: 10.8%; White households with a disability: 7.6%

In tandem, there are higher percentages of households without a disability that use nonbank credit services in Black and Latinx households compared to White households.

- Black households without a disability: 8.3%; Latinx households without a disability: 7.0%; White households without a disability: 3.5%
- It is likely that Native Hawaiian/ Pacific Islander and American Indian/Alaskan Native households with a disability face inequalities in access to bank credit at rates 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 percentage use of non-bank credit are American Indian/Alaska Native (10.9%), followed by Black (8.3%) and Latinx (7.0%). Data also show that the percentage of households that use non-bank credit was even higher in Black households with a disability. Therefore, it is likely that the percentage of American Indian/ Alaska Native households with a disability is similar to the percentages found in Black and Latinx households with a disability.

² The difference in the percentage of households that use non-bank credit was statistically significant at 0.05 and 0.1 alpha levels.

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.

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 will begin 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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