|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Appendix A. Race and Ethnicity Gaps in Frequent AFS use and Fully-Banked Status** | | | | | | |
|  | | | | | | |
|  | Frequent AFS users | | | Fully Banked | | |
|  | (1) | (2) | (3) | (1) | (2) | (3) |
|  |  |  |  |  |  |  |
| Hispanic/Latino | 0.0821\*\*\* | 0.111\*\*\* | 0.109\*\*\* | -0.169\*\*\* | -0.104\*\*\* | -0.0799\*\* |
|  | (0.0269) | (0.0303) | (0.0311) | (0.0295) | (0.0316) | (0.0315) |
| Non-Hispanic Black | 0.265\*\*\* | 0.226\*\*\* | 0.213\*\*\* | -0.356\*\*\* | -0.239\*\*\* | -0.178\*\*\* |
|  | (0.0311) | (0.0317) | (0.0330) | (0.0341) | (0.0331) | (0.0335) |
| Male |  | -0.0167 | -0.0177 |  | -0.00769 | -0.0173 |
|  |  | (0.0222) | (0.0228) |  | (0.0232) | (0.0232) |
| Age |  | 0.0158\*\*\* | 0.0163\*\*\* |  | -0.0105\*\* | -0.0111\*\* |
|  |  | (0.00490) | (0.00492) |  | (0.00511) | (0.00499) |
| Age squared |  | -0.000184\*\*\* | -0.000186\*\*\* |  | 0.000169\*\*\* | 0.000151\*\*\* |
|  |  | (5.47e-05) | (5.50e-05) |  | (5.71e-05) | (5.59e-05) |
| US\_born |  | 0.116\*\*\* | 0.133\*\*\* |  | -0.0699 | -0.0870\*\* |
|  |  | (0.0431) | (0.0435) |  | (0.0450) | (0.0441) |
| US citizen |  | -0.0259 | 0.000418 |  | 0.0226 | -0.0239 |
|  |  | (0.0618) | (0.0624) |  | (0.0645) | (0.0634) |
| Less than high school |  | 0.0964\*\*\* | 0.0931\*\* |  | -0.260\*\*\* | -0.181\*\*\* |
|  |  | (0.0360) | (0.0378) |  | (0.0375) | (0.0384) |
| Highschool graduate |  | -0.0228 | -0.0273 |  | -0.0789\*\* | -0.0120 |
|  |  | (0.0304) | (0.0319) |  | (0.0317) | (0.0324) |
| Some college |  | 0.102\*\*\* | 0.103\*\*\* |  | -0.117\*\*\* | -0.101\*\*\* |
|  |  | (0.0344) | (0.0345) |  | (0.0358) | (0.0350) |
| Family income below 20K |  | 0.105\*\*\* | 0.0916\*\*\* |  | -0.182\*\*\* | -0.118\*\*\* |
|  |  | (0.0325) | (0.0333) |  | (0.0339) | (0.0338) |
| Family income between 20 and 35K |  | 0.101\*\*\* | 0.0937\*\*\* |  | -0.126\*\*\* | -0.0844\*\* |
|  |  | (0.0330) | (0.0335) |  | (0.0345) | (0.0341) |
| Unemployed |  | 0.0608\*\* | 0.0559\* |  | -0.179\*\*\* | -0.151\*\*\* |
|  |  | (0.0310) | (0.0315) |  | (0.0323) | (0.0320) |
| Disabled |  | 0.0443 | 0.0383 |  | -0.137\*\*\* | -0.106\*\*\* |
|  |  | (0.0332) | (0.0336) |  | (0.0346) | (0.0341) |
| Retired |  | 0.0838\* | 0.0863\* |  | -0.0831\* | -0.0689 |
|  |  | (0.0467) | (0.0472) |  | (0.0488) | (0.0480) |
| Other |  | -0.0530\* | -0.0577\* |  | -0.0651\*\* | -0.0481 |
|  |  | (0.0317) | (0.0322) |  | (0.0331) | (0.0328) |
| Fin. Lit: inflation, interest and risk factor |  |  | -0.00298 |  |  | 0.0493\*\*\* |
|  |  |  | (0.0121) |  |  | (0.0122) |
| Fin. Lit: savings factor |  |  | 0.00571 |  |  | 0.00904 |
|  |  |  | (0.0114) |  |  | (0.0116) |
| Fin. Lit: basic calculations factor |  |  | 0.00360 |  |  | 0.0278\*\* |
|  |  |  | (0.0129) |  |  | (0.0131) |
| Network: friends and family |  |  | 0.0370 |  |  | -0.217\*\*\* |
|  |  |  | (0.0330) |  |  | (0.0335) |
| Network: stores |  |  | 0.138\*\*\* |  |  | -0.143\*\*\* |
|  |  |  | (0.0389) |  |  | (0.0395) |
| Trust in financial institutions factor |  |  | -0.00864 |  |  | 0.0359\*\*\* |
|  |  |  | (0.0116) |  |  | (0.0117) |
| Present Biased |  |  | 0.00192 |  |  | -0.0102 |
|  |  |  | (0.0345) |  |  | (0.0350) |
| Future Biased |  |  | 0.0104 |  |  | 0.0268 |
|  |  |  | (0.0254) |  |  | (0.0258) |
| Constant | 0.208\*\*\* | -0.313\*\*\* | -0.352\*\*\* | 0.678\*\*\* | 1.113\*\*\* | 1.112\*\*\* |
|  | (0.0140) | (0.114) | (0.116) | (0.0153) | (0.119) | (0.117) |
|  |  |  |  |  |  |  |
| Observations | 1,561 | 1,561 | 1,550 | 1,561 | 1,561 | 1,550 |
| R-squared | 0.045 | 0.092 | 0.103 | 0.072 | 0.202 | 0.249 |
| Notes: Authors' calculations using ALP data, survey 276, using suvey weights. Sample restricted to families with less than 50K in annual income. For a definition of the variables, see text section 2 (Data). \*\*\* p<0.01, \*\* p<0.05, \* p<0.1 | | | | | | |

**APPENDIX B: Blinder-Oaxaca Decomposition of White-African American Gaps. Contributors to Differences in Coefficients**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Non-Hispanic Black | | | |
|  | Unbanked | Underbanked | Fully Banked | AFS User |
| Male | 0.04 | 0.015 | -0.058 | 0.059 |
|  | (0.028) | (0.025) | (0.029) | (0.031) |
| Age | 1.104\* | -1.06\* | -0.063 | -0.043 |
|  | (0.061) | (0.564) | (0.064) | (0.683) |
| Age squared | -0.532 | 0.478 | 0.061 | 0.229 |
|  | (0.336) | (0.308) | (0.349) | (0.373) |
| US\_born | 0.016 | 0.115\*\* | -0.129 | 0.096 |
|  | (0.127) | (0.115) | (0.131) | (0.140) |
| Less than high school | 0.022 | 0.046\* | **-0.068\*\*** | **0.075\*\*** |
|  | (0.029) | (0.027) | **(0.031)** | **(0.033)** |
| Highschool graduate | -0.067 | 0.012 | 0.051 | -0.032 |
|  | (0.042) | (0.038) | (0.044) | (0.047) |
| Some college | 0.018 | -0.0003 | -0.019 | 0.029 |
|  | (0.024) | (0.022) | (0.025) | (0.027) |
| Family income below 20K | -0.009 | 0.030 | -0.022 | -0.030 |
|  | (0.067) | (0.061) | (0.069) | (0.074) |
| Family income between 20 and 35K | 0.010 | -0.005 | -0.011 | -0.005 |
|  | (0.026) | (0.024) | (0.027) | (0.029) |
| Unemployed | -0.014 | -0.005 | 0.020 | -0.013 |
|  | (0.025) | (0.024) | (0.027) | (0.028) |
| Disabled | 0.012 | 0.016 | -0.027 | -0.005 |
|  | (0.023) | (0.022) | (0.025) | (0.026) |
| Retired | 0.009 | **0.023\*\*** | **-0.032\*\*** | 0.020\* |
|  | (0.010) | **(0.010)** | **(0.013)** | (0.012) |
| Other | -0.004 | 0.008 | -0.004 | -0.015 |
|  | (0.011) | (0.010) | (0.012) | (0.013) |
| Fin. Lit: inflation, interest and risk | -0.011 | 0.008 | 0.003 | 0.011 |
|  | (0.008) | (0.008) | (0.008) | (0.009) |
| Fin. Lit: savings factor | 0.003 | -0.008 | 0.005 | -0.012 |
|  | (0.007) | (0.007) | (0.007) | (0.008) |
| Fin. Lit: basic calculations factor | 0.006 | -0.0005 | -0.0005 | -0.003 |
|  | (0.006) | (0.006) | (0.007) | (0.007) |
| Network: friends and family | **0.106\*\*\*** | 0.004 | **-0.110\*\*\*** | -0.012 |
|  | **(0.022)** | (0.018) | **(0.023)** | (0.021) |
| Network: stores | 0.006 | **0.043\*\*** | **-0.048\*\*** | **0.044\*\*** |
|  | (0.018) | **(0.018)** | **(0.020)** | **(0.021)** |
| Trust in financial institutions factor | -0.007 | 0.003 | 0.004 | -0.012 |
|  | (0.006) | (0.006) | (0.007) | (0.008) |
| Present Biased | **-0.033\*\*** | 0.009 | 0.025 | **-0.045\*\*** |
|  | **(0.016)** | (0.015) | (0.017) | **(0.018)** |
| Future Biased | 0.006 | **-0.044\*\*\*** | **0.038\*\*** | **-0.056\*\*\*** |
|  | (0.018) | **(0.017)** | **(0.019)** | **(0.020)** |
| Constant | -0.785\*\* | 0.300 | 0.517 | -0.086 |
|  | (0.329) | (0.303) | (0.344) | (0.367) |

**APPENDIX C: Reasons for not Having a Bank Account (% Choosing Each Reason)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **ALL** | **Hispanic-Latino** | **Black** | **White** |
| *Bank Information confusing* | 43.7 | 41.86 | **48.33** | 41.49 |
| *Bank Did not Offer Needed Basic Services* | 25.04 | 26.57 | 20.78 | 27.17 |
| *Bank Did not Feel Welcoming* | 19.93 | 19.45 | 17.24 | 21.76 |
| *Bank Too Far* | 18.2 | 20.35 | 18.66 | 17.2 |
| *Inconvenient Hours* | 16.22 | **23.28** | **21.23** | 8.57 |
| *Not Easy to Speak with Bank Staff* | 11.69 | 8.21 | 11.23 | 13.13 |
|  |  |  |  |  |
| *Service Charges Too High* | 52.45 | 51.35 | 52.08 | 53.46 |
| *Didn't Have Enough Money to Have a Bank Account* | 49.33 | **58.64** | 41.54 | 49.05 |
| *Minimum Balance Too High* | 45.95 | 45.47 | 36.68 | 52.89 |
| *Had Too Many Overdrafts* | 33.46 | 34.31 | 36.84 | 31.38 |
| *Bank Takes Too Long to Clear Checks* | 30.86 | 32.44 | 22.31 | 35.45 |
| *Bank May Close* | 28.92 | 31.62 | 25.32 | 27.27 |
|  |  |  |  |  |
| *I Don't Write Enough Checks* | 43.12 | 42.93 | 28.12 | 53.1 |
| *People I do Business With Do not Accept Checks* | 24.17 | 26.44 | 17.99 | 26.72 |
|  |  |  |  |  |
| *Do Not Like Dealing with Banks* | 46.58 | 42.3 | 39.29 | 54.4 |
| *Do Not Trust Banks* | 35.32 | 33.75 | 29.56 | 42.28 |
| *Do Not think Can Manage Bank Account* | 27.17 | 29.13 | 25.62 | 26.28 |
| *Have Credit Problems* | 25.61 | 27.55 | 21.02 | 27.86 |
| *Not Sure How to Open Bank Account* | 9.51 | 11.83 | 9.19 | 8.03 |
| *N. Obs* | 407 | 226 | 111 | 50 |

Notes: Authors' calculations using ALP data, survey 276. Sample restricted to families with less than 50K in annual income. Proportions calculated using sample weights.