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MORE THAN 825,000 ADULTS IN NEW YORK CITY DO NOT HAVE BANK OR CREDIT UNION ACCOUNTS ACCORDING TO NEW CITYWIDE STUDY

Commissioner Mintz Kicks Off Citywide Outreach Campaign to Enroll Unbanked New Yorkers into NYC SafeStart Bank Accounts

Department of Consumer Affairs (DCA) Commissioner Jonathan Mintz today announced that more than 825,000 adult New Yorkers do not have bank accounts, but instead use fringe financial services like check cashers to pay bills, cash payroll checks, buy money orders and conduct other financial transactions. To help New Yorkers transition from using high-cost fringe financial services, DCA has created NYC SafeStart Bank Account, the City's first banking product available to all New Yorkers.

The Citywide Financial Services Study, which for the first time quantifies the number of unbanked adults in New York City, was commissioned by DCA's Office of Financial Empowerment (OFE). In 2008, DCA's OFE released a Neighborhood Financial Services Study, which examined banking practices in two neighborhoods – Jamaica, Queens and the Melrose section of the Bronx – and found that residents in these areas spent more than \$19 million a year on check-cashing fees alone. This new study provides a complete Citywide picture of banking practices in all five boroughs, including local level data on the number and proportion

of unbanked and underbanked households, locations of traditional and non-traditional financial institutions, and measure of access to financial institutions. Commissioner Mintz presented the findings at a forum hosted by the Center for New York City Affairs at The New School entitled “Banking Under the Mattress: Financial Literacy and Unbanked New Yorkers.”

“Having a bank account helps families save money, grow their assets and guard against unexpected financial emergencies. But far too many New Yorkers don’t have access to banking products that are safe or affordable, or get pushed out of the mainstream banking because of unpredictable fees like overdraft protection,” said Consumer Affairs Commissioner Jonathan Mintz. “The City has focused our resources on what is needed most – creating safe, affordable banking products. The NYC SafeStart Account is yet another way the Department of Consumer Affairs can help New Yorkers protect their money at a time when they need it most.”

Mayor Bloomberg highlighted the NYC SafeStart Account during his 2010 State of the City Address as first of its kind in the nation. The NYC SafeStart Account is an ATM-based starter account designed to help New Yorkers protect their money by avoiding costly fees, like overdraft fees or monthly fees, which City data shows is the top reason unbanked City residents do not use, or stop using banks or credit unions. The account, which can never be overdrawn, is being offered in partnership with Amalgamated Bank, Bethex Federal Credit Union, Brooklyn Cooperative Federal Credit Union, Capital One Bank, Carver Federal Savings Bank, Checkspring, Lower East Side Peoples Federal Credit Union M&T Bank, Neighborhood Trust Federal Credit Union and Union Settlement Federal Credit Union. Any New Yorker is eligible to open a NYC SafeStart Account, which, for the first two years, includes:

- No overdraft fees
- No monthly fees, provided minimum balances are met
- Minimum balance requirements of \$25 or less
- ATM Card

For more information about how to open a NYC Safe Start Account, City residents can call 311 or visit nyc.gov/ofe.

The Department commissioned Social Compact, a leading non-profit research firm, and Acxiom, a global marketing services company, to provide analytical estimates of the banking patterns of New Yorkers for the Citywide Financial Services Study. The study includes data derived from public and private sources, including InfoBase-X data, the largest collection of U.S. consumer data available in one source.

Key findings include:

- **New Yorkers are more likely than the rest of the country to be unbanked.**
 - In New York City, more than 13 percent of households – or more than 825,000 adults – do not have bank accounts, compared to 7.7 percent of households nationwide.
 - Compared to New York City as a whole, Bronx households are more than twice as likely to be unbanked.

Unbanked New Yorkers by Borough

Borough	Number of Adults	Number of Households	Percent of Households
Bronx	269,213	134,293	29%
Brooklyn	288,432	137,625	16%

Manhattan	166,414	95,306	13%
Queens	108,413	47,926	6%
Staten Island	6,305	2,989	2%
New York City Total	827,334	405,573	13%

- **New York City's unbanked households are highly concentrated in certain neighborhoods.**
 - Nearly half (48%) of unbanked households in New York City live in one of 10 neighborhoods.
 - The Mott Haven/Melrose neighborhood has the highest percentage of unbanked households in the City (56%).

Top 10 Unbanked New York City Neighborhoods

Top Unbanked Neighborhoods	Percent Unbanked
Mott Haven/Melrose (Bronx)	56%
Morris Heights/University Heights (Bronx)	53%
Highbridge/Concourse (Bronx)	51%
Ocean Hill/Brownsville (Brooklyn)	47%
Bushwick (Brooklyn)	47%
Washington Heights/Inwood (Manhattan)	46%
West Harlem (Manhattan)	38%
East Harlem (Manhattan)	37%
Central Harlem (Manhattan)	36%
Jamaica (Queens)	24%

- **Proximity to a bank or credit union is no guarantee that residents will open a bank account.**
 - The top 10 unbanked neighborhoods average one bank or credit union present for every two alternative financial services provider, compared to 1.5 banks and credit unions for every alternative financial services provider Citywide.

To download the key findings or request the data set, visit nyc.gov/ofe.

DCA enforces the Consumer Protection Law and other related business laws throughout New York City. Ensuring a fair and vibrant marketplace for consumers and businesses, DCA licenses more than 71,000 businesses in 57 different industries. Through targeted outreach, partnerships with community and trade organizations, and informational materials, DCA educates consumers and businesses alike about their rights and responsibilities. DCA's Office of Financial Empowerment is the first municipal office of its kind in the nation with a mission to educate, empower and protect New Yorkers with low incomes. DCA's OFE administers a citywide network of Financial Empowerment Centers and other products and services that help these New Yorkers make the best use of their financial resources to move forward economically. For more information, call 311 or visit DCA online at nyc.gov/consumers.