

Bank on Seattle – King County Quick Facts

Purpose

- The purpose of Bank on Seattle – King County is to help people who don't have bank accounts to access affordable financial services including checking, savings, credit, and financial education.
- The initiative will help people open checking and savings accounts so that they can stop paying more than they need to for financial services. We want people to keep more of what they earn and start on a pathway to financial success.

The Problem

- There are about 52,000 households in Seattle and King County with no checking or savings accounts. (Source: Brookings Institution)
- A household with an income of \$20,000 can average \$800 in check cashing fees annually. (Source: Study conducted by Fannie Mae)
- Predatory lending and check-cashing practices exploit low- and moderate-income people by stripping almost \$22 million annually from families and communities in Seattle alone. (Source: Brookings Institution)
- The average American “unbanked” worker pays \$40,000 over a lifetime just to cash their paycheck. (Source: Brookings Institution)
- People who do not currently have accounts with banks or credit unions may:
 - Not trust bankers and financial institutions.
 - Have had negative experiences at banks including being charged what they believe are “hidden” fees.
 - Not have accounts for cultural reasons.
 - Speak languages other than English.
 - Have been in the ChexSystems and deserve a 2nd chance.
 - Tend to be between the ages of 18 – 45, but can be any age.
 - Likely be low- to moderate income, but can be from all economic levels.

Bank on Seattle – King County

- **Premise:** A bank account is crucial first step to a family's financial success.
- **Who we're trying to reach:** Bank on Seattle – King County wants to open accounts for the “unbanked”, meaning people who don't have checking or savings accounts, and who may use higher-cost check cashers/payday lenders for their financial transactions.
- **Participating financial institutions:** Twenty-two banks and credit unions are participating in Bank on Seattle – King County with more than 300 branches located throughout the county. Even in these challenging times, more financial

institutions are working with the Bank on Seattle – King County initiative than any other existing or planned *Bank on* campaign anywhere in the country.

- **Community partners:** Over forty community partners are helping with outreach to connect “unbanked” people with Bank on Seattle – King County. More than a dozen of these partners are also providing financial education to Bank on Seattle – King County customers.
- **National movement:** The Bank on Seattle – King County initiative was the second such campaign in the country to launch and connect people with accounts, following the successful Bank on San Francisco initiative, which started in October 2006. Four other cities in California, as well as Houston, Philadelphia, and Savannah, as well as other cities have already launched or plan to launch *Bank on* campaigns.
- **Key features:** What banks and credit unions are offering through Bank on Seattle – King County:
 - Low opening deposit requirement (most financial institutions require \$50 or less; no institution requires more than \$100)
 - No minimum monthly balance
 - No or low monthly fee (most checking accounts are free; a few financial institutions charge a low monthly fee)
 - Clear explanation of fees and procedures
 - Open accounts for many people currently in ChexSystems for incidents more than six months old (fraud and restitution policies apply)
 - Accept Mexican Matricula Consular card as primary ID in lieu of State or U.S. Government issued ID
 - Accept Individual Tax Identification Number (ITIN) in lieu of a social security number
 - Waive one set of NSF/OD fees annually
 - Offer additional feature or service to help customers avoid NSF/OD
 - Offer savings accounts
 - Free ATM or debit card
 - Direct deposit
 - Online banking
 - Encourage and refer customers to financial education
- **Goals:** Open accounts for at least 10,000 currently “unbanked” people over the next two years and have at least 80% of those accounts successfully maintained or upgraded. Provide financial education to many Bank on Seattle – King County customers and help them achieve their financial goals.
- **Find out more:** People can find out more about Bank on Seattle – King County by calling the 2-1-1 Community Information Line (or 800-621-4636), or by visiting the website, <http://www.EveryoneIsWelcome.org>.