

# 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*** (0.0269)	0.111*** (0.0303)	0.109*** (0.0311)	-0.169*** (0.0295)	-0.104*** (0.0316)	-0.0799** (0.0315)
Non-Hispanic Black	0.265*** (0.0311)	0.226*** (0.0317)	0.213*** (0.0330)	-0.356*** (0.0341)	-0.239*** (0.0331)	-0.178*** (0.0335)
Male		-0.0167 (0.0222)	-0.0177 (0.0228)		-0.00769 (0.0232)	-0.0173 (0.0232)
Age		0.0158*** (0.00490)	0.0163*** (0.00492)		-0.0105** (0.00511)	-0.0111** (0.00499)
Age squared		-0.000184*** (5.47e-05)	-0.000186*** (5.50e-05)		0.000169*** (5.71e-05)	0.000151*** (5.59e-05)
US_born		0.116*** (0.0431)	0.133*** (0.0435)		-0.0699 (0.0450)	-0.0870** (0.0441)
US citizen		-0.0259 (0.0618)	0.000418 (0.0624)		0.0226 (0.0645)	-0.0239 (0.0634)
Less than high school		0.0964*** (0.0360)	0.0931** (0.0378)		-0.260*** (0.0375)	-0.181*** (0.0384)
Highschool graduate		-0.0228 (0.0304)	-0.0273 (0.0319)		-0.0789** (0.0317)	-0.0120 (0.0324)
Some college		0.102*** (0.0344)	0.103*** (0.0345)		-0.117*** (0.0358)	-0.101*** (0.0350)
Family income below 20K		0.105*** (0.0325)	0.0916*** (0.0333)		-0.182*** (0.0339)	-0.118*** (0.0338)
Family income between 20 and 35K		0.101*** (0.0330)	0.0937*** (0.0335)		-0.126*** (0.0345)	-0.0844** (0.0341)
Unemployed		0.0608** (0.0310)	0.0559* (0.0315)		-0.179*** (0.0323)	-0.151*** (0.0320)
Disabled		0.0443 (0.0332)	0.0383 (0.0336)		-0.137*** (0.0346)	-0.106*** (0.0341)
Retired		0.0838* (0.0467)	0.0863* (0.0472)		-0.0831* (0.0488)	-0.0689 (0.0480)
Other		-0.0530* (0.0317)	-0.0577* (0.0322)		-0.0651** (0.0331)	-0.0481 (0.0328)
Fin. Lit: inflation, interest and risk factor			-0.00298 (0.0121)			0.0493*** (0.0122)
Fin. Lit: savings factor			0.00571 (0.0114)			0.00904 (0.0116)
Fin. Lit: basic calculations factor			0.00360 (0.0129)			0.0278** (0.0131)
Network: friends and family			0.0370 (0.0330)			-0.217*** (0.0335)
Network: stores			0.138***			-0.143***

			(0.0389)			(0.0395)
Trust in financial institutions factor			-0.00864 (0.0116)			0.0359*** (0.0117)
Present Biased			0.00192 (0.0345)			-0.0102 (0.0350)
Future Biased			0.0104 (0.0254)			0.0268 (0.0258)
Constant	0.208*** (0.0140)	-0.313*** (0.114)	-0.352*** (0.116)	0.678*** (0.0153)	1.113*** (0.119)	1.112*** (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 survey 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 (0.028)	0.015 (0.025)	-0.058 (0.029)	0.059 (0.031)
Age	1.104* (0.061)	-1.06* (0.564)	-0.063 (0.064)	-0.043 (0.683)
Age squared	-0.532 (0.336)	0.478 (0.308)	0.061 (0.349)	0.229 (0.373)
US_born	0.016 (0.127)	0.115** (0.115)	-0.129 (0.131)	0.096 (0.140)
Less than high school	0.022 (0.029)	0.046* (0.027)	<b>-0.068**</b> <b>(0.031)</b>	<b>0.075**</b> <b>(0.033)</b>
Highschool graduate	-0.067 (0.042)	0.012 (0.038)	0.051 (0.044)	-0.032 (0.047)
Some college	0.018 (0.024)	-0.0003 (0.022)	-0.019 (0.025)	0.029 (0.027)
Family income below 20K	-0.009 (0.067)	0.030 (0.061)	-0.022 (0.069)	-0.030 (0.074)
Family income between 20 and 35K	0.010 (0.026)	-0.005 (0.024)	-0.011 (0.027)	-0.005 (0.029)
Unemployed	-0.014 (0.025)	-0.005 (0.024)	0.020 (0.027)	-0.013 (0.028)
Disabled	0.012 (0.023)	0.016 (0.022)	-0.027 (0.025)	-0.005 (0.026)
Retired	0.009 (0.010)	<b>0.023**</b> <b>(0.010)</b>	<b>-0.032**</b> <b>(0.013)</b>	0.020* (0.012)
Other	-0.004 (0.011)	0.008 (0.010)	-0.004 (0.012)	-0.015 (0.013)
Fin. Lit: inflation, interest and risk	-0.011 (0.008)	0.008 (0.008)	0.003 (0.008)	0.011 (0.009)
Fin. Lit: savings factor	0.003 (0.007)	-0.008 (0.007)	0.005 (0.007)	-0.012 (0.008)
Fin. Lit: basic calculations factor	0.006 (0.006)	-0.0005 (0.006)	-0.0005 (0.007)	-0.003 (0.007)
Network: friends and family	<b>0.106***</b>	0.004	<b>-0.110***</b>	-0.012

	<b>(0.022)</b>	(0.018)	<b>(0.023)</b>	(0.021)
Network: stores	0.006	<b>0.043**</b>	<b>-0.048**</b>	<b>0.044**</b>
	(0.018)	<b>(0.018)</b>	<b>(0.020)</b>	<b>(0.021)</b>
Trust in financial institutions factor	-0.007	0.003	0.004	-0.012
	(0.006)	(0.006)	(0.007)	(0.008)
Present Biased	<b>-0.033**</b>	0.009	0.025	<b>-0.045**</b>
	<b>(0.016)</b>	(0.015)	(0.017)	<b>(0.018)</b>
Future Biased	0.006	<b>-0.044***</b>	<b>0.038**</b>	<b>-0.056***</b>
	(0.018)	<b>(0.017)</b>	<b>(0.019)</b>	<b>(0.020)</b>
Constant	-0.785**	0.300	0.517	-0.086
	(0.329)	(0.303)	(0.344)	(0.367)

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

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