



The Council of the City of New York

Hon. Christine C. Quinn Speaker

Access to Financial Institutions for NYCHA Residents

A Staff Report To:

The Committee on Oversight and Investigations

Hon. Eric Gioia

Chair

The Sub-Committee on Public Housing

Hon. Rosie Mendez

Chair

May 2008

**THE COUNCIL OF
THE CITY OF NEW YORK**

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Speaker

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This report can be found on the Council's website at www.nyccouncil.info.

Executive Summary

As many as 10 to 28 million people in the United States who, collectively, earn up to \$510 billion a year; do not use mainstream financial institutions such as banks or credit unions.¹ Among various explanations for this trend is the belief of some that they do not have enough money to justify opening an account and cultural barriers, such as the inability to speak English and even a lack of trust for financial institutions.²

The Federal Reserve Bank estimates that one in 12 families do not have a bank account, and among families earning less than \$18,900 a year, that proportion increases to nearly one in four.³ In New York City, approximately 800,000 people, or nearly one in ten New Yorkers, are “bankless,” sometimes opting instead to use check-cashing services to turn their checks into currency, despite the recurrent fees associated with such services.⁴

Between the fall of 2006 and the summer of 2007, the New York City Council’s Policy and Investigations Division (PID) analyzed the proximity of banks and banking habits in some of New York City’s poorest communities: its public housing developments. PID used mapping software to determine the proximity of banks to the city’s 350 New York City Housing Authority (NYCHA) developments, and a survey of 385 NYCHA residents at 25 New York City Housing Authority (NYCHA) developments about their banking habits and preferences. This investigation found:

- Nearly three out of four public housing developments, or **74%** are closer to a check-cashing store than a bank;
 - On average, the nearest check-cashing store is 0.203 miles from a NYCHA development.

¹ Jeannine Aversa, “Many in US don’t have bank accounts,” *The Washington Post*, <http://www.washingtonpost.com/wp-dyn/content/article/2007/06/23/AR2007062300564.html>, (Last accessed January 9, 2008).

² *Ibid.*

³ *Ibid.*

⁴ State of New York Banking Department, “Banking Development District: Fact Sheet,” <http://www.banking.state.ny.us/bddfact.pdf>, (Last accessed June 26, 2007).

- On average, the nearest full services bank is 0.316 miles from a public housing development in New York City.
- **24%** of NYCHA residents don't have a savings or checking account with a bank or a credit union;
- **53%** of NYCHA residents use check-cashing services, including **50%** of residents who are already bank account holders;
- **19%** of NYCHA residents surveyed are what this report considers outside the financial mainstream – lacking a bank or credit union account and a credit card.

These findings suggest that more than 98,000 NYCHA residents are not accessing financial services at banks or credit unions; the implications are cause for concern. While this statistic may be troubling enough on its own, it may underestimate the extent of the problem among NYCHA residents as a whole. Survey respondents tended to be older, and therefore, were more likely to be retired and less likely to live with children than the average NYCHA resident. Moreover, the advanced age of survey respondents, compared to younger NYCHA tenants, implies their increased likelihood to have incomes and expenses that are fixed and therefore, more reliable. In addition, most respondents were members of their Tenant Association and can therefore be expected to have an increased awareness of the resources available in their communities. All of these factors combined suggest that the findings from this investigation, while alarming, may actually underestimate the tendency of NYCHA residents to use a bank or credit union.

Recommendations

- **The Mayor's Center of Economic Opportunity (CEO) should expand financial literacy offerings in NYCHA developments.**
- **The Mayor's Center of Economic Opportunity and NYCHA should create a public strategic plan on how they can support efforts for cooperative banking and financial literacy.**
- **NYCHA and the Center for Economic Opportunity should report on time rent payments to credit-reporting agencies.**

- **NYCHA should exclude interest income from rent determinations.**
- **NYCHA should explore renting retail space to banks and credit unions.**

Background

According to the Federal Reserve Bank, the most common reasons families cite for not banking is that they do not write enough checks to make it worthwhile, and that they do not like dealing with banks.⁵ The New York State Banking Department estimates that approximately 800,000 people in New York City do not have bank accounts – that is, nearly one in ten New Yorkers.⁶

Not only are people of low incomes disproportionately without a bank account, or “unbanked,” it has been estimated that the unbanked pay 10 percent of their income on financial transactions (i.e., paying a service to cash their checks).⁷ For example, lower-income consumers are much more likely than those of higher incomes to use check-cashing stores, which offer convenient access to cash even as they charge varying fees for this service.⁸

⁵ Jeannine Aversa, “Many in US don’t have bank accounts,” *The Washington Post*, <http://www.washingtonpost.com/wp-dyn/content/article/2007/06/23/AR2007062300564.html>, (Last accessed January 9, 2008).

⁶ State of New York Banking Department, “Banking Development District: Fact Sheet,” <http://www.banking.state.ny.us/bddfact.pdf>, (Last accessed June 26, 2007).

⁷ New York State Assembly. Standing Committee on Consumer Affairs and Protection and Standing Committee on Banks. *Financial Services for Low Income Consumers: Hearing before the Standing Committee on Consumer Affairs and Protection and Standing committee on Banks*. October 5, 2006.

⁸ The Brookings Institution, “From Poverty, Opportunity: Putting the Market to Work for Lower Income Families,” http://media.brookings.edu/mediaarchive/pubs/metro/pubs/20060718_povop.pdf, (Last Accessed June 14, 2007).

New York City Housing Authority (NYCHA)

Created in 1934, NYCHA is the largest public housing authority in the United States. Its mission is to provide “decent and affordable housing in a safe and secure living environment for low- and moderate-income residents throughout the five boroughs.”⁹

NYCHA’s conventional public housing program manages 343¹⁰ public housing developments consisting of 2,686 buildings, which contain a total of 179,025 apartments that house 412,281 “authorized residents.”¹¹ The number of people who live in public housing in New York City is comparable to the population of Atlanta, Georgia, and larger than the populations of Miami, Florida and Pittsburgh, Pennsylvania.¹² Based on the 2000 Census, 5.1% of New York City’s population lives in NYCHA’s conventional public housing, which represents 8.6% of the City’s rental apartments.¹³ Most NYCHA public housing residents live on extremely limited incomes. The average income of a family living in NYCHA public housing is \$21,520.¹⁴ NYCHA rents are set at 30% of tenants’ income, up to a cap known as the “ceiling rent;” as a result, the vacancy and turnover rates are very low (0.67% and 3.62%, respectively) and the waiting list for public housing includes over 125,000 families.¹⁵

⁹ New York City Housing Authority (hereinafter NYCHA), “About NYCHA: Fact Sheet,” <http://www.nyc.gov/html/nycha/html/about/factsheet.shtml>, (Last accessed Nov. 19, 2007).

¹⁰ There is a slight discrepancy in the number of NYCHA developments identified on the NYCHA website fact sheet and the number that were mapped (343 to 350 respectively). This can result because some developments that may be identified as one complex had two addresses to be mapped at.

¹¹ New York City Housing Authority (hereinafter NYCHA), “About NYCHA: Fact Sheet,” <http://www.nyc.gov/html/nycha/html/about/factsheet.shtml>, (Last accessed Nov. 19, 2007). “*Authorized residents*” are lease-holding tenants and their household members, as indicated on their leases.

¹² U.S. Census State & County Quick Facts: Atlanta, Georgia, <http://quickfacts.census.gov/qfd/states/13/1304000.html>; Miami, Florida, <http://quickfacts.census.gov/qfd/states/12/1245000.html>; and Pittsburgh, Pennsylvania, <http://quickfacts.census.gov/qfd/states/42/4261000.html> (last accessed Nov. 19, 2007).

¹³ NYCHA, “About NYCHA: Fact Sheet,” <http://www.nyc.gov/html/nycha/html/about/factsheet.shtml>, (Last accessed Nov. 19, 2007).

¹⁴ *Ibid.*

¹⁵ *Ibid.*

BACKGROUND

As many as 10 to 28 million people in the United States who, collectively, earn up to \$510 billion a year; do not use mainstream financial institutions such as banks or credit unions.¹⁶ Among various explanations for this trend is the belief of some that they do not have enough money to justify opening an account and cultural barriers, such as the inability to speak English and even a lack of trust for financial institutions.¹⁷

The Federal Reserve Bank estimates that one in 12 families do not have a bank account, and that for families earning less than \$18,900 a year, that proportion increases to nearly one in four.¹⁸ According to the Federal Reserve, the most common reasons families that do not have bank accounts cite for not banking is that they do not write enough checks to make it worthwhile, and that they do not like dealing with banks.¹⁹ The New York State Banking Department estimates that approximately 800,000 people in New York City do not have bank accounts.²⁰

Not only are people of low incomes disproportionately without a bank account, or “unbanked,” it has been estimated that the unbanked pay 10 percent of their income on financial transactions (i.e., paying a service to cash their checks)..²¹ For example, lower-income consumers are much more likely than those of higher incomes to use check-cashing stores, which offer convenient access to cash even as they charge varying fees for this service.²² In New York State, check-cashing stores have capped fees of 1.64% of the check,

¹⁶ Jeannine Aversa, “Many in US don’t have bank accounts,” *The Washington Post*, <http://www.washingtonpost.com/wp-dyn/content/article/2007/06/23/AR2007062300564.html>, (Last accessed January 9, 2008).

¹⁷ *Ibid.*

¹⁸ *Ibid.*

¹⁹ *Ibid.*

²⁰ State of New York Banking Department, “Banking Development District: Fact Sheet,” <http://www.banking.state.ny.us/bddfact.pdf>, (Last accessed June 26, 2007).

²¹ New York State Assembly. Standing Committee on Consumer Affairs and Protection and Standing Committee on Banks. *Financial Services for Low Income Consumers: Hearing before the Standing Committee on Consumer Affairs and Protection and Standing committee on Banks*. October 5, 2006.

²² The Brookings Institution, “From Poverty, Opportunity: Putting the Market to Work for Lower Income Families,” http://media.brookings.edu/mediaarchive/pubs/metro/pubs/20060718_povop.pdf, (Last Accessed June 14, 2007).

or \$1. Penalties for non-compliance with fee caps include imprisonment for up to one year, a fine of up to \$500, or both.²³

As an alternative to check-cashing stores, some banks offer services designed to help low-income consumers save money, and often waive their fees for withdrawals at their ATMs. However, banks are often less accessible to low-income consumers, who often have negative and expensive experiences with them.²⁴

Government Actions to Encourage Banking in Low-Income Areas

The Community Reinvestment Act

In 1977, Congress enacted the Community Reinvestment Act (CRA). The act was intended to prevent redlining (denying services such as banking, or increasing the cost of those services to people in certain areas) and to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and middle-income neighborhoods.²⁵ Federal regulators periodically evaluate the actions that each financial institution takes to help meet the credit needs in their community; the results from these evaluations are taken into account when an institution's application for deposit facilities is under consideration.²⁶ Since the passage of the Gramm-Leach-Bliley Financial Modernization Act in 1999, all CRA agreements are publicly disclosed, and each bank and non-bank that is party to a CRA agreement is required to produce a yearly public report on how the money and other resources are used.²⁷

²³ NY Copm. Codes R & Regs. Tit. 3 § 400.12.

²⁴ Leslie Fulbright, "Poor pay more for services, study says," *San Francisco Chronicle*, <http://www.sfgate.com/cgi-bin/article.cgi?file=/c/a/2006/07/18/MNGN3K0VO41.DTL>, (Last accessed January 9, 2008).

²⁵ Comptroller of the Currency Administrator of National Banks, "Community Reinvestment Act Information," <http://www.occ.treas.gov/crainfo.htm> (Last accessed June 27, 2007); The Federal Reserve Board, "Community Reinvestment Act," <http://www.federalreserve.gov/dcca/cra/> (Last accessed June 26, 2007).

²⁶ *Ibid.*

²⁷ US Senate Committee on Banking, Housing and Urban Affairs, "Financial Services Modernization Act: Community Reinvestment Act Amendments in the Gramm-Leach Act," <http://banking.senate.gov/conf/craamd.htm> (Last accessed July 2, 2007).

Banking Development Districts

In New York City, where approximately 800,000 people in New York City lack banking services,²⁸ State and City programs encourage banks to do business in low-income areas. The New York State Banking Department asserts that the lack of a nearby bank branch is one of the reasons people do not use banking services.²⁹ To help correct this problem, the State Banking Department created the Banking Development District (BDD) program, which offers a package of incentives to encourage banks to site more of their branches in neighborhoods that are deemed underserved. The incentives include deposits of public funds, tax breaks, real estate assistance, and certain tax credits and exemptions. The State requires that a local government entity – such as a borough president or mayor – and a bank apply jointly for the designation of a BDD. Applicants must describe how accessible the proposed branch will be via public transit and major roadways, how the proposed branch and banking products will meet the area's needs, any special services that will be offered to the community, and the economic viability of the proposed BDD branch.³⁰

Beginning in late 2003 with a pledge of \$100 million in below-market-rate deposits for existing and future BDD branches, the City of New York launched its participation in the BDD program.³¹ Under this program, the City can deposit up to \$10 million in any BDD branch, subject to available funds and depending on the capital needs of the branch.³²

In late 2004, the State formed a Banking Development Working Group designed to develop an “Enriched Banking Development District Program.” Through the Enriched BDD, banks are eligible for additional incentives, including favorable CRA consideration and workforce

²⁸ State of New York Banking Department, “Banking Development District: Fact Sheet,” <http://www.banking.state.ny.us/bddfact.pdf> (Last accessed June 26, 2007).

²⁹ State of New York Banking Department, “Banking Development District: Fact Sheet,” <http://www.banking.state.ny.us/bddfact.pdf> (Last accessed June 26, 2007).

³⁰ State of New York Banking Department, “Banking Development Districts,” <http://banking.state.ny.us/bdd.htm> (Last accessed June 26, 2007).

³¹ “Mayor Michael R. Bloomberg, Comptroller William C. Thompson, Jr. and Finance Commissioner Martha E. Stark Announce Initiative to Spur Banking Services and Development in Neighborhoods with Few or No Banks” (press release), http://home2.nyc.gov/portal/site/nycgov/menuitem.c0935b9a57bb4ef3daf2f1c701c789a0/index.jsp?pageID=mayor_press_release&catID=1194&doc_name=http%3A%2F%2Fhome2.nyc.gov%2Fhtml%2Fom%2Fhtml%2F2003b%2Fpr333-03.html&cc=unused1978&rc=1194&ndi=1 (Last accessed September 11, 2007).

³² New York City Comptroller, “Commercial Banking: Banking Development District,” <http://www.comptroller.nyc.gov/bureaus/cb/banking-development-district.shtml> (Last accessed September 10, 2007).

development for bank staff,³³ and in exchange must display to State and City officials the services that they will offer to the community. Services can include extended hours, multilingual staff, special products and services tailored to the community, workforce development, and financial education programs.³⁴

The City of New York, the pilot city for the Enhanced BDD program, has been an integral partner in the development of the Enriched BDD Program. The working group that developed the Enriched BDD program included both City and State agencies brought together in an effort to enhance the already successful BDD program.³⁵

There are currently 25 BDD branches in New York City: seven in Manhattan, eight in Brooklyn, five in the Bronx, three in Queens and two in Staten Island.³⁶

“Lifeline” Bank Accounts

Because simply putting bank branches in low-income communities is not enough to adequately serve all consumers, particularly if those banks do not offer affordable product and services, New York State’s Basic Banking Law of 1994 requires all banks to provide a basic banking account or “lifeline” account, which can be opened with as little as \$25 dollars and maintained for \$3 or \$4 per month. The State law, however, does not require banks to market or publicize these accounts.³⁷

To address this issue, the New York City Department of Consumer Affairs (DCA) and the New York State Banking Department launched the “Bank On New York” program in

³³ State of New York Banking Department, “Banking Development District: Fact Sheet,” <http://www.banking.state.ny.us/bddfact.pdf> (Last accessed September 11, 2007).

³⁴ State of New York Banking Department, “Banking Department Announces new banking development districts approved in first quarter 2006,” <http://www.banking.state.ny.us/pr060425.htm> (Last accessed September 11, 2007).

³⁵ State of New York Banking Department, “Rosebank Enriched Banking Development District To Add Economic Benefits For The Revitalization of Bay Street” (press release), <http://www.banking.state.ny.us/pr050801.htm> (Last accessed September 11, 2007).

³⁶ State of New York Banking Department, “Banking Development Districts,” <http://www.banking.state.ny.us/bddapp.htm> (Last accessed May 19, 2008).

³⁷ NYS ALS 1 New York State Banking Law 2994

January 2005.³⁸ Through this program, participating banks throughout the City use advertising and consumer education to promote their low- or no-fee bank accounts in an effort to encourage New Yorkers to open basic bank accounts (as opposed to other, more expensive options, or not banking at all).³⁹ In November 2005, New York City and State expanded the “Bank on New York” program to include 40 participating banks and credit unions, which is twice the number of original participants.⁴⁰

Other Programs to Encourage Banking Among Low-Income New Yorkers

In September 2007, Mayor Bloomberg began a privately-funded pilot program called conditional cash transfer, by which the City pays qualifying families money to do things for their own well being or for the well being of their children, like sending a child to a dentist, or perfect attendance at school. As part of this program, the City has partnered with eight local banks and credit unions to guarantee no-fee bank accounts (“Opportunity NYC” bank accounts) for program participants. Additionally, participants receive \$50 for deposit into the new bank account once it is open.⁴¹

This investigation examines access to banking services for a large concentration of low-income New Yorkers: those who live in public housing developments. Past studies have shown that there are fewer banks in low-income neighborhoods compared with higher-income neighborhoods,⁴² and a recent *New York Times* article noted that the nearest bank to Soundview, a low-income neighborhood in the Bronx that contains 10 public housing developments, was three miles away.⁴³

³⁸ New York City Department of Consumer Affairs (hereinafter DCA), “Consumer and Banking Officials team up to Launch ‘Bank On New York’ Campaign” (press release), http://home2.nyc.gov/html/dca/html/pr2005/pr_010605.shtml, (Last accessed June 29, 2007).

³⁹ DCA, “City and State Officials Launch Expanded “Bank On New York” Campaign,” http://www.nyc.gov/html/dca/html/pr2005/pr_111505.shtml. (Last accessed June 29, 2007).

⁴⁰ *Ibid.*

⁴¹ “Mayor Bloomberg welcomes first Opportunity NYC program participants and announces partnerships with eight local banks and credit unions to offer them ‘no fee’ accounts,” http://www.nyc.gov/portal/site/nycgov/menuitem.c0935b9a57bb4ef3daf2f1c701c789a0/index.jsp?pageID=mayor_press_release&catID=1194&doc_name=http%3A%2F%2Fwww.nyc.gov%2Fhtml%2Fom%2Fhtml%2F2007b%2Fpr330-07.html&cc=unused1978&rc=1194&ndi=1 (Last accessed September 14, 2007).

⁴² “Many more Banks in New York: But Only for Some,” The Office of Congressman Anthony D. Weiner, December 18, 2005.

⁴³ Alex Mindlin, “In the Southeast Bronx, a Bank for the Bankless,” *New York Times*, July 9, 2006.

New York City's Public Housing

Created in 1934, the New York City Housing Authority (NYCHA) is the largest public housing authority in the United States. Its mission is to provide “decent and affordable housing in a safe and secure living environment for low- and moderate-income residents throughout the five boroughs.”⁴⁴ There are two programs for affordable housing within NYCHA: the Section 8 Leased Housing Program, which supports residents who rent through private landlords, and Conventional Public Housing.

NYCHA’s conventional public housing program manages 344 public housing developments consisting of 2,686 buildings, which contain a total of 179,025 apartments that house 412,281 “authorized residents.”⁴⁵ The number of people who live in public housing in New York City is comparable to the population of Atlanta, Georgia, and larger than the populations of Miami, Florida and Pittsburgh, Pennsylvania.⁴⁶ Based on the 2000 Census, 5.1% of New York City’s population lives in NYCHA’s conventional public housing, which represents 8.6% of the City’s rental apartments.⁴⁷ Most NYCHA public housing residents live on extremely limited incomes. The average income of a family living in NYCHA public housing is \$21,520.⁴⁸ NYCHA rents are set at 30% of tenants’ income, up to a cap known as the “ceiling rent;” as a result, the vacancy and turnover rates are very low (0.67% and 3.62%, respectively), and the waiting list for public housing includes over 125,000 families.⁴⁹

NYCHA receives funding from the U.S. Department of Housing and Urban Development (HUD), as well as from the State and City of New York. In recent years, however, NYCHA has suffered from a decrease in its federal and state funding. As a result, the Authority currently has a \$225 million deficit, and began cutting jobs in October 2007 with plans to cut

⁴⁴ New York City Housing Authority (hereinafter NYCHA), “About NYCHA: Fact Sheet,” <http://www.nyc.gov/html/nycha/html/about/factsheet.shtml>, (Last accessed Nov. 19, 2007).

⁴⁵ *Ibid.* “Authorized residents” are lease-holding tenants and their household members, as indicated on their leases.

⁴⁶ U.S. Census State & County Quick Facts: Atlanta, Georgia, <http://quickfacts.census.gov/qfd/states/13/1304000.html>; Miami, Florida, <http://quickfacts.census.gov/qfd/states/12/1245000.html>; and Pittsburgh, Pennsylvania, <http://quickfacts.census.gov/qfd/states/42/4261000.html> (last accessed Nov. 19, 2007).

⁴⁷ NYCHA, “About NYCHA: Fact Sheet,” <http://www.nyc.gov/html/nycha/html/about/factsheet.shtml>, (Last accessed Nov. 19, 2007).

⁴⁸ *Ibid.*

⁴⁹ *Ibid.*

500 jobs and use \$100 million in federal funds for capital projects to pay for day-to-day expenses.⁵⁰ NYCHA has not been fully funded by the federal government since 2002, creating a cumulative funding shortfall of \$439 million. In addition, until fiscal year '07 (April 1, 2006-March 31, 2007), New York State had not provided aid to NYCHA since 1997.⁵¹ Nevertheless, NYCHA received only \$3.4 million of the \$62 million in operating funds it requested from the State in fiscal year '07.⁵² In August 2007, Governor Elliot Spitzer signed legislation that will increase the shelter allowance provided by New York State to NYCHA for families on public assistance.⁵³ The allowance covers the 16% of NYCHA households on public assistance, and NYCHA will gain an additional \$62 million in subsidies per year from the state.⁵⁴ New York City provided \$170 million in funding for the past fiscal year, but is not providing any additional support to NYCHA in the current budget.

⁵⁰ Michael Saul, "Housing Authority Meltdown," *New York Daily News*, http://www.nydailynews.com/news/2007/05/30/2007-05-30_housing_authority_meltdown-2.html, (Last accessed January 9, 2008),

⁵¹ NYCHA, "Budget Summary 2007," http://www.nyc.gov/html/nycha/downloads/pdf/FY2007_budget_summary.pdf (Last accessed June 28, 2007).

⁵² *Ibid.*

⁵³ "Governor Spitzer Signs Public Housing Bill to End Long-Standing Inequity" (press release) <http://www.ny.gov/governor/press/0815072.html> (Last accessed August 20, 2007).

⁵⁴ "Playing fair with NYCHA" (editorial), *New York Daily News*, http://www.nydailynews.com/opinions/2007/08/17/2007-08-17_playing_fair_with_nycha.html (Last accessed August 20, 2007).

METHODOLOGY

This investigation evaluates access to basic banking services among NYCHA residents by examining three factors: proximity of NYCHA developments to a bank branch; availability of information about “lifeline” bank accounts at local bank branches; and actual utilization of banking services among NYCHA residents.

Data collection for the investigation consisted of three components. Investigators mapped out the locations of NYCHA developments, banks and check cashing stores to determine the distance from NYCHA developments to the nearest banks and, for the sake of comparison, check cashing stores. PID investigators also visited five banks in each borough that were within 0.4 miles of a NYCHA developments to see if the banks were advertising and offering informational material about low-cost or no-cost bank accounts. The third and final phase of this investigation was a survey of NYCHA residents about banking habits at their developments’ tenant association meetings. See appendix G for a list of NYCHA housing developments included in the survey.

Mapping

Using all five New York City borough maps available for download from the New York City Department of City Planning website and MapInfo, a Geographic Information System (GIS) software program, a PID investigator geocoded and plotted all the NYCHA developments, banks – both full service and limited service – and check cashing stores in New York City. The investigator used MapInfo’s distance calculator feature to measure the distance from each NYCHA development to its nearest three banks and check cashing stores. To obtain the most objective measure of distance between NYCHA developments and banks and check-cashing stores, proximity was measured in air distance (“as the crow flies”), as opposed to a more subjective measure of navigable distance. Therefore, the distances used in this investigation may deviate slightly from the distance a person traveling by subway, foot or car may encounter.

The source of the list of New York City banks used to create these maps was the New York State Department of Banking. The list was mailed to the PID on November 2, 2006. The State Department of Banking list was cross-referenced with a list obtained from the website of the Federal Deposit Insurance Corporation (FDIC) on November 9, 2006. The FDIC website designated banks as “full service” or “limited service.”⁵⁵ Green triangles on the map represent the full service banks and blue squares represent the few limited service banks that were included on the lists.

The list of check cashing stores used to create the maps was compiled from the listings at www.superpages.com, which investigators searched by every ZIP code within the five boroughs of New York City. Investigators supplemented this list with an online list from by the trade group Financial Service Centers of New York, which represents check cashing stores. Red circles on the map represent check cashing stores.

The addresses of NYCHA developments were obtained from the NYCHA website. The gray buildings on the map represent the NYCHA developments.

Bank Site Visits

Using the results from the distance calculations on the map, investigators visited five banks in each borough that were determined to be close in proximity to banks, that is, up to 0.4 miles away from a NYCHA development (approximately a 10-minute walk).⁵⁶ The purpose of these visits was to determine if the bank was visibly advertising the availability of a basic checking account, and if there were visible and easily accessible pamphlets describing the different accounts available at the bank.

⁵⁵ See Appendix A for the source lists used to generate the maps.

⁵⁶ Plans for additional site visits were aborted as it became evident that all banks were offering basic accounts, and that advertising materials were fairly uniform between branches of the same bank, regardless of borough, neighborhood or specific location.

Investigators were instructed to describe where in the bank the pamphlets were available. If the pamphlets were not easily accessible, investigators were instructed to ask a bank teller to provide them with booklets describing the banks checking and savings account programs.⁵⁷

NYCHA Resident Survey

Between March 13, 2007 and July 26, 2007, New York City Council investigators attended Tenant Association meetings at 25 NYCHA developments throughout the five boroughs, where they distributed surveys to 545 NYCHA residents. The 17-question survey asked residents a series of questions to glean both standard demographic information, including age, education and employment status, and information about their banking habits. Surveys were available in English and in Spanish.⁵⁸

Investigators used a stratified sampling strategy to ensure proportionate representation by borough as well as by proximity to a bank in the respondent pool. Investigators determined the number of surveys needed per borough based on the number of NYCHA apartments in each development within each borough, as reported on the NYCHA website. Brooklyn has 33% of NYCHA apartments, the Bronx has 25%, Manhattan has 30%, Queens has 9% and Staten Island has 3%. Investigators used these numbers to determine the total number of surveys needed from each borough.⁵⁹ Investigators determined which developments to go to based on their proximity to banks. If the majority of developments in a borough were less than 0.4 miles from a bank, investigators attempted to get more than half (approximately 2/3) of the needed surveys from developments that fit that criterion, and fewer than half (approximately 1/3) from developments that were more than 0.4 miles from a bank. Developments that were initially chosen had the largest number of apartments and thus the largest pool of potential attendees to the tenant association meeting.

⁵⁷ Please see Appendix B for a copy of the survey form used for the bank site visits.

⁵⁸ See Appendix C for survey forms.

⁵⁹ This assumes household size in NYCHA developments is roughly uniform across all five boroughs.

PID worked with Council Members' offices and the East River Development Alliance (ERDA) to coordinate the scheduling of Tenant Association meetings and to administer the surveys at those meetings. ERDA, a non-profit organization whose mission is to improve and transform New York City public housing neighborhoods by providing residents with the tools and opportunities necessary for self-reliance and economic mobility, had previous experience administering surveys about banking habits to residents of the Queensbridge public housing development. The City Council decided to partner with ERDA owing to ERDA's success with its survey.

Analysis of Survey Results

Staff from PID and ERDA administered a total of 545 surveys (128 surveys in Brooklyn, 99 surveys in the Bronx, 150 surveys in Manhattan, 140 surveys in Queens, and 28 surveys in Staten Island). To maintain the desired proportionality by borough and by bank proximity, only 384 surveys were used for the analysis of the citywide findings.⁶⁰ For example, 30% of the needed 384 surveys, or 115, had to come from developments within Manhattan. For those boroughs for which PID collected more surveys than needed, investigators randomly selected those surveys from each borough that would be used. For borough-specific results, every survey collected was used. Please see appendices B,C, D, E and F for borough specific results.

⁶⁰ Findings from these 384 surveys are statistically representative of the NYCHA population at a 95% confidence level, with a margin of sampling error of +/- 5%.

Findings

Banks' Proximity to NYCHA Developments

Investigators created maps of all five boroughs that identified locations of public housing developments, full-service banks, check cashing stores, and limited-service banks.

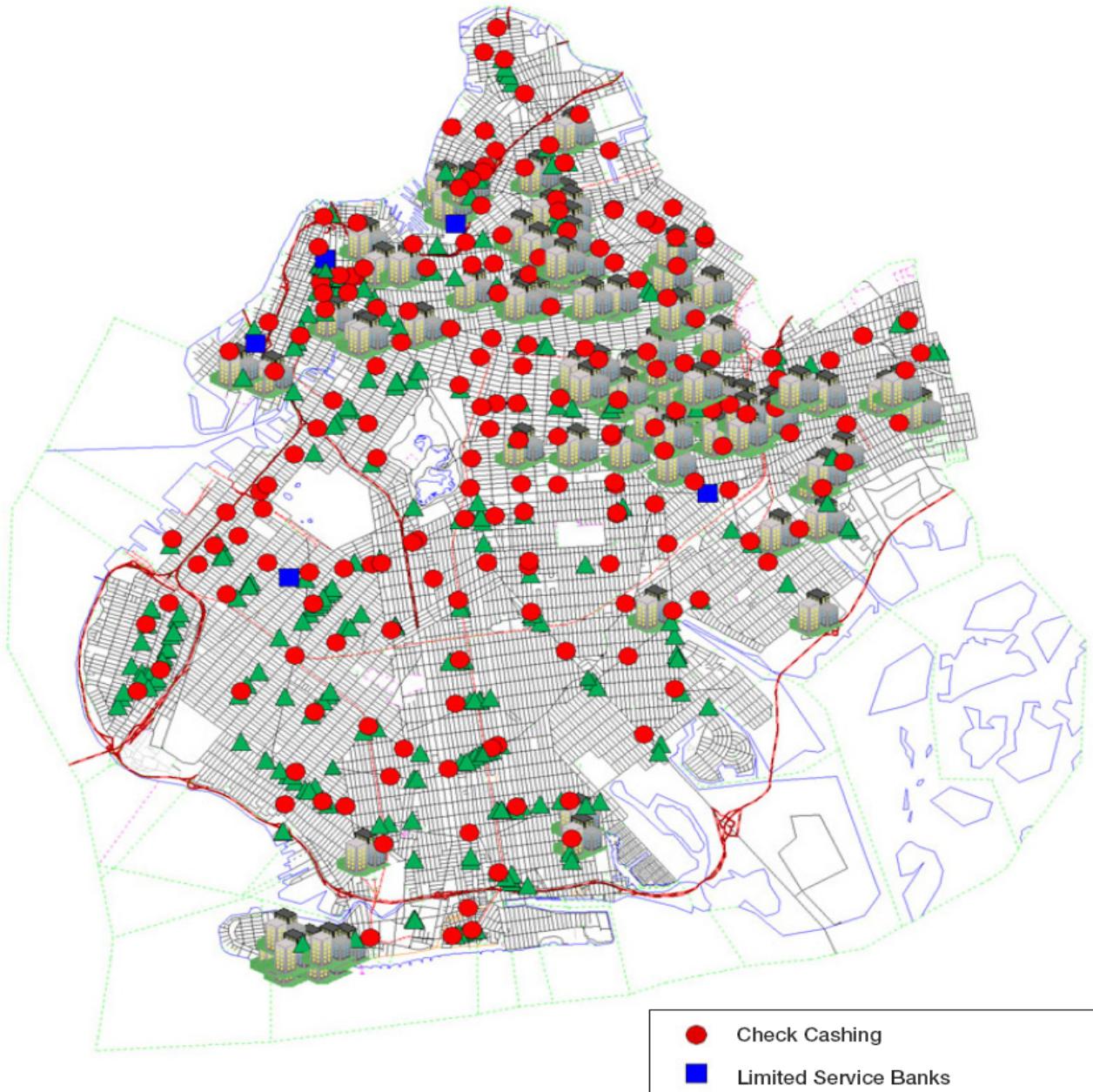
Citywide

- 260 out of 350 public housing developments in New York City (**74%**) are closer to a check-cashing store than they are to a bank.
 - On average, the nearest check-cashing store is 0.203 miles from a NYCHA development.
 - On average, the nearest full service bank is 0.316 miles from a NYCHA development.
- Ninety-three public housing developments in New York City (**37%**) are more than 0.4 miles from a bank (approximately a 10-minute walk). Eighty-three of those 93 developments (**89%**) have a check-cashing store within that distance.

Brooklyn

- 82 out of 101 public housing developments in Brooklyn (**81%**) are closer to a check-cashing store than they are to a bank.
 - On average, the nearest check-cashing store is 0.196 miles from a NYCHA development in Brooklyn.
 - On average, the nearest full-service bank is 0.325 miles from a NYCHA development in Brooklyn.
- 25 public housing developments in Brooklyn (**25%**) are more than 0.4 miles from a bank (or what this investigation considers a 10 minute walk). Twenty-four of those 25 developments (**96%**) have a check-cashing store within that distance.

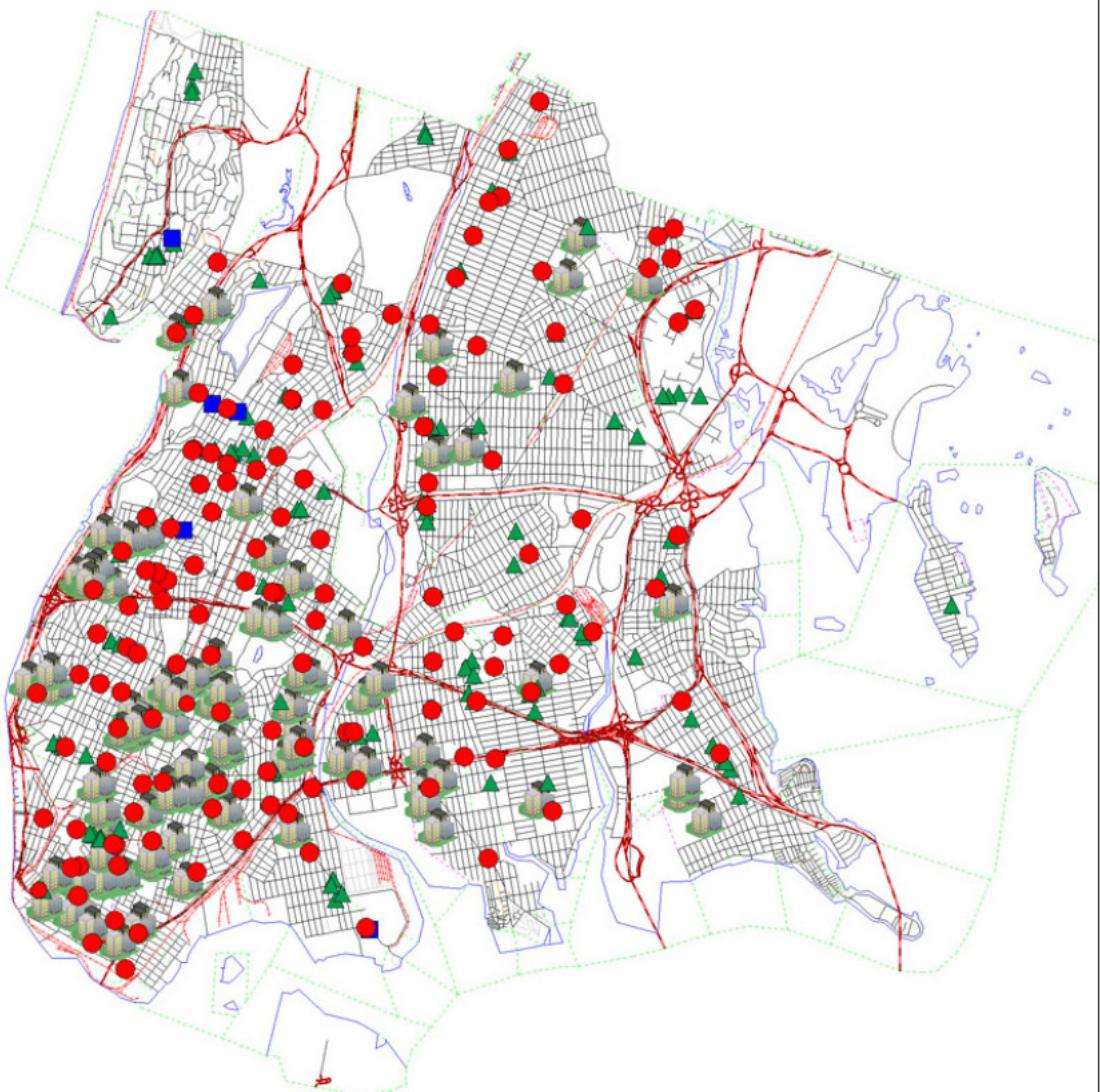
BROOKLYN



Bronx

- 87 out of 106 public housing developments in the Bronx (**82%**) are closer to a check-cashing store than they are to a bank.
 - On average, the nearest check-cashing store is 0.172 miles from a NYCHA development in the Bronx.
 - On average, the nearest full service bank is 0.386 miles from a public housing development in the Bronx.
- 46 public housing developments in the Bronx (**43%**) are more than .4 miles from a bank (or what this investigation considers a 10 minute walk). Forty-five of those 46 developments (**98%**) have a check-cashing store within that distance.

THE BRONX

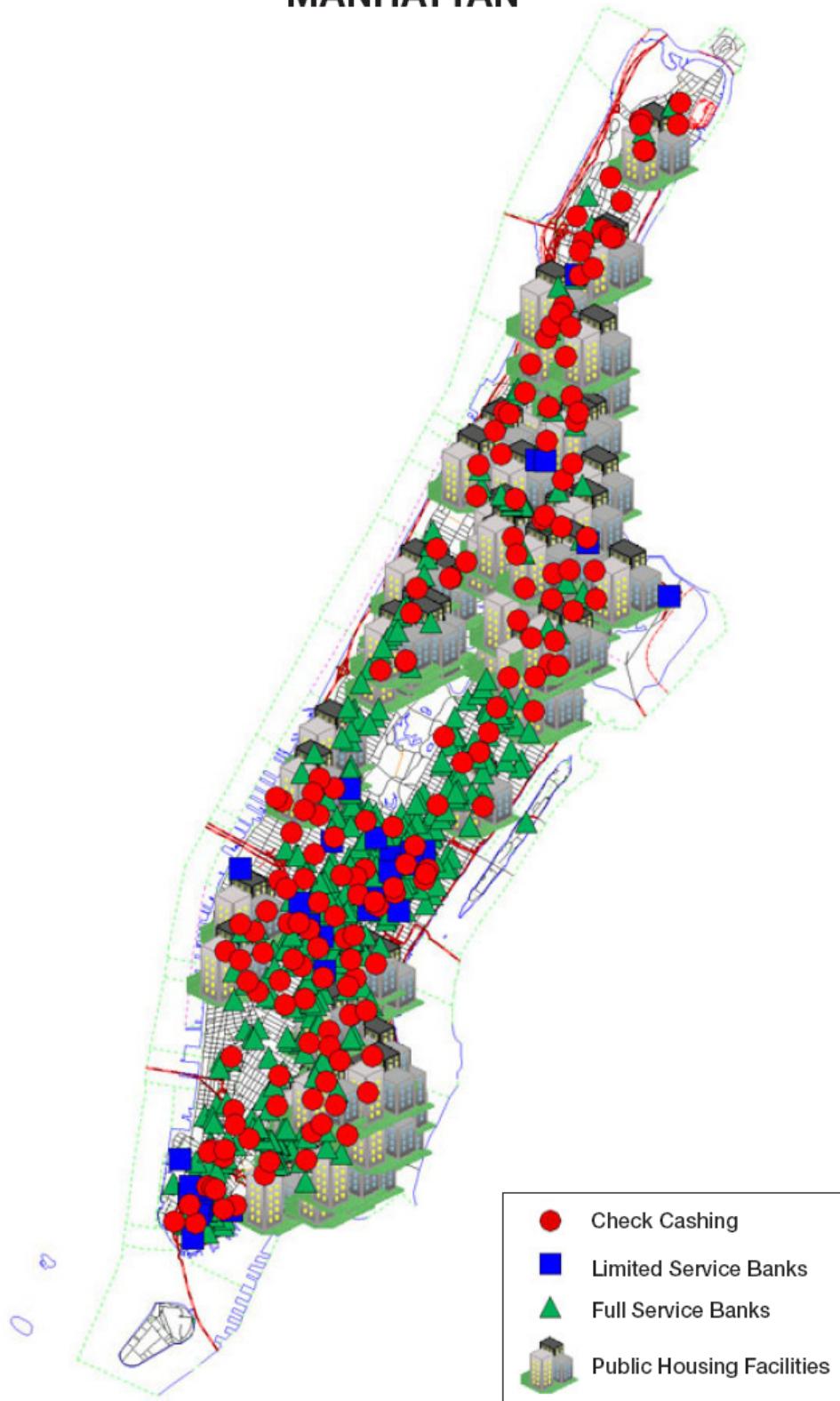


- Check Cashing
- Limited Service Banks
- ▲ Full Service Banks
- Public Housing Facilities

Manhattan

- 76 out of 109 public housing developments in Manhattan (**70%**) are closer to a check-cashing store than they are to a bank.
 - On average, the nearest check-cashing store is 0.154 miles from a NYCHA development in Manhattan.
 - On average, the nearest full service bank is 0.221 miles from a public housing development in Manhattan.
- 10 public housing developments in Manhattan (**9%**) are more than .4 miles from a bank (or what this investigation considers a 10 minute walk). Nine of those 10 developments (**90%**) have a check-cashing store within that distance.

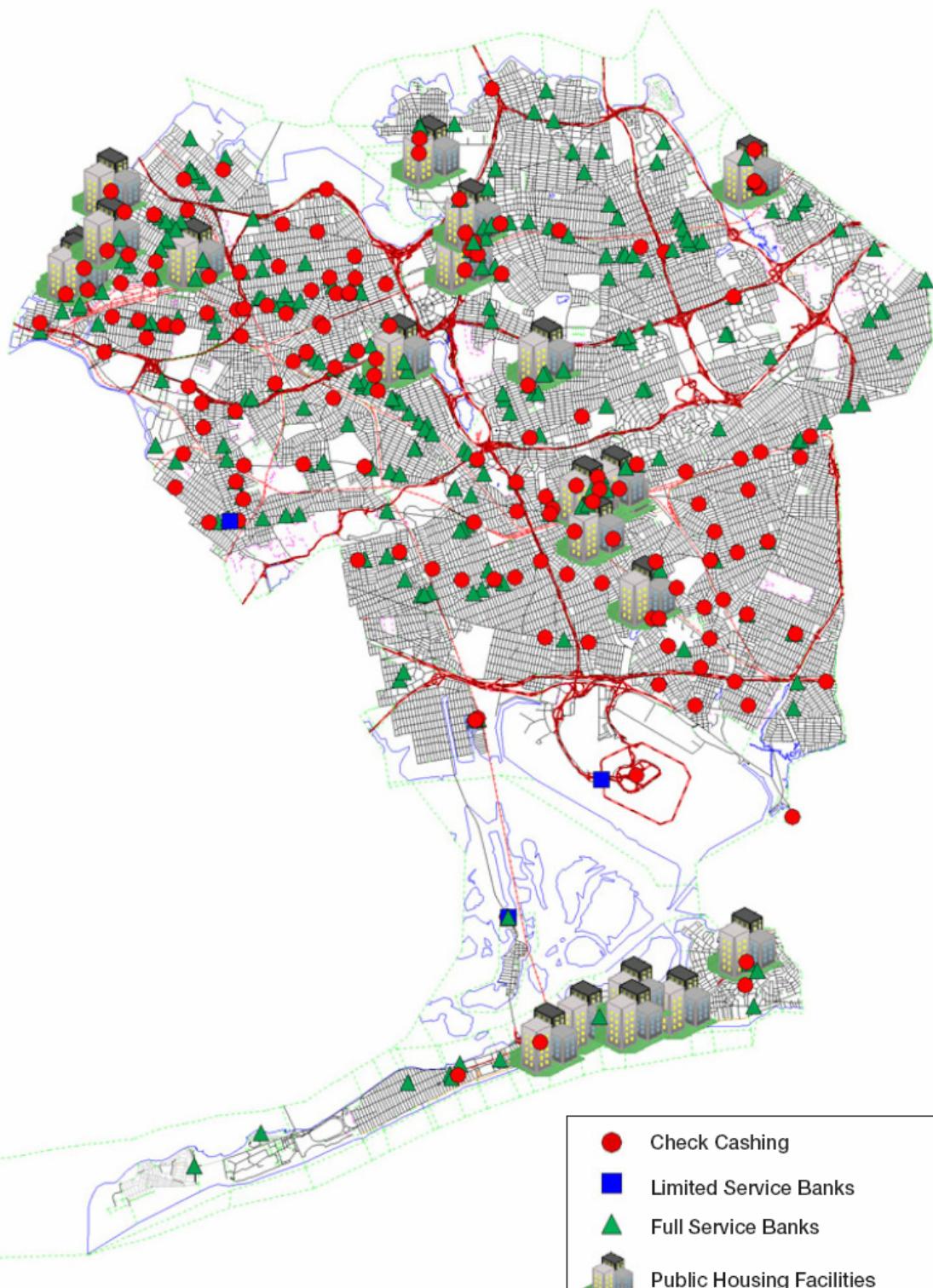
MANHATTAN



Queens

- 12 out of 23 public housing developments in Queens (**52%**) are closer to a check-cashing store than they are to a bank.
 - On average, the nearest check-cashing store is 0.392 miles from a public housing development in Queens.
 - On average, the nearest full service bank is 0.358 miles from a public housing development in Queens.
- 6 public housing developments in Queens (**3%**) are more than .4 miles from a bank (or what this investigation considers a 10 minute walk). Three of those six developments (**50%**) have a check-cashing store within that distance.

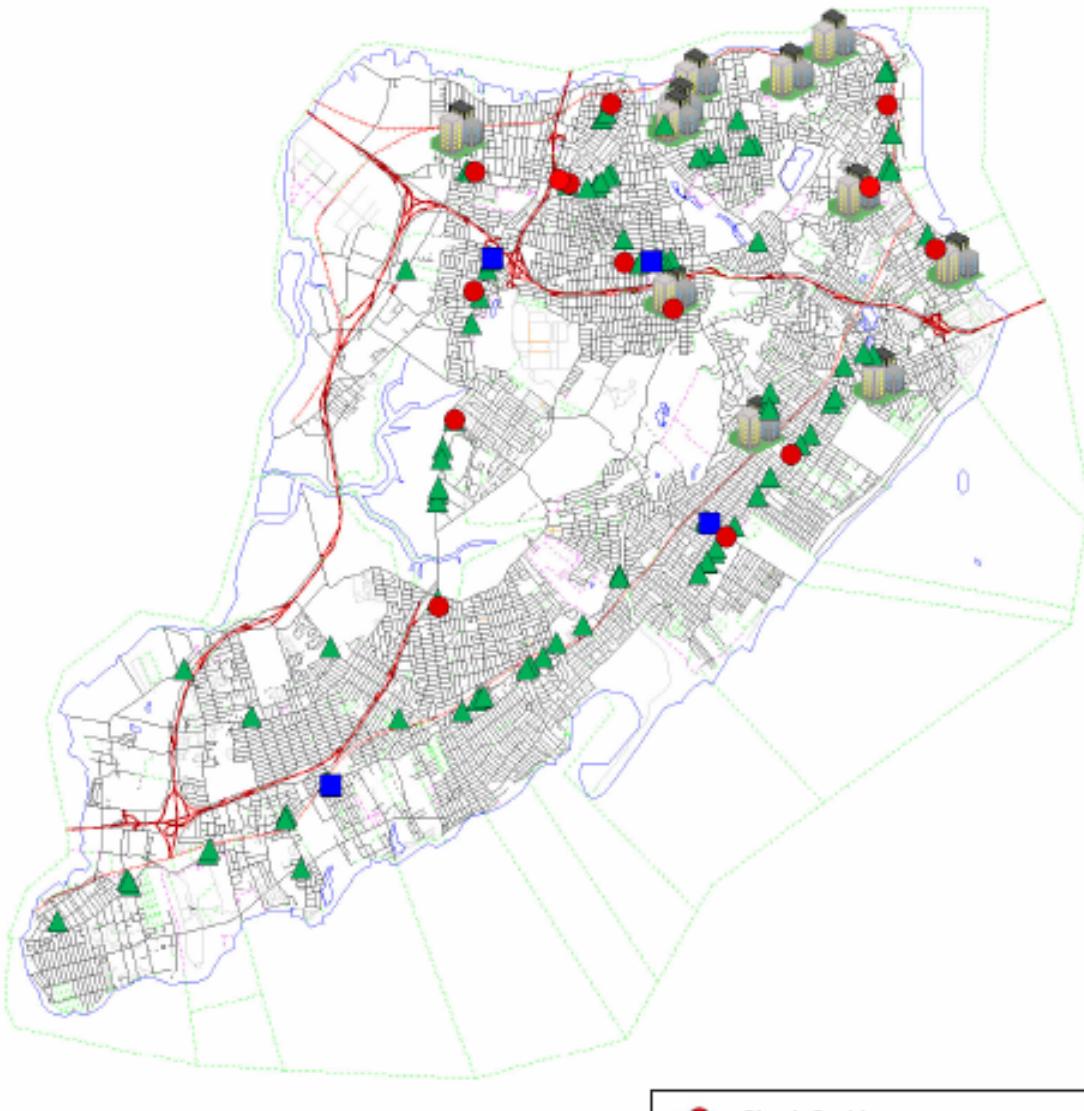
QUEENS



Staten Island

- 3 out of 11 public housing developments in Staten Island (**27%**) are closer to a check-cashing store than they are to a bank.
 - On average, the nearest check-cashing store is 0.666 miles from a NYCHA development in Staten Island.
 - On average, the nearest full service bank is 0.408 miles from a public housing development in Staten Island.
- 6 public housing developments in Staten Island (**55%**) are more than .4 miles from a bank (or what this investigation considers a 10 minute walk). Two of those six developments (**33%**) have a check-cashing store within that distance.

STATEN ISLAND



- Check Cashing
- Limited Service Banks
- ▲ Full Service Banks
- Public Housing Facilities

NYCHA Resident Survey

Demographics of Survey Population

Investigators surveyed 385 NYCHA residents at tenant association meetings in all five boroughs. The population that attends tenant association meetings is not fully representative of the entire NYCHA population, and differs in ways that may be important to heed in interpreting the findings that follow. Most notably, Tenant Association members tend to be older than the NYCHA population as a whole, and as a result, are more likely to live in households without children and are more likely to be retired. The following demographics represent this survey's population:

<p>Average Age: 58.5</p> <p><u>Gender</u></p> <ul style="list-style-type: none">• Female: 329 (87%)• Male: 48 (13%)	<p><u>Children</u></p> <ul style="list-style-type: none">• Zero: 214 (59%)• 1-2: 114 (31%)• 3-4: 30 (8%)• 5+: 4 (1%)
<p><u>Level of Education</u></p> <ul style="list-style-type: none">• High School Diploma: 140 (50%)• Some College: 67 (24%)• GED: 31 (11%)• Associates Degree: 29 (10%)• Bachelor's Degree: 21 (8%)• Other: 9 (3%)• Master's Degree: 5 (2%)• Certificate: 30 (11%)	

<u>Employment Status</u>	<u>Reason for Unemployment/Retirement</u>
<ul style="list-style-type: none"> • Retired: 164 (47%) • Employed full-time: 68 (19%) • Employed part-time: 47 (13%) • Unemployed: 43 (12%) • Unemployed and looking for work: 22 (6%) • Employed and searching for different work: 7 (2%) 	<ul style="list-style-type: none"> • Disabled: 109 (67%) • Not looking for a job: 21 (13%) • Raising Children: 20 (12%) • Looking for a job, but can't find one: 19 (12%) • Do not have the right qualifications for available jobs: 11 (7%) • Going through some personal problems preventing person from looking for or having job: 10 (6%) • Fear loss of public benefits or rent increase: 11 (7%)

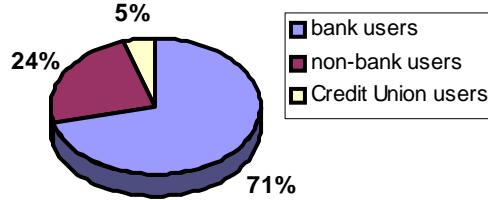
Key Top-Line Findings

Bank Users

Of the 341 people who answered the question:¹

- 242 (**71%**) have a bank account
- 83 (**24%**) are not bank users
- 17 (**5%**) use a credit union

Number of NYCHA Residents Using Banks



Of the 242 bank users:

- 133 have a savings account
- 191 have a checking account
 - 85 people have both a savings and a checking account
- 17 have a money market account

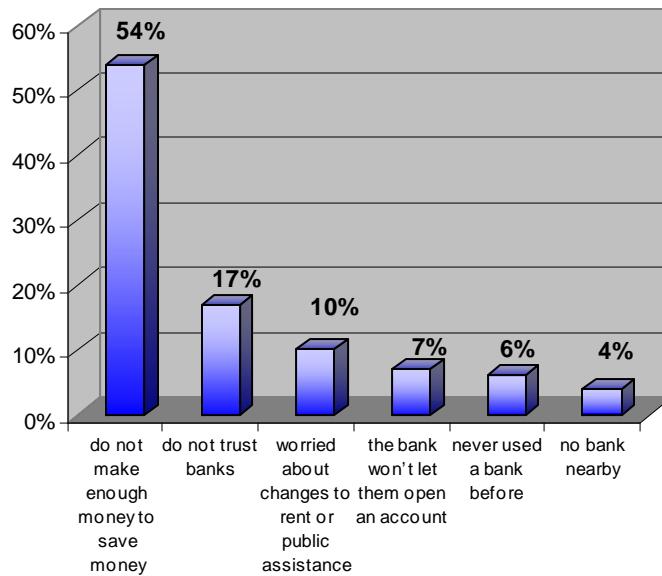
- 16 of the 17 people with a money market account also have another type of account*
- 18 have a Christmas/vacation account
 - 16 of the 18 people with a Christmas/vacation account also have another type of account*

If survey respondents did not have a bank account, they were asked why.

Of the 83 non-bank users:

- 45 (**54%**) said they don't make enough money to save money;
- 14 (**17%**) said they don't trust banks;
- 8 (**10%**) said they were worried having a bank account would result in changes to their rent or public assistance;
- 6 (**7%**) said that the bank won't let them open an account;
- 5 (**6%**) said they had never used a bank before; and
- 3 (**4%**) said there was no bank nearby.

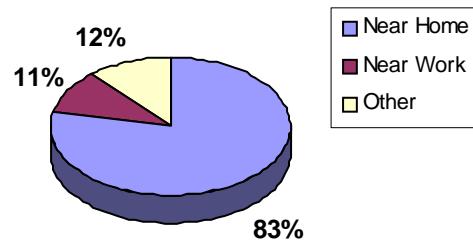
Reasons why Residents Do Not have a Bank Account



Where Residents Bank Most Often

Of the 259 people with a bank account or credit union account, 194 answered if they banked near their home, work or other. Some of the 194 people provided multiple answers to the question.

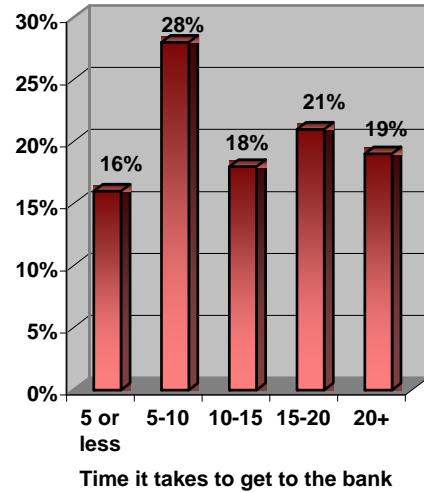
- 161 (83%) people bank near home
- 21 (11%) bank near work
- 24 (12%) bank in some other location



Amount of Time to Get to the Bank

Of the 259 people with a bank account or credit union account, 233 answered the question of how long it took them to travel to their bank or credit union. Some of the 233 people provided multiple answers to the question, as people often bank in multiple locations.

- 65 people (28%) take 5-10 minutes to get to their bank
- 48 people (21%) take 15-20 minutes to get to their bank
- 44 people (19%) take 20+ minutes to get to their bank
- 41 people (18%) take 10-15 minutes to get to their bank
- 38 people (16%) take 5 minutes or less to get to their bank
- Thus, 44% of respondents indicated it takes them 10 minutes or less to get to their bank (or credit union).



Bank Fees

Of the 259 people with a bank account or credit union account, 225 answered whether or not they pay fees for their account:

- 88 (**39%**) people pay fees for their bank account
- 137 (**61%**) people do not pay fees for their bank account

Check Cashing

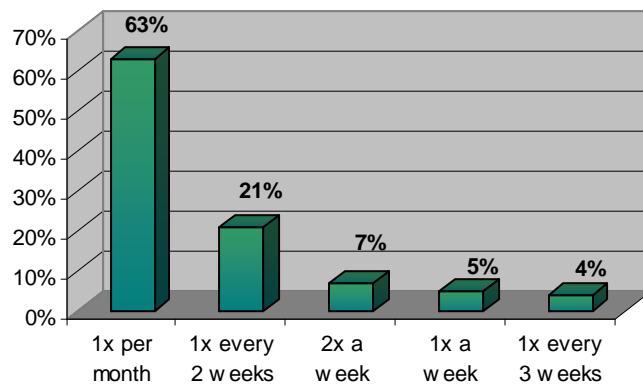
Of the 369 people who answered the question:

- 194 (**53%**) use check-cashing services
- 174 (**47%**) do not use check-cashing services

Of the 177 people who answered how often they use check cashing services:

- 111 (**63%**) use check-cashing services one a month
- 38 (**21%**) use check-cashing services once every two weeks
- 12 (**7%**) use check-cashing services twice a week
- 9 (**5%**) use check-cashing services once a week
- 7 (**4%**) use check-cashing services once every three weeks

Check Cashing Use



Bank Users Who Also Use Check-Cashing Stores

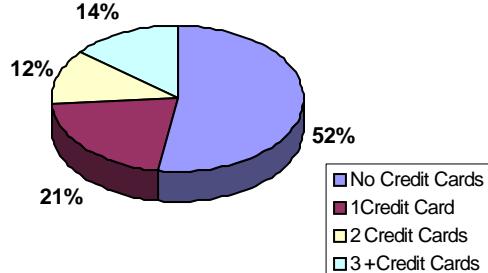
Despite having bank accounts, a substantial number of respondents also use check-cashing services. Of the 242 bank users:

- 121 (**50%**) use check-cashing stores
 - 93 (**49%**) people with checking accounts use check-cashing stores
 - 62 (**47%**) people with savings accounts use check-cashing stores

Credit Cards

Out of 340 respondents:

- 178 (**52%**) have no credit cards
- 73 (**21%**) have one credit card
- 49 (**14%**) have three or more credit cards
- 40 (**12%**) have 2 credit cards



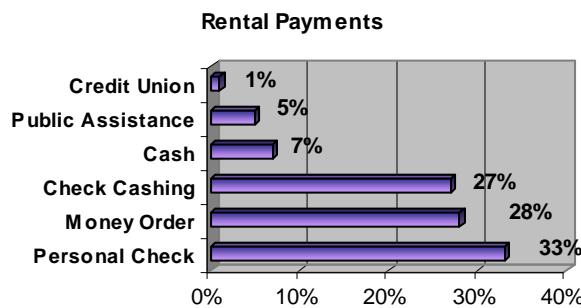
Rent

Because rent represents such a large portion of New Yorkers' monthly expenses, respondents were asked how they pay their rent.⁶¹ 347 people provided 370 responses to this question. Of the 347 respondents:

- 114 (**33%**) pay rent with a personal check
- 96 (**28%**) pay rent with a money order
- 92 (**27%**) pay rent at a check-cashing store
- 26 (**7%**) pay their rent in cash

⁶¹ According to NYCHA, the only way to pay rent is with a personal check, at a check-cashing store, or with a money order. It is possible to pay rent at a credit union if a person's credit union offers that service. It is possible for public assistance to send checks on behalf of residents when requested. As of January 2008, residents can pay rent online. However, that was not an option when this survey was administered. NYCHA says that it is not possible to pay rent directly in cash.

- 21 (**6%**) of respondents said they are not the person in their household that pays the rent
- 16 (**5%**) have their rent deducted from their public assistance
- 5 (**1%**) pay their rent at a credit union



The survey found that even those with checking accounts sometimes pay their rent by other means:

- 68 (**36%**) people with checking accounts sometimes pay their rent either at a check-cashing store or with a money order
 - 44 (**23%**) people with checking accounts sometimes pay their rent at a check-cashing store
 - 24 (**13%**) people with checking accounts sometimes pay their rent with a money order

Loans

Of the 352 people who responded to whether or not they have applied for a loan:

- 109 (**31%**) have applied for a loan
- 243 (**69%**) have not applied for a loan

Financial Mainstream

Based on their survey responses, 62 people surveyed (**19%**) are outside the financial mainstream – with no bank account (or credit union account) and no credit card.

Bank Visits

Investigators visited 25 banks, five in each borough, that were in close proximity to NYCHA public housing developments. Investigators conducted a search to determine if these few banks were advertising their basic checking and/or savings accounts either through a window display or within the bank, and if these banks had written information about their different account options both visible and accessible to potential customers.⁶²

Investigator surveys showed that almost half of the banks visited were advertising their basic banking accounts in some way. Two-thirds of the banks visited had informational pamphlets about their bank account options in a visible location, and these pamphlets included information about basic checking and/or savings accounts. Nearly all the pamphlets were easily accessible to interested customers. Nearly all of the banks that did not have pamphlets in the main customer area were able to provide written information to investigators upon request.

⁶² Because of the small number of banks surveyed, these findings cannot be understood as representative of all banks in New York City. Nevertheless, plans for additional site visits were aborted as it became evident that all banks were offering basic accounts, and that advertising materials were fairly uniform between branches of the same bank, regardless of borough, neighborhood or specific location.

CONCLUSION

Saving money and establishing good credit are critically important to achieving financial security. Without savings and good credit, most people cannot buy a home or a car, start a business, and can ill afford higher education. This investigation finds that 19% of survey respondents – nearly one in five – have neither a bank account nor a credit card, putting them outside what this report considers the financial mainstream. While this statistic may be troubling enough on its own, it may understate the extent of the problem among NYCHA residents as a whole. Survey respondents were, on the whole, older, more likely to be retired, and less likely to live with children than the average NYCHA resident, and thus more likely to be on fixed incomes and to experience regular expenses. In addition, most respondents were members of their Tenant Association, making them more likely to be aware of the resources available in their communities. All of these factors contribute to a greater likelihood than the average NYCHA resident to use a bank or credit union.

Even though every bank in New York State is required to provide low- or no-fee savings and checking accounts, more than half of the respondents who do not have bank accounts indicated that they do not bank because they do not believe they make enough money to save money; moreover, a small but significant number of respondents simply do not trust banks. These findings suggest there is potential for financial literacy education to impact NYCHA residents' banking practices.

Nevertheless, half of survey respondents who have bank accounts turn to services like check-cashing from time to time. Indeed, more than a third of respondents with checking accounts sometimes pay their rent at a check-cashing store or with a money order rather than with a check. These findings suggest that banks are not meeting some significant financial services needs of NYCHA residents.

Interestingly, for most NYCHA developments and for most NYCHA residents, geographic proximity to a bank is not the problem. According to this investigation's mapping analysis, most NYCHA developments are within a 10-minute walk to a full-service bank. Indeed,

83% of survey respondents who bank do their banking near their homes, and nearly half of respondents who have bank accounts are within 10 minutes of their bank. However, it is important to note that while most NYCHA developments are within a 10-minute walk to a bank, 93 developments are farther away. Of these 93 developments, 83 or 89% one or maybe more check-cashing stores that were within a 10-minute walk or less of the development. This highlights that many of these residents without close access to banks almost always have the options nearby for more costly check-cashing stores that do not offer consumers a way to build assets and credit.

These findings suggest more than 98,000 NYCHA residents are not accessing financial services at banks or credit unions; the implications are cause for concern. Without bank accounts and access to credit, these NYCHA residents are paying excess fees to conduct their financial business check-cashing stores, and missing opportunities to save for homes, businesses or higher education. Even a small savings account can help families weather unexpected expenses.

What's more, as long as NYCHA residents do not have adequate access to income-appropriate financial services, New York City's public housing is less likely to be a stopping place where low-income families can build wealth and accumulate assets – the original purpose of public housing, and more likely to remain a place where poverty is perpetuated over generations. NYCHA's low turnover and vacancy rates and its long waiting list speak to this reality.

There are, however, steps that can be taken to change this. The recommendations on the next page outline a few.

RECOMMENDATIONS

- **The Mayor’s Center of Economic Opportunity should expand financial literacy offerings in NYCHA developments.**

The findings of this investigation indicate a great need for financial literacy among NYCHA residents, and great potential for financial literacy to affect NYCHA residents’ banking practices.
- **The Mayor’s Center of Economic Opportunity and NYCHA should create a public strategic plan on ways to encourage and support efforts for cooperative banking and financial literacy.**

Credit unions are member-owned, and they can tailor their services to meet the needs of their members in a way that mainstream banks responding to market pressures do not. As a result, the Center for Economic Opportunity and NYCHA should create a public strategic plan on ways to encourage and support efforts that are already underway and future efforts for integrated cooperative banking in conjunction with financial literacy programming such as the program currently being run by the East River Development Alliance. Combined, these services can provide NYCHA residents with the tools to rebuild credit and develop assets to one day move beyond NYCHA if they desire.
- **NYCHA and the Center for Economic Opportunity should report on-time rent payments to credit-reporting agencies.**

Without credit cards or bank accounts, many NYCHA residents may not be establishing good credit histories, which could help them secure good rates on loans for homes or cars. NYCHA and the Center for Economic Opportunity should work together to assist residents in learning about ways to establish credit by reporting on-time rent payments to credit-reporting agencies. NYCHA and the Center for Economic Opportunity can introduce residents to companies such as Payment Reporting Builds Credit, which offer opportunities for individuals to sign up to have their bill payments, including rent payments, and cable reported to credit agencies.

- **NYCHA should exclude interest income from rent determinations.**
NYCHA should explore the possibility of only using income earned through work when determining tenant's rent. By using income earned on savings, NYCHA is inadvertently providing disincentives to saving. Tenants may be reluctant to save due to potential changes in rent.
- **NYCHA should explore renting retail space to banks and credit unions.**
NYCHA should take an inventory of potentially available retail space within their buildings and actively court banks and credit unions as possible tenants for these spaces. Banks and credit unions will not only provide needed services to the NYCHA community, but also are reliable, profitable, and long-term commercial tenants for NYCHA.

Appendix A

NYCHA Facility:
Date:

New York City Council Banking Survey

Thank you for filling out this survey. All your responses will remain completely anonymous

1) What is your gender?

Female Male

2) How old are you? _____

3) How many children under age 18 do you live with?

- None
- One to two
- Three to four
- Five or more

4) Check **ALL** that apply (**you may check more than one**):

- I have a G.E.D.
- I have a high school diploma
- I have an Associate's degree
- I attended some college
- I have a Bachelor's Degree
- I have a Master's Degree
- I have a Certificate: _____ (specify in what)
- Other: _____ (specify degree)

5) What is your current employment status?

- Employed – Full Time
- Employed – Part Time
- Unemployed and searching for work
- Employed and searching for different and/or additional work
- Unemployed
- Retired

6) If you are currently unemployed, it is because: **(you may check more than one)**

Check ALL that apply

- I am raising children
- I am disabled
- I am not looking for a job right now
- I am looking for a job but can't find one
- I either can't find /or/ afford child care
- I don't have the right qualifications for available jobs
- I am going through some personal problems preventing me from looking for a job and/or having one
- I fear losing my public benefits or that my rent will increase if I make too much money

7) Do you use check-cashing services?

____Yes ____No

8) If yes, how often do you use check-cashing services?

- Two times a week
- Once a week
- Once every two weeks
- Once ever three weeks
- Once a month

9) Check all that apply:

- I have a savings account.
- I have a checking account
- I have a money market account
- I have a Christmas/vacation club account.
- I do not use a bank

10) If you do not use a bank, **please rank your top three reasons why with 1,2 and 3:**

- ____ I don't trust banks
- ____ I use a Credit Union
- ____ There is no bank nearby
- ____ The bank won't let me open an account
- ____ I have never used a bank
- ____ Because of my immigration status
- ____ I do not make enough money to save money
- ____ I am worried about changes to my rent or public assistance

11) If you don't have a savings account, have you ever had one in the past?

____Yes ____No

12) If you do use a bank, do you bank most often

- Near your home
- Near your work
- Other _____

13) How long does it take you to get to the bank?

- 5 minutes or less
- 5-10 minutes
- 10-15 minutes
- 15-20 minutes
- More than 20 minutes

14) If you do use a bank, do you pay any fees to the bank to have your account?

____Yes ____No

15) How many credit cards do you have?

- NONE
- 1
- 2
- 3 or more

16) How do you pay your rent?

- Personal check – from your bank checking account
- Pay at a check cashing store
- Deducted from your public assistance
- Money Order
- Through your credit union
- Cash
- I am not the person that pays rent on my apartment

17) Have you ever tried to get a loan

____ Yes ____ No

Appendix B

Bronx Findings:

99 Surveys from the Bronx

<p>There are 56 Bank Users – 64% There are 28 Non Bank Users – 32% There are 3 Credit Union Users – 3%</p>	<p>Non-Bank Users (why no bank account): Don't make enough money to save money: 15 (60%) Don't trust banks: 5 (20%) Worried about changes to rent or public assistance: 3 (12%) Bank won't let me open an account: 2 (8%) Never used a bank: 1 (4%) No bank nearby: 1 (4%)</p>
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<p>Where do you bank most often: 37 (84%) people bank near home 5 (11%) bank near work 4 (9%) bank in some other location</p>	<p>Do you pay fees for your bank account: 26 (47%) people pay fees for their bank account 29 (53%) people do not pay fees for their bank account</p>
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<p>Do you use check cashing services: 58 (64%) use check cashing services 33 (36%) don't use check cashing services</p>	<p>How often do you use check cashing services: 1x a month: 29 (50%) 1x every 2 weeks: 10 (17%) 2x a week: 5 (9%) 1x a week: 7 (12%) 1x every 3 weeks: 4 (7%)</p>
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<p>How many credit cards do you have: 54 (61%) have zero credit cards 15 (17%) have 1 credit card 11 (12%) have 2 credit cards 9 (10%) have 3 or more credit cards</p>	<p>How do you pay your rent: 28 (31%) people pay rent with a personal check 17 (19%) people pay rent at a check-cashing store 24 (26%) people pay their rent with a money order</p>
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23 (**28%**) people have no bank account and no credit card and are what this study considers to be outside the financial mainstream

15 (**31%**) people of the 48 people with checking accounts sometimes pay rent at either a check-cashing store or with a money order

35 (**63%**) surveyed bank users, out of 56, use check-cashing stores

Appendix C

Brooklyn Findings:

128 Surveys from Brooklyn

<p>There are 76 Bank Users – 69% There are 26 Non Bank Users – 24% There are 8 Credit Union Users – 7%</p>	<p>Non-Bank Users (why no bank account): Don't make enough money to save money: 18 (75%) Don't trust banks: 4 (17%) Worried about changes to rent or public assistance: 2 (8%) Bank won't let me open an account: 1 (4%) Never used a bank: 2 (8%) No bank nearby: 2 (8%)</p>
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<p>Where do you bank most often: 44 (84%) people bank near home 10 (19%) bank near work 6 (11%) bank in some other location</p>	<p>Do you pay fees for your bank account: 25 (36%) people pay fees for their bank account 45 (64%) people do not pay fees for their bank account</p>
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<p>Do you use check cashing services: 66 (54%) use check cashing services 56 (46%) don't use check cashing services</p>	<p>How often do you use check cashing services: 1x a month: 36 (61%) 1x every 2 weeks: 17 (29%) 2x a week: 3 (5%) 1x a week: 0 1x every 3 weeks: 3 (5%)</p>
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<p>How many credit cards do you have: 58 (54%) have zero credit cards 20 (19%) have 1 credit card 9 (8%) have 2 credit cards 21 (19%) have 3 or more credit cards</p>	<p>How do you pay your rent: 36 (33%) people pay rent with a personal check 33 (30%) people pay rent at a check-cashing store 36 (33%) people pay their rent with a money order</p>
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18 (18%) people have no bank account and no credit card and are what this study considers to be outside the financial mainstream

28 (46%) people of the 61 people with checking accounts sometimes pay rent at either a check-cashing store or with a money order

37 (49%) surveyed bank users, out of 76, use check-cashing stores

Appendix D

Manhattan Complete Findings One Pager:

150 Surveys from Manhattan

<p>There are 94 Bank Users – 71%</p> <p>There are 31 Non Bank Users – 23%</p> <p>There are 11 Credit Union Users – 8%</p>	<p>Non-Bank Users (why no bank account):</p> <p>Don't make enough money to save money: 12 (52%)</p> <p>Don't trust banks: 7 (30%)</p> <p>Worried about changes to rent or public assistance: 3 (13%)</p> <p>Bank won't let me open an account: 3 (13%)</p> <p>Never used a bank: 2 (9%)</p>
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<p>Where do you bank most often:</p> <p>70 (84%) people bank near home</p> <p>7 (8%) bank near work</p> <p>10 (12%) bank in some other location</p>	<p>Do you pay fees for your bank account:</p> <p>31 (36%) people pay fees for their bank account</p> <p>55 (64%) people do not pay fees for their bank account</p>
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<p>Do you use check cashing services:</p> <p>67 (46%) use check cashing services</p> <p>79 (54%) don't use check cashing services</p>	<p>How often do you use check cashing services:</p> <p>1x a month: 44 (72%)</p> <p>1x every 2 weeks: 12 (20%)</p> <p>2x a week: 4 (7%)</p> <p>1x a week: 1 (2%)</p>
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<p>How many credit cards do you have:</p> <p>66 (49%) have zero credit cards</p> <p>37 (27%) have 1 credit card</p> <p>15 (11%) have 2 credit cards</p> <p>17 (13%) have 3 or more credit cards</p>	<p>How do you pay your rent:</p> <p>48 (36%) people pay rent with a personal check</p> <p>35 (26%) people pay rent at a check-cashing store</p> <p>34 (25%) people pay their rent with a money order</p>
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23 (18%) people have no bank account and no credit card and are what this study considers to be outside the financial mainstream

18 (28%) people of the 65 people with checking accounts sometimes pay rent at either a check-cashing store or with a money order

37 (39%) surveyed bank users, out of 94, use check-cashing stores

Appendix E

Queens Complete Findings One Pager:

140 Surveys from Queens

<p>There are 105 Bank Users – 81% There are 16 Non Bank Users – 12% There are 9 Credit Union Users – 7%</p>	<p>Non-Bank Users (why no bank account): Don't make enough money to save money: 8 (50%) Don't trust banks: 8 (50%) Worried about changes to rent or public assistance: 3 (19%) No bank nearby: 1 (6%)</p>
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<p>Where do you bank most often: 72 (83%) people bank near home 12 (14%) bank near work 11 (13%) bank in some other location</p>	<p>Do you pay fees for your bank account: 32 (32%) people pay fees for their bank account 68 (68%) people do not pay fees for their bank account</p>
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<p>Do you use check cashing services: 69 (50%) use check cashing services 69 (50%) don't use check cashing services</p>	<p>How often do you use check cashing services: 1x a month: 41 (64%) 1x every 2 weeks: 12 (19%) 2x a week: 2 (3%) 1x a week: 5 (8%) 1x every 3 weeks: 4 (6%)</p>
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<p>How many credit cards do you have: 23 (22%) have zero credit cards 36 (35%) have 1 credit card 28 (27%) have 2 credit cards 17 (16%) have 3 or more credit cards</p>	<p>How do you pay your rent: 46 (35%) people pay rent with a personal check 49 (37%) people pay rent at a check-cashing store 22 (17%) people pay their rent with a money order</p>
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4 (**4%**) people have no bank account and no credit card and are what this study considers to be outside the financial mainstream

36 (**42%**) people of the 86 people with checking accounts sometimes pay rent at either a check-cashing store or with a money order

54 (**51%**) surveyed bank users, out of 105, use check-cashing stores

Appendix F

Staten Island Complete Findings One Pager:

28 Surveys from Staten Island

There are 20 Bank Users – 71% There are 6 Non Bank Users – 21% There are 2 Credit Union Users – 7%	Non-Bank Users (why no bank account): Don't make enough money to save money: 4 (80%) Don't trust banks: 1 (20%)
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Where do you bank most often: 11 (69%) people bank near home 1 (6%) bank near work 4 (25%) bank in some other location	Do you pay fees for your bank account: 6 (33%) people pay fees for their bank account 12 (67%) people do not pay fees for their bank account
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Do you use check cashing services: 17 (61%) use check cashing services 11 (39%) don't use check cashing services	How often do you use check cashing services: 1x a month: 12 (80%) 1x every 2 weeks: 2 (13%) 2x a week: 0 1x a week: 1 (7%) 1x every 3 weeks: 0
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How many credit cards do you have: 14 (52%) have zero credit cards 6 (22%) have 1 credit card 1 (4%) have 2 credit cards 6 (22%) have 3 or more credit cards	How do you pay your rent: 9 (33%) people pay rent with a personal check 10 (37%) people pay rent at a check-cashing store 9 (33%) people pay their rent with a money order
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5 (**18%**) people have no bank account and no credit card and are what this study considers to be outside the financial mainstream

9 (**56%**) people of the 16 people with checking accounts sometimes pay rent at either a check-cashing store or with a money order

11 (**55%**) surveyed bank users, out of 20, use check-cashing stores

Appendix G

Developments Surveyed:

Brooklyn:

Marcy Houses – More than .4 miles from a bank
Roosevelt Houses – More than .4 miles from a bank
Farragut Houses – More than .4 miles from a bank

Marlboro Houses – Less than .4 miles from a bank
Van Dyke Houses – Less than .4 miles from a bank
Ingersoll Houses – Less than .4 miles from a bank

Bronx:

Morris Houses – More than .4 miles from a bank
Bronxdale Houses – More than .4 miles from a bank

Mitchel Houses – Less than .4 miles from a bank
Fort Independence Houses – Less than .4 miles from a bank
Patterson Houses – Less than .4 miles from a bank

Manhattan:

Carver Houses – More than .4 miles from a bank
Lillian Wald Houses – More than .4 miles from a bank
Riis Houses – More than .4 miles from a bank
Baruch Houses – More than .4 miles from a bank

Douglass Houses – Less than .4 miles from a bank
Grant Houses – Less than .4 miles from a bank
Wagner Houses – Less than .4 miles from a bank

Queens:

Astoria Houses – More than .4 miles from a bank

South Jamaica Houses – Less than .4 miles from a bank
Ravenswood Houses – Less than .4 miles from a bank
Queensbridge Houses – Less than .4 miles from a bank

Staten Island:

Richmond Terrace Houses – More than .4 miles from a bank
Stapelton Houses – More than .4 miles from a bank

West Brighton Houses – Less than .4 miles from a bank