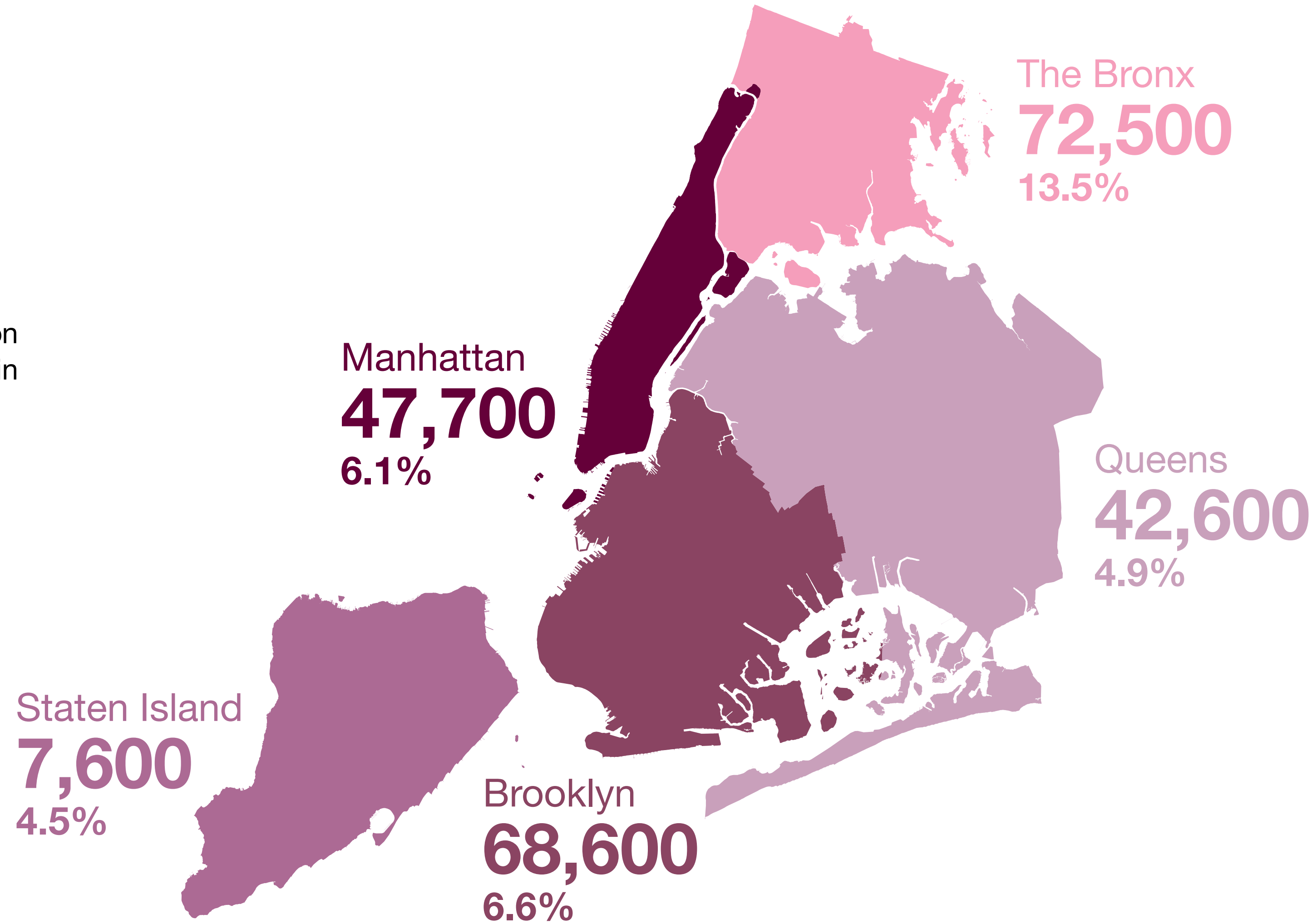
Where Are the Unbanked in NYC?

Updated Findings (2023 Data)

238,900

NYC Households are Unbanked

Every two years, the Department of Consumer and Worker Protection (DCWP) estimates the unbanked in NYC. This brief includes updated findings for 2023.[1]



[1] DCWP no longer reports estimates of underbanked NYC households. Due to rounding, the sum of borough numbers does not match precisely the total for NYC.

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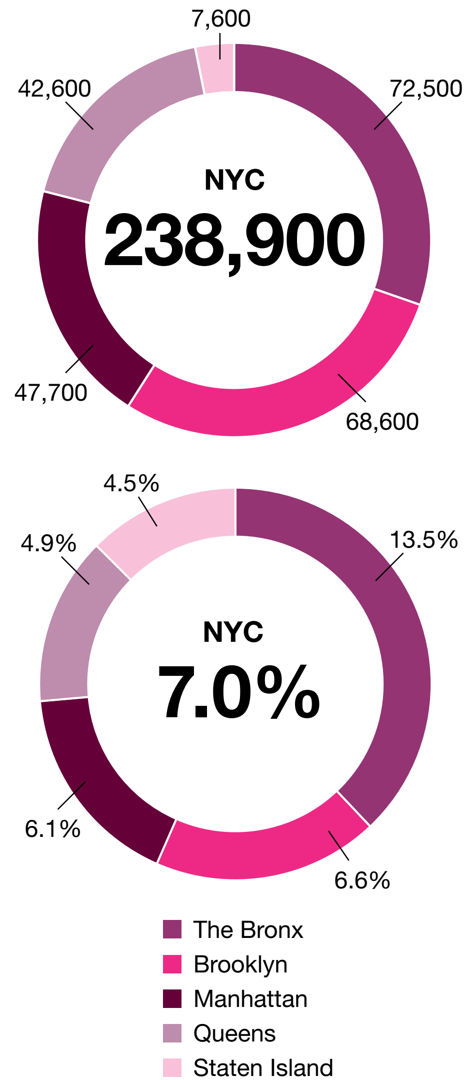
Findings

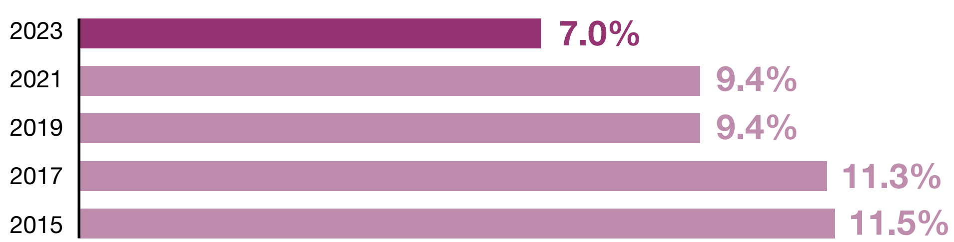
1. In NYC, 7.0% of households have no bank account (unbanked).

- Approximately **238,900** NYC households were unbanked in 2023.
- NYC households remain more likely than households nationally to be unbanked: **7.0%** versus **4.2%**.[2]
- Both the NYC and national unbanked rates declined from their 2021 rates (**9.4%** and **4.5%**, respectively).
- The reduction in the citywide unbanked rate also meant decreases in borough unbanked rates compared to 2021.
  - The Bronx rate decreased by **3.7** percentage points.
  - The Brooklyn rate decreased by **2.5** percentage points.
  - The Manhattan rate decreased by **2.0** percentage points.
  - The Queens rate decreased by **1.8** percentage points.
  - The Staten Island rate decreased by **0.3** percentage points.
- Despite these improvements, Bronx households still have a greater unbanked rate (**13.5%**) than households in all other boroughs. Comparatively, the Bronx unbanked rate is:
  - more than three times greater than the national rate;
  - more than two times greater than Brooklyn which has the next highest unbanked rate (**6.6%**); and
  - nearly two times greater than the citywide rate.

Estimated Unbanked Households by Borough (2023)



Share of NYC Households Who Are Unbanked, 2015-2023



[2] National rates sourced from the Federal Deposit Insurance Corporation (FDIC): https://www.fdic.gov/household-survey/2023-fdic-national-survey-unbanked-and-underbanked-households-executive-summary

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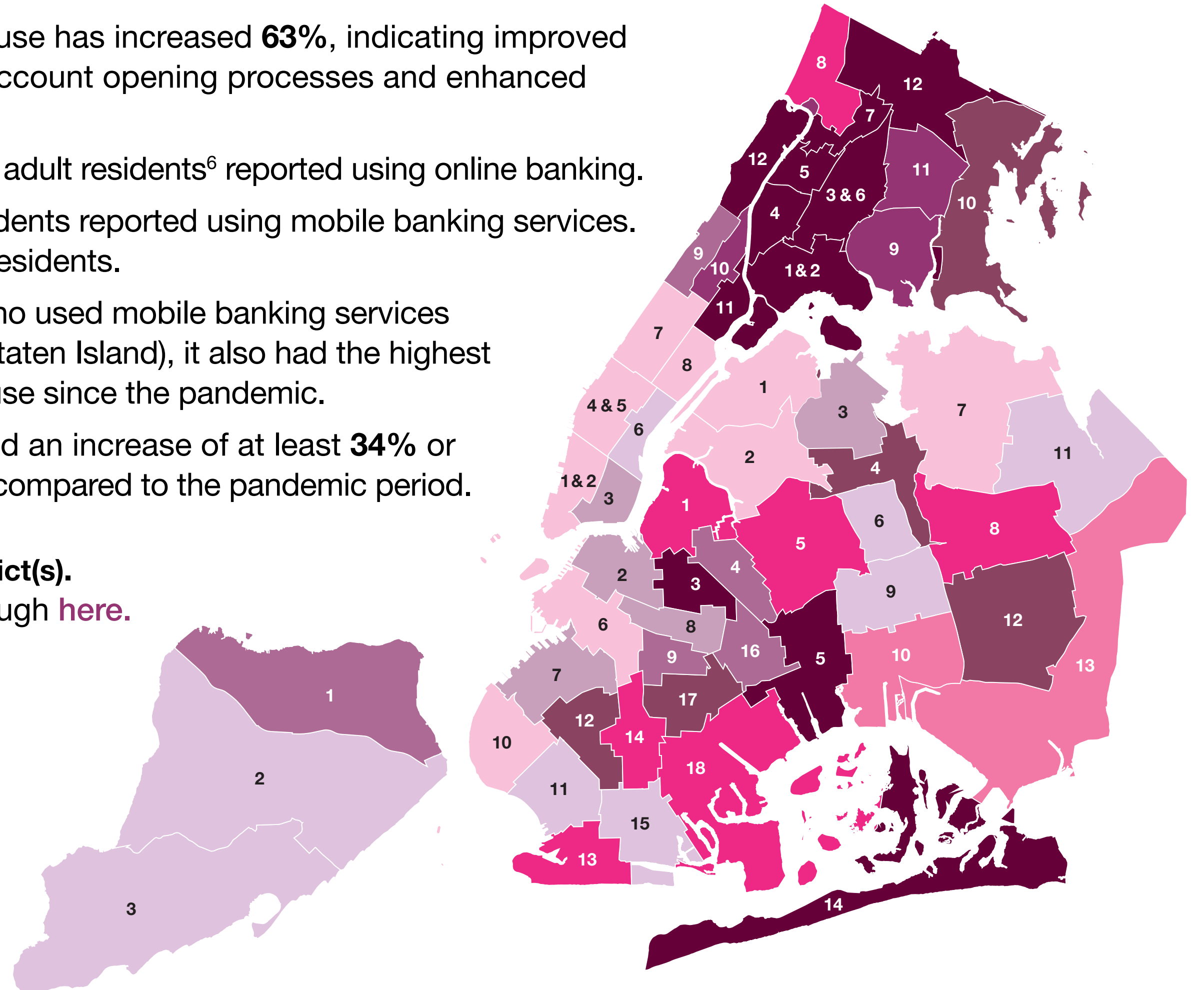
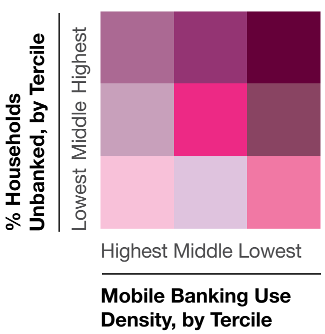
2. Adoption of tech-based financial management[3] by traditional banking institutions[4] impacted unbanked rates.

- Since the COVID-19 pandemic, mobile banking use has increased **63%**, indicating improved access to new customers through streamlined account opening processes and enhanced customer service enabled by technology.[5]
- Across NYC in 2023, more than half **(55.4%)** of all adult residents[6] reported using online banking.
  - During the pandemic, about **10** in **33** adult residents reported using mobile banking services. In 2023, the proportion grew to **10** in **21** adult residents.
  - Though the Bronx had fewer adult residents who used mobile banking services compared to other boroughs in NYC (except Staten Island), it also had the highest percentage increase (**77%**) in mobile banking use since the pandemic.
  - As of 2023, all neighborhoods in NYC recorded an increase of at least **34%** or more in adult residents' use of mobile banking compared to the pandemic period.

Map labeled with corresponding 59 Community District(s).
See a detailed map of Community Districts by Borough here.

Share of Households Who Are Unbanked and Mobile Banking Density[7] in 2023





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3 Defined as platforms that use software and digital tools to improve and/or automate financial processes by providing efficient, cost-effective, and accessible solutions.

4 Finding comes from DCWP analysis of data on mobile and online banking use across NYC neighborhoods. Source of data is 'Retail Market Potential' report in Arc GIS business analyst.

5 The Financial Brand. Improved Digital Account Opening Must Be a Top Priority. https://thefinancialbrand.com/news/bank-onboarding/improved-digital-account-opening-should-be-top-priority-for-2023-154854. October 31, 2022.

6 Defined as New Yorkers aged 18 and older.

7 Use of mobile banking per 100 adults.

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3. Connections between unbanked households and NYC neighborhoods with high rates of vulnerable residents still exist and, in many cases, have become more pronounced.[8]

- Households in the Bronx account for just **16%** of total households in NYC yet represent nearly a **third** of all unbanked households. The Bronx is the only borough with a double-digit unbanked rate since 2017.
  - Compared to other NYC boroughs, the Bronx has the lowest rates of households with:
    - broadband internet subscription (**85.3%**);
    - high school graduates among residents aged 25 or older (**75.3%**); and
    - residents aged 16 or older in the civilian labor force (**58.3%**).
  - The Bronx has the lowest median household income in NYC and the lowest per capita income across the five boroughs.[9]

  All of these factors are salient predictors of being unbanked.
- Since 2015, the same nine neighborhoods[10] still consistently rank among those with the highest unbanked rates in NYC, accounting for **33.2%** of unbanked households citywide, a worse percentage compared to 2021 (**32%**).
- The majority of neighborhoods (6) are in the Bronx, with five of them in the South Bronx.

Households in the Bronx account for

1/3

of all unbanked households in NYC

Since 2015, the same nine neighborhoods have accounted for

33.2%

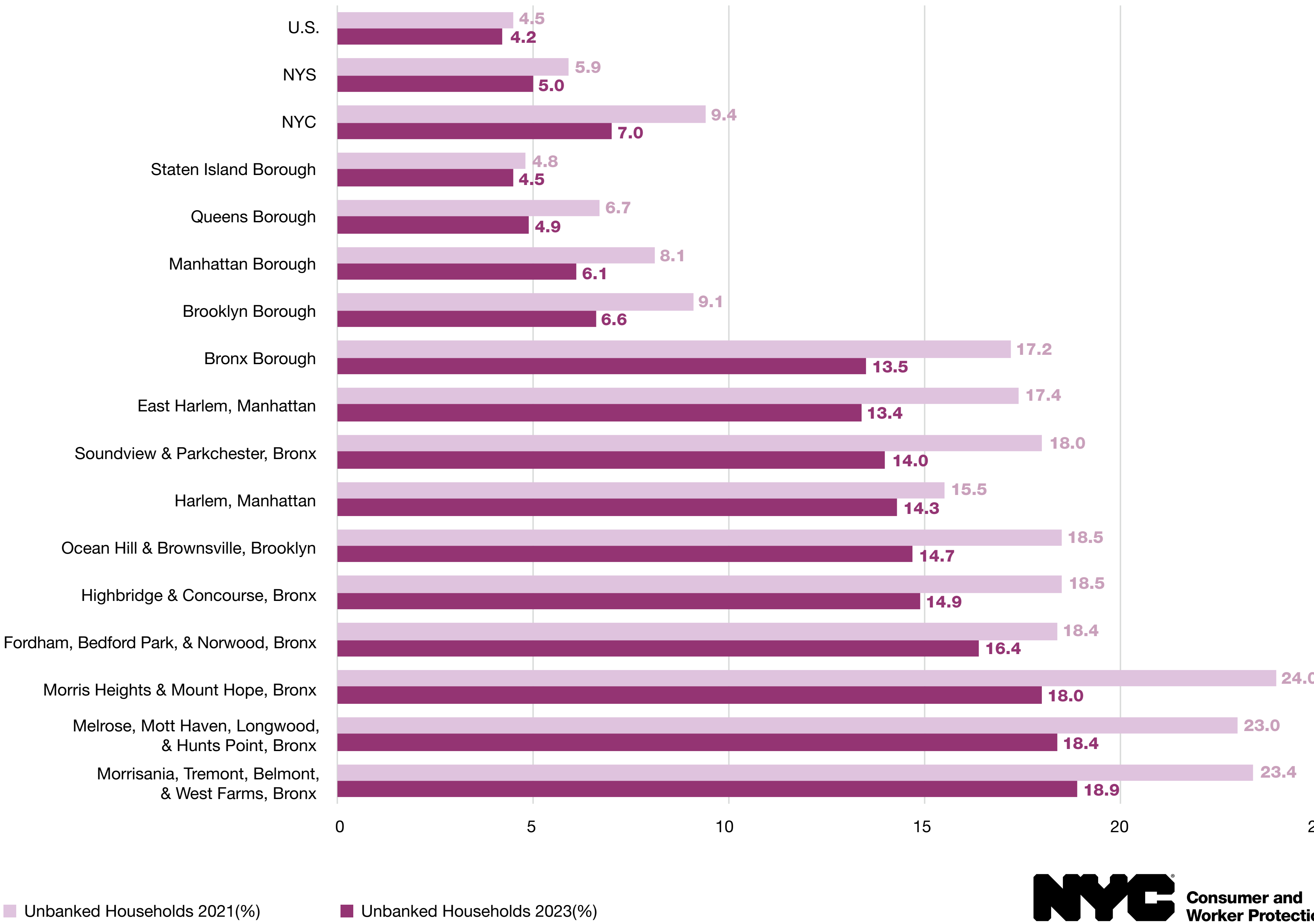
of NYC's unbanked households

[8] In general, residents are categorized as vulnerable if, due to their demographics, they are more likely to be taken advantage of and/or experience adverse effects to their financial health; for example, residents with low incomes, high levels of debt distress, unemployment, etc. Also, certain racial and ethnic groups are vulnerable because of systemic patterns of oppression and racism that greatly harm financial health.

[9] U.S. Census Bureau. 2023 American Community Survey 1-Year Estimates. Tables S1902-S1903. https://data.census.gov/table/ACSST1Y2023.S1902?q=Median+household+income&g=050XX00US36005,36047,36061,36081,36085 and https://data.census.gov/table/ACSST1Y2023.S1903?q=Median+household+income&g=050XX00US36005,36047,36061,36081,36085. Accessed August 18, 2025.

[10] Information comes from Neighborhood Financial Health indicators of vulnerability which include families in poverty, working age adults unemployed, Black/Hispanic residents, no internet access, banks/credit unions per 10k adult residents, median household income. Census 2010 neighborhood names were loosely cross walked to Census 2020 neighborhood names shown in the data set linked in the "Data Sources" section. Neighborhoods are (1) Morrisania, Tremont, Belmont & West Farms; (2) Fordham, Bedford Park & Norwood; (3) Morris Heights & Mount Hope; (4) Highbridge & Concourse; (5) Soundview & Parkchester; (6) Melrose, Mott Haven, Longwood, & Hunts Point; (7) Harlem; (8) East Harlem; (9) Ocean Hill & Brownsville.

9 Neighborhoods with Consistently High Unbanked Rates Since 2015
Compared to NYC Boroughs, NYC Overall, New York State (NYS), and the U.S.



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4. Use of high-cost, nonbank financial services remains prevalent in vulnerable neighborhoods.

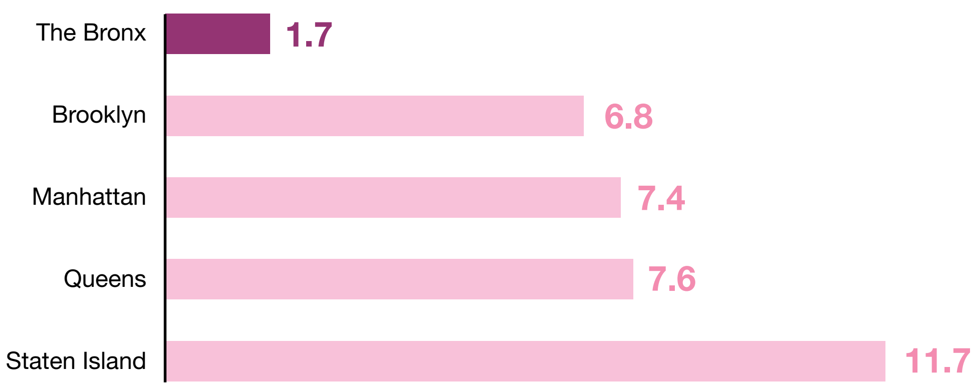
- The use of risky alternative financial services,[11] which is higher among unbanked households,[12] is particularly high in the Bronx.
- Unbanked households are nearly five times more likely to be pawnshop borrowers compared to banked households.[13]
  - In 2023, the ratio of pawnshops to FDIC-insured banks and credit union branches across NYC worsened slightly from **1** in **6** to **1** in **5.7**.
  - Four of the nine neighborhoods with consistently high unbanked rates have more pawnshops than banks or credit union branches;[14] three of the four neighborhoods are in the Bronx.
  - For every pawnshop in the Bronx, there are about **1.7** bank or credit union branches, compared to **6.8** in Brooklyn, **7.4** in Manhattan, **7.6** in Queens, and **11.7** in Staten Island. This is unsurprising since, as of 2023, the Bronx holds about **28%** of all pawnshop licenses in NYC.

Unbanked households are nearly

5X

more likely to use pawnshops than banked households

Bank/Credit Union Branches per Pawnshop by NYC Borough (2023)



[11] Defined as financial products and/or services offered by institutions/providers that operate outside the traditional, federally regulated banking system.

[12] New York City Comptroller. Access to Banking & Credit in New York City. https://comptroller.nyc.gov/reports/access-to-banking-credit-in-new-york-city/. February 11, 2025.

[13] Woodstock Institute. Report: Pawn Loans and the Wealth Gap in Illinois. https://woodstockinst.org/predatory-lending/pawnbrokers-racial-wealth-gap-report/. January 2023.

[14] The four neighborhoods are Morrisania, Tremont, Belmont & West Farms; Morris Heights & Mount Hope; Highbridge & Concourse; and Ocean Hill & Brownsville.

Government Efforts to Reach Vulnerable Communities

Through targeted policies and programs, government at all levels has tried to attract individuals from vulnerable communities into the banking system. Examples:

Federal: During and after the pandemic, government benefits contributed to recently banked households' decision to open a bank account.[15] The American Rescue Plan expanded the Child Tax Credit (CTC), increasing the amount of the credit, making it fully refundable, and providing advance monthly payments.[16] A 2022 report examined the impact of the expanded CTC. Although it made no conclusions about bank account opening, it did find that Black, Hispanic, and other minority families, along with families with low and moderate incomes, experienced decreased reliance on credit cards and other high-risk nonbank services.[17]

State: The New York State Department of Financial Services approved Bank On accounts as an alternative to New York Basic Banking accounts. Bank On accounts eliminate fees, such as overdraft, account activation, closure, dormancy, inactivity, and low balance, which makes them affordable, removing a barrier to banking.[18]

Local: The City expanded the NYC Earned Income Tax Credit (EITC) match, which has helped return an estimated $345 million to 1.7 million New Yorkers living in communities with some of the lowest incomes in NYC.[19] Available to EITC-eligible New Yorkers, NYC Free Tax Prep refers clients to NYC Financial Empowerment Centers where they can get help opening an affordable bank or credit union account. The City promoted both programs during its efforts to raise awareness about the expanded CTC.

[15] Federal Deposit Insurance Corporation. Despite COVID-19 Pandemic, Record 96% of U.S. Households Were Banked in 2021. https://www.fdic.gov/news/press-releases/2022/pr22075.html#:~:text=Importance%20of%20Bankable%20Moments.,certain%20segments%20of%20the%20population. October 25, 2022.

[16] See https://home.treasury.gov/policy-issues/coronavirus/assistance-for-american-families-and-workers/child-tax-credit

[17] Global Economy and Development program at Brookings. The impacts of the 2021 expanded child tax credit on family employment, nutrition, and financial well-being: Findings from the Social Policy Institute's Child Tax Credit Panel Survey (Wave 2). Brookings Global Working Paper #173. https://www.brookings.edu/wp-content/uploads/2022/04/Child-Tax-Credit-Report-Final_Updated.pdf. April 2022.

[18] See https://www.dfs.ny.gov/industry_guidance/industry_letters/il20220415_offering_bank_on

[19] See https://www.nyc.gov/mayors-office/news/2024/08/new-yorkers-claim-345-million-thanks-mayor-adams-push-enhanced-earned-income-tax-credit#/0

Data Sources

- In 2015, DCWP commissioned the brief, Where Are the Unbanked and Underbanked in New York City. The 2015 brief used data from the 2013 FDIC National Survey of Unbanked and Underbanked Households. Unbanked rates for 2017 were estimates generated from a prediction model developed by Urban Institute. Unbanked rates for 2019, 2021, and 2023 are estimates generated from a prediction model similar to that developed by the Urban Institute. See data set.
- Neighborhood socioeconomic demographics are population-weighted estimates using PUMA-level data from the U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates.
- Bank data is from Federal Deposit Insurance Corporation (FDIC) Suite: API for Data Miners & Developers as of April 15, 2025.
- Credit Union data is from NCUA Federally Insured Credit Unions Q4 2023 as of April 15, 2025.
- Bank locations derived from a combination of geocoded locations and ZIP code cross walking.

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