



Lowest-Income Americans Pay Three Times as Much for Checking Accounts

Average Checking Account Holder Hasn't Switched Accounts in 16 Years

NEW YORK – October 23, 2017 – Americans with annual household income under \$30,000 and a checking account pay an average of \$31 per month in bank or credit union fees, according to a survey commissioned by Bankrate.com and MONEY.

That's more than three times as much as the \$9 typically paid by other income brackets (these figures include routine service charges, ATM fees and overdraft fees). Just 59% of U.S. adults with household income under \$30,000 per year even have a checking account (compared with 83% of all others). Click here for more information:

<http://www.bankrate.com/banking/best-banks-consumer-survey/>

Bankrate.com recently reported that the average out-of-network ATM withdrawal costs \$4.69 and the average overdraft fee is \$33.38. Just 38% of banks offer free checking accounts to all customers. The rest typically charge a monthly fee (often \$12) which can be waived if certain conditions are met. But these stipulations can be problematic for low-income households (the most common are direct deposit and keeping at least \$1,500 in the account).

While 63% of checking account holders avoid bank fees, one-third of those who pay fees are charged at least \$26 per month, and they're disproportionately from households with lower income and education levels. A CFPB study found 9% of account holders overdraft 10+ times per year; they shoulder 79% of banks' total non-sufficient funds fees.

Many people also pay checking account fees because they're stuck in an account that no longer fits their lifestyle. The average checking account holder has been using that same account for about 16 years. Members of the Silent Generation have held onto their accounts for the longest (30 years, on average), and Baby Boomers aren't too far behind (21 years). Older millennials (27-36 year-olds) have been using the same checking account for an average of approximately 8 ½ years.

“It can be hard to commit to a haircut, diet or job, but it seems like the opposite is true with banking,” said Bankrate.com analyst Amanda Dixon. “Being loyal to a bank is fine if you're getting a good deal. But it's smart to shop around because the bank you've used for decades may not offer the best [savings rates](#), ATM access or mobile app.”

To help consumers find the best options, Bankrate.com and MONEY teamed up on a series of [Best Banks](#) lists. The winners are:

Best Online Bank: Bank of Internet

Best Credit Union: Alliant Credit Union

Best Big Bank: Capital One

Best Regional Bank: Banner Bank

The survey found the most popular reason for choosing a bank or credit union in the first place is convenient branch or ATM locations. The most common reason to stick with a financial institution is its customer service.

Bankrate.com gathered checking and savings account data from 75 brick-and-mortar banks, 50 credit unions and 15 online banks. That included more than 800 accounts and 18,000 data points. Criteria included monthly service fees, interest rates, ATM/branch access, ATM fees, minimum deposit/balance requirements and mobile app ratings.

The survey was conducted by Princeton Survey Research Associates International. PSRAI obtained telephone interviews with a nationally representative sample of 1,003 adults living in the continental United States. Interviews were conducted by landline (502) and cell phone (501, including 327 without a landline phone) in English and Spanish by Princeton Data Source. Statistical results are weighted to correct known demographic discrepancies. The margin of sampling error for the complete set of weighted data is plus or minus 4.0 percentage points.

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