

# Bankrate

## **Gen Z and Millennials Paying More Than Three Times as Much in Monthly Checking Account Fees as Older Generations**

*Nearly 3 in 10 checking and savings account holders value the convenience of staying at their current financial institution over products and services*

NEW YORK – January 4, 2022 – A new Bankrate.com report finds that Gen Z (ages 18-25) and millennial (ages 26-41) checking account holders are paying more than three times as much in monthly fees (e.g., routine service charges, ATM fees, overdraft fees, etc.), on average, than older generations. Additionally, when it comes to choosing where they do business, nearly three in ten checking (29%) and savings (28%) account holders value the convenience of staying at their current financial institution over the products or services the institution provides, such as no/low fees or good interest rates. Click here for more information:

<https://www.bankrate.com/banking/how-long-people-keep-their-checking-savings-accounts/>

When it comes to checking account fees, account holders pay an average of around \$8 per month. However, Gen Zers pay just about \$19, and millennials pay \$16 on average. This compares to \$4 for Gen Xers (ages 42-57) and \$2 for baby boomers (ages 58-76).

Additionally, Gen Z and millennial checking account holders are both more likely to pay monthly fees than older generations: 47% and 35%, respectively. This compares to just 19% of Gen X and 15% of baby boomers and 24% of account holders overall.

According to an earlier-released Bankrate.com [Checking Account and ATM Fee Study](#), the average overdraft (NSF) fee hit a new record high of \$33.58, up slightly from \$33.47 last year. For interest checking accounts, the average monthly fee hit a record high of \$16.35 as did the average balance requirement to avoid a fee, which soared 31% to \$9,896.81. Nearly half (48%) of non-interest checking accounts are free, the highest level since 2010, and the average monthly fee is \$5.08, the lowest since 2011. The average total cost of using out-of-network ATMs fell slightly to \$4.59.

The good news is, most Americans are taking advantage of free or low-cost checking accounts, as 76% are paying nothing and 85% are paying \$5 or less per month in fees.

“Younger Americans, including members of Gen Z and millennials, are paying the most in monthly checking account charges,” said Bankrate.com senior economic analyst Mark Hamrick. “These are some of the same individuals who are earliest in their career paths, striving to achieve their broader financial goals. By shifting some focus to try to avoid or reduce these costs, they should get a good return on that investment of time.”

Overall, 80% of Americans have a checking account at a physical or online bank or credit union while 63% have a savings account. 10% have neither of these financial accounts.

Across cohorts, Gen Zers and millennials are significantly more likely (22% and 14% respectively) than Gen Xers (8%) and baby boomers (5%) to not have a checking or savings account.

When asked why they have stayed with the bank or credit union where they have their primary checking or savings account, nearly one-third (32%) either value the convenience of staying at their current financial institution (too much of a hassle to switch, it's the account I've always had, or don't have time to shop around/research) or don't know the reason, while only two-thirds chose a reason related to the products or services their institution provides.

<b>Reason for staying with your bank or credit union where you have your primary checking OR savings account</b>	<b>Checking Account Holders</b>	<b>Savings Account Holders</b>
I am happy with customer service	14%	14%
They have a convenient branch or ATM locations	13%	13%
It would be too much of a hassle to switch	10%	8%
They have no/low monthly fees	24%	18%
Their reputation	6%	6%
Their online or mobile tools	6%	6%
It is the account I've always had	17%	16%
They have good interest rates	3%	8%
I don't have the time to research/shop around for other options	2%	3%
Other	3%	4%
Don't know	3%	4%

“Sometimes we can make the mistake of choosing a path of least resistance when it comes to doing business with financial firms,” Hamrick added. “But if we’re paying too much in banking fees, or failing to capture a return on savings, it may well be time to shop around. Given the abundance of options among brick-and-mortar firms, mobile/online and those offering some combination, there’s truly no shortage of places to look.”

Americans tend to choose a financial institution and stick with it, as the average account holder has been with the same bank or credit union for 17 years.

To help consumers find the best options for banks, as well as credit cards, mortgage lenders, home equity loans, and brokerages/investing, among other financial categories, Bankrate’s experts evaluated the best of best in personal finance to name the 2022 Bankrate Awards. For the complete list of winners and methodology, please visit: <https://www.bankrate.com/awards/>

**Methodology:**

Bankrate.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,725 adults, among whom 2,195 were

checking account holders. Fieldwork was undertaken on December 1-3, 2021. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

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