

Legislation Text

File #: 190721, **Version:** 0

Calling on the City Council of Philadelphia Committee on Commerce and Economic Development to hold hearings concerning the unbanked and underbanked in Philadelphia and the City's plans for helping to provide access to banking services to all residents.

WHEREAS, In 2017 the FDIC National Survey of Unbanked and Underbanked Households found that 6.5 percent of U.S. households were unbanked, meaning no one in the household had a checking or savings account; and

WHEREAS, The FDIC survey also found that 18.7 percent of U.S. households were underbanked in 2017, meaning that the household had a bank account at an insured institution but had used financial products outside the banking system, such as check cashing and money orders; and

WHEREAS, The unbanked and underbanked tend to rely on family and friends for money in emergency situations; and

WHEREAS, A significant number of Philadelphia households remain unbanked or underbanked, a majority are the City's poorest residents; and

WHEREAS, Only 3.9 percent of white residents are unbanked compared to 19 percent of people of color, according to Prosperity Now, a disparity that exacerbates Philadelphia's poverty rate and stifles economic development; and

WHEREAS, There are many impediments for the unbanked to secure banking services. Many are often suspicious of banks and cannot afford the cost of opening a bank account. It is also difficult to keep a minimum balance and they often cannot provide the necessary identification to open an account; and

WHEREAS, Only 13 branches of the five largest banks operating in Philadelphia are located in low-income neighborhoods; and

WHEREAS, In October Philadelphia will be among the first cities to prohibit cashless stores; and

WHEREAS, Prohibiting cashless stores is not a final solution to end the cycle of poverty and provide financial stability; and

WHEREAS, Philadelphia must work with financial institutions to provide access to more banking services for our residents to end the cycle of poverty; now, therefore, be it

RESOLVED, That the City Council of Philadelphia Committee on Commerce and Economic Development hold hearings concerning the unbanked and underbanked in Philadelphia and the City's plans for helping to provide access to banking services to all residents.

