

FEES AND THE UNBANKED: A PROFILE OF SOUTH CAROLINA

In its recent report, *Hidden Risks: The Case for Safe and Transparent Checking Accounts*, the Pew Health Group's Safe Checking in the Electronic Age Project investigated checking accounts offered by the ten largest U.S. banks, which held nearly 60 percent of the nation's deposit volume. Pew analyzed more than 250 accounts that these banks advertised online in October 2010. The data below reflect the median disclosed costs of banking services at the three banks in the study that had branches in South Carolina and that indicated a presence in the state on their disclosure forms from October. As of June 30, 2010, these banks held 31 percent of all deposits in the state, according to the Federal Deposit Insurance Corporation (FDIC).

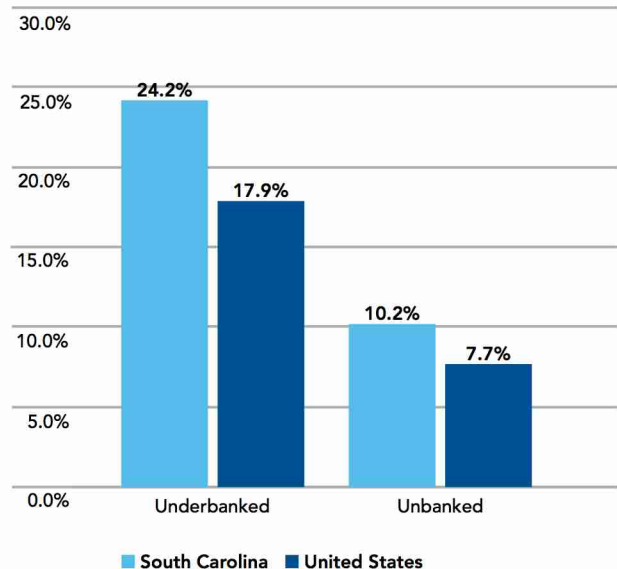
Fees and Policies	South Carolina	United States
Median Monthly Fee	\$8.95	\$8.95
Median Minimum Combined Balance to Waive Monthly Fee	\$5,000.00	\$2,500.00
Median Overdraft Penalty Fee	\$35.00	\$35.00
Median Overdraft Transfer Fee (for all accounts that assessed an overdraft transfer fee)	\$10.00	\$10.00

Bank Fees Cause Some Households to Become Unbanked

According to the FDIC, significant percentages of American households are unbanked or underbanked. The FDIC defines the unbanked as households that lack a checking or savings account and the underbanked as households that "have a checking or savings account, but rely on alternative financial services," such as non-bank money orders or check cashing, payday loans, rent-to-own agreements and pawnshops.

Data from the *2009 FDIC National Survey of Unbanked and Underbanked Households* show that 31 percent of U.S. households that dropped a bank account they had previously maintained cited either service charges, minimum balance requirements or overdraft fees as a reason for leaving the banking system.

Percentage of Households that Are Underbanked or Unbanked



This chart shows the percentages of underbanked and unbanked households in South Carolina as compared to national percentages. Data are from the 2009 FDIC survey.