

Get Checking for Unbanked Hoosiers in Central Indiana

Human Subjects Number 04-052E

Issue:

If you mismanaged your checking account in the past you could find yourself in ChexSystems for up to 5 years without a way to access a mainstream checking account. ChexSystems is for the financial institutions what the credit bureau is to the merchants. According to Chaskey (2002), individuals without access to financial account services pay an average of \$400 each year in fees to cash checks and purchase money orders.

Extension response :

This Educator's role was to coordinate the educational, promotional, and financial institution partners in Indianapolis and surrounding counties. Over the last five years ending September 30, 2008, 244 classes were offered. Seventeen classes were offered between October 2007 and September 2008. In addition to program coordination, this educator taught 28 participants in 3 of the classes held in 2007-2008.

Impact:

In 2007-2008 program year, 123 consumers successfully completed the Get Checking class, learned how to choose and manage a checking account, and now qualify for access to checking account services at one of the four participating financial institutions. These individuals will save in the first year of having the account aggregated savings of \$49,200 and over the five years they would have remained in ChexSystems savings will likely approach \$246,000.

Over the five (5) years of the Get Checking program 244 classes were held with 2080 consumers successfully completing the course qualifying them for access to checking account services. In one year the 2080 consumers will save in the first year of having their account aggregated savings of \$832,000 and over five years they would have remained in ChexSystems saving will likely approach \$4,160,000.

A follow-up survey of Get Checking participants in 2006 found that since completing the program 98% of respondents had opened a checking account and 91% still had the account open one to three years later. Respondents also reported changing their financial management behaviors related to recording, reconciling, budgeting and communicating. This study (authors: Haynes-Bordas, Kiss, Yilmazer) was published in the Journal of Family and Economic Issues in September of 2008.

Partners:

Clarian Federal Credit Union
Financial Center Federal Credit Union
M&I Bank (formerly First Indiana)
National City Bank
Family Service
John H. Boner Community Center
MOMENTIVE Consumer Credit Counseling Service

Contact:

Rebecca Haynes-Bordas, AFC

haynesar@purdue.edu

(317) 275-9305, extension 254

It is the policy of the Purdue University Cooperative Extension Service that all persons have equal opportunity and access to its educational programs, services, activities, and facilities without regard to race, religion, color, sex, age, national origin or ancestry, marital status, parental status, sexual orientation, disability or status as a veteran. Purdue University is an Affirmative Action institution. This material may be available in alternative formats.