



JUNE 2026 REPORT

The Underbanked Are the Most Engaged - and Most Overlooked - Growth Segment

New research reveals why the Underbanked represent one of the most significant untapped opportunities in financial services today.

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From Data to Impact: What the Underbanked Opportunity Demands

19 million U.S. households are Underbanked (FDIC, 2023) - they have bank accounts but still rely on alternative banking methods. They are the most financially active segment in this study: holding credit cards, auto loans, retirement accounts, and personal loans at higher rates than any other group. Yet many banks are not fully meeting their demand for guidance, transparency, and support. As digital adoption accelerates, trust in traditional institutions continues to decline, and digital-only competitors gain ground, the window to win this segment is narrowing. This is not a question of access - it's a question of engagement. The data points to four clear imperatives.

IMPERATIVE 01

Segment, Don't Lump

The Underbanked, Unbanked, and LMI require distinct strategies. 56% of the Underbanked aren't low-moderate-income households. Treating these groups as interchangeable leads to missed opportunities.

IMPERATIVE 02

Lead with Transparency

High fees are the **#1 source of dissatisfaction** with a primary financial institution (PFI) across those with bank accounts. Trust starts with clarity - on pricing, on products, and on what consumers qualify for.

IMPERATIVE 03

Invest in Education as Infrastructure

61% of the Underbanked say **coaching from their bank** would make them **more favorable toward it**. Financial education is not just a program — it tends to be one of the strongest factors of loyalty.

IMPERATIVE 04

Engage Digitally, Coach In Person

YouTube, Facebook, and peer networks are where financial decisions are being shaped. In-language, community-based, and platform-native outreach are not optional for institutions serious about this segment. And when it comes to coaching specifically, **44% across all segments still prefer in-person** — digital engagement and human connection are not mutually exclusive.

The Underbanked are not a conversion problem - they are an engagement opportunity.

A New Era of Financial Inclusion

WHY SEGMENTS HAVE ALWAYS MATTERED

Financial inclusion has historically been defined by a single question: does someone have a bank account?

That framing shaped decades of policy, product design, and outreach - and it helped millions of households enter the banking system for the first time. But account ownership alone does not tell the full story. How people use their accounts, what products they hold, where they turn for guidance, and what they expect from their financial institutions varies significantly - across income levels, demographics, and lived experience.

Understanding those differences is not just an academic exercise. It is the foundation for building products, services, and relationships that actually work for the people they're meant to serve.

- **Unbanked:** Untapped potential - often unaware of what's available to them
- **Underbanked:** Actively engaged and ready for more, with unmet needs
- **LMI:** Digitally leaning in, motivated by ease and transparency

WHY THE NUANCE MATTERS NOW

Digital-only bank adoption is accelerating and peer-to-peer payment tool usage is growing, particularly among the Underbanked, as they turn to alternatives to traditional banks to meet their immediate needs on fees, convenience, and accessibility. This is a segment that is financially active, digitally engaged, and seeking more - but currently finding it elsewhere. The opportunity for banks to re-engage the Underbanked is real, but it won't wait.

KEY TAKEAWAY

One-size-fits-all strategies miss the nuance - and the opportunity.

Each segment has distinct behaviors, needs, and expectations from their financial institution. Treating them as interchangeable leads to missed opportunities.

Three Groups; Three Realities

While all three segments face barriers to full financial participation, their behaviors, engagement levels, and needs diverge significantly.

Unbanked

No checking or savings account in the past 12 months.

1 in 4 are not interested in financial education at all, and are **more likely to rely on friends, family, and social media** for guidance.

Underbanked

Has a bank account AND uses at least one non-traditional product.

The **most financially active segment** - holding the widest range of products and most likely to seek guidance from their bank.

LMI

Household income under \$80K, does not always pay bills on time.

Digitally leaning in - **rapidly adopting digital-only options**, motivated by ease and transparency.

THE DISTINCTION IN NUMBERS

56%

of Underbanked are NOT low/moderate income

78%

of Underbanked have used credit cards – vs. 46% Unbanked and 69% LMI

69%

of Underbanked feel knowledgeable about financial products — vs. 50% Unbanked and 59% LMI

KEY TAKEAWAY

The Underbanked Stand Apart

More engaged, more product-diverse, and more ready for a deeper banking relationship than any other segment - **but often overlooked.**

Underbanked: Engaged, Product-Savvy, and Hungry for Guidance

The Underbanked tend to navigate more complex financial lives than Unbanked or LMI consumers - holding more products, seeking more guidance, and signaling clear readiness for a deeper banking relationship. **They are already in the system, banks just aren't fully meeting their needs.**

TOP BANKING PRODUCTS

78%

Credit card

51%

Auto loan

48%

Retirement account

48%

Personal loan

TOP FINANCIAL TOOLS

53%

Online debt management

38%

International money transfers

30%

Small loan / credit apps

TOP PAYMENT APPS

87%

PayPal

68%

Cash App

67%

Facebook Messenger

61%

Say financial coaching from their bank would make them **more favorable** toward it

45%

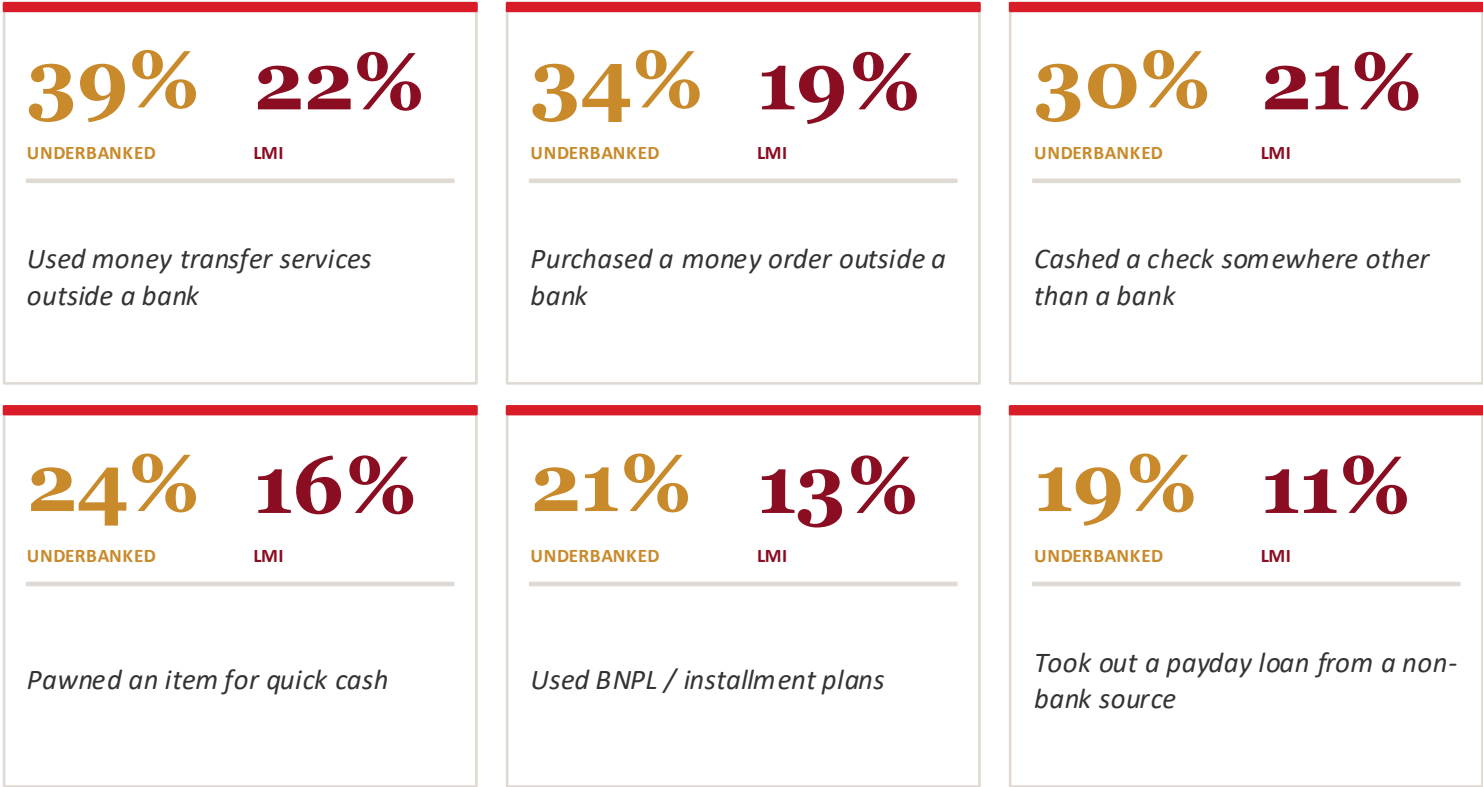
Turn to their primary bank for financial guidance - higher than any other segment

By definition, every single one of the Underbanked relies on at least one non-traditional financial product. But they are looking for their bank to help them navigate the evolving financial world.

For each of the following financial products, please indicate whether or not you or someone else in your household currently have or have used this product in the past. / Now, thinking about the bank account you or someone else in your household currently have, how have you interacted with your primary bank or financial institution over the past 12 months? / For each of the electronic payment / money transfer services listed below, please indicate whether or not you or someone else in your household have used it. / For each of the financial tools listed below, please indicate whether or not you or someone else in your household have used it. / If financial coaching or planning were offered at your primary bank or financial institution, how would that impact your overall impression of it? / When you need financial coaching, planning, or information about financial products/services, where do you usually turn? Base: Underbanked n=602

The Gap Is the Opportunity

The Underbanked are the most financially active segment in this study - more products, more engagement, more readiness for a deeper banking relationship than any other group. Which makes this the critical finding: they are also the most likely to be filling their financial needs outside a bank. That’s not a preference. It’s a gap. And every workaround in the data below represents a product, service, or relationship a bank could be providing instead.



KEY TAKEAWAY

These aren’t fringe behaviors, they’re gap-filling by the most financially active segment in this study. **an immediate need for quick cash** - a need that financial education and coaching can help address by improving money management and reducing reliance on costly alternatives.

Digital-Only Banks Are Winning Attention

Part of what's filling the gap is digital-only competitors, and they are gaining ground fast. LMI consumers, who make up a significant share of the Underbanked, are showing strong interest in digital-only banking. This isn't about technology preferences, it's about which institutions are making it easiest to meet their immediate needs on fees, convenience, and accessibility. Traditional banks already offer most of these features. The question is whether they're surfacing them.

~1 in 10 **~1 in 5**

UNDERBANKED

LMI

Hold a digital-only bank account

53% **55%**

UNDERBANKED

LMI

Used a banking app in the past 12 months

MOST WIDELY USED PAYMENT APPS

Across both segments

	UNDERBANKED	LMI
PayPal	87%	83%
Cash App	68%	74%
Facebook Messenger	67%	63%

WHY THEY USE THEM

- Ease of use
- Perceived safety
- Friends and family use them

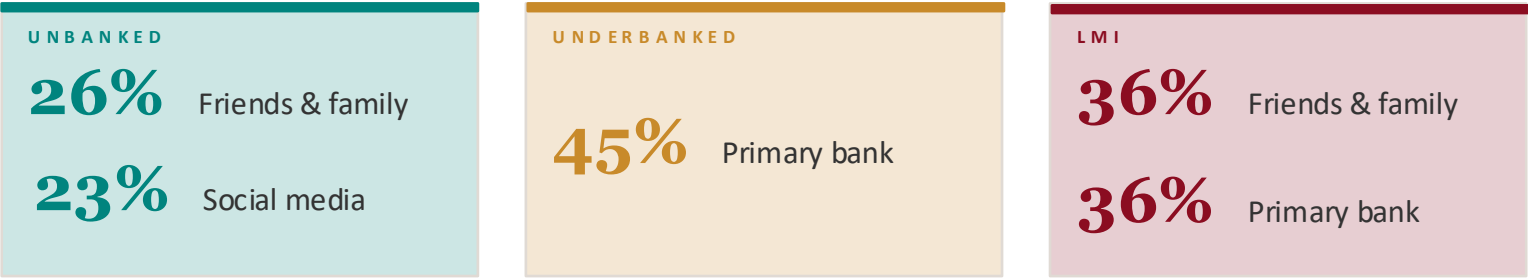
KEY TAKEAWAY

Digital-only banks are winning on simplicity and convenience — not on depth of relationship. That's where traditional banks have the advantage, if they use it. The Underbanked are already more likely to turn to their primary bank for guidance than Unbanked or LMI consumers. The relationship is there. The task is reinforcing it before a digital-only competitor fills that role permanently.

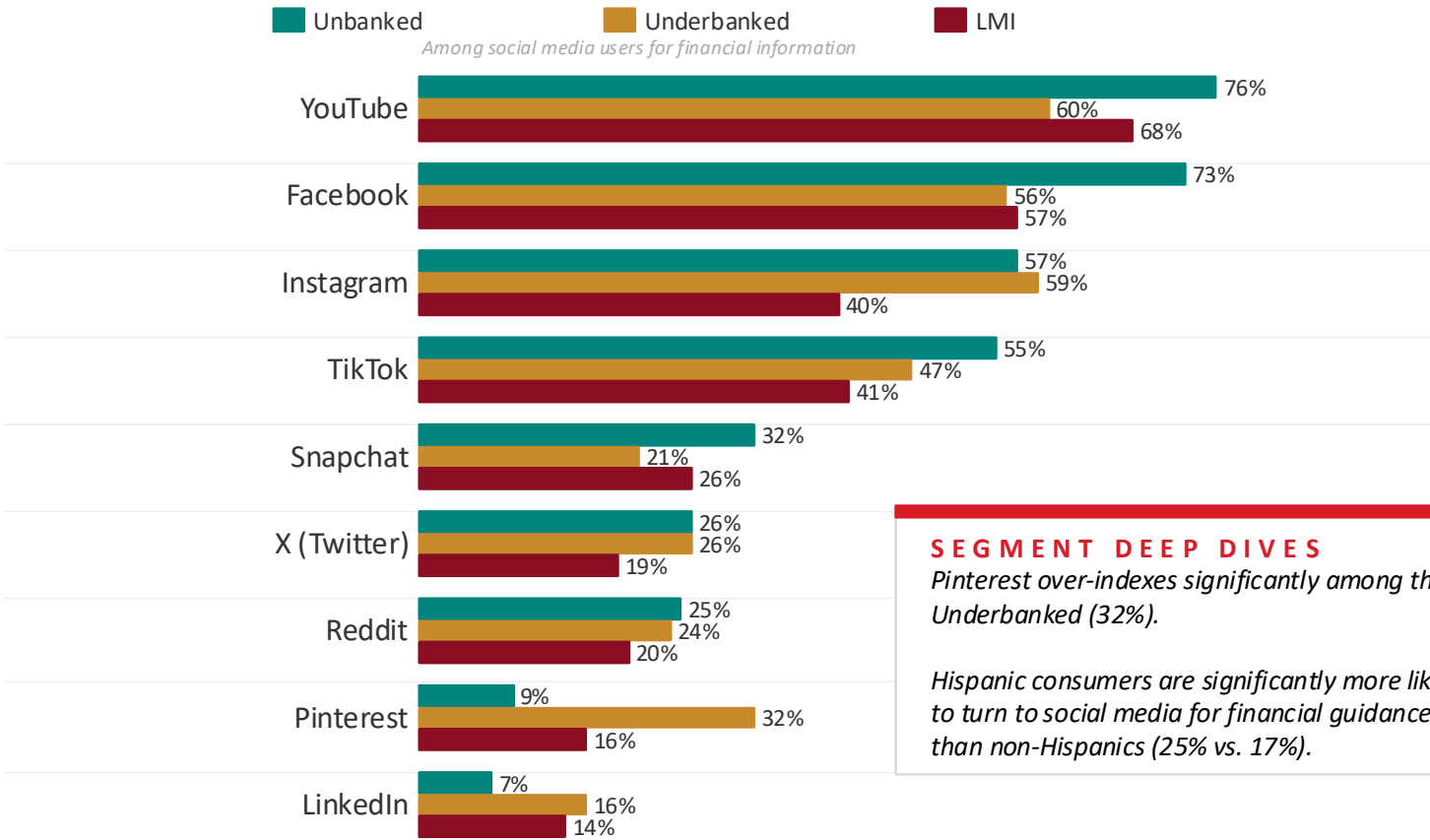
Financial Information Has Expanded Online

Knowing where the gap exists is one thing. Knowing where these segments are being influenced is another. For the Unbanked, financial decisions are being shaped by friends, family, and social platforms, not banks. For the Underbanked, the primary bank leads decisively. Still roughly 1 in 5 consumers across all three segments turn to social media for financial guidance. Meeting them in those platforms is part of a complete engagement strategy.

WHERE THEY TURN FOR FINANCIAL GUIDANCE



SOCIAL PLATFORMS USED FOR FINANCIAL INFORMATION



SEGMENT DEEP DIVES

Pinterest over-indexes significantly among the Underbanked (32%).

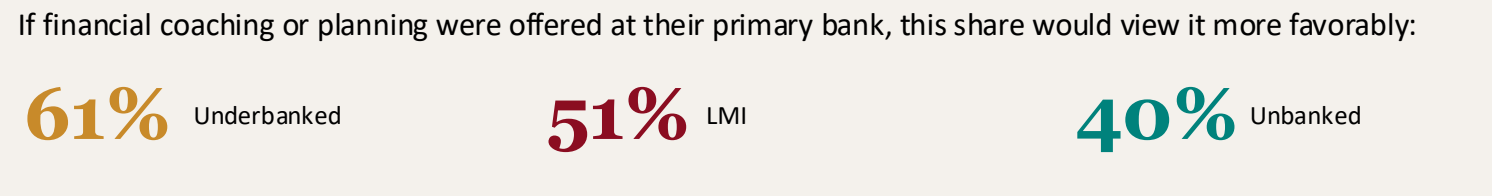
Hispanic consumers are significantly more likely to turn to social media for financial guidance than non-Hispanics (25% vs. 17%).

KEY TAKEAWAY

YouTube and Facebook are the broadest reach plays across all three segments — but reach is only the starting point. The Underbanked are already turning to their primary bank for guidance more than any other group. A channel strategy that shows up in the platforms where financial decisions are being shaped, and consistently reinforces that bank relationship, is where reach becomes trust and trust becomes loyalty.

Coaching and Education: A Clear Path to Deeper Engagement

The segments are clear. The gap is clear. The channel landscape is clear. What remains is the most actionable question: what do these consumers actually want from their bank? The data gives a consistent answer across all three groups: coaching and education, delivered the way they prefer. And crucially, the appetite is there even among the Unbanked, who don't yet have a bank account. This isn't a hard sell. It's an unmet demand.



HOW THEY WANT TO LEARN — TOP 3 PER SEGMENT

UNBANKED



UNDERBANKED



LMI



TOP TOPICS BY SEGMENT

UNBANKED



25% selected none of these — not because they aren't interested, but because they may not yet know what's available. This is the education gap in its most literal form.

UNDERBANKED



LMI

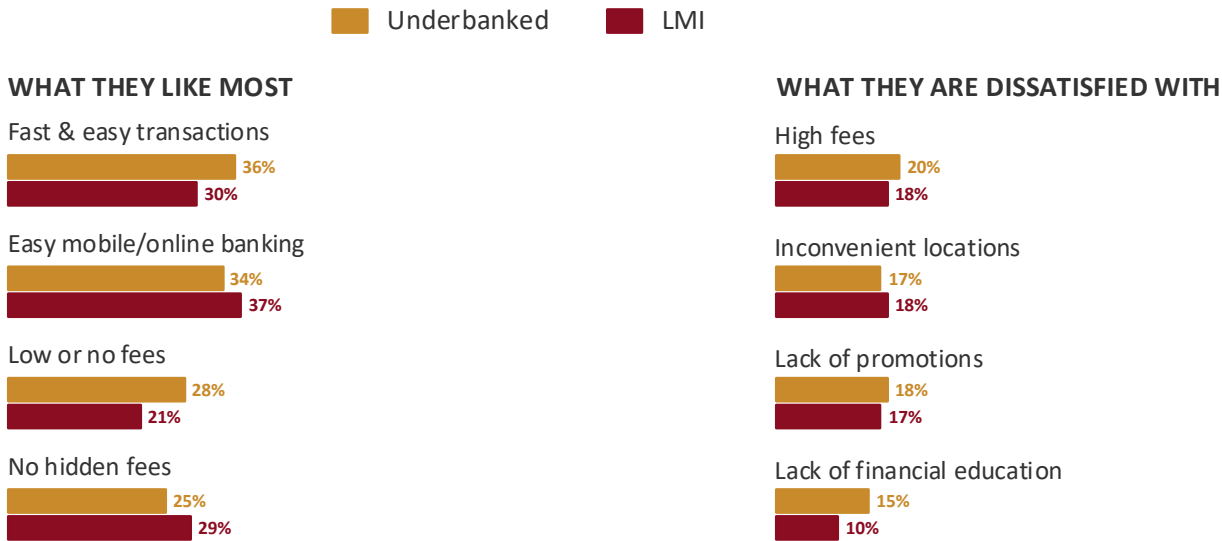


KEY TAKEAWAY

In-person education is the top choice across all three segments. The Underbanked are already leaning on their bank for guidance more than any other group. The demand is real and the preference is clear. The question for banks is whether they're showing up to meet it.

Loyalty Hinges on Financial Support

Convenience matters - but it's not what wins loyalty. Across both the Underbanked and LMI, the strongest predictor of whether a consumer recommends their bank isn't the quality of the app or the branch network. It's whether they feel financially supported. Banks that invest in that relationship - through transparency, education, and personalized guidance - stand to gain significantly. Those that don't risk losing ground to competitors who will.



FINANCIAL HEALTH SUPPORT

78%

UNDERBANKED

69%

LMI

Agree their bank helps improve their financial health

NET PROMOTER SCORE

Among those who feel financially supported:

+42

UNDERBANKED

+35

LMI

Among those who don't:

-12

UNDERBANKED

-18

LMI

KEY TAKEAWAY

There is a growing demand for personalized, concierge-like financial guidance - historically reserved for high-net-worth clients. Banks that democratize these experiences will win long-term loyalty.

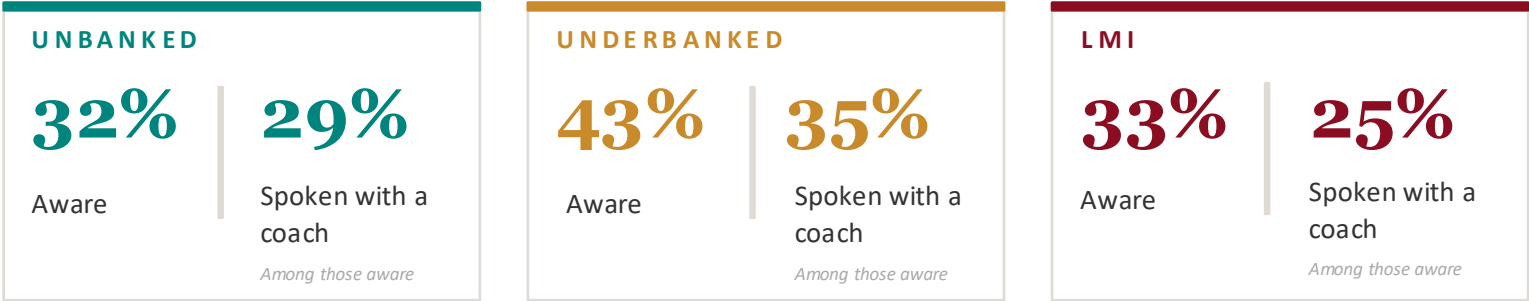
KEY TAKEAWAY

A 54-point NPS swing separates Underbanked consumers who feel financially supported from those who don't. That's not a marginal difference. It's the difference between an advocate and an at-risk customer, and coaching is how you get there.

HOPE Inside: What Happens When Coaching Is Made Accessible

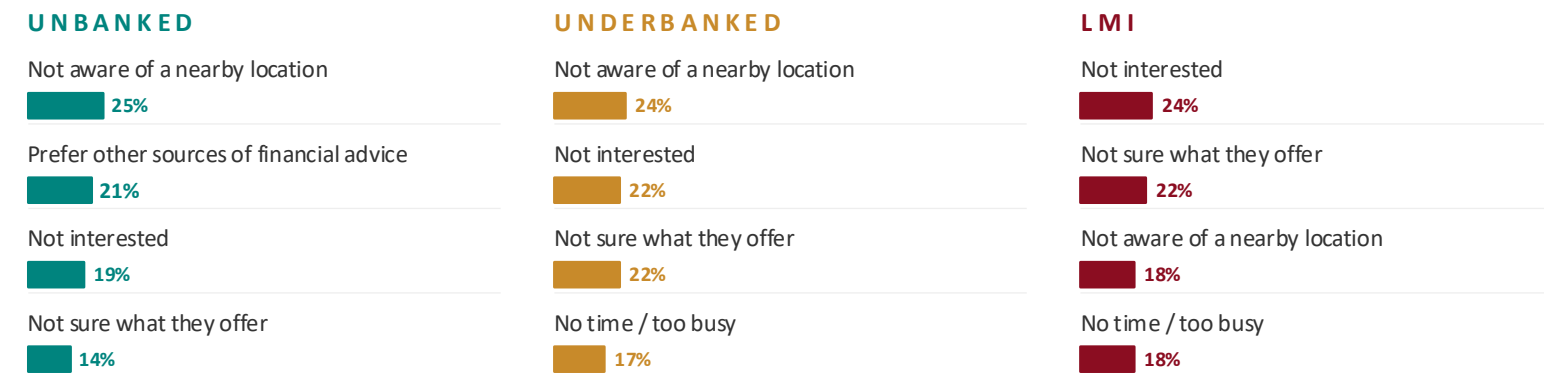
The previous slides make the case for what these segments want and show that delivering it drives loyalty. HOPE Inside is what that looks like in practice. It is Operation HOPE’s free financial coaching program embedded within Wells Fargo branches - offering one-on-one guidance on credit, budgeting, and financial goal-setting to any customer at no cost. The data below shows what happens when accessible, in-person coaching actually reaches these segments. Where awareness exists, engagement follows. Where engagement happens, demand for more grows. The barriers aren’t attitudinal, they’re logistical. Awareness and access are the levers.

AWARENESS & ENGAGEMENT



WHY THEY HAVEN'T ENGAGED — BY SEGMENT

Among those who haven't spoken with a coach



KEY TAKEAWAY

Awareness is the primary barrier, not disinterest. Among those who know about HOPE Inside, engagement is strong and future interest is high across all three segments. This is a proof point, not just a program: when banks make coaching accessible and visible, these consumers engage. Scaling access is the lever.

FUTURE INTEREST IN HOPE INSIDE COACHING



Nearly 1 in 3 of the Underbanked who are aware of HOPE Inside have already spoken with a coach — and signal demand for an ongoing, trusted banking relationship.



METHODOLOGY

About This Research

This research was commissioned by Wells Fargo and conducted by Morning Consult between August 13 – September 22, 2025, among a national U.S. sample of 260 Unbanked, 602 Underbanked, and 600 LMI adults. Interviews were conducted online and data is representative of the target population based on gender, educational attainment, age, race, and region. Results carry a margin of error of $\pm 4\text{--}6$ percentage points at a 95% confidence level.

About the Banking Inclusion Initiative

Launched in 2021, Wells Fargo’s Banking Inclusion Initiative (BII) is a 10-year commitment to providing easier access to low-cost banking and financial education for unbanked and underbanked communities. This research was commissioned as part of that ongoing effort to better understand and serve these segments.

SAMPLE BREAKDOWN

UNBANKED
N=260

UNDERBANKED
N=602

LMI
N=600

Population sizing: FDIC 2023 National Survey of Unbanked and Underbanked Households, November 2024. fdic.gov/household-survey