



Bank On Talking Points: COVID-19 and the Child Tax Credit

Expecting the Child Tax Credit? Direct deposit is faster, safer, and cheaper –open a Bank On certified bank or credit union account online now to get ready for the Child Tax Credit!

- Open an affordable, nationally certified bank or credit union account online now to get your Child Tax Credit and other emergency benefits faster, safer, and cheaper each month.
 - From July through December 2021, the first half of the Child Tax Credit will be paid in advance through monthly payments - up to \$300 per child under age 6 and \$250 per child ages 6 to 17. Recipients will get the remainder of the credit when you file your taxes next year. (<https://www.whitehouse.gov/child-tax-credit/>)
- Filers can now add or change their bank or credit union account information on the IRS's Child Tax Credit Update Portal: <https://www.irs.gov/credits-deductions/child-tax-credit-update-portal>. To get ready to receive this monthly payment by direct deposit, open a Bank On certified account online now, and start using your account to manage your money, including depositing your CTC payment.
- [Bank On nationally certified accounts](#) don't allow overdraft or insufficient funds fees; they cost from \$0-5 a month and are federally insured; and they can be used for direct deposit, purchases, and paying bills.
- Twenty two of these accounts can [be opened online](#), without having to leave your home, and then can be used to deposit and manage your Child Tax Credit and other payments.
- Bank On certified accounts are a safe place to deposit your Child Tax Credit payment, and to receive other benefits in the future.
- Without an account, accessing the Child Tax Credit and other payments are more difficult. Paper checks will need to be cashed in person, and you may need to pay fees, buy money orders to pay bills, or go in person to spend your money. Prepaid cards may charge fees for using ATMs or accessing customer service, and will not allow you to load cash or other payments onto the card so you can keep your money all in one place. You can open your own affordable, safe, and nationally certified bank or credit union account online now at www.covidbanking.joinbankon.org, and then use it to manage your Child Tax Credit and other payments.

Why Banking Access Matters

- The FDIC [found that in 2019](#), 7.1 million households were unbanked, without a checking or savings account, and 14.3 million households were underbanked.
 - The millions of adults in the US who are un- or underbanked rely on costly alternative financial services—like check cashers, payday lenders, and pawn shops—for routine financial transactions.
 - People of color are more likely to be un/underbanked: Almost half of Black households (48%) and 42% of Hispanic households are unbanked or underbanked, compared to just 14% of white households.
 - In [City Name], X% of households are currently unbanked.



- Access to a basic transaction account is an important first step in participating in the financial mainstream, depositing earnings securely, paying bills efficiently, accessing credit, and saving for emergencies and the future.
- People who are un- and underbanked can spend as much as [\\$40,000 over their lifetime](#) managing their finances— a significant cost for those who can least afford it.
- Banking access **supports asset building** – Bank On accounts help people save safely and automatically, and establish banking relationships that can lead to accessing affordable credit and other products.
- Banking access **supports financial stability** – being banked makes it easier to achieve other financial goals.
 - An [evaluation](#) of the CFE Fund’s Financial Empowerment Center (FEC) initiative found that unbanked financial counseling clients were *half as likely* to be able to increase savings and *over a third less likely* to establish a new credit score, even when working closely with trained, professional counselors.
 - The same evaluation found that unbanked clients who became banked during counseling were almost *8 times more likely* to increase their savings relative to those who never became banked.
- Bank On as a **racial equity strategy**: People of color are more likely to be un/underbanked: Almost half of Black households (48%) and 42% of Hispanic households are unbanked or underbanked, compared to just 14% of white households. [Bank Policy Institute found](#)
 - *Bank On branches are more available in areas with more people of color*: Close to 60 percent of Bank On certified accounts opened in 2017 were opened by customers in areas with 50+ percent minority population.
 - 46 percent of accounts opened in 2017 were in ZIP codes with 50+ percent LMI population, more than double the share of institutions’ branches within this neighborhood category.

About Bank On

- The goal of [Bank On](#) is to ensure that everyone has access to a safe and affordable bank or credit union account.
- National nonprofit organization [the Cities for Financial Empowerment Fund](#) (CFE Fund) leads the movement nationally, supporting almost 90 local Bank On coalitions with strategic and financial support, as well as by working with national banking, regulatory, and nonprofit organization partners to expand banking access and connect it to municipal entities and services.
- The CFE Fund’s [Bank On National Account Standards](#) certification offers guidance on accounts appropriate for local Bank On coalition and partner financial institution partnerships. Core account features include low costs, no overdraft fees, robust transaction capabilities such as a debit or prepaid card, and online bill pay. Certification is free, and verified by the National Consumer Law Center.
- Bank On accounts are widely available throughout the country:
 - 40% of all US bank branches offer a Bank On certified account.



- Bank On certified accounts already comprise 52%+ of national deposit market share
- There are over 100 banks and credit unions with a [Bank On certified account](#), available at over 32,500 branches in all 50 states and Washington, DC.
- [Twenty two Bank On certified accounts](#) can be opened entirely online.
- In partnership with the Federal Reserve Bank of St. Louis, the [Bank On National Data Hub](#) (BOND Hub) aggregated 2019 Bank On account data from 10 institutions with certified accounts. They found:
 - More than 5.8 million Bank On-certified accounts have been opened across the 10 reporting institutions, with almost 2 million opened during 2019.
 - Bank On accounts have opened in 75% of all U.S. zip codes.
 - 85% of customers opening Bank On certified accounts were new to the financial institution.
 - Nearly \$23 billion were deposited into Bank On certified accounts.
 - 75% of account holders were digitally active.
- For 2018 data: BOND Hub data shows that in City of [X], [X #] Bank On certified accounts have been opened. *[This [Bank On Coalition Playbook Chapter](#) details how to you can use the Local Bank On Data Tool ([download at the link](#)) to add local context on the usage and impact of Bank On accounts – the CFE Fund is currently updating this tool for 2019 data; stay tuned!]*