

**SERVING THE UNBANKED
AND THE UNDERBANKED**
JENNIFER, VERONICA, AND
SYDNEY



F&M Bank



OVERVIEW AND BACKGROUND



What Does It Mean to be Unbanked or Underbanked?

- Unbanked: Think mattress stuffer
 - The unbanked community does not utilize banking services.
- Underbanked: Think more advanced mattress stuffer
 - The underbanked community minimally utilizes banking services such as checking, savings, or other financial service within a year.

COMPARING CONCERNS

Why don't people bank?

- Technology
- Misunderstanding of FDIC
- Not being informed

Why don't people bank with F&M?

- Uninformed (banks benefits)
- 3rd party banking industry (Paypal, Venmo, etc)
- Language barriers



WHY IS BANKING BENEFICIAL?

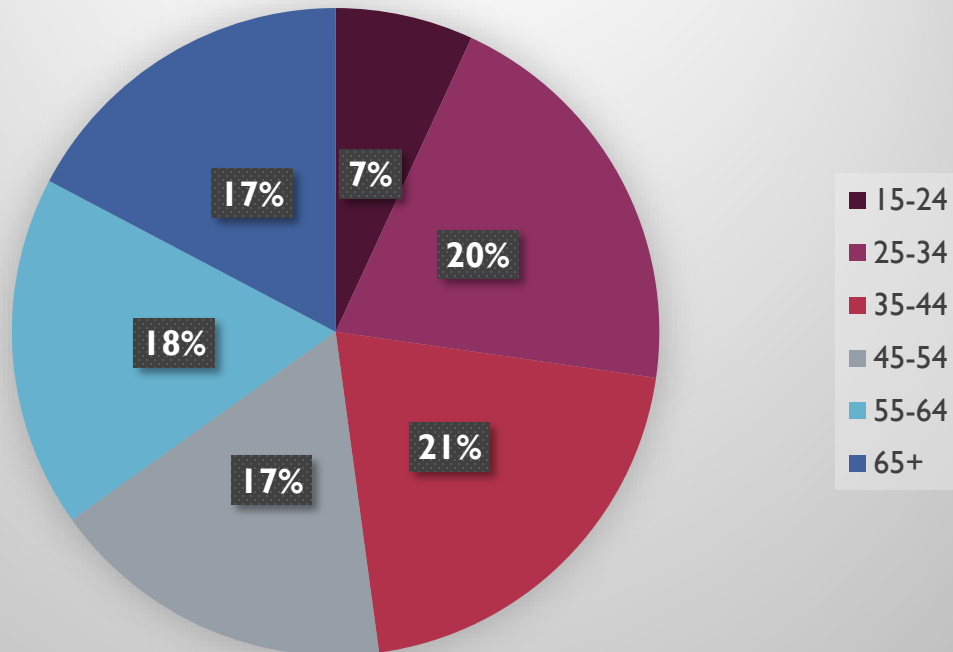
What can banking help with:

- Facilitating home buying process
- Facilitating savings/investments
- Rewards and incentives
- Paper trail for larger purchase (renting agreements, car loans, mortgages)

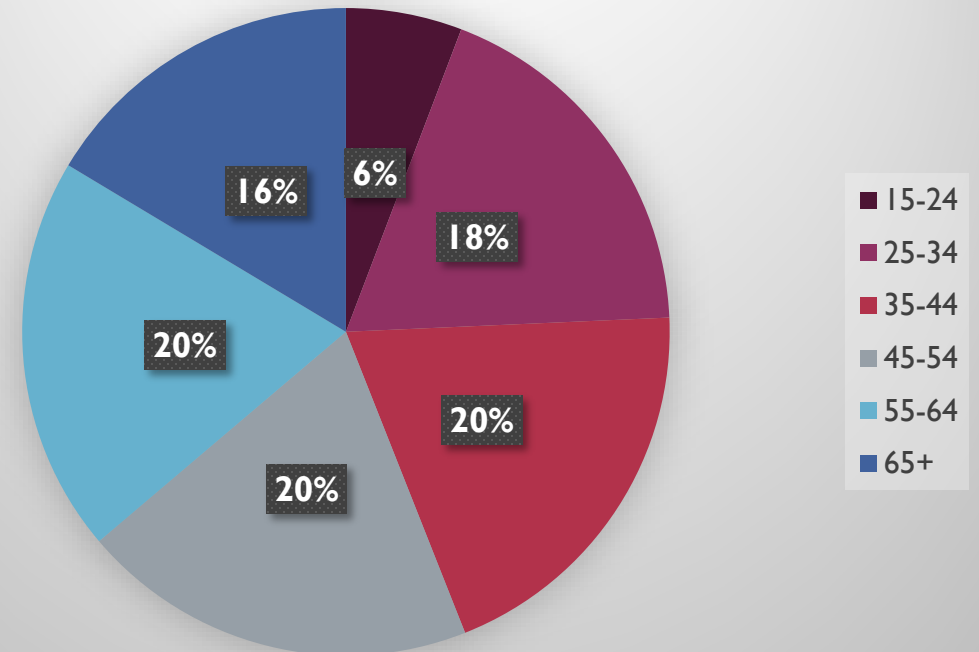


AGE GROUPS

National Underbanked Percentages by Age Group



National Unbanked Percentages by Age Group



ABOUT THIS GROUP

Unbanked

- 19.8% have a family income of Less than \$15,000
- 19.2% did not receive a high school diploma
- 11.3% are black and 9.3% are Hispanic

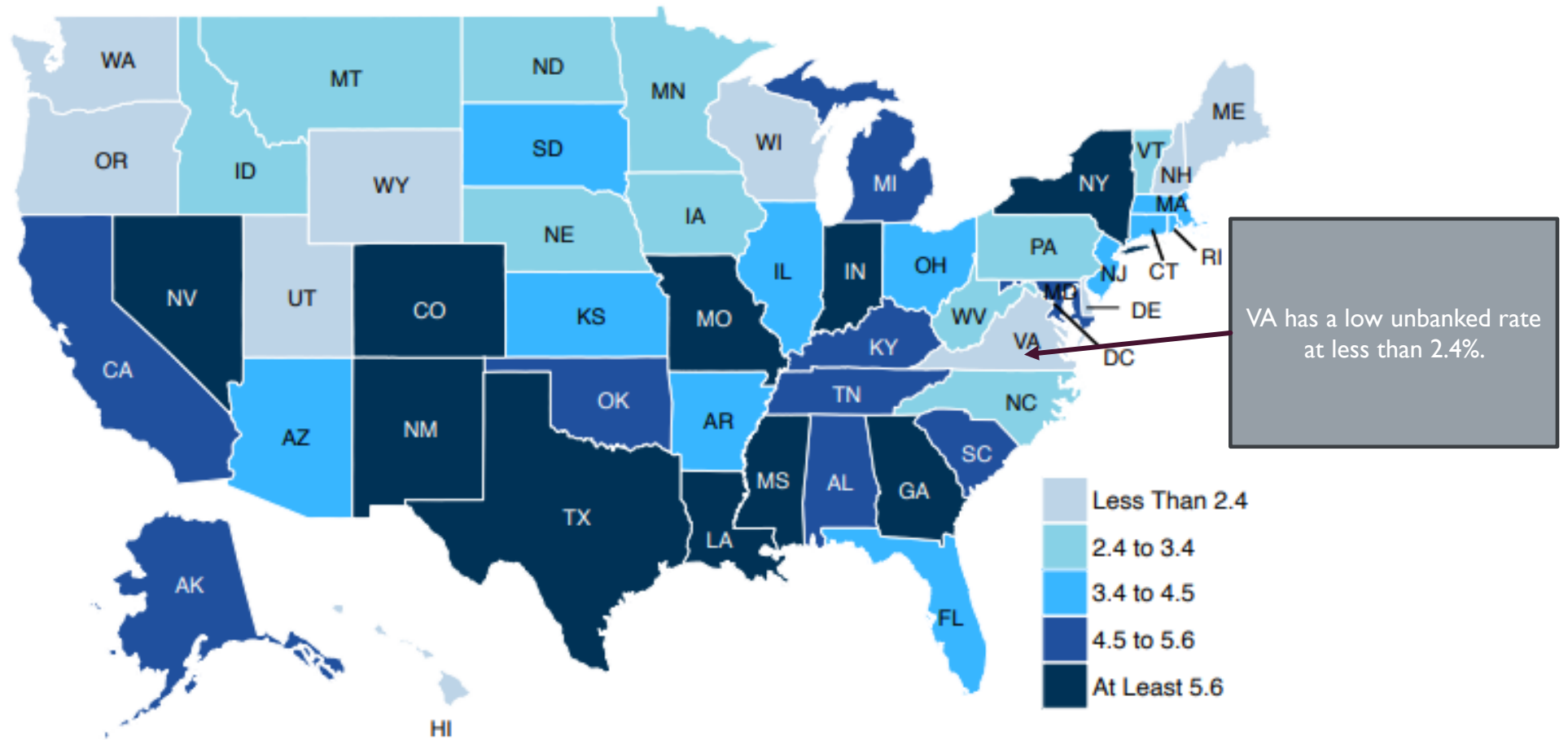
Underbanked

- 19.2% have a family income of less than \$15,000
- 24.1% did not receive a high school diploma
- 24.7% are black and 24.1% are Hispanic

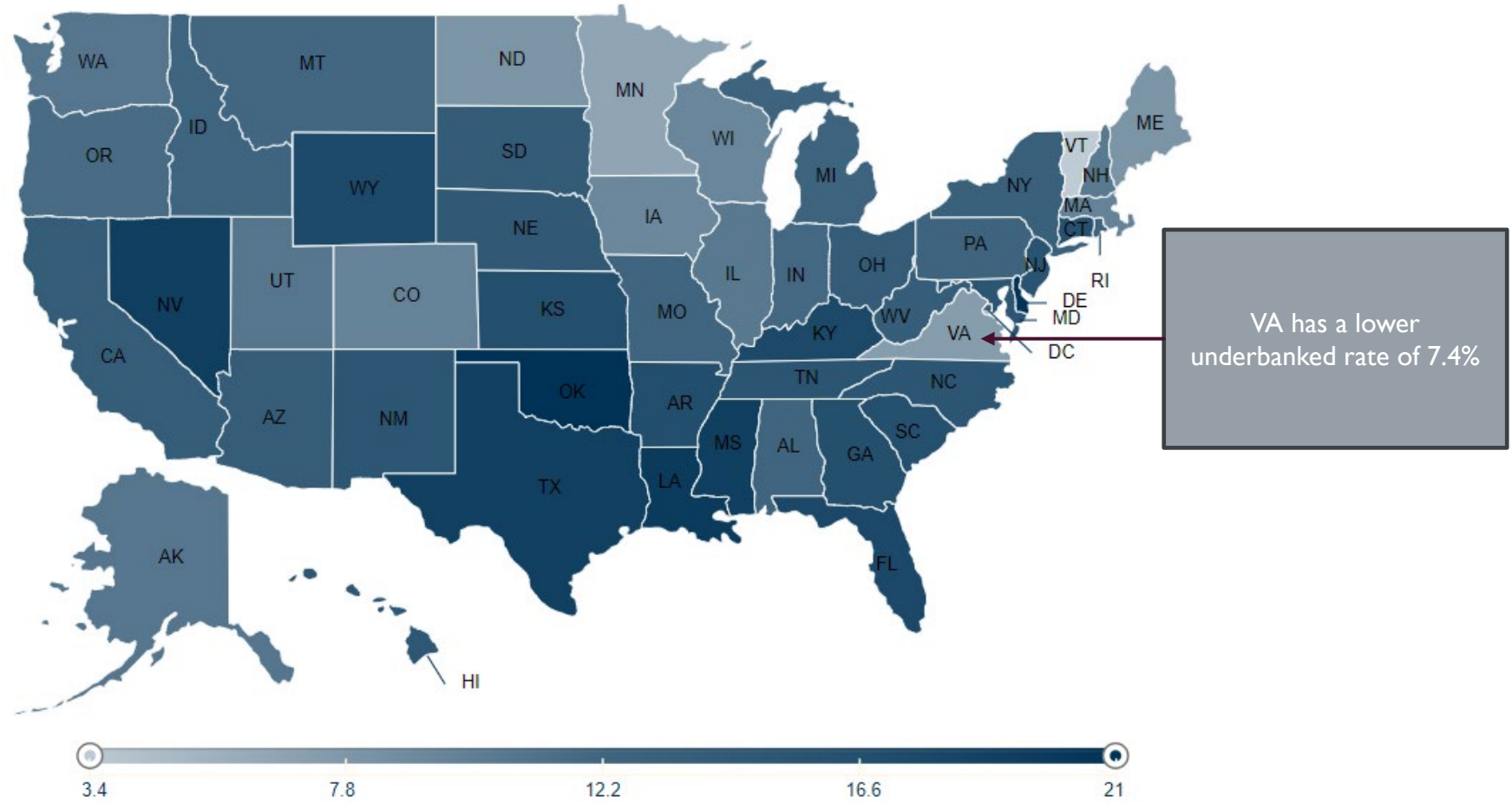
FDIC, 2021



UNBANKED RATES BY STATE, 2021 (FDIC, 2021)



UNDERBANKED RATES BY STATE, 2021 (FDIC, 2021)



A POPULATION UP FOR GRABS

Communities F&M Services	Population	% Unbanked	% Underbanked	Opportunity People Per Locale
Rockingham County	83,757	2,010	6,198	8,208
Harrisonburg City	51,814	1,244	3,834	5,078
Shenandoah County	44,186	1,060	3,270	4,330
Augusta County	77,487	1,860	5,734	7,594
Frederick County	91,419	2,194	6,765	8,959
Town of Timberville	2,963	71	219	290
Town of Woodstock	5,807	139	430	569
Town of Elkton	2,941	71	218	288
Town of Stuarts Draft	12,142	291	899	1,190
Town of Edinburg	1,178	28	87	115
Town of Broadway	4,170	100	309	409
Town of Bridgewater	6,596	158	488	646
Waynesboro City	22,196	533	1,643	2,175
Staunton City	25,750	618	1,906	2,524
Winchester City	28,120	675	2,081	2,756
Total	460,526	11,053	34,079	45,132

A POPULATION UP FOR GRAB

2.4% and 7.4% respectively
(FDIC, 2021)

Communities F&M Services	Population	% Unbanked	% Underbanked	Opportunity People Per Locale
Rockingham County	83,757	2,010	6,198	8,208
Harrisonburg City	51,814	1,244	3,834	5,078
Shenandoah County	44,186	1,060	3,270	4,330
Augusta County	77,487	1,860	5,734	7,594
Frederick County	91,419	2,194	6,765	8,959
Town of Timberville	2,963	71	219	290
Town of Woodstock	5,807	139	430	569
Town of Elkton	2,941	71	218	288
Town of Stuarts Draft	12,142	291	899	1,190
Town of Edinburg	1,178	28	87	115
Town of Broadway	4,170	100	309	409
Town of Bridgewater	6,596	158	488	646
Waynesboro City	22,196	533	1,643	2,175
Staunton City	25,750	618	1,906	2,524
Winchester City	28,120	675	2,081	2,756
Total	460,526	11,053	34,079	45,132

A POPULATION UP FOR GRABS

Communities F&M Services	Population	% Unbanked	% Underbanked	Opportunity People Per Locale
Rockingham County	83,757	2,010	6,198	8,208
Harrisonburg City	51,814	1,244	3,834	5,078
Shenandoah County	44,186	1,060	3,270	4,330
Augusta County	77,487	1,860	5,734	7,594
Frederick County	91,419	2,194	6,765	8,959
Town of Timberville	2,963	71	219	290
Town of Woodstock	5,807	139	430	569
Town of Elkton	2,941	71	218	288
Town of Stuarts Draft	12,142	291	899	1,190
Town of Edinburg	1,178	28	87	115
Town of Broadway	4,170	100	309	409
Town of Bridgewater	6,596	158	488	646
Waynesboro City	22,196	533	1,643	2,175
Staunton City	25,750	618	1,906	2,524
Winchester City	28,120	675	2,081	2,756
Total	460,526	11,053	34,079	45,132

Given F&M's market share, 17.06%, it is possible to reach 7,700 community members

Hispanic Population Statistics

Communities F&M Service	Total Population	Hispanic/Latino Population	% Unbanked	% Underbanked	People to Service
Rockingham	85,397	7,003	168	518	686
Harrisonburg	51,814	10,622	255	786	1,041
Shenandoah	43,497	3,523	85	261	345
Augusta	75,457	2,792	67	207	274
Frederick County	88,355	9,366	225	693	918
Timberville	2,678	220	5	16	22
Woodstock	5,807	1,138	27	84	112
Elkton	2,941	241	6	18	24
Stuarts Draft	12,142	170	4	13	17
Edinburg	1,068	87	2	6	8
Broadway	4,170	342	8	25	34
Bridgewater	6,596	343	8	25	34
Waynesboro	22,196	1,975	47	146	194
Staunton city	25,750	927	22	69	91
Winchester	28,120	5,118	123	379	502
Total	455,988	43,866	1,053	3,246	4,299

Black Population Statistics

Communities F&M Services	Total Population	Black Population	% Unbanked	% Underbanked	People to Service
Rockingham	85,397	2,391	57	177	234
Harrisonburg	51,814	3,731	90	276	366
Shenandoah	43,497	1,305	31	97	128
Augusta	75,457	3,697	89	274	362
Frederick County	88,355	4,418	106	327	433
Timberville	2,678	75	2	6	7
Woodstock	5,807	110	3	8	11
Elkton	2,941	82	2	6	8
Stuarts Draft	12,142	583	14	43	57
Edinburg	1,068	32	1	2	3
Broadway	4,170	117	3	9	11
Bridgewater	6,596	317	8	23	31
Waynesboro	22,196	2,553	61	189	250
Staunton city	25,750	2,884	69	213	283
Winchester	28,120	2,700	65	200	265
Total	455,988	24,994	600	1,850	2,449

FOCAL POPULATION

Hispanic Population Statistics

Communities F&M Service	Total Population	Hispanic/Latino Population	% Unbanked	% Underbanked	People to Service
Rockingham	85,397	7,003	168	518	686
Harrisonburg	51,814	10,622	255	786	1,041
Shenandoah	43,497	3,523	85	261	345
Augusta	75,457	2,792	67	207	274
Frederick County	88,355	9,366	225		
Timberville	2,678	220	5		
Woodstock	5,807	1,138	27		
Elkton	2,941	241	6		
Stuarts Draft	12,142	170	4		
Edinburg	1,068	87	2		
Broadway	4,170	342	8	25	34
Bridgewater	6,596	343	8	25	34
Waynesboro	22,196	1,975	47	146	194
Staunton city	25,750	927	22	69	91
Winchester	28,120	5,118	123	379	502
Total	455,988	43,866	1,053	3,246	4,299

Black Population Statistics

Communities F&M Services	Total Population	Black Population	% Unbanked	% Underbanked	People to Service
Rockingham	85,397	2,391	57	177	234
Harrisonburg	51,814	3,731	90	276	366
Shenandoah	43,497	1,305	31	97	128
Augusta	75,457	3,697	89	274	362
Frederick County	88,355	4,418	106	327	433
Timberville	2,678	75	2	6	7
Woodstock	5,807	110	3	8	11
Elkton	2,941	82	2	6	8
Stuarts Draft	12,142	583	14	43	57
Edinburg	1,068	32	1	2	3
Broadway	4,170	117	3	9	11
Bridgewater	6,596	317	8	23	31
Waynesboro	22,196	2,553	61	189	250
Staunton city	25,750	2,884	69	213	283
Winchester	28,120	2,700	65	200	265
Total	455,988	24,994	600	1,850	2,449

$4,299 + 2,449 = 6,678$
 $6,678 * 17.06\% = 1,140$

FOCAL POPULATION

PERSONAS

Maria Ramirez, 40 Years Old

Unbanked Persona:

Maria is a Latina-American woman living close to down-town Harrisonburg on Chicago Ave. She lives with her husband, Ricardo, and three children, Gabriela, Samuel, and Isabel. She has a tight-knit family community with her sister and her family (pictured). She works at Dona Fer and is paid cash. Ricardo works construction jobs and is also often paid in cash. Instead of depositing their money in an FDIC insured bank, she believes that banks are untrustworthy and corrupt like they were in her home nationality of Venezuela.

Key point: Maria and Ricardo work hard to support their family to ensure their kids can grow up well supported in the U.S., however, some months are harder than others. Additionally, they are misinformed of the safety of banks like F&M.



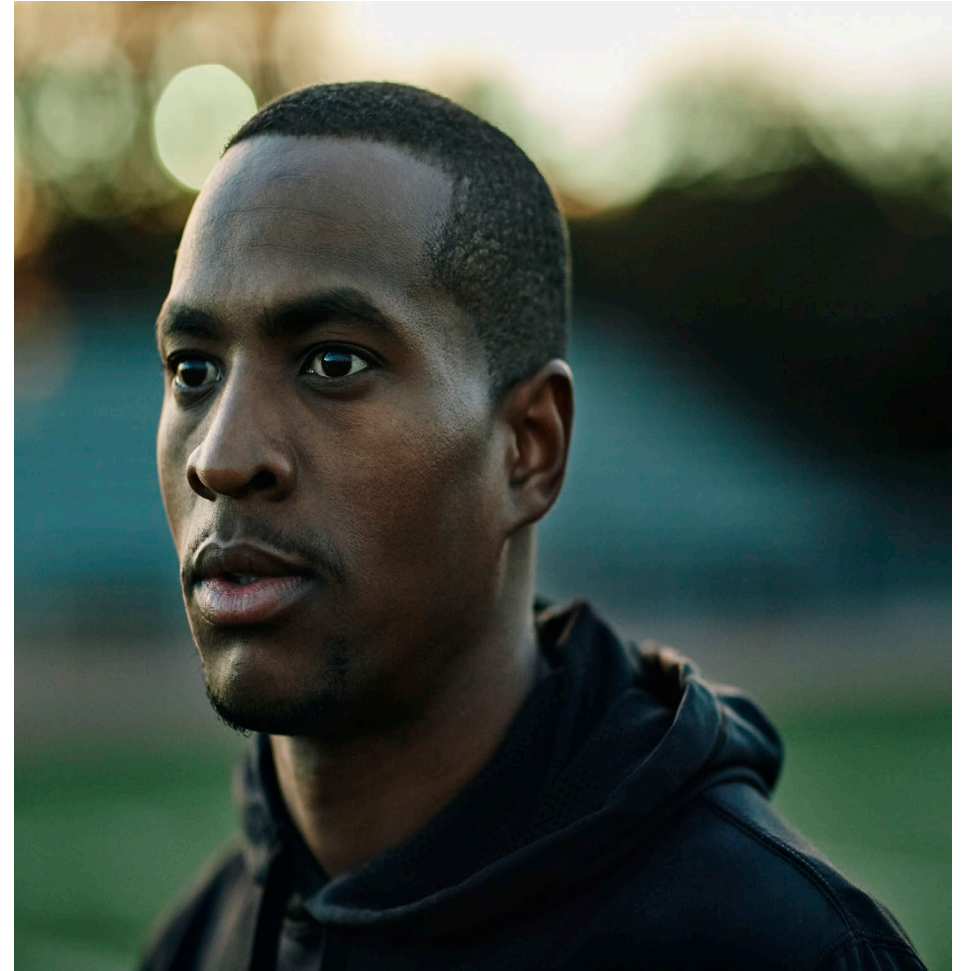
PERSONAS

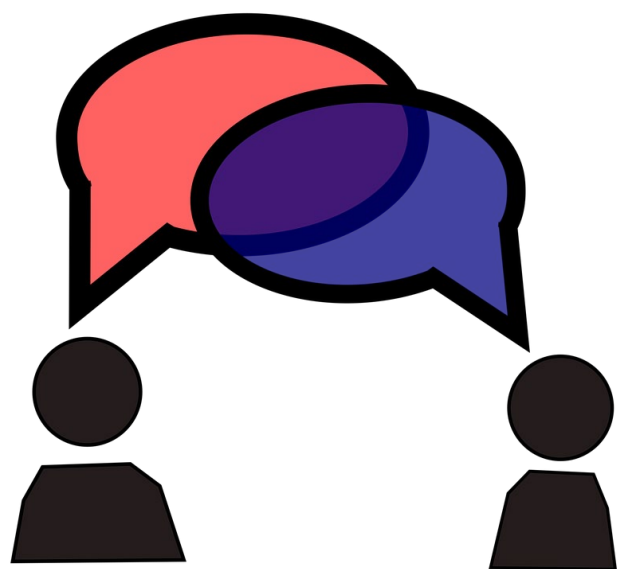
T'von Roberts, 35 Years Old

Underbanked Persona:

T'von is an African-American male who lives in Harrisonburg on Holly Ct. He works at Texas Roadhouse as a line cook. The restaurant he works at provides a prepaid card for his paycheck to be deposited and spent from. He also utilizes Venmo to make various transactions. He has a daughter who he sees on a biweekly basis on weekends. He is constantly working which has made it hard for him to make it into a bank to seek services. Additionally, he has a hefty credit card bill and poor credit score making it hard for him to obtain financial services.

Key take away: T'von makes decent money at his job, but he's unable to obtain financial services due to poor credit score and below-requirement minimum balance after making monthly bill payments.





SHORT SKIT



F&M Bank

**HOW CAN F&M BEST HELP THIS
COMMUNITY?**



SOLUTIONS

Hire

Hire Bilingual employees
(Hire Diversity Inclusion Officers)



Provide

Provide product and services videos in several languages



Offer

Offer classes/courses on banking and create financial education



Break down

Break down perks/benefit of banking in pamphlet (in different languages)



Attend

Attend community events to build relationship



Listen

Listen to customer concerns (at public events or concern boxes)



NEW PRODUCTS

Celebrating 115 Years All Summer Long!

I am excited to announce a summer promotion beginning next week and running through our bank's 115th anniversary on August 24th! We have much to celebrate, including our teammates, current and future customers, strong products and incentives, and our next 115 years as a locally owned and operated company. Multiple bank departments have collaborated on this initiative, intending to grow low-cost deposits (a strategic goal, if you recall)... **and** to recognize 115 years of commitment to each other and our communities. I've attached a memo that details the who, what, when, where, and why. Please find all the resources you need on our intranet at [115-Year](#).

We kick off on May 17th, and everyone is encouraged to participate in one way or another as we lead up to the Big Day on August 24th.

- **Community Development Financial Institution Certification and Products**
- **Bank On-Certified Initiative through the Cities for Financial Empowerment Fund**
- **Prepaid accounts as a steppingstone**
- **Account Incentives (example available up top)**

COMMUNITY SMALL DOLLAR CREDIT LINES

Why Should F&M Be Interested?

- DuPont holds a monopoly
- It directly showcases F&M's care for the community

STATE RESULT

Impact Data for Virginia

The CDFI Fund makes an impact by providing awards to organizations that make credit, capital, and other critical financial services available to disadvantaged businesses and low-income communities throughout the country. View state impact data by our CDFI Program and NMTC Program awardees to the right, and view the full list of awards made to organizations in this state below.

AMOUNT OF NMTC INVESTMENTS

\$822,227,750

NUMBER OF NMTC INVESTMENTS

79

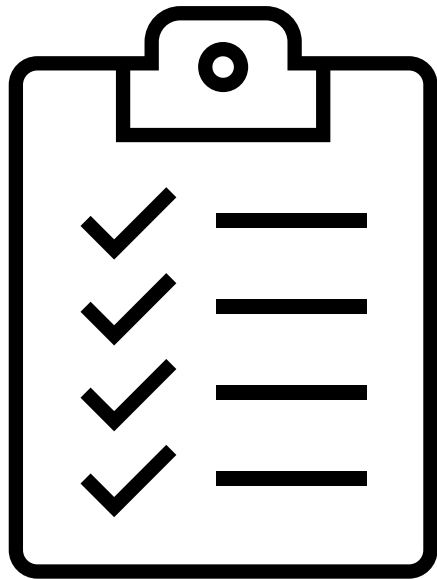
AMOUNT OF CDFI LOANS

\$196,426,789

NUMBER OF CDFI LOANS

3,013

BANK ON INITIATIVE



“**Bank On connects** consumers to safe and affordable bank accounts. The Bank On national platform, led by the nonprofit Cities for Financial Empowerment Fund (CFE Fund), helps individuals navigate the marketplace and easily identify accounts that meet their needs. When an account is **Bank On certified**, consumers know **it has features they are looking for**, including **low or no fees, no overdraft charges, online bill pay** and other basic attributes—giving them more **confidence to begin or restart their banking relationship** with the right tools to manage their money.”

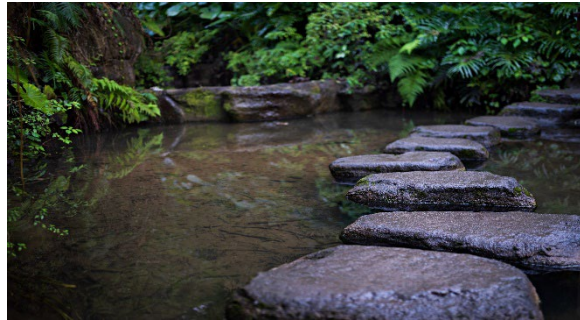
PREPAID CARDS AND INCENTIVES

Why Prepaid Cards?

- Steppingstone to move onto better accounts.
- Decreases the barrier
- No Credit score needed

Why Incentives?

- STRONG word of mouth basis in the Shenandoah Valley
- Even if someone does not bite on switching to F&M the incentive can make them curious enough to see what we have...
- We give back to the community



MARKETING STRATEGY FOR THE NEW PRODUCTS



Community events, and partnerships, and festivals, (Hispanic festival)



Direct Mail (available in different languages)



Equal representation in retail



Radio promotions



Flyers and promotion (mainly placed in places these demographics visit)



Word of mouth



EDUCATING THE UNBANKED AND THE UNDERBANKED

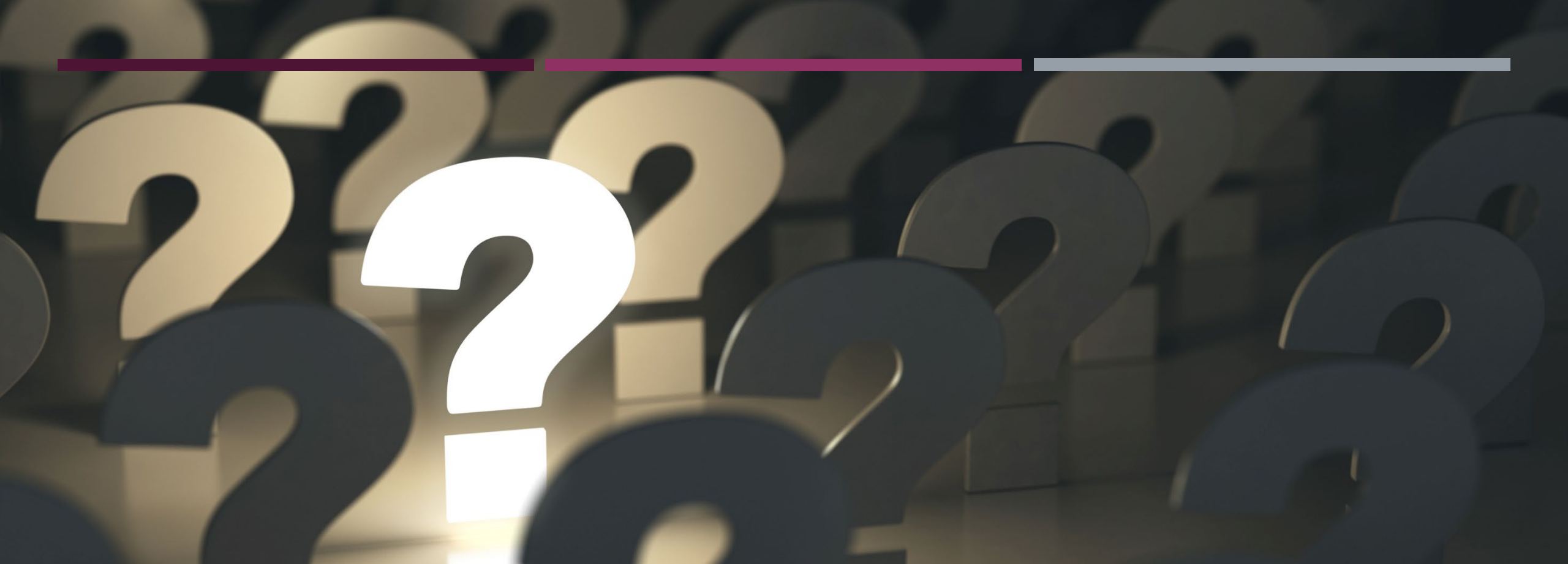


- Public Schools
- Classes at churches
- Integration programs in schools
- Videos showcasing F&M's products and services in multiple languages (Spanish, Kurdish, Portuguese, Arabic, etc.)
- Promoting Zogo at community events

OPPORTUNITY WITH ZOGO

- Zogo is an app that supplies learning games about banking and financial literacy.
- Earn Pineapples and turn it into gift cards!
- Many banks and credit unions, from community to national, partner with ZOGO.





QUESTIONS

REFERENCES

2021 FDIC National Survey of Unbanked and Underbanked Households. FDIC, 2021, <https://www.fdic.gov/analysis/household-survey/2021report.pdf>.

About – BankOn. <https://joinbankon.org/about/>. Accessed 20 July 2023.

“Bringing Unbanked Households Into the Banking System.” *Brookings*, <https://www.brookings.edu/articles/bringing-unbanked-households-into-the-banking-system/>. Accessed 20 July 2023.

Britannica Money. <https://www.britannica.com/money/unbanked-and-underbanked>. Accessed 20 July 2023.

Brown: We Must End Discrimination in Banking | United States Committee on Banking, Housing, and Urban Affairs. <https://www.banking.senate.gov/newsroom/majority/brown-end-discrimination-banking>. Accessed 20 July 2023.

“F&M Bank - That’s My Bank!” *F&M Bank*, 14 July 2023, <https://www.fmbankva.com/>.
Home. <https://partners.zogo.com>. Accessed 20 July 2023.

Home | Community Development Financial Institutions Fund. <https://www.cdfifund.gov/>. Accessed 20 July 2023.

The Benefits of Bank Diversity: 2022 Bank Board Diversity Analysis - The Greenlining Institute. <https://greenlining.org/2023/2022-bank-board-diversity-analysis/>. Accessed 20 July 2023.