



**BANK ON  
ARKANSAS+**

**Arkansas**  
Asset Funders Network

## Bank On Arkansas+

*Reducing and removing barriers to mainstream financial services for underserved communities*

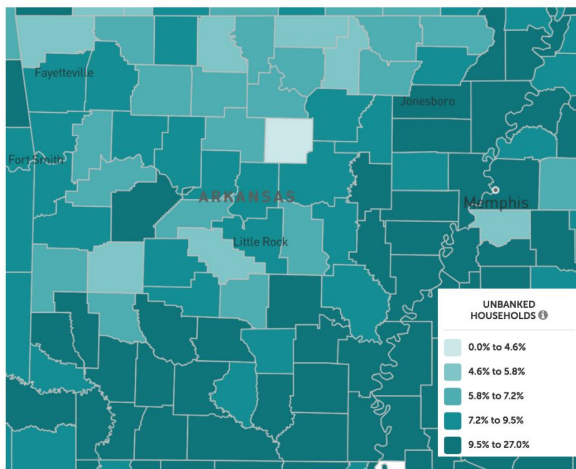
### The Challenge: Too Many Arkansans are Unbanked and Underbanked

Families who do have bank accounts often live paycheck to paycheck, which limits their economic mobility. Without bank accounts, families are often forced to rely on predatory lenders or check cashing establishments to cover monthly expenses and basic necessities, like rent, electricity, utilities, food, and medicine—paying more for basic services.

When lower-income families have access to bank accounts, they are more likely to own assets than families of similar means without bank accounts. Unfortunately, millions of families lacking access to mainstream financial services fall victim to high-risk, costly financial situations that trap them in a cycle of debt, dependency, and potential poverty.

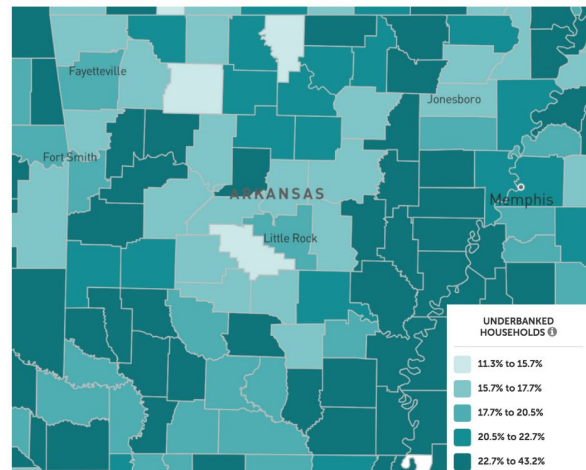
This cycle of “barely scraping by” is not uncommon among the unbanked community in Arkansas. According to the latest Federal Deposit Insurance Corporation’s survey, Arkansas has 9.7% unbanked households and 22.6% underbanked households, which are those that have a checking or savings account but also use other, often high-cost, alternative financial services.

### Unbanked Households



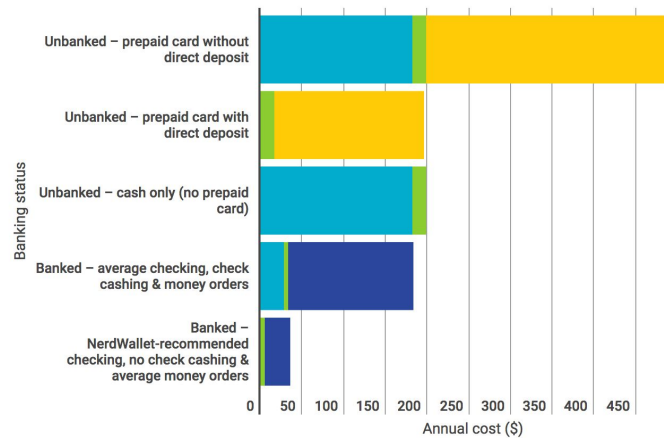
Highest percentage unbanked: Phillips County - 17.9%

### Underbanked Households



Highest percentage underbanked: Lee County, 29.8%

## Annual costs: unbanked vs. banked households



**\$196.50**

Average annual cost of not having a bank account for individuals who use a prepaid debit card that features direct deposit.

**\$497.33**

Average annual cost of not having a bank account for individuals who use a prepaid card that does not feature direct deposit.

### The Solution: Bank On Arkansas+

The goal of Bank On Arkansas+ is for all Arkansans to have safe, trusted, and affordable banking so they have the opportunity to save for themselves, build wealth for their families, and improve quality of life in their communities.

Bank On coalitions are local partnerships among municipal officials; city, state, and federal government agencies; financial institutions; and community organizations that work to improve the financial stability of unbanked and underbanked residents in their communities.

The Bank On model is housed at a national nonprofit organization—Cities for Financial Empowerment (CFE) Fund—which helps support local coalition efforts to connect consumers to safe and affordable bank accounts. In Arkansas, the Arkansas Asset Funders Network (AR AFN) recognizes the benefits resulting from the Bank On model initiative and seeded the first-ever statewide Bank On Arkansas+ Coalition.

### The Impact of Unbanked & Underbanked Communities

Lack of access to the financial mainstream makes it difficult for families to thrive and also impacts the economic potential of the communities in which they live. Not only do families miss out on opportunities to save more of their money and invest in assets like houses and cars, but also local economies suffer when residents are financially unstable, potentially putting a strain on social services.

When a larger portion of families are struggling, local and state governments must also confront greater needs with a thinner tax base. Local neighborhoods experience the negative consequences of a cash economy, which can erode public safety by increasing theft and related crimes.

## **Joining Bank On Arkansas+ as a Community Channel Partner**

Organizations like yours are a critical voice within these vulnerable communities and serve as a channel for individuals and families to connect with financial service providers.

By coordinating with financial service providers and community organizations like yours, Bank On Arkansas+ makes it easier for low- and moderate-income individuals to open bank accounts. At the same time, Community Channel Partners are invaluable in disseminating information and education regarding banking opportunities to the community.

We envision a reciprocal relationship, in which the Community Channel Partners promote Bank On accounts within the communities they serve. In turn, financial institutions can recommend services that our Channel Partners provide to the Bank On account holders.

Financially empowered families lead to financially empowered communities where everyone in the state of Arkansas, not just the few, can set and achieve their financial goals.

Will you join us?

To get involved:

□ Schedule a call with Stephanie Matthews, director of Bank On Arkansas+, to discuss how we can work together.

(Email: [stephanie@assetfunders.org](mailto:stephanie@assetfunders.org) | Cell: 985-856-9878)

□ Join the coalition's efforts to promote BOA+ and the certified accounts within low- and moderate-income communities.

□ Be part of the official launch of BOA+ in November 2018.

[www.BankOnAR.org](http://www.BankOnAR.org)  
[www.JoinBankOn.org](http://www.JoinBankOn.org)

*For more information, contact Kara Wilkins, director of Bank On Arkansas+ at [kara@BankOnAR.org](mailto:kara@BankOnAR.org) or 410-292-9569.*