

Second Edition of our Latino Banking and Financial Health Survey

On behalf of UnidosUS and Oportun, BSP Research surveyed 1,200 Latinos* throughout Arizona, California, and Texas regarding economic topics such as their use of bank accounts, junk fees†, and access to credit, as well as other financial health measures, including Latino savings levels, retirement savings, spending on health care, and debt levels. The survey is one of the largest studies of Latinos' financial health conducted by UnidosUS. It marks the second edition of an effort we first undertook in 2022 to better understand the financial situation of the 62 million Latinos living in the United States.

U.S. Latinos' economic output of [\\$3.2 trillion](#) would be the fifth largest gross domestic product (GDP) in the world if Latinos were an independent country. Latino economic output in the U.S. has grown by two and a half times in the last decade. However, this output doesn't mean that all Latinos are thriving economically. On the contrary, Latinos are experiencing mixed economic results. The good news is that [unemployment](#) is at near-historic lows, and [real wages](#) are rising even as [inflation](#) continues to decline. On the other hand, our survey shows that too many families continue to face economic difficulties. Nearly two-thirds of Latinos say they are very concerned about the increasing cost of living and housing costs. Many say they are worried about earning enough money to make ends meet, with more than half of Latinos concerned about paying next month's rent or mortgage.

During this precarious economic moment, we found that many Latinos are relying on high-cost financial products to cover their expenses. For example, more than half of respondents used an alternative financial product such as a payday loan or check cashing service, and more than half of Latinos paid a junk fee, such as an overdraft fee, when using their banking products. Many are incurring higher debts and dipping into their savings to cover costs. The data shows that nearly half of Latinos have medical debt, a quarter of Latinos are not confident they can pay off their debts in the next 10 years, and more than half have \$500 or less in total savings.

* The terms "Hispanic" and "Latino" are used interchangeably by the U.S. Census Bureau and throughout our materials to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race. Our materials may also refer to this population as "Latinx" to represent the diversity of gender identities and expressions that are present in the community.

† The term "junk fees" refers to hidden, unexpected, or unnecessary charges attached to goods and services such as loans, bank accounts, or purchases. Examples of junk fees include overdraft fees and credit card late fees.

Access to financial services remains a challenge, with high numbers of Latinos lacking access to bank accounts and credit. Our [survey](#) from 2022 found that 15% of Latinos didn't have access to a bank account, a rate much higher than the overall national unbanked rate of [4.5%](#). This year, we found that the unbanked rate for Latinos dropped to 10%, but it remains elevated compared to the national average. Our previous survey also found that 56% of respondents had a credit card, much lower than [the national rate of 82%](#). This year, 58% of respondents said they had a credit card, indicating a modest improvement, but leaving Latinos still well below the national rate.

Finally, we included new questions focused on the cost of health expenses. These revealed that Latinos are struggling to access health care due to high costs. More than half of the Latinos we surveyed chose to forgo a health care service, such as dental services or a doctor's appointment, because of the cost. And nearly half of Latinos had to take unwanted actions, such as cutting back on food expenses or using up their savings, because of medical debt.

Our study reveals that Latinos have made modest gains in accessing financial products over the past two years but continue to carry high debt burdens and pay excessive costs when using services. Many are also dipping into their savings to cover costs. As a result, Latinos continue to feel stressed about their financial situation and are struggling to make ends meet.

Respondents' concerns about costs and income are consistent with the findings from our recent [Latino voter poll](#), which found that the rising cost of living and lack of good quality jobs were the voters' top two concerns. This survey further demonstrates the need for policymakers to address these concerns and do more to consolidate the economic gains from the past few years.

Likewise, the data shows that Latinos continue to pay higher costs and have less access to financial products and services than other groups. The financial industry can and should do more to lower costs and reach marginalized consumers. Financial institutions should continue to be guided by the three overarching principles [that we've shared in the past](#) which can improve equity in the financial system while maintaining sustainable business models:

- Stakeholders should respect efforts by financial regulators to improve affordability in the marketplace while supporting innovations to better meet the needs of working-class people.
- Financial institutions should reimagine the relationship between themselves and consumers to promote long-term customer loyalty and financial health.
- Democratic structures can make our banking system more equitable.



Some of the key findings of this latest economic survey include:

Respondents are Concerned About their Economic Situation

1. Most Latinos are concerned about their ability to pay next month's rent or mortgage.
 - a. **Nearly two-thirds of low-income Latinos are worried about next month's rent or mortgage payment.** Sixty-five percent of respondents earning \$29,000 or less a year reported being concerned about next month's rent or mortgage payment, as did 41% of those earning more than \$50,000 a year.
 - b. **Two-thirds of young Latinos are concerned about next month's rent or mortgage payment.** Sixty-six percent of respondents aged 25-39 reported being concerned about next month's rent or mortgage payment compared to 44% of those aged 40 and over.
2. Lack of income and rising cost of living are the top economic concerns among respondents.
 - a. **Lack of income is the top economic concern, especially among low-income respondents.** Thirty-five percent of respondents said not making enough income is their top economic concern, with 49% of those making \$29,000 or less a year reporting that lack of income was their top concern.
 - b. **Rising housing costs are the second highest economic concern.** Twenty-five percent of respondents cited the inflated cost of housing as their top concern.
 - c. **The rising cost of day-to-day expenses is the third highest economic concern.** Seventeen percent of respondents cited the rising cost of day-to-day household expenses as their top economic concern.

Banking Costs and Lack of Access to Financial Products Remains a Key Concern

3. Latinos are paying a high amount in junk fees.
 - a. **More than half of respondents paid a fee while using financial services.** Fifty-two percent of respondents reported having paid a fee while using a financial service.
 - b. **More than a quarter of respondents paid an overdraft fee or credit card late fee.** Thirty percent and 25% of respondents paid an overdraft or credit card late fee, respectively, in the past year, with a higher percentage of those making less than \$29,000 a year paying these fees relative to those making more than \$50,000 a year.
 - c. **Many are paying hundreds of dollars in fees a year.** Among those who paid an overdraft fee, 30% paid \$100 or more. Among those who paid any type of card fee, 35% paid \$250 or more in fees.
4. A large number of Latinos are using alternative financial products, with some using new products such as earned wage access (EWA) or buy now pay later (BNPL).
 - a. **More than half of respondents used alternative products that are often high-cost and high-risk for consumers.** Fifty-six percent of respondents said they used services such as check cashers, payday loans, car title loans, pawn shops, tax refund loans, or a high-cost personal loan.
 - b. **Some respondents are using new alternative financial products such as EWA or BNPL to make ends meet.** Twelve percent and 17% of respondents used an EWA or BNPL product, respectively, with more than half of those using an EWA product saying they used it to cover regular expenses.
5. Lack of access to bank accounts and credit remains higher for low-income respondents.
 - a. **Costs and lack of trust are the leading reasons for not having an account.** Thirty-four percent of respondents cited minimum balance requirements, 28% cited lack of trust in banks, and 16% cited high bank fees as barriers to obtaining an account.
 - b. **Low-income respondents have the highest unbanked rate.** Nineteen percent of respondents making less than \$29,000 a year don't have an account compared to 3% of those making more than \$50,000 a year.
 - c. **Low-income respondents have the lowest level of credit card ownership.** Only 33% of respondents earning less than \$29,000 a year have a credit card compared to 71% of those earning more than \$50,000 a year.

Latinos Continue to Struggle with High Debt Burdens and Low Savings

6. Student loan debt, mortgage loan debt, and medical debt remain a burden on Latinos.
 - a. **Student debt levels are high for many respondents.** Forty-eight percent of Latinos with a student loan have \$15,000 or more in outstanding debt, with 55% of women owing more than \$15,000.
 - b. **Many Latinos are struggling to make payments on their student loans.** Fifty-three percent of Latinos with a student loan went into deferment or forbearance with their loan, and 19% said their loan went into default.
 - c. **Most Latinos have high mortgage debt burdens, with young people experiencing especially high mortgage debt levels.** Fifty-nine percent of respondents have \$100,000 or more in mortgage debt. This share rises from 53% for those aged 40 and over to 81% for those between the ages of 25 and 39.
 - d. **Almost half of respondents have medical debt.** Forty-seven percent of respondents have any medical debt, and 11% owe more than \$2,500 in medical debt.
 - e. **Loan burdens are impacting Latinos' well-being.** Sixty-four percent of respondents with student loan debt say their debt is impacting their mental and physical health, and 69% of respondents with any type of loan say debt is impacting their ability to save for retirement.
7. Most Latinos have very low savings of any kind, including low levels of retirement savings.
 - a. **Most Latinos do not have \$400 for an emergency.** Sixty-two percent of respondents reported having \$400 or less saved in case of an emergency. Thirty-five percent do not have any money saved for an emergency; this share rises to 57% for respondents who earn \$29,000 or less per year.
 - b. **Latinos of all ages have low levels of retirement savings.** Fifty-six percent of all respondents and 47% of those aged 40 and over have \$40,000 or less in retirement savings.

As part of its economic policy work, UnidosUS will continue to produce new research and analysis, like its recent national poll of Latino voters, to inform policymakers and the public.

Methodology

BSP was commissioned by UnidosUS to field a study of Latinos aged 25 and older, focused on banking and access to credit, with a particular focus on low-to moderate-income households. In order to further understand the attitudes of lower-income households, an oversample of households earning less than \$40,000 per year was included. This poll was in the field April 8–22 2024, and it included 1,200 interviews across Arizona, California, and Texas. The overall sample has a margin of error (MoE) of +/- 2.8%, and each state sample has an MoE of +/- 4.9%.

The poll was available in English or Spanish at the choice of each respondent. Participants were randomly contacted by live telephone call (25%), as well as being randomly contacted by text-to-web self-complete and online panels (75%). Final data was weighted in each state to match the most recently available census estimates for the Latino population, using a post-estimation raking algorithm.

About UnidosUS

UnidosUS is a nonprofit, nonpartisan organization that serves as the nation's largest Hispanic civil rights and advocacy organization. Since 1968, we have challenged the social, economic, and political barriers that affect Latinos through our unique combination of expert research, advocacy, programs, and an [Affiliate Network](#) of nearly 300 community-based organizations across the United States and Puerto Rico. We believe in an America where economic, political, and social progress is a reality for all Latinos, and we collaborate across communities to achieve it.

For more information on UnidosUS, visit www.unidosus.org, or follow us on [Facebook](#), [Instagram](#), [LinkedIn](#) and [X](#).

About Oportun

Oportun (Nasdaq: OPRT) is a mission-driven fintech and community development financial institution (CDFI) that puts its members' financial goals within reach. With intelligent borrowing, savings, and budgeting capabilities, Oportun empowers members with the confidence to build a better financial future. Since inception, Oportun has provided more than \$18.2 billion in responsible and affordable credit, saved its members more than \$2.4 billion in interest and fees, and helped its members save an average of more than \$1,800 annually. For more information, visit Oportun.com. Oportun serves customers online, over the phone, and in-person in English and Spanish in the following 12 states: Arizona, California, Florida, Idaho, Illinois, Missouri, Nevada, New Jersey, New Mexico, Texas, Utah, and Wisconsin. For more information on Oportun please visit oportun.com.