

Consumer Overdraft Survey: Methodology and Topline Result

This methodology was updated March 6, 2018, to include population estimates based on U.S. Census Bureau data.

Introduction

SSRS, an independent research company, conducted the overdraft charges survey on behalf of The Pew Charitable Trusts. The survey covered the use and perception of overdraft programs, as well as customer understanding of bank overdraft opt-in policies.

Sample definition

The survey was conducted via telephone, with 69 percent of the interviews completed on cellphones. Interviews were conducted with a nationally representative sample of 1,059 adults, age 18 or older, who reported having been charged a fee for not having enough money in their bank account to cover a charge during the past 12 months. The survey was conducted in English and Spanish from April 5 to May 7, 2017, using a combination of random digit dialing landline telephone households and randomly generated cellphone numbers.

Participants were asked questions 1 and 2 (below) to determine whether or not they had overdrawn an account in the last 12 months. In total, 51 responses from this sample were excluded, yielding a final sample of 1,008.

Based on the sample weighting discussed below, these 1,008 respondents represent over 39 million (almost 16 percent of) U.S. adults. July 2016 census data estimates the U.S. adult population to be 249,454,440.

One respondent, who answered “yes” to Question 1, is recorded as having 977 for the number of overdrafts in Question 2. This number may have been a coding error, or it represents an outlier in the data. In either case, we felt compelled to exclude the data from our responses.

Additionally, some respondents answered both filtering questions in a manner that led us to exclude them from our analysis. Our final sample comprises respondents who met the following criteria by:

- 1) Answering “yes” to Question 1 (when asked if they had been charged a fee for not having enough money in their bank accounts in the last 12 months); and/or
- 2) Providing a number of overdrafts that they had paid in the last 12 months.

METHODOLOGY

This eliminated the 50 participants who answered “don’t know” or “refused” to both questions 1 and 2. (This is demonstrated in the cross-tab below; eliminated answers are shaded.)

Questions 1 and 2:

This table shows the number of respondents in each category.

Question 1: Within the last 12 months, have you been charged any fee for not having enough money in your bank account to pay for a purchase or cover a charge that came in? This could be an overdraft fee, a non-sufficient funds fee, or a bounced check fee.	Question 2: Taking your best guess, how many of these fees have you paid in the last 12 months?				
		1-2	3 or more	Don't know	Refused
	Yes	450	512	34	6
	Don't know	3	1	22	2
	Refused	0	2	2	24

Note: The responses to Question 2 are condensed into two groups (1-2 times and 3 or more times) for those who provided a number for ease of reading.

© 2018 The Pew Charitable Trusts

Question 1:

Within the last 12 months, have you been charged any fee for not having enough money in your bank account to pay for a purchase or cover a charge that came in? This could be an overdraft fee, a non-sufficient funds fee, or a bounced check fee.

Yes	No	Don't know	Refused	Number of respondents
100%	<0.5%	<0.5%	<0.5%	1,008

Note: Data may not add to 100 percent because of rounding.

© 2018 The Pew Charitable Trusts

Question 2:

Taking your best guess, how many of these fees have you paid in the last 12 months?

Overdraft frequency	Percentage	Number of respondents
1	25%	251
2	20%	202
3 or more times (NET)	51%	515
3	13%	136

METHODOLOGY

Overdraft frequency	Percentage	Number of respondents
4	10%	89
5-9	13%	138
10 or more	15%	152
Don't know	3%	34
Refused	1%	6
		1,008

© 2018 The Pew Charitable Trusts

Survey weighting and error

Each SSRS omnibus insert was weighted to provide nationally representative and projectable estimates of the adult population, age 18 and older. The weighting process accounts for the disproportionate probabilities of household and respondent selection because of the number of separate telephone landlines and cellphones answered by respondents and their households, as well as the probability associated with the random selection of an individual household member. After applying the above weights, the sample was post-stratified and balanced by key demographics such as age, race, sex, region, and education using benchmarks from the most recent March supplement of the U.S. Census Bureau's Current Population Survey. The sample was also weighted to reflect the distribution of phone usage in the general population, meaning the proportion of those who are cellphone only, landline only, and mixed users. The margin of error, including design effect (1.4), for the full sample is plus or minus 3.5 percentage points at the 95 percent confidence level.

More information about the weighting procedures and sampling frame is available at <https://ssrs.com/wp-content/uploads/2018/03/SSRS-Omnibus-Methodology-November-2017.pdf>.

Sample sizes and sampling errors for other subgroups reported in the publication are available upon request.

In addition to sampling error, one should bear in mind that question wording and practical difficulties in conducting surveys can introduce error or bias into the findings.

Survey topline

All results are percentages of total respondents (1,008) unless otherwise noted.

METHODOLOGY

Question 3:

I'm going to read you four situations about people not having enough money in their bank account to cover a transaction. For each, just tell me if this has happened to you in the past 12 months, has not happened, or if you don't know.

Situation	Has happened in the past 12 months	Has not happened	Don't know	Refused	Number of respondents
a. A debit card purchase overdrew your bank account	52%	43%	5%	<0.5%	1,008
b. An ATM withdrawal overdrew your bank account	23%	73%	4%	<0.5%	1,008
c. A check overdrew your bank account or bounced	35%	61%	3%	<0.5%	1,008
d. A company tried to withdraw a payment electronically, or you tried to make an online payment, and you were charged a fee because there wasn't enough money in the account	52%	43%	4%	<0.5%	1,008

Note: Data may not add to 100 percent because of rounding.

© 2018 The Pew Charitable Trusts

Question 4:

And in the past 12 months, did you ever have a situation where your bank did not cover (declined) a payment and also charged you a bounced check or nonsufficient funds fee?

Yes	No	Don't know	Refused	Number of respondents
34%	64%	2%	<0.5%	1,008

Note: Data may not add to 100 percent because of rounding.

© 2018 The Pew Charitable Trusts

METHODOLOGY

Question 5:

In the past 12 months, has anyone at your bank discussed alternative overdraft options with you? (If respondent is unsure, say: "For example, has anyone at your bank suggested options they provide so you could avoid paying overdraft penalty fees?" If respondent is still unsure, record as "don't know.")

Yes	No	Don't know	Refused	Number of respondents
27%	72%	1%	<0.5%	1,008

Note: Data may not add to 100 percent because of rounding.

© 2018 The Pew Charitable Trusts

Question 6:

As far as you know, (does/did) your bank give you the option to have debit card payments declined without charging you a fee?

Yes, I can choose to have my bank decline without a fee	No, I am charged a fee if my bank declines a debit card payment	Don't know	Refused	Number of respondents
30%	42%	28%	<0.5%	1,008

Note: Data may not add to 100 percent because of rounding.

© 2018 The Pew Charitable Trusts

Question 7:

Do you currently have a checking or savings account, or not?

Yes	No	Don't know	Refused	Number of respondents
92%	8%	<0.5%	<0.5%	1,008

Note: Data may not add to 100 percent because of rounding.

© 2018 The Pew Charitable Trusts

METHODOLOGY

Question 8:

In the past 5 years, was there any time when you did not have a bank account?

(Asked of total who have been charged a fee for not having enough in their bank account to cover charge in the last 12 months and currently have a checking or savings account; n = 940)

Yes, there was a time I did not have an account	No, always had an account	Don't know	Refused	Number of respondents
17%	83%	<0.5%	<0.5%	940

Note: Data may not add to 100 percent because of rounding.

© 2018 The Pew Charitable Trusts

Question 9:

Which best describes your income each month, would you say that...?

It's about the same each month	It varies somewhat from month to month	It varies a lot from month to month	Don't know	Refused	Number of respondents
61%	27%	11%	1%	<0.5%	1,008

Note: Data may not add to 100 percent because of rounding.

© 2018 The Pew Charitable Trusts

Question 10:

How often, if ever, do you have trouble meeting your regular monthly bills and expenses?

Every month	Most months	About half the time	Less than half the time	Never	Don't know	Refused	Number of respondents
15%	13%	17%	29%	25%	1%	<0.5%	1,008

Note: Data may not add to 100 percent because of rounding.

© 2018 The Pew Charitable Trusts

METHODOLOGY

Question 11:

In the past 12 months, did you apply for any credit?

Yes	No	Don't know	Refused	Number of respondents
40%	59%	1%	<0.5%	1,008

Note: Data may not add to 100 percent because of rounding.

© 2018 The Pew Charitable Trusts

Question 11a:

And were you approved or declined?

(Asked of total who have been charged a fee for not having enough in their bank account to cover charge in the last 12 months and have applied for credit in the last 12 months; n = 407)

Approved	Declined	Approved for some/declined for some	Don't know	Refused	Number of respondents
59%	30%	10%	<0.5%	<0.5%	407

Note: Data may not add to 100 percent because of rounding.

© 2018 The Pew Charitable Trusts

Question 12:

If you had to guess your credit score, would you say it is ...?

Excellent/good			Fair/poor			Don't know	Refused	Number of respondents
NET	Excellent	Good	NET	Fair	Poor			
36%	9%	27%	59%	30%	29%	4%	<0.5%	1,008

Note: Data may not add to 100 percent because of rounding.

© 2018 The Pew Charitable Trusts

METHODOLOGY

Question 13:

Suppose that you have an emergency expense that costs \$400. Here are some ways people might pay for that type of expense. Based on your current financial situation, is (INSERT ITEM) something you could or could not do to pay for this expense?

Ways to pay for \$400 emergency expense	Could do	Could not do	Don't know	Refused	Number of respondents
a. Putting it on your credit card and not paying it off that month	42%	54%	3%	1%	1,008
b. Using money in your bank account or cash	62%	36%	2%	<0.5%	1,008
c. Borrowing money from a friend or family member	62%	36%	1%	<0.5%	1,008

Note: Data may not add to 100 percent because of rounding.

© 2018 The Pew Charitable Trusts

Question 14:

Suppose for a moment that you used your debit card to buy something at a store that would overdraw your checking account by about \$20. (If respondents stated that they did not have a checking account, they were asked, "Suppose for a moment that when you last had a bank account...")

Do you think the bank would probably let the transaction go through or would the bank probably decline the transaction?

The bank would probably let the transaction go through	The bank would probably decline the transaction	Don't know	Refused	Number of respondents
57%	36%	7%	<0.5%	1,008

Note: Data may not add to 100 percent because of rounding.

© 2018 The Pew Charitable Trusts

METHODOLOGY

Question 15:

Would the bank charge you a fee for this or not?

Yes	No	Don't know	Refused	Number of respondents
71%	23%	6%	<0.5%	1,008

Note: Data may not add to 100 percent because of rounding.

© 2018 The Pew Charitable Trusts

Question 15 with Question 14:

Question 15: Would the bank charge you a fee for this or not?	Question 14: Do you think the bank would probably let the transaction go through or would the bank probably decline the transaction?		
		Transaction would go through	Transaction would decline
	Yes	83%	54%
	No	14%	41%
	Don't know	3%	5%
	Refused	<0.5%	<0.5%
Total	100%	100%	

Note: This table shows combined answers to questions 14 and 15. Data may not add to 100 percent because of rounding.

© 2018 The Pew Charitable Trusts

Question 16:

Would money transfer from another one of your accounts or a line of credit, or would the account just go negative?

(Asked of total who have been charged a fee for not having enough in their bank account to cover charge in the last 12 months and the bank would probably let the transaction go through; n = 588)

Would transfer	Would go negative	Don't know	Refused	Number of respondents
35%	58%	7%	<0.5%	588

Note: Data may not add to 100 percent because of rounding.

© 2018 The Pew Charitable Trusts

METHODOLOGY

Question 17:

Thinking about the last time you overdrafted, which of these statements best describes your experience?

I thought I did not have enough money to cover the purchase or charge	I wasn't sure if I had enough money to cover the purchase or charge	I thought I had enough money to cover the purchase or charge	Don't know	Refused	Number of respondents
8%	18%	69%	4%	1%	1,008

© 2018 The Pew Charitable Trusts

Question 18:

In general, do you see overdraft as more of a way to make sure payments go through when you're not sure how much money is in your account or more of a way to borrow money when you're short on cash?

Make sure payments go through when not sure	Borrow money when short on cash	Don't know	Refused	Number of respondents
55%	32%	11%	2%	1,008

© 2018 The Pew Charitable Trusts